

ADVICE FOR INVESTORS

THE INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT PARAGRAPH 5.5**, BEFORE MAKING ANY INVESTMENT DECISION.

PLEASE NOTE THAT AS PER REGULATION 4(X) OF THE BOOK BUILDING REGULATIONS, 2015, A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN FIVE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE FLOOR PRICE, STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE, UNDERWRITING COMMISSION, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES PROVISIONALLY ALLOCATED TO THEM AND SUCH OTHER INFORMATION AS MAY BE REQUIRED BY THE COMMISSION.

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

UNDER REGULATION 10(1)(v) OF THE BOOK BUILDING REGULATIONS A SINGLE ELIGIBLE INVESTOR SHALL NOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF REVISION OF BID. IF AN ELIGIBLE INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION

SUBMISSION OF CONSOLIDATED BIDS IS PROHIBITED UNDER REGULATION 10 OF THE BOOK BUILDING REGULATIONS 2015. VIOLATION OF WHICH MAY ATTRACT PENALTY UP TO RUPEES 10 MILLION UNDER REGULATION 27 THEREOF. 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.



Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited)

PROSPECTUS

For Issue of 41,750,000 Ordinary Shares (31.82% of Total Post IPO Paid Up Capital) of the Face Value of PKR 10/- each. Book Building Portion of the Issue comprises of 31,312,500 Ordinary Shares (75% of the Total Issue Size) at a Floor Price of PKR 12.0/- per share including premium of PKR 2.0/-per share

Justification for the premium is given in Paragraph 3.26

General Public Portion of the Issue comprises of 10,437,500 Ordinary Shares (25% of the Total Issue Size) at the Issue Price

REGISTRATION OF ELIGIBLE INVESTORS: The registration of Eligible Investors will remain open from May 05, 2017 to May 10, 2017 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on May 11, 2017

BIDDING PERIOD DATES: From May 10, 2017 to May 11, 2017

FROM: 9:00 A.M. TO 5:00 P.M.

DATE OF PUBLIC SUBSCRIPTION: From May 23, 2017 to May 24, 2017 (BOTH DAYS INCLUSIVE)
DURING BANKING HOURS

Lead Manager and Arranger

Book Runner



BANKERS TO THE BOOK BUILDING PORTION: MCB BANK LIMITED AND BANK ALFALAH LIMITED

BANKERS TO THE ISSUE FOR RETAIL PORTION

Bank Alfalah Limited Habib Bank Limited MCB Bank Limited Silk Bank Limited Summit Bank Limited*
Faysal Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited Soneri Bank Limited United Bank Limited*

*In order to facilitate investors, United Bank Limited ("UBL") and Summit Bank Limited ("SMBL") are providing the facility of electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL net banking to submit their application via link <http://www.ubldirect.com/corporate/ebank> and SMBL account holders can use SMBL net banking to submit their application via link <https://ib.summitbank.com.pk>. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on May 24, 2017.

Book Building Portion Underwritten by



For investor education, please visit www.jamapunji.com.pk, Jama Punji is an investor education initiative of the Securities & Exchange Commission of Pakistan.



Date of Publication of this Prospectus: April 29, 2017

Prospectus, Registration, Bidding and Subscription Forms can be downloaded from the following websites

www.psx.com.pk, www.ittefaqsteel.com, www.alfalahsec.com and www.nextcapital.com.pk

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Note: This Supplement shall be published within 5 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to regulation 4(x) of the Book Building Regulations, 2015 in continuation to the Prospectus of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) earlier published on April 29, 2017.

Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited)

- FLOOR PRICE : PKR 12.00/- PER SHARE
- STRIKE PRICE : PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE

Underwriters to the retail portion of the Issue

S.no.	Names of Underwriter	No. of shares Underwritten	Amount (PKR)	Date of Underwriting Agreement	Date of Due Diligence Report
(i)	•	•	•		
(ii)	•	•	•		
(iii)	•	•	•		
TOTAL		•	•		

Underwriting Commission (in % age):

Take up Commission (in % age), if any:

Interest of Underwriters, in the Issue and the Issuer other than their role as Underwriters: The Underwriters are deemed to be interested to the extent of underwriting & take-up commission payable to them by the Issuer for the amount underwritten by each of them. The Underwriters have no other interest in any property or profits of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited).

Category wise Breakup of Successful Bidders

S.No.	Category	No. of shares provisionally allocated
1	Commercial Banks	•
2	TREC Holders/Stock Brokers	•
3	Individual Investors	•
4	Institutional Investors - Investment Banks - Mutual Funds - Provident/Pension Funds - Modarabas - Leasing Companies - DFIs - Others	•
5	Foreign Investors	•
TOTAL		



GLOSSARY

ACT	Securities Act, 2015
NCL	Next Capital Limited
BAFL	Bank Alfalah Limited
BR	Book Runner
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CDA	Central Depository Act, 1997
CDCPL	The Central Depository Company of Pakistan Limited
CDS	Central Depository System
CGT	Capital Gain Tax
CNIC	Computerized National Identity Card
COI	Certificate of Incorporation
Commission / SECP	Securities and Exchange Commission of Pakistan
CPEC	China Pakistan Economic Corridor
CRO	Company Registration Office
CUIN	Computerized Unique Identification Number
CVT	Capital Value Tax
DRI	Direct reduced iron
EPS	Earnings Per Share
FBR	Federal Board of Revenue
FPI	Foreign Portfolio Investment
FWO	Frontier Works Organization
GDP	Gross Domestic Product
GoP	Government of Pakistan
GoS	Government of Sindh
HMS	Heavy melting scrap
IAS	International Accounting Standards
IPO	Initial Public Offering
Issuer / Company	Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited)
ISO	International Organization for Standardization
ITO	Income Tax Ordinance, 2001
LTM	Last twelve months



EBITDA	Earnings before Interest, Taxes, Depreciation & Amortization
LM	Lead Manager
LC	Letter of Credit
MCB	MCB Bank Limited
Mn	Million
MT	Metric tonnes
NICOP	National Identity Card for Overseas Pakistanis
NOC	No Objection Certificate
ORDINANCE	The Companies Ordinance, 1984
PKR or Rs.	Pakistan Rupee(s)
PSX	Pakistan Stock Exchange Limited
ROA	Return on Assets
ROE	Return on Equity
SST	Sindh Sales Tax
TREC	Trading Right Entitlement Certificate
UAE	United Arab Emirates
UIN	Unique Identification Number
UK	United Kingdom
WHT	Withholding Tax
ZKB	Zahid Khan & Brother Engineers and Constructors



Definitions

Act	Securities Act, 2015.
Application Money	In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted. AND In case of application for subscription of shares out of the general public portion, the amount of money paid along with application for subscription of shares which is equivalent to the product of the Issue Price per share and the number of shares applied for.
Banker to the Book Building	Means any bank with whom an account is opened and maintained by the issuer or offeror for keeping the bid amount In this Issue, MCB Bank Limited (“MCB”) and Bank Alfalah Limited (“BAFL”) have been appointed as joint 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 the Issuer at a price at or above the Floor Price, including all the revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 20% of the prevailing indicative strike price. Please refer to para 2.16 for details
Bid Amount	The amount equals to the product of the number of shares Bid for and the Bid price.
Bid Collection Centre	Designated offices of the Book Runner, specified branches of any of the Scheduled Bank and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in paragraph 2.4 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 and downward but not below the Floor Price. The bids can be revised with a price variation of not more than 20% from the prevailing indicative Strike Price in compliance with Regulation 10(1)(iii) of the Book Building Regulations, 2015.
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 **May 10, 2017** to **May 11, 2017** both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).

Book Building

A process undertaken to elicit demand for shares offered for sale through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.

Book Building Account

An account opened by the Issuer with the Collection Bank(s). 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 paragraph 2.10 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.

Book Building Portion

The part of the total Issue allocated for subscription through the Book Building.

Book Runner

A person registered under Book Building Regulation, 2015. Alfalah Securities (Pvt.) Limited has been appointed as Book Runner for this Issue.

Collection Bank(s) for Book Building Portion

MCB Bank Limited and Bank Alfalah Limited are the Collection Banks for the Book Building portion. For this purpose, the Issuer has opened account titled "**IPO of Ittefaq Iron Industries Limited – Book Building Account**", bearing number: 0893727851009975 at MCB's Global Transaction Banking Branch, Karachi and with the same title bearing number 1005617307 at BAFL's Corporate Main Branch, Karachi. 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/dispatched 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 Bids and applications to the Issuers' account(s).

The Book Runner has also established bidding centres at some branches of Collection Banks as given in section 2.4 where investors can submit their bid applications.

Designated Institution

Includes securities exchange, central depository or clearing house approved by the Commission to provide a system for conducting Book Building.

Pakistan Stock Exchange Limited will act as the Designated Institution for this issue.



Dutch Auction Method

The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares offered under the Book Building Portion are subscribed.

e-IPO facility

e-IPO is the facility through which investors can make application for subscription of shares of the Company through internet. In order to facilitate the investors, the issuer has arranged provision of this facility through **United** Bank Limited (“**UBL**”) and Summit Bank Limited (“**SMBL**”) who are among the Bankers to the Issue.

UBL account holders can use **UBL**’s Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank> and SMBL account holders can use SMBL’s net banking to submit their application via link <https://ib.summitbank.com.pk>

Account holders of UBL and SMBL can submit their applications through the above mentioned links 24 hours a day during the subscription period which will close at midnight on May 24, 2017.

Eligible Investor

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

Floor Price

The minimum price per share set by the Issuer or the Offeror. For this Issue, Floor Price is PKR 12.00 per share.

General Public

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

Institutional Investors

Institutional investors mean the same as defined in the Book Building Regulations, 2015 and include the following entities:

- (i) A Banking company as defined in the Banking Companies Ordinance, 1962;
- (ii) A Financial Institution as referred to in Section 3A of the Banking Companies Ordinance, 1962
- (iii) An Investment Finance Company as defined in the Non-Banking Companies (Establishment and Regulation) Rules, 2003
- (iv) A Company as referred to in Section 503 of the Ordinance
- (v) A registered broker;
- (vi) A Fund established as a Collective Investment Scheme under the Non- Banking Companies (Established and Regulation) Rules, 2003; and
- (vii) A Trust established by a deed under the provisions of the Trust Act, 1882



Issue	<p>Initial Public Offer of 41,750,000 Ordinary Shares representing 31.82% of Total Post IPO Paid Up Capital of the Company having a Face Value of PKR 10.00/- each.</p> <p>Book Building Portion of the Issue comprises of 31,312,500 Ordinary Shares (75% of the Total Issue) at a floor price of PKR 12/- per share (including a premium of PKR 2.0/- per share).</p> <p>General Public Portion of the Issue comprises of 10,437,500 Ordinary Shares (25% of the Total Issue) at the Issue Price.</p>
Issue Price	The price at which Ordinary Shares of the Company are offered / issued to the General Public. The Issue Price will be the Strike Price.
Lead Manager and Arranger	Next Capital Limited
Legal Advisor	Cornelius, Lane & Mufti
Key Employees	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited).
Limit Bid	the bid at a Limit Price.
Limit Price	The maximum price a prospective Bidder is willing to pay for a share under Book Building.
Margin Money	The partial or total amount, as the case may be, paid by a Bidder at the time of registering or making/placing a bid. 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).
Ordinary Shares	Ordinary Shares of the Issuer having face value of PKR 10.00/- each.
Prospectus	The Prospectus of the issuer for offer of its 41,750,000 ordinary shares to the public (including both the Eligible Investors and retail investors) containing all the information and disclosures as required under the Securities Act, 2015, the Book Building Regulations, 2015 and PSX regulations for Listing of Companies and Securities.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process. The registration period shall commence three days before the start of the Bidding Period from May 05, 2017 to May 11, 2017 from 9:00



Regulations	am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
Related Employees	The Book Building Regulations, 2015.
Step Bid	Such employees of the Issuer and the Book Runner who are directly involved in the Issue. Please refer to paragraph 2.26 for further details.
Strike Price	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).
Supplement to the Prospectus	The price per ordinary share of the Issuer determined / discovered on the basis of Book Building process in the manner provided in the Book Building Regulations, 2015 at which the shares are issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through publication of Supplement to the Prospectus in at least all those newspapers in which the prospectus was published and also posted on the websites of the PSX, the Lead Manager, the Book Runner and the Issuer.
Book Building System	The Supplement to the Prospectus published within five (5) 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 PSX.
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building. For this issue, Book Building System of PSX is being used.

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS BUT DOES NOT DEFINED, 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.



TABLE OF CONTENTS

APPROVAL AND LISTING ON THE STOCK EXCHANGE.....11

BOOK BUILDING PROCEDURE14

SHARE CAPITAL AND RELATED MATTERS35

UNDERWRITING, COMMISSIONS, BROKERAGE AND OTHER EXPENSES50

HISTORY, PROSPECTS AND RISK FACTORS52

FINANCIAL INFORMATION65

MANAGEMENT78

MISCELLANEOUS INFORMATION.....85

APPLICATION AND ALLOTMENT INSTRUCTIONS.....89

**REGISTRATION FORM AND BIDDING FORM OF ITTEFAQ IRON INDUSTRIES LIMITED
(FORMERLY ITTEFAQ SONS LIMITED)93**

SIGNATORIES TO PROSPECTUS.....102

MEMORANDUM OF ASSOCIATION.....103

APPLICATION FORM110



PART 1

Approval 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 (“SECP” or the “Commission”) as required under Section 87(2) of the Securities Act, 2015 (the “Act”) read with Section 88(1) thereof and regulation 4 (viii) of the Book Building Regulations, 2015 has been obtained by Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) (“Issuer” or the “Company”) for the issue, circulation and publication of this offering document (hereinafter referred to as the “Prospectus”) vide their letter No. **SMD/CIW/SA-88/05/2017**

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 PROSPECTUS SHOULD NOT BE CONSIDERED AND 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.

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

1.2. Approval of the Prospectus by the Stock Exchange

The Prospectus of the Company has been approved by the Pakistan Stock Exchange Limited (“PSX”) in accordance with the requirements of its regulations for Listing of Companies and Securities.

DISCLAIMER:

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS CLEARANCE SHOULD NOT BE CONSIDERED AND 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 DO 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 ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, 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 THERE UNDER.

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

1.3.Listing at Pakistan Stock Exchange Limited

Application has been submitted by the Issuer 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, 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 72 of the Ordinance. However, and, if any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eighth day together with surcharge at the rate of one and a half per cent (1.50%) for every month or part thereof from the expiration of the eight day and, in addition, to a fine not exceeding five thousand Rupees and in the case of a continuing offence to a further fine of one hundred Rupees for every day after the said eighth day on which the default continues in accordance with the provisions of Section 72(2) of the Ordinance.



1.4. Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer

We, being the Chief Executive Officer and Chief Financial Officer of the Issuer accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that the Prospectus contains all necessary information with regards to the Issuer and the Issue, and constitutes full, true and plain disclosure of all material facts relating to the shares being issued 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 belief and the opinions and intentions 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 Ittefaq Iron Industries Limited

-sd-

Usman Javed
Chief Executive Officer

-sd-

Amir Munir Bhatti
Chief Financial Officer

Date: Feb 10, 2017



PART 2

Book Building Procedure

2.1. Brief Issue Structure

The Present Issue

The Issue comprises of 41,750,000 Ordinary Shares of PKR 10/- each which constitutes 31.82% of the total post IPO paid-up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 12.00 per share (including a premium of PKR 2.00 per share), whereby 75% of the total issue size i.e. 31,312,500 Ordinary shares will be issued through the Book Building process to Eligible Investors. The balance 25% of the total Issue size i.e. 10,437,500 Ordinary Shares will be issued to the General Public through retail offer at the Strike Price determined through the Book Building process.

Within 5 working days from the close of Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus of the Company is published. The Supplement will contain information relating to the Strike Price, the Issue Price, and names of the underwriters for the retail portion, underwriting and take-up commission and category wise break-up of the successful bidders. Format of the Supplement is given at page 2 of this Prospectus.

2.2. Book Building Procedure

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer sets a Floor Price, which is the minimum 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 Methodology”**.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares offered 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 a 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 5.0 million shares at PKR 15.00/- per share, in such a case, the Bid Amount will be PKR 75,000,000/-. Since the Bidder has placed a Limit Bid of PKR 15.00/- per share, this indicates that he/she/it is willing to subscribe the shares at a price up to PKR 15.00 /- per share. In case of Individual Investor, the Margin Money will be 100% i.e. PKR 75,000,000/- whereas in case of Institutional Investor the Margin Money shall be 25% of the Bid Amount i.e. PKR 18,750,000/-
- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR 1,000,000/.



Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. The Bidders may, for instance, make a Bid for 2.0 million shares at PKR 13.00/- per share, 1.5 million shares at PKR 14.00/- per share and 1.0 million shares at PKR 15.00/- per share, then in essence the investor has placed one "Step Bid" comprising three Limit Bids at increasing prices. The Bid Amount will be PKR 62,000,000/-. In case of Individual Investor, the Margin Money will be 100% i.e. PKR 62,000,000/- whereas in case of Institutional Investor the Margin Money shall be 25% of the Bid Amount i.e. PKR 15,500,000/-.

AN ELIGIBLE INVESTOR SHALL NOT MAKE A BID WITH A PRICE VARIATION OF MORE THAN 20% OF THE PREVAILING INDICATIVE STRIKE PRICE.

AN ELIGIBLE INVESTOR SHALL NOT MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY, HOWEVER, A BID CAN BE REVISED TILL 5.00 PM ON THE LAST DAY OF BIDDING PERIOD. DOWNWARD REVISION OF BID PRICE SHALL NOT BE ALLOWED AFTER 4:00 P.M. ON THE LAST DAY OF THE BIDDING. FOR FURTHER DETAIL PLEASE SEE PARAGRAPH 2.11 (c) (vi) and 2.15

AN ELIGIBLE INVESTOR SHALL NOT PLACE A CONSOLIDATED BID. A BID APPLICATION WHICH IS FULLY OR PARTIALLY BENEFICIALLY OWNED BY PERSONS OTHER THAN THE ONE NAMED THEREIN IS TO BE CONSIDERED AS A CONSOLIDATED BID.

RELATED EMPLOYEES OF THE ISSUER AND THE BOOK RUNNER CANNOT PARTICIPATE IN THE BIDDING PROCESS. NAMES OF RELATED EMPLOYEES OF THE ISSUER AND BOOK RUNNER ARE PROVIDED IN SECTION 2.26

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 successful institutional Bidders shall, within three (3) working days of the closing of the Bidding Period, deposit the balance amount as consideration against allotment of shares. **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 under clause 21(12) of the Regulations.**

As per regulation 21(14) of the Regulations, the successful bidders shall be issued shares in the Book-Entry Form to be credited in their CDS accounts. All the eligible investors shall, therefore, provide their CDC account numbers (Investors Account or Sub-Account) in the bid application.

The Bidders are encouraged to fill-in the part of the Bidding Form under the heading, "Dividend Mandate" to enable the Company to directly credit their cash dividend, if any, in their respective Bank Accounts.

2.3.Book Runner

Alfalah Securities (Pvt.) Limited ("ASPL") has been appointed by the Issuer as the Book Runner to this Issue. ASPL is registered with the Commission as a Book Runner, in accordance with the Book Building Regulations, 2015.



2.4.Role and Function of the Book Runner

The Book Runner to the Issue shall:

- a) ensure that necessary infrastructure and electronic system is available to accept bids and to undertake the whole Book Building in a fair, efficient and transparent manner;
- b) ensure that it is financially capable for honoring its commitments arising out of defaults, if any, by any of the bidder;
- c) collect Margin Money and subscription money from the Bidders in the manner as mentioned in the Regulations;
- d) use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed through an agreement in writing;
- e) 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;
- f) ensure that the bidders can access the System and can revise their bids electronically using the user ID and the password;
- g) ensure that it has established not less than two Bid Collection Centers in Karachi and at least one Bid Collection Centre in all major cities of the country at least in the Federal Capital and all the provincial capitals;
- h) enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building Portion;
- i) maintain record of all the bids received;
- j) ensure that it has obtained list and Unique Identification Numbers of the associated companies and associated undertakings of the Issuer;
- k) ensure that names and Unique Identification Numbers of the associated companies and associated undertakings of the Issuer are entered and capped, in aggregate, at five per cent (5%) into the system before commencement of the Bidding Period;
- l) ensure that no bid or bids, exceeding five per cent (5%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
- m) ensure that it has obtained names and Unique Identification Numbers of the Related Employees of the Issuer, the Book Runner and that names and Unique Identification Numbers of all such employees are entered into the system and blocked for participation in the bidding; and



- n) 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.

Bid Collection Centers

The Book Runner has established bid collection centers at the following addresses:

BID COLLECTION CENTRES	
Karachi	
Contact Person: Imran M. Sherani	Contact Person: Muhammad Rameez Shoaib
Direct No: 021-35645068	PABX No: 111-777-786
Mobile No: 0336-9224406	Direct No: 0315-2782644
PABX No: 021-35645090-5 Ext. 342	Fax No: 021-32417006
Fax No: 021-35645096	Email: rameez.shoaib@alfalahsec.com
Email: imran.sherani@alfalahsec.com	Postal Address: Bank Alfalah Limited, Corporate Main Branch, B.A Building, I.I Chundrigar Road, Karachi
Postal Address: Alfalah Securities (Pvt.) Limited 8 th Floor Bahria Complex III, M.T Khan Road, Karachi	
Hyderabad	
Contact Person: Anees Khaton Mahesar	Contact Person: Muhammad Shafqat Abbas
Direct No: 022-2730849 and 2729744	Mobile No: 0300-5053804
Fax No: 022-2786023	Direct No: 051-2894040
Email: aneeskhaton@bankalfalah.com	Fax No: 051-2894045
Postal Address: Bank Alfalah Limited, Main Branch, near Hotel Faran, Saddar, Hyderabad	Email: mcb1390@mcb.com.pk
	Postal Address: MCB Bank Limited, Office No.I, Ground + Mezzanine Floor, Islamabad Stock Exchange Tower, Blue Area, Islamabad
Islamabad	
Lahore	
Contact Person: Hasan Zubair	Contact Person: Najeeb Azam
Direct No: 042-35876033	Mobile No: +92 3138041610
PABX No: 042-35877800-6	Direct No: 081-2841180-82 Ext 110
Fax No: 042-35873486	Fax No: 081-2827562
Email: hasan.zubair@alfalahsec.com	Email: najeeb.azam@bankalfalah.com
Postal Address: Bank Alfalah Limited, 125-E-1, Gulberg Corporate Branch, Lahore	Postal Address: Bank Alfalah Limited, Property No.2-13/4, M.A.Jinnah Road, Quetta
Quetta	
Peshawar	
Contact Person: Farhan Yousaf	Contact Person: Shah Jahan
Direct No: 091-5279769	Mobile No: 0346-6488856
Fax No: 091-5279427	Direct No: 05811-451915
Email: ops0277@mcb.com.pk	Email: s.jahan@bankalfalah.com
Postal Address: MCB Bank Limited, Saddar Road, Peshawar Cantt., Tehsil & District Peshawar	Postal Address: Bank Alfalah Limited, Shahrah-e-Quaid-e-Azam, Near Radio Station, Jutial, Gilgit
Gilgit	
Muzaffarabad - AJK	
Contact Person: Raja Imtiaz Mustafa	Contact Person: Mirza Kamran Ashraf
Mobile No: 0300-5029629	Mobile No.: 0344-8858958
Direct No: 05822-92091	Direct No: 05827-436852
Email: isb.bom0283@bankalfalah.com	Email: Mirza.ashraf@bankalfalah.com
Postal Address: Bank Alfalah Ltd, Development Authority Shopping complex, Bank Road, Muzaffarabad AJK	Postal Address: BANK ALFALAH LTD MIRPUR MAIN BRANCH 114 KOTLI ROAD SEC F-1 MIRPUR AJK
Mirpur – AJK Jammu & Kashmir	



Sibbi

Contact Person: **Muhammad Waseem Khan**
 Mobile No.: 0333-0205209-0322-2527242
 Direct No: 0833-500205, EXT 106
 Email: mwaseem.khan@bankalfalah.com
 Postal Address: Bank Alfalah Ltd, Property old#832, Ward#3,
 Block#1 Building #4, M.A Jinnah Road, Sibbi,
 Baluchistan

2.5. Interest of Lead Manager and Arranger in the Issue and the Issuer other than its Role as Lead Manager and Arranger

The Lead Manager and Arranger (Next Capital Limited) is deemed to be interested to the extent of fees payable to it by the Issuer for the services of Lead Manager and Arranger to the Issue. Except as provided below, the Lead Manager and Arranger has no other interest in any property or profits of the Company.

Mr. Muhammad Najam Ali (CEO of Next Capital Limited) and Mr. Muhammad Zulqarnain Mahmood Khan (Non-Executive Director of Next Capital Limited) collectively hold 5,000,000 ordinary shares (approximately 5.6% of the paid up capital) of the Company and they may deem to be interested in the Company to the extent of their shareholding in it.

2.6. Interest of Book Runner in the Issue and the Issuer other than its Role as Book Runner

The Book Runner (Alfalah Securities (Pvt.) Limited) is deemed to be interested to the extent of fees payable to it by the Issuer for the services of Book Runner to the Issue. The Book Runner has no other interest in any property or profits of the Company.

2.7. Opening and Closing of Registration Period

The Registration period shall be for **Five (5)** working days i.e. May 05, 2017 to May 10, 2017 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on May 11, 2017.

REGISTRATION PERIOD	
May 05, 2017	9:00AM TO 5:00PM
May 08, 2017	9:00AM TO 5:00PM
May 09, 2017	9:00AM TO 5:00PM
May 10, 2017	9:00AM TO 5:00PM
May 11, 2017	9:00AM TO 3:00PM

2.8. Opening and Closing of the Bidding Period

The Bidding Period will remain open for (02) two working days during business hours i.e. it will commence at 09:00 a.m. on **May 10, 2017** and will close at 05:00 p.m. on **May 11, 2017**.



BIDDING PROCESS STARTS ON	May 10, 2017
BIDDING PROCESS ENDS ON	May 11, 2017

2.9. Eligibility to Participate in Bidding

Eligible investors, who can place their Bids in the Book Building process include individual and Institutional Investors both local and foreign, whose Bid Amount is not less than PKR 1,000,000/- (One million rupees).

2.10. Information for Bidders

- a) The Prospectus for issue of shares has been approved by PSX and SECP.
- b) The Prospectus, Registration Form and the Bidding Form can be obtained from the registered office of the Issuer, the Book Runner and the Bid Collection Centers. Prospectus, Registration Form and Bidding Forms can also be downloaded from the following websites of the Company, PSX, the Lead Manager & Arranger and the Book Runner i.e. <http://www.ittefaqsteel.com> , <http://www.psx.com.pk>, www.nextcapital.com.pk and www.alfalahsec.com respectively.
- c) Eligible investors who are interested in subscribing to the Ordinary Shares should approach the Book Runner at the addresses provided in paragraph 2.4 to register and submit their Bids.
- d) **THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN PARAGRAPH 2.4. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER PARA 2.10**
- e) **THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN PARAGRAPH 2.4 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF THE ELIGIBLE INVESTOR.**
 - **REGISTERED INVESTORS CAN MAKE, REVISE OR WITHDRAW THEIR BIDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.**
 - **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.**
 - **ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF MCB BANK OR BANK ALFALAH (BOTH THE BANKERS TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY MCB AND BAFL TO DEPOSIT THEIR BID MONEY TO ANY OF THE BOOK BUILDING ACCOUNTS OPENED AT MCB AND BAFL RESPECTIVELY.**



2.11. Registration Form and Procedure for Registration

- a) Standardized Registration Form has been prescribed by the Issuer. Registration Form shall be submitted at the Bid Collection Centers in person on addresses given in paragraph 2.4 on the standard Registration Form duly filled in. The Registration Form shall be serially numbered at the Bid Collection Centers and this shall be date and time stamped at the time of collection of the same from the Bidders.
- b) 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 and filing the supplement with the PSX and the SECP, without prior or subsequent notice of such changes to the bidders.
- c) **The Registration procedure under the Book Building process is outlined below:**
 - i. The period for registration of Eligible Investors shall be for Five (5) working days i.e from May 05, 2017 to May 10, 2017 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on May 11, 2017
 - ii. The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with first copy for the Book Runner, and the second copy for the Bidder.
 - iii. The Registration Form shall be submitted through the Bid Collection Centers in person on addresses given in paragraph 2.4 on the standard Registration Form duly filled in and signed in duplicate.
 - iv. Upon registration of the bidders in the System, the Designated Institution shall assign and communicate User ID and password to the bidders via email on the email addresses provided by them in the Registration Form
 - v. 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 Runner shall not be challengeable by the bidder or its associates.
 - vi. Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order and online transfer.
 - vii. The pay order shall be made in favor of **“IPO of Ittefaq Iron Industries Limited - Book Building Account”**. For online transfer facility, the payment shall be made into Account Number **0893727851009975** maintained at MCB, Global Transaction Banking Branch, Karachi or Account Number **1005617307** maintained at BAFL, Corporate Main Branch, Karachi with the Account Title **“IPO of Ittefaq Iron Industries Limited - Book Building Account”**
 - viii. **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 instrument are made “payable at any branch”. Intra city payment instruments that are not made “Payable at any Branch” will not be accepted

- ix. The Book Runner shall collect an amount of 100% of the Bid Amount as Margin Money in respect of bids placed by Individual Investors.
- x. The Book Runner shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- xi. The Bidder shall provide a valid email address in the Registration Form so that the relevant User ID and password can be emailed to them upon registration of the bid.
- xii. The Bidders can use the User ID and password to independently place, revise or withdraw their bids online.
- xiii. 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 Registration Form.

2.12. Procedure for Bidding

- a) Standardized Bidding Form has been prescribed by the Issuer.
- b) 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.
- c) **The bidding procedure under the Book Building process is outlined below:**
 - i. Bids can be placed at “Limit Price” or as a “Step Bid”. An Eligible Investor shall not place a bid of less than PKR 1,000,000/- (One Million Rupees) and **in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (One million Rupees).**
 - ii. In addition to the procedure provided in regulation 13(2) of the Book Building Regulations, 2015, the investors may place their bids through any of the Bid Collection Centers.
 - iii. 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’s designated bank account.
 - iv. On receipt of bid application, 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.
 - v. **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.**



- vi. **The registered investors shall have the right;**
- to **withdraw** their bids till 04:00 p.m. on last day of the bidding period either manually through the Bid Collection Centers or electronically through direct access to the system. **No withdrawal shall be allowed after 4:00 p.m. on the last day of the bidding period; and**
 - subject to the provision of regulation No. 20(3)(2)(iv), to **revise** their bids at 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. **No downward revision shall be allowed after 4:00 p.m. on last day of the bidding period.**
- vii. The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the individual investors and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- viii. The payment of margin money shall be accepted only through demand draft, pay order or online transfer and third party payment instrument shall not be accepted.
- ix. The Book Runner may on its own discretion accept bid without Margin Money provided Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- x. 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 Runner shall not be challengeable by the bidder or its associates.
- xi. **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 and the bids withdrawn. The order book shall be accessible through website of Pakistan Stock Exchange Limited**
- xii. **At the close of the Bidding Period, Strike Price shall be determined on the basis of Dutch Auction Method.**
- xiii. Once the Strike Price is determined all those bidders whose bids are found successful shall become entitled for allotment of shares.
- xiv. The bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price and the differential shall be refunded.
- xv. The bidders who have made bids at the Strike Price shall be allotted shares in accordance with the regulation 7(2) of the Book Building Regulations, 2015. 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 strictly on time priority basis. The procedure for allotment of shares to successful bidders is mentioned in sections 2.20 and 2.21 of the Prospectus.



- xvi. The bidders who have made bids below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded within five (5) working days of the close of the bidding period.
- xvii. Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, including the Strike Price and the number of shares provisionally allotted to each of them. The successful institutional bidders shall, within three (3) working days of the closing of the bidding period, deposit the balance amount as consideration against allotment of shares. **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 under regulation 21(12) of the Regulations.**
- xviii. 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.
- xix. 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 CDC account numbers in the Registration Form.
- xx. 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
- xxi. 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:
 - a. credit or dispatch of all shares allocated under the retail portion of the issue; and
 - b. issuance of NOC by the Pakistan Stock Exchange.
- xxii. In case the Bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
- xxiii. **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 strictly on time priority basis.**

RESTRICTIONS:

- **Restriction on Related Employees:**

Related Employees of the Issuer and the Book Runner are not allowed to participate in the Bidding for shares. Related Employees are those employees who are directly involved in the Issue. (List of related employees may be seen at para 2.26)



▪ **Restriction on Eligible Investors**

A registered Eligible Investor shall not make:

- bid below the Floor Price;
- a bid for more than 10% of the shares allocated under the Book Building Portion;
- subject to the provision of clause (i) above, a bid with price variation of more than 20% of the prevailing indicative strike price;
- a consolidated bid; or
- more than one bid either severally or jointly.

In case there is any allocation or allotment of shares to investors through Pre-IPO placement, Private placement or through any other mode during the period of six months preceding the bidding date, at a price lower than the Strike Price, such shares shall not be saleable for a period of six months from the date of closing of subscription period for Retail Portion of the Issue.

Bids from associated companies and associated undertakings of the Issuer, shall not be accepted for shares in excess of five percent (5%), in aggregate, of the book building portion.

To check this threshold, the Issuer shall provide to the Book Runner and the Book Runner shall obtain from the Issuer, list of associated companies and associated undertakings of the Issuer before commencement of the Bidding Period along with their respective Unique Identification Numbers, to be entered and capped at five percent (5%) in the System before commencement of the Bidding Period; and the Book Runner shall make sure that the said list has been provided to the Designated Institution and the employees deployed at the Bid Collection Centers for collection of bids and entry thereof in the system.

2.13. Bank Account for Book Building

The Issuer has opened two separate bank accounts for collection of applications' money, one each for the Book Building portion and the general public portion of the Issue.

The Bidders shall draw demand draft or pay order in favor of "**IPO of Ittefaq Iron Industries Limited - Book Building Account**". For online transfer facility pay order or demand draft may be deposited at any branch of MCB Bank Limited or Bank Alfalah Limited and evidence to be submitted to the Book runner, the payment shall be made into Account Number 0893727851009975 which has been opened at MCB Bank Limited, Global Transaction Banking Branch, Karachi or Account Number 1005617307 which has been opened at Bank Alfalah Limited, Corporate Main Branch, Karachi. The Bankers to the Book Building shall keep and maintain the bid money in the said account. Once the Strike Price is determined and lists of successful bidders and successful applicants / allottees are finalized and shares are credited / dispatched to the successful bidders and applicants, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Bankers to the Book Building for transfer of the money of successful and accepted applications to the Issuers' account(s). **Please note that third party payment instruments will not be accepted.**



2.14. Payment into the Book Building Account

The Bidders shall draw a demand draft or pay order favoring **"IPO of Ittefaq Iron Industries Limited - Book Building Account"** or Online Transfer of the Bid Amount into the respective IPO account of the Issuer bearing A/c No. 0893727851009975 at MCB and A/c No. 1005617307 at BAFL and submit the demand draft, pay order or bank receipt at the designated Bid collection center in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into account no. 0893727851009975 being maintained at MCB – Global Transaction Banking Branch, Karachi or account no. 1005617307 being maintained at BAFL – Corporate Main Branch, Karachi. with the Account Title **"IPO of Ittefaq Iron Industries Limited - Book Building Account"**. Please note that online transfer facility shall only be allowed for MCB or BAFL customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM AT THE BID COLLECTION CENTER. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, DEMAND DRAFT OR ONLINE TRANSFER, DRAWN / TRANSFER IN FAVOR OF "IPO OF ITTEFAQ IRON INDUSTRIES LIMITED - BOOK BUILDING ACCOUNT" IN A MANNER ACCEPTABLE TO THE BOOK RUNNER

Since the investors can bid for shares through "limit bid" or "step bid", therefore payment procedure is explained below for these methods.

▪ Payment for a Limit Bid

If investors are placing their Bids through "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 5.0 million shares at a price of PKR 15.00/- per share, then the total Bid Amount would amount to PKR 75,000,000. In such a case, (i) individual investor shall deposit PKR 75,000,000 in the Book Building account as the Margin Money which is 100% of PKR 75,000,000; and (ii) Institutional Investors shall deposit PKR 18,750,000 in the Book Building account as the Margin Money which is at least 25% of PKR 75,000,000.

▪ Payment for a Step Bid

If investors are placing a "Step Bid", which is a series of limit Bids at increasing prices, then they shall deposit the Margin Money/ Bid Amount based on the total number of shares they are bidding for at their stated Bid prices.

For instance, if the investor Bids for 2.0 million shares at PKR 13.00/- per share, 1.5 million shares at PKR 14.00/- per share and 1.0 million shares at PKR 15.00/- per share, then in essence the investor has placed one "Step Bid" comprising of three limit Bids at increasing prices. The Bid Amount would amount to PKR 62,000,000/- 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) an individual investor shall deposit PKR 62,000,000/- in the Book Building Account as Bid Amount which is 100% of PKR 62,000,000/- and (ii) Institutional investors shall deposit at least PKR 15,500,000/- in the Book Building Account as Margin Money which is 25% of PKR 62,000,000/-



2.15. Payment by Foreign / Non-Resident Investors

Companies are permitted (under sub para (B) (I) of paragraph 6 of Chapter 20 of the State Bank of Pakistan's Foreign Exchange Manual 2016 (the "Manual")) to issue shares on repatriation basis out of new public offers, irrespective of the nature of business of the company to non residents who are covered under sub para (A) of paragraph 6 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 section 2.12 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. List of bankers to the issue for retail portion is available on page 1 and Section 9.2 of this Prospectus.

The shares issued/transferred to non-resident shareholders shall be intimated by the Company to the designated Authorised Dealer, along with the documents prescribed in the Manual within 30 days of issue/transfer.

Non-residents who are covered under sub para (A) of paragraph 6 of Chapter 20 of the Manual do not require any regulatory approvals to invest in the shares being issued through this Prospectus. Under para 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 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.

2.16. Revision of Bids by the Bidders

The registered investors may revise their Bids at 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 upward, a bid with a price variation of more than 20% of the prevailing indicative Strike Price. **NO DOWNWARD REVISION SHALL BE ALLOWED AFTER 4:00 P.M. ON LAST DAY OF THE BIDDING PERIOD.**



2.17. Twenty Percent (20%) Price Band Mechanism

An investor will not be allowed to place or revise a bid with a price variation of more than twenty percent (20%) of the prevailing Indicative Strike Price subject to Floor Price i.e. Bid Price must not be below the Floor Price. Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 20% range will also change with the Indicative Strike Price.

For Example, if the floor price is PKR 12.0 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 12.0 per share, registered bidders may place or revise their bids from PKR 12.0 per share to PKR 14.40 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 12.0 per share to PKR 14.0 per share, the registered bidders may place or revise their bids from PKR 12.0 per share to PKR 16.80 per share.

Please note that the 20% range on the lower side cannot go below the Floor Price. The price range of 20% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the websites of Pakistan Stock Exchange Limited.

2.18. Withdrawal of Bids by the Bidders

The registered investors shall have the right to withdraw their bids till 04:00 p.m. on last day of the Bidding Period either manually through the Bid Collection Centers or electronically through direct access to the system. **NO WITHDRAWAL SHALL BE ALLOWED AFTER 4:00 P.M. ON LAST DAY OF THE BIDDING PERIOD.**

2.19. Rejection of the Bids by the Book Runner

In terms of regulation 21(5) of Chapter V of the Book Building Regulations, 2015, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runner shall not be challengeable by the Bidder or any of its associates.

2.20. Withdrawal of Issue by the Issuer

- According to regulation 5(6) of the 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, the Securities Exchange and the Designated Institution and the Margin Money shall be refunded to the Bidders immediately but not later than two (2) working days of the closing of the Bidding Period.
- The Book Building will be considered cancelled if the total number of bids received is less than forty (40).

2.21. Mechanism for Determination of Strike Price

- At the close of the Bidding Period, the Strike Price shall be determined on the basis of **“Dutch Auction Methodology”**. Under this Methodology, the Strike Price is determined by lowering the price to the extent that the total number of shares offered is subscribed.



- The order book shall display the Bid prices in a descending order along with the quantity for each price level as well as the cumulative quantity at each price level.
- a) Once the Strike Price is determined, all those Bidders whose bids have been found successful shall become entitled for allotment of shares. The Bidders, who have made bids at prices above the Strike Price, will be provisionally allotted shares at the Strike Price and the differential, if any, will be refunded. The Bidders, who have made bids below the Strike Price, shall not qualify for allotment of shares and their Margin Money shall be refunded.
- b) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
- c) 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 strictly on time priority basis.

The mechanism for determination of Strike Price can be understood by the following illustration.

- Number of shares being Offered through the Book Building: 31,312,500 Ordinary Shares
- Floor Price: PKR 12.00 per share
- Bidding Period: From May 10, 2017 to May 11, 2017
- Bidding Time: 9:00am - 5:00pm
- Bid Withdrawal Time: 9:00 am – 5:00 pm on all days and till 4:00 pm on last day
- Bidding Revision Time: 9:00am - 5:00 pm on all days*

**Downward Revision Time: 9:00 am – 5:00 pm on all days except the last day and till 4:00 pm on last day*

Bidder	Price (PKR per share)	Bid Quantity (shares Millions)	Cumulative Quantity (Million Shares)	Category of Order
Institution – A	20.00	10.00	10.00	Limit Price
Institution – E	19.00	3.00	13.00	Limit Price
Institution – B	19.50	7.00	17.00	Limit Price
Foreign Institution – F	19.00	8.00	25.00	Limit Price
Individual Investor – A	18.00	2.00	27.00	Step Bid
Institution – C	17.00	5.00	32.00	Step Bid
Individual Investor – E	16.00	7.00	39.00	Limit Price
Institution – C	15.50	3.00	42.00	Step Bid
Institution – B	15.00	10.00	52.00	Limit Price
Individual Investor – A	14.00	2.00	44.00	Step Bid
Institution – C	13.00	3.00	47.00	Step Bid

Bid Withdrawn

Strike Price determined through Dutch Auction Method

Bid has been revised and placed at PKR 19.50 per share



It is assumed that 31,312,500 shares are being issued through Book Building 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 17.00 per share to sell the required quantity of 31,312,500 ordinary shares.

At PKR 20.00 per share, investors are willing to buy only 10,000,000 shares. Since 21,312,500 shares are still available, therefore the price will set lower.

At PKR 19.50 per share, investors are willing to buy 7,000,000 shares. Since 14,312,500 shares are still available; therefore, the price will set lower.

At PKR 19.00 per share, investors are willing to buy 8,000,000 shares. Since 6,312,500 shares are still available; therefore, the price will set lower.

At PKR 18.00 per share, investors are willing to buy 2,000,000 shares. Since 4,312,500 shares are still available; therefore, the price will set lower.

At PKR 17.00 per share, investors are willing to buy 5,000,000 shares. Since after bidding for 4,312,500 shares at PKR 17.00 per shares no share will be available, therefore, the Strike Price will be set at PKR 17.00 per share for the entire lot of 31,312,500 million shares.

The Bidders, who have placed bids at prices above the Strike Price (which in this illustration is PKR 17.00 per share), will become entitled for allotment of shares at the Strike Price and the differential amount would be refunded.

The Bidders, who have placed bids below PKR 17.00 per share, will not qualify for allotment of shares.

After allotment in the aforementioned manner, 4,312,500 shares are still available for allotment. These shares will be allotted to the Bidders who have placed bid(s) at PKR 17.00, however, for the purpose of allotment of these 4,312,500 shares **preferences will be given to the Bidder who has placed the bid earlier.**

2.22. Basis of Allotment of Shares

Once the Strike Price is determined, all those bidders whose bids have been found successful shall become entitled for allotment of shares. For allocation of shares 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 issued shares at the Strike Price and the differential, if any, will be refunded. The bidders, who have made bids below the Strike Price, shall not qualify for allotment of shares and their Margin Money shall be refunded.

For the purpose of allotment of shares, the bid(s) made at the price determined / discovered as Strike Price shall be ranked equally and preference will be given to the bidder who has made the bid earlier.

In case bids received at the Strike Price exceeds the number of shares allocated under the Book Building, then preference will be given to the bidders who have made the bid earlier.

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 of the issue to successful applicants as per regulation 21(13) of the Regulations.

2.23. Refund of Margin Money

Investors that place Bids lower than the Strike Price shall not be eligible for allotment of shares. Margin Money of the unsuccessful Bidders shall be refunded within five (05) working days of the close of the bidding period as required under Regulation 21(11) of the Regulations.

The bidders, who have made bids at prices above the Strike Price, will be issued shares at the Strike Price and the differential will be refunded, where required.

2.24. Underwriting

After determination of the Strike Price, the Book Runner shall within two (2) working days of the closing of the bidding period enter into an Underwriting Agreement with the Issuer indicating the number of shares that the Book Runner would underwrite at the Strike Price and the Underwriting Commission / Fee to be charged.

2.25. Publication of Supplement to the Prospectus

In accordance with the Regulation 4(x) of the Regulations within five (5) 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.

Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price, names of the Underwriters for the Retail Portion of the Issue, Underwriting Commission and Category-wise breakup of the successful bidders along with the number of shares provisionally allocated to them.

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.

2.26. Associated Companies and Related Employees

Following are the associated companies of the Issuer based on common directorships:

Name of company	CUIN	NTN
The United Insurance Co. of Pakistan Ltd.	0001037	0712543-7
Green Star Social Marketing, Pakistan	0028873	0913138-8

Note: As required in regulation 5(8) of the Regulations, the Associated Companies and Associated Undertakings of the Issuer shall not in aggregate make bids for shares in excess of 5% of the Book Building Portion.



- **Related Employees**

List of Related Employees / Directors of the Issuer

S. No	Name	Designation	CNIC
1	Mr. Mian Muhammad Pervaiz Shafi	Director	35200-1525705-3
2	Mr. Usman Javed	Executive Director (CEO)	35200-1525704-3
3	Mrs. Khalida Pervaiz	Director	35200-1462967-8
4	Mrs. Sumbleen Usman	Director	35200-1462967-6
5	Mrs. Ayesha Fahid	Director	35202-4241977-2
6	Mr. Javed Sadiq	Independent Director	35201-3141586-5
7	Mr. Khalid Mustafa	Director	35202-8393565-3
8	Mr. Amir Munir Bhatti	Chief Financial Officer	35201-1544923-9
9	Mr. Muhammad Shahzad Bazmi	Company Secretary	34502-4743721-3
10	Mr. Adnan Younus	Deputy General Manager Audit	35202-2540256-3
11	Mr. Haroon Arif	Manager Marketing	35201-1670205-7

List of Related Employees of the Book Runner

S. No	Name	Designation	CNIC
Alfalah Securities (Pvt.) Limited			
1.	Atif Mohammed Khan	Chief Executive Officer	42301-0854730-5
2.	Imran Mohammed Sherani	Head, Investment Banking	42301-5836943-7
3.	Hasan Zubair	Senior Sales Officer – Online Trading	42201-5223567-5
4.	Muhammad Rameez Shoaib	Sales Officer – Online Trading	42201-4456311-3

Note: As required in regulation 11 of the Regulations, Related Employees of the Issuer and the Book Runner shall not participate in the bidding for shares.



2.27. Statement by Issuer

Date: Feb 10, 2017

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

On behalf of the Issuer, we hereby confirm that all material information as required under the Companies Ordinance, 1984; the Securities Act, 2015, the Book Building Regulations, 2015 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange has been disclosed in the Prospectus and that whatever stated in the 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 on behalf of Issuer

-sd-

Usman Javed
Chief Executive Officer
Ittefaq Iron Industries Limited

-sd-

Amir Munir Bhatti
Chief Financial Officer
Ittefaq Iron Industries Limited



2.28. Statement by Lead Manager & Arranger

Date: Feb 10, 2017

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

Being mandated as Lead Manager & Arranger to this Initial Public Offering of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) through the Book Building process, we hereby confirm that all material information as required under the Companies Ordinance, 1984, the Securities Act, 2015, the Book Building Regulations, 2015 and Listing of Companies and Securities Regulations of the Pakistan Stock Exchange has been disclosed in this Prospectus and that whatever stated herein and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and on behalf of
Next Capital Limited:

-Sd-

Umer Habib
Head of Investment Banking



2.29. Statement by Book Runner

Date: April 20, 2017

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

Being mandated as Book Runner to Initial Public Offering of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) through the Book Building process, we hereby confirm that all material information as required under the Companies Ordinance, 1984, the Securities Act, 2015, the Book Building Regulations, 2015 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in this Prospectus and that whatever stated herein and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and on behalf of Book Runner

-Sd-

Atif Mohammed Khan
Chief Executive Officer
Alfalah Securities (Pvt.) Limited



PART 3

Share Capital and Related Matters**3.1. Share Capital**

No. of Shares	Shareholder	Face Value (PKR)	Premium (PKR)	Total Value (PKR)	% of shareholding
AUTHORIZED CAPITAL					
300,000,000	Ordinary shares of PKR 10/- each	3,000,000,000	-	3,000,000,000	-
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL OF THE COMPANY					
80,000,000	Issued for Cash: Ordinary shares of PKR 10/- each	800,000,000	-	800,000,000	-
9,471,240	Issued for Consideration Other Than Cash*: Ordinary Shares of PKR 10/- each	94,712,400	-	94,712,400	-
89,471,240	Total Existing Paid Up Capital	894,712,400	-	894,712,400	-

THE ISSUED, SUBSCRIBED & PAID-UP CAPITAL OF ITTEFAQ IRON INDUSTRIES LIMITED IS HELD AS FOLLOWS:**Shares held by Sponsors / Directors of the Company**

5,198,160	Usman Javed	51,981,600	-	51,981,600	5.81%
8,778,690	Khalida Pervaiz	87,786,900	-	87,786,900	9.81%
10,000	Mian Muhammad Pervaiz Shafi	100,000	-	100,000	0.01%
10,000	Sumbleen Usman	100,000	-	100,000	0.01%
10,000	Ayesha Fahid	100,000	-	100,000	0.01%

Shares held by Sponsors of the Company

5,310,090	Zohaib Zahid	53,100,900	-	53,100,900	5.93%
8,690,860	Muhammad Husnain Tariq	86,908,600	-	86,908,600	9.71%
6,309,780	Samreen Shahid	63,097,800	-	63,097,800	7.05%
1,672,370	Kashmir Feeds Limited	16,723,700	-	16,723,700	1.87%
8,205,000	Shahzad Javed	82,050,000	-	82,050,000	9.17%
1,690,897	Wajeeha Shahzad	16,908,970	-	16,908,970	1.89%
5,260,630	Muhammad Shahid Shafi	52,606,300	-	52,606,300	5.88%
5,381,173	Ali Pervaiz	53,811,730	-	53,811,730	6.01%
6,170,820	Yousaf Zahid	61,708,200	-	61,708,200	6.90%
3,058,490	Muhammad Tariq Shafi	30,584,900	-	30,584,900	3.42%

Shares held by Directors of the Company

10,000	Khalid Mustafa	100,000	-	100,000	0.01%
10,000	Javed Sadiq	100,000	-	100,000	0.01%

Shares held by Other Shareholders

8,144,480	Atif Mubarik	81,444,800	-	81,444,800	9.10%
8,049,800	Rana Nisar Ahmad	80,498,000	-	80,498,000	9.00%
2,500,000	Munaf Ibrahim	25,000,000	-	25,000,000	2.79%
2,500,000	Muhammad Najam Ali	25,000,000	-	25,000,000	2.79%
2,500,000	Muhammad Zulqarnain Mahmood Khan	25,000,000	-	25,000,000	2.79%

89,471,240	Sub-Total	894,712,400	-	894,712,400	100%
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Present Issue of Ordinary Shares					
31,312,500	Allocations to Institutions / HNWI through Book Building process at Strike Price	313,125,000	[X]	[X]	-
10,437,500	General Public Portion	104,375,000	[X]	[X]	-
41,750,000	Total Present Issue	417,500,000	[X]	[X]	-
131,221,240	Total (Post-IPO) Paid-up Capital	1,312,212,400	[X]	[X]	-

* These shares were issued to various shareholders on 24-04-2009 against merger of Al-Shafi Steels (Pvt.) Limited into Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited). Rule 8 of the then Companies (Issue of Capital) Rules, 1996 was applicable and the Company complied with all the applicable requirements of the said rule. There has been no other issue of shares otherwise than in cash other than those mentioned above. Further, the auditor of the Company has confirmed that the Company has not so far issued any shares against goodwill and other intangible assets.

Notes:

- As per Rule 3 (iv) of the Companies (Issue of Capital) Rules, 1996, the Sponsors of the issuing company shall retain their entire shareholding in the company for a period of not less than 12 months from the last date for the public subscription.
- As per Rule 3 (v) of the Companies (Issue of Capital) Rules, 1996, the sponsors shall retain at least 25% of the capital of the Company for a period of 3 financial years from the date of public subscription.
- As per rule 3(vi) of the Companies (Issue of Capital) Rules, 1996, subject to clause 3(iv) and 3(v), the sponsor of the issuer may sell their shareholding through block-sale and shall report the sale of shares, on same day, to the PSX.
- As per rule 3(vii) of the Companies (Issue of Capital) Rules, 1996, the shares held by sponsors shall be deposited in a CDS account with the Central Depository Company of Pakistan Limited, in blocked form.
- Shares held by Other Shareholders as disclosed in the table above were purchased at a price of PKR 10 per share in Oct - Nov 2016 and they shall not be saleable or transferable for a period of six months from the date of close of the public subscription. The Issuer shall make sure through its shares registrar that these shares are held in frozen form in Central Depository Company of Pakistan during the said time period of six months.

3.2. Opening and Closing of the Subscription List

The subscription list will open at the commencement of banking hours on May 23, 2017 and will close on May 24, 2017 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 May 24, 2017.**

In order to facilitate investors, United Bank Limited (“UBL”) and Summit Bank Limited (“SMBL”) are providing facility of electronic submission of application (e-IPO) to their respective account holders. UBL account holders can use Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank> whereas SMBL account holders can use SMBL’s net banking to submit their application via link <https://ib.summitbank.com.pk>



3.3. Investor Eligibility for Public Issue

Eligible investors include:

- a) Pakistani citizens residing in or outside Pakistan or persons holding two nationalities including Pakistani nationality;
- b) Foreign nationals whether living in or outside Pakistan;
- c) Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their respective constitutive documents and existing regulations as the case may be);
- d) Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of their respective trust deeds and existing regulations); and
- e) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

3.4. Facilities Available to Foreign / Non-Resident Investors

Companies are permitted (under sub para (B) (I) of paragraph 6 of Chapter 20 of the State Bank of Pakistan's Foreign Exchange Manual 2016 (the "Manual")) to issue shares on repatriation basis out of new public offers, irrespective of the nature of business of the company to non-residents who are covered under sub para (A) of paragraph 6 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 section 2.12 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 of retail portion for taking instructions regarding payment of subscription money against shares offered to general public. List of bankers to the issue for retail portion is available on page 1 and Section 9.2 of this Prospectus.

The shares issued/transferred 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/transfer.

Non-residents who are covered under sub para (A) of paragraph 6 of Chapter 20 of the Manual do not require any regulatory approvals to invest in the shares being issued through this Prospectus. Under para 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 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.



3.5. Minimum Amount of Application and Basis for Allotment of Shares out of the Public Portion of the Issue

The basis and conditions of allotment to the general public shall be as follows:

- (a) 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.
- (b) The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
- (c) Application for shares below the minimum amount shall not be entertained.
- (d) SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS ARE PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FOREFIETED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
- (e) If the shares issued to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
- (f) If the shares applied for by the general public are in excess of the shares being issued to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of the PSX in the following manner:
 - (i) 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.
 - (ii) 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.
 - (iii) 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.
 - (iv) 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.
 - (v) 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 each to the successful applicants
- (g) If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
- (i) First preference will be given to the applicants who applied for 500 shares;
 - (ii) Next preference will be given to the applicants who applied for 1,000 shares;
 - (iii) Next preference will be given to the applicants who applied for 1,500 shares;
 - (iv) Next preference will be given to the applicants who applied for 2,000 shares; and then
 - (v) 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.
- (h) Allotment of shares will be subject to scrutiny of applications for subscription of shares.
- (i) Applications, which do not meet the above requirements, or applications which are incomplete, will be rejected.

3.6. Refund of Subscription Money to Unsuccessful Applicants

The Company shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision, as required under Section 71 of the Ordinance.

As per sub-section (2) of Section 71 of the Ordinance, if refund as required under Sub-section (1) of Section 71 of the Ordinance is not made within the time specified therein, the Issuer shall be liable to repay the money with surcharge at the rate of 1.5%, for every month or part thereof from the expiration of the 15th day and in addition to a fine not exceeding PKR 5,000/- and in case of continuing offense to a further fine not exceeding PKR 100/- per day after the 15th day of which the default continues. Provided that the Issuer shall not be liable if it proves that the default in making the refund was not on its own account and was not due to any misconduct or negligence on its part.

3.7. Credit and Dispatch of Share Certificates

The Company, will dispatch share certificates to successful applicants through their Bankers to the Issue or by crediting the respective Central Depository System (“**CDS**”) accounts of the successful applicants within thirty (30) days of the close of public subscription, as per Listing of Companies and Securities Regulations of the PSX.

Shares will be issued either in scrip-less form in the CDS of CDCPL or in the shape of physical scrips on the basis of option exercised by the successful applicants. Shares in the physical scrips shall be dispatched to the Bankers to the Issue within thirty (30) days from the date of close of subscription list, whereas scrip-less shares shall be directly credited through book entries in the respective accounts maintained with the **CDCPL**.



The applicants who opt for receipt of shares in scrip-less form in CDS should fill in the relevant columns of the Application Form. In order to exercise the scrip-less option, the applicant(s) should have CDS account at the time of subscription.

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

The name of the Company will also be notified to the members of the PSX and placed on the website of the PSX.

3.8. Transfer of Shares

a) Physical Scrips

Under the provisions of Section 77 of the Ordinance, the Directors of the Company shall not refuse to transfer any fully paid share unless the transfer deed is, for any reason, defective or invalid or is not accompanied by the relevant share certificate. Provided that the Company shall within thirty (30) days from the date on which the instrument of transfer was lodged with it, notify the defect or invalidity to the transferee who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the Company.

b) Transfer under book entry system

The shares maintained with the CDS in the book entry form shall be transferred in accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations.

3.9. Shares Issued in Preceding Years

S. No	No. of shares Issued	Subscription Price/Share	Total Value (PKR)	Consideration	Date of Issue
1.	3,000	100	300,000	Cash	20/02/2004
2.	997,000	100	99,700,000	Cash	08/05/2006
3.	947,124	100	94,712,400	Other than in Cash*	24/04/2009
4.	7,000,000	100	700,000,000	Cash	27/06/2011
Total	8,947,124**	-	894,712,400	-	-

* These shares were issued upon the merger of Al Shafi Steel (Pvt.) Limited into Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited).

** The Company changed the face value of its shares from PKR 100/- per share to PKR 10/- per share on 24/11/2016. Currently the issued capital of the Company consists of 89,471,240 ordinary shares.

Other than the above mentioned shares, there has been no other issue of shares since the incorporation of the Company.



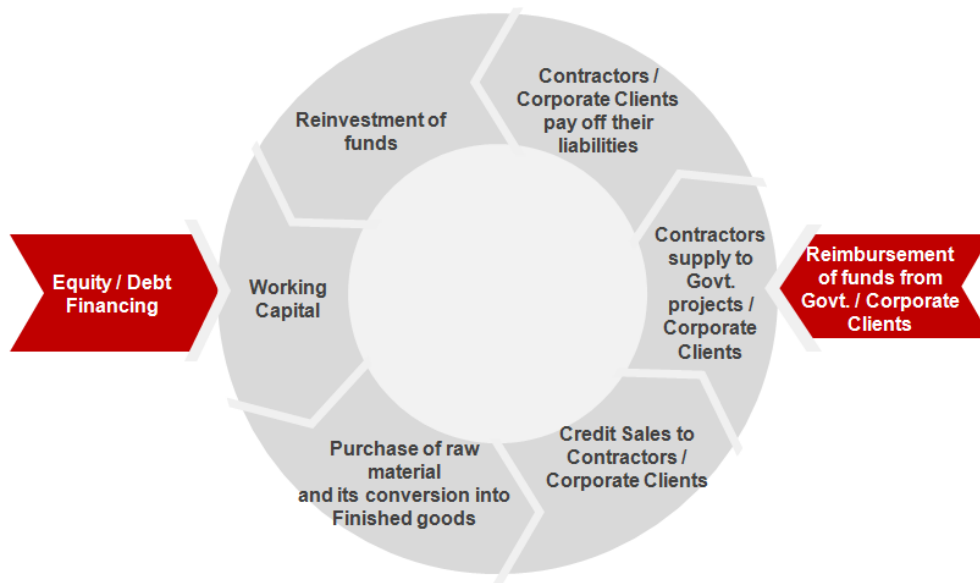
3.10. Principle Purpose of the Issue

The Company intends to issue 41,750,000 ordinary shares at a floor price of PKR 12/share to raise PKR 501 million via IPO. The Primary purpose of the Issue is to enhance capital of the Company for facilitating its working capital requirements via equity financing instead of short term debt.

Given the contractual nature of the business with long lead times, the management is desirous of optimizing its level of debt relative to its equity in order to increase and sustain sales and profitability growth in the future. In order to cater to the increasing demand for its products, the Company requires enhancement in its working capital capacity which is intended to be raised via equity financing.

This equity injection will allow the Company to manage higher levels of inventory requirements to increase its re-bar sales to various on-going and upcoming construction related projects in the public sector. (Please see Section 5.4)

The Company continues to strengthen its working capital through re-investment of its net margins to generate additional sales and profits. A brief overview of this cycle is depicted in the chart below:



The IPO proceeds will be used to purchase raw materials (i.e scrap and alloys) and managing manufacturing expenses related to converting those raw materials into finished goods for onward sale to various customers to meet the increasing demand for finished products of the Company.

During FY 16, the Company generated sales of PKR 3,917 mn by using working capital of approx. PKR 1,907 mn and similarly IPO proceeds will be utilized to generate further sales via supply to various projects disclosed in section 5.4. Further details of the working capital used and sales generated for the previous five years are given in section 5.2 which affirm the ability of the Company to effectively utilize its working capital to generate decent amount of sales.



IPO proceeds utilization break-up is given in the table below:

Break-up of Utilization of Proceeds			
Sr. No.	Particulars	Amount (PKR Mn.)	Percentage of Total Issue (%)
1.	Raw Materials (Scrap & Alloys)	351	70%
2.	Manufacturing Overheads* to Convert the Raw Materials into Finished Goods	150	30%
	Total	501	100%

**Manufacturing overheads include expenses related to power, salaries, stores and spares consumption, repairs and maintenance, insurance, other factory overheads etc.*

The break-up of funds is based on subscription at the Floor Price of PKR 12/share.

As per the prevailing market rates, the Company would be able to procure approximately 9,500 MT of scrap along with required alloys with PKR 351 mn. of equity raised via IPO.

Utilization of the Excess Amount

Any excess funds received by the Company would be used for any or all of the following purposes:

1. Repayment of short term borrowings
2. Modification and redesigning of plant & machinery of the Company including Girder Mill, subject to assessment of economic viability of conducting any modification / redesigning
3. Any other activity related to the Company's operations as deemed necessary by the board of directors

Note:

1. The Company shall submit quarterly updates to PSX, supported by auditor's certificates regarding utilization of IPO proceeds until the proceeds are fully utilized.
2. IPO proceeds shall not be used for the repayment of loan provided by the sponsors and their relatives as disclosed in section 8.3 of this prospectus.

3.11. Expected Schedule for Utilization of IPO Proceeds

The Company proposes to deploy the net proceeds in the aforesaid purpose during FY18.

3.12. Interest of Shareholders

Except as provided below, the subscribers of the issued shares of the Company have no special or other interest in the property or profits of the Company other than as shareholders of the Ordinary Shares in the capital of the Company:

a) Three sponsors have provided interest free loans to the Company amounting to an aggregate of PKR 170,442,174 as disclosed in section 8.3. The Loans shall be repaid by the Company upon demand of the Lenders; however, repayment shall not be demanded at least for a period of 05 years from the execution of the Agreement i.e December 31, 2021. Each of the Loans may also be converted into equity with the mutual consent of the respective Lenders and the Borrower and subject to all approvals required under applicable laws and regulations.



b) Mr. Muhammad Najam Ali is the CEO while Mr. Muhammad Zulqarnain Mahmood Khan is a Non-Executive Director of Next Capital Limited which is the Lead Manager and Arranger for this IPO and they may deem to be indirectly interested in the fees payable by the Issuer to Next Capital Limited for acting as the Lead Manager and Arranger.

3.13. Dividend Policy

The Company has not paid out any dividends to date and have retained all previous profits for the growth of business. However, going forward the Company intends to follow a consistent profit distribution policy for its shareholders subject to profitability, availability of adequate cash-flows, compliance to regulatory requirements and shareholders' approval.

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 terms of the provisions of the Ordinance.

The Directors may from time to time pay to the members such dividends as appear to the Directors to be justified by the available profits of the Company. No dividends shall be paid otherwise than out of the profits of the Company.

No unpaid dividends shall bear interest or mark-up against the Company. The dividends shall be paid within the period prescribed under the Ordinance.

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 Shares Subscription Form under the heading, "Dividend Mandate Option".

Covenants/Restriction on Payment of Dividend:

It is stated that there is no restriction on Ittefaq Iron Industries Limited by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits.

3.14. Eligibility for Dividend

The shares being issued shall rank pari passu with the existing shares in all matters, including the right to such bonus or right issue and dividend as may be declared by the Company subsequent to the Issue of such shares.

3.15. Deduction of Zakat

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of the 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).



3.16. Capital Gains (Section 37-A)

Capital gains derived from the sale of listed securities are taxable in the following manner under Section 37A of the Income Tax Ordinance, 2001.

Category	Tax Year	Tax Rate			
		Holding period of securities			
		Less than twelve months	more than twelve months and less than twenty four months	Twenty four months or more but acquired on or after 1 st July, 2012	Before 1 st July, 2012
Filer	2017	15.00%	12.50%	7.50%	0%
Non – Filer	2017	18.00%	16.00%	11.00%	0%

3.17. Withholding Tax on Dividends

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 specified in Part 1 Division III of the First Schedule of the said Ordinance or any amendments therein from time to time. In terms of the provision of Section 8 of the said Ordinance, the said deduction at source, shall be deemed to be the full and final liability in respect of such profits in case of individuals only. The following are the rates:

- (a) For filer of Income Tax Returns: 12.50%
- (b) For non-filer of Income Tax Returns: 20%

3.18. Tax on Bonus Shares

As per section 236M of the Income Tax Ordinance 2001, tax at the rate of 5.00% of the value of “bonus shares” determined on the basis of the day end ex-price be collected by the Company issuing the “bonus shares”, which will be the final tax liability on such income of the shareholder.

3.19. Income Tax

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

3.20. Deferred Taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference, carry forward of unused tax credits and unused tax losses can be utilized. The Company has a deferred tax liability of PKR 104,472,708 as per the audited accounts of September 30, 2016.



3.21. Sales Tax

The Company is a Sales Tax registered entity and is subject to sales tax under Chapter XI of the Sales Tax Special Procedures Rules, 2007 issued under Sales Tax Act, 1990 whereby the Company is liable to pay Sales Tax at the specified rate per units of electricity consumed for the production of steel billets and bars which is considered as final discharge of Sales Tax liability by the Company.

3.22. 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, 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, Khyber Pakhtunkhwa and Baluchistan 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.

3.23. Capital value tax (CVT) on purchase of shares

Pursuant to amendments made in the Finance Act, 1989 through Finance (Amendments) Ordinance, 2012 promulgated on April 24, 2012, 0.01% Capital Value Tax will be applicable on the purchase value of shares.

3.24. Tax Credit for Investment in IPO

Under Section 62 of the Income Tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3) (b) of the Income Tax Ordinance, 2001, the time Limit for holding shares has been designated as 24 months to avail tax credit.

3.25. Tax Credit for Enlistment

On enlistment under Section 65C of the Income Tax Ordinance, 2001, tax credit at 20% of the tax payable shall be allowed for the tax year in which a Company is listed on a Stock Exchange in Pakistan and also extended for following year of enlistment through Finance Bill 2016.



3.26. Justification for Premium

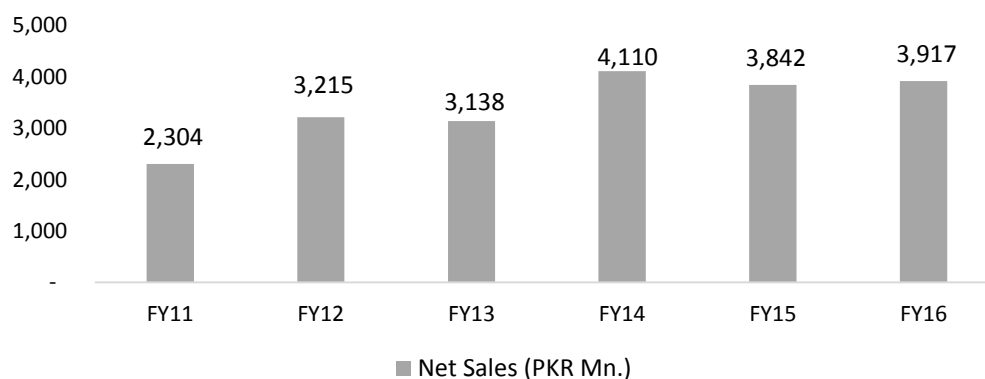
Sponsor Profile and Management Expertise

Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) excelled under the expertise of Al-Shafi Group and benefits from a seasoned management team. Key management persons have rich experience in the industry and are experts in their field. The management reflects a culture of leadership, empowerment and teamwork that is imprinted across the organization and understands the dynamics of steel industry in Pakistan. With pertinent experience in the steel industry spanning over more than three decades, the management is confident that the Company stays ahead of competition in terms of client retention, technology and capability of producing quality products.

Steady Growth Profile

The Company's sales witnessed a decent growth over the past five years as a result of steady enhancement in capacity utilization (details regarding capacity utilization of the Company are provided in Section 5.1 of this Prospectus), continuous product development, expanding product portfolio, and an improving customer profile. The Company is one of the renowned suppliers of iron and steel products to the public sector.

Since FY11, sales grew at a compounded annual growth rate ("CAGR") of approx. 11% and profit after tax grew at a CAGR of 52%. From FY12, the company initiated to diversify its existing portfolio by introducing High Tensile Deformed Bars, I-Beams, H- Beams and T- Iron and utilized its existing customer relationships to diversify into a greater product range and witnessed sales growth by approx. 22% during FY12-FY16.



Strong Clientele Retention

Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) has an illustrious history of maintaining and developing long-term relationships with its clients. Out of a total of over major 63 clients, more than 22 have been in business with the Company consistently for over three years, contributing approximately 43% to the Company's overall sales in FY16.

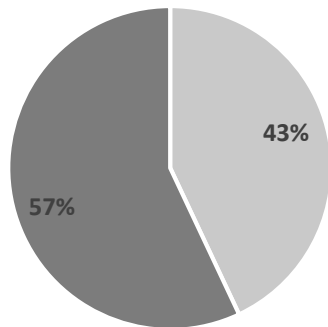
Out of the Company's top ten clients, seven have worked with the Company consistently for more than five years, and their share of total sales increased, signifying the importance of the Company's dealings and the assured quality in its product offering. These top clients include some of the biggest public sector



construction and other corporations in Pakistan, such as FWO, Descon, Atcon Construction Professional, Zahir Khan & Brothers and ZKB Reliable JV.

The Company has also received several acknowledgements from its clients, which speak to its capability, professional conduct, and the strength of its relationships with its clients.

Client Contribution to Sales



■ Retained for more than 3 Years ■ Other

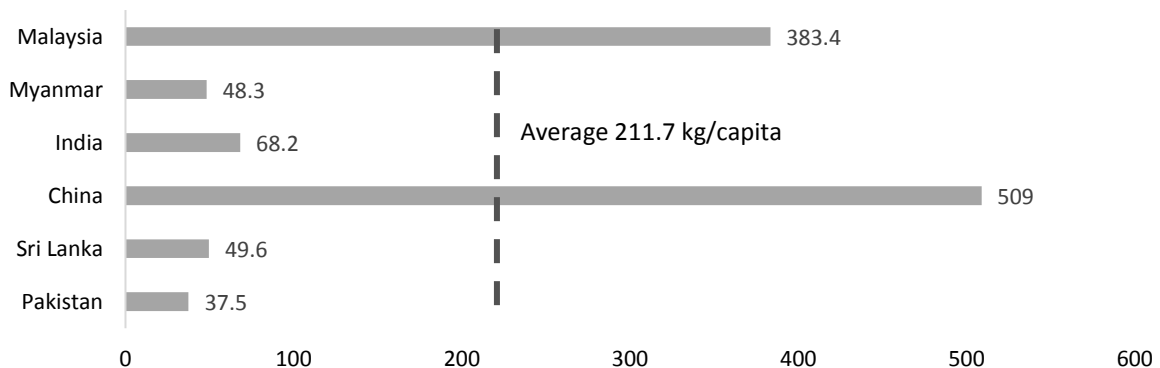
Key Clients



Underpenetrated Steel Market

With a per-capita steel consumption of just 37.5 kg in comparison to regional average of 211.7 kg as per Steel Year Book 2016 (deemed to be one of the lowest in the region), combined with a growing middle-class population and a massive unmet housing demand, Pakistan offers a huge underpenetrated market for steel players to capitalize moving forward. Currently, gap is estimated at between 9 and 10 million housing units with the demand growing at a rate of 0.7 million housing units per year as reported in a note written by International Growth Center, Pakistan in February 2016. Bridging this shortage will require approximately 30-40 million tons of steel.

Steel Usage - Kg Per Capita 2015



Source: World Steel Year Book 2016

Construction activity from both public and private sector is likely to be one of the main highlights of the economy. Apart from mega projects such as Bahria Housing Scheme, DHA Housing Projects and Fazaia



Housing Scheme, commercial projects are also being implemented throughout the country like Lucky One Mall, City Tower shopping Mall in Karachi and Emporium Mall in Lahore.

Positive Regulatory Developments

In order to protect the local industry from cheap steel product imports from China, the GoP doubled regulatory duty on finished Iron & Steel products including rebars to 30% from 15%. This has helped increase the pricing power of the local steel manufacturers. Currently imported re-bars from China are expensive as compared to local re-bars with a difference of approximately PKR 10,000 per ton.

Changes in Duties	FY15	FY16
Regulatory Duty (RD)	15%	30%
Custom Duty (CD)	5%	6%

Source: Federal Bureau of Revenue Pakistan

Quality Assurance

The Company continuously invests in quality assurance which enables the Company to maintain a well-established reputation for manufacturing Hot Rolled Bars with dimensional accuracy, superior quality and delivering first class service to its customers.

The Company has earned sound repute for its unwavering commitment to quality which is manifested by the award of ISO 9001:2008 and ISO 14001:2004 certifications. It was also the proud recipient of brand of the year awards in 2008, 2009, 2010 and 2013. It has also received certifications of quality and sound production from various steel customers of the country including National Logistic Cell, NESPAK, Don fang Electric Corporation and was also awarded the dealership by Pakistan Steel Mills.

The Company's products fulfill the following requirements of steel reinforced concrete:

- High yield strength
- High tensile strength with standard elongation
- High bond strength
- Uniformity in diameter, length and reliability
- Consistency in weight





Peer Comparison

	Ittefaq ⁽¹⁾	ASTL ⁽²⁾	Mughal ⁽³⁾	ISL ⁽⁴⁾	INIL ⁽⁵⁾	CSAP ⁽⁶⁾	ASL ⁽⁷⁾
Installed Capacity Rolling MT (FY 16)	120,000	180,000	688,000	N/A [#]	N/A [#]	N/A [#]	N/A [#]
Capacity Utilization (FY 16)	44.1%	82.8%	35.7%	N/A [#]	N/A [#]	N/A [#]	N/A [#]
No. of Issued Shares (mn)	89	297	126	435	120	78	271
Price per Share (PKR)*	12	66.6	88.2	97.7	203.7	154.2	15.7
Market Capitalization	1,074	19,778	11,091	42,513	24,425	11,969	4,267
Total Assets**	3,950	15,621	11,286	23,906	14,097	9,794	16,119
Total Liabilities**	2,154	5,299	6,794	16,741	6,736	3,765	13,378
Total Equity (including surplus on revaluation of assets)**	1,796	10,322	4,493	7,165	7,360	6,029	2,741
Revenue (LTM)**	4,091	12,187	18,665	24,223	14,600	8,989	10,306
Profit / (Loss) After Tax (LTM)**	105	1,173	947	1,947	1,164	1,213	314

* Prices of other companies are taken from PSX 100 Index at Dec 31, 2016

**Revenue and PAT are for the Last Twelve Months (LTM) i.e October 1, 2015 to September 30, 2016 while balance sheet items are as of September 30, 2016

#these companies do not produce similar products, therefore their capacities cannot be compared with Ittefaq

Companies	Year End	LTM EPS (A)	BVPS* (B)	Price** (C)	LTM P/E*** (C/A)	P/BV (C/B)
Ittefaq ⁽¹⁾	30-Jun	1.2	17.3	12.0	10.3	0.7
ASTL ⁽²⁾	30-Jun	3.9	28.7	66.6	16.9	2.3
MUGHAL ⁽³⁾	30-Jun	7.5	35.7	88.2	11.7	2.5
ISL ⁽⁴⁾	30-Jun	4.5	14.2	97.7	21.8	6.9
INIL ⁽⁵⁾	30-Jun	9.7	44.1	203.7	21.0	4.6
CSAP ⁽⁶⁾	30-Jun	15.6	72.8	154.2	9.9	2.1
ASL ⁽⁷⁾	30-Jun	1.2	8.7	15.7	13.6	1.8

*BVPS is calculated on the basis of financials of September 30, 2016 without incorporating revaluation of fixed assets

**Prices of other companies are taken from PSX 100 Index at Dec 31, 2016

*** Price to earnings multiple is calculated using profit after tax over the last twelve months (LTM) i.e October 1, 2015 to September 30, 2016

The Floor Price of PKR 12 per share translates into a TTM⁽⁸⁾ P/E ratio of 10.3x, an attractive discount of 35% to the average P/E of 15.8x of above listed comparable companies. On the basis of Ittefaq's P/B of 0.7x, the discount is 79% compared to the average P/B 3.4x of above listed comparable companies. The relative valuation is summarized in the table below:

Summary of Multiples	LTM P/E	P/B
Average - Peer	15.8 x	3.4 x
Median - Peer	15.2 x	2.4 x
Ittefaq	10.3 x	0.7 x
Discount	35%	79%

(1) Ittefaq: Ittefaq Iron Industries Limited

(2)ASTL: Amreli Steels Limited

(3)Mughal: Mughal Iron & Steel Industries Limited

(4) ISL: International Steels Limited

(5)INIL: International Industries Limited

(6) CSAP: Crescent Steel & Allied Products Limited

(7) ASL: Aisha Steel Mills Limited

(8) TTM: Trailing twelve months



PART 4

Underwriting, Commissions, Brokerage and Other Expenses

4.1. Underwriting

Book Building Portion

Alfalah Securities (Pvt.) Limited has been mandated as the Book Runner to the Issue respectively. The Book Runner will underwrite the Book Building Portion of the Issue of 31,312,500 ordinary shares as required under Regulation 20(2)(viii) of the Regulations with limitations (in effect that the Book Runner will only underwrite the default portion of the Book Building, if any) to Regulation 20(2)(ii) of the Regulations at the Strike Price determined through the Book Building process.

In the opinion of the Directors of the Company, the resources of the Book Runner are sufficient to discharge their underwriting obligations/commitments.

General Public Portion

The General Public Portion of the Issue of 10,437,500 Ordinary Shares will be fully underwritten as required under Rule 4(iii) read with section 3(iii) of the Companies (Issue of Capital) Rules, 1996, and within five (5) working days from the close of the Bidding Period, names of the Underwriters will be disseminated through the Supplement to the Prospectus which shall be published in at least all those newspapers in which the Prospectus was earlier published and also disseminated through PSX as required under rule 4 (x) of the Book Building Regulations, 2015.

4.2. Underwriting Commission

No underwriting commission will be paid for the Book Building portion underwritten by the Book Runner. Amount of security deposited by the defaulting Bidder, if any, shall however, be forfeited to the Book Runner.

For general public portion, the underwriters will be paid an underwriting commission at the rate of 1.50% of the amount of Issue underwritten by them. In addition, a take up commission at the rate of 1.50% shall be paid to the underwriters on the value of shares required to be subscribed by them by virtue of their respective underwriting commitments.

4.3. Buyback / Repurchase Agreement

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

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



4.4. Commission to the Bankers to the Issue

A commission at the rate of 0.50% of the amount collected in respect of successful applications will be paid by the Issuer to the Bankers to the Issue for services to be rendered by them in connection with this Issue plus Out of Pocket expenses, if any.

4.5. Brokerage

For this issue, the Issuer will pay brokerage to the TREC holder of PSX at the rate of 1% of the value of shares (including premium if any) on successful applicants. No brokerage shall be paid to the TREC holders in respect of shares taken up by the underwriters by virtue of their underwriting commitments.

4.6. Estimated Expenses to the Issue

The expenses of this Issue are estimated around PKR 32,339,925. All such expenses are to be borne by the Issuer. Details of the approximate expenses are mentioned below:

Key Expenses to the Issue	Rate	Amount (PKR)**
Advisory Fee*	1.5%	7,515,000
Book Runner Fee*	0.5%	1,878,750
Underwriting Arrangement Fees*	0.25%	313,125
Underwriting Commission (For Public Portion only)*	1.50%	1,878,750
Take-up Commission (For Public Portion only)*	1.50%	1,878,750
Bankers to the Issue Commission *	0.50%	626,250
Bankers to the Issue – Out of Pocket Expenses		500,000
e- IPO Facilities Charges		700,000
Brokerage to Members of the Stock Exchange*	1.00%	5,010,000
PSX Initial Listing Fee		1,312,212
PSX Annual Listing Fee*		351,606
PSX Service Charges		50,000
PSX Software Charges for Book Building		500,000
CDC Initial Deposit Fee	0.01	417,500
CDC Annual Fees for Eligible Security		240,000
CDC Fresh Issue Fee*	0.16%	801,600
SECP Application & Processing Fees		200,000
SECP Supervisory Fee	10% of PSX Initial and Annual Listing Fee	166,382
Legal Advisory Fee		1,000,000
Registrar/Balloting Agent		1,000,000
Marketing and Printing Expenses		5,000,000
Miscellaneous Costs		1,000,000
Total		32,339,925

*Represent maximum amount that is expected to be paid based on the Floor Price of PKR 12/- per share

**These amounts do not include Sindh Sales Tax, as mentioned in section 3.22, wherever applicable



PART 5

History, Prospects and Risk Factors

5.1. Brief History – Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited)

Alshafi Group of Companies carries its legacy from Ittefaq Foundries; established by Mian Muhammad Sharif in early 1940s, from a small foundry to a group of companies having several sugar, textile, paper and steel mills. During early 1990s, Alshafi group was separated from Ittefaq Foundries and inherited Ittefaq Sugar (Pvt) Ltd and Brother Steel (Pvt) Ltd. Afterwards, Kashmir Sugar Mills Ltd, Kashmir Feeds Ltd, Alshafi steel (Pvt.) Ltd, Ittefaq sons (Pvt.) Ltd, Ittefaq Bio Tech (Pvt.) Ltd and Kashmir Poultry Breeders (Pvt.) Ltd and hatchery farms were established during the period from 1990 to date. Currently the group is also working to unveil its power generation projects with both of its sugar units. Further, being the trustee of Ittefaq Hospital Trust, the group has taken multiple initiatives for contributing towards the health sector of the country; one of them was the establishment of Ittefaq Institute of Nursing and Ittefaq Paramedical Institute in 2013, which are affiliated with Sharif Medical and Dental College, Raiwand. Ittefaq Hospital Trust has a remarkable history of helping the under privileged class through its charity ventures.

Currently, Al Shafi Group comprises of the following companies:

- ✓ Kashmir Sugar Mills Ltd.
- ✓ Kashmir Feeds Ltd.
- ✓ Ittefaq Iron Industries Limited
- ✓ Ittefaq Bio Tech (Pvt.) Ltd.
- ✓ Kashmir Poultry Breeders (Pvt.) Ltd.
- ✓ Ittefaq Power Ltd.
- ✓ Kashmir Power (Pvt.) Ltd.

With a history of over 60 years of professional expertise in steel to its credit; Alshafi Steel (Pvt.) Ltd. was incorporated in year 2004 constituting of one (1) Induction furnace along with a continuous casting machine (CCM), commercial operations of Al Shafi Steel were started in 2006.

To diversify the business risks, another entity was incorporated in the name of Ittefaq Sons (Pvt.) Ltd. in 2004 with principal business activity to manufacture steel bars of varied dimensions in a fully automated state of the art unit. Commercial operations of Ittefaq Sons (Pvt.) Ltd were also started in 2006.

Furthermore, to ensure quality standards the entity was equipped with latest laboratory unit for Chemical and Mechanical Analysis consisting of an Optical Emission Spectrometer of M9 Series, CS loco-Apparatus, Ultimate Tensile Machines. Later on in 2008, another Induction furnace was erected / installed in Alshafi Steel (Pvt.) Limited to meet ever increasing re-rolling requirements of Ittefaq Sons (Pvt.) Limited.

Both units were located at 08-km Manga Raiwind Road District Kasur. Later on Alshafi Steel (Pvt) Limited was merged with Ittefaq Sons (Pvt) Ltd in year 2009 and now the Company is named as Ittefaq Iron Industries Limited. Today Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) stands as one of the renowned manufacturers of steel products with the aim to uplift national trade, contribute to overall GDP growth and sustainable development of Pakistan.



In year 2012, the Company undertook a further business extension by importing and installing a fully automated steel profile manufacturing unit which is one of the biggest steel section manufacturing units of Pakistan. This smart unit is capable of producing heavy steel section for residential and industrial purposes like I-beams, H-beams, Angles, Channels.

Today Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) stands as a key player in steel market by utilizing all its resources, and captures a good market share by participating in all major government projects. Customer Loyalty established over the years through the supply of ultimate products has enabled the Company to become a brand name in steel market.

Plant Location

Manufacturing site of the Company is located on the main Manga Raiwind Road, District Kasur at 08- Km from the main Multan Road on the freehold land of approx. 28.9 Acres.

Notes:

- The land owned by the Company shall only be used for the purposes related to business of the Company.
- The current cumulative charge over land and Building of the Company is Rs. 400 Million by National Bank of Pakistan, which was created on 07-10-2013

Key Plant and Machinery

List of key plant and machinery of the Company is given below:

Induction Furnace	Unit	Origin	Annual Capacity (Metric Tonnes)	Installation Year	Estimated Useful Life (Years)
Induction Melting Furnace 6MW	1	Electrotherm, India	60,000	2006	20
Induction Melting Furnace 6MW	1	Electrotherm, India	60,000	2008	20
Total	2		120,000		

Re Rolling Mills	Unit	Origin	Annual Capacity (Metric Tonnes)	Installation Year	Estimated Useful Life (Years)
Bar Mill	1	Steefo, India	120,000	2006	20
Girder Mill*	1	A.S Precision Machines Pvt. Ltd, India	120,000	2012-13	20

Moreover, the Company has its own 132 KVA Grid Station equipped with latest electrical equipments to avoid electrical trippings.

*Girder Mill:

Girder/Section Mill was installed during 2012 to 2013 primarily focusing Afghanistan market, however, Afghanistan market did not remain suitable because of border tensions, terrorism issues, and bilateral relationship between Pakistan and Afghanistan, therefore this project was not able to respond as



expected. Subsequently, due to lower capacity utilization, girder unit operations were temporarily suspended in mid November 2015 and the Company is currently not producing the girders.

The Company has not conducted any valuation / assessment of the current market value and forced sale value of the girder mill, however, the current written down value of the girder mill is PKR 363, 417,968 which is approx . 25% of the total non-current assets of the Company as of September 30, 2016.

The management is of the view that with a modification / redesigning of the girder mill, the Company would be able to produce such products which cater to the local demand such as angles, channels, girders and consequently this mill can add to the overall profitability of the Company. However, currently the Company has not conducted any economic feasibility and assessment for the viability of carrying out any modification of the girder mill.

Moreover, it is pertinent to mention here that currently the growth strategy of the Company does not incorporate any expected profitability related to girder mill. Further, break-up values of the Company as of September 30, 2016 excluding the girder mill are as follows:

	Rupees
Breakup Value per Share (including surplus on revaluation of fixed assets and excluding written down value of girder mill)	16.02
Breakup Value per Share (excluding surplus on revaluation of fixed assets as well as excluding written down value of girder mill)	13.27

Capacity Utilization

Capacity of the Company remained underutilized over the past years due to shortage of working capital and power, however, based on strong market penetration, quality and established brand worth of the Company, the management is strongly hopeful to supply to various mega construction projects disclosed in section 5.4.

If the Company is provided with required working capital and power, it will be able to enhance its utilization significantly in the next years. Capacity utilization for the Company for producing re-bars over the previous five years is given below:

Melting	FY 12	FY 13	FY 14	FY 15	FY 16
Installed Capacity (MT)	120,000	120,000	120,000	120,000	120,000
Production (MT)	45,060	42,723	51,563	26,031*	13,698*
Utilization Based on Installed Capacity (%)	37.6	35.6	43.0	21.7	11.4
Utilization Based on Attainable Capacity (%)	-	-	-	-	18.3**

Rolling	FY 12	FY 13	FY 14	FY 15	FY 16
Installed Capacity (MT)	120,000	120,000	120,000	120,000	120,000
Production (MT)	40,605	36,600	51,700	49,258	52,879
Utilization Based on Installed Capacity (%)	33.8	30.5	43.1	41.0	44.1
Utilization Based on Attainable Capacity (%)	-	-	-	-	53.0**



*During FY 15 and FY 16, the Company was more focused on importing the billets instead of manufacturing to get cost benefits and therefore, the production numbers are significantly low.

** Attainable Capacities were 74,880 MT for melting and 99,840 MT for re-rolling during FY 16. Attainable capacities are worked out while considering available electricity.

Products Offered

The Company uses shredded raw meltable scrap to manufacture billets which are rolled to produce re-bars. The company's product range comprises of the following products:

- Deformed Bars Grade 60
- Deformed Bars Grade 40
- High Tensile Deformed Bars
- Girder
- I Beam / H Beam
- Mild Steel Billet
- Thermo Metallic Treatment Billet
- High Tensile Billet

Key Products	Specifications
	<p>Deformed Steel Bars G-60</p> <p>These are grade 60 steel bars that conform to ASTM A615 (American Standard for Testing and Materials) in sizes ranging from 10mm to 40mm in standard 12 meter lengths. Specific / customized lengths are also rolled depending on customer requirements.</p>
	<p>Deformed Steel Bars G-40</p> <p>These are grade 40 steel bars that conform to ASTM A615 (American Standard for Testing and Materials) in sizes ranging from 6mm to 40mm in standard 12 meter lengths.</p>

The Company procures both local and imported scrap from well-established and reliable suppliers. Some of the major suppliers and the quantities imported from them during previous five years are mentioned in the table below:

Name of Supplier	Imports (MT)
Stemcor – Singapore	25,000
Adani – UAE	50,000
BFRS – UK	40,000
Stena Metal – Sweden	100,000
MRC – Kuwait	19,250
EMR – UK	8,000
Buoysail – UAE	5,000

Gemini –Belgium	3,000
Global Metcorp- UK	4,000
Midas – Europe	18,750
Skrotfrag-Sweden	5,000
Atlas – UAE	3,000
Total	281,000

Manufacturing Process:

At Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited), all products are manufactured from selected raw materials with appropriate chemical compositions and ensured quality. The whole manufacturing process is continuously monitored and inspected to ensure production of best quality products. A brief of the whole manufacturing process is given below:

From Scrap to Billet:



At Scrap yard level the raw material (Scrap) is categorized according to carbon presence and shape i.e shredded scrap, bundle scrap, local scrap, HMS and DRI scrap etc. Iron and steel scrap (Shredded/Heavy Melting Scrap/Low melting Scrap) is transferred from scrap yard with the help of magnetic crane or other carriers to the platform of furnace. To balance the furnace heat with uniform scrap compositions; a weigh bridge has been installed near induction furnace that can measure upto 10 tons before pouring the iron contents in furnace.

Before feeding the scrap to the furnace, it is prepared with lining powder i.e. Quartz (SiO₂) and boric acid. The furnace is heated to strengthen the lining. After preparation, scrap is filled in small containers and poured into furnace with help of magnetic crane and heated until scrap is melted at a temperature of 1500 to 1700°C with the help of electric power ranging between 02 MW to 05 MW. The temperature of induction furnace is continuously monitored by temperature rods and this whole process takes approximately 1.45 to 2.15 hours.

After completion of melting process final sample is drawn for chemistry analysis which confirm the ratios of different components in the material processed to confirm the required standard of billet.

Ferrochrome, Ferromanganese, Ferrosilicon and Silico manganese are further added on the basis of sample taken from furnace and tested in lab before transfer of molten material to CCM (Continuous Casting Machine). Major suppliers of ferro and silicon alloys along with quantity imported during preceding five years are provided below:



Name of Supplier	Imports (MT)
Cosmic Ferro Alloys – India	978
Electro International – India	948
MM Ceramic – India	740
Jajoo – India	670
IPC Int'l- Vietnam	1750
Total	5,086

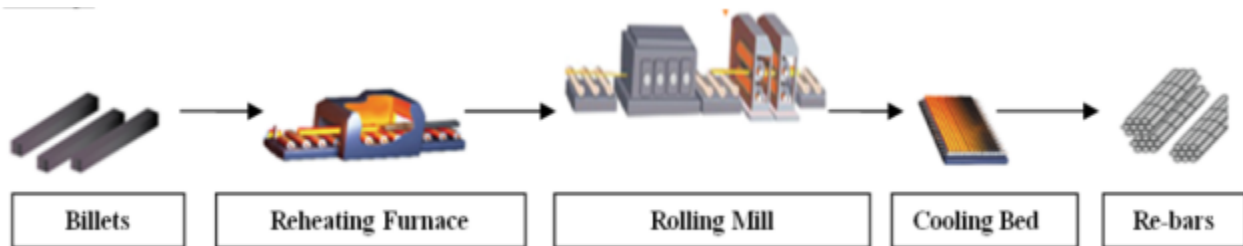
After confirmation of composition, final temperature is maintained just before transferring molten material into already prepared and preheated ladle in order to save the material from sudden downfall in temperature. The molten steel is poured into the ladle from furnace for transfer to CCM.

High Aluminum Bricks, Fire Clay Tiles of different Sizes (AL₂O₃), Fire Clay (Paste) as a Binder, Porous Plug, Ladle Nozzle, Collector Nozzle, Slide Gate Plate, Ladle Nozzle Block and Porous Plug Block are used for lining of the Ladle.

Thereafter, the ladle is shifted through crane from furnace to CCM. Before shifting the material to CCM; Inert Nitrogen gas is passed through molten iron in ladle for homogenization. Finally the molten iron is poured in CCM for casting of billet in different sizes as per requirement with the help of copper mould tubes of different sizes. This process requires approximately 45 minutes. During billet casting, billet cutting is carried out through mechanically controlled cutters.

At this stage approximately 120 minutes are required for cooling and weighing of finished billet at the cooling bed. End cuts of billets are reusable in the next heating process of the furnace. Billet produced is engraved with distinct heat number and stacked in billet yard according to grade and size.

Rolling:



The steel billets manufactured by the furnace section are stored in the billet yard. Using overhead cranes billet is lifted from billet yard and injected into the reheating furnace. The billets are reheated and loaded into reheating furnace which gains temperature by using furnace oil, natural gas and gas generated by coal gasified at 1100-1200 degree centigrade. The furnace is continually loaded in a way that as one billet enters the furnace another one is fully heated and rolled out for the rolling process. The billets are moved through the furnace on a walking beam and once they are heated to the appropriate temperature, the billets are then entered into the continuous bar rolling line. The heated billet is moved through fully automated straight bar mill which gradually converts the billet into required bar of different sizes and lengths using



several stands. Thermo Metallic Treatment (TMT) is frequently used to consistently improve steel bar quality. The rolling mill is fully supported by latest PLC equipment during the whole steel bar production. As the billet leaves the rolling line, it proceeds to the cooling bed where it is transferred to stacking and bundling yard automatically and is packed according to customer requirements.

5.2. Working Capital and Key Customers

Being one of the leading companies in the steel sector of Pakistan, the Company has an outstanding clientele profile in both public and private sector that includes FWO, Atcon Construction Professional, Zahir Khan & Brothers, Descon Engineering, Habib Constructions, ZKB Reliable JV etc. Details of Company's ongoing and upcoming projects are provided in section 5.4.

Ittefaq Iron Industries (Formerly Ittefaq Sons Limited) has its own unique strategy whereby approx. 70% of its clientele are public sector organization/contractors and 30% are from the private sector.

In public sector transactions, the Company has been maintaining inventory for government contractors and ensuring prompt supplies of finished products. Additionally, the Company maintains trade receivables and enters into a 60-90 days agreement with the contractors. On reimbursement of funds from Government of Pakistan, contractors pay off their liabilities and the Company receives the cash that was payable by the contractors.

The Company reinvests its working capital to the best profitable projects to ensure churning of its working capital and adding value to its existing capacity to ensure maximum wealth for its existing shareholders.

The table below depicts the working capital used and the sales generated for the last four (4) years.

	FY 13 (A)	FY 14 (A)	FY 15 (A)	FY 16 (A)	1QFY17(A)
Working Capital* (PKR Mn.)	1,121	1,470	2,152	1,907	1,948
Net Sales (PKR Mn.)	3,138	4,110	3,842	3,917	959
Working Capital Turnover** (x)	2.80	2.80	1.79	2.05	1.97 [#]

* Working Capital is calculated by subtracting current liabilities from the current assets. Current assets include stores & spares, stock in trade, trade debts and advances/deposits/prepayments/other receivables while current liabilities include trade and other payables

** Working Capital Turnover is calculated by dividing net sales to the working capital

Net sales are annualized for calculating working capital turnover for 1QFY17

Key Customers:

The Company has since its incorporation developed a strong clientele base in both public and private sector. Based on the nature of this industry, there are no long term contracts with these customers but given the previous experiences and business relationships of the Company, the management is confident to retain these customers in future as well. A snapshot of the quantum of key transactions which the Company has undertaken with its key customers during the previous five years is given below:



Sr. No.	Customers / Contractors	Quantity Supplied (MT)
1	Atcon Construction Professional	17,100
2	Frontier Works Organization	15,000
3	Descon Engineering	30,000
4	Zahir Khan and Brothers	12,000
5	General Head Quarters	17,000
6	ZKB Reliable JV	12,000
7	Habib Construction	18,000
8	Packages Construction Limited	1,000
9	Xinjiang Beixin Road and Bridge Construction Company	3,000
	Total	125,100

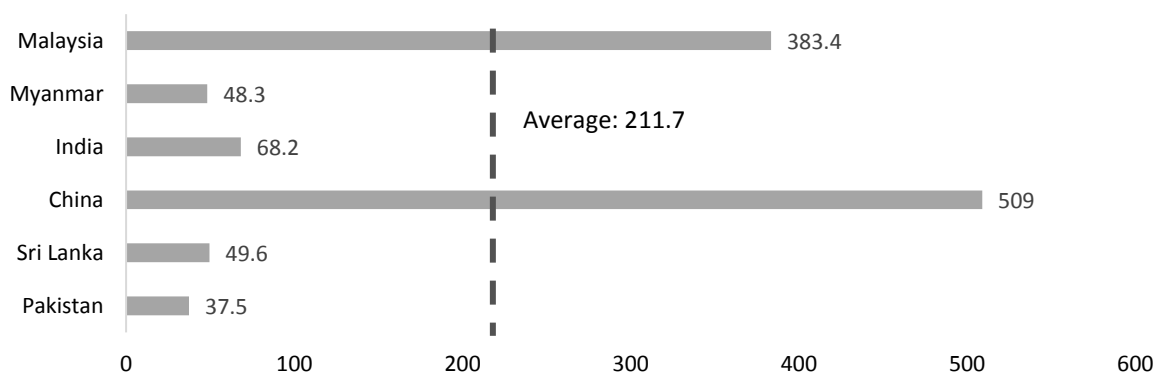
5.3.Sector Overview

Pakistan is a developing economy with abundant potential to attain faster industrial growth. However, sustainable industrial and economic growth depends on an assured supply of steel. Pakistan is still amongst the lowest per capita consumers of crude steel at 37.5 kg in comparison to regional average of 211.7 kg, which clearly shows the opportunity of unmet demand. Moreover, as per World Steel Statistics 2016 there has been a gap of 4,195 million tonnes of steel between the demand and supply of Pakistan Steel sector.

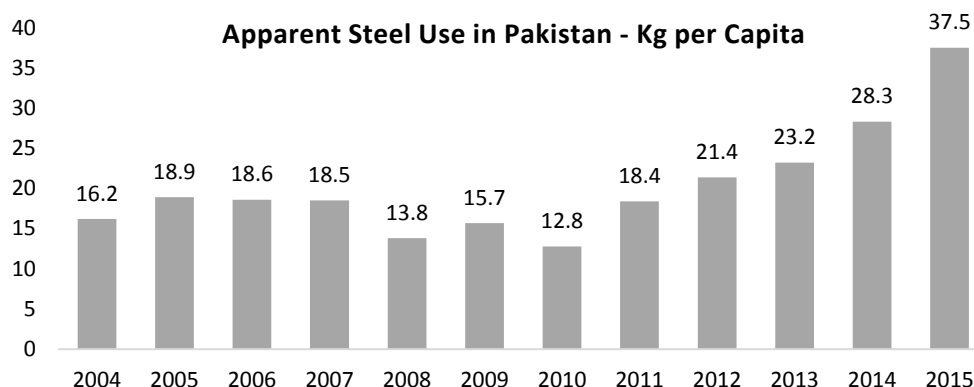
Mn. tonnes	2011	2012	2013	2014	2015
Crude Steel Production	1,592	1,631	1,845	2,423	2,892
Apparent Steel Use	3,189	3,788	4,210	5,239	7,087
Shortfall in Supply	1,597	2,157	2,365	2,816	4,195

Source: World Steel Year Book 2016

Steel Usage - Kg Per Capita 2015



Source: World Steel Year Book 2016



Source: World Steel Year Book 2014 & 2016

Since FY04, apparent crude steel use per capita of Pakistan has grown with a CAGR of 9% which clearly signifies the growing demand of crude steel. In FY08, crude steel use per capita had been lowest for the past decade due to the economic crises of 2008 and low investor confidence.

On the brighter side, during the last two years crude steel use per capita has booked 22% YoY growth in FY14 and 33% YoY growth in FY15 respectively. Upsurge in the construction activity due to CPEC initiation and substantial increase in PSDP specifically targeting the infrastructure development are the main drivers for the growth.

With FTA in place with China, the local rebar market had seen a surge of cheap Chinese imports with traders capitalizing on relatively lower import prices and selling them at hefty margins. However, towards the end of March 2016, the GoP doubled regulatory duty on finished Iron & Steel products including rebars from 15% to 30%, following which import levels have fallen back to previous levels. As a result, local players were able to book higher margins.

Duties	FY15	FY16
Regulatory Duty (RD)	15%	30%
Custom Duty (CD)	5%	6%

Source: Federal Bureau of Revenue Pakistan

Chinese rebar prices between Jan 2016 – Dec 2016 have increased from USD 308/ton to USD 485/ton. Coupled with an increase in regulatory import duties imposed on imported re-bars, the landed cost of re-bars has increased from approximately PKR 56,000/ton to approximately PKR 83,000/ton

Currently, the gap between local and imported prices range from PKR 8,742-10,742/ton, providing a cushion to local players for pricing their products and remaining competitive with the international market.



5.4.Future Prospects

Despite reasonable increase in the steel usage per capita of Pakistan over the past decade, the country still lags behind its regional peers as well as significant demand of steel products is unmet as per World Steel Statistics 2016. Nevertheless, the country has seen increased construction activities based on mega projects like CPEC, public and private housing schemes, power projects etc. and steel sector is one of the direct beneficiaries of the increased construction activities in the country. The Company is also set to get maximum benefits of this continuously growing demand of steel products.

The projects mentioned below require huge quantum of steel bars and the Company is among those top ranked steel manufacturers who are enquired on consistent basis for steel procurements for these kinds of projects. Therefore, based on its strong market penetration, goodwill, excellent quality and established brand worth, the management is strongly hopeful to get reasonable share of approximately 273,350 MT out of total steel bar quantum required for the projects mentioned below. Key competitors on these projects include Mughal Steel, Amreli Steel, Frontier Foundry, Fazal Steel, Afco Steel, Citi Steel etc.

This demand of 273,350 MT steel bar translates into a per annum demand of approx 91,117 MT for the Company against the production of 52,879 MT during FY 16. An overview of the projects and the contractors whom the Company is currently supplying steel bars and expects to supply in future is provided below:

Ongoing Projects	Contractors
<p>Orange Line Metro Project: The Lahore Orange Line Metro Train Project is a rapid transportation system that is being developed in Lahore that will help the city of Lahore reduce congestion caused by buses and cars and will be a rapid mode of transportation with different stations spread around the city. The work on Lahore Orange Line Metro Train was started on 25th October 2015 and it is a 27.1 Km long project.</p>	<ul style="list-style-type: none"> • Habib Construction Services • ZKB-Reliable JV
<p>CPEC (Karachi Lahore Motorway, E-4 Motorway, MIS, Gojra Shorkot Motorway, Karot Power Project): China Pakistan Economic Corridor is an ongoing development mega project which aims to connect Gwadar Port of Pakistan to China's northwestern region of Xinjiang via a network of highways, railways and pipelines. The economic corridor is considered central to China–Pakistan relations and will run about 2700 km from Gwadar to Kashghar.</p>	<ul style="list-style-type: none"> • China Three Gorges Company (Pvt.) Ltd. • China State Construction Engineering Corporation • ZKB-Reliable JV • Frontier Works Organization • China Xingjing-Bixing Corporation
<p>Trimmu Barrage: The project is set up for the rehabilitation and upgrading of trimmu barrage on the River Chenab under the supervision of Punjab Barrages Irrigation Department.</p>	<ul style="list-style-type: none"> • Nishan Engineering (Pvt.) Limited
<p>Gulpur Power Project: It is an under construction, run-of-the-river hydroelectric generation project located on Poonch River, a major tributary of Jhelum River near Gulpur in Kotli District of Azad Kashmir. The project is designed for the</p>	<ul style="list-style-type: none"> • Daelim Co. Limited



generation of 100 megawatts (130,000 hp) consisting of two Francis-type turbine units with average energy output of 436 Gigawtt hours.

Neelum Jehlam Power Project:

The Neelum–Jhelum Hydropower Plant is part of an under construction run-of-the-river hydroelectric power scheme designed to divert water from the Neelum River to a power station on the Jhelum River. The power station is located in Azad Kashmir, 22 km south of Muzaffarabad and will have an installed capacity of 969 MW.

- CGGC-CMEC

Head Balloki:

The Balloki Power Plant is a 1,223 MW natural gas power plant currently under construction near Kasur, in the Punjab. Groundbreaking was commenced by Prime Minister on November 11, 2015, and construction is scheduled for completion by December 2017.

- Habib Rafiq (Pvt.) Ltd & Harbin Electric Company (JV)

Bhikki Power Project:

This is an RLNG based power plant in Sheikhpura, Punjab. The plant has started power generation in Nov 2016 and expected to be fully operational by 2017.

- Habib Rafiq (Pvt) Ltd & Harbin Electric Company (JV)

Gorkin Matiltan HPP Project:

The project is located at Gorkin Matiltan in district Swat, Khyber Pakhtunkhwa, Pakistan. The power station has a planned generating capacity of 84 MW.

- Descon Engineering

Mangla Rehabilitation Project Mirpur, Azad Kashmir:

USAID is partnering with the Government of Pakistan to rehabilitate the Mangla hydroelectric power station. Mangla is located in the Mirpur District of Azad Kashmir, and has a power generation capacity of 1,000 MW from 10 generating units.

- China Xingjing-Bixing Corporation

Haweli Bahadur Shah Power Project:

It is a 1,230 MW combined cycle power generation facility being set up at district Jhang, Punjab.

- Power Construction Corporation of China

Multan Industrial Estate: Industrial Estate Multan is next to Mehdiपुर and is located in Punjab. The project is divided into two phases and currently Phase II is under development.

- Descon Engineering

Upcoming Projects

Contractors

Greater Karachi Bulk Water Supply Scheme-K IV:

A project by Government of Sindh to serve Karachi water needs for next 50 years which will reduce the shortage of water in the area and can provide 250 millions of gallons of water per day.

- Descon Engineering

Pakistan Kidney and Liver Institute:

Pakistan Kidney and Liver Institute being established in Lahore spread over an area of fifty acres of land provided by the Government of Punjab. After its completion in 2017, it will be one of the biggest transplant centers in the world. It will not

- ZKB-Reliable JV



only provide free of cost medical services to the poor, but will also provide employment to around 5000 persons.

Ghotki Feeder Canal Project:

The project involves rehabilitation of the Ghotki Feeder Canal, which irrigates agricultural land in Ghotki, Sukkur and Khairpur districts.

- Descon Engineering

48 MW Jaggran-II HPP, AJK:

It is the run-of-river plant on the Neelum River, 90 kilometers north-east of Muzaffarabad.

- Descon Engineering

5.5. Risk Factors

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises mainly from trade debts, advances and deposits, interest accrued, other receivables and margin on letter guarantee. The Company currently does provide credit to various construction contractors, and default by any of these parties would have a negative impact on the financial standing of the Company.

Liquidity Risk

The Company uses various financing facilities in order to meet its operational liquidity requirements. This exposes the Company to the risk of not being able to meet its financial obligations in a timely manner via internal liquidity generation. Failure to pay financial dues on time would weaken the Company's future ability to raise further financing and thus increasing the overall cost of funds and potentially lowering the ability to service clients.

Sector / Demand Risk

Decrease in demand for Company's products may have an adverse impact on its operational effectiveness and profitability. Steel is a commodity and the industry is cyclical in nature. If there is an economic slowdown, demand for all steel products is likely to decline.

Operational Risk

Risk of damage to Property, Plant, Machinery and Equipment due to any unforeseen event could halt production and the ability of the Company to service its clients. If the shutdown of the plant is for a long period of time, finished goods inventory may not be sufficient to meet customer demand.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company may suffer losses as a result of adverse exchange rate movements i.e. PKR depreciation and devaluation will inflate the price of imports and devalue export prices thus affecting the profitability of the Company. All the Company's raw materials are imported and therefore exchange rate risk is an important consideration for the Company. Also, since local selling prices are affected



by international steel prices, variation in the exchange rate also affects the Company's selling price. Variations in the exchange rate can be either positive or negative for the Company.

Power Supply Risk

The Company may not be able to operate at optimal capacity due to unavailability of electricity as electricity is a key component in the conversion process from scrap to billets to re-bars. A stable and reliable source of electricity would help sustain sales and profitability. Without it, the Company could import billets instead of scrap, however, this can increase the overall cost of production, and thus reduce profitability.

Competitor Risk

Since steel is a commodity, and there are various players in the market, including Chinese imports, competition could reduce selling prices and thus margins for the Company. This risk increases especially when there is excess production in the industry and low demand.

Risk of Technological Obsolescence

The Company would need to continue to invest in its fixed assets in order to stay efficient and up to date with technology, which would allow the Company to remain competitive. A failure to do so can result in lower quality and efficiency relative to other players, thereby adversely affecting the brand and the market share of the Company.

Capital Market Risk

Price of shares will be affected by stock market behavior, macroeconomic events and performance of the Company. Hence, the price of the shares may rise or fall and result in an increase or decrease in value.

Legal / Regulatory Risk

Any decrease in the regulatory duties applied on imports of re-bars would adversely affect the pricing power of the Company which would likely reduce selling prices and margins of the Company.

Interest Rate Risk

An increase in interest rates would increase the financial costs of the Company as the Company does have both short term and long term debt to meet its short term and long term financing requirements. An increase in financial costs would reduce profitability of the Company.

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



Part 6

Financial Information

6.1. Auditors Report Under Clause 28 of Section 2 of Part 1 of the Second Schedule to the Companies Ordinance, 1984, for the Purpose of Inclusion in the Prospectus

KALEEM & Co.
Chartered Accountants

134-C, Link 4 Street # 2,
Cavalry Ground, Lahore
Cantt, Pakistan.

Phone : (92-42) 36672320-21
E-mail : kaleem.co@gmail.com

February 17, 2017

The Board of Directors
Ittefaq Iron Industries Limited
40, B-II Gulberg III
Lahore

Dear Sir(s),

AUDITORS' REPORT UNDER CLAUSE 28(1) OF SECTION 2 OF PART 1 OF SECOND SCHEDULE TO THE COMPANIES ORDINANCE, 1984.

We have audited the financial statements of Ittefaq Iron Industries Limited (Formerly "Ittefaq Sons Limited") the Company, for the period/year ended September 30, 2016, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012.

In accordance with clause 28(1) of Section 2 of Part 1 of Second Schedule of the Companies Ordinance, 1984, we state that we have summarized:

- The assets and liabilities of the Company as at September 30, 2016; and
- Profit and loss account of the Company for the period/year ended September 30, 2016, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012, as enclosed in Annexure A to this report.

We further state that:

- As of September 30, 2016, the Company has no subsidiaries.
- The status of the Company has been changed from 'Private Company' to 'Public Company' with effect from January 05, 2017.
- The name of the Company has been changed from 'Ittefaq Sons Limited' to 'Ittefaq Iron Industries Limited' with effect from February 09, 2017.
- No cash dividend has been declared during the previous five years.
- No financial statements of the Company have been audited or revived, subsequently to the audit of the Company for the three months period ended September 30, 2016.

This report is being issued on the specific request of the Company for the purpose of inclusion in the prospectus to be issued for Initial Public Offering. Accordingly, this should not be distributed to any third parties without our prior written consent.

Yours Faithfully


KALEEM AND COMPANY
CHARTERED ACCOUNTANTS



Encl: Annexure A



134-C, Link 4 Street # 2,
Cavalry Ground, Lahore
Cantt, Pakistan.

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E-mail : kaleem.co@gmail.com

SUMMARY OF ASSETS AND LIABILITIES OF ITTEFAQ IRON INDUSTRIES LIMITED AS AT SEPTEMBER 30, 2016

Annexure A

<u>EQUITY & LIABILITIES</u>	<u>30-Sep-16</u> <u>RUPEES</u>	<u>30-Jun-16</u> <u>RUPEES</u>	<u>ASSETS</u>	<u>30-Sep-16</u> <u>RUPEES</u>	<u>30-Jun-16</u> <u>RUPEES</u>
<u>SHARE CAPITAL & RESERVES</u>			<u>NON-CURRENT ASSETS</u>		
Share Capital					
Authorized Capital					
10,000,000 Ordinary Shares of Rs. 100/- each (2016: 10,000,000 Shares)	1,000,000,000	1,000,000,000	Property Plant & Equipments	1,418,548,749	1,448,613,574
Issued Subscribed & Paid-up Capital			Capital W.I.P	2,563,303	2,563,303
8,947,124 Ordinary Shares of Rs. 100/- each (June 2016: 8,947,124 shares)	894,712,400	894,712,400	Long-Term Security Deposits	19,409,026	19,409,026
Accumulated Profits	655,608,462	619,596,422			
	1,550,320,862	1,514,308,822			
Surplus on Revaluation of Fixed Assets	246,114,347	247,883,207			
<u>NON-CURRENT LIABILITIES</u>					
Sponsors Loans -	170,442,174	316,329,215			
Unsecured and Subordinated					
Other Long Term Loans -	145,887,041	-			
Unsecured and Subordinated					
Long Term Loans-secured	49,991,000	49,991,000			
Liabilities Against Assets Subject to					
Finance Lease	-	-			
	366,320,215	366,320,215			
Deferred Liabilities	125,873,808	136,870,389			
<u>CURRENT LIABILITIES</u>			<u>CURRENT ASSETS</u>		
Trade and Other Payables	389,667,129	491,886,539	Stores, Spares & Loose Tools	127,241,889	168,060,611
Finance Cost Payable	25,244,900	18,667,077	Stock in Trade	1,146,375,676	1,152,565,252
Short Term Borrowings	994,221,771	982,777,828	Trade Debts	561,515,825	597,100,046
Current Portion of Long Term Liabilities	169,985,706	182,258,752	Advances, Deposits, Prepayments &		
Provision for Taxation	82,692,973	65,479,730	Other Receivables	502,384,359	481,127,605
	1,661,812,479	1,741,069,926	Taxes Refundable	141,209,316	131,696,292
			Cash & Bank Balances	31,193,568	5,316,850
Contingencies & Commitments				2,509,920,633	2,535,866,656
	3,950,441,711	4,006,452,559		3,950,441,711	4,006,452,559

Contingencies and Commitments of the Company as at September 30, 2016 were as follows:

There were no known contingencies as at September 30, 2016 (June 30, 2016: Nil).

The commitments against Letter of Credits are Rs.148,930,000 as at September 30, 2016 (June 30, 2016: Nil).





■ 134-C, Link 4 Street # 2,
Cavalry Ground, Lahore
Cantt, Pakistan.

■ Phones : (92-42) 36672320-21
E-mail : kaleem.co@gmail.com

Annexure A

**SUMMARY OF PROFIT AND LOSS ACCOUNT OF ITTEFAQ IRON INDUSTRIES LIMITED
FOR THE FIVE YEARS ENDED FROM JUNE 30, 2012 TO JUNE 30, 2016 AND FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	<u>30-Sep-16</u> <u>RUPEES</u>	<u>30-Jun-16</u> <u>RUPEES</u>	<u>30-Jun-15</u> <u>RUPEES</u> <u>Re-stated</u>	<u>30-Jun-14</u> <u>RUPEES</u>	<u>30-Jun-13</u> <u>RUPEES</u>	<u>30-Jun-12</u> <u>RUPEES</u>
Sales-Net	958,661,045	3,917,451,919	3,842,093,617	4,110,125,936	3,138,386,973	3,214,994,574
Less: Cost of Sales	875,625,484	3,561,943,062	3,489,784,498	3,749,261,333	2,852,758,382	2,916,923,754
Gross Profit	83,035,561	355,508,857	352,309,119	360,864,603	285,628,591	298,070,820
Distribution Cost	2,907,285	13,278,919	11,405,119	12,177,681	6,497,055	5,280,990
Administrative Expenses	13,438,372	34,934,359	36,748,169	37,867,674	31,438,114	21,460,109
	16,345,657	48,213,278	48,153,288	50,045,355	37,935,169	26,741,099
Operating Profit	66,689,904	307,295,579	304,155,831	310,819,248	247,693,422	271,329,721
Other Income	1,640,312	5,209,310	3,351,408	6,921,886	2,634,003	6,314,206
	68,330,216	312,504,889	307,507,239	317,741,134	250,327,425	277,643,927
Finance Cost	26,099,306	148,989,527	183,463,076	176,034,153	157,432,068	169,800,321
WPPF	2,111,546	8,175,768	6,202,208	7,085,349	4,644,768	5,392,180
Workers Welfare Fund	802,387	3,106,792	2,432,238	2,639,640	1,730,404	2,008,851
Profit Before taxation	39,316,977	152,232,802	115,409,717	131,981,992	86,520,185	100,442,575
Provision For taxation	8,719,139	63,897,989	50,429,182	44,873,877	30,282,065	35,154,901
Profit After taxation	30,597,838	88,334,813	64,980,535	87,108,115	56,238,120	65,287,674
Earning Per Share	3.42	9.87	7.26	9.74	6.29	7.30
Other Comprehensive Income						
Remeasurement of defined benefits plan	-	(2,360,518)	(2,987,158)	-	-	-
Deferred tax on measurement of defined benefit plan	-	755,366	985,762	-	-	-
	-	(1,605,152)	(2,001,396)	-	-	-
Total Comprehensive Income	30,597,838	86,729,661	62,979,139	87,108,115	56,238,120	65,287,674

Yours Faithfully



KALEEM & COMPANY
CHARTERED ACCOUNTANTS



6.2.Share Break-up Value Certificate



■ 134-C, Link 4 Street # 2,
Cavalry Ground, Lahore
Cantt, Pakistan.

■ Phones : (92-42) 36672320-21
E-mail : kaleem.co@gmail.com

April 5, 2017

The Board of Directors
Ittefaq Iron Industries Limited
40, B-II Gulberg III
Lahore

Dear Sir(s),

CERTIFICATE ON BREAK-UP VALUE PER SHARE

Based on the audited financials of Ittefaq Iron Industries Limited (Formerly "Ittefaq Sons Limited") as at September 30, 2016 and the no. of shares as at February 17, 2017, the break up value of an ordinary share of Rs. 10/- each is calculated as follows:

	Rupees
Issued, subscribed and paid-up share capital	894,712,400
Accumulated Profit (30-09-2016)	<u>655,608,462</u>
	1,550,320,862
Surplus on revaluation of fixed assets (30-09-2016)	<u>246,114,347</u>
Total shareholders' equity	<u>1,796,435,209</u>
	No. of Shares
Issued, subscribed and paid-up ordinary shares (17-02-2017)	89,471,240
	Rupees
Breakup value per share (excluding surplus on revaluation of fixed assets)	<u>17.33</u>
Breakup value per share (including surplus on revaluation of fixed assets)	<u>20.08</u>

This certificate is being issued on the specific request of the Company for the purpose of inclusion in the prospectus to be issued for Initial Public Offering. Accordingly, this should not be distributed to any third parties without our prior written consent.

Yours Faithfully



Kaleem

**KALEEM & COMPANY
CHARTERED ACCOUNTANTS**



6.3. Auditor's Certificate on Issued, Subscribed and Paid-up Capital



134-C, Link 4 Street # 2,
Cavalry Ground, Lahore
Cantt, Pakistan.

Phonies : (92-42) 36672320-21
E-mail : kaleem.co@gmail.com

February 17, 2017

The Board of Directors
Ittefaq Iron Industries Limited
40, B-II Gulberg III
Lahore

Dear Sir(s),

AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID UP CAPITAL OF THE COMPANY AS AT FEBRUARY 17, 2017

We have verified from the books of accounts and other records of Ittefaq Iron Industries Limited (Formerly "Ittefaq Sons Limited") ("the Company") that the issued, subscribed and paid up capital of the Company as of February 17, 2017 is Rs. 894,712,400/- divided into 89,471,240 ordinary shares of Rs.10/- each. The breakup of shareholding as at February 17, 2017 is as follows:

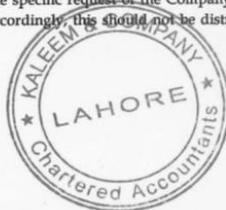
Particulars	Number of Shares	Rupees
Issued against cash	80,000,000	800,000,000
Issued for consideration other than in cash - note 1	9,471,240	94,712,400
Total issued, subscribed and paid-up capital	89,471,240	894,712,400

The issued, subscribed and paid up capital of the Company is held as follows:

SR.NO	NAMES	NO. OF SHARES	AMOUNT (RUPEES)
<i>Sponsors / Directors</i>			
1	MR. USMAN JAVED	5,198,160	51,981,600
2	MRS. KHALIDA PERVAIZ	8,778,690	87,786,900
3	MR. MIAN MUHAMMAD PERVAIZ SHAFI	10,000	100,000
4	MRS. SUMBLEEN USMAN	10,000	100,000
5	MRS. AYESHA FAHID	10,000	100,000
<i>Sponsors</i>			
6	MR. ZOHAIB ZAHID	5,310,090	53,100,900
7	MR. MUHAMMAD HASNAIN TARIQ	8,690,860	86,908,600
8	MRS. SAMREEN SHAHID	6,309,780	63,097,800
9	KASHMIR FEEDS LTD	1,672,370	16,723,700
10	MR. SHAHZAD JAVED	8,205,000	82,050,000
11	MRS. WAJEEHA SHAHZAD	1,690,897	16,908,970
12	MR. MUHAMMAD SHAHID SHAFI	5,260,630	52,606,300
13	MR. ALI PERVAIZ	5,381,173	53,811,730
14	MR. YOUSAF ZAHID	6,170,820	61,708,200
15	MUHAMMAD TARIQ SHAFI	3,058,490	30,584,900
<i>Directors</i>			
16	MR. JAVED SADIQ	10,000	100,000
17	MR. KHALID MUSTAFA	10,000	100,000
<i>Others</i>			
18	MR. RANA NISAR AHMAD	8,049,800	80,498,000
19	MR. ATIF MUBARIK	8,144,480	81,444,800
20	MR. MUNAF IBRAHIM	2,500,000	25,000,000
21	MR. MUHAMMAD NAJAM ALI	2,500,000	25,000,000
22	MR. MUHAMMAD ZULQARNAIN MAHMOOD KHAN	2,500,000	25,000,000
		89,471,240	894,712,400

note 1: These shares were issued upon the merger of Al Shafi Steel (Pvt.) Limited into Ittefaq Iron Industries Limited.

This certificate is being issued on the specific request of the Company for the purpose of inclusion in the prospectus to be issued for Initial Public Offering. Accordingly, this should not be distributed to any third parties without our prior written consent.



Yours Faithfully
[Signature]
KALEEM & COMPANY
CHARTERED ACCOUNTANTS



6.4. Management Accounts (Un-audited) For Half Year Ended December 31, 2016

ITTEFAQ IRON INDUSTRIES LTD. BALANCE SHEET AS AT DEC.-16		Dec-16 Un Audited RUPEES	Sep-16 RUPEES	June-16 RUPEES	Dec-16 Un Audited RUPEES	Sep-16 RUPEES	June-16 RUPEES
EQUITY & LIABILITIES	Notes	15	15	15	15	15	15
SHARE CAPITAL & RESERVES							
Share Capital							
Authorized Capital							
100,000,000 Ordinary Shares of							
Rs. 10/- each (2016: 10,000,000 @ Rs 100 per Shares)		1,000,000,000	1,000,000,000	1,000,000,000	1,389,384,365	1,418,548,749	1,448,613,574
Issued Subscribed & Paid-up Capital					2,363,303	2,363,303	2,363,303
89,47,240 Ordinary Shares of Rs. 10/- each							
(2016: 8,947,124 @ Rs 100 per shares)		894,72,400	894,72,400	894,72,400			
Unappropriated Profit		702,546,711	655,608,462	619,596,422			
		1,597,259,111	1,550,330,862	1,514,368,822			
Surplus on Revaluation of Fixed Assets	5	244,345,557	246,114,347	247,883,207	19,082,904	19,409,026	19,409,026
NON-CURRENT LIABILITIES							
Sponsors Loans - Unsecured & Subordinated	6	170,442,174	170,442,174	316,329,215			
Others Long term Loans - Unsecured & Subordinated	7	145,887,041	145,887,041	49,991,000			
Long Term Loans	8	49,991,000	49,991,000				
Liabilities Subject to Finance Lease	9	366,320,215	366,320,215	366,320,215			
Deferred Liabilities	10	112,176,388	125,873,888	136,870,389			
CURRENT LIABILITIES							
Trade and Other Payables	11	413,254,388	389,667,129	491,886,539	167,420,016	127,341,889	168,040,611
Finance Cost Payable	12	28,184,754	25,244,900	18,667,077	1,178,437,139	1,146,375,676	1,152,365,252
Short Term Borrowings	13	829,041,625	994,221,771	982,777,838	462,107,389	561,515,825	597,100,046
Current portion of Long Term Liabilities	14	143,352,689	169,985,706	182,259,752	451,253,025	502,884,359	481,127,605
Provision for Taxation		105,621,033	82,692,973	65,479,730	148,776,333	141,209,316	131,696,292
Contingencies & Commitments	14	1,519,454,409	1,661,812,479	1,741,069,926	20,531,065	31,193,568	53,161,850
					2,428,525,107	2,599,920,633	2,535,866,656
		3,839,555,679	3,950,441,711	4,006,452,559	3,839,555,679	3,950,441,711	4,006,452,559



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



ITTEFAQ IRON INDUSTRIES LTD
PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED DEC 31st, 2016

		Half Year Ended Dec -16 Un Audited RUPEES	Quarter Ended Dec -16 Un Audited RUPEES	Quarter Ended Sep-16 RUPEES	Year Ended June -16 RUPEES
Sales-Net	20	1,964,386,420	1,005,723,375	958,661,045	3,917,451,919
Less: Cost of Sales	21	1,789,385,441	913,759,957	875,625,484	3,561,943,062
Gross Profit		175,000,979	91,965,418	83,035,561	355,508,857
Distribution Cost	22	5,633,819	2,726,534	2,907,285	13,278,919
Administrative Expenses	23	21,811,973	8,373,602	13,438,371	34,934,359
		27,445,792	11,100,136	16,345,656	48,213,278
Operating Profit		147,555,187	80,865,282	66,689,904	307,295,579
Other Income	24	4,418,053	2,777,741	1,640,312	5,209,310
		151,973,240	83,643,023	68,330,216	312,504,889
Finance Cost	25	50,603,248	24,503,942	26,099,306	148,989,527
Workers Profit Participation Fund		5,068,500	2,956,954	2,111,546	8,175,768
Workers Welfare Fund		1,926,030	1,123,643	802,387	3,106,792
Profit/(Loss) Before taxation		94,375,462	55,058,484	39,316,977	152,232,802
Provision For taxation	26	22,199,345	13,480,206	8,719,139	63,897,989
Profit After taxation		72,176,117	41,578,278	30,597,838	88,334,813

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





ITTEFAQ IRON INDUSTRIES LTD
STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED DEC 31st, 2016

	Half Year	Quarter Ended	Quarter Ended	Year Ended
	Dec -16	Dec -16	Sep-16	June -16
	Un Audited	Un Audited	RUPEES	RUPEES
	RUPEES	RUPEES	RUPEES	RUPEES
Profit After Taxation	72,176,117	41,578,278	30,597,838	88,334,813
Other Comprehensive Income Loss				
Remeasurment of defined benefits plan	[]	[]	[]	(2,360,518)
Deffered Tax on Remeasurment of defined benefit plan	[]	[]	[]	755,366
	[]	[]	[]	(1,605,152)
Total Comprehensive Income	<u>72,176,117</u>	<u>41,578,278</u>	<u>30,597,838</u>	<u>86,729,661</u>





ITTEFAQ IRON INDUSTRIES LTD
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DEC 31st , 2016

	Half Year Dec -16 RUPEES	Quarter Ended Sep-16 RUPEES	Year Ended June -16 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax	94,375,462	39,316,977	152,232,802
Adjustment for			
Depreciation	59,229,208	30,064,824	131,858,178
Provision for Gratuity	1,640,133	1,142,864	5,672,395
Gain on Sales of Assets			
Finance Cost	50,603,248	26,099,306	148,989,527
Prior Year Adjustment		-	(3,792,241)
	111,472,589	57,306,994	286,520,100
Profit Before Working Capital Changes	205,848,052	96,623,971	438,752,902
Working Capital Changes			
(INCREASE) / DECREASE IN			
Stores , Spares & Loose Tools	640,595	40,818,722	43,806,467
Stock in Trade	(25,871,887)	6,189,576	279,355,264
Trade Debts	134,992,457	35,584,221	(147,975,356)
Advances , Deposits , Prepayments & Other Receivables	29,874,580	(21,256,754)	228,256,314
	139,635,745	61,335,765	403,442,689
INCREASE / (DECREASE) IN			
Trade and Other Payables	(78,632,151)	(102,219,410)	(158,232,630)
Cash Generated from operations	266,851,645	55,740,326	683,962,961
Taxes Paid	(18,235,695)	(9,513,023)	(52,028,734)
Finance Cost Paid	(41,085,571)	(19,521,483)	(183,048,785)
Gratuity		-	(6,576,331)
	(59,321,266)	(29,034,506)	(241,653,850)
Net Cash Flow From Operating Activities	207,530,379	26,705,820	442,309,111
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed Assets Acquired			(19,969,122)
Capital Work in Progress			13,802,028
Disposal of Fixed Assets			-
Security Deposits	326,122		80,600
Net Cash used in Investing Activities	326,122	-	(6,086,494)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long Term Loans	(38,906,143)	(10,000,001)	160,000,000
Short Term Borrowings	(153,736,203)	11,443,943	(598,714,331)
Liabilities against Assets Subject to finance Lease		(2,273,045)	(8,226,955)
Net Cash Used in Financing Activities	(192,642,346)	(829,103)	(446,941,286)
Net Increase / (Decrease) in Cash	15,214,155	25,876,717	(10,718,669)
Cash & Cash Equivalents at Beginning of Period	5,316,850	5,316,850	16,035,519
Cash & Cash Equivalents at End of Period	20,531,005	31,193,567	5,316,850





ITTEFAQ IRON INDUSTRIES LTD
STATEMENT OF CHANGES IN SHAREHOLDER EQUITY
FOR THE QUARTER DECEMBER 31, 2016

	Share Capital	Accumulated Profit	Total
	RUPEES	RUPEES	RUPEES
Balance as on June 30, 2015	894,712,400	509,236,346	1,403,948,746
Net Profit for the year 2016	-	86,729,661	86,729,661
Incremental Depreciation transferred from Surplus on Rev. of Fixed assets.	-	23,630,415	23,630,415
Balance as on June 30, 2016	<u>894,712,400</u>	<u>619,596,422</u>	<u>1,514,308,822</u>
Net Profit for the Quarter September 2016	-	30,597,838	30,597,838
Incremental Depreciation transferred from Surplus on Rev. of Fixed assets.	-	5,414,202	5,414,202
Net Profit for the Quarter Dec 2016	<u>894,712,400</u>	<u>655,608,462</u>	<u>1,550,320,862</u>
Incremental Depreciation transferred from Surplus on Rev. of Fixed assets.	-	41,578,278	41,578,278
Net Profit for the Quarter Dec 2016	<u>894,712,400</u>	<u>702,546,711</u>	<u>1,597,259,111</u>





6.5. Management Note on Break-up Value per Share

The Company has changed the face value of its share from PKR 100/- per share to PKR 10/- per share on 24/11/2016 and currently the issued capital of the Company consists of 89,471,240 ordinary shares, therefore, the breakup values are calculated on the basis of audited accounts of September 30, 2016 and un-audited accounts of December 31, 2016 while using the current no. of shares i.e. 89,471,240 ordinary shares

a) As per audited accounts of September 30, 2016

	Rupees
Issued, subscribed and paid-up share capital (30-09-2016)	894,712,400
Un-appropriated profits (30-09-2016)	655,608,462
	<u>1,550,320,862</u>
Surplus on revaluation of fixed assets (30-09-2016)	246,114,347
Total shareholders' equity	<u>1,796,435,209</u>
	No. of Shares
Current Issued, subscribed and paid-up ordinary shares (w.e.f 24/11/2016)	89,471,240
	Rupees
Breakup value per share (excluding surplus on revaluation of fixed assets)	<u>17.33</u>
Breakup value per share (including surplus on revaluation of fixed assets)	<u>20.08</u>

b) As per un-audited accounts of December 31, 2016

	Rupees
Issued, subscribed and paid-up share capital (31-12-2016)	894,712,400
Un-appropriated profits (31-12-2016)	702,546,711
	<u>1,597,259,111</u>
Surplus on revaluation of fixed assets (31-12-2016)	244,345,557
Total shareholders' equity	<u>1,841,604,668</u>
	No. of Shares
Current Issued, subscribed and paid-up ordinary shares (w.e.f. 24/11/2016)	89,471,240
	Rupees
Breakup value per share (excluding surplus on revaluation of fixed assets)	<u>17.85</u>
Breakup value per share (including surplus on revaluation of fixed assets)	<u>20.58</u>

Note: Please refer to Section 5.1 for break-up values of the Company after taking the impact of exclusion of girder mill of the Company.



6.6. Summary of Financial Highlights

(Amounts in PKR Mn.)	FY12	FY13	FY14	FY15	FY16	1QFY17	1HFY17
	Audited	Audited	Audited	Audited	Audited	Audited	Un-Audited
Income Statement							
Sales	3,215	3,138	4,110	3,842	3,917	959	1,964
Cost of Goods Sold	2,917	2,853	3,749	3,490	3,562	876	1,789
Gross Profit	298	286	361	352	356	83	175
EBITDA	383	360	463	440	433	95	204
Operating Profit	271	248	311	304	307	67	148
Financial Charges	170	157	176	183	149	26	51
Profit before Taxation	100	87	132	115	152	39	94
Profit after Taxation	65	56	87	65	88	31	72
Balance Sheet							
Non-Current Assets	1,744	1,754	1,710	1,596	1,471	1,441	1,411
Current Assets	2,072	2,356	2,550	3,142	2,536	2,510	2,429
Total Assets	3,816	4,110	4,260	4,738	4,006	3,950	3,840
Share Capital	895	895	895	895	895	895	895
Total Equity (including surplus on revaluation of assets)	1,598	1,653	1,604	1,671	1,762	1,796	1,842
Non-Current Liabilities	532	449	377	328	366	366	366
Deferred Liabilities	15	17	156	146	137	126	112
Current Liabilities	1,671	1,990	2,122	2,593	1,741	1,662	1,519
Total Liabilities	2,218	2,457	2,656	3,067	2,244	2,154	1,998
Total Equity and Liabilities	3,816	4,110	4,260	4,738	4,006	3,950	3,840
Total Number of Issued Shares of PKR 100 each (mn)#	8.9	8.9	8.9	8.9	8.9	8.9	8.9
Financial Ratios							
Gross Margin ⁽¹⁾	9.3%	9.1%	8.8%	9.2%	9.1%	8.7%	8.9%
Operating Profit Margin ⁽²⁾	8.4%	7.9%	7.6%	7.9%	7.8%	7.0%	7.5%
Net Margin ⁽³⁾	2.0%	1.8%	2.1%	1.7%	2.3%	3.2%	3.7%
EBITDA Margin ⁽⁴⁾	11.9%	11.5%	11.3%	11.5%	11.1%	10.0%	10.4%
EBIT Margin ⁽⁵⁾	8.4%	7.8%	7.5%	7.8%	7.7%	6.8%	7.4%
Earnings Per Share (PKR) ⁽⁶⁾	0.73	0.63	0.97	0.73	0.99	0.34	0.81
Current Ratio (x) ⁽⁷⁾	1.24	1.18	1.20	1.21	1.46	1.51	1.60
Breakup Value Per Share (PKR) (excluding surplus on revaluation of assets) ⁽⁸⁾	11.96	13.11	14.70	15.69	16.93	17.33	17.85
Breakup Value Per Share (PKR) (including surplus on revaluation of assets) ⁽⁹⁾	17.86	18.48	17.93	18.68	19.70	20.08	20.58
Working Capital Turnover (x) ⁽¹⁰⁾	2.40	2.80	2.80	1.79	2.05	1.97*	2.13*
Inventory Days ⁽¹¹⁾	150	144	114	122	109	98	99
Receivable Days ⁽¹²⁾	29	30	22	29	40	45	35
Payable Days ⁽¹³⁾	29	67	61	60	48	38	34
Inventory Turnover (x) ⁽¹⁴⁾	2.00	2.08	2.64	2.46	2.76	3.05*	3.04*
Receivable Turnover (x) ⁽¹⁵⁾	10.39	10.15	13.76	10.23	7.49	6.62*	8.50*
Payable Turnover (x) ⁽¹⁶⁾	10.31	4.50	4.88	5.04	6.24	7.95*	8.73*
Asset Turnover (x) ⁽¹⁷⁾	84.6%	79.2%	98.2%	85.4%	89.6%	96.4%*	102.3%*
Return on Asset ⁽¹⁸⁾	1.7%	1.4%	2.1%	1.4%	2.0%	3.1%*	3.8%*
Return on Equity (including surplus on revaluation) ⁽¹⁹⁾	4.2%	3.5%	5.3%	4.0%	5.1%	6.9%*	7.8%*



Return on Equity (excluding surplus on revaluation) ⁽²⁰⁾	6.5%	5.0%	7.0%	4.8%	6.1%	8.0%	9.0%*
Return on Fixed Asset ⁽²¹⁾	4.2%	3.2%	5.0%	3.9%	5.8%	8.4%*	10.2%*
Debt to Equity (including surplus on revaluation) ⁽²²⁾	1.03	0.91	0.98	1.21	0.88	0.87	0.74
Debt to Equity (excluding surplus on revaluation) ⁽²³⁾	1.53	1.29	1.20	1.45	1.02	1.00	0.86
Debt to Assets ⁽²⁴⁾	0.43	0.37	0.37	0.43	0.39	0.39	0.36

Notes:

- (1) Gross Margin is calculated by dividing the gross profit for the year/period with the net sales of the same year/period
- (2) Operating Profit Margin is calculated by dividing the operating profit for the year/period with the net sale of the same year/period
- (3) Net Margin is calculated by dividing the profit after tax of the year/period with the net sales of the same year/period
- (4) EBITDA Margin is calculated by dividing the earnings before interest, tax, depreciation and amortization of the year/period with the net sales of the same year/period
- (5) EBIT Margin is calculated by dividing the earnings before interest and tax of the year/period with the net sales of the same year/period
- (6) Earnings per Share is calculated by dividing the profit after tax of the year/period with the total number of current issued shares (i.e 89,471,240 ordinary shares)
- (7) Current Ratio is calculated by dividing the total current assets of the year/period with the total current liabilities of the same year/period
- (8) Breakup Value per Share excluding surplus on revaluation of fixed assets is calculated by dividing the Net equity less revaluation of fixed assets of the year/period with the total number of current issued shares (i.e 89,471,240 ordinary shares). Please refer to Section 5.1 for break-up value of the Company after taking the impact of exclusion of girder mill of the Company
- (9) Breakup Value per Share including surplus on revaluation of fixed assets is calculated by dividing the Net equity of the year/period with the total number of current issued shares (i.e 89,471,240 ordinary shares). Please refer to Section 5.1 for break-up value of the Company after taking the impact of exclusion of girder mill of the Company
- (10) Working Capital Turnover is calculated by dividing the net sales of the year/period with the working capital of the same year/period
- (11) Inventory Days is calculated by dividing 300 with the inventory turnover ratio
- (12) Receivable Days is calculated by dividing 300 with the receivable turnover ratio
- (13) Payable Days is calculated by dividing 300 with the payable turnover ratio
- (14) Inventory Turnover is calculated by dividing the Cost of Goods Sold of the year/period with average of inventory
- (15) Receivable Turnover is calculated by dividing the Net Sales of the year/period with average of receivables
- (16) Payable Turnover is calculated by dividing the Cost of Goods Sold of the year/period with average of payables
- (17) Asset Turnover is calculated by dividing the Net Sales of the year/period with the average total assets
- (18) Return on Assets is calculated by dividing the Profit after Tax of the year/period with the average total assets
- (19) Return on Equity is calculated by dividing the Profit after Tax of the year/period with the average equity (including surplus on revaluation of assets)
- (20) Return on Equity is calculated by dividing the Profit after Tax of the year/period with the average equity (excluding surplus on revaluation of assets)
- (21) Return on Fixed Assets is calculated by dividing the Profit after Tax of the year/period with the average non-current assets
- (22) Debt to Equity is calculated by dividing the total debt of the year/period (including mark-up payable and short term liabilities) with the equity (including surplus on revaluation of assets) of the same year/period
- (23) Debt to Equity is calculated by dividing the total debt of the year/period (including mark-up payable and short term liabilities) with the equity (excluding surplus on revaluation of assets) of the same year/period
- (24) Debt to Assets is calculated by dividing the total debt of the year/period (including mark-up payable and short term liabilities) with the total assets of the same year/period

* these ratios are calculated by annualizing the numbers of 1QFY17 and 1HFY17

The Company has changed the face value of its shares from PKR 100/- per share to PKR 10/- per share on 24/11/2016. Currently the issued capital of the Company consists of 89,471,240 ordinary shares



PART 7

Management

7.1. Board of Directors of the Company

S. No.	Name	Address	Designation	Directorship in Other Companies
1.	Mr. Usman Javed	179-H, Model Town Lahore	Chief Executive Officer / Director	-
2.	Mr. Mian Muhammad Pervaiz	179-182 H, Model Town Lahore	Director	-
3.	Ms. Khalida Pervaiz	179-182 H, Model Town Lahore	Director	-
4.	Ms. Sumbleen Usman	179-H, Model Town Lahore	Director	-
5.	Ms. Ayesha Fahid	152-F, Model Town Lahore	Director	-
6.	Mr. Khalid Mustafa	H.No- 1, Mohalla Laj Old Anarkali Road, Lahore	Director	-
7.	Mr. Javed Sadiq	H.No- CC-458 St 14, DHA Phase IV, Lahore Cantt	Independent Director	The United Insurance Company Limited Green Star Social Marketing

7.2. Undertaking by the Company and its Sponsors

The Company and its Sponsors undertake that:

- They have not indulged in any fraudulent activities;
- They have not been declared defaulter by the securities exchange due to non-compliance of its regulations;
- They have not had any TRE Certificate cancelled or forfeited by a securities exchange;
- They have not failed to comply with the applicable regulations of the securities exchange and SECP;
- They had not been sponsor / substantial shareholder / director of a company which has been delisted by the securities exchange due to non-compliance of its regulations.

7.3. Over Due Loans

There are no overdue loans (local or foreign currency) payables by the Company, its sponsors, its associates or its Directors as well as the companies / entities in which the directors of the Company hold directorship.



7.4. Dividend Payout by Listed Associated Companies

The United Insurance Co. of Pakistan Ltd. is the only associated company of the Issuer (based on common directorship) which is listed on the Stock Exchange and it has not paid out any dividends during the preceding five years.

7.5. Profile of Directors

Mr. Usman Javed, Chief Executive Officer / Director

Mr. Usman is the son of Mian Muhammad Javed Shafi; one of the most eminent industrialists of the country with a superior vision and dynamic brand of leadership. Mr. Usman has previously held the directorships in Kashmir Poultry Breeders (Pvt.) Limited, Ittefaq Sugar Mills Ltd. and Kashmir Feeds Ltd.

Mr. Usman is instrumental in making strategic decisions for the Company and has led the Company to become one of the leading players in steel sector. He is an MBA from the University of Utah, USA.

Mr. Mian Muhammad Pervaiz Shafi, Director

Mr. Pervaiz has a rich and diversified experience of 40 years in iron and steel industry and is renowned as one of the most experienced industrialists of the steel industry. Previously, he has also served as the Director of Ittefaq Sugar and Kashmir Sugar Mills Ltd. Under his leadership, the Company expects to achieve new heights and can further excel in the steel industry. Mr. Pervaiz is also serving as a member of audit committee of the Company.

Mr. Javed Sadiq, Director

Mr. Sadiq is serving as an independent director and has brought significant diversity to the board of Ittefaq Iron Industries (Formerly Ittefaq Sons Limited). Previously, he has served on the boards of National Investment Trust, Regional Development Finance Corporation, Lahore University of Management Sciences and State Cement Corporation and currently holds directorships in The United Insurance Co. of Pakistan and Greenstar Social Marketing. Having a remarkable history of more than four decades, Mr. Sadiq has served various prestigious organizations including National Development Finance Corporation as Director, EVP Karachi, SVP Zonal Head Lahore, Overseas Employment Corporation as Manager Marketing Planning and Development, MICAS Association Pakistan as Deputy General Manager, Decca Ltd. London as System and O&M Analyst and BBC London in audience Research Development. He has also worked with First national Bank Modaraba as the CEO and Industrial Development Bank of Pakistan as a Chairman.

Mr. Sadiq has also rendered consultancy services to NDFC for the affairs related to Karachi Electric, Wapda and National Book Foundation. Also, he has provided his consultancy for the billing, transmission and distribution departments of KE.

Mr. Sadiq is also a member of audit committee of the Company. He holds the degree of B.A (Hons.) from University of Liverpool, England and is also an M.A in International Relations & Economy from University of Manchester, England.

**Mr. Khalid Mustafa, Director**

Mr. Khalid Mustafa is a graduate from M.A.O College, Lahore. He has a vast and illustrious experience of transport and steel business having served in the sectors in various capacities. He possesses keen interest in Pakistan Politics and sports. He was elected as councilor in local body election thrice and has also served as chairman bait-ul- mall Lahore.

Mrs. Khalida Pervaiz, Director

Mrs. Khalida Pervaiz is daughter of Mian Siraj Din who was ex-partner of Ittefaq Foundries. Previously, she has also served as director in Ittefaq Sugar Mills Ltd. At present she is on the board as well as a member of Human Resource Committee and has taken numerous initiatives for the development of HR function of the Company.

Mrs. Ayesha Fahid, Director

Mrs. Ayesha Fahid is a graduate from Kinnaird College, Lahore. Her presence on the board and as a member of HR Committee has brought numerous initiatives to set high standards and benchmarks for the performance of the Company. She also aims to work for the improvement of product portfolio of the Company and expanding its customer base.

Mrs. Sumbleen Usman, Director

Mrs. Usman is a graduate from Government College of Home Economics, Lahore. Apart from serving the board she is supervising the procurement of raw materials and is also serving as a member of HR Committee.

7.6. Key Management Profile**Mr. Usman Javed, President / CEO**

Mr. Usman is the son of Mian Muhammad Javed Shafi; one of the most eminent industrialists of the country with a superior vision and dynamic brand of leadership. Previously, Mr. Usman has held the directorships at Kashmir Poultry Breeders (Pvt.) Limited, Ittefaq Sugar Mills Ltd. and Kashmir Feeds Ltd.

Mr. Usman is instrumental in making strategic decisions for the Company and has led the Company to become one of the leading companies in steel sector. He is an MBA from the United States of America.

Mr. Amir Munir Bhatti, Chief Financial Officer

Mr. Amir being a Fellow member of (ICMAP) is a seasoned professional and possesses diversified experience in Accounting, Financial Management, and Taxation for over 20 years. During his distinguished career he has served on top management positions like Senior Manager Finance, Chief Accountant in Siddique Brother (Pvt.) Ltd and Laiba Look International respectively. He has been associated with steel industry since 2000. His previous appointment was in Shalimar Steel Re-rolling Mills (Pvt.) Ltd in the capacity of DGM (Finance & Taxation) where he supervised the successful ERP implementations in Steel unit and developed effective budgetary and cost control mechanisms. Currently he is Chief Financial Officer in Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) since 2014.



Mr. Shahzad Bazmi, Company Secretary

Mr. Muhammad Shahzad Bazmi has been serving the Company for more than 10 years in the capacity of Company Secretary. He is well versed with corporate, taxation, and legal matters of the Company. He is a Commerce graduate and also holds a law degree from the University of Punjab, Lahore. Mr. Bazmi is also an associate member of Pakistan Institute of Public Finance Accounts.

As a member of senior leadership team, he assists Chairman, Directors, and Group General Manager with their corporate, legal and taxation affairs. He is also a member of the Lahore High Court.

Mr. Adnan Younus, General Manager Audit

Adnan Younus is a qualified member of Institute of Internal Auditors USA (IIA) and Institute of Chartered Accountants of Pakistan (ICAP). He has more than 10 years of practical experience in the field of internal audit planning, programming, internal control system, design and developments, risk assessment and measures to mitigate risks. He is in association with this company for the past 4 years and playing an important role in developing a well established and robust internal audit function.

Mr. Haroon Arif, Manager Marketing

Mr. Haroon has been associated with the Company since 2010 and is a high profile marketing professional has played significant role in developing effective sales and marketing plans for the Company. Mr. Haroon possesses seven years of local and international experience of developing B2B sales, client relationships, sales plans and strategies development, brand management and business development.

He has also worked with GfK NOP Field Interviewing Services Limited, London as a marketing research interviewer. He is an MBA (Marketing) from University of Wales, Institute Cardiff-UWIC, United Kingdom.

7.7. Number of Directors

Pursuant to Section 174 of the Companies Ordinance, 1984, the number of Directors of the Company shall not be less than seven. At present the Board consists of seven (7) Directors including the CEO.

7.8. Qualification of Directors

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 187 of the Ordinance or any other law for the time being in force.

7.9. Remuneration of Directors

According to Article 49 of the Articles of Association of the Company, the remuneration of a Director for performing extra services, including holding of the office of Chairman, and the remuneration to be paid to any Director for attending the meetings of the Directors or a committee of Directors shall from time to time be determined by the Board of Directors in accordance with law.



7.10. Benefits to the Promoters and Officers

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

7.11. Interest of Directors

The directors may be deemed to be interested to the extent of fees payable to them for attending Board and Committee meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company.

Moreover, the directors of the Company also have interest in the Company to the extent of their shareholding in it.

7.12. 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.

7.13. Election of Directors

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 178 of the Ordinance. The Directors shall comply with the provisions of Sections 174 to 178 and Sections 180 and 184 relating to the election of Directors and matters ancillary thereto. Subject to the provisions of the Ordinance, the Company may from time to time increase or decrease the number of Directors.

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

Five of the present directors were elected on 23/01/2017, after the conversion of the company from a private limited to a public limited. The next election of directors will be held on 30/10/2017.

7.14. Voting Rights

According to Article 37 of the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of directors in which case the provisions of section 178 of the Ordinance shall apply. On a poll every member shall have voting rights as laid down in section 160 of the Ordinance.

7.15. 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 comprises of the following members:

- Mian Muhammad Pervaiz Shafi - Chairman
- Mr. Javed Sadiq - Member
- Mr. Usman Javed - Member

7.16. Human Resource and Remuneration Committee

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

The human resource and remuneration committee comprises of the following members:

- Ms. Khalida Pervaiz - Chairman
- Ms. Sambleen Usman - Member
- Ms. Ayesha Fahid - Member

7.17. Borrowing Powers Of Directors

According to Article 53 of the Articles of Association, the Board may from time to time borrow any money for the purposes of the Company from its members or from any other person, firms, companies, corporations, Government Agencies, institutions or the Directors may themselves lend moneys to the Company.

7.18. Power of Directors

According to Article 52 of the Company, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Ordinance or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Ordinance or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

7.19. Corporate Governance

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Code of Corporate Governance of Listed Companies. 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 2018 as required under the PSX regulations.

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



7.20. Investment In Subsidiaries

Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) has no subsidiaries.

7.21. Investment In Associated Companies

Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) has made no investments in any associated company.

7.22. Capitalization of Reserves

There has been no capitalization of reserves since the incorporation of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited).

7.23. Revaluation of Fixed Assets

The valuation of land, building and plant & machinery of the Company was conducted on June 11, 2011 by M/s Riyadh and Co. (an approved valuer of Pakistan Bankers Association) on current replacement cost basis, details of which are provided below:

PKR	Cost as of 1/7/2010	Additions	Deletion	Adjustments	Revaluation Surplus	Cost as of 30/6/2011
Land	33,322,002	-	-	-	29,552,998	62,875,000
Buildings	301,589,141	-	-	(59,943,241)	54,574,520	296,220,420
Plant & Machinery	428,928,610	-	-	(159,653,996)	495,778,774	765,053,388
Grid Station	57,279,039	-	-	-	-	57,279,039
Electric Installation	100,194,729	-	-	-	-	100,194,729
Vehicles	10,775,786	8,191,323	(2,375,035)	-	-	16,592,074
Furniture & Fixture	4,285,386	241,207	-	-	-	4,526,593
Office Equipment	1,740,899	100,864	-	-	-	1,841,763
Laboratory Equipment	11,232,088	-	-	-	-	11,232,088
Arms & Ammunition	146,013	-	-	-	-	146,013
Tools	302,509	-	-	-	-	302,509
TOTAL	949,796,202	8,533,394	(2,375,035)	(219,597,237)	579,906,292	1,316,263,616



PART 8

Miscellaneous Information

Registered Office	40-B-II, Gulberg III, Lahore, Pakistan Office : +92-42-35765021-26 Fax : +92-42-35759546 Email : info@ittefaqsteel.com Website: www.ittefaqsteel.com
Lead Manager & Arranger	Next Capital Limited 8 th Floor, Horizon Tower, Plot No 2/6, Block -3, Clifton, Karachi Tel: 021-111-639-825 Fax: 021-35292621 Email: umer.habib@nextcapital.com.pk Website: www.nextcapital.com.pk
Book Runner	Alfalah Securities (Pvt.) Limited 8 th Floor, Bahria Complex III, M.T Khan Road, Karachi Tel: 021-3564090-95 Fax: 021-35645096 Email: imran.sherani@alfalahsec.com
Legal Advisor of the Company	Mr. Muhammad Shahzad Bazmi
Legal Counsel to the Issue	Cornelius, Lane & Mufti Advocates & Solicitors Nawa-e-Waqt House, 4 Shahrah-e-Fatima Jinnah, Lahore – 54000 Tel : +92 42 36306301, 36360824, 36360868 Fax : +92 42 36303301 Email : clm@brain.net.pk / info@clm.com.pk
Bankers to the Book Building	MCB Bank Limited (“MCB”) and Bank Alfalah Limited (“BAFL”)
Bankers to Issue (General Public Portion)	Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metro Bank MCB Bank Limited Meezan Bank Limited Silk Bank Limited Soneri Bank Limited Summit Bank Limited United Bank Limited



Auditors	Kaleem & Co. Chartered Accountant 134-C. St. No. 2, Link 4, Cavalry Ground, Lahore Cantt, Lahore. Tel:+924236672321-2 Email: kaleem.co@gmail.com
Balloter and Share Registrar Registrar	Corplink (Pvt.) Limited Wings Arcade, 1-k, Commercial, Model Town, Lahore Tel: 042-35839182, 35916714, 5916719 Fax: 042-35869037 Tel: +92-42-35916714 Email: corplink786@gmail.com

8.1.Underwriting Related Information

Within five (5) 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 stock exchange where shares are to be listed.

Supplement to the Prospectus would contain among other information, information relating names of the Underwriters for the General Public Portion of the Issue and Underwriting Commission.

8.2.Due Diligence Report

The Due Diligence Reports prepared by the underwriters will be furnished along with the Underwriting Agreements for the General Public Portion within five (5) working days of the closing of the Bidding Period.

8.3. Material Contracts of the Company

Long-Term Financing Facilities

Bank	Facility	Limit (PKR mn.)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
Bank Islami	Diminishing Musharaka	200	3 Months KIBOR +2.5 %	July-30-2015	Sep-30-2017

Short-Term Financing Facilities

Bank	Facility	Limit (PKR mn.)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
The Bank of Punjab	Cash Finance / FATR	350	3 Months KIBOR +2.25% p.a.	Mar-17-2016	Apr-30-2017
National Bank of Pakistan (NBP)	FIM / Cash Finance	700	3 Months KIBOR +2%/2.5%	Oct-17-2016	Jan-31-2018

Note: Short term financing facilities are utilized by the Company for meeting its working capital requirements against the pledge of stocks or fixed assets of the Company.



Non-Funded Financing Facilities

Bank	Facility	Limit (PKR mn.)	Mark-up Commission	Date Sanctioned	Expiry
Bank of Punjab	Letter of Credit	200	NA	Mar-17-2016	Apr-30-2017
National Bank of Pakistan (NBP)	Letter of Credit	700	3Months KIBOR+3 %	Oct-17-2016	Jan-31-2018

Note: Non-funded facilities are used by the Company for import of its raw materials and are reviewed annually.

Related Party Agreement

Title of Agreement	Counter parties to the Agreement	Amount (PKR)	Relation with the Issuer	Particulars
Loan Agreement	Mian Javed Shafi	56,814,058	Sponsors' relative	<ul style="list-style-type: none"> This Agreement was executed on January 01, 2017 Three sponsors of the Company and two of their relatives extended interest free loans to Company amounting to PKR 316,329,215 (the "Loan"); The Loans shall be repaid by the Company upon demand of the Lenders; however, repayment shall not be demanded at least for a period of 05 years from the execution of this Agreement i.e till December 31, 2021. Each of the Loans may also be converted into equity with the mutual consent of the respective Lenders and the Borrower and subject to all approvals required under applicable laws and regulations.; and The Loan is inferior to the rights of present and future secured loans of financial institution(s) which are or may be lenders to the Company
	Mian Pervaiz Shafi	56,814,058	Current sponsor of the Company	
	Mian Tariq Shafi	56,814,058	Current sponsor of the Company	
	Mian Shahid Shafi	56,814,058	Current sponsor of the Company	
	Mian Zahid Shafi	89,072,983	Sponsors' relative	
-	Total	316,329,215	-	-

8.4. Inspection of Documents and Contracts

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, the information memorandum and copies of 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.



8.5. Legal Proceedings

There are no litigations or proceedings by or against the Company pending before any court of law or authority other than related to normal course of the business.

8.6. Memorandum of Association

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

8.7. Financial Year of the Company

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



PART 9

Application and Allotment Instructions

9.1. General Instructions

9.1.1. Eligible investors include:

- Pakistani citizens resident in or outside Pakistan or persons holding two nationalities including Pakistani nationality;
- Foreign Nationals whether living in or outside Pakistan;
- Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
- Mutual funds, provident/pension/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.

9.1.2. APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM.

9.1.3. Copies of this Prospectus and Applications Forms can be obtained from members of PSX, the Bankers to the Issue and their Branches, the Lead Manager & Arranger and the registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

www.psx.com.pk, www.ittfaqsteel.com and www.nextcapital.com.pk

9.1.4. The applicants opting for scrip less form of shares are required to complete the relevant sections of the application. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such shares is allowed ONLY in the applicant's own CDC account. In case of discrepancy between the information provided in the application and the information already held by CDS, the Company reserves the right to issue shares in physical form.

9.1.5. Name(s) and address(s) must be written in full block letters, in English and should not be abbreviated.

9.1.6. All applications must bear the name and signatures corresponding with that recorded with the applicant's banker. In case of difference of signatures with the bank and computerized national identity card (CNIC) or national identity card for overseas Pakistanis (NICOP) or passport both the signatures should be affixed on the application form.

9.1.7. Applications Made by individual Investors

- In case of individual investors, an attested photocopy of CNIC (in case of resident Pakistanis)/passport (in case of non-resident Pakistanis) 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 Gazette Officer, Councilor, Oath



Commissioner or Head Master of high school or bank manager in the country of applicant's residence.

- Original CNIC/passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

9.1.8. Applications Made by Institutional Investors

- 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 in the country of applicant's residence can attest copies of such documents.
- Attested photocopies of the documents mentioned in paragraph 9.1.8 (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.

9.1.9. Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.

9.1.10. 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/passport. The shares will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.

9.1.11. 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 in favor of account "**IPO of Ittefaq Iron Industries Limited**" and crossed "**A/C PAYEE ONLY**".

9.1.12. 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.

9.1.13. 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.

9.1.14. Applications are not to be made by minors and/or persons of unsound mind.



- 9.1.15.** Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- 9.1.16.** 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.
- 9.1.17.** 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.
- 9.1.18.** 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.
- 9.1.19.** It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- 9.1.20.** Submission of Fictitious and multiple applications (more than one application by same person) is prohibited and such Application Money may be forfeited under section 87(8) of the Securities Act, 2015.

ADDITIONAL INSTRUCTIONS FOR FOREIGN/NON-RESIDENT INVESTORS

- 9.1.21.** In case of foreign investors that are not individuals, applications must be accompanied with a letter on the 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.
- 9.1.22.** Foreign / Non- resident investors should follow payment instructions given in Section 2.14 and 3.4 of this Prospectus.

BASIS OF ALLOTMENT

- 9.1.23.** The basis and conditions of transfer of shares to the General Public shall be as follows:
- a) The minimum value of application will be calculated as Issue Price x 500 Shares. Application for amount below the minimum value shall not be entertained.
 - b) Application for Shares must be made for 500 Shares or in multiple of 500 shares only. Applications, which are neither 500 Shares nor for multiple thereof, shall be rejected.



- c) Allotment/Transfer of Shares to successful applicants shall be made in accordance with the allotment criteria/instructions disclosed in the Prospectus.
- d) 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 and Exchange Commission of Pakistan.
- e) 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 the data fields in the Application Form.
- f) The Issuer will dispatch shares to successful applicants through their Bankers to the Issue or credit the respective CDS accounts of the successful applicants (as the case may be).

9.2. Bankers to the Issue

Code No.	Bank	Code No.	Bank
01	Bank Alfalah Limited	06	Meezan Bank Limited
02	Faysal Bank Limited	07	Silk Bank Limited
03	Habib Bank Limited	08	Soneri Bank Limited
04	Habib Metropolitan Bank Limited	09	Summit Bank Limited
05	MCB Bank Limited	10	United Bank Limited

9.3.E-IPO Facilities

In order to facilitate the investors, the Issuer has arranged provision of e-IPO facility through **UBL** and **SMBL** that are among the Bankers to the Issue. The account holders of **UBL** can use **UBL** Bank Limited's net-banking to submit their applications online via link <http://www.ubldirect.com/corporate/ebank> whereas **SMBL** account holders can use **SMBL** net banking to submit their application via link <https://ib.summitbank.com.pk>. The accountholders of **UBL** and **SMBL** can submit their applications through these links 24 hours a day during the subscription period which will close at 12:00 midnight on May 24, 2017.

9.4. CODE OF OCCUPATION

Code No.	Occupation	Code No.	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Others

9.5. NATIONALITY CODE

Code No.	Name of country	Code No.	Name of country
001	U.S.A	006	Bangladesh
002	U.K	007	China
003	U.A.E	008	Bahrain
004	K.S.A	009	Other
005	Oman		



PART 10

Registration Form and Bidding Form of Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited)**INSTRUCTIONS FOR REGISTRATION AND BIDDING**

REGISTRATION PERIOD OPENS FROM MAY 05, 2017 TO MAY 10, 2017 BETWEEN 9:00 AM TO 5:00 PM AND BETWEEN 9:00 AM TO 3:00 PM ON MAY 11, 2017

BIDDING PERIOD OPENS FROM MAY 10, 2017 TO MAY 11, 2017 BETWEEN 9:00 AM TO 5:00 PM

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF ITTEFAQ IRON INDUSTRIES LIMITED (FORMERLY ITTEFAQ SONS LIMITED) (THE "COMPANY") THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 12.00/- PER SHARE

The Present Issue comprises of 41,750,000 Ordinary Shares (31.82% of the Total Post-IPO Paid-up Capital of the Company with Face Value of PKR 10.00/- each).

Book Building portion of the Issue comprises of 31,312,500 Ordinary Shares (75% of the Total Issue Size) at a Floor Price of PKR 12.00/- per share (including a premium of PKR 2.0/- per share)

Instructions for Registration and Bidding

1. Only registered investors will be eligible to participate in the bidding process.
2. Investors are required to fill in the Registration Form and submit the complete Registration Form along with Margin Money at the Bid Collection Centres during the Registration Period.
3. 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.**
4. 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.
5. Investors can directly place their bids online during the Bidding Period by using the Username and Password provided to them via e-mail or submit the Bidding Form at the bid collection centres in person.
6. On entry of bid in the System, the investors will receive an e-mail confirmation of their bid via the System software.
7. Investors can revise and withdraw their bids online. Please visit www.bkb.psx.com.pk to access online portal. Online access will be available for bid revisions during the Bidding Period from 9:00 am to 5:00 pm. **An investor will not be allowed to place or revise a bid with a price variation of more than 20% of the prevailing Indicative Strike Price.** No downward revision shall be allowed after 4:00 pm on last day of the Bidding Period.

Please Note:

1. Fill in all the particulars of the form accurately in **BLOCK LETTERS**.
2. For deposit of margin money, only Pay Orders, Demand Draft will be accepted or online transfer facility (pay order or demand draft may be deposited at any branch of MCB Bank Limited or Bank Alfalah Limited and evidence to be submitted to the book runner) into the following IPO account of the Issuer:

Bank	Account No.	Title of the Account
MCB Bank Limited	0893727851009975	IPO of Ittefaq Iron Industries Limited – Book Building Account
Bank Alfalah Limited	1005617307	IPO of Ittefaq Iron Industries Limited – Book Building Account

3. Kindly provide a copy of CNIC or Passport (in case of Individual Investors) or NTN Certificate / Certificate of Incorporation (in case of Institutional Investor) along with the Registration Form.
4. Applicants are requested to provide accurate contact details. Please provide accurate landline number(s), mobile number(s), fax number(s), UIN(s), NTN number and e-mail address(es).
5. **Bidders are requested to provide two copies of the bidding instrument at the time of bid submission.**
6. The National Taxation Number ("NTN") of Ittefaq Iron Industries Limited is 1926269-8. This NTN shall be required by applicants for making their respective pay orders.
7. The Bidder is required to duly fill Additional Payment Form for depositing additional funds for enhancement of deposit amount.
8. All payments are to be made in favor of "IPO OF ITTEFAQ IRON INDUSTRIES LIMITED - BOOK BUILDING ACCOUNT" at any of the following bidding centers:



BID COLLECTION CENTRES

Karachi

Contact Person: **Imran M. Sherani**
 Direct No: 021-35645068
 Mobile No: 0336-9224406
 PABX No: 021-35645090-5 Ext. 342
 Fax No: 021-35645096
 Email: imran.sherani@alfalahsec.com
 Postal Address: Alfalah Securities (Pvt.) Limited
 8th Floor Bahria Complex III, M.T Khan Road, Karachi

Contact Person: **Muhammad Rameez Shoaib**
 PABX No: 111-777-786
 Direct No: 0315-2782644
 Fax No: 021-32417006
 Email: rameez.shoaib@alfalahsec.com
 Postal Address: Bank Alfalah Limited, Corporate Main Branch, B.A Building, I.I Chundrigar Road, Karachi

Hyderabad

Contact Person: **Anees Khaton Mahesar**
 Direct No: 022-2730849 and 2729744
 Fax No: 022-2786023
 Email: aneeskhaton@bankalfalah.com
 Postal Address: Bank Alfalah Limited, Main Branch, near Hotel Faran, Saddar, Hyderabad

Islamabad

Contact Person: **Muhammad Shafqat Abbas**
 Mobile No: 0300-5053804
 Direct No: 051-2894040
 Fax No: 051-2894045
 Email: mcb1390@mcb.com.pk
 Postal Address: MCB Bank Limited, Office No.I, Ground+Mezzanine Floor, Islamabad Stock Exchange Tower, Blue Area, Islamabad

Lahore

Contact Person: **Hasan Zubair**
 Direct No: 042-35876033
 PABX No: 042-35877800-6
 Fax No: 042-35873486
 Email: hasan.zubair@alfalahsec.com
 Postal Address: Bank Alfalah Limited, 125-E-1, Gulberg Corporate Branch, Lahore

Quetta

Contact Person: **Najeeb Azam**
 Mobile No: +92 3138041610
 Direct No: 081-2841180-82 Ext 110
 Fax No: 081-2827562
 Email: najeeb.azam@bankalfalah.com
 Postal Address: Bank Alfalah Limited, Property No.2-13/4, M.A.Jinnah Road, Quetta

Peshawar

Contact Person: **Farhan Yousaf**
 Direct No: 091-5279769
 Fax No: 091-5279427
 Email: ops0277@mcb.com.pk
 Postal Address: MCB Bank Limited, Saddar Road, Peshawar Cantt., Tehsil & District Peshawar

Gilgit

Contact Person: **Shah Jahan**
 Mobile No: 0346-6488856
 Direct No: 05811-451915
 Email: s.jahan@bankalfalah.com
 Postal Address: Bank Alfalah Limited, Shahrah-e-Quaid-e-Azam, Near Radio Station, Jutial, Gilgit

Muzaffarabad - AJK

Contact Person: **Raja Imtiaz Mustafa**
 Mobile No: 0300-5029629
 Direct No: 05822-92091
 Email: isb.bom0283@bankalfalah.com
 Postal Address: Bank Alfalah Ltd, Development Authority Shopping complex, Bank Road, Muzaffarabad AJK

Mirpur – AJK Jammu & Kashmir

Contact Person: **Mirza Kamran Ashraf**
 Mobile No.: 0344-8858958
 Direct No: 05827-436852
 Email: Mirza.ashraf@bankalfalah.com
 Postal Address: Bank Alfalah Ltd Mirpur Main Branch 114 Kotli Road Sec F-1 Mirpur AJK

Sibbi

Contact Person: **Muhammad Waseem Khan**
 Mobile No.: 0333-0205209-0322-2527242
 Direct No: 0833-500205, EXT 106
 Email: mwaseem.khan@bankalfalah.com
 Postal Address: Bank Alfalah Ltd, Property old#832, Ward#3, Block#1 Building #4, M.A Jinnah Road, Sibbi, Baluchistan

9. **CASH SHOULD NOT BE SUBMITTED WITH REGISTRATION FORM AT THE BID COLLECTION CENTER.**
10. **THE BID SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM ALONG WITH THE REGISTRATION FORM IN PERSON OR THROUGH FAX AT THE NUMBERS MENTIONED IN NOTE 8 ABOVE. REGISTERED INVESTORS CAN ALSO PLACE THEIR BIDS DIRECTLY VIA THE ONLINE PORTAL BY VISITING WWW.BKB.PSX.COM.PK**



11. Bids can be placed at “Limit Price” or “Step Bid”.

a) Payment for Limit Price:

If investors are placing their bids through “Limit Price” 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 5.0 million shares at a price of PKR 15.00/- per share, then the total Application Money would amount to PKR 75,000,000. In such a case, (i) individual investor shall deposit PKR 75,000,000 in the Book Building account as the Bid amount which is 100% of PKR 75,000,000; and (ii) Institutional Investors shall deposit at least PKR 18,750,000 in the Book Building account as the margin amount which is 25% of PKR 75,000,000.

b) Payment for Step Bid:

If investors are placing their bids through “Step Bid” which is a series of limit bid at increasing prices then they shall deposit the Margin Money / Bid Amount based on the total number of shares they are bidding for at their stated bid price. The aggregate amount of step bid shall not be less than PKR 1,000,000/- and the amount of any step shall also not be less than PKR 1,000,000/-.

For instance, if the investor Bids for 2.0 million shares at PKR 13.00/- per share, 1.5 million shares at PKR 14.00/- per share and 1.0 million shares at PKR 15.00/- per share, then in essence the investor has placed one “Step Bid” comprising of three limit Bids at increasing prices. The Bid Amount would amount to PKR 62,000,000/- 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) an individual investor shall deposit PKR 62,000,000/- in the Book Building Account as Bid Amount which is 100% of PKR 62,000,000/- and (ii) Institutional investors shall deposit at least PKR 15,500,000/- in the Book Building Account as Margin Money which is 25% of PKR 62,000,000/-.

12. The applicant, if Individual Investor, shall submit amount of 100% of the application money as Bid / Margin Money whereas Institutional Investors shall submit not less than 25% of the application money.

13. Book Runner shall not accept or register any new Bidders after **3:00pm during the last day of Bidding Period and after 4:00pm no bid shall be withdrawn from the System.**

14. The Bidder can view the color of the book, i.e. bid price and number of shares against each bid price online anytime during the Bidding Period at the following websites: www.psx.com.pk

15. 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.

16. The successful institutional Bidders shall, within **three (3) working days** of the closing of the Bidding Period, deposit the balance amount, if required, as consideration against allotment of shares.

17. Where a successful Bidder defaults in payment of shares allotted to him, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.

18. Final allotment of shares out of the Book Building Issue shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be transferred at the time of transfer of shares out of the general public offer to successful applicants.



19. Margin Money of unsuccessful Bidders shall be refunded within **five (5) working days** of the close of the Bidding Period, through courier, to the address submitted on the Bidding Form.



For investor education please visit www.jamapunji.pk
Jama Punji is an Investor Education Initiative of the
Securities & Exchange Commission of Pakistan



REGISTRATION FORM

 Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited)	Book Runner  Alfalah Securities	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> HYD <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> GLGT <input type="checkbox"/> MIRPUR <input type="checkbox"/> SIBI <input type="checkbox"/> MUZBD				
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INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF ITTEFAQ IRON INDUSTRIES LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 12/- PER SHARE (INCLUDING A PREMIUM OF PKR 2/- 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

<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Resident
<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Non Resident
<input type="checkbox"/> Individual Investor	<input type="checkbox"/> Foreigner

Nationality (If other than Pakistani)

***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 12.50% APPLIES TO FILERS INSTEAD OF 20% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

Payment Details: Payments to be made in favor of "IPO of Ittefaq Iron Industries Limited - Book Building Account"

Amount in Figures		Instrument #	
Instrument Date		Margin %age	

Banker's Name, Address & Branch

CDC Details for Sub A/C & House A/C

CDC Participant Name		CDC Participant ID	
Sub A/C No.		House A/C No.	

CDC Details for Investor A/C

CDC Investor Service A/C ID		CDC Investor A/C No.	
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I DECLARE THAT I have read all the term 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: _____





DUPLICATE REGISTRATION FORM

 Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited)	Book Runner  Alfalah Securities	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> HYD <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> GLGT <input type="checkbox"/> MIRPUR <input type="checkbox"/> SIBI <input type="checkbox"/> MUZBD				
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INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF ITTEFAQ IRON INDUSTRIES LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 12/- PER SHARE (INCLUDING A PREMIUM OF PKR 2/- 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

<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Resident
<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Non Resident
<input type="checkbox"/> Individual Investor	<input type="checkbox"/> Foreigner

Nationality
(If other than Pakistani)

***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 12.50% APPLIES TO FILERS INSTEAD OF 20% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

Payment Details:	Payments to be made in favor of "IPO of Ittefaq Iron Industries Limited - Book Building Account"		
Amount in Figures		Instrument #	
Instrument Date		Margin %age	
Banker's Name, Address & Branch			
CDC Details for Sub A/C & House A/C			
CDC Participant Name		CDC Participant ID	
Sub A/C No.		House A/C No.	
CDC Details for Investor A/C			
CDC Investor Service A/C ID		CDC Investor A/C No.	

I DECLARE THAT I have read all the term 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: _____





BIDDING FORM

 ITTEFAQ IRON INDUSTRIES LIMITED (Formerly Ittefaq Sons Limited)	Book Runner Alfalsh Securities	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> HYD <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> GLGT <input type="checkbox"/> MIRPUR <input type="checkbox"/> SIBI <input type="checkbox"/> MUZBD <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Bidding Dates</td> <td>May 10, 2017 to May 11, 2017</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Bidding Dates	May 10, 2017 to May 11, 2017	Bidding Form No.	
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PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	PLEASE TICK THE APPROPRIATE BOX			
	<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Individual Investor	
Address	Cell #	Resident	<input type="checkbox"/>	Nationality (If other than Pakistani)
	Land Line #	Non Resident	<input type="checkbox"/>	
		Foreigner	<input type="checkbox"/>	
Fax #	E-mail:	CNIC #		
		NTN*		

***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 12.50% APPLIES TO FILERS INSTEAD OF 20% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No []

In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Scheme, 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 Ittefaq Iron Industries Limited

40-B-II, Gulberg III, Lahore, Pakistan

Dear Sir,

On the basis of Prospectus by Ittefaq Iron Industries Limited for the Initial Public Offering of Ordinary Shares, I/we hereby bid for subscription of Shares of the scheme as under:

Bid Details

	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
Bid Option (Please tick)			
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 at least **PKR 1,000,000/-** and the aggregate amount of Step Bid should be at least **PKR 1,000,000/-**.
- 3) Any Bid received below the Floor Price will not be accepted by the Book Runner.
- 4) **An investor shall not make a bid with price variation of more than 20% of the prevailing indicative strike price.**
- 5) The Associated Companies and Associated Undertakings of the Issuer shall not in aggregate make bids for shares in excess of 5% of the Book Building Portion.
- 6) Related Employees of the Issuer and the Book Runner shall not participate in the bidding for shares.



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 Offering. 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, within three (3) working days of the close of the bidding period. 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 five (5) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filing of the same with the Securities and Exchange Commission of Pakistan (“SECP”).

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

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FORIEGNER; 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 “**IPO of Ittefaq Iron Industries Limited - Book Building Account**” and evidence shall be submitted to the book runner. For online transfer facility, the payment shall be made into **A/C # 0893727851009975** being maintained at MCB Bank or **A/C # 1005617307** being maintained at Bank Alfalah Limited with the Account Title “**IPO of Ittefaq Iron Industries Limited - Book Building Account**”.
- 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 revise and withdraw 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 bid revisions during the bidding period from 9:00 am to 5:00 pm on the last day of bidding. An investor will not be allowed to place or revise a bid with a price variation of more than 20% of the prevailing indicative strike price. Moreover, after 4.00 pm on the last day of bidding, withdrawal and downward revision of bids will not 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



ADDITIONAL PAYMENT FORM

 ITTEFAQ IRON INDUSTRIES LIMITED (FORMERLY ITTEFAQ SONS LIMITED)	Book Runner Alfalsh Securities	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> HYD <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> GLGT <input type="checkbox"/> MIRPUR <input type="checkbox"/> SIBI <input type="checkbox"/> MUZBD		
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PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	CNIC #	Cell #	
	NTN	Land Line #	
Client ID: (ID generated and e-mailed at the time of bid placement)	Resident	<input type="checkbox"/>	Nationality (If other than Pakistani)
	Non Resident	<input type="checkbox"/>	
	Foreigner	<input type="checkbox"/>	
Additional Payment Details			
Payments to be made in favor of "IPO of Ittefaq Iron Industries Limited - Book Building Account"			
Amount in Figures	Instrument #	Instrument Date	Margin %age
Banker's Name, Address & Branch			

1. It may 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.
2. I DECLARE THAT I have read all the conditions in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Additional Payment Form.



For investor education please visit www.jamapunji.pk
 Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan

Signature of Bidder: _____

To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp



BID REVISION FORM

 ITTEFAQ IRON INDUSTRIES LIMITED (FORMERLY ITTEFAQ SONS LIMITED)	Book Runner Alfaluh Securities	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> HYD <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> GLGT <input type="checkbox"/> MIRPUR <input type="checkbox"/> SIBI <input type="checkbox"/> MUZBD			
	<table border="1"> <tr> <td>Bidding Dates</td> <td>May 10, 2017 to May 11, 2017</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>		Bidding Dates	May 10, 2017 to May 11, 2017	Bidding Form No.
Bidding Dates	May 10, 2017 to May 11, 2017				
Bidding Form No.					

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF ITTEFAQ IRON INDUSTRIES LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 12/- PER SHARE (INCLUDING A PREMIUM OF PKR 2/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	PLEASE TICK THE APPROPRIATE BOX		
	<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Individual Investor
Address	Cell #	Resident	<input type="checkbox"/> Nationality (If other than Pakistani)
	Land Line #	Non Resident	
			Foreigner
Fax #	E-mail	CNIC #	NTN

Payment Details: Payments to be made in favor of "IPO of Ittefaq Iron Industries Limited - Book Building Account"

Amount in Figures	Instrument #	Instrument Date	Margin %age
--------------------------	---------------------	------------------------	--------------------

Banker's Name, Address & Branch

CDC Details for Sub A/C and 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.
------------------------------------	-----------------------------

The Directors of Ittefaq Iron Industries Limited
 40-B-II, Gulberg III, Lahore, Pakistan

Dear Sir,
 On the basis of Prospectus by Ittefaq Iron Industries Limited for the Initial Public Offering of Ordinary Shares, I/we hereby bid for subscription of shares of the scheme as under:

Bid Details

	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
Bid Option (Please tick)			
Limit Order			
Step Order:			
Option (1)			
Option (2)			
Option (3)			
Option (4)			
Total (Shares and Price)			

- Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Bidding 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 / each Bid Revision Form.
- I DECLARE THAT I have read all the term and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Bid Revision Form.

Signature of Bidder: _____





PART 11

Signatories to Prospectus

-sd-

Usman Javed
CEO / Director

-sd-

Mian Muhammad Pervaiz Shafi
Director

-sd-

Khalida Pervaiz
Director

-sd-

Sumleen Usman
Director

-sd-

Ayesha Fahid
Director

-sd-

Javed Sadiq
Director

-sd-

Khalid Mustafa
Director

Signed by the above in presence of witnesses:

Witness 1

-sd-

Amir Munir Bhatti
CFO

Witness 2

-sd-

Muhammad Shahzad Bazmi
Company Secretary

Dated: Feb 10, 2017



PART 12

Memorandum of Association

THE COMPANIES ORDINANCE, 1984

-- : 0 : --

(PUBLIC COMPANY LIMITED BY SHARES)

-- : 0 : --

Memorandum of Association

of

**ITTEFAQ IRON INDUSTRIES
LIMITED**

- I. The name of the Company is **"ITTEFAQ IRON INDUSTRIES LIMITED"**.
- II. The Registered Office of the Company will be situated in the Province of the Punjab, Pakistan.
- III. The objects for which the Company is established are all or any of the following :-
 1. To carry on the business of metals and alloys (ferrous and non-ferrous) iron, steel, copper, zinc, brass, gun metal, white metal and tin casting, re-rolling and milling and to set up and install furnaces and manufacture ferrous and non-ferrous ingots, billets, wires, sheets, bars, rods, of any kind and to buy, sell, import, export and deal in all kinds of metal scrap, plates, sheets, bars, rods and other metal products.
 2. To install and deal in casting, re-rolling mills and plants and to manufacture sheets, balling hoops, wires, rods, bars, beams, tubes and pipes of ferrous and non-ferrous metals and to manufacture machinery, machinery components or parts and accessories thereof.
 3. To carry on and conduct the business of manufacturers, importers, exporters, dealer as wholesale merchants or retailers or commission agents or indentors of iron, steel sheet metal, alloys (ferrous and non ferrous) copper, zinc, brass, gun metal, white metal, tin ingots and their scrap or other Iron and Steel and sheet metal articles of all kinds and bailing hoops, galvenised buckets, fire buckets, bath tubs, mugs, drums, tanks, containers and other articles of carrying and storing of liquids and solids, suit cases, trunks, boxes, tables, chairs, beds shelves, almirahs, safes and other kinds of steel and metal furniture, M.S. Steel Round Bars, and such other articles of Iron and Steel.
 4. To carry on and conduct the business of manufacturing, importing, exporting, buying, selling as wholesale merchants or retailers, commission agents or indentors of all articles made of Iron, Steel,



2

M.S. Steel Round Bars, sheet metal, copper, zinc, brass and of cements, timber ornamental goods, varnish and paints, plate glass, glass ware, decorative and other tiles, pipe fittings, plumbing materials, hardware and other materials and improvements thereof used in constructing, furnishing and decorating buildings both residential and offices, hotels, restaurants, cafeterias, refreshment rooms in Pakistan and nay where in the world.

5. To carry on the business or businesses of manufacturers, importers and exporters of and dealers in all kinds of articles for lighting, cooking and heating purposes, and in particular (i) hurricane lanterns and other kinds of lanterns and lamps and their parts and accessories ; (ii) oil stoves, gas stoves and other kinds of stoves, cookers, torches, batteries and all their parts and accessories.
6. To buy, sell, lease and otherwise dispose of, import and export, elevate, store and maintain warehouse, and generally to deal in and deal with any and all materials, substances and articles thereof ; their derivatives, and the products, by-products and residual products obtained therefrom or in the processing or other treatment thereof, and supplies and articles commonly carried for sale and sold in establishments selling farm or agricultural products and supplies.
7. To carry on the business or businesses of mining of all kinds of metals and precious stones and to deal in and to deal with any and all material thereof or to enter into an agreement for carrying on the business or businesses of such mining and precious stones as suppliers, importers and exporters as may deem beneficial for the Company.
8. To carry on the business of ship brakers, importers, sellers, purchasers, indentors of all type of ships, tugs, vessels and barges.
9. To construct, buy, own, acquire, maintain and operate, sell, exchange, lease or otherwise dispose of mills, distillation plants, refineries, factories, laboratories public and private elevators and warehouse, sales and display facilities and other structures or facilities convenient or suitable for the purposes aforesaid.
10. To carry on and undertake trading business of all sorts and to act as indentors, importers, exporters, traders, suppliers, manufacturers and commission agents of lawful products and materials in any form or shape manufactured or supplied by any company, firm, association of persons, body, whether incorporated or not, individuals, Government, Semi-Government or any local authority.
11. To apply for tender, offer, accept, purchase or otherwise acquire any contracts and concessions for or in relation to the projection, execution, carrying out, improvements, management, administrations or control of works and conveniences and undertake, execute, carry out, dispose of or otherwise turn to account the same.



3

12. To carry on in or outside Pakistan the business of manufacturers, importers, exporters, indentors, transporters, dealers in all articles and commodities akin to or connected with any of the business of the Company capable of being conveniently carried on or necessary for the promotion of the objects herein contained, as permissible under law.
13. To carry on business and obtain licences for shipping agents, clearing and forwarding agents, purchasing and indenting agents, selling agents, (except managing agent) on such terms and conditions as the Company may think proper, subject to any permission as required under the law.
14. To carry on agency business (except managing agency) and to acquire and hold selling agencies and to act as selling agents, commission agents, manufacturers' representatives and distributing agents of and for the distribution of all kinds of merchandise, goods, commodities, products, materials, substances, articles and things whether finished, semi-finished, raw, under process, refined, treated or otherwise pertaining to trade and commerce and for that purpose to remunerate them and to open and maintain depots and branches.
15. To purchase, take on lease or in exchange, hire, apply for or otherwise acquire and hold for any interest, any rights, privileges, lands, building, easements, trade marks, patents, patent rights, copyrights, licences, machinery, plants, stock-in-trade and any movable and immovable property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof and to use, exercise, develop, grant licences in respect of or otherwise turn to account any property, rights and information so acquired, subject to any permission required under the law.
16. To acquire by concession, grant, purchase, barter, licence either absolutely or conditionally and either solely or jointly with others any lands, buildings, machinery, plants, equipments, privileges, rights, licences, trade marks, patents, and other movable and immovable property of any description which the Company may deem necessary or which may seem to the Company capable of being turned to account, subject to any permission as required under the law.
17. To act as representatives, for any person, firm or company and to undertake and perform sub-contracts, and also act in the business of the Company through or by means of agents, sub-contractors and to do all or any of the things mentioned herein in any part of the world and either alone or in collaboration with others and by or through agents, sub-contractors or otherwise.



4

18. To go in for, buy or otherwise acquire and use any patent design, copyright, licence, concession, convenience, innovation, invention, trade marks, rights, privileges, plants, tools or machinery and the like in Pakistan or elsewhere, which may for the time being appear to be useful or valuable for adding to the efficiency or productivity of the Company's work or business, as permissible under the law.
19. To acquire and carry on all or any part of the business or property of any person, firm, association suitable for any of the purposes of the Company or carrying on any business which this Company is authorised to carry on and in consideration for the same, to pay cash or to issue shares of the Company, and to undertake the liabilities of associated undertakings.
20. To enter into arrangements with the government or authority (supreme, municipal, local or otherwise) of any corporation, company or persons that may seem conducive to the Company's objects or any of them and to obtain from any such government, authority, corporation, company or person any charters, contracts, rights, privileges and commission which the Company may think desirable and to carry on exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
21. To enter into partnership, to amalgamate or merge movable with immovable and / or to buy on all interests, assets, liabilities, stocks or to make any arrangement for sharing profits, union of interests, co-operation, joint-venture, reciprocal concession or otherwise with any person, firm or company carrying on or proposing to carry on any business which this Company is authorised to carry on or which is capable of being conducted so as directly or indirectly to benefit this Company and to have foreign collaborations and to pay royalties / technical fees to collaborators, subject to the provisions of the Companies Ordinance, 1984.
22. To establish, promote or assist in establishing or promoting and subscribe to or become a member of any other company, association or club whose objects are similar or in part similar to the objects of this Company or the establishment or promotion of which may be beneficial to the Company, as permissible under the law.
23. To open accounts with any Bank or Banks and to draw, make, accept, endorse, execute, issue, negotiate and discount cheques, promissory notes, bills of exchange, bills of lading, warrants, deposit notes, debentures, letter of credit and other negotiable instruments and securities.



24. To arrange local and foreign currency loans from scheduled banks, industrial banks and financial institutions for the purpose of purchase, manufacture, market, supply, export and import of machinery, construction of factory, building and for the purpose of working capital or for any other purpose.
25. To sell or otherwise dispose of the whole or any part of the undertaking of the Company, either together or in portions for such consideration as the Company may think fit and in particular, for shares, debenture-stock or securities of any Company purchasing the same.
26. To borrow or raise money by means of loans or other legal arrangements from banks, or other financial institutions, or Directors in such manner as the Company may think fit and in particular by issue of debentures, debenture stock, perpetual or otherwise convertible into shares and to mortgage, or charge the whole or any part of the property or assets of the Company, present or future, by special assignment or to transfer or convey the same absolutely or in trust as may seem expedient and to purchase, redeem or pay off any such securities.
27. To pay all costs, charges, and expenses preliminary or incidental incurred in formation or about the promotion and establishment of the Company and to remunerate any person, firm or company for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its business.
28. To give any servant or employee of the Company commission in the profits of the Company's business or any branch thereof and for the purpose to enter into any agreement or scheme of arrangement as the Company may deem fit and to procure any servants or employees of the Company to be insured against risk of accident in the course of their employment by the Company.
29. To establish and support or aid in the establishment and support of associations, institutions, funds and conveniences calculated to benefit persons who are or have been Directors of or who have been employed by or who are serving or have served the Company or any other Company which is a subsidiary or associate of the Company or the dependents or connection of such persons and to grant pensions, gratuities, allowances, reliefs and payments in any other manner calculated to benefit the persons described herein.
30. To distribute any of the Company's property and assets among the members in specie or in any manner whatsoever in case of winding up of the Company.



6

31. To guarantee the performance of contract and obligations of the Company in relation to the payment of any loan, debenture-stock, bonds, obligations or securities issued by or in favour of the Company and to guarantee the payment or return on such investments.
 32. To carry out joint venture agreements with other companies or countries within the scope of the objects of the Company.
 33. To cause the Company to be registered or recognised in any foreign country.
 34. To do and perform all other acts and things as are incidental or conducive to the attainment of the above objects or any of them.
 35. To apply for and obtain necessary consents, permissions and licences from any Government, State, Local and other Authorities for enabling the Company to carry on any of its objects into effect as and when required by law.
 36. Notwithstanding anything stated in any object clause, the Company shall obtain such other approval or licence from the competent authority, as may be required under any law for the time being in force, to undertake a particular business.
 37. It is declared that notwithstanding anything contained in the foregoing object clauses of this Memorandum of Association nothing contained therein shall be construed as empowering the Company to undertake or to indulge in business of banking company, banking, leasing, investment, managing agency or insurance business directly or indirectly as restricted under the law or any unlawful operation.
- IV. The liability of the members is limited.
- V. The Authorised Capital of the Company is Rs. 3,000,000,000/- (Rupees Three Thousand Million only) divided into 300,000,000 (Three Hundred Million only) ordinary shares of Rs. 10/- (Rupees Ten only) each with powers to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984.



7

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company as set opposite to our respective names.

Name and Surname (Present & Former) in Full (in Block Letters)	Father's Name (in Full)	Nationality with any former Nationality	Occupation	Residential Address (in Full)	Number of shares taken by each sub- scriber	Signature
1. MR. USMAN JAVED N.I.C. # 35202-1525704-3	Mian Mohammad Javed Shafi	Pakistani	Steel Business	179 - H, Model Town, Lahore.	1,000 One Thousand	
2. MR. ZOHAIB ZAHID N.I.C. # 35202-4659949-7	Mian Mohammad Zahid Shafi	Pakistani	Steel Business	179 - H, Model Town, Lahore.	1,000 One Thousand	
3. MOHAMMAD HUSNAIN TARIQ N.I.C. # 35202-9179631-7	Mian Mohammad Tariq Shafi	Pakistani	Steel Business	179 - H, Model Town, Lahore.	1,000 One Thousand	
 					Total Number of Shares Taken	3,000 Three Thousand

Dated thisday of

Witness to the above signatures :

Signature

Nationality :

Full Name :

Occupation :

N.I.C. #

Full Address :

Father's / Husband's

Full Name :

.....



GENERAL INSTRUCTIONS

1. **Eligible investors includes:**
 - a. Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
 - b. Foreign Nationals whether living in or outside Pakistan;
 - c. 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);
 - d. Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
 - e. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
2. **APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING ATLEAST 62 GM.**
3. **Copies of the Prospectus and application forms can be obtained from the TREC holders of Pakistan Stock Exchange, the Bankers to the Issue and their branches, the Lead Manager & Arranger and the registered office of the Company. The Prospectus and the application forms can also be downloaded from the website: www.ittfaqsteel.com, www.nextcapital.com.pk**
4. The Applicants opting for scrip less form of Shares are required to complete the relevant sections of the application. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such Shares is allowed ONLY in the applicant's own CDC Account. In case of discrepancy between the information provided in the application form and the information already held by CDS, the Issuer reserves the right to issue shares in physical form.
5. Name(s) and addresses must be written in full block letters, in English and should not be abbreviated.
6. 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 (NICOP) or Passport both the signatures should be affixed on the application form.
7. **APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - (i) In case of individual investors, an attested photocopy of CNIC (in case of RPs)/Passport (in case of NRPs and FIs) 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, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
 - (ii) 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.
8. **APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
 - (i) Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / 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 Gazetted 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.
 - (ii) Attested photocopies of the documents mentioned in 8(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.
9. 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.
10. 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/Passport. The shares/certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
11. 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 "IPO of Ittefaq Iron Industries Limited" and crossed "A/C PAYEE ONLY".
12. 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.
13. **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.**
14. Applications are not to be made by minors and/or persons of unsound mind.
15. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
16. 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.
17. 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.
18. **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.**
19. **It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.**
20. **Submission of false and fictitious applications is an offence under section 87(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.**

مواد ان کا کوٹھن کیا جاتا ہے کہ بیکو ریٹیرا ایکٹ 2015 کی سیکشن نمبر (7) کے تحت جھوٹی یا جعلی درخواستیں دینا قانوناً ناجائز ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، بیکو ریٹیرا ایکٹ 2015 کی سیکشن نمبر (8) کے تحت ضبط کی جاسکتی ہے۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

21. 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.
22. Foreign / Non-resident investors should follow payment instructions given in Section 2.14 and 3.4 of the Prospectus.

BASIS OF ALLOTMENT

1. The minimum no. of shares for which application can be made is 500.
2. Application for Shares must be made for 500 Shares or in multiple thereof only. Applications, which are neither for 500 Shares nor for multiple thereof, 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 dispatch shares to successful applicants through their Bankers to the Issue or credit the respective CDS accounts of the successful applicants (as the case maybe).

BANKERS TO THE ISSUE

Code No.	Bank	Code No.	Bank
01	Bank Alfalah Limited	06	Meezan Bank Limited
02	Faysal Bank Limited	07	Silk Bank Limited
03	Habib Bank Limited	08	Soneri Bank Limited
04	Habib Metropolitan Bank Limited	09	Summit Bank Limited
05	MCB Bank Limited	10	United Bank Limited

9. OCCUPATION CODE

Code No.	Occupation	Code No.	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Others

*In order to facilitate investors, United Bank Limited "UBL" is offering electronic submission of application (e-IPO) to its account holders. UBL account holders can use UBL Net banking to submit their application online via link <https://ib.summitbank.com.pk>. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at 12:00 midnight May 24, 2017

8. OVERSEAS BANKERS TO THE OFFER

Code	Name of Banks	Code	Name of Banks
01	n/a	06	n/a
02	n/a	07	n/a
03	n/a	08	n/a
04	n/a	09	n/a
05	n/a	10	n/a

10. NATIONALITY CODE

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

For further queries you may contact:

Ittefaq Iron Industries Limited (Formerly Ittefaq Sons Limited) – Mr. Shahzad Bazmi; P: +92 42 35765021-26; E: info@ittfaqsteel.com
Next Capital Limited - Mr. Umer Habib P: +92 21 3516 9513; E: umer.habib@nextcapital.com.pk