

#### 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 AND SEEK PROFESSIONAL ADVICE**, 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

SUBMISSION OF CONSOLIDATED BID AND MULTIPLE BID IS NOT ALLOWED AS PER PUBLIC OFFERING REGULATIONS, 2017.

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



### **Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Pvt) Limited)** **PROSPECTUS FOR INITIAL PUBLIC OFFERING**

**Date and place of incorporation:** 5<sup>th</sup> January 2017, Karachi, **Incorporation number:** 0104739, **Registered & Corporate Office:** Office No: 601, 6th Floor, Balad Trade Center-III (BTC-3), Plot No. D, 75, Zone C, Block 7, Khayaban-e-Jami, Clifton, Karachi, Pakistan, **Contact No:** +92 21 3348 0833, **Website:** <https://barkatfrisian.com/>, **Email:** [corporate@barkatfrisian.com](mailto:corporate@barkatfrisian.com), **Contact Persons:** Mr. Muhammad Adil Ali (Chief Executive Officer), **Phone:** 021-33480833, **Email:** [adil@barkatfrisian.com](mailto:adil@barkatfrisian.com); Mr. Muhammad Farooq Zafar (Chief Financial Officer), **Phone:** 021-33480833 Mobile: 0309-2225990, **Email:** [farooq.zafar@barkatfrisian.com](mailto:farooq.zafar@barkatfrisian.com), Mr. Ali Ansari (Company Secretary), **Phone:** 021-32574668, **Email:** [company.secretary@barkatfrisian.com](mailto:company.secretary@barkatfrisian.com)

**Issue Size:** The Issue consists of 67,735,000 Ordinary Shares (i.e. 21.85% of the total post-IPO paid up capital of Barkat Frisian Agro Limited) of face value of PKR 1.00/- each.

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

**Book Building Method and Floor Price:** The entire Issue will be offered through Book Building Method at a Floor Price of PKR 13.00/- per share (including premium of PKR 12.00/- per share) with a maximum price band of up to 40% (Rs. 18.2). Justification of premium is given under "Valuation section", i.e. Section 4A). The Bidders shall be allowed to place Bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful Bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 50,801,250 shares and the remaining twenty-five percent (25%) i.e. 16,933,750 shares shall be offered to the retail investors through General Public portion.

**Retail/General Public Portion:** General Public portion of the Issue comprises of 16,933,750 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 06<sup>th</sup> January 2025 to 13<sup>th</sup> January 2025 and No public comments were received.

**REGISTRATION OF ELIGIBLE INVESTORS:** The registration of eligible investors will commence at 9:00 am on February 13<sup>th</sup>, 2025 and will close at 3:00 pm on February 18<sup>th</sup>, 2025

**BIDDING PERIOD DATES:** From February 17<sup>th</sup>, 2025 to February 18<sup>th</sup>, 2025, From: 9:00 am to 5:00 pm

**DATE OF PUBLIC SUBSCRIPTION:** From February 24<sup>th</sup>, 2025 to February 25<sup>th</sup>, 2025 (both days inclusive) From: 9:00 am to 5:00 pm

<b><u>Lead Manager &amp; Book Runner</u></b> 	<b><u>Book Building Portion will be Credit Underwritten By</u></b> 
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#### **Bankers to the Book Building Portion of the Issue:**

Meezan Bank Limited

#### **Bankers for the Retail Portion of the Issue:**

Habib Bank Limited	Meezan Bank Limited
Faysal Bank Limited	Habib Metropolitan Bank Limited
Bank AL Habib	

For retail portion/general public portion, investors can submit application(s) through both electronic and physical mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized E-IPO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and [www.cdceipo.com](http://www.cdceipo.com). There is no transaction limit on making payment through e-banking channels. Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e-IPO platforms. For details, please refer to Section 13.1.4 of the Prospectus.

**Date of Publication of this Prospectus:** February 11<sup>th</sup>, 2025

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


#### **For Further Queries you may Contact**

**Barkat Frisian Agro Limited:** Mr. Muhammad Farooq Zafar (Chief Financial Officer), **Phone:** 021-33480833 Mobile: 0309-2225990, | **Email:** [farooq.zafar@barkatfrisian.com](mailto:farooq.zafar@barkatfrisian.com), Mr. Ali Ansari (Company Secretary), **Phone:** 021-32574668 | **Email:** [company.secretary@barkatfrisian.com](mailto:company.secretary@barkatfrisian.com); **Arif Habib Limited:** Hamza Rehan (Associate – Investment Banking), **Phone:** +92(21)38280273 | **Email:** [hamza.rehan@arifhabibltd.com](mailto:hamza.rehan@arifhabibltd.com); Usama Hanif (Analyst – Investment Banking), **Phone:** +92 (21) 3828 0226 | **Email:** [usama.hanif@arifhabibltd.com](mailto:usama.hanif@arifhabibltd.com); Faizan Qureshi (Analyst – Investment Banking), **Phone:** +92 (21) 3828 0276 | **Email:** [faizan.qureshi@arifhabibltd.com](mailto:faizan.qureshi@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



**NBP-1862-2412190006068942**      **GoS-KHI-BCCDE3AE633F0EB**

**Non-Judicial**      **Rs 500/-**


Description Indemnifier/Mortgagor Indemnified/Mortgagee Applicant Stamp Duty Paid by Issue Date Paid Through Channel Amount in Words	: Bond - 10(A) : SECP [00000000] : BARKAT FRISIAN AGRO (PRIVATE) LIMITED [00000000] : Muhammad Masoom [40301-1394452-5] : BARKAT FRISIAN AGRO (PRIVATE) LIMITED [00000000] : 19-Dec-2024, 01:40:06 PM : 2024R4E77A1012C5 : Five Hundred Rupees Only
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Please Write Below This Line


30<sup>th</sup> December      **2024**



UNDERTAKING

WE, MUHAMMAD ADIL ALI, THE CHIEF EXECUTIVE OFFICER, AND MUHAMMAD FAROOQ ZAFAR, THE CHIEF FINANCIAL OFFICER OF BARKAT FRISIAN AGRO LIMITED (FORMERLY BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED) (THE "ISSUER") CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD.





- 4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING;
- 5. ALL REQUIREMENTS OF THE SECURITIES ACT 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED; AND
- 6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THE PROSPECTUS.

FOR AND BEHALF OF **BARKAT FRISIAN AGRO LIMITED** (FORMERLY BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED)



**MUHAMMAD ADIL ALI**  
CHIEF EXECUTIVE OFFICER



**MUHAMMAD FAROOQ ZAFAR**  
CHIEF FINANCIAL OFFICER



**ATTESTED**  
*M. Sabir*  
**MUHAMMAD SABIR**  
ADVOCATE & OATH COMMISSIONER  
KARACHI, PAKISTAN



**Note:** This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of Barkat Frisian Agro 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 Barkat Frisian Agro Limited earlier published on February 11<sup>th</sup>, 2025

#### Barkat Frisian Agro Limited

- FLOOR PRICE: PKR 13.00/- PER SHARE
- STRIKE PRICE: PKR [.] /- PER SHARE
- ISSUE PRICE: PKR [.] /- PER SHARE
- PRICE BAND (MAXIMUM 40%): PKR 18.20/- PER SHARE

#### 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

ACT	Securities Act, 2015
AHL	Arif Habib Limited
BFAL	Barkat Frisian Agro Limited
Bn	Billion
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CAPEX	Capital Expenditure
CCP	Critical Control Point
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CES	Centralized e-IPO System
Commission/SECP	The Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CPI	Consumer Price Index
CY	Calendar Year
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
FSSC	Food Safety Certification Scheme
FY	Financial Year
GDP	Gross Domestic Product
HoReCa	Hotels, Restaurants and Café/Catering
IBC	Intermediate Bulk Container
IPO	Initial Public Offering
ISO	International Organization for Standardization
JV	Joint Venture
LC	Letter of Credit
LG	Letter of Guarantee
Mn	Million
MW	Mega Watt
NICOP	National Identity Card for Overseas Pakistani
NIP	National Industrial Park
NOC	No Objection Certificates
OEC	Observatory of Economic Complexity
OPRP	Operational Prerequisite Program
P.A.	Per Annum
PEB	Pre-Engineered Building



PES	PSX's e-IPO System
PKR or Rs.	Pakistan Rupee(s)
PPE	Property, Plant and Equipment
PSX / Exchange	Pakistan Stock Exchange Limited
QCP	Quality Control Point
SBP	State Bank of Pakistan
SLA	Straight-line amortization
TERF	Temporary Economic Refinance Facility
TTM	Trailing Twelve Months
UIN	Unique Identification Number
USD	United States Dollar
USDA	United States Department of Agriculture



## DEFINITIONS

<b>Application Money</b>	In case of bidding for shares out of the Book Building portion, the total amount of money paid by a Bidder which is equivalent to the product of the Bid Price and the number of shares.
<b>Banker to the Book Building</b>	Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount/bid money.  <b>Meezan Bank Limited</b> has been appointed, in this IPO, as the Bankers to the Book Building.
<b>Bid</b>	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Barkat Frisian Agro 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 and specified branches of any of the Scheduled Bank 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>	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.  <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>  <b>As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.</b>
<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>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 Banker to the Book Building.
<b>Book Building Portion</b>	The part of the total Issue allocated for subscription through the Book Building.
<b>Book Building System</b>	An online electronic system operated by the Designated Institution for conducting Book Building.
<b>Book Runner</b>	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.  <b>Arif Habib Limited</b> has been appointed as Book Runner for this Issue.
<b>Collection Banks for General Public/retail portion</b>	Mentioned below are the Collection Banks for the General Public/retail portion. Account details for Collection banks are mentioned in section 13.1.7 of the Prospectus: <ul style="list-style-type: none"> <li>Habib Bank Limited</li> <li>Meezan Bank Limited</li> <li>Faysal Bank Limited</li> <li>Habib Metropolitan Bank Limited</li> <li>Bank AL Habib</li> </ul>
<b>Company</b>	Barkat Frisian Agro Limited (the “ <b>Company</b> ” or “ <b>BFAL</b> ” or the “ <b>Issuer</b> ”).
<b>Company’s Legal Advisor</b>	A.Qadir & Company
<b>Commission</b>	Securities & Exchange Commission of Pakistan (“ <b>SECP</b> ”).
<b>Consolidated Bids</b>	A bid which is fully or partially beneficially owned by persons other than the one named therein.
<b>Critical Control Point</b>	Critical Control Point is a procedure/practice (control) in food handling/preparation that will reduce, eliminate or prevent hazards.
<b>Designated Institution</b>	Pakistan Stock Exchange Limited (“ <b>PSX</b> ”) is acting as the Designated Institution for this Issue and its Book Building System will be used for price discovery.
<b>Dutch Auction Method</b>	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.



## e-IPO Facility

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

**(i) PSX's e-IPO System (PES):** To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES. 1 Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. There is no transaction limit on making payment through e – banking channels

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

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

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

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

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: [itss@psx.com.pk](mailto:itss@psx.com.pk).

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on February 25<sup>th</sup> 2025.

**(ii) Centralized e-IPO System (CES):** To facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES 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. There is no transaction limit on making payment through e – banking channels. For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels



mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors' subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account

Investors who do not have CDS account may visit [www.cdcpakistan.com](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, Senior Manager – Operations, 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 February 25<sup>th</sup>, 2025.

#### **IPO Facilitation Account (IFA):**

Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS Accounts at the time of making subscription application, shall be parked for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.

#### **Eligible Investor**

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

#### **FSSC**

FSSC 22000 Definition: FSSC 22000 is a Food Safety Management Certification Scheme, managed by Foundation FSSC 22000 and governed by an independent Board of Stakeholders which consists of representatives from several sectors in the food industry. FSSC 22000 is used to control food safety risks.

#### **GDP**

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

#### **General Public**

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



<b>HALAL</b>	HALAL Certification is issued by Pakistan Halal Authority to ascertain the halal status of products.
<b>Homogenization</b>	Homogenization is a process that breaks down eggs into smaller pieces to create a smooth, consistent texture
<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 the benefit 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>	The Issue comprises of 67,735,000 Ordinary Shares representing 21.85% of total post-IPO paid-up capital having a Face Value of PKR 1/- each.
<b>Issue Price</b>	The price at which Ordinary Shares of the Company are issued to the General Public/retail portion. The Issue Price will be the Strike Price.
<b>Issuer</b>	Barkat Frisian Agro Limited.
<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 Consultant to the Issue.</p> <p><b>Arif Habib Limited</b> has been appointed as Lead Manager/Consultant to the Issue by the Issuer.</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>Listing Regulations</b>	<p>Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'.</p> <p>The aforementioned regulations can be found at the following link;</p>



<b>Margin Money</b>	<p><a href="https://psx.com.pk/psx/themes/psx/uploads/PSX-Rulebook-October-17-2024.pdf">https://psx.com.pk/psx/themes/psx/uploads/PSX-Rulebook-October-17-2024.pdf</a></p> <p>The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by an institutional investor.</p> <p>Book Runner can waive the margin money for Institutional Investors at its own discretion.</p>
<b>Minimum Bid Size</b>	<p>The Bid amount equal to One Million Rupees (PKR 1,000,000/-).</p>
<b>OPRP</b>	<p>An OPRP is a control measure that is used to minimize the risk of food safety hazards.</p>
<b>Ordinary Shares</b>	<p>Ordinary Shares of Barkat Frisian Agro Limited having face value of PKR 1/- each.</p>
<b>PO Regulations</b>	<p>The Public Offering Regulations, 2017.</p> <p><a href="https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-september-15-2021/?wpdmdl=43440&amp;refresh=63ce67a067fd21674471328">https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-september-15-2021/?wpdmdl=43440&amp;refresh=63ce67a067fd21674471328</a></p>
<b>Price Band</b>	<p>Floor Price with an upper limit of 40% above the Floor Price, i.e. PKR 13.00/- and PKR 18.20/-, allowing Bidder to make Bid at Floor Price or within the Price Band.</p>
<b>Prospectus</b>	<p>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 or body corporate or entity.</p>
<b>QCP</b>	<p>Quality Control Points: Quality control points are steps in the production process that, if not properly controlled, can lead to poor or spoiled products.</p>
<b>Registration Form</b>	<p>The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.</p>
<b>Registration Period</b>	<p>The period during which registration of bidders is carried out. The registration period shall commence two days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period.</p>



<b>Related Employees</b>	Related Employees mean such employees of the Issuer, the Book Runner and the Consultant to the Issue, who are involved in the Issue. Please refer to Section 3A (vi) for further details.
<b>SMETA</b>	SMETA is an audit designed to help protect workers from unsafe conditions, overwork, discrimination, low pay, and forced labour.
<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>	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/-).
<b>Strike Price</b>	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Public Offering Regulations 2017, at which the shares are Issued to the successful bidders.
<b>Supplement to the Prospectus</b>	The Supplement to the Prospectus shall be published within One (1) working day of the close 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.
<b>System</b>	An online electronic system operated by the Designated Institution for conducting Book Building.

**Interpretation:**

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



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## 1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

### 1.1 Approval of the Securities and Exchange Commission of Pakistan

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Barkat Frisian Agro Limited ("**BFAL**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No SMD/PO/SA-88/05/2024 dated January 31<sup>st</sup>, 2025

#### DISCLAIMER:

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

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

### 1.2. Approval of the Prospectus by PSX

The Prospectus of the Company has been approved by PSX vide letter No. GEN - 168 dated January 22<sup>nd</sup>, 2025 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 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

Barkat Frisian Agro Limited has filed with the Registrar of Companies as required under Section 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of the Company.



#### 1.4. Listing on PSX

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

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

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

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



## 2. SUMMARY OF THE PROSPECTUS

### 2.1. PRIMARY BUSINESS OF BARKAT FRISIAN AGRO LIMITED (FORMERLY BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED)

Barkat Frisian Agro Limited (BFAL), established in January 2017, is Pakistan's only producer of pasteurized egg products. BFAL is Pakistani – Dutch joint venture between the Buksh Group and the Frisian Egg Group. The joint venture was signed in January 2017.

Beginning operations in 2019, the company operates in the food processing, food manufacturing and poultry sector, offering a range of pasteurized egg products—whole eggs, egg yolk, egg white in frozen, liquid and dried form along with its derivatives—tailored for large- and small-scale food manufacturers.

These products are essential ingredients for baking, cooking, protein supplements, sauces and mayonnaise, providing increased shelf life, hygiene and enhanced nutritional value.

BFAL's production facility, located in the Bin Qasim Industrial Park in Karachi, has an annual processing capacity of 17,000 tons and is operating at **74.59%** capacity as of FY 2024.

Plant Location	Production Capacity (Tons)	Actual Production in FY24 (Tons)	Capacity Utilization
WL 36 – 37, Bin Qasim Industrial Park, Pakistan Steel, Karachi	17,000	12,680	74.59%

The company's first-mover advantage has allowed it to monopolize the market for pasteurized eggs in Pakistan, with no direct competitors in this niche industry. Certified with ISO 9001:2015, FSSC 22000, HALAL and SMETA, BFAL has built a reputation for quality, serving a mix of local and global clients.

The joint venture was signed in January 2017 and commenced operations in 2019. The Company benefits from the synergy of its sponsors: the Buksh Group brings extensive experience in Pakistan's poultry and textile sectors, with specialized operations in poultry feed production, eggs, and textile exports. Frisian Egg Group brings over 30 years of global experience in egg farming and processing, setting up and operating egg processing plants with established operations in the Netherlands, China, and Egypt, a leader in egg processing with over 30 years of experience adds its technical and operational expertise to BFAL. Frisian Egg International B.V. commenced operations and is incorporated in Kingdom of Netherlands. The Frisian Egg Group has built a strong presence in liquid egg products and egg powders, processing millions of eggs and contributing significant know-how to BFAL's growth. Please refer to Section 3.2. for more details regarding the Sponsors.

The Company plans to further expand into the local and global market by setting up a new plant in M-3 Industrial City, Faisalabad. BFAL is currently exporting to UAE, Qatar, Kuwait, KSA, Bahrain, Egypt, and Oman. As of FY 2024, export sales only account for **10.4%** of total sales amounting **PKR 631 Mn**. The new plant will support the Company's operations by lowering the capacity utilization of its existing facility to better serve the local market, while the freed-up capacity at the Karachi plant will be utilized to expand into global markets. BFAL is also in process of establishing a subsidiary in United Arab Emirates bolstering its presence in the Middle Eastern market.

### 2.2. SPONSORS OF BARKAT FRISIAN AGRO LIMITED:

The Sponsors of the Company are:

1. Frisian Egg International B.V.
2. B&Z Enterprise (Pvt) Ltd.
3. Waqas Gulzar
4. Muhammad Adil Ali
5. Muhammad Ali Ansari
6. Naheed Ali Ansari



### 2.3. SALIENT FEATURES OF THE ISSUE

The Issue comprises of 67,735,000 Ordinary shares of face value worth PKR 1/- each, which constitutes 21.85% of the total post-IPO paid up capital of the Company.

This Issue of 67,735,000 Ordinary Shares will be offered through the 100% Book Building process at a Floor Price of PKR 13.00/- per share. Initially, 75% of the issue size i.e., 50,801,250 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e., 16,933,750 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 proceeds from the IPO at the Floor Price of PKR 13.00/- are expected to be as follows:

Aggregate Proceeds	Number of Shares	Price/Share	Total Proceeds (Rs.)
Public Issue	67,735,000	13.00	880,555,000

### 2.4. PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

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

Shareholder	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	% Holding	Number of Shares	% Holding
Sponsors /Directors				
Frisian Egg International B.V.	121,127,492	50.00%	121,127,492	39.07%
B&Z Enterprise (Pvt.) Limited	79,941,585	33.00%	79,941,585	25.79%
Waqas Gulzar	24,225,538	10.00%	24,225,538	7.81%
Muhammad Adil Ali	9,690,212	4.00%	9,690,212	3.13%
Muhammad Ali Ansari	3,901,000	1.61%	3,901,000	1.26%
Naheed Ali Ansari	3,369,354	1.39%	3,369,354	1.09%
Johan Stuver	100	0.00%	100	0.00%
Paul Ettema	100	0.00%	100	0.00%
Mehmood Arshad	1	0.00%	1	0.00%
Nadia Ishtiaq	1	0.00%	1	0.00%
Anwar Ali	1	0.00%	1	0.00%
Public Offering	-	-	67,735,000	21.85%
<b>Total</b>	<b>242,255,384</b>	<b>100%</b>	<b>309,990,384</b>	<b>100%</b>

\*Naheed Ali Ansari is the mother of Muhammad Adil Ali and Muhammad Ali Ansari is the father of Muhammad Adil Ali. These three individuals are a part of Buksh Group.

### 2.5. PRINCIPAL PURPOSE OF THE EQUITY CAPITAL RAISING

The Company plans to raise PKR 880,555,000/- at a Floor Price of PKR 13.00/- per share through IPO.

The principal purpose of the issue is to set up a new production facility at M-3 Industrial City, Faisalabad to increase its current production capacity by 12,000 tons to meet the increasing demand in local and global markets. The Company has taken a short term, interest free, loan of PKR 73,150,000 from its sponsors to begin construction. The proceeds from Initial Public Offering will be utilized to repay this loan. As foreseen in its long-term planning, the Company has now reached capacity utilization of **74.59%** at its egg pasteurization plant. To serve the growing demand of pasteurized egg both in local and export markets, the Company has to further expand its existing capacity. The new plant will be located at Plot No. 51, Phase II, M3 Industrial City in Faisalabad. The current production capacity of BFAL is 17,000 tons and will increase by 71% to 29,000 tons. The new plant will be located at Plot No. 51, Phase II, M3 Industrial City in Faisalabad. This facility will focus



exclusively on local customers, alleviating pressure on the existing plant and enabling the company to expand its global customer portfolio. The global portfolio includes Kerry Group, Mondelez International, Sri Lankan Airlines and Areej Vegetable Oil & Derivatives etc.

### 2.5.1. Sources of Funding:

The source of funding will be proceeds from the IPO and internally generated cash. The Company plans to issue a total of 67,735,000 Ordinary Shares through IPO at a floor price of PKR 13.00/- per share to raise PKR 880,555,000/-.

Particulars	Cost (PKR Mn)	Percentage (%)
Proceeds from Initial Public Offering	881	94%
Internally Generated Cash	63	6%
<b>Total</b>	<b>944</b>	<b>100%</b>

For a detailed breakdown of utilization of funds please refer to Section 4.3

### 2.5.2. Utilization of IPO Proceeds:

The IPO proceeds will be primarily used for setting up the new production facility in Faisalabad and finance working capital requirements for post expansion needs.<sup>1</sup> The principal purpose of the issue is to set up a new production facility at M-3 Industrial City, Faisalabad to increase its current production capacity by 12,000 tons to meet the increasing demand in local and global markets. The Company has taken a short term, interest free, loan of PKR 73.15 Mn from its sponsors to ensure continued progress on the project and to ensure timely completion. The proceeds from Initial Public Offering will be utilized to repay this loan.

Particulars	Cost (PKR)	Percentage (%)
Plant, Machinery, Civil work and Land etc.	807,405,000	91.69%
Loan Repayment	73,150,000	8.31%
<b>Total</b>	<b>880,555,000</b>	<b>100%</b>

Detailed breakdown of IPO proceeds:

Particulars	Cost (PKR)	Percentage (%)	% of Total IPO Proceeds
Plant & Machinery	446,280,335	55.27%	50.68%
Civil work & Land development charges	166,624,612	20.65%	18.92%
Mechanical and Electrical Installation	75,000,000	9.29%	8.52%
Project Support and Infrastructure Costs	119,500,053	14.79%	13.57%
<b>Total A</b>	<b>807,405,000</b>	<b>100%</b>	<b>91.69%</b>
<b>Loan Repayment:</b>			
Plant & Machinery	24,115,229	32.97%	2.74%
Civil work & Land development charges	46,021,460	62.96%	5.23%
Project Support and Infrastructure Costs	3,013,311	4.08%	0.34%
<b>Total B</b>	<b>73,150,000</b>	<b>100%</b>	<b>8.31%</b>
<b>Total IPO Proceeds C=(A+B)</b>	<b>880,555,000</b>	<b>100%</b>	<b>100%</b>

For a detailed breakup of utilization of proceeds, please refer to Section 4.3

<sup>1</sup> Any cost overrun due to exchange rate fluctuations or otherwise will be financed by the Company through its internal cash generation



**2.6. JUSTIFICATION GIVEN BY THE LEAD MANAGER/CONSULTANT TO THE ISSUE IN FAVOR OF FLOOR PRICE OF PKR 13.00/- 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**

No qualified opinion was given on the financial statements of the Company during the last three financial years, i.e. FY24, FY23, FY22, by the Company's Auditors, i.e. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants.

**2.8. FINANCIAL INFORMATION – (PLEASE REFER TO SECTION 6.7 FOR FURTHER DETAILS AND RATIOS ANALYSIS)**

The audited financials of the Company can be downloaded from the following link: <https://barkatfrisian.com/financial-reports/>

In PKR Mn.	FY 2022	FY 2023	FY 2024	2QFY 2025
	Audited	Audited	Audited	Un-audited
Issued, subscribed and paid-up capital <sup>2</sup>	90	90	90	242
Net Worth	250	398	1,107	1,592
Revenue	2,470	4,325	6,068	3,790
Gross Profit/(Loss)	279	448	700	439
Gross Margin	11%	10%	12%	12%
Operating Profit/(Loss)	212	349	549	327
Operating Margin	9%	8%	9%	9%
Profit After Tax/(Loss)	138	148	380	323
Net Margin	6%	3%	6%	9%
No of Shares Outstanding (Corresponding Period)	0.9	0.9	0.9	0.9
Earnings per Share (Corresponding Period) (PKR)	153.23	164.63	421.96	369.39
No of Shares at year End adjusted <sup>3</sup>	242.2	242.2	242.2	242.2
Earnings per Share adjusted (PKR) <sup>4</sup>	0.57	0.61	1.57	1.37
Break-up value per share without revaluation surplus (Corresponding Period) (PKR)	277.65	422.28	873.93	1,420.80
Break-up value per share with revaluation surplus (Corresponding Period) (PKR)	N/A		1,230.28	1,768.83

<sup>2</sup> Post IQFY25 the company performed a stock split of and rights issue detailed in the footnote below therefore changing the Paid-up capital to 242.25Mn

<sup>3</sup> This company did a stock split in 1:100 ratio and then issued 152.25 Mn shares after Q1 FY25.

<sup>4</sup>The Company issued 152.25 Mn shares after Q1 FY25, with total paid up capital standing at 242.25 Mn. Earnings per share were calculated on the quantity of these new shares



<b>Break-up value per share (PKR) without revaluation surplus adjusted<sup>5</sup></b>	1.03	1.64	3.25	5.27
<b>Break-up value per share with revaluation surplus (PKR) adjusted<sup>6</sup></b>	N/A		4.6	6.57
<b>Total Borrowings</b>	528	733	659	491
<b>Total Debt to Equity - %</b>	211%	184%	60%	31%
<b>Total Debt to Capital- %</b>	68%	65%	37%	24%
<b>Cashflow from Operations</b>	(8.8)	(17.6)	58.8	38

## 2.9. LEGAL PROCEEDINGS

There is only routine litigation incidental to business operations to which the Company is a party. However, said litigation is expected not to have any material impact on the Company or its shareholders in the future. Moreover, the company has recently challenged the minimum tax it was charged in FY23 and FY24.

The company is established in Special Economic Zone and has started commercial operations from Financial Year ended June 30, 2019. Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations. The Company is now fully exempt from income tax till tax year 2029. Furthermore, even after 2029, the minimum turnover tax, which the company will be charged is 0.75% due to its business operations in the poultry sector.<sup>7</sup>

However, the company was charged with minimum tax levy in FY 24. This minimum tax u/s 113, which was levied by the Government for tax year 2023 and onwards. The Company, is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favorable outcome. However, company has made provision for this minimum tax in the year ended June 30, 2024. This minimum tax u/s 113, which was levied by the Government for tax year 2023 is now repealed through Finance Act 2024. The aforesaid would be nil in the year ended June 30, 2025.

Sr No.	Order Dated	Issuing Authority	Tax Period	Financial Impact	Current Status	Management Stance
CPD-6752/2022	First Order Date: 1 <sup>st</sup> – Nov – 2022  Last Order Date: 19 <sup>th</sup> - Dec - 2024	Sindh High Court	TY 2023 and TY 2024	Minimum Tax for TY2024: 40.78mn and TY2023: 30.57mn	This minimum tax u/s 113, which was levied by the government for the tax year 2023 and tax year 2024 is now repealed through	As law has been repealed the need of legal action does not exist anymore

<sup>5</sup> The Company executed a rights issue of 152,255,384 shares on 17th December, 2024. The company previously had a paid-up capital of 90,000,000 shares and after the rights issue the paid-up capital stood at 242,255,384 shares. The rights issue was executed by converting a foreign loan from the sponsors, repaying the local loan, and utilizing the proceeds in the rights issue.

<sup>6</sup> Same as outlined in the footnote number 5 above.

<sup>7</sup> <https://www.kcci.com.pk/> <https://download1.fbr.gov.pk/Docs/20217118751147CircularNo.2of2021-22.pdf> page 8



					Finance Act 2024	
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Note: There are no other pending litigations against the Company, Sponsors, Substantial Shareholders and Directors other than those already mentioned above.

## 2.10. RISK FACTORS

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

## 2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

Related party transactions are incurred in ordinary course of business only, and these are duly disclosed in financial statements. All transactions with related party are carried out at arm's length basis. 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 2022	FY 2023	FY 2024	2QFY 2025
			PKR Mn	PKR Mn	PKR Mn	PKR Mn
Adil Poultry Farm	Associate - Common ownership / shareholding / Control	Purchases - Raw material	84.9	93.8	51.2	36.0
		Payable balance	-	5.0	6.4	-
		Advance to supplier	16.2	-	-	-
Adorn International	Associate - Common ownership / shareholding / Control	Purchases - Raw material	-	9.8	103.2	160.5
		Payable balance	-	0.5	0.0	23.0
		Sales	-	0.0	-	-
Amna Poultry Farm	Associate - Common ownership / shareholding / Control	Purchases - Raw material	14.9	35.0	27.7	26.1
		Payable balance	5.5	-	2.6	
B&Z Farms	Associate	Purchases - Raw material	-	7.5	1.5	
		Payable balance	-	7.5	-	
Buksh Farms	Associate - Common ownership / shareholding / Control	Purchases - Raw material	19.1	1.6	-	
		Payable balance	3.3	3.3	3.3	
		Purchases - Packing material	12.0	-	-	
Frisian Eggs International B.V.	Associate Company 50% Shareholder	Payable balance	0.6	0.6	0.6	0.6
		Loan received during the year				43.7
		Loan transferred to equity				76.1



		Loan paid during the year				15.8
		Loan adjusted during the year (FX difference)				62.8
		Loan payable to related party	201.9	229.2	154.8	43.7
B&Z Enterprise (Pvt) Limited	Associated Company 33% Shareholding	Received against fresh capital				52.9
		Loan received during the year				42.2
		Loan paid during the year				59.0
		Loan payable to related party	38.0	38.0	38.0	21.1
Muhammad Adil Ali	CEO / Director / Shareholder	Received against fresh capital				6.0
		Loan received during the year				12.2
		Loan paid during the year				6.0
		Loan payable to related party	1.2	1.2	1.2	7.4
		Remuneration	2.3	2.3	2.7	
Naheed Ali	Associate person lineal Ascendant of CEO holds 1.39%	Purchases - Vehicle	1.3	-	-	
		Received against fresh capital				1.8
		Loan received during the year				2.8
		Loan paid during the year				4.3
		Loan payable to related party	1.5	1.5	1.5	-
Sultan Poultry Farm	Associate	Payable balance	1.8	1.8	1.8	
		Purchases - Raw material	11.0	3.5	-	
Muhammad Ali Ansari	Company Secretary	Loan received during the year	-	-	-	1.8
		Loan paid during the year				5.8
		Loan payable to related party	4	4	4	
Waqas Gulzar	Director, has 10% shareholding	Received against fresh capital				15.2
		Loan received during the year	-	-	-	4.4
		Loan paid during the year				15.2



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		Loan payable to related party	13.3	13.3	13.3	2.5
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Note:

Adil Poultry Farm: Owned by Chief Executive

Adorn International: Owned by Sponsors of B&Z Enterprise (for details, kindly refer to Section 3.2)

Amna Poultry Farm: Owned by spouse of Chief Executive

Buksh Farms and Sultan Poultry Farm were merged to form Adorn International and are owned by the Sponsors of B&Z Enterprise



### 3. OVERVIEW, HISTORY AND PROSPECTS

#### 3.1. COMPANY HISTORY & OVERVIEW

<b>Name</b>	Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Pvt) Limited)
<b>Incorporation Number</b>	0104739
<b>Date of Incorporation and Place</b>	5 <sup>th</sup> January 2017, Karachi
<b>Date of Commencement of Business</b>	October 2019

Barkat Frisian Agro Limited (“**BFAL**”, “**Company**” or the “**Issuer**”) was incorporated on 5<sup>th</sup> January, 2017, as a private limited company under the Companies Ordinance 1984 (now Companies Act, 2017) and was converted into a public limited company on 27<sup>th</sup> December, 2024. BFAL commenced operations in October 2019 and operates in food processing, manufacturing industry and poultry sector. Barkat Frisian Agro Limited is a Pakistan – Dutch Joint Venture Company and was formed in January 2017. It was established to cater the Hotels, Restaurants and Catering, dressing and sauces, baking and cooking industry and FMCGs locally and globally. The company’s core operations include manufacturing and sale of pasteurized eggs, egg yolk, egg whites, and customized egg-based products to large- and small-scale food manufacturers.

The Company essentially has three primary products, extracted from natural eggs:

- **Pasteurized Whole Egg:** Pasteurized whole eggs are egg products that have been heat-treated to eliminate bacteria.
- **Pasteurized Egg Yolk:** Pasteurized egg yolk is the rich, nutrient-dense portion of the egg, pasteurized to remove pathogens.
- **Pasteurized Egg White:** Pasteurized egg whites are a fat-free, protein-rich product that undergoes pasteurization to ensure safety.

The pasteurized egg products are extensively used in baking products (cakes, cookies, pastries), cooking (eggs, omelets), protein supplements, sauces and mayonnaise. They not only enrich and enhance the taste of the products but also ensures hygiene, retains the nutritional value of the eggs, and increases the overall shelf life of the eggs.

BFAL is a leading innovator in the Pakistani industry for manufacturing of pasteurized eggs and egg products. BFAL has state of the art, European standard, production facility which enabled the Company to achieve staggering growth and business expansion over the years reaping the benefits of monopoly. The company has already acquired multiple certifications including ISO 9001:2015, FSSC 22000, HALAL and SMETA. The production facility is situated at WL 36 – 37, Bin Qasim Industrial Park, Pakistan Steel, Karachi and has the capacity to process 17,000 tons of eggs annually. As of FY 2024, BFAL’s actual production stands at 12,680 tons with a capacity utilization of 74.59%.

BFAL is a joint venture between Buksh Group and Frisian Egg Group. Buksh Group has deep rooted presence in Pakistan’s poultry and textile sector, producing poultry feed, eggs and textile products. Frisian Egg group brings over 30 years of global experience in egg farming and processing, with established operations in the Netherlands, China, and Egypt. Frisian Egg International B.V. is incorporated in Kingdom of Netherlands and commenced its operations from Kingdom of Netherlands as well.

Since its inception, BFAL has experienced remarkable growth, reflecting the increasing demand for pasteurized egg products in Pakistan. Sales volume surged from 1,286 tons in FY20 to 12,680 tons in FY24, highlighting the growing market demand. To keep pace with its rapid expansion and cater to both local and international customers, BFAL plans to increase production capacity by constructing a second plant in Faisalabad increasing the production capacity by 12,000 tons totaling to 29,000. The current production capacity of BFAL is 17,000 tons and is operating at 74.59% capacity utilization. The Company is actively targeting export opportunities, including the Central Asian markets, and targeting major potential customers, which the company previously did not due to existing capacity constraints. Furthermore, the Company intends to target other customers in the bakery chain. The new facility in Faisalabad is strategically located to strengthen the Company’s geographical presence in the egg market and provides significant cost advantages. This new facility will focus



on meeting domestic demand, which will allow the Karachi plant to concentrate on expanding international sales, thereby further solidifying BFAL's presence in the global market. BFAL is currently exporting to UAE, KSA, Bahrain, Oman, Qatar, Kuwait and Egypt. The Company is in agreement with a distribution company, Bakery Line Catering, based in Kuwait for export distribution. Additionally, for local distribution, BFAL manages its distribution with the help of two transport service providers, namely, Shah Transport and M. Fayyaz Goods Transport Company. BFAL is also setting up a subsidiary in United Arab Emirates to further boost its export potential in the Middle Eastern market.

Furthermore, the Company is exploring opportunities to set up a production line for egg powder in Karachi. This strategic expansion will not only enhance the company's product offerings but also strengthen its position in the competitive landscape, allowing for increased flexibility and responsiveness to market demands. Moreover, the Company is Shariah Compliant as well.

### 3.2. PATTERN OF SHAREHOLDING

The pattern of shareholding (pre and post IPO) of BFAL is as follows:

Shareholder	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	% Holding	Number of Shares	% Holding
Sponsors / Directors				
Frisian Egg International B.V	121,127,492	50.00%	121,127,492	39.07%
B&Z Enterprise (Pvt.) Limited	79,941,585	33.00%	79,941,585	25.79%
Waqas Gulzar	24,225,538	10.00%	24,225,538	7.81%
Muhammad Adil Ali	9,690,212	4.00%	9,690,212	3.13%
Muhammad Ali Ansari	3,901,000	1.61%	3,901,000	1.26%
Naheed Ali Ansari	3,369,354	1.39%	3,369,354	1.09%
Johan Stuver	100	0.00%	100	0.00%
Paul Ettema	100	0.00%	100	0.00%
Mehmood Arshad	1	0.00%	1	0.00%
Nadia Ishtiaq	1	0.00%	1	0.00%
Anwar Ali	1	0.00%	1	0.00%
Public Offering	-	-	67,735,000	21.85%
<b>Total</b>	<b>242,255,384</b>	<b>100%</b>	<b>309,990,384</b>	<b>100%</b>

The detail of major shareholders is as follows:

#### Frisian Egg International B.V.:

Frisian Egg International B.V. brings over 30 years of global experience in egg farming and processing, setting up and operating egg processing plants with established operations in the Netherlands, China, and Egypt. Founded by Jappie Stuver in 1981 in Kingdom of Netherlands. Frisian Egg International B.V. initially focused on egg packing before expanding into egg breaking and processing in 1992. Under the leadership of his sons, Johan and Rolf, the company has grown to process millions of eggs daily, specializing in liquid egg products and egg powders, thereby positioning itself as a leader in the egg processing industry. (Website: [www.frisianegg.com](http://www.frisianegg.com))

Frisian Egg International B.V.'s subsidiaries include:

S. No.	Name	Country	Date of Incorporation	Business
1	Egyptian Pasteurized Egg Co	Egypt	7 <sup>th</sup> December, 2004	Producer of Pasteurized egg products



2	Chengdu Frisian Egg Company	China	18 <sup>th</sup> October, 2010	Producer of Pasteurized egg products
3	Frisian Egg B.V.	Kingdom of Netherlands	4 <sup>th</sup> July, 2001	Producer of Pasteurized egg products
4	International Egg Trading	Kingdom of the Netherlands	14 <sup>th</sup> June, 2017	Supplier and installer of egg processing plants
5	Dutch Egg membrane Protein Powder	Kingdom of the Netherlands	5 <sup>th</sup> September, 2016	Producer of egg shell membranes and products

### B&Z Enterprise (Pvt) Limited:

B&Z Enterprise (Pvt) Ltd is a holding company with a 33% shareholding in BFAL. The company plays a critical role in facilitating the Buksh Group's strategic involvement in BFAL.

### Buksh Group Overview

The Buksh Group, established in 1989, is a consortium of family-owned businesses with diverse interests in textile, poultry, and manufacturing sectors. The Group operates through four entities, either fully owned or under the management control of its sponsors: Muhammad Ali Ansari, Shaukat Ali Ansari, Anwar Ali, and Muhammad Arif, who are immediate family members. This familial ownership fosters strong strategic alignment and operational synergy across the Group's operations. (Website: [www.bukshgroup.net](http://www.bukshgroup.net))

### Principle Line of Business:

The Buksh Group specializes in:

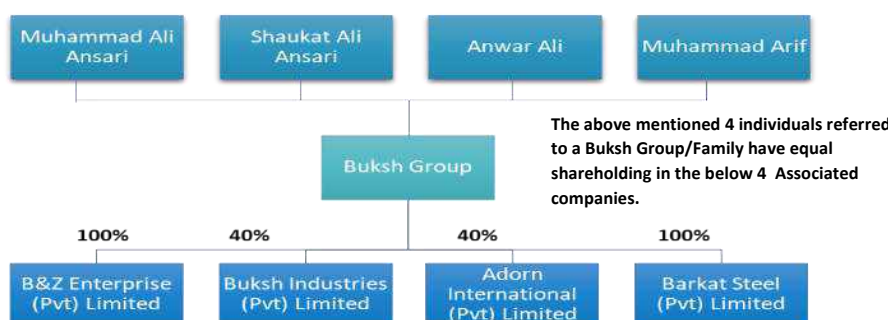
- Knitted garment manufacturing and exports through **Buksh Industries (Pvt) Ltd.**
- Poultry feed production and egg farming via **Adorn International (Pvt) Ltd.**
- Steel drum manufacturing with **Barkat Steel (Pvt) Ltd.**

The Group's extensive expertise in diverse sectors significantly enhances BFAL's operational capabilities and market outreach.

Buksh Group's companies under common ownership/control include:

S. No.	Name	Country	Shareholding %	Management Control	Business
1	B&Z Enterprise (Pvt) Limited	Pakistan	100%	Yes	Holding Company which has a shareholding in Barkat Frisian Agro Limited
2	Buksh Industries (Pvt) Ltd*	Pakistan	40%	Yes	Manufacturers and exporters of knitted garments
3	Adorn International (Pvt) Ltd*	Pakistan	40%	Yes	Manufacturers of poultry feed and egg farming
4	Barkat Steel (Pvt) Ltd	Pakistan	100%	Yes	Manufacturers of steel drums

\*The remaining shareholding in Buksh Industries (Pvt) Limited and Adorn International (Pvt) Limited is held by different members of the Buksh family.





### 3.3. REVENUE DRIVERS:

The key revenue drivers of BFAL include:

#### 1. Leader in the Industry:

As the first-mover in the pasteurized egg industry in Pakistan, the company enjoys a unique position in the market, leveraging its monopoly to redefine industry standards and consumer behavior. Pasteurized eggs are a novel product in the region, providing the company with an opportunity to establish itself as the industry leader. The pioneering status of the company enables them to develop targeted strategies to capture demand across diverse customer segments, including food manufacturers, confectioners, and food service providers. By addressing the market's demand for pasteurized eggs in its nascent stage, the company is laying the foundation for long-term revenue growth and strong customer relationships.

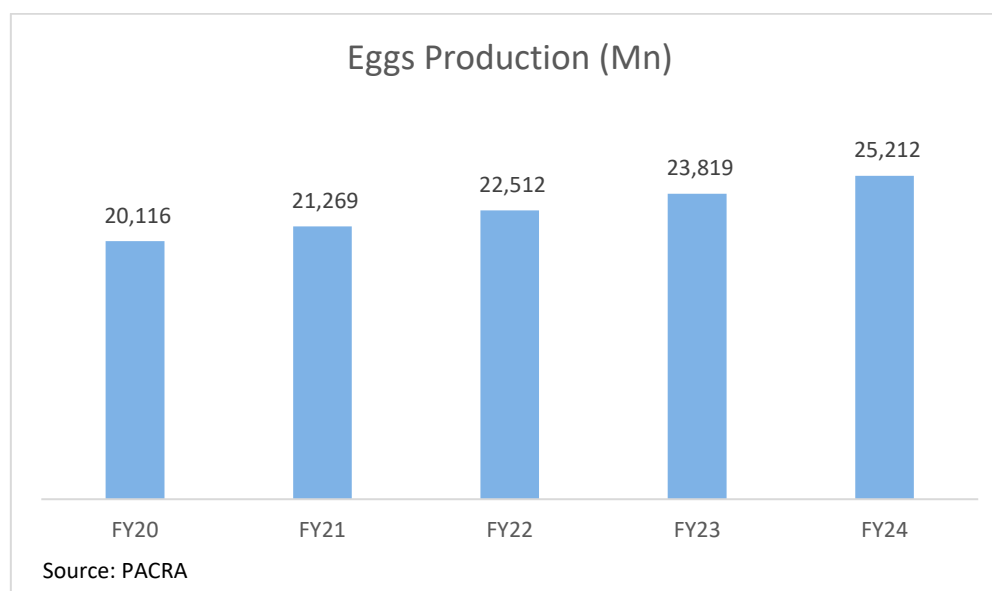
#### 2. Fresh Market Segment:

Pakistan's egg consumption market, predominantly reliant on traditional shell eggs, presents an untapped opportunity for innovation. Traditional eggs often lack compliance with global food safety standards, creating a gap in the market for safer, modern alternatives. The company targets food manufacturers, bakeries, and the food service sector, offering pasteurized eggs as a solution to the health and safety challenges of traditional products. By modernizing egg consumption practices, the company aims to capture a significant share of the market and drive sustained revenue growth.

#### 3. Surge in Local Egg Demand:

The local egg market has demonstrated significant growth over the years, indicating a positive outlook for the future. Over the past five years, local egg production has achieved a compound annual growth rate (CAGR) of 5.8%. This robust growth reflects increasing demand and highlights the market's potential for further expansion.

8



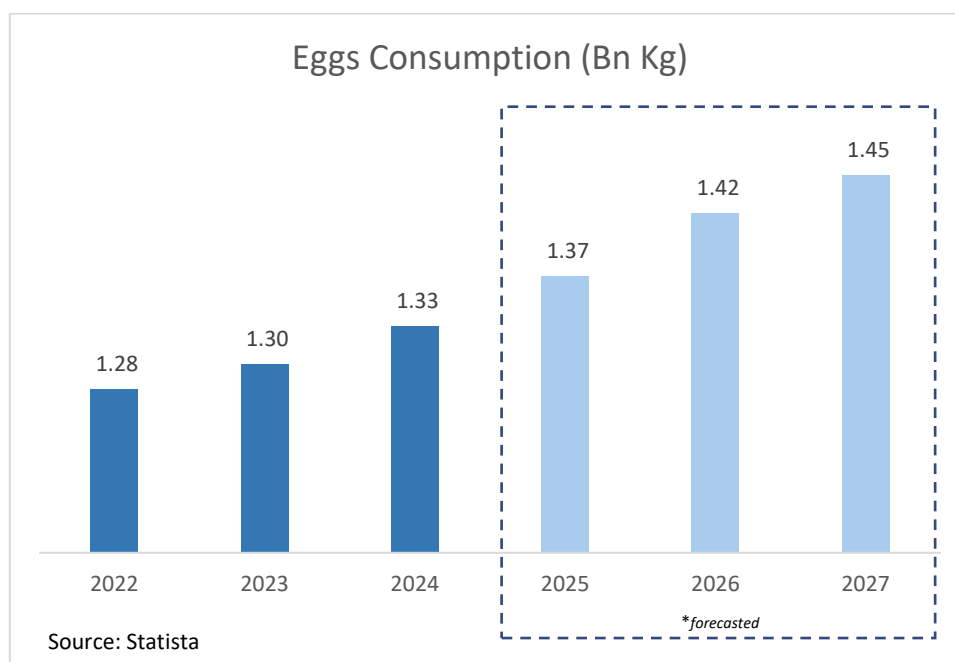
Furthermore, the per capita annual consumption of eggs in Pakistan is **90 eggs**.<sup>9</sup> The current population of Pakistan is **241.49 Mn**<sup>10</sup> bringing the annual egg consumption to **21 Bn** eggs annually. Moreover, the future egg consumption in Pakistan is also forecasted to grow at a steady rate.<sup>11</sup>

<sup>8</sup> [https://www.pacra.com/view/storage/app/Poultry%20-PACRA%20Research%20-Sep%2724\\_1727185385.pdf/](https://www.pacra.com/view/storage/app/Poultry%20-PACRA%20Research%20-Sep%2724_1727185385.pdf/)

<sup>9</sup> <https://www.karandaaz.com.pk/capital/direct-investments/wahdat-farm>

<sup>10</sup> <https://www.pbs.gov.pk/>

<sup>11</sup> <https://www.statista.com/outlook/cmo/food/dairy-products-eggs/eggs/pakistan#volume>  
[https://www.finance.gov.pk/survey/chapter\\_24/2\\_agriculture.pdf](https://www.finance.gov.pk/survey/chapter_24/2_agriculture.pdf)



#### 4. High Profile Clients:

BFAL has strong customer relationships with very high-profile customers like Unilever, English Biscuit Manufacturers and Ismail Industries. These companies have steady growth, higher purchasing power and willingness to invest in high quality products. This highlights the Company's strong consumer base and high growth prospects.

#### 5. Food Safety and Convenience:

With evolving lifestyles, there is a growing demand for convenient food options among urban consumers. This shift is accompanied by an increasing focus on stringent food safety compliance, which is transforming traditional industry dynamics. Ready-to-cook egg products, such as pasteurized eggs, emerge as a time-saving solution that also eliminates the risk of harmful pathogens, making them safe for both raw and cooked applications. The company is able to command premium pricing by highlighting the superior safety, quality, and convenience of its products:

- *Safety Assurance:* Pasteurized eggs significantly reduce the risk of salmonella, leading consumers and businesses to prioritize this safety guarantee and be willing to pay a higher price.
- *Longer Shelf Life:* The extended shelf life of pasteurized eggs minimizes wastage, appealing to both businesses and consumers. This characteristic justifies the premium pricing, as it offers added value and efficiency in food preparation.

Overall, these factors position the company favorably within the market, catering to the increasing demand for safe and convenient food options.

#### 6. Expanding Product Portfolio:

The company aims to diversify its product range to create additional revenue streams. By introducing value-added products, targeting niche audiences, and providing convenience-driven solutions, we seek to meet diverse consumer needs effectively.

- Egg Powder:* This product serves as a convenient whole egg substitute in protein-rich baked goods, thanks to its longer shelf life. Currently imported into Pakistan, there is no local manufacturer, presenting a significant market opportunity.
- Eggshell Membrane:* This thin layer, found between the eggshell and egg white, has diverse applications across various industries, including biomedical and animal feed, due to its rich



composition of proteins, collagen, and other beneficial compounds. The Company's Dutch partner already produces this product and possesses expertise in its production.

- iii) *Value-Added Shell Egg Products*: These are innovative or enhanced versions of standard eggs that offer additional benefits, convenience, or functionality. We plan to diversify our offerings with the following products:
- a) Organic Eggs
  - b) Free-Range Eggs
  - c) Pasteurized Shell Eggs

By expanding the product portfolio, the company is well-positioned to capture new market opportunities and enhance its competitive edge in the industry.

### 3.4. COST DRIVERS

#### 1. Cost of Raw and Packing Materials:

The largest cost driver is the cost of sourcing fresh eggs from poultry farms. Factors such as market fluctuations, seasonality, quality, and the scale of procurement (bulk discounts) impact the overall cost. The primary raw material is "**Shell Egg**". BFAL sources these eggs locally and then processes them. Raw materials accounted for **96%** of the cost of sales in FY24. Pasteurized eggs products require food-grade packaging to ensure safety and product longevity. These packaging are imported from China and Europe. BFAL maintains a streamlined supply chain and reinforces synergies within the corporate structure, fostering a cohesive approach to meeting market demands effectively.

#### 2. Utilities

Utilities expenses constitute the 2<sup>nd</sup> largest overheads component and account for **1.4%** of the production cost and the second major expense incurred by the company. The company currently relies on the national grid. Fluctuations in the tariff pricing of electricity can impact the margins of the Company.

#### 3. Salaries and Wages

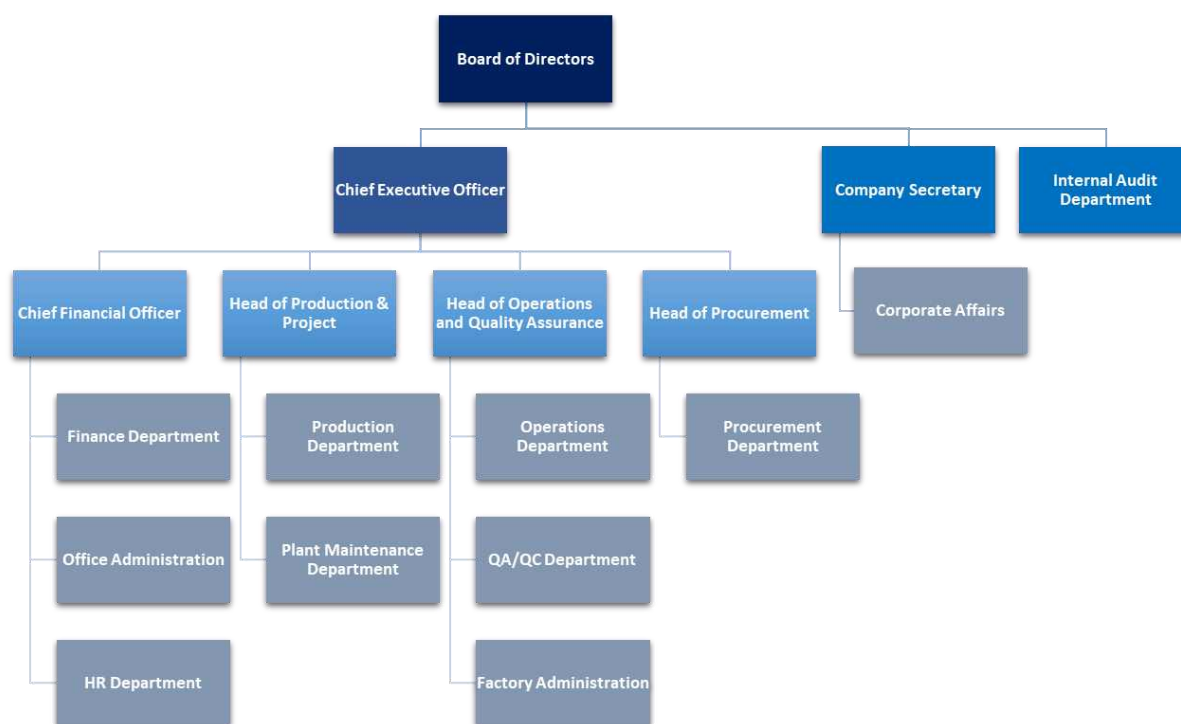
Salaries and wages form the 3<sup>rd</sup> largest overheads component and represent 0.38% of the total cost of sales in FY 2024, compared to 0.45% in FY 2023. Since the plant is highly state-of-the-art, skilled labor is an integral part for running the plant operations.

#### 4. Selling and Distribution Expense

Selling and distribution expenses are an integral part of the business. Selling and Distribution expenses amounted to 1.7% of sales in FY2024 compared to 1.5% in FY2023. These primarily include expenses incurred on account of travelling and field force salaries & incentives.



### 3.5. COMPANY ORGANOGRAM



### 3.6. KEY MILESTONES

Year	Events
2017	BFAL was incorporated as a private limited company to set up its first production plant in Karachi.
2017	BFAL did ground breaking of its Karachi plant.
2018	BFAL announced the successful financial close, attended by all key stakeholders.
2018	BFAL began construction of its first production plant in Karachi.
2019	BFAL announced inauguration ceremony.
2019	BFAL commenced Commercial production with a production capacity of 8,500 tons.
2019	BFAL received tax exemption for its plant at Port Qasim, Karachi till 2029.
2021	BFAL added a new production line increasing the production capacity to 17,000 tons annually.
2021	BFAL achieved 1.2 Bn in Sales.
2022	BFAL began exporting in the Middle East to UAE.
2024	BFAL received tax exemption for the upcoming plant in Faisalabad till 2036.
2024	BFAL commenced construction for its new production plant in Faisalabad in December 2024.

### 3.7. LOCATION OF PLANT AND PRODUCTION CAPACITY:

The Company’s first production facility is located at WL 36 – 37, Bin Qasim Industrial Park, Bin Qasim, Karachi and operating at 75% capacity. The Company purchased a new land of 2.5 acres to set up another production facility which is located at Plot No.51 Phase II M3 Industrial City (M3IC), Faisalabad. This facility will have a production capacity of up to 12,000 tons.

	Pre -Expansion	Post Expansion
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Particulars	Tons per day	Tons per year	Tons per day	Tons per year
Factory - I (Karachi)	46.6	17,000	46.6	17,000
Factory – II (Faisalabad)	-	-	32.9	12,000
<b>Total</b>	<b>46.6</b>	<b>17,000</b>	<b>79.5</b>	<b>29,000</b>

### 3.8. INFRASTRUCTURE OVERVIEW

#### 3.8.1. Manufacturing Facility:

The company's production facilities are designed to meet the highest industry standards, featuring a state-of-the-art plant dedicated to producing value-added egg products in compliance with European regulations. The plant was imported from Netherlands through International Egg Trading BV in 2018 who also installed the plant.

The production area is meticulously organized into dedicated zones, each tailored for specific processing functions. The cleaning and grading zone is equipped with advanced sensors for quality checks, ensuring that only the highest quality raw materials are selected for processing. In the breaking and separation area, stringent hygiene standards are maintained to guarantee the safety and quality of the eggs as they are broken and separated. The filtration, homogenization, and pasteurization processes employ cutting-edge technology to ensure product safety and extend shelf life, meeting all necessary food safety requirements.

An in-house microbiological and analytical laboratory supports rigorous quality control throughout the production process. This facility conducts regular testing to ensure that all products meet the highest safety and quality standards. The storage facilities are designed to maintain the freshness and integrity of both raw materials and finished products. Dedicated cold storage areas preserve temperature-sensitive items, while separate dry storage is provided for ingredients and packaging materials, protecting them from moisture and contamination.

The facility is equipped with essential utilities to support smooth operations. Adequate lighting is installed throughout the premises to enhance safety and operational efficiency, ensuring that all areas are well-lit for production activities. Advanced heating, ventilation, and air conditioning (HVAC) systems maintain optimal climate conditions in both production and storage areas, which is crucial for product integrity. Regular cleaning schedules are enforced to uphold hygiene standards, while preventive maintenance programs for production equipment minimize downtime and ensure continuous operations.

The facility currently has the following machinery:

#### **Egg Breaking Machine**

An egg-breaking machine is designed to automate the process of cracking eggs, significantly increasing efficiency in high-volume environments such as bakeries, food processing plants, and egg product manufacturing. This machine enables the rapid processing of large quantities of eggs, reducing labor costs and ensuring consistency in egg cracking, which is essential for further processing.

#### **Chiller**

A chiller is vital for maintaining optimal temperature conditions during the pasteurization process and for cooling eggs or liquid egg products afterward. By ensuring precise temperature control, the chiller helps to eliminate harmful bacteria, such as Salmonella, during pasteurization while preserving the eggs' quality. This process is crucial for both food safety and product integrity.

#### **Filling Machine**

The filling machine is integral to the packaging process of liquid egg products, such as whole eggs, egg whites, egg yolks, or pasteurized shell eggs. After pasteurization and cooling, this machine automates the filling, sealing,



and packaging of egg products into containers, ensuring accuracy, hygiene, and efficiency in the packaging line, readying the products for distribution.

### **Homogenizer**

A homogenizer is used to ensure the uniformity and consistency of liquid egg products. By breaking down the egg mixture into smaller, uniform particles, the homogenizer enhances the texture and stability of the product. This process ensures that fat and other components, such as proteins, are evenly distributed, resulting in a smoother, higher-quality product.

### **Pasteurization Machine**

The pasteurization machine is essential for ensuring the safety and quality of egg products. Through a controlled heating process, the machine reduces harmful microorganisms, such as Salmonella, without compromising the integrity of the eggs. This process ensures that the final product is safe for consumption while retaining its desirable taste and texture.

### **Specialized Mixing Tank**

In an egg pasteurization plant, a specialized mixing tank is used to blend various ingredients, such as salt, sugar, or enzymes, with the egg base to create customized products. This is particularly important for producing specialty items, such as salted yolk or sugar egg products, tailored to specific customer requirements. The mixing tank ensures consistent ingredient distribution and product quality.

### **Freezing System**

The freezing system is used to produce frozen egg products, which are primarily intended for export. This system rapidly freezes liquid egg products to preserve their quality and extend their shelf life, allowing for transportation and storage of products in a frozen state without compromising food safety or product integrity.

### **Hot Water Boiler**

The hot water boiler plays a critical role in providing the necessary heat to process the eggs safely and efficiently. In particular, the boiler supplies the hot water or steam needed to raise the temperature of eggs to a level that ensures the destruction of harmful microorganisms (such as Salmonella) while maintaining the quality of the eggs.

### **Air Compressor**

An air compressor serves several important functions that support the overall pasteurization process and ensure the safe and efficient handling of eggs. While the primary function of the plant is to safely heat the eggs to destroy harmful pathogens, such as Salmonella, without cooking them, the air compressor plays a critical role in other aspects of the operation.

Health and safety are prioritized through comprehensive compliance measures. The facility is certified for FSSC 22000 and HALAL, adhering to strict hygiene protocols in the handling, processing and storage of eggs to ensure consumer safety. Safety equipment, including fire extinguishers and first aid kits, is strategically placed throughout the facility, complemented by regular training sessions for employees on safety practices and emergency protocols.

Robust technological solutions support the manufacturing infrastructure. High-speed internet connectivity enhances operational efficiency and facilitates effective communication across the facility. Advanced sensors and control systems are utilized for real-time monitoring of production processes, ensuring consistent product quality and operational excellence.

To enhance operational flexibility, the facility offers custom packaging options tailored to customer requirements, improving convenience and usability for end users. Additionally, the capability to provide customized compositions, such as separating yolks and whites or blending with sugar and salt, allows the company to meet diverse consumer preferences.



Quality assurance is integral to the production process, with continuous monitoring conducted throughout production, including during pasteurization and refrigeration, to ensure adherence to quality standards. The focus on delivering consistent quality is complemented by improvements in emulsion, heat stability, and extended shelf life, reinforcing the company's commitment to excellence.

### 3.8.2. Process Support Facilities

The electricity supplier for the Company is Pakistan Industrial Development Corporation. Moreover, the company has its own solar plant as well along with standby generators. The capacity breakdown of these sources is listed below:

S. No.	Sources	Capacity (MW)
1	Pakistan Industrial Development Corporation	0.504
2	Solar Plant (KW)	0.125
3	Generators	0.636
	<b>Total</b>	<b>1.265</b>

### 3.8.3. Suppliers Profile:

1. **Ovobel:** OVOBEL supplies a complete range of equipment and machinery for the entire production process - from breaking and separating the egg to homogenizing, pasteurizing, storing, cooling or spray drying the product. OVOBEL is the exclusive supplier of Coenraadts egg breaking machines. These machines have been distributed worldwide by OVOBEL. It is based in Belgium.<sup>12</sup>
2. **Fujian Snowman:** Snowman, is a high-tech enterprise with compressor technology as a core, specialized in development, designing, manufacturing, sales, installation and after-sales service of industrial & commercial refrigeration and cold storage units as well as complete packages of refrigeration systems and ice making system. It is based in China.<sup>13</sup>
3. **Carrier:** Carrier provides Fire & Security and Cold Chain solutions to companies and households; it is based in United States.<sup>14</sup>
4. **Gronfa:** Gronfa Procestechniek, based in The Kingdom of Netherlands, is a manufacturing company of mixing technologies, filling machinery for IBC Drum Cans and a reliable processing partner active in all industrial sectors with focus on food & beverage, chemicals and pharmaceuticals.<sup>15</sup>
5. **BOS Homogenisers:** BOS Homogenisers is a leading, Dutch based, independent specialist manufacturer and supplier of spare parts suitable for use with APV, SPX, Gaulin and BOS equipment, high pressure pumps, homogenisers and support services.<sup>16</sup>
6. **Tetra Tech:** Tetra Tech is leading industrial services company covering Middle East, African & Asian countries in the field of Supply of materials, installation, commissioning, testing and startup operations of small, medium and large-scale dairy, beverages, water, food, confectionary, cosmetic and pharmaceutical industries.<sup>17</sup>
7. **Emerson:** As a global automation leader, Emerson is poised to transform industrial manufacturing.<sup>18</sup>

<sup>12</sup> <http://ovobel.com/>

<sup>13</sup> <https://www.srmtec.group/index-2.html>

<sup>14</sup> <https://www.carrier.com/carrier/en/worldwide/>

<sup>15</sup> <https://gronfa.nl/en/>

<sup>16</sup> <https://bos-homogenisers.com/>

<sup>17</sup> <http://www.tetratech.com.sa/>

<sup>18</sup> <https://www.emerson.com/en-us>



### 3.9. LOCAL AND INTERNATIONAL ACCREDITATIONS:

BFAL is ISO 9001:2015, FSSC 22000 and HALAL Certified. The company is locally certified from Sindh Food Authority and Department of Animal Quarantine Pakistan. The facility has been designed, imported and installed by Dutch partner Frisian Egg, one of the Europe’s leading Pasteurized Egg Company. All transactions with Frisian Egg were at arm length basis





Certification Name	Issue Date	Expiry Date	Awarding Body	Details
ISO 9001:2015	12/05/2022	05/10/2025	Bureau Veritas Certification	The standard demonstrates the ability to consistently provide products and services that meets or exceeds customer and regulatory requirements.
FSSC 22000	31/05/2024	17/05/2025	Bureau Veritas Certification	Globally recognized certification standard for food safety management systems.
HALAL	14/02/2024	13/02/2025	Al Waiz Certification & Training Services	Globally recognized standard to meet the Islamic Dietary Laws
SMETA	10/10/2024	10/10/2025	Bureau Veritas Certification	SMETA (Sedex Members Ethical Trade Audit) is a widely used auditing process that helps companies assess their suppliers' social, environmental, and ethical practices.

### 3.10. MANUFACTURING PROCESS OVERVIEW:




The manufacturing process progresses through several key stages as shown below:

Sr. No	Process Steps	Process Description	Control Measures	Explanation Through Picture
1	Receiving the Eggs	According to the request from the store department, eggs are received and placed in a designated area. After quality checking, the eggs are either passed or rejected. The Rejected eggs are returned to supplier The passed eggs are stored, and it is ensured that the storage temperature does not exceed 25°C.	Inspection of Eggs According to the Standard <b>OPRP</b>	







2	Storage of Eggs	Eggs are stored in a cool place where the temperature is maintained below 25°C. During the storage of eggs, dirty eggs are systematically separated, and they are washed before use.	Daily Inspection by the Supervisor and QA to Ensure Storage Temperature <b>OPRP</b>	
3	Egg Breaking Process	Eggs are broken by machine, and the by-products (eggshells) are separated and collected through a conveyor. The broken eggs are processed according to the requirement in different forms (whole, white, yolk) and collected in a balance tank.	Online Inspection by QA <b>QCP</b>	
4	Filtration of Egg Fluid	The egg fluid is transferred to the filter, where it is passed through a 0.6 mm sieve to remove any remaining shell particles.	After every 4 hours filter is inspected <b>OPRP</b>	
5	Storage of Filtered Egg Fluid (Before Pasteurization)	The filtered egg fluid is stored in a tank at a temperature of 4°C. It is ensured that the filtered eggs undergo the pasteurization process within 48 hours. After that, before homogenization, the egg fluid is passed through a 0.4 mm sieve.	Continuous Temperature Monitoring, pH, and Dry Matter Adjustment <b>OPRP</b>	








6	Homogenization	The egg fluid (whole, yolk) is homogenized before the pasteurization process to ensure uniform particle size.	Pressure and Time Adjustment	
7	Blending Tank	According to Customer Requirements/Instructions: Salt or sugar is added to the egg fluid.	Determining and Continuously Checking the Quantity of Sugar or Salt Added	
8	Pasteurization	After homogenization, the egg fluid is pasteurized at the specified heating time and temperature according to the product specifications.	Monitoring of Pasteurization Duration and Temperature <b>CCP</b>	
9	Cooling of the Product (Inside the Holding Tube)	The pasteurized product is passed through the holding tube, where it is cooled for 4 to 6 minutes to reduce its microbial load.	Monitoring the Holding time of the Product in the Holding Tube	



10	CIP(Clean -in-Place) Room	The function of a CIP room is to clean and sanitize the egg pasteurization plant's equipment, pipelines, tanks, and other components that come in contact with the eggs or egg products.	After every 3-4 hours of production, CIP is done to keep pipelines, tanks and other components clean.	
11	Storage of Pasteurized Product	Continuous agitation is performed while storing pasteurized products in a tank at a controlled temperature of 4°C. It is also ensured that the stored product enters the next stage of processing within 24 hours to ensure freshness and safety.	Inspection of the Storage Temperature of Pasteurized Products and Monitoring the Duration of Time the Product Remains in the Tank <b>CCP</b>	
12	Hygiene Room	The Company has various Hygiene rooms in place from the start of Production to the filling room.		
13	Filling of the Product	The finished product is filled into sprouted containers of 10/20 kilograms or 1000-kilogram bags.	Inspection of Product Labeling, Manufacturing, and Expiry Date, as well as Printing and Sealing of the Product <b>QCP</b>	



14	Laboratory Room	We Have State of the art Laboratory equipped with modern and advanced technology. This includes cutting-edge equipment for real-time monitoring of pasteurization conditions, highly sensitive microbiological assays.		
15	Storage of Finished Products	The finished products are stored at a temperature below 4°C, following strict cleanliness and hygiene standards.	Monitoring of Shelf Life and Storage Temperature CCP	
16	Dispatch of Frozen Products	Frozen products are stored in a room at a temperature of (-18°C) which are mainly used for exports.		
17	Shelf Life of the Product	<b>Recommended Shelf Life at 0-4°C: 21 to 28 days</b> <b>Recommended Shelf Life at (-18°C): 12 months</b>		
18	Distribution of Finished Products	Transportation is carried out in refrigerated vehicles, ensuring that the internal temperature remains below 4°C during transit.	Continuous Monitoring of the Internal Temperature of the Vehicle via Online App QCP	



19	Intended Use	It is a value-added product used in baking, cooking, and the preparation of various food dressings. It is primarily used in the manufacturing of cakes, sauces, and other food products. This industry is suitable for all age groups except for young children/infants (i.e., those aged 4-5 months) or individuals who may be allergic to egg consumption.	Details of the Finished Products and the Labeling Provided on the Product	
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**3.11. PRODUCTS PORTFOLIO END USERS, DEMAND FOR THE PRODUCTS AND COMPETITION:**


The key products of the Company are discussed below:

**3.11.1. Primary Products:**

Pasteurized Whole Egg	
Product	
Description	<p>Pasteurized whole eggs are egg products that have been heat-treated to eliminate bacteria while preserving the egg's natural flavor, nutrition, and versatility. This process ensures safety without the need for additional cooking.</p>
Variants	<p><b>Liquid Pasteurized Whole Egg:</b> Available in bags, ready for immediate use in cooking and baking.</p> <p><b>Frozen Pasteurized Whole Egg:</b> Packaged for long-term storage, ideal for food service operations.</p> <p><b>Pasteurized Whole Egg (With 9%, 10% and 11% Salt):</b> Designed for professional kitchens, bakeries, and food manufacturers looking for a convenient, ready-to-use solution.</p> <p><b>Pasteurized Whole Egg (With 50% Sugar):</b> Ideal for immediate use in baking and food production.</p> <p><b>Whole Egg Powder:</b> Ideal as an ingredient in prepared foods. (It is currently not in the product portfolio and will be added in the future)</p>



<b>Applications</b>	<p><b>Baking:</b> Ideal for cakes, cookies, and pastries, providing moisture and binding properties.</p> <p><b>Cooking:</b> Perfect for making scrambled eggs, omelets, and frittatas without the risk of salmonella.</p> <p><b>Sauces and Dressings:</b> Used in the preparation of mayonnaise, hollandaise sauce, and dressings, ensuring safety without cooking.</p> <p><b>Food Manufacturing:</b> Suitable for commercial production of pasta, baked goods, and ready-to-eat meals.</p>
<b>Benefits</b>	<p><b>Food Safety:</b> Pasteurization significantly reduces the risk of foodborne illnesses, making it safe for use in uncooked dishes.</p> <p><b>Convenience:</b> Ready-to-use format saves preparation time in busy kitchens and food service operations.</p> <p><b>Nutritional Integrity:</b> Retains the nutritional profile of whole eggs, providing essential proteins and nutrients.</p> <p><b>Versatility:</b> Suitable for a wide range of culinary applications, enhancing the texture and flavor of dishes.</p>

<b>Pasteurized Egg Yolk</b>	
<b>Product</b>	
<b>Description</b>	<p>Pasteurized egg yolk is the rich, nutrient-dense portion of the egg, pasteurized to remove pathogens while maintaining its functional properties. It's an essential ingredient in sauces, desserts, and commercial food products.</p>
<b>Variants</b>	<p><b>Liquid Pasteurized Egg Yolk:</b> Available in bags, ready for immediate use in cooking and baking.</p> <p><b>Frozen Pasteurized Egg Yolk:</b> Packaged for long-term storage, ideal for food service operations.</p> <p><b>Pasteurized Egg Yolk (With 10%, 11% and 14% Salt):</b> Added salt helps with flavor, preservation, and functional properties.</p>
<b>Applications</b>	<p><b>Bakery:</b> Adds richness to cakes, pastries, and custards.</p>



	<p><b>Sauces:</b> Essential for hollandaise, mayonnaise, and dressings.</p> <p><b>Ice Cream &amp; Desserts:</b> Provides smooth texture and flavor.</p>
<b>Benefits</b>	<p><b>Safety:</b> Pasteurization removes harmful bacteria.</p> <p><b>Emulsification:</b> Perfect for making creamy, smooth sauces and desserts.</p> <p><b>Nutritional Value:</b> Rich in vitamins A, D, E, and K.</p> <p><b>Consistency:</b> Enhances texture and richness in recipes.</p>

Pasteurized Egg White	
<b>Product</b>	
<b>Description</b>	<p>Pasteurized egg whites are a fat-free, protein-rich product that undergoes pasteurization to ensure safety. Egg whites are ideal for health-conscious consumers and widely used in food production for their foaming and binding properties.</p>
<b>Variants</b>	<p>Liquid Pasteurized Egg White</p> <p>Frozen Pasteurized Egg White</p>
<b>Applications</b>	<p><b>Baking:</b> Used for meringues, soufflés, and angel food cakes.</p> <p><b>Cooking:</b> Ideal for low-fat dishes like egg white omelets.</p> <p><b>Protein Supplements:</b> Often used in shakes and bars for added protein.</p>
<b>Benefits</b>	<p><b>Fat-Free:</b> Ideal for low-fat and high-protein diets.</p> <p><b>Foaming Properties:</b> Perfect for creating light, airy textures.</p> <p><b>Safety:</b> Pasteurization ensures no risk of foodborne illness.</p> <p><b>Versatility:</b> Can be used in a wide range of dishes, from baked goods to healthy meals.</p>



### 3.12. MARKETING ACTIVITIES:

#### Local:

The marketing activities of the Company encompass a range of domestic and international events aimed at promoting pasteurized egg products. In Pakistan, the participation in **World Food Day Food Expo**, held in Karachi, has been particularly significant, with involvement as a Sponsor and Participant in 2022, then as a Gold Sponsor in 2023 and 2024. This event provided opportunities to raise awareness about pasteurized egg products, showcase leadership in food safety and sustainability, and connect with key players in the food industry.

Additionally, the company played a role in **World Poultry Day** in Karachi, focusing on promoting the benefits of pasteurized egg products specifically within the poultry sector. The **FoodAg** expo in August 2023 in Karachi allowed the company to network with agricultural and food industry leaders, exploring partnerships to expand the reach of its products. Participation in the **Pakistan Baking Summit** in June 2024 aided further in achieving this goal, enabling collaboration with baking industry experts to demonstrate the advantages of using pasteurized egg products in baked goods.

#### Global:

On the international front, the **Gulf Food Exhibition** in Dubai in February 2023, November 2023 and November 2024 served as a platform to promote pasteurized egg products to the MENA region, targeting potential customers and distributors.

Overall, these marketing activities are designed to raise awareness, build strategic relationships, and promote the versatility and quality of pasteurized egg products, reinforcing the company's commitment to food safety and innovation in the food industry.

### 3.13. KEY COMPETITORS:

As a leader in the pasteurized egg products industry in Pakistan, the company finds itself in a unique monopolistic position as BFAL is the only organized company in this business having a state of the art production facility and the ability to cater customized pasteurized egg supply as per customer requirement keeping the quality according to international standards. The traditional market primarily relies on farm eggs, which presents a substantial opportunity for growth and market capture. The company recognizes the need to effectively cater to this raw natural market, but the processing costs associated with our products present a barrier to entry.

While there are some competitors, particularly egg powder importers, their market segment is relatively small and typically limited to applications in confectioneries. This means that the primary competition is minimal, allowing the Company to focus on educating consumers and food manufacturers about the benefits of pasteurized products over traditional farm eggs.

The challenge lies in addressing the price sensitivity of the traditional market. To successfully penetrate this segment, the company must emphasize the safety, convenience, and quality of its pasteurized egg products, showcasing how they can meet the needs of both consumers and businesses more effectively than farm eggs. By leveraging pioneering status and commitment to high standards, the Company aims to position themselves as the preferred choice in the evolving egg product market in Pakistan.

### 3.14. END USERS OF THE PRODUCTS:

The Company Operates on Business-to-Business model only. It provides products to very well-established Food Sector Manufacturing industries (such as Baking Sector, Sauce and Dressing Producers and Frozen Food Producers) & small-scale industries and HoReCa Industries.

Sr No	Customer Name	Country	Product	FY 2022	As of Total Sales	FY 2023	As of Total Sales	FY 2024	As of Total Sales
				PKR Mn	%	PKR Mn	%	PKR Mn	%



1	English Biscuit Manufacturers (Pvt) Ltd.	Pakistan	Pasteurized Whole Egg	801	32%	1,410	33%	2,117	35%
2	Coronet Foods (Pvt) Limited	Pakistan	Pasteurized Whole Egg	559	23%	646	15%	1,049	17%
3	Asian Food Industries Limited	Pakistan	Pasteurized Whole Egg	140	6%	759	18%	894	15%
4	Ismail Industries Limited	Pakistan	Pasteurized Whole Egg	224	9%	288	7%	389	6%
5	Young's (Private) Limited	Pakistan	Pasteurized Whole Egg White	240	10%	313	7%	349	6%
6	Do Freeze LLC	UAE - Dubai	Pasteurized Whole Egg	43	2%	215	5%	204	3%
7	Unilever Pakistan Food Limited	Pakistan	Pasteurized Whole Egg 10% salted	119	5%	179	4%	204	3%
8	Gulf Central Company Ltd.	KSA	Pasteurized Egg Yolk	-	0%	-	0%	133	2%
9	A. Rahim Foods (Pvt) Limited	Pakistan	Pasteurized Whole Egg	-	0%	26	1%	98	2%
10	Hilal Foods (Private) Limited	Pakistan	Pasteurized Whole Egg	261	11%	285	7%	90	1%
11	Others			83	3%	204	5%	542	9%
	<b>Total</b>			<b>2,470</b>	<b>100%</b>	<b>4,325</b>	<b>100%</b>	<b>6,068</b>	<b>100%</b>

### 3.15. INTELLECTUAL PROPERTY RIGHTS:

The Company's Intellectual Property Rights are stated below:

Number	Trade Mark	Current Status	Approval Date	Expiry Date	Awarding Body
0104739	Barkat Frisian Agro Limited	Completed	20 <sup>th</sup> November 2024	20 <sup>th</sup> November 20234	The Trade Marks Registry, Karachi

### 3.16. DETAILS OF MATERIAL PROPERTY

The details of material property are stated below:

S.No	Particulars	Ownership Status	Date of Acquisition	Usage	Location	Total Area
1	WL 36-37, Bin Qasim Industrial Park (Special Economic Zone)	Owned (leasehold)	January 2017	Production Plant	Karachi	2.5 Acre
2	Plot No.51, M3 Industrial City, Phase II (Special Economic Zone)	Owned (Leasehold)	February 2024	Production Plant	Faisalabad	2.5 Acre



3	Balad Trade Center-III, 6th Floor, Office No. 601, Plot No. D-75 Block 7, Clifton	Rented	April 2024	Head Office	Karachi	1,225.29 Sq. Ft
4	Balad Trade Center-III, 6th Floor, Office No. 604, Plot No. D-75 Block 7, Clifton	Rented	December 2024	Head Office	Karachi	1,194.04 Sq. Ft
5	Rijana Road Near Mukhtiar Palace, Kamalia	Rented	December 2024	Warehous e	Kamalia	13,612.5 Sq. Ft

### 3.17. FUTURE PROSPECTS AND DEMAND OUTLOOK

#### 3.17.1. Rising Demand for Food Safety and Convenience:

By 2023, Pakistan's population reached 241.49 million<sup>19</sup>. Pakistan is home to the world's sixth largest population with the crucial 15–64-year age bracket constituting 55.9%<sup>20</sup> of total population. With Pakistan's population exceeding 241 million and a rapidly growing youth demographic, the demand for safe, convenient, and nutritious food options is on the rise, the Company is uniquely positioned to address this need. With a significant portion of the population in the working-age group, there is a marked shift toward processed, ready-to-use food items that align with busy urban lifestyles. The company's pasteurized egg products cater to this demand, providing a safe, versatile, and high-protein option suitable for the food service industry.

#### 3.17.2. Leveraging the Sponsor's Expertise and Market Leadership:

Backed by Frisian Egg International B.V., with three decades of experience in setting up and operating pasteurized egg production plants in Europe and emerging markets and Buksh Group's expertise in local poultry industry, the Joint-Venture brings a strong legacy of industry expertise and innovation to the market. This leadership ensures a consistent focus on quality and adherence to global food safety standards, giving the company a strategic advantage in expanding its market presence locally and globally. The sponsor's established reputation bolsters trust among customers and stakeholders, reinforcing the company's position as a reliable supplier.

#### 3.17.3. First-Mover Advantage and Zero Competition

As the only pasteurized egg producer in Pakistan, the company enjoys a substantial first-mover advantage. With no local competition, the company has the opportunity to establish a dominant market presence and set industry standards. The lack of local competitors allows a stronger influence over market trends. This pioneering status also provides the company with unique opportunities for partnerships and potential future collaborations to promote food safety standards.

#### 3.17.4. Expanding Production Capacity

To meet anticipated demand growth, the Company plans to invest in state-of-the-art production facilities that can scale efficiently. This capacity not only strengthens the Company's position in Pakistan but also enables the Company to further expand its international presence. By ensuring strict quality measures, the Company aims to attract consumers looking for safe, convenient and nutritious food options.

### 3.18. VENDORS TO THE ISSUER:

Raw materials accounted for 96% of the total cost of sales in FY24. All the raw materials are sourced locally and only packaging materials are imported from China. All transactions are done at an arm's length basis

<sup>19</sup> <https://www.pbs.gov.pk/sites/default/files/population/2023/Press%20Release.pdf>

<sup>20</sup> <https://www.population-trends-asiapacific.org/data/PAK>



S. No.	Vendor Name	Country	Product	Purchases during FY 2022 (PKR Mn)	% of Total Purchases during FY 2022	Purchases during FY 2023 (PKR Mn)	% of Total Purchases during FY 2023	Purchases during 2024 (PKR Mn)	% of Total Purchases during 2024
1	Ghulam Mustafa Enterprises	Pakistan	Shell Egg	175	23%	792	37%	1,031	29%
2	Abdullah Poultry Farm	Pakistan	Shell Egg	17	2%	137	6%	758	21%
3	Marhaba Protein Farms (Pvt.) Limited	Pakistan	Shell Egg	226	30%	519	24%	513	14%
4	Islamabad Feeds (Pvt.) Ltd.	Pakistan	Shell Egg	35	5%	131	6%	325	9%
5	AHB Poultry	Pakistan	Shell Egg	-	0%	-	0%	261	7%
6	Maryyam Poultry Farm	Pakistan	Shell Egg	80	11%	172	8%	217	6%
7	Crown Poultry (Pvt.) Limited	Pakistan	Shell Egg	162	21%	106	5%	140	4%
8	BW Poultry Form	Pakistan	Shell Egg	10	1%	158	7%	140	4%
9	Raja Farm	Pakistan	Shell Egg	29	4%	93	4%	137	4%
10	Hongchang Packing Material and Co	China	Packing material	21	3%	15	1%	25	1%
			<b>Total</b>	<b>754</b>	<b>100%</b>	<b>2,124</b>	<b>100%</b>	<b>3,547</b>	<b>100%</b>

### 3.19. PROFILES OF VENDORS TO THE ISSUER:

- Ghulam Mustafa Enterprises:** Ghulam Mustafa Enterprises is the largest egg broker in Pakistan, located on Ranjana Road in Kamalia, Toba Tek Singh. Ghulam Mustafa Enterprises plays a pivotal role in the egg distribution market, serving a wide range of customers across the country.
- Abdullah Poultry Farm:** Abdullah Poultry Farm, situated in Chak # 80/12 L P.O Chak # 69/12 Bhurewala, is the largest poultry farm in the region. As a major supplier in Bhurewala, Abdullah Poultry Farm is



- recognized for its consistent quality and large-scale egg production cases.
3. **Marhaba Protein Farms Pvt Limited:** Located near Village Shah Baig Lund, Tando Allahyar, Marhaba Protein Farms is one of the largest egg producers in Sindh. Marhaba Protein Farms is known for its efficient operations and high-quality egg production, making it a trusted supplier in the region.
  4. **Islamabad Feeds Pvt Ltd:** Islamabad Feeds Pvt Ltd is based in 99-D Satellite Town, Rawalpindi, and is one of the largest poultry farms in the region. Islamabad Feeds is recognized for its high standards of production and reliable egg supply.
  5. **AHB Poultry:** AHB Poultry, located in Main Bazar Douglas Pura, Faisalabad. AHB Poultry is known for producing fresh eggs of high quality, and it serves as a reliable supplier in the local egg market.
  6. **Maryyam Poultry Farm:** Maryyam Poultry Farm is located in Chak # 506 GB, Tandian Wala, Toba Tek Singh. Maryyam Poultry Farm is a well-established supplier of fresh eggs, known for its quality and large-scale production in the region.
  7. **Crown Poultry Pvt Ltd:** Crown Poultry Pvt Ltd is situated in Iqbal Town, Manga Mandi, Lahore. Crown Poultry Pvt Ltd is a leading supplier in the region, known for its large-scale operations and commitment to high-quality egg production.
  8. **Raja Farm:** Raja Farm is located in Tehsil and District T.T. Singh. Raja Farm is recognized for its efficient egg production and consistent supply of fresh, high-quality eggs to the local market.
  9. **BW Poultry Farm:** BW Poultry Farm is based in New Sabzi Mandi Road, Kamalia, Toba Tek Singh. Known for its reliable egg production, BW Poultry Farm is a key supplier in the Kamalia area, meeting the demands of local wholesalers and retailers.
  10. **Hongchange Packing Material Co., LTD:** Hongchange Packing Material Co., LTD, located on Yuhang Rd, Xiangcheng District, Suzhou, China, is a leading supplier of high-quality packaging materials. Known for its durable and efficient solutions, Hongchange is a trusted partner for meeting the company's packaging needs.
  11. **Adorn International Pvt Ltd:** Adorn International Pvt Ltd, situated at B-10/A, Street 2, Manghopir Road, SITE, Karachi, is a prominent supplier of eggs and poultry feed. Renowned for its reliability and consistent supply quality, Adorn International plays a vital role in supporting the company's operations.

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

BFAL is in full compliance with requisite No Objection Certificates ("NOCs"), Consents and Approvals from related Government Entities and Regulatory Bodies.

Agreement	Approving authority	Validity period
<b>Registration Certificate for Export of valued added chilled and frozen liquid eggs products</b>	Animal Quarantine Department- Ministry of National Food Security & Research	10 <sup>th</sup> December, 2029 (5 years from the date of registration)
<b>Food Business License</b>	Sindh Food Authority – Government of Sindh	13 November 2025 (renewable after every 01 year)
<b>Approval for Safe Handling &amp; Storage of Hazardous Substance Management Plan</b>	Sindh Environment Protection Agency- Government of Sindh	15 <sup>th</sup> December, 2025 (renewable after every 01 year)



<b>Approval of Environmental Management Plan (EMP)</b>	Sindh Environment Protection Agency- Government of Sindh	12 <sup>th</sup> January, 2026 (renewable after every 01 year)
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### 3.21. ASSOCIATED COMPANIES

Name of Company	Nature of Business	Nature of Relationship	Details
<b>Direct Sponsors</b>			
B&Z Enterprise (Pvt.) Ltd.	Holding Company	Sponsor	B& Z Enterprise holds 33% shareholding in BFAL
Frisian Egg International B.V.	Egg Pasteurized Company	Sponsor	Frisian Egg International B.V holds 50% shareholding; therefore, it is an associate of BFAL.
<b>Associated companies of B&amp;Z Enterprise (Pvt.) Ltd.</b>			
Buksh Industries (Pvt) Ltd	Manufacturers and exporters of knitted garments	Common Ownership/ Management Control	Mr. Muhammad Ali Ansari, Mr. Shaukat Ali Ansari, Mr. Anwar Ali and Mr. Muhammad Arif have Common Ownership/Management Control.
Adorn Industries (Pvt) Ltd	Manufacturers of poultry feed and egg farming	Common Ownership/ Management Control	Mr. Muhammad Ali Ansari, Mr. Shaukat Ali Ansari, Mr. Anwar Ali and Mr. Muhammad Arif have Common Ownership/Management Control
Barkat Steel (Pvt) Ltd	Manufacturers of steel drums	Common Ownership/ Management Control	Mr. Muhammad Ali Ansari, Mr. Shaukat Ali Ansari, Mr. Anwar Ali and Mr. Muhammad Arif have Common Ownership/Management Control
<b>Associated companies of Frisian Egg International B.V.</b>			
Egyptian Pasteurized Egg Co	Producer of Pasteurized egg products	Joint Venture	Frisian Egg International B.V. is a sponsor in the form of joint venture
Chengdu Frisian Egg Company	Producer of Pasteurized egg products	Joint Venture	Frisian Egg International B.V. is a sponsor in the form of joint venture
Frisian Egg B.V.	Producer of Pasteurized egg products	Joint Venture	Frisian Egg International B.V. is a sponsor in the form of joint venture
International Egg Trading	Supplier and installer of egg processing plants	Joint Venture	Frisian Egg International B.V. is a sponsor in the form of joint venture
Dutch Egg membrane Protein Powder	Producer of egg shell membranes and products	Joint Venture	Frisian Egg International B.V. is a sponsor in the form of joint venture
Rojo BV	Holding Company	Sponsor of Frisian Egg International B.V.	Rojo BV holds a 50% stake in Frisian Egg International BV. Since Frisian Egg holds a 50% stake in BFAL, Rojo BV has been mentioned as an associated entity.
Eiprodukten Donkerbroek BV	Holding Company	Sponsor of Frisian Egg International B.V.	Eiprodukten Donkerbroek BV holds a 50% stake in Frisian Egg International BV.



Sanad BV	Holding Company	Sponsor of Eiprodukten Donkerbroek BV	Sanad BV holds a 50% stake in Eiprodukten Donkerbroek BV.
Quarta Proles BV	Holding Company	Sponsor of Eiprodukten Donkerbroek BV	Quarta Proles holds a 50% stake in Eiprodukten Donkerbroek BV.
Stujo BV	Holding Company	Sponsor of Rojo BV	Stujo BV holds a 50% stake in Rojo BV.
Sturo BV	Holding Company	Sponsor of Rojo BV	Sturo BV holds a 50% stake in Rojo BV.

### 3.22. DUTY STRUCTURE AND TARIFF:

Duty tariff for key packaging material procured by the Company is outlined below.

Raw Material	HS Code	Custom Duty	Additional Custom Duty	Regulatory Duty	Total Duty	Sales Tax	Income Tax (Tariff)
Aseptic Bag (BIB)	3923.21	20%	6%	10%	36%	18%	5.5%

### 3.23. RELATED PARTY TRANSACTIONS:

Related party transactions are incurred in ordinary course of business only, and these are duly disclosed in financial statements. Transactions entered with related parties are as follows:

Name	Relationship	Nature	FY 2022	FY 2023	FY 2024	2QFY 2025
			PKR Mn	PKR Mn	PKR Mn	PKR Mn
Adil Poultry Farm	Associate - Common ownership / shareholding / Control	Purchases - Raw material	84.9	93.8	51.2	36.0
		Payable balance	-	5.0	6.4	-
		Advance to supplier	16.2	-	-	-
Adorn International	Associate - Common ownership / shareholding / Control	Purchases - Raw material	-	9.8	103.2	160.5
		Payable balance	-	0.5	0.0	23.0
		Sales	-	0.0	-	-
Amna Poultry Farm	Associate - Common ownership / shareholding / Control	Purchases - Raw material	14.9	35.0	27.7	26.1
		Payable balance	5.5	-	2.6	-
B&Z Farms	Associate	Purchases - Raw material	-	7.5	1.5	-
		Payable balance	-	7.5	-	-
Buksh Farms	Associate - Common ownership / shareholding / Control	Purchases - Raw material	19.1	1.6	-	-
		Payable balance	3.3	3.3	3.3	-
		Purchases - Packing material	12.0	-	-	-
		Payable balance	0.6	0.6	0.6	0.6



Frisian Eggs International B.V.	Associate Company 50% Shareholder	Loan received during the year				43.7
		Loan transferred to equity				76.1
		Loan paid during the year				15.8
		Loan adjusted during the year (FX difference)				62.8
		Loan payable to related party	201.9	229.2	154.8	43.7
B&Z Enterprise (Pvt) Limited	Associated Company 33% Shareholding	Received against fresh capital				52.9
		Loan received during the year				42.2
		Loan paid during the year				59.0
		Loan payable to related party	38.0	38.0	38.0	21.1
Muhammad Adil Ali	CEO / Director / Shareholder	Received against fresh capital				6.0
		Loan received during the year				12.2
		Loan paid during the year				6.0
		Loan payable to related party	1.2	1.2	1.2	7.4
		Remuneration	2.3	2.3	2.7	
Naheed Ali	Associate person lineal Ascendant of CEO holds 1.39%	Purchases - Vehicle	1.3	-	-	
		Received against fresh capital				1.8
		Loan received during the year				2.8
		Loan paid during the year				4.3
		Loan payable to related party	1.5	1.5	1.5	-
Sultan Poultry Farm	Associate	Payable balance	1.8	1.8	1.8	
		Purchases - Raw material	11.0	3.5	-	
Muhammad Ali Ansari	Company Secretary	Loan received during the year	-	-	-	1.8
		Loan paid during the year				5.8



		Loan payable to related party	4	4	4	
Waqas Gulzar	Director, has 10% shareholding	Received against fresh capital				15.2
		Loan received during the year	-	-	-	4.4
		Loan paid during the year				15.2
		Loan payable to related party	13.3	13.3	13.3	2.5

Note:

Adil Poultry Farm: Owned by Chief Executive

Adorn International: Owned by Sponsors of B&Z Enterprise (for details, kindly refer to Section 3.2)

Amna Poultry Farm: Owned by spouse of Chief Executive

Buksh Farms and Sultan Poultry Farm were merged to form Adorn International and are owned by the Sponsors of B&Z Enterprise

### 3.24 INDUSTRY OVERVIEW:

The processed eggs industry has evolved into a vital component of the global food supply chain, driven by advancements in food technology and changing consumer preferences. As a sector that includes everything from liquid and powdered eggs to ready-to-use egg products, it caters to a diverse range of applications in both foodservice and industrial manufacturing. The industry's growth is fueled by increasing demand for convenience foods, rising health consciousness, and innovations in egg processing techniques. With its ability to enhance food safety, extend shelf life, and streamline production, the processed eggs industry plays a crucial role in meeting the needs of modern consumers and food producers alike.

#### 3.24.1 GLOBAL PROCESSED EGG INDUSTRY:

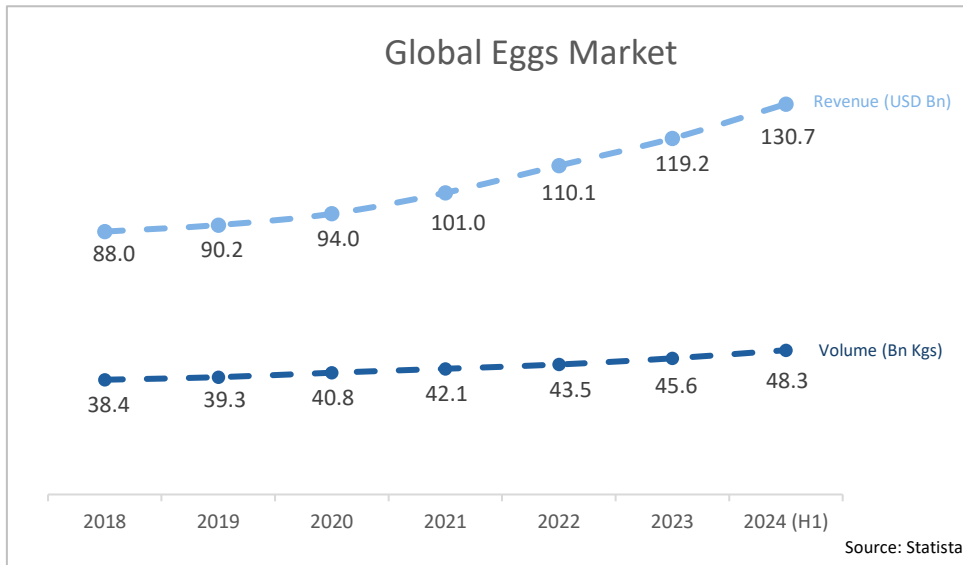
The processed eggs market is driven by rising food and beverage spending, the need for longer shelf life, and increasing demand for convenience foods due to busy lifestyles. Consumers are stockpiling long-lasting foods, boosting sales of frozen and freeze-dried eggs. The USDA reports growing demand for freeze-dried whole eggs, influenced by seasonal needs and regular commitments. Urbanization and time constraints are pushing consumers towards convenience foods, enhancing the appeal of processed eggs, which simplify preparation by eliminating shell-breaking and component separation.<sup>21</sup>

The market is further supported by the expanded use of processed eggs in bakery, confectionery, sauces, mayonnaise and dairy products, alongside innovative manufacturing processes that reduce waste. Additionally, the emphasis on egg safety and identification to prevent unsafe products from entering the market is expected to drive further growth, as processed eggs offer a safe and nutritious solution.

<sup>21</sup> <https://www.ams.usda.gov/mnreports/pyweggproducts.pdf>

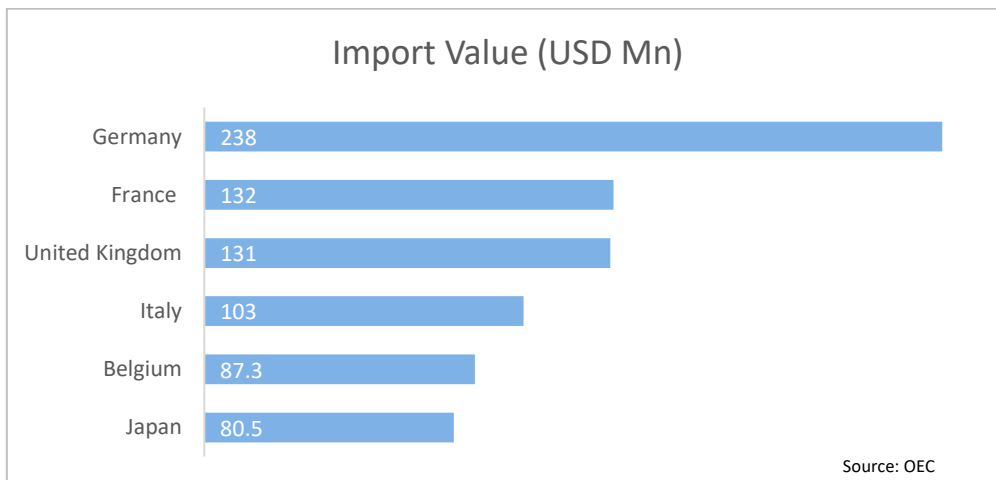


The global eggs market stands at a revenue of USD 130 bn in 2024 and is projected to grow at a CAGR of **8.17%** whereas volumetric growth is expected to grow at **5.48%** for the next five years. In global comparison, most revenue is generated in China with 2024 revenue amounting to USD 22 bn.<sup>22</sup>



The processed egg products market has surged due to the growing demand for quick and convenient meal solutions driven by increasingly busy lifestyles. This trend has led to a 15-20% increase in retail demand for dried and other preserved egg products throughout the pandemic. In response, manufacturers are expanding their product lines to meet this heightened demand for easy-to-prepare food options.

Netherlands, Poland, United States, France and Germany are the biggest exporters of processed eggs and account for **56%** of total processed egg exports where Netherlands leads with a market share of **27.4%**. The target destinations for processed egg are Germany, France, United Kingdom, Italy, Belgium and Japan.<sup>23</sup>



The processed eggs market requires substantial focus on Research and Development to ensure health and safety concerns which is a primary driver of the processed egg industry.<sup>24</sup>

<sup>22</sup> <https://www.statista.com/outlook/cmo/food/dairy-products-eggs/eggs/worldwide>

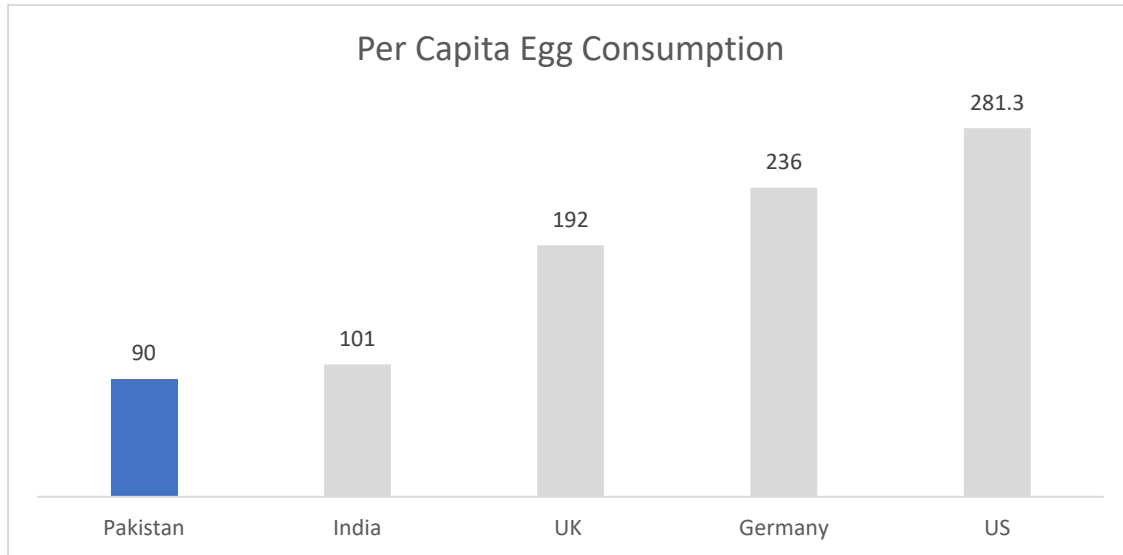
<sup>23</sup> <https://oec.world/en/profile/hs/processed-egg-products>

<sup>24</sup> <https://oec.world/en/profile/hs/processed-egg-products>

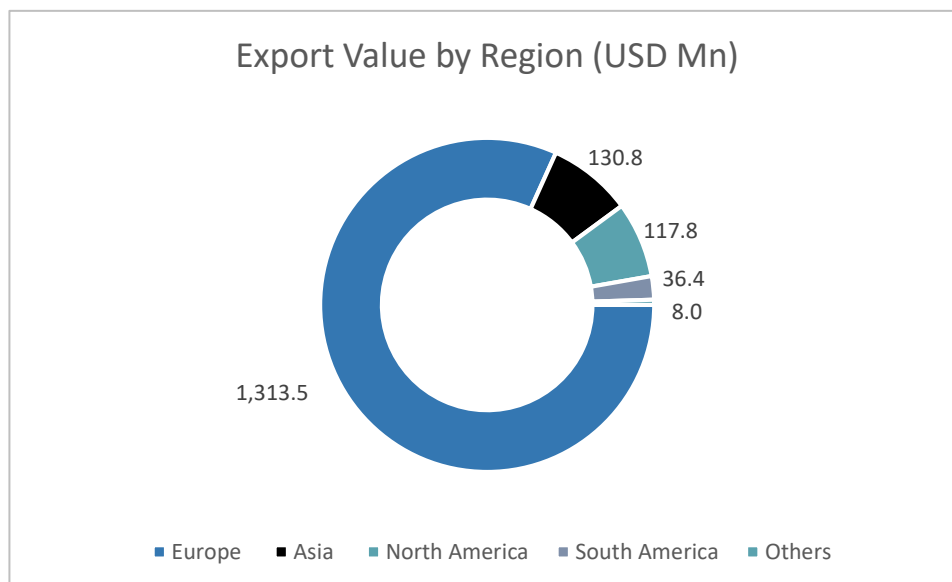


**3.24.2 REGIONAL DYNAMICS:**

Egg consumption patterns vary widely across the globe, shaped by cultural preferences, dietary habits, and regional cuisines. Eggs are a versatile food source, celebrated for their nutritional value and role in traditional dishes. Following is the global egg consumption comparison<sup>25</sup>:



The processed eggs industry has witnessed a spike in growth in recent years and is a lucrative opportunity for agriculture focused countries to capitalize. India has emerged as one big exporter of processed eggs in the region. In FY 2022, India exported USD 53.7 million worth of processed egg products, a **21.9%** increase since 2021, with the top export destinations being Indonesia, Vietnam, Russia and Japan. China has also began participating in the processed eggs industry with total processed eggs export value in 2022 standing at USD 39.7 million representing a **10.2%** increase from 2021. United Arab Emirates, Qatar, Oman and Saudi Arabia are top destinations within region for processed eggs products. There are different exporters from India, Pakistan and China within the region, and other European countries servicing the demand coming from the Gulf region.<sup>26</sup>



<sup>25</sup><https://www.statista.com/statistics/1358655/india-per-capita-availability-of-eggs/>, <https://www.karandaaz.com.pk/capital/direct-investments/wahdat-farm>, <https://www.egginfo.co.uk/egg-facts-and-figures/industry-information/data>, <https://www.statista.com/statistics/533508/eggs-per-capita-consumption-germany/>, <https://www.statista.com/statistics/183678/per-capita-consumption-of-eggs-in-the-us-since-2000/>

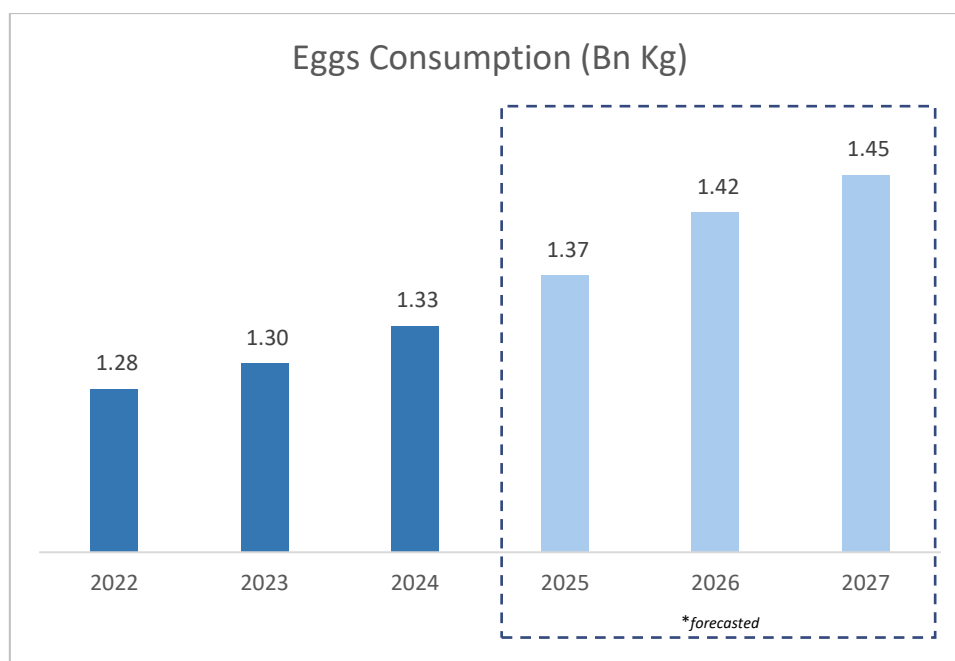
<sup>26</sup> <https://oec.world/en/profile/hs/processed-egg-products>



### Pakistan Processed Egg Industry:

The Pakistan processed egg industry is in its nascent stage right now, with only BFAL operating in the space, the competitive landscape is further constituted by regular egg companies. There are multiple egg companies in Pakistani landscape operating as bulk suppliers and some entering the landscape with branded egg products offering healthier and better eggs.

The regular egg market has also seen a steady growth. The overall egg consumption of eggs in the country has risen from 1.2 Bn kg eggs in FY 2022 to 1.33 Bn kg in FY 2024 and is forecasted to reach 1.45 Bn Kg eggs in FY 27.<sup>27</sup>



The processed egg industry is primarily serving Hotels, Restaurants and Catering, sauces and dressings, baking and confectionary sector of Pakistan and is directly influenced by the performance of these sectors. The baking and confectionary industry alone (including snacks and chips) has shown an YoY growth of **48.2%** in FY23.<sup>28</sup> The growth in the baking and confectionary industry is contributed to increased demand from children and young adults up to the age of 20, who drive 65% of demand in the sector. High proportion of younger population, increasing disposable incomes and newer varieties in the market have driven the snacks, baking and confectionary sector substantially.<sup>29</sup>

The annual per capita consumption of eggs in Pakistan is 90 eggs<sup>30</sup>. The population of Pakistan is 241.49 Mn<sup>31</sup> which results in an annual consumption of **21.7 Bn** eggs. As per the management estimates, HoReCa, sauces and dressings, the baking and confectionary industry consume around **15%** of the total consumption bringing the target market size to **3.25 Bn** eggs, or 139,750 tons of processed eggs annually.<sup>32</sup>

<sup>27</sup> <https://www.statista.com/outlook/cmo/food/dairy-products-eggs/eggs/pakistan#volume>

<sup>28</sup> <https://www.pacra.com/>

<sup>29</sup> <https://www.pacra.com/>

<sup>30</sup> <https://www.karandaaz.com.pk/capital/direct-investments/wahdat-farm>

<sup>31</sup> <https://www.pbs.gov.pk/sites/default/files/population/2023/Press%20Release.pdf>

<sup>32</sup> <https://www.bbcmastro.com/blog/egg-conversion-chart> (1 egg = 44 grams)



### 3A. SHARE CAPITAL AND RELATED MATTERS

#### 3A (i) Share Capital

The current Share Capital of BFAL is as follows:

Current Issued & Paid-Up Capital	No. of Shares	Face Value Per Share (PKR)	Premium Per Share (PKR)	Total at Par value (PKR)
<b>Authorized Capital</b>				
Ordinary Shares	310,000,000	1	-	310,000,000
<b>Issued, Subscribed &amp; Paid-Up Capital</b>				
Ordinary Shares of PKR 1/- each fully paid	242,255,384	1	-	242,255,384
<b>Total</b>	<b>242,255,384</b>	<b>1</b>	<b>-</b>	<b>242,255,384</b>
<b>Shares held by Sponsors</b>				
Frisian Egg International B.V.	121,127,492	1	-	121,127,492
B&Z Enterprise (Pvt.) Limited	79,941,585	1	-	79,941,585
Waqas Gulzar	24,225,538	1	-	24,225,538
Muhammad Adil Ali	9,690,212	1	-	9,690,212
Muhammad Ali Ansari	3,901,000	1	-	3,901,000
Naheed Ali Ansari	3,369,354	1	-	3,369,354
Johan Stuiwer	100	1	-	100
Paul Ettema	100	1	-	100
Mehmood Arshad	1	1	-	1
Nadia Ishtiaq	1	1	-	1
Anwar Ali	1	1	-	1
<b>Sub Total</b>	<b>242,255,384</b>	<b>1</b>	<b>-</b>	<b>242,255,384</b>
<b>New Issue of Ordinary Shares</b>				
New Shares Issuance through IPO	67,735,000	1	12.00	67,735,000
<b>Post IPO Paid Up Capital</b>				
Total Paid Up Capital Post IPO	309,990,384	1	812,820,000	309,990,384

\* A special resolution was passed on 2nd December 2024 for share splitting in a ratio of one to hundred reducing the face value from PKR 100/- to PKR 1/- in order to increase the number of outstanding shares to meet the minimum number of shares requirement as mentioned in the public offering regulations.

Moreover, Post share split the Company executed a rights issue of 152,255,384 shares on 17th December, 2024. The company previously had a paid-up capital of 90,000,000 shares and after the rights issue the paid-up capital stood at 242,255,384 shares.

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

Shareholder	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	% Holding	Number of Shares	% Holding
<b>Sponsors</b>				
Frisian Egg International B. V	121,127,492	50.00%	121,127,492	39.07%
B&Z Enterprise (Pvt.) Limited	79,941,585	33.00%	79,941,585	25.79%
Waqas Gulzar	24,225,538	10.00%	24,225,538	7.81%
Muhammad Adil Ali	9,690,212	4.00%	9,690,212	3.13%



Muhammad Ali Ansari	3,901,000	1.61%	3,901,000	1.26%
Naheed Ali Ansari	3,369,354	1.39%	3,369,354	1.09%
<b>Total</b>	<b>242,255,181</b>	<b>100%</b>	<b>242,255,181</b>	<b>78.15%</b>

**Note:**

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

**3A (iii) Present Issue**

The entire IPO Issue of 67,735,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 13.00/- per share with a price band of 40% above the floor price which is PKR 18.20/- per share.

The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 50,801,250 shares and the remaining twenty-five percent (25%) i.e. 16,933,750 shares shall be offered to the retail investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

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

S.No	No of Shares	Description	Face Value (PKR per share)	Total Value	Date of issuance
1.	150,000	Initial Subscription	100	15,000,000	30-June-2017
2.	450,000	Rights Issue	100	45,000,000	27-October-2017
3.	300,000	Rights Issue	100	30,000,000	19-December-2018
4.	900,000	Total	100	90,000,000	-

Subsequently to the above table, a special resolution was passed on 2<sup>nd</sup> December 2024 for share splitting in a ratio of one to hundred reducing the face value from PKR 100/- to PKR 1/- in order to increase the number of outstanding shares to meet the minimum number of shares requirement as mentioned in the public offering regulations.

Existing Shares	Existing Par Value Per Share (Rs.)	Post-Split Shares	New Value Per Share (PKR)
900,000	100	90,000,000	1



Moreover, Post share split the Company executed a rights issue of 152,255,384 shares on 17<sup>th</sup> December, 2024. The company previously had a paid-up capital of 90,000,000 shares and after the rights issue the paid-up capital stood at 242,255,384 shares. The rights issue was executed by converting a foreign loan from the sponsors, repaying the local loan, and utilizing the proceeds in the rights issue, as reflected in the table below:

Repayment of local loan to sponsors	Existing shares	Right shares against foreign loan	Right Shares against cash	Total Number of Shares after rights issue	Total Value at a Par Value of PKR 1/Share
57,987,364	90,000,000	76,127,692	76,127,692	242,255,384	242,255,384

The company has undertaken a share split and established a par value of PKR 1.00/- per share for the following key reasons:

#### 1. Regulatory Compliance:

The share split was necessary in order to meet the minimum number of shares requirement in Book Building according to section 7(1) of the Public Offering Regulations, 2017. This regulatory compliance ensures that the company adheres to the Pakistan Stock Exchange (PSX) listing rules.

#### 2. Enhancing Liquidity:

The share split is strategically implemented to increase the liquidity of the company's shares in the market. By reducing the par value and increasing the number of shares outstanding, the shares become more accessible to a diversified base of investors, thereby improving trading volume and liquidity.

#### 3. Utilization of Reserves:

As of the balance sheet date, June 30<sup>th</sup>, 2024, the company holds reserves amounting to PKR 696 Mn. In order to reduce the breakup value per share and increase the number of shares, the Company took a share split instead of issuing bonus shares to the existing shareholders. Post IPO, the new shareholders will also share the reserves equally in proportion of their shareholding with the existing shareholders.

#### 4. Benefitting New Shareholders:

Post-IPO, the new shareholders will benefit from the company's existing reserves. The share split does not diminish the value of these reserves but rather ensures that the benefits of these reserves are accessible to a larger number of shareholders post-IPO.

A share split, therefore, aligns with both market requirements and shareholder interests, as it balances regulatory compliance with the need to increase liquidity and ensure equitable benefits for all shareholders. **The said share split arrangement has been made as on 13<sup>th</sup> December, 2024.**

### 3A (v) Employee Stock Option Scheme

No employee stock options have been offered by BFAL.

### 3A (vi) Related Employees

Related Employees of the Company are as follows:

S. No	Name	Designation
1	Muhammad Adil Ali	Chief Executive Officer
2	Muhammad Farooq Zafar	Chief Financial Officer
3	Muhammad Ali Ansari	Company Secretary
4	Irfan Sharif	Head of Operations & Food Safety
5	Ammad Badar	Head of Production & Projects
6	Muhammad Asif	Head of Procurement



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

S. No	Name	Designation
1	Mr. Shahid Ali Habib	Chief Executive Officer
2	Mr. Farhan Rizvi	Director, Investment Banking
3	Mr. Hamza Rehan	Associate, Investment Banking
4	Mr. Raheel Ahmed	Associate, Investment Banking
5	Mr. Saif Ul Haq	Senior Analyst, Investment Banking
6	Mr. Usama Hanif	Analyst, Investment Banking
7	Mr. Ali Raza	Analyst, Investment Banking
8	Mr. Faizan Qureshi	Analyst, Investment Banking
9	Mr. Naveed Said	Analyst, Investment Banking

**Note:**

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



**UNDERTAKING OF THE SPONSORS OF THE ISSUER REGARDING IPO UTILIZATION**

**E-STAMP**      **حکومت سندھ**

**NBP-1862-2412190006069011**
**GoS-KHI-8809E0CA94647824**

**Non-Judicial**

Description	: Bond - 10(A)
Indemnity/Mortgagee	: P S X [00000000]
Indemnified/Mortgagees	: BARKAT FRISIAN AGRO (PRIVATE) LIMITED (00000000)
Applicant	: Muhammad Masoom [42301-1394452-5]
Stamp Duty Paid by	: BARKAT FRISIAN AGRO (PRIVATE) LIMITED (00000000)
Issue Date	: 19 Dec 2024, 01:47:27 PM
Paid Through Cheques	: 2024D4FE5E634F19
Amount in Words	: Five Hundred Rupees Only

**Rs 500/-**

Please Write Below This Line

**Pakistan Stock Exchange**  
 Stock Exchange Building  
 Stock Exchange Road  
 Karachi – 74000, Pakistan

**UNDERTAKING**

We, (1) Muhammad Adil Ali, son of Muhammad Ali Ansari, being CEO/Sponsor/Executive Director of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) holding CNIC No. 42201-7280142-3 resident of House No.M-74/1, Khayaban-e-Ittehad, Phase VII, DHA, Karachi, Pakistan; (2) Muhammad Ali Ansari, son of Barkat Ali, being Non-Executive Director/Sponsor of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) holding CNIC No. 42201-0621677-9, resident of House No.M-74/1, Khayaban-e-Ittehad, Phase VII, DHA, Karachi, Pakistan; (3) Naheed Ali Ansari, wife of Muhammad Ali Ansari, being the Sponsor of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) holding CNIC No. 42201-0533780-4, resident of House No.M-74/1, Khayaban-e-Ittehad, Phase VII, DHA, Karachi, Pakistan; (4) Waqas Gulzar, son of Anjum Tariq Gulzar, being Non-Executive Director/Sponsor of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) holding CNIC No. 42301-4272067-1, resident of 44-A, 9<sup>th</sup> Sunset Street, Phase II Extension, DHA, Karachi, Pakistan; and (5) B&Z Enterprises (Private) Limited, being the Sponsor of Barkat Frisian Agro Limited




**E-STAMP**  
CONTINUATION SHEET  
Government of Sindh

(formerly Barkat Frisian Pasteurized Egg Company (Private) Limited), holding CUIN 0122691 with its registered office at B/10A, Street No.2, Manghopir, S.I.T.E, Karachi, Pakistan, do hereby state on solemn affirmation as under that:

- (1) We are the sponsor and majority shareholder/owner of the shares of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited); and
- (2) The IPO Proceeds of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) shall be utilized as per the purpose disclosed in the Prospectus.

  
 .....  
**Muhammad Adil Ali**  
 CEO/Executive Director/Sponsor  
 Barkat Frisian Agro Limited

  
 .....  
**Muhammad Ali Ansari**  
 Sponsor  
 Barkat Frisian Agro Limited



  
 .....  
**Naheed Ali Ansari**  
 Sponsor  
 Barkat Frisian Agro Limited

  
 .....  
**Waqas Gulzar**  
 Sponsor  
 Barkat Frisian Agro Limited

  
 .....  
**B & Z ENTERPRISE (PVT) LTD.**  
**DIRECTOR**  
 For and on behalf of B&Z Enterprises  
 (Private) Limited  
 Muhammad Ali Ansari  
 Sponsor  
 Barkat Frisian Agro Limited



Dated: 30<sup>th</sup> December 2024  
 Place: Karachi, Pakistan



**ATTESTED**  
  
**MUHAMMAD SABIR**  
 ADVOCATE & OATH COMMISSIONER  
 KARACHI - PAKISTAN



P 15



Pakistan Stock Exchange  
Stock Exchange Building  
Stock Exchange Road  
Karachi, Pakistan

**UNDERTAKING**

We, Frisian Egg International B.V., being the Sponsor of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited), holding registration number 0104739 with its registered office at Office No.601, 6<sup>th</sup> Floor, Balad Trade Center III (BTC III), Plot No. D, 75, Zone C, Block 7, Khayaban-e-Jami, Clifton, Karachi, Pakistan, do hereby state on solemn affirmation as under that:



- (1) We are the sponsor and majority shareholder/owner of the shares of Barkat Frisian Agro Limited, and
- (2) The IPO Proceeds of Barkat Frisian Agro Limited shall be utilized as per the purpose disclosed in the Prospectus.



For and on behalf of Frisian Egg International B.V.  
Paul Ettema  
Sponsor  
Barkat Frisian Agro Limited  
(formerly Barkat Frisian Pasteurized Egg Company (Private) Limited)

Dated: 30<sup>th</sup> December 2024

Place: \_\_\_\_\_

Tasleem Naz  
Advocate High Court  
& NOTARY PUBLIC  
Karachi, Pakistan  
Call: 021 4804801



ATTESTED  
M. Sabir  
MUHAMMAD SABIR  
ADVOCATE & OATH COMMISSIONER  
KARACHI, PAKISTAN



## 4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING AGREEMENTS

### 4.1. Principal Purpose of the Issue

In order to further expand locally and globally, the Company aims to issue new equity with 67,735,000 new shares at the Floor Price of PKR 13.00/- per share, raising a total of PKR 880,555,000.

The primary goal of this issue is to fund the establishment of a new, state-of-the-art production facility at the M-3 Industrial City, Faisalabad. This strategic expansion will enable the Company to scale its production capacity, meeting the increasing demand for pasteurized egg products in both the domestic and export markets.

To support its construction to the new production facility leading up to the IPO, the Company obtained interest free bridge financing amounting to PKR 73.15 million post 1QFY25 from the sponsors of the company and will be repaid from the IPO proceeds, ensuring continued progress on the project and to ensure timely completion.

With the current egg pasteurization facility operating at a 74.59% utilization rate in FY 2024, the Company projects that this plant will soon reach maximum capacity utilization. This expansion aligns with the Company's long-term growth strategy, providing the necessary infrastructure to serve a larger market. By increasing capacity, the Company aims to secure a more significant market share domestically while establishing a stronger export footprint.

#### Pre-Expansion Capacity Utilization

Particulars (In tons)	FY2022	FY2023	FY2024
Actual production	9,363	10,232	12,680
Total Capacity	17,000	17,000	17,000
<b>Capacity Utilization %</b>	<b>55.08%</b>	<b>60.19%</b>	<b>74.59%</b>

Particulars	Pre -Expansion		Post Expansion	
	Tons per day	Tons per year	Tons per day	Tons per year
Factory - I (Karachi)	46.6	17,000	46.6	17,000
Factory - II (Faisalabad)	-	-	32.9	12,000
<b>Total</b>	<b>46.6</b>	<b>17,000</b>	<b>79.5</b>	<b>29,000</b>

### 4.2. Project Cost

The detailed Project cost is given in table below along with its financing plan:

Particulars	Cost (PKR)	Sub Percentage (%)	% of Total Cost
<b>Total Project Cost:</b>			
Plant & Machinery	491,313,195	52.05%	52.05%
Civil work & Land development charges	252,565,244	26.77%	26.77%
Mechanical and Electrical Installation	75,000,000	7.94%	7.94%
Project Support and Infrastructure Costs	125,127,119	13.24%	13.24%



<b>Total</b>	<b>A</b>	<b>944,005,558</b>	<b>100%</b>	<b>100%</b>
<b>IPO Proceeds Utilization:</b>				
Plant & Machinery		446,280,335	55.27%	47.28%
Civil work & Land development charges		166,624,612	20.64%	17.65%
Mechanical and Electrical Installation		75,000,000	9.29%	7.94%
Project Support and Infrastructure Costs		119,500,053	14.80%	12.66%
<b>Total</b>	<b>B</b>	<b>807,405,000</b>	<b>100%</b>	<b>85.53%</b>
<b>Loan Repayment from IPO Proceeds:</b>				
Plant & Machinery		24,115,229	32.97%	2.55%
Civil work & Land development charges		46,021,460	62.91%	4.88%
Project Support and Infrastructure Costs		3,013,311	4.12%	0.32%
<b>Total</b>	<b>C</b>	<b>73,150,000</b>	<b>100%</b>	<b>7.75%</b>
<b>Total IPO Proceeds</b>	<b>D= (B+C)</b>	<b>880,555,000</b>	<b>100%</b>	<b>93.28%</b>
<b>Internal Cash generation:</b>				
Plant & Machinery		20,917,631	32.97%	2.22%
Civil work & Land development charges		39,919,172	62.96%	4.23%
Project Support and Infrastructure Costs		2,613,755	4.08%	0.28%
<b>Total</b>	<b>E</b>	<b>63,450,558</b>	<b>100%</b>	<b>6.72%</b>
<b>Grand Total</b>	<b>F = (E+D)</b>	<b>944,005,558</b>	<b>100%</b>	<b>100%</b>

### 4.3. Source of Funds:

The total funds needed for setting up a new plant are PKR 944,005,558. This funding will be used to the establishment of a new, state-of-the-art production facility at the M-3 Industrial City, Faisalabad. The Company has taken an interest free loan of PKR 73,150,000 to execute the expansion plan from its sponsors. Proceeds from IPO will be used to pay the remaining payment of the new land, construction of the building, and install new plant and machinery.

Additionally, a portion of funds will be allocated towards repaying the same loan which had been taken to speed up the construction process. BFAL plans to raise PKR 880,555,000 through Initial Public Offering, and the remaining amount will be funded by internally generated cash.

Particulars	Cost (PKR)	Percentage (%)
Proceeds from Initial Public Offering	880,555,000	93.28%
Internally Generated Cash	63,450,558	6.72%
<b>Total</b>	<b>944,005,558</b>	<b>100%</b>

#### 4.3.1. Utilization of IPO Proceeds:

The IPO proceeds will primarily be used to set up a new production facility at M-3, Industrial City, Faisalabad to further strengthen local presence and facilitate global expansion. The proceeds will also be used to service a PKR 73,150,000 loan from Sponsors to streamline the construction of production facility.

The utilization of IPO Proceeds is listed below:

Particulars	Cost (PKR)	Percentage (%)	% of Total IPO



			Proceeds
Plant & Machinery	446,280,335	55.27%	50.68%
Civil work & Land development charges	166,624,612	20.65%	18.92%
Mechanical and Electrical Installation	75,000,000	9.29%	8.52%
Project Support and Infrastructure Costs	119,500,053	14.79%	13.57%
<b>Total A</b>	<b>807,405,000</b>	<b>100%</b>	<b>91.69%</b>
<b>Loan Repayment:</b>			
Plant & Machinery	24,115,229	32.97%	2.74%
Civil work & Land development charges	46,021,460	62.96%	5.23%
Project Support and Infrastructure Costs	3,013,311	4.08%	0.34%
<b>Total B</b>	<b>73,150,000</b>	<b>100%</b>	<b>8.31%</b>
<b>Total IPO Proceeds C=(A+B)</b>	<b>880,555,000</b>	<b>100%</b>	<b>100%</b>

Any additional funds raised above the floor price shall be utilized by the Company in managing its additional working capital needs, which has been explained in section 4.7 as well.

#### 4.3.2. Additional Disclosures Relating to Purpose of the Issue

##### 4.3.2.1. Details of Plant and Machinery:

Total Plant and machinery cost for the project amounts to PKR 402,832,690, Duties for the project amounts to PKR 28,880,505, and Installation cost for the project amounts to PKR 59,600,000. The table below shows the detail of Plant and Machinery to be delivered;

##### Breakup of Total Project Cost of Plant and Machinery

Particulars	Plant & Machinery Cost (PKR)	Duties and other	Installation Cost	Total Cost	% of Total Cost
PEB for Egg processing	32,775,000	8,257,860	4,000,000	45,032,860	9.17%
Food grade sandwich Panels for Egg Processing Building	57,000,000	14,361,491	7,000,000	78,361,491	15.95%
Machinery for Egg Processing	243,057,690	4,861,154	25,000,000	272,918,844	55.55%
Machinery for Chiller, Heater, air compressor	30,000,000	600,000	14,400,000	45,000,000	9.16%
Machinery for Refrigeration	40,000,000	800,000	9,200,000	50,000,000	10.18%
<b>Total</b>	<b>402,832,690</b>	<b>28,880,505</b>	<b>59,600,000</b>	<b>491,313,195</b>	<b>100%</b>

Following is the additional detailed breakdown of plant and machinery to be ordered which will be financed through IPO proceeds:

Equipment	Cost in PKR	Country of Origin	Expected Supplier	Expected Order placement date	Expected date of receiving	Status	Age of machines	Remaining Life
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PEB steel structure	42,032,860	UAE	Izhar, Kirby, Zamil	February 2025	March 2025	New	-	25 years
Food grade sandwich panels	78,361,491	Turkey	CT tech, Kingspan, Izhar	February 2025	April 2025	New	-	25 years
<b>Breakup Machinery for Egg Processing:</b>								
Egg breaking machine with parts & accessories	43,164,350	Netherlands	International Egg trading	March 2025	June 2025	Refurbished	5-6 year	15+ years
Pasteurization equipment with parts & accessories	75,940,490	Netherlands	International Egg trading	March 2025	June 2025	Refurbished	5-6 year	15+ years
Pumps and Filters	19,815,000	Netherlands	International Egg trading	March 2025	June 2025	Refurbished	5-6 year	15+ years
Stainless steel tanks and parts	38,871,150	Netherlands	International Egg trading	March 2025	June 2025	Refurbished	5-6 year	15+ years
CIP automation and engineering	55,359,500	Netherlands	International Egg trading	March 2025	June 2025	Refurbished	5-6 year	15+ years
Others	27,907,200	Netherlands	International Egg trading	March 2025	June 2025	Refurbished	5-6 year	15+ years
<b>Breakup of Machinery for Chiller, Heater, air compressor and Refrigeration</b>								
Evaporators	9,000,000	Turkey	LUVE, KUBA	April-May 2025	Sep-Oct 2025	New	-	15+ years
Condensers	13,500,000	UAE	Emerson, Danfoss	April-May 2025	Sep-Oct 2025	New	-	15+ years
Room cooling (chiller, AHU)	24,000,000	Pakistan	Will be acquired from local suppliers	April-May 2025	Sep-Oct 2025	New/Used	-	15+ years
Chiller process system	32,543,523	Pakistan	Will be acquired from local suppliers	August 2025	September 2025	Refurbished	5-6 year	15+ years
Boiler	5,490,000	Pakistan	Local design, Ecostar	August 2025	September 2025	New	-	15+ years
Air compressor	4,410,000	Pakistan	Will be acquired from local suppliers	April – May 2025	Sep-Oct 2025	New	-	10+ years
<b>Total</b>	<b>470,395,564</b>							

The Company has entered into a technical agreement with International Egg Trading, and the machinery to be purchased will be on an arm's length basis, ensuring there is no risk of transfer pricing. A quote has been received from International Egg Trading. However, for other future vendors, there remains a price risk due to potential fluctuations when formal agreements are executed.



The Company obtained two quotations for the plant and machinery:

- A quotation from Ovobel, for new machinery, priced at USD 1,545,722 (EUR 1,444,600).
- A quotation from International Egg Trading, for refurbished machinery, priced at USD 852,834.

The Company has chosen to procure refurbished machinery from International Egg Trading due to cost efficiency, customization, and the ability to leverage the JV partner's expertise in assembly and performance optimization. Notably, refurbished machinery was also successfully utilized for the Karachi facility.

BFAL has not yet placed any orders for equipment, plant, or machinery but has received a quotation from International Egg Trading. The Company is in the process of opening Letters of Credit (L/Cs) with respective banks to proceed with the procurement. As no formal orders have been placed yet, the Company is currently unable to disclose the percentage breakdown of machinery orders as required under the Public Offering Regulations.

The costs mentioned in the table for the plant and machinery are estimates based on market research and preliminary evaluations and a quote which has been received by International Egg Trading. As of yet the Company has signed one Technical Agreement with its partner company, details of which are mentioned below:

S.No.	Title of Agreement	Party to Agreement	Date of Contract	Particular
1	Contract for Plant and Machinery & Mechanical and Electrical Installation.	International Egg Trading B.V.	27 <sup>th</sup> November, 2024	Agreement for supply and installation of Plant and Machinery and commissioning of plant.

*\*International Egg Trading B.V. is a subsidiary company of the Company's sponsor Frisian Egg International B.V. incorporated in Netherlands. Frisian Egg International B.V. has three decades of experience in setting up production plants for pasteurized eggs. Since International Egg Trading B.V. is an unlisted company, the Issuer was unable to disclose the Paid-up-Capital, Net Worth and Revenue of International Egg Trading B.V. who is party to the technical agreement as per regulations mentioned in Public Offering Regulations.*

#### 4.3.2.2. Civil Work and Land Development Charges:

Expenditure Head	PKR
Project Land	26,000,000
Civil Cost including land development	148,739,718
Steel and Cement	53,000,000
Ancillary Facilities / Structures	24,825,526
<b>Total</b>	<b>252,565,244</b>

#### Project Land

Location	Area	Cost PKR	Cost per Acre PKR	Status	Title of the land
Plot No.51, Phase II M-3 Industrial City, Faisalabad	2.5 Acres	26,000,000	10,400,000	Acquired	Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Pvt.) Limited)

#### Civil Cost Including Land development\*

S.No.	Title of Agreement	Party to Agreement	Date of Contract	Cost (PKR)	Particular
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1	Contract for Civil work Including Land development	Top Engineering Construction.	13 <sup>th</sup> December, 2024	148,739,718	Agreement for construction, completion and remedying any defects in the work.
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### Steel and Cement

Particulars	Quantity*	Estimated cost per bag/tonne*	Total Cost
Cement	13,957 Bags	1,576/bag	22,000,000
Steel	119 tons	260,504/tons	31,000,000

\*The quantity of cement bags and steel tonnage has been estimated by the Company's architect, Shahab Ghani & Associates. The estimated cost per cement bag and per ton of steel has been determined with consideration for potential inflation or future price fluctuations.

### Ancillary Facilities / Structures

S.No.	Particular	Party to quotation	Date of quotation	Cost (PKR)
1	Construction of RCC Ancillary Facilities	Top Engineering Construction.	15 <sup>th</sup> January, 2025	24,825,526

#### 4.3.2.3. Mechanical and Electrical Installation:

Information about Mechanical and Electrical works. The following table Mechanical and Electrical contracts expenditures which have will be placed for the requisite services for building construction, mechanical and electrical work:

S.No	Title of Agreement	Expected Supplier	Cost (PKR)	Expected Date of placement of order	Expected Date of supply of order
1	Electric - HT/LT/Transformer - 240mm cables	Pakistan cables/Siemens/PAEL	30,000,000	1QFY26	2QFY26
2	Electrical equipment (cabling, lights, firefighting miscellaneous)	Pakistan Cables	20,000,000	1QFY26	2QFY26
3	MEP contracting with supplies	Top Engineering construction	20,000,000	1QFY26	2QFY26
4	Networking, cameras, security	DAHUA	5,000,000	1QFY26	2QFY26
	<b>Total</b>		<b>75,000,000</b>		

These costs have been estimated by the company through market research and past experience as per setting up its plant in port Qasim Karachi. The company does not have any agreements in places for these items mentioned as these orders will be placed in the first quarter of FY 2026. These costs may vary at the time of order placement.

#### 4.3.2.4. Project Support and Infrastructure Cost:



Expenditure Head	PKR
Solar power system 300 KW	25,000,000
NOCs, permits, certification	5,000,000
Furniture and fittings	15,000,000
Lab equipment	12,500,000
Travelling and lodging	10,000,000
Architect/MEP/HVCAR consultant	12,500,000
Contingencies*	45,127,119
<b>Total</b>	<b>125,127,119</b>

\*Contingencies refer to potential fluctuations in exchange rates which the company has assumed of PKR 285 or any cost overruns that may arise during the project's completion period.

No quotations have been received to date for the mentioned costs; therefore, no supplier can be specified at this time. The costs outlined in the table are management's estimates based on prevailing market prices. Costs may slightly vary at the time or order.

#### 4.3.2.5. Loan repayment

The detail of loan to be repaid against the construction of building in the new facility at Faisalabad from IPO proceeds is as follows;

From	Date Sanctioned	Terms Condition &	Expiry / Review Date	Loan to be repaid from IPO proceeds
Mr. Waqas Gulzar	21 <sup>st</sup> Dec, 2024	Interest Free	30 <sup>th</sup> Apr, 2025	2,500,000
Mr. Muhammad Adil Ali	21 <sup>st</sup> Dec, 2024	Interest Free	30 <sup>th</sup> Apr, 2025	7,402,242
B&Z Enterprise (Pvt) Ltd	21 <sup>st</sup> Dec, 2024	Interest Free	30 <sup>th</sup> Apr, 2025	19,670,933
Frisian Egg International B.V.	11 <sup>th</sup> Nov, 2024	Interest Free	28 <sup>th</sup> Feb, 2025	43,576,825
<b>Total</b>				<b>73,150,000</b>

#### Status of Debt outstanding

The Company has not utilized any short-term or long-term debt for financing the project, except for the interest-free sponsor loan referenced in Table 4.3.2.5.

#### 4.4. Details Regarding Financial Close of the Project

The Construction of the plant began on 17<sup>th</sup> December 2024. The entire project along with complete building is expected to be completed by the third quarter of Fiscal year 2026.

#### 4.5. Details of Letter of Credit

Currently, the company is currently in the process of opening L/Cs from the respective bank(s).

#### 4.6. Implementation Schedule

S. No	Particular	Start Date	Completion/ Approval Date	Status
<b>Construction of Building</b>				



1.	Construction Civil & plumbing works	Q2 FY 2025	Q2 FY 2026	The construction commenced in third week of December and is expected to be completed by 02 FY 2026.
2.	i) Civil Up to Plinth Level	Q3 FY 2025	03 FY 2025	
3.	ii) Civil Up to Ground Floor Slab	Q3 FY 2025	03 FY 2025	
<b>Plant and Machinery</b>				
1.	Pre-Engineered Building- Import and installation	Q3 FY 2025	04 FY 2025	The company has shortlisted suppliers and is in process of negotiations with the suppliers.
2.	Food grade sandwich panels - Import and installation	Q3 FY 2025	01 FY 2026	
3.	Order placement HVACR equipment	Q3 FY 2025	01 FY 2026	
<b>Commercial Operations</b>				
1.	Training staff and employees	Q2 FY 2026	Q2 FY 2026	The new plant in Faisalabad will commence commercial operations Q3 FY 2026
2.	Start of Trial Production & Sales	Q2 FY 2026	Q3 FY 2026	
3.	Start Commercial Production	Q3 FY 2026	Q3 FY 2026	

#### 4.7. Utilization of excess IPO Funds:



If the strike price is determined to be above the floor price of PKR 13.00/-, any excess funds raised shall be utilized by the company to further support the additional working capital needs arising from the expansion.

#### **4.7.1. Undertaking on Reporting of Utilization of Proceeds**

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

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

#### **4.7.2. Exit Opportunity mechanism**

As per the Public Offering Regulations, the Company shall not alter the principal purpose of the issue disclosed in the prospectus. In exceptional circumstances, any change will require the approval of a special resolution by shareholders, along with an exit opportunity for dissenting shareholders. The exit offer, provided by the sponsors, will be priced at the highest of the intrinsic value based on the latest audited accounts, the weighted average closing price for the past six months, or the IPO offer price. Additionally, an exit opportunity will also be mandatory if funds are diverted, resulting in the non-completion of the stated purpose in a timely manner. All exit offers must be executed within 30 days of passing the special resolution.

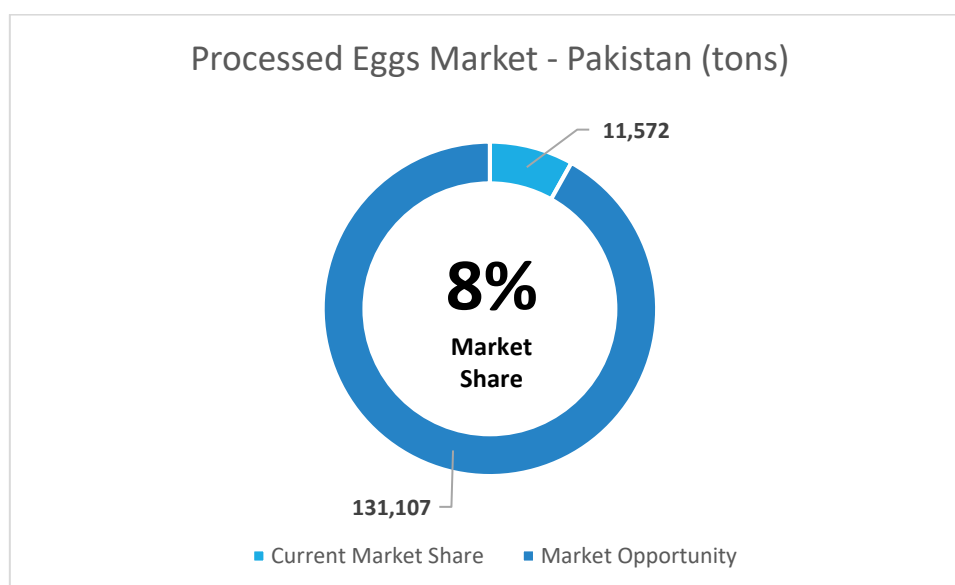
#### 4A VALUATION SECTION:

The Ordinary Shares of BFAL are being issued at Floor Price of PKR 13.00/- per share which is at a premium of PKR 12.00/- per ordinary share to the face value of PKR 1.00/- per ordinary share. The Lead Manager has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 13.00/- per share is justified based on:

#### 4A (i) Opportunities for Exponential Growth

The pasteurized egg market in Pakistan is new and there are no other companies within the industry apart from BFAL. The opportunity for growth in this industry is massive in local market alone. The company primarily targets HoReCa, dressing and sauces, baking and cooking industry.

On average, 90 eggs are consumed annually per capita in Pakistan<sup>33</sup> and as per company analysis, 15% of this consumption is done by HoReCa, dressing and sauces, baking and cooking industry. Pakistan's current population is at 241.49 million, taking the annual consumption to 21.1 Bn eggs. At 15%, the overall target market of the Company becomes of almost **3.2 Bn eggs**. The company in FY 24 sold 260 Mn eggs, which is 8% of the total market and aims to increase its market share substantially in the coming years.<sup>34</sup>



#### 4A (ii) Leaders of Change in the Industry

Barkat Frisian Agro Limited is a Pakistani - Dutch joint venture established in 2017 in Pakistan with the aim to lead change in the food processing and manufacturing industry of Pakistan. The company aimed to provide nutritious, healthier and convenient products. In pursuit of its aim, BFAL became the only company in Pakistan to produce pasteurized egg products, strengthening its presence in the market and constructing a strong brand image in the local and global markets. Within a short span of five years, Barkat Frisian Agro Limited has secured a large number of long-term clients locally and globally such as Kerry Group, Siri Lankan Airlines, Mondelez Areej Vegetable oils & Derivatives etc. highlighting its strong commitment to delivering exceptional products and dedication to its mission.

#### 4A (iii) Exposure in International Markets:

BFAL commenced operations in 2019 and entered the global markets in 2022. In the last two years, the Company has showed staggering growth in its exports sales, increasing from 51Mn in FY22 YoY by 385% in FY23 to 249Mn and 153% in FY24 to PKR 631Mn. This remarkable growth highlights the Company's capabilities to achieve

<sup>33</sup> <https://www.karandaaz.com.pk/capital/direct-investments/wahdat-farm>

<sup>34</sup> <https://www.bbcaestro.com/blog/egg-conversion-chart> (1 egg = 44 grams)



groundbreaking results. The Company has established a strong geographic footprint across international markets in the Middle East, including Kuwait, Bahrain, UAE, KSA, Qatar, Oman, and Egypt. This regional presence enables them to deliver tailored solutions and foster close relationships with their clients. Furthermore, BFAL is in process of establishing a subsidiary in United Arab Emirates to further fortify its presence in the international market.

The Company has already attracted international clients like Mondelez, Sri Lankan Airlines and Kerry Group for the next fiscal year. Moreover, the poultry sector regulations in countries in Europe are getting stricter, enabling the Company to target higher market share in global markets. As the Company continues to expand, their future market focus will be on enhancing their reach in countries within the MENA region, while exploring new opportunities in East Africa, Asia Pacific and South Asia, aligning with the growing demand for innovative products and services in these areas.

#### 4A (iv) Competitive Pricing

The company is based in Pakistan which gives the company lower costs as compared to other regions. Pakistan has high maize production and 3<sup>rd</sup> most important food grain crop of the country.<sup>35</sup> Maize is one of the most important ingredients for poultry feed<sup>36</sup>. Due to high local production of maize, the cost of poultry feed is lower in Pakistan as compared to other regions resulting in lower egg prices in the country, allowing the Company to offer competitive prices in the international markets.

#### 4A (v) Competent and Experienced Leadership

Barkat Frisian Agro Limited is joint Venture between Frisian Egg International B.V. and Buksh Group of Pakistan. Frisian Egg B.V., with over 30 years of expertise in egg farming and processing across multiple countries such as Kingdom of Netherlands, Egypt and China and has grown into a global leader in liquid egg products and egg powders. The Buksh Group, with its extensive experience in textiles and poultry through subsidiaries like Adorn International (Pvt.) Limited, brings valuable industry insight. Together, their combined expertise and leadership position Barkat Frisian Agro Limited for continued success and growth in the local and global markets.

#### 4A (vi) Robust Financial Performance:

From FY22 to FY24, the company demonstrated exceptional financial performance, achieving remarkable growth across key profitability, growth, and leverage metrics. Revenue surged at a compound annual growth rate (CAGR) of 56.7%, rising from PKR 2.4 billion to PKR 6.1 billion over the last three years, while net profit increased by a CAGR of 66% over the same period, reaching PKR 380 million by FY24. Moreover, the Company has already reported a net profit of PKR 332 Mn in first half of FY25. Despite challenges such as a high-interest environment in FY23, the company maintained stable gross and operating margins, with a net profit margin of 6% by FY24. Additionally, its return on equity (ROE) improved from 46% in FY23 to 50% in FY24, and return on assets (ROA) rose from 18% to 22%, highlighting the company's efficient use of assets. The company's financial stability was further underscored by a reduced debt-to-equity ratio, which improved significantly from 211% in FY22 to 60% in FY24, showcasing a stronger equity base and reduced reliance on debt. Overall, the company's robust performance reflects its strong growth trajectory, profitability, and enhanced financial stability, positioning it well for future success.

Particular	FY 2022	FY 2023	FY 2024
	Audited	Audited	Audited
Revenue	2,470	4,325	6,068
Gross Profit	279	448	700
Net Profit	138	148	380
ROE	76%	46%	50%
ROA	18%	13%	22%
Debt-to-Equity	211%	184%	60%

<sup>35</sup> <https://tdap.gov.pk/>

<sup>36</sup> <https://www.pacra.com/>



#### 4A (vii) Tax Exemption:

BFAL currently has one plant operational in Karachi which is SEZ entity and is exempt from income tax (both normal & minimum tax levy) for 10 years from the date of commencement of business and on the basis of this exemption the company can obtain exemption on advance tax (WHT) deduction from receipts from customers as per the Approval of application No.DIR(P)/SBI/SEZ-AUTHORITY/2012/44/407. The tax exemption is till 2029 for the Karachi plant and 2036 for the upcoming Faisalabad plant, under minimum tax regime. After the tax exemption ends, BFAL will be charged a reduced minimum tax rate of 0.75% of its revenue instead of 1.25% in cases where the company's earnings are insufficient for the corporate tax rate of 39% to exceed the minimum tax due to its operations in the poultry sector. The Company has also already acquired tax exemption for the new plant that the Company aims to construct at M3 Industrial City, Faisalabad. The exemption is 10 years from commencement of commercial operations till FY 2036.

Note: Income is exempt from income tax, including both normal and minimum tax levy, for a period of ten years from the date of commencement of business. Based on this exemption, the company also qualifies for an exemption from advance tax (withholding tax) deductions on receipts from customers.

Furthermore, import duties and taxes are waived on the first-time import of plant and machinery for production facilities established within any Special Economic Zone (SEZ).

#### 4A (viii) Post IPO Free Float Disclosure:

Post IPO, the number of issued shares will increase from 242,255,384 Ordinary Shares to 309,990,384 Ordinary Shares. The free float status post IPO is presented in the below table:

Description	Number of Shares	% Shareholding Status	Total Free Float
<b>Existing Shareholders</b>			
Frisian Egg International B.V.	121,127,492	39.07%	
B&Z Enterprise (Pvt.) Limited	79,941,585	25.79%	
Waqas Gulzar	24,225,538	7.81%	
Muhammad Adil Ali	9,690,212	3.13%	
Muhammad Ali Ansari	3,901,000	1.26%	
Naheed Ali Ansari	3,369,354	1.09%	
Johan Stuiver	100	0.00%	
Paul Ettema	100	0.00%	
Mehmood Arshad	1	0.00%	
Nadia Ishtiaq	1	0.00%	
Anwar Ali	1	0.00%	
<b>Public Offering</b>	<b>67,735,000</b>	<b>21.85%</b>	<b>21.85%</b>
<b>Total</b>	<b>309,990,384</b>	<b>100%</b>	<b>21.85%</b>

#### 4A (ix) Peer Group Analysis:

Barkat Frisian Agro Limited is a first of its kind company in Pakistan and has no competitors in the industry. However, listed companies working in the food sector have been taken as comparable peers. Please note that financial performance of BFAL cannot be directly compared with other listed companies operating in Food Sector. The weighted Average P/E ratio of the sector as of 31<sup>st</sup> January, 2025 is 21.45 whereas the P/B multiple of the sector is 5.83

BFAL's Floor Price of PKR 13.00/- per share, based on annual earnings for Trailing Twelve Months (TTM) i.e.2QFY24 to 2QFY25, translates to a trailing price to earnings (P/E) multiple of 5.7 times as compared to industry average of 21.45 times. Similarly, price to book value (P/B) multiple is of 2.0 times as compared to industry average of 5.83 times



Company	EPS (TTM) <sup>37</sup>	Gross Profit Margin <sup>38</sup>	Net Profit Margin <sup>39</sup>	BVP <sup>40</sup> S	Price <sup>41</sup>	P/E <sup>42</sup>	P/B <sup>43</sup>	ROE (LTM)	ROA (LTM)	Free Float (Shares - Mn) <sup>44</sup>	Free Float %
The Organic Meat Company Limited	4.1	13.3%	4.8%	34.4	33.8	8.1	1.0	12.7 %	10.0%	74.25	50.0%
At-Tahur Limited	1.6	23.1%	3.4%	23.8	24.6	15.5	1.0	6.9%	4.8%	54.66	25.0%
Big Bird Foods Limited	3.0	22.1%	11.8 %	19.0	50.5	16.7	2.7	16.4 %	8.6%	104.62	35.0%
Mitchells Fruit Farms Limited	20.1	30.7%	17.8 %	26.6	293.3	14.6	11.0	120.7 %	26.9%	6.86	30.0%
Ismail Industries Limited	59.1	20.3%	3.3%	338.5	1,947.9	33.0	5.8	18.7 %	3.9%	3.32	5.0%
Friesland Campina Engro Pakistan Limited	2.5	15.0%	1.8%	21.1	78.2	30.7	3.7	12.8 %	4.5%	76.66	10.0%
Nestle Pakistan Limited	286.4	34.5%	6.5%	374.4	7,433.5	26.0	19.9	90.4 %	13.8%	2.27	5.0%
Unilever Pakistan Foods Limited	1,209.2	39.7%	23.4 %	2,367.1	22,305.5	18.4	9.4	52.0 %	25.2%	0.31	4.8%
Rafhan Maize Products Limited	748.7	19.6%	10.4 %	2,821.7	9,548.6	12.8	3.4	28.5 %	16.0%	0.79	8.5%
Murree Brewery Company Limited	106.4	24.3%	11.8 %	565.0	805.2	7.6	1.4	20.0 %	16.0%	11.07	40.0%
National Foods Limited	6.9	27.0%	1.8%	63.4	182.0	26.3	2.9	11.2 %	3.7%	58.28	25.0%
Fauji Foods Limited	0.5	18.7%	5.6%	3.7	15.7	31.1	4.2	11.4 %	7.6%	503.99	20.0%

<sup>37</sup> The TTM is from September, 2023 till September, 2024

<sup>38</sup> LTM Gross Profit Margin-Consolidated FS

<sup>39</sup> LTM Net Profit Margin-Consolidated FS

<sup>40</sup> The BVPS is calculated as of September, 2024

<sup>41</sup> Closing price is at 31<sup>st</sup> January, 2025

<sup>42</sup> P/E is at 31<sup>st</sup> January, 2025 (Market Capitalization / TTM Profit After Tax)

<sup>43</sup> P/B is at 31<sup>st</sup> January, 2025 (Market Capitalization / Total Equity)

<sup>44</sup> Free Float is at 31<sup>st</sup> January, 2025



<b>Sector Weighted Average Mean</b>						<b>21.45</b>	<b>5.83</b>				
<b>Sector Median</b>						<b>17.58</b>	<b>3.54</b>				
KSE 100 <sup>45</sup>						6.3	1.4				
BFAL Pre Issue	<b>2.3</b>	12%	8 %	<b>6.6</b>	<b>13.0</b>	<b>5.7</b>	<b>2.0</b>	46.4%	26.1%	67.735	21.8%
BFAL Post Issue	<b>1.8</b>	12%	8 %	<b>5.1</b>	<b>13.0</b>	<b>7.3</b>	<b>2.5</b>	46.4%	26.1%	67.735	21.8%

<sup>45</sup> KSE-100 P/E TTM is at 31<sup>st</sup> January, 2025



## 5. RISK FACTORS

### 5.1. INTERNAL RISKS

#### 5.1.1. Business Risk

The Company operates in a niche market as the only pasteurized egg producer in Pakistan. While this provides a competitive advantage, it also exposes the Company to risks associated with market acceptance and consumer education. Economic downturns, shifts in consumer preferences, or changes in government policies affecting food safety regulations could impact the Company's revenue and growth projections.

#### 5.1.2. Liquidity Risk

Expanding production capacity requires substantial capital investments, impacting the Company's cash flow and liquidity position. The total debt of company as of FY24 was PKR 659 Mn which is subsequently reduced to PKR 416 Mn in Q2FY25. The Company's ability to meet its short-term financial obligations depends on effectively managing its working capital. Failure to do so could restrict the Company's ability to fund operations. The Current Ratio of company in FY24 was 1.7 and stands at 1.92 in Q2FY25 similarly the Quick Ratio was 1.3 and 1.54 in FY24 and 2QFY25 respectively.

#### 5.1.3. Negative Operating Cashflows

Initially, the Company had negative Cashflow from Operations in FY 22 and FY 23 resulting from high trade debts and interest costs. However, the Company has opted for efficient operational practices and has had a positive Cashflow from Operations in FY 24 and in 2Q FY 2025. Negative operating cashflows if prolonged imposes liquidity challenges and forces the company to rely on borrowing and delay growth plans.

#### 5.1.4. Operational Risk

Given the reliance on specialized pasteurization equipment, the Company faces operational risks related to machinery breakdown, maintenance requirements, and potential production interruptions. Any disruption in operations could delay product availability, affecting customer satisfaction and revenue stability

#### 5.1.5. Credit Risk

The Company extends credit to a diverse customer base, particularly in the food service and manufacturing sectors. Even though there has never been a trade default, there is a risk of delayed payments or defaults, especially in economic downturns, which could impact cash flow and liquidity. The trade debts balance and aging are as follows:

Balances of Trade Debts (PKR)	FY22	FY23	FY24	Q2FY25
Trade Debts	288,138,827	595,157,519	891,085,143	1,243,152,784

Aging of the trade debtors	FY22	FY23	FY24	Q2FY25
Past due 1-30 days	205,393,893	332,328,306	485,091,487	762,646,090
Past due 31-90 days	66,868,203	225,940,698	283,169,004	399,073,987
Past due above 90 days	21,620,574	49,034,588	141,010,063	102,026,634

#### 5.1.6. Quality Control Issues



As a food processing company, maintaining stringent quality control is critical. Quality lapses or product recalls could harm the Company's reputation and incur financial losses.

#### **5.1.7. Supply Chain Management**

Efficient supply chain management is essential for timely and cost-effective production. The Company relies on the smooth transportation of raw eggs and finished goods. Any disruptions in the supply chain, due to logistic issues or raw material shortages, could lead to production delays and increased costs. Even though the company has never faced any operational or supply chain issues even at the time of COVID-19 global crisis there is a significant risk that these disruptions (if happens) could negatively impact the company's ability to meet demand and affect overall operations.

#### **5.1.8. Product Innovation Limitations**

With growing consumer preferences for convenience and health, the Company faces pressure to innovate and diversify its product offerings. However, limitations in resources or technology could hinder the Company's ability to introduce new products and stay competitive. While BFAL is the only company currently manufacturing pasteurized eggs in Pakistan, failure to innovate, diversify its product range, and optimize costs could result in the company losing market share if new entrants emerge in the future.

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

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

#### **5.1.10. Suppliers of Plant and Machinery not finalized**

The company has secured quotes for approximately 55.5% of the plant and machinery required for the project, with the remaining procurement process still underway. This partial finalization introduces a risk of delays or cost fluctuations for the unfinalized portion, potentially affecting the project timeline and budget. Timely completion of the supplier selection process is critical to mitigate these risks and ensure smooth project execution.

#### **5.1.11. Refurbished Plant and Machinery**

BFAL will be procuring 53% of Plant and Machinery, which will be refurbished, from its associate company, International Egg Trading B.V. The use of refurbished plant and machinery introduces certain risks that require careful consideration. These risks include a potentially shorter operational lifespan, increased maintenance needs, and the likelihood of unanticipated downtime due to wear and tear. Such challenges could affect production efficiency and lead to higher operational costs over time.

#### **5.1.12. Project Related Risk (financial close of the project is not achieved).**

If the financial close of the project is not achieved, the company may face delays in project initiation and execution. Without securing the necessary funding, the project could be postponed, leading to potential cost overruns and missed deadlines. This may also impact relationships with stakeholders and create uncertainty around the project's feasibility and overall success.

#### **5.1.13. Material agreements not in place.**

The absence of finalized material agreements poses a risk to the project's smooth execution. Without these agreements, there is uncertainty regarding the availability, pricing, and delivery timelines of essential materials. This could lead to procurement delays, cost escalations, and potential disruptions in the project timeline. Even though the company has got quotes for about 50% of the project cost and has included a contingency cost of 5%, finalizing these agreements promptly is essential to ensure continuity and efficiency in project implementation.



#### 5.1.14. Risk Due to High Dependence on Internal Cash Flows or Third-Party Contributions

The company's reliance on internal cash flows and third-party contributions to complete the new project introduces financial risk. Any delays or shortfalls in securing the required funds could hinder the project's timely completion. This dependency on external sources or internal resources increases the likelihood of financial strain, potentially resulting in delays, cost overruns, or the need to adjust project plans if the necessary funds are not available as anticipated.

#### 5.1.15. High dependence on one product for revenue generation.

The company operates in a niche market with significant growth potential, centered around its pasteurized eggs and their variations. However, this high dependence on a single product category poses a risk if consumer preferences shift toward alternative products or solutions. While the niche nature of the market offers opportunities, evolving trends or competition could impact the company's ability to sustain its revenue growth.

#### 5.1.16. Risk of Orders Not Placed for Plant and Machinery

The company has not yet placed orders for the required plant and machinery, which poses a risk to the project timeline. Delays in placing orders could result in longer lead times, potential cost increases, and disruptions in the installation and commissioning schedule. Timely placement of orders is critical to avoid bottlenecks and ensure the project progresses as planned.

#### 5.1.17. Cost of project based on management estimates instead of third part feasibility report.

While the company has secured quotes for approximately 50% of the project cost, the reliance on internal estimates for the remaining portion introduces risks such as:

1. **Inaccurate Projections:** The unquoted portion may lead to discrepancies between estimated and actual costs.
2. **Unforeseen Expenses:** Unfinalized procurement could result in unexpected cost increases.
3. **Stakeholder Confidence:** Relying on internal estimates may lower trust with investors and lenders compared to third-party feasibility reports.

## 5.2. EXTERNAL RISKS:

### 5.2.1. Credit Risk

Although the company has never experienced a trade default, external economic conditions can influence the payment behavior of customers, especially in a fluctuating market. The risk of delayed payments or defaults by customers may increase during downturns, which could impact cash flow and liquidity requirements. The trade debts balances and aging are as follows.

	FY22	FY23	FY24	Q2FY25
Trade Debts	288,138,827	595,157,519	891,085,143	1,243,152,784

Aging of the trade debtors	FY22	FY23	FY24	Q2FY25
Past due 1-30 days	205,393,893	332,328,306	485,091,487	762,646,090
Past due 31-90 days	66,868,203	225,940,698	283,169,004	399,073,987
Past due above 90 days	21,620,574	49,034,588	141,010,063	102,026,634

### 5.2.2. Raw Material Supply Risk



The company's primary raw material, raw eggs, is vulnerable to supply disruptions, which can lead to production halts, price hikes, and quality issues. These disruptions can result in operational inefficiencies, impacting sales and profitability. External factors such as climate, economic volatility, political instability, and global market fluctuations can exacerbate these risks, making the company more susceptible to unpredictable challenges that affect both costs and product consistency.

### **5.2.3. Foreign Exchange Risk**

Fluctuations in foreign exchange rates pose a significant risk to the company's operations, particularly as it expands internationally. The company plans to import plant and machinery worth USD 852,834 and fluctuation in exchange rates can elevate the cost risks associated and increase project cost substantially as 80% of the Plant and Machinery is in foreign currency. Moreover, the Company will continue to import packaging materials, which could become more expensive due to the depreciation of the Pakistani Rupee (PKR). The historical trend shows a 5-year CAGR depreciation of 15% in the PKR-Dollar exchange rate. This could negatively impact costs and profitability. Packaging material imported in FY22 was USD 71,101 and Euro 26,400 translating to PKR 36.3 Mn, in FY23 it was USD 139,086 AND Euro 48,800 translating to PKR 89 Mn, and in FY24 the imports related to packaging material accounted for USD 448,002 and Euro 48,800 translating to PKR 189 Mn (The PKR is inclusive of customs, duties and other charges) In addition, the Company exports egg products, meaning any appreciation in the PKR could lead to a reduction in revenue from exports. The export driven revenue of the company was USD 0.27Mn in FY22, USD 0.99Mn in FY23 and USD 2.25 Mn in FY24.

### **5.2.4. Risk Relating to Potential Change in Regulatory/Custom Duties**

Changes in trade regulations or customs duties can impact the company's cost structure and market access. The company benefits from income tax exemptions as outlined in Section 4A (vii) of the prospectus, operating in special economic zones (Karachi plant until 2029, Faisalabad plant until 2036). However, the removal of these exemptions could reduce profits by 35% if earnings are at FY24 levels, or by 39% if earnings exceed PKR 500 million, according to the Income Tax Ordinance, 2001. Additionally, changes in government policies or international standards may result in increased compliance costs or necessitate operational adjustments.

### **5.2.5. Economic Slowdown**

An external economic slowdown, both globally or locally, could reduce consumer spending power and impact sales volumes thereby impacting profitability of the Company.

### **5.2.6. Interest Rate Risk**

Interest rates are subject to economic policy and are beyond the Company's control. A rise in rates can increase borrowing costs, impacting financial performance. The company as of 2QFY25 has a debt obligation of PKR 491 Mn and recorded PKR 63Mn as finance cost compared to PKR 653 Mn Debt Obligation in FY24 and finance cost of PKR 123 Mn.

### **5.2.7. Threat of New Entrants**

While the Company currently has no direct competitors in the local market, external factors, like the easing of market entry barriers or government incentives for new businesses, could attract new entrants. The manufacturing of pasteurized egg business is a capital-intensive business as it not only requires huge upfront capital expenditure for land and machinery but also the working capital requirement is substantial.

### **5.2.8. Public Health Concerns Due to Pandemic**

The Company's products are subject to external public health concerns, such as disease outbreaks or shifts in consumer perceptions of food safety specially after the global pandemic in 2019. Such pandemics and spread of diseases could reduce demand and impact profitability of the Company.

### **5.2.9. Consumer Education and Awareness**



Consumer awareness of pasteurized egg products is influenced by cultural and economic factors beyond the Company's control. While the company has strived hard to create more awareness regarding use of pasteurized egg products, optimizing the long-term growth opportunity would require continued efforts to create awareness amongst buyers and support conversion from traditional egg usage to pasteurized products. Failure to enhance awareness may hamper long term volumetric sales growth.

#### **5.2.10. Dependence on growth of other sectors for revenue generation.**

The company's revenue is closely linked to the growth and performance of key sectors such as bakeries, confectioneries, and HoReCa (Hotels, Restaurants, and Cafés). If these sectors experience a slowdown due to economic downturns, changing consumer preferences, or other market disruptions, it could negatively impact the demand for the company's pasteurized eggs. As a B2B-focused business, any challenges in these industries may directly affect the company's revenue generation and growth potential.

#### **5.2.11. Financial Risk due to litigations.**

The company is currently engaged in litigation regarding the payment of Minimum Tax Payable on Revenue (MTR) at 0.75% in past periods. As the company operates within a Special Economic Zone (SEZ), it claims exemption from this tax. However, the Federal Board of Revenue (FBR) has been collecting the tax, leading to a legal dispute. If the court's decision is favorable, the company would be able to recover past taxes paid amounting PKR 71.3 Mn which shall positively impact future earnings and cashflows.

#### **5.2.12. High dependence on few customer/suppliers.**


The company's high dependence on the top 3 suppliers, which account for 64% of total purchases in FY2024, exposes it to risks such as supply chain disruptions, reduced bargaining power, and vulnerability to supplier issues. Any challenges faced by these key suppliers could significantly impact production and costs. Similarly top 3 customers accounted for 67% of total sales in FY24, highlighting a significant customer concentration risk.

#### **5.2.13. Risk of No or Short-Term Agreements with Major Customers/Suppliers**

The company primarily relies on spot purchases, with only a few agreements in place with major customers and suppliers. This creates risks such as pricing fluctuations, supply chain disruptions, and a lack of stability in relationships with key stakeholders. The absence of long-term agreements leaves the company vulnerable to unexpected changes in terms or availability of goods and services, potentially affecting operations.



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



P7

## BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

30<sup>th</sup> December 2024



**Subject: Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer**

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



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

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

For and on behalf of **Barkat Frisian Agro Limited** (formerly Barkat Frisian Egg Pasteurized Company (Private) Limited)

For and on behalf of the Company  
**Muhammad Adil Ali**  
Chief Executive Officer

For and on behalf of the Company  
**Muhammad Farooq Zafar**  
Chief Financial Officer

Registered Address: Office No. 601, 6th Floor, Balad Trade Center-III (BTC-3), Plot No. D-75, Block 7 - Zone C, Khayaban-e-Jami, Clifton, Karachi, Pakistan

Factory Address: WL 36-37, Bin Qasim Industrial Park, Pakistan Steel, Karachi, Pakistan

contact@barkatfrisian.com, www.barkatfrisian.com

P: +92.21. 33480833, 32574668



5.4. UNDERTAKING BY THE COMPANY AND ITS SPONSORS

**E-STAMP**      حکومت سندھ

NBP-1862-2412190006068960      GoS-KHI-DF405EB2FC2232D3

**Non-Judicial**      **Rs 500/-**

Description	: Bond - 10(A)
Indemnifier/Mortgagor	: P S X [60000000]
Indemnified/Mortgagee	: BARKAT FRISIAN AGRO (PRIVATE) LIMITED [00000000]
Applicant	: Muhammad Maycon [42301-1394452-5]
Stamp Duty Paid by	: BARKAT FRISIAN AGRO (PRIVATE) LIMITED [00000000]
Issue Date	: 19-Dec-2024, 01:41:19 PM
Paid Through/Challan	: 202428DF9ACEFASD
Amount in Words	: Five Hundred Rupees Only

30<sup>th</sup> December 2024      Please Print Below This Line

Pakistan Stock Exchange  
 Stock Exchange Building  
 Stock Exchange Road  
 Karachi, Pakistan

**UNDERTAKING BY THE COMPANY AND ITS SPONSORS**

Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) and its Sponsors undertake that:

1. Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any company:
  - a. Which had been declared defaulter by the securities exchange or futures exchanges; or
  - b. 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.
2. Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
3. 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



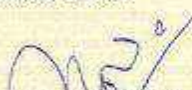
**E-STAMP**  
CONTINUATION SHEET  
Government of Sindh

fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.

  
.....  
For and on behalf of the Company  
Muhammad Adil Ali  
Chief Executive Officer

  
.....  
For and on behalf of the Company  
Muhammad Farooq Zafar  
Chief Financial Officer

  
.....  
Muhammad Adil Ali  
CEO/Executive Director/Sponsor  
Barkat Frisian Agro Limited

  
.....  
Muhammad Ali Ansari  
Sponsor  
Barkat Frisian Agro Limited

  
.....  
Naheed Ali Ansari  
Sponsor  
Barkat Frisian Agro Limited

  
.....  
Waqas Gulzar  
Sponsor  
Barkat Frisian Agro Limited



  
.....  
**B & Z ENTERPRISE (PVT) LTD.**  
**DIRECTOR**  
For and on behalf of B&Z Enterprises (Private) Limited  
Muhammad Ali Ansari  
Sponsor  
Barkat Frisian Agro Limited

  
**TASLEEM NAZ**  
Advocate High Court  
& NOTARY PUBLIC  
Karachi - Pakistan  
Call: 0321 3804801



**ATTESTED**  
  
**MUHAMMAD SABIR**  
ADVOCATE & OATH COMMISSIONER  
KARACHI, PAKISTAN



P17

30<sup>th</sup> December 2024

Pakistan Stock Exchange  
Stock Exchange Building  
Stock Exchange Road  
Karachi, Pakistan.



**UNDERTAKING BY THE COMPANY AND ITS SPONSORS**

Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) and its Sponsors undertake that:



1. Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
  - a. Which had been declared defaulter by the securities exchange or futures exchanges; or
  - b. 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.
2. Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
3. None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.



For and on behalf of Frisian Egg International B.V.  
Paul Ettema  
Sponsor  
Barkat Frisian Agro Limited  
(formerly Barkat Frisian Pasteurized Egg Company (Private) Limited)



Tasleem Naz  
Advocate High Court  
& NOTARY PUBLIC  
Karachi - Pakistan  
Call: 0221 3804801

ATTESTED  
Muhammad Sabir  
ADVOCATE & OATH COMMISSIONER  
KARACHI - PAKISTAN



## 5.5. STATEMENT BY THE ISSUER

(P.A)



## BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

30th December 2024

**The Chief Executive**  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi, Pakistan.

On behalf of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) (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 Barkat Frisian Agro Limited

  
  
**Muhammad Adil Ali**  
Chief Executive Officer

  
  
**Muhammad Farooq Zafar**  
Chief Financial Officer

Registered Address: Office No. 601, 6th Floor, Balad Trade Center-III (BTC-3),  
Plot No: D-75, Block 7 - Zone C, Khayaban-e-Jami, Clifton, Karachi, Pakistan  
Factory Address: WL 36-37, Bin Qasim Industrial Park, Pakistan Steel, Karachi, Pakistan  
contact@barkatfrisian.com, www.barkatfrisian.com  
P: +92.21. 33480833, 32574668



## 5.6. STATEMENT BY THE LEAD MANAGER

30<sup>th</sup> December, 2024

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

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

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

For and on behalf of Arif Habib Limited

Farhan Rizvi  
Director, Investment Banking

Head Office / Corporate Office: Arif Habib Centre, 23 M.T. Khan Road, Karachi | UAN: +92 21 111 045 111 | Fax: +92 21 9242 9653  
Lahore Office: Office No. G-5 & G-6, Ground Floor, ISE Plaza, 39, Khayaban-e-Aliwan-a-Jahid, Lahore, | Tel: +92 42 3551 9700 - 41, 3031 3741 - 44  
Islamabad Office: Office No. 904, 3rd Floor, ISE Towers, Jinnah Avenue, Islamabad | Tel: +92 51 289 4509 - 06  
Peshawar Office: F10-F17, 1st Floor, The Mall Tower, Mahawar Cantt. | Tel: +92 91 525 3513  
Faisalabad Office: Office No. 04, 3rd Floor, Legacy Tower, Kotli Road City, Faisalabad, | Tel: +92 41 3571010-3  
Multan Office: Office No. 05, 3rd Floor, The United Mill, Plot No. 74, Abdur Road, Multan, | Tel: +92 61 4514412  
online@arifhabib.com | www.arifhabib.com | www.abitrade.com  
TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No: BQA-950 / 01



## 5.7. STATEMENT BY THE BOOK RUNNER

30<sup>th</sup> December, 2024

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

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

For and on behalf of Arif Habib Limited

Farhan Rizvi  
Director, Investment Banking

Head Office / Corporate Office: Arif Habib Centre, 23 M.T. Khan Road, Karachi | UAN: +92 21 111 245 111 | Fax: +92 21 3242 9653  
Lahore Office: Office No. 6-5 & 6-6, Ground Floor, LSE Plaza, 29, Khayaban-e-Ahwan-e-Iqbal, Lahore, | Tel: +92 42 3651 3700 - 11, 3631 3741 - 06  
Islamabad Office: Office No. 506, 5th Floor, ISE Towers, Innah Avenue, Islamabad | Tel: +92 31 289 4505 - 06  
Peshawar Office: F16-F17, 1st Floor, The Mall Towers, Peshawar Transit | Tel: +92 91 5253943  
Faisalabad Office: Office No. 04, 3rd Floor, Leghby Tower, Kohinoor City, Faisalabad, | Tel: +92 41 8533620-3  
Multan Office: Office No. 05, 3rd Floor, The United Mall, Plot No. 79, Abdali Road, Multan, | Tel: +92 60 4514412  
arif@arifhabib.com | www.arifhabib.com | www.ariftrade.com  
TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. 50A-000 / 01



## 6. FINANCIAL INFORMATION:

**Note:** The satisfactory QCR rating assigned to the M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants by ICAP expired on May 10, 2020. The conclusion of the last QCR report dated October 11, 2023, of ICAP was unsatisfactory, which has been set aside by the Appellate Board and the new QCR Rating is pending. Audit Oversight Board also conducted an inspection of the firm of selected audit engagements for the last four years and issued an order whereby one of the eight partners was restrained from being assigned audit of any public interest company for one year along with imposition of a penalty. However, this order was challenged in the honorable high court of Islamabad and the same has been suspended through a stay order.

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

#### Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A Member firm of



PrimeGlobal

An Association of  
Independent Accounting Firms

1st Floor, Modern Motors House,  
Seamont Road, Karachi-Pakistan.  
Ph: +92-21-35571909, 35573754  
Fax: +92-21-35210626  
E-mail: info@nzaj.com.pk  
Web: www.nzaj.com.pk

December 27, 2024  
NZA/AC/03/24

#### The Board of Directors

Barkat Frisian Agro Limited  
Office No: 601, 6th Floor,  
Balad Trade Center-III (BTC-3),  
Plot No. D, 75, Zone C, Block 7,  
Khayaban-e-Jamī, Clifton, Karachi, Pakistan

Dear Members of the Board,

**Auditor's certificate on issued, subscribed and paid-up capital as required under clause 14(i) of section 1 of the First Schedule to the Public Offering Regulations, 2017**

We have been requested to provide you a certificate confirming the issued, subscribed and paid-up capital of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) (the "Company") based on the audited financial statements of the Company for the year ended June 30, 2024, for onward submission to Pakistan Stock Exchange Limited (PSX) as required under Clause 14(i) of section 1 of the First Schedule to the Public Offering Regulations, 2017.

#### Scope of Certificate

The engagement scope is to provide auditors' certificate on the issued, subscribed and paid-up capital of the Company. We have been informed that this certificate is required under clause 14(i) of section 1 of the First schedule to the Public Offering Regulations, 2017.

#### Management Responsibility

It is the management's responsibility to ensure compliance with clause 14(i) of section 1 of the First Schedule to the Public Offering Regulation, 2017. Reviewing compliance to the legal requirement is beyond the scope of this engagement.

The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the company and prevent and detection of frauds and irregularity. This 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 June 30, 2024 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practising Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP).

Our verification was limited to tracing the amount of issued, subscribed and paid-up capital from the audited financial statements of the Company for the year ended June 30, 2024.

#### Other Offices

2-B, ATS Centre, 30 West Block 'A' Faisal-ul-Haq Road, Blue Area, Islamabad, Pakistan. Ph: +92-51-2670000-32, 2622765, Fax: +92-51-2269285, E-mail: info@nzaj.com.pk  
201-Regency Plaza, M.M. Alam Road, Gulberg-III, Lahore, Pakistan. Ph: +92-42-35577001-04, Fax: +92-42-3577000, E-mail: info@nzaj.com.pk  
1st Floor, Lamsey Arcade, Opp. Green's Banquet Hall, Peshawar, Pakistan. Ph: +92-91-6276102, 6274005, Fax: 001-6274968, E-mail: pesh@nzaj.com.pk



**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants



**Certificate**

Based on the procedures mentioned above, we certify that the break-up of issued, subscribed and paid-up share capital of the Company as at June 30, 2024 is as follows:

	As at June 30, 2024	
	(Number of shares)	(Rupees)
Ordinary shares of Rs. 100 each fully paid in cash	900,000	90,000,000
	<b>900,000</b>	<b>90,000,000</b>

The shareholders of the company as at June 30, 2024 include the following:

Name of shareholders	(Number of shares)	(Rupees)
Muhammad Adil Ali	36,000	3,600,000
Waqas Gulzar	90,000	9,000,000
Muhammad Ali Ansari	39,010	3,901,000
Naheed Ali Ansari	15,000	1,500,000
B & Z Enterprises (Private) Limited	269,990	26,999,000
Frisian Egg International B. V.	449,998	44,999,800
Johan Stuiver	1	100
Paul Ettema	1	100
	<b>900,000</b>	<b>90,000,000</b>

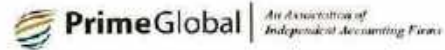
Subsequent to June 30, 2024, the Company undertook a share split, reducing the par value of its ordinary shares from PKR 100 per share to PKR 1 per share, increasing the number of shares proportionally.

Following the share split, the Company issued right shares amounting to 152,255,384 shares, bringing the total issued, subscribed, and paid-up capital to 242,255,384 shares. The details of the share capital structure as at December 27, 2024, are as follows:

	As at December 27, 2024	
	(Number of shares)	(Rupees)
Ordinary shares of Rs. 1 each fully paid in cash	242,255,384	242,255,384
	<b>242,255,384</b>	<b>242,255,384</b>



**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants



The shareholders of the company as at December 27, 2024 include the following:

Name of shareholders	(Number of shares)	(Rupees)
Muhammad Adil Ali	9,690,212	9,690,212
Waqas Gulzar	24,225,538	24,225,538
Muhammad Ali Ansari	3,901,000	3,901,000
Naheed Ali Ansari	3,369,354	3,369,354
B & Z Enterprises (Private) Limited	79,941,585	79,941,585
Frisian Egg International B.V.	121,127,492	121,127,492
Johan Stuiver	100	100
Paul Ettema	100	100
Nadia Ishtiaq	1	1
Mehmood Arshad	1	1
Anwar Ali	1	1
	<b>242,255,384</b>	<b>242,255,384</b>

**Restriction on use and distribution**

This certificate is being issued on the specific request of Company's management for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to PSX. Accordingly, this certificate cannot be used or distributed to any other third party without our prior consent. This certificate is restricted to the facts stated herein.

Yours faithfully

*Naveed Zafar Ashfaq Jaffery & Co.*  
Chartered Accountants



## 6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE

**Naveed Zafar Ashfaq Jaffery & Co.**  
**Chartered Accountants**

A Member firm of



1st Floor, Modern Motors House,  
 Beaumont Road, Karachi-Pakistan.  
 Ph: +92-21-35671909, 35673754  
 Fax: +92-21-35210626  
 E-mail: khi@nzaj.com.pk  
 Web: www.nzaj.com.pk

December 27, 2024  
 NZAJ/AC/04/24

**The Board of Directors**  
 Barkat Frisian Agro Limited  
 Office No: 601, 6th Floor,  
 Balad Trade Center-III (BTC-3),  
 Plot No. D, 75, Zone C, Block 7,  
 Khayaban-e-Jami, Clifton, Karachi, Pakistan

Dear Members of the Board,

**Auditor's certificate on the break-up value per share as required under clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulations, 2017**

We have been requested to provide you with a certificate verifying on break-up value of ordinary shares of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) ("the Company") as at June 30, 2024 based on audited financial statements of the Company for the year ended June 30, 2024, for onward submission to Pakistan Stock Exchange Limited (PSX) as required under Clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulations, 2017.

**Scope of Certificate**

The engagement scope is to provide auditors' certificate on the calculation of break-up value per ordinary share of the Company as of June 30, 2024. We have been informed that this certificate is required under clause 14(ii) of section 1 of the First schedule to the Public Offering Regulations, 2017.

Breakup value per share is computed by dividing Shareholders' equity with number of shares issued based on audited financial statements of the Company for the year ended June 30, 2024, in accordance with the directives of the Institute of Chartered Accountants of Pakistan contained in Technical Release 22.

**Management Responsibility**

It is the management's responsibility to ensure compliance with the legal requirements for which purposes the calculation of the break-up value per share is being certified and that all requirements in this respect are fulfilled. Reviewing compliance to the legal requirement is beyond the scope of this engagement.

The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the company and prevent and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

**Auditors' Responsibility**

Our responsibility is to certify the break-up value in accordance with the requirements of TR 22. The certificate shall be issued as per the 'Guidelines for the Issuance of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan.

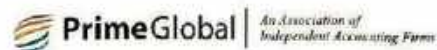
Our verification was limited to agreeing the amount of total equity and number of shares issued to the audited financial statements of the Company for the year ended June 30, 2024 and checking the mathematical accuracy of the calculation.

**Other Offices**

2-B, AFS Centre, 3D West Block 'A' Faisal-ul-Haq Road, Blue area, Islamabad, Pakistan. Ph: +92-51-2878539-32, 2822785, Fax: +92-51-2200263, E-mail: ih@nzaj.com.pk  
 201-Regency Plaza, M.M. Alam Road, Gulberg 11, Lahore, Pakistan. Ph: +92-42-3587685 1-84, Fax: +92-42-35764959, E-mail: lhr@nzaj.com.pk  
 1st Floor, Lamsey Arcade, C/o. Green's Banquet Hall, Peshawar, Pakistan. Ph: +92-91-5276102, 5274095, Fax: 091-5274956, E-mail: pesh@nzaj.com.pk



**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants



**Certificate**

Based on the procedures mentioned above, we certify that the break-up value per share of the Company as at June 30, 2024, is as follows:

		As at June 30, 2024 (Rupees)
Issued, subscribed and paid-up capital	A	90,000,000
Unappropriated profit	B	696,541,225
Revaluation surplus on property, plant and Equipment	C	320,711,356
Total equity	D=A+B+C	<u>1,107,252,581</u>
Number of ordinary shares of Rs 100 each	E	900,000
Break-up value per share	F=D/E	<u>1230.28</u>

Subsequent to June 30, 2024, the Company undertook a share split, reducing the par value of its ordinary shares from PKR 100 to PKR 1 each. Following the split, the Company issued an additional 152,255,384 shares through a rights issue, bringing the total number of ordinary shares to 242,255,384. Based on the book value as of June 30, 2024, the updated break-up value per share is as follows:

		As at June 30, 2024 (Rupees)
Issued, subscribed and paid-up capital	A	90,000,000
Unappropriated profit	B	696,541,225
Revaluation surplus on property, plant and Equipment	C	320,711,356
Total equity as on June 30, 2024	D=A+B+C	<u>1,107,252,581</u>
Number of ordinary shares of Rs 1 each	E	242,255,384
Break-up value per share (Adjusted)	F=D/E	<u>4.57</u>

The revised break-up value per share reflects the impact of the share split and the additional shares issued. This calculation is based on the book value as at June 30, 2024, adjusted for the updated share capital structure.

**Restriction on use and distribution**

This certificate is being issued on the specific request of the Company's management for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to PSX. Accordingly, this certificate cannot be used or distributed to any other third party without our prior consent. This certificate is restricted to the facts stated herein.

Yours faithfully,

Chartered Accountants



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

#### Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants

A Member firm of



**PrimeGlobal**

An Association of  
Independent Accounting Firms

1st Floor, Modern Motors House,  
Beaumont Road, Karachi-Pakistan.  
Ph: +92-21-35671909, 35673754  
Fax: +92-21-35210626  
E-mail: khj@nzaj.com.pk  
Web: www.nzaj.com.pk

December 27, 2024  
NZAJ/AC/05/24

The Board of Directors  
Barkat Frisian Agro Limited  
Office No: 601, 6th Floor,  
Balad Trade Center-III (BTC-3),  
Plot No. D, 75, Zone C, Block 7,  
Khayaban-e-Jami, Clifton, Karachi, Pakistan

Dear Members of the Board,

**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 a report on certain information of Barkat Frisian Agro Limited (formerly Barkat Frisian Pasteurized Egg Company (Private) Limited) (the "Company") for onward submission to Pakistan Stock Exchange Limited (PSX) as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

#### Scope of Report

The engagement scope is to certify the information of the company (Annexures A, B and C) to be submitted to PSX and included 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 Regulations, 2017.

#### Management Responsibility

It is the management's responsibility to ensure compliance with the legal requirements for which purposes the report is being requested and that all requirements in this respect are fulfilled. Reviewing compliance to the legal requirement is beyond the scope of this engagement. The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the company and prevent and detection of frauds and irregularity. This report does not relieve the management from its responsibilities.

#### Auditors' Responsibility

Our responsibility is to report the information as required under Clause 1 of section 2 of the First Schedule to the Public Offering Regulations, 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 tracing the financial information included in the annexed Statement with the audited financial statements of the Company for the years ended 30 June 2024, 30 June 2023 and 30 June 2022.


4

#### Other Offices

2-B, ATS Centre, 30 West Block "A" Faisal-ul-Haq Road, Blue area, Islamabad, Pakistan. Ph: +92-51-2678550-32.2822765, Fax: +92-51-2206283, E-mail: isa@nzaj.com.pk  
201-Regency Plaza, M.M. Alam Road, Gulberg-11, Lahore, Pakistan. Ph: +92-42-35976801-84, Fax: +92-42-35764559, E-mail: lhr@nzaj.com.pk  
1st Floor, Lamhay Arcade, Opp. Green's Banquet Hall, Peshawar, Pakistan. Ph: +92-91-9275102, 9274995, Fax: 091-9274906, E-mail: pesh@nzaj.com.pk



**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants

 **PrimeGlobal** | An Association of Independent Accounting Firms

**Certificate**

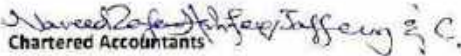
Based on the procedures mentioned above, we certify that the information contained in the annexed Statement of Financial Information is correct. The annexures have been initialed for identification purposes only.

**Restriction on use and distribution**

This report is being issued on the specific request of the Company's management for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to PSX.

Accordingly, this should not be used distributed to any other third party without our prior consent. This report is restricted to the facts stated herein.

Yours faithfully,

  
Chartered Accountants



**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants



Annexure 'A' to the letter reference no NZA/AC/06/24 dated December 27, 2024  
Summary of Assets, Liabilities and Shareholders Equity

	JUNE 30, 2024	JUNE 30, 2023	JUNE 30, 2022
	-----Rupees-----		
<b>Equity and Liabilities</b>			
<b>Authorized capital</b>			
1,000,000 (2023: 1,000,000) Ordinary shares of Rs. 100/-	100,000,000	100,000,000	100,000,000
Issued, subscribed and paid up capital	90,000,000	90,000,000	90,000,000
Capital reserve			
Revaluation surplus on property, plant and equipment	320,711,356	-	-
Revenue reserve			
Unappropriated profit	696,541,225	308,055,072	159,888,930
	<b>1,107,252,581</b>	<b>398,055,072</b>	<b>249,888,930</b>
<b>Non Current Liabilities</b>			
Long term loans	1,875,000	12,259,394	43,618,395
Long term loan from related party	138,981,808	71,431,513	110,310,778
	<b>140,856,808</b>	<b>83,690,906</b>	<b>153,929,173</b>
<b>Current Liabilities</b>			
Current portion of long term loan	10,384,394	31,359,001	33,056,525
Current portion of long term loan from related party	15,790,009	157,744,732	91,626,243
Current portion of deferred government grant	-	-	64,342
Short term borrowings	433,956,414	402,331,445	191,858,597
Loan from related party	57,987,364	57,987,364	57,987,364
Trade and other payables	243,201,472	199,205,252	111,597,660
Accrued markup	27,803,048	27,079,477	11,501,602
	<b>789,122,702</b>	<b>875,707,271</b>	<b>497,702,433</b>
<b>Total equity and liabilities</b>	<b>2,037,232,091</b>	<b>1,357,453,250</b>	<b>901,520,536</b>
Contingencies and commitments			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	693,777,870	323,011,996	310,270,770
Long term deposits	5,633,330	3,023,403	3,021,000
	<b>699,411,200</b>	<b>326,035,396</b>	<b>322,291,770</b>
<b>CURRENT ASSETS</b>			
Stock in trade	311,028,794	263,698,771	191,575,834
Trade debts	891,085,143	595,157,519	288,138,827
Advances, deposits and prepayments	47,065,292	30,999,252	44,567,691
Taxation - net of provision	46,018,985	13,136,079	14,128,050
Short term investment	106,075	6,075	-
Cash and bank balances	42,516,602	128,420,157	40,788,363
	<b>1,337,820,891</b>	<b>1,031,417,854</b>	<b>579,228,766</b>
<b>Total assets</b>	<b>2,037,232,091</b>	<b>1,357,453,250</b>	<b>901,520,536</b>



**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants

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Annexure 'B' to the letter reference no NZAJ/AC/07/24 dated December 27, 2024  
Summary of Statement of Profit or Loss

	FROM JULY 01,2023 TO JUNE 30,2024	FROM JULY 01,2022 TO JUNE 30,2023	FROM JULY 01,2021 TO JUNE 30,2022
	-----Rupees-----		
Sales - net	6,068,439,033	4,325,439,454	2,469,504,923
Cost of sales	(5,368,762,965)	(3,877,415,542)	(2,190,599,491)
<b>Gross profit</b>	<b>699,676,069</b>	<b>448,023,912</b>	<b>278,905,432</b>
Selling and distribution expenses	(102,329,584)	(67,573,949)	(42,385,036)
Administrative expenses	(47,856,333)	(31,943,956)	(24,986,407)
<b>Operating profit</b>	<b>549,490,153</b>	<b>348,506,008</b>	<b>211,533,989</b>
Other expenses	(43,635,752)	(20,168,829)	(11,362,083)
Un-realized foreign exchange gain	7,985,593	(72,613,584)	(25,077,098)
Other income	29,323,667	9,766,300	2,679,860
Finance costs	(122,608,997)	(83,613,242)	(39,152,090)
	(128,935,489)	(166,629,355)	(72,911,410)
<b>Profit before income tax and levy (minimum tax)</b>	<b>420,554,664</b>	<b>181,876,652</b>	<b>138,622,578</b>
Minimum tax	(40,778,015)	(30,568,210)	-
<b>Profit before income tax</b>	<b>379,776,645</b>	<b>151,308,442</b>	<b>138,622,578</b>
Income tax	(14,058)	(3,142,300)	(720,050)
<b>Profit for the year</b>	<b>379,762,587</b>	<b>148,166,142</b>	<b>137,902,529</b>
<b>Basic and diluted earnings per share</b>	<b>421.96</b>	<b>164.63</b>	<b>153.23</b>





**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants

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Annexure 'C' to the letter reference no NZAJ/AC/08/24 dated December 27, 2024  
Summary of Statement of Comprehensive Income

	FROM JULY 01, 2023 TO JUNE 30, 2024	FROM JULY 01, 2022 TO JUNE 30, 2023	FROM JULY 01, 2021 TO JUNE 30, 2022
	-----Rupees-----		
Profit for the year	379,762,587	148,166,142	137,902,529
Other comprehensive income	-	-	-
Surplus on revaluation of property, plant and equipment	329,434,921	-	-
Deferred tax impact	-	-	-
<b>Total comprehensive income</b>	<b>709,197,509</b>	<b>148,166,142</b>	<b>137,902,529</b>

U.A.



#### 6.4. SHARIAH COMPLIANCE CERTIFICATE



December 31, 2024



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد.

#### SHARIAH COMPLIANCE OF BARKAT FRISIAN AGRO LIMITED

We, Al-Hilal Shariah Advisors (Pvt.) Limited, have conducted Shariah Compliance Screening of **Barkat Frisian Agro Limited (BFAL)** based on the financial statements of June 30, 2024 (Annual) as issued by the company.

We have thoroughly analyzed the financial statements on the basis of various Shariah screening criteria issued by Shariah Supervisory Council of Al Hilal Shariah Advisors and the screening guidelines by Securities and Exchange Commission of Pakistan (SECP). In light of the financial information and our evaluation, we hereby certify that the **Barkat Frisian Agro Limited (BFAL)** meets the Shariah screening criteria of Al-Hilal Shariah Advisors and SECP, and there is no evidence contrary to it.

Hence it is resolved that it is permissible to invest in shares of **Barkat Frisian Agro Limited**.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.

Mufti Irshad Ahmed Aijaz,  
Chairman  
Shariah Supervisory Council



Faraz Younus Bandukda, CFA  
Chief Executive

6.5. LATEST AUDITED ACCOUNTS AS AT 30<sup>th</sup> JUNE 2024

<b>BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED</b>		<b>STATEMENT OF FINANCIAL POSITION</b>		<b>AS AT JUNE 30, 2024</b>	
		2024	2023	Rupees	
		— Rupees —			
<b>Equity and Liabilities</b>					
<b>Authorized capital</b>					
1,000,000 (2023: 1,000,000) Ordinary shares of Rs. 100/-		100,000,000	100,000,000		
Issued, subscribed and paid up capital		90,000,000	90,000,000		
Capital reserve					
Revaluation surplus on property, plant and equipment		320,711,366	-		
Revenue reserve					
Unappropriated profit		696,541,225	308,055,072		
		<u>1,107,252,581</u>	<u>398,055,072</u>		
<b>Non Current Liabilities</b>					
Long term loans		1,875,000	12,259,394		
Long term loan from related party		138,861,808	71,411,513		
		<u>140,736,808</u>	<u>83,670,908</u>		
<b>Current Liabilities</b>					
Current portion of long term loan		10,384,394	31,359,001		
Current portion of long term loan from related party		15,790,009	157,744,730		
Short term borrowings		433,956,414	402,331,445		
Loan from related party		57,987,364	57,987,364		
Trade and other payables		243,201,472	199,805,252		
Accrued markup		27,803,048	27,079,677		
		<u>789,122,702</u>	<u>875,707,271</u>		
<b>Total equity and liabilities</b>		<u>2,037,232,091</u>	<u>1,357,453,250</u>		
Contingencies and commitments		-	-		
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment		693,777,870	323,011,996		
Long term deposits		5,633,330	3,023,400		
		<u>699,411,200</u>	<u>326,035,396</u>		
<b>CURRENT ASSETS</b>					
Stock in trade		311,028,794	263,698,771		
Trade debts		891,085,143	595,157,519		
Advances, deposits and prepayments		47,065,292	30,999,252		
Taxation - net of provision		46,018,985	13,136,079		
Short term investment		106,075	6,075		
Cash and bank balances		42,516,602	128,420,157		
		<u>1,337,820,891</u>	<u>1,031,417,853</u>		
<b>Total assets</b>		<u>2,037,232,091</u>	<u>1,357,453,250</u>		
The annexed notes form an integral part of these financial Statement					
 <b>CHIEF EXECUTIVE</b>		 <b>DIRECTOR</b>			



**BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023
Sales - net	20	6,068,439,033	4,325,439,454
Cost of sales	21	(5,368,762,965)	(3,877,415,542)
<b>Gross profit</b>		<b>699,676,069</b>	<b>448,023,912</b>
Selling and distribution expenses	22	(102,329,584)	(67,573,949)
Administrative expenses	23	(47,856,333)	(31,943,956)
<b>Operating profit</b>		<b>549,490,153</b>	<b>348,506,008</b>
Other expenses	24	(43,635,752)	(20,168,829)
Un-realized foreign exchange gain		7,985,593	(72,613,584)
Other income	25	29,323,667	9,766,300
Finance costs	26	(122,608,997)	(83,613,242)
		(128,935,489)	(166,629,355)
<b>Profit before income tax and levy (minimum tax)</b>		<b>420,554,664</b>	<b>181,876,652</b>
Minimum tax	27.1	(40,778,019)	(30,566,210)
<b>Profit before income tax</b>		<b>379,776,645</b>	<b>151,308,442</b>
Income tax	27	(14,058)	(3,142,300)
<b>Profit for the year</b>		<b>379,762,587</b>	<b>148,166,142</b>
<b>Basic and diluted earnings per share</b>	28	<b>421.96</b>	<b>164.63</b>

The annexed notes form an integral part of these financial Statement

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



**BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
Profit for the year		379,762,587	148,166,142
Other comprehensive (loss) / income:		-	-
Surplus on revaluation of property, plant and equipment	6	329,434,921	-
Deferred tax impact		-	-
<b>Total comprehensive Income for the year</b>		<b>709,197,509</b>	<b>148,166,142</b>

The annexed notes form an integral part of these financial Statement

  
CHIEF EXECUTIVE

  
DIRECTOR



**BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Share Capital	Revenue Reserve	Capital Reserve	Total
		Unappropriated Profit	Revaluation surplus on property, plant and equipment	
Tshs=				
Balance as at July 01, 2022	30,000,000	139,616,261	-	348,865,960
Profit for the year	-	348,166,342	-	348,166,342
Other comprehensive income	-	-	-	-
Total comprehensive income for the year ended June 30, 2023	-	348,166,342	-	348,166,342
Balance as at June 30, 2023	30,000,000	388,952,073	-	388,952,072
Profit for the year	-	279,766,367	-	379,762,067
Other comprehensive income	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	329,434,973	329,434,973
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation	-	8,728,248	(8,728,248)	-
Total comprehensive income for the year ended June 30, 2024	-	388,492,173	320,706,725	709,198,948
Balance as at JUNE 30, 2024	30,000,000	696,144,022	330,711,336	1,357,255,358

  
 CHIEF EXECUTIVE

  
 DIRECTOR



**BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
	Rupees	
<b>Cash flow from operating activities</b>		
Profit before income tax and levy (minimum tax)	420,554,664	181,876,652
Adjustments for non cash items:		
Depreciation	54,633,931	22,987,004
Finance cost	25 122,606,997	83,613,242
Gain on disposal of vehicle	(117,860)	-
Unrealized exchange (gain)/loss	(7,985,593)	72,613,584
Allowance for expected credit loss	16.1 6,039,339	6,402,229
Amortization of deferred government grant	-	(64,342)
Operating profit before working capital changes	<u>575,722,478</u>	<u>367,425,369</u>
Changes in working capital		
(Increase) / decrease in current assets:		
Stock in trade	(47,390,023)	(72,122,937)
Trade debts-considered good	(301,966,962)	(313,420,921)
Advances, deposits and prepayments	(16,066,040)	13,596,440
Increase in current liabilities:		
Trade and other payables	43,996,221	87,607,591
Cash flows from operating activities	<u>254,366,673</u>	<u>83,090,542</u>
Minimum tax, income taxes paid	(73,874,983)	(32,716,539)
Finance costs paid	(121,885,426)	(68,035,367)
Net cash generated / (used in) operating activities	<u>58,806,264</u>	<u>(17,661,364)</u>
Cash flow from investing activities		
Capital expenditure incurred	13.1 (77,882,023)	(26,728,131)
Proceed from disposal	2,035,000	-
Short term investment	(100,000)	(6,075)
Long term deposits paid	(2,609,930)	(2,400)
Net cash (used in) investing activities	<u>(78,556,953)</u>	<u>(26,736,706)</u>
Cash flow from financing activities		
Repayment of long term loans	(31,399,001)	(33,066,625)
Receipt from SBP Salary Finance	-	-
Repayment to related party	(66,418,835)	(45,374,309)
Short term borrowings - net	31,624,970	210,473,848
Net cash generated from financing activities	<u>(66,192,866)</u>	<u>132,031,863</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(85,903,555)</u>	<u>87,631,793</u>
Cash and cash equivalents at beginning of the year	128,420,157	40,788,163
Cash and cash equivalents at end of the year	19 <u>42,516,602</u>	<u>128,420,157</u>

The annexed notes form an integral part of these financial Statement

  
 CHIEF EXECUTIVE

  
 DIRECTOR



**BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**1 COMPANY AND ITS OPERATIONS**

Barkat Frisian Pasteurized Egg Company (Private) limited ("the Company") was incorporated on 05 January 2017 as Private Limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principle activity of the company is poultry egg processing.

The registered office of the Company is situated at: H#M 74/1, Khayaban-e-Ittehad, Phase VII, DHA, Karachi, Pakistan.

The factory is situated at Plot # WL 36-37, Bin Qasim Industrial Park, Pakistan Steel Mills, Karachi.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These accounting and reporting standards comprise of:

International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Boards (IASB) as notified under the Companies Act, 2017; and

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP); as notified under the Companies Act, 2017; and

Provisions of

Where the provisions of and the directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and the directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared on the basis of historical cost convention except for certain items as disclosed in the relevant accounting policies below.

**2.3 Functional and presentation currency**

These financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company and rounded off to the nearest rupee.

**2.4 Use of estimates and judgments**

The preparation of these annual audited financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amounts recognized in these annual audited financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

Property, plant and equipment and depreciation (refer note 4.1)

Stock-in-trade (refer note 4.2)

Government grant (refer note 4.11)

Provisions (refer note 4.9)

Taxation (refer note 4.10)



### 3 New Standards, Interpretations And Amendments To Published Approved Accounting Standards

#### 3.1 Standards, amendments and interpretations to existing standards that are not yet effective

Following Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Description effective for the periods	Effective date (annual reporting periods beginning on or after)
IAS 21	Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'- Lack of	January 1, 2025
IAS 7	Amendments to IAS 7 'Financial Instruments'- Supplier finance arrangements	January 1, 2024
IAS 7	Amendments to IAS 7 'Statement of Cash flows'- Supplier finance arrangements	January 1, 2024
IAS 1	Amendments to IAS 1 'Presentation of Financial Statements'- Classification of liabilities as current or non-current	January 1, 2024
IAS 1	Amendments to IAS 1 'Presentation of Financial Statements'- Non-current liabilities with covenants	January 1, 2024
IFRS 16	Amendments to IFRS 16 'Leases'- Amendments to clarify how a seller-lessee	January 1, 2024
IFRS 07	arrangements subsequently measures sale and leaseback	
IFRS 9	Amendments to IFRS 9 'Financial Instruments'- Amendments regarding the classification and measurement of financial instruments	January 1, 2026
IFRS 7	Amendments to IFRS 7 'Financial Instruments'- Disclosures -Amendments regarding	January 1, 2026

#### 3.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at JUNE 30, 2024:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

### 4 MATERIAL ACCOUNTING POLICY INFORMATION

The summary of significant accounting policies adopted in the preparation of financial statements are set out below. These policies have consistently applied to all years presented, unless otherwise stated.

#### 4.1 Property, plant and equipment

##### 4.1.1 Property, plant and equipment are stated at cost less accumulated depreciation except certain fixed assets (Land, building and Plant & machinery) are carried at revalued amounts. Company has a policy of revaluing land, building and Plant & machinery after every five years.

Depreciation is charged to income applying reducing balance method at the rates specified in fixed assets note 13. Depreciation is charged from the month the asset is available for the use up to the month prior to disposal. Gains or losses on disposal of assets, if any, are recognised in statement of profit or loss.

The carrying value of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value exceeds the estimated recoverable amount, the assets are written down to the recoverable amount.

All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.



#### 4.1.2 Right-of-use asset

The right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

#### 4.2 Stock-in-trade

Stock in trade except for stock in transit are valued at lower of cost or net realizable value. Cost in relation to raw material is determined by using first in first out method except for stock in transit.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon. Work in process and finished goods consists of direct material costs, labour cost and appropriate proportion of manufacturing overheads.

#### 4.3 Stores and Spares

These are valued at lower of moving average cost and net realizable value, except items in transit, which are stated at cost. Obsolete and used items are recorded at nil value. Value of items is reviewed at each balance sheet date to record provision for any slow moving items.

Net realizable value signifies the selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

#### 4.4 Trade debts and Other receivable

Trade debts and other receivables are recognised and carried at cost, which is the fair value of the consideration to be received less allowance for expected credit losses (ECL). Expected credit loss is based on the management's assessment of customers' outstanding balances and credit worthiness. Bad debts are written-off when identified.

#### 4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost for the purpose of cash flow statements. Cash and cash equivalents comprises of cash in hand with banks in current and deposit accounts and other readily assets that can be realized in cash.

#### 4.6 Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 4.7 Long term and short term borrowings

These are recorded at the proceeds received. Financial charges are accounted for on accrual basis and are disclosed as accrued interest/mark-up to the extent of the amount remaining unpaid.

#### 4.8 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized costs.

#### 4.9 Provisions

Provisions are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past event and it is probable that the outflow of resources / economic benefit will be required to settle the obligation and reliable estimate can be made to the amount of obligation. However provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.



#### 4.10 Taxation

##### Final and minimum tax

Computation of minimum tax chargeable under various sections of ITO 2001, provisions of such sections require its comparison with amount of tax-attributable to income streams taxable at general rate of taxation, such minimum taxes are not fully outside the scope of IAS-12 and a certain portion of them falls in scope of IAS - 12. Based on this, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS - 12 and a component within the scope of IFRIC - 21/IAS-37.

As regards final taxes, its computation is based on revenue or other bases other than taxable income, therefore, final taxes fall under levy within the scope of IFRIC-21/IAS-37, hence treated and classified accordingly, as per the requirements of / and guidelines issued by ICAP.

In identifying and classifying each component of minimum tax being hybrid in nature, company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS - 12 "Income taxes" and recognize it as current income tax expense. Any excess over the amount designed as income tax, is recognized as a levy falling under the scope of IFRIC-21/IAS-37.

##### Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

##### Current tax

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any.

##### Prior tax

The charge for prior tax includes adjustments to charge for prior years which arises from assessments / developments made during the year, if any.

##### Deferred tax

Deferred tax is recognised using statement of financial position method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognises deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Provision for taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rate. The charge for the figure of provision for tax made in previous years is effected arising from assessment framed during the year for such years.

#### 4.11 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to income, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed out.

#### 4.12 Revenue recognition

Revenue from the sales of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods to the customers.

Return on Bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.



#### 4.13 Foreign currency transactions

Transactions in foreign currencies are converted into functional currency "Rupees" at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the date of the statement of financial position. Exchange gains and losses are charged in the statement of profit or loss.

#### 4.14 Financial Instruments

##### (a) Classification and Initial measurement

The Company classifies its financial assets in to following three categories:

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

##### Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

##### Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gain or loss will either be recorded in the unconsolidated statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

##### (b) Subsequent measurement

##### Financial assets at FVOCI

These assets are measured at fair value, with gain or loss arising from changes in fair value recognized in the Financial statement of other comprehensive income.

##### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain or loss, including any interest/ mark-up or dividend income, are recognized in the Financial statement of profit or loss.

##### Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ mark-up income, foreign exchange gain or loss and impairment are recognized in the Financial statement of profit or loss.



**(c) Financial liabilities**

Financial liabilities are classified as "measured at amortized cost" or "measured at fair value through profit or loss". A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or loss, including any interest expense, are recognized in the Financial statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or canceled or have expired or when the financial liability's cash flows have been subsequently modified.

**4.15 Impairment**

**(a) Financial assets**

The Company recognizes loss allowances for expected credit loss (ECL) in respect of financial assets measured at amortized cost.

The Company applies the simplified approach to recognize lifetime expected credit loss for trade debts. The Company assesses on a forward looking basis the expected credit loss associated with its financial assets.

The Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Allowances for ECL financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of the Company.

**(b) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss are charged in the Financial statement of profit or loss.

**4.16 Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.



**BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
-----Rupees-----			
<b>5 Issued, subscribed and paid up capital</b>			
900,000 ( 2023 : 900,000 ) Ordinary shares of Rupees 100 each fully paid in cash		<u>90,000,000</u>	<u>90,000,000</u>
		<u>90,000,000</u>	<u>90,000,000</u>
<b>Pattern of shareholding</b>			
		2024	2023
		Number of shares	Percentage of Holding
		Number of shares	Percentage of Holding
Frisian Egg International B.V.		449,998	50.00%
Muhammad Adil Ali		36,000	4.00%
Waqas Gulzar		90,000	10.00%
Johan Striver		1	0.00%
Paul Eitema		1	0.00%
Muhammad Ali Ansari		39,010	4.33%
Nabeed Ali Ansari		15,000	1.67%
B&Z Enterprises (Pvt.) Ltd.		269,990	30.00%
		<u>900,000</u>	<u>100%</u>
		<u>900,000</u>	<u>100%</u>
<b>5.1</b> The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares, as the case may be, as and when declared by the Company. All shares carry one vote per share without restriction. The Board of Directors of the Company are elected by majority vote.			
<b>6 Revaluation Surplus On Property, Plant And Equipment</b>			
Balance at the beginning of the year		-	-
Revaluation increase during the year		329,434,921	-
Incremental depreciation charged during the year		<u>(8,723,565)</u>	-
		<u>320,711,356</u>	-
<b>5.1</b> The revaluation of leasehold land, building and plant and machinery were revalued on November 22, 2023, resulting in the net surplus of Rs. 329,434 million. The revaluation was incorporated in books on June 30, 2024. The valuation was conducted by an independent valuer. Land, Building and Plant and Machinery were valued on the basis of fair market value. The company has a policy of revaluing land, building and plant and machinery after every five years.			
<b>7 Long term Loans</b>			
Diminishing Musharika - Meezan Bank	7.1	<u>9,134,394</u>	39,243,395
Less: Current portion		<u>(9,134,394)</u>	(30,109,061)
		-	9,134,394
Diminishing Musharika - MBL Generator	7.2	<u>3,125,000</u>	4,375,000
Less: Current portion		<u>(1,250,000)</u>	(1,250,000)
		<u>1,875,000</u>	3,125,000
<b>Total</b>		<u>1,875,000</u>	<u>11,259,394</u>



	Note	2024	2023	
-----Rupees-----				
7.1	The Company has entered into a diminishing musharakah of Rs. 105.38 million for plant and machinery with the Meezan Bank Limited- Islamic Banking. The arrangement carry profit at the rate of three month KIBOR + 3% with quarterly rental repayments. The arrangement is for a tenure of six years from the date of disbursement and are structured in such a way first principal repayment installment after grace period of one year. Arrangement is secured against exclusive equitable mortgage over properties of directors and personal guarantee of all sponsors.			
7.2	The Company has entered into a diminishing musharka of Rs. 5 million for Generator with the Meezan Bank Limited- Islamic Banking. The arrangement carry profit at the rate of three month KIBOR + 3% with quarterly rental repayments. The arrangement is for a tenure of six years from the date of disbursement and are structured in such a way first principal repayment installment will commence after grace period of one year. Arrangement is secured against specific charge over plant & machinery.			
<b>8</b>	<b>Long term loan from related party</b>			
	From related party - Frisian Egg International BV	7.1	229,176,245	201,937,021
	Repayment during the year		(66,418,835)	(45,374,360)
	Closing balance as on June 30,		162,757,410	156,562,661
	Un-realized foreign exchange loss		(7,985,593)	72,613,584
			154,771,817	229,176,245
	Less: Current maturity		(15,790,009)	(15,744,732)
			<u>138,981,808</u>	<u>71,431,513</u>
8.1	This long term loan has been obtained for plant and machinery, from associated company namely Frisian Egg International BV, amounting EURO 275,000, 56,000 and 188,500 (2023: EURO 375,000, 168,000 and 188,500). The company has obtained this loan at different date and carry at different markup rate. Subsequent to the year ended Frisian Egg International BV has decided to convert their outstanding loan amounting Euro 466,500 into equity.			
<b>9</b>	<b>Short term borrowings</b>			
	Tijarah Financing - Meezan Bank Ltd.	9.1	204,393,847	214,660,299
	Musawammah Financing - Bank Al Habib Ltd.	9.2	149,949,174	145,048,066
	Tijarah Financing - Habib Bank Ltd.	9.3	44,803,394	41,623,086
	Musawammah Financing - Meezan Bank Ltd.	9.1	34,810,000	-
			<u>433,956,414</u>	<u>402,331,445</u>
9.1	The Company has entered into a tijarah / Musawammah financing facility with Meezan Bank Limited of Rs. 315 million (2023: 215 million) for meeting day to day operational needs. The arrangement carry profit at the rate of 3M KIBOR + 1.5%. Repayment of loan is subject to the sale of stock against which the financing has been disbursed maximum upto 90 days from the date of disbursement of loan. Arrangement is secured against pari passu equitable mortgage on land & building of company's factory at WL 36 & 37, Bin Qasim Industrial Park, Karachi, pari passu hypothecation charge over plant & machinery and specific receivables.			
9.2	The Company has entered into a Musawama financing facility with Bank Al-Habib Limited, of Rs. 150 million (2023: 150 million) for meeting day to day operational needs. The arrangement carry profit at the rate of KIBOR + 1.00%. Repayment of loan is subject to the sale of stock against which the financing has been disbursed maximum upto 90 days from the date of disbursement of loan. Arrangement is secured against pari passu hypothecation charge over plant & machinery, specific receivables and Personal guarantee of all local directors.			
9.3	The Company has entered into a Tijarah financing facility with Habib Bank Limited, of Rs. 45 million (2023: 45 million) for meeting day to day operational needs. The arrangement carry profit at the rate of KIBOR + 1.25%. Repayment of loan is subject to the sale of stock against which the financing has been disbursed maximum upto 90 days from the date of disbursement of loan. Arrangement is secured against pari passu hypothecation charge over plant & machinery, specific receivables and Personal guarantee of all local directors.			



	Note	2024	2023
		-----Rupees-----	
<b>10 Loan from related party</b>			
Opening balance		57,987,364	57,987,364
Receipts during the year		-	500,000
Repayments during the year		-	(500,000)
Closing Balance	10.1	57,987,364	57,987,364
<b>10.1 Loan from associated Company (Unsecured)</b>		38,005,564	38,005,564
Loan from director (Unsecured)		14,481,800	14,481,800
Loan from close family member/sponsor		5,500,000	5,500,000
		57,987,364	57,987,364
This represents interest free loan taken from local directors, shareholders and associated company for working capital requirement and it was payable on demand. Subsequent to the year ended local directors, shareholders and associated company have decided to convert their outstanding loan amounting PKR 57,987,364 into equity.			
<b>11 TRADE AND OTHER PAYABLES</b>			
Creditors	11.1	158,937,546	114,724,836
Withholding tax payable		1,534,947	762,982
Other payables		192,640	151,645
Sales tax payable		45,068,391	62,442,951
Accrued expenses		5,347,635	6,867,251
Workers profit participant fund	11.2	22,586,180	9,782,163
Workers welfare fund		8,582,748	3,717,222
Sale tax withholding		951,385	756,262
		243,201,472	199,205,252
<b>11.1</b> This include related party balance of Rs. 14,065,272 (2023: Rs 18,780,475)			
<b>11.2</b> Opening balances		9,782,163	7,444,822
Interest charged during the year		845,442	845,442
Paid during the year		(10,627,605)	(8,290,263)
Allocation for the year closing		22,586,180	9,782,163
		22,586,180	9,782,163
<b>12 Contingencies and commitments</b>			
<b>12.1 Contingencies</b>			
Barkat Frisian Pasteurized Egg Company (Pvt.) Ltd. is established in Special Economic Zone (SEZ) and has started commercial operations from Financial Year ended June 30, 2019. Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations. The minimum tax u/s 113, which was levied by the Government for tax year 2023 and onwards. The Company is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favourable outcome.			
<b>12.2 Commitments</b>			
The amount of future rentals for Ijarah financing and the period in which these payments will become due are as follows:			
Not later than one year		5,746,480	3,471,742
Later than one year and not later than five years		18,949,422	7,443,714
	12.2.1	24,697,902	10,915,456
<b>12.2.1</b> The total Ijarah rentals due under the Ijarah agreements aggregate to amounting Rs. 24,948 million (2023 : 10,915 million) and are payable in equal monthly installments. The Ijarah is partially secured by a personal guarantee of all local sponsors and post dated cheques. The company intend to exercise the option of purchasing the assets under Ijarah at residual value upon completion of Ijarah term.			



	Note	2024	2023
Rupees			
<b>13 Property, plant and equipment</b>			
Operating fixed assets	13.1	685,531,846	323,011,996
Capital Work In Progress - Advance against land		8,246,024	-
		<u>693,777,870</u>	<u>323,011,996</u>
<b>13.1</b>	As at June 30, 2024, First Pari Passu Hypothecation Charge over specific plant & machinery Rs. 274.7 million and mortgage on land and building Rs. 56 million (2023: P&M Rs.280 million and L&B: Nil) Meezan Bank Limited, Bank Al Habib Limited and Habib Bank Limited against Tijarah / Musawammah Facilities.		
<b>14 Long term advances and deposits</b>			
Deposits against Ijarah finance	14.1	3,057,572	901,000
Others	14.2	2,575,758	2,122,400
		<u>5,633,330</u>	<u>3,023,400</u>
<b>14.1</b>	Deposits for Ijarah finance include a down payment on a vehicle that has been transferred to property, plant, and equipment during the year upon completion of the Ijarah rental.		
<b>14.2</b>	This includes deposit given to Pakistan State Oil Company (PSO) amounting to Rs. 1.7 million (June 30, 2023: Rs. 1.7 million) against fuel.		
<b>15 Stock in trade</b>			
Raw material		177,543,230	109,806,201
Packing material		33,911,269	21,618,930
Finished good		99,574,295	132,273,640
		<u>311,028,794</u>	<u>263,698,771</u>
<b>16 Trade debts</b>			
<b>Unsecured</b>			
Considered good		891,085,143	595,157,519
Considered doubtful		18,185,411	12,146,072
	16.2	<u>909,270,554</u>	<u>607,303,591</u>
Allowance for expected credit loss	16.1	(18,185,411)	(12,146,072)
		<u>891,085,143</u>	<u>595,157,519</u>
<b>16.1 Allowance for expected credit loss</b>			
Balance as at July 1		12,146,072	5,743,843
Change for the year		6,039,339	6,402,229
Balance as at June 30		<u>18,185,411</u>	<u>12,146,072</u>
The aging of trade debtors at the reporting date is:			
Past due 1 - 30 days		485,091,487	332,328,306
Past due 31 - 90 days		283,169,004	225,940,698
Past due above 90 days		141,010,063	49,034,588
		<u>909,270,554</u>	<u>607,303,591</u>
<b>16.2</b>	As at June 30, 2024, First Pari Passu Hypothecation Charge over specific receivables Rs. 650 million (2023: Rs.536.5 million) with Meezan Bank Limited, Bank Al Habib Limited and Habib Bank Limited against Tijarah / Musawammah Facility.		
<b>17 Advance, deposits and prepayments</b>			
Advance for services and supplies		4,994,698	25,611,275
ERP License		1,594,586	-
Advance to employees		1,871,376	1,509,117
Prepayments		906,716	-
Advance sales tax		30,000,000	-
Loan to employees		6,835,168	3,878,860
Short term Lien to Mark		362,748	-
		<u>47,065,292</u>	<u>30,999,252</u>



	Note	2024	2023
		-----Rupees-----	
<b>18 Taxation - Net of provision tax/levy</b>			
Tax receivable as at 01 July		13,136,079	14,128,050
Tax payments / adjustments made during the year		<u>73,674,982</u>	<u>52,718,539</u>
		86,811,062	46,846,589
Less: Provision for tax - current year		<u>(40,792,077)</u>	<u>(13,710,510)</u>
Tax receivable as at 30 June		<u>46,018,985</u>	<u>13,136,079</u>
<b>19 Bank balances</b>			
Cash at bank - in current account		7,805,099	128,420,157
Cash at bank - in saving account		<u>34,711,503</u>	
		<u>42,516,602</u>	<u>128,420,157</u>
<b>19.1</b> During the year range of profit on debt was between 10% to 11% (2023: 5.5% to 10%)			
<b>20 Sales - net</b>			
Local sales		6,399,734,901	4,779,746,219
Export sales		631,369,896	349,678,067
Less: Sales tax		<u>(962,665,754)</u>	<u>(703,984,831)</u>
		<u>6,068,439,033</u>	<u>4,125,439,454</u>
<b>21 Cost of sales</b>			
Raw materials consumed	21.1	5,132,024,140	3,762,558,353
Salaries wages and other benefits - factory		19,937,878	17,155,408
Direct labour		22,535,098	19,151,579
Canteen		-	1,186,444
Certification		448,094	637,855
CIP / Analytical Lab Chemicals		8,950,595	6,307,515
Communication		639,674	718,478
Travelling & Conveyance		-	1,176,362
Depreciation - Factory	13-1.1	32,911,318	22,074,328
Utilities		75,916,221	55,013,960
Repair and maintenance		2,215,120	5,300,779
Insurance		4,881,746	5,303,559
Lab / factory supplies		2,078,872	1,002,052
Pest control		1,433,909	570,220
Printing and stationery		5,617,652	4,065,238
Rent		24,303,485	21,093,802
Security services		1,126,774	973,500
Testing		1,043,044	800,871
Other factory		-	317,220
Waste disposal		-	976,074
		<u>5,336,063,619</u>	<u>3,826,403,596</u>
Add: opening stock of finished goods		132,273,640	83,285,587
Less: closing stock of finished goods	15	<u>(99,574,295)</u>	<u>(132,273,640)</u>
		<u>5,368,762,965</u>	<u>3,877,415,542</u>
<b>21.1 Raw materials consumed</b>			
Add: Opening stock		131,425,131	108,290,248
Add: Purchases		<u>5,212,053,308</u>	<u>3,785,693,236</u>
		5,343,478,619	3,893,983,484
Less: Closing stock	15	<u>(211,454,499)</u>	<u>(131,475,131)</u>
		<u>5,132,024,140</u>	<u>3,762,558,353</u>



	Note	2024	2023
		-----Rupees-----	
<b>22 Selling and distribution expense</b>			
Freight outward		78,052,823	48,077,482
Marketing and selling		24,276,761	19,496,487
		<u>102,329,584</u>	<u>67,573,949</u>
<b>23 Administrative expenses</b>			
Salaries wages and other benefits		20,427,451	13,837,685
SESSI & EOBI		2,153,265	1,551,336
Auditors' remuneration	23.1	858,000	860,000
Communication		268,702	551,082
Depreciation	23.1.1	1,722,613	912,676
Entertainment		121,023	169,231
Fee and subscription		480,095	55,000
Utilities		5,108,996	3,480,662
ljarah rental		4,224,080	2,863,393
Insurance		1,355,156	840,846
Miscellaneous		893,850	652,506
Repair and maintenance		709,899	1,269,800
Printing and stationery		193,800	107,095
Professional charges		3,404,161	1,627,795
Rent, rates and taxes		790,500	603,195
Software development and maintenance		965,000	-
Travelling and conveyance		3,679,741	2,521,654
Charity and donations	23.2	500,000	40,000
		<u>47,856,333</u>	<u>31,943,956</u>
<b>23.1 Audit fee</b>		810,000	773,000
Out of pocket expense		48,000	87,000
		<u>858,000</u>	<u>860,000</u>
<b>23.2</b>	During the year, no donations were paid to any donee/ party in which any Director of the company is interested		
<b>24 Other expense</b>			
Allowance for expected credit loss	16.1	6,039,339	6,402,229
Other expense		5,227,485	-
Exchange loss		-	267,216
Workers profit participant fund		22,586,180	9,782,163
Workers welfare fund		8,582,748	5,717,222
Staff Hajj Sponsorship Scheme		1,200,000	-
		<u>43,635,752</u>	<u>20,168,829</u>
<b>25 Other Income</b>			
Liability written back		21,111,768	-
Dividend Income		-	770
Profit on debt		6,320,087	4,086,645
Amortization of deferred government grant		-	64,342
Exchange gain realized		1,285,728	-
Other income		488,224	5,614,543
Gain on disposal of fixed asset		117,860	-
		<u>29,323,667</u>	<u>9,766,300</u>



	Note	2024	2023
		-----Rupees-----	
<b>26 Finance cost</b>			
Bank charges		3,725,845	2,831,033
Markup on diminishing mushanika		7,139,330	12,702,123
Markup on SBP salary finance		-	26,442
Markup on related party loan		3,302,293	9,543,096
Markup on WPPF		1,554,535	845,442
Markup on tijarah financing - Meezan		52,574,722	32,376,683
Markup on muswama - Bank AlHabib		34,136,760	23,875,983
Markup on tijarah financing - Habib Bank		10,381,196	1,412,441
Markup on muswama - Meezan		9,824,316	-
		<u>122,608,997</u>	<u>83,613,242</u>
<b>27 Taxation</b>			
Prior year Income tax expense			138,406
Income tax expense	27.1	1,832,825	1,185,127
Super tax		(1,818,767)	1,818,767
		<u>14,058</u>	<u>3,142,300</u>
<b>27.1 Minimum tax</b>		<u>40,778,019</u>	<u>30,568,210</u>
<p>This represents the minimum tax on turnover under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.</p> <p>This minimum tax u/s 113, which was levied by the Government for tax year 2023 and onwards. The Company is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favourable outcome. However, company has made provision for this minimum tax in the year ended June 30, 2024.</p> <p>This minimum tax u/s 113, which was levied by the Government for tax year 2023 is now repealed through Finance Act 2024. The aforesaid would be nil in the year ended June 30, 2025.</p> <p>Barkat Frisian Pasteurized Egg Company (Pvt.) Ltd. is established in Special Economic Zone and has started commercial operations from Financial Year ended June 30, 2019. Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations.</p> <p>Reference: Clause (126E) of Part I of The second schedule of Income Tax Ordinance, 2001 (valid till FY 2022) [(126E) Income derived by a zone enterprise as defined in the Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government].</p>			
<b>28 EARNINGS PER SHARE</b>			
Profit after taxation (Rupees)		379,762,587	148,166,142
Weighted average numbers of ordinary shares		900,000	900,000
Basic and diluted earnings per share (Rupees)		<u>421.95</u>	<u>164.63</u>
<b>29 Cash and cash equivalents</b>			
Cash in hand		-	-
Cash and bank balances		42,516,602	128,420,157
		<u>42,516,602</u>	<u>128,420,157</u>



### 30 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties comprise Parent, associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties at arm's length basis, unless otherwise disclosed. Amounts due from and due to related parties are shown under respective notes to the accounts. Other significant transactions and balances with related parties are as follows:

#### Transactions and balances with related parties

Name of related party	Relationship and %age shareholding	Transaction during the year and year end balances	2024	2023
(Rupees)				
AIBF Poultry Farm	Associate	Purchase of raw material	51,192,054	93,752,447
		Amount advance at the year end	-	-
		Amount due at the year end	9,394,865	5,003,811
Adom International	Associate	Purchase of raw material	109,174,463	9,732,000
		Sales	-	47,130
		Amount due at the year end	1,010	542,697
Amna Poultry Farm	Associate	Purchase of raw material	17,710,250	35,003,000
		Amount due at the year end	2,610,250	-
B&Z Farms	Associate	Purchase of raw material	1,453,000	7,549,600
		Amount due at the year end	-	7,549,600
Buksh Farms	Associate	Purchase of raw material	-	1,640,000
		Amount due at the year end	3,282,003	3,282,003
Naheed Ali	Associate	Supplier	-	-
Sultan Poultry Farm	Associate	Purchase of raw material	-	3,456,000
		Amount due at the year end	1,787,145	1,787,145
Frisian Eggs International	Associated Company 50% shareholding	Supplier	-	-
		Amount due at the year end	615,220	615,220
Frisian Eggs International	Associated Company 50% shareholding	Loan payable to related party	154,771,838	229,176,245
B&Z Enterprises (Pvt.) Ltd.	Shareholder 30%	Loan received during the year	-	-
		Loan payable to related party	38,005,564	38,005,564



## Transactions and balances with related parties

Name of related party	Relationship and %age shareholding	Transaction during the year and year-end balances	2024	2023
(Rupees)				
Yasir Ali	Associate person (Sibling of CEO holds 0%)	Loan paid during the year	-	-
		Loan payable to related party	-	-
		Loan received during the year	-	-
Nahed Ali	Associate person (neal Ascendant of CEO holds 1.67%)	Loan paid during the year	-	-
		Loan payable to related party	1,500,000	1,500,000
Muhammad Ali	Associate person	Loan paid during the year	-	-
		Loan payable to related party	4,000,000	4,000,000
Waqas Gulzar	Director holds 10%	Loan received during the year	-	-
		Loan payable to related party	13,281,800	13,281,800
		Loan received during the year	-	-
Muhammad Adil Ali	CEO / Director Shareholder 4%	Loan paid during the year	-	-
		Loan payable to related party	1,200,000	1,200,000

## 30.1 Director Remuneration

	Chief Executive	Directors	Executives	Total
2024				
(Rupees)				
Managerial remuneration	2,700,000	-	10,386,742	13,086,742
	2,700,000	-	10,386,742	13,086,742
Number of persons	1		4	
2023				
(Rupees)				
Managerial remuneration	2,275,000	-	9,189,072	11,464,072
	2,275,000	-	9,189,072	11,464,072
Number of persons	1		3	



### 31. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 31.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

#### Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
	(Rupees)	
Long term deposits	5,633,390	3,023,400
Trade debts	11 601,085,148	595,157,519
Advances and deposits	12 47,065,292	30,999,252
Bank balances	14 42,516,602	128,420,157
	<u>986,300,367</u>	<u>757,600,329</u>

#### Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Company establishes an allowance for ECL that represents its estimate of incurred losses.

Analysis of gross amounts receivable from trade debtors are as follows:

	2024	2023
	(Rupees)	
Domestic	793,448,227	589,842,094
Foreign	175,822,327	17,544,441
	<u>969,270,554</u>	<u>607,386,535</u>

The aging of trade debts as at the date of the statement of financial position is:

	2024	2023
Past due 1 - 30 days	485,091,487	332,328,906
Past due 31 - 90 days	283,169,004	225,940,608
Past due above 90 days	141,010,062	49,117,501
	<u>909,270,554</u>	<u>607,386,505</u>

#### Advances and deposits

These represents loan and advances to employees as per company policy and deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

#### Bank balances

The Company kept its surplus funds with banks having good credit rating. Currently the surplus funds are kept with banks having rating from A2/A



#### Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political, or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

#### 31.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

<u>As at JUNE 30, 2024</u>	Carrying amount	Contractual maturities	Maturity up to one year	Maturity above than 1 year
(Rupees)				
<b>Non-derivative financial liabilities</b>				
Long term loan	12,259,394	12,259,394	10,384,394	1,875,000
Loan from related party	154,771,817	154,771,817	15,790,009	138,981,808
Trade and other payables	243,201,472	243,201,472	243,201,472	-
Accrued mark-up	27,803,048	27,803,048	27,803,048	-
Short term borrowings	433,956,414	433,956,414	433,956,414	-
	<u>871,992,145</u>	<u>871,992,145</u>	<u>731,135,338</u>	<u>140,856,808</u>
<u>As at June 30, 2023</u>	Carrying amount	Contractual maturities	Maturity up to one year	Maturity above than 1 year
(Rupees)				
<b>Non-derivative financial liabilities</b>				
Long term loan	43,618,395	43,618,395	31,359,001	12,259,394
Loan from related party	229,176,245	229,176,245	157,744,732	71,431,513
Trade and other payables	199,205,252	199,205,252	199,205,252	-
Accrued mark-up	27,079,477	27,079,477	27,079,477	-
Short term borrowings	402,331,445	402,331,445	402,331,445	-
	<u>901,410,813</u>	<u>901,410,813</u>	<u>817,719,907</u>	<u>83,690,906</u>

#### 31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

##### 31.3.1 Currency risk

Currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

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The Company is exposed to currency risk on long term loan that are denominated in a currency other than the respective functional currency of the Company, primarily Euro. The Company's exposure to foreign currency risk is as follows:

	2024		2023	
	Rupees	Euro	Rupees	Euro
Financial liabilities				
Long Term Loan	154,771,817	519,500	229,176,245	731,500

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	Buying / Selling	Buying / Selling
Euro to Pakistan Rupee:	297.4550 /	312.4471 /
	297.9247	313.2963

**31.3.2 Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

**31.3.3 Price risk**

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk except in short term investments held at fair value.

**31.3.4 Fair value of financial assets and liabilities**

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

**32 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING**

Description	2024		2023	
	Non Shariah arrangements	Shariah arrangements	Non Shariah arrangements	Shariah arrangements
<b>Assets:</b>				
Long term deposits	-	5,833,330	-	2,023,400
Advance to employees	-	6,835,168	-	3,876,868
Cash at bank - in current account	-	42,516,602	-	128,420,157
<b>Liabilities:</b>				
Long term loans	-	12,259,394	-	43,618,395
Long term loan from related party	-	154,771,817	-	229,176,245
Short term borrowings	-	433,956,414	-	402,331,445
Loan from related party	-	57,987,364	-	57,987,364
Profit on debt	-	6,320,057	-	4,086,645



### 33 CAPITAL RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, to maximize return of shareholders and to optimize capital structure and to reduce the cost of capital.

### 34 MEASUREMENT OF FAIR VALUES

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurement using quoted (unadjusted) in active markets for identical asset or liability.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at JUNE 30, 2024, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.



**35 ANNUAL PRODUCTION CAPACITY**

	2024	2023
	-----Tons-----	
Installed capacity	17,000	17,000
Actual production	12,680	10,352

**36 CORRESPONDING FIGURES**

The fifth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017.

**37 GENERAL**

**37.1** Figures have been rounded-off to the nearest rupee unless otherwise stated.

**37.2 NUMBER OF EMPLOYEES**

	2024	2023
	-----Number-----	
Total number of employees at the year end	62	56
Average number of employees during the year	53	51

**38 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue in the Board of Directors meeting held on

**04 OCT 2024**

  
CHIEF EXECUTIVE

  
DIRECTOR



13.1 Operating Fixed Assets

General Assets	2020				2021				Net book value at end year 2021	Rate of depreciation
	As at July 1, 2020	Addition	Transfer	Disposal	As at July 1, 2021	For the year 2021	Transfer	On disposal		
Land held for	46,470,000	-	-	-	46,470,000	-	-	-	46,470,000	0%
Factory building	194,315,000	50,117,928	-	-	244,432,928	7,105,078	-	-	251,538,006	5%
Plant and machinery	228,647,740	-	-	-	228,647,740	21,615,708	-	-	250,263,448	10%
Intangible intangible	3,300,000	-	-	-	3,300,000	219,000	-	-	3,519,000	10%
Office equipment	3,400,000	60,000	-	-	3,460,000	168,412	-	-	3,628,412	10%
Computer	2,724,400	1,174,200	-	-	3,898,600	288,544	-	-	4,187,144	20%
Vehicle	6,000,000	4,348,000	-	-	10,348,000	1,077,772	-	-	11,425,772	20%
Imprest	411,880,000	43,032,270	-	-	454,912,270	14,882,924	-	-	469,795,194	0%

General Assets	2021				2022				Net book value at end year 2022	Rate of depreciation
	As at July 1, 2021	Addition	Transfer	Disposal	As at July 1, 2022	For the year 2022	Transfer	On disposal		
Land held for	46,470,000	-	-	-	46,470,000	-	-	-	46,470,000	0%
Factory building	194,315,000	44,604	-	-	194,359,604	5,706,639	-	-	200,066,243	5%
Plant and machinery	196,754,320	21,201,443	-	-	217,955,763	16,730,946	-	-	234,686,709	10%
Intangible intangible	3,300,000	63,640	-	-	3,363,640	228,678	-	-	3,592,318	10%
Office equipment	3,222,000	62,000	-	-	3,284,000	227,032	-	-	3,511,032	10%
Computer	1,720,000	304,000	-	-	2,024,000	261,800	-	-	2,285,800	20%
Vehicle	1,000,000	4,084,136	-	-	5,084,136	413,790	-	-	5,497,926	20%
Imprest	315,100,000	85,718,713	-	-	400,818,713	22,807,004	-	-	423,625,717	0%

13.2 Allocation of Depreciation

Location	Use of immovable property	Total value		Depreciation - Factory	Depreciation - Admin
		2020	2021		
Business	29,913,318	22,042,326	912,678	24,954,648	
Business	1,220,613	912,678	-	1,128,335	
<b>Total</b>	<b>31,133,931</b>	<b>22,955,004</b>	<b>912,678</b>	<b>26,082,983</b>	

13.3 The Company has been notified by the relevant authorities on November 22, 2022, that the residential complex will be handed over by the relevant authorities. The value is based on the approved plan of the relevant authorities. The land was acquired in the month of August 2022. The residential complex will be handed over by the relevant authorities. The value is based on the approved plan of the relevant authorities. The land was acquired in the month of August 2022. The residential complex will be handed over by the relevant authorities. The value is based on the approved plan of the relevant authorities.

Location	Use of immovable property	Total value
Business	29,913,318	22,042,326
Business	1,220,613	912,678
<b>Total</b>	<b>31,133,931</b>	<b>22,955,004</b>

13.5 In current year, estimated forest value of acquired assets was Rs. 527 million.



13.6. Had there been no evaluation, the net book value of the specific classes of property, plant & equipment would have been as follows:

	2020	2021
Net book value		
Property, plant & equipment	48,470,000	48,470,000
Goodwill	101,013,825	109,516,419
Total	149,483,825	157,986,419

13.7. Detail of assets disposed of during the year:

Description of assets	Cost	Accumulated Depreciation	Book value	Life proceeds	Gain / (Loss)	Applicable provisions of the Income Tax Act	Relationship of the buyer with the Company or Director, if any
Land & building, KOTA CIKARANG	2,400,000	117,800	2,282,200	2,310,000	117,800	None	None

6.6. LATEST MANAGEMENT ACCOUNTS AS AT 31<sup>st</sup> DECEMBER 2024

	Note	(Un-audited - 06 months) Dec 31, 2024	(Un-audited - 06 months) Dec 31, 2023
		---Rupees---	---Rupees---
Sales - net	19	3,790,580,271	3,016,189,038
Cost of sales	20	(3,351,412,941)	(2,699,847,526)
<b>Gross profit</b>		<b>439,167,330</b>	<b>316,341,512</b>
Selling and distribution expenses	21	(85,827,571)	(43,101,802)
Administrative expenses	22	(25,864,523)	(17,780,918)
<b>Operating profit</b>		<b>327,475,237</b>	<b>255,458,792</b>
Other expenses	23	(27,766,614)	(14,163,915)
Un-realized foreign exchange gain		-	136,149
Other income	24	96,931,515	3,135,501
Finance costs	25	(63,487,710)	(60,567,732)
		5,677,191	(71,459,997)
<b>Profit before income tax and levy (minimum tax)</b>		<b>333,152,427</b>	<b>183,998,795</b>
Minimum tax	0	-	(20,504,787)
<b>Profit before income tax</b>		<b>333,152,427</b>	<b>163,494,009</b>
Income tax	26	(705,187)	(735,570)
<b>Profit for the period</b>		<b>332,447,240</b>	<b>162,758,439</b>

The annexed notes form an integral part of these financial Statement

  
 CHIEF FINANCIAL OFFICER

  
 LTD.

  
 CHIEF EXECUTIVE OFFICER

Registered Address: Office No. 501, 6th Floor, Balad Trade Center-III (BTC-3), Plot No. D-75, Block 7 - Zone C, Khayaban-e-Jami, Clifton, Karachi, Pakistan  
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# BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024 (UN-AUDITED)

	Note	(Un-audited - 06 months)	(Audited - 01 year)
		Dec 31, 2024 ---Rupees---	Jun 30, 2024 ---Rupees---
<b>Equity and Liabilities</b>			
<b>Authorized capital</b>			
310,000,000 (June 30, 2024: 1,000,000 Ordinary shares of Rs. 100/- each) Ordinary shares of Rs. 1/-		310,000,000	100,000,000
Issued, subscribed and paid up capital	5	242,255,384	90,000,000
Capital reserve			
Revaluation surplus on property, plant and equipment	6	313,234,015	320,711,356
Revenue reserve			
Unappropriated profit		1,036,465,806	696,541,225
		1,591,955,206	1,107,252,581
<b>Non Current Liabilities</b>			
Long term loans	7	1,250,000	1,875,000
Long term loan from related party	8	-	138,981,808
		1,250,000	140,856,808
<b>Current Liabilities</b>			
Current portion of long term loan	7	1,250,000	10,384,394
Current portion of long term loan from related party	8	-	15,790,009
Short term borrowings	9	413,783,267	433,956,414
Loan from related party	10	74,798,175	57,987,364
Trade and other payables	11	446,013,431	243,201,472
Accrued markup		10,225,363	27,803,048
		946,070,236	789,122,702
<b>Total equity and liabilities</b>		<b>2,539,275,442</b>	<b>2,037,232,091</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	12	718,910,853	693,777,870
Long term deposits	13	6,264,304	5,633,330
		725,175,157	699,411,200
<b>CURRENT ASSETS</b>			
Stock in trade	14	349,435,129	311,028,794
Trade debts	15	1,243,152,784	891,085,143
Advances, deposits and prepayments	16	102,334,938	47,065,292
Taxation - net of provision	17	37,424,704	46,018,985
Short term investment		106,075	106,075
Cash and bank balances	18	81,646,656	42,516,602
		1,814,100,285	1,337,820,891
<b>Total assets</b>		<b>2,539,275,442</b>	<b>2,037,232,091</b>

The annexed notes form an integral part of these financial Statement

  
CHIEF FINANCIAL OFFICER



  
CHIEF EXECUTIVE OFFICER

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# BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED DECEMBER 31, 2024

		(Un-audited - 06 months) Dec 31, 2024	(Un-audited - 06 months) Dec 31, 2023
	Note	-----Rupees-----	
<b>Cash flow from operating activities</b>			
Profit before income tax and levy (minimum tax)		333,152,427	183,998,795
Adjustments for non cash items:			
Depreciation		20,776,849	11,417,397
Finance cost	25	63,487,710	60,567,732
Unrealized exchange (gain)/loss		(62,854,116)	-
Allowance for expected credit loss	16.1	2,408,438	-
<b>Operating profit before working capital changes</b>		<b>356,971,307</b>	<b>255,983,923</b>
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets:</b>			
Stock in trade		(38,406,335)	47,630,517
Stores and spares		-	(2,194,253)
Trade debts-considered good		(354,476,079)	(305,700,867)
Advances, deposits and prepayments		(55,269,646)	(40,325,487)
<b>Increase in current liabilities:</b>			
Trade and other payables		202,811,959	109,048,138
<b>Cash flows from operating activities</b>		<b>111,631,207</b>	<b>64,441,970</b>
Minimum tax / income taxes paid		7,889,094	(39,667,867)
Finance costs paid / reversed		(81,065,394)	(59,280,239)
<b>Net cash generated / (used in) operating activities</b>		<b>38,454,908</b>	<b>(34,516,136)</b>
<b>Cash flow from investing activities</b>			
Capital expenditure incurred	13.1	(45,909,833)	(48,720,440)
Proceed from disposal		-	2,035,000
Short term investment		-	(100,000)
Long term deposits paid		(630,974)	-
Increase in paidup capital		152,255,384	-
<b>Net cash (used in) investing activities</b>		<b>105,714,577</b>	<b>(46,785,440)</b>
<b>Cash flow from financing activities</b>			
Repayment of long term loans		(9,759,394)	(15,679,500)
Receipt from SBP Salary Finance		-	-
Repayment to related party		(75,106,890)	(23,272,607)
Short term borrowings - net		(20,173,147)	82,357,397
<b>Net cash generated from financing activities</b>		<b>(105,039,432)</b>	<b>43,405,290</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>39,130,053</b>	<b>(37,896,286)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>42,516,602</b>	<b>128,420,157</b>
<b>Cash and cash equivalents at end of the year</b>	19	<b>81,646,656</b>	<b>90,523,871</b>

The annexed notes form an integral part of these financial Statement

  
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## BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2024

	Share Capital	Revenue Reserve Unappropriated Profit	Capital Reserve Revaluation surplus on property, plant and equipment	Total
	Rupees			
Balance as at June 30, 2023 (Audited)	90,000,000	308,155,072	-	398,055,072
Profit for the period	-	162,758,439	-	162,758,439
Other comprehensive income	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	-	-
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation during the year	-	-	-	-
Balance as at December 31, 2023 (Un-audited)	90,000,000	470,813,511	-	560,813,511
Balance as at June 30, 2024 (Audited)	90,000,000	696,541,225	320,711,356	1,107,252,581
Profit for the year	-	332,447,240	-	332,447,240
Other comprehensive income	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	-	-
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation during the year	-	7,477,341	(7,477,341)	-
Paid capital	152,255,384	-	-	152,255,384
Total comprehensive income for the period ended Sep 30, 2024	152,255,384	339,924,581	(7,477,341)	484,702,624
Total comprehensive income as at Dec 31, 2024 (Un-audited)	242,255,384	1,036,465,806	313,234,015	1,591,955,205

  
CHIEF FINANCIAL OFFICER



  
CHIEF EXECUTIVE OFFICER

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# BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

## BARKAT FRISIAN AGRO LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

(Un-audited - 06 months)  
Dec 31, 2024

(Audited - 01 year)  
Jun 30, 2024

Note

-----Rupees-----

### 5 Issued, subscribed and paid up capital

242,255,384 Ordinary shares of Rs. 1/- each (June 30, 2024:  
90,000,000 Ordinary shares of Rs. 100/- each)

242,255,384	90,000,000
<u>242,255,384</u>	<u>90,000,000</u>

### Pattern of shareholding

	Dec 31, 2024		Jun 30, 2024	
	Shareholding (Rs.)	Percentage of Holding	Shareholding (Rs.)	Percentage of Holding
Frisian Egg International B.V.	121,127,492	50.00%	44,999,800	50.00%
Muhammad Adil Ali	9,690,215	4.00%	3,600,000	4.00%
Waqas Gulzar	24,225,538	10.00%	9,000,000	10.00%
Johan Stuiver	100	0.00%	100	0.00%
Paul Eitens	100	0.00%	100	0.00%
Muhammad Ali Ansari	3,901,000	1.61%	3,901,000	4.33%
Nasheed Ali Ansari	3,269,354	1.39%	1,500,000	1.67%
B&Z Enterprises (Pvt.) Ltd.	79,941,585	33.00%	26,999,000	30.00%
	<u>242,255,384</u>	<u>100 %</u>	<u>90,000,000</u>	<u>100 %</u>

### 6 Revaluation Surplus On Property, Plant And Equipment

Balance at the beginning of the year	320,711,356	-
Revaluation increase during the year	-	329,434,921
incremental depreciation charged during the year	(7,477,341)	(6,723,565)
	<u>313,234,015</u>	<u>320,711,356</u>

### 7 Long term Loans

Diminishing Musharikhah - Meezan Bank	7.1	-	9,134,394
Less: Current portion		-	(9,134,394)
Diminishing Musharikhah - MBL Generator	7.2	2,500,000	3,125,000
Less: Current portion		(1,250,000)	(1,250,000)
		<u>1,250,000</u>	<u>1,875,000</u>
<b>Total</b>		<u>1,250,000</u>	<u>1,875,000</u>

### 8 Long term loan from related party

From related party - Frisian Egg International BV	7.1	154,771,817	229,176,245
Repayment during the year		(15,790,009)	(66,418,835)
		<u>138,981,808</u>	<u>162,757,410</u>
Realized foreign exchange loss / (gain)		(62,854,116)	-
Un-realized foreign exchange loss / (gain)		-	(7,985,593)
		<u>76,127,692</u>	<u>154,771,817</u>
Less: Current maturity		-	-
		<u>76,127,692</u>	<u>154,771,817</u>
Loan Convertible to equity		<u>(76,127,692)</u>	<u>(15,790,009)</u>
		-	<u>138,981,808</u>

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## BARKAT FRISIAN AGRO LIMITED

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### 9 Short term borrowings

Tijarah Financing - Meezan Bank Ltd.	9.1	314,742,766	204,393,847
Musawammah Financing - Bank Al Habib Ltd.	9.2	(0)	149,949,174
Tijarah Financing - Habib Bank Ltd.	9.3	99,040,502	44,803,394
Musawammah Financing - Meezan Bank Ltd.		-	34,810,000
		<u>413,783,267</u>	<u>433,956,414</u>

### 10 Loan from related party

Opening balance		57,987,364	57,987,364
Receipts during the year		107,350,903	-
Repayments during the year		(90,540,092)	-
	10.1	<u>74,798,175</u>	<u>57,987,364</u>
Loan convertible to equity		-	-
		<u>74,798,175</u>	<u>57,987,364</u>

### 10.1 Loan from associated Company (Unsecured)

Loan from director (Unsecured)		64,895,933	64,895,933
Loan from close family member/sponsor		9,902,242	9,902,242
		-	-
		<u>74,798,175</u>	<u>74,798,175</u>

### 11 TRADE AND OTHER PAYABLES

Creditors		316,837,584	158,937,546
Withholding tax payable		489,861	1,534,947
Other payables		222,386	192,640
Sales tax payable		63,616,449	45,068,391
Accrued expenses		5,064,966	5,347,635
Workers profit participant fund	11.1	22,067,429	22,586,180
Workers welfare fund		15,381,777	8,582,748
Sale tax withholding		2,332,980	951,385
		<u>446,013,431</u>	<u>243,201,472</u>

### 11.1 Opening balances

Interest charged during the year		22,586,180	9,782,163
Paid during the year		-	845,442
Allocation for the year closing		(18,410,933)	(10,627,605)
		<u>17,892,182</u>	<u>22,586,180</u>

### 12 Property, plant and equipment

Operating fixed assets		704,946,102	685,531,846
Capital Work In Progress		13,964,752	8,246,024
		<u>718,910,853</u>	<u>693,777,870</u>

### 13 Long term advances and deposits

Deposits against ijarah finance		3,057,572	3,057,572
Others		3,206,732	2,575,758
		<u>6,264,304</u>	<u>5,633,330</u>

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## BARKAT FRISIAN AGRO LIMITED

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<b>14 Stock in trade</b>			
Raw material		207,234,590	177,543,230
Packing material		23,178,266	33,911,269
Finished good		119,022,273	99,574,295
	16.2	<u>349,435,129</u>	<u>311,028,794</u>
<b>15 Trade debts</b>			
<b>Unsecured</b>			
Considered good		1,243,152,784	891,085,143
Considered doubtful		20,593,849	18,185,411
		<u>1,263,746,632</u>	<u>909,270,554</u>
Allowance for expected credit loss	16.1	<u>(20,593,849)</u>	<u>(18,185,411)</u>
		<u>1,243,152,784</u>	<u>891,085,143</u>
<b>16.1 Allowance for expected credit loss</b>			
Balance as at July 1		18,185,411	12,146,072
Change for the year		2,408,438	6,039,339
Balance as at June 30		<u>20,593,849</u>	<u>18,185,411</u>
<b>16 Advance, deposits and prepayments</b>			
Advance for services and supplies		35,805,264	4,994,698
ERP License		821,611	1,594,586
Advance to employees		2,745,806	1,871,376
Prepayments		2,643,809	906,716
Advance sales tax		50,000,000	30,000,000
Loan to employees		9,234,668	6,835,168
Short term Lien to Mark		1,083,729	862,748
		<u>102,334,938</u>	<u>47,065,292</u>
<b>17 Taxation - Net of provision tax/levy</b>			
Tax receivable as at 01 July		46,018,985	13,136,079
Tax payments / adjustments made during the year		(7,889,094)	73,674,982
		<u>38,129,891</u>	<u>86,811,062</u>
Less: Provision for tax - current year		<u>(705,187)</u>	<u>(40,792,077)</u>
Tax receivable as at December 31, 2024		<u>37,424,704</u>	<u>46,018,985</u>
<b>18 Bank balances</b>			
Cash at bank - in current account		17,174,806	7,805,099
Cash at bank - in saving account		64,471,850	34,711,503
		<u>81,646,656</u>	<u>42,516,602</u>

Registered Address: Office No. 601, 6th Floor, Baiad Trade Center-III (BTC-3), Plot No. D-75, Block 7 - Zone C, Khayaban-e-Jami, Clifton, Karachi, Pakistan

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## BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

		(Un-audited - 06 months) Dec 31, 2024	(Un-audited - 06 months) Dec 31, 2023
<b>19 Sales - net</b>			
Sales	19.1	3,510,336,111	3,285,267,123
Export sales		537,063,255	217,979,186
Less: Sales tax		(256,819,096)	(487,057,271)
		<u>3,790,580,271</u>	<u>3,016,189,038</u>
<b>20 Cost of sales</b>			
Raw materials consumed	20.1	3,235,550,216	2,567,583,396
Salaries wages and other benefits - factory		13,380,265	9,975,008
Direct labour		12,970,698	11,059,977
Certification expense		234,000	56,500
CIP / Analytical Lab Chemicals		3,947,196	4,576,564
Communication		296,901	310,033
Travelling & Conveyance		25,300	-
Depreciation - factory	13.1.1	19,902,100	10,636,272
Utilities		49,170,197	34,886,619
Repair and maintenance		2,381,773	1,284,850
Insurance expense		1,177,524	821,220
Lab / factory supplies		1,437,200	661,512
Other factory expense		103,000	-
Pest control		374,074	631,388
Printing and stationary		2,997,910	2,075,502
Rent expense		26,015,004	7,893,017
Security services		525,000	442,500
Testing		372,562	275,100
Other factory		-	-
Waste disposal		-	-
		<u>3,370,860,919</u>	<u>2,653,169,458</u>
Add: opening stock of finished goods		99,574,295	132,273,640
Less: closing stock of finished goods	14	(119,022,273)	(85,595,573)
		<u>3,351,412,941</u>	<u>2,699,847,526</u>
<b>20.1 Raw materials consumed</b>			
Add: Opening stock		211,454,499	131,425,131
Add: Purchases		3,254,508,573	2,568,825,199
		3,465,963,072	2,700,250,330
Less: Closing stock	14	(230,412,856)	(132,666,934)
		<u>3,235,550,216</u>	<u>2,567,583,396</u>
<b>21 Selling and distribution expense</b>			
Freight outward		48,557,356	33,060,073
Marketing & selling expense		37,270,215	10,041,729
		<u>85,827,571</u>	<u>43,101,802</u>
<b>22 Administrative expenses</b>			
Salaries wages and other benefits		10,822,530	7,437,328
SESSI & EOBI		1,257,351	1,007,829
Auditors' remuneration	22.1	457,440	-
Communication expense		201,905	140,414

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Depreciation	13.1.1	874,750	781,125
Entertainment		26,300	20,946
Fee & Subscription		209,720	96,625
Utilities - Admin		512,186	2,184,568
Tjarah rental		2,837,662	1,805,765
Insurance expenses		351,309	84,930
Miscellaneous expenses		704,676	569,444
Repair and maintenance expense		614,891	331,360
Printing and stationery		80,170	41,300
Professional charges		3,991,648	565,774
Rates, cess and taxes		1,281,538	151,140
Travelling and conveyance - Admin		1,590,447	2,562,371
Charity & Donations		50,000	-
		<u>25,864,523</u>	<u>17,780,918</u>
<b>22.1 Audit fee</b>		397,440	-
Out of pocket expense		60,000	-
		<u>457,440</u>	<u>-</u>
<b>23 Other expense</b>			
Allowance for expected credit loss	16.1	2,419,903	-
Other expense		-	397,463
Workers profit participant fund		17,892,182	9,908,135
Workers welfare fund		6,799,029	3,858,315
Staff Hajj Sponsorship Scheme		655,500	-
		<u>27,766,614</u>	<u>14,163,915</u>
<b>24 Other Income</b>			
Liability written back		-	-
Profit on debt		2,431,680	2,536,447
Exchange gain realized		12,320,800	79,329
Exchange gain realized - FCY loan to equity		62,854,116	-
Other income		257,434	519,724
Reversal of markup on loan from related party		19,067,484	-
		<u>96,931,515</u>	<u>3,135,501</u>
<b>25 Finance cost</b>			
Bank charges		4,251,341	1,472,736
Markup on diminishing Musharikah		893,950	4,137,061
Markup on related party loan		8,838,106	2,202,336
Markup on WPPF		-	-
Markup on Tjarah financing - Meezan		29,671,884	26,180,845
Markup on musawamah - Bank Al Habib		13,773,169	1,917,639
Markup on Tjarah financing - Habib Bank		4,610,961	18,998,052
Markup on muswama - Meezan		1,448,299	5,659,062
		<u>63,487,710</u>	<u>60,567,732</u>
<b>26 Taxation</b>			
Prior year income tax expense		-	-
Income tax expense (2,431,680 x 29%)		705,187	735,570
Super Tax		-	-
		<u>705,187</u>	<u>735,570</u>

This represent the normal Income tax on on profit on debt. The applicable rate of tax is corporate income tax that is 29% for the period.

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## BARKAT FRISIAN AGRO LIMITED

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<b>27 Minimum tax</b>	<b>20,504,787</b>
-----------------------	-------------------

This represents the minimum tax on turnover under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

This minimum tax u/s 113, which was levied by the Government for tax year 2023 and onwards. The Company is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favourable outcome. However, company has made provision for this minimum tax in the year ended June 30, 2024.

This minimum tax u/s 113, which was levied by the Government for tax year 2023 is now repealed through Finance Act 2024. The aforesaid would be nil in the year ended June 30, 2025.

Barkat Frisian Pasteurized Egg Company (Pvt.) Ltd. is established in Special Economic Zone and has started commercial operations from Financial Year ended June 30, 2019. Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations.

Reference: Clause (126E) of Part I of The second schedule of Income Tax Ordinance, 2001 (valid till TY 2022)

[(126E) Income derived by a zone enterprise as defined in the Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government].

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# BARKAT FRISIAN AGRO LIMITED

Formerly BARKAT FRISIAN PASTEURIZED EGG COMPANY (PVT.) LIMITED

12.1

Depreciable Fixed Assets

Statement Item	31st Dec 2024										Net Book value as at Dec 31, 2024	Rate of depreciation
	Cost / Acquisition cost					Depreciation						
	At 1st July 2024	Additions	Transfer	Disposals	Revaluation surplus	At 1st July 2024	For the year	Transfer	On disposal	At 31 Dec 2024		
Lease hold land	300,000,000	-	-	-	300,000,000	-	-	-	-	-	300,000,000	0%
Factory building	80,000,000	-	-	-	80,000,000	15,250,289	6,881,889	-	-	38,052,319	15,167,680	1%
Plant and machinery	80,000,000	1,000,000	-	-	81,000,000	69,288,852	13,243,259	-	-	35,045,593	39,954,407	10%
Furniture and fixtures	3,000,000	-	-	-	3,000,000	1,200,000	99,800	-	-	1,800,200	1,199,800	10%
Office equipment	3,000,000	1,000,000	-	-	4,000,000	1,200,000	389,000	-	-	1,589,000	2,411,000	10%
Computer	3,000,000	1,000,000	-	-	4,000,000	1,200,000	389,000	-	-	1,589,000	2,411,000	10%
Vehicle	3,000,000	1,000,000	-	-	4,000,000	1,200,000	389,000	-	-	1,589,000	2,411,000	10%
<b>Balance</b>	<b>810,000,000</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>813,000,000</b>	<b>89,139,149</b>	<b>18,980,940</b>	<b>-</b>	<b>-</b>	<b>60,646,119</b>	<b>752,353,881</b>	

Statement Item	31st Dec 2023										Net Book value as at Dec 31, 2023	Rate of depreciation
	Cost / Acquisition cost					Depreciation						
	At 1st July 2023	Additions	Transfer	Disposals	Revaluation surplus	At 1st July 2023	For the year	Transfer	On disposal	At 31 Dec 2023		
Lease hold land	300,000,000	-	-	-	300,000,000	-	-	-	-	-	300,000,000	0%
Factory building	80,000,000	-	-	-	80,000,000	15,250,289	6,881,889	-	-	38,052,319	15,167,680	1%
Plant and machinery	80,000,000	1,000,000	-	-	81,000,000	69,288,852	13,243,259	-	-	35,045,593	39,954,407	10%
Furniture and fixtures	3,000,000	-	-	-	3,000,000	1,200,000	99,800	-	-	1,800,200	1,199,800	10%
Office equipment	3,000,000	1,000,000	-	-	4,000,000	1,200,000	389,000	-	-	1,589,000	2,411,000	10%
Computer	3,000,000	1,000,000	-	-	4,000,000	1,200,000	389,000	-	-	1,589,000	2,411,000	10%
Vehicle	3,000,000	1,000,000	-	-	4,000,000	1,200,000	389,000	-	-	1,589,000	2,411,000	10%
<b>Balance</b>	<b>810,000,000</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>813,000,000</b>	<b>89,139,149</b>	<b>18,980,940</b>	<b>-</b>	<b>-</b>	<b>60,646,119</b>	<b>752,353,881</b>	

31st Dec 2024      31st Dec 2023

Depreciation - Factory

18,980,940      18,980,940

Depreciation - Admin

870,799      870,799

**19,851,739      19,851,739**

12.2

Particulars of immovable property

Location	Legal title and description	Area
Karachi, Karachi	Factory and products yard	25-Acre

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## 6.7. SUMMARY OF FINANCIAL HIGHLIGHTS BARKAT FRISIAN AGRO LIMITED

The audited financials of the Company can be downloaded from the following link: <https://barkatfrisian.com/financial-reports/>

### Financial Highlights

<i>Income Statement</i>	FY 2022	FY 2023	FY 2024	2Q FY 2025
<i>PKR Mn</i>	Audited	Audited	Audited	Un-audited
<b>BFAL</b>				
Revenue	2,470	4,325	6,068	3,791
Cost of Goods Sold	(2,191)	(3,877)	(5,369)	(3,351)
Gross Profit	279	448	700	439
Administrative Expenses	(25)	(32)	(48)	(26)
Selling & Distribution Expenses	(42)	(68)	(102)	(86)
Operating Profit	212	349	549	327
Other Expense	(11)	(20)	(44)	(28)
Other Income	3	10	29	97
Unrealized Foreign Exchange (loss)/profit	(25)	(73)	8	-
Financial Charges	(39)	(84)	(123)	(63)
Profit/(Loss) before Taxation	139	181	421	333
Taxation	(1)	(34)	(41)	(1)
Profit/(Loss) after Taxation	138	148	380	332
EBITDA	201	288	578	417
Depreciation and Amortization	24	23	35	21
<b>Balance Sheet</b>	FY 2022	FY 2023	FY 2024	2Q FY 2025
	Audited	Audited	Audited	Un-audited
Non-Current Assets	322	326	699	725
Current Assets	579	1,031	1,338	1,814
Total Assets	902	1,357	2,037	2,539
Paid up Capital <sup>46</sup>	90	90	90	242
Revaluation surplus on property, plant and equipment	-	-	321	313
Unappropriated profit	160	308	697	1,036
Total Equity	250	398	1,107	1,592

<sup>46</sup> Subsequent to 1Q FY25, the company did a stock split in 1:100 ratio and the Company executed a rights issue of 152,255,384 shares on 17th December, 2024. The company previously had a paid-up capital of 90,000,000 shares and after the rights issue the paid-up capital stood at 242,255,384 shares. The rights issue was executed by converting a foreign loan from the sponsors, repaying the local loan, and utilizing the proceeds in the rights issue.



Long Term related party loan	110	71	139	-
Long term financing	44	12	2	1
Deferred government grant	-	-	-	-
Current maturity of long-term financing	33	31	10	1
Current maturity of long-term related party loan	92	158	16	-
Short-Term Borrowings	192	402	434	414
Non-Current Liabilities	154	84	141	1
Current Liabilities	498	876	789	946
Stock in Trade	192	264	311	349
Trade debts	288	595	891	1,243
Trade and other payables	112	199	243	446
<b>Cash Flow Statement</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>2Q FY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Un-audited</b>
Cash Flow from Operating Activities	(9)	(18)	59	38
Cash Flow from Investing Activities	(38)	(27)	(79)	106
Cash Flow from Financing Activities	70	132	(66)	(105)
Net increase/ (decrease) in cash and cash equivalents	23	88	(86)	39
Cash and cash equivalents at the beginning of the year	18	41	128	43
Net Cash Balance	41	128	43	82
Capex	(37)	(27)	(78)	(46)
<b>Growth</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>2Q FY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Un-audited</b>
Sales Growth (%)	119%	75%	40%	N/A
EBITDA Growth (%)	129%	43%	101%	N/A
Operating profit	109%	65%	58%	
Profit after tax Growth (%)	186%	7%	157%	
<b>Margins</b>				
Gross Margin (%)	11%	10%	12%	12%



Operating Profit Margin	9%	8%	9%	9%
EBITDA Margin (%)	8%	7%	10%	11%
Profit after tax Margin (%)	6%	3%	6%	9%
<b>Profitability Ratios</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>2Q FY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Un-audited</b>
Earnings per share Adjusted <sup>47</sup> (PKR)	0.57	0.61	1.57	1.37
<b>Earnings per Share (Corresponding Period) (PKR)</b>	153.31	164.20	421.97	369.39
<b>Break-up value per share without revaluation surplus (Corresponding Period) (PKR)</b>	277.65	422.28	873.93	1,420.80
<b>Break-up value per share with revaluation surplus (Corresponding Period) (PKR)</b>	N/A	N/A	1230.28	1,768.84
Break-up value per share (PKR) without revaluation	1.03	1.64	3.25	5.28
Break-up value per share with revaluation surplus (PKR)	N/A	N/A	4.6	6.57
Return on equity (%)	76%	46%	50%	N/A
Return on assets (%)	18%	13%	22%	N/A
<b>Balance Sheet Ratios</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>2Q FY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Un-audited</b>
Fixed Asset Turnover	7.83	13.34	11.84	5.32
Asset Turnover	3.28	3.83	3.58	1.66
Current Ratio	1.16	1.18	1.70	1.92
Capex to total Assets	0.04	0.02	0.04	0.018
Receivable Turnover (days)	38	38	45	N/A
Inventory Turnover (days)	19	21	20	N/A
Payable Turnover (days)	14	15	15	N/A
Cash Conversion Cycle (days)	43	44	50	N/A

<sup>47</sup>Company issued 152 Mn shares after Q1 FY25, with total paid up capital standing at 242 Mn. Earnings per share were calculated on the quantity of these new shares



Leverage Ratios	FY 2022	FY 2023	FY 2024	2Q FY 2025
	Audited	Audited	Audited	Un-audited
Debt to Equity	211%	184%	60%	31%
<b>Total Debt to Capital- %</b>	68%	65%	37%	24%
EBITDA / Interest	5.18	3.44	4.71	6.57
Debt / EBITDA	2.62	2.55	1.14	1.18
(EBITDA-CAPEX)	164	261	500	371
(EBITDA-CAPEX)/ Interest	4.20	3.13	4.08	5.85
Interest Coverage Ratio	4.54	3.17	4.43	6.25

### 6.7.1. Commentary on Selected Ratios

#### 6.7.1.1. Profitability

From FY22 to FY24, the company demonstrated remarkable growth in revenue, achieving a CAGR of **56.7%** and increasing its revenue from PKR 2.5 billion to **PKR 6.1 billion**. This outstanding performance not only facilitated a boost in net profit from PKR 137 million in FY22 to a profit after tax of **PKR 380 million** in FY24, but also highlighted the company's exceptional capability to drive growth in both top-line and bottom-line metrics. Additionally, profit after tax experienced a robust CAGR of **66%** from FY22 to FY24, further underscoring the company's impressive financial trajectory. Moreover, the Company has reported a net profit of PKR 332 Mn in Q2 FY25 demonstrating a concrete growth trajectory in FY25.

#### 6.7.1.2. Growth Ratios

The Revenue of the company has demonstrated an outstanding 45% YoY growth in FY24 and 3-year CAGR of 56.7%. Operating Profit also grew 58% in FY24 with a resultant 157% growth in net profit. This groundbreaking performance testifies the impeccable capability to drive, growth, profitability and growth.

#### 6.7.1.3. Gross and Operating Margins

The company has maintained stable margins from FY22 to FY24, with average gross margins of **11%** and operating margins around **9%**. In the past 3 years, the Company has successfully stabilized its net profit margin at **6%** with the exception in FY23. This volatility was caused by sudden jump in finance cost due to massive increase in interest rates. In FY23, the economy faced severe challenges including a high interest environment which impacted all businesses. BFAL however demonstrated strong resilience with a sharp rebound in margins and profitability in FY24. This momentum has continued in 2QFY25 with further expansion in net profit margins to 9%.

#### 6.7.1.4. Return Ratios:

The company has experienced significant growth in earnings per share (EPS), achieving an impressive compound annual growth rate (CAGR) of **66%** from FY22 to FY24, rising from PKR 151 to **PKR 422**. Return on equity (ROE) increased notably from 46% in FY23 to 50% in FY24. Similarly, return on assets (ROA) rose from 18% in FY22 to 22% in FY24, despite the significant growth in assets as the business expanded.

#### 6.7.1.5. Leverage Ratios

The company's debt-to-equity ratio has declined over the observed period, indicating a reduced reliance on debt financing. Specifically, the ratio improved from 2.1 times in FY22 to only 0.60 times in FY24. This trend suggests a stronger equity position and greater financial stability. Additionally, the EBITDA-to-interest ratio has demonstrated a stable trajectory, slightly decreasing from 5.14 times in FY22 to 4.7 times in FY24. This decrease



in FY24 can be attributed to rising interest rates driven by high inflation and an uncertain macroeconomic environment. Despite this dip, the overall trend remains favorable, reflecting the company's ability to generate higher earnings relative to its interest obligations

#### 6.7.1.6. Cashflow from Operations

Initially, the Company had negative Cashflow from Operations in FY 22 and FY 23 resulting from high trade debts and interest costs. However, the Company has opted for efficient operational practices and has had a positive Cashflow from Operations in FY 24 and in 2Q FY 2025.

### SUMMARY OF REVENUE AND EXPENSES OF BARKAT FRISIAN AGRO LIMITED

#### 6.8. REVENUE BREAKUP

Revenue Breakdown of BFAL is given below:

S. No.	Particulars	Value (PKR-Mn)	% of Sales Value	Value (PKR-Mn)	% of Sales Value	Value (PKR-Mn)	% of Sales Value	Value (PKR-Mn)	% of Sales Value
		FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	Q2 FY 2025	Q2 FY 25
1	Local Sales	2,418	97.9%	4,076	94.2%	5,437	89.6%	3,256	85.8%
2	Export Sales	51	2.1%	250	5.8%	631	10.4%	537	14.2%
	<b>Total Sales</b>	<b>2,470</b>	<b>100%</b>	<b>4,325</b>	<b>100%</b>	<b>6,068</b>	<b>100%</b>	<b>3,791</b>	<b>100%</b>

#### 6.9. REVENUE BREAKUP – REGION WISE

BFAL began exporting in FY 2022. The region wise sales breakup is given below:

S. No.	Particulars	Value (PKR-Mn)	Growth (%)	Value (PKR-Mn)	Growth (%)	Value (PKR-Mn)	Growth (%)
		FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024
1	Pakistan	2,418	118.3%	4,076	68.6%	5,437	33.4%
2	United Arab Emirates	43	-	227	427.9%	217	(4.4%)
3	Kingdom of Saudi Arabia	-	-	4	-	213	5,225%
4	Qatar	8	-	12	-	9	(25%)
5	Kuwait	-	-	6	-	39	550%
6	Oman	-	-	-	-	65	-
7	Bahrain	-	-	-	-	27	-
8	Egypt	-	-	-	-	59	-
	<b>Total</b>	<b>2,469</b>	<b>118.1%</b>	<b>4,325</b>	<b>75.1%</b>	<b>6,068</b>	<b>40.3%</b>

#### 6.10. EXPENSES BREAKUP

The following table shows the expenditures of the Company:

Expenses	FY 2022	FY 2023	FY 2024	Q2FY 2025
PKR Mn	Audited	Audited	Audited	Un-audited
<b>Cost of Goods Sold</b>	<b>2,191</b>	<b>3,877</b>	<b>5,369</b>	<b>3,351</b>



<b>Raw materials consumed</b>	<b>2,047</b>	<b>3,763</b>	<b>5,132</b>	<b>3,236</b>
<b>Utilities</b>	<b>31</b>	<b>55</b>	<b>76</b>	<b>49</b>
<b>Depreciation</b>	<b>23</b>	<b>22</b>	<b>33</b>	<b>20</b>
<b>Administrative Expenses</b>	<b>25</b>	<b>32</b>	<b>48</b>	<b>26</b>
Salaries wages and other benefits	11	14	20	10
Utilities	2	3	5	0.5
<b>Selling and Distribution Expenses</b>	<b>42</b>	<b>68</b>	<b>102</b>	<b>85</b>
Freight Outward	42	48	78	48
Marketing and Selling	0	19	24	37
<b>Other Expenses</b>	<b>11</b>	<b>20</b>	<b>44</b>	<b>28</b>
Worker's Profit Participant Fund	7	10	23	18
Worker's Welfare Fund	3	4	9	7

### 6.11. SUMMARY OF MATERIAL PURCHASES

The following table accounts for the material purchases of the Company:

S. No.	Vendor Name	Country	Product	Purchases during FY 2022 (PKR Mn)	% of Total Purchases during FY 2022	Purchases during FY 2023 (PKR Mn)	% of Total Purchases during FY 2023	Purchases during 2024 (PKR Mn)	% of Total Purchases during 2024
1	Ghulam Mustafa Enterprises	Pakistan	Shell Egg	175	23%	792	37%	1,031	29%
2	Abdullah Poultry Farm	Pakistan	Shell Egg	17	2%	137	6%	758	21%
3	Marhaba Protein Farms (Pvt.) Limited	Pakistan	Shell Egg	226	30%	519	24%	513	14%
4	Islamabad Feeds (Pvt.) Ltd.	Pakistan	Shell Egg	35	5%	131	6%	325	9%
5	AHB Poultry	Pakistan	Shell Egg	-	0%	-	0%	261	7%
6	Maryyam Poultry Farm	Pakistan	Shell Egg	80	11%	172	8%	217	6%
7	Crown Poultry (Pvt.) Limited	Pakistan	Shell Egg	162	21%	106	5%	140	4%



8	BW Poultry Form	Pakistan	Shell Egg	10	1%	158	7%	140	4%
9	Raja Farm	Pakistan	Shell Egg	29	4%	93	4%	137	4%
10	Hongchang Packing Material and Co	China	Packing material	21	3%	15	1%	25	1%
			<b>Total</b>	<b>754</b>	<b>100%</b>	<b>2,124</b>	<b>100%</b>	<b>3,547</b>	<b>100%</b>

## 6.12. SUMMARY OF OTHER INCOME

The essential details regarding the company's Other Income are given below:

Other Income	FY 2022	FY 2023	FY 2024	Q2FY 2025
PKR Mn	Audited	Audited	Audited	Un-Audited
Other Income (PKR Mn)	3	10	29	97
Other income as % of operating profit (%)	1%	3%	5%	30%
Other income as % of net sales (%)	0.1%	0.2%	0.5%	2.6%

\*This high other income resulted due to exchange gain resulting from conversion from loan to equity.

## 6.13. BREAKDOWN OF OTHER INCOME

The following table shows the breakup of other income:

Other Income	FY 2022	FY 2023	FY 2024	Q2FY 2025
PKR Mn	Audited	Audited	Audited	Un-Audited
Liability written back	-	-	21.1	-
Dividend Income	-	0.0		
Profit on debt	1.7	4.1	6.3	2.4
Amortization of deferred government grant	0.4	0.1		-
Exchange gain realized	0.6	-	1.3	12.3
Exchange gain realized - FCY loan to equity	-	-		62.8
Other income	0	5.6	0.5	0.26
Reversal of markup on loan from related party	-	-	-	19.1
Gain on disposal of fixed asset	-	-	0.1	-



## 6.14. CONTINGENCIES AND COMMITMENTS

### 6.14.1. Contingencies

Barkat Frisian Agro Limited, is established in Special Economic Zone (SEZ) and has started commercial operations in 2019. Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations. The minimum tax u/s 113, was levied by the Government for tax year 2023 and onwards. The Company is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favorable outcome

### 6.14.2. Commitments

The total ijarah rentals due under the ijarah agreements aggregate to amounting Rs. 24.948 million (2023: 10.915 million) and are payable in equal monthly installments. The Ijarah is partially secured by a personal guarantee of all local sponsors and post-dated cheques. The company intends to exercise the option of purchasing the assets under Ijarah at residual value upon completion of Ijarah term.

## 6.15. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES:

Company	EPS (TTM) <sup>48</sup>	Gross Profit Margin <sup>49</sup>	Net Profit Margin <sup>50</sup>	BVP <sup>51</sup>	Price <sup>52</sup>	P/E <sup>53</sup>	P/B <sup>54</sup>	ROE (LTM)	ROA (LTM)	Free Float (Shares - Mn) <sup>55</sup>	Free Float %
The Organic Meat Company Limited	4.1	13.3%	4.8%	34.4	33.8	8.1	1.0	12.7 %	10.0%	74.25	50.0%
At-Tahur Limited	1.6	23.1%	3.4%	23.8	24.6	15.5	1.0	6.9%	4.8%	54.66	25.0%
Big Bird Foods Limited	3.0	22.1%	11.8 %	19.0	50.5	16.7	2.7	16.4 %	8.6%	104.62	35.0%
Mitchells Fruit Farms Limited	20.1	30.7%	17.8 %	26.6	293.3	14.6	11.0	120.7 %	26.9%	6.86	30.0%
Ismail Industries Limited	59.1	20.3%	3.3%	338.5	1,947.9	33.0	5.8	18.7 %	3.9%	3.32	5.0%
Friesland Campina Engro Pakistan Limited	2.5	15.0%	1.8%	21.1	78.2	30.7	3.7	12.8 %	4.5%	76.66	10.0%
Nestle Pakistan Limited	286.4	34.5%	6.5%	374.4	7,433.5	26.0	19.9	90.4 %	13.8%	2.27	5.0%

<sup>48</sup> The TTM is from September, 2023 till September, 2024

<sup>49</sup> LTM Gross Profit Margin-Consolidated FS

<sup>50</sup> LTM Net Profit Margin-Consolidated FS

<sup>51</sup> The BVPS is calculated as of September, 2024

<sup>52</sup> Closing price is at 31<sup>st</sup> January, 2025

<sup>53</sup> P/E is at 31<sup>st</sup> January, 2025 (Market Capitalization / TTM Profit After Tax)

<sup>54</sup> P/B is at 31<sup>st</sup> January, 2025 (Market Capitalization / Total Equity)

<sup>55</sup> Free Float is at 31<sup>st</sup> January, 2025



Unilever Pakistan Foods Limited	1,209.2	39.7%	23.4%	2,367.1	22,305.5	18.4	9.4	52.0%	25.2%	0.31	4.8%
Rafhan Maize Products Limited	748.7	19.6%	10.4%	2,821.7	9,548.6	12.8	3.4	28.5%	16.0%	0.79	8.5%
Murree Brewery Company Limited	106.4	24.3%	11.8%	565.0	805.2	7.6	1.4	20.0%	16.0%	11.07	40.0%
National Foods Limited	6.9	27.0%	1.8%	63.4	182.0	26.3	2.9	11.2%	3.7%	58.28	25.0%
Fauji Foods Limited	0.5	18.7%	5.6%	3.7	15.7	31.1	4.2	11.4%	7.6%	503.99	20.0%
<b>Sector Weighted Average Mean</b>						<b>21.45</b>	<b>5.83</b>				
<b>Sector Median</b>						<b>17.58</b>	<b>3.54</b>				
KSE 100 <sup>56</sup>						6.3	1.4				
BFAL Pre Issue	<b>2.3</b>	12%	8%	<b>6.6</b>	<b>13.0</b>	<b>5.7</b>	<b>2.0</b>	46.4%	26.1%	67.735	21.8%
BFAL Post Issue	<b>1.8</b>	12%	8%	<b>5.1</b>	<b>13.0</b>	<b>7.3</b>	<b>2.5</b>	46.4%	26.1%	67.735	21.8%

#### 6.16. REVALUATION OF FIXED ASSETS

The revaluation of leasehold land, building and plant and machinery were revalued resulting in the net surplus of Rs. 329.434 million. The revaluation was incorporated in books on June 30, 2024. The valuation was conducted by an independent valuer Oceanic Surveyors (Pvt.) Ltd. Land, Building and Plant and Machinery were valued on the basis of fair market value. The company has a policy of revaluing land, building and plant and machinery after every five years.

S. No	Particular	Closing Book Value in PKR 30 <sup>th</sup> June 2023	Addition/Disposal during the year	Revaluation Surplus during the year	Depreciation during the year	Fair Value in PKR at 30 <sup>th</sup> June 2024
1	Operating Fixed Assets	323,011,996	67,718,860	329,434,921	34,633,931	685,531,846

#### 6.17. DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy at the rate of 20% per annum of its earnings for its shareholders subject to profitability, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required.

<sup>56</sup> KSE-100 P/E TTM is at 31<sup>st</sup> January, 2025



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 2017.

The Board of Directors may from time to time declare interim dividends as appear 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"

**Covenants/Restriction on Payment of Dividends:**

There is no restriction on the Company by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits.

**Cash Dividend or Bonus Issue Track Record:**

To date, the Company has neither distributed any cash dividends nor issued any bonus shares.



## 7. BOARD AND MANAGEMENT OF THE COMPANY

### 7.1. BOARD OF DIRECTORS

Directors of the Company are listed below:

S.#	Name	Designation	Address	CNIC	Current Directorships	Past Directorships	Directorship in BFAL since
1	Muhammad Adil Ali	Executive	M74/1, Khayabane Ittehad, Phase 7, DHA, Karachi	42201-7280142-3	None	N/A	2017
2	Waqas Gulzar	Non - Executive	44A, 9th Street, Phase 2 ext., DHA, Karachi	42301-4272067-1	None	N/A	2017
3	Anwar Ali	Non – Executive	M74/4, Khayabane Ittehad, Phase 7, DHA, Karachi	42000-0544407-3	<ol style="list-style-type: none"> <li>Adorn International (Pvt) Ltd</li> <li>Barkat Steel (Pvt) Ltd</li> <li>Buksh Industries (Pvt) Limited</li> </ol>	N/A	2024
4	Johan Stuiver	Non – Executive	Petersburg 23, 9241 WK Wijnjewoude, Netherlands	BW9CBP693	<ol style="list-style-type: none"> <li>Dutch Egg membrane Protein Powder BV</li> <li>Frisian Egg BV</li> <li>Dutch Egg Convenience BV</li> <li>Chengdu Frisian Egg BV</li> <li>Frisian Egg International BV</li> <li>Egyptian Pasteurized Egg Co.</li> </ol>	N/A	2017
5	Paul Et`tema	Non – Executive	Berdinge 13, 8532 CE Lemmer, Netherlands	BV7L499K8	<ol style="list-style-type: none"> <li>International Egg Trading BV</li> <li>Dutch Egg membrane Protein Powder BV</li> <li>Frisian Egg BV</li> </ol>	N/A	2017



					<ol style="list-style-type: none"> <li>4. Dutch Egg Convenience BV</li> <li>5. Frisian Egg International BV</li> <li>6. Global Egypt Trading for Foodstuff</li> <li>7. Warber Consultancy BV</li> </ol>		
6	Mehmood Arshad	Independent	R145, Block 13D, Gulshan e Iqbal, Karachi	42201-3480876-9	1. Employers Federation of Pakistan	N/A	2024
7	Nadia Ishtiaq	Independent	Appt 2302, W Tower, COM3 Apartment, Clifton, Karachi	42301-6797730-2	1. Symmetry Group Limited	N/A	2024

## 7.2. 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.

## 7.3. PROFILE OF DIRECTORS

### 7.3.1. Mr. Johan Stuver

Mr. Johan Stuver is a seasoned professional with over 25 years of experience in the European poultry and food sectors. His leadership has been pivotal in expanding the Frisian Egg Group across three continents, establishing it as a global leader in the egg industry.

He has played a significant role in setting up and managing egg processing projects in Turkey, Egypt, China, Pakistan, and the Netherlands and holds key shareholding and directorships in Frisian Egg ventures. Currently, he leads an egg membrane project in Europe with the potential to introduce industry-changing products.

As the Chairperson and Non-Executive Board Member of BFAL, Mr. Stuver oversees the company's technical and R&D functions, contributing innovative solutions that have driven the company's success.

His expertise in R&D and engineering, coupled with a commitment to excellence, makes him a critical asset in achieving BFAL's strategic objectives.

### 7.3.2. Mr. Muhammad Adil Ali

Mr. Muhammad Adil Ali brings over 15 years of experience in the poultry and food manufacturing industry. As the founder and CEO of Barkat Frisian Agro Limited (BFAL), he has transformed Pakistan's egg processing sector by shifting from raw egg products to a modern, value-added, export-oriented enterprise.

Under his leadership, BFAL has achieved significant milestones in operational efficiency, product innovation, and market expansion, positioning the company as a key player in international markets through advanced processing technologies and a focus on sustainable growth.



Mr. Adil also serves on the Advisory Board for Pakistan Baking Summit, demonstrating his broader influence in the food industry. With a track record of creating shareholder value and driving market growth, he continues to shape the future of Pakistan's food processing sector.

He holds a Master's in Business Administration from Institute of Business Management and has prior experience in his family business, where he developed poultry and feed operations.

### **7.3.3. Mr. Paul Ettema**

Mr. Paul Ettema is a member of the Netherlands Institute of Chartered Accountants and a registered public accountant and tax lawyer. With over 25 years of experience in finance and accounting, he joined the Frisian Egg Group as a major shareholder in 2014, where he has played a key role in the group's sustainable expansion. He also holds directorships across all Frisian Egg companies.

As a board member of Barkat Frisian Agro Limited (BFAL) since its incorporation, Mr. Ettema has provided strategic guidance and financial oversight, ensuring the company's growth and operational excellence.

His expertise in finance and legal matters, combined with his commitment to organizational success, makes him an essential contributor to BFAL's vision and strategy.

### **7.3.4. Mr. Anwar Ali**

Mr. Anwar Ali is a seasoned leader with over 30 years of experience in the poultry industry. As the CEO of Adorn International (Pvt) Ltd., he has transformed the company from managing 20,000 birds to over 300,000 birds, alongside commercial feed production.

He also serves as a non-executive director at Buksh Industries (Pvt) Ltd., a leading exporter of textile products to the USA, and holds a directorship at Barkat Steel (Pvt) Ltd., specializing in the production of steel drums for the oil industry.

As a non-executive director on the board of BFAL, Mr. Ali's diverse experience and strategic vision make him a valuable contributor to the company's success.

### **7.3.5. Mr. Waqas Gulzar**

Mr. Waqas Gulzar is an accomplished professional with over 10 years of experience in entrepreneurship, operations, and business development, spanning industries such as textiles, e-commerce, and sports. He began his career in his family's textile business, Finetex Industries, where he streamlined operations and identified new growth opportunities. In 2016, he expanded into e-commerce by launching an online gadget store, followed by co-founding Barkat Frisian Agro Limited in 2017, Pakistan's first producer of pasteurized egg products.

Alongside his entrepreneurial ventures, Mr. Gulzar co-founded Padel in Pakistan in 2023, a rapidly growing community focused on promoting the sport of padel nationwide. In 2024, he launched Pakistan's first online padel store, further enhancing accessibility to high-quality equipment.

### **7.3.6. Mr. Mehmood Arshad**

Mr. Mehmood Arshad is a prominent figure in Pakistan's social and economic circles and a recognized global speaker on the Halal Eco-System. He serves as a director at UHF Solutions (Pvt) Limited, one of Pakistan's fastest-growing IT firms. As a Board Member and Chairman of the Economic Council at the Employers' Federation of Pakistan, Mr. Arshad actively contributes to R&D and international linkages, benefiting Pakistan's leading industrialists. He has also been associated with the Pak Qatar Group as Executive Director, overseeing the largest investment from Qatar into Pakistan's financial sector.

Mr. Arshad is the Founder Chairman of the Standing Committee on Islamic Banking & Takaful at FPCCI and the Chairman of Pakistan-Qatar Business Council, where he fosters economic ties between Pakistan and Qatar. Additionally, he founded TAWUN, an organization promoting the Halal Financial System globally.



### **7.3.7. Mrs. Nadia Ishtiaq**

Mrs. Nadia Ishtiaq is the Executive Vice President - Head of Investment Banking & Private Equity at Pak Oman Investment Company Ltd., with over 21 years of diverse experience in Investment and Corporate Banking. Her expertise spans Equity and Advisory, Syndications, Debt Capital Markets, and Project Finance.

Throughout her career, she has led notable transactions for corporations, SMEs, startups, and the Government of Pakistan. Her contributions include pioneering initiatives such as the launch of E-IPO in Pakistan and the issuance of the first commercial paper for a startup, showcasing her role in driving innovation within the country's financial sector.

Mrs. Ishtiaq has also served on the Listing Committee of the Pakistan Stock Exchange as an Industry Expert, further solidifying her position as a leader in the financial landscape.

With her exceptional skills and proven track record, she brings valuable expertise to drive growth and innovation, particularly in the digital technology sector.

## **7.4. PROFILE OF MANAGEMENT**

### **7.4.1. Mr. Muhammad Adil Ali - Chief Executive Officer**

Mr. Muhammad Adil Ali brings over 15 years of experience in the poultry and food manufacturing industry. As the founder and CEO of Barkat Frisian Agro Limited (BFAL), he has transformed Pakistan's egg processing sector by shifting from raw egg products to a modern, value-added, export-oriented enterprise.

Under his leadership, BFAL has achieved significant milestones in operational efficiency, product innovation, and market expansion, positioning the company as a key player in international markets through advanced processing technologies and a focus on sustainable growth.

Mr. Adil also serves on the Advisory Board for Pakistan Baking Summit, demonstrating his broader influence in the food industry. With a track record of creating shareholder value and driving market growth, he continues to shape the future of Pakistan's food processing sector.

He holds a Master's in Business Administration from Institute of Business Management and has prior experience in his family business, where he developed poultry and feed operations.

### **7.4.2. Mr. Farooq Zafar - Chief Financial Officer**

Mr. Farooq Zafar, the Chief Financial Officer of Barkat Frisian Agro Limited (BFAL), is an Associated Member of the Pakistan Institute of Public Finance Accountants with nearly 16 years of experience in Finance and Audit. He has been with BFAL since 2019, overseeing the company's Finance and Treasury operations, including budgeting, tax matters, cash and bank management, and coordination with auditors.

In addition to his core responsibilities, Mr. Farooq specializes in financial planning and analysis, budgeting, and strategic financial decision-making. His leadership in optimizing operational costs and improving financial performance highlights his critical role in driving the organization's success.

### **7.4.3. Mr. Muhammad Ali – Company Secretary**

Mr. Muhammad Ali is an industry veteran with over 40 years of experience in accounting, finance, and corporate matters. He currently serves as the Group Company Secretary of Buksh Group, a conglomerate with diverse business interests spanning textiles, poultry, steel, and food processing.

Mr. Ali possesses strong secretarial management skills, overseeing corporate governance and ensuring regulatory compliance. His extensive knowledge of taxation laws and regulations enables him to effectively manage compliance requirements. Additionally, his ability to build relationships with financial institutions and stakeholders enhances his contributions to the company's growth.

He also holds directorships in several key companies, including:



- Buksh Industries (Pvt) Ltd., a leading exporter of textile products to the USA.
- Barkat Steel (Pvt) Ltd., specializing in steel drum production for the oil industry.
- Adorn International (Pvt) Ltd., managing poultry and feed operations.

Mr. Muhammad Ali's expertise and leadership make him a valuable asset in driving organizational success and ensuring operational excellence.

#### **7.4.4. Mr. Ammad Badar – Head of Production & Projects**

Mr. Ammad Badar is a dynamic leader with over 14 years of experience in the food manufacturing industry, specializing in production management, engineering solutions, and operational optimization. With a Bachelor's degree in Electrical Engineering, he blends technical expertise with practical know-how to design systems that enhance efficiency, maintain quality, and uphold safety standards.

In his role as Head of Production and Projects, Mr. Badar aligns production operations with the company's strategic objectives. He has successfully led projects involving advanced engineering systems, process innovations, and capacity planning, ensuring adherence to strict timelines and budgets. His ability to manage resources, lead multidisciplinary teams, and implement process improvements has driven measurable business growth.

Mr. Badar is highly regarded for his strategic vision and his capacity to turn challenges into opportunities for progress. His extensive background in engineering and production, combined with his commitment to operational excellence, positions him as a key contributor to the company's success and sustainability.

#### **7.4.5. Mr. Muhammad Asif– Head of Procurement**

Mr. Asif Ismail brings extensive experience in procurement and purchasing, particularly in the egg industry, where he plays a vital role in sourcing high-quality eggs from various poultry farmers across Pakistan. His expertise lies in ensuring quality standards of the eggs procured, contributing significantly to the company's reputation for excellence in the food manufacturing sector.

Mr. Asif is well-versed in procurement strategies and quality control processes, enabling him to effectively manage the entire sourcing process. His experience includes negotiating with suppliers, ensuring the timely and cost-effective acquisition of eggs, while maintaining strict quality standards to meet the company's production needs.

In his key role, Mr. Asif Ismail is a critical asset to the company, ensuring a consistent and reliable supply of high-quality eggs to support production and meet market demands.

#### **7.4.6. Mr. Irfan Sharif – Head of Operations & Food Safety**

Mr. Irfan Sharif brings 19 years of extensive experience in the food manufacturing industry, with a deep expertise in operations, quality assurance, and compliance. His contributions have been instrumental in driving the company's growth and ensuring operational efficiency.

In his current role, Mr. Irfan oversees critical functions, including day-to-day operations, quality assurance, and ensuring adherence to industry regulations and compliance requirements. His expertise in quality control ensures that the company's products consistently meet the highest standards of quality, while exceeding customer expectations and regulatory mandates.

Mr. Irfan holds a Master's degree in Food Sciences and Technology from Karachi University, equipping him with advanced knowledge in food production, safety standards, and technological advancements. His experience and educational background make him an invaluable asset, ensuring smooth operations and the sustained success of the company.



## 7.5. 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.

## 7.6. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

As per Article 49, the company shall have at least seven (7) directors at all times. Further, no person shall be appointed as a director unless they are a member of the company, subject to the provisions of the Companies Act, 2017.

According to Article 52.1, at the first annual general meeting of the company, all directors shall retire from office, and directors shall be elected in their place for a term of three (3) years in accordance with the Act. Article 52.2 provides that a retiring director shall be eligible for re-election. Any casual vacancy occurring on the board may be filled by the directors, but the person so appointed shall be subject to retirement at the same time as the director in whose place they were appointed, as stated in Article 52.5. Additionally, Article 52.6 states that the company may remove a director in accordance with the provisions of Section 163 of the Act.

In line with Article 63, the company shall have a Chief Executive appointed in accordance with the provisions of the Act. Article 64 deems the Chief Executive to be a director if they are not already one, entitling them to all rights and privileges associated with the office. Lastly, Article 65 provides that the Chief Executive may be removed before the expiration of their term by a unanimous resolution of the board or by the company through a special resolution.

## 7.7. INTEREST OF DIRECTORS AND PROMOTERS

The directors and promoters of the company may have a direct or indirect interest in contracts, arrangements, or dealings with the company, as permitted under the provisions of the Companies Act, 2017, and the Articles of Association. In accordance with Article 51, no director or intending director is disqualified from entering into contracts, transactions, or proposals with the company in a professional capacity or otherwise, provided that the nature of their interest is fully disclosed at the time and in the manner prescribed by the Act.

Furthermore, the directors are required to abstain from participating in discussions or voting on matters in which they have a personal interest, as per the provisions of Article 51. Such contracts or arrangements are subject to approval by the Board of Directors.

## 7.8. REMUNERATION OF THE DIRECTOR

In accordance with Article 50 of the Articles of Association, the remuneration of the directors is determined by the company in a general meeting, subject to the provisions of the Companies Act, 2017. The directors may also be reimbursed for expenses incurred in attending meetings or performing any duties related to the company's business.

This remuneration policy ensures that compensation aligns with the responsibilities and contributions of the directors, maintaining transparency and compliance with legal requirements.

Remuneration of Directors	FY 2022	FY 2023	FY 2024
Directors	-	-	-
Chief Executive	2,275,007	2,275,000	2,700,000
Executives	6,079,922	9,189,072	10,386,742
<b>Total</b>	<b>8,354,929</b>	<b>11,464,072</b>	<b>13,086,742</b>

## 7.9. VOTING RIGHTS

As outlined in Article 42 of the Articles of Association, every member present in person at a general meeting is entitled to one vote on a show of hands, irrespective of the number of shares held. On a poll, every member, whether present in person, by proxy, or by representative, is entitled to one vote for each share held.

Additionally, Article 42A provides for e-voting, enabling members to exercise their voting rights electronically in accordance with the applicable rules and regulations prescribed by the Securities and Exchange Commission of



Pakistan (SECP). Both members and non-members can be appointed as proxies for e-voting purposes, provided the appointment follows the timelines and procedures defined by SECP.

In case of joint shareholders, Article 44 specifies that only the vote of the senior-most member present will be accepted, as determined by the order of names in the register of members.

#### **7.10. AUDIT COMMITTEE**

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are well 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. Nadia Ishtiaq - Chairperson
2. Paul Ettema- Member
3. Mehmood Arshad- Member

#### **7.11. 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. Mehmood Arshad - Chairperson
2. Paul Ettema – Member
3. Muhammad Adil Ali – Member

#### **7.12. POWERS OF DIRECTORS**

The powers of the Directors are outlined in Article 62 of the Articles of Association. As per Article 62.1, the Directors are responsible for managing the business of the Company and have the authority to exercise all powers of the Company that are not specifically reserved for the general meeting by the Act or the Articles. This includes the power to pay expenses related to promoting and registering the Company. Article 62.2 further grants the Directors broad authority to handle the Company's financial transactions, including the issuance and execution of cheques, promissory notes, drafts, bills of exchange, and other financial instruments, as well as signing receipts for payments made to the Company. These actions must be conducted in accordance with the resolutions passed by the Board. Additionally, Article 62.3 mandates that the Board keep detailed minutes of appointments, attendance, and resolutions at meetings of the Company, Directors, and Board committees.

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

As per Article 86, every officer, Director or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him/her in defending any proceedings, whether civil or criminal, arising out of his/her dealings in relation to the affairs of the Company, whether the outcome of any such proceedings is in his/her favor or otherwise, except those brought by the Company against him/her, or in connection with any application under the Act in which relief is granted to him/her by the Court.

#### **7.14. CORPORATE GOVERNANCE**

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



## 8. LEGAL PROCEEDINGS AND OVERDUE LOANS

### 8.1. LEGAL PROCEEDINGS

There is only routine litigation incidental to business operations to which the Company is a party. However, said litigation is expected not to have any material impact on the Company or its shareholders in the future. The company is established in Special Economic Zone and has started commercial operations from 2019 Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations. The Company is now fully exempt from income tax till tax year 2029.

However, the company was charged with minimum tax levy in FY 24. This minimum tax u/s 113, which was levied by the Government for tax year 2023 and onwards. The Company is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favorable outcome. However, company has made provision for this minimum tax in the year ended June 30, 2024. This minimum tax u/s 113, which was levied by the Government for tax year 2023 is now repealed through Finance Act 2024. The aforesaid would be nil in the year ended June 30, 2025.

**Note: There are no other pending litigations against the Company, its Sponsors, substantial shareholders, directors or associated companies over which issuer has control other than those already mentioned above.**

Sr No.	Order Dated	Issuing Authority	Tax Period	Financial Impact	Current Status	Management Stance
CPD-6752/2022	First Order Date: 1 <sup>st</sup> – Nov – 2022  Last Order Date: 19 <sup>th</sup> - Dec - 2024	Sindh High Court	TY 2023 and TY 2024	Minimum Tax for TY2024: 40.78mn and TY2023: 30.57mn	This minimum tax u/s 113, which was levied by the government for the tax year 2023 and tax year 2024 is now repealed through Finance Act 2024	As law has been repealed the need of legal action does not exist anymore

### 8.2. OVERDUE LOANS

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

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

No action has been taken by the Securities Exchange against the issuer or its associated companies over which the issuer has control.



## 9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

### 9.1. CREDIT UNDERWRITING

#### Book Building Portion

Arif Habib Limited has been appointed as the Book Runner to the Issue. The Book Runner will credit underwrite 67,735,000 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.

### 9.2. 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.

### 9.3. FEE AND EXPENSES FOR PSX E-IPO SYSTEM (PES) AND CENTRALIZED E-IPO SYSTEM ("CES")

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

### 9.4. 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.

### 9.5. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 40,312,340/-. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Advisory, Arrangement & Book Running Fee	2.30%	19,683,250
Commission to bankers for General Public	0.25%	246,041
CDC and PSX e-IPO facility charges	0.80%	1,180,995
Bankers to the issue out of pocket expenses		200,000
TREC Holders Commission	1.00%	7,837,300
PSX Initial Listing fee		309,990
PSX Book Building software charges		1,000,000
Share Registrar, Transfer Agent and Balloting Agent		800,000
Printing of Prospectus and Forms		
Publication of Prospectus and Advertisements in Newspapers and Urdu Translation of Prospectus		6,000,000
Marketing, Roadshows and other activities		
CDC Fresh Issue fee		1,133,755
CDC Eligibility fee		1,000,000
SECP Supervisory fee		30,999
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		1,000,000
<b>Total</b>		<b>40,312,340</b>



## 10. MISCELLANEOUS INFORMATION

### 10.1. REGISTERED OFFICE / CORPORATE OFFICE

#### 10.1.1. Registered Office / Corporate Office

Office No: 601, 6th Floor, Balad Trade Center-III (BTC-3), Plot No. D, 75, Zone C, Block 7, Khayaban-e-Jami, Clifton, Karachi, Pakistan

Tel: +92 21 3348 0833

Email: corporate@barkatfrisian.com

### 10.2. BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY

S. No.	Name	Address	Contact No.	Email
1	Habib Bank Limited	HBL Tower – Corporate Banking, 1st Floor, Plot No. G-4, KDA Scheme #5, Block 7, Clifton, Karachi	Mr. Ahmed Mustafa Baig 0320-2554530	<a href="mailto:mustafa.baig1@hbl.com">mustafa.baig1@hbl.com</a>
2	Meezan Bank Limited	2nd Floor, Meezan House, C-25, Estate Avenue, SITE, Karachi	Mr. Ahmed Bin Saleh 0301-8723369	<a href="mailto:Ahmed.Saleh@meezanbank.com">Ahmed.Saleh@meezanbank.com</a>
3	Bank Al Habib Limited	Finlay House, 1st Floor, Room 103, I.I. Chundrigar Road Karachi	Mr. Raza Ahmed 0333-3886993	<a href="mailto:Raza.Siddiq@bankalhabib.com">Raza.Siddiq@bankalhabib.com</a>

### 10.3. AUDITOR OF THE COMPANY

Name: **Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants**

Address: Beaumont Rd, Civil Lines Karachi, Karachi City, Sindh

Contact Person: Ahsan Elahi Vohra

Designation: Partner

Tel: 021-35671909

Email: khi@nzaj.com.pk

### 10.4. LEGAL ADVISOR OF THE COMPANY

Name: **A. Qadir & Company**

Address: Office Nos. 206 and 209, Business Arcade, Shahrah-e-Faisal, Block 6, PECHS, Karachi - Pakistan

Tel: 021-34315163-6

Email: [ehtisham@aqadirncompany.com](mailto:ehtisham@aqadirncompany.com)

### 10.5. COMPUTER BALLOTTERS & SHARE REGISTRAR

Name: **CDC Share Registrar Services Limited**

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

Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

Website: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Phone: 021-111 111 500

### 10.6. SHARIAH ADVISOR

**Al-Hilal Shariah Advisors Limited**

Suite 807, 8th Floor, Horizon Towers, Com2/6, Khayaban-e-Saadi, Block 03, Clifton, Karachi.

Phone: +92-21-35305931-37

Email: [info@alhilalsa.com](mailto:info@alhilalsa.com)

Web: [www.alhilalsa.com](http://www.alhilalsa.com)



## 10.7. LEAD MANAGER & BOOK RUNNER

Name: **Arif Habib Limited**  
 Address: Arif Habib Center  
 23, MT Khan Road, Karachi  
 Tel: 021-3828 0273, 021-3828 0271  
 Fax: 021-3243 3542  
 Email: [hamza.rehan@arifhabibltd.com](mailto:hamza.rehan@arifhabibltd.com)  
 Website: [www.arifhabibltd.com](http://www.arifhabibltd.com)

## 10.8. BANKER TO THE ISSUE FOR BOOK BUILDING

**Meezan Bank Limited**

## 10.9. BANKERS TO THE ISSUE FOR GENERAL SUBSCRIPTION

S. No	Banks
1	Habib Bank Limited
2	Meezan Bank Limited
3	Faysal Bank Limited
4	Habib Metropolitan Bank Limited
5	Bank AL Habib

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

Karachi		
Contact Officer:	Hamza Rehan	Usama Hanif
Designation	Associate	Analyst
Direct No.:	021 38280273	021 38280226
Email:	<a href="mailto:Hamza.rehan@arifhabibltd.com">Hamza.rehan@arifhabibltd.com</a>	<a href="mailto:usama.hanif@arifhabibltd.com">usama.hanif@arifhabibltd.com</a>
Organization	Arif Habib Limited	Arif Habib Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Arif Habib Centre, 23 M.T Khan Road, Karachi
	Arif Habib Limited	Arif Habib Limited
Karachi		
Contact Officer:	Muhammad Faizan Qureshi	Muhammad Imran
Designation	Analyst	Branch Manager
Direct No.:	021 38280276	021-32470920-25 Ext # 4849
Email:	<a href="mailto:faizan.qureshi@arifhabibltd.com">faizan.qureshi@arifhabibltd.com</a>	<a href="mailto:bm.khi9909@meezanbank.com">bm.khi9909@meezanbank.com</a>
Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Ground Floor, Room # 7-13, Stock Exchange Building, Stock Exchange Road, Karachi.
	Arif Habib Limited	
Islamabad		
Contact Officer:	Asad Abbas Najfi	Sumaira Subhan Wazir
Designation	Manager	Branch Manager
Direct No.:	051 289 4505	051-2894676, 051-2894671-4 Ext # 6674
Contact No.:	0345 5111156	0301-5686763
Email:	<a href="mailto:asad.abbasnajfi@arifhabibltd.com">asad.abbasnajfi@arifhabibltd.com</a>	<a href="mailto:bm.isd30@meezanbank.com">bm.isd30@meezanbank.com</a>



Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad	Room # 218, 2nd Floor, 55-B, ISE Tower, Jinnah Avenue, Blue Area, Islamabad
<b>Lahore</b>		
Contact Officer:	Muhammad Mibsam	Malik Tayyab Moazam
Designation	Junior Officer	Branch Manager
Direct No.:	+92-21-38003309	042-35870929, 042-5879870-72 Ext # 5001
Contact No.:	0300 4574734	0301-1189235
Email:	<a href="mailto:muhammad.mibsam@arifhabibltd.com">muhammad.mibsam@arifhabibltd.com</a>	<a href="mailto:bm.lhr01@meezanbank.com">bm.lhr01@meezanbank.com</a>
Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office No. G-5 & G-6, Ground Floor, LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal Lahore	Meezan Bank Limited, Gulberg Branch (0201) 60 Main Boulevard, Gulberg, Lahore
<b>Faisalabad</b>		
Contact Officer:	Muhammad Naseem Asmat	Amer Adnan
Designation	Branch Manager	Branch Manager
Direct:	+92 41 8531010-13	041-2603586, 041-2602586-88 Ext # 5212
Contact No.:	0322-8661318	0304-0920999
Email:	<a href="mailto:naseem.asmat@arifhabibltd.com">naseem.asmat@arifhabibltd.com</a>	<a href="mailto:bm.fsd02@meezanbank.com">bm.fsd02@meezanbank.com</a>
Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office # 4 <sup>th</sup> , 3 <sup>rd</sup> Floor, Legacy Tower. Near Kohinoor city, Faisalabad	Kotwali Road, Faisalabad (0402) P-66 Allama Iqbal Road (Kotwali Road), Faisalabad
<b>Peshawar</b>		
Contact Officer:	Zeeshan Ahmad	Muhammad Ali
Designation	Assistant Manager	Operation Manager
Direct:	-	091-2612023, 091-9214001-4 Ext # 6237
Contact No.:	0345 9381820	0333-9225261
Email:	<a href="mailto:zeeshan.ahmad@arifhabibltd.com">zeeshan.ahmad@arifhabibltd.com</a>	<a href="mailto:om.pew04@meezanbank.com">om.pew04@meezanbank.com</a>
Organization:	Arif Habib Limited	Meezan Bank Limited
Postal Address:	F-16/F-17, 1ST Floor, The Mall Tower, Peshawar Cantt.	GT ROAD BRANCH, Al-Arif House, Near Al-Amin Hotel, GT ROAD, PESHAWAR.
<b>Multan</b>		
Contact Officer:	Alam Akhtar	Khalid Mahmood
Designation	Senior Manager	Branch Manager
Direct:	+92 61 8000 800, +92 61 451 4412	061-4513672, 061-4785604-7 Ext # 5284
Contact No.:	0321 639 3919	0300-6340448
Email:	<a href="mailto:alam.akhtar@arifhabibltd.com">alam.akhtar@arifhabibltd.com</a>	<a href="mailto:bm.mtn01@meezanbank.com">bm.mtn01@meezanbank.com</a>
Organization:	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office # 305, 3rd Floor, United Mall, Abdali Road, Multan	Plot No.92,93,94, LMQ Road, Chowk Nawan Shaher, Multan
<b>Sialkot</b>		<b>Abbottabad</b>



Contact Officer:	Tahir Jamil Qureshi	Muhammad Yasir Saleem
Designation	Branch Manager	Branch Manager
Direct:	052-4295301-03, Ext # 5342	0992-344701-03, Ext # 6287
Contact No.:	0300-9614949	0321-9544858
Email:	<a href="mailto:bm.skt01@meezanbank.com">bm.skt01@meezanbank.com</a>	<a href="mailto:bm.abd01@meezanbank.com">bm.abd01@meezanbank.com</a>
Organization:	Meezan Bank Limited	Meezan Bank Limited
Postal Address:	Pakka Garha, Kashmir Road Sialkot	Plot No. 843-846, Manshera Road, Near SNGPL Office, Abbottabad
<b>Quetta</b>		
Contact Officer:	BM # Muhammad Tahir Panezai	Kashif Hussain
Designation	Branch Manager	Branch Manager
Direct:	Direct: 081-2829755, 081-2829470-72-73 Ext # 4403	05822-920461, 058810-42154-56 Ext # 6367
Contact No.:	Cell# 0309-7772570, 0334-3888488	0300-8157502
Email:	<a href="mailto:bm.qta01@meezanbank.com">bm.qta01@meezanbank.com</a>	<a href="mailto:bm.mzd01@meezanbank.com">bm.mzd01@meezanbank.com</a>
Organization:	Meezan Bank Limited	Meezan Bank Limited
Postal Address:	1-25/12-13, Barrech Complex, Mannan Chowk, Jinnah Road Quetta	Secretariat Road, Sathra Muzaffarabad, Azad Jammu & Kashmir
<b>Gilgit/Baltistan</b>		
Contact Officer:	Shafqat Wali Khan	
Designation	Branch Manager	
Direct:	05811-458038, 05811-458039-41 Ext # 6448	
Contact No.:	0346-9219217	
Email:	<a href="mailto:bm.glt9834@meezanbank.com">bm.glt9834@meezanbank.com</a>	
Organization:	Meezan Bank Limited	
Postal Address:	Shop# 433, Northern Light Infantry (NLI) Market, Gilgit, Baltistan	



## 11. MATERIAL CONTRACTS

### 11.1.1. Details of Short-Term Financing Facilities\*

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
Meezan Bank Limited	Tijarah	315	3MK+ 1.50%	1-May- 2024	31-Jan-2025
	Musawammah – Sub Limit	315	3MK+ 1.50%		
	LG – Bid Bond / Performance	50	0.2% per QTR		
	Sight LC	100	0.25% per QTR		
	Usance LC – Sub Limit	50	0.25% per QTR		
Habib Bank Limited	Tijarah	100	Relevant KIBOR + 1.25%	19-Feb- 2024	31-Oct-2025

\*As the company is setting up a new production facility in Faisalabad, it plans to secure additional working capital lines and is currently in negotiations with relevant financial institutions.

### 11.1.2. Details of Long-Term Financing Facilities

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
Meezan Bank Limited	Diminishing Musharika - Sub Limit	Limit (14.19+3.75)/Existing Limit: 24.67	3MK + 2.5	1-Jun-2019	5-year +1-year grace period
	Ijarah	Limit (11.10+17.93)/Existing Limit: 9.13+3.12	3MK + 1.5%^	1-Nov-2022	Up to 5 years

### 11.1.3. Details of Letters of Credit / Bank Guarantees

Currently, the Company has not opened any Letters of Credit/ Bank Guarantees



## 11.2. SUPPLIERS & VENDOR

The Company is in formal agreement with the following suppliers:

Vendor	Country of Origin	Goods / Service Procured	Formal Agreement	Date of Expiry	Long term or short-term Agreement
<b>Local:</b>					
Top Engineering Work	Pakistan	Construction Work	Yes	Till Completion of Faisalabad Project	Short- Term
Universal Engineering Services	Pakistan	Consultancy Services for Egg Plant MEP Designing	Yes	Till Completion of Faisalabad Project	Short – Term
Adorn International Pvt Ltd	Pakistan	Poultry Egg	Yes	31-07-25	Long – Term
Adil Poultry Farm	Pakistan	Poultry Egg	Yes	31-07-25	Long – Term
Amna Poultry Farm	Pakistan	Poultry Egg	Yes	31-07-25	Long – Term
Marhaba Protein Farms Pvt Ltd	Pakistan	Poultry Egg	Yes	31-03-25	Long – Term
Ghulam Mustafa Enterprises	Pakistan	Poultry Egg Supply Commissioning	Yes	30-06-25	Long – Term
C-Shine Sustainable Solutions	Pakistan	Pest Control Services	Yes	31-01-25	Long – Term
<b>International</b>					
International Egg Trading B.V.	Kingdom of Netherland	Technical Agreement	Yes	Upon mutual consent of both parties	Long – Term

## 11.3. CUSTOMERS

BFAL has formal agreements with the companies listed below. Aside from these agreements, BFAL does not have any other formal arrangements; customers place purchase orders as needed whenever they require BFAL's services.

Vendor	Country of Origin	Goods / Service Provided	Formal Agreement	Date of Expiry	Long term or short-term Agreement
<b>Local:</b>					
National Foods Limited	Pakistan	Pasteurized Egg Products	Yes	June 2029	Long - Term
<b>International</b>					



Mondelez International AMEA PTE Ltd	Singapore	Pasteurized Egg Products	Yes	December 2025	Short – Term
Kerry Oman SPC (Kerry Group)	Oman	Pasteurized Egg Products	Yes	December 2025	Short – Term
AATCO Food Industries LLC (Kerry Group)	KSA	Pasteurized Egg Products	Yes	December 2025	Short – Term
Sri Lankan Catering	Sri Lanka	Pasteurized Egg Products	Yes	September 2025	Short – Term

#### 11.4. DISTRIBUTORS

Name	Country of Origin	Goods / Service Sold	Formal Agreement (Yes / No)	Date of Expiry	Long term or short-term Agreement
Bakery Line Catering Company	Kuwait	Distribution of Finished Goods	Yes	30th April 2025	Short Term

#### 11.5. TRANSPORTERS

Name	Country of Origin	Goods / Service Sold	Formal Agreement (Yes / No)	Date of Expiry	Long term or short-term Agreement
M. Fayyaz Goods Transport Company	Pakistan	Transportation of Finished Goods	Yes	28th February 2025	Short Term
Shah Transport	Pakistan	Transportation of Finished Goods	Yes	31st January 2025	Short Term

#### 11.6. INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, 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.

#### 11.7. 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.

#### 11.8. FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on 1<sup>st</sup> July and ends on 30<sup>th</sup> June.



## 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 67,735,000 Ordinary Shares of face value worth PKR 1/- each, which constitutes 21.85% of the Post-IPO Paid Up Capital of the Company.

The entire Issue of 67,735,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 13.00/- per share with a price band of 40% above the floor price i.e. PKR 18.20/-.

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. 50,801,250 shares and the remaining twenty-five percent (25%) i.e. 16,933,750 shares shall be offered to the retail investors.

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

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

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

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

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

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

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

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

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Mn shares at PKR 13.00/- per share, based on which the total Application Money would amount to PKR 13.00 Mn. In this case the Bid Amount will be also be PKR 13.00 Mn. Since the Bidder has placed a Limit Bid of PKR 13.00/- per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 13.00/- 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 5 Mn shares at PKR 13.00 per share, 3 Mn shares at PKR 14.50 per share and 2 Mn shares at PKR 16.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Application Money would amount to PKR 140.5 Mn, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, (i)



Individual Investors shall deposit PKR 140.5 Mn in the Book Building Account as Margin Money which is 100% of PKR 140.5 Mn and (ii) Institutional Investors shall deposit at least PKR 35.12 Mn in the Book Building Account as Margin Money which is 25% of PKR 140.5 Mn.

**RESTRICTIONS:**

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

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

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

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

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

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



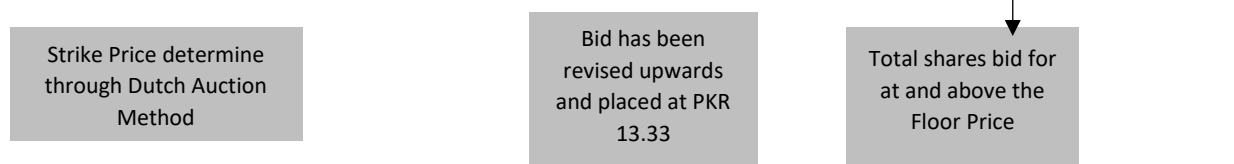
### 12.1.3. Mechanism for Determination of Strike Price

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

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

1. Number of shares being Issued through the Book Building: 67,735,000 Ordinary Shares
2. Floor Price: PKR 13.00/- per Ordinary Share with maximum price band of 40% i.e. PKR 18.20/-per share
3. Bidding Period: February 17<sup>th</sup>, 2025 to February 18<sup>th</sup>, 2025
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	14.10	2,709,400	2,709,400	Limit Price
Institution B	13.95	4,064,100	6,773,500	Limit Price
HNWI A	13.74	5,689,740	12,463,240	Step Bid
Institution C	13.67	4,876,920	17,340,160	Limit Price
Institution D	13.56	3,793,160	21,133,320	Limit Price
Institution E	13.50	2,709,400	23,842,720	Limit Price
HNWI B	13.48	2,980,340	26,823,060	Limit Price
HNWI A	13.46	6,773,500	33,596,560	Step Bid
Institution F	13.44	3,522,220	37,118,780	Limit Price
Institution G	13.40	6,773,500	43,892,281	Limit Price
Institution H	13.33	5,418,800	49,311,081	Limit Price
HNWI C	13.26	3,522,220	52,833,301	Limit Price
Institution I	13.17	5,418,800	58,252,102	Step Bid
Institution H	<del>13.12</del>	5,418,800	63,670,902	Limit Price
Institution J	13.02	4,064,098	67,735,000	Step Bid
HNWI E	13.00	18,965,800	86,700,800	Limit 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 13.02 per share to sell the required quantity of 67,735,000 ordinary shares.

At PKR 14.10 per share, investors are willing to buy 2,709,400 shares. Since 65,025,600 shares are still available, therefore the price will be set lower.



At PKR 13.95 per share, investors are willing to buy 4,064,100 shares. Since 60,961,500 shares are still available, therefore the price will be set lower.

At PKR 13.74 per share, investors are willing to buy 5,869,740 shares. Since 55,271,760 shares are still available, therefore the price will be set lower.

At PKR 13.67 per share, investors are willing to buy 4,876,920 shares. Since 50,394,840 shares are still available, therefore the price will be set lower.

At PKR 13.56 per share, investors are willing to buy 3,793,160 shares. Since 46,601,680 shares are still available, therefore the price will be set lower.

At PKR 13.50 per share, investors are willing to buy 2,709,400 shares. Since 43,892,280 shares are still available, therefore the price will be set lower.

At PKR 13.48 per share, investors are willing to buy 2,980,340 shares. Since 40,911,940 shares are still available, therefore the price will be set lower.

At PKR 13.46 per share, investors are willing to buy 6,773,500 shares. Since 34,138,440 shares are still available, therefore the price will be set lower.

At PKR 13.44 per share, investors are willing to buy 3,522,220 shares. Since 30,616,220 shares are still available, therefore the price will be set lower.

At PKR 13.40 per share, investors are willing to buy 6,773,500 shares. Since 23,842,719 shares are still available, therefore the price will be set lower.

At PKR 13.33 per share, investors are willing to buy 5,418,800 shares. Since 18,423,919 shares are still available, therefore the price will be set lower.

At PKR 13.26 per share, investors are willing to buy 3,522,220 shares. Since 14,901,699 shares are still available, therefore the price will be set lower.

At PKR 13.17 per share, investors are willing to buy 5,418,800 shares. Since 9,482,898 shares are still available, therefore the price will be set lower.

At PKR 13.12 per share, investors are willing to buy 5,418,800 shares. Since 4,064,098 shares are still available, therefore the price will be set lower.

At PKR 13.02 per share, investors are willing to buy 4,064,098 shares. **Since after bidding for 4,064,098 shares at PKR 13.02 per share, no shares will be available therefore the Strike Price will be set at PKR 13.02 per share for the entire lot of 67,735,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 13.02 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.

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. Time Frame for Intimation to the Successful Bidders and Mechanism for Payment of the Balance Amount by the Successful Bidders**

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

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

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

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

The Book Runner to the issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Lead Manager and all the related employees;
8. ensure that names and UIN of all the persons mentioned under Section 3A(v) are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding ten per cent (10%) 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 centers 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:	Hamza Rehan	Usama Hanif
Designation	Associate	Analyst
Direct No.:	021 38280273	021 38280226
Email:	<a href="mailto:Hamza.rehan@arifhabibltd.com">Hamza.rehan@arifhabibltd.com</a>	<a href="mailto:usama.hanif@arifhabibltd.com">usama.hanif@arifhabibltd.com</a>
Organization	Arif Habib Limited	Arif Habib Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Arif Habib Centre, 23 M.T Khan Road, Karachi
	Arif Habib Limited	Arif Habib Limited
Karachi		
Contact Officer:	Muhammad Faizan Qureshi	Muhammad Imran
Designation	Analyst	Branch Manager
Direct No.:	021 38280276	021-32470920-25 Ext # 4849
Email:	<a href="mailto:faizan.qureshi@arifhabibltd.com">faizan.qureshi@arifhabibltd.com</a>	<a href="mailto:bm.khi9909@meezanbank.com">bm.khi9909@meezanbank.com</a>
Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Ground Floor, Room # 7-13, Stock Exchange
	Arif Habib Limited	Building, Stock Exchange Road, Karachi.
Islamabad		
Contact Officer:	Asad Abbas Najfi	Sumaira Subhan Wazir
Designation	Manager	Branch Manager
Direct No.:	051 289 5341	051-2894676, 051-2894671-4 Ext # 6674
Contact No.:	0345 5111156	0301-5686763
Email:	<a href="mailto:asad.abbasnajfi@arifhabibltd.com">asad.abbasnajfi@arifhabibltd.com</a>	<a href="mailto:bm.isd30@meezanbank.com">bm.isd30@meezanbank.com</a>
Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad	Room # 218, 2nd Floor, 55-B, ISE Tower, Jinnah Avenue, Blue Area, Islamabad
Lahore		
Contact Officer:	Muhammad Mibsam	Malik Tayyab Moazam
Designation	Junior Officer	Branch Manager
Direct No.:	+92-21-38003309	042-35870929, 042-5879870-72 Ext # 5001
Contact No.:	0300 4574734	0301-1189235
Email:	<a href="mailto:muhammad.mibsam@arifhabibltd.com">muhammad.mibsam@arifhabibltd.com</a>	<a href="mailto:bm.lhr01@meezanbank.com">bm.lhr01@meezanbank.com</a>
Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office No. G-5 & G-6, Ground Floor, LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal Lahore	Meezan Bank Limited, Gulberg Branch (0201) 60 Main Boulevard, Gulberg, Lahore
Faisalabad		



Contact Officer:	Muhammad Naseem Asmat	Amer Adnan
Designation	Branch Manager	Branch Manager
Direct:	+92 41 8531010-13	041-2603586, 041-2602586-88 Ext # 5212
Contact No.:	0322-8661318	0304-0920999
Email:	<a href="mailto:naseem.asmat@arifhabibltd.com">naseem.asmat@arifhabibltd.com</a>	<a href="mailto:bm.fsd02@meezanbank.com">bm.fsd02@meezanbank.com</a>
Organization	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office # 4 <sup>th</sup> , 3 <sup>rd</sup> Floor, Legacy Tower. Near Kohinoor city, Faisalabad	Kotwali Road, Faisalabad (0402) P-66 Allama Iqbal Road (Kotwali Road), Faisalabad
<b>Peshawar</b>		
Contact Officer:	Zeeshan Ahmad	Muhammad Ali
Designation	Assistant Manager	Operation Manager
Direct:	-	091-2612023, 091-9214001-4 Ext # 6237
Contact No.:	0345 9381820	0333-9225261
Email:	<a href="mailto:zeeshan.ahmad@arifhabibltd.com">zeeshan.ahmad@arifhabibltd.com</a>	<a href="mailto:om.pew04@meezanbank.com">om.pew04@meezanbank.com</a>
Organization:	Arif Habib Limited	Meezan Bank Limited
Postal Address:	F-16/F-17, 1ST Floor, The Mall Tower, Peshawar Cantt.	GT ROAD BRANCH, Al-Arif House, Near Al-Amin Hotel, GT ROAD, PESHAWAR.
<b>Multan</b>		
Contact Officer:	Alam Akhtar	Khalid Mahmood
Designation	Senior Manager	Branch Manager
Direct:	+92 61 8000 800, +92 61 451 4412	061-4513672, 061-4785604-7 Ext # 5284
Contact No.:	0321 639 3919	0300-6340448
Email:	<a href="mailto:alam.akhtar@arifhabibltd.com">alam.akhtar@arifhabibltd.com</a>	<a href="mailto:bm.mtn01@meezanbank.com">bm.mtn01@meezanbank.com</a>
Organization:	Arif Habib Limited	Meezan Bank Limited
Postal Address:	Office # 305, 3rd Floor, United Mall, Abdali Road, Multan	Plot No.92,93,94, LMQ Road, Chowk Nawan Shaher, Multan
<b>Sialkot</b>		<b>Abbottabad</b>
Contact Officer:	Tahir Jamil Qureshi	Muhammad Yasir Saleem
Designation	Branch Manager	Branch Manager
Direct:	052-4295301-03, Ext # 5342	0992-344701-03, Ext # 6287
Contact No.:	0300-9614949	0321-9544858
Email:	<a href="mailto:bm.skt01@meezanbank.com">bm.skt01@meezanbank.com</a>	<a href="mailto:bm.abd01@meezanbank.com">bm.abd01@meezanbank.com</a>
Organization:	Meezan Bank Limited	Meezan Bank Limited
Postal Address:	Pakka Garha, Kashmir Road Sialkot	Plot No. 843-846, Manshera Road, Near SNGPL Office, Abbottabad
<b>Quetta</b>		<b>Azad Kashmir</b>
Contact Officer:	BM # Muhammad Tahir Panezai	Kashif Hussain
Designation	Branch Manager	Branch Manager



Direct:	Direct: 081-2829755, 081-2829470-72-73 Ext # 4403	05822-920461, 058810-42154-56 Ext # 6367
Contact No.:	Cell# 0309-7772570, 0334-3888488	0300-8157502
Email:	<a href="mailto:bm.qta01@meezanbank.com">bm.qta01@meezanbank.com</a>	<a href="mailto:bm.mzd01@meezanbank.com">bm.mzd01@meezanbank.com</a>
Organization:	Meezan Bank Limited	Meezan Bank Limited
Postal Address:	1-25/12-13, Barrech Complex, Mannan Chowk, Jinnah Road Quetta	Secretariat Road, Sathra Muzaffarabad, Azad Jammu & Kashmir
<b>Gilgit/Baltistan</b>		
Contact Officer:	Shafqat Wali Khan	
Designation	Branch Manager	
Direct:	05811-458038, 05811-458039-41 Ext # 6448	
Contact No.:	0346-9219217	
Email:	<a href="mailto:bm.glt9834@meezanbank.com">bm.glt9834@meezanbank.com</a>	
Organization:	Meezan Bank Limited	
Postal Address:	Shop# 433, Northern Light Infantry (NLI) Market, Gilgit, Baltistan	

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

The Designated Institution shall ensure that:



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

#### 12.1.8 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

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

#### 12.1.9 Opening and Closing of the Registration Period

The Registration period shall be for **Four (4) working days** as under:

REGISTRATION PERIOD	
February 13 <sup>th</sup> , 2025	9:00am to 5:00pm
February 14 <sup>th</sup> , 2025	9:00am to 5:00pm
February 17 <sup>th</sup> , 2025	9:00am to 5:00pm
February 18 <sup>th</sup> , 2025	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>	February 17 <sup>th</sup> , 2025
<b>BIDDING PROCESS ENDS ON</b>	February 18 <sup>th</sup> , 2025

#### 12.1.11 Eligibility to Participate in Bidding

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

#### 12.1.12 Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of BFAL, AHL and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Lead Manager, Book Runner, PSX and the Company i.e. <http://www.arifhabibltd.com>, <http://www.psx.com.pk> and
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in Section 12.1.6 for registration for submitting their Bids.



4. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN SECTION 12.1.6. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO SECTION 12.1.13.
5. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 12.1.6 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF **MEEZAN BANK LIMITED** (THE BANKERS TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED **MEEZAN BANK LIMITED** TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT **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 Four (4) working days i.e. February 13<sup>th</sup>, 2025 to February 17<sup>th</sup>, 2025 from 9:00 AM to 5:00 PM on February 13<sup>th</sup>, 2025, February 14<sup>th</sup>, 2025, February 17<sup>th</sup>, 2025 and from 9:00 AM to 3:00 PM on February 18<sup>th</sup>, 2025

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 "**BARKAT FRISIAN AGRO LIMITED-BOOK BUILDING**". For online transfer the payment shall be made into Account No. "**0111155617**" maintained at **Meezan Bank Limited** with the Account Title "**BARKAT FRISIAN AGRO LIMITED-BOOK BUILDING**". Please note that online transfer facility shall only be allowed to **Meezan Bank Limited** 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 5:00 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, provide 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.

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 **"BARKAT FRISIAN AGRO LIMITED-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 **"0111155617"** being maintained at Meezan Bank Limited with the Account Title **"BARKAT FRISIAN AGRO LIMITED-BOOK BUILDING"**. Please note that online transfer facility shall only be allowed for Meezan Bank Limited customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF **"BARKAT FRISIAN AGRO 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 Mn shares at a price of PKR 13.00/- per share, then the total Application Money would amount to PKR 13.00 Mn. In such a case, (i) Individual Investor shall deposit PKR 13.00 Mn in the Book Building account as the bid amount which is 100% of PKR 13.00 Mn; and (ii) Institutional Investor shall deposit at least PKR 3.25 Mn in the Book Building account as the Margin Money which is 25% of PKR 13.00Mn.

#### 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 1 Mn shares at PKR 13.00/- per share, 0.6 Mn shares at PKR 13.31/- per share and 0.5 Mn shares at PKR 13.55/- 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 27.61 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 27.61 Mn in the Book Building Account as Margin Money which is 100% of PKR 27.61 Mn and (ii) Institutional Investors shall deposit at least PKR 6.94 Mn in the Book Building Account as Margin Money which is 25% of PKR 27.61 Mn.

### 12.1.16 Payment by Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living



in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

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

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

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

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

#### **12.1.17 Procedure for Rejection of Bids**

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

#### **12.1.18 Time Frame for Upward Revision of Bids by the Bidders**

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

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

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

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

For Example, if the Floor Price is PKR 13.00/- per share and Indicative Strike Price at any given point in time during the bidding period is PKR 13.00/- per share, registered bidders may place or revise their bids at/to any price between PKR 13.00/- per share to PKR 14.30/- per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 13.00/- per share to PKR 14.3/- per share, the registered bidders may place or upward revise their bids at/to between PKR 14.3/- per share to PKR 15.73/- per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. PKR 18.31/- 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. 50,801,250 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 under regulation 8(16) the refunds, where required to such bidders shall be made not later than 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 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 within one working day

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 FOR RETAIL PORTION

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

**Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit [www.cdcpakistan.com](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 February 24, 2025 and will close on February 25, 2025 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 February 25, 2025**

#### 13.1.4 E-IPO System

In order to facilitate investors, PSX has developed an e-IPO System ("PES") through which electronic applications can be filed for subscription of securities offered to the general public. PES can be accessed through the web link (<https://eipo.psx.com.pk>). 1Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. There is no transaction limit on E- banking channels for e applications



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

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

An e-IPO application can be filed by an investor during the public subscription period which shall close at midnight on February 25, 2025. On behalf of investors, e-IPO applications can also be filed by:

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

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

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

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

#### (i) Centralized E-IPO System (CES):

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

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

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

#### 13.1.5 Applications made by Individual Investors

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

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

#### 13.1.6 Applications made by Institutional Investors

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



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

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

### 13.1.7 Additional Instructions for Investors

1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application, form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue (Account Titles given below) and crossed "A/C PAYEE ONLY".

Sr no.	Bank Name	Account Title
1	Meezan Bank Limited	BARKAT FRISIAN AGRO LTD-GENERAL PUBLIC SUBSCRIPTION
2	Faysal bank Limited	BARKAT FRISIAN AGRO LTD-GENERAL PUBLIC SUBSCRIPTION
3	Habib Bank Limited	BFAL - GENERAL PUBLIC SUBSCRIPTION
4	Habib Metropolitan Bank Limited	BARKAT FRISIAN AGRO LTD -GENERAL PUBLIC SUBSCRIPTION
5	Bank Al Habib Limited	BARKAT FRISIAN AGRO LTD -GENERAL PUBLIC SUBSCRIPTION

4. For the applications made through pay order / bank draft, it would be permissible for a Bankers to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.



11. It would be permissible for a Bankers to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under Section 87(8) of the Securities Act, 2015.

### 13.1.8 Additional Instructions for Foreign / Non-Resident Investors

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

### 13.1.1 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

### 13.1.10 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 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.

#### **13.1.11 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 x 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 five (5) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

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

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

### 13.3 ISSUE AND CREDIT OF SHARES

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

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

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

### 13.4 TRANSFER OF SHARES

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

### 13.5 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	Habib Bank Limited
02	Meezan Bank Limited
03	Faysal Bank Limited
04	Habib Metropolitan Bank Limited
05	Bank AL Habib



### 13.6 MINIMUM AMOUNT OF APPLICATION

As per PO Regulations, the minimum amount of application shall not be less than the “Issue Price x 500 shares”.

### 13.7 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

### 13.8 ELIGIBILITY FOR DIVIDEND

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

### 13.9 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

### 13.10 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

Sr. No.	Capital Gain Tax for FY 2025	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	<b>Where the securities are acquired on or after the first day of July, 2022 but on or before the 30<sup>th</sup> day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:</b>		
	1. Where holding period does not exceed one year	15.0%	15.0%
	2. Where holding period exceed one year but does not exceed two years	12.5%	12.5%
	3. Where holding period exceed two years but does not exceed three years	10.0%	10.0%
	4. Where holding period exceed three years but does not exceed four years	7.5%	7.5%
	5. Where holding period exceed four years but does not exceed five years	5.0%	5.0%
	6. Where holding period exceed five years but does not exceed six years	2.5%	2.5%
	7. Where holding period exceed six years	0.0%	0.0%
4	<b>Where the securities are acquired on or after the first day of July, 2024 onwards:</b>		
	Where the securities are acquired on or after the first day of July, 2024 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons



			<p>and Division II for companies.</p> <p>Provided that the rate of tax for individuals and association of persons shall not be less than 15% in any case.</p>
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### 13.11 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15% for filer and 30% for non-filer.

### 13.12 TAX ON BONUS SHARES

As per section 236 of the Finance Act 2023, bonus shares shall only be issued to shareholder, if a Company collects from shareholder, tax equal to 10% of the value of the bonus shares issued.

### 13.13 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

### 13.14 DEFERRED TAXATION

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

### 13.15 SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

### 13.16 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh



Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% 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.



14. SIGNATORIES TO THE PROSPECTUS

SIGNATORIES TO THE PROSPECTUS

Johan Stuver  
Chairman/Non-Executive Director

Anwar Ali  
Non-Executive Director

Nadia Ishtiaq  
Independent Director

Waqas Gulzar  
Non-Executive Director

Muhammad Adil Ali  
CEO/Executive Director

Mehmood Arshad  
Independent Director

Paul Ettema  
Non-Executive Director

WITNESSES

Muhammad Farooq Zafar  
Chief Financial Officer

Ahsan Ahmed Khan  
Assistant Manager Finance

Certified by:

Muhammad Ali Ansari  
Company Secretary



30<sup>th</sup> December 2024



## 15. MEMORANDUM OF ASSOCIATION

### MEMORANDUM OF ASSOCIATION COMPANY LIMITED BY SHARES

#### BARKAT FRISIAN AGRO LIMITED

1. The name of the Company is Barkat Frisian Agro Limited.
2. The registered office of the Company will be situated in the Province of Sindh.
3.
  - (i) The principal line of business of the company shall be to set up and carry on the business of poultry egg pasteurization and processing facilities, cold chain storage, distribution centers and all allied matters (in one or more phases). The company can further engage in any business related to agriculture and livestock which it deems fit along with any lawful business it can conduct.
  - (ii) Except for the business mentioned in sub-clause (iii) hereunder, the Company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
  - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust Company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management Company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
  - (iv) It is hereby undertaken that the Company shall not:
    - (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
    - (b) launch multi-level marketing (MLM), Pyramid and Ponzi schemes, or other related activities/businesses or any lottery business;
    - (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.
4. The liability of the members is limited.
5. The authorized capital of the Company is PKR 310,000,000/- (Pakistani Rupees Three Hundred and Ten Million) divided into 310,000,000 Ordinary Shares (Three Hundred and Ten Million shares) of PKR 1 (Pakistani Rupee One ) each, with the rights, privileges and conditions attaching thereto as are provided by regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to consolidate and divide the shares in the Capital for the time being as may be determined by or in accordance with the regulations of the Company and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and subject to any permission required under the law.





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 as set opposite our respective names.

Name and Surname (present and former) in full (in Block Letters)	NIC No. (in case of foreigner passport number)	Father's/ Husband's Name in Full	Nationalities with former Nationality	Occupation	Usual Residential Address in full or the registered principal office address for a subscriber other than natural person	Number of shares taken	Signatures
Muhammad Adil Ali	42201-7280142-3	s/o Muhammad Ali Ansari	Pakistani	Business man	House No. M-74/1, Khayabane-Ittehad, Phase 7, DHA, Karachi	4000 (four thousand only)	NIFT
Muhammad Yasir Ali	42201-5299991-5	s/o Muhammad Ali Ansari	Pakistani	Business man	House No. M-74/1, Khayabane-Ittehad, Phase 7, DHA, Karachi	2000 (two thousand only)	NIFT
Naheed Ali	42201-0533780-4	w/o Muhammad Ali Ansari	Pakistani	Business man	House No. M-74/1, Khayabane-Ittehad, Phase 7, DHA, Karachi	10000 (ten thousand only)	NIFT
Muhammad Ali Ansari	42201-0621677-9	s/o Barkat Ali	Pakistani	Business man	House No. M-74/1, Khayabane-Ittehad, Phase 7, DHA, Karachi	23990 (twenty three thousand nine hundred and ninety only)	NIFT
Waqas Gulzar	42301-4272067-1	s/o Anjum Tariq Gulzar	Pakistani	Business man	House # 44A, 9th Sunset Street, Phase 2, Extension, DHA, Karachi	10 (ten only)	NIFT
Rabia Ali	42201-1164389-8	w/o Muhammad Babar Hanif	Pakistani	Business man	House # B-19, Block 2, Gulistan-e-Jauhar, Karachi	10000 (ten thousand only)	NIFT
Johan Stuiwer	BW9CBP 693	s/o Jacob Stuiwer	Netherlands	Business man	Petersberg 23, 9241, WK Wijnjewoude, The Netherlands	01 (one only)	NIFT





Frisian Egg International (through Mr. Paul Ettema)	01093284	s/o Dominicus Ettema	Netherland		Postbus 226, 9200 AE Brachten, The Netherlands	49998 (forty nine thousand nine hundred and ninety eight only)	NIFT
Paul Ettema	BVL499K B	s/o Dominicus Ettema	Netherland	Business man	Berdigne 13, 8532 CE Lemmer, The Netherlands	01 (one only)	NIFT
					Total No. of Shares	100.000 (one hundred thousand only)	

Dated the 27<sup>th</sup> Day of December 2016

Witness:  
Nift (Pvt) Limited  
5th Floor, AWT Plaza, II Chundrigarh Road, Karachi





Certified to be True Copy  
Deputy Registrar of Companies

30/12/2016





## 16. REGISTRATION FORM

REGISTRATION FORM								
 <b>Barkat Frisian Agro Limited</b> NTN no: 7370740	<b>Book Runner</b> 		<b>Tick One</b> <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> GRW <input type="checkbox"/> <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <input type="checkbox"/> AAW <input type="checkbox"/> <input type="checkbox"/> FSD <input type="checkbox"/> MTN <input type="checkbox"/> SKT <input type="checkbox"/> RYK <input type="checkbox"/>					
			<table border="1"> <tr> <td>Registration Dates</td> <td>13<sup>th</sup>, 14<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> February, 2025</td> </tr> <tr> <td>Bidding Dates</td> <td>17<sup>th</sup> – 18<sup>th</sup> February, 2025</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Registration Dates	13 <sup>th</sup> , 14 <sup>th</sup> , 17 <sup>th</sup> and 18 <sup>th</sup> February, 2025	Bidding Dates	17 <sup>th</sup> – 18 <sup>th</sup> February, 2025	Bidding Form No.
Registration Dates	13 <sup>th</sup> , 14 <sup>th</sup> , 17 <sup>th</sup> and 18 <sup>th</sup> February, 2025							
Bidding Dates	17 <sup>th</sup> – 18 <sup>th</sup> February, 2025							
Bidding Form No.								
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF BARKAT FRISIAN AGRO LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 13.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 12.00/- PER SHARE)								
<b>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.</b>								
Name		CNIC/CUIN #						
		NTN*						
Address		Cell #						
		Land Line #						
E-mail		Fax #						
IBAN Number #		Bank Name						
<b>PLEASE TICK THE APPROPRIATE BOX</b>			<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							
<b>*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 FRR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.</b>								
Payment Details:	Payments to be made in favor of "BARKAT FRISIAN AGRO LIMITED-BOOK BUILDING"							
Amount in Figures		Instrument #						
Instrument Date		Margin %age						
Banker's Name, Address & Branch								
CDC Details for Sub A/C & House A/C								
CDC Participant Name		CDC Participant ID						
Sub A/C No.		House A/C No.						
CDC Details for Investor A/C								
CDC Investor Service A/C ID		CDC Investor A/C No.						
I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.								
I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.								
Signature of Bidder: _____								



## 17. BIDDING FORM

BIDDING FORM			
 <b>Barkat Frisian Agro Limited</b> NTN no: 7370740	<b>Book Runner</b>  		<b>Tick One</b> <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> GRW <input type="checkbox"/> <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <input type="checkbox"/> AAW <input type="checkbox"/> <input type="checkbox"/> FSD <input type="checkbox"/> MTN <input type="checkbox"/> SKT <input type="checkbox"/> RYK <input type="checkbox"/>
			Bidding Dates: 17 <sup>th</sup> – 18 <sup>th</sup> February, 2025 Bidding Form No.
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF BARKAT FRISIAN AGRO LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 13.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 12.00/- PER SHARE)			
<b>PLEASE TICK THE APPROPRIATE BOX</b>			
Name	<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor		
Address	Cell #	Resident	<input type="checkbox"/> Nationality (If other than Pakistani)
	Land Line #	Non-Resident	<input type="checkbox"/>
		Foreigner	<input type="checkbox"/>
Fax #	E-mail:	CNIC #	
		NTN*	
<b>*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.</b>			
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [ ] No [ ] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:			
Title of Account			
Account Number			
Bank Name			
Branch Name & Address			
The Directors of Barkat Frisian Agro Limited Office No: 601, 6th Floor, Balad Trade Center-III (BTC-3), Plot No. D, 75, Zone C, Block 7, Khayaban-e-Jami, Clifton, Karachi, Pakistan			
Dear Sir, On the basis of Prospectus by Barkat Frisian Agro Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:			
<b>Bid Details</b>			
	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
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 PKR 1,000,000/-. It should also be noted that no. of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price, is at least PKR 1,000,000/-.			
2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to PKR 1,000,000/- at least.			
3) Any Bid received below the Floor Price will not be accepted by the Book Runner.			
4) An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.			
5) <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>			
<b>Signature of Bidder:</b> _____			



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 "**BARKAT FRISIAN AGRO LIMITED-BOOK BUILDING**". For online transfer facility (pay order or demand draft may be deposited at any branch of **Meezan Bank Limited** and evidence to be submitted to the Book Runner) the payment shall be made into A/C "0111155617" in favour of **BARKAT FRISIAN AGRO LIMITED-BOOK BUILDING** maintained at **Meezan Bank Limited – Pakistan Stock Exchange Branch**.
- 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: \_\_\_\_\_

**To be filled in by the Book Runner:**

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp



18. GENERAL SUBSCRIPTION FORM

**SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(T) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(S) OF THE SECURITIES ACT, 2015**

تقديم بيانات كاذبة أو معلومات غير صحيحة في طلبات الاشتراك في أسهم شركة باركات فرسيان آgro المحدودة جريمة بموجب المادة 87(ت) من قانون الأوراق المالية، 2015 ويمكن أن يتم ضبط أموال هذه الطلبات بموجب المادة 87(س) من قانون الأوراق المالية، 2015

**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.**

**Barkat Frisian Agro 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 Barkat Frisian Agro Limited shall only be issued in scrip-less form in the CDS of CDCPL (Refer to Instruction No.3 on the reverse hereof)

Office No. 801, 8th Floor, 16641 Trade Centre III (BTC-3) Plot No. D, F6, Block C, Block F, F/Phase-4, Jinnah, Giza, Karachi. (http://www.barkatfrisian.com)

**Subscription Date**  
From 24 - 25 February, 2025 during banking hours

Banker's Stamp & Code

PSX  
Lots

Banker's Stamp

Bank Code Branch Code

Application Serial No.

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)/individual(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 forfeiture 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): \_\_\_\_\_ Please Tick  Male  Female

Former/Husband's Name (as per CNIC): \_\_\_\_\_

Identity Number (CNIC/Passport Registration No.) \_\_\_\_\_

Identity Number (NTN) \_\_\_\_\_

Additional Information - For Non-Resident Pakistanis and Foreign Investors Only:  
 Place of Issue of Passport: \_\_\_\_\_ Date of Issue of Passport (DD-MM-YY): \_\_\_\_\_  
 Corporate Business Letter enclosed:  Yes  No Nationality Code: \_\_\_\_\_ Country of Residence: \_\_\_\_\_

b) **FOR JOINT HOLDER, IF ANY**  
 b) Name in Full (as per CNIC): \_\_\_\_\_ Please Tick  Male  Female  
 Identity Number (CNIC/Passport Registration No.) \_\_\_\_\_

**DIVIDEND WARRANTS** - 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, interest 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)**

(i) It is certified that the above-mentioned applicant(s) bank maintaining account number as mentioned above at the bank branch and that their particulars and signature(s) are correct and verified as per the Bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us.

Note: In case the subscription money is paid through a bank other than the Bankers to the issue (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.

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 issuer's Professional acknowledgement of application for shares of Barkat Frisian Agro Limited  
 Received from Mr/Ms/Ms. \_\_\_\_\_ States: \_\_\_\_\_ 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 include:
  - 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/provident 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, Lead Manager and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded from the website: [www.barkatfrisian.com](http://www.barkatfrisian.com), [www.scri.com.pk](http://www.scri.com.pk), [www.arifhabib.com](http://www.arifhabib.com) & [www.ahabib.com](http://www.ahabib.com)
- 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 address must be written in full block letters, in English and should not be abbreviated.
- All applicants 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) or Passport (in case of non-resident Pakistanis and FIIs) as the case may be, should be enclosed and the number of CNIC/Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councillor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
  - Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
  - Applications made by companies, corporate bodies, mutual funds, provident/pension/provident 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 (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, 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 CNIC/Passport. The Shares will be credited to the CDC 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 (Account Titles given below) and crossed "AC PAYEE ONLY".

Sr no.	Bank Name	Account Title
1	Meezan Bank Limited	BARKAT FRISIAN AGRO LTD-GENERAL PUBLIC SUBSCRIPTION
2	Fayyaz bank Limited	BARKAT FRISIAN AGRO LTD-GENERAL PUBLIC SUBSCRIPTION
3	Habib Bank Limited	BFAL - GENERAL PUBLIC SUBSCRIPTION
4	Habib Metropolitan Bank Limited	BARKAT FRISIAN AGRO LTD -GENERAL PUBLIC SUBSCRIPTION
5	Bank Al Habib Limited	BARKAT FRISIAN AGRO LTD -GENERAL PUBLIC SUBSCRIPTION

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 applicant.

- 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 CDC 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, in 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(1) of the Securities Act, 2015 and each applicants' money is liable to confiscation under section 87(8) of the Securities Act, 2015.

موہرا ماناس کو مطلع کیا جا چکا ہے کہ سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن نمبر 87(1) کے تحت جعلی یا غلطی پر مشتمل درخواستیں یا غلطیوں کا تاہم سے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرنا چاہتی ہے، سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن نمبر 87(8) کے تحت ضبط کر لی جا سکتی 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 investors should follow payment instruction given in Section 12 xii 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 multiples 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 CDC accounts of the successful applicants.

A. BANKERS TO THE ISSUE		B. OCCUPATION CODES	
Code	Name of Banks	Code	Occupation
01	Habib Bank Limited	01	Business
02	Meezan Bank Limited	02	Business Executive
03	Fayyaz Bank Limited	03	Student
04	Habib Metropolitan Bank Limited	04	Service
05	Bank Al Habib	05	Agriculturist
		06	Industrialist
		07	Other

- The Central Depository Company of Pakistan (CDC) has developed a Computerized A PD System (CES) through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available to this IPO which can be accessed through the web link [www.ces.com](http://www.ces.com). Payment of subscription money can be made through TLNK member banks available for CES, list of which is available on above website.
- For making application through CES, investor must be registered with CES. Registration with CES is free of cost and a self-registration process by filing 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 CDC Account (Investor Account or sub Account) may register themselves with CES.
- Investors who do not have CDC account may visit [www.ces.com](http://www.ces.com) for information and details. For further guidance and queries regarding CES and opening of CDC account, investors may contact CDC at phone Number: 0800 - 22275 (CCOP), and e-mail: [info@ces.com](mailto:info@ces.com) or contact Mr. Farooq Ahmed at Phone 321-3432630 and email: [farooq.ahmed@ces.com](mailto:farooq.ahmed@ces.com). For further details on CES, please refer section 13 of the Prospectus.

**13. NATIONALITY CODE**

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

For further queries you may contact  
**Barkat Frisian Agro Limited**: Muhammad Farooq Zafar (Chief Financial Officer), Phone: +92 (21) 3548 0032, E-mail: [farooq.zafar@barkatfrisian.com](mailto:farooq.zafar@barkatfrisian.com), **Arif Habib Limited**: Usama Haq, Phone: +92 (21) 3628 0020; E-mail: [usama.haq@arifhabib.com](mailto:usama.haq@arifhabib.com)