

# **THE PAKISTAN CREDIT RATING AGENCY LIMITED (PACRA)**

## **INFORMATION MEMORANDUM**

**GROWTH ENTERPRISE MARKET BOARD OFFERING**

**JUNE 10, 2025**

**Initial Offer to the Accredited Investors for Listing on Growth Enterprise Market Board (GEM) Offering under Chapter 5A of PSX Regulations:  
Regulations governing Listing and Trading of Equity Securities on the Growth Enterprise Market**

**Accredited Investors are hereby informed that the Issue has been Fully Underwritten by Integrated Equities Limited**

**Name of Issuer:** The Pakistan Credit Rating Agency Limited

**Registered Office:** FB 1 Awami Complex, Usman Block, New Garden Town, Lahore.

**Website:** [www.pacra.com](http://www.pacra.com)

# DISCLAIMER

- **This is not a Prospectus for issue of shares to the general public, but a document prepared for the purpose of offering shares only to Accredited Investors.**
- **This Information Memorandum (“IM”) has not been approved by the Securities & Exchange Commission of Pakistan (the Commission) or the Pakistan Stock Exchange Limited (the Exchange).**
- **Advice for Investors:** The Growth Enterprise Market (GEM) Board at the Pakistan Stock Exchange (PSX) is designed primarily for Growth Companies. Growth Companies are comparatively exposed to higher investment risk including liquidity risk as compared to the companies listed at the Main Board. The prospective investor should, therefore, be aware of the risk of investing in such companies and should make the decision to invest only after careful diligence of the issue and consideration. It is advisable to consult an independent investment advisor before making investment in equity of the Issuer.
- **The Board of Directors of the Pakistan Credit Rating Agency Limited (PACRA or the “Company”) accepts responsibility for accuracy of the information contained in this document.**
- The Purpose of this Information Memorandum prepared by Joint Advisors is to describes and summarizes the key business / financial highlights of the PACRA and it is being provided to the prospective investors who may be interested in participating in the Initial Offering (“Transaction”) by PACRA.
- LSE Capital Limited and Integrated Equities Limited as Joint Advisors to the Issue have been authorized by PACRA to provide this IM to Accredited Investors, as stipulated by **Chapter 5A of the PSX Rule Book** with associated guidance, wishing to participate in this Transaction, and to assist them in assessing the proposed Transaction. Prospective investors should conduct their own independent investigation, due diligence and analysis, including legal and tax advice, if required, before taking any decision with regard to this Transaction.
- All information pertaining to this Transaction and contained in this Information Memorandum has been obtained from PACRA and other publicly available sources. The information contained in this IM has been reviewed and agreed upon by the Company. Advisors to the Issue believe that the information stated herein is accurate and complete. However, nothing contained in this IM should be considered a promise, confirmation, or representation by the Advisors to the Issue as to the future, or an indication that there has been no change in the state of affairs of the Company since the date of this IM.
- This IM does not constitute a Prospectus or an offer to the public by the Advisors to the Issue, and is being provided on a strictly and permanently confidential basis, solely for the purpose stated above and for no other purpose. It must not be copied, reproduced, or distributed in any shape or form to others without prior approval of the Advisors to the Issue.

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# GLOSSARY OF TECHNICAL TERMS

CRCs	Credit Rating Companies	ESG	Environmental, Social, and Governance
PSX	Pakistan Stock Exchange Limited	DCIR	Deputy Commissioner Inland Revenue
SBP	State Bank of Pakistan	ACIR	Assistant Commissioner Inland Revenue
SECP	Securities and Exchange Commission of Pakistan	PKR	Pakistan Rupee(s)
PACRA	The Pakistan Credit Rating Agency Limited	IEL	Integrated Equities Limited
LRA	Lanka Rating Agency Limited	SMEs	Small and Medium Enterprises
VIS	VIS Credit Rating Company Limited	ATI	Advisors to the Issue
IFC	International Finance Corporation	LVL	LSE Ventures Limited
LSE	Lahore Stock Exchange	RC	Rating Committee
ECAI	External Credit Assessment Institution	MIT	Management information Technology
TISL	Tasdeeq Information Services Limited	ROE	Return on Equity
NCCPL	National Clearing Company of Pakistan Limited	ROA	Return on Assets
CDC	Central Depository Company of Pakistan Limited	EPS	Earning per Share
BVPS	Book Value Per Share	MBO	Mutual Buyout Agreement

# THE ISSUER & COMPANY

ISSUER NAME	The Pakistan Credit Rating Agency Limited (“PACRA” or the “Company”).
REGISTRATION NO.	Registration No. 0033200.
STRN No.	0786740
NTN No.	0786740-9
DATE OF INCORPORATION	As a private company on August 18, 1994; Converted to a public limited company on April 30, 2004.
LICENSING	Licensed as a Credit Rating Company by the Securities and Exchange Commission of Pakistan (“SECP”)
NATURE OF BUSINESS	As a credit rating Company, to evaluate credit risk and provide ratings to third party customers that reflect an entity’s or instrument’s ability to meet its financial obligations and repay debt.
REGISTERED ADDRESS	FB1, Awami Complex, Usman Block, New Garden Town, Lahore.
WEBSITE	<a href="http://www.pacra.com">www.pacra.com</a>

# THE TRANSACTION

<b>TRANSACTION</b>	Listing on Growth Enterprise Market (“GEM”) Board of PSX through an Offer for Sale
<b>OFFEROR</b>	Mumtaz Hussain, a sponsoring shareholder, is offering 7,452,900 shares, representing 10% of the paid-up capital of the Company as part of the Offer
<b>PAID UP CAPITAL</b>	PKR 74,529,000
<b>TRANSACTION SIZE</b>	7,452,900 ordinary shares (10% of the total post-offering paid-up capital)
<b>SHARE TYPE &amp; PAR VALUE</b>	<b>Ordinary Shares with a Par Value of PKR 1.00 (Pak Rupee One)</b>
<b>METHOD OF OFFERING</b>	100% through Book Building
<b>OFFERING STRUCTURE/PRICE BAND</b>	The entire issue will be offered through book building via Dutch Auction Method at a floor price of PKR 10.75 per share (including premium of PKR 9.75/- per share ), The upper limit of the price band should not be more than 40% of the floor price i.e. PKR 15.05 per share (including a premium of PKR 14.05 per share)
<b>AMOUNT TO BE RAISED</b>	PKR 80,118,675/- at Floor Price, PKR 112,166,145 at Upper Limit
<b>PURPOSE OF ISSUE</b>	Mumtaz Hussain is partially divesting his shareholding to support the Company’s listing objective to enhance PACRA’s brand visibility, access to future capital, and expand the shareholder base through institutional and other investors.
<b>REGISTRATION DATES</b>	June 16, 2025 till June 18, 2025 (9:00 am to 5:00 pm) and on June 19, 2025 (9:00 am to 3:00 pm)
<b>SUBSCRIPTION DATES</b>	June 18, 2025 (9:00 am to 5:00 pm) to June 19, 2025 (9:00 am to 5:00 pm)
<b>JOINT ADVISORS TO ISSUE</b>	LSE Capital Limited & Integrated Equities Limited (IEL).
<b>BOOK RUNNER / UNDERWRITER</b>	Integrated Equities Limited is the Book Runner and has fully Underwritten the Issue
<b>REGULATIONS AND KEY CLAUSE ON SHAREHOLDING</b>	Credit Rating Companies Regulations 2016 (as amended up to September 2022). Any change in credit rating company’s shareholding that entitles the shareholder to more than ten per cent (10%) shareholding shall require prior written approval of the Commission [Ref: Clause 10 (4) of CRC Regulations, 2016].

# OVERVIEW OF THE COMPANY AND ITS BUSINESS



- **Credit Rating Companies (CRCs):** CRCs provide an independent opinion on the credit worthiness of an entity, debt instrument or other financial instruments making them integral part of the financial system. Investors, lender, regulators and other stakeholders use rating opinions for informed decision making.
- **Regulation:** CRCs are regulated entities with strong supervision and licensing requirements from apex regulators in the country. In Pakistan, Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP) oversee rating agencies.
- **Pioneering Establishment:** The Pakistan Credit Rating Agency (PACRA or “the Company”) was established in 1994 as Pakistan’s first credit rating agency through a joint venture between IFC, Fitch Ratings (formerly IBCA Ratings), and the former Lahore Stock Exchange (LSE).
- Currently, there are two licensed Credit Rating Companies in Pakistan, PACRA and VIS Credit Rating Company Limited.
- **Extensive Sector Coverage:** As of May 21, 2025, PACRA has 640 outstanding rating opinions, spanning 10 financial and 51 corporate sectors, reflecting its comprehensive market penetration. This coverage extends to 45% of the KSE-100 Index Companies. List of clients with outstanding rating opinions is available on PACRA’s website: [www.pacra.com](http://www.pacra.com). PACRA signs a standard agreement with each client as per the provisions of Credit Rating Companies Regulations, 2016 (as amended from time to time).
- **Significant Role in the Banking Industry:** PACRA provides rating opinions covering 40% of Pakistan's total corporate debt, approximately PKR 8.8 trillion. Currently, the Company rates financial instruments amounting to over PKR 363 billion.
- **Expert Analytical Team:** Outside the banking sector, PACRA boasts one of the largest analytical teams in Pakistan, comprising 55+ analysts. These are distributed across dedicated teams for Ratings, Research, Criteria, Product Development, and Management information technology. The average experience is ~4.5 years.
- **Comprehensive Sector Coverage:** The Company’s specialized research analysts cover 60+ sectors of the economy. Sector reports are released annually and are publicly available on PACRA’s website, currently without any subscription requirement or associated fee.
- **Innovative Criteria Function:** PACRA's criteria function specializes in crafting rating methodologies, models, data analytics, and validation. The Company has internally designed and maintained 30 methodologies and 22 models for robust evaluation standards.
- **Efficient Rating Process Management:** The Company has developed its own in-house rating management system, wizPAC, to streamline and monitor all rating activities, which includes document management, workflow processes and generation of related reports.





# OVERVIEW OF THE COMPANY AND ITS BUSINESS



- **Diversified Product Portfolio:** In addition to traditional credit rating products, PACRA has developed specialised offerings tailored for brokerage, microfinance, real estate, and asset management industries, reflecting a commitment to innovation and market responsiveness. These include but are not limited to mutual funds ratings, asset manager ratings, broker management/fiduciary ratings: insurer financial strength ratings, investment advisor ratings: project gradings: REIT manager rating, REIT fund ratings, trustee fiduciary ratings and social impact & performance ratings.
- **Global Footprint through Strategic Investments:** PACRA holds an 18.7% stake in Lanka Rating Agency (LRA), Sri Lanka, serving as the technical partner for all rating opinions issued by LRA. The company plans to increase its stake to 20%. As a technical partner, service fees from LRA are accounted for in PACRA's financial statements. [Please refer to the Slide No.22]
- **Other Strategic Investment:** The Company owns a 15.57% stake with Board nomination rights in Tasdeeq Information Services Limited (Tasdeeq) Pakistan's premier SBP-licensed credit bureau, having credit data for over 30 million consumers. PACRA accounts for its share of profit or loss from Tasdeeq in its consolidated financial statements.
- **Non-rating Services:** As per international norms and best practices, in addition to credit ratings, the Company, through its wholly-owned subsidiary, PACRA Analytics (Private) Limited offers a suite of advisory services encompassing risk management, investment evaluation, feasibility studies, financial modelling and validation, due diligence, sector research, trainings and corporate governance assessment. The fees from such services has been minimal, Services have been offered to clients such as Albaraka Bank, Meezan Bank, IFC, Bank of AJK etc.



# CHANGES IN SHAREHOLDING (PRE AND POST ISSUE)

No.	Name	Original Shareholding	LVL Share Transfer to Sponsors	Shares held Pre-Offer for Sale	Shareholding %age Pre-offer for sale	Offer for Sale Shares	Shares held post Offer for Sale	Shareholding %age Post offer For sale
1	Mumtaz Hussain	20,122,800	1,131,908	21,254,708	29%	(7,452,900)	13,801,808	19%
2	Sardar Ali	10,061,410	565,954	10,627,364	14%	-	10,627,364	14%
3	Usman Haider	10,061,400	565,954	10,627,354	14%	-	10,627,354	14%
4	Adnan Afaq	7,452,900	419,226	7,872,126	11%	-	7,872,126	11%
	<b>Sponsors</b>	<b>47,698,510</b>	<b>2,683,042</b>	<b>50,381,552</b>	<b>68%</b>		<b>42,928,652</b>	<b>58%</b>
5	LSE Ventures Ltd. (LVL)	26,830,420	-2,683,042	24,147,378	32%	-	24,147,378	32%
6	Sikander Afzal*	10	-	10	0%	-	10	0%
7	Ammar ul Haq*	10	-	10	0%	-	10	0%
8	Muzaffar Virk*	10	-	10	0%	-	10	0%
9	Tariq Jameel*	10	-	10	0%	-	10	0%
10	Najaf Yawar Khan*	20	-	20	0%	-	20	0%
11	Murium Hadi*	10	-	10	0%	-	10	0%
12	Accredited Investors					7,452,900	7,452,900	10%
	<b>Total</b>	<b>74,529,000</b>	<b>-</b>	<b>74,529,000</b>	<b>100%</b>	<b>7,452,900</b>	<b>74,529,000</b>	<b>100%</b>

Above details to be furnished to the National Clearing Company of Pakistan Limited (NCCPL) for capital gain purposes.

\*Qualification Shares

# SUBSIDIARIES & ASSOCIATES<sup>1</sup>



## PACRA Analytics (Private) Ltd.

PACRA Analytics is a wholly-owned subsidiary of PACRA wherein PACRA holds 10,000 fully paid ordinary shares at a par value of Rs. 10 each. The Company primarily focuses on non-rating services, although its scale of operations remains relatively limited. PACRA Analytics offers various products and services leveraging on expertise built over the years. These include i) financial modelling and validation, ii) risk management policies and framework, iii) advisory, iv) training and learning solutions, v) research, and vi) corporate governance assessment. The Company has collaborated with renowned international companies on different projects to bring their expertise to Pakistan. The Company brings global best practices while considering local dynamics to provide optimal solutions.



## Tasdeeq Information Services Ltd.

Tasdeeq is Pakistan's first State Bank-licensed credit bureau, established under the Credit Bureau Act 2015. Tasdeeq is creating an ecosystem to address issues in access to finance through innovative credit reporting and scoring solutions. The bureau's primary service involves collecting data from member financial institutions and non-conventional sources like utilities and telecom providers to build a comprehensive repository of credit information for individuals and corporate entities. The data repository encompasses current and historical information on over 31 million unique borrowers and over 20 million active loans, supporting millions of lending and data-driven business decisions. Tasdeeq is an associated company of PACRA, which holds 10,273,000 fully paid-up shares at a par value of Rs. 10 each per share, representing a 15.57% ownership in Tasdeeq with Board nomination rights.



## Lanka Rating Agency

The Lanka Rating Agency (LRA) is Sri Lanka's only domestic credit rating agency licensed by the Securities and Exchange Commission of Sri Lanka. After a period of dormancy due to regulatory issues, the company recommenced operations in July 2021 based on a five-year technical affiliation with PACRA. LRA offers various services, including credit ratings and risk assessments for an independent and credible opinion of the creditworthiness of corporations, financial institutions, government entities, and structured finance instruments. LRA is PACRA's first initiative to establish its presence outside Pakistan. The company is an associated company of PACRA, wherein PACRA holds 33.86 million shares of SLR 1.0 each in LRA, which is an effective shareholding of 18.7%. The CEO of PACRA is also a director on the board of LRA.

<sup>1</sup> Details of Associates through Common Directorship or Common shareholding are provided in Annexure to this IM

# SPONSOR SHAREHOLDERS

## Mumtaz Hussain

*Sponsor Shareholder/Director*

With over 35 years of extensive experience in the corporate and financial sectors, Mr. Mumtaz Hussain is a seasoned professional and a shareholder of PACRA since 2004. His expertise spans corporate finance, investment banking, mergers and acquisitions, and corporate management, and he has a proven track record of landmark transactions across diverse industries, including telecom, information technology, power generation, textiles, banking, and more. Before establishing his consultancy in 2004, Mr. Mumtaz held senior leadership roles at prominent organizations such as Nishat Group, Prime Bank, and WorldCall Telecom Group. As an entrepreneur, he has spearheaded innovative ventures, including Tasdeeq, Pakistan's first SBP-licensed credit bureau, and TenX, a software house specializing in artificial intelligence solutions. Mr. Mumtaz's professional journey began with a distinguished career in the Pakistan Army. He later pursued his MBA from the Lahore University of Management Sciences (LUMS).

## Usman Haider

*Sponsor Shareholder/CEO/Director*

Mr Usman Haider is a seasoned financial sector professional with over 28 years of experience. A shareholder of PACRA since 2011, he assumed the CEO role in 2023. He possesses strong expertise in project finance, debt syndication, equity raising, financial restructuring, mergers and acquisitions, project development, and regulatory affairs. For his career, Mr. Haider has worked across various industries, including energy, power generation, technology, telecommunications, electricity distribution, hospitality, fertilizer, and sugar. Mr. Haider began his professional journey with seven years in the corporate sector at Southern Electric and WorldCall Telecom Group. In 2004, he co-founded an advisory firm, where he successfully advised or concluded transactions exceeding USD 10 billion, demonstrating his intricate understanding of transaction advisory. As an entrepreneur, Mr. Haider is the sponsoring shareholder pioneering ventures, including Tasdeeq, Pakistan's first State Bank-licensed credit bureau; TenX, a leading data analytics and software development firm; and Agrilift, an innovative agritech startup. He holds an MBA from the Institute of Business Administration (IBA), Karachi.

## Sardar Ali Wattoo

*Sponsor Shareholder/Director*

With over 33 years of experience in the corporate and financial sectors, Mr Sardar Ali Wattoo has been a seasoned professional and has been a shareholder of PACRA since 2011. His career began in corporate financial management and later transitioned into the financial sector, where he has built an impressive portfolio of expertise and achievements. Over the years, Mr. Wattoo has held pivotal roles in renowned organizations such as the Nishat Group, Saigol Group, and WorldCall Telecom. After leaving WorldCall, he established his own brokerage firm in 2008, marking the beginning of a successful entrepreneurial journey. He specializes in key areas such as initial public offerings, restructuring, mergers and acquisitions, general financial management, and family constitutional frameworks. A Fellow of the Institute of Chartered Accountants of Pakistan (ICAP), Mr. Wattoo is a qualified Chartered Accountant, having completed his professional training at the prestigious A.F. Ferguson & Co.

## Adnan Afaq

*Sponsor Shareholder*

Mr. Adnan Afaq is a seasoned banking professional with over 35 years of experience in the financial sector. He became a shareholder of PACRA in 2008 and served as its Managing Director for 11 years, steering the organization from 2008 to 2019. Throughout his career, Mr. Adnan has held senior leadership positions in esteemed institutions such as Deutsche Bank, Prime Bank, and Askari Bank. He was also the founding CEO of Askari Investment Management. With strong expertise in strategy, risk management, organizational transformation, and consumer banking, Mr. Afaq also serves on the boards of several companies, including a regulatory body, reflecting his leadership and governance capabilities. In 2020, Mr. Adnan embarked on an entrepreneurial journey by establishing a boutique hotel in the scenic northern areas of Pakistan, combining his business acumen with a passion for hospitality. Mr Adnan is a Fellow of ICAP and qualified as a chartered accountant from the Institute of Chartered Accountants in England and Wales (ICAEW).

# BOARD OF DIRECTORS (EXCLUDING SPONSOR DIRECTOR)

## **Tariq Jamil**

*Chairperson/Independent Director*

A banking expert with over 50 years of experience, Mr. Tariq Jamil has been the Chairperson of PACRA's board since [insert year]. Mr. Jamil has built an extensive banking, insurance, project management, manufacturing, and IT services portfolio throughout his career. He has held leadership roles at prominent institutions such as Habib Bank Limited, Bank of Credit and Commerce International, and National Bank of Georgia. Additionally, he served as the CEO of Hoechst Ravi Chemicals and Hoechst Ravi Polymers. Mr. Jamil's expertise spans core banking solutions, electronic financial transactions, regulatory compliance, and business advisory. He has been a lead consultant to several major financial institutions, assisting in assessing and implementing cutting-edge technology solutions. His work has involved close collaboration with regulatory authorities in multiple jurisdictions, including the State Bank of Pakistan. Mr. Jamil is a graduate of Punjab University and holds a Postgraduate Diploma (PGD) in Business and Finance from Georgia State University.

## **Najaf Yawar Khan**

*Independent Director*

With over 35 years of post-qualification experience, Mr. Najaf Yawar has been an independent director on PACRA's Board since 2017, bringing a blend of academic, entrepreneurial, and professional expertise. He is currently a Professor and Chairperson of the Management Studies Department at GC University, Lahore, where he contributes to academic leadership and business education. In addition, he has been a Director of Pronto Promo (Pvt.) Limited since 1994, a company specializing in promotional products for blue-chip clients in Pakistan. Over his career, Mr. Yawar has held various roles in finance and consulting, including serving as Director of Finance at Nasco Group International in Tangier and as an independent management consultant for several projects. His expertise spans financial management, entrepreneurship, and business strategy. Mr. Yawar holds an MBA from the Lahore University of Management Sciences (LUMS) and an MSc in Information Management from Lancaster University Management School, UK.

## **Lt. General (Retired) Sikander Afzal**

*Non-executive Director*

With almost four decades of military service, Lt. Gen. (Retired) Sikander Afzal has been serving as a director on PACRA's board since December 2022. He brings a wealth of expertise in planning and organizational management to the organization. Joining the Pakistan Army in 1972, he held a variety of command, staff, and instructional roles, including commanding two infantry divisions and a corps. He also held key leadership positions in UN missions in Somalia and Liberia. Currently, Gen. Sikander serves as an advisor to the Institute of Policy Reforms and the Golden Ring Economic Forum. Additionally, he is on the boards of Gulab Devi Hospital, Lahore, and Liaquat National Hospital, Karachi. A graduate of the Command and Staff College in Quetta and the National Defence College in Islamabad, he holds a Defence and Strategic Studies degree from Quaid-e-Azam University, Islamabad.

## **Murium Hadi**

*Independent Female Director*

Ms. Murium Hadi, an accomplished professional with over 20 years of experience in the financial and development sectors, has been serving as an independent director on PACRA's Board since 2024. She brings a wealth of expertise in designing and implementing solutions for social and financial inclusion, particularly targeting underserved and unbanked populations, with a focus on empowering women. Her areas of specialization include digital financial services, financial inclusion policy and practice, social protection programs, economic empowerment, and market-based research. Ms. Hadi has led numerous high-impact consulting assignments for renowned multilaterals, including the World Bank and the Asian Development Bank. She has also served as the Women's Financial Inclusion Advisor for Karandaaz Pakistan, driving initiatives to enhance women's access to financial services. A certified expert in Financial Inclusion Policy from the Frankfurt School of Finance & Management, Ms. Hadi also holds an MSc in International Finance from Leeds University Business School, United Kingdom.

# BOARD OF DIRECTORS (EXCLUDING SPONSOR DIRECTOR)

## **Ammar ul Haq**

*Non-executive Director (Nominee of LSE Ventures Limited)*

Mr. Ammar ul Haq, a seasoned professional with over 20 years of experience, has been serving on PACRA's Board since 2019 as the nominee of LSE Ventures Limited. He also previously served on the Board during 2010–2011. Mr. Haq is a Director at Al Haq Securities, a member of the Pakistan Stock Exchange, where he has been actively involved for over 14 years. His areas of expertise include institutional and retail brokerage, equity buyout syndication, portfolio management services, and commodity trading. In addition to his financial sector engagements, Mr. Haq is actively involved in his family's steel industry business, specializing in the trading and import of stainless steel for Pakistan's domestic manufacturing sector. He holds a Master's degree in Business Administration and is a certified director by the Institute of Chartered Accountants of Pakistan (ICAP).

## **Muzaffar Virk**

*Non-executive Director (Nominee of LSE Ventures Limited)*

Mr. Muzaffar Virk, a seasoned professional with over 35 years of extensive experience in the oil and gas industry, has been serving as a member of PACRA's Board since 2023, representing LSE Ventures Limited. Mr. Virk is a CEO at Sim Oil Limited and MISAB Resources. Over his distinguished career, Mr. Virk spent 27 years in various leadership roles at Tullow Pakistan Developments Limited, where he was instrumental in driving exploration, development, and production projects. His expertise spans finance, legal, commercial, and general management, with a proven track record of engaging stakeholders and negotiating critical agreements such as petroleum concession agreements and gas sales contracts. Mr. Virk began his career with Khalid Majid Hussain Shah Rehman, a member firm of Deloitte Touche Tohmatsu, where he gained valuable experience in audit and corporate services for multinational oil companies, including Occidental Inc., OGDCL, and Tullow Oil.



# KEY MANAGEMENT

## **Jhangeer Hanif**

*Chief Rating Officer*

Mr. Jhangeer Hanif is the Chief Rating Officer (CRO) at PACRA, bringing nearly 17 years of specialized rating experience at the organization. He plays a pivotal role in ensuring the quality and accuracy of PACRA's ratings, assisting businesses and investors in risk assessment while upholding the agency's integrity, independence, and reliability. In his capacity as CRO, Mr. Hanif leads the organization's response to evolving market dynamics and regulatory requirements, manages risks, and ensures compliance with local and international standards. He oversees a team of 32 analysts, providing strategic leadership and ensuring that all ratings are backed by meticulous analysis and dependable data. With a robust background in finance, risk management, and financial analysis, Mr. Hanif is instrumental in shaping PACRA's strategic direction and enhancing its reputation as a trusted ratings agency. He is a Fellow Chartered Certified Accountant, reflecting his expertise and professional acumen.

## **Sameer Khan**

*Chief Business Officer*

Sameer Khan is an accomplished financial professional with over two decades of experience in business strategy, credit ratings, and financial advisory. Since joining PACRA in 2015 as Chief Business Officer, he has played a key role in identifying market gaps, developing new products and contributing to the growth and diversification of PACRA's client base and product portfolio. Previously, Sameer worked at Askari Bank Limited, where he contributed to new retail products, merger and acquisition assignments, media and marketing management, and Islamic banking. At Askari Investment Management Limited, he served as DGM Marketing and Distribution, establishing a distribution network, and later as Vice President of Business Development for the North region, driving business expansion and client relationships. He is a fellow member of ACCA and holds an MS in Management Sciences.

## **Adnan Dilawar**

*Chief Solutions Officer*

Adnan Dilawar serves as the Chief Solutions Officer (CSO) at PACRA. He brings nearly 20 years of diverse experience in the financial services sector, 17 of which at PACRA. His prior experience includes working as an analyst in leading financial institutions in the US. Adnan leads PACRA's non-rating initiatives, which encompass research, rating criteria, product development, and management information technology. In PACRA since 2007, he has held rating roles, including supervising teams of over 15 analysts with a portfolio of 180+ clients. His responsibilities included credit risk assessment, monitoring, and execution of ratings. As CSO, Adnan has been key in driving PACRA's digital transformation and strengthening its operational processes. He has led initiatives to develop new products, provide value-added services, and expand PACRA's footprint internationally by establishing two credit rating agencies in Sri Lanka and Bangladesh. Mr. Dilawar holds an MBA with a concentration in finance from the University of Indianapolis, USA.

## **Iram Tahir**

*Head of Compliance and Regulatory Affairs/Company Secretary*

Ms. Iram Tahir has over 13 years of experience in regulatory compliance, risk management, and internal audit across both public and private sectors. Currently, she holds multiple leadership roles at PACRA, serving as the Head of Compliance, Regulatory Affairs and Company Secretary. In these capacities, she ensures compliance with SECP and SBP regulations while spearheading policy development and governance initiatives. Iram's public sector experience includes key roles in prominent government and regulatory organizations, where she developed expertise in corporate governance, risk management, and operational efficiency. During her tenure at Crowe Hussain Chaudhury & Co., She gained exposure to diverse sectors such as engineering, pharmaceuticals, textiles, education, and trusts. Iram is a Chartered Accountant (Finalist) with a BS in Accounting & Finance and is a Certified Director from LUMS. She also holds certifications from PIPFA, CICA, and CFE.

# KEY MANAGEMENT

## **Sajjad Sulman**

*Chief Financial Officer/Head of Finance*

Sajjad Sulman is a seasoned finance professional with over 26 years of experience in managing finance and operations across leading organizations. He is responsible for leading activities related budgeting, forecasting, cash flow management, banking operations, taxation and revenue management. Prior to PACRA, Sajjad worked at World Call Telecom, where his expertise in tariff management, billing, and banking operations led to his promotion as Deputy General Manager . He also served as Head of Treasury at Preston University Islamabad, further strengthening his financial leadership credentials. Sajjad holds an MBA from the University of the Punjab.

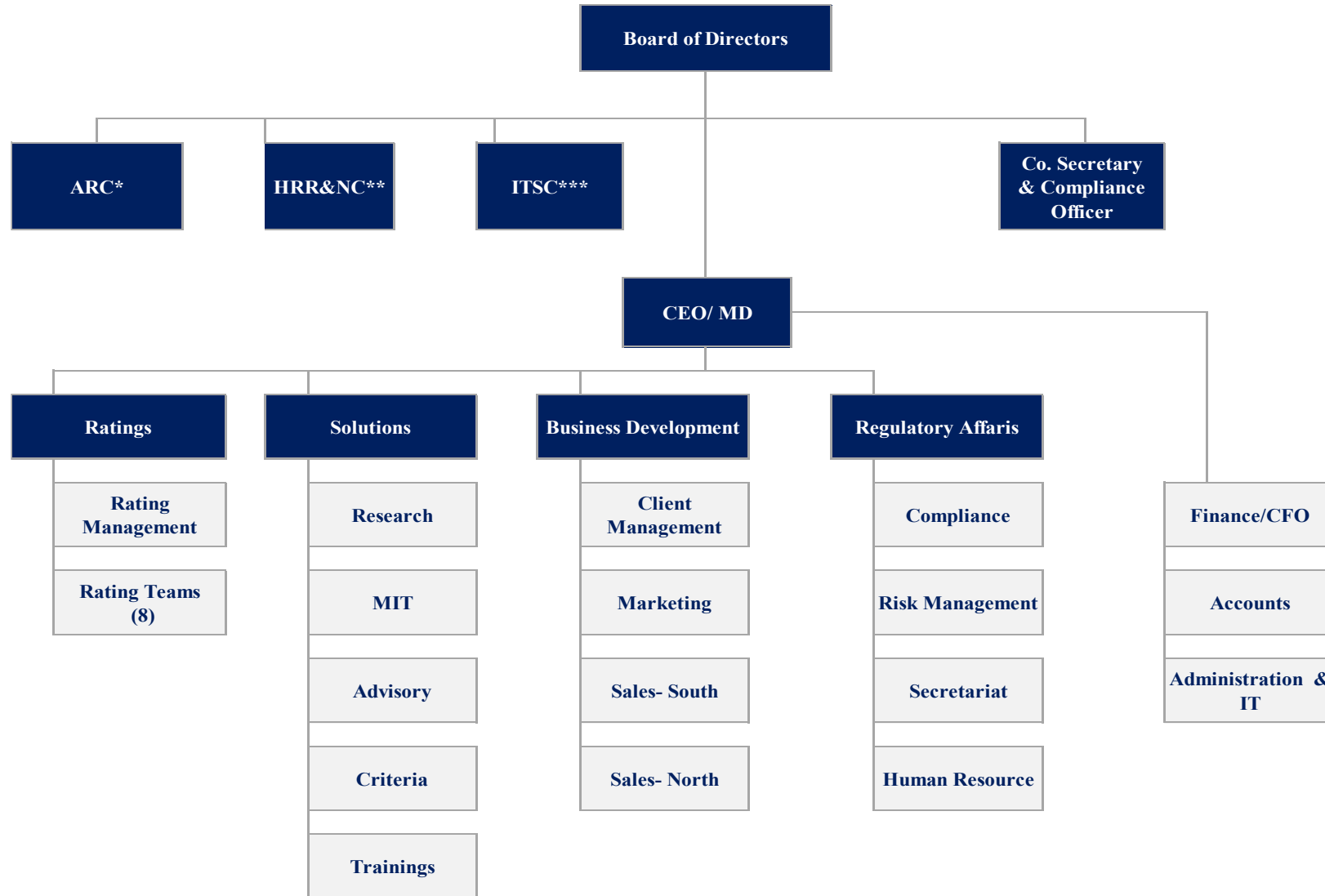
## **Faraz Rafi**

*Head of Accounts*

Mr. Faraz Rafi is an experienced accounting and finance professional with over 12 years of experience in accounts, auditing, and taxation. Before joining PACRA, he worked as Deputy Controller Accounts at Monnoo Group of Industries and later as Manager Accounts at New Life Developers (Pvt.) Limited, where he developed a detailed financial model that led to a successful joint venture with DHA. He began his career at Riaz Ahmad & Company – Chartered Accountants, gaining exposure to various sectors including textiles, sports, real estate, and services. Currently, as Manager Accounts at PACRA, he oversees the accounting function and collaborates with different departments to support smooth financial operations. Mr. Rafi is a Chartered Accountant (Finalist) from the Institute of Chartered Accountants of Pakistan.



# ORGANOGRAM



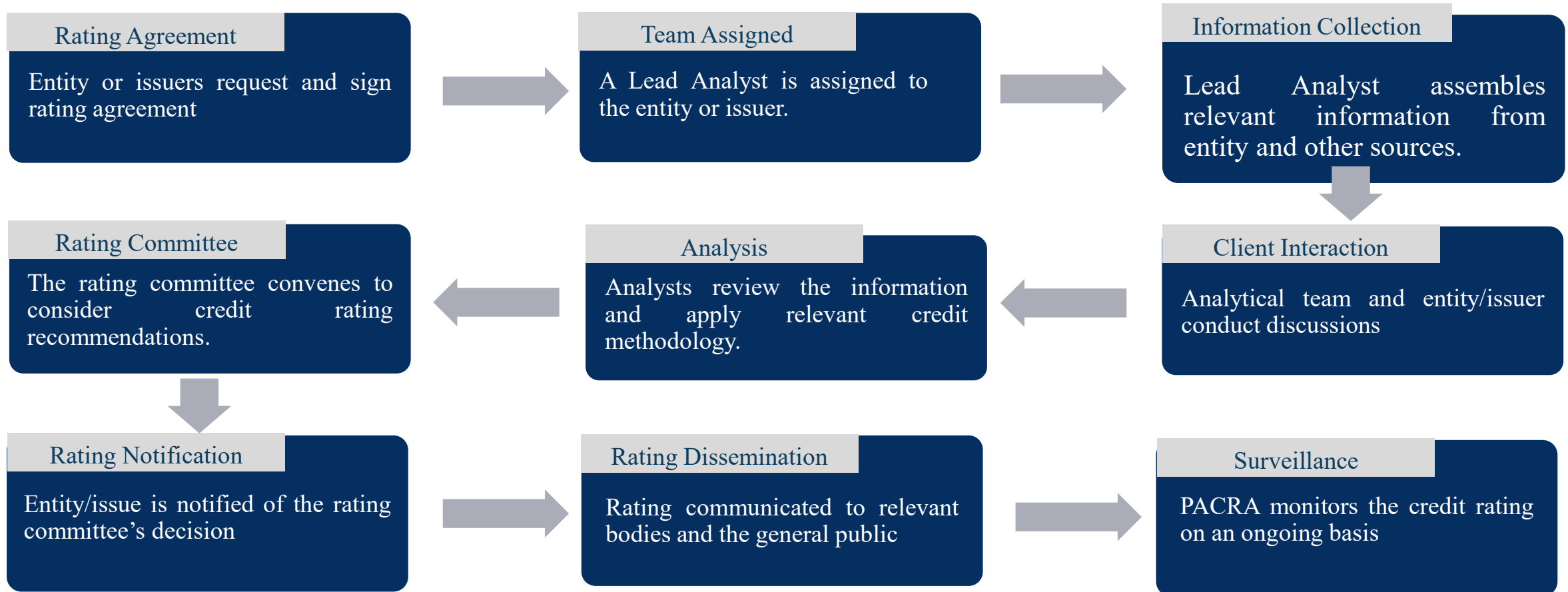
Functions	Jan-25
Senior Management	5
Rating	31
Solutions	19
Business Development	4
Support & Operations	8
Regulatory Affairs	5
<b>Total</b>	<b>72</b>

<sup>1</sup>ARC (Audit & Risk Committee)

<sup>2</sup>HRR&NC (Human Resource Remuneration & Nomination Committee)

<sup>3</sup>ITSC (IT Steering Committee)

# RATING PROCESS



For conflict mitigation in ratings, PACRA under the CRC Regulations is required to follow the following guidelines:

- Clause 11(C)e | establish a rating committee consisting of at least five members and duly approved by the Board of Directors;
- Clause 11(C)g | ensure that at least one-third or two members of the rating committee, whichever is higher, including the Chairman of the committee are external members who are appointed with the prior approval of the Commission to ensure objectivity and effectiveness of the rating committee;
- Clause 11(C)k | ensure that the quorum of the rating committee shall be at least three members including one external member as chairman of the rating committee;

# RELATIVE COMPETITIVE POSITION

- There are two licensed Credit Rating Companies in Pakistan, PACRA and VIS Credit Rating Company Limited.
- The total rated universe in Pakistan (PACRA and VIS) stood at 1,196 ratings as at May 21, 2025. PACRA had 640 outstanding rating opinions as of May 21, 2025.
- Entity ratings comprise approximately 70% of the rated universe, followed by fund ratings (~12%), debt instrument ratings (~10%) and Rankings (~8%).
- This gives PACRA a market share of 54%, which reflects its strong brand recognition and acceptability as a rating company.
- Data for competitors has been based on and derived from information provided on their website as of May 22, 2025.

Opinions	May 21, 2025	PACRA Share (%)	May 21, 2025	VIS Share (%)
<b>Entity<sup>1</sup></b>	453	55%	378	45%
<b>Instruments<sup>2</sup></b>	61	55%	50	45%
<b>Funds<sup>3</sup></b>	113	74%	39	26%
<b>Ranking<sup>4</sup></b>	13	13%	89	87%
<b>Total</b>	<b>640</b>	<b>54%</b>	<b>556</b>	<b>46%</b>

<sup>1</sup>Entity ratings comprise of corporate entities, financial institutions, insurer financial strength, asset manager, investment advisor, pension fund manager, REIT fund manager, social & impact performance, broker management ratings, broker fiduciary ratings, corporate governance ratings, management quality ratings, etc.

<sup>2</sup>Instrument ratings comprise short-term sukus, long-term sukus, commercial papers, term finance certificates, bank loan ratings, preference shares, etc.

<sup>3</sup>Fund ratings comprise of fund stability, capital preservation, REIT Funds, Rental REIT Funds, etc.

<sup>4</sup>Rankings comprise of funds performance and star rankings. etc.

Samm differences may be observed on account of different in classification between the two rating agencies.

<sup>5</sup>“Previously, Star Rankings was a paid service offered by VIS to mutual funds; however, since January 2020, VIS decided to publish Star Rankings, according to its disclosed methodology, for the entire universe of equity-based mutual funds in Pakistan so that all the funds and their performance can be readily compared by the general investor.”

# FINANCIAL PERFORMANCE (UNCONSOLIDATED)

Rs. Million	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	HY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Financial Summary	Audited	Audited	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Revenue	249.9	269.1	316.6	402.6	439.2	231.0	480.2	588.8	705.9	833.0	974.2
Expenses	171.4	179.2	201.2	243.3	285.7	155.4	317.5	356.9	399.9	446.1	496.0
Operating Profit	78.5	89.9	115.4	159.3	153.6	75.6	162.7	231.8	306.0	387.0	478.2
Expected Credit Loss <sup>1</sup>	4.6	1.9	4.7	2.5	0.6	0.0	2.4	2.9	3.5	4.2	4.9
Other Income	4.0	25.7	19.6	17.9	17.8	26.9	31.0	22.8	32.6	43.0	56.4
Finance Cost	6.6	5.9	3.1	3.8	6.0	2.0	2.0	0.0	0.0	0.0	0.0
Profit before Tax	71.4	107.8	127.2	171.0	164.8	100.4	189.3	251.7	335.1	425.8	529.7
Taxation	23.6	34.6	36.7	45.4	49.7	29.1	50.3	72.8	104.1	149.8	197.1
Profit after Tax	47.8	73.2	90.5	125.6	115.1	71.3	139.0	178.9	231.0	276.0	332.5
Non-Current Assets	235.9	134.9	131.7	147.3	142.5	143.4	152.8	156.5	160.3	164.1	168.1
Current Assets	154.0	227.3	276.4	257.4	197.9	294.7	179.2	229.1	287.0	352.5	428.1
Total Assets	389.9	362.2	408.1	404.7	340.4	438.1	332.0	385.6	447.2	516.6	596.3
Paid Up Capital	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5
Retained Earnings	82.5	84.8	93.3	129.5	99.6	170.9	99.6	117.5	140.6	168.2	201.5
Revaluation Surplus	81.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Current/Deferred Liabilities	13.6	20.2	7.8	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Liabilities	137.3	182.7	232.5	192.6	166.3	192.7	157.9	193.6	232.1	273.9	320.3
Total Liabilities	150.9	202.9	240.3	200.7	166.3	192.7	157.9	193.6	232.1	273.9	320.3

1. Prior to FY 2021, Expected Credit Loss was included as part of expenses. The same has been shown as a separate line item in FY2020 for consistency purposes.

- The actual performance of the Company may differ from the projections given above as a result of changing macroeconomic conditions
- The financial projections are based on the Company's assumptions, estimates, outlook and other judgements made in light of information available at the time of preparation of such projections and involve both known and unknown risks and uncertainties
- Accordingly, plans, goals, and other projections may not be realized as described and actual financial results may differ materially from those presented herein

# FINANCIAL PERFORMANCE (CONSOLIDATED)

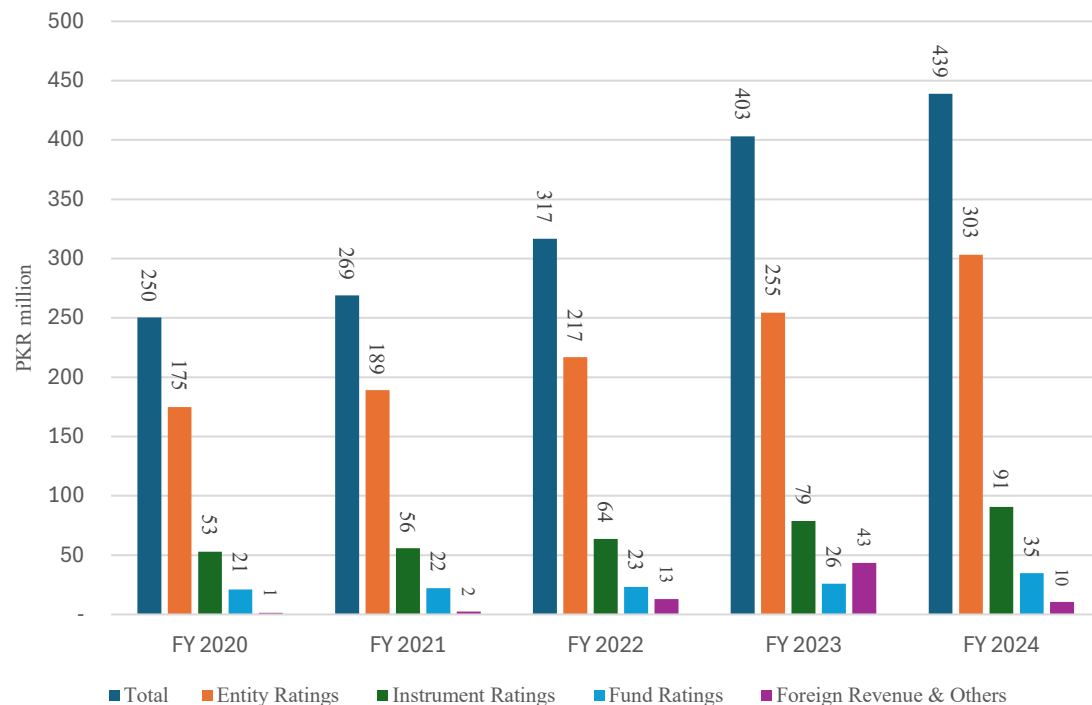
Rs. Million	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	HY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Financial Summary	Audited	Audited	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Revenue	258.7	271.9	325.1	409.3	440.9	237.7	510.2	633.8	765.9	913.0	1,074.2
Expenses	178.3	181.8	204.4	248.6	290.5	157.7	329.5	374.9	423.9	478.1	536.0
Operating Profit	80.4	90.1	120.7	160.7	150.4	80.0	180.7	258.9	342.0	434.9	538.2
Expected Credit Loss <sup>1</sup>	4.6	1.9	4.8	2.5	0.6	0.0	2.4	2.9	3.5	4.2	4.9
Other Income	4.1	26.1	16.9	18.0	18.2	10.0	14.0	10.0	13.4	17.5	22.3
Finance Cost	6.6	5.9	3.1	3.8	2.3	1.1	1.1	0.0	0.0	0.0	0.0
Share of Profit/Loss on Associate	(9.5)	(8.6)	(0.2)	(3.1)	(12.2)	(6.4)	(10.0)	10.0	10.0	10.0	10.0
Profit before Tax	63.9	99.9	129.6	169.4	153.5	82.4	181.2	276.0	361.9	458.2	565.6
Taxation	24.4	34.8	37.4	45.8	49.8	31.5	55.5	80.6	114.5	163.8	214.5
Profit after Tax	39.4	65.1	92.2	123.6	103.7	50.9	125.7	195.4	247.4	294.4	351.1
Non-Current Assets	214.5	104.1	100.5	113.0	96.0	83.9	96.4	110.1	123.8	137.7	151.7
Current Assets	154.6	226.9	270.6	260.9	199.9	308.2	197.6	256.4	323.1	400.5	487.9
Total Assets	369.0	331.0	371.1	374.0	296.0	392.1	294.0	366.5	447.0	538.2	639.6
Paid Up Capital	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5	74.5
Retained Earnings	74.6	68.0	78.1	112.2	70.9	121.8	56.7	91.0	130.5	176.6	228.4
Revaluation Surplus	81.9										
Non-Current & Deferred Liabilities	13.6	20.2	7.8	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Liabilities	124.3	168.2	210.7	179.1	150.5	195.8	162.8	201.0	242.0	287.0	336.7
Total Liabilities	137.9	188.4	218.5	187.2	150.5	195.8	162.8	201.0	242.0	287.0	336.7

1. Prior to FY 2021, Expected Credit Loss was included as part of expenses. The same has been shown as a separate line item in FY2020 for consistency purposes.

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# REVENUE BREAKUP

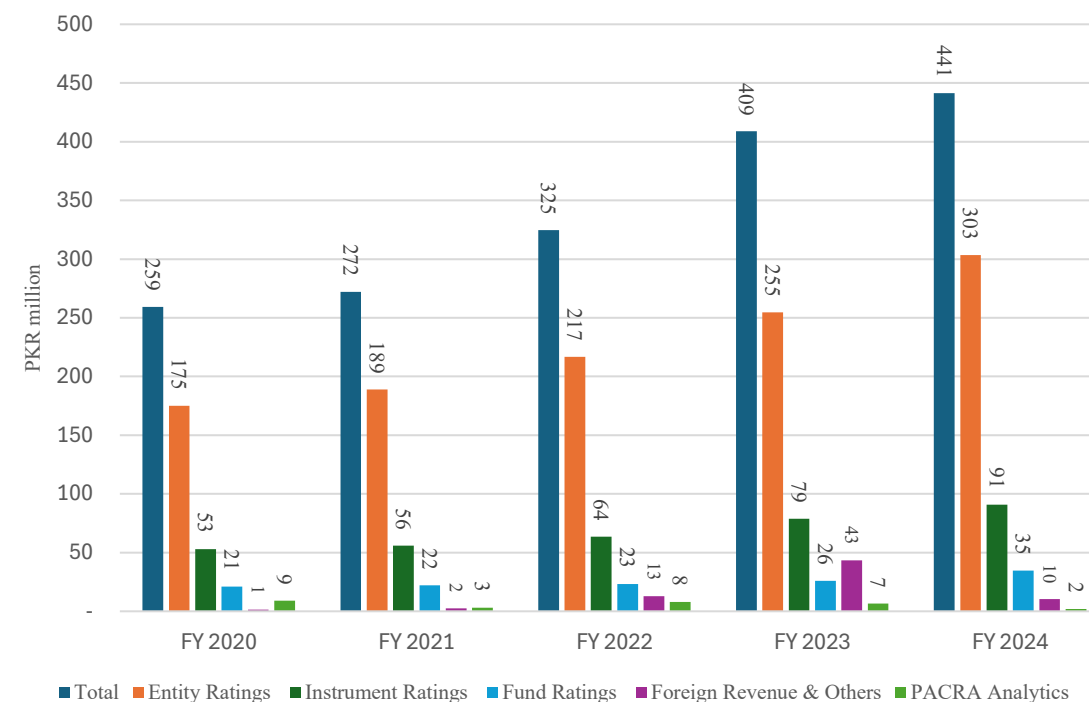
## Unconsolidated



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Entity Ratings	70%	70%	68%	63%	69%
Instrument Ratings	21%	21%	20%	19%	21%
Fund Ratings	8%	8%	7%	6%	8%
Foreign Revenue & Others *	0%	1%	4%	11%	2%

\* Foreign Revenue includes technical service fee charged & received by PACRA directly from LRA under an Agreement for Technical Affiliation.

## Consolidated



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Entity Ratings	67%	69%	67%	62%	69%
Instrument Ratings	20%	21%	20%	19%	21%
Fund Ratings	8%	8%	7%	6%	8%
Foreign Revenue & Others	1%	1%	4%	11%	2%
PACRA Analytics	3%	1%	2%	2%	0%

# FINANCIAL RATIOS (UNCONSOLIDATED)

		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	HY 2025 <sup>1</sup>	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Average <sup>3</sup>	Audited	Audited	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Revenue Growth	15.1%		7.7%	17.7%	27.2%	9.1%	5.2%	9.3%	23%	20%	18%	17%
Operating Profit Growth	18.3%		14.5%	28.4%	38.0%	-3.6%	-1.6%	6%	42%	32%	26%	24%
Net Profit Growth	24.6%		53.0%	23.6%	38.8%	-8.3%	23.9%	21%	29%	29%	19%	20%
Operating Profit Margin	35.2%	31.4%	33.4%	36.5%	39.6%	35.0%	32.7%	34%	39%	43%	46%	49%
Net Profit Margin	26.5%	19.1%	27.2%	28.6%	31.2%	26.2%	30.9%	29%	30%	33%	33%	34%
Par Value per share (Rs.) <sup>2</sup>		10.0	10.0	10.0	10.0	10.0	1.0	1.0	1.0	1.0	1.0	1.0
Earning per Share (Rs.)	12.1	6.4	9.8	12.1	16.9	15.4	1.0	1.9	2.4	3.1	3.7	4.5
Dividend per Share (Rs.)	13.6	8.0	17.5	17.0	18.5	7.0	1.3	1.9	2.2	2.8	3.3	4.0
Dividend Ratio	119.6%	124.6%	178.2%	140.0%	109.8%	45.3%	136.9%	100%	90%	90%	90%	90%
Return on Equity <sup>4</sup>	51.6%	30.5%	45.9%	53.9%	61.6%	66.1%	58.1%	81%	93%	107%	114%	120%
Return on Assets	23.9%	12.3%	20.2%	22.2%	31.0%	33.8%	32.6%	42%	46%	52%	53%	56%
Non-Current Debt to Equity <sup>5</sup>	5.0%	8.7%	12.7%	4.7%	4.0%	0.0%	0.0%	0%	0%	0%	0%	0%
Current Ratio	1.2	1.1	1.2	1.2	1.3	1.2	1.5	1.1	1.2	1.2	1.3	1.3
Book Value Per Share		21.1	21.4	22.5	27.4	23.4	3.3	2.3	2.6	2.9	3.3	3.7

▪ <sup>1</sup> Figures have been annualized for calculation of growth. Revenues are typically skewed towards the end of the year.

▪ <sup>2</sup> Per-share calculations are based on Rs. 10 per share par value up to FY24 and par value of Rs. 1 per share for HY25 onwards.

▪ <sup>3</sup> All averages are for the period FY 2020 through FY 2024

▪ <sup>4</sup>Return on Equity calculations excludes revaluation surplus.

▪ <sup>5</sup>Non Current Debt to Equity Formula is calculated as (Non-current Debt & Deferred Liabilities) / (Paid up Capital + Retained Earnings)

▪ The actual performance of the Company may differ from the projections given above as a result of changing macroeconomic conditions

▪ The financial projections are based on the Company's assumptions, estimates, outlook and other judgements made in light of information available at the time of preparation of such projections and involve both known and unknown risks and uncertainties

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# FINANCIAL RATIOS (CONSOLIDATED)

		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	HY 2025 <sup>1</sup>	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Average <sup>3</sup>	Audited	Audited	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Revenue Growth	14.3%		5.1%	19.5%	25.9%	7.7%	7.8%	16%	24%	21%	19%	18%
Operating Profit Growth	16.9%		12.0%	34.0%	33.1%	-6.4%	6.3%	20%	43%	32%	27%	24%
Net Profit Growth	27.3%		65.0%	41.7%	34.0%	-16.1%	-1.8%	21%	55%	27%	19%	19%
Operating Profit Margin	34.9%	31.1%	33.1%	37.1%	39.3%	34.1%	34%	35%	41%	45%	48%	50%
Net Profit Margin	24.2%	15.2%	23.9%	28.4%	30.2%	23.5%	21%	25%	31%	32%	32%	33%
Par Value per share (Rs.) <sup>2</sup>	10.0	10.0	10.0	10.0	10.0	10.0	1.0	1.0	1.0	1.0	1.0	1.0
Earning per Share (Rs.)	11.4	5.3	8.7	12.4	16.6	13.9	0.7	1.7	2.6	3.3	4.0	4.7
Return on Equity <sup>4</sup>	54.0%	26.4%	45.6%	60.4%	66.2%	71.3%	51.9%	97%	118%	121%	117%	116%
Return on Assets	24.7%	10.7%	19.7%	24.8%	33.0%	35.0%	26.0%	43%	53%	55%	55%	55%
Current Ratio	1.3	1.2	1.3	1.3	1.5	1.3	1.6	1.2	1.3	1.3	1.4	1.4
Book Value per Share		20.0	19.1	20.5	25.1	19.5	2.6	1.8	2.2	2.8	3.4	4.1

- <sup>1</sup> Figures have been annualized for calculation of growth. Revenues are typically skewed towards end of year.
- <sup>2</sup> Per-share calculations are based on Rs. 10 per share par value up to FY24 and par value of Rs. 1 per share for HY25 onwards.
- <sup>3</sup> All averages are for the period FY 2020 through FY 2024
- <sup>4</sup>Return on Equity calculations excludes revaluation surplus.
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- The financial projections are based on the Company's assumptions, estimates, outlook and other judgements made in light of information available at the time of preparation of such projections and involve both known and unknown risks and uncertainties
- Accordingly, plans, goals, and other projections may not be realized as described and actual financial results may differ materially from those presented herein

# DIVIDEND PAYMENT HISTORY

Financial Year (July to June)	Outstanding Shares*	Par Value per Share (Rs.)	Dividend Paid per Share (Rs.)			Total (Rs.)
			Interim	Final	Total	
FY25	74,529,000	1.00	1.31	-	1.31	97,632,990
FY24	7,452,900	10.0	7.0	-	7.0	52,170,300
FY23	7,452,900	10.0	15.0	3.5	18.5	137,506,005
FY22	7,452,900	10.0	11.0	6.0	17.0	126,699,300
FY21	7,452,900	10.0	17.5	-	17.5	130,425,750
FY20	7,452,900	10.0	5.0	3.0	8.0	59,623,200
<b>Total</b>						<b>604,057,545</b>

*\*Please note that following shareholder approval dated August 27<sup>th</sup>, 2024, and SECP approval dated October 1, 2024, the par value of shares was reduced from Rs.10.0 to Rs. 1.0 per share.*

# FINANCIAL FACILITIES

<b>BANK</b>	Bank Al Habib Limited
<b>TYPE OF FACILITY</b>	Running Finance
<b>AMOUNT</b>	Rs. 30 million
<b>UTILIZED</b>	Nil (as of December 31, 2024)
<b>RATE</b>	3-month KIBOR plus 1.5%
<b>EXPIRY</b>	July 19, 2025
<b>SECURITY</b>	A first hypothecation charge of Rs. 85 million and Rs. 10 million for present and future current assets and furniture and fixtures of the Company
<b>COVENANTS</b>	There are no major covenants attached to this financing facility.

## Enhance Rating Penetration:

- Although rating universe has increased since FY19, there is substantial room to grow. Rating penetration remains low in Pakistan when compared to Bangladesh and India due to low market awareness, relatively less developed debt and financial markets, and limited private credit growth. PACRA intends to work with financial institution, corporates, regulators and other stakeholders to bridge these gaps. This is expected to improve access to capital, lower cost for borrowers and reduce systemic as transparency improves.

## Development of Bond Market:

- A strong bond market is a vital component of a well functioning financial system as an alternate source of funding. In Pakistan, the total rated debt instruments are just 110. Recently, we have seen some improvement in debt instrument issuance, especially short-term debt instruments, but numbers remain low. PACRA is working with issuers, regulators and institutional investors to create an ecosystem for a vibrant bond market in Pakistan. This will enhance funding avenues and promote best practices in the country.

## Infrastructure Projects and Public Private Partnerships:

- Pakistan is in dire need of infrastructure development across the board. The Government is working on various initiatives to undertake these projects through multilateral and bilateral agreements, public private partnership structures and utilizing other financing sources. These projects carry significant risks and are long-term in nature. PACRA, through its ratings, will provide an independent opinion to quantify associated risk and supplement investors, lenders and others.

## Empowering SME Credit with Ratings:

- Pakistan's SME sector comprises around 5 million entities yet only holds a 4.1% share in outstanding bank loans due to information gaps. PACRA is actively developing SME ratings. These ratings will draw from conventional and alternative data sources, addressing the crucial need for improved credit risk assessment tools for SMEs.

## Monetizing Rich Data Assets:

- PACRA possesses an extensive database encompassing structured financial data from approximately 400 entities across financial and corporate sectors, with qualitative insights on ownership, governance, and management. PACRA is poised to offer value-added services to monetize this wealth of information.

# FUTURE INITIATIVES

## **Analyst Outsourcing Services:**

- Capitalizing on its capacity to attract and train skilled analysts, PACRA is poised to offer "Analyst Outsourcing" services to international clients. This strategic initiative presents substantial collaboration and value-creation opportunities to expand its global footprint in the financial analytics domain.

## **ESG Rating Methodology:**

- PACRA has devised a pioneering methodology and model for assigning Environmental, Social, and Governance (ESG) Ratings in Pakistan, utilizing locally available information. These ratings hold significant potential benefits for export-oriented sectors and industries seeking to attract international funding, aligning with global sustainability standards.

## **Specialized Rating Initiatives:**

- Recognizing market demands, PACRA is collaborating with stakeholders to develop specialized ratings such as vendor, contractor and operator assessments. These initiatives aim to provide tailored insights for specific industries, fostering informed decision-making.

## **Efficiency Initiatives**

- Initiatives are currently in progress at PACRA to streamline processes and reduce the turnaround time, maximizing the efficient use of analyst resources and ultimately lowering operating costs.

# JUSTIFICATION OF PREMIUM

- The key valuation drivers for the company are its earnings and dividend payout, as well as its nature of business, which brings stability and growth opportunities to these value drivers.
- Since no comparable companies are available on the PSX, the valuation and price bands for the Company may be evaluated based on the P/E multiples and dividend yields for the KSE 100 and KSE All Share Index. (Source: Capital Analytics)
- For the Company:
  - FY 25 EPS (Expected)                      PKR 1.9
  - TTM EPS (Actual)                              PKR 1.8 (as of March 2025)

Index	P/E Multiple	Base Valuation based on Applicable EPS (PKR per Share)		
		FY 25 (E)	TTM (A)	Average
KSE 100 (May 2025)	5.82	11.06	10.48	10.77
KSE All Share (May 2025)	5.84	11.10	10.51	10.80
Average	5.83	11.08	10.49	10.79

- It may be noted that for reasons provided in the next slide, credit rating agencies trade at a premium to the market.
- With an average dividend of Rs. 1.36 per share over the past six years, the share provides an attractive dividend yield of 9.0% at the cap price of PKR 15.05, which compares favorably against the dividend yields of KSE 100 or KSE All Share.

Index	Dividend Yield	Base Valuation based on Applicable Dividend (PKR/Share)	
KSE 100 (May 2025)	7.53%		18.06
KSE All Share (May 2025)	7.23%		18.82
Average	7.38%		18.44

- A valuation based on the **discounted free cash flow to the firm (FCFF)** over the next five years, applying a **discount rate of 18%** and an **exit multiple of 6x earnings**, results in a share value of **Rs. 22.16**. The current offering is priced at a **32.31% discount** to cap price, incorporating potential uncertainties related to future cash flows.

# JUSTIFICATION OF PREMIUM

- **Global Benchmarking and Industry Positioning**

Internationally, credit rating agencies command a premium valuation due to their structural advantages. As of May 13, 2025, the P/E ratios of leading global credit rating agencies reflect this:

- S&P Global: 40.70, Moody's Corporation: 42.08, Market P/E (S&P 500) (U.S.): 27.75 (Premium to Market P/E: 1.47 Times)

In regional markets, similar trends are observed:

- CRISIL (India) P/E: 52.39, BSE Sensex Market P/E (India): 22.8 NIFTY 50 P/E 22.4 (Premium to Market P/E: 2.30 Times)

- This valuation premium is driven by the **structural resilience and profitability** of the credit rating industry, underpinned by the following key factors:

## High Barriers to Entry

- The credit rating industry operates as an oligopoly, dominated by a few major players.
- Establishing regulatory approvals and market credibility takes decades, making it challenging for new entrants.
- Issuers and investors rely on established rating agencies, reinforcing their competitive positioning.

## Recurring Revenue Model

- Rating agencies generate revenue through subscription-based fees from investors and issuer-paid fees from rated entities.
- Long-term contracts provide predictable and stable cash flows.

## Asset-Light, High-Margin Business

- Unlike capital-intensive industries, credit rating agencies operate with a low fixed-cost structure.
- Stable cost structures allow revenue growth to translate directly into profitability.

## Regulatory Embeddedness

- Financial regulations and investment mandates require ratings from recognized agencies.
- This regulatory reliance gives credit rating agencies a quasi-monopolistic advantage, ensuring sustained demand.

## Counter-Cyclical Demand

- Even during economic downturns, demand for credit ratings remains strong as companies and governments seek refinancing.
- Economic uncertainty further increases the need for risk assessment, driving higher demand for credit ratings.



# KEY BUSINESS RISKS & MITIGANTS

Type	Business Risks	Mitigant
<b>Revenue &amp; Market Risks</b>	<ul style="list-style-type: none"> <li>Limited demand for credit ratings due to a small corporate bond market and low awareness.</li> <li>High dependency on a few clients, leading to revenue concentration risk.</li> <li>Fee pressures from clients due to cost-cutting measures in the industry.</li> </ul>	<ul style="list-style-type: none"> <li>Work with stakeholder to develop bond market and create awareness about rating benefits</li> <li>Expand client base by targeting medium/small corporate and commercial clients, SMEs, fintech, and new sectors like startups and digital finance.</li> <li>Recession resistant business with perpetual nature of rating contract. Very high client retention rate even in economic down turn.</li> </ul>
<b>Competition Risk</b>	<ul style="list-style-type: none"> <li>New entrants in the domestic market intensifying competition.</li> </ul>	<ul style="list-style-type: none"> <li>Strict licensing and regulatory compliance requirements.</li> <li>Leverage local expertise, established relationships and strong track record of over 30 years.</li> <li>Invest in brand recognition, research quality, and technology-driven credit assessment tools.</li> </ul>
<b>Regulatory Risks</b>	<ul style="list-style-type: none"> <li>Revocation of License</li> </ul>	<ul style="list-style-type: none"> <li>Strong system and controls in place overseen by independent Compliance function. Outsourced Internal Audit ensures adherence to all regulatory requirements.</li> </ul>
<b>Operational and Human Resource Risk</b>	<ul style="list-style-type: none"> <li>Talent acquisition and retention challenges, especially for skilled analysts.</li> <li>Human bias or conflict of interest impacting rating integrity.</li> </ul>	<ul style="list-style-type: none"> <li>Offer competitive compensation, career development programs, and training opportunities.</li> <li>Enforce strict compliance measures, independent review mechanism and strong technological controls and framework.</li> </ul>

# KEY BUSINESS RISKS & MITIGANTS

Type	Business Risks	Mitigant
<b>Technology and Cybersecurity Risks</b>	<ul style="list-style-type: none"> <li>Data security breaches compromising sensitive financial information.</li> <li>Lack of advanced analytics and AI-driven rating methodologies reducing competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Implement end-to-end encryption, robust cybersecurity frameworks, and frequent system audits.</li> <li>Invest in fintech partnerships, AI-based risk modeling, and automation of rating processes.</li> </ul>
<b>Economic and Political Risks</b>	<ul style="list-style-type: none"> <li>Economic downturns, currency depreciation, and high inflation affecting creditworthiness of clients.</li> <li>Political instability or government policies impacting rating universe.</li> </ul>	<ul style="list-style-type: none"> <li>Proactive approach. Use macroeconomic scenario analysis and stress testing to adjust rating methodologies.</li> <li>Periodic review of rating portfolio. Sector specific research to quantify risks. Adhere to global best practices to improve rating methodologies.</li> </ul>
<b>Reputation Risks</b>	<ul style="list-style-type: none"> <li>Loss of brand equity due to past financial crises or rating failures.</li> </ul>	<ul style="list-style-type: none"> <li>Take timely rating actions. Maintain a clear rating rationale, transparent rating process and proper documentation.</li> <li>Enhance disclosure practices, follow international rating standards, and engage in investor education programs.</li> </ul>
<b>Under Subscription Risk</b>	<ul style="list-style-type: none"> <li>Risk that the Offer Sale may get under-subscribed on account of lack of Investor's interest</li> </ul>	<ul style="list-style-type: none"> <li>The public issue is fully underwritten by Integrated Equities Limited, which is also the Book Runner and Advisor to the Issue</li> </ul>

# CONTINGENCIES & COMMITMENTS

Sr. #	CONTINGENCIES	Impact (Rs. in mln.)
1	A number of notices were issued to the Company from tax authorities under section 161(1)(1A) for the tax years 2014 and 2016-2021. These were issued on account of non-deduction of withholding tax on expenses and purchases. The aggregate tax liability for 2016 amounts to Rs. 0.59 million and no further tax liability has been computed in regard to any other tax year. The management's response is pending adjudication and a favorable outcome is expected in this regard.	21.64
2	The Deputy Commissioner Inland Revenue (the "DCIR") issued order dated May 31, 2021 under section 122(1) of the Income Tax Ordinance, 2001 (the "Ordinance") for the tax year 2015 whereby tax amounting to Rs. 10.1 million on account of disallowance of expenses was levied. The Company preferred an appeal on June 18, 2021 before Commissioner Inland Revenue (Appeals) [the "CIR(A)"], who remanded back the case for reassessment on September 09, 2022, which is pending adjudication. The management expects a favorable outcome in this regard.	10.10
3	The DCIR issued a notice under section 4-C for the tax year 2022 for recovery of super tax on July 11, 2023. Reply has been submitted and the case is pending with tax officials. The management expects a favorable outcome in this regard.	21.47
4	The Assistant Commissioner Sindh Revenue Board (the "ACSR") issued notice dated October 21, 2021 under section 3 and 8 of the Sindh Sales Tax on Services Act 2011 (the "Act") for the tax period 2017, 2018, 2019 and 2020 for revenue difference in SRB sales tax returns and audited accounts for abovementioned periods and sales tax amounting Rs. 38.02 million was levied. In compliance to this notice, the assessing officer passed judgement on dated July 02, 2022 and tax assessed by Rs. 831,949 and imposed penalty by Rs. 41,594. Against such order an appeal was filed before the worthy Commissioner Appeals, SRB. On May 07, 2024, the respondent submitted a written reply. In response to this, a detailed response was submitted on July 30, 2024. Despite this, the respondent was absent on the hearing. The Honorable Commissioner Appeals supplied the response with the respondent and requested to submit his reply before the final hearing of the case. The management expects a favorable outcome in this regard.	0.87
5	The DCIR issued a notice under section 4-C for the tax year 2024 for recovery of super tax on February 3, 2025. Reply has been submitted with an explanation that such tax has been duly calculated and deposited. Case is pending with tax officials. The management expects a favorable outcome in this regard.	1.62
<b>TOTAL CONTINGENCIES</b>		<b>55.70</b>
<i>The above details are as provided in the financial statements of the Company for the year ending June 30, 2024. Tax Cases appearing in Note 27.2.5 and Note 27.2.6 of the FY24 Financial Statements have subsequently been settled. Notice under Serial No. 5 was issued subsequent to the year-end.</i>		
COMMITMENTS		
	JS Bank Limited has issued a performance guarantee on behalf of the Company in favor of Finance Department of Government of Punjab amounting to Rs. 0.05 million.	<b>0,05</b>
<b>TOTAL COMMITMENTS</b>		<b>0.05</b>
<b>The Company affirms that there are no pending litigations, claims, or legal actions other than those mentioned above against the Company or its associated companies over which it has control as at March 31, 2025.</b>		

# PROFIT DISTRIBUTION POLICY & SHAREHOLDER RIGHTS


## Profit Distribution Policy

- The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, adequate cash flow availability, Board's recommendation, and shareholders' approval, where required.
- The rights to capital and dividends attached to each ordinary share on offer will rank pari-passu with sponsor shareholders. The Company in its general meeting may declare dividends however, no dividends shall exceed the amount recommended by the Board of Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act 2017.
- The Board of Directors may, from time to time, declare interim dividends as deemed justified by the Company's profits. No dividend shall be paid except out of the profits of the current year or undistributed profits from previous years.
- No unpaid dividend shall accrue interest or mark-up against the Company. Dividends shall be paid within the period specified in the Companies Act 2017
- Pursuant to the terms of the Mutual Buyout Agreement ("MBO"), the Sponsors have assigned their entitlement to dividends in the Company to the Sellers. Notwithstanding the foregoing, and in accordance with Clauses 1.05, 3.02, 3.03, and Schedule B of the MBO, such assignment shall not prejudice, impair, or otherwise affect the right of any new shareholder to receive dividends declared by the Company.
- Furthermore, there are no restrictions from any regulatory authority, creditor, or stakeholder on the Company regarding the distribution or capitalization of its profits.

## Shareholder Rights

- The new ordinary shareholders will have the same rights as the existing ordinary shareholders including the right to vote, dividend etc.
- 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 or have extended loans to the Company.
- Directors of the Company have interest to the extent of receiving remuneration for their role as Directors, mark-up on loans extended over the period, covered stipulated under predetermined Long Term Loan agreements.
- The ordinary shares issued shall rank pari-passu with the existing ordinary 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.

# SIGNATORIES TO THE MEMORANDUM


  
Tariq Jamil  
Chairperson/Independent Director

  
Mumtaz Hussain  
Non-executive Director

  
Sardar Ali  
Non-executive Director

  
Ammar ul Haq  
Non-executive Director

  
Muzaffar Virk  
Non-executive Director

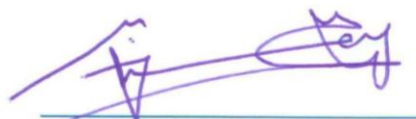
  
Lt. General (R) Sikander Afzal  
Non-executive Director

  
Murium Hadi  
Independent Director

  
Najaf Yawar  
Independent Director

  
Usman Haider  
Chief Executive Officer

  
Witness 1  
Name: Adnan Dilawar

  
Witness 2  
Name: Jhangeer Hanif

Dated: June 10, 2025

# ANNEXURES

# SHARE ISSUANCE HISTORY

DATE OF ISSUE	SHARES ISSUED	TYPE OF ISSUANCE	TOTAL SHARES	TOTAL PAID UP (PKR)
15-January-1994	1,350,000	Initial Subscription	1,350,000	13,500,000
15-July-2005	150,000	Further Issue	1,500,000	15,000,000
27-September-2008	600,000	Bonus Issue	2,100,000	21,000,000
13-October-2009	840,000	Bonus Issue	2,940,000	29,400,000
09-October-2011	1470,000	Bonus Issue	4,410,000	44,100,000
15-October-2012	1,323,001	Bonus Issue	5,733,000	57,330,000
22-October-2013	1,719,900	Bonus Issue	7,452,900	74,529,000
01-October-2024*	67,076,100	Stock Split	74,529,000	74,529,000

\*Please note that following shareholder approval dated August 27th, 2024, and SECP approval dated October 1, 2024, the par value of shares was reduced from PKR. 10.0 to Rs. 1.0 per share. Accordingly, to give effect to the split, 67,076,100 additional shares were issued, and the par value of existing shares was also reduced to PKR 1.0 per share. However, the total paid-up capital of the Company remained unchanged.



# MATERIAL CONTRACT & KEY TERMS

Counter Party	Date	Agreement	Particulars
Tasdeeq Information Services Limited (Tasdeeq) Aequitas (Private) Limited, Analytics (Private) Limited, Mumtaz Hussain, Usman Haider, Sardar Ali, Rashid Jahangir, Syed Sajjad Razvi, Mubashar Maqbool, Hadi Abbas Akberali, Pakistan Microfinance Network, 47 Ventures Investments.	December 06, 2018 & June 18, 2021	Shareholder's Agreement and Amendment	An agreement between Tasdeeq and its shareholders, including PACRA, outlining the terms of their relationship as shareholders of Tasdeeq, including drag-along and tag-along provisions and the right to directorships. Under the terms of the agreement, PACRA is entitled to a directorship on the Tasdeeq board as long as PACRA's shareholding in Tasdeeq does not fall below 14.2%. PACRA currently holds a 15.57% shareholding in Tasdeeq.
LSE Ventures Limited (Seller) and, Mumtaz Hussain, Sardar Ali, Usman Haider, Adnan Afaq (Buyers Group) (the "MBO")	January 12, 2025	Mutual Buyout Agreement (MBO)	The Company is the counterparty to the Agreement related to the purchase of the Seller's shareholding in the Company over a period of 5 years by the Sponsors through the assignment of dividends by the Buyers and cessation of directorships of the Seller on the board of the Company. In accordance with Clauses 1.05, 3.02, 3.03, and Schedule B of the MBO, such assignment shall not affect the right of any new shareholder to receive dividends declared by the Company.
LSE Ventures Limited (Seller) and Mumtaz Hussain, Sardar Ali, Usman Haider, Adnan Afaq (Buyers Group), Central Depository Company of Pakistan Limited (CDC)	January 12, 2025	Escrow Agreement	An agreement whereby CDC shall act as the Escrow Agent between the Buyers Group and Seller to hold the shares to be sold under the Mutual Buyout Agreement in trust for the Sponsors under the terms and conditions of the Escrow Agreement and the MBO Agreement.
Lanka Rating Agency Limited (LRA)	March 26 <sup>th</sup> , 2021	Agreement for Technical Affiliation	An agreement with Lanka Rating Agency, a domestic credit rating agency registered under the Securities and Exchange Commission of Sri Lanka, whereby PACRA will provide technical affiliation to LRA as a condition of its license for 5 years from the date of the agreement. An upfront fee of USD 100,000 an annual fee of USD 50,000/- (USD 53,500 in Year 4 and USD 57,000/- in Year 5) is payable for the services PACRA provides as part of the technical affiliation.

# MATERIAL CONTRACT & KEY TERMS

Counter Party	Date	Agreement	Particulars
Bank Al Habib Limited	Expiry date July 19, 2025	Running Finance Facility	<p><b>Security :</b> A first hypothecation charge of Rs. 85 million and Rs. 10 million for present and future current assets and furniture and fixtures of the Company</p> <p><b>Rate:</b> 3-month KIBOR plus 1.5%</p> <p>There are no major covenants attached to this financing facility</p>

# ASSOCIATED COMPANIES / UNDERTAKINGS

Name	Association due to	Name	Association due to
PACRA Analytics (Private) Limited.	Wholly owned Subsidiary/Common Directors	Pakistan Mercantile Exchange Limited (PMEX)	Common Directorship
Tasdeeq Information Services Limited.	Significant influence/ Common Directorship	Aequitas Consulting FZ-LLC	Common Directorship
TenX (Private) Limited.	Common Directorship	Al Haq Securities (Private) Limited	Common Directorship
Lanka Rating Agency Limited.	Significant Influence/Common Directorship	NCEL Building Management Limited	Common Directorship
LSE Ventures Limited	Substantial Shareholder	LSE Financial Services Limited	Common Directorship. Directorship to cease as per Buyout
Integrated Equities Limited (IEL)*	Common Directorship	LSE Capital Limited	Common Directorship
Aequitas (Pvt) Limited	Common Directorship	Digital Custodian Company Limited (DCCL)	Common Directorship
IAD (Private) Limited	Common Directorship	Route -16	Substantial Shareholder
List A Marketing Private Limited	Common Directorship	National Clearing Company of Pakistan Limited (NCCPL)	Common Directorship
Aequitas Partners	Common Directorship	CCPL Advisory Group.	Common Directorship

\* Integrated Enquiries Limited (IEL) being the Advisors to the Issue (along with LSE Capital), is an associated undertaking of PACRA by virtue of common directorship. IEL is also acting as the Book Runner/Underwriter for the issue.

# BOOK BUILDING MECHANISM

## **BOOK BUILDING METHOD**

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

## **REGISTRATION DATES**

June 16, 2025 till June 18, 2025 (9:00 am to 5:00 pm) and on June 19, 2025 (9:00 am to 3:00 pm)

## **BIDDING DATES**

June 18, 2025 (9:00 am to 5:00 pm) to June 19, 2025 (9:00 am to 5:00 pm)

## **BOOK BUILDING PROCEDURE**

- i. The Issuer shall decide the Floor Price and the Price Band. Provided that the upper limit of the price band should not be more than 40% of the Floor Price.
- ii. The Issuer shall provide the justification of the floor price and the price band in the Information Memorandum.
- iii. The Issuer shall place copy of the Information Memorandum before the start of the book building on its website and the websites of the Book Runner, the Designated Institution, advisor to the Issue, and the Securities Exchange.
- iv. The Registration of the bidders shall start at least 2 working days before the start of the bidding period and shall remain open till 03:00 pm on the last date of the bidding period.
- v. The Book Runner shall make all necessary arrangements for receiving bids and the instruments evidencing payment of the bid money.
- vi. The Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion.
- vii. The Book Building process shall be considered as cancelled if the total number of bids received is less than forty.

## **RESTRICTIONS ON BIDDERS:**

- i. make bid below the Floor Price and above the upper limit of the Price Band;
- ii. make bid for more than 20% of the shares allocated under the Book Building Portion;
- iii. subject to the provision of clause (i) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
- iv. make consolidated bid;
- v. make more than one bid either severally or jointly;
- vi. make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same; or
- vii. withdraw the Bid.

# INSTRUCTIONS FOR REGISTRATION

- i. Only registered investors will be eligible to participate in the bidding process.
- ii. Investors are required to fill in the Registration Form and submit the complete Registration Form along with Margin Money at the Bid Collection Centers during the Registration Period.
- iii. For deposit of Margin Money only Pay Orders, Demand Drafts or a bank receipt evidencing Online Transfers in the designated bank account shall be accepted during the Bidding Period. 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.
- iv. For online transfer the payment shall be made into **Account No. 3192787000005035 or IBAN Code. PK63FAYS3192787000005035** being maintained in Faysal Bank Limited with Account Title: THE PAKISTAN CREDIT RATING AGENCY LIMITED SUBSCRIPTION ACCOUNT.
- v. Once the investor is registered in the System, the investor will receive Username and Password via an automatically generated e-mail through the System software.
- vi. Investors can directly place their bids online during the Bidding Period by using the Username and Password provided to them via email or submit the Bidding Form at the bid collection centers in person.
- vii. On entry of bid in the System, the investors will receive an e-mail confirmation of their bid via the System software.
- viii. Investors can upward revise their bids online. Please visit [[www.bkb.psx.com.pk](http://www.bkb.psx.com.pk)] to access online portal. Online access will be available for upward bid revisions during the Bidding Period from 9:00 am to 5:00 pm.
- ix. An investor shall not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing Indicative Strike price with a maximum price band of up to 40% of the floor price.
- x. 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

# PROCEDURE FOR BIDDING

- i. A bid by an Accredited Investor can be a “**Limit Bid**” or a “**Step Bid**”.
- ii. **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price an investor is willing to pay for a specified number of shares.
- iii. **Step Bid** means a series of Limit Bids at increasing prices provided that bid amount of any step is **not less than PKR 100,000**.
- iv. The Book Runner shall vet the bid applications and accept bid applications only from Accredited investors duly supported by a crossed cheque or demand draft or pay order.
- v. The Book Runner shall collect full amount of the bid money as margin money in respect of bids placed by the Accredited investors.
- vi. On receipt of bid application, the Book Runner shall enter the 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.
- vii. 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.
- viii. The Book Runner may reject any bid application 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.
- ix. The Designated Institution shall through the System display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Designated Institution, Book Runner, Advisor to the Issue, securities exchange.
- x. At the close of the bidding period, **Strike Price** shall be determined on the basis of Dutch Auction Method by the Designated Institution.
- xi. The bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- xii. 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.
- xiii. The successful bidders shall be issued securities in the form of book-entry to be credited in their CDS account. All the bidders shall, therefore, provide number of their CDS account in the bid application.

# PROCEDURE FOR 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 allotted shares as per the issue size of **7,452,900 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 allocated 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 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 out of the Book Building portion shall be made after and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued 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.



# BID COLLECTION CENTERS

KARACHI	
<b>Contact Person</b>	Mr. Farhan Siddiqui
<b>Direct No.</b>	021 3240 0881
<b>Cell No.</b>	0303 2368 741
<b>Email</b>	compliance@iel.net.pk
<b>Postal Address</b>	Room No 134, 3rd Floor, KSE Building, Karachi

KARACHI	
<b>Contact Person</b>	Mr. Raheem Subhani
<b>Direct No.</b>	021 3430 6575
<b>Cell No.</b>	0320 0221 640
<b>Email</b>	compliance@iel.net.pk
<b>Postal Address</b>	43H/III, Unit # 2, Street 43, Block 6, P.E.C.H.S., Near FEDEX Corporate Office, Off Razi Road, Karachi

LAHORE	
<b>Contact Person</b>	Mr. Muhammad Iqbal Hussain
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<b>Cell No.</b>	0345 0091 263
<b>Email</b>	compliance@iel.net.pk
<b>Postal Address</b>	30 Cricketers Colony, NETSOL Avenue, Ghazi Interchange, Ring Road, Lahore.

ISLAMABAD	
<b>Contact Person</b>	Hafiz Junaid
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<b>Cell No.</b>	0302 6768 769
<b>Email</b>	compliance@iel.net.pk
<b>Postal Address</b>	14-E, Najam Arcade, F8 Markaz, Islamabad

QUETTA	
<b>Contact Person</b>	Mr. Shakil
<b>Direct No.</b>	0347 8364 981
<b>Cell No.</b>	0347 8364 981
<b>Email</b>	<a href="mailto:compliance@iel.net.pk">compliance@iel.net.pk</a>
<b>Postal Address</b>	36 Marri Street, Arbab Karam Khan Road, Quetta

PESHAWAR	
<b>Contact Person</b>	Muhammad Luqman
<b>Direct No.</b>	091 2617 039
<b>Cell No.</b>	0310 9755 429 / 0341 1198 332
<b>Email</b>	compliance@iel.net.pk
<b>Postal Address</b>	Hamza House, Opposite FG Public School, Warsak Road, Peshawar.

# CONTACT DETAILS

## JOINT ADVISORS TO THE ISSUE



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THANK YOU