

FOR ALL CONCERNED

**PLACEMENT OF DRAFT PROSPECTUS OF “DALDA FOODS LIMITED” ON PSX WEBSITE
FOR SEEKING PUBLIC COMMENTS**

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

The total issue size of the Initial Public Offering comprises of 50,000,000 Ordinary Shares (constituting New Issue of 33,333,333 Ordinary Shares and Offer for Sale of 16,666,667 Ordinary Shares), which will be offered to the Institutional Investors / High Net-worth Individuals through Book Building Method followed by issue / offer of shares to the General Public / Retail Investors. The floor price for the issue has been set at **PKR 66/- per share**.

The principal purpose of the issue is to raise funds for enhancing the seed crushing capacity of the Company from existing 400 tons per day to 900 tons per day. Details about the issue can be reviewed through the attached Draft Prospectus of the Company.

Pursuant to Regulation 3(11) of the Public Offering Regulations, 2017 and PSX Regulation No. 5.2.1(e), the Draft Prospectus of the Company is hereby placed on the PSX Website under the caption of “**Public Comments on Draft Prospectus of Dalda Foods Limited**”.

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, February 27, 2023**.



Syed Ahmad Abbas
Chief Listing Officer

Copy to:

1. The Additional Director / HOD, PMADD (SMD), SECP
2. The Chief Executive Officer, PSX
3. All Heads of Department
4. Dalda Foods Limited
5. Arif Habib Limited (Lead Manager to the Issue)

ADVICE FOR INVESTORS

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

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

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

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

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.

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

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, 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.



Dalda Foods Limited Prospectus/Offer for Sale Document New Issue and Offer for Sale

WE BELIEVE IN PAKISTAN

The Initial Public Offering by Dalda Foods Limited is a testament to our unflinching belief in Pakistan. We have faith in the country's Capital market, the intrinsic worth of our Economy, resilience of our people and prospects of a better future.

Date and place of incorporation: 8th July 2004, Pakistan, **Incorporation number:** 0047914, **Registered Office:** Dalda Foods Ltd Karachi Factory, F-33, Hub River Road, S.I.T.E. Karachi, **Corporate Office:** Dalda Foods Limited, Plot No. 192-C, Al-Murtaza Commercial Lane 3, Phase VIII, DHA, Karachi
Contact No: +92 21 3585 8707, **Website:** <https://www.daldafoods.com/> | **Contact Person:** Roxanne Mehta, Phone: +92 336 2630709, Email: Roxanne.mehta@daldafoods.com

Issue Size: The Issue consists of 50,000,000 Ordinary Shares (i.e. 15.00% of the total post-IPO paid up capital of Dalda Foods Limited) of face value of PKR 10/- each. Out of total issue size, 33,333,333 (10.00% of the total post-IPO paid up capital of Dalda Foods Limited) ordinary shares are being issued by Dalda Foods Limited and 16,666,667 (5.00% of the total post – IPO paid up capital of Dalda Foods Limited) ordinary shares are being offered by sponsors of Dalda Foods Limited.

Method of Offering: 100% Book Building Method

Book Building Method & Floor Price: The Issue will be presented through the Book Building method at a Floor Price of PKR 66.0/- per share (including premium of PKR 56.0/- per share) with a maximum price band of up to 40% i.e. PKR 92.4 per share. (Justification of premium is given under the "Valuation Section" in Section 4A). The Bidders in Book Building 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. 37,500,000 shares and the remaining twenty-five percent (25%) i.e. 12,500,000 shares shall be offered to the Retail Investors through General Public portion.

Retail/General Public Portion: General Public portion of the Issue comprises of 12,500,000 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 Lead Manager/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 [.]

BIDDING PERIOD DATES: From [.] to [.] (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

Lead Manager & Book Runner 	Book Building Portion will be Credit Underwritten by
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Bankers to the Book Building portion of the Issue:

Habib Bank Limited	Habib Metropolitan Bank Limited
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Bankers for the Retail portion of the Issue*:

Habib Bank Limited	Habib Metropolitan Bank Ltd	United Bank Limited	Bank Alfalah Limited	Bank Al Habib Limited	BankIslami Pakistan Limited
Dubai Islamic Bank Limited	Faysal Bank Limited	MCB Bank Limited	Meezan Bank Limited	Allied Bank Limited	AlBaraka Bank Pakistan Ltd

*Above banks have been approached to obtain their consent to act as Bankers to the Issue. Upon receipt of their consent the list of bankers will be finalized which is subject to confirmation of the validity of their Bankers to Issue License

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 iv of the Prospectus.

Date of Publication of this Prospectus: [.]

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

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

For further queries you may contact:

Dalda Foods Limited: Naushad Tejani, Phone: +92 334 2278355, Email: Naushad.tejani@daldafoods.com | Roxanne Mehta, Phone: +92 336 2630709, Email: Roxanne.mehta@daldafoods.com | **Arif Habib Limited (Lead Manager & Book Runner):** Muhammad Hamza Amir, Phone: +92 332 3100359, Email: hamza.amir@arifhabibltd.com | Akash Kumar, Phone: +92 300 0143899, Email: akash.kumar@arifhabibltd.com

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER AND THE OFFERORS

V906312

100
Rupees

21 DEC 2022

SARDAR ALI STAMP VENDOR
Licence # 18, Shop # 58, SITE Market
SITE Karachi

NO. OF STAMPS: 100
PURPOSE: 281317
ISSUED TO: JAVED Advocate
L. NO: 4703
VALID TO: ATTORNEY
STAMP VENDOR'S SIGNATURE: [Signature]
The Stamp Paper is not valid for Direct & Proxy Bid Purposes

Date: 18/02/23

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

WE, AZIZ HASAN JINDANI THE CHIEF EXECUTIVE OFFICER AND, RAFIQ UL ISLAM THE CHIEF FINANCIAL OFFICER OF DALDA FOODS LIMITED AND PERWAIZ HASAN KHAN, ABDUS SAMAD, MUHAMMAD RABBANI, INAM BARI, USAMA MAHMOOD KHAN GHOURI, PERWAIZ MASUD ANSARI, MUHAMMAD RAFIQ ON BEHALF OF BULK MANAGEMENT (PAKISTAN) (PRIVATE) LIMITED, UMAIR HASSAN ON BEHALF OF WEST BURY (PRIVATE) LIMITED, HINA JUNAID, NAUSHEEN RAFIQ, THE OFFERORS CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF THEIR 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; AND
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.
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 Dalda Foods Limited


Aziz Hasan Jindani
Chief Executive Officer


Rafiq ul Islam
Chief Financial Officer



For and on behalf of Offerors


Umair Hassan
Company Secretary
West Bury (Private) Limited


Muhammad Rafiq
Company Secretary
Bulk Management (Pakistan)
(Private) Limited


Muhammad Rabbani
Non- Executive Director


Perwaz Hasan Khan
Non- Executive Director





Abdus Samad
Non- Executive Director



Usama Mahmood Khan Ghouri
Non- Executive Director



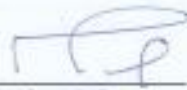
Perwaiz Masud Ansari
Non- Executive Director



Inam Bari
Non- Executive Director



Hina Junaid
Sponsor



Nausheen Rafiq
Sponsor



Note: This Supplement shall be published within 3 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of Dalda Foods Limited was published.

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Dalda Foods Limited earlier published on [●]/2023

Dalda Foods Limited

- FLOOR PRICE: PKR 66.0/- PER SHARE
- STRIKE PRICE: PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE
- PRICE BAND (40% above the FLOOR PRICE): PKR 92.4/- PER SHARE

Category wise Breakup of Successful Bidders

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

Glossary of Technical Terms

ACIR (SRB)	Additional Commissioner Inland Revenue
ACT	Securities Act, 2015
AHL	Arif Habib Limited
Bn	Billion
BR	Book Runner
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CAPEX	Capital Expenditure
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CES	Centralized E-IPO System
CIR(A)	Commissioner Inland Revenue (Appeals)
CNIC	Computerized National Identity Card
Commission / SECP	Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CUIN	Computerized Unique Identification Number
DFL	Dalda Foods Limited
EPC	Engineering, Construction and Procurement
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
FMCG	Fast Moving Consumer Goods
FPCCI	Federation of Pakistan Chambers of Commerce & Industry
FSSC	Food Safety Standard Certification
FX	Foreign Exchange
HDL	High Density Lipoprotein
HORECA	Syllabic abbreviation of Hotel/Restaurants/Caterings
ISCA	International Seed Crushers Association
ISO	International Organization for Standardization
KIBOR	Karachi Interbank Offered Rate
LC	Letter of Credit
LDL	Low Density Lipoprotein
LIBOR	London Interbank Offered Rate
MIS	Management Information System
Mn	Million
NOC	No Objection Certificate
OHSAS	Occupational Health and Safety Assessment Series
OPEX	Operating Expenditure
p.a	Per Annum
PICIC	PICIC Commercial Bank
PKR or Rs.	Pakistan Rupee(s)
PO Regulations	Public Offering Regulations, 2017

PSQCA	Pakistan Standards and Quality Control Authority Standards
PSX / Exchange	Pakistan Stock Exchange Limited
RSPO	Round Table of Sustainable Palm Oil
SAP	System Analysis Program
SCALA	Enterprise Resource Planning software named SCALA
SEPA	Sindh Environmental Protection Agency
SEDEX	Supplier Ethical Data Exchange
SRB	Sindh Revenue Board
TPD	Tons per Day
TPH	Tons per hour
UIN	Unique Identification Number
UNESCO	United Nations Educational, Scientific and Cultural Organization
VTF	Virtually Trans fat free
WIL	Wazir Ali Industries Limited
WWF	World Wildlife Fund for Nature

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.
Bankers to the Book Building	Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the Bid amount. Habib Bank Limited and Habib Metropolitan Bank Limited have been appointed, in this IPO, as the Bankers 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 Dalda Foods 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 xix 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 10 e 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	<p>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.</p>
Book Building Account	<p>An account opened by the Issuer with the Collection Banks. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in Section 12 xv of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building.</p>
Book Building Portion	<p>The part of the total Issue allocated for subscription through the Book Building.</p>
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>Arif Habib Limited has been appointed as 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	<p>[Names of Banks] are the Collection Banks for the Book Building portion. For this purpose, [Names of Banks] have opened an account titled [Title of the Account], Number: [# of account] at its [Name & Address of Branch] & account titled [Title of Account], Number: [# of Account] at its [Name and Address of Branch] respectively. The Collection Banks shall keep and maintain the Bid money in the said accounts. Once the Strike Price is determined and lists of successful Bidders and successful applicants/allottees are finalized and shares are credited to the successful Bidders and applicants, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Collection Banks for transfer of the money of successful and accepted applications to the Issuer's account(s).</p>
Company's Legal Advisor	<p>Haidermota & Co.</p>
Commission	<p>Securities & Exchange Commission of Pakistan ("SECP").</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 issued under the Book Building Portion are subscribed.</p>

e-IPO facility

An e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:

PSX's e-IPO System (PES):

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: itss@psx.com.pk 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 though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

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 66.0/- per share.
General Public	All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.
Group	Dalda Foods Limited and its subsidiaries, Oil Processors & Refiners (Pvt.) Ltd. and Wazir Ali Industries Ltd., together are referred to as a “Group” in this prospectus.
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. <p>Issue of 50,000,000 Ordinary Shares representing 15.00% of total Post-IPO Paid-Up Capital having a Face Value of PKR 10/- each.</p>
Issue	<p>Out of total issue size, 33,333,333 ordinary shares are being issued by the Company and remaining 16,666,667 ordinary shares are being offered by sponsors of the Company i.e., Bulk Management (Pakistan) (Private) Limited, West Bury (Private) Limited, Perwaiz Hasan Khan, Abdus Samad, Muhammad Rabbani, Inam Bari, Usama Mahmood Khan Ghouri, Perwaiz Masud Ansari, Hina Junaid, Nausheen Rafiq.</p> <p>The Issue will be offered through Book Building at a Floor Price of PKR 66.0/- per share with an upper limit of 40% above the Floor Price i.e. PKR 92.4/share.</p> <p>Initially, 75% of the Issue Size i.e., 37,500,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the Issue size i.e., 12,500,000 Ordinary Shares will be offered to Retail Investors at the Issue Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.</p>
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	Dalda Foods Limited (the “Company” or the “Issuer” or “Dalda Foods”).																																				
Key Employees	Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.																																				
Lead Manager	<p>Any person licensed by the Commission to act as a Consultant to the Issue/Lead Manager.</p> <p>Arif Habib Limited has been appointed as Lead Manager by the Issuer for this Issue.</p>																																				
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	<p>Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled ‘Listing of Companies and Securities Regulations’.</p> <p>https://www.psx.com.pk/psx/themes/psx/uploads/PSX Rulebook updated on November 29%2C 2022 FINAL.pdf</p>																																				
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 One Million Rupees (PKR 1,000,000/-).																																				
Offer	<p>Offer of 16,666,667 ordinary shares of Dalda Foods Limited by its following sponsors:</p> <table border="1"> <thead> <tr> <th>Offerors</th> <th>Shares Offered</th> <th>% of Total Post IPO Shareholding</th> </tr> </thead> <tbody> <tr> <td>West Bury (Private) Limited</td> <td>3,333,333</td> <td>1.00%</td> </tr> <tr> <td>Bulk Management (Pakistan) (Private) Limited</td> <td>3,333,334</td> <td>1.00%</td> </tr> <tr> <td>Perwaiz Hasan Khan</td> <td>1,955,000</td> <td>0.59%</td> </tr> <tr> <td>Abdus Samad</td> <td>1,309,000</td> <td>0.39%</td> </tr> <tr> <td>Usama Mahmood Khan Ghouri</td> <td>1,309,000</td> <td>0.39%</td> </tr> <tr> <td>Perwaiz Masud Ansari</td> <td>1,309,000</td> <td>0.39%</td> </tr> <tr> <td>Muhammad Rabbani</td> <td>1,309,000</td> <td>0.39%</td> </tr> <tr> <td>Inam Bari</td> <td>1,309,000</td> <td>0.39%</td> </tr> <tr> <td>Hina Junaid</td> <td>750,000</td> <td>0.23%</td> </tr> <tr> <td>Nausheen Rafiq</td> <td>750,000</td> <td>0.23%</td> </tr> <tr> <td>Total</td> <td>16,666,667</td> <td>5.00%</td> </tr> </tbody> </table>	Offerors	Shares Offered	% of Total Post IPO Shareholding	West Bury (Private) Limited	3,333,333	1.00%	Bulk Management (Pakistan) (Private) Limited	3,333,334	1.00%	Perwaiz Hasan Khan	1,955,000	0.59%	Abdus Samad	1,309,000	0.39%	Usama Mahmood Khan Ghouri	1,309,000	0.39%	Perwaiz Masud Ansari	1,309,000	0.39%	Muhammad Rabbani	1,309,000	0.39%	Inam Bari	1,309,000	0.39%	Hina Junaid	750,000	0.23%	Nausheen Rafiq	750,000	0.23%	Total	16,666,667	5.00%
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Ordinary Shares	Ordinary Shares of Dalda Foods Limited having face value of PKR 10.0/- each.
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.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
Registration Period	The period during which registration of Bidders is carried out. The registration period shall commence three working days before the start of the Bidding Period from [.] to [.] from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
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
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(v) & 3A(vi) 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 Step Bid, 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 Regulations, at which the shares are issued to the successful Bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, 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 Securities 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 STOCK EXCHANGE

1.1. APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities & Exchange Commission of Pakistan (the "Commission" or the "SECP") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Dalda Foods 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:

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC/INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

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

THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.

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

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

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

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

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

Dalda Foods Limited 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 eight day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the standard scale in accordance with the provisions of subsection (2) of Section 69 of the Companies Act.

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

2 SUMMARY OF THE PROSPECTUS

2.1. PRIMARY BUSINESS OF DALDA FOODS LIMITED (“Dalda Foods”, “Issuer”, or the “Company”)

Primary business of Dalda Foods Limited is to manufacture, market and sell branded food products including Banaspati ghee, cooking oils and margarines in the edible oils and fats category. The Company is also involved in the extraction of edible oils from oilseeds for use in its above-mentioned products and production and selling of tea whitener products in the broader dairy category. It also exports its products to USA, Canada, European countries, etc.

Dalda Foods Limited has investment in two subsidiaries, Oil Processors & Refiners (Pvt.) Ltd. and Wazir Ali Industries Ltd., together hereinafter referred to as the “Group”. Wazir Ali Industries Ltd. is engaged in purchase, manufacturing and sale of Banaspati ghee and cooking oil under the brand name “Tullo”. Whereas, Oil Processor & Refiners (Pvt.) Ltd. is involved in refining and selling of edible oils.

2.2. SPONSORS OF DALDA FOODS LIMITED

Following are the sponsors of Dalda Foods Limited:

S. no.	Sponsor	Pre-Issue Shareholding	% of Total Shareholding
1	Muhammad Bashir Janmohammad	4,285,714	1.43%
2	Abdul Rasheed Janmohammad Dawood	3,457,142	1.15%
3	West Bury (Private) Limited	60,000,000	20.00%
4	Bulk Management (Pakistan) (Private) Limited	51,428,571	17.14%
5	Jahangir Abdullah Rasheed	428,571	0.14%
6	Perwaiz Hasan Khan	35,190,000	11.73%
7	Abdus Samad	23,562,000	7.85%
8	Usama Mahmood Khan Ghouri	23,562,000	7.85%
9	Perwaiz Masud Ansari	23,562,000	7.85%
10	Muhammad Rabbani	23,562,000	7.85%
11	Inam Bari	23,562,000	7.85%
12	Hina Junaid	13,500,000	4.50%
13	Nausheen Rafiq	13,500,000	4.50%
14	Farhat Rasheed	400,001	0.13%

2.3. SALIENT FEATURES OF THE ISSUE

The Issue comprises of 50,000,000 Ordinary shares of face value worth PKR 10/- each. Out of total issue size, 33,333,333 (i.e. 10.00% of the total post-IPO paid up capital of Dalda Foods Limited) ordinary shares are being issued by Dalda Foods Limited and remaining 16,666,667 (i.e. 5.00% of the total post-IPO paid up capital of Dalda Foods Limited) are being offered by sponsors of Dalda Foods Limited from their current shareholding. The offerors and the number of shares they are offering are listed below:

Offerors	Shares Offered	% of Total Post IPO Shareholding
West Bury (Private) Limited	3,333,333	1.00%
Bulk Management (Pakistan) (Private) Limited	3,333,334	1.00%
Perwaiz Hasan Khan	1,955,000	0.59%
Abdus Samad	1,309,000	0.39%
Usama Mahmood Khan Ghouri	1,309,000	0.39%
Perwaiz Masud Ansari	1,309,000	0.39%
Muhammad Rabbani	1,309,000	0.39%
Inam Bari	1,309,000	0.39%
Hina Junaid	750,000	0.23%
Nausheen Rafiq	750,000	0.23%
Total	16,666,667	5.00%

The entire Issue of 50,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 66.00/- per share with a price band of 40% above the floor price i.e. PKR 92.4.

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. 37,500,000 shares and the remaining twenty-five percent (25%) i.e. 12,500,000 shares shall be offered to the retail investors.

Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

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:

Sponsor	Pre-Issue Shareholding	% of Total Shareholding	Post IPO	% of Total Post IPO Shareholding
Muhammad Bashir Janmohammad	4,285,714	1.43%	4,285,714	1.29%
Abdul Rasheed Janmohammad Dawood	3,457,142	1.15%	3,457,142	1.04%
West Bury (Private) Limited	60,000,000	20.00%	56,666,667	17.00%
Bulk Management (Pakistan) (Private) Limited	51,428,571	17.14%	48,095,237	14.43%
Jahangir Abdullah Rasheed	428,571	0.14%	428,571	0.13%
Perwaiz Hasan Khan	35,190,000	11.73%	33,235,000	9.97%
Abdus Samad	23,562,000	7.85%	22,253,000	6.68%
Usama Mahmood Khan Ghouri	23,562,000	7.85%	22,253,000	6.68%
Perwaiz Masud Ansari	23,562,000	7.85%	22,253,000	6.68%
Muhammad Rabbani	23,562,000	7.85%	22,253,000	6.68%
Inam Bari	23,562,000	7.85%	22,253,000	6.68%
Hina Junaid	13,500,000	4.50%	12,750,000	3.83%
Nausheen Rafiq	13,500,000	4.50%	12,750,000	3.83%
Farhat Rasheed	400,001	0.13%	400,001	0.12%
Aftab Ahmed Diwan	1	0.00%	1	0.00%
Total	300,000,000	100.00%	283,333,333	85.00%

2.5. PRINCIPAL PURPOSE OF THE ISSUE

The purpose of new issue is to enhance the seed crushing capacity from its existing 400 tons per day to 900 tons per day at its current location i.e. Port Qasim Authority. To realize the vision for accelerating growth and optimizing costs, the Company embarked on various investment drives, one of which was a vertical integration of its supply chain. For this purpose, the Company had set up a seed crushing plant in 2013.

As envisaged in its strategic intent, the Company has now reached an optimal utilization of its seed crushing plant (FY 2022 utilization: 79%). To service the growing demand of cooking oils, the Company has to further expand its existing capacity.

Following is the pre and post expansion capacity details:

S.No.	Particulars	Pre Expansion Capacity	Post Expansion Capacity	Increase %
1	Tons per day	400	900	125%
2	Annual Capacity* - Tons/Year	146,000	328,500	125%

*Based on 365 days

UTILIZATION OF PROCEEDS

Sources of Funds

Breakup of Funds required	Funds	Contribution
Proceeds from Initial Public Offering	2,200,000,000	51%
Internally generated cash	2,135,000,000	49%
Total	4,335,000,000	100%

Any cost overrun due to exchange rate fluctuations or otherwise will be financed by the Company through its internal cash generation.

Utilization of Proceeds

Given below is a high level cost breakdown of expanding its seed crushing capacity:

S. No	Particulars	Total Cost	% of Total Cost
1	Plant & Machinery	3,200,000,000	73.82%
2	Civil Works	695,000,000	16.03%
3	Mechanical and Electrical Installation	440,000,000	10.15%
	Total	4,335,000,000	100%

- USD Conversion rate has been assumed at PKR 280.
- No Technical Agreements have been signed with EPC Contractors or Consultants, these will be finalized and hired post IPO. Figures given here are estimates based on Company's experience, market research and quotations
- Utilization for only total cost has been disclosed as company would allocate the IPO proceeds in project as it sees fit
- Any cost overrun due to exchange rate fluctuation or otherwise and contingency expense incurred will be financed through internal sources

For further details, refer to section 4

2.6. JUSTIFICATION GIVEN BY THE LEAD MANAGER IN FAVOR OF FLOOR PRICE OF PKR 66.0/- PER SHARE MAY BE SEEN UNDER SECTION 4A OF THE PROSPECTUS TITLED, 'VALUATION SECTION'.

For key factors justifying the price of the issue, please refer to section 4A.

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 the Company's Auditors during the last three financial years:

- KPMG Taseer Hadi & Co., Chartered Accountants did not give a qualified opinion for all the three (3) financial years ending on 30th June, 2020, 30th June, 2021 and 30th June 2022

2.8. FINANCIAL INFORMATION (Please refer to Section 6.4 & 6.5 for detailed financials and commentary on key ratios)

The key financial information of the unconsolidated financials is tabulated below:

In PKR Mn, unless stated otherwise	Audited	Audited	Audited	Audited	Audited	Unaudited
	FY2018	FY2019	FY2020	FY2021	FY2022	1HY 23
Issued Share Capital	3,000	3,000	3,000	3,000	3,000	3,000
Net worth	7,056	7,980	10,341	9,769	11,391	12,237
Net Revenue	30,983	37,861	42,448	57,050	79,681	51,084
Gross margin (%)	16.14%	15.26%	14.98%	13.95%	12.70%	9.66%
Operating margin (%)	6.18%	6.29%	6.41%	6.41%	7.15%	5.81%
Profit after tax	1,418	1,713	2,025	2,462	3,624	1,783
Profit after tax margin (%)	4.58%	4.52%	4.77%	4.32%	4.55%	3.49%
Cash flow from operations	1,586	1,870	3,683	3,208	7,689	(8,540) ¹
Cash and Bank plus Short Term Investments	585	306	1,765	1,627	6,548	2,259
Earnings per share - Basic (In PKR)	4.73	5.71	6.75	8.21	12.08	5.94
Earnings per share - Diluted (In PKR)	4.73	5.71	6.75	8.21	12.08	5.94
Earnings per share – Post Bonus Issue (In PKR)	4.73	5.71	6.75	8.21	12.08	5.94
Breakup value per share (In PKR)	23.52	26.60	34.47	32.56	37.97	40.79
Total Borrowings	2,716	1,533	606	820	1,213	6,540 ²
Debt to Equity (Times)	0.38	0.19	0.06	0.08	0.11	0.53
Debt to Total Capital (Times)	0.28	0.16	0.06	0.08	0.10	0.35
Interest Coverage Ratio (Times)	10.75	17.55	16.35	52.90	23.96	12.40

¹ Negative cash from operations at December 22 reflects seasonality of Edible Oil Business which requires heavy investment in Working Capital ahead of festive season of Eid and will return to normal Working Capital in Jan- June half. The business also has sufficient lines as well as Short term investment (PKR 662 M) to mitigate any urgent cash needs.

² These borrowings majorly consist of Short Term Borrowings

The key financial information of the consolidated financials for the Group is tabulated below:

In PKR Mn, unless stated otherwise	Audited	Audited	Audited	Audited	Audited
	FY2018	FY2019	FY2020	FY2021	FY2022
Issued Share Capital	3,000	3,000	3,000	3,000	3,000
Net worth	7,145	8,199	10,648	10,428	12,732
Net Revenue	33,596	40,353	44,232	60,012	88,281
Gross margin (%)	15.85%	15.23%	15.33%	15.09%	13.58%
Operating margin (%)	5.97%	6.41%	6.55%	7.19%	8.07%
Profit after tax	1,458	1,845	2,115	2,815	4,311
Profit after tax margin (%)	4.34%	4.57%	4.78%	4.69%	4.88%
Cash flow from operations	1,766	1,395	5,409	1,574	9,107
Cash and Bank plus Short Term Investments	855	585	1,827	1,936	7,665
Earnings per share - Basic (In PKR)	4.86	6.15	7.05	9.38	14.37
Earnings per share - Diluted (In PKR)	4.86	6.15	7.05	9.38	14.37
Earnings per share – Post Bonus Issue (In PKR)	4.86	6.15	7.05	9.38	14.37
Breakup value per share (In PKR)	23.82	27.33	35.49	34.76	42.44
Total Borrowings	2,716	1,884	2,768	4,868	4,657 ³
Debt to Equity (Times)	0.38	0.23	0.26	0.47	0.37
Debt to Total Capital (Times)	0.28	0.19	0.21	0.32	0.27
Interest Coverage Ratio (Times)	11.22	18.60	16.02	14.16	9.85

2.9. LEGAL PROCEEDINGS

For details on tax and legal proceedings, please refer to section 8.

There are routine litigations incidental to business operations to which the Company is a party. However, none of them are expected to have any material impact on the Company or its shareholders, except a few that are mentioned in the below table:

Order dated	Issuing Authority	Tax Period	Order Amount/ Financial Impact	Current Status	Management's Stance
04-Jun-2021	Sindh High Court	2021	PKR 220.2 Mn	Pending at Supreme Court of Pakistan	In 2017, Provincial Assembly of Sindh vide its Sindh Development and Maintenance of Infrastructure Cess Act, 2017 dated 12 April 2017 has levied infrastructure cess on the goods entering or leaving the Province from outside the country by air or sea. During the prior year, the Company had challenged the levy of infrastructure cess in the Honourable High Court of Sindh. The Court granted an interim relief whereby the Company was required to pay 50% of the

³ These borrowing majorly consist of Short-Term Borrowings

					<p>cess amount and furnish bank guarantee for remaining 50%. On 4 June 2021, the levy of Infrastructure cess case was upheld by the High Court of Sindh, therefore, the Company along with other industrial importers challenged the decision of the High Court of Sindh in the Supreme Court of Pakistan. On 1 September 2021, the Supreme Court granted an interim relief whereby, the petitioners have been required to furnish fresh bank guarantees against 100% of the amount of Infrastructure cess involved. On prudent basis, the management has provided the complete amount.</p>
04-Jun-2021	Sindh High Court	2021	PKR 210 Mn	Pending at Supreme Court of Pakistan	<p>In 2017, Provincial Assembly of Sindh vide its Sindh Development and Maintenance of Infrastructure Cess Act, 2017 dated 12 April 2017 has levied infrastructure cess on the goods entering or leaving the Province from outside the country by air or sea.</p> <p>During the prior year, the Company had challenged the levy of infrastructure in the Honourable High Court of Sindh. The Court granted an interim relief whereby the Company was required to pay 50% of the cess amount and furnish bank guarantee for remaining 50%. On 4 June 2021, the levy of Infrastructure cess case was upheld by the High Court of Sindh, therefore, the Company along with other industrial importers challenged the decision of the High Court of Sindh in the Supreme Court of Pakistan. On 1 September 2021, the Supreme Court granted an interim relief whereby, the petitioners have been required to furnish fresh bank guarantees against 100% of the amount of Infrastructure cess involved. On prudent basis, the management has provided the complete amount.</p>
30-Mar-2019	ACIR (SRB)	2012 to 2016	PKR 18.3 Mn	Pending with CIR(A) (SRB)	<p>Sindh Revenue Board (SRB) vide its order dated 30 March 2019 issued a withholding sales tax demand of PKR 18.27 million for non-payment of withholding tax deducted on advertisement services for the periods March 2012 to September 2016. The Company has filed Appeals before Commissioner Inland Revenue (Appeals) which is pending. As per the advice from the Company's legal advisor, Management</p>

					considers that matter is likely to be decided in the Company's favour.
19-Apr-2016	Sindh High Court	1995	USD 206,110 / PKR 57,710,800 ⁴	Pending at Sindh High Court	The Company had filed a suit in 1995 before the Honourable Sindh High Court for the recovery of palm oil brought to Karachi on a vessel on the ground that the same was imported by it. Oil was purchased through Swiss Bank Corporation (the Bank) which impleaded to be included as defendant in the case subsequently. The High Court provided interim measure and allowed the delivery of palm oil to the Company against bank guarantee of US\$ 206,110. However, the Bank filed a suit before the High Court claiming right to said palm oil. Subsequently, the Company withdrew its case and bank guarantee was released. Thereafter, the Honourable High Court on an application by the Bank restored the earlier order and required a bank guarantee of US\$ 206,110 from the Company, which was furnished accordingly. This guarantee was replaced by a deposit with the High Court on its expiry. Deposit of US\$ 206,110 was submitted to the High Court. As per the advice from the Company's legal advisor, the suit filed by Swiss Bank Corporation is likely to be decided in the Company's favor.
Total			PKR 506 Mn		

Apart from the four legal proceedings disclosed above, there are no other outstanding legal or taxation proceedings other than the normal course of business involving the Issuer, the Group, its sponsors, substantial shareholders, directors, subsidiaries, and associated companies over which the Issuer has control that could have a material impact on the business of the Company.

2.10. RISK FACTORS

There are several internal and external risk factors that may have business implications. These factors are covered in section 5.

⁴ PKR based on USD/PKR exchange rate of 280

2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

Related Party transactions for unconsolidated figures:

Nature of Transaction	2022	2021	2020
	(Rupees in '000)		
SUBSIDIARY COMPANIES:			
Wholly Owned Subsidiary:			
Dividend Income	-	78,067	-
Reimbursement of expenses	113,156	109,171	70,784
Purchases and refining of oil	(25,997,756)	(15,108,413)	(11,787,390)
Rental income for leased land	8,712	7,920	7,200
Payable balance	(272,482)	(57,439)	(31,233)
Majority Owned Subsidiary			
Charged under Cost Sharing arrangement	48,000	48,000	43,800
Operational and Other Charges reimbursement	387,935	445,525	453,965
Dividend Income	24,253	17,323	6,928
Toll Manufacturing fee	4,066	4,913	5,264
Purchase of Oil/Chemical	-	(97)	(12,735)
Sale of raw material	3,009,418	1,969,795	1,670,140
Payable against Insurance Claim	-	-	(21,480)
Expenses incurred on behalf of Dalda Foods	-	(18,440)	-
Net receivable/(payable)	44,640	(188)	7,827
Associated Companies - No Control by Issuer			
By Virtue of Common Directorships Only			
Dividend paid	312,636	301,719	1,008,401
Purchases of Oil	(4,082,805)	(3,322,136)	(844,306)
Refining charges	(8,375)	-	(5,454)
Storage Charges	(3,164)	-	-
Sales of oil	19,580	8,872	6,372
Services (for storage facilities)	(7,055)	(3,861)	(3,216)
Purchase of semi finished goods	(8,894,247)	(8,571,432)	(2,900,347)
Receivable on account of sales	7	232,205	225
Payable on account of purchases	(729,101)	(6,001)	(479,655)
Donation	68,727	60,500	75,164
Reimbursement of expenses	10	-	1,488

Related Party transactions for consolidated figures:

Nature of Transaction	2022	2021	2020
	Rupees in '000s		
Associated Companies - No Control by Issuer			
By Virtue of Common Directorships Only			
Dividend paid	312,636	301,719	1,094,463
Purchases of Oil	(4,914,349)	(3,985,997)	(1,416,265)
Refining charges	(16,702)	-	(5,454)
Storage Charges	(3,164)	-	-
Sales of oil	22,878	(8,564,779)	9,719
Services (for storage facilities)	(45,420)	(37,422)	(21,127)
Purchase of semi finished goods	(8,894,247)	(40,819)	(2,900,347)
Receivable on account of sales	7	232,205	-
Payable on account of purchases	(729,101)	5,711	-
Donation	68,727	60,500	75,164
Reimbursement of expenses	10	-	1,488

3 OVERVIEW, HISTORY AND PROSPECTS

3.1. COMPANY'S HISTORY AND OVERVIEW

Name	Dalda Foods Limited
Incorporation Number	0047914
Date of Incorporation and Place	8 th July 2004, Pakistan
Date of Commencement of Business	Running Business was acquired on 3 rd September 2004
Date of Conversion to Public Limited Company	26 th April, 2017

Dalda Foods Limited traces its legacy to one of the oldest and most trusted food brands of the country. Dalda's name has been synonymous with highest quality and utmost trust of consumers for over 85 years. Dalda Foods was incorporated in July 2004 as a private limited company to acquire and manage the businesses related to cooking oils and fats business which were spun off from Unilever Pakistan Limited. The registered office of the company is at F-33, Hub River Road, SITE, Karachi. The Company has 3 manufacturing facilities located at following areas:

- 1) Dalda Foods Ltd – Karachi Factory
F-33, Hub River Road,
S.I.T.E Karachi – 75700
Principal business activity: Edible Oils & Fats Manufacturing
- 2) Dalda Foods Ltd – Port Qasim Factory
Plot # OZ/1/P-176,
Back up Area of Port Qasim Authority
Karachi – 75020
Principal business activity: Edibles seeds oil extraction
- 3) Dalda Foods Ltd – Lahore Factory
Manga Raiwind Road (2.5 Km)
Lahore – 55270
Principal business activity: Dairy and related products manufacturing

Principal activities of the Company are to manufacture, market and sell branded food products including Banaspati ghee, cooking oils, margarines in the edible oils and fats category. The Company is also involved in the extraction of edible oils from oilseeds for use in its above-mentioned products and manufacturing and selling of tea whitener products in the broader dairy category. It also exports its products to USA, Canada, European countries, etc.

In 2004, West Bury (Private) Limited and a group of employees acquired net assets, including brand names Dalda and Planta and the Edible Oils and Fats business from the previous owners, M/s. Unilever Pakistan Limited, as a result of their decision to divest this segment of their operations as part of their global business strategy. The deal included all the assets comprising of plant and machinery, buildings, land, inventory of raw material, work-in-process and finished goods on hand as on closing date. To acquire and manage the business related to Dalda and other food brands, Dalda Foods was incorporated in 2004 as a private limited company. At the time of acquisition, the total sales volume for edible oils and fats of Dalda Foods was less than 50,000 tons. This has grown significantly over the years to reach nearly 250,000 tons in FY 2021.

Over the years', the Company has grown at a fast pace with revenue over PKR 79bn in FY 2022. Company's growth trajectory has combined organic growth as well as growing through acquisition and diversifications. Dalda Foods is presently operating in two foods sectors – edible oils and fats with its iconic brands like Dalda, Planta, Manpasand, Tullo and in the dairy and related sector with its brand "Cup Shup" in the tea whitener segment.

With Dalda brand continuing to grow from strength to strength at the top end of the edible oils and fats category, the Company launched Manpasand brand in 2006 to cater to the needs of the large middle class segment of the market. Since then, Manpasand has successfully grown to be amongst the largest brands in its segment. Tullo, another iconic food brand of the country was added to the portfolio of Company's edible oils and fats brands when majority shareholding (86%) of Wazir Ali Industries Limited, a well-known and established company in the industry, was acquired in 2007. Tullo has been nurtured back to full health and has made a successful and dramatic turn around to become one of the fastest growing and strong brands in the edible oils and fats categories. Wazir Ali Industries Limited continues to operate as an independent entity and as a subsidiary of Dalda Foods. To cater to the needs of the top end of its market and fill a gap in its portfolio of brands, the Company successfully launched Dalda Olive Oil brand in 2007. They are sourced, processed and packed in Spain to Dalda Food's exacting requirements with addition of extra vitamin A and D. Since 2005, the Company is also exporting its edible fats products to UK, Canada and USA meeting food quality standards of these countries and fulfilling the needs of the Pakistani diaspora there. Dalda Foods also added Dalda Corn Oil in its range of portfolio offering in 2019.

To meet its growth needs, judicious investments for increase in production capacity has been kept apace. An **additional 300 tons per day edible oil processing plant** was installed at F-33, Hub River Road, S.I.T.E Karachi in 2011. This is a most modern state of the art plant designed and manufactured by DeSmet Company, Belgium. To further improve the quality and increase the Company's ability to use indigenous sunflower seed oils, **100 tons per day edible oil fractionation plant** was set up at F-33, Hub River Road, S.I.T.E Karachi in 2014. To cater to the growing cooking oil needs, the Company has set up a **new edible oil seeds extraction factory** at Port Qasim Authority Industrial Area, Karachi in 2013. This factory was set up on a 9.74 Acre site and could extract edible oils from canola and sunflower seeds at a capacity of 300 tons of seeds per day which was subsequently expanded to 400 tons per day in 2021. The Canola and Sunflower Oil seeds are mainly sourced from Ukraine, Canada and Australia. The Company does not rely on any one country to source the seeds and has multiple sources ensuring uninterrupted supply of Oil Seeds. The site has space and infrastructure to add the planned additional required capacity of edible oil seed crushing. Company's old ERP system SCALA was upgraded to SAP in 2015. These significant investments were carried out over and above the normal balancing, modernization and replacement investments.

Whilst continuing to grow in the large edible oil and edible fats sector, in 2015 Dalda Foods entered into related food sectors, leveraging its core competencies of consumer understanding and insights, developing and manufacturing high quality products and marketing, distributing and selling these consumer products nationally across the width and depths of the country. With its Cup Shup brand of liquid tea whitener, Dalda Foods entered into the large and growing Dairy and related sectors. In a short span of time the brand has grown its presence in the market.

A new **multi category foods manufacturing factory** was set up on a 21-acre site on Manga - Raiwind Road near Sunder Industrial Estate, Lahore in 2015 for the production of dairy related products, variety of snack products, and other related packaged retail consumer food products. Cup Shup tea whitener is being manufactured at this new factory.

Doing business the right way and profitably growing the business the right way is reflected in the Mission Statement of the Company which declares that "We make a positive difference in the lives of the people with our products and services". This is underpinned by five foundational values of the business, namely Integrity, Fairness, Trust, Accountability and People Reaching their Potential. This is manifested in the products, services and daily actions of Dalda Foods and its people. Dalda Foods edible fats products are trans fat free thus healthier. Dalda Foods also has five ISO Certifications – ISO 9001: Quality, FSSC 22000: Food Safety, ISO 17025: Laboratory Accreditation Certification, ISO 14001: Environment Protection, ISO 45001: Occupational Health and Safety, besides PS 3733: Pakistan Halal Standard, qualification of SEDEX: Supplier Ethical Data Exchange and membership of RSPO: Round Table of Sustainable Palm Oil.

Doing business the right way and also creating shared value between the business and the society in which the Company operates, is also manifested in Dalda Foods setting up **Dalda Foundation Trust** in Karachi in 2011 and putting aside a certain portion of its profits to provide assistance in the field of education, health and agriculture. In the field of education, need cum merit based scholarships are being provided nationally all over the country to

students from matriculation onwards. There are over 2,000 Dalda Foundation scholarship holder students currently studying in schools, colleges and universities in the country. Hospitals and health institutions located in the communities where Dalda Foods has its operations are provided assistance in their health care activities which helps both the local communities and Dalda Foods' staff living there. Dalda Foundation is also working with the University of Agriculture, Jamshoro, Sindh and FELDA Global Ventures, Malaysia to assist local farmers to improve the yield of their edible oil seed crops and also assess if palm oil trees can be profitably grown in the coastal areas of Sindh. This will assist both the farmers in improving their income, the country in saving in its import bill and also Dalda Foods in having local sourcing of its major raw materials.

Dalda Foods Limited has expanded its business through the acquisition of Wazir Ali Industries Limited (WIL) in 2007. WIL's principal activity is to manufacture and sell vegetable banaspati and cooking oil under the name "Tullo". Up to 30th June 2007 the investment in WIL was classified as an Investment in Associate. Subsequently, the Company increased its shareholding thereby taking over management control of WIL. Currently, Dalda Foods Limited has an investment of PKR 159.93mn in WIL and holds 86.74% shareholding.

Dalda – Strong Brand Equity:

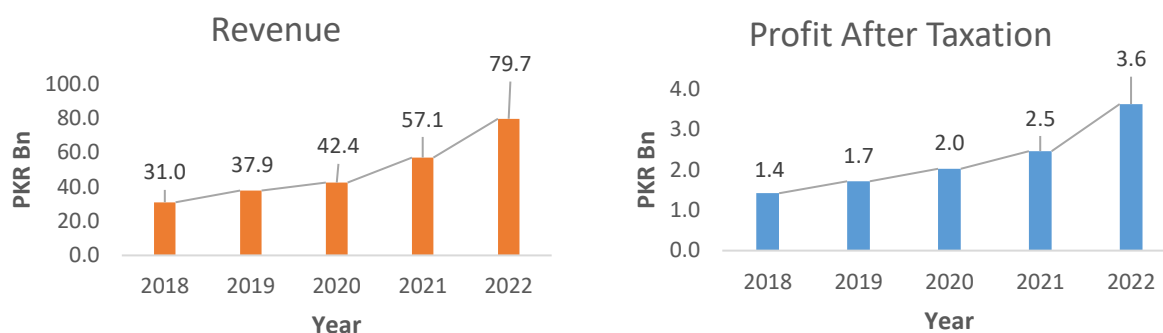
Dalda brand has a strong heritage that dates back over 85 years when the brand was introduced in the sub-continent. Since then the iconic brand has become a household name across the country. Dalda is a trans-fat free bansapati and has pioneered the creation of cooking oil and banaspati industry in Pakistan. The catch phrase of Dalda "Jahan Mamta Wahan Dalda!" is inextricably linked with trust, quality, health, service and taste; thereby making it the largest selling brand in its category.

The DNA of the Dalda Foods is unflinchingly committed to the delivery of highest of quality to its consumers as evidenced by its demand in Europe and Canada and meeting their quality parameters for food products also. The deep consumer understanding and insights have enabled the brand to innovate and grow whilst anchored in its core proposition of unmatched quality and consumer trust. Continuing stream of innovations has always kept Dalda Foods ahead of the competition and nearer to the heart of its consumers. Be it product offerings like **Planta cooking oils, Dalda Olive Oil, Manpasand range of banaspati and cooking oils; or introduction of pouch packs, innovative pouring designs of its cooking oil bottles cap, etc for ease of use by its consumers; or the very first in the category Dalda Cook Book** which has been a true guide to hundreds of thousands of youth when they embark upon discovering the mysteries of the cooking and kitchen and earn plaudits from their families for their newly acquired excellent cooking skills and developing a lifelong bond with Dalda. It is this excellent quality and contemporariness which enabled Dalda Cookbook to win the prestigious international Gourmand World Cookbook award in 2013 and 2015 at Paris.

Growth Story:

Since 2018, Dalda Foods' sales grew at a CAGR of 26.64% and Profit after tax grew at a CAGR of 26.44%. Strong brand equity, innovation, market development, extensive distribution reach, capacity expansion and expanding product portfolio has contributed to the growth story. **Backward integration by setting up oil seed crushing facility, oil fractionation facilities**, etc has helped improved business profitability.

With increasing per capita income levels, growing size of middle class there is a growing space for high quality food products. Taking in cognizance of opportunity that exist in this space, Dalda Foods has diversified into Dairy and related segments. "Cup Shup", tea creamer was launched in 2015. Within a short span of time, the brand has managed to establish itself among the top players in the liquid tea whitener segment.



Investment & Diversification:

Dalda Foods has laid a strong foundation for growth in the future through investment and diversification noted above. With "Dalda" already very well established household name, the combination of strong brand equity and solid foundation, provides excellent opportunity for the business to grow profitably.

The profitability of Edible and Fats business is correlated with price and availability of raw edible oils. The backward integration project that Company has embarked on in 2013 with a seed crushing capacity of 300 tons seeds per day later increased to 400 tons per day in 2021 intended to reduce reliance on import of edible oil and increase business profitability. The current planned investment in Seed extraction to increase seed crushing capacity by 500 tons seeds per day will provide Dalda Foods an additional advantage in this category. Following table summarizes the existing capacity and planned expansion of seed extraction plant situated at Port Qasim Authority:

Year	Addition/Expansion in Capacity	Total (Tons seeds per day)
2013	300	300
2021	100	400
2025 (Post IPO)	500	900

Whilst continuing to grow in the large edible oil and edible fats sector, Dalda Foods has leveraged its competencies and invested in diversification into related dairy sector and also explored and tested out the snacks food sector. A new multi category foods manufacturing factory was set up on a 21-acre site on Manga - Raiwind Road near Sunder Industrial Estate, Lahore in 2015 for the production of **dairy related products, snack products, and other related packaged retail consumer food products**. This factory is equipped with state of the art Swedish, German and US made plants. In the dairy related foods sector, tea creamer brand Cup Shup was launched in 2015 and within a short period of time it has grown to be amongst the top brands in this sector in the country. The snacks foods sector was

entered in 2015 and tested out with a potato crisp brand Knock Out. A strategic pause has been taken about this sector. The decision to re-enter this sector will be taken at an appropriate time in the future.

Sales and Distribution Network:

Dalda Foods has an extensive sales and distribution network, which from Badin to Khunjrab covers the entire length and breadth of the country nationally. With over 150,000 retail outlets covered and visited by the Company's salesforce caters to consumer needs wherever they exist in Pakistan with the support of 10 distribution centers and over 300 distributors which are managed by a highly skilled sales staff. The extensive distribution network is enabled by a very robust and reliable information management system that provides timely MIS sales and stock movement to management for speedy decisions.

Quality Integrity:

Adherence to highest level of product quality is deeply engrained in Company's culture. Dalda's banaspati is virtually free from harmful "Trans Fats".

Dalda Foods has the distinction of having five ISO certificates as well as Halal Standard certification:

1. ISO 9001: 2015 (Quality Management System Certification)
2. FSSC 22000 (Food safety system Certification)
3. PS 3733: 2019 (Pakistan Halal Standard)
4. ISO 17025: 2017 (Lab Accreditation Certification)
5. ISO 45001:2018 -Occupational Health and Safety Management System
6. ISO 14001:2015- Environmental Management System



Human Capital:

Dalda Foods is a vision inspired, purpose driven business which is run by high caliber people. The organizational culture is underpinned around the principles of Integrity, Fairness, Trust, Accountability and People reaching their full potential and guided by the organization's purpose of "Making a Positive Difference in the Lives of People with our Products and Services". This shared purpose which creates value for the organization as well as all its stakeholders is robust, enduring and helps positively differentiate Dalda Foods from its competitors. The composition of Dalda Foods Board comprises of executive and non-executive directors who have a track record of leading successful businesses, rich experience of not only food business but also have deep understanding of diversified industries and capital markets. The senior management of Dalda Foods has rich experience of operating in Pakistani and international markets covering Europe, Far East and Africa and therefore some of the international best practices to run the business are deployed in Dalda Foods. With relevant experience in food business that spans over decades, the success of the business as evidenced by strong financial performance bears testimony of the high quality management team.

Environment and Society:

Dalda Foods strongly believes that the long term sustainability of any business is strongly associated with the well-being of the society in which it operates. To ensure environment sustainability, Dalda Foods is one of the few companies in its category in the country which fully complies with the environmental laws with fully functioning effluent treatment facilities at its plant sites.



To give back to the society, Dalda Foundation Trust was established in 2011 in Karachi in which some portion of company profits are earmarked to contribute towards Education, Health and Farmers/Agri Development. There are over 2,000 Dalda Foundation scholarship holder students currently studying in schools, colleges and universities in the country. Dalda Foods is working with Sindh Agriculture University and also with the farmers to increase Sunflower and Canola crop yield, reduce farm to factory waste, etc. Research work is also being done for adding additional/new crops of soybean and palm plantation in the country. In medium to long run these projects will help in increasing local production of edible oils, reduce foreign exchange requirements and improve economic wealth of farmers besides contributing to the growth and profitability of the company.



Dalda Foods has been a proud recipient of Environment Excellence Award by National Forum for Environment and Health and WWF. Similarly, Occupational Safety and Health practices of Dalda Foods are recognized by Employers Federation of Pakistan through its Award in the Foods and FMCG Sector. Both these awards were received in 2009.



3.2. PATTERN OF SHAREHOLDING

Sponsor	Particulars	Pre-Issue Shareholding	% of Total Shareholding
Muhammad Bashir Janmohammad	Non-Executive Director and Chairman	4,285,714	1.43%
Abdul Rasheed Janmohammad Dawood	Non-Executive Director	3,457,142	1.15%
West Bury (Private) Limited	Sponsor Shareholder	60,000,000	20.00%
Bulk Management (Pakistan) (Private) Limited	Sponsor Shareholder	51,428,571	17.14%
Jahangir Abdullah Rasheed	Non-Executive Director	428,571	0.14%
Perwaiz Hasan Khan	Non-Executive Director	35,190,000	11.73%
Abdus Samad	Non-Executive Director	23,562,000	7.85%
Usama Mahmood Khan Ghouri	Non-Executive Director	23,562,000	7.85%
Perwaiz Masud Ansari	Non-Executive Director	23,562,000	7.85%
Muhammad Rabbani	Non-Executive Director	23,562,000	7.85%
Inam Bari	Non-Executive Director	23,562,000	7.85%
Hina Junaid	Sponsor Shareholder	13,500,000	4.50%
Nausheen Rafiq	Sponsor Shareholder	13,500,000	4.50%
Farhat Rasheed	Non-Executive Director	400,001	0.13%
Aftab Ahmed Diwan	Non-Executive Director	1	0.00%
Total		300,000,000	100.00%

3.3. REVENUE DRIVERS

Being a fast-moving consumer products (FMCG) business, the revenue stream of Dalda Foods Limited is generated through recurring sale of its brands (Dalda, Tullo, Manpasand, Cup Shup, etc.) to consumers through various distributive channels in Pakistan spanning over 150,000 retail shops spread over the country. Sales volumes and brand equity remain the most significant revenue drivers of Dalda Foods business. Following table shows the break-up of total revenue in terms of category:

Category wise revenue (In PKR Mn)	FY2020	%	FY2021	%	FY2022	%
Oil and Ghee	39,309	93%	52,333	92%	74,686	94%
Dairy Related	2,931	6.9%	4,613	8.1%	4,995	6%
Snacks	208	0.5%	105	0.2%	-	
Total	42,448	100%	57,050	100%	79,681	100%

- **Sizable potential for market share growth**

Edible oil & fats category is huge & growing. Of the 4.5million tons local annual volumetric consumption, Dalda Foods currently represents less than 5% market share. A big part of the industry consumption comes through undocumented sales from regional players with products that barely comply with minimum hygiene standards prescribed by PSQCA. With improving consumer health consciousness and expanded efforts by the government to restrict undocumented sales across retail categories, Dalda Foods, with its highest quality products and transparent business practices, is uniquely placed in the banaspati ghee & cooking oil industry to increase its share of market, for years to come.

- **Strong History of innovation led growth**

Dalda Foods has a long history of innovation led revenue & share growth. The Company has introduced trans-fat free technology and has always led from the front in introducing new variants & packaging formats to unlock incremental sources of growth. Dalda Foods' capable & qualified Research & Development (R&D) team is continuously working to bring new consumer inspired, technology led solutions to help fuel continued share growth on the brand.

- **Wide geographic footprint and store coverage network**

One of the core competitive advantages of the Company is its extensive Sales & distribution network that is capable of distributing products across more than 150,000 retail outlets throughout the length & breadth of the country. The company is continually investing in profitable retail coverage expansion and continued capability improvement of its qualified & capable sales force to sustain & strengthen this life-blood capability.

- **Agile & Responsive Supply chain**

Dalda Foods has a fully integrated manufacturing & supply chain value stream that is powered by SAP, enterprise resource planning system. This creates an agile supply chain that is highly responsive to rapidly evolving business needs.

- **Highly Skilled Team, Professional Management and Continuous Investment in Organizational Capability Building through Training and Development**

Dalda Foods has an extremely experienced and diversified management team that collectively brings in several years of experience in the fast-moving consumer goods industry. This paired with continued investment in organizational capability building through internal & external trainings and digitalization efforts across all aspects of operations sets up the Company to always stay one step ahead of the competition.

3.4. COST DRIVERS

Cost drivers that influence margins include edible oil prices, exchange rates parity and costs pertaining to energy, logistics, factory manpower, depreciation etc. As an FMCG business, the Company invests in advertisement & promotion activities to continuously nourish and strengthen its brands equity – investing in brands on an ongoing basis is an integral part of business model. Taxes – both direct & Indirect – as well as regulatory duties remains one of the key cost elements for the business. Below are the major cost items and cost drivers for the Company:

In PKR Mn	FY2020	% of Total	FY2021	% of Total	FY2022	% of Total
Raw Material Consumed	30,954	84%	42,234	86%	63,313	89%
Packing Material Consumed	3,402	9%	3,810	8%	4,256	6%
Stores and Spares	535	1%	774	2%	1,430	2%
Others	1,981	5%	2,304	5%	1,829	3%
Total	36,872	100%	49,122	100%	70,828	100%

- **International Edible Oil Prices**

Primary raw material used in manufacturing of edible oil is **imported crude palm oil and oils from edible oil seeds** that account for a major portion of total cost of raw material incurred by Dalda Foods Limited. Price of crude palm oil and edible oil seeds in international market is important to overall cost of manufacturing since all these materials

are imported from Malaysia, Indonesia, Ukraine, Canada etc. Any shortage in crude palm oil and oil seeds due to poor farming or natural disaster might increase the cost of raw materials, thus shrinking overall margins.

- **Impact of Duties**

Another key cost driver is custom and regulatory duties applicable on the import of raw material for manufacturing edible oil. Below is a table of key duties applicable⁵:

Government Duties & taxes	Impact
Sales Tax (on Value Addition)	17.00%
Custom Duty (Fixed on Palm Oil)	PKR 9,180 per ton
Custom Duty (Fixed on Soyabean Oil)	PKR 10,550 per ton
Additional Custom Duty	2.00%
Advance Income Tax	2.00%
Infrastructure Cess	1.25%
Total (Estimated)	25.25%

- **Rupee Devaluation**

Since major dependency of overall cost of sales is on imported raw material; exposure to foreign exchange risk is high for the Company. Any downward movement on rupee will make raw materials costly for the Company.

- **Packaging Cost**

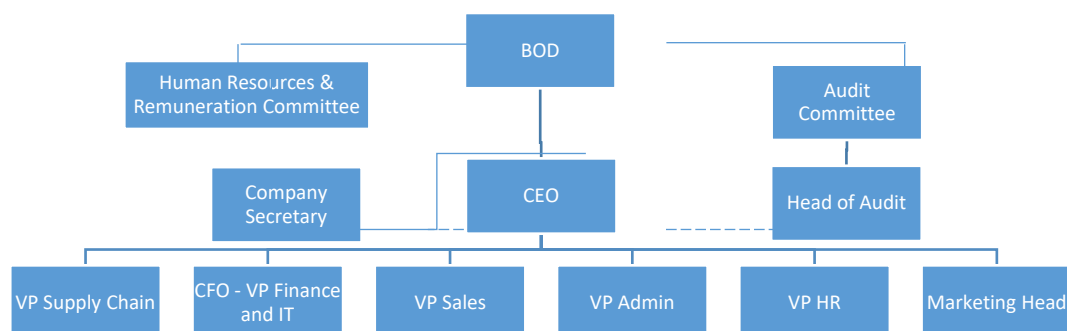
In FY22, packaging costs contributed 6% to the cost of goods manufactured by the Company. Dependency on packaging, mainly sourced locally, is high since the Company is involved in selling branded cooking oil, edible fats and dairy related products to the end consumers; therefore, better packaging is a key determinant for driving higher revenue and is also a key cost driver for the Company.

- **Salaries and wages**

Shortage of skilled labor or an increase in minimum wages by the government will have adverse impact on the business. Total Number of employees as at June 30th 2022 were 449.

⁵ Management estimates based on actual duties paid

3.5. COMPANY ORGANOGRAM



3.6. KEY MILESTONES

Years	Events
2004	Dalda Foods Private Limited was incorporated on July 08, 2004.
2004	Acquisition of the brand Dalda and its related business from Unilever Pakistan Limited
2005	Dalda Foods achieved PKR 4 billion in sales
2006	Manpasand brand of banaspati and cooking oil launched
2007	Wazir Ali Industries Limited acquired Tullo brand of banaspati and cooking oil added in the portfolio; Dalda Foods achieved PKR 8 billion in sales; Dalda Olive Oil brand launched
2008	Expansion in packaging capacity and new steam boiler installed at the Karachi factory of Dalda Foods
2009	Dalda Canola Oil brand launched
2010	New margarine capacity added; Dalda Foods achieved PKR 13 billion in sales
2011	New edible oil refinery from DeSmet, Belgium installed in Karachi
2012	New edible oil neutralization and bleaching plants installed in Karachi
2013	New edible oil seed extraction factory commissioned at Port Qasim; Dalda Foods achieved PKR 20 billion in sales; Dalda Sunflower Oil brand launched
2014	New oil fractionation plant installed in Karachi; SAP ERP system replaced SCALA ERP system
2015	New factory at Lahore; Cup Shup tea whitener brand launched; Dalda Foods achieved PKR 29 billion in sales; Oil Processors and Refiners (Private) Limited was incorporated
2017	New edible oil refinery commissioned at Karachi, snacks launch, Converted to Public Limited Company
2018	Dalda Corn Oil brand launched
2021	Additional 100 tons per day capacity expansion at Port Qasim Solvent Extraction plant Acquisition of additional land at Karachi factory for future expansion of manufacturing capacity
2022	Dalda Foods highest ever sales and profit delivered in the Company's history

3.7. DALDA QUALITY: VIRTUOUS AND FORMIDABLE DIFFERENTIATOR

Dalda Foods takes pride in the fact that the quality that it offers to consumer complies with highest standards. Quality conformance can be substantiated by export of its various quality products to international markets where benchmark set for quality standard are very high. On the matter of differing levels of quality of banaspati and cooking oils available in the market, it is to be noted that the relevant Pakistan Standards and Quality Control Authority Standards (PSQCA) specify the threshold or minimum acceptable quality levels and manufactures are free to provide better quality and choices to their consumers. Dalda Foods has incorporated the latest scientific research and discoveries in its product formulations to improve the health and nutrition aspects, texture, taste and other organoleptic properties. Thus, Dalda Foods offers product qualities which are unique to its products and brands and are higher than the minimum specified in the PSQCA standards.

In many countries, fats containing more than 5% trans-fats are legally banned as these are proven to be dangerous for health. They steeply increase the risk of cardiovascular diseases by increasing the bad Low Density Lipoprotein (LDL) Cholesterol while suppressing the good High Density Lipoprotein (HDL) Cholesterol.

Dalda Foods has voluntarily invested in the additional processing steps to remove harmful trans-fats from banaspati and thus offering its consumers a healthy trans-fat free product. In this respect, a report published in the Fortune Magazine by Matthew Boyle regarding the odds faced by manufacturers in converting to non-trans-fat cooking medium illuminates the challenges overcome by Dalda Foods in providing healthier and higher quality trans-fat free banaspati to their consumers. An excerpt from the Fortune Magazine's report is given below:

"Second, the bad-for-you oil is cheaper than the better-for-you kind. Here are some back-of-the-envelope calculations. Filling a typical fast-food fryer with 35 pounds of partially hydrogenated vegetable oil costs about \$13; filling it instead with reduced trans-fat soybean oil might cost about \$20."

Source: http://archive.fortune.com/magazines/fortune/fortune_archive/2004/08/09/377886/index.htm

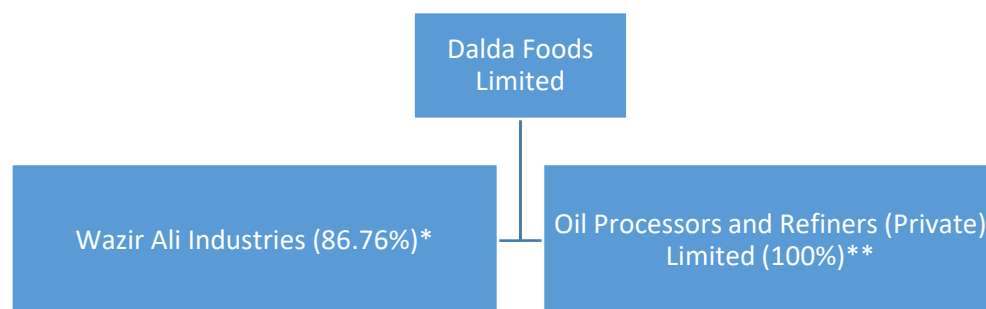
Vitamin A is critical not only for preventing night blindness but it has an even more important role in growth and development, morbidity and mortality in children. Legally, as well as per the PSQCA standards, banaspati and cooking oils have to be fortified with 33000 I.U per kilogram. However as per the study jointly conducted by Health and Nutrition Section, Ministry of Planning and Development, Government of Pakistan and UNESCO in 1994, it was founded that vitamin A was not reaching the consumers as per the mandated level. They had recommended strict implementation of the addition of vitamin A to the level prescribed or increase it so that by the time banaspati and cooking oil reaches the kitchens of users, the prescribed quantity of vitamin A is available at the stage of cooking. Dalda Foods fortifies its products by adding extra vitamins so that the recommended prescribed quantity of vitamins A and D could reach its consumers.

In addition, Dalda Foods being a quality conscious manufacturer also invests in downstream infrastructure to protect the manufactured quality of its products reaching the market. Thus, Dalda Foods ensures quality compliance over its entire supply chain including warehousing, distribution, transportation and retail outlets, while other manufacturers may choose to sell ex-factory and leave the control of quality of their products reaching the retail outlets to the informal sector providing logistics and warehousing services. These differing choices impact on product quality as cost to the manufactures.

Pakistan Environmental Protection Act is enforced since 1997. Banaspati/cooking oils manufacturing being a chemical processing industry, per law has to comply with the relevant National Environmental Quality Standards (NEQS) which necessitates having a proper liquid effluent treatment plant at individual manufacturing sites. Those manufacturers who do not comply with these regulations add a hidden cost to the society. Dalda Foods has the distinction of being fully compliant with the environmental laws of the country with having a fully functioning effluent treatment plant at its manufacturing site. The treated water is used for gardening and irrigation purpose.

Nickel catalyst is a chemical which is used in the hydrogenation process of manufacturing banaspati. After its use, the spent nickel catalyst becomes a hazardous waste and cannot be just thrown away or dumped into ground fill as its half-life is in thousands of years. It will contaminate the ground on which it is dumped and leach into earth and contaminate and poison the underground water aquifer. As there is no proper handling facility for disposing off nickel catalyst in Pakistan, presently there is no other choice for Dalda Foods but to send it in special sealed steel containers to Europe at the Company's own cost for proper disposal to authorized processors. This differentiates Dalda Foods from other manufacturers of banaspati/cooking oil manufacturers.

3.8. GROUP OVERVIEW



*Syed Yawar Ali holds 10.4% and other minority holds 2.84% from the rest of shareholding

** Oil Processors and Refiners (Private) Limited was incorporated on 23rd November 2015

3.9. TOTAL CAPACITY AND CAPACITY UTILIZATION

There are a total of 5 plants operating under the ambit of Group's business. Details for capacity utilization of respective plant is given under:

Plant	Location	Area (Acre)	Year of Commissioning	FY 20		FY 21		FY 22	
				Capacity	Actual Production	Capacity	Actual Production	Capacity	Actual Production
(Metric Tons)									
Oil Processing Plant*	SITE Karachi	9.27 ⁶	2004/2011*	219,000	195,000	219,000	219,000	219,000	201,451
Seed Crushing Plant	Port Qasim Authority	9.74	2014	109,500	95,005	146,000	96,724	146,000	115,200
Tea Whitener Plant	Lahore	21	2015	58,400	38,634	58,400	42,902	58,400	46,382
Potato Chips Plant	Lahore	21	2015	4,380	493	4,380	162	4,380	-
Edible Oil Refinery Plant**	SITE Karachi	9.27 ⁷	2016	180,000	84,620	180,000	82,518	180,000	99,629

*Plant of capacity 300 tons per day was acquired from Unilever in 2004 whereas 300 tons per day capacity was added by Dalda Foods Limited in 2011 making the total annual capacity 219,000 tons per year.

**Edible Oil Refinery Plant comes under the ambit of Oil Processing & Refiners Limited which is 100% owned by Dalda Foods Limited

⁶ This does not include land of 1.15 acres acquired recently in 2022

⁷ This does not include land of 1.15 acres acquired recently in 2022

3.10. NATURE & LOCATION OF THE PROJECT

Dalda Foods operates three separate manufacturing sites for its Edible Fats and Dairy business. The location and principal activities are given below:

- 1) Dalda Foods Ltd – Karachi Factory
F-33 & F-42A, Hub River Road,
S.I.T.E Karachi – 75700
Principal business activity: Edible Oils & Fats Manufacturing

- 2) Dalda Foods Ltd – Port Qasim Factory
Plot # OZ/1/P-176 & Plot # OZ/1/P-80,
Back up Area of Port Qasim Authority
Karachi – 75020
Principal business activity: Edibles seeds oil extraction
The Planned expansion is envisaged to take place at this location.

- 3) Dalda Foods Ltd – Lahore Factory
Manga Raiwind Road (2.5 Km)
Lahore – 55270
Principal business activity: Dairy and related food products manufacturing

3.11. NATURE AND TYPE OF PLANTS AND MACHINERY

Dalda Foods Limited is planning to expand the capacity of its edible oil seeds extraction plant by an additional 500 tons per day of oilseeds crushed. Details for which are given below:

S. No.	Machine type	Supplier	Location	Capacity (TPD)
1	Seed Preparation Plant	JJ Lurgi	Europe Based	500
2	Solvent Extraction Plant	JJ Lurgi	Europe Based	500

3.12. INFRASTRUCTURE OVERVIEW

3.12.1. PRODUCTION FACILITIES

Dalda Foods operates three separate manufacturing sites for its Edible Fats and Dairy related businesses. The location and principal activities are given below:

- 1) Dalda Foods Ltd – Karachi Factory
F-33 & F-42A, Hub River Road,
S.I.T.E Karachi – 75700
Acres: 10.42
Principal business activity: Edible Oils & Fats Manufacturing

- 2) Dalda Foods Ltd – Port Qasim Factory
 Plot # OZ/1/P-176 & Plot # OZ/1/P-80,
 Back up Area of Port Qasim Authority
 Karachi – 75020
 Acres: 9.74
Principal business activity: Edible seeds oil extraction

- 3) Dalda Foods Ltd – Lahore Factory
 Manga Raiwind Road (2.5 Km)
 Lahore – 55270
 Acres: 21
Principal business activity: Dairy and related products manufacturing

About the Plants

Details pertaining to the plant in terms of key processes & capacities are given below:

a) Dalda Foods Ltd – Karachi Factory – Hub River Road, Karachi

This manufacturing facility is located on a 9.27 acre site at a strategic location in Sindh Industrial Trading Estate (SITE), Karachi near the Karachi Sea Port and Karachi's Northern Bypass highway. This enables easy access to imported raw materials and smooth transportation of finished products to up-country towns.



The manufacturing plant is based on the most modern technology from Germany, Belgium, UK and US. It is highly automated and utilizes advanced technological processes. Certain portion of area is rented out to OPRL for its Oil refinery plant.

From raw oil receipt to finished goods, the products pass through the whole process untouched by human hands and are computer controlled.

An additional 1.15 acres adjoining land was acquired in 2022 with a view to further invest in future capacity expansion at this state-of-the-art factory in Karachi. Planning and design work is already underway to further enhance the edible oil refining, product manufacturing and retail packing capacity to potentially 500,000 tons per year.⁸

**b) Edible Seeds Oil Solvent Extraction Factory – Port Qasim.
Karachi**



The plant is located on a 9.74-acre site at the industrial area in Port Qasim Authority, Karachi and was installed and commissioned in 2013. It is located near the grain/seed terminal of Port Qasim which provides it an advantage of efficient and quick handling of imported oil seeds. It is one of the very few edible oil seed extraction plant in the country which use modern climate controlled silos for storage and handling of oil seeds. This gives it advantage of better quality of oil and low wastage of seeds during storage and handling. The plant also has easy access to the National Highway, which provides it an advantage for accessing locally bought oil seeds and also transportation of oil. The planned expansion of capacity in seed extraction is envisaged to take place at this facility.

⁸ *Proceeds from this IPO shall not be used for this purpose*



The initial capacity of the plant was 300 Tons of oil seed crushing per day. The Company recently in 2021 invested in capacity enhancement at the site to increase seed crushing capacity by another 100 tons per day. With this capacity expansion, the plant is now able to provide annual 50,000 tons of canola / sunflower oil.



c) Dairy & Related Products Factory – Lahore

This new multi category manufacturing facility was set up on 21-acre site in Manga-Raiwind near Lahore in 2015.



The Dairy related products plant is imported from Germany and Sweden and is based on the most modern technology from Tetrapak and GEA, Germany. The site has enough space for capacity expansion for production of other value added dairy products.

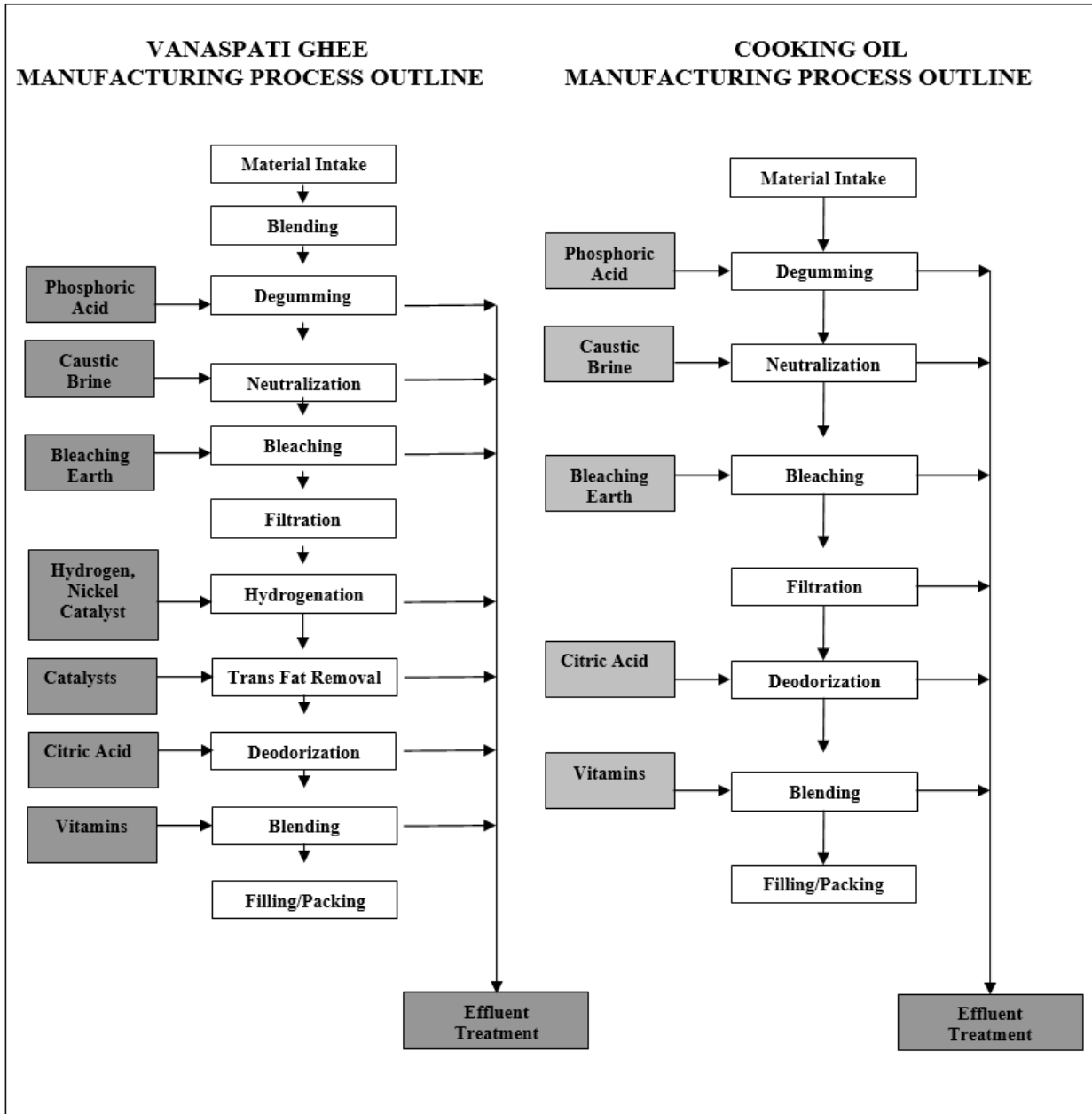


The capacity of tea creamer plant is 58,400 Metric tons per year.

3.12.2. INFRASTRUCTURE UTILITIES

Main Source of Energy for Dalda Foods Limited is Coal, Gas and Diesel. Coal is sourced from Indonesia and Local suppliers, Gas is sourced from Sui Southern Gas Limited and Diesel, which is only used as alternate to Gas, is sourced from local suppliers

3.13. Manufacturing Process Overview



3.14. PRODUCT PORTFOLIO

The retail sector of the edible oils and fats market is covered by Dalda Foods with its three brands – Dalda, Manpasand and Tullo. The needs of the top end segment of the market are met by Dalda brand with its portfolio of offering targeted to specific consumer segment needs. These include Dalda Olive Oil, Dalda Extra Fortified Cooking Oil, Planta Extra Fortified Cooking Oil and Dalda VTF Banaspati. While Manpasand and Tullo brands are aimed toward the mid segments of the market.

3.14.1. DALDA BRANDS

Dalda is one of the most iconic brands of the country with a rich legacy that dates back 85 years when it was introduced in the sub-continent by the then Lever Brothers Limited, UK. Un-matched in its high quality, it went from strength to strength to become a top rated brand. It continued its journey of high quality and consumer trust when it was introduced in Pakistan in the early 1950s. It became one of the pioneer of Banaspati ghee in the country, mostly competing with unbranded ghee and winning via superior product quality and competitive pricing. In the following decades, the brand developed strong equity as a trustworthy companion for mothers with an underlying praise for her and an overarching narrative of 'Jahan Mamta Wahan Dalda' literally. 'Mothers who care, use Dalda'. Today Dalda is amongst the topmost renowned brands of Pakistan. The trust, affiliation and affection which the consumers have with Dalda is unique and not many brands in the country would have such a strong brand equity. Dalda's strength is primarily drawn from the trust and emotive attachment people have with it. The brand story of Dalda has evolved around the core of Pakistani society. Whether it be an upscale urban family from Karachi or the more traditional setup in the north, the mother symbolizes all that is pure; the language may have changed, the pictures may have altered but the core of this message still rings true. After taking over the stewardship of the brand from Unilever in 2004, Dalda Foods has nurtured the brand even more and further expanded its footprint.



Dalda Cooking Oil is the flagship product for the brand Dalda. Available in multiple packaging formats and pack sizes, Dalda Cooking Oil is an optimum blend of Canola, Sunflower, and Soya bean oils to ensure the health and nutrition of its consumers



Dalda VTF Banaspati is trans-fat free and therefore, healthy, and hygienic Banaspati in the country. It meets and exceeds the international quality standards and is therefore, in demand in countries like the US, the UK & Canada.

Dalda Canola Oil was launched in 2009 while Dalda Sunflower Oil was introduced in 2013. Both these sub-brands of Dalda have successfully established themselves and are growing at a fast pace.



Dalda Planta cooking oil has a unique proposition of having the taste of banaspati. It is fulfilling the needs of those users who would like to switch to cooking oils while not wanting to let go of the taste of banaspati.

The full range of Dalda VTF Banaspati, Dalda Cooking Oil, Dalda Canola Cooking Oil, Dalda Sunflower Cooking Oil and Dalda Planta Cooking Oil are fortified with extra vitamin A, D and E.



Dalda Olive Oils were successfully introduced in 2007. After an in-depth consumer research and understanding, from amongst the olive oils available from many parts of the world, that from Navarre region in Spain was found to be perfect match for the taste and liking of local Pakistani consumers. Dalda Olive oils are specially harvested, processed and packed in Spain to the exacting specifications of Dalda Foods. Besides being of the highest quality and matching the flavor and taste requirements of consumers here, they have the unique distinction of having additional Vitamin A and E in them. In a short span of time, Dalda Olive Oil has made a name for itself and is amongst the top selling brands in the country in its segment.



Post thorough market assessment and identifying the need for heart healthy oils, Dalda Corn Oil was launched in 2018. Made of 100% pure corn kernels, Dalda Corn Oil advanced formulation contains Beta-Sitosterol, a natural compound which helps reduce cholesterol levels in the human body.

3.14.2. MANPASAND BRAND

To meet the need and aspiration of consumers from the large mid segment of the market, who liked to have a banaspati and cooking oil which is better than the quality of products available to them but at a price which is competitive, Manpasand brand was launched in 2006. It has successfully grown to be amongst the largest brands in its segment.



3.13.3. Tullo Brand (A product of Dalda Foods subsidiary)

Tullo, another iconic food brand of the country was added to the portfolio of Company's edible oils and fats brands when majority shareholding (86%) of Wazir Ali Industries Limited, a well-known and established company in the industry, was acquired in 2007. Tullo has been nurtured back to full health and has made a successful and dramatic

turn around to become one of the fastest growing and strong brands in the edible oils and fats categories. Wazir Ali Industries Limited continues to operate as an independent entity as a subsidiary of Dalda Foods.



3.14.3. FOOD SERVICES

In the industrial and HORECA sector Dalda Food's brands Bisco, Cremo, Puff and Fry All serve the needs of biscuit industry, bakery and for use in frying in the confectionary and snacks industry.



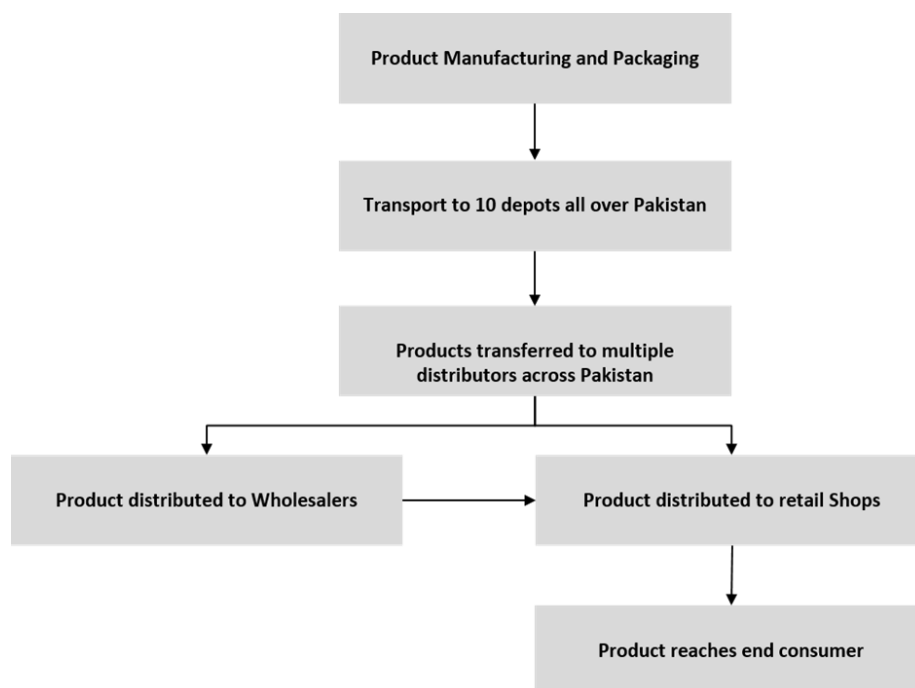
3.14.4. Dairy

Dalda Foods entered in this market in 2015 with the successful launch of its tea creamer brand Cup Shup. In a short span of time Cup Shup has established itself as one of the leading players in the liquid tea creamer category. A new factory was set up on a 21-acre site near Lahore in 2015 with state-of-the-art dairy manufacturing plants form GEA, Tetra pack and APV.



3.15. DEMAND OF DALDA FOODS' PRODUCTS AND END USERS

Of the 4.5mn tons of local edible oils and fats consumption, about 3.0mn tons is used for home cooking use while an estimated 1.5mn tons is consumed in the industrial sectors like biscuits, snacks, etc. production and hotels, restaurants, etc. (HORECA). Dalda Foods operates in both these sectors with a differentiated brand portfolio.



3.16. NAMES OF THE COMPETITORS

Ghee & Cooking Oil industry in Pakistan is very fragmented and intensely competitive with over 150 manufacturers in formal sector and an untold number in the informal sector with over a thousand brands competing in the market. Besides Dalda, some of the other **well-known brands in the industry** are; Habib offered by Habib Oil Mills, Sufi offered by Hamza Vegetable Oil Refinery & Ghee Mills Pvt, Meezan offered by Mezan Group, Kashmir offered by United Industries Limited etc.

In the tea whitener and other dairy related products segment other well-known brands are Tarang offered by Friesland Campina, Tea Max offered by Haleeb Foods, Everyday Powder offered by Nestle, Dostea offered by Fauji Foods etc.

3.17. INTELLECTUAL PROPERTY RIGHTS

IP Type	Trade Mark No.	Registration Date	Renewal Date
Dalda Cooking Oil	133990	28/01/1996	The mark is due for renewal in 2028
Dalda Banapasti	133992	28/01/1996	The mark is due for renewal in 2028
Dalda Sunflower Cooking Oil	133995	28/01/1996	The mark is due for renewal in 2028
Dalda CUPSHUP	385466	3/4/2015	The mark is due for renewal in 2025
Manpasand Cooking Oil	332786	17/01/2013	Applied for renewal for 10 years on 3 rd February 2023

3.18. MATERIAL PROPERTY

Site	Address	Area	Units	Date of Acquisition
Head Office	Plot# 192-C, Al-Murtaza Commercial Lane#3, DHA-PHASE VIII, Karachi South	400	Sq Yrds	1-Jul-13
Karachi Factory	F-33, Hub River Road SITE area Karachi	9.27	Acres	3-Sep-04
Karachi Factory Additional	F-42A, Hub River Road SITE area Karachi	1.15	Acres	20-Jan-22
Port Qasim	PLOT AT OZ/1/P-176, BCLS Area, Malir Bin Qasim Town	7.74	Acres	1-Aug-08
Port Qasim Additional	PLOT AT OZ/1/P-80, BCLS Area, Malir Bin Qasim Town	2.00	Acres	30-Jun-13
Lahore Factory	2.5 KM, MANGA RAIWAND, ROAD, MANGA MANDI, Lahore Iqbal Town	21.00	Acres	1-Jul-13
Gharo	Plot no 177/1-4, Deh Kheeranii, Tapo Gharo, Taluka Mir Pur Sakro, District Thatta.	16.00	Acres	1-Aug-17
Gharo Additional	Plot no 170/2&4, Deh Kheeranii, Tapo Gharo, Taluka Mir Pur Sakro, District Thatta.	8.00	Acres	1-Nov-17

Note: Gharo land was acquired to be used for research and development and is currently being used for agricultural research cultivation and experimental purposes.

3.19. FUTURE PROSPECTS AND DEMAND OUTLOOK

Edible oils & fats is already one of the biggest and most penetrated packaged goods category in Pakistan. The category is expected to continue to grow volumetric consumption in the range of 3-4% year-on-year¹ with cooking oils segment expected to grow relatively faster than banaspati. This is driven by increasing urbanization and improving health consciousness among consumers. These trends are expected to play into favor of Dalda Foods Limited, because as consumers seek more healthy solutions and are willing to pay a premium for it, Dalda is likely to earn even greater preference in the hearts & kitchens of Pakistani consumers.

3.20. VENDORS TO THE ISSUER

The list of vendors for Dalda Foods is fairly exhaustive and comprises of both international & local companies. International companies which Dalda Foods Ltd deals with includes Glencore Agriculture BV (Netherland), FGV Trading SDN BHD (Malaysia), Astra KLK Pte Ltd (Singapore), Aaster Trading Pte Ltd. (Singapore), Viterra B.V (Netherland), Al-Ghurair Resources Oils & Proteins (UAE), COFCO Resources S.A (Switzerland), Urzante S.L. (Spain), IFF – International Flavour & Fragrances Inc. (USA), Melkweg Holland B.V.(Holland) and Kerry ingredients (Ireland) are few examples.

In context of local companies, Mapak Edible Oils (Pvt) Ltd, Tetra Pak Pakistan Limited, Kompas Pakistan Limited & Packages Limited are some notable vendors.

The following table shows list of vendors which constitute more than 50% of total purchases of the company.

S. no.	Vendor Name	Country of Origin	Supplied Material	% of Total Purchases for FY 2022
1	MAPAK Edible Oil company Limited	Pakistan	Palm Oil	20%
2	VITERRA B.V.	Canada/Australia/Black Sea	Soybean Oil	17%
3	Aastar Trading Pte Ltd.	Indonesia / Malaysia	Palm Oil/ Palm Olein	14%
4	ASTRA KLK PTE LTD	Indonesia / Malaysia	Palm Oil	9%
Total				61%

*Whilst four vendors account for 61% of total supply; the Company does not rely on these four vendors only for its sourcing as oil market inherently is not oligopolistic in its structure. The market is highly competitive and the Company is at a liberty to procure from various sources.

3.21. KEY APPROVALS

S.N O	Certification	Certification agency	Certification Cycle start from Year	Expiry Date
1	ISO 9001:2015 (Quality Management System)	BEUREU VERITAS	07.05.2005	06-May-2023
2	FSSC:22000 (Food safety System Certification)	BEUREU VERITAS	07.05.2005	19-April-2025
3	Halal Management system	INTERNATIONAL HALAL CERTIFICATION	14.03.2019	31-May-2025
4	ISO 17025 (Quality Control Laboratory Accreditation Standard)	PNAC (Pakistan National Accreditation Council)	17.11.2021	16-Nov-2024

¹ U.S department of Agriculture

3.22. ASSOCIATED COMPANIES AND SUBSIDIARIES

The list of associated companies is shown below:

Sr. No.	Name of Company	CUIN	Nature of Business	Nature of Relation	Shareholding of Dalda Foods
1	Wazir Ali Industries Limited	603	Cost sharing agreement for manufacturing, marketing, advertising and distribution of finished goods	Subsidiary	86.76%
2	Oil Processors and Refiners (Private) Limited	96294	Rental agreement for leased land	Subsidiary	100%
3	DFL Corporation (Pvt) Limited	88653	Erstwhile holding company	Common Directorship	0%
4	Mapak Edible Oils (Pvt.) Ltd.	34983	Modern Edible Oil Refinery, established under Pak Malaysia Joint Venture between Westbury Group and FELDA Holdings	Common Directorship	0%
5	Shakoo (Pvt.) Ltd.	5976	Import and Trading of Edible Oil and Pulses	Common Directorship	0%
6	Mapak Qasim Bulkurs (Pvt.) Ltd.	30283	Bulking Installation (Storage Terminal) providing storage facilities of mainly Edible Oils, Non Edible Oils and Molasses	Common Directorship	0%
7	Dalda Foundation (Trust)	1553	Welfare Trust	Common Directorship	0%
8	FKW Global Commodities (Pvt.) Ltd.	88881	Commodity Trading	Common Directorship	0%
9	FWQ Enterprises (Pvt.) Ltd.	42022	Jetty at Port Qasim for handling of vessels and storage terminal for edible oil.	Common Directorship	0%
10	Sofian Business Corporation (Pvt.) Ltd	7769	Investment in Marketable Securities	Common Directorship	0%
11	Bulk Management (Pakistan) Ltd	8022	Rice Processing Plant, Storage Tank Terminal for Liquid Cargo and Commodity Trading House	Common Directorship	0%
12	F&B Bulk Storage (Pvt.) Ltd	8823	Storage Tank Terminal at Karachi Port for Edible Oils, Molasses and Ethanol	Common Directorship	0%
13	Cumberland (Pvt.) Ltd	57789	Investment Activities	Common Directorship	0%
14	CAS Management (Pvt.) Ltd	49116	Educational Sector	Common Directorship	0%
15	Trading Enterprises (Pvt.) Ltd	7772	Trading and Investment	Common Directorship	0%
16	West Bury (Private) Limited	11398	Indenting and Investment Activities	Common Directorship	0%
17	Mutual Funds Association of Pakistan	42904	Trade body for Pakistan's asset management industry	Common Directorship	0%

18	Talisman Animation Studios (Pvt) Limited	0100317	Animated Production House	Common Directorship	0%
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3.23. NATURE OF RELATED PARTY TRANSACTIONS

Related Party transactions for unconsolidated figures:

Nature of Transaction	2022	2021	2020
	(Rupees in '000)		
SUBSIDIARY COMPANIES:			
Wholly Owned Subsidiary:			
Dividend Income	-	78,067	-
Reimbursement of expenses	113,156	109,171	70,784
Purchases and refining of oil	(25,997,756)	(15,108,413)	(11,787,390)
Rental income for leased land	8,712	7,920	7,200
Payable balance	(272,482)	(57,439)	(31,233)
Majority Owned Subsidiary			
Charged under Costing Sharing arrangement	48,000	48,000	43,800
Operational and Other Charges reimbursement	387,935	445,525	453,965
Dividend Income	24,253	17,323	6,928
Toll Manufacturing fee	4,066	4,913	5,264
Purchase of Oil/Chemical	-	(97)	(12,735)
Sale of raw material	3,009,418	1,969,795	1,670,140
Payable against Insurance Claim	-	-	(21,480)
Expenses incurred on behalf of Dalda Foods	-	(18,440)	-
Net receivable/(payable)	44,640	(188)	7,827
Associated Companies - No Control by Issuer			
By Virtue of Common Directorships Only			
Dividend paid	312,636	301,719	1,008,401
Purchases of Oil	(4,082,805)	(3,322,136)	(844,306)
Refining charges	(8,375)	-	(5,454)
Storage Charges	(3,164)	-	-
Sales of oil	19,580	8,872	6,372
Services (for storage facilities)	(7,055)	(3,861)	(3,216)
Purchase of semi finished goods	(8,894,247)	(8,571,432)	(2,900,347)
Receivable on account of sales	7	232,205	225
Payable on account of purchases	(729,101)	(6,001)	(479,655)
Donation	68,727	60,500	75,164
Reimbursement of expenses	10	-	1,488

Related Party transactions for consolidated figures:

Nature of Transaction	2022	2021	2020
	Rupees in '000s		
Associated Companies - No Control by Issuer			
By Virtue of Common Directorships Only			
Dividend paid	312,636	301,719	1,094,463
Purchases of Oil	(4,914,349)	(3,985,997)	(1,416,265)
Refining charges	(16,702)	-	(5,454)
Storage Charges	(3,164)	-	-
Sales of oil	22,878	(8,564,779)	9,719
Services (for storage facilities)	(45,420)	(37,422)	(21,127)
Purchase of semi finished goods	(8,894,247)	(40,819)	(2,900,347)
Receivable on account of sales	7	232,205	-
Payable on account of purchases	(729,101)	5,711	-
Donation	68,727	60,500	75,164
Reimbursement of expenses	10	-	1,488

3.24. INDUSTRY OVERVIEW

Edible oils and fats is one of the largest packaged goods category in Pakistan. With total annual local category consumption estimated to be 4.5mn metric tons, size of this industry is over PKR 1,800bn. The volumetric category consumption has been growing in the range of 3-4%, in the past 5 years. About 65% of the total market is in the Banaspati form while cooking oil segment is about 35% but growing at relatively faster pace, helped by increasing health consciousness paired with income levels increase esp. in urban Pakistan.¹

Of the 4.5mn tons of edible oils and fats consumption about 3.0mn tons is used for home cooking use while an estimated 1.5mn tons is consumed in the industrial sectors like biscuits, snacks, etc. production and hotels, restaurants, etc. (HORECA). Dalda Foods operates in both these sectors with a differentiated brand portfolio.

On Dairy, Pakistan is ranked as the 3rd largest milk producing country in the world with an annual consumption over 49.4bn liters (Tetra Pak, 2022), with the industry value amounting to PKR 6.16tn. Branded Liquid Tea Creamer market is estimated to be PKR 60.2bn/year (350mn liters).²

¹ All figures are from U.S. department of Agriculture

² Company estimates

3A. SHARE CAPITAL AND RELATED MATTERS

3A. (i) SHARE CAPITAL

No. of Shares	Current Issued, & Paid Up Capital	Face Value (PKR)	Premium (PKR)	Total (PKR)
400,000,000	Authorized Capital Ordinary Shares	10	-	4,000,000,000
	Issued, Subscribed & Paid-Up Capital			
300,000,000	Ordinary Shares of PKR. 10/- each	10	-	3,000,000,000
No. of Shares	Shares held by Directors/Sponsors	Face Value (PKR)	Premium (PKR)	Total Value (PKR)
4,285,714	Muhammad Bashir Janmohammad	10	-	42,857,140
3,457,142	Abdul Rasheed Janmohammad Dawood	10	-	34,571,420
60,000,000	West Bury (Private) Limited	10	-	600,000,000
51,428,571	Bulk Management (Pakistan) (Private) Limited	10	-	514,285,710
428,571	Jahangir Abdullah Rasheed	10	-	4,285,710
35,190,000	Perwaiz Hasan Khan	10	-	351,900,000
23,562,000	Abdus Samad	10	-	235,620,000
23,562,000	Usama Mahmood Khan Ghouri	10	-	235,620,000
23,562,000	Perwaiz Masud Ansari	10	-	235,620,000
23,562,000	Muhammad Rabbani	10	-	235,620,000
23,562,000	Inam Bari	10	-	235,620,000
13,500,000	Hina Junaid	10	-	135,000,000
13,500,000	Nausheen Rafiq	10	-	135,000,000
400,001	Farhat Rasheed	10	-	4,000,010
1	Aftab Ahmed Diwan	10	-	10
300,000,000	Total Paid up Capital	10	-	3,000,000,000
No of Shares	Present Issue of Ordinary Shares			
33,333,333	New Shares Issuance	10	56	2,199,999,978
16,666,667	Offer For Sale by Sponsors of Dalda Foods Limited	10	56	1,100,000,022
333,333,333¹	Total Paid Up Capital (Post IPO)	10		3,333,333,330
No. of shares	Allocation	Face Value (PKR)	Premium (PKR)	Total Value (PKR)
37,500,000	Allocations to Institutions / Individual Investors through Book Building process at Strike Price	10	56	2,475,000,000
12,500,000	General Public Portion	10	56	825,000,000
50,000,000	Total Issue Size	10		3,300,000,000

¹ This does not include 16,666,667 shares offered for sale

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

Sponsor	Particulars	Pre-Issue Shareholding	% of Total Shareholding	Post IPO	% of Total Post IPO Shareholding
Muhammad Bashir Janmohammad	Non-Executive Director and Chairman	4,285,714	1.43%	4,285,714	1.29%
Abdul Rasheed Janmohammad Dawood	Non-Executive Director	3,457,142	1.15%	3,457,142	1.04%
West Bury (Private) Limited	Sponsor Shareholder	60,000,000	20.00%	56,666,667	17.00%
Bulk Management (Pakistan) (Private) Limited	Sponsor Shareholder	51,428,571	17.14%	48,095,237	14.43%
Jahangir Abdullah Rasheed	Non-Executive Director	428,571	0.14%	428,571	0.13%
Perwaiz Hasan Khan	Non-Executive Director	35,190,000	11.73%	33,235,000	9.97%
Abdus Samad	Non-Executive Director	23,562,000	7.85%	22,253,000	6.68%
Usama Mahmood Khan Ghouri	Non-Executive Director	23,562,000	7.85%	22,253,000	6.68%
Perwaiz Masud Ansari	Non-Executive Director	23,562,000	7.85%	22,253,000	6.68%
Muhammad Rabbani	Non-Executive Director	23,562,000	7.85%	22,253,000	6.68%
Inam Bari	Non-Executive Director	23,562,000	7.85%	22,253,000	6.68%
Hina Junaid	Sponsor Shareholder	13,500,000	4.50%	12,750,000	3.83%
Nausheen Rafiq	Sponsor Shareholder	13,500,000	4.50%	12,750,000	3.83%
Farhat Rasheed	Non-Executive Director	400,001	0.13%	400,001	0.12%
Aftab Ahmed Diwan	Non-Executive Director	1	0.00%	1	0.00%
Total		300,000,000	100.00%	283,333,333	85.00%

Note:

- As per regulation 5(1) of the PO Regulations, the Sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
- As per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the Post Issue 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 of 50,000,000 Ordinary shares of face value worth PKR 10/- each. Out of total issue size, 33,333,333 (i.e. 10.00% of the total post-IPO paid up capital of Dalda Foods Limited) ordinary shares are being issued by Dalda Foods Limited and remaining 16,666,667 (i.e. 5.00% of the total post-IPO paid up capital of Dalda Foods Limited) ordinary shares are being offered by sponsors of Dalda Foods Limited from their current shareholding. The offerors are listed below:

Offeror	Shares Offered	As a % of Total Post IPO Shareholding
West Bury (Private) Limited	3,333,333	1.00%
Bulk Management (Pakistan) (Private) Limited	3,333,334	1.00%
Perwaiz Hasan Khan	1,955,000	0.59%
Abdus Samad	1,309,000	0.39%
Usama Mahmood Khan Ghouri	1,309,000	0.39%
Perwaiz Masud Ansari	1,309,000	0.39%
Muhammad Rabbani	1,309,000	0.39%
Inam Bari	1,309,000	0.39%
Hina Junaid	750,000	0.23%
Nausheen Rafiq	750,000	0.23%
Total	16,666,667	5.00%

The entire Issue of 50,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 66.00/- per share with a price band of 40% above the floor price i.e. PKR 92.4.

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. 37,500,000 shares and the remaining twenty-five percent (25%) i.e. 12,500,000 shares shall be offered to the retail investors.

Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

3A. (iv) SHARES ISSUED IN PRECEDING YEARS

S.no	No. of Shares Issued	Description	Consideration	Face Value (PKR)	Premium (PKR)	Total Value (PKR)	Date of Issuance
1	11		Qualifying Shares	110	-	110	30-Sep-04
2	51,299,989	New Shares	Cash	512,999,980	-	512,999,980	30-Sep-04
3	9,300,000	New Shares	Cash	93,000,000	-	93,000,000	14-Jun-07
4	9,400,000	New Shares	Cash	94,000,000	-	94,000,000	11-Oct-07
5	16,000,000	New Shares	Cash	160,000,000	640,000,000	800,000,000	27-Jun-14
6	14,000,000	New Shares	Cash	140,000,000	560,000,000	700,000,000	26-Mar-15
7	200,000,000	New Shares	Cash	2,000,000,000	-	2,000,000,000	31-Mar-17
	300,000,000			3,000,000,000	1,200,000,000	4,200,000,000	

3A. (v) Related Employees of the Company (Dalda Foods Limited)

S. No	Name of Employees	Designation
1	Mr. Aziz Hasan Jindani	Chief Executive Officer
2	Mr. Adnan Khan	VP Admin and Legal
3	Mr. Rafiq-ul-Islam	Chief Financial Officer
4	Ms. Roxanne Mehta	Company Secretary
5	Mr. Ali Mobin	Financial Controller
6	Mr. Naushad Tejani	Commercial Manager
7	Mr. Muhammad Imran	Chief Buyer

3A. (vi) Related Employees of the Lead Manager

Sr. No.	Name	Designation
1	Shahid Ali Habib	Chief Executive Officer
2	Ammad Tahir	Senior Vice President, Investment Banking
3	Muhammad Ali Raza Hussain	Senior Vice President, Investment Banking
4	Muhammad Hamza Amir	Assistant Vice President, Investment Banking
5	Hassan Saeed	Associate, Investment Banking
6	Mohsin Ali	Senior Analyst, Investment Banking
7	Harris Malik	Analyst, Investment Banking
8	Muhammad Mehdi	Analyst, Investment Banking
9	Akash Kumar	Analyst, Investment Banking
10	Fareha Abid	Junior Analyst, Investment Banking
11	Sila Hannan	Management Trainee Officer
12	Mariam Khan	Management Trainee 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.

3A. (vii) UNDERTAKING OF THE SPONSORS OF THE ISSUER REGARDING IPO UTILIZATION

V906310

100 Rupees

100 روپے

SARGAR ALI STAMP VENDOR
Licence # 18, Shop # 58, SITE Market
SITE Karachi

21 DEC 2022

S. No. _____ DATE _____
ISSUED WITH ADDRESS _____
THROUGH WITH ADDRESS _____
VALUE RS. _____
STAMP VENDOR'S SIGNATURE _____
This Stamp Paper is not valid for Divorce & Plea 100 Purpose

Mr. JAVED Advocate
L. NO: 4303

201315

201315

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

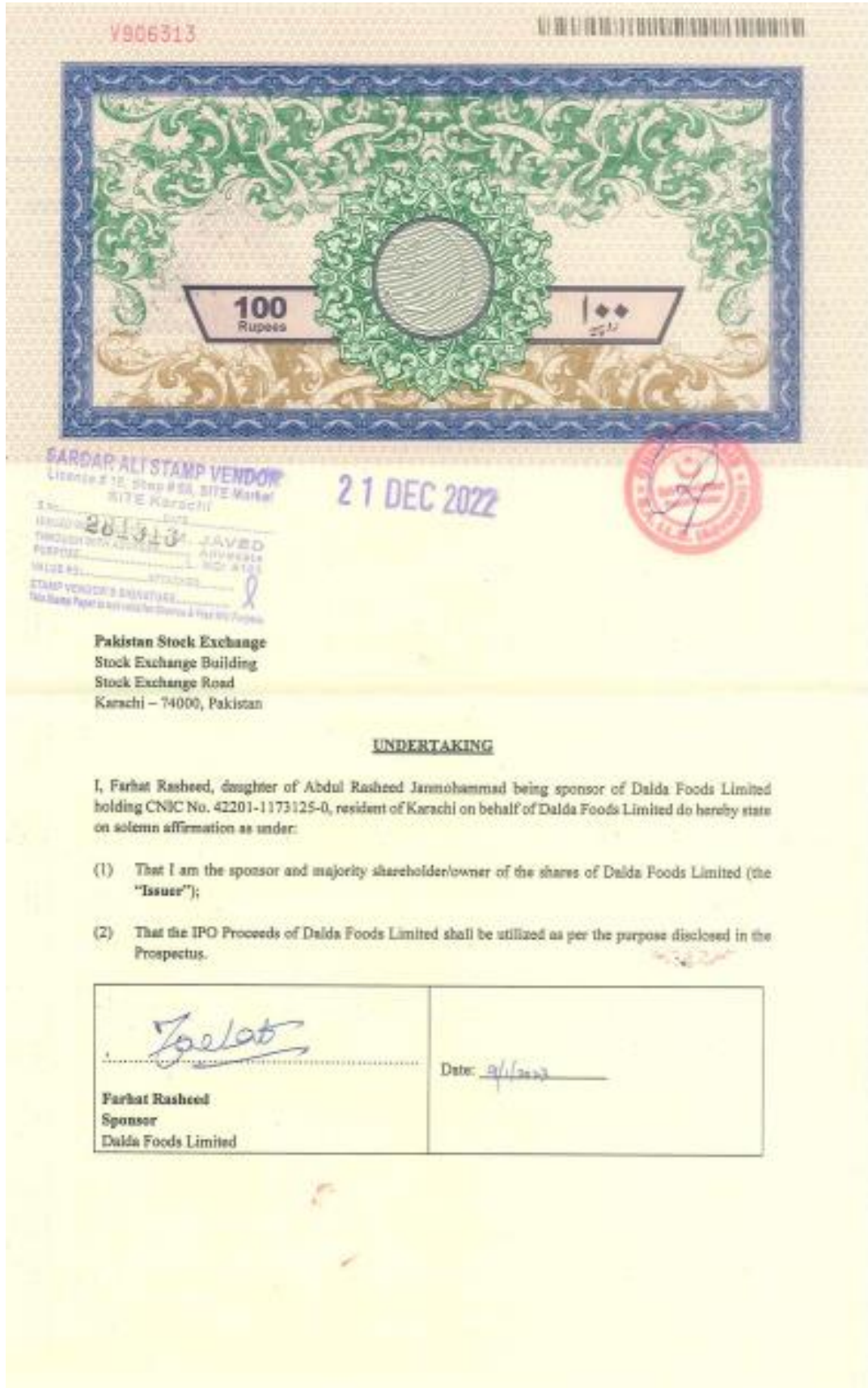
UNDERTAKING

We, Muhammad Bashir Janmohammad, son of Jan Mohammad Dawood being sponsor of Dalda Foods Limited holding CNIC No. 42201-0572694-9, resident of Karachi and Abdul Rasheed Janmohammad Dawood, son of Janmohammad Dawood being sponsor of Dalda Foods Limited holding CNIC No. 42000-0511589-3 and Jahangir Abdullah Rasheed, son of Abdul Rasheed being sponsor of Dalda Foods Limited holding CNIC No. 42000-3057173-1 and Perwaiz Hasan Khan, son of Hadi Hasan Khan being sponsor of Dalda Foods Limited holding CNIC No. 42301-5099111-7 and Abdus Samad, son of Muhammad Abdullah being sponsor of Dalda Foods Limited holding CNIC No. 42301-0866708-7 and Muhammad Rabbani, son of Malik Ghara Khan being sponsor of Dalda Foods Limited holding CNIC No. 42501-1547852-5 and Inam Bari, son of Aziz Bakhsh being sponsor of Dalda Foods Limited holding CNIC No. 42301-2091259-7 and Usama Mahmood Khan Ghouri, son of Hamza Mehmood Khan Ghouri being sponsor of Dalda Foods Limited holding CNIC No. 42201-9014165-9 and Perwaiz Masud Ansari, son of Masud Ahmed Ansari being sponsor of Dalda Foods Limited and holding CNIC No. 42301-1439058-9 and Muhammad Rafiq, son of Abdul Karim being Company Secretary of Bulk Management (Pakistan) (Private) Limited and sponsor of Dalda Foods Limited holding CNIC No. 42301-2550938-7 and Umair Hassan, son of Ali Hassan being Company Secretary of West Bury (Private) Limited and sponsor of Dalda Foods Limited holding CNIC No. 42101-8632219-5 and Hina Junaid, being sponsor of Dalda Foods Limited holding CNIC No. 42201-9292942-4, resident of Karachi and Nausheen Rafiq being sponsor of Dalda Foods Limited holding CNIC No. 42301-6703197-4, resident of Karachi on behalf of Dalda Foods Limited do hereby state on solemn affirmation as under:

- (1) That we are the sponsor and majority shareholder/owner of the shares of Dalda Foods Limited (the "Issuer");
- (2) That the IPO Proceeds of Dalda Foods Limited shall be utilized as per the purpose disclosed in the Prospectus.



 Muhammad Bashir Janmohammad Sponsor Dalda Foods Limited	 Abdul Rasheed Janmohammad Darwood Sponsor Dalda Foods Limited
 Jahangir Abdullah Rasheed Sponsor Dalda Foods Limited	 Perwaiz Hassan Khan Sponsor Dalda Foods Limited
 Abdus Samad Sponsor Dalda Foods Limited	 Muhammad Rabbani Sponsor Dalda Foods Limited
 Inam Bari Sponsor Dalda Foods Limited	 Usama Mahmood Khan Ghouri Sponsor Dalda Foods Limited
 Perwaiz Masud Ansari Sponsor Dalda Foods Limited	 Muhammad Rafiq Company Secretary Bulk Management (Pakistan) (Private) Limited Sponsor
 Hina Junaid Sponsor Dalda Foods Limited	 Nausheen Rafiq Sponsor Dalda Foods Limited
 Umair Hassan Company Secretary West Bury (Private) Limited Sponsor	Date: 09/01/23  



4 PRINCIPAL PURPOSE OF THE ISSUE

4.1. PRINCIPAL PURPOSE OF THE ISSUE

The purpose of new issue is to enhance the seed crushing capacity from its existing 400 tons per day to 900 tons per day at its current location i.e. Port Qasim Authority. To realize the vision for accelerating growth and optimizing costs, the Company embarked on various investment drives, one of which was a backward vertical integration of its supply chain. For this purpose, the Company had set up a seed crushing plant in 2013.

As envisaged in its strategic intent, the Company has now reached an optimal utilization of its seed crushing plant (FY 2022 utilization: 79%). To service the growing demand of cooking oils, the Company has to further expand its existing capacity.

Following is the pre and post expansion capacity details:

S.No.	Particulars	Pre Expansion Capacity	Post Expansion Capacity	Increase %
1	Tons per day	400	900	125%
2	Annual Capacity* - Tons/Year	146,000	328,500	125%

*Based on 365 days

4.2. UTILIZATION OF PROCEEDS

Sources of Funds

Breakup of Funds required	Funds	Contribution
Proceeds from Initial Public Offering	2,200,000,000	51%
Internally generated cash	2,135,000,000	49%
Total	4,335,000,000	100%

Any cost overrun in the project due to exchange rate fluctuations or otherwise will be financed by the Company through its internal cash generation.

Utilization of Proceeds

Given below is a high level cost breakdown of expanding its seed crushing capacity:

S. No	Particulars	Total Cost	% of Total Cost
1	Plant & Machinery	3,200,000,000	73.82%
2	Civil Works	695,000,000	16.03%
3	Mechanical and Electrical Installation	440,000,000	10.15%
Total		4,335,000,000	100%

* USD Conversion rate has been assumed at PKR 280.

**No Technical Agreements have been signed with EPC Contractors or Consultants, these will be finalized and hired post IPO. Figures given here are estimates based on Company's experience, market research and quotations

***Utilization for only total cost has been disclosed as company would allocate the IPO proceeds in project as it sees fit

Note: Any cost overrun due to exchange rate fluctuation or otherwise and contingency expense incurred will be financed through internal sources

Details of all cost items are provided below:

Plant & Machinery

Expansion in seed crushing capacity will require two plants i.e; for **seed preparation and solvent extraction respectively**. These plants will be installed at the Company's Port Qasim Factory Site. The Company has already received proposals from world class machinery suppliers i.e., JJ Lurgi, European based group.

JJ-Lurgi Engineering is a joint venture between Jepsen & Jessen Pte Ltd and Air Liquide based out of Germany. It has more than 20 years of experience in producing highly customisable products that fit its clients' needs, reducing waste and cost. Their core expertise lies in the following areas: Edible Oil Extraction, Oil Refining, Fats Modification, Oleochemicals and Methylester (Biodiesel). Through a long-term partnership and collaboration with its clients, it has ensured all its processes and technologies are up-to-date and relevant in the market. JJ Lurgi has successfully delivered more than 300 process plants across China and South East Asia.¹

So far, the Company has not entered into any contract with the abovementioned suppliers, which will be finalized post completion of environmental impact assessment. Below is a breakdown of all plant and machinery related costs:

S. No	Particulars	USD Component	Total Cost	Expected Date of Placement of Order	Expected Date of shipment
1	Steam Boiler (Capacity: 12 TPH) and Allied Utilities		240,000,000	1Q FY 24	1Q FY 25
2	Seed Preparation/Pre-Press Plant	USD 3,807,500 ²	1,300,000,000	1Q FY 24	1Q FY 25
3	Locally fabricated in-process vessels		15,000,000	1Q FY 24	1Q FY 25
4	Conveying system		45,000,000	1Q FY 24	1Q FY 25
5	Oil filtration system accessories		100,000,000	1Q FY 24	1Q FY 25
6	Solvent Extraction Plant	USD 3,807,500 ³	1,300,000,000	1Q FY 24	1Q FY 25
7	Freight, duties & taxes etc		200,000,000	NA	NA
	Total		3,200,000,000		

- Equipment will be ready 12 months from commencement day of the contract
- Dalda Foods does not intend to procure any second-hand machinery
- No Technical Agreements have been signed with EPC Contractors or Consultants, these will be finalized and hired post IPO. Figures given here are estimates based on Company's experience, market research and quotations

Terms of Payment

As per the preliminary assessment from vendor, JJ Lurgi, and proposals received from the same, payment terms will be set as follows:

1. 30% down payment
2. 70% payment on delivery

¹ Source: JJ Lurgi's website, [JJ-Lurgi – Engineered For You](#)

² This is only the USD component, the remaining portion of the plant amounting to 233,900,000 will consist of local fixtures & fittings; USD Conversion rate has been assumed at PKR 280.

³ This is only the USD component, the remaining portion of the plant amounting to 233,900,000 will consist of local fixtures & fittings; USD Conversion rate has been assumed at PKR 280

These terms are at a preliminary level and can be subject to change once final agreements are signed with vendors.

Civil Works

S. No	Particulars	Total Cost	% of Total Cost
1	Solvent Extraction Building * (85 Ft x 65 Ft x 02 Floors – Total Area: 11,050 Sq. Ft)		
	<i>a. Design & drawings development</i>	5,000,000	0.12%
	<i>b. Civil foundation construction</i>	70,000,000	1.61%
	<i>c. Building infrastructure</i>	75,000,000	1.73%
	Total Solvent Extraction Building	150,000,000	3.46%
2	Seed Preparation Building** (185 Ft x 100 Ft x 01 Floor – Total Area: 17,700 Sq. Ft)		
	<i>a. Design & drawings development</i>	5,000,000	0.12%
	<i>b. Civil foundation construction</i>	95,000,000	2.19%
	<i>c. Building infrastructure</i>	75,000,000	1.73%
	Total Seed Preparation Building	175,000,000	4.04%
3	Oil Storage Tanks (4 Tanks of 400 tons each and 2 tanks of 600 tons each)	70,000,000	1.61%
4	Seed Storage Silos (Each Capacity: 4,000 Tons x 03 Silos)	250,000,000	5.77%
5	Land Development		
	<i>a. Site survey, soil testing , levelling, preparation</i>	15,000,000	0.35%
	<i>b. Civil design works</i>	8,000,000	0.18%
	<i>c. Road development</i>	10,000,000	0.23%
	<i>d. Utilities infrastructure development</i>	12,000,000	0.28%
	<i>e. Miscellaneous civil works</i>	5,000,000	0.12%
	Total Land Development	50,000,000	1.15%
	Total Civil Works	695,000,000	16.03%

- No Technical Agreements have been signed with EPC Contractors or Consultants, these will be finalized and hired post IPO. Figures given here are estimates based on Company's experience, market research and similar costs incurred in past
- *This amount has been calculated assuming a cost of approximately PKR 13,600 per sq ft on area of 11,050 sq ft. Per sq ft cost has been estimated by management on the basis of their past experience, market surveys and prevailing market rates. This estimate is subject to change on account of future inflation and varying market conditions
- ** This amount has been calculated assuming a cost of approximately PKR 9,887 per sq ft on area of 17,700 sq ft. Per sq ft cost has been estimated by the Company on the basis of their past experience, market surveys and prevailing market rates. This estimate is subject to change on account of future inflation and varying market conditions
- All figures are estimated wherein final building dimensions and costing will be finalized after appointment of the vendor

Mechanical and Electrical Installation

S. No	Particulars	Total Cost	% of cost
1	Mechanical Installation		
	<i>a. Equipment installation</i>	35,000,000	0.81%
	<i>b. Piping works</i>	120,000,000	2.77%
	<i>c. Steel structure & pipe supports</i>	35,000,000	0.81%
	<i>d. Procurement of piping, steel structure, and allied accessories</i>	50,000,000	1.15%
	Total Mechanical Installation	240,000,000	5.54%
2	Electrical & Infrastructure		
	<i>a. Power & Instrumentation designs and drawings preparation.</i>	5,000,000	0.12%
	<i>b. Procurement of all Electrical & Control Panels, Distribution Boxes, power & control cables</i>	110,000,000	2.54%
	<i>c. Laying & termination of power & control cables</i>	50,000,000	1.15%
	<i>d. Earthing & fire detection system</i>	10,000,000	0.23%
	<i>e. Sub-stations</i>	25,000,000	0.58%
	Total Electrical & Infrastructure	200,000,000	4.61%
	Total Mechanical and Electrical Infrastructure	440,000,000	10.15%

- No Technical Agreements have been signed with EPC Contractors or Consultants, these will be finalized and hired post IPO. Figures given here are estimates based on Company's experience, market research and similar costs incurred in past
- Installation of Plant and Machinery will be done by mechanical works contractor under the supervision of J.J Lurgi Engineering. Contract for this arrangement will be signed subsequently.
- Mechanical Works Contractor will be appointed post realization of IPO proceeds

Land for expansion

Additional land was acquired in June 2013 at Port Qasim adjacent to the existing DFL solvent plant for the purpose of expanding the production facility. Total area of land is 2 Acres and was acquired at a cost of PKR 37.5mn. Below are the details of the land acquired:

Site	Title of land	Address	Area	Units	Date of Acquisition
Port Qasim Additional	Dalda Foods Limited	PLOT AT OZ/1/P-80, BCLS Area, Malir Bin Qasim Town	2.00	Acres	20-May-13

EPC Contractors for civil works and installation

No Technical Agreements have been signed with EPC Contractors. These will be finalized and on-boarded post IPO. Figures given are estimates based on management's experience and market survey/research.

* Civil works and Installation cost assumptions have incorporated EPC fee as well. A complete breakdown of it may not be available due to a broad assumption undertaken based on similar past activities

4.3. IMPLEMENTATION SCHEDULE

The project is expected to take 24 months for its completion. Key milestones and activity expected completion dates are as follows:

S. No.	Project Milestones	Start Date	Expected completion date
1	Identification and embarking of Land		Completed
2	Environmental Impact Assessment by SEPA	4Q FY 23	4Q FY 23
3	Civil, Electrical and Mechanical Works Contract Finalization	4Q FY 23	4Q FY 23
4	Ordering of Plant and equipment and opening of L/C	1Q FY 24	4Q FY 24
5	Preliminary Engineering Design by Plant Supplier/company	1Q FY 24	1Q FY 24
6	Detailed Engineering Design by Plant Supplier/company	2Q FY 24	2Q FY 24
7	Civil Works ¹	1Q FY 24	2Q FY 24
8	Installation of Plant and Machinery ²	1Q FY 25	3Q FY 25
9	Dry Run of the Plant	4Q FY 25	4Q FY 25
10	Commercial Production	4Q FY 25	4Q FY 25

4.4. NEED FOR EXPANSION

The profitability of Edible and Fats business is correlated with price and availability of raw edible oils. The backward integration project that the Company has embarked on in 2013 with a seed crushing capacity of 300 tons seed per day, later increased to 400 tons per day, intended to reduce reliance on import of edible oil and increase business profitability.

Further investment in oil seed extraction to increase seed crushing capacity by 500 tons seed per day will provide Dalda Foods an additional advantage in its category in the form of reduced reliance on imported edible oil.

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

In case the strike price is determined above the Floor price, excess proceeds raised will be utilized to substitute the internal cash flow of the Company proposed to be used for seed crushing capacity expansion project and meeting the working capital requirements of the Company.

¹ Civil Works Contractor to be appointed post realization of IPO proceeds

² Installation of Plant and Machinery will be done by mechanical works contractor under the supervision of J.J Lurgi Engineering. Mechanical Works Contractor will be appointed by way of a contact post realization of IPO proceeds.



4A. VALUATION SECTION

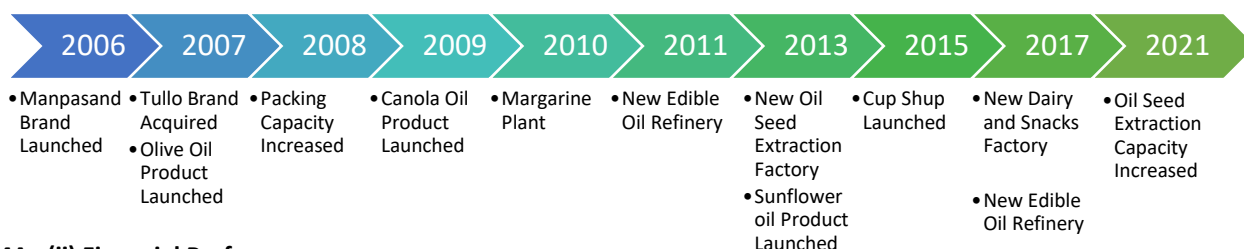
The shares of Dalda Foods Limited are being offered at a Floor Price of PKR 66/- per share (including a premium of PKR 56/- per share). The Lead Manager has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 66/- per share is justified based on the following factors:

4A. (i) Successful Operational History

Dalda Foods was incorporated in 2004 as a private limited Company to acquire and manage the business related to Dalda brand which was spun off from Unilever Pakistan Limited.

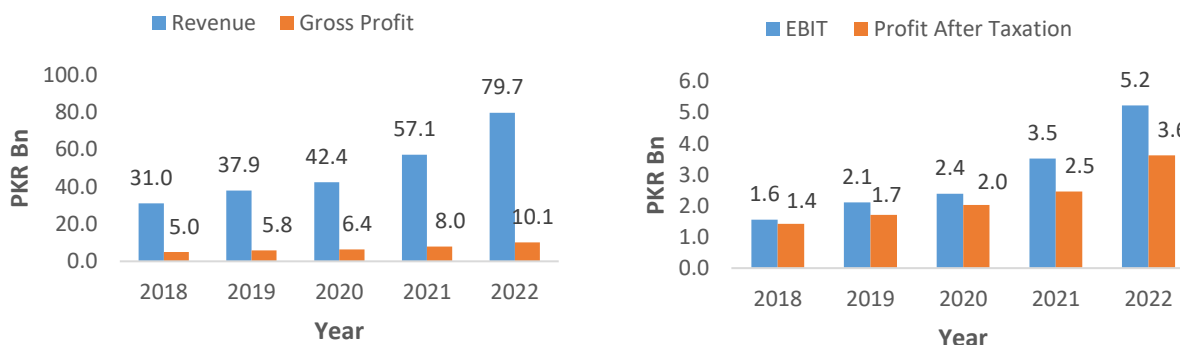
Since then, Dalda Foods is continuing to grow from strength to strength at the top end of the edible oils and fats category. The Company launched Manpasand brand in 2006 to cater to the needs of the large middle segment of the market. Another iconic food brand with the name of Tullo was added to the Company’s brand portfolio, through acquisition of Wazir Ali Industries Limited in 2007.

Since 2004, the Company has kept growing and had introduced various new products. A graph on the summary of operational history of Dalda Foods is shown below:



4A. (ii) Financial Performance

Since FY18, Dalda Foods sales grew at a compounded annual growth rate (“CAGR”) of 26.64% and gross profit grew at a CAGR of 19.26% while the profit after tax of the Company grew at a CAGR of 26.44% during the same period. The steady and consistent growth is owing to Company’ innovation, market development, extensive distribution reach, capacity expansion and expanding product portfolio.



4A. (iii) Products Qualities

Dalda Foods manufactures Banaspati, virtually free from harmful “Trans Fats”. Dalda Foods also has below mentioned ISO certificates:

1. ISO 9001: 2015 (Quality Management system Certification)
2. FSSC 22000 (Food safety system Certification)
3. PS 3733: 2019 (Pakistan Halal Standard)
4. ISO 17025: 2017 (Lab Accreditation Certification)
5. ISO 45001:2018 -Occupational Health and Safety Management System
6. ISO 14001:2015- Environmental Management System

4A. (iv) Strong Management

The senior management of Dalda Foods has rich experience of operating in Pakistan and international markets which includes Europe, Far East Asia and Africa. The international best practice to run the business is deployed in Dalda Foods. With relevant experience in food business that spans over decades, the success of the business as evidenced by strong financial performance bears testimony to the high quality management team.

4A. (v) Dividend Payout History

Since FY12, Dalda Foods has been distributing dividends each year, the dividend history from FY18 to FY22 is shown below:

Particulars	FY18	FY19	FY20	FY21	FY22
Dividend Per Share	4.2	1.6	3.7	9.7	7.0
Restated	4.2	1.6	3.7	9.7	7.0

Notes:

- (i) Above figures are based on announcement in the financial years.
- (ii) Dividends per share are restated on the basis of existing paid up Capital (300 Million Shares).

4A. (vi) Strong Distribution Network

Dalda Foods has an extensive sales and distribution network spanning areas from Badin to Khunjrab covering the length and width of the country nationally. The distribution of the Company covers over 150,000 retail outlets to cater to the consumer needs. To support this wide national retail coverage, Dalda Foods operates 10 Distribution Centers (Depots) and has over 300 Distributors. This extensive sales and distribution network is supported by a web based Management Information System (“MIS”) that provides timely MIS of sales and stock movement to management for speedy decisions.

4A. (vii) Investment and Diversification

The Company always strives for and is focused on its future business growth through investment and diversification. The backward integration project that the Company has embarked on in the year 2013 with a seed crushing capacity of 300 tons seed per day later increased to 400 tons per day intended to reduce reliance on import of edible oil and increase business profitability. Investment in Seed extraction to increase seed crushing capacity by 500 tons seed per day will provide Dalda Foods unparalleled advantage in the banaspati and cooking oil category. The diversification of business has also resulted in Dalda Foods Limited venturing outside its core citadel into other Foods category which includes “Cup Shup” in Dairy segment.



4A. (viii) Justification

Based on our review, the Lead Manager is of the opinion that the historical performance of the Company, the sponsors' profile, quality of management and their business distribution network indicate sustainability of business performance in the future.

The proposed expansion will improve cost efficiencies, increase capacity to also utilize locally grown oil seeds and reduce impact of foreign exchange volatility thereby generate additional profits that will help fund future business opportunities.

The Company is offering a **Price-to-Earnings ("PE") multiple of 5.46x** at Floor Price of PKR 66/- per Ordinary Share based on the annualized unconsolidated earnings for period ended 30th, June 2022. This PE offers a substantial discount of ~70% to average P/E multiple of Peer group companies of 18.0x. The information on Peer group companies PE multiple is mentioned in section 4A (x) of this Prospectus.

4A. (ix) Post IPO Free Float Disclosure

Post IPO, the share capital will increase from 300,000,000 ordinary shares to 333,333,333 ordinary shares. The free float status post IPO is presented in the below table

Description	Number of Shares	% Shareholding Status
Held by Sponsors & Directors	283,333,333	85.00%
Held by General Public - Free Float	50,000,000	15.00%
Total	333,333,333	100%



4A. (x) Peer Group Analysis of Dalda Foods Limited

Company	Share Price as on 30/12/22 (PKR)	EPS ¹ (PKR)	BVPS (PKR)	P/E	P/B	ROE ² (%)	ROA ³ (%)	Free Float Shares ('000)	Free Float (%)
Rafhan Maize Product Ltd	9,100.0	635.1	1,950.6	14.3	4.7	34.61%	21.03%	773.6	8.4%
National Foods	99.4	7.2	29.1	13.7	3.4	25.42%	8.74%	69,934.6	30.0%
Ismail Industries	520.0	49.9	209.5	10.4	2.5	25.02%	5.99%	3,317.8	5.0%
Murree Brewery Company Limited	363.8	40.3	439.7	9.0	0.8	9.16%	7.38%	11,065.5	40.0%
Shezan International Limited	148.2	6.1	221.4	24.2	0.7	2.79%	1.23%	4,768.6	49.3%
Nestle	5,870.0	332.9	125.2	17.7	46.9	272.53%	21.49%	2,267.5	5.0%
Frieslandcampina Engro Pakistan Limited	65.7	2.1	15.8	31.3	4.2	14.36%	5.49%	76,659.6	10.0%
Unilever Pakistan Foods Limited	25,000.0	998.9	689.3	25.0	36.3	172.9%	47.50%	306.2	4.8%
Dalda Foods Limited Unconsolidated	66.0	12.1	38.0	5.5	1.7	34.25%	19.18%	50,000.0	15.0%
Dalda Foods Limited Consolidated	66.0	14.4	42.4	4.6	1.6	37.23%	16.36%	50,000.0	15.0%

¹ Earnings relate to Trailing Twelve Months as calculated using latest available accounts i.e., Quarter ended September 22

² Return on Equity has been calculated using average Equity

³ Return Assets has been calculated using average Assets

5 RISK FACTORS

5.1. INTERNAL RISKS

5.1.1. Operational Risk

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

There is a risk that new lines of businesses that the Company has entered into in the recent past may take longer than planned in scaling up, or operational commissioning of edible oil seeds extraction plant may take longer than planned.

5.1.2. Risks from pending litigations

Details of all material legal proceeding have been disclosed under Section 8.0 of the Prospectus. The management of the Company is confident of favorable outcome of these proceeding. In case of an adverse judgment in each of the material pending legal proceedings highlighted in Section 8, total financial impact to the Company shall be approximately PKR 500 Million*.

5.1.3 Risk of non - compliance with regulation of SECP and PSX

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

* Based on USD conversion rate of 280

5.2. EXTERNAL RISKS

5.2.1. Business Risk

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

5.2.2. Raw Material Supply/Price Risk

Cost of sales of the Company is largely driven by growth in international palm oil, seeds oil and skimmed milk prices as these are the major raw material for producing edible oils and tea whiteners. Any shortage in skimmed milk or edible oils production due to poor farming / natural disaster, supply chain issues or devaluation of Pak Rupees might increase the cost of raw materials, thereby affecting profitability margins of the Company.

5.2.3. Loss on Inventory Due to Edible Oil Prices Volatility

Raw edible oils, seed oils and skimmed milk are a major component of cost of finished products. Almost 90 percent of the edible in the country is imported and sourced from countries like Malaysia, Indonesia, Canada, USA, Argentina, Brazil, Ukraine, Australia, etc. Due to long lead times involved in shipping, almost 12 to 16 weeks sales equivalent of edible oils, skimmed milk and finished products have to be carried in inventory. Raw edible oils and skimmed milk are traded on commodity exchanges in these exporting countries. The swings in prices on these commodity exchanges are sharp and frequent. In case of sudden and sustained steep drop or a high spike in prices where the Company is not able to adjust the final price of products, there can be a risk of loss or a gain on the high inventory which is required to be kept.

5.2.4. Foreign Exchange Volatility

Raw edible oils are bought from international commodity markets located in countries like Malaysia, Indonesia, Canada, USA, Argentina, Brazil, Ukraine, Australia, etc. The currency rate movement between US Dollar and Pak Rupee can have a significant impact upon the landed price of edible oils which the Company may not be able to pass on in product prices.

5.2.5. Potential Restrictions on Letter of Credit

Due to prevailing macro-economic conditions, booking letter of credit is constrained. Despite these conditions, the Company has been smoothly facilitated by banks for booking letter of credit as it is classified under essential imports category. However, any restriction on booking of letter of credit is a potential risk for the Company.

5.2.6. Risk of increase in import tariffs on raw materials and other related regulatory risks

The Company is dependent on import of oil seeds and palm oil for production of cooking oil and allied products. Resultantly certain custom and regulatory duties are applicable on the imported raw materials. Any increase in regulatory and custom duties can result in an increase in overall costs of manufacturing which may adversely affect the Company's profitability. Regulatory risks relate to changes in government policies which may affect the industry. Changes in regulatory framework can impact the performance of any sector of the industry.

5.2.7. Risk of delay in import of plant and machinery

Any delay due to unforeseen circumstances will adversely affect timely commissioning of the plant which will impact any potential incremental revenue to be earned by the Company

5.2.8. Risk of delay in commissioning of the project

The Company has neither entered into an agreement with suppliers for import of machinery, nor appointed any EPC contractor for the implementation of expansion project; any resulting delays could adversely impact earnings and cash flow of the Issuer.

5.2.9. Risk of downgrade in sovereign rating

The Country's local and foreign currency and senior unsecured debt rating was recently downgraded by Moody's to Caa1 from B3 on 6th October 2022, followed by another rating agency, Fitch, also downgrading Pakistan's long-term foreign currency Issuer default rating (IDR) to 'CC+' from 'B-' due to worsening liquidity, political volatility and resultant policy risks on 21st October, 2022.

Further deterioration in the country's key macro indicators and political environment followed by delayed recovery of flood related havoc would pose risk of further downgrade

5.2.10. Credit Risk

Dalda Foods provides credit facility to Utility Stores Corporation of Pakistan and is exposed to the financial risk of counterparty being unable to discharge its obligation. Default by such parties would negatively affect the company's financial standing.

	2020		2021		2022	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
	(PKR Mn)					
Past due 0-30 days	53.5	1.7	1,477.70	124.6	1,224.70	27.7
Past due 31-60 days	4.8	4.6	533.4	161.3	1,276.80	512.8
Past due 61-90 days	360.6	1.1	5.9	3.8	11.5	7.8
Above 90 days	674.9	447.8	372.6	372.6	436.5	436.5
Total	1,094	455	2,390	662	2,950	985

5.2.11. Economic Slowdown

The growth of any sector is affected by the economic conditions prevailing in the country. An economic slowdown may adversely affect the growth and performance of the food sector.

5.2.12. Inflation and Interest Rate Risk

High interest rates and inflationary pressures on a long term basis can potentially have an adverse impact on the business operations of the Company.

5.2.13. Risk of new entrants

This is the risk that the new entrants may capture market share of existing players. Since the nature of product is commodity based, barriers to entry are relatively lower. However due to high capital investment required, risk of new entrants can be considered to be lower

5.2.14. Capital Market Risk

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



5.2.15. Under- subscription Risk

The issue of Dalda Foods shares may get under- subscribed due to shareholders' lack of interest. The book building process shall be considered as cancelled if:

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

The bid money submitted by investors shall be refunded subsequently.

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

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



Dalda Foods Limited

192-C, Al-Murtaza Commercial Lane-3,
Phase-VIII, Defence Housing Authority,
Karachi-75500, PAKISTAN.
Tel : +92 21 38638533, 35850942
Web: www.daldafoods.com

Date: 18/02/23

Chief Executive Officer
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road
Karachi.

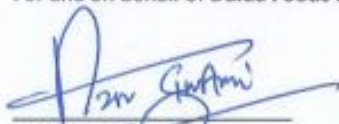
Subject: Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer

We being the Chief Executive Officer and Chief Financial Officer of Dalda Foods 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 shares being offered through this Prospectus and that nothing has been concealed.

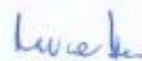
The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

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 Dalda Foods Limited



Aziz Hasan Jindani
Chief Executive Officer



Rafiq ul Islam
Chief Financial Officer

5.4. CERTIFICATE BY THE OFFERORS

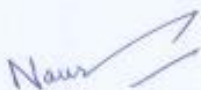
Date: 17/01/23

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

We being the offerors 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 regards to the Issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this Prospectus and that nothing has been concealed.

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

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



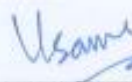
Nausheen Rafiq
Sponsor



Perwaiz Hasan Khan
Sponsor



Abdus Samad
Sponsor



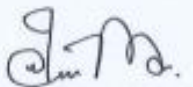
Usama Mahmood Khan Ghouri
Sponsor



Perwaiz Masud Ansari
Sponsor



Muhammad Rabbani
Sponsor



Inam Bari
Sponsor



Umair Hassan
Company Secretary
West Bury (Private) Limited



Hina Junaid
Sponsor

Muhammad Rafiq
Company Secretary
Bulk Management (Pakistan) (Private)
Limited



5.5. STATEMENT BY THE ISSUER



Dalda Foods Limited

192-C, Al-Murtaza Commercial Lane-3,
Phase-VIII, Defence Housing Authority,
Karachi-75500, PAKISTAN.
Tel : +92 21 38636833, 35890942
Web : www.daldafoods.com

Date: 18/01/23

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

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

For and behalf of Dalda Foods Limited


Aziz Hasan Jindani
Chief Executive Officer



Rafiq ul Islam
Chief Financial Officer

5.6. STATEMENT BY OFFERORS

Date: 18/01/23

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

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



Nausheen Rafiq
Sponsor



Abdus Samad
Sponsor



Perwaiz Masud Ansari
Sponsor



Inam Bari
Sponsor



Hina Junaid
Sponsor



Perwaiz Hasan Khan
Sponsor



Usama Mahmood Khan Ghouri
Sponsor



Muhammad Rabbani
Sponsor



Umair Hassan
Company Secretary
West Bury (Private) Limited



Muhammad Rafiq
Company Secretary
Bulk Management (Pakistan) (Private)
Limited

5.7. UNDERTAKING BY LEAD MANAGER



5.8. STATEMENT BY BOOK RUNNER

18th January, 2023

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

Being mandated as the Book Runner to this Initial Public Offering and Offer for Sale of Dalda Foods Limited through the Book Building process, we hereby confirm that all material information as required under the Companies Act 2017, Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of Arif Habib Limited



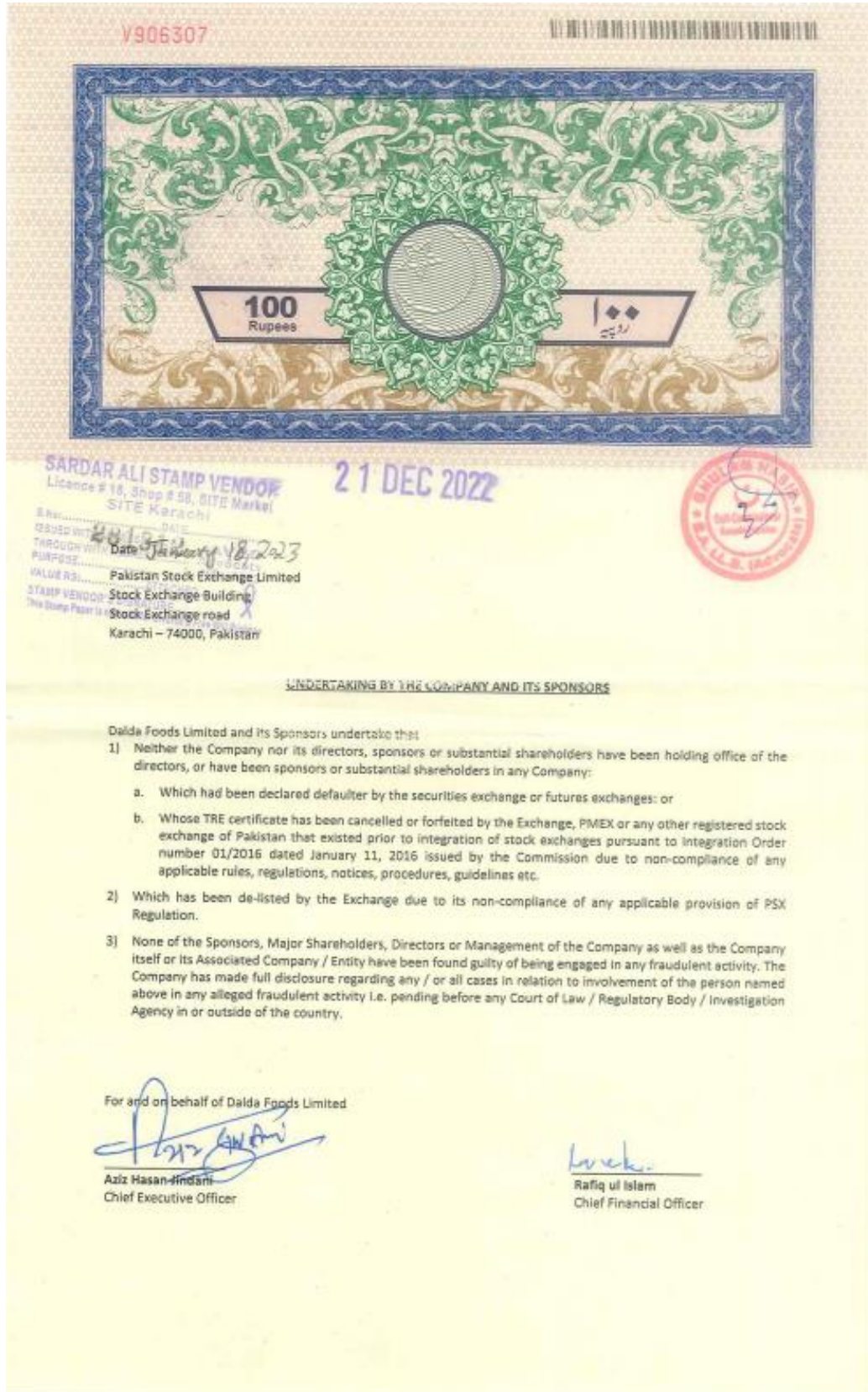
Ammad Tahir
Senior Vice President, Investment Banking



Muhammad Hamza Amir
Assistant Vice President

Head Office / Corporate Office: Arif Habib Centre, 23 M.T. Khan Road, Karachi | UAN: +92 21 111 245 111 | Fax: +92 21 3242 9655
Lahore Office: Office No. G-5 & G-6, Ground Floor, ISE Plaza, 19, Khayaban-e-Ahlan-e-Iqbal, Lahore, | Tel: +92 42 3631 3700 - 11, 3631 3741 - 44
Islamabad Office: Office No. S05, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad | Tel: +92 51 289 4505 - 06
Peshawar Office: Office No. F13-F17, 1st Floor, The Mall Tower, Peshawar Cantt. | Tel: +92 91 5253813
Rawalpindi Office: Office No. F-15, 1st Floor, Rizwan Arcade, Adamjee Road, Saddar, Rawalpindi. | Tel: +92 51 5120428-29, +92 51 5568476-78
Faisalabad Office: Office No. 04, 3rd Floor Legacy Tower, Kohinoor City, Faisalabad. | Tel: +92 41 8531030-3
Multan Office: Office No. 16-18, 1st Floor, Khan Center, Abdali Road, Near SP Chowk, Multan. | Tel: +92 61 4514413, +92 61 4514412
Karachi Office: Office No. 1003-1003, 10th Floor, Gul Tower, Seairi Quarters, I.I. Chundrigar Road, Karachi. | Tel: +92 21 38280282-3, 38280233
Rahim Yar Khan Office: Office No. 2, Basement, Basheer Plaza, Opposite Town Hall, 12 A Model Town, Rahim Yar Khan. | Tel: +92 68 2011901-9
cs@arifhabib.com | www.arifhabib.com | www.abtrade.com
TSEC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. BDA-059 / #1

5.9. UNDERTAKING BY THE COMPANY AND ITS SPONSORS




For and on behalf of Sponsors of Dalda Foods Limited


Muhammad Bashir Janmohammad
Sponsor


Jahangir Abdullah Rasheed
Sponsor



Abdus Samad
Sponsor


Perwaiz Masud Ansari
Sponsor


Inam Bari
Sponsor


Abdul Rasheed Janmohammad Dawood
Sponsor


Perwaiz Hasan Khan
Sponsor


Usama Mahmood Khan Ghouri
Sponsor



Muhammad Rabban
Sponsor


Nausheen Rafiq
Sponsor




Hina Azeed
Sponsor


Umair Hassan
Company Secretary
West Bury (Private) Limited


Muhammad Rafiq
Company Secretary
Bulk Management (Pakistan) (Private) Limited



Part of the undertaking by Co. 2 Sponsor
on scrap paper dated 21/12/22

Farhat

Farhat Rasheed
Sponsor



6 FINANCIAL INFORMATION

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



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

The Board of Directors
Dalda Foods Limited
F-33, Hub River Road, S.I.T.E
Karachi, Pakistan

Our ref KA-ZQ-744

Contact Moneeza Usman Butt

2 February 2023

Dear Board Members

Auditor's certificate on issued, subscribed and paid-up capital as at 31 January 2023, 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 Dalda Foods Limited (the "Company") as at 31 January 2023, 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 as at 31 January 2023 for the purpose of inclusion of information in the prospectus to be issued for Initial Public Offering. 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 31 January 2023 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).

Our verification was limited to tracing the amount of issued, subscribed and paid-up capital from the certified true copy of Form A made up to 28 October 2021 and the share transfer deed dated 2 January 2023. We have been given to understand by



KPMG Taseer Hadi & Co.

Dalda Foods Limited

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
2 February 2023

management, that there are no changes in share capital after this date till the date of this certificate.

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 31 January 2023 is as follows:

	As at 31 January 2023	
	Number of shares	Rupees
Ordinary shares of Rs. 10 each fully paid in cash	300,000,000	3,000,000,000

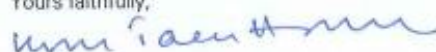
The shares of the Company have been subscribed by the following:

	Number of shares	Rupees
Perwaiz Masud Ansari	23,562,000	235,620,000
Aftab Ahmed Diwan	1	10
Inam Bari	23,562,000	235,620,000
West Bury (Private) Limited	60,000,000	600,000,000
Perwaiz Hasan Khan	35,190,000	351,900,000
Abdus Samad	23,562,000	235,620,000
Jahangir Abdullah Rasheed	428,571	4,285,710
Nausheen Rafiq	13,500,000	135,000,000
Mohammad Rabbani	23,562,000	235,620,000
Abdul Rasheed Jan Muhammad	3,457,142	34,571,420
Farhat Rasheed	400,001	4,000,010
Bulk Management Pakistan (Private) Limited	51,428,571	514,285,710
Hina Junaid	13,500,000	135,000,000
Usama Mahmood Khan Ghouri	23,562,000	235,620,000
Mohammad Bashir Kodwawala	4,285,714	42,857,140
	300,000,000	3,000,000,000

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,



2

6.2. AUDITOR CERTIFICATE ON BREAK-UP VALUE PER SHARE



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

The Board of Directors
Dalda Foods Limited
F-33, Hub River Road, S.I.T.E
Karachi, Pakistan

Our ref: KA-ZO-693

Contact: Moneeza Usman Butt

17 January 2023

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 Dalda Foods Limited ("the Company") as at 30 June 2022 based on audited unconsolidated financial statements of the Company for the year ended 30 June 2022, 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 2022. 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 2022, 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.

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



KPMG Taseer Hadi & Co.

Dalda Foods Limited

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

17 January 2023

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 2022 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 2022, is as follows:

		As at 30 June 2022 (Rupees in '000)
Issued, subscribed and paid-up capital	A	3,000,000
Capital reserves	B	2,507,799
Revenue reserve	C	5,882,708
Total equity	D=A+B+C	<u>11,390,507</u>
Number of ordinary shares (number in thousand)	E	<u>300,000</u>
Break-up value per share	E=D/E	<u>37.97</u>

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,





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

The Board of Directors
Dalda Foods Limited
F-33, Hub River Road, S.I.T.E
Karachi, Pakistan

Our ref KA-ZQ-692
Contact Moneeza Usman Butt

17 January 2023

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 Dalda Foods Limited ("the Company") as at 30 June 2022 based on audited consolidated financial statements of the Company for the year ended 30 June 2022, 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 2022. 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 Company for the year ended 30 June 2022, 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.



KPMG Taseer Hadi & Co.

Dalda Foods Limited

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

17 January 2023

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 Company for the year ended 30 June 2022 and checking 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 2022, is as follows:

		As at 30 June 2022 (Rupees in '000)
Issued, subscribed and paid-up capital	A	3,000,000
Capital reserve - share premium	B	1,200,000
Revenue reserve - unappropriated profit	C	8,436,487
Non-controlling interest	D	95,378
Total equity	E=A+B+C+D	<u>12,731,865</u>
Number of ordinary shares (number in thousand)	F	<u>300,000</u>
Break-up value per share	G=E/F	<u>42.44</u>

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,



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



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

The Board of Directors
Dalda Foods Limited
F-33, Hub River Road, S.I.T.E
Karachi, Pakistan

Our ref KA-ZQ-691
Contact Moneeza Usman Butt

17 January 2023

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 Dalda Foods 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 Statement, containing the following information of the Group (the "Statement") 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 Statement 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 report does not relieve the management from its responsibilities.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG Taseer Hadi & Co.

Dalda Foods Limited
Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
17 January 2023

Auditors' Responsibility

Our responsibility is to issue a report on the Statement, 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 Statement with the audited consolidated and unconsolidated financial statements of the Company and the audited financial statements of its subsidiaries for the year ended 30 June 2022.

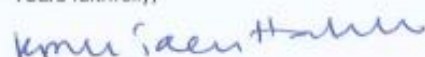
Certificate

Based on the procedures mentioned above, we certify that the information contained in the attached 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,





KPMG Taseer Hadi & Co.

Dalda Foods Limited

Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
17 January 2023

Statement of Group Financial Information**Dalda Foods Limited****Consolidated statement of financial position**

	As at 30 June 2022	As at 30 June 2021
	----- (Rupees in '000) -----	
Non- Current Assets		
Property, plant and equipment	4,874,295	4,164,800
Right-of-use assets	75,261	82,467
Goodwill	432,187	432,187
Other intangible assets	1,082	1,970
Long term security deposits	34,279	33,445
	<u>5,417,104</u>	<u>4,714,869</u>
Current Assets		
Stock in trade	11,869,810	10,892,249
Stores and spares	129,723	111,159
Trade debts	1,949,726	1,937,650
Loans and advances	596,628	333,114
Prepayments and other receivables	916,500	689,269
Short term investments	4,479,888	1,282,329
Taxation - net	1,340,446	2,198,529
Cash and bank balances	3,184,982	653,564
Non - current asset held for sale	52	52
	<u>24,467,755</u>	<u>18,097,915</u>
Equity		
Issued, subscribed and paid-up capital	3,000,000	3,000,000
Capital reserve - share premium	1,200,000	1,200,000
Revenue reserve - unappropriated profit	8,436,487	6,159,494
Non controlling interests	95,378	68,125
	<u>12,731,865</u>	<u>10,427,619</u>
Non-current Liabilities		
Lease liabilities	65,569	88,227
Deferred taxation - net	83,063	172,771
Staff retirement benefits	20,366	288,328
	<u>168,998</u>	<u>549,326</u>
Current Liabilities		
Trade and other payables	11,909,395	6,754,025
Short term borrowings	4,398,515	4,683,240
Contract liabilities	481,618	301,711
Mark-up payable on short term borrowings	165,696	77,738
Current portion of lease liabilities	27,597	18,295
Unpaid dividend	1,175	830
	<u>16,983,996</u>	<u>11,835,839</u>



KPMG Taseer Hadi & Co.

Dalda Foods Limited
Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
 17 January 2023

Consolidated statement of profit or loss and other comprehensive income

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Sales - net	88,280,830	60,011,903
Cost of sales	(76,289,620)	(50,953,621)
Gross profit	11,991,210	9,058,282
Selling and distribution expenses	(3,541,049)	(3,680,847)
Administrative expenses	(897,730)	(790,608)
Net impairment loss on financial assets	(379,417)	(235,979)
Other expenses	(393,415)	(295,031)
Other income	346,555	257,820
Finance costs	(723,124)	(304,612)
Profit before taxation	6,403,030	4,009,025
Income tax expense	(2,092,373)	(1,193,901)
Profit for the year	4,310,657	2,815,124
Other comprehensive income for the year	(33,003)	(1,490)
Total comprehensive income for the year	4,277,654	2,813,634

Details of dividend paid

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Dividend paid	(1,973,063)	(3,034,232)



KPMG Taseer Hadi & Co.

Dalda Foods Limited
Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
17 January 2023

Dalda Foods Limited**Unconsolidated statement of financial position**

	As at 30 June 2022	As at 30 June 2021
	----- (Rupees in '000) -----	
Non- Current Assets		
Property, plant and equipment	4,333,077	3,541,147
Right-of-use assets	75,261	56,876
Goodwill	432,187	432,187
Other intangible assets	1,082	1,970
Deferred taxation - net	2,479	-
Long term investments in subsidiary companies	1,467,767	1,467,767
Long term security deposits	34,279	33,446
	<u>6,346,132</u>	<u>5,533,392</u>
Current Assets		
Stock-in-trade	5,729,221	6,831,439
Stores and spares	127,384	99,520
Trade debts	1,964,716	1,727,356
Loans and advances	581,952	338,649
Prepayments and other receivables	169,692	172,271
Short term investments	3,848,237	1,053,801
Cash and bank balances	2,699,859	572,780
	<u>15,121,061</u>	<u>10,795,816</u>
Equity		
Issued, subscribed and paid-up capital	3,000,000	3,000,000
Capital reserves	2,507,799	2,507,799
Revenue reserve	5,882,708	4,261,122
	<u>11,390,507</u>	<u>9,768,921</u>
Non-current Liabilities		
Deferred taxation - net	-	91,934
Staff retirement benefits	5,941	276,339
Lease liabilities	65,569	60,700
	<u>71,510</u>	<u>428,973</u>
Current Liabilities		
Trade and other payables	6,909,161	4,851,702
Short term borrowings	1,085,389	739,710
Contract liabilities	413,617	267,001
Mark-up payable on short term borrowings	34,030	5,927
Taxation - net	1,535,382	253,405
Current portion of lease liabilities	27,597	13,569
	<u>10,005,176</u>	<u>6,131,314</u>



KPMG Taseer Hadi & Co.

Dalda Foods Limited
Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
 17 January 2023

Unconsolidated statement of profit or loss and other comprehensive income

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Sales - net	79,681,393	57,050,412
Cost of sales	(69,564,534)	(49,090,232)
Gross profit	10,116,859	7,960,180
Selling and distribution expenses	(3,227,512)	(3,382,600)
Administrative expenses	(808,043)	(696,295)
Net impairment loss on financial assets	(322,536)	(241,097)
Other expenses	(366,361)	(290,003)
Other income	308,891	309,164
Finance costs	(237,892)	(69,173)
Profit before taxation	5,463,406	3,590,176
Income tax expense	(1,839,556)	(1,128,643)
Profit for the year	3,623,850	2,461,533
Other comprehensive income for the year	(32,764)	(1,801)
Total comprehensive income for the year	3,591,086	2,459,732

Details of dividend paid

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Dividend paid	(1,969,500)	(3,031,975)



KPMG Taseer Hadi & Co.

Dalda Foods Limited
Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
17 January 2023

Oil Processors and Refiners (Private) Limited**Statement of financial position**

	As at 30 June 2022	As at 30 June 2021
	----- (Rupees in '000) -----	
Non- Current Assets		
Property and equipment	541,219	623,561
Right-of-use asset	19,529	25,591
	<u>560,748</u>	<u>649,152</u>
Current Assets		
Inventories	5,475,456	3,777,865
Stores, spares and loose tools	2,339	11,639
Trade debts	326,450	62,706
Advances, deposits and other receivables	722,594	483,555
Short-term investments	70,000	70,000
Taxation - net	2,895,807	2,413,953
Bank balances	255,785	2,267
	<u>9,748,431</u>	<u>6,821,985</u>
Equity		
Issued, subscribed and paid-up capital	1,000,000	1,000,000
Retained earnings	1,026,139	607,774
	<u>2,026,139</u>	<u>1,607,774</u>
Non-current Liabilities		
Lease liability	21,443	27,527
Deferred taxation - net	85,542	80,837
Staff retirement benefits	14,425	11,989
	<u>121,410</u>	<u>120,353</u>
Current Liabilities		
Trade and other payables	4,710,044	1,722,903
Contract liabilities	586	40
Short-term borrowings	3,313,126	3,943,530
Mark-up payable on short-term borrowings	131,666	71,811
Current portion of lease liability	6,208	4,726
	<u>8,161,630</u>	<u>5,743,010</u>



KPMG Taseer Hadi & Co.

Dalda Foods Limited
Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
 17 January 2023

Statement of profit or loss and other comprehensive income

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Revenue - net	26,374,983	12,950,014
Cost of sales	(25,293,007)	(12,340,568)
Gross profit	1,081,976	609,446
Administrative expenses	(22,186)	(33,982)
Other expenses	(16,132)	-
Other income	3,721	7,320
Finance costs	(484,845)	(231,498)
Profit before taxation	562,534	351,286
Income tax expense	(143,930)	8,456
Profit for the year	418,604	359,742
Other comprehensive income for the year	(239)	311
Total comprehensive income for the year	418,365	360,053

Details of dividend paid

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Dividend paid	-	(78,067)



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Dalda Foods Limited
Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
 17 January 2023

Wazir Ali Industries Limited**Statement of financial position**

	As at 30 June 2022	As at 30 June 2021
	-----{Rupees in '000}-----	
Non- Current Assets		
Property and equipment	-	93
Current Assets		
Inventories	665,133	282,945
Trade debts	78,882	210,294
Advances, deposits and other receivables	65,164	51,894
Taxation - net	-	37,981
Financial assets at fair value through profit or loss	561,651	158,528
Bank balances	229,338	78,517
Non-current asset held for sale	3,201	3,201
	<u>1,603,369</u>	<u>823,360</u>
Equity		
Issued, subscribed and paid-up capital	79,860	79,860
Share premium	10,646	10,646
Surplus on revaluation of land - non-current asset held for sale	3,149	3,149
General reserve	66,067	66,067
Retained earnings	573,956	362,208
	<u>733,678</u>	<u>521,930</u>
Current Liabilities		
Trade and other payables	781,122	266,023
Contract liabilities	67,415	34,670
Taxation - net	19,979	-
Unclaimed dividend	1,175	830
	<u>869,691</u>	<u>301,523</u>



KPMG Taseer Hadi & Co.

Dalda Foods Limited

Auditor's report under clause 1 of section 2 of the First
Schedule to the Public Offering Regulations, 2017
17 January 2023

Statement of profit or loss and other comprehensive income

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Revenue - net	6,530,997	4,937,824
Cost of sales	(5,789,319)	(4,449,168)
Gross profit	741,678	488,656
Selling and distribution expenses	(313,537)	(298,247)
Administrative expenses	(70,071)	(62,541)
Net impairment (loss) / reversal on financial assets	(56,881)	5,118
Other expenses	(8,352)	(2,818)
Other income	60,246	36,438
Operating profit	353,083	166,606
Finance costs	(4,497)	(3,653)
Profit Before taxation	348,586	162,953
Income tax expense	(108,887)	(73,714)
Profit for the year	239,699	89,239
Other comprehensive income for the year	-	-
Total comprehensive income for the year	239,699	89,239

Details of dividend paid

	For the year ended 30 June 2022	For the year ended 30 June 2021
	----- (Rupees in '000) -----	
Dividend paid	27,606	19,190

6.4. LATEST MANAGEMENT ACCOUNTS OF THE COMPANY

Dalda Foods Limited

Unconsolidated Balance Sheet

As at 31st December 2022

	<i>Unaudited</i> Dec '22	<i>Audited</i> June '22
	(Rupees in '000)	
ASSETS		
Non - current assets		
Property, plant and equipment	4,347,660	4,333,077
Intangible assets	432,830	433,269
Right-of-use assets	75,261	75,261
Long term investment in the Subsidiary Company	1,467,767	1,467,767
Deferred taxation - net	2,477	2,479
Long term security deposits	34,579	34,279
Total non - current assets	6,360,573	6,346,132
Current assets		
Stock in trade	9,590,038	5,729,221
Stores and spares	160,388	127,384
Trade debts - unsecured	6,243,703	1,964,716
Advances, deposits, prepayments	1,401,468	751,644
Short term investments	662,054	3,848,237
Cash and bank balances	1,596,756	2,699,859
Total current assets	19,654,406	15,121,062
Total assets	26,014,980	21,467,194
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized Capital		
400,000,000 ordinary shares of Rs.10 each.	4,000,000	4,000,000
Issued, subscribed and paid-up capital	3,000,000	3,000,000
Capital Reserves	2,507,799	2,507,799
Unappropriated profit	6,728,823	5,882,708
Total equity	12,236,622	11,390,507
Non - current liabilities		
Staff Retirement Benefits	59,827	5,941
Lease Liabilities	65,569	65,569
Total non - current liabilities	125,396	71,510
Current liabilities		
Trade and other payables	5,203,729	6,909,161
Advance from Customers	88,098	413,617
Taxation - net	1,886,925	1,535,382
Short term borrowings - secured	6,384,156	1,085,389
Mark-up payable on short term borrowings	62,455	34,030
Current Portion of Lease Liabilities	27,597	27,597
Total current liabilities	13,652,961	10,005,176
Total equity and liabilities	26,014,980	21,467,193

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Dalda Foods Limited

Unconsolidated Profit and Loss Account
For the period ended 31st December 2022

	<i>Unaudited</i> YTD Dec'22	<i>Unaudited</i> YTD Dec'21
	(Rupees in '000)	
Revenue - net	51,084,223	33,273,170
Cost of sales	(46,148,299)	(29,636,441)
Gross profit	<u>4,935,924</u>	<u>3,636,729</u>
Selling and distribution expenses	(1,812,135)	(1,452,305)
Administrative expenses	(440,353)	(355,766)
Impairment loss on trade receivables and advances	200,000	(30,000)
Other expenses	(60,091)	(45,297)
	<u>(2,112,579)</u>	<u>(1,883,367)</u>
	2,823,345	1,753,362
Other income	145,913	123,293
	<u>2,969,258</u>	<u>1,876,655</u>
Finance costs	(239,431)	(65,357)
Profit before taxation	<u>2,729,827</u>	<u>1,811,298</u>
Taxation - net	(946,690)	(574,258)
Profit for the period	<u><u>1,783,137</u></u>	<u><u>1,237,040</u></u>

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Dalda Foods Limited
Cash Flow Statement

	Dec '22	Y/E June 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,729,827	5,463,406
Adjustments for:		
- Depreciation	174,015	377,046
- Amortization of intangible assets	444	888
Gain on termination of Lease	-	(9,085)
- Provision against obsolete stock in trade	-	-
- Provision for impairment in trade debts	-	322,536
- Provision for workers' welfare fund	-	128,924
- Provision for gratuity expense	53,886	57,964
- Finance costs	190,974	208,645
- Profit on deposits	(69,407)	(8,598)
- Gain on disposal of property, plant and equipment	(7,803)	(20,437)
-Liabilities Written Back	-	(6,000)
Amortization of Snacks Segment	-	-
Write down of Trade debts	-	-
- Exchange loss - net	48,457	29,247
	3,120,393	6,544,536
Movement in:		
Stores and spares	(33,004)	(27,864)
Stock-in-trade	(3,860,817)	1,102,218
Trade debts	(4,278,987)	(559,896)
Security Deposits	(300)	(834)
Advances, deposits and prepayments	(649,824)	(243,303)
Other receivables	-	2,579
Contract liabilities - Advance from Customers	(325,519)	146,616
Trade and other payables	(1,705,401)	1,981,926
	(7,733,459)	8,945,978
Finance costs paid	(211,006)	(167,249)
Gratuity paid	0	-
Contribution to Staff retirement benefit fund	-	(377,263)
Income tax/WWF paid	(595,147)	(712,493)
Net cash flows from operating activities	(8,539,611)	7,688,973
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(188,602)	(1,137,465)
Proceeds from disposal of property, plant and equipment	7,803	29,036
Movement in the investment in the Subsidiary Company	(0)	-
Redemption of/(investment in) short term investments - other than TDRs	3,116,183	(2,794,436)
Interest received	69,407	8,598
Net cash flows from investing activities	3,004,791	(3,894,267)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt / (repayment) of short term loan and borrowings - net	1,633,096	-
Payment of lease liabilities	-	(43,806)
Dividends paid	(937,050)	(1,969,500)
Net cash flows from financing activities	696,046	(2,013,306)
Net increase in cash and cash equivalents	(4,838,774)	1,781,400
Cash and cash equivalents at beginning of the year	1,684,470	(96,930)
Cash and cash equivalents at end of the year	(3,154,304)	1,684,470

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6.5. SUMMARY OF UNCONSOLIDATED FINANCIAL HIGHLIGHTS

For access to the complete audited statements of the Company, visit <https://www.daldafoods.com/>

Amount in PKR Million unless stated otherwise	2018	2019	2020	2021	2022	1HY 2023
	Audited	Audited	Audited	Audited	Audited	Unaudited
Income Statement						
Revenue	30,983	37,861	42,448	57,050	79,681	51,084
Cost of Goods Sold	(25,982)	(32,085)	(36,089)	(49,090)	(69,565)	(46,148)
Gross Profit	5,002	5,776	6,359	7,960	10,117	4,936
EBITDA	2,232	2,713	3,079	4,015	6,079	3,144
Depreciation & Amortization	318	330	356	355	378	174
EBIT	1,914	2,383	2,723	3,659	5,701	2,969
Financial Charges	(178)	(136)	(167)	(69)	(238)	(239)
Profit Before Taxation	1,736	2,247	2,556	3,590	5,463	2,730
Taxation	(318)	(535)	(531)	(1,129)	(1,840)	(947)
Profit After Taxation	1,418	1,713	2,025	2,462	3,624	1,783
Balance Sheet						
Non-Current Assets	4,074	3,916	5,304	5,533	6,346	6,361
Current Assets	7,970	8,235	9,741	10,796	15,121	19,654
Cash and Bank plus Short Term Investments	585	306	1,765	1,627	6,548	2,259
Total Assets	12,045	12,151	15,045	16,329	21,467	26,015
Paid-up Capital	3,000	3,000	3,000	3,000	3,000	3,000
Equity	7,056	7,980	10,341	9,769	11,391	12,237
Short-Term Borrowings	2,712	1,493	515	740	1,085	6,384
Non-Current Liabilities	380	394	264	429	72	125
Current Liabilities	4,609	3,778	4,440	6,131	10,005	13,653
Total Debt	2,716	1,533	606	820	1,213	6,540 ¹
Net Debt	2,131	1,227	(1,159)	(807)	(5,336)	4,281
Stock-in-trade	4,600	4,929	5,681	6,831	5,729	9,590
Trade debts	1,837	1,644	592	1,727	1,965	6,244
Trade and other payables	1,651	2,121	3,693	4,852	6,909	5,204
Cash Flow Statement						
Cash Flow: Operating Activities	1,586	1,870	3,683	3,208	7,689	(8,540) ²
Cash Flow: Investing Activities ³	(218)	(162)	(167)	(1,482)	(3,894)	3,005
Cash Flow: Financing Activities ⁴	(2,417)	(261)	(1,822)	(3,325)	(2,013)	696

¹ These borrowings majorly consist of Short Term Borrowings

² Negative cash from operations at December 22 reflects seasonality of Edible Oil Business which requires heavy investment in Working Capital ahead of festive season of Eid and will return to normal Working Capital in Jan- June half. The business also has sufficient lines as well as Short term investment (PKR 662 M) to mitigate any urgent cash needs.

³ These outflows mainly comprise of investment in Financial Assets

⁴ These outflows mainly comprise of Dividend Payouts



Net Increase in Cash and Cash Equivalents	(1,049)	1,447	1,693	(1,598)	1,781	(4,839)
Cash and Cash Equivalents at the Beginning of the Year	(590)	(1,639)	(192)	1,501	(97)	1,684
Net Cash Balance	(1,639)	(192)	1,501	(97)	1,684	(3,154)
Capex	(246)	(213)	(283)	(579)	(1,137)	(189)
Growth						
Sales Growth (%)	-8.21%	22.20%	12.12%	34.40%	39.67%	NA
EBITDA Growth (%)	-17.94%	21.55%	13.49%	30.40%	51.41%	NA
Net Margin Growth (%)	-30.04%	20.80%	18.21%	21.58%	47.20%	NA
Margins						
Gross Margin (%) ¹	16.14%	15.26%	14.98%	13.95%	12.70%	9.66%
Operating Margin (%) ²	6.18%	6.29%	6.41%	6.41%	7.15%	5.81%
EBITDA Margin (%) ³	7.20%	7.17%	7.25%	7.04%	7.63%	6.15%
Profit before tax Margin ⁴	5.60%	5.93%	6.02%	6.29%	6.86%	5.34%
Profit after tax Margin ⁵	4.58%	4.52%	4.77%	4.32%	4.55%	3.49%
Earnings Ratios						
Earnings per Share - Basic (PKR) ⁶	4.73	5.71	6.75	8.21	12.08	5.94
Earnings per Share - Diluted (PKR) ⁷	4.73	5.71	6.75	8.21	12.08	5.94
Earnings per Share - Post Bonus Issue (PKR) ⁸	4.73	5.71	6.75	8.21	12.08	5.94
Break-up Value per Share - Basic ⁹	23.52	26.6	34.47	32.56	37.97	40.79
Return on Equity (%) ¹⁰	20.76%	22.79%	22.11%	24.49%	34.25%	NA
Return on Assets (%) ¹¹	11.30%	14.16%	14.89%	15.69%	19.18%	NA
Outstanding Shares	300	300	300	300	300	300
Balance Sheet Ratios						
Fixed Asset Turnover (x) ¹²	7.90	9.93	11.25	16.37	19.90	NA
Asset Turnover (x) ¹³	2.47	3.13	3.12	3.64	4.22	NA
Capex to Total Assets (%)	0.02	0.02	0.02	0.04	0.05	0.01
Current Ratio (x) ¹⁴	1.73	2.18	2.19	1.76	1.51	1.44
Inventory Turnover (days) ¹⁵	57.66	54.20	53.65	46.52	32.95	30.29

¹ Gross Profit / Net Revenue

² EBIT / Net Revenue

³ EBITDA / Net Revenue

⁴ Profit Before Tax / Net Revenue

⁵ Profit after tax / Net Revenue

⁶ PAT / Number of Shares

⁷ Same as Basic as there was no issuance of shares for the period

⁸ Same as Basic as there was no issuance of shares for the period

⁹ Total Equity / Number of Shares

¹⁰ Profit After Tax / Average Total Equity

¹¹ Profit After Tax / Average Total Assets

¹² Sales / Average Fixed Asset

¹³ Sales / Average Total Assets

¹⁴ Current Assets / Current Liabilities

¹⁵ Average Inventory x 365/COGS



Receivables Turnover (days) ¹	33.05	16.78	9.61	7.42	8.46	14.66
Payables Turnover (days) ²	31.16	21.46	29.40	31.77	30.85	23.95
Leverage Ratios						
Net Debt to EBITDA (x) ³	0.95	0.45	(0.38)	(0.20)	(0.88)	1.36
Debt to Equity (x) ⁴	0.38	0.19	0.06	0.08	0.11	0.53
Debt to Total Capital (x) ⁵	0.28	0.16	0.06	0.08	0.10	0.35
Debt to Assets (x) ⁶	0.23	0.13	0.04	0.05	0.06	0.25
Interest Coverage Ratio (x) ⁷	10.75	17.55	16.35	52.90	23.96	12.40
EBITDA/Interest (x) ⁸	12.53	19.98	18.49	58.04	25.55	13.13
(EBITDA - Capex)	1,986	2,500	2,796	3,436	4,942	2,955
(EBITDA – Capex)/Interest (x)	11.15	18.41	16.79	49.67	20.77	12.34

¹ Average Trade Debts x 365/Sales

² Average Trade Payables x 365/COGS

³ Net Debt / EBITDA

⁴ Total Debt / Total Equity

⁵ Total Debt / (Total Debt + Total Equity)

⁶ Total Debt / Total Assets

⁷ EBIT / Finance Cost

⁸ EBITDA / Finance Cost



6.5.1. Commentary on Selected Ratios

Profitability

Profitability of the company has been steadily increasing in the last five years. In 2018, the Profit after tax was PKR 1.41bn which increased to PKR 3.6bn in 2022, reflecting an increase of 2.6x. This is on account of several profit drivers including volumetric growth, maintaining healthy margin levels, cost optimization and driving margin accretive portfolio.

Gross and Operating Margins

Gross Profit increased from PKR 5bn in 2018 to PKR 10 bn in 2022, doubling over a course of five years. Gross Margins have remained in the range of 12.5% to 16% during this period, as the same was impacted mainly by commodity prices and FX rate volatility.

Profit before tax increased from PKR 1.7bn in 2018 to PKR 5.4bn in 2022 reflecting a 215% growth in the last five years. Gross profit expansion and tight controls on discretionary expenses has contributed to profitability growth.

Liquidity

Current ratio of the company has remained in the range of 1.5 to 2.2 in the last five years. This range reflects healthy liquidity position of the company with adequate inventory and receivables to cover short term commitments

Turnover Ratios

Inventory Turnover days have improved from 47 days in FY2021 to 33 days in FY2022. Receivables Turnover days remained stable at around 8 days in FY 2022. Payable days remained stable at around 32 days for the observed period. Overall Working Capital Days has improved in FY 2022 by 12 days vs FY 2021

Cash Flow from Operations

Cash flow from operating activities has increased to PKR 7.7bn in 2022 from PKR 1.6 bn in 2018. This is directly a result of higher profit and effective working capital management.

Net increase in Cash and Cash Equivalents have improved significantly from PKR (1) bn in 2018 to PKR 1.8bn in 2022, reflecting healthy cash position of the Company.

6.6. SUMMARY OF CONSOLIDATED FINANCIAL HIGHLIGHTS

For access to the complete audited statements of the Company, visit <https://www.daldafoods.com/>

Amount in PKR Million unless stated otherwise	2018	2019	2020	2021	2022
	Audited	Audited	Audited	Audited	Audited
Income Statement					
Revenue	33,596	40,353	44,232	60,012	88,281
Cost of Goods Sold	(28,270)	(34,207)	(37,453)	(50,954)	(76,290)
Gross Profit	5,326	6,145	6,779	9,058	11,991
EBITDA	2,323	2,918	3,274	4,759	7,587
Depreciation & Amortization	318	330	376	445	460
EBIT	2,005	2,588	2,898	4,314	7,126
Financial Charges	(179)	(139)	(181)	(305)	(723)
Profit Before Taxation	1,827	2,449	2,717	4,009	6,403
Taxation	(368)	(604)	(603)	(1,194)	(2,092)
Profit After Taxation	1,458	1,845	2,115	2,815	4,311
Balance Sheet					
Non-Current Assets	3,916	3,757	4,575	4,715	5,417
Current Assets	8,335	9,006	14,040	18,098	24,468
Cash and Bank plus Short Term Investments	855	585	1,827	1,936	7,665
Total Assets	12,251	12,763	18,615	22,813	29,885
Paid-up Capital	3,000	3,000	3,000	3,000	3,000
Equity	7,145	8,199	10,648	10,428	12,732
Short-Term Borrowings	2,712	1,843	2,611	4,683	4,399
Non-Current Liabilities	376	392	390	549	169
Current Liabilities	4,730	4,173	7,578	11,836	16,984
Total Debt	2,716	1,884	2,768	4,868	4,657¹
Net Debt	1,861	1,300	941	2,932	(3,007)
Stock-in-trade	5,011	5,277	7,605	10,892	11,870
Trade debts	1,447	1,720	638	1,938	1,950
Trade and other payables	2,014	2,147	4,685	6,754	11,909
Cash Flow Statement					
Cash Flow: Operating Activities	1,766	1,395	5,409	1,574	9,107
Cash Flow: Investing Activities ²	(206)	(142)	(274)	(1,667)	(4,274)
Cash Flow: Financing Activities ³	(2,417)	203	(3,144)	(2,831)	(2,922)
Net Increase in Cash and Cash Equivalents	(857)	1,456	1,991	(2,923)	1,911
Cash and Cash Equivalents at the Beginning of the Year	(512)	(1,369)	(1,322)	740	(2,184)
Net Cash Balance	(1,369)	86	670	(2,184)	(273)

¹ These borrowings majorly consist of Short Term Borrowings

² These outflows mainly comprise of investment in Financial Assets

³ These outflows mainly comprise of Dividend Payouts



Capex	(248)	(213)	(283)	(579)	(1,137)
Growth					
Sales Growth (%)	-7.83%	20.11%	9.61%	35.68%	47.11%
EBITDA Growth (%)	-17.24%	25.61%	12.20%	45.36%	59.42%
Net Margin Growth (%)	-29.36%	26.54%	14.63%	33.10%	53.14%
Margins					
Gross Margin (%) ¹	15.85%	15.23%	15.33%	15.09%	13.58%
Operating Margin (%) ²	5.97%	6.41%	6.55%	7.19%	8.07%
EBITDA Margin (%) ³	6.91%	7.23%	7.40%	7.93%	8.59%
Profit before tax Margin ⁴	5.44%	6.07%	6.14%	6.68%	7.25%
Profit after tax Margin ⁵	4.34%	4.57%	4.78%	4.69%	4.88%
Earnings Ratios					
Earnings per Share - Basic (PKR) ⁶	4.86	6.15	7.05	9.38	14.37
Earnings per Share - Diluted (PKR) ⁷	4.86	6.15	7.05	9.38	14.37
Earnings per Share - Post Bonus Issue (PKR) ⁸	4.86	6.15	7.05	9.38	14.37
Break-up Value per Share - Basic ⁹	23.82	27.33	35.49	34.76	42.44
Return on Equity (%) ¹⁰	21.13%	24.05%	22.44%	26.71%	37.23%
Return on Assets (%) ¹¹	11.45%	14.75%	13.48%	13.59%	16.36%
Outstanding Shares	300	300	300	300	300
Balance Sheet Ratios					
Fixed Asset Turnover (x) ¹²	8.57	10.57	10.67	14.36	19.19
Asset Turnover (x) ¹³	2.64	3.23	2.82	2.90	3.35
Capex to Total Assets (%)	0.02	0.02	0.02	0.03	0.04
Current Ratio (x) ¹⁴	1.76	2.16	1.85	1.53	1.44
Inventory Turnover (days) ¹⁵	58.51	54.89	62.77	66.25	54.45
Receivables Turnover (days) ¹⁶	27.44	14.32	9.73	7.83	8.04
Payables Turnover (days) ¹⁷	31.78	22.20	33.29	40.97	44.65
Leverage Ratios					
Net Debt to EBITDA (x) ¹⁸	0.80	0.45	0.29	0.62	(0.40)

¹ Gross Profit / Net Revenue

² EBIT / Net Revenue

³ EBITDA / Net Revenue

⁴ Profit Before Tax / Net Revenue

⁵ Profit after tax / Net Revenue

⁶ PAT / Number of Shares

⁷ Same as Basic as there was no issuance of shares for the period

⁸ Same as Basic as there was no issuance of shares for the period

⁹ Total Equity / Number of Shares

¹⁰ Profit After Tax / Average Total Equity

¹¹ Profit After Tax / Average Total Assets

¹² Sales / Average Fixed Asset

¹³ Sales / Average Total Assets

¹⁴ Current Assets / Current Liabilities

¹⁵ Average Inventory x 365/COGS

¹⁶ Average Trade Debts x 365/Sales

¹⁷ Average Trade Payables x 365/COGS

¹⁸ Net Debt / EBITDA



Debt to Equity (x) ¹	0.38	0.23	0.26	0.47	0.37
Debt to Total Capital (x) ²	0.28	0.19	0.21	0.32	0.27
Debt to Assets (x) ³	0.22	0.15	0.15	0.21	0.16
Interest Coverage Ratio (x) ⁴	11.22	18.60	16.02	14.16	9.85
EBITDA/Interest (x) ⁵	13.00	20.98	18.10	15.62	10.49
(EBITDA - Capex)	2,075	2,705	2,991	4,180	6,450
(EBITDA – Capex)/Interest (x)	11.61	19.45	16.54	13.72	8.92

6.6.1. Commentary on Selected Ratios

Profitability

Profitability of the company has been steadily increasing in the last five years. In 2018, the Profit after tax was PKR 1.45bn which increased to PKR 4.3bn in 2022, reflecting an increase of 3x. This is on account of several profit drivers including volumetric growth, maintaining healthy margin levels, cost optimization and driving margin accretive portfolio.

Gross and Operating Margins

Gross Profit increased from PKR 5.3bn in 2018 to PKR 11.9bn in 2022, reflecting 124% growth over a course of five years. Gross Margins have been oscillating in the range of 14% to 16% in last five years, as the same was impacted mainly by commodity prices and FX rate volatility.

Profit before tax increased from PKR 1.8bn in 2018 to PKR 6.4bn in 2022 reflecting a 251% growth in the last five years. This increase is mainly attributable to expansion in Gross profit and tight controls on discretionary expenses.

Liquidity

Current ratio of the company has remained in the range of 1.5x to 2.2x in the last five years. This range reflects healthy liquidity position of the company with adequate inventory and receivables to cover short term commitments

Turnover Ratios

Inventory Turnover days have improved from 66 days in FY2021 to 54 days in FY2022. Receivables Turnover days remained stable at around 8 days in FY 2022 and Payable turnover days increased slightly to 45 days compared to 41 days. Overall working capital cycle improved from 33 days in FY 2021 to 18 days in FY 2022.

Cash Flow from Operations

Cash flow from operating activities has increased to PKR 9.1bn in 2022 from PKR 1.8bn in 2018. This is directly a result of higher profit and effective working capital management.

Net increase in Cash and Cash Equivalents have improved significantly from PKR (0.9) bn in 2018 to PKR 1.9bn in 2022, reflecting healthy cash position of the Company.

¹ Total Debt / Total Equity

² Total Debt / (Total Debt + Total Equity)

³ Total Debt / Total Assets

⁴ EBIT / Finance Cost

⁵ EBITDA / Finance Cost

6.7. SUMMARY OF REVENUE AND EXPENDITURE

6.7.1. Revenue

Revenue breakup in terms of lines of businesses for unconsolidated financials is shown below:

Category wise revenue (In PKR Mn)	FY2020	%	FY2021	%	FY2022	%
Oil and Ghee	39,309	93%	52,333	92%	74,686	94%
Dairy Related	2,931	6.9%	4,613	8.1%	4,995	6%
Snacks	208	0.5%	105	0.2%	-	
Total	42,448	100%	57,050	100%	79,681	100%

Revenue breakup in terms of line of businesses for consolidated financials is shown below:

Category wise revenue (In PKR Mn)	FY2020	%	FY2021	%	FY2022	%
Oil and Ghee	40,786	92.3%	55,294	92%	83,286	94%
Dairy Related	3,199	7.2%	4,613	8%	4,995	6%
Snacks	248	0.5%	105	0%	-	
Total	44,232	100%	60,012	100%	88,281	100%

Revenue breakup in terms of primary geographical locations for unconsolidated financials is shown below:

Primary Geographical Locations			
In PKR Million			
	FY 20	FY 21	FY 22
Pakistan	41,878	55,468	78,074
Vietnam	199	1,185	1,502
Singapore	340	376	45
USA	9	21	40
Australia	-	-	4
South Africa	-	-	6
Canada	-	-	10
UK	22	-	-
Total	42,447	57,050	79,681

Revenue breakup in terms of primary geographical locations for consolidated financials is shown below:

Primary Geographical Locations In PKR Million			
	FY 20	FY 21	FY 22
Pakistan	39,903	58,429	86,673
Vietnam	268	1,185	1,502
Singapore	170	376	45
USA	13	21	40
Australia	-	-	4
South Africa	-	-	6
Canada	-	-	10
Total	40,353	60,012	88,281

6.7.2. Expenditure

The following table shows the expenditures of the unconsolidated financials:

In PKR Mn	FY2020	FY2021	FY2022
Cost of Sales	(36,089)	(49,090)	(69,565)
Selling & Distribution Expenses	(2,898)	(3,383)	(3,228)
Administrative Expenses	(700)	(696)	(808)
Total	(39,687)	(53,169)	(73,601)

The following table shows the expenditures of the consolidated financials:

In PKR Mn	FY2020	FY2021	FY2022
Cost of Sales	(37,453)	(50,954)	(76,290)
Selling & Distribution Expenses	(3,051)	(3,681)	(3,541)
Administrative Expenses	(813)	(791)	(898)
Total	(41,317)	(55,426)	(80,729)

6.8. BREAKUP OF OTHER INCOME

The following table shows the breakup of other income of the un-consolidated financials:

In PKR Mn	FY2020	FY2021	FY2022
Profit on bank deposits	115	32	9
Dividend Income	11	168	156
Liabilities written back	14	10	6
Gain on disposal of property, plant and equipment	9	32	20
Income from Scrap Sales	68	59	100
Rental Income from subsidiary	7	8	9
Exchange Gain on foreign currency deposit and bank balance	-	-	-
Gain on termination of lease	-	-	9
Total	224	309	309

The following table shows the breakup of other income of the consolidated financials:

In PKR Mn	FY2020	FY2021	FY2022
Profit on bank deposits	151	47	28
Dividend Income	4	82	172
Liabilities written back	16	10	6
Gain on disposal of property, plant and equipment	9	32	20
Dividend Income from short term investments at FVTPL	-	10	-
Return on term deposit receipts	-	13	4
Income from Scrap Sales	68	59	100
Rental Income from an associated undertaking	7	8	7
Exchange Gain on foreign currency deposit and bank balance	-	5	-
Other	-	2	-
Gain on termination of lease	-	-	9
Total	255	268	346

6.9. SUMMARY OF MATERIAL REVENUE

A material part of the revenue i.e., 50% or more is not dependent upon a single customer or few major customers.

6.10. SUMMARY OF MATERIAL PURCHASES

S. no.	Vendor Name	Country of Origin	Supplied Material	% of Total Purchases for FY 2022
1	MAPAK Edible Oil company Limited	Pakistan	Palm Oil	20%
2	VITERRA B.V.	Canada/Australia/Black Sea	Soya Bean	17%
3	Aastar Trading Pte Ltd.	Indonesia / Malaysia	Palm Oil/ Palm Olein	14%
4	ASTRA KLK PTE LTD	Indonesia / Malaysia	Palm Oil	9%
Total				61%

*Whilst four vendors accounts for 61% of total supply; the Company does not rely on these four vendors only for its sourcing as oil market inherently is not oligopolistic in its structure. The market is highly competitive and the Company is at a liberty to procure from various sources.

6.11. COMPARITIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

The Following table compares the figures of company with that of peer group companies however the companies mentioned are not direct competitors:

Company	Share Price as on 30/12/22 (PKR)	EPS ¹ (PKR)	BVPS (PKR)	P/E	P/B	ROE ² (%)	ROA ³ (%)	Free Float Shares ('000)	Free Float (%)
Rafhan Maize Product Ltd	9,100.0	635.1	1,950.6	14.3	4.7	34.61%	21.03%	773.6	8.4%
National Foods	99.4	7.2	29.1	13.7	3.4	25.42%	8.74%	69,934.6	30.0%
Ismail Industries	520.0	49.9	209.5	10.4	2.5	25.02%	5.99%	3,317.8	5.0%
Murree Brewery Company Limited	363.8	40.3	439.7	9.0	0.8	9.16%	7.38%	11,065.5	40.0%
Shezan International Limited	148.2	6.1	221.4	24.2	0.7	2.79%	1.23%	4,768.6	49.3%
Nestle	5,870.0	332.9	125.2	17.7	46.9	272.53%	21.49%	2,267.5	5.0%
Frieslandcampina Engro Pakistan Limited	65.7	2.1	15.8	31.3	4.2	14.36%	5.49%	76,659.6	10.0%
Unilever Pakistan Foods Limited	25,000.0	998.9	689.3	25.0	36.3	172.9%	47.50%	306.2	4.8%
Dalda Foods Limited Unconsolidated	66.0	12.1	38.0	5.5	1.7	34.25%	19.18%	50,000.0	15.0%
Dalda Foods Limited Consolidated	66.0	14.4	42.4	4.6	1.6	37.23%	16.36%	50,000.0	15.0%

¹ Earnings relate to Trailing Twelve Months as calculated using latest available accounts i.e., Quarter ended September 22

² Return on Equity has been calculated using average Equity

³ Return Assets has been calculated using average Assets

6A. Dividend Policy

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

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

The Directors may from time to time declare interim dividends as appear to the Directors 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.

Those applicants who intend that their cash dividend, if any, is directly credited in their Bank Account, must fill-in the relevant part of the Subscription Form under heading, "Dividend Mandate Option".

The Company has a proven track record of dividend disruption. History of the dividend issued in past 5 years is as follows:

Particulars	FY18	FY19	FY20	FY21	FY22
Dividend Per Share	4.2	1.6	3.7	9.7	7.0
Restated	4.2	1.6	3.7	9.7	7.0

Notes:

- (i) Above figures are based on announcement in the financial years.
- (ii) Dividends per share are restated on the basis of existing paid up Capital (300 Million Shares).

Please note that there is no restriction on Dalda Foods Limited by any regulatory authority, creditor, stakeholder etc. on the distribution and Capitalization of its profits.

7 BOARD AND MANAGEMENT OF THE COMPANY

7.1. BOARD OF DIRECTORS OF THE COMPANY

S.No	Name	Designation	CNIC	Period of Directorship	Directorship Held
1	Mohammad Bashir Janmohammad	Non-Executive Director and Chairman	42201-0572694-9	October 2020 - Present	Mapak Edible Oils (Pvt.) Ltd.
					Mapak Qasim Bulkurs (Pvt.) Ltd
					FWQ Enterprises (Pvt.) Ltd.
					FKW Global Commodities (Pvt.) Limited
					Dalda Foods Ltd.
					Wazir Ali Industries Ltd.
					West Bury (Private) Ltd.
					Sofian Business Corporation (Pvt.) Ltd
					CAS Management (Pvt.) Limited
					DFL Corporation (Pvt.) Ltd.
					Oil Processors & Refiners (Pvt.) Limited
					MBJ Health Association
					2
Mapak Qasim Bulkurs (Pvt.) Ltd					
FWQ Enterprise (Pvt.) Ltd					
FKW Global Commodities (Pvt.) Limited					
Dalda Foods Ltd					
Wazir Ali Industries Ltd					
West Bury (Private) Limited					
Bulk Management (Pakistan) (Private) Limited					
F&B Bulk Storage (Pvt.) Ltd					
Shakoo (Pvt.) Ltd					
Sofian Business Corporation (Pvt.) Ltd					
Cumberland (Pvt.) Ltd					
CAS Management (Pvt.) Ltd					
DFL Corporation (Pvt.) Ltd.					
Oil Processors & Refiners (Pvt.) Limited					
3	Perwaiz Hasan Khan	Non-Executive Director	42301-5099111-7	October 2020 - Present	Dalda Foods Ltd
					Wazir Ali Industries Ltd.
					DFL Corporation (Pvt.) Limited
4	*Aftab Ahmed Diwan	Non-Executive Director	42201-0417599-9	June 2021	Oil Processors & Refiners (Pvt.) Limited
					Mutual Funds Association of Pakistan
					Wazir Ali Industries Ltd
					Dalda Foods Ltd
5	Abdus Samad	Non-Executive Director			DFL Corporation (Pvt.) Limited.
					Oil Processors & Refiners (Pvt.) Limited.



			42301-0866708-7	October 2020 - Present	DFL Corporation (Pvt.) Limited. Oil Processors & Refiners (Pvt.) Limited.
6	Muhammad Rabbani	Non-Executive Director	42501-1547852-5	October 2020 - Present	Dalda Foods Ltd DFL Corporation (Pvt.) Limited Wazir Ali Industries Ltd. Oil Processors & Refiners (Pvt.) Limited.
7	Inam Bari	Non-Executive Director	42301-2091259-7	October 2020 - Present	Dalda Foods Ltd DFL Corporation (Pvt.) Limited Oil Processors & Refiners (Pvt.) Limited.
8	Perwaiz Masud Ansari	Non-Executive Director	42301-1439058-9	October 2020 - Present	Dalda Foods Ltd DFL Corporation (Pvt.) Limited. Oil Processors & Refiners (Pvt.) Limited.
9	Usama Mahmood Khan Ghouri	Non-Executive Director	42201-9014165-9	October 2020 - Present	Dalda Foods Ltd DFL Corporation (Pvt.) Limited Wazir Ali Industries Ltd. Oil Processors & Refiners (Pvt.) Limited.
10	Jahangir Abdullah Rasheed	Non-Executive Director	42000-3057173-1	October 2020 - Present	West Bury (Private) Limited Mapak Edible Oils (Pvt.) Ltd F&B, Bulk Storage (Pvt.) Ltd Sofian Business Corporation (Pvt.) Ltd DFL Corporation (Pvt.) Limited. Dalda Foods Ltd Wazir Ali Industries Ltd. Oil Processors & Refiners (Pvt.) Limited. FKW Global Commodities (Pvt.) Limited Bulk Management (Pakistan) (Private) Limited Shakoo (Pvt.) Ltd Trading Enterprises (Pvt.) Ltd
11	Farhat Rasheed	Non-Executive Director	42201-1173125-0	October 2020 - Present	DFL Corporation (Pvt.) Limited. Oil Processors & Refiners (Pvt.) Limited. Dalda Foods Ltd
12	*Aziz Hasan Jindani	CEO/Executive Director	42301-2672413-5	December 2021 - Present	CEO/Exec Dir of OPRL CEO/Exec Dir of WIL Non Executive Director Talisman Animation Studios (Pvt) Limited

* Mr. Aziz Hasan Jindani was appointed as CEO in December 2021. Mr. Aftab Ahmed Diwan was appointed in June 2021 for the remaining period of the board. All other Directors were elected to the Board in October 2020 for a period of three year till October 2023.

Note: The Company currently has no independent director and they shall be appointed when the Board is reconstituted not later than the expiry of its current term.

7.2. PROFILES OF DIRECTORS

1. Mr. Mohammad Bashir Janmohammad - Chairman & Non-Executive Director

Mr. Mohammad Bashir Janmohammad, a founding Director and Chairman of the Board of Dalda Foods Ltd, is a fellow of Chartered Accountants and Commerce & Law Graduate. He is in business since 1966 and currently is Chairman of Westbury Group of Companies having Joint Venture Projects with Malaysian leading Corporation FELDA. Westbury Group has synergy in Edible Oils having Edible Oil Refinery, Dedicated Edible Oil Jetty and Bulk Storage Terminals at Port Qasim. He is also present Chairman of Pakistan-Malaysia Business Council of FPCCI and has led many trade delegations to United States, United Kingdom, Malaysia, Indonesia etc. to promote business relationship. He is also Chairman of Centre of Advance Studies in Karachi (The CAS School) and Chancellor of the Institute of Business Management (IoBM). He is also Managing Trustee of Janmohammad Dawood Trust and President of 250 bedded hospital located in the poor vicinity of Kharadar namely Kharadar General Hospital. He had also served as Member Board, Civil Aviation Authority.

Mr. M. Bashir Janmohammad has served Karachi Stock Exchange as President for six years and has been Chairman / Director of PICIC, PICIC Insurance and Central Depository Company (CDC). He was also Board Member of Port Qasim Authority. He is also a Trustee of Dalda Foundation Trust.

He is a **Life Member** of Federation of Pakistan Chambers of Commerce & Industry (**FPCCI**) and Council **Member** of International Seed Crushers Association (ISCA) UK.

2. Mr. Perwaiz Hasan Khan - Non Executive Director

After graduating from the University of Engineering & Technology, Lahore with a degree in Engineering, he joined Unilever Pakistan Limited. He worked there on various sides of the business in Pakistan as well as overseas in the Netherlands and UK. He was elected to the Board of Unilever Pakistan in 1992 as HR Director and later as Director Supply Chain & Technology.

Mr. Khan is a founding Director of Dalda Foods Limited and was its first Chief Executive Officer.

He is a member of Pakistan Engineering Council; Institute of Engineers Pakistan; American Society of Mechanical Engineers, Society of Human Resource Management, USA; Industrial Advisory Board, Habib University; Pakistan-Malaysia Business Council of Federation of Pakistan Chamber of Commerce and Industries; Trustee Dalda Foundation Trust.

3. Mr. Abdus Samad - Non Executive Director

Mr. Samad, a seasoned Finance professional, joined Unilever Pakistan Limited straight after leaving A F Ferguson & Co Chartered Accountants, in 1982. During his association of over two decades with Unilever he held multifarious positions in Finance, Accounts and Supply Chain. He played a major role in the merger of Lipton Pakistan with Unilever and also led the post – acquisition integration of Polka Ice Cream.

In March 2004 he was seconded to Rafhan Bestfoods Limited as Chief Financial Officer and was elected to the Board as Director Finance.

Mr. Samad is a founding Director and played a pivotal role in the formation of the new company Dalda Foods (Private) Limited of which he was a Director Finance and IT from 2004 to 2019. He is also a Trustee of Dalda Foundation Trust.

4. Mr. Mohammad Rabbani – Non Executive Director

Mr. Rabbani is a fellow member of Institute of Cost & Management Accountant of Pakistan. His professional experience started from Unilever Pakistan where he served in different capacities such as Finance as management accounting professional, Manager Taxation, Commercial manager of Agri business, Customer Service Manager, Raw material Buyer and worked in various regional committees.

He is a founding Director of Dalda Foods Limited and was responsible for Sales & Distribution Function from 2004 to 2019, Mr. Rabbani is a Trustee of Dalda Foundation Trust.

5. Mr. Inam Bari- Non Executive Director

Mr. Inam Bari is a Cost and Management Accountant from UK. Having worked about 5 years in the UK in Accounts and Management Accounting fields he moved to Pakistan. He has over 25 years of experience at Unilever Pakistan in Accounts, Finance, Packaging Material Buying, and Commercial management, Raw materials Buying, Total Quality Management, Customer Services Manager, Management Accounts, Exports and heading the Procurement function there..

He is a founding Director of Dalda foods Limited and was responsible for Human Resources and Buying & Planning Function from 2004 to 2019. Mr. Bari is a Trustee of Dalda Foundation Trust.

6. Mr. Usama Mehmood Khan Ghouri – Non Executive Director

Mr. Khan is a graduate of the Institute of Business Administration (IBA), Karachi in 1996 with BBA (Hons) and MBA, major in Marketing and Finance. Post his graduation, he worked with blue chip organizations like Caltex Oil Pakistan, Philips Pakistan and Unilever Pakistan in their Finance, Marketing, Sales and Trade Marketing functions.

He is a founding Director of Dalda Foods Limited its first Marketing Director and the youngest Director on the Board of Directors. Mr. Khan has remained instrumental in the turnaround and transformation of Dalda Foods into a Pakistani food industry's powerhouse by leading its Marketing and Institutional Sales functions. In addition to this role, Mr. Khan also spearheaded the business diversification project and entry of Dalda Foods into the new business categories of Dairy and testing out of Snacks, with direct responsibilities of Marketing, Sales, R&D, and Manufacturing Operations up to 2020.

Mr. Khan is a member of the American Marketing Association (AMA) and a Certified Director from the Pakistan Institute of Corporate Governance (PICG) and is a Trustee of Dalda Foundation Trust.

7. Mr. Perwaiz Ansari- Non Executive Director

Holds a Masters of Science Degree in Engineering from Moscow Institute of Steel and Alloys with diversified experience of 40 years working in FMCG, Foods and other industries, with exposure in international and domestic markets and work experience in the United Kingdom, South East Asia, Middle East, Caribbeans, Latin America, Europe and Africa.

He has had a progressive career path from front entry level position to the board positions.

Companies served include Pakistan Steel, Unilever PLC UK, Unilever Pakistan. Mr. Ansari joined Dalda Foods Limited since its inception and headed the technical function of the Company as its Technical Director from 2004 to 2019. Mr. Ansari is a Trustee of Dalda Foundation Trust.

8. Mr. Abdul Rasheed Janmohammed- Non Executive Director

Mr. Abdul Rasheed Janmohammed, a founding Director of Dalda Foods Limited is Master of Law and Commerce Graduate. He is presently Chief Executive of Westbury Group of Companies having Joint Venture Projects with leading companies of Malaysia having Edible Oil Refinery, Dedicated Jetty, Bulk Liquid Cargo Terminal at Port Qasim. He is also involved in export of Rice with the most modern Rice Processing Unit at Port Qasim and is also looking after several companies with diversified businesses.

Mr. Rasheed Janmohammed is Chairman of Pakistan Shippers Council of FPCCI and President of Bin Qasim Association of Trade & Industry (BQATI). He is also Member of Managing Committee of Kharadar General Hospital and Member Executive Committee of Federation of Pakistan Chambers of Commerce & Industry (FPCCI) and All Pakistan Solvent Extractors Association (APSEA). He is also Chief Executive of Pakistan Edible Oil Conference (PEOC) which organized three consecutive Global Edible Oil Conferences in Pakistan and Member of Rotary Club of Karachi. He is also Director of National Trade & Transport Facilitation Committee (NTTFC) of Ministry of Commerce, Government of Pakistan. He is also a Trustee of Dalda Foundation Trust.

He is Immediate Past Chairman of Pakistan Edible Oil Refiners Association (PEORA) and Chairman Pakistan Shippers Council.

Mr. Rasheed Janmohammed has participated in leading Edible Oil Conferences of the World as a Speaker in Malaysia, Indonesia, Dubai and Pakistan.

9. Mr. Aftab Ahmed Diwan – Non-Executive Director

Mr. Diwan is a seasoned professional in the field of Securities Market. After graduating from Karachi University, he started his career with Citibank in 1981. During his long tenure with the bank, Mr. Diwan had varied exposure in different operational and business areas, which also included offshore assignments. He served Citibank Romania as Securities Business Manager looking after both business and operational activities and Citibank, United Kingdom as part of the project team for Securities related Cash Exception Project.

He joined Central Depository Company of Pakistan in 1999 as Head of Operations and at the time of retirement he was serving the Company as Chief Executive Officer.

He represented CDC and the Pakistan Capital Market on various international forums. He served as Vice Chairman of the Executive Committee of the Asia-Pacific Central Securities Depositories Group (ACG) and in this capacity, also represented the Asia Pacific Region on the Executive Board of the World Forum of CSD' (WFC), the global body of five regional Securities Depositories associations. Moreover, he represented CDC on other international forums such as Association of National Numbering Agencies (ANNA) and International Securities Services Association (ISSA).

Mr. Diwan also spearheaded the creation, design and implementation of various projects to support Capital Market of Pakistan including the National Clearing and Settlement Services project.

During his position as Chief Executive Officer of Central Depository Company he also served as a Director on the Boards of Central Depository Company, Institute of Financial Market of Pakistan, IT Minds and CDC Share Registrar Services Limited.

Mr. Jahangir Abdullah Rasheed- Non Executive Director

Mr. Jahangir Abdullah Rasheed is a Commerce Graduate from McGill University, Canada and has done his Masters in Business Accounting & Finance from University of Warwick, U.K. After finishing his studies, he joined his family business in 2013 as Director – Westbury Group of Companies. He is looking after Trading and production of Edible Oils, Oilseeds, Rice and Pulses. Mr. Jahangir is Trustee in Janmohammed Dawood Trust and Managing Committee

Member of Kharadar General Hospital. He is the director of Mapak Edible Oil and FKW Global Commodities (Pvt.) Limited.

10. Ms. Farhat Rasheed- Non Executive Director

Ms. Farhat Rasheed is a Graduate of Business Administration and has done her Masters in Marketing from Institute of Business Management (IoBM). She is a Gold Medalists in MBA Marketing.

After finishing her studies, she joined Unilever Pakistan as Management Trainee and was promoted as Assistant Brand Manager. After working with Unilever for four years, she joined family business as Director and looks after trading of Edible Oils, Rice Exports and also launched a local Rice Brand “SHAHENSHAH” in 2014.

Ms. Farhat Rasheed is President of ‘SHOW YOU CARE’, an NGO which is providing awareness to the general public viz a viz rights of less able and physically challenged people. She is also the Member, Managing Committee of Kharadar General Hospital.

11. Mr. Aziz Hasan Jindani – Chief Executive Officer and Executive Director

Mr. Aziz Hasan Jindani holds MBA degree from IBA with a Gold medal in Sales & Marketing. For the next 17 years, post completion of MBA, he worked at Procter & Gamble across Pakistan, USA, Singapore, Kenya and UAE at positions of increasing responsibility across Marketing, Sales and General Management function. Later, he served as Chief Commercial Officer at Colgate Palmolive Pakistan prior to joining Dalda Foods Limited as CEO in 2021.

Mr. Jindani has held representation on American Business Council, Pakistan and Pakistan Advertisers Society in the past. Currently, he represents Dalda Foods Limited on Pakistan Business Council, Pakistan Vanaspati Mills Association (PVMA), All Pakistan Solvent Extractors Association (APSEA), Pakistan Dairy Association (PDA) and Pakistan Edible Oil Refiners Association (PEORA).

7.3. PROFILES OF OTHER KEY MANAGEMENT

Mr. Aziz Hasan Jindani – Chief Executive Officer

Mr. Aziz Hasan Jindani holds MBA degree from IBA with a Gold medal in Sales & Marketing. For the next 17 years he worked at Procter & Gamble across Pakistan, USA, Singapore, Kenya and UAE at positions of increasing responsibility across Marketing, Sales and General Management function. Later, he served as Chief Commercial Officer at Colgate Palmolive Pakistan prior to joining Dalda Foods Limited as CEO in 2021.

Mr. Jindani has held representation on American Business Council, Pakistan and Pakistan Advertisers Society in the past. Currently, he represents Dalda Foods Limited on Pakistan Business Council, Pakistan Vanaspati Mills Association (PVMA), All Pakistan Solvent Extractors Association (APSEA), Pakistan Dairy Association (PDA) and Pakistan Edible Oil Refiners Association (PEORA).

Mr. Rafiq-ul-Islam – Chief Financial Officer

Mr. Rafiq ul Islam holds MBA degree from IBA. He has worked with Unilever in various Senior Finance positions including Finance Director, Audit Director of North Asia and Greater China and Regional Finance Manager of Africa, Middle East & Turkey. With four varied expatriations to Europe, Middle East, South East Asia & Africa, he brings in a broad experience in Finance, complemented by deep FMCG business understanding. Rafiq has also worked in Pakistan as CFO of National Foods Ltd and Finance Director of Fauji Fresh & Freeze Ltd.

Ms. Roxanne Mehta - Company Secretary

Ms. Roxanne Mehta has done her MBA in Finance from Institute of Business Management (IoBM), Karachi. She has over 10 years of rich experience in financial institutions and manufacturing businesses. She has been with Dalda Foods since 2012, managing the treasury function and currently the corporate affairs of the business as well.

Mr. Muhammad Ali Shahid – Chief Supply Chain Officer

Mr. Ali joined Dalda Foods Ltd in 2016 and was appointed as Chief Supply Chain Officer in 2022, a role in which he is responsible for Planning, Logistics & Warehousing throughout the DFL's Supply Chain.

Ali comes from a diversified background with over 15 Years 'of experience, leading all domains of Supply chain in reputed FMCG & Textile organization in Pakistan & abroad. His leadership & technical skills have resulted in tangible outcomes for organizations through efficiencies enhancement across the value chain.

Ali earned a bachelor's degree in industrial & Manufacturing Engineering from University of Engineering & Technology, Lahore and Master's in Supply Chain Management from Malardalens University, Sweden.

Mr. Mahmood ul Haq - Works Manager – Lahore Operations

Mr. Mahmood graduated in Chemical Engineering from UET Lahore in 2002. After graduation, he started his career with Engro Fertilizer as Graduate Trainee Engineer and later worked with ICI, Avanceon and Nestle in various production and engineering roles. Along with regular job, he completed his post-graduation in Engineering Management in 2004 from UET Lahore.

In 2012, he moved abroad to join Binzagr Co-Ro (a Danish-Saudi JV) and led manufacturing and supply chain operations including Production, Quality, Supply Chain Planning and RM/PM Buying for six years. He came back to Pakistan in 2018 and joined Big Bird Foods as Plant Manager before moving to Dalda Foods in 2019 as Works Manager Lahore Factory.

Mr. Farhan Mahmood – Works Manager – Karachi Operations

Mr. Farhan Mahmood completed Bachelor's in mechanical engineering from NEDUET, Karachi in 2005. Post education he worked with companies like PEL, Ghulam Faruque Group, and Dalda Foods Limited in various leadership roles in Technical function. He has 16 years of field experience and currently heading Karachi Operations as Works Manager in Dalda Foods Limited.

He has extensive & diversified experience in complex factory operation, projects and general management, plant maintenance, CAPEX/OPEX planning, and SAP ERP implementation.

Mr. Sher Zaman – Head of Marketing

Mr. Sher Zaman is an MBA with over 12 years of experience in brand building & development in several key FMCG categories. He started his career at English Biscuits working on brands like Sooper Pakistan's most popular and largest selling biscuit brand. He has expertise in core marketing functions with a focus on brand building and development.

Mr. Muhammad Imran – Chief Buyer

Mr. Muhammad Imran is a Fellow Member of Institute of Chartered Management Accountants of Pakistan. Muhammad Imran has over 20 years of diversified experience with Pakistan's leading Companies in the field of Finance, Audits, Regulatory Compliance and Procurement. Mr. Muhammad Imran is Chief Buyer of Dalda Foods Limited since last four years and is instrumental in bringing in industry best practices to Dalda Foods Limited.

Mr. Waqar Ali – VP Human Resources

Mr. Waqar has been with DFL since 2018. He started off his professional career from Unilever in 1997, prior to joining DFL. He has worked in different leadership roles including GSK, Roche, Unilever Singapore, Standard Chartered Bank, KFC, First Micro Finance Bank, UBL, Askari Bank and ZIL.

Mr. Fahad Jamil – Audit Manager

Mr. Fahad Jamil is a Chartered Accountant and Master in Economics. He has over 4 years of experience in audit and systems mainly in large diversified manufacturing industries. He joined Dalda Foods in 2017 and heads the internal audit function.

Mr. Mohammad Waseem Fareed – VP Sales

Mr. Mohammad Waseem Fareed is a gold medalist from Punjab Group of Colleges and scholarship holder in MBA Marketing from IBA- Punjab University in 1998. He is a thorough sales professional who brings in over 17 years of rich and varied experiences of fast moving consumer products sales with a deep understanding of all the route to market channels. He is associated with Dalda Foods since 2004.

Mr. Adnan Habib Khan – VP Administration and Legal

Mr. Adnan Habib Khan brings to his role rich and varied experiences of over 25 years in sales, marketing, distribution, administrative services and corporate relations. His knowledge and expertise is in diverse administrative management, industrial relations, complex negotiations, security management, etc. He has been with Dalda Foods since 2005. Prior to that he was associated with Unilever Pakistan Ltd.

Mr. Farhan Humayun – Manager Information Technology

Mr. Farhan Humayun is a thorough IT professional with over 18 years rich experience managing all areas of information technology. His expertise is in project management of large size IT projects, enterprise resource planning systems, like SAP, business analytics, etc. He played a key leadership role in implementation of SAP system in the Company. He has been with Dalda Foods since 2006.



7.4. INTEREST OF DIRECTORS

All directors of Dalda may be deemed to be interested to the extent of their shareholding in the Company and fees payable to them (if any), for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any under the articles of association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

All directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of their shareholdings noted above.

Name of Shareholder	Designation	No. of Shares held	Value of Shares held (PKR)
Muhammad Bashir Janmohammad	Director	4,285,714	42,857,140
Abdul Rasheed Janmohammad Dawood	Director	3,457,142	34,571,420
Farhat Rasheed	Director	400,001	4,000,010
Aftab Ahmed Diwan	Director	1	10
Jahangir Abdullah Rasheed	Director	428,571	4,285,710
Perwaiz Hasan Khan	Director	35,190,000	351,900,000
Abdus Samad	Director	23,562,000	235,620,000
Usama Mahmood Khan Ghouri	Director	23,562,000	235,620,000
Perwaiz Masud Ansari	Director	23,562,000	235,620,000
Muhammad Rabbani	Director	23,562,000	235,620,000
Inam Bari	Director	23,562,000	235,620,000

7.5. INTEREST OF DIRECTORS IN PROPERTY ACQUIRED BY THE COMPANY

None of the Directors of the Company had or has any interest in any property acquired by the Company or proposed to be acquired by the Company.

7.6. REMUNERATION OF THE DIRECTORS

The remuneration of the Directors shall, from time to time, be determined by the Company in general meeting subject to the provisions of the Companies Act.

Any Director who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid, subject to law, such extra remuneration by way of salary, percentage of profits or otherwise as the Company in general meeting may determine.

	2022 (PKR '000)			
	Chairman (WIL*)	CEO	Directors**	Executives
Remuneration (including bonus)	600	50,884	-	246,241
Rent and Utilities	-	22,135	-	104,981
Retirement Benefit	-	-	-	32,350
Dividend Paid	2,809	-	-	-
Medical Expenses	-	120	-	4,523
Total	3,409	73,139	-	388,095
	1	1	-	65

*WIL = Wazir Ali Industries Limited

**No remuneration was paid to directors during 2022

	2021 (PKR '000)			
	Chairman (WIL)	CEO	Directors*	Executives
Remuneration (including bonus)	600	60,255	-	223,276
Rent and Utilities	-	21,248	-	83,189
Retirement Benefit	-	2,006	-	35,758
Dividend Paid	-	-	-	-
Medical Expenses	-	280	-	3,660
Total	600	83,789	-	345,883
	1	1	-	53

*No remuneration was paid to directors during 2021

	2020 (PKR '000)			
	Chairman (WIL)	CEO	Directors	Executives
Remuneration (including bonus)	600	27,150	9,471	182,166
Rent and Utilities	-	10,000	5,209	7,250
Retirement Benefit	-	-	91,891	19,445
Dividend Paid	-	-	-	-
Medical Expenses	-	66	72	3,485
Total	600	37,216	106,643	212,346
	1	1	5	46

7.7. BENEFITS TO PROMOTERS AND OFFICERS

No benefits have been paid or given during the last three years or is intended to be paid or given to any promoter or to any officer of the Company other than as remuneration for services rendered as whole-time executive of the Company.

7.8. INTERNAL AUDIT

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis. The Audit Committee of Dalda Foods Ltd comprises of four members including the Chairman of the Committee. The terms of reference of the Audit Committee is in line with the Code of Corporate Governance. Broadly, the committee assists the Board in fulfilling their oversight responsibilities in respect of the integrity of: Dalda Foods' financial statements; internal control arrangements; compliance with legal and regulatory requirements and the performance of the internal audit function. The committee is also responsible for making recommendations to the Board on the nomination of and compensation payable to the external auditors.

The audit committee comprises of the following members:

- Mr. Abdul Rasheed Janmohammad Dawood (Chairman)
- Mr. Inam Bari
- Mr. Aftab Ahmed Diwan
- Mr. Mohammad Rabbani

7.9. HUMAN RESOURCES AND REMUNERATION COMMITTEE

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

The Human Resources and Remuneration Committee of the Board comprises of the following members:

- Mr. Perwaiz Hasan Khan (Chairman)
- Mr. Abdul Rasheed Janmohammad Dawood
- Mr. Aftab Ahmed Diwan
- Mr. Inam Bari

7.10. POWERS OF DIRECTORS

The control of the Company shall be vested in the Directors and the Business of the Company shall be managed by the Directors as per the Articles of Association subject to any restrictions under the Ordinance.

7.11. BORROWING POWERS OF DIRECTORS

The Directors may, from time to time at their discretion obtain finance or raise or borrow money/term capital, participatory redeemable capital from Banks, financial institutions, or from any other institution or Person and secure the payment of any such sum or sums of money borrowed, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, and to issue participation term certificates, terms finance certificates, modaraba / musharika, debentures, debenture stocks or any other type of security permitted by law and may themselves lend to the Company on security or otherwise.

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

Every Director and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, act or thing done by such officer or servant as such or in any way in the discharge of the duties of such officer or servant including travelling expense.

7.13. 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. Furthermore, the Company will also ensure that at least half of the board of directors will have fulfilled the requirement of the director's training by June 2023 as required under the PSX regulations.

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

7.14. NUMBER OF DIRECTORS

At present, the composition of the Board consists of 11 elected directors plus the Chief Executive Officer.

7.15. QUALIFICATION OF DIRECTORS

The qualification of a Director shall be the holding of shares in the Company for the nominal value of PKR 10 at least in his own name but a director representing an interest holding shares of the nominal value of PKR 10 or more shall require no share qualification, subject to the compliance with the provisions of the Companies Act.

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.

7.16. ELECTION OF DIRECTORS

Any person who seeks to contest an election to the office of Director shall, whether he is a retiring Director or otherwise, file with the Company, not later than fourteen days before the date of the meeting at which elections are to be held, a notice of his intention to offer himself for election as a Director, provided that any such person may, at any time before the holding of the election, withdraw such notice.

The present Directors were elected on **October 24th, 2020**. The next election has to be held within 3 years and it is expected to be held in **October 2023**.

7.17. VOTING RIGHTS

According to Article 44 of the Articles of Association, on a show of hands, every Member present in person shall have one vote. On a poll, every Member entitled to vote, present in person or by proxy shall have one vote in respect of each Share held by him.

7.18. FINANCIAL PERFORMANCE OF OTHER ASSOCIATED LISTED COMPANIES

Foods has no associated listed company.

7.19. INVESTMENT IN ASSOCIATED COMPANIES

Dalda Foods Limited has no investments in any associated companies.



7.20. INVESTMENT IN SUBSIDIARIES

Dalda Foods Limited has an investment of PKR 159.93mn in Wazir Ali Industries Limited (WIL). The shareholding of Dalda Foods Limited in Wazir Ali industries is 86.74%. The principle activity of the subsidiary company is to manufacture and sell vegetable banaspati and cooking oil under the brand name "Tullo".

Wazir Ali Industries Limited was incorporated under the Companies Act, 1913 (now the Companies Act 2017 as a public limited company. The registered office of WIL is F-33, Hub River Road, SITE, Karachi.

Dalda Foods Limited also has investment in Oil Processors and Refiners (Private) Limited (OPRL). OPRL commenced its operations from 3 March 2017. The refinery is being used to refine and sell edible oils with a designated capacity of 180,000 metric tons per annum.

SN	Subsidiary	No. of Ordinary Shares Held	% of ordinary Shares Held
1	Wazir Ali Industries Limited	6,929,360	86.76%
2	Oil Processors and Refiners (Private) Limited	100,000,000	100%

7.21. CAPITALIZATION OF RESERVES

There has been no capitalization of reserves since the inception of the Company.

8 LEGAL PROCEEDINGS AND OVER DUE LOANS

8.1 LEGAL PROCEEDINGS

There are routine litigations incidental to the business operations, to which the Company is a party. However, none of them are expected to have any material impact on the Company or its shareholders except for the following: -

Order dated	Issuing Authority	Tax Period	Order Amount/ Financial Impact	Current Status	Management's Stance
04-Jun-2021	Sindh High Court	2021	PKR 220.2 Mn	Pending at Supreme Court of Pakistan	<p>In 2017, Provincial Assembly of Sindh vide its Sindh Development and Maintenance of Infrastructure Cess Act, 2017 dated 12 April 2017 has levied infrastructure cess on the goods entering or leaving the Province from outside the country by air or sea.</p> <p>During the prior year, the Company had challenged the levy of infrastructure cess in the Honourable High Court of Sindh. The Court granted an interim relief whereby the Company was required to pay 50% of the cess amount and furnish bank guarantee for remaining 50%. On 4 June 2021, the levy of Infrastructure cess case was upheld by the High Court of Sindh, therefore, the Company along with other industrial importers challenged the decision of the High Court of Sindh in the Supreme Court of Pakistan. On 1 September 2021, the Supreme Court granted an interim relief whereby, the petitioners have been required to furnish fresh bank guarantees against 100% of the amount of Infrastructure cess involved. On prudent basis, the management has provided the complete amount.</p>
04-Jun-2021	Sindh High Court	2021	PKR 210 Mn	Pending at Supreme Court of Pakistan	<p>In 2017, Provincial Assembly of Sindh vide its Sindh Development and Maintenance of Infrastructure Cess Act, 2017 dated 12 April 2017 has levied infrastructure cess on the goods entering or leaving the Province from outside the country by air or sea.</p> <p>During the prior year, the Company had challenged the levy of infrastructure in the Honourable High Court of Sindh. The Court granted an interim relief whereby the Company was required to pay 50% of the cess amount and furnish bank guarantee for remaining 50%. On 4 June 2021, the levy of Infrastructure cess case was upheld by</p>

					the High Court of Sindh, therefore, the Company along with other industrial importers challenged the decision of the High Court of Sindh in the Supreme Court of Pakistan. On 1 September 2021, the Supreme Court granted an interim relief whereby, the petitioners have been required to furnish fresh bank guarantees against 100% of the amount of Infrastructure cess involved. On prudent basis, the management has provided the complete amount.
30-Mar-2019	ACIR (SRB)	2012 to 2016	PKR 18.3 Mn	Pending with CIR(A) (SRB)	Sindh Revenue Board (SRB) vide its order dated 30 March 2019 issued a withholding sales tax demand of PKR 18.27 million for non-payment of withholding tax deducted on advertisement services for the periods March 2012 to September 2016. The Company has filed Appeals before Commissioner Inland Revenue (Appeals) which is pending. As per the advice from the Company's legal advisor, Management considers that matter is likely to be decided in the Company's favour.
19-Apr-2016	Sindh High Court	1995	USD 206,110 / PKR 57,710,800 ¹	Pending at Sindh High Court	The Company had filed a suit in 1995 before the Honourable Sindh High Court for the recovery of palm oil brought to Karachi on a vessel on the ground that the same was imported by it. Oil was purchased through Swiss Bank Corporation (the Bank) which impleaded to be included as defendant in the case subsequently. The High Court provided interim measure and allowed the delivery of palm oil to the Company against bank guarantee of US\$ 206,110. However, the Bank filed a suit before the High Court claiming right to said palm oil. Subsequently, the Company withdrew its case and bank guarantee was released. Thereafter, the Honourable High Court on an application by the Bank restored the earlier order and required a bank guarantee of US\$ 206,110 from the Company, which was furnished accordingly. This guarantee was replaced by a deposit with the High Court on its expiry. Deposit of US\$ 206,110 was submitted to the High Court. As per the advice from the Company's legal advisor, the suit filed by Swiss Bank Corporation is likely to be decided in the Company's favor.

¹ PKR based on USD/PKR exchange rate of 280



Total			PKR 506 Mn		
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Apart from the four legal proceedings disclosed above, there are no other outstanding legal or taxation proceedings other than the normal course of business involving the Issuer, the Group, its sponsors, substantial shareholders, directors, subsidiaries, and associated companies over which the Issuer has control that could have a material impact on the business of the Company.



8.2 OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company or its Directors and its Sponsors. The Company, its CEO, its directors and its sponsors, under the oath, undertakes that they have no overdue payment to any financial institution.



9 UNDERWRITING, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

9.1 UNDERWRITING

Book Building Portion

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

General Public Portion

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

9.2 BUY BACK / REPURCHASE AGREEMENT

THE UNDERWRITERS HAVE NOT ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE COMPANY, OFFEROR OR ANY OTHER PERSON IN RESPECT OF THIS PROSPECTUS.

ALSO, NEITHER THE COMPANY, OFFEROR, NOR ANY OF THEIR ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE UNDERWRITERS OR THEIR ASSOCIATES. THE COMPANY, OFFEROR AND THEIR ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE UNDERWRITERS AND THEIR ASSOCIATES.

9.3 COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the general public offering, plus out-of-pocket expenses, if any.

9.4 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.

9.5 BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of Pakistan Stock Exchange Limited 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

The break-up of expenses to the Issue is given below:

Particulars	Rate	Expense @ Floor (PKR)
Advisory, Arrangement & Book Running Fee	1.50%	49,500,000
Commission to Banker for General Public	0.25%	1,443,750
e-IPO facility charges	0.80%	1,980,000
Bankers to the issue out of pocket expenses		600,000
TREC Holders Commission	1.00%	33,000,000
PSX Initial Listing fee		1,500,000



PSX Service Charges		50,000
PSX Book Building software charges		1,000,000
Transfer Agent and Balloting Agent		800,000
Urdu Translation, Printing and Publishing of Prospectus and Advertisements in newspapers		10,000,000
CDC Fresh Issue fee	0.144%	3,168,000
CDC Shares Transfer Fee	0.004%	39,600
CDC Annual Eligibility Fee		1,000,000
SECP Supervisory fee		150,000
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		1,000,000
Total		105,431,350

Note: This represent the maximum amount that is expected to be paid based on the Floor Price of PKR 66/- per share

10 MISCELLANEOUS INFORMATION

A. REGISTERED OFFICE / CORPORATE OFFICE

REGISTERED OFFICE

Dalda Foods Ltd
Karachi Factory
F-33, Hub River Road,
S.I.T.E.
Karachi.

CORPORATE OFFICE

Dalda Foods Limited
Plot No. 192-C
Al-Murtaza Commercial Lane No. 3
Phase VIII, DHA, Karachi

B. PLANT ADDRESS OF THE COMPANY

KARACHI FACTORY

Dalda Foods Ltd
Karachi Factory
F-33, Hub River Road,
S.I.T.E.
Karachi.

PORT QASIM FACTORY

Dalda Foods Ltd
Port Qasim Factory,
Plot # OZ/1/P-176,
Backup Area of Port Qasim Authority
Karachi – 75020

LAHORE FACTORY

Dalda Foods Ltd
Lahore Factory, Manga
2.5 km, Manga Raiwand Road,
Lahore - 55270

C. BANKERS TO THE ISSUE FOR BOOK BUILDING

Habib Bank Limited & Habib Metropolitan Bank Limited

D. BANKERS TO THE ISSUE FOR GENERAL PORTION*

Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
AlBaraka Bank Pakistan Ltd
Bank Al Habib Limited
United Bank Limited
Allied Bank Limited
BankIslami Pakistan Limited

*Above banks have been approached to obtain their consent to act as Bankers to the Issue. Upon receipt of their consent the list of bankers will be finalized which is subject to confirmation of the validity of their Bankers to Issue License

E. BID COLLECTION CENTERS

	Karachi	Karachi
Contact Officer:		Faisal Parekh
Direct No.:		
PABX No.:		+92-21-32434558 +92-21-32462988
Fax No.:		
Email:		Faisalparekh@gmail.com
Postal Address:	AHL	Office Room No. 640,641,642 Stock Exchange Building, Karachi
	Karachi	Lahore
Contact Officer:		
Direct No.:		
PABX No.:		
Fax No.:		
Email:		
Postal Address:		
	Islamabad	Peshawar
Contact Officer:		

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

F. BANKERS TO THE COMPANY

S. No.	Bank	Address	Contact Number	Email Address
1	Habib Metropolitan Bank Limited	Head Office Building, I.I. Chundrigar Road, Karachi	021-32644445	arsalan.hunain@habibmetro.com
2	Bank AL Habib Limited	Mackinnons Building, I.I. Chundrigar Road, Karachi	021-32472336	adeel.hassan@bankalhabib.com
3	Habib Bank Limited	HBL Tower, Plot G-4, Block 7, Khayaban-e-Iqbal, KDA Scheme 5, Clifton, Karachi	021-3311 6756	hasan.mehdi1@hbl.com

4	United Bank Limited	UBL Tower, I.I. Chundrigar Road, Karachi	021-111-825-111 Ext: 2213	mashkooor.zaidi@ubl.com.pk
5	Meezan Bank Ltd	Meezan House, C-25 Estate Avenue, SITE, Karachi	021 38103500 Ext: 2843	saad.rafiq@meezanbank.com
6	Bank Alfalah - Islamic Banking	State Life Building No. 1, I.I. Chundrigar Road, Karachi	021-3312 3492	mina.ahmed@bankalfalah.com
7	Faysal Bank Ltd	Faysal House, St-2, Shara-e-Faisal, Karachi	021-111 747 747	muhammad.usama@faysalbank.com

G. AUDITORS OF THE COMPANY

KPMG Taseer Hadi & Company

1st Floor Shaikh Sultan Trust Building No. 2
Beaumont Road, Karachi.
Tel: +92 (21) 35685847,
Website: <https://kpmg.com/pk/en/home.html>

H. LEGAL ADVISOR OF THE COMPANY

Haidermota & Co

Barristers at Law & Corporate Counsellors
Plot No 101, 4th Floor,
Lane No 1, Al-Murtaza Commercial Area
Phase VIII, DHA, Karachi
Tel: +92 (21) 111520000
Email: hmco@hmco.com.pk
Website: <http://www.hmco.com.pk/>

I. LEAD MANAGER

Arif Habib Limited

Arif Habib Center,
23 M.T. Khan Road,
Karachi
Tel: 92 21 3243 3542
Email: hamza.amir@arifhabibltd.com
Website: www.arifhabibltd.com

J. BOOK RUNNERS

Arif Habib Limited

Arif Habib Center,
23 M.T. Khan Road, Karachi
Tel: 92 21 3243 3542
Email: hamza.amir@arifhabibltd.com
Website: www.arifhabibltd.com



K. COMPUTER BALLOTTER & SHARES REGISTRAR

Central Depository Company of Pakistan Limited

CDC House, 99-B, Main Shahrah-e-Faisal, Sindhi Muslim Cooperative Housing Society Block B, Karachi

Tel: (021) 111 111 500

Email: info@cdcpak.com

11 MATERIAL CONTRACTS & DOCUMENTS OF DALDA FOODS LIMITED

A. DETAILS OF SHORT-TERM FINANCING FACILITIES

S. No.	Bank	Facility	Limit (PKR) Millions	Mark-up Commission	Date Sanctioned	Expiry/Date	Reviewed
1	Bank AL Habib Limited	Running Finance / Foreign Currency Import Finance / Letter of Guarantee	3,000	RF: 1 Month KIBOR + 0.10% FE-25: case to case basis Letter of Guarantee: 0.25% per quarter	Aug-22	Aug-23	
2	Habib Bank Limited	Running Finance/ Foreign Import Finance	3,300	RF: 1 month KIBOR + 0.05% FE-25: Case to case basis	Oct-22	Feb-23	
3	United Bank Limited	Running Finance/ Foreign Import Finance	3,000	RF: 1 Month KIBOR + 0.20% FE-25: LIBOR based, case to case basis	Sep-22	Dec-23	
4	Habib Metropolitan Bank Limited	TR & or FE25 TR	1,250	FE-25: Case to case basis TR: KIBOR based on tenor of TR+0.25% p.a.	Apr-22	Dec-22*	
		Running Finance	100	3 Months KIBOR + 0.25% p.a.			
		Letter of Guarantee	225	Letter of Guarantee: 1% p.a			
5	Meezan Bank Ltd	Import Murhabah/Musawammah/ Running Musharakah/FE-25	2,000	Relevant KIBOR +0.25% FE-25: Case to case basis, LIBOR based	Dec-22	Jan-24	
6	Bank Alfalah -Islamic Banking	Import Murhabah/Musawammah/ Running Musharakah	500	RF: 1 Month KIBOR + 0.25% FE-25: LIBOR based, case to case basis	Jul-22	Apr-23	
7	Faysal Bank Ltd	Running Musharakah/Import Murabaha	1,000	RF: 3 Month KIBOR + 0.15%	Dec-22	Dec-23	

*Renewal is in process and the Company has not received the new Offer Letter

B. DETAILS OF LETTER OF CREDITS

The company has not availed any facility related to Long-term financing. Details of Non-Fund Based Financing Facilities

S. No.	Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned	Expiry/ Review Date
1	Bank AL Habib Limited	Letter of Credit – Sight	2,500	0.02% per quarter	Aug-22	Aug-23
		Letter of Credit - Usance	1,000			
2	Habib Bank Limited	Letter of Credit-Sight	4000	0.05% at the time of establishment	Oct-22	Feb-23
3	United Bank Limited	Letter of Credit - Sight/Usance	3500	0.05% per quarter	Sep-22	Dec-23
4	Habib Metropolitan Bank Limited	Letter of Credit - Sight	2,525	LC: 0.04% per quarter	Apr-22	Dec-22*
		Letter of Credit – Usance	1,000			
		Acceptance (local / Foreign)	1,000			
5	Meezan Bank Ltd	Letter of Credit - Sight/Usance	3000	0.05% flat	Dec-22	Jan-24
6	Bank Alfalah - Islamic Banking	Letter of Credit - Sight/Usance	2500	0.05% flat	Jul-22	Apr-23
7	Faysal Bank Ltd	Letter of Credit - Sight/Usance	2000	0.03% flat	Dec-22	Dec-23

*Renewal is in process and the Company has not received the new Offer Letter

C. DETAILS OF RELATED PARTY AGREEMENTS

S. No.	Title of Agreement	Party to the Agreement	Date	Particular
1	Manufacturing Agreement	Wazir Ali Industries Limited	July 2022	Agreement related to manufacturing, sales & distribution services.
2	Tenancy Agreement	Oil Processors & Refiners (Pvt.) Ltd.	December 01, 2015	Rental agreement related to the premises as provided to area for its new refinery, Area for Cooling Tower-1, Area for Cooling tower-2

D. 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.

E. 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.

F. FINANCIAL YEAR OF THE COMPANY

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

12 BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

A. BOOK BUILDING PROCEDURE

i. Brief Structure

The Present Issue

The Issue comprises of 50,000,000 Ordinary Shares of face value worth PKR 10.0/- each which constitutes 15.00% of the Post-IPO Paid Up Capital of the Company.

The Issue of 50,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 66.0/- per share. Initially, 75% of the Issue size i.e., 37,500,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the Issue size i.e., 12,500,000 Ordinary Shares will be offered to Retail Investors at the Issue Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.

The Floor Price of PKR 66.0/- has a maximum Price Band of 40% above which no Bid shall be accepted. At maximum Price Band, the highest Strike Price that can be Bid for shall be PKR 92.4/- per share.

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

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

ii. 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 1mn shares at PKR 66.0/- per share, based on which the total Application Money would amount to PKR 66mn. In this case the Bid Amount will be also PKR 66mn. Since the Bidder has placed a Limit Bid of PKR 66.0/- per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 66.0/- 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 0.70mn shares at PKR 66.0/- per share, 0.60mn shares at PKR 66.25/- per share and 0.50mn shares at PKR 66.5/- 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 119.2mn, 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 119.2mn in the Book Building Account as Margin Money which is 100% of PKR 119.2mn and (ii) Institutional Investors shall deposit at least PKR 29.8mn in the Book Building Account as Margin Money which is 25% of PKR 119.2mn.

RESTRICTIONS:

- (i) AN ELIGIBLE INVESTOR SHALL NOT:**
- (a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
 - (b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION**
 - (c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS**
 - (d) PLACE CONSOLIDATED BID**
 - (e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY**
 - (f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
 - (g) WITHDRAW BID**
- (ii) RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.**
- (iii) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.**
- (iv) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- (v) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE 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 3A v and vi.

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

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

As per regulation 9(16) of the PO Regulations, the successful Bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful Bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the Bidders shall, therefore, provide number of their CDS accounts in the Bid application.

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

iii. 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: 50,000,000 Ordinary Shares
2. Floor Price: PKR 66.0/- per Ordinary Share with maximum price band of 40% i.e., PKR 92.4/- 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	Cumulative Number of shares	Category of Order
Institution A	85.00	4,000,000	4,000,000	Limit Price
Institution B	80.00	3,900,000	7,900,000	Limit Price
HNWI A	78.00	4,250,000	12,150,000	Step Bid
Institution C	76.00	3,000,000	15,150,000	Limit Price
Institution D	75.00	5,000,000	20,150,000	Limit Price
Institution E	73.00	2,250,000	22,400,000	Limit Price
HNWI B	72.00	6,000,000	28,400,000	Limit Price
HNWI A	71.00	5,500,000	33,900,000	Step Bid
Institution F	69.00	4,500,000	38,400,000	Limit Price
Institution G	68.50	2,500,000	40,900,000	Limit Price
HNWI C	68.25	1,500,000	42,400,000	Limit Price
Institution H	68.00	4,000,000	46,400,000	Limit Price
Institution I	67.00	3,600,000	50,000,000	Step Bid
Institution H	67.00	4,000,000	54,000,000	Limit Price
HNWI D	66.80	1,500,000	55,500,000	Step Bid
Institution J	66.70	2,500,000	58,000,000	Limit Bid
HNWI E	66.00	2,500,000	60,500,000	Limit Price

Strike Price determined through Dutch Auction Method

Bid has been revised upwards and placed at PKR 68

Total shares bid at and above the Floor Price



On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 67.0 per share to sell the required quantity of 50,000,000 Ordinary Shares.

At PKR 85.00 per share, investors are willing to buy 4,000,000 shares. Since 46,000,000 shares are still available, therefore the price will be set lower.

At PKR 80.00 per share, investors are willing to buy 3,900,000 shares. Since 42,100,000 shares are still available, therefore the price will be set lower.

At PKR 78.00 per share, investors are willing to buy 4,250,000 shares. Since 37,850,000 shares are still available, therefore the price will be set lower.

At PKR 76.00 per share, investors are willing to buy 3,000,000 shares. Since 34,850,000 shares are still available, therefore the price will be set lower.

At PKR 75.00 per share, investors are willing to buy 5,000,000 shares. Since 29,850,000 shares are still available, therefore the price will be set lower.

At PKR 73.00 per share, investors are willing to buy 2,250,000 shares. Since 27,600,000 shares are still available, therefore the price will be set lower.

At PKR 72.00 per share, investors are willing to buy 6,000,000 shares. Since 21,600,000 shares are still available, therefore the price will be set lower.

At PKR 71.00 per share, investors are willing to buy 5,500,000 shares. Since 16,100,000 shares are still available, therefore the price will be set lower.

At PKR 69.00 per share, investors are willing to buy 2,500,000 shares. Since 11,600,000 shares are still available, therefore the price will be set lower.

At PKR 68.50 per share, investors are willing to buy 2,250,000 shares. Since 9,100,000 shares are still available, therefore the price will be set lower.

At PKR 68.25 per share, investors are willing to buy 1,500,000 shares. Since 7,600,000 shares are still available, therefore the price will be set lower.

At PKR 68.00 per share, investors are willing to buy 4,000,000 shares. Since 3,600,000 shares are still available, therefore the price will be set lower.

At PKR 67.00 per share, investors are willing to buy 3,600,000 shares. **Since after bidding for 3,600,000 shares at PKR 67.0 per share, no shares will be available therefore the Strike Price will be set at PKR 67.0 per share for the entire lot of 50,000,000 shares.**

The Bidders who have placed Bids at prices above the Strike Price (which in this illustration is PKR 67.00 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

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

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the

Bidding period as per regulation 9(13) of the PO Regulation and the refunds, where required to such Bidders shall be made within three (3) working days from the close of the Bidding period

Since this Issue is being made through 100% Book Building, as per the regulation 7(4) of the PO Regulation, the Bidders 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.

iv. Timeframe for intimation to the successful Bidders and mechanism for payment of the balance amount by the successful Bidders

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

v. Book Runner to the Issue:

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

Roles and Responsibilities of the Book Runner

The Book Runner to the Issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept Bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of Bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the Strike Price;
6. ensure that the Bidders can access to the System and can revise their Bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the 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 has established Bid Collection Centers at the following addresses (direct & fax numbers in all centers).

vi. Bid Collection Centers

- The Book Runner has established Bid Collection Centers at the following addresses:

Karachi		
Contact Officer:		
Direct No.:		
PABX No.:		
Fax No.:		
Email:		
Postal Address:	Arif Habib Limited Arif Habib Centre, 23 M.T Khan Road, Karachi	Arif Habib Limited Arif Habib Centre, 23 M.T Khan Road, Karachi
Karachi		
Contact Officer:		Faisal Parekh
Direct No.:		
PABX No.:		+92-21-32434558 +92-21-32462988
Fax No.:		
Email:		faisalparekh@gmail.com
Postal Address:		Office Room No. 640,641,642 Stock Exchange Building, Karachi
	Lahore	Islamabad

Contact Officer:		
Direct No.:		
Email:		
Postal Address:		Arif Habib Limited Office No. 506, 5 th Floor, ISE Towers, Jinnah Avenue, Islamabad
	Faisalabad	Peshawar
Contact Officer:		
Direct:		
Email:		
Postal Address:	Arif Habib Limited Office # 04, Third Floor, Legacy Tower, Near Kohinoor City, Faisalabad	Arif Habib Limited Office # F13-F17, First Floor, The Mall Tower, Peshawar Cantt
	Quetta	Azad Kashmir
Contact Officer:		
Direct:		
Email:		
Postal Address:	R.H.Q – Gulistan Road, Quetta Cantt., Quetta	R.H.Q – Near Apex Cash & Carry, Gojra Bypass Road, Muzzafabad
	Gilgit/Baltistan	
Contact Officer:		
Direct:		
Email:		
Postal Address:	HBL Area Office, N.L.I Market, Shahrah –E- Quaid –E- Azam, Gilgit	

vii. Roles and Responsibilities of the Designated Institution

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

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the Bidders before commencement of the Bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;

3. Generate Bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the Bids are placed;
4. Record the number of shares Bid for, the Bid Price, type of the Bid i.e. Limit Bid or Step Bid, date and time of the entry of the Bid;
5. Display the Bids revised, and date and time of upward revision;
 - i. Neither allow withdrawal of Bid, nor accept the Bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
6. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of Bids received, total number of shares Bid for and the indicative Strike Price;
7. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares Bid for and percentage of total shares offered under the Book Building Portion;
8. Discover the Strike Price at the close of the Bidding Period;
9. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the Bid, at the time of upward revision of the Bid, upon variation in the Indicative Strike Price and upon discovery of the Strike Price; and
10. Ensure that the system must provide the Bidders the option to upward revise their Bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- i. identity of the Bidder is not displayed; and
- ii. no Bid is entered into the System after closing of the Bidding Period.

viii. 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.

ix. 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

x. Opening and Closing of the Bidding Period

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

BIDDING PROCESS STARTS ON	[•]/2023 (9:00 AM to 5:00 PM)
BIDDING PROCESS ENDS ON	[•]/2023 (9:00 AM to 5:00 PM)

xi. 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).

xii. 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 Dalda Foods, AHL, and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Lead Manager & Book Runner, the Company, and PSX i.e. <http://www.arifhabibltd.com>, <https://www.daldafoods.com/>, <https://www.psx.com.pk>.
3. Eligible Investors who are interested to participate in Bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in Section 10.e of this Prospectus for registration for submitting their Bids.
4. The registration forms should be submitted on the prescribed format at the addresses provided in section 12. vi for details on the procedure of registration please refer to section 12. xiii.
5. The bids should be submitted on the prescribed bidding form in person, through fax numbers given in section 10. e or through the online system using the user id and password issued at the time of registration of eligible investor.
6. Registered investors can place and revise their bids upwards by accessing the designated institutions online portal for book building by using the user id and password communicated to them via email by psx.
7. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the registration form. it may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the book runner along with each additional payment form.
8. Eligible investors who are account holders of Habib Bank Limited and Habib Metropolitan Bank Limited (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 [.]

xiii. 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. vi on the standard Registration Form. The Registration Form shall be serially numbered at the Bid Collection Centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the

Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.

3. The registration procedure under the Book Building process is outlined below:

- The Registration period shall be for Five (5) working days i.e. [●]/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. vi
 - 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 "[Title of Account]". For online transfer the payment shall be made into Habib Bank Limited [Account Number] being maintained in [Branch Name] and Habib Metropolitan Bank Limited [Account Number] being maintained in [Branch Name]. **Please note that online transfer facility shall only be allowed to [Bank Name] & [Bank Name] customers.**
- Please note that third party instruments will not be accepted for Margin Money.
 - In case of intra city payment instruments, the Bidders shall ensure that the payment instruments are made "Payable at any Branch". Intra city payment instruments that are not made "Payable at any Branch" will not be accepted.
- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of Bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of Bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their Bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the Bidders shall, therefore, provide their CDC account numbers in the Bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

xiv. 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. vi 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 Investor s.
 - 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 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. xxii 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. k 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:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

xv. 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 “[Title of account]” or online transfer of the Bid money into the respective Book Building account # [Account #] maintained at Habib Bank Limited and Book Building account # [Account #] maintained at Habib Metropolitan Bank Limited 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 Habib Bank Limited Book Building account # [Account #] [Address of the branch] and Habib Metropolitan Bank Limited A/C # [Account Number] being maintained in [Branch Name], [Branch Address] with the Account Title “[Title of account] “. Please note that online transfer facility shall only be allowed for [Bank Name] and [Bank Name] customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF “Title

of Account” 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 1mn shares at a price of PKR 66.0/- per share, then the total Application Money would amount to PKR 66mn. In such a case, (i) Individual Investor shall deposit PKR 66mn in the Book Building account as the Bid amount which is 100% of PKR 66mn; and (ii) Institutional Investor shall deposit at least PKR 16.5mn in the Book Building account as the Margin Money which is 25% of PKR 66mn.

▪ 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 0.70mn shares at PKR 66.0/- per share, 0.60mn shares at PKR 66.25/- per share and 0.50mn shares at PKR 66.5/- 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 119.2mn, 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 119.2mn in the Book Building Account as Margin Money which is 100% of PKR 119.2mn and (ii) Institutional Investors shall deposit at least PKR 29.8mn in the Book Building Account as Margin Money which is 25% of PKR 119.2mn.

xvi. Payment by Foreign Investors

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

Non-residents who wish to Bid for the subscription of shares being offered via Book Building can remit the subscription money through an Authorized Dealer directly to the Book Building accounts opened by the Company as given in para 12. xv 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.

xvii. 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.

xviii. 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.**

xix. 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 66.0 per share and Indicative Strike Price at any given point in time during the Bidding period is PKR 66.0 per share, registered Bidders may place or revise their Bids at/to any price between PKR 66.0 per share to PKR 72.6 per share. If at any given point in time during the Bidding period, the Indicative Strike Price changes from PKR 66.0 per share to PKR 82.0 per share, the registered Bidders may place or upward revise their Bids at/to between PKR 73.80 per share to PKR 90.20 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 92.4 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.

xx. 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.

xxi. 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).

xxii. 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. 37,500,000 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.

xxiii. 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.



xxiv. 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 5 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

A. 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

B. 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.arifhabibttd.com>, <https://www.daldafoods.com/> & 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.

C. 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**

D. E-IPO SYSTEM

e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:

PSX's e-IPO System (PES):

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: itss@psx.com.pk 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.

E. 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.

F. 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 1 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.

G. 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 "[Title of Account]" 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.

H. 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 xvi of this Prospectus.

I. 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

J. 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

K. 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:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
 - First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then

- After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
 9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

L. 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.

M. 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.

N. 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.

O. 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.

P. LIST OF BANKERS TO THE ISSUE*

Code	Name of Bank
01	Habib Metropolitan Bank
02	Habib Bank Limited
03	Dubai Islamic Bank Pakistan Limited
04	Bank Alfalah
05	Faysal Bank Limited
06	MCB Bank Limited
07	Meezan Bank Limited
08	AlBaraka Bank Pakistan Limited
09	Bank Al Habib Limited
10	United Bank Limited
11	Allied Bank Limited
12	BankIslami Pakistan Limited

*Above banks have been approached to obtain their consent to act as Bankers to the Issue. Upon receipt of their consent the list of bankers will be finalized which is subject to confirmation of validity of their Bankers to Issue License

Q. MINIMUM AMOUNT OF APPLICATION

The minimum amount of application shall be Issue Price * 500 Shares.

R. 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.

S. 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.

T. 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.

U. 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:

Gain on disposal of listed securities (that was previously chargeable to tax @ 12.5% irrespective of the holding period) shall now be subject to revised tax rates based on holding period, for securities purchased post July 1, 2022. The revised rates are as under

Sr. No.	Capital Gain Tax for FY2022	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where Securities is acquired on or before June 30, 2022	12.5%	25.0%
	Where Securities is acquired on or after July 01, 2022		
1	Where holding period does not exceed one year	15.0%	30.0%
2	Where holding period exceed one year but does not exceed two years	12.5%	25.0%
3	Where holding period exceed two years but does not exceed three years	10.0%	20.0%
4	Where holding period exceed three years but does not exceed four years	7.5%	15.0%
5	Where holding period exceed three years but does not exceed five years	5.0%	10.0%
6	Where holding period exceed three years but does not exceed six years	2.5%	5.0%
7	Where holding period exceed six years	0.0%	0.0%

V. 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 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. The following are the rates:

- For filers of Income Tax Returns: 15.00%
- For non-filers of Income Tax Return: 30.00%

W. TAX ON BONUS SHARES

As per section 236 of the Income Tax Ordinance 2001, amended vide Finance Act 2018-19, tax on issue of bonus shares has been omitted and will not be applicable from 1st July 2018 and onwards.

X. INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

Y. 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.

Z. SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services in accordance with Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

AA. 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 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

14 SIGNATORIES TO THE PROSPECTUS

SIGNATORIES TO THE PROSPECTUS

Aziz Hasan Jindani
Executive Director – CEO

Farhat Rasheed
Non-Executive Director

Jahangir Abdullah Rasheed
Non-Executive Director

Abdus Samad
Non-Executive Director

Perwaiz Masud Ansari
Non-Executive Director

Inam Bari
Non-Executive Director

Muhammad Bashir Janmohammad
Non-Executive Director – Chairman

Abdul Rasheed Janmohammad Dawood
Non-Executive Director

Perwaiz Hasan Khan
Non-Executive Director

Usama Mahmood Khan Ghouri
Non-Executive Director

Muhammad Rabbani
Non-Executive Director

Aftab Ahmed Diwan
Non-Executive Director

WITNESSES

Name: NASIR AHMED
Title/Designation: SENIOR MANAGER TAXATION

Name: Muhammad Ahsan Naeem
Title/Designation: Asst. Manager



Certified by:

A handwritten signature in blue ink, appearing to read "Rosanne Mehta", is written over a horizontal line.

Rosanne Mehta
Company Secretary
Date:

15 SIGNATORIES OF THE OFFEROR

SIGNATORIES OF THE OFFEROR



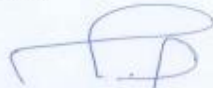
Hina Juhaid
Sponsor




Nausheen Rafiq
Sponsor




Umair Hassan
Company Secretary
West Bury (Private) Limited



Muhammad Rafiq
Company Secretary
Bulk Management (Pakistan) (Private) Limited




Muhammad Rabbani
Sponsor




Perwaiz Hasan Khan
Sponsor



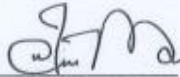
Abdus Samad
Sponsor



Usama Mahmood Khan Ghouri
Sponsor




Perwaiz Masud Ansari
Sponsor




Inam Bari
Sponsor

SIGNED BY THE ABOVE IN PRESENCE OF WITNESSES



Name: NASIR AHMED
Title/Designation: SENIOR MANAGER TAXATION



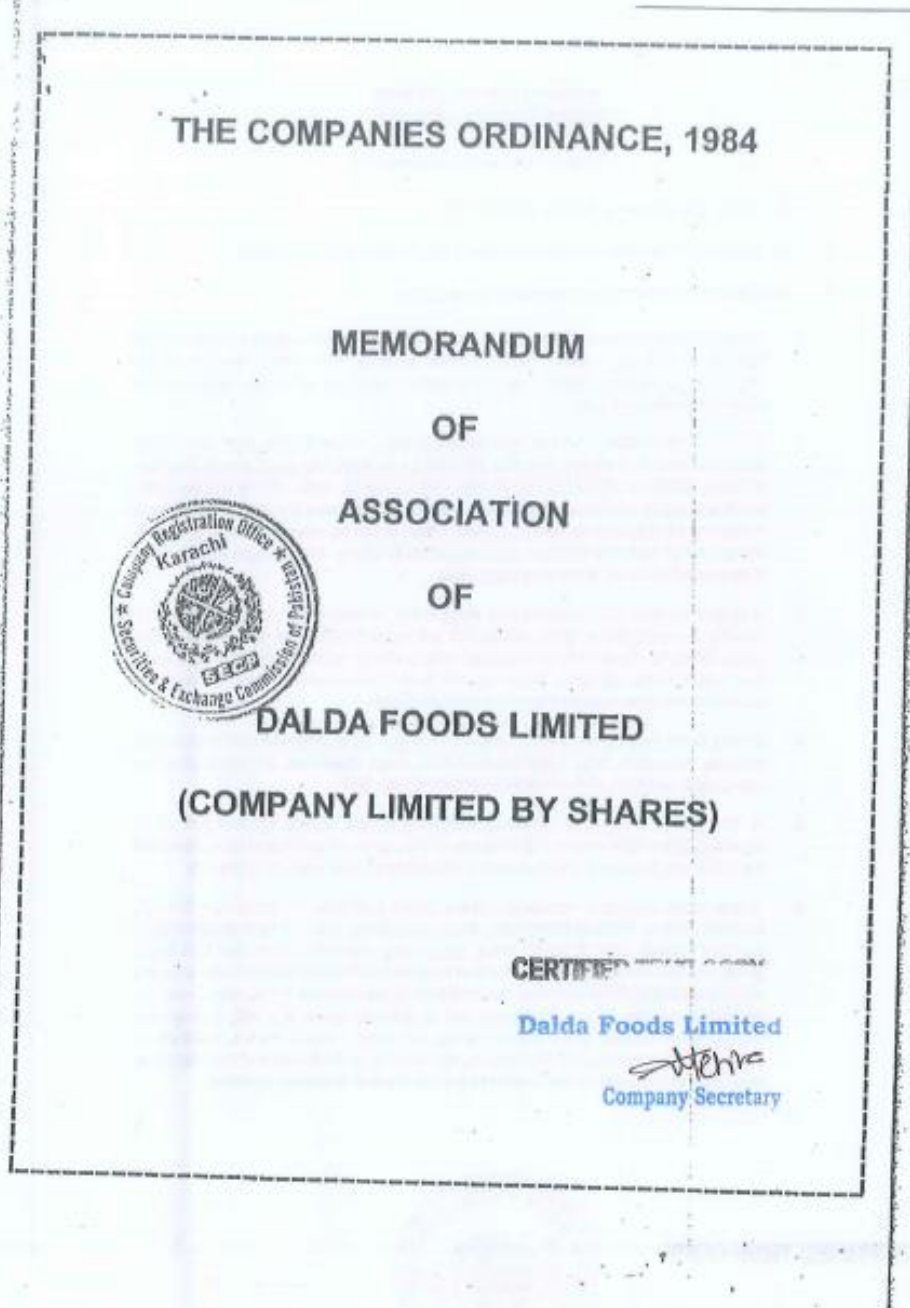
Name: Muhammad Ahsan Naeem
Title/Designation: Asst. Manager

Certified by:



Roxanne Mehta
Company Secretary
Date:

16 MEMORANDUM OF ASSOCIATION



A COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
DALDA FOODS LIMITED ("COMPANY")

- I. The name of the Company is "DALDA Foods Limited",
- II. The Registered Office of the Company is situated in the Province of Sindh, Pakistan.
- III. The objects for which Company is established are as under:-
 1. to acquire and take over all or part of the vanaspati (hydrogenated vegetable oil/fat) and oils business of Unilever Pakistan Limited, which business, inter alia comprises of the manufacturing, marketing, distributing and/or selling of vanaspati, edible oils and fats, refined oils and margarine products;
 2. to carry on the business of and to manufacture, produce, refine, process, formulate, mix or prepare or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export all classes and kinds of vanaspati, hydrogenated oils, vegetable products, margarine and all kinds of fats and oleaginous emulsions and their mixtures and formulations and any and all kinds of products of which any of the foregoing forms an ingredient or in the production of which any of the foregoing is used;
 3. to carry on the business of manufacturing of and to buy, sell and/or deal in all kinds of cereals, including but not limited to Maize, Wheat, Rice and Potato products and food, grains, cotton, pulses, oil seeds, whether raw or processed in its products, including articles of food made from cereals, fruits, vegetables, seeds, oils, fish, poultry, meat or other animal or vegetable products or any other ingredient fit for human consumption;
 4. to carry on the business of manufacturing and/or to buy, sell or otherwise deal in soap, soap powders, detergents, toilet requisites; chemicals, drugs, medicines, perfumes, glycerine, starch, water-softeners, soda and all kinds of laundry materials;
 5. to carry on the business of extracting, manufacturing and refining oils and fats, of oil extraction, of manufacturers of and dealers in, varnish, paint and polish; and to purchase, sell and deal in oils, fats, soaps, woods, timber, seeds, grain and other products of the soil;
 6. to carry on the business of manufacture of and dealers in all kinds of ice creams, edible ices, frozen confections and in all kinds of raw, frozen, dehydrated, processed and prepared foods and food products, dairy products, meat, fish, poultry, vegetables, fruits and fruit juices, pastes, powders and syrups, and in all kinds of beverages and mineral and aerated waters and other liquids and liquid refreshments, and in all kinds of raw materials, herbs, spices, essences, preservatives, edible colours, ingredients and condiments, and to buy, sell, manufacture, treat, produce, process, prepare, pack, bottle, can, import, export market, distribute or otherwise deal in any or all of the foregoing and to carry on the business of manufacturers, processors, packers, bottlers and canners of all kinds of above mentioned products;

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CERTIFIED TRUE COPY

Dalda Foods Limited

Atteha
Company Secretary



7. to carry on the business of manufacturers of and dealers in all kinds of toiletries, personal care products, including without limitation all kinds of, cosmetics, perfumes, lotions, creams, shaving creams, products for hair care, skin care and dental care, infant and child care and hygiene products, absorbent products, cleansing products and other personal and household hygiene products and aids, and to buy, sell, manufacture, treat, produce, process, prepare, pack import, export, market, distribute or otherwise deal in any or all of the foregoing;
8. to grow, cultivate, produce, process, prepare and render marketable tea, dates and every kind of produce of the soil, and to buy, sell, import, export, dispose of and deal in tea, dates and every kind of produce, whether in the raw state or after processing or preparing, and to manufacture, prepare and deal in products made from any such products;
9. to grow, cultivate, produce, process, prepare and render marketable products of agriculture, horticulture, aqua culture and farming, and to buy, sell, import, export, dispose of and deal in such products, whether in the raw state or after processing or preparing, and to manufacture, prepare and deal in products made from any such products;
10. to culture, procure, buy, produce, process, prepare, sell, export, dispose of, deal in or otherwise turn to account fish of every kind or description including prawns and shrimps and other shellfish, and to carry on all or any of the business of fish hatchery operators, fish farmers, fish curers, fish salesmen, wholesale and retail fish merchants, fishers, trawlers, ship-owners and smack-owners, and to carry on all or any of the businesses of ice manufacturers, cold storage keepers, warehousemen, producers of foodstuff and fish meal manufacturers;
11. to manufacture, prepare and deal in chemical substances and preparations used as fertilizers or for combating pests whether animal or vegetable or for regulating or improving the growth or yield of plants in any manner whatsoever;
12. to utilize, work up and deal in every kind of by-product or residue resulting from any of the Company's manufactures or operations;
13. to purchase or otherwise acquire and undertake the whole or any part of the business, including its movable and immovable property, goodwill, land, buildings, machinery, stores, stocks, book debts and other assets, rights and liabilities, commitments of agreements, rights of pending applications, rights of quotas, etc., of any person, firm or company carrying on or proposing to carry on any business which this Company is authorized to carry on or possessed of property or rights suitable for any of the purposes of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to purchase, sell, acquire and deal in property, shares, stocks, term finance certificates, debenture-stock of any person, firm or company;
14. to carry on all kinds of agency business (except managing agency) and to take part in the supervision and control of manufacturing business, vanaspath factories, hydrogenated oils factories, vegetable products factories and refineries, margarine and all kinds of fats and oleaginous emulsions factories or other factories or in operation of any other company, association or firm or proprietary business and to share in the profits or participate in the income derived from such management, supervision or control and to act as agents or sole agents of any such company, firm or association;



15. to utilize, work up and deal in every kind of by-product or residue resulting from any of the Company's manufacturing or operations
16. to create any depreciation fund, reserve fund, sinking fund or emergency fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose conducive to the interests of the Company as the Board of Directors of the Company may for the time being think fit;
17. to insure all or any of the assets or property or properties of the Company whether present or future against any loss by fire, theft, burglary or other accident, whatsoever including workmen's compensation;
18. to amalgamate with any other company, association or firm carrying on business altogether or in part similar to those of this Company and to take over all or any part of its assets, goodwill and liabilities if conducive to the business of the Company;
19. to make known or give publicity to the business and productions of the Company by means of advertisements in the press, pamphlets, handbills, Circulars, posters, cinema slides or publication of books, periodicals and magazines, or by purchase or exhibition of works of art or by granting rewards, prizes and donations or in any other suitable mode;
20. to pay all or any costs, charges, brokerage, commission and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
21. to promote any other company for the purpose of acquiring all or any of the property of that company or advancing directly or indirectly the objects or interests thereof, and to take or otherwise acquire and hold shares in any such company and to guarantee the payment of any debentures or other securities issued by any such company;
22. to purchase, manufacture, produce or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, sell, assign, transfer, or otherwise dispose off, trade, deal in and deal with goods, wares and merchandise and personal property of every class and description;
23. to establish subsidiary companies to carry out particular projects. To acquire interest or participate in the equity capital of other companies or corporations having objects similar to those of the Company or which may help to achieve its objects;
24. to borrow, lend, provide loans, advances, credit and finances or take up of money either upon or without security, long or short term, for the business of the Company;
25. to draw, make, accept, buy, sell, collect and deal in bills of exchange, Hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;



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26. to enter into, make and perform contracts of every kind and description, agreements and arrangements with any person, firm, association, corporation or other body corporate or governmental;
27. to carry on business as Importers, exporters, buyers and sellers of and merchants and dealers in and manufacturers of merchandise, goods and materials of all kinds;
28. to carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being carried on conveniently in connection with the Company's objects or which it may be advisable to undertake with a view to developing or rendering valuable, prospecting or turning to account any property, real or personal, belonging to the Company or in which the Company may be interested;
29. to manufacture, buy, import, export, exchange, alter, improve, manipulate, prepare for market and otherwise deal in all kinds of plant, machinery; apparatus, tools, utensils, receptacle, substances, materials, articles and things necessary or convenient for carrying on any of the businesses or processes of the Company;
30. to buy, sell, manufacture, refine, manipulate, import, export and deal in all kinds of substances and things capable of being used in any business of the Company or required by any customers or persons having dealings with the Company;
31. to employ experts to examine the conditions, prospects, value, character and circumstances of any business concerns and undertaking and generally of any assets, property or rights;
32. to purchase, take on lease or license or in exchange or hire or otherwise any real or personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any land, building easement, machinery, plant and stock-in-trade and on any such lands to erect buildings, factories, sheds, godowns, or other structures for the works and purposes of the Company and also for the residence and amenity of its employees, staff and other workmen and erect and install machinery and plant and other equipments deemed necessary or convenient or profitable for the purpose of the Company and either to retain any property to be acquired for the purpose of the Company or to turn the same to account as may be deemed expedient;
33. to build, construct, maintain, enlarge, pull down, remove or replace, improve or develop and to work, manage and control any buildings, offices, factories, mills, foundries, refineries, furnaces, godowns, warehouses, shops, machinery, engines, roads, ways, other means of transport, electrical works, gasworks or works operated by any other kind of power and also such other machinery, equipment, conveyance works or conveniences which may seem calculated to directly or indirectly advance the interests of the Company and to subsidize, contribute to or otherwise assist or take part in doing any of these things;
34. to let on lease or hire purchase system or to lend or otherwise dispose of any property belonging to the Company and to finance the purchase of any article or articles, whether made by the Company or not, by way of loans or by the purchase of any article/s and the letting thereof on the hire-purchase system or otherwise howsoever;



35. to sell, lease, mortgage, grant license, easements and other rights over and in any manner whatsoever, to transfer, deal with or dispose of, the undertaking, property, assets, rights and effects of the Company, or any part thereof, for such consideration as the Company may think fit and in particular, for shares, stocks, debentures or other securities of any other company whether or not having objects altogether or in part similar to those of the Company;
36. to enter into any partnership or into any arrangement for sharing profits or losses or for any joint venture, reciprocal concession or co-operation with any person or persons or company or companies carrying on or engaged in or about to carry on or engage in, or being authorized to carry on or engage in, any business or transaction which this Company is authorized to carry on or engage in or in any business or transaction capable of being conducted so as directly or indirectly to benefit this Company;
37. to appoint agents (except managing agents) and managers and constitute agencies of the Company all over the world and to discontinue the same as per circumstances;
38. to grant pensions, allowances, gratuities and bonuses to extend benefits of provident fund or any other contributory schemes on behalf of the Company, for employees or ex-employees of the company or the dependents of such persons and to support or subscribe to any charitable or other institutions, clubs, societies, funds or objects;
39. to get the articles of trade in which the Company is authorized to deal, manufactured or packaged from other firms, whether Pakistani or foreign, in the Company's own name and design, as may be deemed fit;
40. to purchase, acquire, protect, prolong, renew or sell any patent rights, trade mark, protections, concessions and the like, conferring any exclusive or limited rights to any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem directly or indirectly to benefit the Company and to use exercise, develop, manufacture under or grant licenses or privileges in respect of or otherwise turn to account any patents, property rights, inventions or information, so acquired and to spend money in experimenting upon, testing, improving or seeking to improve any patents, property rights, inventions or information so acquired or proposed to be acquired;
41. to procure the incorporation, registration or any other recognition of the Company in any country, state or place outside Pakistan;
42. to open and close accounts with banks or bankers, and to deposit therein, and withdraw from, the funds of the Company and deal with overdrafts accounts and any other accounts with any bank or bankers for carrying on the business of the Company;
43. to issue any shares or security or certificates or indemnity to any person whom the Directors have agreed or are bound to indemnify or in satisfaction of any liability;



44. to enter into any arrangement with any government, federal, provincial, district, municipal, local or otherwise or any other authority and to obtain from such government or authority all properties, titles, rights, concessions, loans, guarantees, licenses or other privileges that may seem conducive to the Company's objects or any of them;
45. to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and convenience calculated to benefit employees or ex-employees of the Company or its predecessors in business or the dependents or connection of such persons, and to grant pensions and allowances and to make payments towards Insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object;
46. to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined;
47. to undertake and execute any trusts the undertaking of which may seem to the Company desirable and either gratuitously or otherwise;
48. to remunerate any persons or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any shares in the Company's capital or any debentures, term finance certificates, debenture-stock, or other securities of the Company or in about the formation or promotion of the Company or acquisition of property by the Company or the conduct of its business;
49. to do all or any of the above things in any part of the world and either as principals, agents, contractors, trustees or otherwise, either alone or in conjunction with others, by or through agents, sub-contractors, trustees or otherwise;
50. subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object;
51. the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purpose of the Company;
52. selling, improving, developing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and right of the Company;
53. acquiring undertaking the whole or any part of the business of any person or company, when such business is of an identical nature and/or conducive to the objects of the Company herein described;
54. to become and act as a member of any stock exchange in Pakistan and abroad and to carry on the business of brokers in stocks, shares, securities, commodities, commercial papers, modaraba certificates, bonds; obligations, debentures, debenture stocks, foreign currencies, (including foreign exchange bearer certificate), treasury bills and/or any financial instrument, whether in Pakistan or abroad and doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company subject to permission under the law;

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55. the Chief Executive may from time to time with the approval of the directors of the Company borrow money from the members of the Company or from any other person or firm for the purposes of the Company. The Chief Executive may with such approval as aforesaid, raise and secure the payment of such money in such manner and upon such terms and conditions in all respects as he thinks fit and in particular by the issue of debenture, term finance certificates and bonds;
56. to do all such other things as are incidental or conducive to the attainment of the above objects;
57. notwithstanding anything stated in any object clause, the Company shall obtain such other approval or license from the competent authority, as may be required under any law for the time being in force, to undertake a particular activity;
58. to engage in software development, marketing and selling business;
59. to engage in the businesses of providing all sort of services to organizations including businesses, government agencies etc. including outsourcing services.
- IV. It is hereby undertaken that the Company shall not engage in banking, leasing, insurance, multi level marketing, pyramid and ponzi schemes, managing agency or any unlawful business and that nothing in the objects clause shall be construed to entitle it to engage in such business.
- The company shall not engage in banking business or business of an investment company or any unlawful business and that nothing in the object clauses shall be construed to entitle it to engage in such business or undertake business of banking company, investment, leasing, payment sales receipts scheme and insurance business directly or indirectly. The company shall not indulge in multilevel marketing, pyramid and ponzi schemes.
- Declaration:** It is hereby declared that:
- (a) the word "company" except where used in reference to this Company, shall be deemed to include any partnership or other body of persons; whether corporate or unincorporated and whether domiciled in Pakistan or elsewhere; and
- (b) the objects specified in each of the paragraph of this clause shall be regarded as independent objects, and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.
- V. The liability of the members is limited.



VI. The authorised share capital of the Company shall be Rs. 4,000,000,000/- (Rupees four billion only) divided into 400,000,000 (four hundred million) ordinary shares of Rs. 10/- (Rupees ten) each. The Company shall have the power to enhance, reduce or consolidate the share capital and to divide the shares of the company into different classes and kinds subject to the provisions of the Companies Ordinance, 1984.



We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of these Memorandum 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	Father's/ Husband's name in full	Nationality	Occupation	Residential Address in Full	No. of Ordinary Shares	Signatures
Mohammed Bashir Jannohammed	Jan Mohammed	Pakistani	Director and Chairman of the Board	H.No - 18/3, Darul-Arman Society, off Shaheed Millat Road, Bahadurabad, Karachi.	One	
Abdul Rasheed Jannohammed Dawood	Jan Mohammed Dawood	Pakistani	Director	H.No - 18/3, Darul-Arman Society, off Shaheed Millat Road, Bahadurabad, Karachi.	One	
Mohammed Ahsan Kothari	Jan Mohammed	Pakistani	Director	H.No-203, Plot No. 164, Tuzi Apartment BMCHS, Sharfabad, Karachi.	One	
Mohammed Rafiq Yousfi	Abdul Ghaffar	Pakistani	Director	H.No-1/84, Street No. 16, Khayaban Sahar, Phase VI-DHA, Karachi.	One	
Perwaz Hasan Khan	Hadi Hasan Khan	Pakistani	Director and Chief Executive	H.No-D-127, Street No. 15, Khayaban-e-Bekhari, Phase VI-DHA, Karachi.	One	
Abdus Samad	Mohammed Abdalrah	Pakistani	Director	B-106, Clifton Gardens 1, Block-3, Clifton, Karachi.	One	
Usama Mahmood Khan Shouri	Himza Mahmood Khan Ghouri	Pakistani	Director	A-128, Block 10, Gulshan-e-Iqbal, Karachi.	One	
Perwaz Masud Anwar	Masud Ahmad Anwar	Pakistani	Director	127/1, Khayaban-e-Bekhari, Phase V, DHA, Karachi.	One	
Mohammed Babbar	Malik Ghans Khan	Pakistani	Director	H.No-577, Street No. 4, Defence Officers Housing Scheme, Phase I, Malir Canton, Karachi.	One	
Inam Bari	Aziz Baloch	Pakistani	Director	98/1, Khayaban-e-Shahbaz, Phase VI, DHA, Karachi.	One	
Sadaf Razaq	Dr. A. Razaq	Pakistani	Director	18/3, Masjidabad, Karachi.	One	



DATED: ____ DAY OF _____, 2004

Witnesses to above signatures:



- | | |
|---|---|
| <p>1. Signature _____</p> <p>Full Name: _____</p> <p>Father's Name: _____</p> <p>Full Address: _____</p> <p>Occupation: _____</p> | <p>2. Signature _____</p> <p>Full Name: _____</p> <p>Father's Name: _____</p> <p>Full Address: _____</p> <p>Occupation: _____</p> |
|---|---|

Certified to be True Copy



[Signature]

Deputy Registrar of Companies

17 REGISTRATION FORM

REGISTRATION FORM								
 Dalda Foods Limited NTN no: 2128133-5	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					
			<table border="1"> <tr> <td>Registration Dates</td> <td>[Date], 2023 to [Date], 2023</td> </tr> <tr> <td>Bidding Dates</td> <td>[Date], 2023 to [Date], 2023</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Registration Dates	[Date], 2023 to [Date], 2023	Bidding Dates	[Date], 2023 to [Date], 2023	Bidding Form No.
Registration Dates	[Date], 2023 to [Date], 2023							
Bidding Dates	[Date], 2023 to [Date], 2023							
Bidding Form No.								
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF DALDA FOODS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 66.00 PER SHARE (INCLUDING A PREMIUM OF PKR 56.00/- PER SHARE)								
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE.								
ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.								
Name		CNIC #						
		NTN*						
Address		Cell #						
		Land Line #						
E-mail		Fax #						
PLEASE TICK THE APPROPRIATE BOX			Nationality (if other than Pakistani)					
<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor	<input type="checkbox"/> Resident <input type="checkbox"/> Non Resident <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 "[Account Title]"							
Amount in Figures		Instrument #						
Instrument Date		Margin %age						
Banker's Name, Address & Branch								
CDC Details for Sub A/C & House A/C								
CDC Participant Name		CDC Participant ID						
Sub A/C No.		House A/C No.						
CDC Details for Investor A/C								
CDC Investor Service A/C ID		CDC Investor A/C No.						
I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.								
I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.								
Signature of Bidder: _____								

18 BIDDING FORM

 Dalda Foods Limited NTN no: 2128133-5		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	[DATE], 2023 to [DATE], 2023
				Bidding Form No.	[DATE], 2023 to [DATE], 2023
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF DALDA FOODS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 66.00 PER SHARE (INCLUDING A PREMIUM OF PKR 56.00/- PER SHARE)					
PLEASE TICK THE APPROPRIATE BOX					
Name		<input type="checkbox"/> Local Institutional Investor		<input type="checkbox"/> Foreign Institutional Investor	
Address	Cell #		Resident	<input type="checkbox"/> Nationality (if other than Pakistani)	
	Land Line #		Non-Resident	<input type="checkbox"/>	
Fax #	E-mail:		Foreigner	<input type="checkbox"/>	
			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 <input checked="" type="checkbox"/> in the appropriate boxes Yes [] No [] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:					
Title of Account					
Account Number					
Bank Name					
Branch Name & Address					
The Directors of Dalda Foods Limited Plot No. 192-C, Al-Murtaza Commercial Lane 3, Phase VIII, DHA, Karachi					
Dear Sir, On the basis of Prospectus by Dalda Foods 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					
Step Order:					
Option (1)					
Option (2)					
Option (3)					
Option (4)					
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) 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.					
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 filling of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Issuer, the Book Runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: (i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; (ii) FOREIGNER; (iii) I AM/WE ARE NOT MINOR(S); (iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

Important Instructions:

- 1) Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of "**Account Title**". For online transfer facility (pay order or demand draft may be deposited at any branch of **Bank Name** or **Bank Name** and evidence to be submitted to the Book Runner) the payment shall be made into A/C # **Account Name** maintained at **Bank Name** – **Branch Name** or Account # **Account Name** maintained at **Bank Name** – **Branch Address**
- 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



19 GENERAL SUBSCRIPTION FORM

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(7) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FOREFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015

عوام داتا سے متعلق کیا جاتا ہے کہ کیا ریفرڈ ایکٹ 2015 کی سیکشن 87(7) کے تحت یہودی کی جعلی درخواستیں دینا ناقص تاہم تاہم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرنا چاہتی ہے، ایک ریفرڈ ایکٹ 2015 کی سیکشن 87(8) کے تحت یہودی کی جعلی ہے۔

INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.

Dalda Foods Limited
APPLICATION FOR SUBSCRIPTION OF SHARES

As per the Section 72 of Companies Act, 2017, the Company shall have shares in book-entry form only. Therefore, shares of Dalda Foods Limited shall only be issued in scrip-less form in the CDS of CDCPL (Refer to instruction No.3 on the reverse hereof)

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">CDC PARTICIPANT / ACCOUNT HOLDER ID</td> <td style="width: 33%;">SUB ACCOUNT NUMBER</td> <td style="width: 33%;">HOUSE A/C NO.</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table> <p style="text-align: center;">OR</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">CDC INVESTOR ACCOUNT SERVICES ID</td> <td style="width: 33%;">CDC INVESTOR ACCOUNT NO.</td> <td style="width: 33%;">Do you want to avail CDC's facility of IPO Facilitation Account</td> </tr> <tr> <td> </td> <td> </td> <td>Yes <input type="checkbox"/> No <input type="checkbox"/></td> </tr> </table> <p>Plot No. 192-C, Al-Muraza Commercial Lane 3, Phase VIII, DHA, Karachi http://www.daldafoods.com</p> <p>1) I/We apply for the following number of Shares at Issue Price for the value indicated below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">No. of Shares Applied For</td> <td style="width: 33%;">Amount Payable in PKR</td> <td style="width: 33%;">Cheque/ Demand Draft/Pay Order No.</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table> <p>2) I/We agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/We authorize you to credit the Shares to me/us pursuant to this application and if no Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.</p> <p>3) DECLARATION I/We declare that: i) I am/We are national(s) of _____; ii) I am/We are not minor(s); iii) I/We have not made nor have I/we instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/we understand that I/we shall not be entitled to the allotment of Shares if successful rather the application money shall be liable to forfeiture if the declaration proves to be incorrect at any time. Yours faithfully,</p> <p style="text-align: center;">Signature(s) _____ a) _____ b) _____</p> <p>4) ALL DETAILS MUST BE WRITTEN IN BLOCK LETTERS IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN</p> <p>a) Name in Full (as per CNIC) _____ <small>To Mr Mrs Ms Please Tick</small></p> <p>Father's/Husband's Name (as per CNIC) _____</p> <p>Identify Number (CNIC/Passport/Registration No.) _____</p> <p>Identify Number (NTN) _____</p> <p><small>*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE DALDA FOODS LIMITED TO CHECK STATUS OF THE SHARE HOLDERS AS TAX RETURN FILER OR NON FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REQUIRED TAX RATE OF 15% APPLIES TO FILER AND OF 30% FOR NON FILER OR PAYEE OF CASH DIVIDENDS DECLARED IF ANY BY THE COMPANY.</small></p> <p>Full Address _____</p> <p>Phone No. _____</p> <p>Occupation Code _____ Muslim <input type="checkbox"/> Non Muslim <input type="checkbox"/></p> <p>International Bank Account Number (IBAN) _____</p> <p>Bank Name _____</p> <p>Branch Name & Address _____</p> <p>Additional Information - For Non-Resident Pakistanis and Foreign Investors Only</p> <p>Place of Issue of Passport _____ Date of Issue of Passport (DD-MM-YY) _____</p> <p>Corporate Business Letter enclosed Yes <input type="checkbox"/> No <input type="checkbox"/> Nationality Code _____ Country of Residence _____</p> <p>b) FOR JOINT HOLDER, IF ANY</p> <p>b) Name in Full (as per CNIC) _____ <small>To Mr Mrs Ms Please Tick</small></p> <p>Identify Number (CNIC/Passport/Registration No.) _____</p> <p>DIVIDEND MANDATE: Mark tick (✓) in the appropriate boxes Yes [] No []</p> <p>In order to enable the Company to credit the cash dividend declared, if any, by the Company, in Shareholder Holder bank account, instead through dividend warrants, please fill in the following boxes:</p> <p>Title of Account _____</p> <p>International Bank Account Number (IBAN) _____</p> <p>Bank Name _____</p> <p>Branch Name and Address _____</p> <p style="text-align: right;">Signature of the Applicant as per the Bank account</p> <p style="text-align: center;">(TO BE FILLED IN BY THE APPLICANT'S BANKER)</p> <p>It is certified that the above-mentioned applicant(s) is/are maintaining account number as mentioned above at this bank branch and his/her particulars and signature(s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us.</p> <p><small>Note: In case the subscription money is paid through a bank other than the Bankers to the Issue (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.</small></p> <p style="text-align: right;">Bank's Authorized Signatory Bank's Rubber Stamp</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; text-align: center;">SPECIMEN SIGNATURE(S) OF THE APPLICANT</td> <td style="width: 40%; text-align: center;">SPECIMEN SIGNATURE(S)</td> </tr> <tr> <td style="text-align: center;">NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)</td> <td style="text-align: center;">NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)</td> </tr> <tr> <td>a) _____</td> <td>_____</td> </tr> <tr> <td>b) _____</td> <td>_____</td> </tr> </table> <p>Bankers to the Issue's Provisional acknowledgement of application for shares of Dalda Foods Limited</p> <p>Received from Mr/Ms/Ms. _____ Shares. _____ application for _____</p> <p>Name of Bank _____ Branch Code _____ Application Serial No. _____ Date of Receipt _____</p> <p style="text-align: right;">Signature of Authorized Representative & Rubber Stamp of Receiving Bank</p> <p>IMPORTANT: (i) This slip must be retained by the Applicant (ii) Please read instructions provided with this application</p>	CDC PARTICIPANT / ACCOUNT HOLDER ID	SUB ACCOUNT NUMBER	HOUSE A/C NO.				CDC INVESTOR ACCOUNT SERVICES ID	CDC INVESTOR ACCOUNT NO.	Do you want to avail CDC's facility of IPO Facilitation Account			Yes <input type="checkbox"/> No <input type="checkbox"/>	No. of Shares Applied For	Amount Payable in PKR	Cheque/ Demand Draft/Pay Order No.				SPECIMEN SIGNATURE(S) OF THE APPLICANT	SPECIMEN SIGNATURE(S)	NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)	NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)	a) _____	_____	b) _____	_____	<p>SUBSCRIPTION DATE From DD/MM/2021 to DD/MM/2021 during banking hours</p> <p>Broker's Stamp & Code</p> <p>PSX Code</p> <p>Banker's Stamp</p> <p>Bank Code Branch Code</p> <p>Application Serial No.</p> <p>For Pakistanis Resident <input type="checkbox"/> 01 Non-resident <input type="checkbox"/> 02</p>
CDC PARTICIPANT / ACCOUNT HOLDER ID	SUB ACCOUNT NUMBER	HOUSE A/C NO.																									
CDC INVESTOR ACCOUNT SERVICES ID	CDC INVESTOR ACCOUNT NO.	Do you want to avail CDC's facility of IPO Facilitation Account																									
		Yes <input type="checkbox"/> No <input type="checkbox"/>																									
No. of Shares Applied For	Amount Payable in PKR	Cheque/ Demand Draft/Pay Order No.																									
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NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)	NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)																										
a) _____	_____																										
b) _____	_____																										

APPLICATION AND ALLOTMENT INSTRUCTIONS

- Eligible Investors Include:**
 - Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
 - Foreign Nationals whether living in or outside Pakistan;
 - Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
 - Mutual Funds, Provident/Fund/Gratuity Funds/Trusts, (subject to the terms of the Trust Deed and existing regulations); and
 - Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.]
- Copies of the Prospectus and Application Forms can be obtained from the Trading Rights Entitlement Certificate (TREC) holders of Pakistan Stock Exchange Limited, the Bankers to the Issue and their branches, Lead Manager and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded from the website: <http://www.daldafoods.com>; <http://www.csb.com.pk>; www.afriksol.com & www.dalda.com
- The Applicants are required to complete the relevant sections of the application to get the Shares in book-entry form. In accordance with provisions of the Central Depositories Act, 1987 and the CDC Regulations, credit of such Shares are allowed ONLY in the applicant's own CDC Account.
- Name(s) and address must be written in full block letters, in English and should not be abbreviated.
- All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NOCOP) or Passport both the signatures should be affixed on the application form.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - In case of Individual Investors, an attested (photocopy) of CNIC (in case of Resident Pakistanis) or Passport (in case of non-resident Pakistanis and FII) as the case may be, should be enclosed and the number of CNIC/Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government **Gazetted** Officer, Councilor, CDR Commissioner or Head/Member of High School or bank manager in the country of applicant's residence.
 - Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
 - Applications made by companies, corporate bodies, mutual funds, provident/fund/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application.
 - Attested photocopies of the documents mentioned in (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies will, after verification, be retained by the bank branch along with the application.
- Only one application will be accepted against each applicant; however, in case of joint account, one application may be submitted in the name of each joint account holder.
- Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNIC/Passport. The Shares will be credited to the CDC account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or earn. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
- Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "Account Title" and crossed "A/C PAYEE ONLY".
- For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful Applicants through pay order/bank draft individually for each application.
- The applicant should have at least one bank account with any of the commercial banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.
- Under Section 345 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.
- To enable the Company to directly credit the cash dividend, if any, in the Bank Accounts of the shareholders, the applicants must fill in relevant part of the Shares Subscription Form under the heading "Dividend Mandate".
- Shares will be issued only in the book-entry form. Therefore, the applicants must provide their CDC account Number in the Shares Subscription Form.
- Applications are not to be made by minors and/or persons of unsound mind.
- Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
- It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of writing the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- Submission of false and fictitious applications is an offence under section 47(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 47(8) of the Securities Act, 2015.

عام آدمیوں کو مطلع کیا جاتا ہے کہ تکبیر ریجز 1 ایکٹ 2015 کی سشن نمبر (7) 87 کے تحت جھوٹی ذمہ داریوں اور غلطیوں سے اجتناب کرنا ضروری ہے۔ غلطیوں سے اجتناب کرنا ضروری ہے۔
 کر نے والوں کی رقم، بنکر درخواست کے ساتھ جمع کرنی چاہتی ہے، تکبیر ریجز 1 ایکٹ 2015 کی سشن نمبر (8) 87 کے تحت جھوٹی ذمہ داریوں سے اجتناب کرنا ضروری ہے۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. Copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- Foreign / Non-resident Investors should follow payment instruction given in Section 12 of the Prospectus.

BASIS OF ALLOTMENT

- The minimum value of application for subscription of 200 shares (Issue Price x 200 shares) Application for amount below the minimum value shall not be entertained.
- Application for Shares must be made for 200 shares or in multiple thereof only. Applications which are neither for 200 shares nor for multiple thereof, shall be rejected.
- Allotment of Shares to successful applicants shall be made in accordance with the allotment criteria/ instructions disclosed in the Prospectus.
- Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
- Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
- The Company will credit the respective CDC accounts of the successful applicants.

BANKERS TO THE ISSUE

Code	Name of Bank	Code	Name of Bank
01	United Bank Limited	06	United Bank Limited
02	Habib Metropolitan Bank Limited	07	Habib Metro Pakistan Limited
03	Habib Bank Limited	08	Habib AB Bank Limited
04	Allied Bank Limited		
05	Meezan Bank Limited		

ii. OCCUPATION CODE

Code	Occupation	Code	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Self-employed
04	Housewife	09	Investor/Retiree
05	Household	10	Other

- In order to facilitate Investors, United Bank Limited (UBL) is offering electronic submission of application (e-PO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubli.com.pk/e-commerce/ubli/>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on **DD/MM/YYYY**.
- The Central Depository Company of Pakistan (CDC) has developed a Centralized e-PO System (CES) through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in the IPO which can be accessed through the web link www.afriksol.com. Payment of subscription money can be made through UBL's member banks available for CES, list of which is available on above website.
- For making application through CES, Investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CES Account (Investor Account or sub-account) may register themselves with CES.
- Investors who do not have CES account may visit www.cesofp.com for information and details. For further guidance and queries regarding CES and opening of CES account, Investors may contact CDC at phone Number: 0800-10275 (NOCOP) and email: info@cesofp.com or contact Mr. Farooq Ahmed at Phone 021-4998000 and email: farooq_ahmed@cesofp.com. For further details on CES, please refer section 13.7 of the Prospectus.

13. NATIONALITY CODE

Code	Name of Country	Code	Name of Country
001	U.K.	006	Sri Lanka
002	U.S.	007	China
003	U.S.C.	008	Bahrain
004	P.A.S.	009	Other
005	Other		

For further queries you may contact:
 Pander Tyme Limited: www.pander.com Phone: 042 111 224 664; E-mail: info@pander.com; www.pander.com
 AffHabib Limited: www.affhabib.com; Phone: 021-4998000; E-mail: info@affhabib.com