

FOR ALL MARKET PARTICIPANTS PRIMARY MARKET AUCTION OF GOP IJARAH SUKUK

This is with reference to PSX Notice# PSX/N-197 dated 5th March, 2024 regarding the Auction Calendar for GoP Ijarah Sukuk (GIS).

All Market Participants are hereby informed that the 5th auction of GoP Ijarah Sukuk (GIS) is planned to be conducted on **28th March, 2024** through PSX Auction System. All Broker Clearing Members (BCMs), Non-Broker Clearing Members (NBCMs) and Professional Clearing Member (PCM) of National Clearing Company of Pakistan Limited (NCCPL) are eligible to participate in the Auction for their proprietary accounts, investors and funds under their management.

Please note following key points applicable for this auction:

- The Participant Admin User details (Back office and Front office) as provided by the participants for the 4th auction dated 14th March, 2024 to PSX/NCCPL shall be used 'as is' for this upcoming auction.
- In case of any amendment in the Admin user details, participants may inform PSX/NCCPL accordingly with the updated details.
- All NBCMs shall be assigned all 5 instruments by default, for onward assignment to their investors as per their requirement.
- BCM participants are required to provide instrument wise **10% Advance Committed Amount** and inform PSX/NCCPL via emails nccpl-docs@nccpl.com.pk & trading@psx.com.pk with the subject clearly specifying "**Primary Market Auction Setup**".
- All participants shall use their same credentials (User ID, Password and PIN Code) for this auction as were used in 14th March auction for investor mapping/cash assignment and bidding.
- The investors registered by the participants in 4th auction shall remain there in auction system and participants just need to map the instruments and assign cash where applicable.

All Participants are requested to please follow the step by step procedure as mentioned below:

Activity	Day & Date	Time
<p>BCM Participants to communicate their expression of interest along with 10% Advanced instrument wise committed cash amount to NCCPL/PSX at (nccpl-docs@nccpl.com.pk; trading@psx.com.pk) with subject clearly specifying 'Primary Market Auction Setup'.</p> <p>BCMs shall also be required to submit their cash advance through the GDS Advance Deposit screen available on their NCCS terminals via URL https://nccs.nccpl.pk/Nccs.jsp</p>	<p>From: Friday, March 22, 2024</p> <p>Till: Monday, March 25, 2024</p>	<p>From: 9:00 a.m.</p> <p>Till: 5:00 p.m.</p>

<p>New participants shall provide two Admin users detail to NCCPL/PSX; one for Front Office and the other for Back Office.</p> <p>(Note – 1)</p>		
<p>Upon registration of Participants and limit assignment by PSX, Participants shall be registered in the Auction System along with the accurate registration details and the assigned limits.</p> <p>The credentials (Login ID and Password) of Participants for Auction System shall be sent on their registered email addresses while PIN code shall be sent on to the register mobile numbers.</p>	<p>From: Friday, March 22, 2024 Till: Tuesday, March 26, 2024</p>	<p>From: 11:00 a.m. To: 12:00 p.m.</p>
<p>Interested participants would be required to map the auction instrument (s) and assign cash using their auction system credentials used in 4th auction.</p> <p>Participants who had not participated in 4th auction shall be required to register their investors and also instrument mapping/cash assignment.</p> <p>(Note – 2)</p>	<p>From: Friday, March 22, 2024 To: Tuesday, March 26, 2024</p>	<p>From: 2:00 p.m. To: 4:00 p.m.</p>
<p>Advance cash amount committed to NCCPL shall be deposited through NCSS terminal via URL https://ncss.nccpl.pk/Ncss.jsp by 12:30 p.m. one day before the Auction Day. In case of failure, respective participant would be disabled for the bidding session.</p>	<p>Wednesday, March 27, 2024</p>	<p>From: 9:00 a.m. To: 12:30 p.m.</p>
<p>Auction of all 5 instruments [Competitive & Non-Competitive]</p>	<p>Thursday, March 28, 2024</p>	<p>From: 9:00 a.m. To: 11:00 a.m.</p>

Note – 1

CM ID	CM Name	User Type	Participant Contact Person	Contact Person	Contact Person	No. of Branches to be created	Margin Allocation % in case of Branch	Instrument Code	Instrument wise Advance Amount (Rs.)
				Email Address	Mobile#				
11111	ABC Bank	Front Office	ABC	abc@hotmail.com	923341234567	1	-	P01GIS280325 P03FRR240127 P05FRR240129 P03VRR240127 P05VRR240129	-
11111	ABC Bank	Back Office	XYZ	xyz@hotmail.com	923451234567				

22222	ABC Broker	Front Office	ABC1	abc1@hotmail.com	923331234567	2	50%	P01GIS280325 P03FRR240127 P05FRR240129 P03VRR240127 P05VRR240129	500,000 in each instrument
22222	ABC Broker	Back Office	XYZ1	xyz1@hotmail.com	923001234567				
22222	ABC Broker - 01	Front Office	ABC2	abc2@hotmail.com	923011234567	50%			
22222	ABC Broker-01	Back Office	XYZ2	xyz@hotmail.com	923441234567				

***Instrument wise Advance Amount is ONLY applicable for BCMs.**

Note – 2:

Investor Name	CNIC#/UIN	Email Address	Mobile# (11 Digits)	IBAN Number	Sub A/c. Number	CDC Participant ID	Instru ment Code	10% Advance Amt.
ABC	For CNIC: 13-Digits without “-“ For Co. Reg.# Minimum of 7 digits	abc@hotmail.com	923331234567	24 Digits without spaces PK12BAHL1068 007801028101	Should be accurate	Should be accurate and of 5 digits		

Auction and Instrument Details:

Auction System Link	Participants and Investors can place bids through online auction portal provided by PSX: https://debt.psx.com.pk/
Auction Day & Date	Thursday, March 28, 2024
Auction Timings (Competitive & Non-Competitive Bidding)	09:00 a.m. to 11:00 a.m.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) through Ministry of Finance (MoF)
Instruments Issue	<ul style="list-style-type: none"> ▪ 1 Year Fixed Rate Discounted GIS ▪ 3 & 5 Year GIS-Fixed Rental Rate (FRR) – 3rd Re-opening ▪ 3 & 5 Year GIS-Variable Rental Rate (VRR) – 3rd Re-opening
Instrument Code	<ul style="list-style-type: none"> ▪ P01GIS280325 ▪ P03FRR240127 ▪ P05FRR240129 ▪ P03VRR240127 ▪ P05VRR240129
Instrument Name	<ul style="list-style-type: none"> ▪ 1 Year Fixed Rate Discounted GIS – Maturity Date 28-Mar-25 ▪ 3 Year GIS-FRR – Maturity Date 24-Jan-27 ▪ 5 Year GIS-FRR – Maturity Date 24-Jan-29 ▪ 3 Year GIS-VRR – Maturity Date 24-Jan-27 ▪ 5 Year GIS-VRR – Maturity Date 24-Jan-29
Tenor	<ul style="list-style-type: none"> ▪ 1 Year for GIS-Discounted ▪ 3 Years and 5 Years for GIS-FRR and GIS-VRR
Face Value per Sukuk	Rs.5,000 for all instruments
Re-Opening Settlement Date	29-Mar-2024 (Business Day following the Auction Day)
Accrued Days	65
Price Premium	Bid Face Amount*(Cut-Off Rental Rate of fresh issue/365*Accrued Days)
Minimum Bid Size	Rs.5,000 and in multiple thereof for all instruments

Maximum Bidding Limit (Rs.)	<ul style="list-style-type: none"> For competitive bids, there is no maximum amount For non-competitive bids, the maximum limit per investor is 0.25% of pre-auction target amount or Rs.500 million whichever is lower
Target Amount	<ul style="list-style-type: none"> PKR 10 Billion for GIS-Discounted PKR 10 Billion for 3 Year GIS-FRR PKR 10 Billion for 5 Year GIS-FRR PKR 10 Billion for 3 Year GIS-VRR PKR 10 Billion for 5 Year GIS-VRR
Eligible Investors	<ul style="list-style-type: none"> Existing investors having CDC Sub A/c or CDC IAS Account Roshan Digital Account Holders (RDA) through CDC Investor Account Services New investors having no CDC Sub A/c can participate through Facilitation Account service provided by CDC
Advance cash Requirements	<ul style="list-style-type: none"> For BCMs, CDC IAS and PCM advance cash one day before auction, remaining on settlement date on A+1 For NBCMs (Banks or DFI), Standing Instruction required one day before auction For NBCMs (Mutual Funds), Irrevocable undertaking from Trustee is required one day before auction In case, successful investors do not fulfill their money obligation, Participant may inform NCCPL to park the units in participant's house account instead of the investors account.

Instrument wise Term Sheets are enclosed as Annexure "A", Annexure "B" and Annexure "C".

Please note that primary and secondary market procedures along with other necessary details are placed on the PSX website at the following link:

<https://www.psx.com.pk/psx/product-and-services/products/government-debt-securities-primary-market-auction>

Participants can communicate at trading@psx.com.pk, nccpl-docs@nccpl.com.pk & info@cdcpak.com or call via the following numbers, for required support:

Location	Contact Details
PSX	021-35274384 021-35274337 021-35274328 & 021-35274401 to 4410
NCCPL	021-111-111-622
CDC	0800-23275

PSX, CDC and NCCPL look forward to your usual support and cooperation towards the successful primary issuance of Sukuk through Capital Market.

Regards,

_____sd_____
Jawad H. Hashmi
General Manager,
Chief Market Operations Officer – PSX

_____sd_____
Muhammad Asif
General Manager,
Head of Operations-NCCPL

_____sd_____
Abdul Samad
Chief Operating Officer-CDC

Copy To:

1. The Director General, Debt Office
2. ED, FMRM (SBP)
3. The Director / HOD (PRDD), SECP
4. The Chief Executive Officer, PSX
5. The Chief Executive Officer, CDC
6. The Chief Executive Officer, NCCPL
7. Secretary General, PSBA
8. MUFAP
9. Pakistan Bankers Association
10. Financial Market Association of Pakistan
11. PSX Website

Annexure “A”

Term Sheet

1-year Listed GOP Ijarah Sukuk

Issue / Security	1-year listed GOP Ijarah Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 10 billion.
Issue Date	Friday, March 29, 2024
Maturity Date	Friday, March 28, 2025
Sukuk	A Shariah-compliant certificate/instrument that represents the undivided proportionate ownership of the Ijarah Asset.
Face Value	Face Value means the amount to be received by each Security holder at maturity. (It is the sum of sale proceed of each Sukuk Certificate at Maturity Date of the Issue and payable Ijarah Rental)
Bid Amount Face Value	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.
Bid Price	Bid Price shall be the price computed by the bidder for a Security using Face Value of 100 and specified up to four decimal places.
Bid Amount Realized Value	$Bid\ Amount\ Face\ Value \times \frac{Bid\ Price}{100}$
Cut-off Price	<p>Cut-off Price shall be the Bid Price accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Price, the auction shall stand rejected.</p> <p>This Cut-off Price will be used to calculate the Investment Value for each Sukuk</p>

<p>Investment Value</p>	<p>Investment Value of a successful bid shall be equal to</p> $Bid\ Amount\ Face\ Value \times \frac{Cut - off\ Price}{100}$ <p>Investment Value per Sukuk shall be the purchase price of the proportionate share purchased by the investor in the identified Ijarah Asset.</p> <p>Each Sukuk represent the undivided proportionate ownership share in the Ijarah asset up to the investment Value.</p> <p>The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follows:</p> <p>Investment Value per Sukuk / Total Market Value of the Asset.</p>
<p>Tenor</p>	<p>364 days.</p>
<p>Joint Financial Advisors & Shariah Advisor to the Issue</p>	<p>Meezan Bank Limited, Dubai Islamic Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Bank Alfalah Limited.</p>
<p>Issuance Methodology</p>	<p>The Sukuk shall be issued at a discount (Investment Value) from the Face Value.</p> <p>An investor may submit any number of bids to purchase the Sukuk in the manner prescribed by Pakistan Stock Exchange (PSX).</p> <p>Each bid must specify the Bid Amount Face Value and the Bid Price.</p> <p>The auction shall follow a single price methodology. All bids whose Bid Prices are equal to or higher than the Cut-off Price shall be treated as successful bids. All the successful bidders shall be allocated the cut-off Price.</p>
<p>Ijarah Rental (Profit)</p>	<p>Ijarah Rental in respect of an issued security shall be equal to its Face Value minus Investment Value.</p> <p>The amount of rental shall remain fixed for entire tenure.</p>
<p>Tradability</p>	<p>Tradable on Pakistan Stock Exchange (PSX).</p>
<p>Rental Payment Frequency</p>	<p>On maturity.</p>
<p>Rental Payment Obligation & Asset Purchase Undertaking</p>	<p>Government of Pakistan.</p>
<p>Ijarah Asset Details & Valuation</p>	<p>Ijarah Asset means the undivided asset share to be purchased by the Sukuk holders as defined in the Transaction Structure.</p>

<p>Transaction Structure, Shariah Approval</p>	<p>Transaction structure is based on Ijarah (sale & lease back of underlying assets).</p> <p>A detailed transaction structure (including Shariah Advisor's approval, asset details, transaction flow, related transaction risks & reward) as approved by the Shariah Advisor to the Issue is attached as Annex-A.</p>
<p>Eligible Investors</p>	<p>All eligible investors as defined in the Government of Pakistan Sukuk Rules 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023 including the following:</p> <ul style="list-style-type: none"> • Individuals, Institutions, Trusts, funds of all types, bodies corporate including banks, non-banking finance companies, insurance and Takaful companies irrespective of their residential status. • RDA Customers. • Non-resident Pakistani. • Foreign Investors & International Islamic Banks & FIs.
<p>Eligible Participants</p>	<p>All Clearing Members of NCCPL shall be allowed to submit bids as Auction Participants in the auction process.</p>
<p>Non-Competitive Bid (NCB)</p>	<p>The investors may place NCBs on the auction date in the manner prescribed by PSX.</p> <p>NCB shall only specify the Bid Amount Face Value.</p> <p>A single investor shall not bid for an aggregate face value exceeding 0.25% of the Auction Target or PKR 500 million, whichever is lower.</p> <p>In case the aggregate Face Value of all NCBs is greater than the available cushion in the Ijarah Asset, the securities shall be issued on prorata basis to the relevant investors.</p> <p>All NCBs shall be treated as successful provided that the Ministry of Finance announces a cut-off price. No NCBs shall be treated as successful in case the auction is rejected.</p> <p>The calculation methodology of Investment Value and Ijarah Rental for NCBs shall be the same as of the competitive bids.</p>

Margin Requirement	Margins requirements shall be as per the applicable policies of PSX & NCCPL and shall be refundable in case of unsuccessful bids.
Sukuk Redemption	The Sukuk shall be redeemed on Maturity Date by paying the applicable Face Value.
Investment Agent	Pakistan Domestic Sukuk Company Limited. (By entering into the auction process, all investors to the Issue shall agree to authorize Investment Agent to perform all actions required on their behalf as per the Transaction Structure & related documentation)
Legal Advisor	Ahmed & Qazi Advocates & Legal Consultants
Paying Agent	National Clearing Company of Pakistan Limited (NCCPL).
Registrar	Central Depository Company (CDC) Share Registrar Services Limited (wholly owned subsidiary of CDC).
Custodian & Transfer Agent	The Sukuk shall be inducted in Central Depository System (CDS) of CDC in book entry form and units (in term of volume) and will be reflected in the CDS account of the sukuk holders. Transfer of Securities shall be made in accordance with the Central Depositories Act, 1997 and CDC Regulations made under the Act.
Listing	Sukuk shall be listed on PSX.
SLR Eligibility	The Sukuk shall be an 100% SLR eligible instrument for all eligible investors, on the basis of Government of Pakistan Sukuk Rules 2008 (as amended in 2023), published in Government of Pakistan S.R.O 1585(I)2023 dated 17 th November 2023, issued by Ministry of Finance.

<p>Disclaimer & Investor Advice</p>	<ul style="list-style-type: none"> ● Investors are advised to read the Term Sheet, Transaction Structure and related documentation to understand the risk and reward of the transaction and should not construe this Term Sheet, Transaction Structure and related documentation as financial, legal or tax advice and should conduct their own investigation and analysis of the transaction described herein before deciding to invest in the Sukuk. ● Investment in Listed Sukuk is subject to market risk, liquidity risk, asset risk, foreign exchange risk and prevailing market conditions. ● The transaction is governed by the Transaction Structure and related legal documents, approved by the Shariah Advisor.
<p>Governing Rules</p>	<p>Government of Pakistan Sukuk Rules, 2008 (amended 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023.</p>
<p>Governing Law</p>	<p>The Sukuk shall be subject to the laws of Islamic Republic of Pakistan.</p>
<p>Shariah Compliance</p>	<p>The overall issue has been structured and shall be executed in accordance to the guidelines provided by the Shariah Advisors of Joint Financial Advisors and all parties involved in the transaction shall commit to ensure compliance with these guidelines at all times.</p>
<p>Indemnification</p>	<p>The Issuer hereby indemnifies and agrees to hold harmless the Joint Financial Advisors and Shariah Advisor and each of their affiliates and each of its respective officers, directors, employees, agents, advisors and representatives (each an “Indemnified Party”) from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as “Claim”), joint or several, that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to the Issue except to the extent such Claim has resulted from such respective Party’s gross negligence or willful misconduct.</p>
<p>Arbitration</p>	<p>Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through Pakistani courts.</p>

Annexure “B”

Term Sheet

3/5-year Listed Fixed Rate of Return (FRR) GOP Ijarah Sukuk

Issue / Security	3/5-year listed FRR GOP Ijarah Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 10 billion for each 3-year and 5-year instrument.
Issue Date	Jan 24, 2024
Re-open Date	March 29, 2024
Maturity Date	Jan 24, 2027 for 3-year Sukuk Jan 24, 2029 for 5-year sukuk In case the Maturity Date falls on a public holiday then the maturity of the Sukuk would be on the next working day.
Sukuk	A Shariah-compliant certificate/instrument that represents the undivided proportionate ownership of the Ijarah Asset.
Face Value	Face Value of each Sukuk would be PKR 5,000 which would represent the ownership share in the Ijarah Asset. The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follows: Face Value per Sukuk / Total Market Value of the Asset.
Bid Amount Face Value	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.
Bid Price	means the price per Rs. 100 (upto 4 decimal spaces) at which an investor bids in the auction and does not include Price Premium.
Bid Price Realized Value	$Bid\ Amount\ Face\ Value \times \frac{Bid\ Price}{100}$

<p>Cut-off Price</p>	<p>Cut-off Price shall be the Bid Price accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Price, the auction shall stand rejected.</p> <p>This Cut-off Price along with Price Premium will be used to calculate the Purchase Price for each Sukuk</p>
<p>Price Premium</p>	<p>Price Premium is the per Sukuk Purchase Price premium to be paid by each investor over and above the Cut-off Price. This Price Premium is against the right of receiving higher first rental in comparison to the old investors. This would be paid upfront at the time of Sukuk issuance.</p> <p>The Price Premium per Sukuk for 3 year Sukuk would be PKR 142.9110/-for PKR 5000 face value</p> <p>The Price Premium per Sukuk for 5 year Sukuk would be PKR 137.9247/- for PKR 5000 face value</p> <p>Bid Face Value * (Cut-Off Rental of Fresh issue/365*Accrued Days)</p>
<p>Purchase Price</p>	<p>Purchase Price per Sukuk of a successful bid shall be equal to</p> $5,000 \times \frac{\text{Cut - off Price}}{100} + (\text{Price Premium})$ <p>Purchase Price per Sukuk shall be the price of the proportionate share purchased by the investor in the identified Ijarah Asset.</p> <p>Each Sukuk represent the undivided proportionate ownership share in the ijarah asset upto the Face Value.</p> <p>The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follow:</p> <p>Face Value per Sukuk / Total Value of the Asset</p>
<p>Ijarah Rental</p>	<p>Ijarah Rental per Sukuk for the first period ending on July 23, 2024 is fixed and would be calculated as follows:</p> <p><i>Face Value x Rental Rate x Number of Remaining days in a period divided by 365 + Price Premium</i></p> <p>For each of the subsequent 6-month ijarah periods, Ijarah Rental would be calculated as follows:</p> <p><i>Face Value x Rental Rate x Number of days in a period divided by 365</i></p>

Rental Rate	Rental Rate for 3-year listed VRR GOP Ijarah Sukuk is 16.05% Rental Rate for 5-year listed VRR GOP Ijarah Sukuk is 15.49%
Cut-off Rate	Cut-off Rate shall be the Bid Rate accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Rate, the auction shall stand rejected.
Tenor	3 years and 5 Years
Joint Financial Advisors & Shariah Advisor to the Issue	Meezan Bank Limited, Dubai Islamic Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Bank Alfalah Limited.
Issuance Methodology	<p>The 3/5 year FRR Sukuk issue dated Jan 24, 2024 would be reopened.</p> <p>The Investors would be invited to bid for purchase of an additional share in the existing underlying ijarah asset at either premium or at discount to the Face Value of the Sukuk. Subsequent to the auction the additional share in the ijarah asset would be leased out to GoP under similar terms and conditions.</p> <p>An investor may submit any number of bids to purchase the Sukuk in the manner prescribed by Pakistan Stock Exchange (PSX).</p> <p>Each bid must specify the Bid Amount and the Bid Price.</p> <p>The auction shall follow a single price methodology. All bids whose Bid Price is equal to or greater than (or the Rental Rate is equal to or lesser than) the Cut-off Price/Rental Rate shall be treated as successful bids. All the successful bidders shall be allocated the cut-off Price. All successful bidders would also be required to pay upfront the Price Premium against higher first rental.</p>
Tradability	Tradable on Pakistan Stock Exchange (PSX).
Rental Payment Frequency	Semi Annual
Rental Payment Obligation & Asset Purchase Undertaking	Government of Pakistan.
Ijarah Asset Details & Valuation	Ijarah Asset means the asset share to be purchased by the Sukuk holders as defined in the Transaction Structure

<p>Commingling of Assets</p>	<p>One day prior to the first Ijarah Rental payment date an asset commingling declaration would be executed whereby ijarah assets under initial issuance (dated 24 Jan, 2024) and ijarah assets under reopening would be comingled in accordance with the Transaction Structure.</p>
<p>Transaction Structure, Shariah Approval & Ijarah Asset Details</p>	<p>Transaction structure is based on Ijarah (sale & lease back of underlying assets). A detailed transaction structure (including Shariah Advisor's approval, asset details, transaction flow, related transaction risks & reward) as approved by the Shariah Advisor to the Issue is attached as Annex-A.</p>
<p>Eligible Investors</p>	<p>All eligible investors as defined in the Government of Pakistan Sukuk Rules 2008 (amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023 including the following:</p> <ul style="list-style-type: none"> • Individuals, Institutions, Trusts, funds of all types, bodies corporate including banks, non-banking finance companies, insurance and Takaful companies irrespective of their residential status. • RDA Customers. • Non-resident Pakistani. • Foreign Investors & International Islamic Banks & FIs.
<p>Eligible Participants</p>	<p>All Clearing Members of NCCPL shall be allowed to submit bids as Auction Participants in the auction process.</p>

<p>Non-Competitive Bid (NCB)</p>	<p>The investors may place NCBs on the auction date in the manner prescribed by PSX.</p> <p>NCB shall only specify the Bid Amount Face Value.</p> <p>A single investor shall not bid for an aggregate face value exceeding 0.25% of the Auction Target or PKR 500 million, whichever is lower.</p> <p>In case the aggregate Face Value of all NCBs is greater than the available cushion in the Ijarah Asset, the securities shall be issued on prorata basis to the relevant investors.</p> <p>All NCBs shall be treated as successful provided that the Ministry of Finance announces a cut-off price. No NCBs shall be treated as successful in case the auction is rejected.</p> <p>The calculation methodology of Face Value and Ijarah Rental for NCBs shall be the same as of the competitive bids.</p>
<p>Margin Requirement</p>	<p>Margins requirements shall be as per the applicable policies of PSX & NCCPL and shall be refundable in case of unsuccessful bids.</p>
<p>Sukuk Redemption</p>	<p>The Sukuk shall be redeemed on Maturity Date by paying the applicable Face Value.</p>
<p>Investment Agent</p>	<p>Pakistan Domestic Sukuk Company Limited.</p> <p>(By entering into the auction process, all investors to the issue shall agree to authorize Investment Agent to perform all actions required on their behalf as per the Transaction Structure & related documentation)</p>
<p>Legal Advisor</p>	<p>Ahmed & Qazi Advocates & Legal Consultants</p>
<p>Paying Agent</p>	<p>National Clearing Company of Pakistan Limited (NCCPL).</p>
<p>Registrar</p>	<p>Central Depository Company (CDC) Share Registrar Services Limited (wholly owned subsidiary of CDC).</p>
<p>Custodian & Transfer Agent</p>	<p>The Sukuk shall be inducted in Central Depository System (CDS) of CDC in book entry form and units (in term of volume) and will be reflected in the CDS account of the sukuk holders. Transfer of Securities shall be made in accordance with the Central Depositories Act, 1997 and CDC Regulations made under the Act.</p>
<p>Listing</p>	<p>Sukuk shall be listed on PSX.</p>

SLR Eligibility	<p>The Sukuk shall be an 100% SLR eligible instrument for all eligible investors, on the basis of Government of Pakistan Sukuk Rules 2008 (as amended in 2023), published in Government of Pakistan S.R.O 1585(I)2023 dated 17th November 2023, issued by Ministry of Finance.</p>
Other Terms & Conditions	<ul style="list-style-type: none"> ● No bid shall be considered if received after the deadline for bid submission. ● PSX shall notify the successful bidder ● Shariah structure and legal documentation shall be approved by Shariah Advisor of the Issue. ● Ministry of Finance, Government of Pakistan reserves the right to reject the bids without assigning any reason.
Appointment of Investment Agent by the Investors	<p>The potential investors shall appoint the Pakistan Domestic Sukuk company Limited (PDSCCL) as Investment Agent pursuant to the execution of Bid Terms and Conditions document prior to placement of Bids, whereby investors would authorize the Investment Agent to execute the transaction documents on behalf of the Investors</p>
Disclaimer & Investor Advice	<ul style="list-style-type: none"> ● Investors are advised to read the Term Sheet, Transaction Structure and related documentation to understand the risk and reward of the transaction and should not construe this Term Sheet, Transaction Structure and related documentation as financial, legal or tax advice and should conduct their own investigation and analysis of the transaction described herein before deciding to invest in the Sukuk. ● Investment in Listed Sukuk is subject to market risk, liquidity risk, asset risk, foreign exchange risk and prevailing market conditions. <p>The transaction is governed by the Transaction Structure and related legal documents, approved by the Shariah Advisor.</p>
Governing Rules	<p>Government of Pakistan Sukuk Rules, 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023.</p>
Governing Law	<p>The Sukuk shall be subject to the laws of Islamic Republic of Pakistan.</p>

Shariah Compliance	The overall issue has been structured and shall be executed in accordance to the guidelines provided by the Shariah Advisor of Joint Financial Advisors and all parties involved in the transaction shall commit to ensure compliance with these guidelines at all times.
Indemnification	The Issuer hereby indemnifies and agrees to hold harmless the Joint Financial Advisors and Shariah Advisor and each of their affiliates and each of its respective officers, directors, employees, agents, advisors and representatives (each an "Indemnified Party") from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as "Claim"), joint or several, that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to the Issue except to the extent such Claim has resulted from such Indemnified Party's gross negligence or willful misconduct.
Arbitration	Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through Pakistani courts.

Annexure “C”

Term Sheet

3/5-year Listed Variable Rate of Return (VRR) GOP Ijarah Sukuk

Issue / Security	3/5-year listed VRR GOP Ijarah Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 10 billion for each 3-year and 5-year instrument.
Issue Date	Jan 24, 2024
Re-open Date	March 29, 2024
Maturity Date	Jan 24, 2027 for 3-year Sukuk Jan 24, 2029 for 5-year Sukuk In case the Maturity Date falls on a public holiday then the maturity of the Sukuk would be on the next working day.
Sukuk	A Shariah-compliant certificate/instrument that represents the undivided proportionate ownership of the Ijarah Asset.
Face Value	Face Value of each Sukuk would be PKR 5,000 which would represent the ownership share in the Ijarah Asset. The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follows: Face Value per Sukuk / Total Market Value of the Asset.
Bid Amount Face Value	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.
Bid Price	means the price per Rs. 100 at which an investor bids in the auction and does not include Price Premium.
Bid Price Realized Value	$\text{Bid Amount Face Value} \times \frac{\text{Bid Price}}{100}$
Cut-off Price	Cut-off Price shall be the Bid Price accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Price, the auction shall stand rejected. This Cut-off Price will be used to calculate the Investment Value for each Sukuk

<p>Price Premium</p>	<p>Price Premium is the per Sukuk Purchase Price premium to be paid by each investor over and above the Cut-off Price. This Price Premium is against the right of receiving higher first rental in comparison to the old investors. This would be paid upfront at the time of Sukuk issuance.</p> <p>The Price Premium per Sukuk for 3 year Sukuk would be PKR 187.9666/-for PKR 5000 face value</p> <p>The Price Premium per Sukuk for 5 year Sukuk would be PKR 189.1242 for PKR 5000 face value</p> <p>Bid Face Value * (Cut-Off Rental of Fresh Issue/365* Accrued Days)</p>
<p>Purchase Price</p>	<p>Purchase Value per Sukuk of a successful bid shall be equal to</p> $5,000 \times \frac{Cutoff Price}{100} + (Price Premium)$ <p>Purchase Value per Sukuk shall be proportionate share purchased by the investor in the identified Ijarah Asset.</p> <p>Each Sukuk represent the undivided proportionate ownership share in the ijarah asset upto the Face Value.</p> <p>The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follow:</p> <p>Face Value per Sukuk / Total Value of the Asset</p>
<p>Ijarah Rental</p>	<p>Ijarah Rental per Sukuk for the first period ending on July 23, 2024 is fixed and would be calculated as follows:</p> $Face Value \times (Benchmark Rate at the start of the Period +/- Spread) \times Number of Remaining days in a period divided by 365 + Price Premium$ <p>For each of the subsequent 6-month ijarah periods, Ijarah Rental would be calculated as follows:</p> $Face Value \times (Benchmark Rate at the start of the Period +/- Spread) \times Number of days in a period divided by 365$

<p>Benchmark Rate</p>	<p>Weighted average yield of 6-month T-Bill as decided in last auction Or 6 month tenor rate as given on the Reuters PKRV page (121-180 days) in terms of SBP-FSCD Circular No. 13 dated September 6, 2008.</p> <p>The applicable rate can be accessed at following link at the start of each period.</p> <p>For Weighted Average Rates (https://www.sbp.org.pk/DFMD/pma.asp) For PKRV Rates (https://www.mufap.com.pk/industry.php)</p>
<p>Spread</p>	<p>Spread for 3-year listed VRR GOP Ijarah Sukuk would be 15bps</p> <p>Spread for 5-year listed VRR GOP Ijarah Sukuk would be 28bps</p>
<p>Tenor</p>	<p>3 years and 5 Years</p>
<p>Joint Financial Advisors & Shariah Advisor to the Issue</p>	<p>Meezan Bank Limited, Dubai Islamic Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Bank Alfalah Limited.</p>
<p>Issuance Methodology</p>	<p>The 3/5 year VRR Sukuk issue dated Jan 24, 2024 would be reopened.</p> <p>The Investors would be invited to bid for purchase of an additional share in the existing underlying ijarah asset at either premium or at discount to the Face Value of the Sukuk. Subsequent to the auction the additional share in the ijarah asset would be leased out to GoP under similar terms and conditions.</p> <p>An investor may submit any number of bids to purchase the Sukuk in the manner prescribed by Pakistan Stock Exchange (PSX).</p> <p>Each bid must specify the Bid Amount and the Bid Price.</p> <p>The auction shall follow a single price methodology. All bids whose Bid Price is equal to or greater than (or the Rental Rate is equal to or lesser than) the Cut-off Price/ Rental Rate shall be treated as successful bids. All the successful bidders shall be allocated the cut-off Price. All successful bidders would also be required to pay upfront the Price Premium</p>
<p>Tradability</p>	<p>Tradable on Pakistan Stock Exchange (PSX).</p>
<p>Rental Payment and revision Frequency</p>	<p>Semi Annual</p>

Rental Payment Obligation & Asset Purchase Undertaking	Government of Pakistan.
Ijarah Asset Details & Valuation	Ijarah Asset means the asset share to be purchased by the Sukuk holders as defined in the Transaction Structure
Commingling of Assets	One day prior to the first Ijarah Rental payment date an asset commingling declaration would be executed whereby ijarah assets under initial issuance (dated 24 Jan, 2024) and ijarah assets under reopening would be comingled in accordance with the Transaction Structure.
Transaction Structure, Shariah Approval & Ijarah Asset Details	Transaction structure is based on Ijarah (sale & lease back of underlying assets). A detailed transaction structure (including Shariah Advisor's approval, asset details, transaction flow, related transaction risks & reward) as approved by the Shariah Advisor to the Issue is attached as Annex-A.
Eligible Investors	All eligible investors as defined in the Government of Pakistan Sukuk Rules 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17 th November 2023 including the following: <ul style="list-style-type: none"> • Individuals, Institutions, Trusts, funds of all types, bodies corporate including banks, non-banking finance companies, insurance and Takaful companies irrespective of their residential status. • RDA Customers. • Non-resident Pakistani. • Foreign Investors & International Islamic Banks & FIs.
Eligible Participants	All Clearing Members of NCCPL shall be allowed to submit bids as Auction Participants in the auction process.

<p>Non-Competitive Bid (NCB)</p>	<p>The investors may place NCBs on the auction date in the manner prescribed by PSX.</p> <p>NCB shall only specify the Bid Amount Face Value.</p> <p>A single investor shall not bid for an aggregate face value exceeding 0.25% of the Auction Target or PKR 500 million, whichever is lower.</p> <p>In case the aggregate Face Value of all NCBs is greater than the available cushion in the Ijarah Asset, the securities shall be issued on prorata basis to the relevant investors.</p> <p>All NCBs shall be treated as successful provided that the Ministry of Finance announces a cut-off price. No NCBs shall be treated as successful in case the auction is rejected.</p> <p>The calculation methodology of Investment Value and Ijarah Rental for NCBs shall be the same as of the competitive bids.</p>
<p>Margin Requirement</p>	<p>Margins requirements shall be as per the applicable policies of PSX & NCCPL and shall be refundable in case of unsuccessful bids.</p>
<p>Sukuk Redemption</p>	<p>The Sukuk shall be redeemed on Maturity Date by paying the applicable Face Value.</p>
<p>Investment Agent</p>	<p>Pakistan Domestic Sukuk Company Limited.</p> <p>(By entering into the auction process, all investors to the issue shall agree to authorize Investment Agent to perform all actions required on their behalf as per the Transaction Structure & related documentation)</p>
<p>Legal Advisor</p>	<p>Ahmed & Qazi Advocates & Legal Consultants</p>
<p>Paying Agent</p>	<p>National Clearing Company of Pakistan Limited (NCCPL).</p>
<p>Registrar</p>	<p>Central Depository Company (CDC) Share Registrar Services Limited (wholly owned subsidiary of CDC).</p>
<p>Custodian & Transfer Agent</p>	<p>The Sukuk shall be inducted in Central Depository System (CDS) of CDC in book entry form and units (in term of volume) and will be reflected in the CDS account of the sukuk holders.</p> <p>Transfer of Securities shall be made in accordance with the Central Depositories Act, 1997 and CDC Regulations made under the Act.</p>
<p>Listing</p>	<p>Sukuk shall be listed on PSX.</p>

<p>SLR Eligibility</p>	<p>The Sukuk shall be an 100% SLR eligible instrument for all eligible investors, on the basis of Government of Pakistan Sukuk Rules 2008 (as amended in 2023), published in Government of Pakistan S.R.O 1585(I)2023 dated 17th November 2023, issued by Ministry of Finance.</p>
<p>Other Terms & Conditions</p>	<ul style="list-style-type: none"> ● No bid shall be considered if received after the deadline for bid submission. ● PSX shall notify the successful bidder ● Shariah structure and legal documentation shall be approved by Shariah Advisor of the Issue. ● Ministry of Finance, Government of Pakistan reserves the right to reject the bids without assigning any reason.
<p>Disclaimer & Investor Advice</p>	<ul style="list-style-type: none"> ● Investors are advised to read the Term Sheet, Transaction Structure and related documentation to understand the risk and reward of the transaction and should not construe this Term Sheet, Transaction Structure and related documentation as financial, legal or tax advice and should conduct their own investigation and analysis of the transaction described herein before deciding to invest in the Sukuk. ● Investment in Listed Sukuk is subject to market risk, liquidity risk, asset risk, foreign exchange risk and prevailing market conditions. ● The transaction is governed by the Transaction Structure and related legal documents, approved by the Shariah Advisor.
<p>Governing Rules</p>	<p>Government of Pakistan Sukuk Rules, 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023.</p>
<p>Governing Law</p>	<p>The Sukuk shall be subject to the laws of Islamic Republic of Pakistan.</p>
<p>Shariah Compliance</p>	<p>The overall issue has been structured and shall be executed in accordance to the guidelines provided by the Shariah Advisor of Joint Financial Advisors and all parties involved in the transaction shall commit to ensure compliance with these guidelines at all times.</p>

Indemnification	The Issuer hereby indemnifies and agrees to hold harmless the Joint Financial Advisors and Shariah Advisor and each of their affiliates and each of its respective officers, directors, employees, agents, advisors and representatives (each an “Indemnified Party”) from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as “Claim”), joint or several, that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to the Issue except to the extent such Claim has resulted from such Indemnified Party’s gross negligence or willful misconduct.
Arbitration	Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through Pakistani courts.