

FOR ALL CONCERNED

PLACEMENT OF DRAFT PROSPECTUS OF "ZAREA LIMITED" ON PSX WEBSITE

FOR SEEKING PUBLIC COMMENTS

Pakistan Stock Exchange Limited ["PSX"] is pleased to inform all concerned that **ZAREA Limited** ["the Company"] has applied for listing on the Main Board of PSX.

The total issue size of the Initial Public Offering comprises of 62,500,000 Ordinary Shares having par value of PKR 01/- each using the Book Building Method at a Floor Price of PKR 16/- per share. Topline Securities Limited and Growth Securities Limited are the Joint Lead Managers to the Issue.

Pursuant to Circular No. 16 of 2023 dated November 08, 2023 notified by the Securities & Exchange Commission of Pakistan (SECP), the Draft Prospectus of the Company is hereby placed on the PSX Website under the caption of "**Public Comments on Draft Prospectus of Zarea Limited**". Details about the Issue can be reviewed through the attached Draft Prospectus of the Company.

All concerned are requested to provide their written comments on the Draft Prospectus, if any, to PSX by emailing at comments.draftprospectus@psx.com.pk latest by **COB Monday, November 04, 2024**.



Syed Ahmad Abbas
Chief Listing Officer

Copy to:

1. The Additional Director / HOD, PMADD (SMD), SECP
2. The Chief Executive Officer, PSX
3. Zarea Limited
4. Topline Securities Limited (Joint Lead Manager to the Issue)
5. Growth Securities Limited (Joint Lead Manager to the Issue)
6. PSX Website & Notice Board

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

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID IN ACCORDANCE WITH PUBLIC OFFERING REGULATIONS, 2017. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER PUBLIC OFFERING REGULATIONS, 2017. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN 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.



ZAREA LIMITED (FORMERLY VISION 2A PRIVATE LIMITED)

Initial Public Offering Prospectus

Date and place of incorporation: September 16th, 2020, Lahore | INCORPORATION NUMBER: 0158011 | REGISTERED ADDRESS: Zarea Limited, Delta 6 Office No. 6011, NASTP, Abid Majeed Road Lahore Cantt., Pakistan Zarea Limited: Mr. Ali Alam Qamar (Chief Executive Officer), Phone: +92-42-32176455 Email: ceo@zarea.pk | Syed Muhammad Akram (Company Secretary), Phone: +92-42-32176455, Email: cosecretary@zarea.pk | Mr. Usman Iftikhar (Chief Investment Officer), Phone: +92-42-32176455, Email: cio@zarea.pk | WEB ADDRESS: <https://zarea.pk/>

Issue Size: 62,500,000 Ordinary Shares equivalent to 23.81% of the total post-IPO paid up capital of Zarea Limited of face value of PKR 1.0/- each.

Method of Offering: 100% Book Building Method

Book Building Method & Floor Price: The entire issue will be offered through the Book Building at a floor Price of PKR 16/- per share (including premium of PKR 15/- per share) with a maximum price band of up to 40% i.e., PKR 22.4 per share. Justification of premium is given under "Valuation Section" in 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., 46,875,000 shares and the remaining twenty five percent (25%) i.e., 15,625,000 shares shall be offered to the retail investors through general public portion. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders on pro rata basis.



Retail/General Public Portion: General Public portion of the Issue comprises of 15,625,000 Ordinary Shares (25% of 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 [.] to _____. Public comments received were duly responded back by the Joint Consultant to the Issue.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on [.] and will close at 3:00 pm on [.] 2024

BIDDING PERIOD DATES: From [.] to [.] (both days inclusive) **From: 9:00 am to 5:00 pm**

DATES OF PUBLIC SUBSCRIPTION: From [.] to [.] (both days inclusive) **From: 9:00 am to 5:00 pm**

Joint Consultant to the Issue & BookRunner	Book Building Portion will be Credit Underwritten by
	

Bankers to the Book Building portion of the Issue:

Faysal Bank Limited

Bankers for the Retail portion of the Issue:

Faysal Bank Limited	Meezan Bank Limited	Dubai Islamic Bank Limited
MCB Bank Limited	JS Bank Limited	United Bank Limited

For Retail 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 can be accessed via web link <https://eipo.psx.com.pk> and CES can be accessed via web link www.cdceipo.com. For details, please refer to section 13.1.4 of the Prospectus.

Date of Publication of this Prospectus: [.]

Prospectus, Bidding Form, and Subscription Form can be downloaded from the following websites: <http://zarea.pk>, <http://www.topline.com.pk> and <http://www.psx.com.pk> and <http://www.cdceipo.com>

For further queries you may contact

Zarea Limited: Mr. Ali Alam Qamar (Chief Executive Officer), Phone: +92-42-32176455 Email: ceo@zarea.pk | Syed Muhammad Akram (Company Secretary), Phone: +92-42-32176455, Email: cosecretary@zarea.pk | Mr. Usman Iftikhar (Chief Investment Officer), Phone: +92-42-32176455, Email: cio@zarea.pk | **Topline Securities Limited:** Muhammad Ismail (Senior Associate - Corporate Finance) and Abdul Hafeez (Associate - Corporate Finance), Phone: +92-21-35303330 EXT: 151; E-mail: Abdul.Hafeez@topline.com.pk | **Growth Securities Limited:** Zeeshan (Director and Head of Sales), Phone: +92-21-32463001-3; E-mail: investmentbanking@growthsecurities.com.pk and Muhammad Iqbal (Director), Phone: +92-21-32463000, E-mail: igbalkarim@growthsecurities.com.pk

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

RISK FACTORS:

- a) Ecommerce and technology sector is less capital intensive; coupled with low barriers to entry and facilitation by the government of Pakistan to promote IT sector. New entrants may impact profitability margins of the company.
- b) In FY24, the company earned investment gain of PKR 64 million. There is a possibility that this gain may not be sustained, impacting the profitability of the Company.
- c) The Company provides credit to its customers due to which it has a Receivable Turnover of 205 days. This increases the credit risk of the company and increases the possibility of negative cashflows. For further details, refer to Section 5.2.7.
- d) Currently, Zarea is enjoying favorable tax treatment/exemption due to Zone Enterprise License. Any changes in tax treatment could adversely affect the company's profitability. For further details, refer to Section 3.15.
- e) As the Company's revenue depends on customers buying from Zarea's Platform, there is a possibility of losing key customers due to service disruptions, dissatisfaction, or competitive pressures which could impact Zarea's profitability margins.
- f) Zarea's revenue is dependent on Platform Usage Fee earned from its platform. Any disruptions in internet connectivity or in Zarea's platform could adversely affect the revenues.

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

E-STAMP

ID: PB-LHR-121F22D22D1A6D98

Type: Low Denomination

Amount: Rs 300/-

Description: CERTIFICATE OR OTHER DOCUMENT - 18

Applicant: ZAREA LTD (35000-0000000-0)

Representative From: ZAREA LTD

Agent: Ali (35000-0000000-0)

Address: LAHORE

Issue Date: 20-Aug-2024 5:15:03 PM

Delisted On/Validity: 27-Aug-2024

Amount in Words: Three Hundred Rupees Only

Reason: AFFIDAVIT IN FAVOUR OF C.E.O PAKISTAN STOCK EXCHANGE

Vendor information: Muddasar Hussain | PB-LHR-2805 | Daroghawala Lahore



Scan for online verification



Muddasar Hussain
STAMPED
20-Aug-2024
Daroghawala Lahore



Date: 20/9/24

UNDERTAKING

We, (1) ALI ALAM QAMAR SON OF MOMIN QAMAR, HAVING OFFICE AT DELTA 6 OFFICE NO.6011, NASTP ABID MAJEED ROAD LAHORE CANTT., BEARING CNIC NUMBER 35201-6331948-3 BEING THE CHIEF EXECUTIVE OFFICER OF Zarea Limited (THE "ISSUER"); AND (2) MUHAMMAD USMAN AMEER SON OF MUHAMMAD AMEER, HAVING OFFICE AT DELTA 6 OFFICE NO.6011, NASTP ABID MAJEED ROAD LAHORE CANTT., BEARING CNIC NUMBER 38401-6810332-5, BEING THE CHIEF FINANCIAL OFFICER OF THE COMPANY, DO HEREBY CERTIFY THAT;

- 1) THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE LISTING OF THE SHARES OF THE ISSUER ON THE PAKISTAN STOCK EXCHANGE LIMITED, 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 THE 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 THIS PROSPECTUS.

FOR AND ON BEHALF OF ZAREA LIMITED



Ali Alam Qamar
Chief Executive Officer
Zarea Limited



Muhammad Usman Ameer
Chief Financial Officer
Zarea Limited

Muhammad Usman Ameer
Muhammad Usman Ameer
Notary Public Lahore

ATTENDED
G. M. CHIEF FINANCIAL OFFICER
DASH COMMISSIONER

SUPPLEMENT TO THE PROSPECTUS

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 Zarea Limited was published.

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Zarea Limited earlier published on [●]/2024

Zarea Limited

- FLOOR PRICE: PKR 16/- PER SHARE
- STRIKE PRICE: PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE
- PRICE BAND (40% above the FLOOR PRICE): PKR 22.40/- PER SHARE

Category wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of shares provisionally allocated
	Institutional Investors:		
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	●	●
	Total Institutional Investors	●	●
	Individual Investors:	●	●
12	Foreign Investors	●	●
13	Local	●	●
	Total Individual Investors	●	●
	GRAND TOTAL		

Glossary of Technical Terms

ACT	Securities Act, 2015
AOV	Average Order Value
AI	Artificial Intelligence
ATL	Active Taxpayers List
BM	Building Material
Bn	Billion
BOD	Board of Directors
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CEO	Chief Executive Officer
CES	Centralized e-IPO System
CFO	Chief Financial Officer
CFS	Challenge Fund for SMEs
CIO	Chief Investment officer
CMO	Chief Marketing Officer
Commission / SECP	Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
COO	Chief Operating Officer
CTO	Chief Technology Officer
EPS	Earnings Per Share
FBR	Federal Board of Revenue
FIIP	Financial Inclusion and Infrastructure Project
FY	Fiscal Year
GBP	Great Britain Pound
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GMV	Gross Merchandise Value
INR	Indian Rupee
IoT	Refers to collective network of connected devices & technologies
GPL	Goldfinger Private Limited
INR	Indian Rupee
Mn	Million
MOU	Memorandum of Understanding
MT	Metric Tons
NFIS	National Financial Inclusion Strategy
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
p.a.	Per Annum
PSDP	Public Sector Development Program
p.q.	Per Quarter
PES	PSX's e-IPO System

PKR or Rs.	Pakistan Rupee(s)
PSX / Exchange	Pakistan Stock Exchange Limited
PUF	Platform Usage Fee
R&D	Research & Development
SBP	State Bank of Pakistan
SME	Small & Medium Sized Enterprises
SMEDA	Small and Medium Enterprise Development Authority
TTM	Trailing Twelve Months
UI	User Index
UIN	Unique Identification Number
WBG	World Bank Group
YOY	Year on Year change
Zarea Limited/ Company / Issuer / Zarea / ZL	Zarea Limited

DEFINITIONS

Application Money	The total amount of money payable by a successful investor which is equivalent to the product of the Strike Price and the number of shares subscribed and allotted.
Banker to the Book Building	Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the Bid amount. Faysal Bank Limited has been appointed, in this IPO, as the Banker to the Book Building.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Zarea Limited at a price at or above the Floor Price, including upward revisions thereto. 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.
Bid Amount	The amount equal to the product of the number of Shares Bid for and the Bid Price.
Bid Collection Center	Designated offices of the Book Runner, specified branches of the Banker to the Book Building and offices of any other institutions specified by the Book Runner where Bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in Section 12.1.6 of this Prospectus.
Bid Price	The price at which Bid is made for a specified number of shares.
Bid Revision	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. 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. As per Regulation 10(2)(vii) of the PO Regulations, the Bidder shall not withdraw their Bids.
Bidder	An Eligible Investor who makes Bids for shares in the Book Building process.
Bidding Form	The form prepared by the Issuer for the purpose of making Bids.
Bidding Period	The period during which Bids for subscription of shares are received. The Bidding Period shall be of two days, from [.] to [.] both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).
Book Building	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.
Book Building Account	An account opened by the Issuer with the Bankers to the Book Building.
Book Building Portion	The part of the total Issue allocated for subscription through the Book Building.

Book Runner	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.</p> <p>Topline Securities Limited and Growth Securities (Pvt.) Limited has been appointed as Joint Book Runner for this Issue.</p>
Book Building System / System	<p>An online electronic system operated by the Designated Institution for conducting Book Building.</p>
Collection Banks for General Public/ Retail Portion	<p>Mentioned below are the Collection Banks for the General Public portion. Account details for collection Banks are mentioned in section 13.1.7 of the Prospectus:</p> <ol style="list-style-type: none"> 1. Faysal Bank Limited 2. Meezan Bank Limited 3. MCB Bank Limited 4. JS Bank Limited 5. Dubai Islamic Bank Limited 6. United Bank Limited
Company's Legal Advisor	<p>Mohsin Tayebaly & Co. First Floor, DIME Centre, BC-4, Block 9, Kehkashan Clifton, Karachi Office Phone Number +92-21-111-682-529 http://www.mtclaw.com.pk</p>
Consolidated Bids	<p>A Bid which is fully or partially beneficially owned by persons other than the one named therein.</p>
Designated Institution	<p>Pakistan Stock Exchange Limited ("PSX") is acting as the Designated Institution for this Issue and its Book Building system will be used for price discovery.</p>
Dutch Auction Method	<p>The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares Bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares offered under the Book Building Portion are subscribed.</p>
e-IPO facility	<p>e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:</p> <p>(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 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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

	<p>e-IPO application can be filed by:</p> <ul style="list-style-type: none"> 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. <p>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.</p> <p>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 [.].</p> <p>(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 can be made electronically. CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's memberbanks available for CES.</p> <p>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.</p>
Eligible Investor	An Individual and Institutional Investor, whose Bid Amount is not less than the minimum Bid size of PKR 1,000,000/- (One Million Rupees only).
Floor Price	The minimum price per share set by the Issuer in consultation with Lead Manager. For this Issue, Floor Price is PKR 16/- per share.
GDP	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.
Initial Public Offering (IPO)	Initial Public Offering or IPO means first time offer of securities to the General Public.
Institutional Investors	<p>Any of the following entities:</p> <ul style="list-style-type: none"> A financial institution; A Company as defined in the Companies Act, 2017; An insurance Company established under the Insurance Ordinance, 2000; A securities broker; A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; A private fund established under Private Fund Regulations, 2015; Any employee's fund established for beneficial of employees; Any other fund established under any special enactment; A foreign Company or any other foreign legal person; and Any other entity as specified by the Commission.
Issue	Issue of 62,500,000 Ordinary Shares representing 23.81% of total Post-IPO Paid-Up Capital having a Face Value of PKR 1/- each.

Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
Issuer	Zarea Limited (the “Company” or the “Issuer” or “Zarea” or “ZL”).
Key Employees	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
Lead Manager	Any person licensed by the Commission to act as a Consultant to the Issue/Lead Manager. Topline Securities Limited and Growth securities have been appointed as Joint Lead Manager by the Issuer for this Issue.
Limit Bid	The Bid at a Limit Price.
Limit Price	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled ‘Listing of Companies and Securities Regulations’. https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Rulebook-August-28-2024.pdf
Margin Money	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.
Minimum Bid Size	The Bid amount equal to PKR 1,000,000/- (Rupees One Million only).
Ordinary Shares	Ordinary Shares of Zarea Limited having face value of PKR 1.0/-each.
PO Regulations	The Public Offering Regulations, 2017 https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-september-15-2021/?wpdmdl=43440&refresh=63ce67a067fd21674471328
Price Band	Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band.
Prospectus	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.
Related Employees	Related Employees mean such employees of the Issuer, the Lead Manager, the Underwriter & Book Runner, who are involved in the Issue. Please refer to Sections 3A(iv) & 3A(vii) for further details.
Sponsor	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; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing Company whether directly or indirectly.

Step Bid

Step Bid means a series of Limit Bids at increasing prices. In case of a StepBid, the amount of each step will not be less than Rupees One million (PKR 1,000,000/-).

Strike Price

The price per Ordinary Share of the Issue determined/discovered on the basis of Book Building process in the manner provided in the PO Regulations, at which the shares are issued to the successful Bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Exchange, Consultant to the Issue, Book Runner and the Company.

Supplement to the Prospectus

The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Exchange where shares are to be listed.

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 SECURITIES 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 Zarea Limited for the issue, circulation, and publication of this offering document (hereinafter referred to as the "Prospectus") vide their letter No. [.] Dated [.]

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 REGARDS 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 BIDDING / SUBSCRIBING.

1.2. APPROVAL OF PROSPECTUS BY PSX

The Prospectus of the Company has been approved by PSX vide letter No. PSX/ GEN-____ dated_____ in accordance with the requirements of the Listing Regulations.

DISCLAIMER:

THE SECURITIES EXCHANGE 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 THE SECURITIES EXCHANGE.

THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY THE SECURITIES EXCHANGE, 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 THE EXCHANGE.

IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY THE SECURITIES EXCHANGE AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

THE SECURITIES EXCHANGE 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.

THE SECURITIES EXCHANGE 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

Zarea Limited (the "Company" or the "Issuer" or "Zarea" or "ZL") has filed with the Registrar of Companies as required under Sections 57 (1) of the Companies Act 2017, a copy of this Prospectus signed by all the Directors of the Company.

1.4. LISTING AT PSX

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

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

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the 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 ZL

Zarea Limited (“ZL” or “the Company”) is one of the leading digital technology companies specializing in the commodity trading market of Pakistan. The Company has a proprietary platform that offers a comprehensive procurement platform where buyers can procure goods at the competitive rates and monitor prices with an intuitive ease to use interface.

The prime focus of the Company is on the transformation and digitalization of B2B commodity marketplaces and other consumer centric functions of organization while also providing services such as Logistics, Storage, Credit and Data analytics. These services not only enhance the user experience but also strengthen customer retention and provide significant opportunities for long-term growth, enabling ZL to increase its market share in the rapidly evolving digital economy.

ZL provides an E-commerce marketplace for commodities, including cement, steel, other building materials, and agri biomass, connecting B2B buyers and suppliers, while charging platform fees to generate revenue. ZL also has plans to add coal, chemicals, grains & pulses, sugar, fertilizers, cotton & yarn, and agricultural perishables to expand and diversify its product portfolio.

For investors, this expansion presents a compelling opportunity, as ZL capitalizes on Pakistan’s growing digital economy and its increasing demand for efficient, technology-driven commodity trading solutions. The platform’s scalable model and diversified product portfolio position ZL for long-term revenue growth and profitability.

The ecommerce industry where ZL operates is low capital intensive, coupled with low barriers to entry and facilitation by the government of Pakistan to promote IT sector.

2.2 SPONSORS OF ZL

The sponsors of ZL are as follows:

- Mr. Ali Alam Qamar
- Goldfinger Private Limited
- Ms. Misbah Momin

2.3 SALIENT FEATURES OF THE ISSUE

Total Issue Size	62,500,000 ordinary shares equaling PKR 1,000,000,000 at the Floor Price of PKR 16 per share.
% of total Post-IPO Paid Up Capital	23.81
Floor Price	PKR 16/- per share
Method of Offering	100% Book Building

The Issue comprises 62,500,000 Ordinary Shares of Face Value of PKR 1/- each, which constitutes 23.81% of the total Post-IPO Paid Up Capital of the Company. This Issue of 62,500,000 Ordinary Shares will be offered through the 100% Book Building process at a Floor Price of PKR 16/- per share. Initially, 75% of the issue size i.e., 46,875,000 ordinary shares will be allotted to Successful Bidders and 25% of the issue i.e., 15,625,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

2.4 PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Given below is the Pre and Post-IPO shareholding of the Sponsors of the Company:

Sponsors Shareholding Pattern

Sponsors	Designation	Pre-Issue Shareholding	% of Total Shareholding	Post-Issue Shareholding	% of Total Shareholding
Mr. Ali Alam Qamar	CEO/Director	108,999,996	54.5%	108,999,996	41.5%
M/S Goldfinger Private Limited	Sponsor	90,000,000	45.0%	90,000,000	34.3%
Mrs. Misbah Momin	Chairperson	1,000,000	0.5%	1,000,000	0.4%
Total of Sponsors		199,999,996	100.0%	199,999,996	76.20%

2.5 PRINCIPAL PURPOSE OF THE ISSUE AND UTILIZATION OF THE PROCEEDS

The total proceeds of PKR 1,000 million would be utilized to fund the following:

- Investment in Company's expansion in technology, infrastructure, logistics & operations, and marketing of its online platform to achieve growth through user acquisition
- Maintain and upgrade its online platform
- Meeting working capital requirement
- Fund new office development and to improve HR function
- Capital expenditure in line with growing needs of the Company

Given below is a summary of how the Company intends to utilize the proceeds raised from the IPO:

Utilization of IPO Proceeds		
Item	Percentage of Total Proceeds	Estimated Cost (PKR)
Working Capital	45.0	450,000,000
Logistics	24.0	240,000,000
Technology	12.5	125,000,000
Marketing	7.5	75,000,000
Office	6.0	60,000,000
Human Resource	5.0	50,000,000
Total	100.0	1,000,000,000

Source: Company Management

2.6 JUSTIFICATION OF PREMIUM

Justification given by the Lead Manager in favor of Floor Price of PKR 16/- per share may be seen under 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 by its Auditor during the last three financial years FY24, FY23 and FY22 by the Company's Auditor i.e. Naveed Zafar Ashfaq Jaffery & Co, Chartered Accountants.

2.8 FINANCIAL INFORMATION (PLEASE REFER TO SECTION 6.6 FOR DETAILED FINANCIALS AND COMMENTARY ON KEY RATIOS)

Accounts of the Company can be accessed from Company's website: <https://zarea.pk/investor-relations/>
The key financial information of the Company is given as follows:

Unconsolidated Audited Accounts	FY21	FY22	FY23	FY24
Key Financial Highlights				
Issued share capital (PKR)	20,000,000	20,000,000	20,000,000	200,000,000
No. of shares	2,000,000	2,000,000	2,000,000	200,000,000
Net Worth (PKR)	67,034,033	102,142,234	213,394,307	597,644,357

Net Revenue (PKR)	11,752,862	54,357,649	114,912,232	281,060,855
Profit after Tax (PKR)	5,034,033	23,608,201	81,252,073	292,811,085 ¹
Cashflow from operations (PKR)	(2,581,020)	41,964,975	31,893,366	(28,856,946)
Key Ratios				
Current Ratio ² (x)	26.31	4.23	7.15	18.19
Gross Margin ³	100%	100%	100%	100%
EBITDA Margin ⁴	62%	61%	91%	105%
Profit after Tax Margin ⁵	42.8%	43.4%	70.7%	104% ⁶
Earnings per share ⁷	2.52	11.80	40.63	1.46 ⁸
Breakup value per share ⁹	33.5	51.1	106.7	2.99
Total borrowings	0	0	0	0
Total debt to equity	0	0	0	0

Source: Audited Accounts

Consolidated Audited Accounts	FY24
Key Financial Highlights	
Issued share capital	200,000,000
No. of shares	200,000,000
Net Worth	597,794,357
Non-controlling Interest	225,000
Net Revenue	281,060,855
Profit after Tax ¹⁰	292,711,085
Profit after Tax – Attributable to owners of Zarea Limited	292,736,085
Profit after Tax – Attributable to Non-Controlling Interest	(25,000)
Cashflow from operations	(28,856,946)
Key Ratios	
Current Ratio ¹¹ (x)	18.16
Gross Margin ¹²	100%
EBITDA Margin ¹³	105%
Profit after Tax Margin ¹⁴	104% ¹⁵
Earnings per share ¹⁶	1.46 ¹⁷
Breakup value per share ¹⁸	2.99
Total borrowings	0
Total debt to equity	0

Source: Audited Accounts

2.9 LEGAL PROCEEDINGS

There are no pending Legal proceedings of ZL as of June 30, 2024. For further details please refer to section 8.

Note: There are no pending litigations against the Company, Sponsors, Substantial Shareholders and Directors.

2.10 RISK FACTORS

For key risk factors that would have an impact on the Company and the Issue, please refer to Section 5.

¹ Net Earnings excluding other income was PKR 227,661,076 in FY24

² Current assets/current liabilities

³ Gross profit/sales

⁴ EBITDA/sales

⁵ Profit after tax/sales

⁶ Profit after tax margin excluding other income was 81% in FY24

⁷ Profit after tax/number of shares

⁸ Earnings per share was PKR 3.99 for FY24 based on weighted average number of shares

⁹ Total equity / number of shares

¹⁰ Net Earnings excluding other income was PKR 227,561,076 in FY24

¹¹ Current assets/current liabilities

¹² Gross profit/sales

¹³ EBITDA/sales

¹⁴ Profit after tax/sales

¹⁵ Profit after tax margin excluding other income was 81% in FY24

¹⁶ Profit after tax/number of shares

¹⁷ Earnings per share was PKR 3.99 for FY24 based on weighted average number of shares

¹⁸ Total equity / number of shares

2.11 SUMMARY OF RELATED PARTY TRANSACTIONS

All transactions with related parties are carried out at a mutually agreed price on an arm's length basis. The related parties comprise of Sponsors, Promoters, Associated Concerns, Directors and Key Management Personnel of the Company. The Company in the normal course of business carries out transactions with related parties, which are as follows:

Amount in PKR

Related Party	Relationship	Nature of Transaction	FY21	FY22	FY23	FY24
Loan Received from Sponsors						
Ali Alam Qamar	Director	Loan received from Sponsor	42,000,000	11,500,000	5,000,000	31,500,000
Gold Finger (Pvt.) Limited	Common Directorship	Loan received from Sponsor	-	-	25,000,000	65,000,000
Loan from Sponsor converted into Ordinary Shares						
Ali Alam Qamar	Director	Right Issue	-	-	-	90,000,000
Gold Finger (Pvt.) Limited	Common Directorship	Right Issue	-	-	-	90,000,000
Loan Outstanding as per Audited Financial Statements						
Ali Alam Qamar	Director	Loan from Sponsor	42,000,000	53,500,000	58,500,000	-
Gold Finger (Pvt.) Limited	Common Directorship	Loan from Sponsor	-	-	25,000,000	-

Source: Company Management

3 OVERVIEW, HISTORY AND PROSPECTS

3.1. COMPANY'S BACKGROUND AND HISTORY

Name of Company	Zarea Limited
Incorporation Number	0158011
Date of Incorporation and Place	September 16, 2020, in Lahore
Date of Initiation of Business	October 2020, in Lahore
Year of Conversion into Public Limited Company	April, 15 2024

ZL, initially registered as Vision 2A Private Limited which was incorporated on September 16, 2020. The Company formally changed its name from Vision 2A Private Limited to Zarea (private) Limited on August 22nd, 2022. It was later converted into a public limited Company on April 15, 2024, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company's registered office is at Delta 6 Office No. 6011, NASTP Abid Majeed Road Lahore Cantt. The Company is one of the leading players in e-commerce and is currently engaged in employing technology to streamline raw materials and commodities procurement in Pakistan.

ZL is a Digital Technology Company that specializes in B2B commodity trading in Pakistan. ZL provides a platform that connects B2B buyers and sellers. The platform is free to use for everyone. The Company earns its revenue by charging PUF on each transaction completed on its platform. For each commodity, PUF is charged as a fixed percentage of the total value of transaction and is collected by the supplier/Logistic provider/ZL. However, this fixed percentage varies for each commodity. Since its inception in 2020, ZL has successfully dealt with four commodities sectors which are Cement, Agri Biomass, Steel, and Other Building & Finishing materials.

ZL is the parent entity of Zarea Agritech Private Limited and holds 75% of the shareholding. The principal line of business of Zarea Agritech Private Limited is to digitize Pakistan's agriculture supply chain by integrating digital solutions to streamline operations, enhance transparency, and improve efficiency within the sector.

ZL's key focus is to drive significant growth by expanding its user base and increasing transaction volumes on its platform. This will be achieved through targeted marketing efforts aimed at attracting a larger network of B2B buyers and sellers, as well as by diversifying its product offerings into additional commodity sectors. By continually enhancing the platform's functionality and expanding the range of commodities traded, ZL is positioned to capture a larger market share in Pakistan's rapidly evolving digital economy, ensuring sustained revenue growth and long-term value creation for its investors.

3.1.1. MAJOR COMMODITIES ON ZL'S PLATFORM¹⁹

ZL is pioneering the future of commodity trading in Pakistan, aiming to simplify and democratize access to the commodity market. Commodities they provide access to:

- Cement
- Agri biomass
- Building & finishing
- Steel

¹⁹ Company Management

3.1.2. BRIEF HISTORY & BACKGROUND OF SPONSORS²⁰

ZL has three sponsoring shareholders, detail of which sponsor is provided below:

Sponsors Shareholding Pattern					
Sponsors	Designation	Pre-Issue Shareholding	% of Total Shareholding	Post-Issue Shareholding	% of Total Shareholding
Mr. Ali Alam Qamar	CEO	108,999,996	54.5%	108,999,996	41.5%
M/s Goldfinger Private Limited		90,000,000	45.0%	90,000,000	34.3%
Mrs. Misbah Momin	Director	1,000,000	0.5%	1,000,000	0.4%
Total of Sponsors		199,999,996	100.0%	199,999,996	76.20%

- **Ali Alam Qamar** received his early education at Aitchison College, Lahore, followed by a BSc in Management from SOAS University of London and a master's in finance from the University of Cambridge. He has also completed a specialized course in Sustainable Finance and Investments from Harvard University. With diverse background in operations, supply chain management, and finance, Ali has been instrumental in leading various initiatives in the business sector.

Ali also led the creation of a local coal supply chain, managing the annual procurement of coal, which substituted imported coal and resulted in considerable cost efficiencies for the company. With his deep expertise in procurement, Ali is committed to revolutionizing Pakistan's procurement landscape, making it digital and seamless.

- **Goldfinger Private Limited** holds 45% shares in ZL. The owner of GPL is Ali Alam Qamar who owns 99.9%. The principal line of business of GPL is to invest in stocks, bonds, mutual funds or any other securities or its related instruments.
- **Misbah Momin** is an entrepreneur and philanthropist who is also the President of Misbah Momin Foundation and MM Talks. She is also the Editor-in-Chief of Mindful Magazine and part of the family. Ms. Momin has experience in communications and business development. She has been one of the key members of the CARE foundation for several years and has also served as a member of the National Commission on the status of women (NCSW) in Pakistan.

3.2. PATTERN OF SHAREHOLDING OF ZL

The pattern of shareholding for the Company as of 30th June 2024 is as follows:

Shareholding Pattern					
Sponsors/Directors	Particular	Pre-Issue Shareholding	% of Total Shareholding	Post-Issue Shareholding	% of Total Shareholding
Mrs. Misbah Momin	Chairperson	1,000,000	0.5%	1,000,000	0.4%
Mr. Ali Alam Qamar	CEO & Director	108,999,996	54.5%	108,999,996	41.5%
GoldFinger Pvt Ltd and its Nominee Mr. Nouman ul Hassan	Mr. Nouman ul Hassan is an Executive Director	90,000,000	45.0%	90,000,000	34.3%
Mr. Juneid Akram	Non-Executive Director	1	0.0%	1	0.0%
Mr. Sohail Wajahat Siddiqui	Independent Director	1	0.0%	1	0.0%
Mr. Muhammad Afzal Chaudhry	Independent Director	1	0.0%	1	0.0%
Mrs. Meezan Fahd Mukhtar	Non-Executive Director	1	0.0%	1	0.0%

²⁰ As per sponsor profile provided by ZL

Other Shareholders	Particulars	Pre-Issue Shareholding	% of Total Shareholding	Post-Issue Shareholding	% of Total Shareholding
IPO		0	0%	62,500,000	23.8%
Total		200,000,000	100%	262,500,000	100%

3.3. REVENUE DRIVERS

ZL earns its revenue from the PUF charged to users as a percentage of the order value per transaction.

3.3.1. INCREASING PENETRATION OF INTERNET & MOBILE

The annual cellular subscribers in Pakistan have increased from 151.52 million to 190.95 million in FY23 with a CAGR of 4.73% over 5 years. (FY19-FY23)²¹

Digitalization is driven by the widespread adoption of mobile technology. The higher the number of users using mobile phones, potential to explore and expand current and future commodities market in Pakistan. Due to this growth in market size, there will be increased demand for development of mobile apps and other digital experiences.

ZL can utilize this opportunity to increase its revenue from its online platform and diversify their consumer base by tapping the untapped portions of this digital market.

3.3.2. RAPIDLY GROWING YOUTH POPULATION

The high rate of population growth of Pakistan has led to the emergence of a large youth bulge²². With majority of Pakistan's population below the age of 30²³, the young will invariably influence the country's future trajectory. This young population tends to have higher consumption rates and spend more, which could result in increased economic activity and higher demand for ZL's commodities.

The younger population is more tech-savvy and engaged with digital platforms, this demographic familiarity and comfort with technology can lead to increased usage of ZL's digital services. The youth demographic also represents a market of new and potential customers allowing ZL to build a large consumer base.

ZL can capitalize on this opportunity and engage with its younger clients to help establish long-term customer relationships.

3.3.3. RISE OF DIGITAL PAYMENT SOLUTIONS

The rise of digital payment solutions can be a significant growth driver for ZL by streamlining the transaction process, making it faster and more efficient. For ZL this means quicker order processing and payment collection, improving cash flow and reducing the time between sales and revenue realization. Digital payment solutions will further provide ZL's customers a more convenient and secure way for them to pay, Leading to an enhanced customer experience for buyers.

Digital Payment solutions would enable ZL to reach a broader audience and can help them tap into new customer segments i.e. businesses that prefer digital transactions. The world bank has reported a significant increase in the use of digital financial services globally, especially in emerging markets like Pakistan. ²⁴This would increase the market reach of ZL and drive revenue growth.

3.3.4. LOGISTICS AND DELIVERY IMPROVEMENTS

Timely and reliable delivery is a critical factor in customer satisfaction. According to a survey by PwC, 88%²⁵ of consumers are willing to pay more for same day or faster delivery. By utilizing the proceeds to improve logistics, ZL will reach a wider geographic area and expand into new customer segments further building on the statement by world bank who highlighted that improved logistics can significantly reduce the time and cost of reaching distant markets. ZL also plans to utilize their proceeds in acquiring and building warehouses, which will further reduce operational costs and optimize inventory management by ZL.

²¹ <https://www.pta.gov.pk/category/telecom-indicators>

²² <https://www.brecorder.com/news/40250873>

²³ <https://www.dawn.com/news/amp/1831567>

²⁴ Digital-Financial-Services.pdf (worldbank.org)

²⁵ 88% Of Consumers Will Pay For Same-Day Delivery - Retail TouchPoints

3.3.5. INCREASED SMARTPHONE USAGE

The mobile Tele density in Pakistan is around 79.44% & around 193 million mobile cellular subscribers²⁶ with a significant portion using smartphones. With more people using smartphones ZL would be able to reach a broader audience through its online platform, driving revenue growth. Alongside this, mobile e-commerce is on the rise globally and in Pakistan. According to a report by Statista, mobile e-commerce sales worldwide have reached \$1.7trillion²⁷ in 2023.

Smartphones facilitate real-time communication and tracking within the supply chain, which will enable ZL to have faster delivery times, reduce operational costs and increase customer satisfaction, contributing to higher revenue. Capitalizing on the use of smartphones, ZL can utilize data analytics to gain insights into consumer preferences and market trends. This can help ZL in tailoring their marketing strategies and improve customer services. The increased usage of smartphones has improved accessibility and convenience and has allowed innovation in customer engagement which helps in building strong business-customer relationships.

3.3.6. GOVERNMENT SUPPORT AND DIGITAL INITIATIVES

Government policies regarding digital initiatives and corporate governance greatly impact the revenues of a Company. Governments often provide subsidies, tax breaks and financial incentives to promote digital transformation and economic growth.

The government of Pakistan, in its Budget 2024, has laid significant emphasis on advancing the Digital Pakistan vision. These initiatives would allow ZL to have a literate workforce alongside having a consumer base which is more comfortable in using digital platforms.

3.3.7. DIGITAL SHIFT POST COVID

The COVID-19 pandemic significantly accelerated the global digital shift, transforming the way businesses, governments, and individuals operate²⁸. Likewise other sectors, the e-commerce sector experienced a significant boost²⁹ as consumers turned to online shopping for convenience and safety, leading to record-breaking sales on platforms such as Amazon and Alibaba. Digital payment systems also saw widespread adoption, further enabling the shift towards a cashless economy. This accelerated digital transformation has driven innovation, increased efficiency, and opened new avenues for growth across industries globally.

In Pakistan, the digital shift, particularly in e-commerce, has seen remarkable progress, driven by increased internet penetration and a growing middle class. The pandemic acted as a catalyst, pushing traditional businesses to adopt online platforms to stay afloat. E-commerce giants like Daraz, as well as emerging local platforms, experienced substantial growth in user base and sales volumes. The government's initiatives to promote digital payments and improve digital infrastructure, such as the Raast payment system³⁰, have further supported this shift. Small and medium-sized enterprises (SMEs) leveraged social media and digital marketplaces to reach a broader audience, overcoming geographical limitations. This surge in e-commerce has not only expanded market access for businesses but also provided consumers with greater convenience and a wider range of choices, driving the digital economy's growth in Pakistan.

3.3.8. CONSTRUCTION ACTIVITY IN PAKISTAN

Growth in construction sector in Pakistan is driven by government infrastructure projects, urbanization, and an increasing population. The government's focus on developing housing schemes, roads, and other infrastructure projects is expected to boost the demand for construction materials, benefiting ZL. This increased activity in the construction sector will drive higher sales for ZL's cement, steel, and building materials, contributing to revenue growth.

²⁶ <https://www.pta.gov.pk/category/telecom-indicators>

²⁷ <https://www.statista.com/statistics/1449284/retail-mobile-commerce-revenue-worldwide/#:~:text=A%20large%20part%20of%20the,all%20retail%20e%2Dcommerce%20sales.>

²⁸ <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>

²⁹ <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>

³⁰ <https://tribune.com.pk/story/2482014/pakistan-to-connect-raast-payment-system-globally>

3.3.9. DECREASE IN SME FINANCING

Small and medium-sized enterprises (SMEs) play a vital role in Pakistan's economy. Even with the government's support and various initiatives to promote SME growth, there has been a notable decrease in SME financing³¹. ZL can leverage this financing gap by providing SMEs with easy access to quality commodities on credit terms through its platform. This will help ZL expand its customer base and drive revenue growth from the SME sector.

3.3.10. INCREASE IN COMMODITY TRADE

The global and domestic demand for various commodities is on the rise. As markets continue to recover and grow, ZL is well-positioned to capitalize on the increasing trade of commodities such as Agri biomass, cement, and steel. By ensuring transparency, quality, and timely delivery, ZL can attract more buyers and sellers to its platform, further driving revenue growth and market share.

3.4. COST DRIVERS

Key Cost drivers	FY 22		FY 23		FY 24	
	PKR	% of total Expense	PKR	% of total Expense	PKR	% of total Expense
Administrative & General Expense³²	2,796,191	29.81	5,200,902	36.75	24,640,049	46.07
Selling and Distribution Expenses	6,582,266	70.18	8,882,572	62.75	28,759,730	53.78
Finance Cost	849	0.01	70,133	0.50	79,577	0.15
Total	9,379,306	100	14,153,607	100	53,479,356	100

*Audited Financial Statements

3.4.1. EXPLANATION OF KEY COST DRIVERS

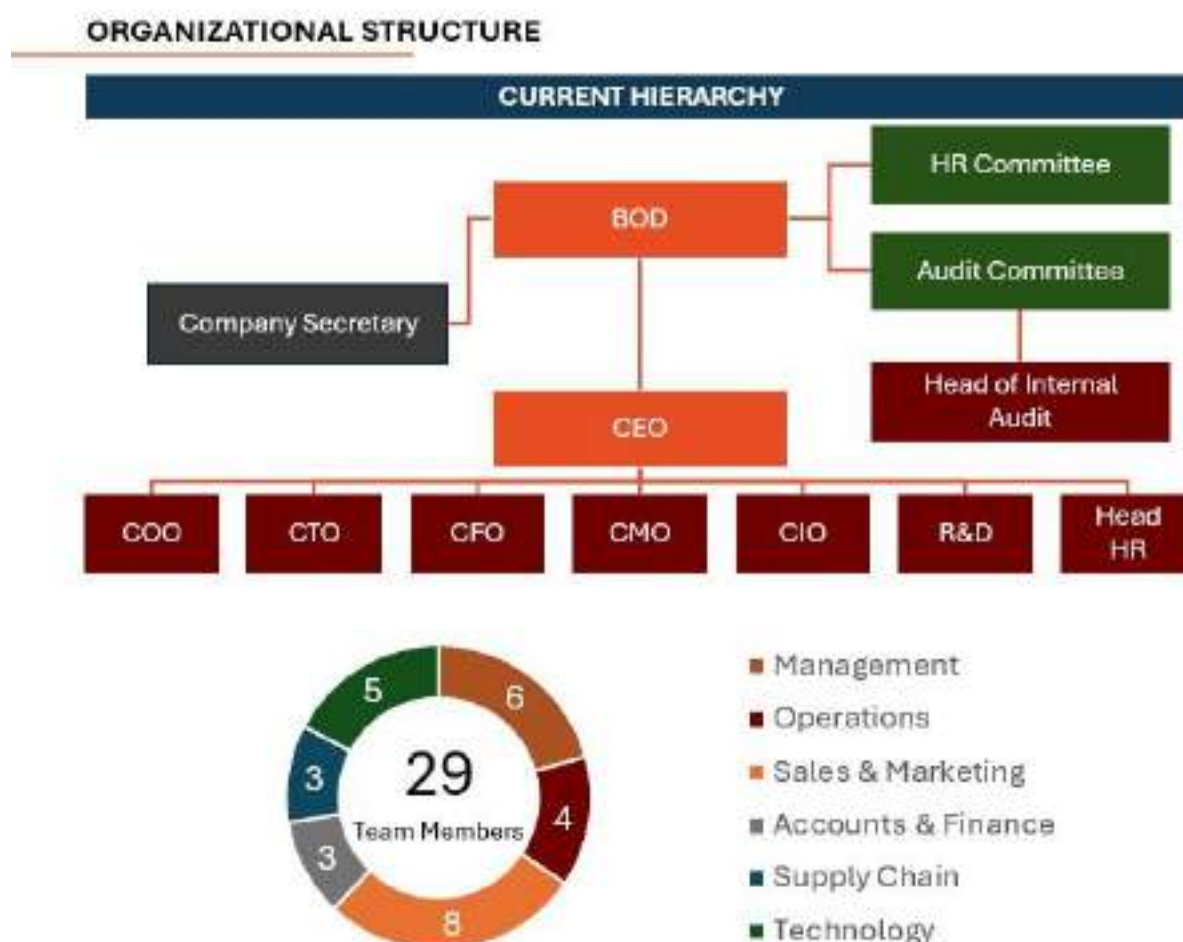
Key Cost Drivers	Explanation
Administrative and General Expenses 1-Salaries, Benefits and allowances 2-Repair and Maintenance 3-Legal & Professional Charges 4-Fee and Subscription 5-General Office Expense 6-Software Maintenance Expenses 7-Charity & Donations 8-Auditor's Remunerations 9-Depreciation 10-Amortization	The Administrative and General Expenses for ZL's e-commerce marketplace encompass several key components critical to our operational efficiency and sustainability. This includes Salaries, Benefits, and Allowances, which cover compensation and incentives for its workforce, ensuring that it attracts and retains top talent. Repair and Maintenance costs are essential for the upkeep of its physical and IT infrastructure. Legal and Professional Charges account for fees paid to external consultants and legal advisors, crucial for compliance and strategic guidance. Fee and Subscription costs include payments for industry memberships and essential services. General Office Expenses cover day-to-day operational costs such as utilities and supplies. Software Maintenance Expenses ensure its technological platforms remain secure and functional. Contributions under Charity and Donations reflect its commitment to social responsibility. Auditor's Remunerations are payments made for external audit services to ensure transparency and accuracy in financial reporting. Depreciation pertains to the allocation of the cost of tangible assets over their useful lives, and Amortization applies similarly to intangible assets, both ensuring accurate asset valuation and financial health assessment.

³¹ https://smeda.org/phocadownload/Sector_Studies_Reports/SME%20Financing%20Portfolio%20in%20Pakistan%20Mar-2024.pdf

³² Depreciation and Amortization expense are included in Administration and General expense

Selling and Distribution Expenses 1-Salaries, Benefits and Allowances 2-Travelling and Conveyance 3-Entertainment Expense 4-Advertisement and Marketing	The Selling and Distribution Expenses for ZL's e-commerce marketplace are crucial in driving its market presence and customer engagement. These expenses primarily include Salaries, Benefits, and Allowances, which ensure that its sales and distribution teams are well-compensated and motivated. Travelling and Conveyance expenses are essential for enabling its sales force to reach new and existing clients, facilitating face-to-face interactions that drive sales. Entertainment Expenses are incurred to foster client relationships and partnerships through business entertainment activities. Lastly, Advertisement and Marketing costs are pivotal in promoting ZL's brand, attracting new customers, and retaining existing ones through various channels such as digital marketing, print media, and promotional campaigns. These expenses collectively support ZL's efforts to expand its market reach and enhance its competitive edge.
Finance Cost	Finance costs include bank charges

3.5. COMPANY ORGANOGRAM



3.6. MAJOR EVENTS IN THE HISTORY OF THE ISSUER

As disclosed in Section 3.1, ZL was incorporated in 2020 and was registered as a private limited Company in the same

year. Major milestones and key events have shaped ZL's identity today as one of the pioneers of commodity trading marketplace in Pakistan.

Years	Key Milestones
September 2020	Incorporated as Private Limited Company: Established as a Private Limited Company in Pakistan with a bootstrapped equity of PKR 20 million, setting the foundation for a high-growth commodities e-commerce platform.
October 2020	Launch of E-commerce Operations: Launched our web app and entered the market, offering construction and finishing materials to customers
June 2021	Media Recognition: Featured in prominent Pakistani media outlets such as Profit, Business Recorder, GEO, Dawn, and others, establishing brand credibility and recognition in the marketplace.
December 2021	Supplier Network Expansion: Successfully onboarded over 50 suppliers, marking a significant milestone in building a robust and diverse supply chain.
January 2022	Sector Expansion: Expanded e-commerce operations into the agriculture sector, broadening the scope of our e-commerce offerings to cater to a vital industry in Pakistan.
June 2022	Technology Innovation: Launched advanced data analytics tools to monitor daily prices of 10+ commodities across Pakistan, empowering customers with real-time market insights.
April 2023	Rebranding to Zarea 2.0: Unveiled a new identity as "Zarea 2.0," reflecting our renewed vision and commitment to innovation and customer satisfaction.
June 2023	Hyper-Growth: Achieved over 5,000 transactions across 10+ cities, onboarded 100+ suppliers, and garnered 8.23 million impressions, reinforcing Zarea's position as a key player in the e-commerce sector.
December 2023	Strategic Licenses & Expansion: Acquired the prestigious Zone Enterprise License from the Special Technology Zones Authority, securing a 10-year tax exemption. Geographic Expansion: Extended operations to Khyber Pakhtunkhwa (KPK) province and launched Zarea Academy to support industry education and growth.
June 2024	Profitability Milestone: Recognized as one of Pakistan's most profitable e-commerce companies, with reserves exceeding PKR 350 million and platform usage revenue surpassing PKR 280 million

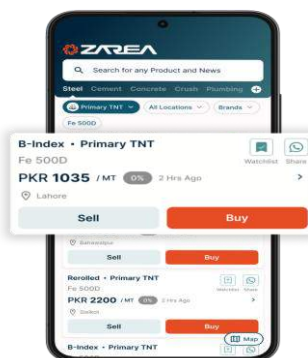
Source: Company Management

3.7. INFRASTRUCTURE OVERVIEW³³



- **Technology**

According to Zarea's management, Zarea offers access to over 20 years of commodities data³⁴. The UI is designed for B2B interactions. Features include WhatsApp login via OTP, a site map, FAQs, live order tracking, 24/7 customer support, multiple digital payment channels, and an online cart and checkout process.



- **For Sellers**

For Sellers, the platform provides access to bulk orders. The platform also supports vendor registration for SMEs, retailers, corporates, and individual vendors.



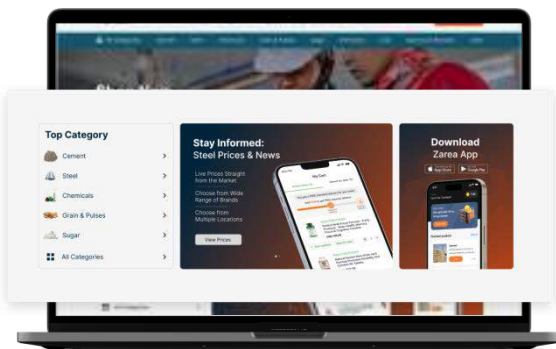
³³ Company Management Information

³⁴ Zarea sources data from reputable and credible aggregating platforms, including Karandaaz, Pakistan Bureau of Statistics, TradingEconomics, Zareaat Official



Register as an SME, Retailer, Corporate & individual Vendor

Vendors can join the Zarea Platform as an SME, retailer, corporate entity, or individual vendor.

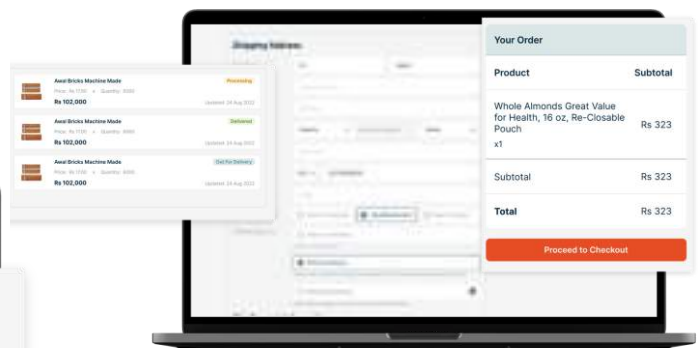
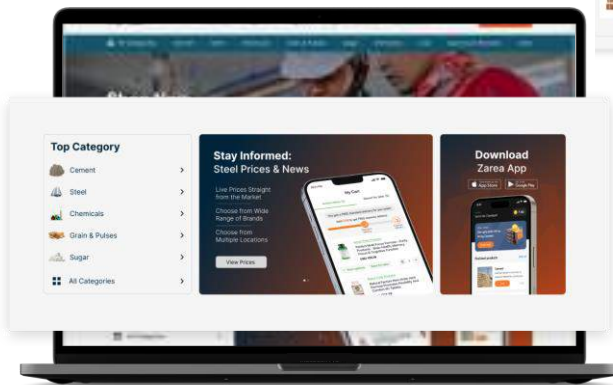


- **For Buyers**

For Buyers, the platform provides access to various commodities, on time delivery, credit and data analytics. Buyers can obtain quotations, utilize data and analytics tools, and benefit from quality assurance.

- **Faster Logistics, Scheduled Delivery, and Priority Delivery Options**

With scheduled delivery, goods arrive at the specified time, and priority delivery options are available for urgent shipments.



Discount Deals and Promotions

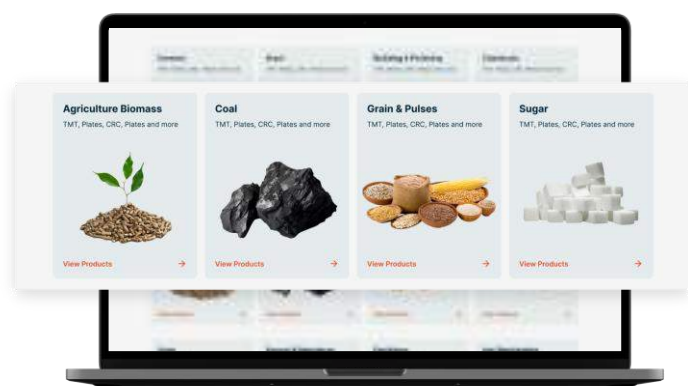
These discounts are provided through various mechanisms, including:

- **Vendor Collaboration:** Zarea collaborates directly with vendors to negotiate special discounts, passing on these cost benefits to customers. Vendors may agree to temporary price reductions to promote their products, especially in bulk or during peak seasons.
- **Platform-Funded Discounts:** Occasionally, Zarea provides platform-funded discounts as part of promotional campaigns to encourage transactions. These discounts are strategically planned to boost user engagement and market penetration.

The accounting treatment for platform-funded discounts categorizes them as a selling and distribution expense. This approach reflects the cost incurred by Zarea in promoting sales and customer acquisition. Vendor-funded discounts, on the other hand, do not impact its financials as they are absorbed directly by the vendors.

• Services

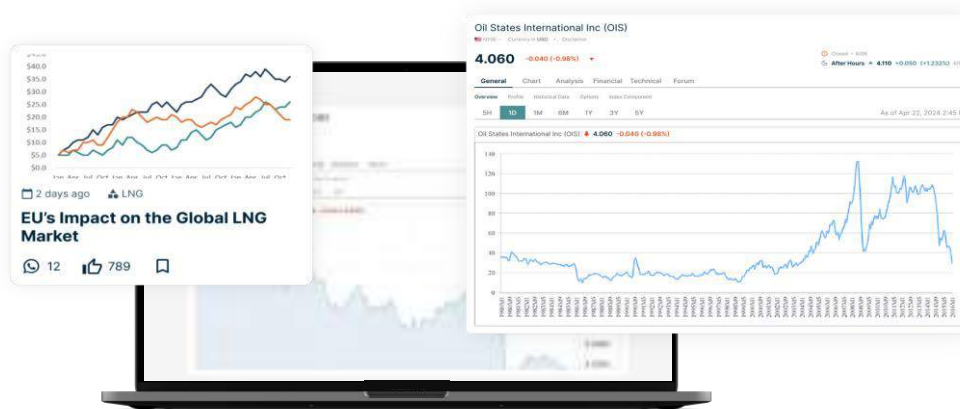
Zarea's services encompass a range of offerings including logistics and warehousing solutions, automated credit scoring, import/export facilitation, and advanced data and analytics services.



• Commodities

The daily prices of commodities can be viewed, allowing users to stay updated with real-time market trends.

- **Daily Market News Updates**



Zarea Platform's Daily Market News Updates provides news coverage on global markets and commodities, delivering crucial information directly to users. With timely updates on market trends, economic events, and key financial developments, one can make well-informed decisions and stay competitive in the fast-paced world of commodity trading.

3.8. PRODUCT PORTFOLIO

ZL's mission is to digitalize commodities trade for SMEs and retailers. Its customers include SMEs, retailers and large corporations. The following are the number of customers in these segments:

	FY21	FY22	FY23	FY24
SMEs & Retailers	48	148	275	363
Large Size Entities	3	5	7	10

Source: Company Management

ZL is a reliable name in the commodities E-commerce market which connects its consumers to suppliers through its online platform. Following are the commodities ZL provides access to:

- Cement
- Agri Biomass
- Steel
- Building & finishing

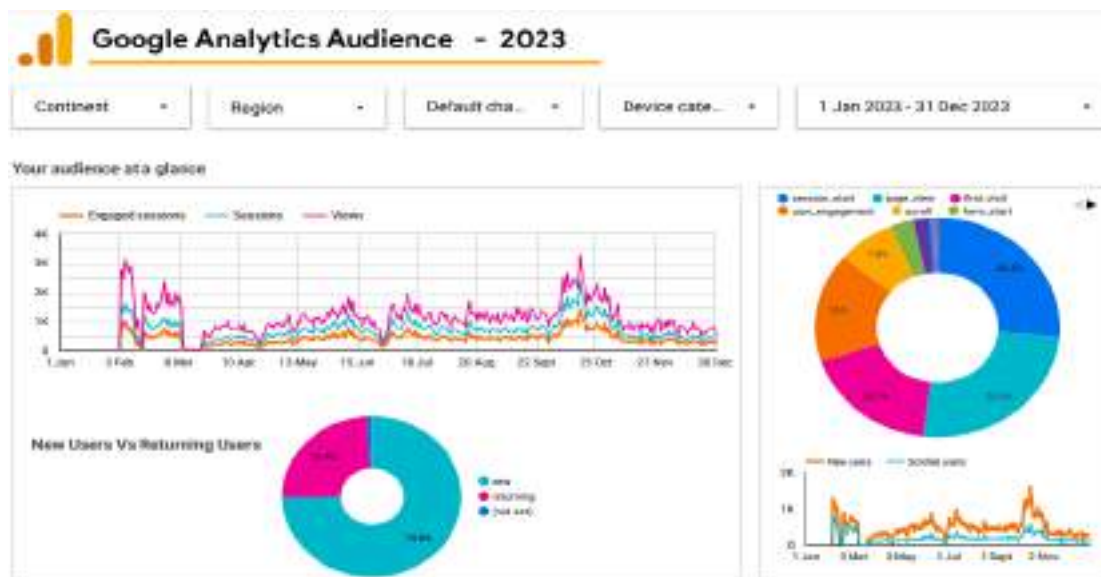
3.9. MARKETING ACTIVITY IN 2021-2024

Google Analytics (Calendar Year)				
Particulars	2021	2022	2023	2024(8 months)
Total Organic Traffic (No.)	45,968	120,844	167,268	103,785
Total organic Keywords (No.)	6,023	10,905	11,414	10,188
Total Impression (No. in Mn)	4.1	4.5	4.87	3.53
Total Clicks (No.)	134,000	146,000	202,000	86,700
Total Desktop User (No.)	28,843	32,874	30,582	14,183
Total Mobile Users (No.)	120,847	152,009	135,161	43,086

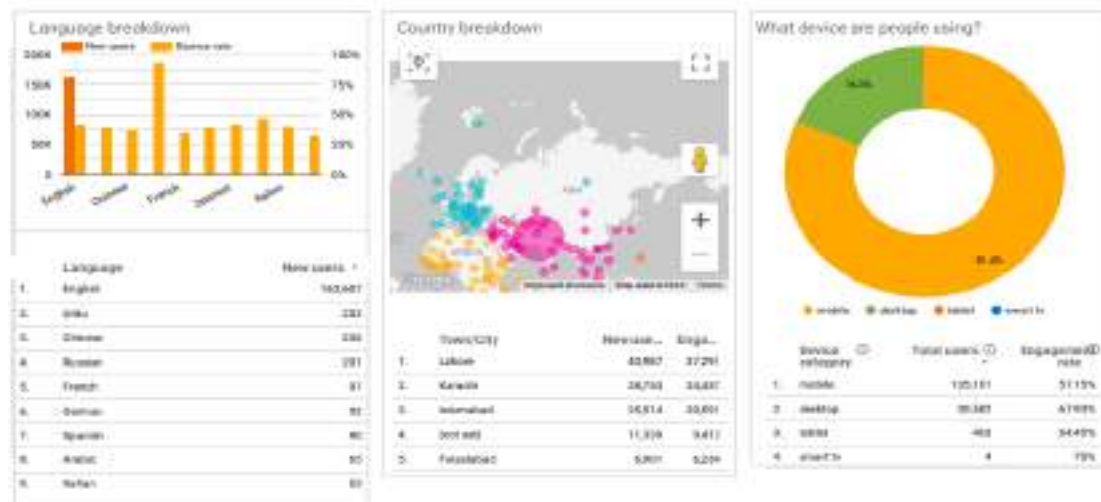
Total Sessions (No.)	118,838	173,316	180,783	135,039
Total Scrolled Users (No.)	72,585	87,463	96,533	65,432
Marketing Expense (PKR)	2,045,216	687,936	471,265	5,271,335

Source: Company Management





Where is Traffic Coming From?

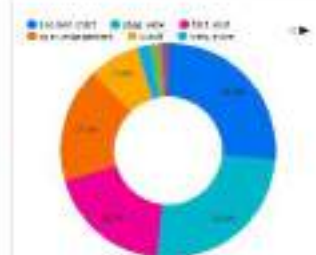
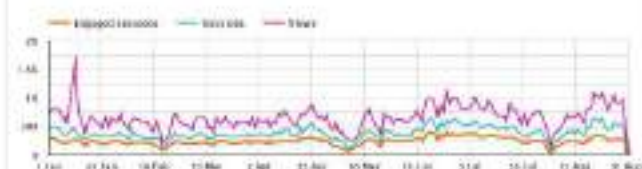




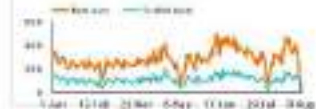
Google Analytics Audience - 2024

Continent: Region: Default ch... Device cate... 1 Jan 2024 - 31 Aug 2024

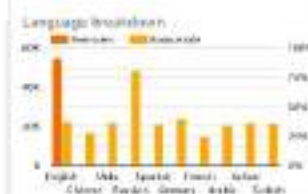
Your audience at a glance



New Users Vs Returning Users



Where is Traffic Coming From?

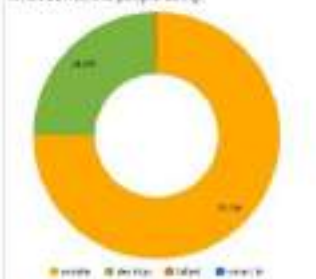


Language	New users
1. English	15,000
2. Chinese	10,000
3. Urdu	8,000
4. Spanish	7,000
5. French	6,000
6. Italian	5,000
7. German	4,000
8. Hindi	3,000
9. Arabic	2,000



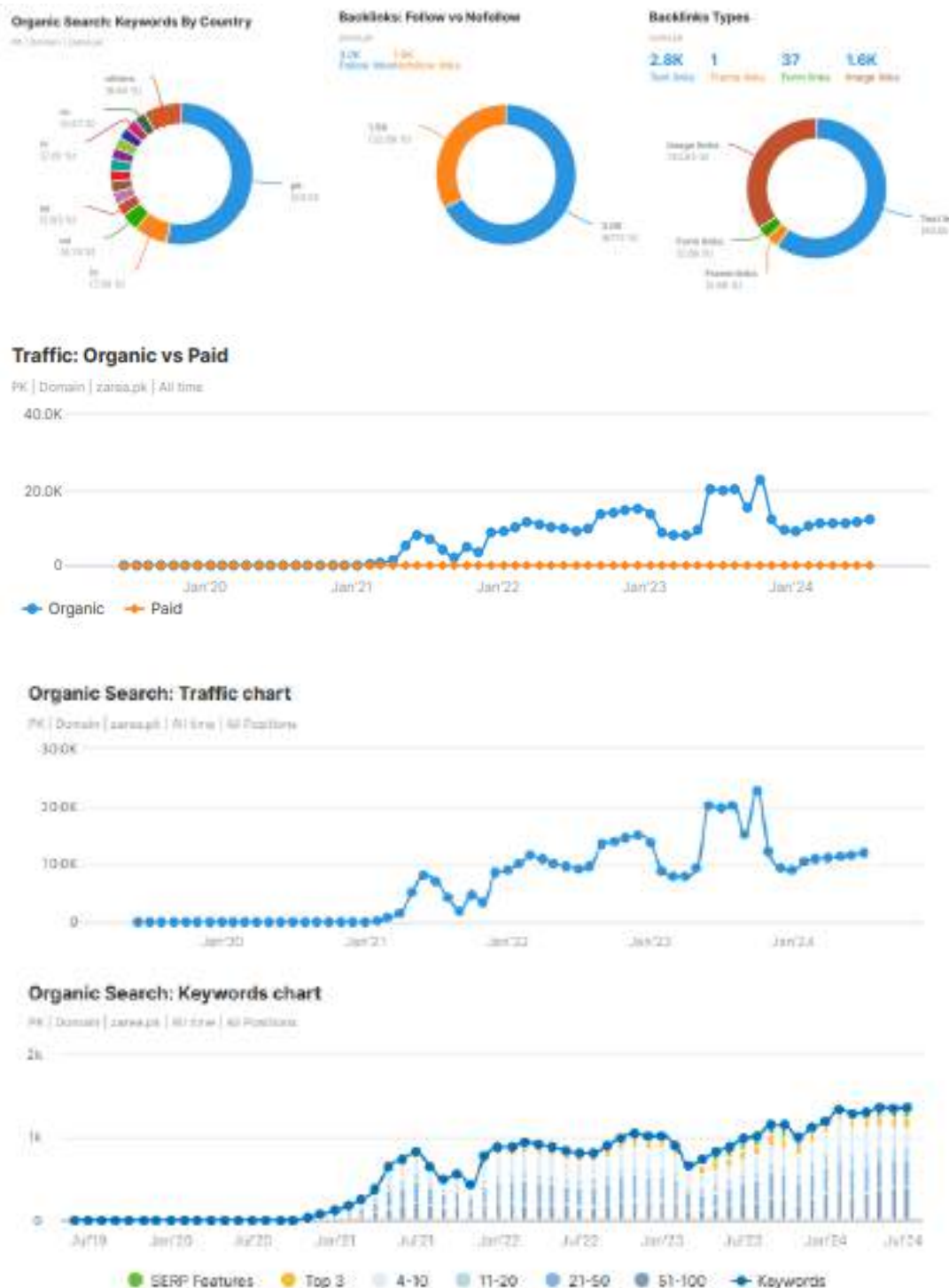
Country	New users	Engage...
1. United States	15,000	10,000
2. India	8,000	5,000
3. United Kingdom	6,000	4,000
4. Canada	4,000	3,000
5. Australia	3,000	2,000

What devices are people using?



Device category	New users	Engagement
1. Desktop	10,000	8,000
2. Mobile	15,000	12,000
3. Tablet	5,000	4,000
4. Other	2,000	1,000





3.10. DEMAND FOR THE PRODUCTS AND OUTLOOK

The business model for ZL solely depends on consumers' buying commodities from their online platform irrespective of the size and nature of business, hence the demand for its products and their outlook will vary with the prospects and outlook of the E-Commerce industry.

3.11. E-COMMERCE MARKET OVERVIEW³⁵

Pakistan is the 46th largest market for E-Commerce, with a revenue of \$5.2 billion in 2023³⁶. This development occurred during the pandemic period when online sales significantly went up globally, like consumers elsewhere, Pakistanis saw online platforms as safer alternative to B&M stores many of which of shuttered down amidst lockdowns. Post covid the E-Commerce industry in Pakistan continued to expand & revenue increased steadily.

Some factors behind these growths include government measures such as Digital Pakistan Policy, the aim was to boost ecommerce activity by facilitating payment service providers & operators this is in line with comparative digital models launched in neighboring countries. Pakistan is still largely a cash-based informal economy resulting in most of the transactions being conducted in cash, except for large ones which usually require a bank draft or pay order. In terms of payment method, the E-Commerce market in Pakistan is fragmented, where no single service provider dominates. Cash on delivery emerges as the prevalent method used by online shoppers. Pakistan is a predominantly cash based economy. Factors such as low banking coverage, lack of trust in digital payments, poor connectivity, and high cost of transaction means that it can be difficult to sway consumers from the traditional cash on delivery method. To break this norm, SBP launched a digital payment system called “Raast” to facilitate affordable small value retail payments. In addition, last year, the SBP issued No-Objection certificate to five applicants for initial digital banking services.

The E-Commerce sector has mainly focused on consumer products and accessories. Some leading E-Commerce websites in Pakistan include³⁷:

- OLX
- Daraz
- Pakwheels
- Zameen
- Telemart
- PriceOye
- HomeShopping.pk
- Goto

According to industry reports 95% of E-Commerce companies receive payments for their online orders via cash on delivery³⁸. This increases the liquidity requirements, forcing the companies to have large teams for cash receipt management, which further increases operational costs. This coupled with the fact that only 24% of the country’s population has a bank account³⁹, significantly increases the cost of doing business for E-Commerce companies. Some large players in the E-Commerce space have started to utilize digital payments in the hope that the industry will come together to coax its consumers away from cash on delivery to online payments.

3.11.1. SME SECTOR

SME sector plays a significant role in the economic development of the country, as per the estimates of SMEDA there are more than 5 million SMEs in Pakistan. SMEs contribute 40% in GDP of Pakistan and 25% in overall exports.⁴⁰

SME Debt Financing has increased to PKR 542.53 billion as of December 2023. Among this, the share of manufacturing, service and trading sector is 37.6%, 22.7% and 39.8% respectively⁴¹. To facilitate equity financing, PSX has provided SMEs with the opportunity to raise capital by listing on GEM Board. Till 4th June 2024, GEM Board has enabled four companies to raise PKR 1.5 billion collectively through Initial Public Offering/ Initial Offering⁴².

To support the implementation of Pakistan’s NFIS, the WBG has approved a FIIP for government of Pakistan. This improved access to financial services for microenterprises and SMEs. SBP has launched a CFS to find and support innovative solutions for SME banking in the country. The goal of CFS is to encourage banks to develop innovative

³⁵ Pakistan - eCommerce (trade.gov)

³⁶ Pakistan - eCommerce (trade.gov)

³⁷ Pakistan - eCommerce (trade.gov)

³⁸ Pakistan - eCommerce (trade.gov)

³⁹ Pakistan - eCommerce (trade.gov)

⁴⁰ C4-Annex-A.pdf (sbp.org.pk)

⁴¹ <https://portal.karandaaz.com.pk/dataset/outstanding-sme-portfolio-by-sector/1066>

⁴² https://smeda.org/phocadownload/Sector_Studies_Reports/SME%20Financing%20Portfolio%20in%20Pakistan%20Mar-2024.pdf

technological solutions to cater to the banking needs of SME sector⁴³.

Access to finance has been a major constraint. As a proportion of private sector lending, bank lending for SME steadily declined to 6.04% in December 2023 from 8.46% in December 2018⁴⁴. As of May 2023, commercial banks SME lending at PKR 542.53 billion⁴⁵, much lower than the demand estimated to be around PKR 3.20 – 4.05 trillion — barely about 13-16% of the potential demand⁴⁶.

3.11.2. COMPARING PAKISTAN'S E-COMMERCE POLICY WITH COUNTRIES IN SUB-CONTINENT⁴⁷

The e-commerce policies of sub-continental countries differ significantly in their approaches and implementation, reflecting their respective stages of digital trade development and economic priorities. Pakistan introduced its first e-commerce policy in 2019, establishing a national e-commerce council to oversee digital trade operations and encourage youth and women entrepreneurs. However, the policy is still intertwined with traditional commerce regulations, leading to several operational challenges due to the lack of a robust digital infrastructure and clear regulatory framework. In contrast, neighboring country's e-commerce policy emphasizes the protection and promotion of local businesses over foreign markets, taking a critical stance against foreign e-commerce giants to prevent them from exploiting local regulations. This protectionist approach has enabled it to create a more regulated and controlled e-commerce environment that prioritizes domestic market growth. Bangladesh's e-commerce policy also aims to protect local industries by restricting foreign investment to specific countries like China, thereby ensuring that local businesses are not overshadowed by international competition.

Both sub-continental countries mentioned above have placed significant emphasis on developing efficient financial institutions and digital payment solutions, with initiatives like its Open Network for Digital Commerce aiming to reduce digital monopolies and create a more inclusive digital trade environment. Pakistan, on the other hand, is still in the process of developing its digital payment infrastructure and addressing foundational issues such as internet connectivity, particularly in remote areas.

Additionally, while all three countries recognize the importance of youth and SME empowerment, other sub-continental countries' policies more effectively integrate youth and women entrepreneurs into the policy-making process, thereby fostering a more inclusive growth environment. Overall, while Pakistan's e-commerce policy lays the groundwork for digital trade, it needs significant advancements in regulatory clarity, infrastructure development, and global integration to match the more mature and protective frameworks observed in others.

3.11.3. COMMODITIES SECTOR

• CEMENT:

Cement Sector is organized with most players listed on PSX. Overall economic growth and government spending on development projects are the main drivers of the sector's growth. In FY23, total production capacity rose to 77 million metric tons from 70 metric tons in FY22 resulting in a 10% YOY increase. Total production in FY23 stood at 45 million Metric Tons down by 15% (53 million MT in FY22). This resulted in 58% utilization in FY23 compared to 76% utilization in FY22. This fall in utilization is due to lower production as well as an increase in total capacity.

The total production in FY24 was 45 million metric tons, same as FY23, however, the local consumption was down 5% YOY whereas the exports were up by 40% YOY. The decline in cement dispatches is due to the high cost of construction and lower demand due to the economic slowdown⁴⁸.

Cement Production and Consumption				
Particulars	FY21	FY22	FY23	FY24
Offtake Local (Million MT)	48	48	40	38
Exports (Million MT)	9	5	5	7
Total Offtake (Million MT)	57	53	45	45
North Region (avg price / 50kg)	613	764	1,064	1230

⁴³ C4-Annex-A.pdf (sbp.org.pk)

⁴⁴ <https://portal.karandaaz.com.pk/dataset/sme-finance-percentage-private-sector-credit/1071>

⁴⁵ Small & Medium Enterprise (SME) Financing (karandaaz.com.pk)

⁴⁶ Unlocking Micro, Small and Medium Enterprise (MSME) Potential in Pakistan - Karandaaz Pakistan

⁴⁷ mphil-economics-2021-syed-talha-ali-comparative-assessment-of-e-commerce-policy-of-pakistan-with-india-and-bangladesh.pdf (pide.org.pk)

⁴⁸ All Pakistan Cement Manufacturers Association (APCMA)

South Region (avg price / 50kg)	613	777	1,081	1189
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Source: All Pakistan Cement Manufacturers Association (APCMA)

• SUGAR

Sugarcane is an important agricultural and cash crop of Pakistan. Sugarcane crop alone contributed 0.8% to the country's GDP and 3.5% in agriculture value addition during FY23⁴⁹. Total production of sugar clocked in at 6.7 million MT in Sugar year 2023 which is 23% lower than 7.9 million MT in Sugar year 2022. The total consumption was met by the opening stock and production during the year resulting in a decline in imports and increase in exports⁵⁰.

Sugar Production and Consumption (Sugar year 1 st October to 30 th September)			
Million Metric Tons	2021	2022	2023
Opening Stock	0.8	1.5	2.1
Domestic Production	5.7	7.9	6.7
Imports	0.28	0.31	0.0
Exports	0	0	0.3
Domestic Consumption	5.3	5.9	6.0
Closing Stock	1.5	2.1	0.9

Source: Pakistan Sugar Mills Association

• FERTILIZER

The fertilizer industry has a pivotal role in agricultural economy. The government has provided substantial support to the fertilizer industry in the shape of cheap gas, tax holidays, waiving off import duties on machinery etc. during the last 4-5 decades. Urea, the main fertilizer, has 71.7% share in total production capacity.

Production of Fertilizers (000 MT)				
Particulars	FY21	FY22	FY23	9MFY24
Urea	6,295	6,442	5,994	5,108
Super Phosphate	105	98	71	66
Ammonium Nitrate	786	828	820	674
Dia-Ammonium Phosphate	789	897	635	598
Nitro Phosphate	876	836	741	615
Total	8,851	9,101	8,261	7,061

Source: Economic Survey of Pakistan 2023-24

• COAL

Coal is an important energy source, and the power sector uses a significant share of coal for electricity generation. Indigenous coal resources are reasonably substantial and sufficient to meet the country's requirements on a long-term sustainable basis. Domestic coal production is expected to increase in the coming years, starting with mining activity at Thar Coalfield Block-I and expanding the existing mine at Block-II. Indigenous coal production is mainly consumed by power generation plants situated at Thar Coalfield, whereas production from other coalfields is utilized in brick kilns. Furthermore, power plants and the industrial sector consumed imported coal.⁵¹

Production and Consumption of Coal (Million MT)				
Particulars	FY21	FY22	FY23	9MFY24
Power	11.9	12.8	15.5	11.9
Cement	10.8	5.6	5.4	2.8
Brick Kilns	5.8	9.3	3.0	2.6
Total consumption	28.5	27.7	23.9	17.3
Local Production	9.3	9.6	15.0	13.9
Import	18.9	18.1	8.9	3.4

Source: Economic Survey of Pakistan

⁴⁹ https://finance.gov.pk/survey/chapter_24/2_agriculture.pdf

⁵⁰ https://www.psmacentre.com/documents/Annual_Report_2023.pdf

⁵¹ https://finance.gov.pk/survey/chapter_24/14_energy.pdf

• COTTON

During FY24, the cotton area under cultivation increased to 2.4 million hectares against 2.1 million hectares in FY23. Production recorded an increase to 10.2 million bales in 9MFY24. It has share of 0.7% in GDP and 2.9% in agriculture value addition.

Production of Cotton				
Particulars	FY21	FY22	FY23	9MFY24
Total Production (Bales)	7,064	8,329	4,910	10,223
Total Production (MT)	1,202	1,417	845	1,739
Area under Cultivation (000 hectares)	2,079	1,937	2,144	2,424


Source: Economic Survey of Pakistan 2023-24

3.12. COMPETITORS LISTED ON PSX

There are no competitors of ZL that are listed on PSX.

3.13. INTELLECTUAL PROPERTY RIGHTS

As per Zarea's management, as of 30 June 2024, the Company does not hold any registered intellectual property, including but not limited to patents, trademarks, copyrights, or any other forms of intellectual property rights. However, ZL have filed trademark for Zarea Logo and Copyright for literary work of Zarea Software with intellectual property organization of Pakistan and it is in process, whose details are given below:

Intellectual Property		
Trade Mark	Trademark Application No.	Application Date
	762239	11 th July 2024
Copy Right	Copy Right Application No.	Application Date
Zarea.pk	3180/2024	31 st July 2024

Source: Company Management

3.14. MATERIAL PROPERTY

As per Zarea's management, as of 30th June 2024, the Company does not hold any material property, including real estate, buildings, land, or any other property classified as material property.

3.15. LIST OF VENDORS

Alpha ventures is ZL's IT infrastructure vendor and has been providing software support and maintenance services. This expense has been capitalized as intangible assets as per Audited Financial Statements of ZL.

Key Vendors and their Respective Payments (Amount in PKR)					
Vendor	Country	Services	FY22	FY23	FY24
Alpha Ventures	Pakistan	Software support and maintenance	-	3,563,628	18,600,000

Source: Company Management and Audited Accounts

3.16. APPROVALS & CERTIFICATIONS

License & Certification				
Particulars	License No	Authority	Date of Registration	Validity
Zone Enterprise License	01-C-10001-103	Special Technology Zones Authority	11-12-2023	10-12-2033

Zone Enterprise License is a license issued by Special Technology Zones Authority. This license provides various

incentives such as exemption from all taxes under the Income Tax Ordinance, 2001, exemption from tax on import of Capital Goods, exemption from property tax, and exemption from sales tax under the Sales Tax Act, 1990⁵².

3.17. GROUP STRUCTURE OF THE ISSUER SHOWING SHAREHOLDING IN RELATIVE AND ABSOLUTE TERM.

The group structure is as follows:

- GPL:** GPL is majorly owned by Mr. Ali Alam Qamar who holds 99.99% shareholding, i.e. 99,999 shares out of total paid up shares of 100,000.
 GPL currently holds 45% of ZL, 90,000,000 shares out of the total paid up shares of 200,000,000.
- ZL:** other than GPL, Mr. Ali Alam Qamar and Ms. Misbah Momin hold 54.5% i.e. 108,999,996 shares and 0.5% i.e. 1,000,000 shares respectively.
 The ultimate owner of ZL is Mr. Ali Alam Qamar who owns ZL directly and/or indirectly 99.5% i.e. 198,999,996 shares.
- Zarea Agritech Private Limited:** It is a 75% owned subsidiary of ZL. The remaining 25% is owned by GPL. The ultimate owner of this Company is also Mr. Ali Alam Qamar.

3.18. ASSOCIATED COMPANIES

The Associated concerns through common directorship are as follows:

Associated Companies				
Sr#	Name of Company	Nature of relation	Reason	Nature of Business
1	Goldfinger Private limited	Holding	Common interest of Director	Investment in shares
2	Zarea Agritech Private Limited	75% owned subsidiary	Common Shareholding	Agricultural Technologies
3	Misbah Momin Foundation	Associated	Common interest of Director	Non-profit organization
5	Seven world view SMC Pvt. Ltd.	associated	Common interest of Director	Media
6	Indis Private Limited	Associated	Common interest of Director	Information Technology
7	Alpha Packaging Pvt. Ltd.	Associated	Common interest of Director	Packaging
8	J Sons Infinite Pvt. Ltd.	Associated	Common interest of Director	General Trading

Source: Company Management

3.19. RELATED PARTY TRANSACTIONS

The related party transactions for Company are tabulated as follows:

Related Party	Relationship	Nature of Transaction	FY21	FY22	FY23	FY24
Loan Received from Sponsors						
Ali Alam Qamar	Director	Loan received from Sponsor	42,000,000	11,500,000	5,000,000	31,500,000
Gold Finger (Pvt.) Limited	Common Directorship	Loan received from Sponsor	-	-	25,000,000	65,000,000
Loan Outstanding as per Audited Financial Statements						
Ali Alam Qamar	Director	Loan from Sponsor	42,000,000	53,500,000	58,500,000	-
Gold Finger (Pvt.) Limited	Common Directorship	Loan from Sponsor	-	-	25,000,000	-
Loan from Sponsor converted into Ordinary Shares						

⁵² <https://www.stza.gov.pk/zone-enterprise/>

Ali Alam Qamar	Director	Right Issue	-	-	-	90,000,000
Gold Finger (Pvt.) Limited	Common Directorship	Right Issue	-	-	-	90,000,000

Source: Company Management

3.20. GLOBAL & LOCAL INDUSTRY OVERVIEW AND SECTOR ANALYSIS

Company Name	Country	Industry	Total Funding	Establishment	Current Stage
Local Competitors					
Dastgyr	Pakistan	E-Commerce	\$41 ⁵³ million	2020	Series A
Bazaar	Pakistan	E-Commerce	\$107.8 ⁵⁴ million	2020	Series B
Zaraye	Pakistan	E-Commerce	\$2.1 ⁵⁵ million	2021	Pre-seed
International Competitors					
Of Business	India	E-Commerce	\$869 ⁵⁶ million	2015	Series G
Infra Market	India	E-Commerce	\$500 ⁵⁷ million	2016	Debt financing
Travis Perkins	United Kingdom	Ecommerce, Building, Construction, Home Improvement	Listed on LSE, market capitalization of 1.98 billion Pounds ⁵⁸ as at 18 th October, 2024.	1960	Public Limited

3.20.1. DASTGYR

Dastgyr is a B2B e-commerce marketplace for FMCG, Construction, and Chemicals products in emerging markets. Dastgyr provides retail services that apply wholesale research to the lowest possible rates on inventories on a wide variety of products. Dastgyr Technologies has raised a total of \$41M in funding over 5 rounds. Their latest funding was raised on Jun 14, 2022, from a Series A round. They provide a marketplace to connect sellers with buyers, giving them unprecedented access to trade. They also provide value added logistics as a service (LaaS) so sellers can increase their order volumes and bottom line. Furthermore, they use Fintech to help sellers and buyers secure capital and ensure their growth through Buy Now, Pay Later solutions

3.20.2. BAZAAR

Bazaar is empowering small and medium sized retailers who form the backbone of Pakistan's retail economy. Bazaar's mobile app gives these small business owners access to a large assortment of goods from multiple local and international brands as well as unbranded products on a single platform - which can be ordered at any day of the week with free next day delivery to storefronts. Bazaar provides access to 100k+ retailers across 50+ cities and towns⁵⁹. They reduce costs to serve via data insights and supply chain optimization as well as benefit from exclusive distribution partnership with Bazaar Prime. In the industrial sector, they deliver valuable market intelligence and data insights for informed decision making, supported by a robust supply chain infrastructure and a dedicated sales force equipped with advanced technology. Their Fintech solutions include a digital wallet for retail purchases, mobile load, and bill payments, credit options to improve the working capital cycle, and a digital ledger for streamlined financial management.

⁵³ <https://profit.pakistantoday.com.pk/2022/06/14/b2b-marketplace-dastgyr-announces-37m-series-a-raise-as-it-widens-services-beyond-kirana-stores/>

⁵⁴ <https://www.dawn.com/news/1680122>

⁵⁵ <https://www.dawn.com/news/1684978>

⁵⁶ <https://www.ofbusiness.com/about/info>

⁵⁷ <https://inc42.com/buzz/with-ipo-on-the-card-infra-market-plans-fresh-funding-of-up-to-200-mn-at-higher-valuation/>

⁵⁸ <https://www.google.com/finance/quote/TPK:LON?sa=X&ved=2ahUKEwj197K6Z2JAxXDTaQEHLRNDQ3ecFegQISRAI>

⁵⁹ <https://www.bazaartech.com/#:~:text=At%20Bazaar,%20we%20are%20building%20the%20commerce%20and>

3.20.3. ZARAYE

Zaraye is a leading B2B platform, connecting manufacturers with suppliers across the country. They aim to digitize sourcing processes, increasing efficiency in the textile, construction, and polymers industry⁶⁰. The Zaraye B2B app connects buyers directly to suppliers, to solve the inefficient textile, construction, and polymer procurement process. Zaraye is a one-stop solution that helps buyers get the best prices with ease and convenience. Zaraye has developed innovative software “Zortal” for global businesses and organizations, providing an efficient solution to automate numerous organizational processes such as procurement, inventory, warehousing, user management, and sales.

3.20.4. OF BUSINESS

OFB Tech (Of Business) helps SMEs in manufacturing and infrastructure sectors procure raw materials on credit terms. It integrates technology to offer better products, prices, and timelines, with support. Key materials include metals, chemicals, and building materials. It also provides financing through Oxyzo Financial Services and tech services like Bid Assist for growth opportunities.

OfBusiness last raised funding in December 2021, securing \$325 million at a valuation of \$5 billion, and has aimed to acquire 25 companies.

3.20.5. INFRA MARKET

Infra Market is an online marketplace for construction and infrastructure materials in India, designed to streamline procurement for builders and contractors. Founded by Sandeep Kumar, the platform offers a wide range of products, including cement, steel, and ready-mix concrete, and focuses on leveraging technology for efficiency and competitive pricing. The company has rapidly grown and expanded its operations, attracting significant investment to enhance its offerings in the construction sector.

3.20.6. TRAVIS PERKINS

Travis Perkins plc, a FTSE 100 company, is a leading player in the builders' merchandising, home improvement and e-commerce market across the UK and Europe. Founded in 1988 through a merger between Travis & Arnold and Sandell Perkins, the Group has grown to operate over 720 stores. As the industry evolves, Travis Perkins has significantly expanded its e-commerce capabilities, offering a comprehensive online platform that streamlines the purchasing process for customers. This digital presence enables customers to access a vast range of building materials, tools, and supplies online, ensuring convenience and efficiency in managing construction, repair, and maintenance projects.

⁶⁰ [Largest Online B2B Raw Material Platform \(zaraye.co\)](https://zaraye.co)

3A SHARE CAPITAL AND RELATED MATTERS

3A (i) SHARE CAPITAL

Share Capital				
Current Issued, & Paid-up-Capital	No. Of Shares	Face Value (PKR)	Premium (PKR)	Total (PKR)
Authorized Capital				
Ordinary Shares of PKR 1/- each	400,000,000*	1	0	400,000,000
Issued, Subscribed & Paid-up Capital				
Ordinary Shares of PKR 1/- each fully paid in cash	20,000,000	1	0	20,000,000
Ordinary Shares of PKR 1/- each for consideration other than cash	180,000,000	1	0	180,000,000
Issued as Bonus Shares: Ordinary Shares of PKR 1/- each	0	0	0	0
Total	200,000,000	1	0	200,000,000
Shares held by Directors/ Sponsors	No. of Shares	Face Value (PKR)	Premium (PKR)	Total (PKR)
Mr. Ali Alam Qamar	108,999,996	1	0	108,999,996
Goldfinger Pvt Ltd	90,000,000	1	0	90,000,000
Ms. Misbah Momin	1,000,000	1	0	1,000,000
Mr. Juneid Akram	1	1	0	1
Mr. Muhammad Afzal Chaudhry	1	1	0	1
Mr. Sohail Wajahat Siddiqui	1	1	0	1
Ms. Meezan Fahd Mukhtar	1	1	0	1
Mr. Nouman ul Hassan (Nominee Director of Goldfinger Pvt. Limited)	0	1	0	0
Other Shareholders	0	0	0	0
Total Paid up Capital	200,000,000	1	0	200,000,000
Present issue of ordinary shares	No. of Shares	Face Value (PKR)	Premium (PKR)	Total (PKR)
New shares Issuance through IPO	62,500,000	1	937,500,000	1,000,000,000
Total Paid Up Capital Post IPO	262,500,000	1	937,500,000	1,200,000,000
Allocation	No. Of shares			
Allocations to institutions / individual Investors through Book Building process at Strike Price	46,875,000	1	703,125,000	750,000,000
General Public Portion	15,625,000	1	234,375,000	250,000,000
Total Issue Size	62,500,000	1	937,500,000	1,000,000,000

*The company increased its authorized paid-up shares by further 100,000,000 of face value of PKR 1/- each on 22nd July 2024 post audit FY24

3A (ii) SHARES OF SPONSORS TO BE RETAINED & KEPT IN BLOCKED FORM AS PER REGULATION 5 OF PO REGULATIONS

Shares held by Sponsors	Particular	No. of Shares	Face Value (PKR)	Total Value (PKR)	% Post IPO Paid-Up Capital
Mr. Ali Alam Qamar	CEO/ Director	108,999,996	1	108,999,996	41.52
Goldfinger (Pvt.) Limited	Private limited	90,000,000	1	90,000,000	34.29
Ms. Misbah Momin	Chairperson	1,000,000	1	1,000,000	0.38
Total Paid up Capital Post IPO		262,500,000	1	262,500,000	76.19

Note:

- As per regulation 5(1) of the PO Regulations, the Sponsors of the Company shall retain their entire shareholding in the Company (i.e. 199,999,996 shares) for a period of not less than twelve months from the last date for public subscription;
- As per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the Paid-Up Capital of the Company for not less than three financial years from the last date for the public subscription;
- As per regulation 5(3) of the PO Regulations, the shares of the Sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with the CDC;
- As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation 1 and 2 of Regulation 5, and with the prior approval of the securities exchange, the Sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed Sponsor for the purposes of the PO Regulations.

3A (iii) PRESENT ISSUE

The Issue comprises 62,500,000 Ordinary Shares of Face Value of PKR 1/- each, which constitutes 23.81% of the total Post-IPO Paid Up Capital of the Company. This Issue of 62,500,000 Ordinary Shares will be offered through the 100% Book Building process at a Floor Price of PKR 16/- per share. Initially, 75% of the issue size i.e., 46,875,000 ordinary shares will be allotted to Successful Bidders and 25% of the issue i.e., 15,625,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis. The Book Building Portion has been underwritten by Topline Securities Limited and Growth Securities (Pvt.) Limited.

3A (iv) RELATED EMPLOYEES OF THE COMPANY (ZL)

Zarea Limited		
Sr. No.	Name	Designation
1	Ali Alam Qamar	Chief Executive Officer
2	Usman Iftikhar	Chief Investment officer
3	Muhammad Usman Ameer	Chief Financial Officer
4	Syed Muhammad Akram	Company Secretary
5	Muhammad Aamir	Investment Associate

3A (v) SHARES ISSUED IN PRECEDING YEARS

Sr. No.	No. of Shares	Description	Consideration	Face Value per share (PKR)	Premium	Total Value (PKR)	Date of Issuance/ Allotment
1	2,000,000	Initial Capital	Cash	10	Nil	20,000,000	14/09/2020
2	20,000,000*	1:10 Stock Split	None	1	Nil	20,000,000	11/12/2023
3	180,000,000	Right Issue	Against Loan from sponsors	1	Nil	180,000,000	28/02/2024
Total	200,000,000			1	Nil	200,000,000	

* Split of 2 million shares of Face Value of PKR 10/- each into 20 million shares of Face Value of PKR 1/- each.

3A (vi) EMPLOYEE STOCK OPTION SCHEME

There is no Employee Stock Option Scheme.

3A (vii) RELATED EMPLOYEES OF THE LEAD MANAGER & BOOK RUNNER

Topline Securities Limited		
Sr. No.	Name	Designation
1	Mohammad Sohail	Chief Executive Officer
2	Muhammad Nadeem	Head of Corporate Finance & Advisory
3	Muhammad Ismail Memon	Senior Associate Corporate Finance & Advisory
4	Abdul Hafeez	Associate Corporate Finance & Advisory

Growth Securities (Pvt.) Limited		
Sr. No.	Name	Designation
1	Muhammad Shahid	Chief Executive Officer
2	Zeeshan	Director / Head of Sales
3	Muhammad Iqbal	Director
4	Kamran	Head of Settlement / Compliance Officer

Note:

1. As per regulation 7(9) of the PO Regulations, the associates of the Lead Manager to the Issue 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 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

Barcode: 

ID: PB-LHR-98DF78DF1D1FD2FS

Type: Low Denomination

Amount: Rs 300/-

Description: CERTIFICATE OR OTHER DOCUMENT - 19

Applicant: ZAREA LTD (35000-0000000-0)

Representative From: ZAREA LTD

Agent: AU (35000-0000000-0)

Address: LAHORE

Issue Date: 1-Oct-2024 12:50:15 PM

Delisted On/Validity: 5-Oct-2024

Amount in Words: Three Hundred Rupees Only

Reason: UNDERTAKING IN FAVOR OF PAKISTAN STOCK EXCHANGE

Vendor Information: Muddasar Hussain | PB-LHR-2805 | Daroghawala Lahore

Scan for online verification



Muddasar Hussain
STAMP VERIFIED
LIC = 1605
Daroghawala Lahore



ہم ذیل سے مندرجہ ذیل کے لیے قابل استعمال ہے اور اسٹامپ کی تصدیق پانچویں اور آٹھویں سے کی جاسکتی ہے۔

UNDERTAKING BY THE SPONSORS OF THE ISSUER

Date: 20/09/2024

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

We, the undersigned, on behalf of Zarea Limited, do hereby state on solemn affirmation as under:

- (1) That we (i) Ali Alam Qamar, s/o Momin Qamar bearing CNIC no. 35201-6331948-3 resident of 5-Bridge Colony, Lahore Cantt., (ii) Mishah Momin, w/o Momin Qamar bearing CNIC no. 35201-2189435-6 resident of 5-Bridge Colony, Lahore Cantt, and (iii) M/s Goldfinger (Private) Limited having registered office at 103/2 Fazil Road, St. Johns park, Lahore are the sponsors and majority shareholders of Zarea Limited (the "Issuer"); and
- (2) That the IPO proceeds of Zarea Limited shall be utilized as per the purpose disclosed in the Prospectus.


Ali Alam Qamar
Chief Executive Officer
Zarea Limited


Ms. Mishah Momin
Chairperson/Director
Zarea Limited


Nouman Ul Hassan
Nominating Director of
M/S Goldfinger (Private)
Limited
CNIC: 31301-8308399-3

ATTESTED

G. M. CHAUDHRY ADV.
QANL COMMISSIONER LHR

4 PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

4.1. PRINCIPAL PURPOSE OF THE ISSUE

The total proceeds of PKR 1,000 million would be utilized to fund the Company's expansion in Technology, Infrastructure, Logistics & Operations, Marketing for its online platform and CAPEX. The purpose is to achieve growth through user acquisition i.e. increase customer base.

One of the major utilizations of these proceeds is to enhance the customer base by increasing the number of commodities in their portfolio of products available at its platform. Moreover, ZL aims to make this digital process seamless and efficient as it plans to make further improvements in the user interface of its online platform. ZL also plans to spend on the Marketing and development of their online platform which is around 7.5% and 12.5% respectively of the total issue size (PKR 1,000 million).

4.2. SOURCE OF FUNDING

The Company plans to raise PKR 1,000 million through an Initial Public Offering (IPO). This funding will be used to facilitate expansion in Technology, Infrastructure, Operations & Logistics. The Company will issue 62,500,000 Ordinary shares at a Floor price of PKR 16/- share. Proceeds from IPO will be used to achieve growth through user acquisitions and entering new markets. Additionally, a portion of funds will be allocated to meet increasing working capital requirements.

Mode of Financing	Value (PKR)	Contribution
IPO Proceeds	1,000,000,000	100%
Total	1,000,000,000	100%

4.3. UTILIZATION OF PROCEEDS

Breakup of Utilization of IPO Proceeds			
Item	%	Estimated Cost (PKR) ⁶¹	Basis of estimation
Working Capital	45.0	450,000,000	Management's estimates
Logistics	24.0	240,000,000	Quotation
Technology	12.5	125,000,000	Quotation
Marketing	7.5	75,000,000	Quotation & Management's estimates
Office and Cars	6.0	60,000,000	Quotation
Human Resource	5.0	50,000,000	Management's estimates
Total	100.0	1,000,000,000	

Source: Company Management

4.4. ADDITIONAL DISCLOSURES RELATING TO THE PURPOSE OF THE ISSUE

4.4.1. WORKING CAPITAL

The PKR 450 million allocated for working capital will primarily be used to engage with key suppliers by making advance payments and deposits to ensure stable supply, timely order fulfillment, and mitigate market volatility. Additionally, the funds will be allocated towards extending short-term trade receivables to customers, attracting more transactions, expanding the customer base, and maintaining healthy cash flow. These funds will be revolving within the company's working capital cycle, continually regenerating as they flow through the operational cash cycle. This strategic utilization of working capital can enhance Zarea's operational efficiency, provide edge over competitors, strengthen its supply chain, and support overall growth.

⁶¹ As per undertaking dated 20th September 2024 provided by ZL

4.4.2. LOGISTICS

Currently, ZL's delivery of sold commodities is managed by third-party logistics partners, and ZL charges a commission to these vendors. To enhance service quality, increase operational efficiency, and drive revenue growth, ZL is poised to launch a new business line dedicated to managing its logistics operations. This strategic move is designed to align with ZL's long-term vision of offering end-to-end solutions for its customers and stakeholders.

Buyers and sellers will continue to use ZL's platform for their trading needs, but now it will take charge of delivering the commodities through its newly established logistics wing.

Starting in 2025, an initial fleet of 9 trucks will be deployed with a total capital expenditure of PKR 240 million. This utilization of funds would enhance ZL's control over the delivery process leading to cost efficiency and increased margins. Furthermore, ZL will enhance its scalability & integrate technology solutions i.e. GPS tracking, automated warehousing & real time inventory management. These operational advantages will differentiate ZL from its competitors and allow them to adapt with the changing market trends.

Logistics Capex				
Particulars	Specifications	Qty	Cost / Unit	Amount
Dongfeng FI4251ax31y Prime Mover 6x4 375hp Turbocharged & Intercooler	Capacity 60 Tons	9	18,000,000	162,000,000
Body Structure for Prime Mover Body	-	9	6,543,222	58,889,000
Tyres size 11/20 (China) along with Rim	-	-	-	15,111,000
Insurance including tracker for 9 vehicles	-	-	-	4,000,000
Total		18		240,000,000

Source: As per quotations provided by Company Management

4.4.3. TECHNOLOGY

As ZL will enhance and expand their digital platform, including the introduction of mobile applications and other digital incentives, it expects a substantial increase in the number of transactions. This improvement may make the platform more interactive and user friendly which in turn would increase the number of transactions.

Breakup of Technology Capex			
Item	%	Estimated Cost (PKR)	Basis of Estimation
AI Technology	40	50,000,000	Quotation
Supply chain management software	24	30,000,000	Quotation
Data Infrastructure	16	20,000,000	Quotation
IoT Automation	12	15,000,000	Quotation
Implementation & Support	8	10,000,000	Quotation
Total	100	125,000,000	

Source: As per quotations provided by Company Management

Details of Technology Capex	
AI Based Transformation – PKR 50 million (40%)	
Smart Demand Forecasting	<ol style="list-style-type: none"> 1. Development of predictive models to anticipate demand 2. Implementation of machine learning algorithms for forecasting 3. Integration with historic data and market trends
AI Powered logistics & Transportation	<ol style="list-style-type: none"> 1. AI driven optimization of stock levels using market insights 2. Real-time inventory tracking and automated replenishment 3. Utilization of historical inventory data to predict stocks effectively
Optimized Supplier Management	<ol style="list-style-type: none"> 1. Optimized evaluation and ranking based on performance metrics 2. Risk assessment tools to identify & mitigate potential disruptions 3. Better collaboration through predictive analytics using historical
Intelligent Procurement	<ol style="list-style-type: none"> 1. Smart Procurement systems to streamline purchasing decisions 2. Cost optimization based on data to negotiate better deals

	3. Automating procurement processes and reducing manual errors
ERP & Supply Chain – PKR 30 million (24%)	
Synergy	Integration of AI tools with existing ERP
Innovation	Custom SCM software development
Empowerment	User training and support
Data Infrastructure – PKR 20 million (16%)	
Optimization	Data warehousing and processing capabilities
Expertise	In-house data analysts and capabilities
Scalability	Cloud storage solutions
IoT and Automation – PKR 15 million (12%)	
Connectivity	Smart sensors and IoT devices for real-time tracking
Efficiency	Automation of repetitive tasks using RPA
Fusion	Integration of IoT data with AI systems
Implementation and Support – PKR 10 million (8%)	
Consultancy	Project management and consultancy services
Service	Technical support and maintenance
Training	Staff training programs and workshops

Source: Company Management

Execution Map		Estimated Timeline
Planning & Initial setup	1. Conduct comprehensive supply chain assessments. 2. Identify high-impact AI integration opportunities 3. Develop tailored transformation roadmap	Q2 – 2025
Design & Development	1. Engineer AI solutions for priority areas 2. Integrate with existing ERP and data infrastructure 3. Implement IoT and automation technologies	Q3 – 2025
Pilot & Optimization	1. Launch controlled pilots in key operational areas 2. Rigorously test and refine AI models 3. Quantify performance improvements	Q4 – 2025
Scaled Implementation	1. Roll out optimized solutions across the organization 2. Provide robust change management and training 3. Establish AI governance and maintenance protocols	Q1 – 2026

Source: Company Management

4.4.4. MARKETING

Marketing is a critical component of ZL's business expansion plan. To boost platform traffic and brand recognition, ZL will invest PKR 75 million in advertising and marketing campaigns aimed at expanding its customer base and driving sales growth.

These initiatives will include digital marketing, social media campaigns, networking events, and traditional advertising channels. By leveraging advanced analytics and customer insights, ZL will tailor its strategies to target specific demographics and regions, maximizing each campaign's impact and reaching the most relevant customers.

ZL will build strong brand equity by highlighting its commitment to quality, reliability, and innovation. This includes promoting its extensive commodity offerings, cutting-edge digital platform, and superior customer service. By positioning itself as a trusted marketplace, ZL aims to attract and retain customers.

Collaborations with industry influencers and strategic partnerships are vital to ZL's marketing strategy. Partnering with reputable figures and organizations in the commodities sector will amplify its reach and enhance its brand image.

ZL plans to invest in content marketing and educational initiatives to engage its audience. By providing valuable insights, market analysis, and expert advice, it can establish itself as a thought leader, attracting potential customers and building long-term relationships.

ZL will hold networking events such as conferences, seminars, and exhibitions to create brand awareness among customers and suppliers. These events will showcase its offerings, share industry knowledge, and foster relationships, strengthening its market position and visibility.

Marketing efforts will be complemented by continuous improvements to the user experience on ZL's platform. Ensuring a seamless, intuitive, and user-friendly interface will enhance customer satisfaction and encourage repeat business. Customer feedback will be used to refine and optimize the platform.

Breakup of Marketing			
Item	%	Estimated Cost (PKR)	Basis of estimation
Traditional Media	53.34	40,000,000	Management's estimates
Networking events	33.33	25,000,000	Management's estimates
Digital & social media	13.33	10,000,000	Management's estimates
Total	100	75,000,000	

Source: Company Management

4.4.5. OFFICE CAPEX & VEHICLES

ZL plans to make significant investments in its infrastructure to support its ambitious expansion goals. The Company will invest a total of PKR 60 million in office capex and vehicles to support its expanding operations. It includes PKR 30 million for office capital expenditure for upgrading and expanding office spaces. This includes modernizing facilities, acquiring state-of-the-art equipment and enhancing technological infrastructure. By creating a more efficient and conducive work environment, ZL aims to boost employee productivity and streamline operations. These enhancements will also support the growing workforce, which is essential for managing the increased volume of transactions and customer interactions as the Company expands.

Breakup of Office Capex			
Item	%	Estimated Cost (PKR)	Basis of Estimation
Office Renovation & Furniture	66.67	20,000,000	Quotation
Computer Equipment	33.33	10,000,000	Quotation
Total	100	30,000,000	

Source: As per quotations provided by Company Management

Office Renovation and Furniture			
Item	Qty	Cost/Unit (PKR)	Amount (PKR)
Linear Work Station	61	44,000	2,684,000
Marcus Desk Executive	8	305,000	2,440,000
Arc Econo Chair (Staff)	40	40,000	1,600,000
Manager High Back Executive Chairs	8	145,000	1,160,000
Staff Work Station	40	25,000	1,000,000
Managers Chairs with headrest	12	81,000	972,000
Traditional Visitor Chairs	10	94,000	940,000
Sofa Cooper 3-seater	3	305,000	915,000
Harp Manager Chair without headrest	12	69,000	828,000
Smart Chair Millennium Brown	10	73,000	730,000
Marlon Manager High back chairs	10	70,000	700,000
Executive Chair Millennium	11	60,000	660,000
Ozone Meeting Table(4-person)	14	43,000	602,000
Antonin Executive Table (Right)	1	460,000	460,000
Ariel linear Work Station (2 person)	10	45,000	450,000
Conte twin Seat Sofa	3	140,000	420,000
Antonin center Table	8	50,000	400,000
Arc Desk	2	190,000	380,000
Grace Sofa 3seater	2	185,000	370,000

Castel barstool	8	40,000	320,000
Fin Visitor Chairs	12	23,000	276,000
Panda Ottoman Stool	8	32,000	256,000
Orient Visitor Chairs	4	60,000	240,000
Glasgow Executive Chairs	2	110,000	220,000
Conte Side Table	5	43,000	215,000
Rodea Executive Sofa (3Seater)	1	200,000	200,000
Snare Executive Chair without Headrest	3	45,000	135,000
Sero Sofa Dark Beige (2-seater)	1	130,000	130,000
Apex Visitor Chairs	2	55,000	110,000
Lunar Work Station for 4-person	3	25,000	75,000
Callisto Anchor Side Table	1	50,000	50,000
Ozone 2.0 Office Filling Cabinet	1	32,000	32,000
Marcus Side Table	1	30,000	30,000
Total	317		20,000,000

Source: As per quotations provided by Company Management

Computer Equipment			
Item	Qty	Unit Cost (PKR)	Amount (PKR)
DDR5 BEAST 8.9 PC	4	890,000	3,560,000
Dell Latitude 3440 I7-1355U 8GB 512GB 1Y Laptop	6	358,000	2,148,000
MSI GeForce RTX 3080 10G GAMING Z TRIO Graphic Card	3	329,999	989,997
Apple MacBook Pro MTL83 M3 14.2" 1TB SSD Space Gray 2023	2	474,950	949,900
HP Scanjet Enterprise Flow 5000 S5 Scanner	2	255,000	510,000
VIEWSONIC PG707W Business Projector	2	225,500	451,000
Dell S3221QS 32" Curved 4K UHD Monitor	2	200,000	400,000
HP LaserJet MFP M440dn(8AF47A) Printer	2	198,000	396,000
Samsung Shield T7 1TB USB 3.2 External SSD	6	37,000	222,000
Sennheiser RS 160 RF Wireless Headphones	4	27,355	109,420
TP Link Archer AX55 AX3000 Dual Band Gigabit Wi-Fi 6 Router	3	35,499	106,497
Samsung 1TB 970 EVO Plus NVMe M.2 Internal SSD	2	30,500	61,000
Transcend Jet Drive Go 300 Flash Drive 128GB For IOS	6	8,999	53,994
Corsair 64GB Flash USB Voyager 3.0	6	6,599	39,594
Amaze A812 DP TO HDMI ADAPTER	2	1,299	2,598
Total	52		10,000,000

Source: As per quotations provided by Company Management

In addition to upgrading its office infrastructure, ZL has announced an investment of PKR 30 million in the purchase of six new Honda City vehicles for its marketing & sales department employees, aiming to enhance its outreach and sales effort, connect with a wider audience and expand its customer base. This investment will strengthen the Company's market presence, improve customer engagement and drive business development, with the new vehicles providing a reliable mode of transportation for employees and serve as an asset in promoting the Company's brand and values, demonstrating ZL's commitment to its employers and customers.

Breakup of Vehicle Capex	
Vehicles	Estimates
No. of vehicles	6
Cost per Vehicle (PKR)	5,000,000
Total Cost of Vehicles (PKR)	30,000,000

Source: As per quotations provided by Company Management

4.4.6. HUMAN RESOURCE

ZL plans to expand the scale of its current operations, it will undertake significant hiring efforts, including filling key management positions. The Company aims to bring in highly competent individuals for the key hiring that will play a crucial part in steering the Company through its expansion and ensuring the successful execution of its strategic

objectives. In addition to these key management positions, ZL will hire multiple staff members in operational and administrative roles to support its growing operations. This includes adding personnel in logistics, supply chain management, customer service, and administrative support to ensure smooth and efficient day-to-day functioning. To streamline operations across its various commodity sectors, ZL intends to hire dedicated department heads for each sector. These leaders will be responsible for overseeing sector-specific activities, ensuring clear lines of responsibility, and optimizing performance within their respective areas. The department heads will be supported by regional sales managers, area sales managers, and sales assistants, creating a robust and well-coordinated sales force capable of driving growth across different regions. Overall, ZL plans to invest PKR 50 million in expanding its human resource capacity. This investment will cover recruitment, onboarding, and training costs for the new hires, ensuring they are well-prepared to contribute effectively to the Company's growth.

Breakup of Human Resource Estimated Expense			
Description	Headcount	Average monthly salary	Annual Expense
Hiring at Chief level positions	3	425,000	15,300,000
Hiring of Department Heads	5	350,000	21,000,000
Hiring of Department Officers	6	110,000	7,920,000
Recruitment and Training	-		5,780,000
Total			50,000,000

Source: Company Management

4.5. CURRENT BUSINESS EXPANSION

Since its inception, ZL has successfully dealt with four commodities sectors, achieving impressive performance and growth. Building on this success, ZL is now expanding its portfolio to include additional commodity sectors. Expanding ZL's commodity sectors is a strategic move driven by several compelling factors. The increased demand for ZL's existing commodities sector highlights a strong market appetite and the Company's ability to meet this demand effectively. By diversifying its offerings, ZL can cater to a broader audience, thereby increasing its market share and spreading risk across different sectors.

4.5.1. RATIONALE FOR EXPANSION

ZL intends to launch more commodities which are Chemicals, Coal, Grains, Agriculture & Perishables, Cotton & Yarn, Fertilizers and Sugar. The increase in the product portfolio would mean more transactions for ZL which in turn will result in higher revenue potential. The existing customers would be exposed to multiple types of sector commodities increasing the AOV per transaction and improving the overall customer experience. This expansion into new markets provide ZL with more data points for analysis leading to better market insights and allow ZL to predict trends & optimize pricing. ZL's expansion into more commodities positively affects the economic growth of the industry & country it serves.

4.6. UTILIZATION OF EXCESS IPO FUNDS, IN CASE THE STRIKE PRICE IS DETERMINED ABOVE THE FLOOR PRICE

Any excessive funds raised, in case the Strike Price is determined above the Floor Price, would be utilized to fund the internal working capital requirement of ZL existing business and to fund the expansion plan.

Utilization of excess IPO funds, based on scenarios where the strike price is set above the floor price				
Item	Up to 10%	>10% Up to 20%	>20% Up to 30%	>30% Up to 40%
Working Capital	530,000,000	610,000,000	690,000,000	770,000,000
Logistics	240,000,000	240,000,000	240,000,000	240,000,000
Technology	125,000,000	125,000,000	125,000,000	125,000,000
Marketing	95,000,000	115,000,000	135,000,000	155,000,000
Office Capex and Cars	60,000,000	60,000,000	60,000,000	60,000,000
Human Resource	50,000,000	50,000,000	50,000,000	50,000,000
Total	1,100,000,000	1,200,000,000	1,300,000,000	1,400,000,000

Source: Company Management

4.7. 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.

4A VALUATION SECTION

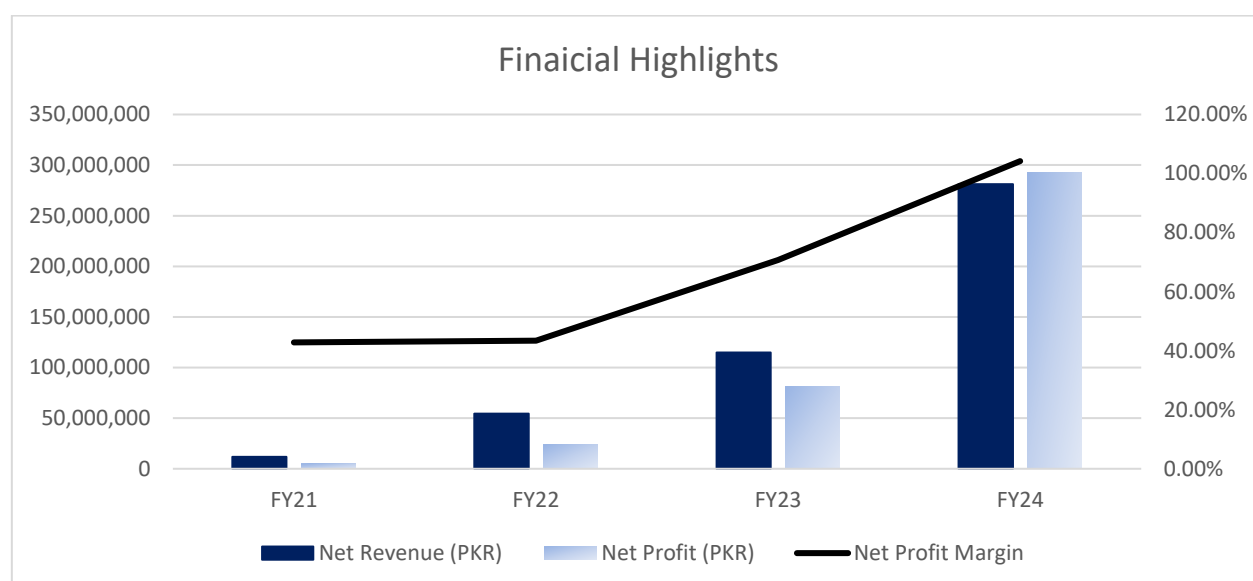
The issue is being offered at a Floor Price of PKR 16/- per share. The Joint Lead Manager has reviewed the business performance of the Company and in their opinion, the Floor Price of PKR 16/- per share is justified based on:

4A (i) ROBUST FINANCIAL AND OPERATIONAL PERFORMANCE

Over the last 3 years, ZL has shown substantial growth in its revenue base on an annual basis from FY 2021 to FY 2024. Revenue in absolute terms has witnessed a notable hike at a CAGR of 188% from FY 2021 to FY 2024. This increase coupled with lower increase in costs has resulted in noticeable growth in the Net Margin which was 42.8% in 2021 and went up to 104% in 2024. Overall, Net profit witnessed a hike at a CAGR of 287% from FY21 to FY24.

Financial Highlights					
Particulars	FY21	FY22	FY23	FY24	CAGR
Net Revenue (PKR)	11,752,862	54,357,649	114,912,232	281,060,855	188%
Gross Profit (PKR)	11,752,862	54,357,649	114,912,232	281,060,855	188%
Net Profit (PKR)	5,034,033	23,608,201	81,252,072	292,711,085 ⁶²	287%
Gross Profit Margin	100%	100%	100%	100%	-
Net Profit Margin	42.8%	43.4%	70.7%	104.2%	-

FY 2021 - FY 2024 Extracted from Audited financial statements of ZL



4A (ii) ESTABLISHED BRAND OF ZL

Since its inception in 2020, ZL has earned a reputation as the premier digital platform for the supply and distribution of commodities. ZL's commitment to excellence has positioned it as a trusted partner for businesses across the nation. By leveraging advanced technology and a customer-centric approach, ZL streamlines the entire procurement process, ensuring efficiency and transparency at every stage. The platform's robust logistics network and dedicated customer support team further enhance its reliability and effectiveness.

4A (iii) STRONG CUSTOMER BASE

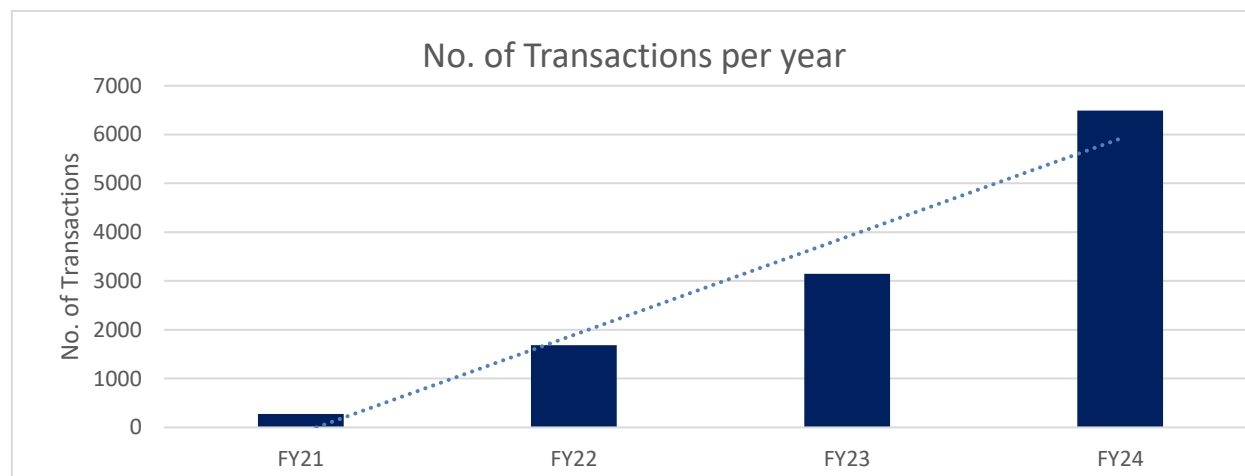
ZL has established a strong and loyal customer base across four key commodity sectors throughout its operational history. Building on this success, the Company is poised to expand its platform by introducing new commodity sectors,

⁶² Net Earnings excluding other income was PKR 227,661,076 in FY24

further diversifying its offerings and enhancing its customer base. This strategic move is expected to attract a wider range of customers, solidify ZL's market position, and drive business growth. The number of transactions increased by 511% YOY from 276 transactions in FY21 to 1,686 transactions in FY22. These transactions further increased by 87% YOY to 3,150 transactions in FY23 and then by 106% YOY to 6,490 transactions. This increasing trend is shown in the graph below.

Customer Analytics	FY21	FY22	FY23	FY24
No. of Customers	51	153	282	373
No. of Transactions	276	1,686	3,150	6,505

Source: Company Management



4A (iv) GROWTH POTENTIAL

The Company plans to expand by adding newer commodities to its platform. This diversification can allow the Company to mitigate risks associated with market volatility, reduce reliance on current commodities, and capitalize on emerging opportunities across different sectors. This expanded portfolio can also enhance cross-selling opportunities, allowing ZL to maximize the value of each customer interaction. ZL has been generating revenue and the addition of more commodities to its portfolio holds potential for revenue growth. Currently, these commodities have undergone a soft launch on the ZL platform. However, it has not been fully launched commercially. This phased approach allows ZL to test market dynamics and optimize its offerings before the official launch, ensuring a successful integration into ZL platform.

Commodity	Expected Official Launch Date*
Coal	January 2025
Sugar	January 2025
Chemical	March 2025
Textile (Cotton & Yarn)	July 2026
Grains & Pulses	July 2026
Fertilizers	September 2026
Agriculture Perishables	January 2027

Source: Company Management

4A (v) EXPERIENCED MANAGEMENT

Led by Mr. Ali Alam Qamar, the CEO and primary sponsor of ZL. Ali Alam Qamar, a graduate of Aitchison College, Lahore, with a BSc in Management from SOAS University of London and a master's in finance from the University of Cambridge, brings a wealth of knowledge to the company. His specialized training in Sustainable Finance and Investments from Harvard University, along with his extensive background in operations, supply chain management, and finance, makes him a visionary leader. His strategic leadership and commitment to revolutionizing procurement in Pakistan ensure that the recruitment process for ZL is both rigorous and effective, ensuring that only the most qualified individuals join the team. The management staff possesses the appropriate educational qualifications and relevant experience in their areas of expertise. Please refer to Section 7.3 for profile of key management.

4A (vi) GROWTH POTENTIAL IN SME FINANCING & DIGITIZATION

Pakistan's E-Commerce market is expanding rapidly, fueled by rising digital adoption and government support for online businesses. As a B2B platform, ZL connects SMEs and retailers, providing a seamless marketplace to buy and sell commodities. The SME sector is vital to Pakistan's economy, contributing significantly to GDP and exports, but faces challenges, including limited access to finance and a reliance on cash transactions.

In addition to facilitating transactions, ZL offers credit facilitation services to SMEs, helping them access the working capital needed to grow their businesses. This dual approach (i.e. providing both a marketplace and financial support) addresses key barriers to growth, such as liquidity constraints and high operational costs associated with cash-based payments.

With government initiatives promoting financial inclusion and digital payments, ZL's platform is well-positioned to support the digital transformation of SMEs. By combining E-Commerce with credit facilitation services, ZL offer a comprehensive solution that meets the evolving needs of the SME sector, creating an opportunity with significant growth potential as more businesses shift to digital commerce.

4A (vii) JUSTIFICATION FOR FLOOR PRICE

During the recent fiscal year (FY24), Zarea limited (ZL) has demonstrated remarkable growth across its financial metrics. The company's net profit surged by 260% YOY reaching PKR 292.8 million compared to PKR 81.3 million in FY23. This growth trajectory is underscored by a robust 3-year compounded annual growth rate (CAGR) of 287%, escalating from PKR 5,034,033 in FY21 to PKR 292,811,085.

ZL attributes its operational success to its strategic investment in technology and its platform. The increase in customer base and number of transactions shows how well the platform is accepted by the customers. This trend in growth of transactions could further be fueled by additional commodities which would be commercially launched as per section 4A (v). This expansion could open new markets for ZL, increasing the customer base as well as number of transactions leading to rise in overall profitability. This diversification could also mitigate the risk of dependence on few products.

ZL's move to bring in-house logistics with an initial investment of PKR 240 million and a fleet of 9 trucks will lead to significant improvements in both cost management and operational efficiency. By taking direct control of deliveries, ZL can reduce reliance on third-party logistics, adding another stream of income which could further improve the profitability of the Company. This shift will also allow ZL to provide faster, more reliable service, enhancing customer satisfaction and helping the company scale operations more effectively. The integration of technology solutions like GPS tracking and automated warehousing will optimize routes, streamline inventory management, and boost overall efficiency. Overall, this investment could attract more customers leading to more transactions and eventually higher revenues.

Based on our review, the Joint Lead Manager is of the opinion that the company's unwavering commitment to operational excellence, coupled with favorable dynamics within the technology sector, historical performance of the Company, diversified users and expansion into new products indicates sustainability of business performance in the future which justifies the Floor Price of PKR 16/- per share.

The issue is being offered at a Price-to-Earnings ("PE") multiple of 10.93x at a Floor Price of PKR 16/- per Ordinary Share based on the TTM earnings as of 30th June 2024 compared to industry average of 22.99 times.

4A (vii) POST IPO FREE FLOAT DISCLOSURE

Post IPO, the share capital of the Company will increase from 200,000,000 Ordinary Shares to 262,500,000 Ordinary Shares. The free float status post IPO of the Company is presented in the below table:

Description	Number of shares	% Shareholding
Held by Sponsors, Directors and Other Shareholders	200,000,000	76.19%
Public Offering	62,500,000	23.81%
Total	262,500,000	100.00%

4A (viii) PEER GROUP ANALYSIS OF ZL

Peer Analysis is shown as follows:

Company	Share Price ⁶³ (PKR)	EPS ⁶⁴ (PKR)	BVPS ⁶⁵ (PKR)	P/E ⁶⁶	P/B ⁶⁷	ROE (%) ⁶⁸	ROA (%) ⁶⁹	Free Float Shares (Mn)	Free Float (%)
Symmetry Group	10.24	0.49	3.20	20.86	3.20	15.32	11.47	114.098	40.00
Octopus Digital	100.90	1.77	16.63	56.87	6.07	10.67	9.43	47.178	30.00
Avanceon Limited	54.45	3.42	29.62	15.90	1.84	11.56	5.94	124.506	30.00
Netsol Technologies	135.92	13.7	112.49	25.18	1.21	11.90	8.64	31.442	35.00
Systems Limited	454.23	22.77	116.19	20.00	3.91	19.60	12.45	174.767	59.97
Weighted Average				22.99	3.65	-	-	-	-
Zarea – Pre issue	16.00	1.46	2.99	10.93	5.35	48.99	46.52	-	-
Zarea – Post issue	16.00	1.12	2.28	14.34	7.03	18.33	17.97	62.500	23.81

⁶³ Share price as at 23rd October 2024

⁶⁴ TTM (1st July 2023 to 30th June 2024) Profit after tax/number of shares

⁶⁵ Total equity/number of shares

⁶⁶ Share price/EPS

⁶⁷ Share price/BVPS

⁶⁸ TTM (1st July 2023 to 30th June 2024) Profit after tax/total equity

⁶⁹ TTM (1st July 2023 to 30th June 2024) Profit after tax/total assets

5 RISK FACTORS

5.1. INTERNAL RISKS

5.1.1. OPERATIONAL RISK

It is essential to acknowledge the potential risk of losing key employees which could disrupt operations and impact overall business performance. Currently ZL experiences high employee turnover.

Mitigant: ZL plans to further strengthen its HR policies by implementing comprehensive employee retention programs, offering competitive compensation packages, fostering a positive work environment, providing career development opportunities, and actively engaging with employees to address their concerns and aspirations.

	FY2021	FY2022	FY2023	FY2024
Staff Turnover in terms of No of Employees	3	5	7	6
Total Employees	10	18	23	29
Staff Turnover as % of Total Employees	30%	27.78%	30.43%	20.69%

*Management Information

5.1.2. CYBERSECURITY RISK

As a digital platform dealing with financial transactions and sensitive data, ZL faces the risk of cybersecurity breaches, including data theft, hacking attempts, or malware infections.

Mitigant: ZL will implement robust cybersecurity measures such as encryption of data in transit and at rest, conduct regular security audits and penetration testing, provide employee training on cybersecurity best practices, and utilize multi-factor authentication for access control.

5.1.3. CUSTOMER CONTINUITY RISK AND CUSTOMER CONCENTRATION RISK

For Zarea, customer continuity and concentration risk arise from the potential loss or reduced activity of key customers, which could significantly impact revenue and profitability. As a marketplace, Zarea's success heavily relies on retaining a broad and active customer base. High concentration risk occurs if a large portion of sales is dependent on a small group of customers. This dependency makes Zarea vulnerable to shifts in purchasing patterns, market competition, or customer dissatisfaction, potentially leading to revenue volatility. Therefore, managing these risks is critical to ensuring steady growth, market presence, and financial stability.

Mitigant: To mitigate this risk, ZL will prioritize developing strong, long-term relationships with its customers and continuously expand and diversify its customer base by focusing on several key areas:

Excellent Service Delivery: ZL will continuously enhance the quality and reliability of its services by investing in efficient operational processes, ensuring timely delivery, and maintaining the high standards expected by its customers.

Personalized Customer Support: ZL will offer tailored support services to meet the specific needs of its customers. This includes providing dedicated account managers, real-time issue resolution, and offering assistance throughout the buyer-seller journey.

Diversified Customer Base: To reduce reliance on a few key customers, ZL will diversify its customer base by expanding into new markets and targeting different customer segments. This approach will ensure that ZL is not overly dependent on any single customer or group, spreading the risk of churn across a broader client pool.

Proactive Engagement: ZL will adopt a proactive approach by regularly engaging with customers to understand their evolving needs, preferences, and pain points. This will be achieved through surveys, feedback loops, and direct customer interaction to anticipate challenges before they become major issues.

Competitive Differentiation: ZL will continuously monitor market trends and competitors' strategies to ensure it remains a step ahead. By consistently offering unique value propositions, such as superior technology and better offerings, ZL will solidify its competitive edge and maintain customer loyalty.

Through these strategies, ZL will not only retain its current customers but also build a reputation for reliability and customer-centricity, which will attract new clients and mitigate the risk of losing key customers in the long term.

5.1.4. SUPPLIER CONTINUITY RISK

Supplier continuity risk refers to the potential disruption in ZL's operations due to the failure or unreliability of key suppliers. As ZL relies on various suppliers to provide commodities any disruption in supply chains—caused by geopolitical instability, financial difficulties, or logistical challenges—could adversely impact ZL's ability to meet customer demands. Moreover, these suppliers are distributors of the product and not the actual producers/companies of such products. This could further increase the risk of supply disruptions.

Mitigant: ZL will adopt several strategies to mitigate supplier continuity risk:

Diversification of Suppliers: ZL will build relationships with multiple suppliers for each key commodity to ensure that the company is not overly reliant on a single supplier. This approach will reduce the risk of supply disruptions caused by a supplier's inability to fulfill orders or operational setbacks.

Supplier Monitoring and Auditing: ZL will regularly monitor and evaluate the performance of its suppliers to ensure their reliability, financial stability, and adherence to quality standards. This proactive approach will enable ZL to identify any potential risks in its supply chain early on.

Supplier Relationship Management: By fostering strong relationships with its suppliers through bulks orders, access to untapped markets, timely payments, increased throughput, regular engagement and collaboration, ZL will ensure that it remains a preferred partner, securing priority access to essential commodities even during times of scarcity.

5.1.5. SYSTEM RELIABILITY

As a digital platform, ZL relies heavily on its technology infrastructure to facilitate smooth transactions and provide real-time data to users. Any system outages, software bugs, or cybersecurity breaches could disrupt operations, leading to transaction failures, customer dissatisfaction, and potential revenue loss. Ensuring the reliability and security of ZL's digital platform is essential for maintaining user trust and the smooth functioning of the marketplace.

Mitigant: ZL is continuously improving and upgrading its technology infrastructure, including redundant systems, regular software updates, and comprehensive cybersecurity protocols. This includes the implementation of 24/7 monitoring, rapid incident response teams, and regular system audits to identify and address potential vulnerabilities before they can impact operations.

5.1.6. USER ADOPTION AND RETENTION

ZL's success depends on its ability to attract and retain users on its platform. Poor user experience, inadequate marketing strategies, or lack of innovative features could result in low user adoption rates and high churn, directly impacting revenue generation.

Mitigant: ZL is continuously optimizing the user experience through regular updates, intuitive design, and user-centric features. Additionally, it will implement targeted marketing strategies and engagement campaigns to attract new users while retaining the existing customer base. Regular user feedback loops will be established to ensure continuous improvement.

5.1.7. VENDOR RELATIONSHIPS

As ZL connects buyers and sellers, it is dependent on the reliability of its vendor partners. If vendors fail to deliver quality products or services, it could negatively impact ZL's reputation and customer satisfaction, leading to loss of business and potential disputes.

Mitigant: ZL is continuously improving its vendor evaluation and auditing processes, ensuring that only reliable and reputable vendors are part of its marketplace. By fostering strong, long-term partnerships and establishing clear quality assurance protocols, ZL can mitigate the risk of vendor underperformance.

5.1.8. DATA MANAGEMENT

The accuracy and integrity of data are critical to effective commodity trading. Poor data management practices can lead to incorrect transaction processing, financial discrepancies, and reputational damage. Maintaining high data quality is especially crucial for commodity pricing, transaction histories, and customer records.

Mitigant: Zarea mitigates data management risks by implementing robust data management practices, including the use of data analytics, automated systems, and regular audits to ensure data accuracy and integrity. Its platform employs secure, cloud-based databases with encryption to protect our data and customer information. Additionally, ZL conduct periodic data quality checks and address discrepancies in real-time, ensuring reliable transaction processing and safeguarding its data.

5.1.9. TRANSACTION PROCESSING ERRORS

Errors in calculating the Platform Usage Fee (PUF) or miscommunication regarding commodity pricing can lead to disputes with users, affecting trust in the platform and potentially resulting in financial losses for both the company and its customers.

Mitigant: ZL manages rigorous checks and balances to minimize errors. Regular audits, alongside transparent and clear communication of fees and pricing structures, is employed and will be enhanced to maintain accuracy and avoid misunderstandings.

5.1.10. SCALABILITY CHALLENGES

As ZL continues to grow, it may face challenges in scaling its technology infrastructure and operations efficiently. Inadequate scaling can result in slowdowns, operational inefficiencies, and reduced profitability as the platform expands to serve more users and vendors.

Mitigant: ZL invests in scalable cloud-based infrastructure and adopts modular technology solutions that can grow with the business. It will also ensure that operational processes are optimized for efficiency through automation, staff training, and the use of agile methodologies to quickly adapt to changing market demands.

5.1.11. RISK OF NON-COMPLIANCE WITH REGULATION OF SECP AND PSX

Non-compliance with the Securities and Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange (PSX) regulations could lead to legal penalties, reputational damage, and operational disruptions.

Mitigant: ZL will maintain a robust compliance framework with regular updates on regulatory changes, engage legal experts for compliance reviews, conduct internal audits, and ensure transparent communication with regulatory bodies.

5.2. EXTERNAL RISKS

5.2.1. CAPITAL MARKET RISK

Post listing on PSX, the price of the Company's shares will be determined by market forces driven by local and global socio-economic events, capital and money market behavior, competitive scenarios, and Company performance. The value of the shares will be subject to fluctuation based on the combined impact of these forces.

Mitigant: ZL will diversify funding sources, maintain strong cash flow management, hedge against market risks where possible, and stay informed about macroeconomic trends affecting capital markets.

5.2.2. ECONOMIC SLOWDOWN

Economic downturns or recessions can reduce demand for commodities, affecting ZL's trading volumes and revenue.

Mitigant: ZL will maintain financial reserves, diversify product offerings or customer segments, focus on cost-efficiency measures, and adapt pricing strategies to market conditions.

5.2.3. THREAT OF NEW ENTRANTS

Increased competition from new entrants in the commodity trading sector could erode market share and pressure profitability.

Mitigant: ZL will differentiate through superior technology and service offerings, build strong customer loyalty, invest in brand awareness and marketing, and continuously innovate to stay ahead.

5.2.4. TECHNOLOGY ADVANCEMENT RISK

The rapid pace of technological advancements presents both opportunities and challenges for ZL. Competitors who adopt superior technology, artificial intelligence, or more innovative business models could gain a competitive advantage, leaving ZL at risk of falling behind. The ability to integrate cutting-edge solutions into the platform will be critical for maintaining market leadership and ensuring operational efficiency.

Mitigant: ZL will prioritize continuous investment in research and development to stay at the forefront of technological innovation. By closely monitoring industry trends and adopting emerging technologies such as AI, blockchain, and predictive analytics, ZL will ensure that its platform remains modern, efficient, and competitive. Furthermore, strategic partnerships with tech firms and regular upgrades to ZL's digital infrastructure will ensure it is well positioned to adapt to evolving technological landscapes.

5.2.5. CONSUMER TRENDS

Shifts in consumer preferences, behaviors, or economic conditions can impact demand for specific commodities. If ZL fails to anticipate or respond to changes in market trends, it could lead to reduced transaction volumes, missed revenue opportunities, or obsolete product offerings.

Mitigant: ZL employs data analytics and market research to closely monitor and anticipate shifts in consumer preferences and market trends. By leveraging customer data, feedback, and industry insights, ZL will adapt its product offerings and services to align with current consumer demands. This will allow the company to stay agile and responsive, providing commodities that align with emerging consumer needs and behaviors.

5.2.6. COMMODITY PRICE VOLATILITY

Commodity prices are often subject to fluctuations due to a variety of factors, including supply and demand imbalances, geopolitical tensions, natural disasters, or changes in trade policies. This volatility creates uncertainty in pricing, which can impact transaction profitability on ZL's platform, as both buyers and sellers may experience difficulties in predicting costs or revenues.

Mitigant: ZL's pricing model accounts for real-time market conditions and adjusts prices accordingly. ZL does not provide any financial advice to buyers or suppliers and is not liable for any future price volatility of any commodity. Additionally, through providing clear and timely market data to our users it helps them make informed decisions, enhancing their ability to manage risk and reduce exposure to volatile price shifts.

5.2.7. BUSINESS RISK

Operational risks such as supply chain disruptions, regulatory changes, or strategic missteps could impact ZL's business continuity.

Mitigant: ZL will develop robust business continuity plans, diversify suppliers and operational dependencies, conduct scenario planning exercises, and maintain a flexible organizational structure

5.2.8. VENDOR CONCENTRATION RISK

The risk of a significant portion of ZL's business relies on a limited number of suppliers or vendors.

Mitigant: ZL will diversify its supplier base, establish strong contracts with key vendors, and develop contingency plans to ensure business continuity.

5.2.9. CREDIT RISK

Risk of financial loss due to counterparty default or inability to recover debts from customers.

Mitigant: ZL will implement stringent credit risk assessment procedures, monitor credit exposures regularly, set credit limits, use credit insurance where feasible, and establish clear debt recovery policies.

Description	30 June 2022		30 June 2023		30 June 2024	
Days Receivables	Gross Amount	Impairment	GrossAmount	Impairment	GrossAmount	Impairment
1-30	22,680,032	-	18,782,223	-	51,976,187	-
31-60	16,200,023	-	13,415,874	-	45,676,043	-
61-90	12,960,018	-	10,732,699	-	22,050,503	-
91-120	9,720,014	-	8,049,524	-	29,925,683	-
121-150	3,240,005	-	2,683,175	-	7,875,180	-
151-180	-	-	-	-	-	-
Above 180	-	-	-	-	-	-
Total	64,800,092	-	53,663,495	-	157,503,596	-

*Management Information

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

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



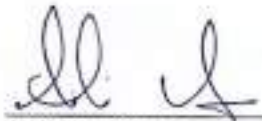
Certificate by Chief Executive Officer and Chief Financial Officer of the Company

Dated: 20/09/2024

We being the Chief Executive Officer and Chief Financial Officer of Zarea 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 this 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 this Prospectus as a whole or any part thereof misleading.

For and on behalf of Zarea Limited


Ali Alam Qamar
Chief Executive Officer
Zarea Limited



Muhammad Usman Ameer
Chief Financial Officer
Zarea Limited

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

E-STAMP




ID:	PB-LHR-55F7D8C1D41C4D5C
Type:	Low Denomination
Amount:	Rs 300/-
Description:	CERTIFICATE OR OTHER DOCUMENT - 33
Applicant:	ZAREA LTD (35000-0000000-0)
Representative From:	ZAREA LTD
Agent:	ALI (35000-0000000-0)
Address:	LAHORE
Issue Date:	10-Oct-2024 12:17:23 PM
Existed On/Validity:	26-Dec-2024
Amount in Words:	Three Hundred Rupees Only
Reason:	UNDERTAKING IN FAVOR OF IPO
Vendor Information:	Muddasar Hussain PB-LHR-2805 Daroghawala Lahore



Muddasar Hussain
STAMP VENDOR
- LIC # 2805
Daroghawala Lahore

Scan for online verification

نوٹ: یہ فراہم کنندہ تاریخ انصراف سے سات دنوں تک، قریب سے قابل استعمال ہے اور اسٹامپ کی تصدیق پوریہ کیو آر کوڈ سے کی جاسکتی ہے۔

Dated: 04/10/2024

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its Sponsors undertake that

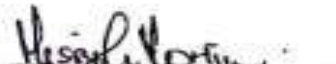
- (1) Neither Issuer, nor its directors, sponsors, or substantial shareholders have been holding the office of directors, or have been sponsors or substantial shareholders in any company:
 - a. Which has been declared defaulter by the securities exchange; or
 - b. Whose TRE Certificate has been cancelled or forfeited by the securities exchange; PMEX or any other registered stock exchange of Pakistan
 - c. Which has been delisted by a securities exchange due to non-compliance of its regulations.
- (2) None of the sponsors, substantial shareholders, directors or management of the company as well as the company itself or its associated company 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 which is pending before any Court of Law/Regulatory Body/Investigation Agency in or outside of the country;

For and on behalf of Zarea Limited


Ali Alam Qamar
Chief Executive Officer
Zarea Limited
CNIC: 35201-6331948-3



Nouman Ul Hassan
Nominee Director of
M/S Goldfinger (Private)
Limited
CNIC: 31301-8308399-3



Misbah Momin
Chairperson / Director
Zarea Limited

ATTESTED
G.M. CHAUDHRY ADV.
OATH COMMISSIONER LHR

STATEMENT BY THE ISSUER



STATEMENT BY THE ISSUER

Dated: 24/10/2024

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

On behalf of Zarea Limited, (the Company), I 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 Zarea Limited,



Ali Alam Qamar
Chief Executive Officer
Zarea Limited

STATEMENT BY CONSULTANT TO THE ISSUE/LEAD MANAGER

Dated: 25-09-2024

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

Being mandated as the Joint Lead Manager/ Consultant to the Issue to this Initial Public Offering of Zarea Limited through 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 the Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief 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 Topline Securities Limited



 Mohammad Sohail
 Chief Executive Officer

8th Floor, Horizon Tower, Plot 2/6, Block 3, Clifton, Karachi-Pakistan.
 TEL: +92-21-35303330-32 | www.topline.com.pk



GROWTH SECURITIES (PVT) LTD.

Room # 82 83, Second Floor, Pakistan Stock Exchange Building, I.I. Chundrigar Road, Karachi-74000.

Ph: (+92-21) 32463002-04 Fax: (92-21) 32463005 <http://www.growthsecurities.com.pk>

E-mail: info@growthsecurities.com.pk, growthsecurities102@gmail.com

Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

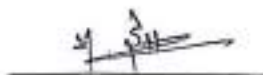
Dated: 25-09-2024

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

Being mandated as the Joint Lead Manager/ Consultant to the Issue to this Initial Public Offering of Zarea Limited through 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 the Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief 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 Growth Securities Pvt Ltd



Mohammad Shahid
Chief Executive Officer

STATEMENT BY BOOK RUNNER

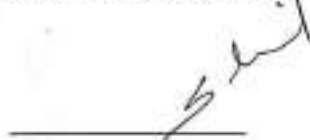


Dated: 25-09-2024

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

Being Mandated as the Joint Book Runner to this Initial Public Offering of Zarea Limited through 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 the Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief that nothing has been concealed.

For and on behalf of Topline Securities Limited



Mohammad Sohail
Chief Executive Officer

8th Floor, Horizon Tower, Plot 2/6, Block 3, Clifton, Karachi-Pakistan.
TEL: +92-21-35303330-32 | www.topline.com.pk



GROWTH SECURITIES (PVT) LTD.

Room # 82-83, Second Floor, Pakistan Stock Exchange Building, I.I. Chundrigar Road, Karachi-74000.

Ph: (+92-21) 32463002-04 Fax: (92-21) 32463005 <http://www.growthsecurities.com.pk>

E-mail: info@growthsecurities.com.pk, growthsecurities102@gmail.com

Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

Dated: 09-25-2024

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

Being Mandated as the Joint Book Runner to this Initial Public Offering of Zarea Limited through 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 the Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief that nothing has been concealed.

For and on behalf of Growth Securities Pvt Ltd



Mohammad Shahid
Chief Executive Officer

6 FINANCIAL INFORMATION

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

201-Regency Plaza, M.M. Alam Road,
Gulberg-II, Lahore-Pakistan
Ph: +92 42-35876891-3
Fax: +92 42-35764953
Email: hr@nza.com.pk
Web: www.nza.com.pk

The Board of Directors

Zarea Limited
Delta-6, NASTP OFFICE,
Abid Majeed Road,
Lahore, Cantt.

28th August, 2024

Dear Board Members

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 Zarea Limited (the "Company") based on the audited consolidated and unconsolidated financial statements of the Company for the year ended 30 June 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. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company as at 30 June 2024 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 (ICAP).

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

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

Zarea Limited

*Auditor's certificate on issued, subscribed and paid-up capital
as required under clause 14(i) of section I of the First Schedule
to the Public Offering Regulations, 2017
28th August, 2024*

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

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 30th June, 2024 is as follows:

As at 30 th June, 2024		
	(Number of shares)	(Rupees)
Ordinary shares of Rs. 1 each fully paid in cash	200,000,000	200,000,000
Ordinary shares of Rs. 1 each issued as bonus shares	-	-
The shares of the Company have been subscribed by the following:		
Name of shareholders	(Rupees)	
Ali Alam Qamar	109,000,000	
Goldfinger Private Limited	90,000,000	
Mrs. Misbah Momin	1,000,000	
Total	200,000,000	

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.

6.2. AUDITOR CERTIFICATE ON BREAK-UP VALUE PER SHARE

6.2.1. CONSOLIDATED

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

A member firm of

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

201-Regency Plaza, M.M. Alam Road,
Gulberg-II, Lahore-Pakistan
Ph: +92 42-35676891-3
Fax: +92 42-35764959
Email: hr@nzaj.com.pk
Web: www.nzaj.com.pk

The Board of Directors

Zarea Limited
Delta-6, NASTP OFFICE,
Abid Majeed Road,
Lahore, Cantt.

28 August 2024

Dear Board Members

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 the calculation of break-up value per share of Zarea Limited ("the Group") as at 30 June 2024 based on audited consolidated financial statements of the Group for the year ended 30 June 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 Group as of 30 June 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 consolidated financial statements of the Group for the year ended 30 June 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. This certificate does not relieve the management from its responsibilities.

Other Offices | 1st Floor, Modern Motors House, Beaumont Road, Karachi, Pakistan- Ph: +92 21-35671909 Fax: +92 21-35216626 Email: kbi@nzaj.com.pk
2-B, ATS Centre, 10-West, Fazaal-Ul-Haq Road, Blue Area, Islamabad, Pakistan - Ph: +92 51-2878530-32 Fax: +92 51-2206281 Email: isi@nzaj.com.pk

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

 **PrimeGlobal** | An Association of Chartered Accountants

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 consolidated financial statements of the Group for the year ended 30 June 2024 and checking the mathematical accuracy of the calculation.

Certificate

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


As at 30 June 2024		(Rupees)
Issued, subscribed and paid-up capital	A	200,000,000
Unappropriated profit	B	397,569,357
Non-Controlling Interest	C	225,000
Total Equity	D = A+B+C	597,794,357
Number of ordinary shares	E	200,000,000
Break-up value per share	F = D/E	2.99

Restriction on use and distribution

This certificate is being issued on the specific request of the Group'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,

Signature:


for Naveed Zafar Ashfaq Jaffery & Co.

6.2.2. UNCONSOLIDATED

Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants

A member firm of



PrimeGlobal

*An Association of
Independent Accounting Firms*

201-Regency Plaza, M.M. Alam Road,
Gulberg-II, Lahore-Pakistan
Ph: +92 42-35876891-3
Fax: +92 42-35764959
Email: hr@nza.com.pk
Web: www.nza.com.pk

The Board of Directors

Zarea Limited
Delta-6, NASTP OFFICE,
Abid Majeed Road,
Lahore, Cantt.

28 August 2024

Dear Board Members

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 the calculation of break-up value per share of Zarea Limited ("the Company") as at 30 June 2024 based on audited unconsolidated financial statements of the Company for the year ended 30 June 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 30 June 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 unconsolidated financial statements of the Company for the year ended 30 June 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. This certificate does not relieve the management from its responsibilities.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

 **PrimeGlobal** | A MEMBER OF
Independent Accounting Firm

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 unconsolidated financial statements of the Company for the year ended 30 June 2024 and checking the mathematical accuracy of the calculation.

Certificate


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

As at 30 June 2024		(Rupees)
Issued, subscribed and paid-up capital	A	200,000,000
Unappropriated profit	B	397,644,357
Total Equity	C = A+B	597,644,357
Number of ordinary shares	D	200,000,000
Break-up value per share	E = C/D	2.99

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,

Signature: 
for Naveed Zafar Ashfaq Jaffery & Co.

6.3. AUDITOR REPORT UNDER CLAUSE 1 OF SECTION 2 OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants

A member firm of



201-Regency Plaza, M.M. Alam Road,
Gulberg-II, Lahore-Pakistan
Ph: +92 42-35876831-3
Fax: +92 42-35764959
Email: hrj@nzaj.com.pk
Web: www.nzaj.com.pk

The Board of Directors

Zarea Limited
Delta-6, NASTP OFFICE,
Abid Majeed Road,
Lahore, Cantt.

18 August, 2024

Dear Board Members

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 Zarea Limited (the "Company") and its subsidiaries (together the "Group") 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 following information of the Group 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:

- Profits and losses and assets and liabilities, of the Company as a whole with combined profits and losses of its subsidiaries, and individually with profit and losses of each subsidiary concern.
- The details of dividend (date, rate, class of shares) paid by Company during last two financial years immediately preceding the issue of prospectus of the Company. And if no accounts have been made up in respect of any part of the period of two years ending on a date three months before the issue of the prospectus, containing a statement of that fact.

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. This report does not relieve the management from its responsibilities.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

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

Zarea Limited

*Auditor's report under clause 1 of section 2 of the First Schedule to the
Public Offering Regulations, 2017*

Date: 28 August, 2024

Auditors' Responsibility

Our responsibility is to issue a report 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 consolidated and unconsolidated financial statements of the Company and its subsidiaries for the years ended 30 June 2024 and 30 June 2023.

Certificate


Based on the procedures mentioned above, we certify that the information contained in the annexed Statement of Group Financial Information is correct. The Statement is based on audited Financial Statements.

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,

Signature:


for Naveed Zafar Ashfaq Jaffery & Co.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

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

28th August 2024

*Auditor's report under clause 1 of section
2 of the First Schedule to the Public
Offering Regulations, 2017*

**Statement of Group Financial Information
Based on Audited Consolidated Financial Statements
Zarea Limited**

Consolidated Statement of Assets and Liabilities

	As at 30 June 2024 (Rupees)	As at 30 June 2023 (Rupees)	As at 30 June 2022 (Rupees)
Non-Current Assets			
Property and equipments	25,891,413	+	+
Intangible Assets	22,058,377	+	+
Long term Security Deposits	2,230,873	-	+
Total	50,180,665	-	+
Current Assets			
Investments held for trading	70,653,024	+	+
Advances for Commodities	241,982,657	+	+
Trade and Other receivables	157,503,596	-	+
Advances & Prepayments	15,364,620	-	-
Cash and bank balances	94,813,441	-	-
Total	579,517,338	-	+
Non-Current Liabilities			
Deferred Tax	-	+	+
Total	-	-	+
Current Assets			
Trade and Other Payables	31,903,646	-	+
Total	31,903,646	-	+

Zarea Limited

Consolidated Statement of Profit or Loss

	For the Year 2024 (Rupees)	For the Year 2023 (Rupees)	For the Year 2022 (Rupees)
Platform Usage revenue	281,060,855	-	+
Administrative and General Expenses	(24,240,049)	-	-
Selling and Distribution Expenses	(28,759,730)	-	-
Investments Gain/(Loss)	64,204,646	-	+
Finance Costs	(79,577)	-	-
Profit before taxation	291,686,145	-	-
Taxation	1,024,940	-	-
Net profit after taxation	292,711,085	-	-
Other Comprehensive Income	-	-	-
Total Comprehensive Income	292,711,085	-	-
Attributable to:			
Owners of Zarea Limited	292,736,085	-	-
NCI	(25,000)	-	-
Detail of Dividend paid			
	For the Year 2024 (Rupees)	For the Year 2023 (Rupees)	For the Year 2022 (Rupees)
Dividend Paid	-	+	+

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

 **PrimeGlobal** | An Extension of
Chartered Accountants' Firm

*Auditor's report under clause 1 of section
2 of the First Schedule to the Public
Offering Regulations, 2017*

Zarea Limited

Unconsolidated Statement of Assets and Liabilities

	As at 30 June 2024 (Rupees)	As at 30 June 2023 (Rupees)	As at 30 June 2022 (Rupees)
Non-Current Assets			
Property and equipments	25,891,413	12,239,641	6,256,923
Intangible Assets	22,058,377	4,309,771	906,075
Long term Security Deposits	2,230,875	-	-
Investment in Subsidiary	750,000	-	-
Total	59,930,665	16,549,412	7,162,998
Current Assets			
Investments held for trading	79,653,024	36,131,603	31,746,011
Advances for Commodities	241,982,657	72,845,210	-
Trade and Other receivables	157,503,596	53,663,466	64,800,092
Advances & Prepayments	13,364,620	-	379,976
Cash and bank balances	93,013,441	67,426,298	28,096,632
Total	578,517,338	230,066,606	125,022,711
Non-Current Liabilities			
Deferred Tax	-	1,024,940	508,964
Total	-	1,024,940	508,964
Current Assets			
Trade and Other Payables	31,803,646	32,196,771	29,534,511
Total	31,803,646	32,196,771	29,534,511

Zarea Limited


Unconsolidated Statement of Profit or Loss

	For the Year 2024 (Rupees)	For the Year 2023 (Rupees)	For the Year 2022 (Rupees)
Platform Usage revenue	261,090,855	114,912,232	54,357,649
Administrative and General Expenses	(24,640,049)	(5,200,902)	(2,796,191)
Selling and Distribution Expenses	(28,759,730)	(8,862,572)	(6,582,266)
Investments Gain/(Loss)	64,204,646	2,918,342	(12,920,498)
Finance Costs	(79,577)	(70,133)	(849)
Other Income	-	-	263,000
Profit before taxation	291,786,145	103,676,968	32,322,845
Taxation	1,024,940	(22,424,895)	(8,714,644)
Net profit after taxation	292,811,085	81,252,073	23,608,201
Other Comprehensive Income	-	-	-
Total Comprehensive Income	292,811,085	81,252,073	23,608,201
Detail of Dividend paid			
	For the Year 2024 (Rupees)	For the Year 2023 (Rupees)	For the Year 2022 (Rupees)
Dividend Paid	-	-	-

6.4. AUDITOR'S CERTIFICATE ON OPERATING MARGIN

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

A member firm of

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

281-Regency Plaza, M.M. Alam Road,
Gulberg-II, Lahore-Pakistan
Ph: +92 42-35876891-3
Fax: +92 42-35764859
Email: info@nzaj.com.pk
Web: www.nzaj.com.pk

The Board of Directors

Zarea Limited
Delta-6, NASTP OFFICE,
Abid Majeed Road,
Lahore, Cantt.

28 August 2024

Dear Board Members

Auditor's certificate on operating margin and net margin of the Company based on consolidated and unconsolidated financial statements for the years ended 30 June 2022, 30 June 2023 and 30 June 2024.

We have been requested to provide you with a certificate verifying the calculation of operating margin and net margin of Zarea Limited ("the Company") based on audited consolidated and unconsolidated financial statements of the Company for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 for onward submission to Securities and Exchange Commission of Pakistan (SECP) for the purpose of Company's prospectus.

Scope of Certificate

The engagement scope is to provide auditors' certificate on the calculation of operating margin and net margin of the Company for the years ended 30 June 2022, 30 June 2023 and 30 June 2024. We have been informed that this certificate is required by the SECP for the purpose of Company's prospectus.

Management Responsibility

It is the management's responsibility to ensure compliance with the legal requirements for which purposes the calculation of the operating margin and net margin 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. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the operating margin and net margin in accordance with generally accepted accounting principles. 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.

Other Offices | 1st Floor, Modern Motors House, Beaumont Road, Karachi, Pakistan- Ph: +92 21-35871906 Fax: +92 21-35210626 Email: khi@nzaj.com.pk
2-B, ATS Centre, 30-West, Fazal-Ul-Haq Road, Blue Area, Islamabad, Pakistan - Ph: +92 51-2878530-32 Fax: +92 51-2206283 Email: isl@nzaj.com.pk

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

 **PrimeGlobal** | An Association of
Chartered Accountants

Zarea Limited
*Auditor's certificate on operating margin and net operating
margin of the Company based on consolidated
and unconsolidated financial statements for the years ended
30 June 2022, 30 June 2023 and 30 June 2024*

28 August 2024

Our verification was limited to tracing the amounts of revenue, operating profit and profit after taxation, in the audited consolidated and unconsolidated financial statements of the Company for the years ended 30th June, 2022, 30th June, 2023 and 30th June, 2024 and checking mathematical accuracy of the calculation.

Certificate

Based on the procedures mentioned above, we certify that the operating and net operating margin of the Company based on audited accounts, are as follows:

Unconsolidated:

		June 30, 2022	June 30, 2023	June 30, 2024
Revenue	A	54,357,649	114,912,232	281,060,855
Operating Profit	B	47,775,383	106,029,660	252,301,125
Net Earnings	C	36,264,548	78,403,864	227,661,076
Operating margin	B/A	88 %	92 %	90 %
Net margin	C/A	67 %	68 %	81 %

Consolidated:

		June 30, 2022	June 30, 2023	June 30, 2024
Revenue	A	-	-	281,060,855
Operating Profit	B	-	-	252,301,125
Net Earnings	C	-	-	227,561,076
Operating margin	B/A	-	-	90 %
Net margin	C/A	-	-	81 %

Note:

- There were no operations of subsidiary company during 2022, 2023 and 2024.
- Net margin is based on Earnings excluding other income.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

 PrimeGlobal | An Association of
Independent Accounting Firms

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 SECP. 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

Signature: _____



for Naveed Zafar Ashfaq Jaffery & Co

6.5. SHARIAH COMPLIANCE CERTIFICATE



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

SHARIAH COMPLIANCE OF ZAREA LIMITED

We, Al-Hilal Shariah Advisors (Pvt.) Limited, have conducted Shariah Compliance Screening of Zarea Limited based on the financial statements of June 30, 2024.

We have thoroughly analyzed the financial statements on the basis of various Shariah screening criteria prevailing in the market including the criteria of Pakistan Stock Exchange and the criteria issued by our Shariah Supervisory Council. In light of the information provided and our evaluation, we found that the company has passed 5 out of 6 shariah screening filters while 1 filter i.e. Illiquid Assets to Total Assets ratio is slightly below the desired threshold level.

The Shariah Supervisory Council of Al Hilal Shariah Advisors concluded that the issue of considerable illiquid assets remains a problem for services sector companies, since they do not have considerable illiquid assets because of their nature of business and asset light model which becomes a hurdle for meeting Shariah compliance screening criteria. In this regard, the Shariah Supervisory Council of Al Hilal Shariah Advisors recommends that the illiquid Assets to Total Assets ratio may not be considered while evaluating shariah compliance for such service providing companies given that the company financials meet the other desired criteria.

As per the above statement, the Shariah Supervisory Council has resolved the company to be Shariah Compliant. Hence it is permissible to invest in shares of Zarea Limited. And Allah knows best.

This certificate is valid for Initial Public Offering only.

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



Muftirshad Ahmed Ajaz
Member Shariah Supervisory Council




Faraz Younus Bandukda, CFA
Chief Executive

6.6. LATEST AUDITED ACCOUNTS AS AT 30TH JUNE 2024

6.6.1. CONSOLIDATED

ZAREA LIMITED
GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2024

	Notes	June 2024 Rupees	June 2023 Rupees
NON-CURRENT ASSETS			
Property and equipments	4	25,891,413	12,239,641
Intangible Assets	5	22,058,377	4,309,771
Long term Security Deposits		2,230,875	-
		50,180,665	16,549,412
CURRENT ASSETS			
Investments held for trading	6	70,653,024	36,131,603
Advances for Commodities	7	241,982,657	72,845,210
Trade and Other receivables	8	157,503,596	53,663,495
Advances & Prepayments	9	15,364,620	-
Cash and bank balances	10	94,013,441	67,426,298
		579,517,338	230,066,606
TOTAL ASSETS		629,698,003	246,616,018
EQUITY AND LIABILITIES			
Share capital			
Authorized capital			
300,000,000 ordinary shares of Rs. 1/- each		300,000,000	25,000,000
Issued, subscribed & paid-up capital			
200,000,000 ordinary shares of Rs.1/- each fully paid in ca	11	200,000,000	20,000,000
Consolidated Reserves		397,569,357	109,894,307
Non-controlling Interest		225,000	-
		597,794,357	129,894,307
Loan from Sponsors/Shareholders			
	12	-	83,500,000
		597,794,357	213,394,307
NON-CURRENT LIABILITIES			
Deferred tax Liability	13	-	1,024,940
		-	1,024,940
CURRENT LIABILITIES			
Trade and Other Payables	14	31,903,646	32,196,771
		31,903,646	32,196,771
TOTAL EQUITY AND LIABILITIES		629,698,003	246,616,018
Contingencies and Commitments			
		-	-

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The annexed notes 1 to 29 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

ZAREA LIMITED
GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year ended 30 June 2024

	<i>Notes</i>	June 2024 Rupees	June 2023 Rupees
Platform Usage revenue	16	281,060,855	114,912,232
Administrative and General Expenses	17	(24,740,049)	(5,200,902)
Selling and Distribution Expenses	18	(28,759,730)	(8,882,572)
Investments Gain/(Loss)	19	64,204,646	2,918,342
Finance Costs	20	(79,577)	(70,133)
Profit before taxation		291,686,145	103,676,968
Taxation	21	1,024,940	(22,424,895)
Net profit after taxation		292,711,085	81,252,073
Other Comprehensive Income		-	-
Total Comprehensive Income		292,711,085	81,252,073
Attributable to:			
- Owners of Zarea Limited		292,736,085	81,252,073
- NCI		(25,000)	-
Basic & Diluted earning per share	25	3.99	40.63

The annexed notes 1 to 29 form an integral part of these financial statements.

17/05/2024


CHIEF EXECUTIVE


DIRECTOR

ZAREA LIMITED
GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 June 2024

Particulars	Issued, subscribed and paid-up capital	Loan from Shareholders/ Sponsors	Consolidated Reserves	Non-Controlling Interest	Total Equity
	Rs				
BALANCE AS AT July 01, 2022	20,000,000	53,500,000	28,642,234	-	102,142,234
Profit for the year	-	-	81,252,073	-	81,252,073
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	30,000,000	-	-	30,000,000
Issuance of shares	-	-	-	-	-
Balance as at July 1, 2023	20,000,000	83,500,000	109,894,307	-	213,394,307
Profit/ (Loss) for the year	-	-	292,736,085	(25,000)	292,711,085
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	96,500,000	-	-	96,500,000
Issuance of shares	180,000,000	(180,000,000)	-	-	-
Share Issuance Expense	-	-	(5,061,035)	-	(5,061,035)
NCI recognised at acquisition	-	-	-	250,000	250,000
Balance as at June 30, 2024	200,000,000	-	397,569,357	225,000	597,794,357

The annexed notes 1 to 29 form an integral part of these financial statements.

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CHIEF EXECUTIVE


DIRECTOR

ZAREA LIMITED
GROUP CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year ended 30 June 2024

	<u>Notes</u>	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		291,686,145	103,676,968
Adjustment for non-cash items			
Depreciation & Amortization		2,613,621	1,177,288
Capital Loss	19	6,974,809	8,815,056
Unrealised (Gain) / loss		(41,496,230)	(1,200,648)
Finance costs		79,576	70,133
Operating profit before working capital changes		259,857,921	112,538,796
Working capital changes			
(Increase) / decrease in current assets			
Trade and Other Receivables		(103,840,100)	11,136,597
Advances & Prepayments		(15,364,620)	379,976
Advance for Commodities		(169,137,447)	(72,845,210)
Increase / (decrease) in current liabilities			
Trade and Other Payables		2,391,737	(19,246,600)
Income Tax Paid		(2,684,860)	-
Finance Costs paid		(79,577)	(70,133)
		(285,714,867)	(80,645,430)
Net cash flows from operating activities		(25,856,946)	31,893,366
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share Capital		180,000,000	-
Loan from Sponsors / Shareholders		(83,500,000)	30,000,000
Share Issuance Expense		(5,061,035)	-
Net cash flows from financing activities		91,438,965	30,000,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and Equipment		(15,414,001)	(7,000,072)
Intangible Assets		(18,600,000)	(3,563,628)
Investment in Securities		-	(12,000,000)
Long term security Deposits		(2,230,875)	-
Acquisition of subsidiary- net of cash		250,000	-
Net cash flows from investing activities		(35,994,876)	(22,563,700)
Net increase in cash and cash equivalents		29,587,143	39,329,666
Cash and cash equivalents at the beginning of the year		67,426,298	28,096,632
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR 19		97,013,441	67,426,298

The annexed notes 1 to 29 form an integral part of these financial statements.


Chief Executive


Director

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6.6.2. UNCONSOLIDATED

ZAREA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the Year ended 30 June 2024

	<i>Notes</i>	June 2024 Rupees	June 2023 Rupees
Platform Usage revenue	17	281,060,855	114,912,232
Administrative and General Expenses	18	(24,640,049)	(5,200,902)
Selling and Distribution Expenses	19	(28,759,730)	(8,882,572)
Investments Gain/(Loss)	20	64,204,646	2,918,342
Finance Costs	21	(79,577)	(70,133)
Profit before taxation		291,786,145	103,676,968
Taxation	22	1,024,940	(22,424,895)
Net profit after taxation		292,811,085	81,252,073
Other Comprehensive Income		-	-
Total Comprehensive Income		292,811,085	81,252,073
Basic & Diluted earning per share	26	3.99	40.63

The annexed notes 1 to 30 form an integral part of these financial statements.

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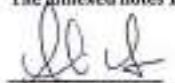

CHIEF EXECUTIVE


DIRECTOR

ZAREA LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 June 2024

Particulars	Issued, subscribed and paid-up capital	Loan from Shareholders/ Sponsors	Revenue Reserves	Capital Reserves	Total Equity
			Unappropriated profit	Unrealized (loss)/gain on investment at fair value through OCI	
Rs					
BALANCE AS AT July 01, 2022	20,000,000	53,500,000	28,642,234	-	102,142,234
Profit for the year	-	-	81,252,073	-	81,252,073
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	30,000,000	-	-	30,000,000
Issuance of shares	-	-	-	-	-
Balance as at July 1, 2023	20,000,000	83,500,000	109,894,307	-	213,394,307
Profit for the year	-	-	292,811,085	-	292,811,085
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	96,500,000	-	-	96,500,000
Issuance of shares	180,000,000	(180,000,000)	-	-	-
Share Issuance Expense	-	-	(5,061,035)	-	(5,061,035)
Balance as at June 30, 2024	200,000,000	-	397,644,357	-	597,644,357

The annexed notes 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE

N795460

DIRECTOR

ZAREA LIMITED
STATEMENT OF CASH FLOWS
For the Year ended 30 June 2024

	Notes	June 2024 Rupees	June 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		291,786,145	103,676,968
<u>Adjustment for non-cash items</u>			
Depreciation & Amortization		2,613,621	1,177,288
Capital Loss	7	6,974,809	8,815,056
Unrealised (Gain) / loss		(41,486,230)	(1,200,648)
Finance costs		79,576	70,133
Operating profit before working capital changes		258,957,921	112,538,796
Working capital changes			
(Increase) / decrease in current assets			
Trade and Other Receivables		(103,840,100)	11,136,357
Advances, Deposits and Prepayments		(15,344,620)	379,976
Investment in Commodities		(169,137,447)	(72,845,230)
Increase / (decrease) in current liabilities			
Trade and Other Payables		2,281,737	(19,246,660)
Income Tax Paid		(2,684,860)	-
Finance Costs paid		(79,577)	(70,133)
		(288,814,867)	(80,645,430)
Net cash flows from operating activities		(28,856,946)	31,893,366
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share Capital		180,000,000	-
Loan from Sponsors / Shareholders		(83,500,000)	30,000,000
Share Issuance Expense		(8,061,838)	-
Net cash flows from financing activities		91,438,162	30,000,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Office Equipment and Furniture Acquired		(15,414,001)	(7,000,072)
Software		(18,600,000)	(3,563,628)
Investment in Securities		-	(12,000,000)
Long term security Deposits		(2,230,875)	-
Investment in Subsidiary		(750,000)	-
Net cash flows from investing activities		(36,994,876)	(22,563,700)
Net increase in cash and cash equivalents		25,587,143	39,329,666
Cash and cash equivalents at the beginning of the year		67,426,298	28,096,632
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	II	93,013,441	67,426,298

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The annexed notes 1 to 30 form an integral part of these financial statements.


Chief Executive


Director

6.7. SUMMARY OF FINANCIAL HIGHLIGHTS

For access to the complete audited statements of the Company, visit <https://zarea.pk/investor-relations/>

Unconsolidated	Audited FY21	Audited FY22	Audited FY23	Audited FY24
Income Statement				
Net Revenue	11,752,862	54,357,649	114,912,232	281,060,855
Cost of Goods Sold	-	-	-	-
Gross Profit	11,752,862	54,357,649	114,912,232	281,060,855
General & Administrative expense	(2,707,207)	(2,044,450)	(4,023,614)	(22,026,428)
Selling & Distribution expense	(1,506,799)	(6,582,266)	(8,882,572)	(28,759,730)
Investment Gain/ (loss)	(312,480)	(12,920,498)	2,918,342	64,204,646
Other income	-	265,000	-	-
EBITDA	7,226,376	33,075,435	104,924,389	294,479,343
Depreciation	(397,584)	(651,066)	(1,017,356)	(1,762,227)
Amortization	-	(100,675)	(159,932)	(851,394)
EBIT	6,828,792	32,323,694	103,747,100	291,865,722
Finance Cost	(12,588)	(849)	(70,133)	(79,577)
Profit before tax	6,816,204	32,322,845	103,676,967	291,786,145
Tax	(1,782,171)	(8,714,644)	(22,424,895)	1,024,940
Net Profit	5,034,033	23,608,201	81,252,072	292,811,085 ⁷⁰
Balance Sheet				
Non-Current Assets	5,910,289	7,162,998	16,549,412	50,930,665
Current Assets	63,860,269	125,022,711	230,066,606	578,517,338
Total Assets	69,770,558	132,185,709	246,616,016	629,448,003
Total Equity	67,034,033	102,142,234	213,394,307	597,644,357
Long Term Liabilities – Deferred Tax	309,143	508,964	1,024,940	-
Current Liabilities	2,427,382	29,534,511	32,196,771	31,803,646
Trade & Other Payables	2,427,382	29,534,511	32,196,771	31,803,646
Trade & Other Receivables	6,528,802	64,800,092	53,663,495	157,503,596
Advances, Deposits & Pre-Payments	4,532,840	379,976	-	15,364,620
Cash Flow Statement				
Cash flow from operating activities	(2,581,020)	41,964,975	31,893,366	(28,856,946)
Cash flow from investing activities	(48,307,873)	(36,479,450)	(22,563,700)	(36,994,876)
Cash flow from financing activities	62,000,000	11,500,000	30,000,000	91,438,965
Net increase in Cash & Cash equivalents	11,111,107	16,985,525	39,329,666	25,587,143
Cash & Cash equivalents at period start	-	11,111,107	28,096,632	67,426,298
Net cash at Period End	11,111,107	28,096,632	67,426,298	93,013,441
Capex - PPE	(5,301,123)	(2,004,450)	(7,000,072)	(15,414,001)
Capex – Intangibles	(1,006,750)	-	(3,563,628)	(18,600,000)

⁷⁰ Earnings after tax for FY24 excluding other income was PKR 227,661,076

Unconsolidated	Audited FY21	Audited FY22	Audited FY23	Audited FY24
Growth				
Sales Growth	-	363%	111%	145%
EBITDA Growth	-	358%	217%	181%
Profit after tax growth	-	369%	244%	260%
Margins				
Gross Margin	100%	100%	100%	100%
EBITDA Margin	62%	61%	91%	105%
Profit before Tax Margin	58%	59%	90%	104%
Profit after Tax Margin	43%	43%	71%	104% ⁷¹
Profitability Ratios				
Earnings per share (PKR)	2.52	11.80	40.63	1.46 ⁷²
Break-up value per share (PKR)	33.5	51.1	106.7	2.99
Return on Equity	8%	23%	38%	49%
Return on Assets	7%	18%	33%	47%
Outstanding shares (Mn)	2	2	2	200
Balance Sheet Ratios				
Non-current Asset Turnover ⁷³ (Times)	1.99	7.59	6.94	5.52
Asset Turnover ⁷⁴ (Times)	0.17	0.41	0.47	0.45
Current Ratio ⁷⁵ (Times)	26.31	4.23	7.15	18.19
Capex to total assets ⁷⁶ %	9%	2%	4%	5%
Receivable Turnover ⁷⁷ (Days)	203	435	170	205
Payable Turnover ⁷⁸ (Days)	N/A	N/A	N/A	N/A
Leverage Ratios ⁷⁹				
Debt to Equity ⁸⁰ (Times)	0	0	0	0
Debt to Total Capital ⁸¹ (Times)	0	0	0	0
Debt/ EBITDA ⁸² (Times)	0	0	0	0
EBITDA/Finance Cost ⁸³ (%)	N/A	N/A	N/A	N/A
EBITDA – CAPEX	918,503	31,070,985	94,360,687	260,465,343

⁷¹ Earnings after tax margin was 81% excluding other income in FY24

⁷² Earnings per share for FY24 were PKR 3.99 based on weighted average number of shares

⁷³ Net Revenue / Non-Current Assets

⁷⁴ Net Revenue / Total Assets

⁷⁵ Current Assets/Current Liabilities

⁷⁶ (CAPEX in PPE+CAPEX in intangibles)/Total Assets

⁷⁷ (Average Trade Debt / Net Revenue) * 365

⁷⁸ (Average Trade and Other Payable / Cost of Goods Sold) * 365 (further Company has no Cost of Sales in FY21 to FY24)

⁷⁹ ZL is a debt free company

⁸⁰ Total Debt/Total Equity

⁸¹ Debt/ (Total Equity + Total Debt)

⁸² Debt/EBITDA

⁸³ EBITDA/Finance Cost

Consolidated*	Audited FY24
Income Statement	
Net Revenue	281,060,855
Cost of Goods Sold	-
Gross Profit	281,060,855
General & Administrative expense	(22,126,428)
Selling & Distribution expense	(28,759,730)
Investment Gain/ (loss)	64,204,646
Other income	-
EBITDA	294,379,343
Depreciation	(1,762,227)
Amortization	(851,394)
EBIT	291,765,722
Finance Cost	(79,577)
Profit before tax	291,686,145
Tax	1,024,940
Net Profit	292,711,085 ⁸⁴
Net Profit Attributable to owners of ZL	292,736,085
Net Profit Attributable to Non-Controlling Interest	(25,000)
Balance Sheet	
Non-Current Assets	50,180,665
Current Assets	579,517,338
Total Assets	629,698,003
Total Equity ⁸⁵	597,794,357
Non-Controlling Interest	225,000
Long Term Liabilities – Deferred Tax	-
Current Liabilities	31,903,646
Trade & Other Payables	31,903,646
Trade & Other Receivables	157,503,596
Advances, Deposits & Pre-Payments	15,364,620
Cash Flow Statement	
Cash flow from operating activities	(28,856,946)
Cash flow from investing activities	(35,994,876)
Cash flow from financing activities	91,438,965
Net increase in Cash & Cash equivalents	26,587,143
Cash & Cash equivalents at period start	67,426,298
Net cash at Period End	94,013,441
Capex - PPE	(15,414,001)
Capex – Intangibles	(18,600,000)

*There were no operations of the subsidiary company in FY22,23,24

⁸⁴ Earnings after tax for FY24 excluding other income was PKR 227,561,076

⁸⁵ It includes Non-Controlling Interest

Zarea Agritech Pvt. Limited*	Audited FY24
Income Statement	
Net Revenue	-
Cost of Goods Sold	-
Gross Profit	-
General & Administrative expense	(100,000)
Selling & Distribution expense	-
Investment Gain/ (loss)	-
Other income	-
Profit before tax	(100,000)
Tax	-
Net Profit	(100,000)
Balance Sheet	
Non-Current Assets	-
Current Assets	1,000,000
Total Assets	1,000,000
Total Equity	900,000
Long Term Liabilities – Deferred Tax	-
Current Liabilities	100,000
Trade & Other Payables	100,000
Trade & Other Receivables	-
Advances, Deposits & Pre-Payments	-
Cash Flow Statement	
Cash flow from operating activities	-
Cash flow from investing activities	-
Cash flow from financing activities	1,000,000
Net increase in Cash & Cash equivalents	1,000,000
Cash & Cash equivalents at period start	-
Net cash at Period End	1,000,000
Capex - PPE	-
Capex – Intangibles	-

*Above numbers are extracted from audited financial statements of Zarea Agritech

*There were no operations of the subsidiary company in FY22,23,24

6.8. COMMENTARY ON FINANCIAL POSITION AND SELECTED RATIOS

6.8.1. REVENUE GROWTH

ZL has experienced positive revenue growth since its inception in 2020. The revenue grew by 363% YOY, 111% YOY and 145% YOY in FY22, FY23 and FY24 respectively. This increase in revenue was mainly attributable to both volumetric increase and increase of price of commodities.

6.8.2. PROFITABILITY RATIOS

The Net Profit margin was around 43% and 44% in FY21 and FY22 respectively, which then increased to 71% and 104% in FY23 and FY24 respectively. This increase was mainly due to an increase in revenue as ZL is a service Company with no Cost of Sales. This increase in profitability leads to improving ROA and ROE.

6.8.3. LIQUIDITY AND TURNOVER RATIOS

The current ratio measures the Company's ability to pay short-term obligations with its short-term assets. The decrease in the current ratio from 26.31 times in FY21 to 4.23 times in FY22 indicates a significant change in the Company's liquidity position. However, the ratio improved to 7.15 times in FY23 and 18.19 times in FY24, showing a significant recovery in liquidity. The turnover ratios are also improving showing better utilization of assets.

6.8.4. LEVERAGE RATIOS

ZL is a Debt free Company hence there is no leverage.

6.9. SUMMARY OF REVENUE AND EXPENSE

6.9.1. REVENUE

Revenue Breakup	FY21	FY22	FY23	FY24
Particulars	PKR	PKR	PKR	PKR
PUF	11,752,862	54,357,650	114,912,232	281,060,855

*Audited Financial Statements of Zarea Limited

6.9.2. EXPENSE

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The following table shows the expenses of the Company:

Key Cost drivers	FY 21		FY 22		FY 23		FY 24	
	Amount (PKR)	Expense* (%)	Amount (PKR)	Expense* (%)	Amount (PKR)	Expense* (%)	Amount (PKR)	Expense* (%)
Administrative & General Expense ⁸⁶	3,104,791	67.14	2,796,191	29.81	5,200,902	36.75	24,640,049	46.07
Selling and Distribution Expenses	1,506,799	32.59	6,582,266	70.18	8,882,572	62.75	28,759,730	53.78
Finance Cost	12,588	0.27	849	0.01	70,133	0.50	79,577	0.15
Total	4,624,178	100	9,379,306	100	14,153,607	100	53,479,356	100

Source: Audited Financial Statements of Zarea Limited

* % of total expenses

6.9.3. BREAKUP OF OTHER INCOME

The following table shows the breakup of other income of the Company:

In PKR	FY21	FY22	FY23	FY24
Investments Held for Trading - Unrealized Gain/(Loss)	(312,480)	(2,535,729)	1,200,648	41,496,230
Investments Held for Trading -	-	(41,880,780)	(8,815,056)	(6,974,809)

⁸⁶ Depreciation and Amortization expense are included in Administration and General expense

Realized Gain/(Loss)				
Gain on sale of commodities	-	31,496,011	10,532,750	29,683,225
Miscellaneous Income	-	265,000	-	-
Total Other Income	(312,480)	(12,655,498)	2,918,342	64,204,646

Source: Audited Financial Statements of Zarea Limited

6.10. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

The listed peers in technology sector are:

- 1) Symmetry Group Limited
- 2) Octopus Digital Limited
- 3) Avanceon Limited
- 4) Netsol Technologies Limited
- 5) Systems Limited

Company	Share Price ⁸⁷ (PKR)	EPS ⁸⁸ (PKR)	BVPS ⁸⁹ (PKR)	P/E ⁹⁰	P/B ⁹¹	ROE (%) ⁹²	ROA (%) ⁹³	Free Float Shares (Mn)	Free Float (%)
Symmetry Group	10.24	0.49	3.20	20.86	3.20	15.32	11.47	114.098	40.00
Octopus Digital	100.90	1.77	16.63	56.87	6.07	10.67	9.43	47.178	30.00
Avanceon Limited	54.45	3.42	29.62	15.90	1.84	11.56	5.94	124.506	30.00
Netsol Technologies	135.92	13.7	112.49	25.18	1.21	11.90	8.64	31.442	35.00
Systems Limited	454.23	22.77	116.19	20.00	3.91	19.60	12.45	174.767	59.97
Weighted Average				22.99	3.65	-	-	-	-
Zarea – Pre issue	16.00	1.46	2.99	10.93	5.35	48.99	46.52	-	-
Zarea – Post issue	16.00	1.12	2.28	14.34	7.03	18.33	17.97	62.500	23.81

6.11. REVALUATION OF FIXED ASSETS

There is no revaluation of Fixed Assets.

6.12. DIVIDEND POLICY

No dividend was distributed in preceding years as ZL wanted to retain cash for working capital and expansion.

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

The 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.

Any dividend may be paid by a Company either in cash or in kind only out of its profits. The payment of dividend in kind shall only be in the shape of shares of listed company held by the Company.

⁸⁷ Share price as at 23rd October 2024

⁸⁸ TTM (1st July 2023 to 30th June 2024) Profit after tax/number of shares

⁸⁹ Total equity/number of shares

⁹⁰ Share price/EPS

⁹¹ Share price/BVPS

⁹² TTM (1st July 2023 to 30th June 2024) Profit after tax/total equity

⁹³ TTM (1st July 2023 to 30th June 2024) Profit after tax/total assets

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits. No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.

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

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

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.

Dividend Payout of Associated companies

The Company does not have any listed associated concerns

7 BOARD OF DIRECTORS AND MANAGEMENT

7.1. BOARD OF DIRECTORS OF THE COMPANY (ZL TO PROVIDE)

The Board of Directors of ZL have directorships in other companies as follows:

Sr. No	Name	Designation	Address	CNIC	Directorship in other Companies	Period of Directorship in ZL
1	Ms. Misbah Momin	Chairperson	5-Bridge Colony, Lahore Cantt.	35201-2189435-6	1-Misbah Momin Foundation 2- Seven World View SMC Private Limited 3- Mindful Enterprises	September-2020
2	Mr. Ali Alam Qamar	CEO	5-Bridge Colony, Lahore Cantt.	35201-6331948-3	1-Goldfinger Private Limited 2-Zarea Agri-Tech Private Limited 3-Misbah Momin Foundation	September-2020
3	Mr. Nouman ul Hassan	Executive Director	Basti Bhattian Post office Gus Pur Kotli Murad, Khanpur RahimYar Khan	31301-8308399-3	-	April-2024
4	Mr. Juneid Akram	Non-Executive Director	48-B, Green Acres, Lahore	35201-5317019-3	J Sons Infinite Pvt. Ltd.	September-2024
5	Mr. Sohail Wajahat Siddiqui	Independent Director	H.no.108-AI2 Street 25, DHA, Phase 6, Karachi South	42301-5905136-9	1-Indis Pvt. Ltd 2-Alpha Packaging Pvt. Ltd.	July-2024
6	Mr. Muhammad Afzal Chaudhry	Independent Director	H.no. S-14/1 Phase 2 DHA Lahore Cant.	35204-1692599-5	-	July-2024
7	Ms. Meezan Fahd Mukhtar	Non-Executive Director	H.no.5 Bridge Colony, Abid Majeed, Road, Lahore Cant	35201-5926417-6	-	July-2024

7.2. PROFILE OF DIRECTORS⁹⁴

7.2.1. MISBAH MOMIN – CHAIRPERSON

Misbah Momin is an entrepreneur and philanthropist who is also the President of Misbah Momin Foundation and MM Talks. Mrs. Momin has experience in communications and business development. She has been one of the key members of the CARE foundation for several years and has also served as a member of the National Commission on the status of women (NCSW) in Pakistan.

⁹⁴ Management information

7.2.2. ALI ALAM QAMAR - CHIEF EXECUTIVE OFFICER

Ali Alam Qamar received his early education at Aitchison College, Lahore, followed by a BSc in Management from SOAS University of London and a master's in finance from the University of Cambridge. He has also completed a specialized course in Sustainable Finance and Investments from Harvard University. With diverse background in operations, supply chain management, and finance, Ali has been instrumental in leading various initiatives in the business sector.

Ali also led the creation of a local coal supply chain, managing the annual procurement of coal, which substituted imported coal and resulted in considerable cost efficiencies for the company. With his deep expertise in procurement, Ali is committed to revolutionizing Pakistan's procurement landscape, making it digital and seamless.

7.2.3. JUNEID AKRAM – NON-EXECUTIVE DIRECTOR

Mr. Juneid Akram is a seasoned leader and ex-bureaucrat with over 30 years of experience in Pakistan's Federal Board of Revenue (FBR), where he played a pivotal role in tax administration and customs operations. As Director General, he led key initiatives in policy implementation, anti-tax evasion efforts, and customs enforcement.

As Collector of Customs at Port Qasim, Karachi, and Director of Intelligence and Investigation in Lahore, Juneid was instrumental in significant increasing national revenue. His contributions to national projects like the Sales Tax Automated Refund Repository (STARR) and the Pakistan Automated Customs Clearance System (PACCS) modernized the country's tax and customs operations.

Post-retirement, Juneid transitioned into the private sector. His deep expertise in risk management, strategic planning, and organizational transformation brings strong oversight and valuable insights to the board.

7.2.4. SOHAIL WAJAHAT SIDDIQUI SITARA-E-IMTIAZ – INDEPENDENT DIRECTOR

A prominent corporate leader and former Federal Minister within the Government of Pakistan whose visionary stewardship and innovative concepts brought seismic increases in order intake, share price and dividends during tenure as Managing Director for Siemens Pakistan.

Leveraged more than 30 years of expertise heading energy sector operations as CEO of Cluster and MD & CEO of Siemens Pakistan to serve as Chairman of Pakistan State Oil, overhauling organizational structure, introducing transparent processes and spearheading creative initiatives that yielded tens of millions of US dollars in annual savings.

Holder of a master's degree in Electronics Engineering, and awarded the prestigious Sitara-e-Imtiaz by the President of Pakistan for contribution to the Telecommunication and Engineering sectors of Pakistan, an individual whose comprehensive knowledge of upstream and downstream Oil & Gas and Energy sector operations provided the basis for development of a road map widely respected as an integrated energy plan capable of overcoming power shortages and generating billions of US dollars in Energy sector savings.

7.2.5. MUHAMMAD AFZAL CHAUDHRY – INDEPENDENT DIRECTOR

He is Post-Graduate in Economics from Punjab University, Lahore. He has also earned Diploma in Banking with "Role of Honour" from Institute of Bankers, Pakistan. He started professional career with United Bank Limited. His banking career spanning over 43 years. He worked in different domestic and foreign Banks. He has handled various assignments at Banks such as:

- Chief, Special Assets Management Group (Central/North) and Senior Credit Officer (Central/North), Credit Risk Management Group at United Bank Limited, Lahore
- Deputy General Manager at Commercial Bank of Oman, Muscat.
- Regional Head Credit at First Women Bank Limited, Lahore.
- Regional Head, Special Assets & Management at Saudi Pak Commercial Bank Limited/Silk Bank Limited, Lahore.
- Attained diversified experience handling issues relating to Commercial, Corporate industrial and Banking sectors.

7.2.6. MRS. MEEZAN FAHD MUKHTAR – NON - EXECUTIVE DIRECTOR

Meezan holds a Bachelor of Arts and Sciences from the prestigious School of Oriental and African Studies (SOAS), University of London. She is an entrepreneur in the fashion industry, bringing innovative ideas and a keen sense of style to her ventures. With a strong academic background and a passion for creativity, Meezan has successfully established herself as a prominent figure in the fashion world. She is married to Fahd Mukhtar, sponsor and director of Fatima Group.

7.2.7. NOUMAN UL HASSAN – EXECUTIVE DIRECTOR

Nouman ul Hassan brings over 10 years of experience in software development and digital marketing to the Company. He has honed his skills in reputable organizations such as IBEX and has established himself as a top-rated professional on platforms like Upwork and Fiverr. Nouman's proficiency spans a diverse range of technical and strategic areas. He is adept at leveraging cutting-edge technologies to develop software solutions and has a deep understanding of digital marketing dynamics.

His expertise includes search engine optimization (SEO), pay-per-click (PPC) advertising, social media marketing, content marketing, and data analytics. This broad skill set enables him to craft and execute highly effective digital marketing strategies. In his role, Nouman drives ZL's digital marketing efforts, focusing on maximizing its online presence and engagement. His strategic initiatives have significantly contributed to ZL platform's visibility, resulting in more than 5 million impressions and attracting over 250,000 visitors. His ability to analyze market trends and consumer behavior allows ZL to stay ahead of the competition and continually refine its approach.

Nouman's leadership in digital marketing has not only enhanced ZL brand's reach but also improved its conversion rates and customer acquisition strategies. His dedication to staying updated with industry advancements ensures that ZL's marketing efforts are always at the forefront of innovation. His strategic insights, technical acumen, and hands-on approach are invaluable assets to the Company's growth and innovation, positioning it for sustained success in the competitive digital landscape.

7.3. PROFILES OF KEY MANAGEMENT⁹⁵

ZL has a motivated, experienced, talented and self-driven management team that consist of the following:

7.3.1. ALI ALAM QAMAR - CHIEF EXECUTIVE OFFICER

Ali Alam Qamar received his early education at Aitchison College, Lahore, followed by a BSc in Management from SOAS University of London and a master's in finance from the University of Cambridge. He has also completed a specialized course in Sustainable Finance and Investments from Harvard University. With diverse background in operations, supply chain management, and finance, Ali has been instrumental in leading various initiatives in the business sector.

Ali also led the creation of a local coal supply chain, managing the annual procurement of coal, which substituted imported coal and resulted in considerable cost efficiencies for the company. With his deep expertise in procurement, Ali is committed to revolutionizing Pakistan's procurement landscape, making it digital and seamless.

7.3.2. MUHAMMAD USMAN AMEER – CHIEF FINANCIAL OFFICER

Muhammad Usman Ameer is a Chartered Accountant with significant experience in audit and assurance services. He has worked as a Senior Associate at TAGM & Co. Chartered Accountants and an Assistant Manager at AHW & Co., followed by a position at PKF F.R.A.N.T.S (Pakistan). His expertise spans external audits, interim reviews, internal audits, and risk-based auditing across diverse industries. He is skilled in financial reporting according to IFRS, managing audit teams, and providing business valuation and taxation services.

⁹⁵ Management Information

7.3.3. USMAN IFTIKHAR – CHIEF INVESTMENT OFFICER

Usman has over 14 years of experience in financial advisory. Usman has demonstrated expertise in executing transactions across various sectors, including technology, healthcare, automobile, logistics, power, and others and executed deals of USD 400 million.

7.3.4. NOUMAN UL HASSAN – CHIEF MARKETING OFFICER

Details of profile of Nouman ul Hassan who is also the Director of the Company, have been mentioned before in Section 7.2.7.

7.3.5. ASAD HAMEED – CHIEF TECHNOLOGY OFFICER

Asad Hameed is an accomplished web designer and developer with over 10 years of experience, having created 200+ websites/platforms for global clients. As CTO of Zarea Limited, Pakistan's leading commodities e-commerce marketplace, he drives technological innovation and platform development, ensuring scalable solutions for B2B transactions, making it intuitive and efficient for buyers and sellers in the commodities market.

Specializing in Graphic Design, UI/UX, and e-commerce solutions, including Amazon and Ecwid, Asad optimizes Zarea's platform for efficient bulk trading. His experience with Axtreem Tech Solutions and Fiverr has honed his skills in digital strategy, and as a Google AdSense expert, he leverages advertising to boost Zarea's online presence and growth.

In his role, Asad leads the development of cutting-edge technologies to enhance operational efficiency and scale the marketplace for Pakistan's growing commodities sector.

7.3.6. SYED MUHAMMAD AKRAM-COMPANY SECRETARY

He is a seasoned professional with over 27 years of experience in corporate office management and compliance. Throughout his career at Nishat (Chunian) Group, he has managed critical corporate transactions and governance functions, including successful IPOs, corporate mergers, and regulatory compliance.

His notable transaction experience includes overseeing the induction of bulk physical shares into the Central Depository Company (CDC) during the initial launch of the CDS system. He also managed two significant merger events: Raza Textile Mills Limited with Umer Fabrics Limited, and Umer Fabrics Limited with Nishat (Chunian) Limited and Nishat Mills Limited. In addition, Syed Muhammad Akram played a key role in the IPO of Nishat (Chunian) Power Limited, further demonstrating his expertise in managing complex corporate transactions and SECP and PSX compliance.

7.3.7. ABID PERVAIZ – HEAD OF RETAIL SALES

Abid is an industry veteran with 18 years of experience as Retail Sales G.M in the cement and steel industry. He has the sole distinction of building a sales network of 3000 M. Tons per day for Gharibwal Cement in Northern Punjab and was responsible for PKR 10 billion annual sales.

7.3.8. MUSTAFA KAMAL PASHA – HEAD OF PR AND PARTNERSHIPS

Mustafa Kamal Pasha is a senior civil servant with more than 30 years of experience working with public and private sector entities such as Stock Exchanges, Pakistan Telecommunication Company (PTCL), Pakistan Telecommunication Authority (PTA), Technical Education and Vocation Training Authority (TEVTA) and Chamber of Commerce and Industry.

7.3.9. FAISAL TAUSEEF KHAN– HEAD OF HUMAN RESOURCE

Faisal Tauseef Khan is a seasoned HR and Administration professional with over 20 years of experience in diverse roles

across the UAE and Pakistan. He has a solid background in HR management, talent acquisition, employee relations, and administrative oversight, having managed teams of 250+ employees. Faisal has worked in multiple industries, showcasing his adaptability and leadership in both HR and office management. He is also experienced in procurement, business startups, and overseeing operations for real estate and other sectors. His qualifications include an MBA in General Management and several certifications in management and administrative fields.

7.3.10. NOUMAN ANWAR– HEAD OF AGRI DIVISION

A seasoned professional with over 20 years of dedicated experience in the agriculture sector, and a profound understanding of agricultural procurement. His expertise spans various aspects of agriculture raw material procurement, making him an invaluable asset in optimizing supply chains and ensuring efficient resource utilization.

7.3.11. KASHIF IQBAL – HEAD OF SUPPLY CHAIN AND LOGISTICS

Kashif Iqbal excels as a Manager of Vendor and Partnerships, where his talent for nurturing dynamic collaborations and building strategic partnerships drives success in stakeholder engagement and alliance development. He has over 10 years of experience in supply chain working with companies such as Master Tiles.

7.3.12. WAHEED ZAMAN – HEAD OF CORPORATE SALES DIVISION

Waheed Zaman has extensive experience in sales departments in the cement, cable, and steel industries, having worked at Bestway Cement Company, Fast Cables, and Zak Steel Industry. His insights into market expansion and strategic sales have been instrumental in driving corporate sales at Zarea.

7.4. NUMBER OF DIRECTORS

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

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. REMUNERATION OF THE DIRECTORS

Pursuant to Article 67 and 68, the remuneration of a Director, including for attending meetings of the Board and its sub-committees, shall from time to time be determined by the Board. Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, including the holding of the office of the Chairperson, may be paid such extra remuneration as the Board may determine from time to time.

Each Director of the Company may, in addition to any remuneration receivable by him, be reimbursed his reasonable travelling and hotel expenses incurred in attending meetings of the Directors or of the Company or otherwise whilst employed on the business of the Company.

7.7. BENEFITS TO PROMOTORS AND OFFICERS

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

7.8. INTEREST OF DIRECTORS

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

Following directors are holding ordinary shares of the Company:

Name of Directors	Designation	No. of Shares held	Value of Shares held (PKR)
Mrs. Misbah Momin	Chairperson	1,000,000	1,000,000
Mr. Ali Alam Qamar	CEO & Director	108,999,996	108,999,996
Mr. Nouman ul Hassan	Executive Director (Nominee Director Goldfinger private Limited)	0	0
Mr. Juneid Akram	Non-Executive Director	1	1
Mr. Sohail Wajahat Siddiqui	Independent Director	1	1
Mr. Muhammad Afzal Chaudhry	Independent Director	1	1
Mrs. Meezan Fahd Mukhtar	Non-Executive Director	1	1

7.9. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 99.

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

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

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

The Company may remove a director in general meeting in accordance with the provisions of the Companies Act. The current Board of Directors were appointed on 22-07-2024.

7.10. VOTING RIGHTS

According to the Article 48, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have 1 (one) vote except for election of directors in which case the provisions of Section 159 of the Companies Act shall apply. On a poll every member shall have voting rights as laid down in Section 134 of the Act.

Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy or through video-link or through postal ballot or e-voting in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy or through video-link or through postal ballot or e-voting shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint-holders thereof.

On a poll, votes may be given either personally or Laws, provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of Section 138 is in force.

7.11. AUDIT COMMITTEE

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

The audit committee constituted in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, comprises of the following members where Muhammad Afzal Chaudhry is the Chairman while the rest are members.

Muhammad Afzal Chaudhry (Chairman)	
Nouman ul Hassan	Member
Juneid Akram	Member

7.12. HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by qualified and experienced 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 constituted in accordance with Listed Companies (Code of Corporate Governance) Regulations, 2019, comprises of the following members where Muhammad Afzal Chaudhry is the Chairperson and the rest are members

Sohail Wajahat Siddiqui	(Chairman)
Ali Alam Qamar	Member
Meezan Fahd Mukhtar	Member

7.13. BORROWING POWERS OF DIRECTORS

As per the Article 88, The Board may exercise all the powers of the Company to raise money, otherwise than by the issue of shares, and to mortgage or charge its undertaking or property or any part thereof and to issue debentures and other securities whether outright or as security for any obligation or liability or debt of the Company or of any third party.

Subject to the provisions of Section 183(2) of the Companies Act, in exercising the powers of the Company aforesaid the Board may, from time to time and on such terms and conditions as they think fit, raise money from banks, financial institutions and from other persons under any permitted system of financing, whether providing for payment of interest, mark-up, profit or some other form of return, and in particular the Board may raise money on the basis of markup on price, musharaka, modaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing the Board may exercise all or any of the powers of the Company arising under Section 30 of the Companies Act, provided however that the above power of the Board shall not entitle the Company to carry on the business of a banking/finance/investment company.

In regard to the issue of securities the Board may exercise all or any of the powers of the Company arising under Sections 30, 66, 183(2) and any other applicable provisions of the Companies Act and / or Applicable Laws, and in particular the Board may issue any security as defined in Section 2(1)(61) of the Companies Act or may issue any instrument or certificate representing redeemable capital as defined in Section 2(1)(55) of the Companies Act.

7.14. POWERS OF DIRECTORS

Pursuant to Article 86, the control of the Company shall be vested in the Board, and the business of the Company shall be managed by the Board, who may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or to any regulations of these Articles, and such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation; any committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on them by the Directors.

7.15. FINANCIAL PERFORMANCE OF LISTED ASSOCIATED COMPANIES

There are no listed associated companies of Zarea Limited.

7.16. INDEMNITY AVAILABLE TO THE BOARD OF DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

Every Director, Chairperson, Chief Executive, manager, agent or officer of the Company shall be indemnified out of the funds of the Company against any liability incurred by such Director, Chairperson, Chief Executive, manager, agent or officer in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favor or in which he is acquitted, or in connection with any application under Section 492 of the Act in which relief is granted to him by the court.

No Director, Chairperson, Chief Executive, Secretary, Attorney, agent, manager or other officer of the Company will be liable for the acts, receipts, neglects or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board, or other officer for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which may happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own neglect, default or dishonesty.

7.17. CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulations, 2019 which encourages that:

1. by June 30th, 2020, at least half of the directors on its board;
2. by June 30th, 2021, at least 75% of the directors on its board; and
3. By June 30th, 2022, all the directors on its board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.
4. Furthermore, a newly appointed director on the Board may acquire the training program certification within a period of 1 year from the date of appointment as a Director on the Board.

The Company shall also encourage representation of minority shareholders on the Board of Directors

7.18. CAPITALIZATION OF RESERVES

As at 30th June 2024, Zarea Limited has not capitalized any of its total reserves standing.

8. LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. LEGAL PROCEEDINGS

The Company affirms that there are no pending litigations, claims, or legal actions against the Company, its associated companies, its sponsors, substantial shareholders, or directors as of 30th June, 2024.

8.2. ACTION TAKEN BY SECURITIES EXCHANGE

No action has been taken by the Exchange against the issuer or its associated companies over which the issuer has control during the last three years.

8.3. OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Directors, Sponsors and Promoters, Substantial Shareholders, and associated companies over which the issuer has control.

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

9.1. UNDERWRITING

BOOK BUILDING PORTION

Topline Securities Limited has been appointed as the Book Runner to the Issue. The Book Runner will credit underwrite 62,500,000 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. BUY BACK / REPURCHASE AGREEMENT

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

ALSO, NEITHER THE COMPANY OR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE BOOK RUNNER IN THE CAPACITY AS UNDERWRITER OR ITS ASSOCIATES. THE COMPANY AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE BOOK RUNNER AND ITS ASSOCIATES TAKEN UP, IF ANY, BY IT IN CAPACITY AS THE BOOK RUNNER.

9.3. FEES AND EXPENSES FOR E-IPO SYSTEMS

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. COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (exclusive 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.

9.5. BROKERAGE COMMISSION

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

9.6. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 48,028,760. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR) at Floor Price
Advisory, Arrangement & Book Running Fee ⁹⁶	2.00%	20,000,000
Commission to banker ⁹⁷	0.25%	2,500,000
E-IPO facility charges ⁹⁸	0.80%	2,000,000

⁹⁶ Please note that fee mentioned in percentages above are calculated on the basis of Floor Price. The actual fee will be finalized once the Strike Price is determined in the Book Building process

⁹⁷ This includes bankers to the book building portion of the issue as well as bankers to the general public portion of the issue

⁹⁸ E-IPO Facility charges are calculated based on the assumption, if 25% of the general subscription portion is subscribed through E-IPO

Bankers to the issue out of pocket expenses	25,000 per banker	175,000
TREC Holders Commission	1.00%	10,000,000
PSX Initial Listing fee		262,500
PSX Service fee		50,000
PSX Book Building software charges		1,000,000
Transfer Agent and Balloting Agent		875,000
Legal Advisor		2,500,000
Printing of Prospectus and Forms		5,000,000*
Publication of Prospectus and Advertisements in Newspapers and Urdu Translation of Prospectus		
Marketing, Roadshows and other activities		
CDC Fresh Issue fee	0.144%	1,440,000
CDC Annual Eligibility Fee		1,000,000
SECP Supervisory fee		26,260
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		1,000,000
Total		48,028,760

*Estimated cost

10. MISCELLANEOUS INFORMATION

10.1. REGISTERED OFFICE/ CORPORATE OFFICE AND PLANT ADDRESS OF ZL

Head Office:
Delta 06 office No. 6011, NASTP,
Special Technology Zone
Abid Majeed road
Lahore Cantt, Lahore
Pakistan
Contact No: +92 321 4250551
Email Address: coscretary@zarea.pk

10.2. BANKERS AND FINANCIAL INSTITUTIONS OF THE COMPANY

Sr. No	Name	Address	Contact no.	Email
1	Meezan Bank Limited	Main Gulberg Branch Lahore	021-111331331	Info@meezanbank.com
2	United Bank Limited	Gulberg Branch Lahore	021-99217448	customer.services@ubl.com.pk
3	Bank Alfalah Limited	88 Shadman 1 Lahore	042-37538116	ali.vohra@bankalfalah
4	MCB Bank Limited	NASTP Delta Lahore	0333-4823176	ops3044@mcb.com.pk mcb3044@mcb.com.pk

10.3. AUDITORS OF THE COMPANY

NAVEED ZAFAR ASHFAQ JAFFERY & CO.
201-Regency Plaza, M.M. Alam Road, Gulberg II, Lahore, Pakistan
Email: lh@nzaj.com.pk
Office Phone Number +92-42-35876891

10.4. LEGAL ADVISOR OF THE COMPANY MOHSIN TAYABALEY & CO.

1st floor, Dime Centre, BC-4, Block 9,
Kehkashan, Clifton,
Karachi - 75600
Office Phone Number +92-21-111-682-529
Web: www.mtclaw.com.pk

10.5. COMPUTER BALLOTTER & SHARE REGISTRAR

THK ASSOCIATES
Plot no. 32-C, 2 Jami Commercial Street 11,
D.H.A. Phase 7 Phase 2 Commercial Area,
Defence Housing Authority,
Karachi, Karachi City, Sindh 75500
Email: Shomail.naqvi@thkgroup.biz
Office Number: +92-21-111-000-322

10.6. LEAD MANAGER & BOOK RUNNER**TOPLINE SECURITIES LIMITED**

8th floor, Horizon Tower, Plot# 2/6
 Block 3, Clifton,
 Karachi, Pakistan
 Phone: +92-21-35303330-2
 Email: info@topline.com.pk
 Web: <https://www.topline.com.pk>

GROWTH SECURITIES (PRIVATE) LIMITED

Room # 82 & 83, 2nd floor,
 Karachi Stock Exchange Building,
 Stock Exchange Road,
 Karachi, Pakistan
 Phone: +92-21-32463002-4
 Web: <https://www.growthsecurities.com.pk>

10.7. BANKERS TO THE ISSUE FOR BOOK BUILDING

Sr. No	Name of Bank
01	Faysal Bank Limited

10.8. BANKERS TO THE ISSUE FOR GENERAL PORTION

Sr. No	Name of Bank
01	Faysal Bank Limited
02	Meezan Bank Limited
03	JS Bank Limited
04	MCB Bank Limited
05	Dubai Islamic Bank Limited
06	United Bank Limited

10.9. COLLECTION CENTERS BID

Karachi		
Contact Officer:	Muhammad Ismail	Abdul Hafeez
Designation	Senior Associate – Corporate Finance & Advisory	Associate – Corporate Finance & Advisory
Direct No.:	021-35303347	021-35303347
Phone No.:	0334-9755660	0336-2756104
Email:	ismail@topline.com.pk	Abdul.hafeez@topline.com.pk
Organization	Topline Securities Limited	Topline Securities Limited
Postal Address:	8th Floor Plot # 2 6, Horizon Tower, Block 3 Clifton, Karachi, Karachi City, Sindh	8th Floor Plot # 2 6, Horizon Tower, Block 3 Clifton, Karachi, Karachi City, Sindh
Karachi		
Contact Officer:	Kamran	Zeeshan
Designation	Compliance Officer	CDC Officer
Direct No.:	021-32463004	021-32463001

Phone No.:	021-32463001	021-32463004
Email:	investmentbanking@growthsecurities.com.pk	investmentbanking@growthsecurities.com.pk
Organization	Growth Securities (Private) Limited	Growth Securities (Private) Limited
Postal Address:	Room # 82 & 83, 2nd Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi	Room # 82 & 83, 2nd Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi
Karachi		
Contact Officer:	Danish Ali	Sharon Naseem
Direct No.:	03333076890	021-32460256
Contact No:	03333076890	0326-8013215
VOIP:	9783	9774
Email:	DanishAliSiddiqui@faysalbank.com	sharonnaseem@faysalbank.com
Postal Address:	Ground Floor, Plot No. 419, Block A, Bhattai Colony, Korangi Crossing, Karachi.	Office No 102, 103 & 104 1st Floor, Near Central Depository Company & Salim Karmani Securities, New Stock Exchange Building, Karachi
Karachi		
Contact Officer:	Jibran Sheikh BSM	Muhammad Asad BSM
Direct No.:	03422806232	0512805017
Contact No:	03422806232	03268003552
VOIP:	6285	3046
Email:	JibranSheikh@faysalbank.com	MuhdAsad@faysalbank.com
Postal Address	13-C, 7th Zamzama, Commercial Lane, Clifton, Karachi	15-West, Jinnah Avenue Blue Area, Islamabad
Lahore		
Contact Officer:	Muhammad Gohar Hameed Branch Manager	Ammad ud Din Muhammad BSM
Direct No:	042-35751670	04235789027
Contact No:	03114990025	03218872247
VOIP:	3555	1235
Email:	goharhameed@faysalbank.com	ammaduddin@faysalbank.com
Postal Address:	310-Upper Mall, Shahrah-E-Quaid-E-Azam, Lahore	Garrison Officers Mess 12, Tufail Road, Lahore Cantt
Faisalabad		
Contact Officer:	Naseer Ahmad	Shahzad Younis
Direct No.:	0412409316	0326-8013419
Contact No.:	0300-7269585	0326-8013419
VOIP:	9617	3219
Email:	naseerahmed@faysalbank.com	shahzadyounis@faysalbank.com
Postal Address:	Bilal Road, Civil Lines Faisalabad	841 Farooqabad Main Mansehra Road, Abbottabad
Peshawar		
Contact Officer:	Muhammad Ali Yousuf	Abdul Ahad Khan
Direct No.:	091-5260488	081-2824142
Contact No.:	0326-8013570	0302-5583624
VOIP:	3611	1840
Email:	muhammadaliyusuf@faysalbank.com	abdulahakhan@faysalbank.com
Postal Address:	Fakhr-e- Alam Road Branch , Peshawar Cantt	Ground Floor, Khasra No. 2603/155, 154, 2604/856/156, 2605/856/156 Situated At Mohal Chashma Habib, Mauza Habib, Tappa Saddar-1, Main Airport Road, Quetta.

	Gilgit/Baltistan	Multan
Contact Officer:	Wazir Alamgir Hussain	Waqas Majeed Azhar
Direct No.:	058-11457381	061-4784492
Contact No.:	0355-5933344	0326-8013550
VOIP:	4210	3447
Email:	waziralamgir@faysalbank.com	WaqasMajeed@faysalbank.com
Postal Address:	ZS Plaza, Shahrah-e-Quaid-e-Azam, Opposite Radio Station Pakistan, Jutial, Gilgit	129/1, Old Bahawalpur Road, Multan
Mirpur Azad Kashmir		
Contact Officer:	Yasir Mahmood	
Direct No:	058-27437272	
Cell No:	0345-6900707	
VOIP:	4218	
Email	yasirmehmood@faysalbank.com	
Postal Address	Al Manzar Building Allama Iqbal Road Mirpur AK	

11 MATERIAL CONTRACTS

11.1. DETAILS OF LONG-TERM FINANCING FACILITY

The company has no long-term financing facility.

11.2. DETAILS OF SHORT-TERM FINANCING FACILITY

The company has no short-term financing facility.

11.3. DETAILS OF RELATED PARTY AGREEMENTS

Sr. No.	Title of Agreement	Party to Agreement	Date of Contract	Particular
1	Right Issue against loan agreement	Ali Alam Qamar	FY 2024	Right issue in consideration of loan from sponsors
2	Right Issue against loan agreement	Goldfinger Private Limited	FY 2024	Right issue in consideration of loan from sponsors
3	Loan Agreement	Ali Alam Qamar	FY 2024	Loan from Ali Alam Qamar to ZL
4	Loan Agreement	Goldfinger Private Limited	FY 2024	Loan from Goldfinger Private Limited to ZL
5	Loan Agreement	Ali Alam Qamar	FY 2023	Loan from Ali Alam Qamar to ZL
6	Loan Agreement	Ali Alam Qamar	FY 2022	Loan from Ali Alam Qamar to ZL
7	Loan Agreement	Ali Alam Qamar	FY 2021	Loan from Ali Alam Qamar to ZL

Source: Company Management

11.4. DETAILS OF OTHER MATERIAL CONTRACTS

Sr. No.	Title of Agreement	Party to Agreement	Date of Contract	Particular
1	Office Rental Agreement	M/S GWALPHA TECH PVT. LTD	11-June-2024	Zarea Limited Lahore Office Rental Agreement
2	Office Rental Agreement	PAK-AUSTRIA FACHHOCHSHULE	06-October-2023	Zarea Limited Haripur Office Rental Agreement
3	ZONE ENTERPRISE LICENSE	Special Technology Zones Authority	11-December-2023	STZA License and 10-year Income Tax Exemption

Source: Company Management

As per Zarea's management, there are no other material contracts other than the normal course of business of the Company.

11.5. INSPECTION OF DOCUMENTS AND CONTRACTS

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

11.6. 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.

11.7. FINANCIAL YEAR OF THE COMPANY

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

12 BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1. BOOK BUILDING PROCEDURE

12.1.1. BRIEF STRUCTURE OF THE PRESENT ISSUE

The issue comprises of 62,500,000 Ordinary shares of face value of PKR 1/- each, which constitutes 23.81% of the total Post-IPO Paid Up Capital of the Company. The issue of 62,500,000 Ordinary shares will be offered through the Book Building process at a Floor Price of PKR 16/- per share with a maximum price band of up to [•] % i.e., PKR [•] per share. Initially, 75% of the issue size i.e., 46,875,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 15,625,000 Ordinary Shares will be offered to retail investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis. The Book Building Portion has been underwritten by Topline Securities Limited.

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.

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 36.0/- per share, based on which the total Application Money would amount to PKR 36 Mn. In this case the Bid Amount will be also be PKR 36 Mn. Since the Bidder has placed a Limit Bid of PKR 36.0/- per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 36.0/- 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.

For instance, if the investor Bids for 0.70 Mn shares at PKR 36.0/- per share, 0.60 Mn shares at PKR 37.0/- per share and 0.50 Mn shares at PKR 38.0/- 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 66.4 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 66.4 Mn in the Book Building Account as Margin Money which is 100% of PKR 66.4 Mn and (ii) Institutional Investor s shall deposit at least PKR 16.60 Mn in the Book Building Account as Margin Money which is 25% of PKR 66.4 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; OR
 - (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 CONSULTANT TO THE ISSUE TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10)PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND BOOK RUNNER ARE PROVIDED IN SECTION 3.

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: 62,625,000 Ordinary Shares
2. Floor Price: PKR 36.0/- per Ordinary Share with maximum price band of 40% i.e., PKR 50.4/- per share
3. Bidding Period: From [.] to [.]
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 (shares)	Cumulative Number of shares	Category of Order
Institution A	22.4	4,000,000	4,000,000	Limit Price
Institution B	22.0	6,000,000	10,000,000	Limit Price
HNWI A	21.6	3,500,000	13,500,000	Step Bid
Institution C	21.2	8,000,000	21,500,000	Limit Price
Institution D	20.8	6,000,000	27,500,000	Limit Price
Institution E	20.4	3,000,000	30,500,000	Limit Price
HNWI B	20.0	5,000,000	35,500,000	Limit Price
HNWI A	19.6	7,000,000	42,500,000	Step Bid
Institution F	19.2	6,000,000	48,500,000	Limit Price
Institution G	18.8	2,000,000	50,500,000	Limit Price
HNWI C	18.4	7,000,000	57,500,000	Limit Price
Institution H	18.0	5,000,000	62,500,000	Limit Price
Institution I	17.6	10,000,000	73,500,000	Step Bid
Institution H	17.2	8,000,000	81,500,000	Limit Price
HNWI D	16.8	4,000,000	85,500,000	Step Bid
Institution J	16.4	5,000,000	90,500,000	Limit Bid
HNWI E	16.0	9,000,000	99,500,000	Limit Price

↓

Strike Price determined through Dutch Auction Method

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Bid has been revised upwards and placed at PKR 39.00

↓

Total shares bid at and above the Floor Price

Based on the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 18.00 per share to sell the required quantity of 62,500,000 Ordinary Shares.

At PKR 22.4 per share, investors are willing to buy 4,000,000 shares. Since 58,500,000 shares are still available, therefore the price will be set lower.

At PKR 22.0 per share, investors are willing to buy 6,000,000 shares. Since 52,500,000 shares are still available, therefore the price will be set lower.

At PKR 21.6 per share, investors are willing to buy 3,500,000 shares. Since 49,000,000 shares are still available, therefore the price will be set lower.

At PKR 21.2 per share, investors are willing to buy 8,000,000 shares. Since 41,000,000 shares are still available, therefore the price will be set lower.

At PKR 20.8 per share, investors are willing to buy 6,000,000 shares. Since 35,000,000 shares are still available, the price will be set lower.

At PKR 20.4 per share, investors are willing to buy 3,000,000 shares. Since 32,000,000 shares are still available, the price will be set lower.

At PKR 20.0 per share, investors are willing to buy 5,000,000 shares. Since 27,000,000 shares are still available, therefore the price will be set lower.

At PKR 19.6 per share, investors are willing to buy 7,000,000 shares. Since 20,000,000 shares are still available, therefore the price will be set lower.

At PKR 19.2 per share, investors are willing to buy 6,000,000 shares. Since 14,000,000 shares are still available, the price will be set lower.

At PKR 18.8 per share, investors are willing to buy 2,000,000 shares. Since 12,000,000 shares are still available, therefore the price will be set lower.

At PKR 18.4 per share, investors are willing to buy 7,000,000 shares. Since 5,000,000 shares are still available, the price will be set lower.

At PKR 18.0 per share, investors are willing to buy 5,000,000 shares. Since after bidding for 5,000,000 shares at PKR 18.0 per share, no shares will be available therefore the Strike Price will be set at PKR 18.0 per share for the entire lot of 62,500,000 shares.

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

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

Since this Issue is being made through 100% Book Building, as per the regulation 7(4) of the PO Regulation, the Bidder shall be allowed to place Bids for hundred (100%) percent of the Issue size and the Strike Price shall be the price at which hundred (100%) percent of the Issue size is subscribed. However, the successful Bidders would be allotted and issued only seventy-five (75%) percent of the Issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The Bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining Bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

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

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

12.1.4. 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:

Topline Securities Limited and Growth Securities (Private) Limited has been appointed by the Issuer as Joint 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 Consultant to the Issue and all the related employees;
8. 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;
9. ensure that no Bid in aggregate exceeding ten per cent (10%) is made by the companies and associated undertakings of the Lead Manager and the Book Runner;
10. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
11. establish Bid Collection Centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
12. maintain record of all the Bids received; and
13. 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:	Muhammad Ismail	Abdul Hafeez
Designation	Senior Associate – Corporate Finance & Advisory	Associate – Corporate Finance & Advisory
Direct No.:	021-35303347	021-35303347

Phone No.:	0334-9755660	0336-2756104
Email:	ismail@topline.com.pk	Abdul.hafeez@topline.com.pk
Organization	Topline Securities Limited	Topline Securities Limited
Postal Address:	8th Floor Plot # 2 6, Horizon Tower, Block 3 Clifton, Karachi, Karachi City, Sindh	8th Floor Plot # 2 6, Horizon Tower, Block 3 Clifton, Karachi, Karachi City, Sindh
Karachi		
Contact Officer:	Kamran	Zeeshan
Designation	Compliance Officer	CDC Officer
Direct No.:	021-32463004	021-32463001
Phone No.:	021-32463001	021-32463004
Email:	investmentbanking@growthsecurities.com.pk	investmentbanking@growthsecurities.com.pk
Organization	Growth Securities (Private) Limited	Growth Securities (Private) Limited
Postal Address:	Room # 82 & 83, 2nd Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi	Room # 82 & 83, 2nd Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi
Karachi		
Contact Officer:	Danish Ali	Sharon Naseem
Direct No.:	03333076890	021-32460256
Contact No:	03333076890	0326-8013215
VOIP:	9783	9774
Email:	DanishAliSiddiqui@faysalbank.com	sharonnaseem@faysalbank.com
Postal Address:	Ground Floor, Plot No. 419, Block A, Bhattai Colony, Korangi Crossing, Karachi.	Office No 102, 103 & 104 1st Floor, Near Central Depository Company & Salim Karmani Securities, New Stock Exchange Building, Karachi
Karachi		Islamabad
Contact Officer:	Jibran Sheikh BSM	Muhammad Asad BSM
Direct No.:	03422806232	0512805017
Contact No:	03422806232	03268003552
VOIP:	6285	3046
Email:	JibranSheikh@faysalbank.com	MuhdAsad@faysalbank.com
Postal Address	13-C, 7Th Zamzama, Commercial Lane, Clifton, Karachi	15-West, Jinnah Avenue Blue Area, Islamabad
Lahore		
Contact Officer:	Muhammad Gohar Hameed Branch Manager	Ammad Ud Din Muhammad BSM
Direct No:	042-35751670	04235789027
Contact No:	03114990025	03218872247
VOIP:	3555	1235
Email:	goharhameed@faysalbank.com	ammaduddin@faysalbank.com
Postal Address:	310-Upper Mall, Shahrah-E-Quaid-E-Azam, Lahore	Garrison Officers Mess 12, Tufail Road, Lahore Cantt
Faisalabad		Abbotabad
Contact Officer:	Naseer Ahmad	Shahzad Younis
Direct No.:	0412409316	0326-8013419
Contact No.:	0300-7269585	0326-8013419
VOIP:	9617	3219
Email:	naseerahmed@faysalbank.com	shahzadyounis@faysalbank.com
Postal Address:	Bilal Road, Civil Lines Faisalabad	841 Farooqabad Main Mansehra Road, Abbottabad

	Peshawar	Quetta
Contact Officer:	Muhammad Ali Yousuf	Abdul Ahad Khan
Direct No.:	091-5260488	081-2824142
Contact No.:	0326-8013570	0302-5583624
VOIP:	3611	1840
Email:	muhammadaliyusuf@faysalbank.com	abdulahakhan@faysalbank.com
Postal Address:	Fakhr-e- Alam Road Branch, Peshawar Cantt	Ground Floor, Khasra No. 2603/155, 154, 2604/856/156, 2605/856/156 Situated at Mohal Chashma Habib, Mauza Habib, Tappa Saddar-1, Main Airport Road, Quetta.
	Gilgit/Baltistan	Multan
Contact Officer:	Wazir Alamgir Hussain	Waqas Majeed Azhar
Direct No.:	058-11457381	061-4784492
Contact No.:	0355-5933344	0326-8013550
VOIP:	4210	3447
Email:	waziralamgir@faysalbank.com	WaqasMajeed@faysalbank.com
Postal Address:	ZS Plaza, Shahrah-e-Quaid-e-Azam, Opposite Radio Station Pakistan, Jutial, Gilgit	129/1, Old Bahawalpur Road, Multan
Mirpur Azad Kashmir		
Contact Officer:	Yasir Mahmood	
Direct No:	058-27437272	
Cell No:	0345-6900707	
VOIP:	4218	
Email	yasirmehmood@faysalbank.com	
Postal Address	Al Manzar Building Allama Iqbal Road Mirpur AK	

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:

- 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);
- Provide a mechanism for registration of the Bidders before commencement of the Bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
- Generate Bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the Bids are placed;
- 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;
- Display the Bids revised, and date and time of upward revision;
 - 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;
- 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;
- 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;
- Discover the Strike Price at the close of the Bidding Period;
- 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:

- i. identity of the Bidder is not displayed; and
- ii. 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 to the Issue, Book Runner, Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Lead Manager, an application along with draft prospectus for listing of its securities to the PSX.
5. the shares shall be issued in book-entry form only.

12.1.9. OPENING AND CLOSING OF THE REGISTRATION PERIOD

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

REGISTRATION PERIOD	
[•]/2023	9:00am to 5:00pm
[•]/2023	9:00am to 5:00pm
[•]/2023	9:00am to 5:00pm
[•]/2023	9:00am to 5:00pm
[•]/2023	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:

BIDDING PROCESS STARTS ON	[•]/2023
BIDDING PROCESS ENDS ON	[•]/2023

12.1.11. ELIGIBILITY TO PARTICIPATE IN BIDDING

Eligible Investors who can place their Bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 1,000,000/- (Rupees One Mn 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 Zarea, TSL, 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, the Company, and PSX i.e. <https://topline.com.pk/>, <https://zarea.pk/>, <https://www.psx.com.pk/>
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 10.7 of this Prospectus for registration for submitting their Bids.
3. 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 12.1.14.
4. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 10.7 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
5. 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.
6. 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 ASINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BYTHE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
7. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF [.]& [.] (THE BANKER TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY [.]& [.] TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT [.]& [.]

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.
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.
2. The registration procedure under the Book Building process is outlined below:
 - The Registration period shall be for Five (5) working days i.e. [.] /2023 to [.] /2023 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on [.] /2023.
 - 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 paragraph 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.

- 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 "[.]". For online transfer the payment shall be made into [.]A/C # [.] being maintained in [.], Karachi & [.] A/C # [.] being maintained in [.], Karachi. Please note that online transfer facility shall only be allowed to [.]& [.]
- 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 Mn) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Mn).
 - 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 para 12.1.6 for addresses and contact detail of persons at the Bid Collection Centers.
 - The persons at the Bid Collection Centers shall vet the Bid applications and accept only such Bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the Bid money into the Issuer designated bank account.
 - On receipt of Bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the Bidding center, date and time.
 - The Bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The Bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the

Bidding period.

- The Bidders shall have the right to revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
- **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e., Bid Volume may be adjusted ensuring that the Bid amount or Bid money remains the same.**
- **The Bidders shall not withdraw the Bids.**
- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of Bids placed by the High Net worth Individual and not less than twenty-five percent (25%) of the Bid Amount as Margin Money in respect of Bids placed by the Institutional Investors.
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third-party payment instruments shall not be accepted.
- The Book runner may waive the margin requirement for Institutional Investors subject to confirmation from their respective banks or custodian banks (in case of foreign Institutional Investors) that an amount equivalent to the Bid money is available in the respective bank or custodian account and would be paid directly to the book runner on its request and confirmation of allocation of shares;
- 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.
- 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 upward. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose Bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made Bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the Bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the Bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in section 12.1.22 of the Prospectus.
- The Bidders who have made Bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the Bidding period and in case of refunds, the refund to such Bidders shall be made within three (3) working days from the close of the Bidding period.
- Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding period, the Strike Price and the number of shares provisionally allotted to each of them. The successful Bidders shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful Bidders on pro-rata basis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in section 13.1.12 of the prospectus.
- 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

and dispatch 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:
 - o credit of all shares allotted to retail investors; and
 - o 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 "[.]" or online transfer of the Bid money into the respective Book Building account # [.], maintained at [.], & Book Building account # [.], maintained at [.], submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into the Account being maintained at [.], Book Building account # [.], [.], Karachi & [.], A/C # [.], being maintained in [.], Karachi with the Account Title "[.]". Please note that online transfer facility shall only be allowed for [.], and [.], 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 "[.]" 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 Consultant to the Issue, 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 36.0/- per share, then the total Application Money would amount to PKR 36 Mn. In such a case, (i) Individual Investor shall deposit PKR 36 Mn in the Book Building account as the Bid amount which is 100% of PKR 36 Mn; and (ii) Institutional Investor shall deposit at least PKR 9.0 Mn in the Book Building account as the Margin Money which is 25% of PKR 36 Mn.

PAYMENT FOR STEP BID

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

For instance, if the investor Bids for 0.70 Mn shares at PKR 36.0/- per share, 0.60 Mn shares at PKR 42.0/- per share and 0.50 Mn shares at PKR 44.0/- 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 72.4 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 72.4 Mn in the Book Building Account as Margin Money which is 100% of PKR 72.4 Mn and (ii) Institutional Investors shall deposit at least PKR 18.10 Mn in the Book Building Account as Margin Money which is 25% of PKR 72.4 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 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 para 12.1.16 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.

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 36.0 per share and Indicative Strike Price at any given point in time during the Bidding period is PKR 36.0 per share, registered Bidders may place or revise their Bids at/to any price between PKR 36.0 per share to PKR 39.6 per share. If at any given point in time during the Bidding period, the Indicative Strike Price changes from PKR 36.0 per share to PKR 41.0 per share, the registered Bidders may place or upward revise their Bids at/to between PKR 41.0 per share to PKR 45.10 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 50.4 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., 62,500,000 Ordinary Shares.

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

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

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

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

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

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

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

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

12.1.23. REFUND OF MARGIN MONEY

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

12.1.24. PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

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

The Supplement 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.

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 INSTRUCTIONS FOR RETAIL PORTION

13.1.1 ELIGIBLE INVESTORS INCLUDE:

1. Pakistani citizen's 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 Consultant to the Issue, 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.toplinesecurities.com>, <https://Zarea.pk>, www.psx.com.pk & www.cdceipo.com;

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com 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.

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 [●]/2023 and will close on [●]/2023 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 [●]/2023**

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>).

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 MMMM DD, YYYY. 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: Tutorial for PES can be found on the weblink i.e., <https://eipo.psx.com.pk/EIPO/home/index>.

CENTRALIZED E-IPO SYSTEM (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application through 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 or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: 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 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 8.7 (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

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 into the details of the bank account number as provided on the registration form, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue **"Zarea Limited Public Subscription"** and crossed **"A/C PAYEE ONLY"**.
4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants into the details of bank account number provided on the face of the Registration form. 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 / resident should follow payment instructions given in Section 12.1.16 of this Prospectus.

13.1.9 CODE OF OCCUPATION OF INVESTORS / APPLICANTS

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

13.1.10 NATIONALITY CODE

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

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

The basis and conditions for allotment of shares out of the Issue shall be as follows:

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

6. If the shares applied for by the General Public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
- If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
 - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After the allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - 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.
 - 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. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.1.12 BASIS OF ALLOTMENT FOR GENERAL PUBLIC

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

1. The minimum value of application will be calculated as Issue Price 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.

3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.2 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the Company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

13.3 ISSUE AND CREDIT OF SHARE CERTIFICATES

Within ten (10) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.4 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	Faysal Bank Limited
02	Meezan Bank Limited
03	JS Bank Limited
04	MCB Bank Limited
05	Dubai Islamic Bank Limited

13.6 MINIMUM AMOUNT OF APPLICATION

The minimum amount of application shall be Issue Price * 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 to the extent of 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#	Capital Gain Tax for FY2024	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%
3	Where the securities are acquired on or after the first day of July 2022 but on or before the 30th day of June 2024, below reduced rates of tax on capital gain arising on disposal shall apply:		
i.	Where holding period does not exceed one year	15.0%	15.0%
ii.	Where holding period exceed one year but does not exceed two years	12.5%	12.5%

iii.	Where holding period exceed two years but does not exceed three years	10.0%	10.0%
iv.	Where holding period exceed three years but does not exceed four years	7.5%	7.5%
v.	Where holding period exceed three years but does not exceed five years	5.0%	5.0%
vi.	Where holding period exceed three years but does not exceed six years	2.5%	2.5%
vii.	Where holding period exceed six years	0.0%	0.0%
4	Where the securities are acquired on or after the first day of July 2024 and onwards.	15%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies. Provided that the rate of tax for individuals and association of persons shall not be less than 15% in any case.

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 calculated under the normal tax regime as per 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. Sales tax is applicable on services in accordance with Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority and Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

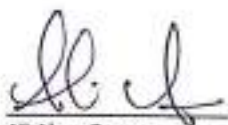
13.16 SALES TAX ON SALE / PURCHASE OF SHARES

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



Ali Alam Qamar
C.E.O (Executive Director)



Misbah Momin
Chairperson of the Board (Non-Executive Director)



Meezan Fahad Mukhtar
(Non-Executive Director)



Nouman ul Hassan
(Nominee Director GoldFinger (Pvt) Ltd)
(Executive Director)



Junaid Akram
(Non-Executive Director)

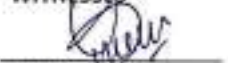


Sohail Wajidat Siddiqui
(Independent Director)



Muhammad Afzal Chaudhry
(Independent Director)

WITNESSES

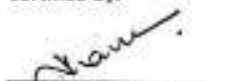


Usman Arshad
Zarea Limited-Clients Account Manager



M. Sheraz Shareef
Zarea Limited- Computer Operator

Certified by:



Syed Muhammad Akram
Company Secretary
Date: 20/9/2024

15. MEMORANDUM OF ASSOCIATION



THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

ZAREA LIMITED



THE COMPANIES ACT, 2017 (XIX of 2017)
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
ZAREA LIMITED

1. The name of the Company is **ZAREA Limited**.
2. The registered office of the Company will be situated in the Province of Punjab
3. (i) The principal line of business of the Company shall be to carry on the business of e-commerce, internet advertising and marketing, creating virtual malls, stores, shops, shopping catalogs, provide e-commerce services and e-commerce solutions including but not limited to all or any one of the following modes i.e. business to business (b2b), business to consumers (b2c), business-to-government (b2g), government-to-business (g2b), direct-to-consumer (D2C), consumer to consumer (c2c), consumer to government (c2g), along with developing, designing and investing in technological solutions to support its operations, legally permissible under the law, and to deliver the same to its customers within and outside Pakistan, as well as to establish the business of consultancy in the field of software development, including to provide services of project management, IT requirements management, system analysis and design, programming, software testing, software quality assurance, outsourcing of IT and telecommunication services, digital platform, design, development and maintenance, IT consultancy and IT process development products and services to the international or domestic markets, and to obtain and sustain the latest technology for the purpose of business and to carry on research and development in the field of Computer Sciences.
- (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the Company may 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 (Asset Management Services, Leasing, Investment Finance Services, Investment Advisory Services, REIT management Services, Housing Finance Services, Private Equity and, Venture Capital Fund Management Services, Discounting Services, Pension Fund Scheme Business, Micro Financing), Corporate Restructuring Company, Insurance Business, Modaraba management company, Stock Brokerage business, forex, Clearing House, Securities and Futures Advisor, Commodity Exchange, managing agency, business of providing the services of security guards or any other business subject to license and restricted under any law for the time being in force or as may be specified by the Commission.

ZAREA LIMITED

COMPANY SECRETARY

- (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 licence 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 Rs. 400,000,000/- (Rupees Four Hundred Million only) divided into 400,000,000 (Four Hundred Million) ordinary shares of Rs.1/- (Rupees One only) each.

ZAREA LIMITED

COMPANY SECRETARY

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of these articles of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names:

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No)	Father's/ Husband's Name in full	Nationality (ies) with any 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 by each subscriber (in figures and words)	Signatures
MR. ALI ALAM QAMAR	35201-6331 948-3	MOMIN QAMAR	PAKISTANI	INDUST REALIS	5-BRIDGE COLON LAHORE CANTT.	1,900,000	
MRS. MISBAH MOMIN	35201-2189 435-6	W/O MOMIN QAMAR	PAKISTANI	HOUSE WIFE	5-BRIDGE COLON LAHORE CANTT.	100,000	
Total number of shares taken (Two Million)						2,000,000	

Dated the 14th day of September, 2020




Witness to above signatures: (For the documents submitted in physical form)

Signature	
Nationality	
Full Name (in Block Letters)	
Father's/ Husband's name	
Nationality	
Occupation	
NIC No.	
Usual residential address	




ZAREA LIMITED

COMPANY SECRETARY

16. REGISTRATION FORM

REGISTRATION FORM			
 ZAREA LIMITED		Book Runner	
		 	
		Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT	
		Registration Dates	
		Bidding Dates	
		Bidding Form No.	
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF ZAREA LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 16 PER SHARE (INCLUDING A PREMIUM OF PKR 15/- PER SHARE)			
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.			
Name		CNIC #	
		NTN*	
Address		Cell #	
		Land Line #	
E-mail		Fax #	
PLEASE TICK THE APPROPRIATE BOX			Nationality (If other than Pakistani)
<input type="checkbox"/> Local Institutional Investor		<input type="checkbox"/> Resident	
<input type="checkbox"/> Foreign Institutional Investor		<input type="checkbox"/> Non Resident	
<input type="checkbox"/> Individual Investor		<input type="checkbox"/> Foreigner	
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.			
Payment Details:	Payments to be made in favor of "ZAREA LIMITED BOOK BUILDING ACCOUNT"		
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											
 ZAREA LIMITED	Book Runner  	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT Bidding Dates _____ Bidding Form No. _____									
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF ZAREA LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 16 PER SHARE (INCLUDING A PREMIUM OF PKR 15/- PER SHARE)											
PLEASE TICK THE APPROPRIATE BOX											
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"/>									
Fax # _____	E-mail: _____	CNIC # _____									
		NTN* _____									
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.											
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No [] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">Title of Account</td><td></td></tr> <tr><td>Account Number</td><td></td></tr> <tr><td>Bank Name</td><td></td></tr> <tr><td>Branch Name & Address</td><td></td></tr> </table>				Title of Account		Account Number		Bank Name		Branch Name & Address	
Title of Account											
Account Number											
Bank Name											
Branch Name & Address											
The Directors of ZAREA LIMITED Zarea Limited, Delta 6 Office No. 6011, NASTP, Abid Majeed Road Lahore Cantt, Pakistan Dear Sir, On the basis of Prospectus by ZAREA LIMITED for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:											
Bid Details											
	No. of Shares	Bid Price Per Share	Total Amount								
Bid Option (Please tick)	(In Figures)	(In Figures)	(In Figures)								
Limit Order <input type="checkbox"/>											
Step Order: <input type="checkbox"/>											
Option (1) <input type="checkbox"/>											
Option (2) <input type="checkbox"/>											
Option (3) <input type="checkbox"/>											
Option (4) <input type="checkbox"/>											
Total (Shares and Price)											
Important Instructions: 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) <u>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.</u>											
Signature of Bidder: _____											

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 filing 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 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 filed Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of **"ZAREA LIMITED BOOK BUILDING ACCOUNT"**. For online transfer facility (pay order or demand draft may be deposited at any branch of Faysal Bank Limited and evidence to be submitted to the Book Runner) the payment shall be made into A/C # _____ & IBAN Number: PK _____ at its Branch located at _____.
- 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 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

[illegible]

Digital inventory include:

3. Pakistani citizens resident in or outside Pakistan or Pakistan holding non-nationalities including Pakistani nationality;
4. Foreign Nationals whether living in or outside Pakistan;
5. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to be interpreted by their constitutive documents and existing regulations, as the case may be);
6. Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
7. Services in Pakistan of companies and bodies corporate incorporated outside Pakistan.
2. Copies of the Prospectus and Application Form can be obtained from the Trading Rights Information Certificate (TRIC) holders of Pakistan Stock Exchange Limited, its Bankers to the Issue and their respective Lead Manager and the registered office of the Company. The Prospectus and the Application Form can also be downloaded at the website: <http://www.pse.org.pk>, <http://www.sea.com.pk>, <http://www.tradingrights.com.pk> & www.stockex.com.pk
3. The Applicants are required to complete the relevant sections of the application to get the Shares in real time in accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, as well as such Shares, as allowed "ONLT" in the applicant form CDC Account.
4. Name(s) and address(es) to be written in full block letters, in English as it should not be abbreviated.
5. All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of the Banker of signature with the name and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed in the application form.
6. **APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
- (i) In case of individual investor, an attested photocopy of CNIC in case of Resident Pakistanis (the copy in case of non-resident Pakistanis and Third parties, as may be, should be enclosed) and the number of CNIC/Passport must be written against the name of the applicant. Copy of these documents can be obtained by any Federal/Provincial Government Issued Office, Guardian, Civil Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
- (ii) Original CNIC/Passport, along with an 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 processing the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
7. **APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
- (i) 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/documents where applications are filed by virtue of Power of Attorney, the same should also be submitted along with the application.
- (ii) Attested photocopies of the documents mentioned in (i) must be produced for verification to the Banker to the Issue and the applicant's banker (different from the Banker to the Issue) at the time of processing the application. The attested copies will after verification, be retained by the bank branch along with the application.
8. 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.
9. An acknowledgment in the form of a note that has 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 otherwise made by post, or through the bank where the application was submitted, in the person named first on the application form, without interest paid or when. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
10. Subscription money must be paid by cheque drawn on applicant's own bank account or cash payment payable to one of the Bankers to the Issue "ZAR ALIMITED GENERAL SUBSCRIPTION" and marked "MC PAYEE ONLY".
11. As the applications pass through pay intermediaries, it would be permissible for a Banker to the Issue to debit the bank charges while making refund of subscription money to avoid credit applications through any pay bank that debits for such application.
12. The applicant should have at least one bank account with any of the commercial banks. Applicants not having bank account at all (non-cash account holders) are not allowed to submit applications for subscription of Shares.
13. Under Section 242 of the Companies Act, any dividend payable in cash to a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.
14. To enable the Company to directly credit the cash dividend, if any, in the Bank Account of the shareholder, the applicant to hold 75% relevant part of the Shares Subscribed first time and in the heading, "Dividend Mandate".
15. Shares will be issued only in the bank equity form. Therefore, the applicants must provide their CDC account Number in the Shares Subscribed form.
16. Applications are not to be made by minor/infant persons or unaccounted.
17. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
18. Applicants should retain the relevant portion of their application forms as provisional acknowledgment of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
19. Filing of any false statements in the application or willfully introducing incorrect information therein shall make the application false and the applicant or the bank shall be liable for legal action.
20. Bankers to the Issue are prohibited to receive any charges from the subscribers for collecting applications applications. Hence, the applicants are advised not to pay any such charges to the Bankers to the Issue.
21. It would be permissible for a Banker to the Issue to refund subscription money to unaccounted applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft.
22. Applicants should, therefore, not fail to give their bank account number.
23. Submission of false and fictitious applications is an offence under section 87(5) of the Securities Act, 2015 and such application/ money is liable to forfeiture under section 87(6) of the Securities Act, 2015.

عوام کے مسائل کو مطلع کیا جاتا ہے کہ ٹیکہ ریجز ایکٹ 2015 کی شق نمبر (7) 87 کے تحت جھوٹی یا جعلی درخواستیں دینا کا نوٹاجرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، ٹیکہ ریجز ایکٹ 2015 کی شق نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

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20. In case of foreign inmates who are not individuals, an attorney must be appointed with a letter in applicant's official seal, stating the legal status of the applicant, place of incorporation and operations and line of business. Absence of memorandum of association or an equivalent document should also be accepted. Ineligible. While applications are made by virtue of Power of Attorney, the same must be copied with the application. Copies of these documents can be released by the bank manager in favour of applicant's evidence.

SAFETY OF ALL OTHERS

1. The minimum value of application for subscribers of 500 shares (total price € 500 shares) Application for amount below the minimum value shall not be entertained.
2. Applications 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.
3. Allotment of shares in successful applicants shall be made in accordance with the allotment criteria laid down in the basis document in the Prospectus.
4. Allotment of shares shall be subject to wording of applications in accordance with the format stipulated in the Prospectus and/or the resolutions 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 the respective CDAs accounts of the successful applicants.

SANITIZING THE ISLE

Code	Name of Bank	Code	Name of Bank
01	Paral Bank Limited	05	Draba Mexico Bank Limited
02	United Bank Limited	06	TS Bank Polanco
03	Mexico Bank Limited		
04	UPB Bank S.A.		

8. OCCURRENCE CODE

Code	Description	Code	Description
01	Student	05	Physician
02	Business Executive	07	Student
03	Household	08	Other

98. In order to activate Investor, United Trust Limited ("UTL"), a wholly electronic issuer of application (in-POL) to its account holders, UTL account holders can use UTL Internet Banking to submit their application online at www.utl.com.sg. Further details please refer through UTL website or contact UTL Customer Service at +65 6733 4044 during the submission period which will close at midnight on 31 March 2015.
99. The Central Depository Company of Singapore ("CDC") has developed a centralized e-Platform ("CDP") through which applications to subscribe for securities offered through IPOs can be made electronically. CDS has been made available to IPO which can be accessed through the CDP (www.cdp.com.sg). Details of subscription through CDP are available from CDP's member website at www.cdp.com.sg. List of stock is available at above website.
100. For making application through CDS, investors must be registered with CDS. Registration via CDS is a free document self-regulatory process by filing the CDS registration form, which is available 24x7 all around the year. Investors who have valid Centralized National Identity Card, latest account with any official commercial bank, email address, mobile phone number and CDS account transfer details need not. Account may register themselves with CDS.
101. Investors who do not have CDS account may visit www.cdpc.com.sg for information and details. For further guidance and queries regarding CDS and opening of CDS account, investors may contact CDS at phone Number: 8655 - 2222, 2002281 and email: info@cdpc.com.sg or helpdesk@cdpc.com.sg. The latter details on CDS (please also refer section 117 of the Prospectus).

11. mailto:info@pycon.org

Code	Name of Country	Code	Name of Country
001	U.S.A	005	Germany
002	U.K.	007	China
003	U.S.A	008	Japan
004	U.S.A	009	Other
005	Other		

For further details, please contact:

James L. Baker, President, Baker, Phipps & Associates, Inc., 10000 Sunset Blvd., Suite 100, Los Angeles, CA 90067, (310) 440-1111, Fax: (310) 440-1112, Email: jbaker@bpa.com