

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT PARA 4.10** BEFORE MAKING ANY INVESTMENT DECISION.

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

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

UNDER REGULATION 1(ii) OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017 (THE PO REGULATIONS), A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION, EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSIONS OF CONSOLIDATED BIDS ARE PROHIBITED UNDER THE PO REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

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



INTERLOOP LIMITED

PROSPECTUS

This Issue consists of 109,000,000 Ordinary Shares (12.5% of the total post-IPO paid up capital of Interloop Limited) of face value of PKR 10/- each. **The entire issue will be offered through Book Building at a Floor Price of PKR45.00/- per share (including premium of PKR 35.00/- per share) with a maximum priceband of up to 40%.** (Justification of premium is given under "Valuation Section" in paragraph 2.1)

The Issue is being made through the Book Building process at a Floor Price of PKR 45.00/- per share (including a premium of PKR 35.00/- per share) with an upper limit of 40% above the Floor Price. The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 81,750,000 shares and the remaining twenty five percent (25%) i.e. 27,250,000 shares shall be offered to the retail investors. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders on pro rata basis.

As per the PO Regulations and PSX's Listing of Companies and Securities Regulations, the Draft Prospectus was placed on PSX's website for seeking public comments starting from 9 November, 2018 to 20 November, 2018. No comments were received from the Public.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00am on 08/03/2019 and will close at 3:00 pm on 14/03/2019

BIDDING PERIOD DATES: From 13/03/2019 to 14/03/2019 (From: 9:00 am to 5:00 pm)

DATE OF PUBLIC SUBSCRIPTION: From 21/03/2019 to 22/03/2019 (both days inclusive) From: 9:00 am to 5:00 pm

CONSULTANT TO THE ISSUE**BOOK RUNNER****Bankers to the Book Building portion of the Issue: Habib Bank Limited****Bankers for the Retail portion of the Issue:**

MCB Islamic Bank Ltd.	Allied Bank Ltd.	Bank Alfalah Ltd.*	Faysal Bank Ltd.	Habib Bank Ltd.
MCB Bank Ltd.	Meezan Bank Ltd.	Summit Bank Ltd.*	United Bank Ltd.*	Habib Metropolitan Bank Ltd.

* In order to facilitate investors, United Bank Limited ("UBL"), Summit Bank Limited ("SMBL") and Bank Alfalah Limited ("BAFL") are offering 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>. SMBL account holders can use SMBL Net Banking to submit their application via link <https://ib.summitbank.com.pk>. BAFL account holders can use BAFL Net Banking to submit their applications via link <https://netbanking.bankalfalah.com>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on 22/03/2019.

The Central Depository Company of Pakistan ("CDC") in collaboration with 1 Link (G) Limited (1 Link) has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in this IPO which can be accessed through the web link www.cdceipo.com. Payment of subscription money can be made through 1Link's member banks available for CES, list of which is available on CDC's above mentioned web link.

For making application through CES, investors must be registered with CES. Registration with CES is one time, free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year at CDC's above mentioned web link.

Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com. CES is connected to a number of banks through 1 Link for payment of the subscription money. For further details on CES, please refer para 2.3.3 of this Prospectus or contact Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: farooq_butt@cdcpak.com.

BOOK BUILDING PORTION WILL**BE UNDERWRITTEN BY**

For investor education please visit www.jamapunji.pk and read the IPO Investor Guide placed at web link <https://www.secp.gov.pk/document/initial-public-offering-ipo-a-concise-guide-for-investors/?wpdmdl=29584> Jama Punji is an investor education initiative of SECP

Date of Publication of this Prospectus: 05/03/2019

Prospectus and Subscription Form can be downloaded from the following websites:

<http://www.psx.com.pk/>; <http://www.arifhabibltd.com>; <http://ismailiqbal.com>; <http://www.interloop-pk.com/>

For further queries you may contact

Interloop Limited: Mr. Rana Ali Raza; Phone: +92 41 4360 400; E-mail: aliraza.rana@interloop.com.pk

Arif Habib Limited: Mr. Dabeer Hasan; Phone: +92 21 3246 5891; E-mail: dabeer.hasan@arifhabibltd.com;

Mr. Ammad Tahir; Phone: +92 21 3243 3542; Email: ammad.tahir@arifhabibltd.com

Ismail Iqbal Securities (Pvt.) Limited: Mr. Sameer Khan; Phone: + 92 21 3430 2173-84; sameer.khan@ismailiqbal.com

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

September 28, 2018

WE NAVID FAZIL, THE CHIEF EXECUTIVE OFFICER AND MUHAMMAD MAQSOOD, THE GROUP CHIEF FINANCIAL OFFICER OF INTERLOOP LIMITED CERTIFY THAT:

1. THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, AND THE PSX'S RULE BOOK RELATING TO DISCLOSURES AND APPROVALS HAVE BEEN FULFILLED.
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN PART 3 OF THE PROSPECTUS.

For and behalf of **Interloop Limited**

-Sd-

Navid Fazil
Chief Executive Officer

-Sd-

Muhammad Maqsood
Group Chief Financial Officer

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

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Interloop Limited earlier published on 05/03/2019

Interloop Limited

- FLOOR PRICE : PKR 45.00/- PER SHARE
- PRICE BAND (MAXIMUM 40%) : PKR 63.00/- PER SHARE
- STRIKE PRICE : PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE

Note:

Since this Issue is being made through 100% book building with 25% allocation to retail investors, therefore, underwriting of the retail portion is not required. In case the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders on pro rata basis. The successful bidders have already given undertakings to subscribe such unsubscribed shares on pro rata basis.

Category wise Breakup of Successful Bidders

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

Glossary of Technical Terms

ACT	Securities Act, 2015
AHL	Arif Habib Limited
BR	Book Runner
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CDA	Central Depository Act, 1997
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDC Regulations	Central Depository Company of Pakistan Limited Regulations
CDS	Central Depository System
COI	Certificate of Incorporation
Collection Bank(Book Building)	Habib Bank Limited
Companies Act	Companies Act, 2017
Commission / SECP	Securities and Exchange Commission of Pakistan
CRO	Company Registration Office
CUIN	Computerized Unique Identification Number
CVT	Capital Value Tax
EPS	Earnings Per Share
FBR	Federal Board of Revenue
FED	Federal Excise Duty
GDP	Gross Domestic Product
GOP	Government of Pakistan
ITO	Income Tax Ordinance, 2001
Mn	Million
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
PKR or Rs.	Pakistan Rupee(s)
PSX / Exchange	Pakistan Stock Exchange Limited
SCRA	Special Convertible Rupee Account
SST	Sindh Sales Tax
UIN	Unique Identification Number
WHT	Withholding Tax

DEFINITIONS

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.

Banker to the Book Building

Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.

Habib Bank Limited has been appointed, in this IPO, as the Banker to the Book Building.

Bid

An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Interloop Limited at a price at or above the floor price, including upward revisions thereto. **An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to paragraph 2.2.24 for details.**

Bid Amount

The amount equal to the product of the number of shares Bid for and the Bid price.

Bid Collection Center

Designated offices of the Book Runner, specified branches of the Banker to the Book Building and offices of any other institutions specified by the Book Runner where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in paragraph 2.2.7 of this Prospectus.

Bid Price

The price at which bid is made for a specified number of shares.

Bid Revision

The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.

As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.

Bidder

An Eligible Investor who makes bids for shares in the Book Building process.

Bidding Form	The form prepared by the Issuer for the purpose of making bids.
Bidding Period	<p>The period during which bids for subscription of shares are received.</p> <p>The Bidding Period shall be of two days, from <u>13/03/2019</u> to <u>14/03/2019</u> both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).</p>
Book Building	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
Book Building Account	An account opened by the Issuer with the Collection Bank. 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 2.2.16 of this Prospectus.
Book Building Portion	The part of the total Issue allocated for subscription through the Book Building.
Book Runner	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter.</p> <p>Ismail Iqbal Securities (Private) Limited ("Ismail Iqbal" or "ISIL") has been appointed as Book Runner for this Issue.</p>
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.
Centralized E-IPO System	<p>In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above mentioned website.</p> <p>For making application through CES, investors must be registered with CES. Registration with CES is one time, free of cost and can be done under a self-registration process by filling the CES registration form, which is available on the above mentioned web link 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) may register themselves with CES.</p> <p>Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.</p> <p>For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com</p>

Collection Banks	<p>Habib Bank Limited is the collection bank for the Book Building portion. For this purpose, Habib Bank Limited has opened an account titled “Interloop Limited - Book Building”, Number: 07867917878703 at its HBL Plaza Branch, Karachi. The Collection Banks 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 to the successful bidders and applicants, the Consultant to the Issue, after obtaining NOC from PSX, may request in writing to the Collection Banks for transfer of the money of successful and accepted applications to the Issuer’s account(s).</p>
Company	Interloop Limited (the “Company” or “IL” or “Interloop”)
Company’s Legal Advisor	HaidermotaBNR & Company
Commission	Securities & Exchange Commission of Pakistan (“SECP”).
Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein.
Consultant to the Issue	<p>Any person licensed by the Commission to act as a Consultant to the Issue.</p> <p>Arif Habib Limited has been appointed as Consultant to the Issue by Issuer for this issue.</p>
Designated Institution	<p>Includes securities exchange, central depository or clearing house approved by the Commission to provide a system for conducting Book Building.</p> <p>Pakistan Stock Exchange Limited (“PSX”) will act as the Designated Institution for this Issue.</p>
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 Issued under the Book Building Portion are subscribed.
e-IPO facility	<p>E-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:</p> <p>(i) Centralized e-IPO System (CES):</p> <p>In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made</p>

available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above website.

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) may register themselves with CES.

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, **investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: farooq_butt@cdcpak.com**

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on 22/03/2019.

(ii) e-IPO facilities by Bankers to the Issue:

Currently, UBL, SMBL and BAFL are providing e-IPO facilities to their respective account holders.

UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

SMBL account holders can use SMBL Net Banking to submit their application via link <https://ib.summitbank.com.pk>

BAFL account holders can use BAFL Net Banking to submit their application via link: <https://netbanking.bankalfalah.com>

Account holders of UBL, SMBL and BAFL can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on 22/03/2019.

Eligible Investor

An Individual and Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 2,000,000 (Two Million Rupees only).

Floor Price

The minimum price per share set by the Issuer in consultation with Consultant to the Issue. For this Issue, Floor Price is PKR 45.00/- per share.

General Public

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

Initial Public Offer (IPO)	Initial Public Offering or IPO means first time offer of securities to the general public.
Institutional Investors	<p>Any of the following entities:</p> <ul style="list-style-type: none"> ▪ A financial institution; ▪ A company as defined in the Companies Act, 2017; ▪ An insurance company established under the Insurance Ordinance, 2000; ▪ A securities broker; ▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; ▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; ▪ A private fund established under Private Fund Regulations, 2015; ▪ Any employee's fund established for beneficial of employees; ▪ Any other fund established under any special enactment; ▪ A foreign company or any other foreign legal person; and ▪ Any other entity as specified by the Commission.
Issue	<p>Issue of 109,000,000 Ordinary Shares representing 12.50% of total post-IPO paid-up capital having a Face Value of PKR 10/- each.</p> <p>The entire issue will be offered through Book Building at a Floor Price of PKR 45.00/- per share with an upper limit of 40% above the floor price i.e. PKR 63/share.</p> <p>Initially, 75% of the issue size i.e. 81,750,000 ordinary shares will be allotted to Successful Bidders and 25% of the Issue size i.e. 27,250,000 ordinary shares will be offered to Retail Investors at the Issue Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.</p>
Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
Issuer	Interloop Limited (the "Company" or "IL" or "Interloop")
Key Employees	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
Limit Bid	The bid at a Limit Price.
Limit Price	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
Listing Committee	Listing Committee, shall mean a committee comprising of at least seven members including at least three external members for review and approval of the prospectus and the listing application.
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five

	percent (25%) of the bid money as Margin Money in respect of bids placed by an institutional investors.
Minimum Bid Size	The Bid amount equal to Two Million Rupees (PKR 2,000,000/-).
Ordinary Shares	Ordinary Shares of Interloop having face value of PKR 10.00/- each.
Price Band	Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band
Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
Registration Period	The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period from 08/03/2019 to 14/03/2019 from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
PO Regulations	The Public Offering Regulations, 2017
Related Employees	Related Employees mean such employees of the Issuer, the Book Runner, and the Consultants to the Issue, who are involved in the Issue. Please refer to paragraph 2.2.27 for further details.
Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'.
Sponsor	<p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;</p> <p>A person who replaces the person referred to above; and</p> <p>A person or group of persons who has control of the issuing company whether directly or indirectly.</p>
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees Two Million (PKR 2,000,000/-).

Strike Price

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

Supplement to the Prospectus

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

System

An online electronic system operated by the Designated Institution for conducting Book Building.

Interpretation:

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

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1 APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1 APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Interloop Limited for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No. SMD/CIW/SA-88/06/2018 Dated December 21/2018.

DISCLAIMER:

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

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

SECP 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 PROSPECTUS BY PSX

The Prospectus of the Company has been approved by PSX vide letter No. PSX/GEN-5311 dated November 20, 2018 in accordance with the requirements of the Listing Regulations.

DISCLAIMER:

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

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

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

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

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

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

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

1.3 LISTING AT PSX

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

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

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

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

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

September 28, 2018

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

We being the Chief Executive Officer and Group Chief Financial Officer of the Issuer accept absolute responsibility for the disclosures made in this Prospectus. We hereby certify that we have reviewed this Prospectus and that it contains all the necessary information with regard to the Issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intendeds 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 behalf of **Interloop Limited**

-Sd-

Navid Fazil
Chief Executive Officer

-Sd-

Muhammad Maqsood
Group Chief Financial Officer

2 VALUATION, BOOK BUILDING PROCEDURE AND SHARE CAPITAL

2.1 VALUATION SECTION

The ordinary shares of Interloop are being issued at Floor Price of PKR 45.00/- per share which is at a premium of PKR 35.00/- per ordinary share to the face value of PKR 10.00/- per ordinary share. The Consultant to the Issue has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 45.00/- per share is justified based on:

2.1.1 Successful Operational History

Interloop was established in 1992, and since then the Company and its management has never looked back. Over the years, the Company has emerged as one of the largest Hosiery Manufacturer globally with customer base of top global brands including the likes of Nike, Adidas, Puma and Reebok to name a few. Interloop commenced its operations with only 10 knitting machines and gained customer confidence by offering quality products, fulfilling orders and maintaining global production standards. The Company has heavily invested in increasing its production capacity and currently has 4,500+ state of the art knitting machines in operation with production of 530+ million pairs of socks/annum.

The Company not only expanded its operations in Pakistan but has gone global by establishing a production facility in Bangladesh. Interloop has service level agreements with ILNA Incorporation (North America), Global Veener Trading Limited (Switzerland) and Eurosox Plus BV (Holland) which represents Interloop in the North American and the European region, to identify emerging growth opportunities in the socks business & provide trend analysis, sales, marketing, warehousing & logistic services.

As a classic case of perseverance to achieve growth, quality, innovation, global standing and for the love of making good quality socks, the Company is looking forward to not only enhance its growth in the Hosiery business but is also entering into new product lines including denim jeans. The Company has initiated a pilot project for apparel under its fully owned subsidiary IL Apparel (Private) Limited.

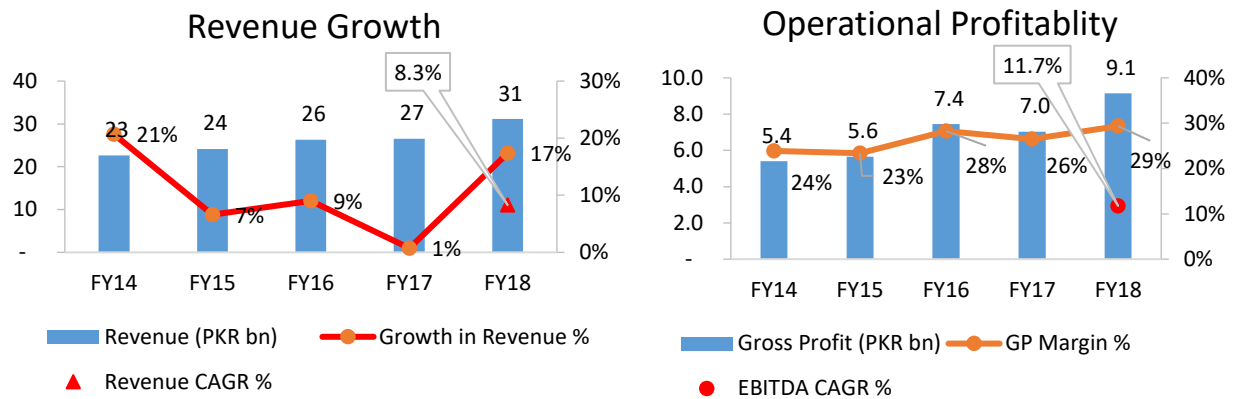
Some of the key operational stats of Interloop include the following:

- 1) Annual Company Turnover in excess of PKR 30 billion
- 2) 4,500+ Knitting Machines
- 3) Annual Yarn Production - 25 million Kgs
- 4) Annual Socks & Tights Production - 530+million pairs
- 5) Annual Dyeing Capacity – 4.5 million Kgs
- 6) Impressive Corporate Social Responsibility Portfolio

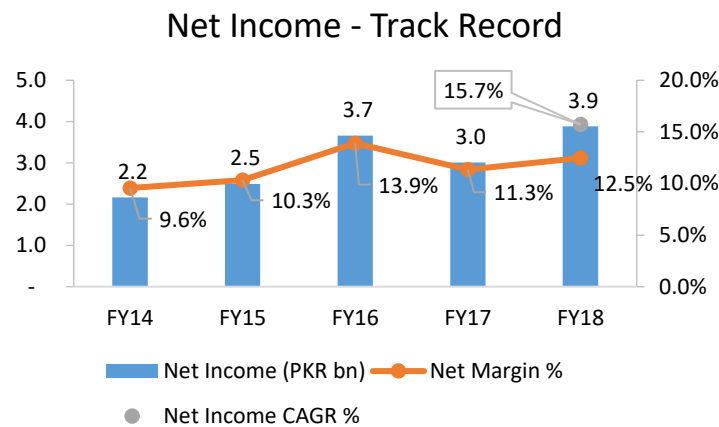
2.1.2 Financial Performance

Interloop has witnessed high growth over the years, with ever increasing demand of its customers. The Company had planned its earlier expansions well in advance which has led the Company to achieve higher sales growth and improving profitability margins. The Company also invested heavily in enhancing efficiency of its workforce and has been using ex-Toyota employees from USA and Japan to introduce lean manufacturing. The growth in the bottom line of the Company is owing to its innovation, efficient operations, market development, and increasing customer base and quality products.

Over the past 5 years, the Company has experienced growth in revenue at a CAGR of 8.3%. Gross profit margin has grown and as at year end June 30, 2018 was recorded at 30%. Operational efficiency of the Company is also evident from the fact that the Company's EBITDA has grown at a CAGR of 11.7% over the last 5 years.



Interloop has also experienced, an average net margin of 11.5% since FY14 and a CAGR in net income of 15.7% since FY13.



2.1.3 Key Customers

Interloop has long standing relations with its customers including Puma for 15+ years, JC Penny & Tesco for 10+ years and Nike and H&M for 5+ years to name a few. The customers of Interloop show immense confidence in Interloop's products and quality assurance, a symbol of which is the below mentioned trust placed in Interloop by its customers:

- 1) Inspection Free Status awarded by TSS, Nike, B&F, Primark, JCP, C&A, etc.
- 2) Designated Quality Auditors for Tesco, JC Penny, Adidas, Target, C&A, PUMA, etc.
- 3) Customer Certified Labs Status by H&M, JCP, TESCO, NIKE & C&A

Some of the key customers of Interloop include the following:



2.1.4 Industry Growth

Interloop primarily operates in the Hosiery segment. Revenues in the global hosiery market are expected to reach US \$ 51 billion/annum by 2021 from US \$ 43 billion in 2016 at a CAGR of 3.5%. (Source: statista.com)

Interloop is further planning to enter into the Denim segment which is estimated to grow globally at about 6.4% annually from US \$57 billion in 2016 to US \$75+ billion in 2021 (Source: Denim Industry – Sector Update (March, 2018) – JCR-VIS Credit Rating Company Limited).

In addition, increasing disposable income and inclination towards western fashion trends, emerging economies are shifting their purchasing patterns towards quality textile products. Higher quality, durability, comfort level, and easy availability are the main reasons for growing demand amongst the youth. Evolution of e-commerce has also increased accessibility thereby improving distribution channels and facilitating consumption.

2.1.5 Future Prospects

Interloop over the years continues to provide quality products to its customers by meeting their demands both on quality and quantity fronts. The Company plans to further its global footprint by not only expanding its hosiery division but also add new products i.e. knitted apparel and denim jeans to its portfolio. The confidence of top world brands and retailers enjoyed by Interloop will be leveraged to increase sales in new product categories.

The new expansion plans will add to the growth in actual production of hosiery products by c. 22.6% and the Company will have a new line of product to offer in the form of denim. Interloop's subsidiary IL Apparel (Pvt.) Limited will be producing knitted apparel and add further to the product portfolio (the company is currently in planning stage).

Interloop is not only in talks with its existing customers but is also approaching new customers for its denim jeans range. Given the global growth forecasted in both Hosiery and Denim segments and the overall growth forecasted in the garments industry, Interloop is positioned to add to its long trend growth in revenue and market share.

2.1.6 Product Development and Research & Innovation

A significant factor in Interloop's continuous growth is its ability to anticipate changes in technology, industry standards and customer preferences and to successfully develop new products in time. For this purpose, Interloop has established a Vertical Sampling Facility in Faisalabad, equipped with latest equipment and modern labs that takes care of customer requirements, development of product as per customer specifications, recording parameters for costing and bulk execution and improving processes through Kaizen activities.

Innovation has been an integral part of Interloop's business strategy since inception. In 2013, a dedicated and self-sufficient Research & Innovation (R&I) Centre was set up by the Company in Faisalabad Pakistan. The R&I Center is equipped with hi-tech machines and a modern lab, and is looked after by an extremely competent team. A Global Innovation Forum having representation from Interloop's worldwide teams and R&I Centre, works at the heart of entire innovation process, from raw concepts to testing and commercialization. More than 100 concepts have been released for marketing while 2 patents and 20+ trademarks have been granted to Interloop globally.

2.1.7 Strong Management

With decades of experience in the textile industry, Interloop's senior management is a trailblazer in modernizing the industry. From introducing new technology, better quality products, a competitive and healthy work environment and the desire to grow bigger and better runs from the top management all the way to the factory workers. Management has been following the practice of creating five years vision, strategy and annual business plans. Interloop has achieved various milestones over the years and the current expansion plan is one of the many to come. The Company's leadership is in the prime driving seat to propel the industry and the Company itself forward.

2.1.8 Attractive Valuation

IL's Floor Price of PKR 45.00/- per share, based on earnings for the year ended June 30, 2018, translates to a price to earnings (P/E) multiple of 8.82x. Similarly price to book value (P/B) multiple based on August 31, 2018 book value translates into P/B multiple of 3.78x.

Symbol	Share Price ¹	EPS ²	BVPS ³	P/E	P/B	P/S ⁴
IL	45.00	5.10	11.92	8.82x	3.78x	1.10x

¹ Floor Price for Initial Public Offering

² EPS is calculated based on PAT of June 30, 2018 divided by current number of shares 762,441,692. The current number of shares differ from June 30, 2018 outstanding shares due to post FY18 changes in share capital

³ BVPS as at August 31, 2018, based on 762,441,692 shares outstanding

⁴ P/S is calculated based on Sales for the year ended June 30, 2018, with sales per share based on current number of shares 762,441,692. The current number of shares differ from June 30, 2018 outstanding shares due to post FY18 changes in share capital

2.1.9 Post IPO Free Float Disclosure

Post IPO, the share capital (voting plus non-voting) will increase from 762,441,692 ordinary shares to 871,441,692 ordinary shares. The free float status post IPO is presented in the below table:

Description	Number of shares	% Shareholding status
Held by Sponsor/Directors	580,997,678	66.8%
Held by Other Directors	110,193,326	12.7%
Held by other Family Members	69,208,996	8.0%
Held by General Public – Free Float	109,000,000	12.5%
Total Ordinary Shares	869,400,000	100.0%
Non-Voting shares issued under ESOS	2,041,692	

The Company intends to increase its post-IPO free float to 25% in the next 4 years as per regulation 5.4.1 of the PSX Rule Book.

2.1.10 Justification

Based on our review, the Consultant to the Issue is of the opinion that the historical performance of the Company, the sponsor's profile, quality of management and the demand for their quality products indicate sustainability of business performance in the future.

Interloop is an export oriented company with a global footprint and a wide range of customers. The Company is undertaking expansion of its Hosiery segment and is also entering into Denim segment. The global industry forecasts also indicate positive future for the Company. The shares of the Company are being issued at a Floor price of PKR 45.00 per share while the Book value per share of the Company as at June 30, 2018 is PKR 11.92.

2.2 BOOK BUILDING PROCEDURE

2.2.1 Brief Structure

The Present Issue

The Issue comprises of 109,000,000 Ordinary shares of face value of PKR 10/- each, which constitutes 12.5% of the total post-IPO paid up capital of the Company.

The entire Issue of 109,000,000 Ordinary Shares will be offered through Book Building process at a Floor Price of PKR 45.00/- per share with an upper limit of 40% above the Floor Price i.e. PKR 63/- per share. Initially, 75% of the issue size i.e. 81,750,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue size i.e. 27,250,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The Floor Price of PKR 45.00/- has a maximum Price Band of 40% above which no bid shall be accepted. At maximum Price Band, the highest strike price that can be bid for shall be PKR 63.00/- per share.

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

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

2.2.2 Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the “Dutch Auction Method”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “Limit Bid”, or a “Step Bid”, each of which are explained below:

- **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 million shares at PKR 45.00 per share, based on which the total Application Money would amount to PKR 45 million. In this case the Bid Amount will be also PKR 45 million. Since the Bidder has placed a Limit Bid of PKR 45.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 45.00 per share.

- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR 2,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.8 million shares at PKR 45.00 per share, 0.7 million shares at PKR 47.00 per share and 0.6 million shares at PKR 50.00 per share. Therefore in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 98.9 million. In case of individual Bidder, the Margin Money will be 100% i.e. PKR 98.9 million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR 24.73 million.

RESTRICTIONS:

- (i) AN ELIGIBLE INVESTOR SHALL NOT:
 - (a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;
 - (b) MAKE BID FOR MORE THAN 5% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION EXCEPT FOR INSTITUTIONAL INVESTORS WHO MAY MAKE BID UP TO 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION
 - (c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS
 - (d) PLACE CONSOLIDATED BID
 - (e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY
 - (f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND
 - (g) WITHDRAW BID
- (ii) RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.
- (iii) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.
- (iv) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.
- (v) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF FIVE (5) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE AND BOOK RUNNERS ARE PROVIDED IN SECTION 2.2.27.

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

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

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

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

2.2.3 Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

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

1. Number of shares being Issued through the Book Building: 109,000,000 Ordinary Shares
2. Floor Price: PKR 45.00/-per Ordinary Share with maximum price band of 40% i.e. PKR 63.00 per share
3. Bidding Period: From 13/03/2019 to 14/03/2019
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	53.50	15,000,000	15,000,000	Limit Price
Institution B	53.45	20,000,000	35,000,000	Limit Price
HNWI A	53.25	8,000,000	43,000,000	Step Bid
Institution C	53.05	9,000,000	52,000,000	Limit Price
Institution D	52.55	6,000,000	58,000,000	Limit Price
Institution E	52.30	5,000,000	63,000,000	Limit Price
HNWI B	52.10	3,000,000	66,000,000	Limit Price
HNWI A	51.90	2,500,000	68,500,000	Step Bid
Institution F	51.70	12,500,000	81,000,000	Limit Price
Institution G	51.50	9,500,000	90,500,000	Limit Price
Institution H	51.25	4,500,000	95,000,000	Limit Price
HNWI C	51.00	1,000,000	96,000,000	Limit Price
Institution I	50.50	8,000,000	104,000,000	Step Bid
Institution H	50.50	2,000,000	104,000,000	Limit Price
HNWI D	50.25	4,000,000	108,000,000	Step Bid
HNWI E	50.00	1,800,000	109,800,000	Limit Price
Institution J	48.00	2,500,000	112,300,000	Step Bid
HNWI E	46.00	900,000	113,200,000	Step Bid
HNWI F	45.00	500,000	113,700,000	Limit Price

↓

Strike Price determine through Dutch Auction Method

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Bid has been revised upwards and placed at PKR 51.25

↓

Total shares bid for at and above the Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 50.00 per share to sell the required quantity of 109,000,000 ordinary shares.

At PKR 53.50 per share, investors are willing to buy 15,000,000 shares. Since 94,000,000 shares are still available, therefore the price will be set lower.

At PKR 53.45 per share, investors are willing to buy 20,000,000 shares. Since 74,000,000 shares are still available, therefore the price will be set lower.

At PKR 53.25 per share, investors are willing to buy 8,000,000 shares. Since 66,000,000 shares are still available, therefore the price will be set lower.

At PKR 53.05 per share, investors are willing to buy 9,000,000 shares. Since 57,000,000 shares are still available, therefore the price will be set lower.

At PKR 52.55 per share, investors are willing to buy 6,000,000 shares. Since 51,000,000 shares are still available, therefore the price will be set lower.

At PKR 52.30 per share, investors are willing to buy 5,000,000 shares. Since 46,000,000 shares are still available, therefore the price will be set lower.

At PKR 52.10 per share, investors are willing to buy 3,000,000 shares. Since 43,000,000 shares are still available, therefore the price will be set lower.

At PKR 51.90 per share, investors are willing to buy 2,500,000 shares. Since 40,500,000 shares are still available, therefore the price will be set lower.

At PKR 51.70 per share, investors are willing to buy 12,500,000 shares. Since 28,000,000 shares are still available, therefore the price will be set lower.

At PKR 51.50 per share, investors are willing to buy 9,500,000 shares. Since 18,500,000 shares are still available, therefore the price will be set lower.

At PKR 51.25 per share, investors are willing to buy 4,500,000 shares. Since 14,000,000 shares are still available, therefore the price will be set lower.

At PKR 51.00 per share, investors are willing to buy 1,000,000 shares. Since 13,000,000 shares are still available, therefore the price will be set lower.

At PKR 50.50 per share, investors are willing to buy 8,000,000 shares. Since 5,000,000 shares are still available, therefore the price will be set lower.

At PKR 50.25 per share, investors are willing to buy 4,000,000 shares. Since 1,000,000 shares are still available, therefore the price will be set lower.

At PKR 50.00 per share, investors are willing to buy 1,800,000 shares. **Since after bidding for 1,800,000 shares at PKR 50.00 per share, no shares will be available therefore the Strike Price will be set at PKR 50.00 per share for the entire lot of 109,000,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 50.00 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

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

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

Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidder shall be allowed to place bids for hundred (100%) percent of the issue size and the strike price shall be the price at which hundred (100%) percent of the issue size is subscribed. However, the successful bidders would be allotted and issued only seventy-five (75%) percent of the issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the

application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

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

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

2.2.4 Timeframe for intimation to the successful bidders and mechanism for payment of the balance amount by the successful bidders

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

2.2.5 Consultant to the Issue

Arif Habib Limited has been appointed by the Issuer as Consultant to this Issue.

2.2.6 Book Runner to the Issue:

Ismail Iqbal Securities (Private) limited having underwriting license has been appointed by the Issuer as the Book Runner to this Issue.

2.2.7 Interest of the Consultant to the Issue and the Book Runner:

The Consultant to the Issue and the Book Runner are deemed to be interested to the extent of fees payable to them by the Issuer for the services to be rendered by them as Consultant to the Issue and Book Runner to the Issue respectively. The Consultant to the Issue and the Book Runner to the Issue have no other interest in any property or profits of the Company.

Roles and Responsibilities of the Book Runner

The Book Runner to the issue shall be responsible to:

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

8. ensure that names and UIN of all the persons mentioned under section 2.2.27 are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding five per cent (5%) is made by the associated companies and associated undertakings of the Consultant to the Issue and the Book Runner;
11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
12. establish bid collection centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
13. maintain record of all the bids received; and
14. Ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner have established bid collection centers at the following addresses (direct & fax numbers in all centers).

Bid Collection Centers

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

Karachi		
Contact Officer:	Mr. Zaid Farooq Lodhia	Mr. Muhammad Adnan Hussain
Direct No.:	021-32465891	021-34302178
Mobile No.:	0321 821 0505	03212329864
PABX No.:	021 111 245 111	021-34302171-177
Fax No.:	021 3242 9653	021-34302186
Email:	zaid@ismailiqbal.com	adnan.hussain@ismailiqbal.com
Postal Address:	Arif Habib Center, 23 MT Khan Road, Karachi	C-132 (B) KDA Scheme#1 Miran Muhammad Shah Road Karachi
Lahore		Islamabad
Contact Officer:	Mr. Sameer Khan	Mr. Assad Manzur (Branch Operations Manager)
Direct No.:	042-35871730-34; 0321 232 9835	051-2829656 & 051-2273819
Email:	Sameer.khan@ismailiqbal.com	Assad.butt@hbl.com
Postal Address:	Arif Habib Office House No. 16/7-B, Eden Cottages; Main Gulberg 2, Near MCB House Lahore.	Habib Bank Limited (CDA Civic Centre Branch Code-0602); CDA Civic Centre Branch ; Tariq Chambers, Block-2, Melodi Market, Markaz E-6, Islamabad
Faisalabad		Peshawar
Contact Officer:	Mr. Muhammad Iqbal Dogar (Branch Operations Manager)	Mr. Muhammad Husnain (Branch Operations Manager)
Direct:	041- 2541137 & 041-2541135	091-2210579 & 091-2550012
Email:	iqbal.dogar@hbl.com	muhammad.husnain1@hbl.com
Postal Address:	Habib Bank Limited (Circular Road Branch Code-0143); Corporate Centre, Circular Road Branch; P-832/A-1 Block 10,Circular Road Faisalabad	Habib Bank Limited (Peshawar City Branch Code-0223); Peshawar City Branch, Chowk Abrasham Garan 153, Peshawar
Quetta		Azad Kashmir
Contact Officer:	Syed Ali Abbas (Branch Operations Manager)	Mr. Tanveer Ahmed (Branch Operations Manager)
Direct:	081-2822543 & 081-22822869 Ext. 236	05822-920475 & 05822-920475
Email:	ali.abbas3@hbl.com	tanveer.ahmed@hbl.com
Postal Address:	Habib Bank Limited (Quetta Complex Branch Code-1649); Quetta Complex Branch, Quetta Complex; 402-A Gulistan Road, Quetta Cantt.	Habib Bank Limited (Main Branch Muzaffarabad Code-0422); Main Branch Muzaffarabad; Khasra # 1275/488, Gillani Chowk, Muzaffarabad Tehsil & Distt Muzaffarabad, Azad Kashmir
Gilgit/Baltistan		
Contact Officer:	Mr. Shah Alam (Branch Operations Manager)	
Direct:	05811-450377 & 05811-450405	
Email:	shah.alam@hbl.com	
Postal Address:	Habib Bank Limited (Gilgit Branch Code-0107); Gilgit Branch; Shahrah-e-Quaid-e-Azam NLI Market Gilgit Baltistan	

2.2.8 Roles and Responsibilities of the Designated Institution

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

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;
6. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
7. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
8. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
9. Discover the strike price at the close of the Bidding Period;
10. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
11. Ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

2.2.9 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. the Issuer, its sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. the Issuer or its directors, sponsors or substantial shareholders should not have held the office of the directors, or have not been sponsors or substantial shareholders in any company:
 - I. which had been declared defaulter by the securities exchange or futures exchange; or
 - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Consultant to the Issue, Book Runner, Underwriter, Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.
5. it is in operations for at least 3 financial years.
6. it has profitable track record for at least 2 preceding financial years from its core business activities.

7. its breakup value/book value per share is not less than its face value per share.
8. the shares shall be issued in book-entry form only.

2.2.10 Opening and Closing of the Registration Period

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

REGISTRATION PERIOD	
08/03/2019	9:00am to 5:00pm
11/03/2019	9:00am to 5:00pm
12/03/2019	9:00am to 5:00pm
13/03/2019	9:00am to 5:00pm
14/03/2019	9:00am to 3:00pm

2.2.11 Opening and Closing of the Bidding Period

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

BIDDING PROCESS STARTS ON	13/03/2019 (9:00 AM to 5:00 PM)
BIDDING PROCESS ENDS ON	14/03/2019 (9:00 AM to 5:00 PM)

2.2.12 Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (Rupees Two Million only).

2.2.13 Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of IL, AHL, and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, Book Runner and the Company i.e. <http://www.arifhabibltd.com> <http://ismailiqbal.com/iis/> and <http://www.interloop-pk.com/>.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in paragraph 2.2.7 for registration for submitting their Bids.
4. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN PARAGRAPH 2.2.7. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO PARAGRAPH 2.2.14.
5. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN PARAGRAPH 2.2.7 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT

ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.

8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF HABIB BANK LIMITED (THE BANKER TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY HABIB BANK LIMITED TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT HBL.

2.2.14 Registration form and Procedure for Registration

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in paragraph 2.2.7 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
 - The Registration period shall be for Five (5) working days i.e. 08/03/2019 to 13/03/2019 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on 14/03/2019.
 - The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
 - The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in paragraph 2.2.7.
 - Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.
 - The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder.
 - Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**
 - The pay order shall be made in favor of **"Interloop Limited - Book Building"**. For online transfer the payment shall be made into **07867917878703** being maintained in **Habib Bank Limited-HBL Plaza Branch**, Karachi. Please note that online transfer facility shall only be allowed to Habib Bank Limited customers.
 - Please note that third party instruments will not be accepted for Margin Money.
 - In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made "Payable at any Branch". Intra city payment instruments that are not made "Payable at any Branch" will not be accepted.
 - The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
 - The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
 - The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.

- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

2.2.15 Procedure for Bidding

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
 - Bids can be placed either at the “Limit Price” or as a “Step Bid”. The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 2,000,000/- (Rupees Two Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 2,000,000/- (Rupees Two Million).
 - The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see para 2.2.7 for addresses and contact detail of persons at the Bid Collection Centers.
 - The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
 - On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.
 - The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
 - The Bidders shall have the right

to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
 - **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.**
 - **The Bidders shall not withdraw the Bids.**
 - The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
 - Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third party payment instruments shall not be accepted.
 - The Book runner may waive the margin requirement for institutional investors subject to confirmation from their respective banks or custodian banks (in case of foreign institutional investors) that an amount equivalent to the bid money is available in the respective bank or custodian account and would be paid directly to the book runner on its request and confirmation of allocation of shares;

- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the “Order Book”). The Order Book should also show the revised bids upward. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in para 2.2.21 of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares **provisionally** allotted to each of them. The successful bidders shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-ratabasis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in para 2.3.8.
- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDSAccount Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

2.2.16 Payment for Book Building Portion

The Issuer has opened a bank account for collection of applications' money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of **"Interloop Limited - Book Building"** or online transfer of the Bid money into the respective Book Building account **07867917878703** and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into the Account **07867917878703** being maintained at **Habib Bank Limited – HBL Plaza Branch, Karachi** with the Account Title **"Interloop Limited - Book Building"**. Please note that online transfer facility shall only be allowed for Habib Bank Limited customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF "INTERLOOP LIMITED – BOOK BUILDING" IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Consultant to the Issue, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer's account(s).

PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

▪ PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 million shares at a price of PKR 45.00/- per share, then the total Application Money would amount to PKR 45 million. In such a case, (i) Individual Investor shall deposit PKR 45 million in the Book Building account as the bid amount which is 100% of PKR 45 million; and (ii) Institutional Investor shall deposit at least PKR 11.25 million in the Book Building account as the Margin Money which is 25% of PKR 45 million.

▪ PAYMENT FOR STEP BID

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

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.8 million shares at PKR 45.00 per share, 0.7 million shares at PKR 47.00 per share and 0.6 million shares at PKR 50.00 per share. Therefore in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 98.9 million. In such a case, (i) Individual Investors shall deposit PKR 98.9 million in the Book Building Account as Margin Money which is 100% of PKR 98.9 million and (ii) Institutional Investors shall deposit at least PKR 24.73 million in the Book Building Account as Margin Money which is 25% of PKR 98.9 million.

2.2.17 Payment by Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding

entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in para 2.2.16 of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 and para 7.3 of this Prospectus.

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

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

2.2.18 Procedure for Rejection of Bids

In terms of regulation 9(7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such Bidder. Decision of the Book Runner shall not be challengeable by the Bidder.

2.2.19 Time frame for upward revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER NO WITHDRAWAL OF BID IS ALLOWED.**

2.2.20 Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process will be considered as cancelled if the total number of bids received is less than hundred(100).

2.2.21 Basis of Allotment of Shares

Bidders shall be allowed to place bids for one hundred percent (100%) of the Issue size and the Strike Price shall be the price at which one hundred percent (100%) of the Issue is subscribed via the Dutch Auction Method.

Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 81,750,000 Ordinary Shares.

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

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

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

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

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

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

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

2.2.22 Refund of Margin Money

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

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

2.2.23 Publication of Supplement to the Prospectus

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

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

2.2.24 Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 45.0 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 45.0 per share, registered bidders may place or revise their bids at/to any price between PKR 45.0 per share to PKR 49.5 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 45.0 per share to PKR 50.0 per share, the registered bidders may place or upward revise their bids at/to between PKR 50.0 per share to PKR 55.0 per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. Rs.63.0 per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

2.2.25 Restriction on Downward Revision or Withdrawal of Bids by the Bidder

Under regulation (10)(2)(vi) of the PO Regulations the Bidders shall not make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

Under regulation (10)(2)(vii) of the PO Regulations the Bidders shall not be allowed to withdraw Bids.

2.2.26 Subsidiary of Interloop Limited

IL Apparel (Private) Limited is a fully owned subsidiary of Interloop Limited. The Company to date has invested PKR 301 million in the company. IL Apparel is formed to expand Interloop's product range by entering into apparel products. As of today, it has not commenced commercial operations.

S. No	Name of Subsidiary Company	Status	CUIN	NTN
1	IL Apparel (Pvt.) Limited	Private	0117893	7988715-0

2.2.27 Associated Undertakings and Companies

S. No	Name of Company / Undertakings	Status	CUIN	NTN
1	IL Bangla Limited	Public Un-Listed	C-77561/2009	N/A

Note: As required under regulation 7(8) of the PO Regulations, the Associated Companies and Associated Undertakings of the Issuer shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building.

▪ Related Employees of the Company (Interloop Limited)

S. No	Name	Designation
1	Navid Fazil	Chief Executive Officer
2	Muhammad Maqsood	Group Chief Financial Officer
3	Ali Raza Rana	Company Secretary
4	Khawaja Nadeem Abbas	HOD Finance
5	Umer Javed	DGM Finance
6	Muhammad Waqas Ahsan	Manager Accounts

▪ Related employees of the Consultant to the Issue (Arif Habib Limited)

S. No	Name	Designation
1	Shahid Ali Habib	Chief Executive Officer
2	Ahmed Rajani	Director, Investment Banking
3	Syed Saquib Ali	Director, Investment Banking
4	Ammad Tahir	Assistant Vice President, Investment Banking
5	Dabeer Hasan	Sr. Associate, Investment Banking
6	Syed Ali Ahmed	Sr. Associate, Investment Banking
7	Muhammad Ali Raza Hussain	Associate, Investment Banking
8	Faaz Ahmed Siddiqui	Associate, Investment Banking
9	Muhammad Fakhar	Associate, Investment Banking
10	Qirat Abdullah	Analyst, Investment Banking

- Related employees of the Book Runner **Ismail Iqbal Securities (Private) Limited**

S. No	Name	Designation
1	Mr. Ahfaz Mustafa	Chief Executive Officer
2	Mr. Sameer Khan	Executive Finance
3	Mr. Talha Idrees	Analyst – Corporate Finance

Note:

1. As per regulation 7(9) of the PO Regulations the associates of the Consultant to the Issue and the Book Runner shall not in aggregate make bids in excess of five (5%) percent of the shares offered through Book Building. Provided that it shall not apply to such associates of the Consultant to the Issue and the Book Runner that are Financial Institutions and Mutual Funds.
2. As required under regulation 20(10) of the PO Regulations, Related Employees of the Issuer, Consultant to the Issue and Book Runner to the Issue shall not participate in the bidding for shares.

2.2.28 Statement by the Issuer

September 28, 2018

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

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

For and behalf of **Interloop Limited**

-Sd-

Navid Fazil
Chief Executive Officer

-Sd-

Muhammad Maqsood
Group Chief Financial Officer

2.2.29 Statement by Consultant to the Issue

November 08, 2018

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

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

For and behalf of **Arif Habib Limited**

-sd-

Syed Saquib Ali

Director, Investment Banking

2.2.30 Statement by Book Runner

November 06, 2018

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

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

For and behalf of **Ismail Iqbal Securities (Private) Limited**

-sd-

Ahfaz Mustafa

Chief Executive Officer

2.3 SHARE CAPITAL AND RELATED MATTERS

2.3.1 Share Capital

No. of shares	Shareholders	Face Value (PKR)	Premium (PKR)	Total (PKR)
AUTHORIZED CAPITAL				
1000,000,000	Ordinary shares (voting plus non-voting) of PKR 10/- each	10.00	0.00	10,000,000,000
ISSUED, SUBSCRIBED, & PAID UP CAPITAL				
762,441,692	Issued for Cash: 'Ordinary Shares (voting plus non-voting) of PKR. 10/- each	10.00	0.00	7,624,416,920
Total			-	
ISSUED, SUBSCRIBED & PAID-UP CAPITAL (VOTING SHARES) OF INTERLOOP LIMITED IS HELD AS FOLLOWS:				
No. of shares	Shares held by Directors / Sponsors of the Company	Face Value (PKR)	Premium (PKR)	Total (PKR)
298,498,840	Navid Fazil	10.00	0.00	2,984,988,400
282,498,838	Musadaq Zulqarnain	10.00	0.00	2,824,988,380
Shares held by Directors				
69,358,284	Shereen Aftab	10.00	0.00	693,582,840
37,229,040	Jahan Zeb Khan Banth	10.00	0.00	372,290,400
3,606,000	Muhammad Maqsood	10.00	0.00	36,060,000
1	Tariq Iqbal Khan	10.00	0.00	10
1	Saeed Ahmad Jabal	10.00	0.00	10
Shares held by Family Members/other shareholders				
16,000,000	Zain Sadiq	10.00	0.00	160,000,000
13,867,560	Tariq Rashid Malik	10.00	0.00	138,675,600
7,200,000	Farzana Zulqarnain	10.00	0.00	72,000,000
7,200,000	Nazia Navid	10.00	0.00	72,000,000
4,000,000	Faryal Sadiq	10.00	0.00	40,000,000
4,000,000	Noor Jehan Sadiq	10.00	0.00	40,000,000
4,000,000	Alena Sadiq	10.00	0.00	40,000,000
4,000,000	Shanze Sadiq	10.00	0.00	40,000,000
3,735,000	Fehmida Jahan Zeb	10.00	0.00	37,350,000
2,581,218	Ahmed Sultan	10.00	0.00	25,812,180
1,825,218	Mehar Sultan	10.00	0.00	18,252,180
400,000	Shahzad Qamar Butt	10.00	0.00	4,000,000
400,000	Azhar Sadiq	10.00	0.00	4,000,000
760,400,000	Total Voting Ordinary Paid up Capital	10.00	0.00	7,604,000,000
Shares held by Non-Voting ESOS Holder				
2,041,692	ESOS Holders	10.00	0.00	20,416,920
762,441,692	Total Paid up Capital	10.00	0.00	7,624,416,920

PRESENT ISSUE OF ORDINARY SHARES

No. of shares	Allocation	Face Value (PKR)	Premium (PKR)	Total Value (PKR)
81,750,000	Allocations to Institutions / Individual Investors through Book Building process at Strike Price	10.00	[X]	817,500,000
27,250,000	General Portion	10.00	[X]	272,500,000
109,000,000	Total Issue size	10.00	[X]	1,090,000,000
871,441,692	Grand Total (Post-IPO Voting plus Non-Voting) Paid-up Capital	10.00	[X]	8,714,416,920

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

2.3.2 Opening and Closing of the Subscription List

The subscription list will open at the commencement of banking hours on 21/03/2019 and will close on 22/03/2019 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 22/03/2019.**

2.3.3 e-IPO SYSTEM

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs / SPOs / OFS, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

I. Centralized e-IPO Systems

In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") in collaboration with 1Link (G) Limited (1Link) has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the general public can be made electronically/online. CES has been made available in this Initial Public Offering (IPO) and can be accessed through the web link www.cdceipo.com. Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is one time activity, free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) can register themselves with CES.

Investors who do not have CDS account can visit www.cdcpakistan.com for information regarding opening CDS account.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: farooq_butt@cdcpak.com

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on 22/03/2019.

II. e-IPO Facilities by Bankers to the Issue

Currently, United Bank Limited (UBL), Summit Bank Limited (SMBL) and Bank Alfalah (BAFL) are providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>, SMBL account holders can use SMBL Net Banking to submit their application via link <https://ib.summitbank.com.pk> and BAFL account holders can use BAFL Net Banking to submit their application via link: <https://netbanking.bankalfalah.com>

2.3.4 Benefits of e-IPO

e-IPO has the following benefits:

1. It enables the investors to make application for subscription of shares through the internet without going to the bank, and waiting in long queues.
2. It is efficient and simultaneously facilitative for both the Issuer and the investors.
3. It is available for use 24 hours during the subscription period.
4. If you are registered with CES or account holder of a bank providing e-IPO facility, you may get SMS for new IPOs.
5. By applying through CES you can also track your application status.

2.3.5 Procedure for Opening CDS Account

CDS is the Participant (TREC Holders) driven system where sub-accounts are opened by the Participants. All new Sub-Accounts shall only be opened in CDS based on the complete and correct information obtained from the investor as per the Standardized Account Opening Form (SAOF). The SAOF is part of CDC Regulations and is also placed on CDC's website www.cdcpakistan.com. Terms & Conditions contained in the SAOF shall govern the opening and maintenance of the Sub-Accounts.

The Participant before opening a sub-account into CDS should obtain duly filled and signed SAOF from their clients / investors along with all necessary documents. Participants to obtain signatures of concerned Sub-Account Holders / Authorized Signatories as acknowledgement on the Posted Registration Detail Report generated from CDS after establishing Sub-Accounts in their names. Participant must ensure that:

1. The sub-account holder is not a minor and fulfils the requirements of the Companies Act, Central Depositories Act, 1997 and Central Depository Company of Pakistan Limited Regulations in respect of a shareholder of a company. However, minor through a guardian can open a sub-account.
2. Sub-Account is not in the name of "Trust". The sub-account title for a trust can only be in the name of the "Trustee". Example: (Name of Trustee) (Name of Fund / Trustee etc.).
3. A sole proprietorship or a partnership firm cannot open and maintain a sub-account in CDS, however they can open and maintain a sub-account in the name of sole proprietor or partner(s).
4. A Participant who is a registered securities broker shall not open and/or maintain sub-account in the CDS in its own name either under its own Participant ID or with any other Participant. Non-broker Participants may have sub-accounts with other Participant on a need basis.
5. Participant is not required to enter Account Title and Joint Account Holder(s) name manually at the time opening of new sub account. When the Participant enters UIN in the designated field of CDS for the

purpose of account opening, title will be automatically populated in the designated field as mentioned in the UIN database maintained with NCCPL.

6. Account Title and Joint holder(s) name are not allowed to be amended once inserted in the posted account. However, a new provision has now been introduced in the CDS for existing accounts where the account title in the CDS is required to be matched with account title available in UIN database. For matching the account title of existing sub accounts, Participants no longer have to request CDC for updating rights. Participants will now press the newly added "synchronize" button and the system will update the title (account holder and joint) as per title(s) mentioned in the UIN database. However, Participants shall not use "Synchronize Account Title" button for Trustee, Minor and Manager to offer accounts.
7. At the time of account opening in case where the account title is different from the UIN database (for e.g. Trustee accounts, account of the Minors, Manager to the offer etc. needs to be added in account title, a request letter for by-pass will be required from the Participant, signed by their authorized signatories along with the certified true copies of the relevant supporting documents, enabling them to have the authority to insert the title other than the title mentioned in the UIN database.
8. Any updation in CNIC / Passport no. / NICOP / Registration no. is not allowed. In case of any change due to issuance of a new document, written request to be provided to CDC along with submission of certified true copy of relevant documents. Updation in CDS will be made after necessary changes in NCCPL database.
9. Input of Local mobile number and / or email address is mandatory for opening of SubAccounts in the CDS.
10. Residential status of the account will be linked with the residential status of the Title Holder of the account. Hence, residential status of joint holders can be different. In case where Residential Status is Repatriable, such as, Non-Resident Pakistani (Repatriable) / Foreigner (Repatriable), the Title Holder and all Joint Account Holders must possess the same Residential Status. Further, updation of residential status, as applicable, will be allowed based on written request of the Participant.
11. Zakat status is linked with the Residential Status such that where the user selects the status of Resident Pakistani, Non-Resident Pakistani (Repatriable) or Non-Resident Pakistani (Non-Repatriable), the Zakat status needs to be entered. For all other selections it will be automatically marked as 'Not Applicable'.
12. Zakat Status of all account holders in an account should be identical.
13. Subsequent to the opening of sub-account, addition / deletion of joint holder(s) is not allowed.
14. In light of section 79 subsection (3) of the Companies Act, 2017, the person to be nominated shall not be a person other than the relatives of the sub-account holder, namely, a spouse, father, mother, brother, sister and son or daughter, including a step or adopted child.
15. In case of Joint Holders, input of nominee detail will not be allowed.
16. Additional Account Title field will be disabled for Updation of account. In case any change is required in Additional Account Title field, written request to be provided to CDC along with the relevant documents.
17. In The Dividend mandate, Account number, Account title, Name of the Bank & Branch and City name should be properly mentioned.
18. Permanent Address field is available in addition to the mailing address field in CDS with the selection of city, province and country (as applicable). While the Residential Status is associated with the city, province and country fields such that the fields will be enabled or disabled as per the selected Residential Status.
19. In case of individual account, Business / Participant address is not allowed in the permanent address field.
20. In case of corporate account, Registered/Head office address should be entered in permanent address field.
21. Mailing address should be correct and complete i.e. (House #, Street #, Sector / Block / phase/ number, nearest land mark, area, city, province & country name). In case the permanent address is same as the mailing address, the Participant will be able to copy the same address. The Residential Status is also associated such that the fields will be enabled or disabled as per the selected Residential Status.
22. Person maintaining sub-accounts, either singly or jointly, must select "INDIVIDUAL" as Shareholder category.

23. Contact person can only be the sub-account holder him / herself (or any of the jointholder(s)). Moreover, a person in whose name the Power of attorney is issued by the account holder(s) can also be the contact person.
24. Participant may add or update details pertaining to Special Convertible Rupee Account(SCRA) of Sub Account Holder in case of resident status selected as "Repatriable".
25. Attorney Details must be recorded in the attorney fields (if applicable).
26. In case of any change in the registration details of the sub-account holders, the respective Participant himself can make necessary changes in the registration details based on their SAOF & internal procedures which must be framed in light of the Central Depository Company of Pakistan Limited Regulations.

2.3.6 Eligibility of Investor for Investment in this Issue

Eligible investors include:

1. Pakistani citizens resident in or outside Pakistan or persons holding dual nationalities including a Pakistani Nationality;
2. Foreign nationals whether living in or outside Pakistan;
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their respective constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts (subject to the terms of their respective Trust Deeds and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

2.3.7 Facilities available to Non-Resident Pakistani and Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistani national resident outside Pakistan, (II) A person who holds dual nationality including Pakistani 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 account opened by the Company as given in section 2.2.16 of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public. List of bankers to the issue for retail portion is available on page 1 and Section 7.3 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 paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the application by the non-residents.

2.3.8 Minimum amount of Application and Basis for Allotment of Shares out of Retail Portion of the Issue

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

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. **SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. **In case retail portion of the Issue, remains unsubscribed, the unsubscribed shares shall be allotted to successful bidders at the strike price on pro-rata basis.**
7. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
 - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
 - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicants.
8. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
 - First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then

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

2.3.9 Refund/Unblocking of Subscription Money to Unsuccessful Applicants

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

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

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to successful bidders at the strike price determined in the book building process on pro-rata basis.

2.3.10 Issue and Credit of Share Certificates

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

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

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

2.3.11 Transfer of Shares

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

2.3.12 Shares Issued in Preceding Years

Ordinary Voting Shares Issued by the Company				
#	No. of Shares Issued	Consideration	Total Value (PKR)	Date of Issuance / Allotment
1	5	Cash	500	1992
2	97,370	Cash	9,737,000	1993
3	22,625	Cash	2,262,500	1995
4	30,400	Cash	3,040,000	1997
5	349,600	Cash	34,960,000	2002
6	1,500,000	Cash	150,000,000	2005
7	100,000	Cash	10,000,000	2007
8	10,500,000	Bonus Issue	1,050,000,000	2007
Share split in 2008 for conversion of Par Value from PKR 100/share to PKR 10/share. 126,000,000 paid-up shares post-Split				
9	200,000	Cash	2,000,000	2009
10	200,000	Cash	2,000,000	2011
11	63,200,000	Bonus Issue	632,000,000	2014
12	500,000	Cash	5,000,000	2018
13	570,300,000	Bonus Issue	5,703,000,000	2018
Total	760,400,000		7,604,000,000	
Non-Voting Employee Stock Option Scheme Shares ("ESOS Shares") Issued by the Company				
#	No. of Shares Issued	Consideration	Total Value (PKR)	Date of Issuance / Allotment
14	338,499	Cash	3,384,990	2017
15	171,924	Cash	1,719,240	2018
16	1,531,269	Bonus Issue	15,312,690	2018
Total	2,041,692		20,416,920	
Total	762,441,692		7,624,416,920	

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

2.3.13 Principal Purpose of the Issue

Interloop currently operates 5 hosiery production facilities (4 owned by it and one through its associates).

The Principal purpose of the Issue is to finance the expansion project.

The purpose of the expansion project is to: (i) expand its hosiery segment by adding a new production facility in Faisalabad; and (ii) Setup a denim production facility for stitching denim Jeans in Lahore .

Source of Funding:

For financing the expansion, the Company is planning to have a debt to equity ratio of 56:44, for this purpose the Company intends to issue 109,000,000 ordinary shares at a floor price of PKR 45.00/-per share to raise PKR 4,905 million through this IPO. Details of utilization of debt and equity proceeds are given below:

Break up of fund requirement	Fund raised	Contribution of mode of financing
IPO Proceeds	PKR 4,905,000,000	44.0%
Debt Financing*	PKR 6,349,422,734	56.0%
Total Funding requirement	PKR 11,254,422,734	100.0%

* Details of Debt Financing

Interloop has **signed an offer letter** with **HBL** for its denim project inclusive of the following facilities:

1. A **Sight LC of PKR 2.8 billion** will be opened first (un-funded) – (PKR 2.3 billion is for machinery and PKR 0.5 billion is for building of denim plant)
2. When the machinery arrives in Pakistan, the Sight LC of PKR 2.3 billion and PKR 0.5 billion for building will be converted to a loan (Diminishing Musharka).

For the balance of PKR 3.5 billion, the Company is in talks with different banks, however, the Company may utilize its internal cash, if any or the mix of both as and when required based on the optimal capital structure.

In addition to the above, Board of Directors of Interloop Holdings (Pvt.) Limited, an associated company of Interloop Limited having same sponsors, has passed the resolution in its meeting held on February 20, 2019, that any shortfall faced by the Interloop Limited for the expansion project shall be funded through its portfolio of investments in liquid securities having Mark to Market value of PKR 3.1 billion as of February 19, 2019. Moreover, Interloop holdings (Private) Limited has also provided undertaking regarding the aforesaid arrangement.

2.3.14 Utilization of Proceeds

The Issue is expected to generate PKR 4,905 million at floor price of PKR 45.00/-per share. As per the fund requirement given above, the total debt and IPO proceeds shall be utilized as hereunder:

Sources		Expenditure Heads	
Particular	PKR	Particular	PKR
IPO Proceeds	4,905,000,000	Plant & Machinery	6,591,389,515
Debt	6,349,422,734	Land & Building	3,064,800,134
		Power & Utilities	1,431,883,879
		Misc. Expenses	166,349,206
TOTAL	11,254,422,734	TOTAL	11,254,422,734

A detailed break up of funds required by the Company and expenditure already incurred is provided in section 4.7.

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

1. report detailed break-up of the utilization of the proceeds, of the issue in its post issue quarterly / half-yearly and annual accounts for three years; and
2. submit a quarterly report providing the status of the commitments mentioned in the prospectus to PSX and SECP.

2.3.15 Utilization of excess IPO funds

The above utilization of funds is based on the subscription at the Floor Price of PKR 45.00/-per share. Excess funds, (upto the maximum of PKR 1,962 million), if any received in case the strike price is determined above the Floor Price shall be utilized by the Company to fund the combination of i) hosiery and denim expansion as detailed in this prospectus, reducing reliance on long term debt; and ii) meeting working capital requirements, reducing reliance on short term debt.

2.3.16 Interest of Shareholders

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than as holders of the Ordinary shares in the capital of the Company. Certain shareholders who are also the Directors of the Company have interest in receiving remuneration for their role as Directors.

2.3.17 Dividend Policy

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

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

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.

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

Therefore, the applicants must provide the details of the bank account in the relevant part of the Shares Subscription Form.

Details of dividends and/or bonus shares issued over the past five years is as follows:

Description	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 (YTD)
Dividends (PKR)	821,600,000	815,280,000	574,488,000	988,926,277	950,552,248	
Dividend (%)	43.34%	43.00%	30.30%	52.07%	50.00%	
Bonus (Shares)	63,200,000					571,831,269
Bonus (%)	50.00%					300.00%

Covenants/Restriction on Payment of Dividends:

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

2.3.18 Eligibility for Dividend

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

2.3.19 Deduction of Zakat

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

2.3.20 Capital Gains Tax

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

Serial #	Capital Gain Tax for FY 19	Filer	Non-Filer
1	Applicable Capital Gain Tax Rate	15%	20%

2.3.21 Withholding Tax on Dividends

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

- For filers of Income Tax Returns: 15.00%
- For non-filers of Income Tax Return: 20.00%

2.3.22 Tax on Bonus Shares

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

2.3.23 Income Tax

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

2.3.24 Deferred Taxation

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As of June 30th, 2018, Company has reported deferred tax of PKR Nil.

2.3.25 Sales Tax

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

2.3.26 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 or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

2.3.27 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.

2.3.28 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.

2.3.29 Tax Credit for Enlistment

Upon 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 PSX and also extended for the following three tax years of enlistment through Finance Bill 2017. Provided that the tax credit for the last two years shall be 10% of the tax payable.

3 EXPENSES TO THE ISSUE (COMMISSIONS, BROKERAGE AND OTHER EXPENSES)

3.1 UNDERWRITING

Book Building Portion

Ismail Iqbal Securities (Private) Limited have been appointed as the Book Runner to the Issue. The Book Runner has underwritten 109,000,000 shares being offered for subscription through the book building representing 100% of the Issue as required under regulation 7(6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

General Public Portion

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

3.2 OPINION OF DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

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

3.3 UNDERWRITING COMMISSION

Book Building Portion

No underwriting commission for the Book Building portion will be paid. The amount of security deposited by the defaulting Bidder shall however, be forfeited to the Book Runner, in case any of the successful bidders failed to pay the margin money within the specified time period.

3.4 BUY BACK / REPURCHASE AGREEMENT

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

ALSO, NEITHER THE COMPANY NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE BOOK RUNNERS IN THE CAPACITY AS UNDERWRITER OR ITS ASSOCIATES. THE COMPANY AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE BOOK RUNNERS AND ITS ASSOCIATES TAKEN UP, IF ANY, BY IT IN CAPACITY AS THE BOOK RUNNER.

3.5 COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the Retail Portion of the Issue.

3.6 FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM ("CES")

Commission on application received through CES will be paid to CDC which shall not be more than 0.8% of the amount of the successful applications. CDC will share the fee with other participants of CES at a ratio agreed amongst them.

3.7 BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

3.8 ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR **160,151,667/-**. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense
Consultant and Book Runner Fees ¹	1.60%	78,480,000
Commission to banker to the Book Building	0.10%	4,905,000
Commission to Bankers for General Public ¹	0.25%	2,759,063
e-IPO Facility Charges		1,981,000
Bankers to the Issue – Out of Pocket		550,000
TREC Holders' Commission ¹	1.00%	49,050,000
PSX Initial Listing Fees		1,500,000
PSX Services Fee		50,000
PSX Book Building Software charges		500,000
Transfer Agent and Balloting Agent		1,000,000
Marketing & Printing Expenses		7,500,000
CDC - Fresh Issue Fees ¹		7,848,000
CDC - Annual Fees for Eligible Security (Listing Fees)		700,000
SECP IPO Application Processing Fee		2,678,604
SECP Supervisory Fee		150,000
Miscellaneous Expenses		500,000
Total		160,151,667

¹Represent the maximum amount that is expected to be paid based on the Floor Price of PKR 45.00/- per share

4 OVERVIEW, HISTORY AND PROSPECTS

4.1 COMPANY HISTORY & OVERVIEW

Interloop Limited (“Interloop”, or the “Company”) is one of the world's largest hosiery manufacturers and has an annual turnover exceeding PKR 30 billion. Besides Hosiery, Interloop is also a reputed manufacturer of quality yarn. The Company offers a wide range of socks and tights with various quality levels and price points in line with all types of customers including brands, retailers, and specialty stores etc. besides quality yarns for denim, hosiery & weaving industry. Approximately 90% of the revenue generated by the Company is through exports and it is the 7th largest exporter of Pakistan.

The Company believes in excellence, customer focus and competitiveness in all areas of business and is serving its clients successfully from various locations and regions of the globe. Interloop’s manufacturing facilities are in Pakistan (Faisalabad and Lahore). With a global focus on customer service, the Company has product design/development, marketing & distribution network in Pakistan, Bangladesh, North America and Europe.

The Company’s associate IL Bangla Limited (“IL Bangla”) operates a manufacturing facility in Bangladesh. Interloop owns 43.75% stake in IL Bangla and has invested PKR 379.5 million in the company. The Company also plans to expand its product line and has initiated a pilot project for apparels. For this purpose, the Company has so far invested PKR 301 million in its fully owned subsidiary, IL Apparel (Private) Limited.

Interloop’s dedicated and professional management team, and their implementation of best industry practices has given the Company a competitive edge. The Company’s business trends and its growth show the confidence of customers in the Company’s business.

Key revenue and production stats are follows:

- 1) Annual Company Turnover in excess of PKR 30 billion
- 2) 4,500+ Knitting Machines
- 3) Annual Yarn Production - 25 million Kgs
- 4) Annual Socks & Tights Production - 530+million pairs
- 5) Annual Dyeing Capacity – 4.5 million Kgs

Complete vertically integrated manufacturing, in-house designing & product development facilities and well established Research & Innovation Center with a team of technical experts, have paved the way to serve Interloop’s customers’ needs well in time. Being a full service supplier, Interloop offers a unique set of services besides offering a quality product. This includes but is not limited to market intelligence, trend projections, product design and development support, VMI (Vendor Managed Inventory) services and distribution centers offering pick & pack services across the globe. This unique combination of product and service differentiates Interloop from the rest of the textile companies in the world.

4.1.1 Key Milestones

Years	Events
1992	Commencement of Interloop Operations at Faisalabad with 10 Knitting Machines
2000	Addition of 400 Knitting Machines
2003	Established vertically integrated Hosiery Plant 1 at Faisalabad
2005	Established Spinning Unit - I at Interloop Industrial Park (IIP), Faisalabad
2006	Established vertically integrated Hosiery Plant 2 at IIP, Faisalabad

2006	Established Yarn Dyeing Division at IIP, Faisalabad
2009	Created a business alliance with Euro Sox Plus, Netherlands to provide sales, marketing, market intelligence, design, logistics, warehousing and distribution services to customers in Europe & UK
2010	Established IL Bangla Limited, Bangladesh, Hosiery Plant
2011	Established Hosiery Plant 3 at Lahore
2012	Set up Interloop China Office to source top quality yarns, dyes, chemicals & other raw materials cost effectively and to ensure better lead time
2013	As part of business diversification strategy, established Interloop Dairies Limited
2014	Inaugurated Interloop Spinning Unit - II at IIP, Faisalabad
2014	Set-up a dedicated Vertical Sampling Facility at IIP, Faisalabad comprising a Yarn Library, Dyeing, 100 Machines Knitting capacity and Linking to Finishing capabilities for developing premium quality products for customers
2017	Set-up a dedicated Tights & Leggings Production Unit at Plant 1, Faisalabad
2017	Constructed the New Distribution Center at IIP, Faisalabad
2017	15.4 MW Interloop Power Plant based on Tri-Fuel Engines was setup at IIP, Faisalabad to cater to energy requirements of existing facilities and new extensions
2018	Commissioned state of the art Hosiery Plant 4 at IIP, Faisalabad
2018	Established IL Apparel (Private) Limited
2018	Demerger of non-core business of Dairy, IT, Real Estate and Investments in Mutual Funds into a separate holding Company owned by Voting shareholders of Interloop

4.2 PRODUCT PORTFOLIO

4.2.1 Socks

Interloop is an international market leader in producing a wide range of top quality socks for distinguished world-class brands & retailers. The socks are engineered with true precision in fit & sizing, comfort, performance and aesthetic properties by using premium quality raw materials, advanced manufacturing techniques and stringent quality assurance systems. In addition to numerous functional properties incorporated within socks, they are available in myriad colors and patterns. Socks produced at Interloop are unique and cover different sizes, genders, silhouettes, and fabrications and are a colorful reflection of all seasons.

Application areas of Interloop's product range include Sports, Medical, Work-wear, Dress, Fashion and Sustainable (organic, BCI, pre-consumer/recycled, biodegradable, compostable).

4.2.2 Tights & Leggings

Interloop has the capability of developing tights for kids, infants, and women in flat knit & terry fabrications ranging from 120 to 200 Needles. It's vertically integrated operation and Interloop's technical developers strongly focus on graduated knitting patterns, cross stitches, elongations, stitching and volumetric fitting in order to deliver the best quality, size and fit, as per end-user requirement.

Having vast experience of Product Design & Engineering, Interloop has the proficiency to manufacture products, both in spun as well as Man-Made yarns.

4.2.3 Yarn

The Company also produce high quality yarn. About 40% yarn produced is consumed by Interloop's own hosiery manufacturing facilities and remaining serves world's renowned weavers, knitters, denim and towel producers.

4.2.4 Denim Jeans

Interloop will add denim to its product portfolio once the denim plant is setup. The plant will have a capacity of producing 40,000 denim jeans/day.

4.3 MAJOR CUSTOMERS

Interloop produces over half a billion pairs of socks annually for top international brands & retailers. As a world player in the socks and tights industry, the Company is proud to have this mix of diverse brands as their customers. The majority of the customers (brands and retail outlets) are working with the Company for many years with the likes of Puma (15+ years of relationship); JC Penny, Tesco and C&A (10+ years) and Nike and H&M (5+ years).



4.4 INFRASTRUCTURE OVERVIEW

Interloop Limited is operating since 1992, and over the years the Company has expanded its production capacity. The Company currently operates four(04) manufacturing facilities for Hosiery Products and one (01) for spinning in Pakistan. In addition IL Bangla Limited, an associated company of Interloop, operates a hosiery plant in Bangladesh.

Hosiery Division 1 – Socks only

The production facility is situated in Faisalabad at a covered area of 564,711 square feet with 1,270 knitting machines. Actual production of the plant for the last three years was 538 million pairs of socks.

Production capacity and capacity utilization of Hosiery Division 1 is as follows:

Description	FY 16	FY 17	FY 18
Annual Actual Production (dozens)	15,248,356	15,317,888	14,298,535
Annual Production Capacity (dozens)	20,283,687	21,573,109	17,910,769
Hosiery Efficiency	75.2%	71.0%	79.8%
Machines	1,307	1,359	1,270

Hosiery Division 2 – Socks & Yarn Dyeing

The production facility is situated in Faisalabad at a covered area of 874,914 square feet acres with 1,620 knitting machines and 14 yarn dyeing machines. Actual production of the plant for the last three years was 514 million pairs of socks and 12 million kilos of dyed yarn.

Annual Dyeing Capacity is 4.5 million Kgs. Production capacity and capacity utilization of Hosiery Division 2 is as follows:

Description	FY 16	FY 17	FY 18
Annual Actual Production (dozens)	13,813,003	13,908,473	15,074,950
Annual Production Capacity (dozens)	17,265,887	18,242,324	18,517,265
Hosiery Efficiency	80.0%	76.2%	81.4%
Machines	1,565	1,587	1,620

Hosiery Division 3 – Socks only

The production facility is situated in Lahore at a covered area of 623,911 square feet with 1,084 knitting machines. Actual production of the plant for the last three years was 456 million pairs of socks.

Production capacity and capacity utilization of Hosiery Division 3 is as follows:

Description	FY 16	FY 17	FY 18
Annual Actual Production (dozens)	10,769,733	13,282,854	13,964,729
Annual Production Capacity (dozens)	13,241,150	15,911,507	16,362,451
Hosiery Efficiency	81.3%	83.5%	85.3%
Machines	952	952	1,084

Hosiery Division 4 – Socks only

The production facility is situated in Faisalabad at a covered area of 347,060 square feet with 627 knitting machines. The plant started commercial production during FY 18 and produced 15 million pairs of socks in its first year of operation.

Production capacity and capacity utilization of Hosiery division 4 for the FY 2018 is as follows:

Description	FY 16	FY 17	FY 18
Annual Actual Production (dozens)	-	-	1,229,272
Annual Production Capacity (dozens)	-	-	1,673,715
Hosiery Efficiency	-	-	73.4%
Machines	-	-	627

Hosiery Division – IL Bangla Limited

The Company's associated company, IL Bangla Limited, also operates a hosiery plant in Bangladesh at a covered area of 97,580 square feet. The current annual production of the company is c. 3 million dozen socks.

Spinning Plant

The production facility is situated in Faisalabad at a covered area of 1,036,714 square feet with 46,704 spindles. Actual production of the plant for the last three years was 83 million pounds of Yarn.

Production capacity and Capacity utilization of spinning plant for the last three years is as follows:

Description	FY 16	FY 17	FY 18
Actual Production (After converting into 20/1 lbs)	27,892,964	27,637,204	27,218,565
Production Capacity (After converting into 20/1 lbs)	29,948,940	29,948,940	29,948,940

4.5 MANUFACTURING PROCESS OVERVIEW

4.5.1 Hosiery

Interloop Hosiery consists of 5 vertically integrated manufacturing facilities spread across South Asia including 4 in Pakistan and 1 in Bangladesh through its associate IL Bangla Limited. The Spinning Division and Procurement & Supplies function ensure consistent and timely availability of superior quality raw materials from all across the globe to the hosiery plants. The Main raw material used in producing socks and tights is Yarn. The Company uses both the in house yarn and yarn procure from other suppliers for the production of socks and tights. The vertically integrated production operation is equipped with the latest Italian Knitting Machines, Spanish Processing Machines and Italian Dyeing Machines, having quick changeover capability and highly skilled staff to produce high volume of standard mix and low volumes of customized products.

4.5.2 Yarns Spinning

At Interloop, 25,000 tons of top quality yarn is manufactured annually, by processing raw materials like cotton or man-made fibers through different stages, on latest European Machines in controlled climatic conditions and relative humidity.

Raw materials include different cotton varieties from major cotton growing areas of Pakistan, BCI (Better Cotton Initiative), imported cotton or man-made fibers like Acrylic, Viscose, Polyester, etc., or pre-consumer waste fibers. Multiple varieties of yarn including Plain, Slub, Multi Count, Slub Lycra Core, Lycra Core, Polyamide Core, Siro, etc., are produced on automated machines and handled by a highly skilled team. Quality is checked at each stage by latest instruments and standard testing procedures at the testing lab.

4.5.3 Yarn Dyeing & Air Covering

A state of the art Yarn Dyeing facility is maximizing stakeholder value by utilizing cost effective and quality assured methods, in a healthy and safe environment. It is providing variety of colors in Spun and Filament yarns along with world class Air Covering Facility, ensuring best quality and minimum lead time. Yarn Dyeing is equipped with modern machines including highly automated dyeing operations, automatic dyestuff, chemical dispensing system, in-house Air Covering facility.

4.5.4 Quality Control During the Manufacturing Process

Interloop is a Customer Driven organization. The Quality Assurance Department (QAD) looks after Quality Assurance, Quality Control, and Quality Testing Labs & Quality Management System (QMS). Quality Policy refers to the way Interloop's teams follow the working processes to produce quality products and deliver excellent services to its valued customers. To assist its valued customers in their testing conformity, QAD has five product & raw material testing labs; central development lab at Vertical Sampling Facility of Interloop (VSF) for testing of new developments and four production labs for product testing. Three labs are ISO/IEC 17025:2005 accredited from PNAC (Pakistan National Accreditation Council). The central development lab is also ISO / IEC – 17043 accredited which makes Interloop the first textile company in Pakistan to provide Local Proficiency Testing (LPT).

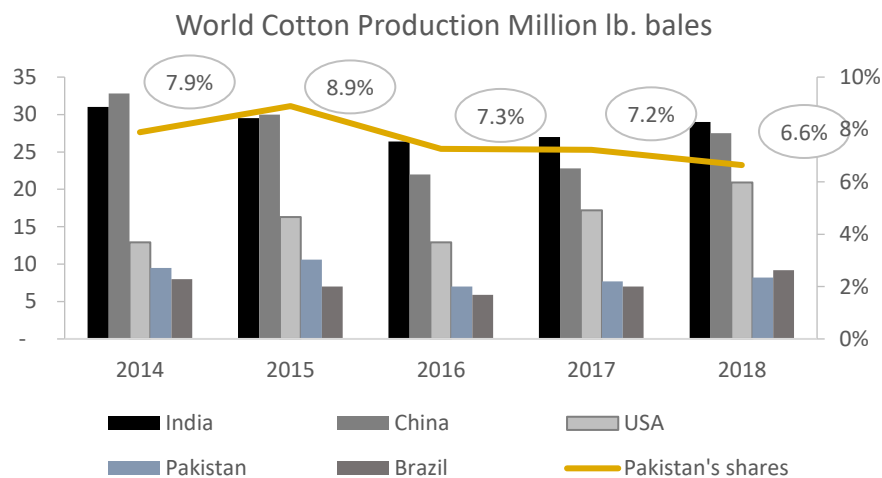
Customer Confidence in Interloop Quality Assurance:

- 1) Inspection Free Status awarded by TSS, Nike, B&F, Primark, JCP, C&A, etc.
- 2) Designated Quality Auditors for Tesco, JC Penny, Adidas, Target, C&A, PUMA, etc.
- 3) Customer Certified Labs Status by H&M, JCP, TESCO, NIKE & C&A
- 4) VSF QA Lab - 32 accredited Tests approved by PNAC
- 5) QA Production Lab – 14 Tests approved by PNAC

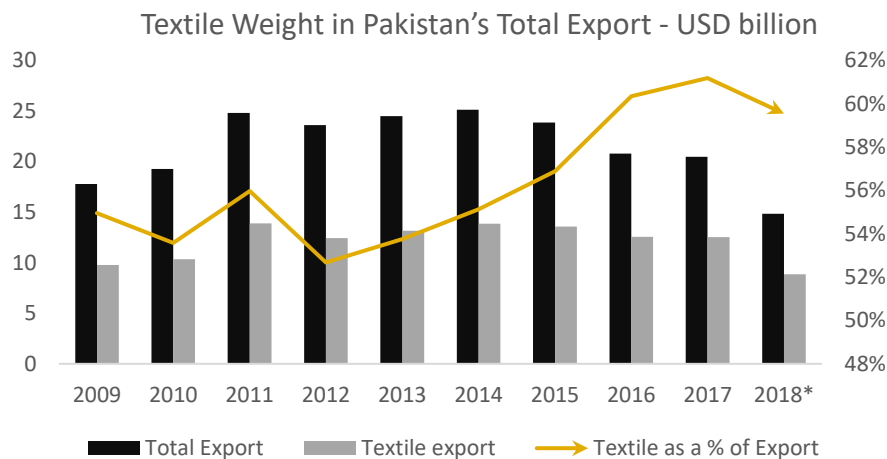
4.6 INDUSTRY OVERVIEW

The textile sector has been Pakistan's backbone as it provides employment and export revenues. During the 1990s, Pakistan's textile manufacturing sector developed manifolds. Barring seasonal and cyclical fluctuations, the textile sector contributes more than 60% of the export earnings of the country, constitutes c. 46% of the total manufacturing, provides c. 40% of the manufacturing labor force and has the potential to meet the challenges of the highly competitive global market.

Pakistan has the inherent advantage of being the 4th largest producer of cotton globally and ranks 3rd in the field of yarn producing after China and India. Pakistan contributes 5% to the global spinning capacity. Textile sector comprises of many sub sectors including Cotton Spinning sector, Cloth sector and Textile made up sector. The textile made up sector itself includes Hosiery Industry, Readymade Garment Industry, Towel Industry, Canvas, Jute Industry, Synthetic Textile Industry and Woollen Industry. As per APTMA statistics, textile sector contributes 8.5% to Pakistan's total economic output.



Source: Cotton incorporated – Monthly Economic Letter | Aug 2018



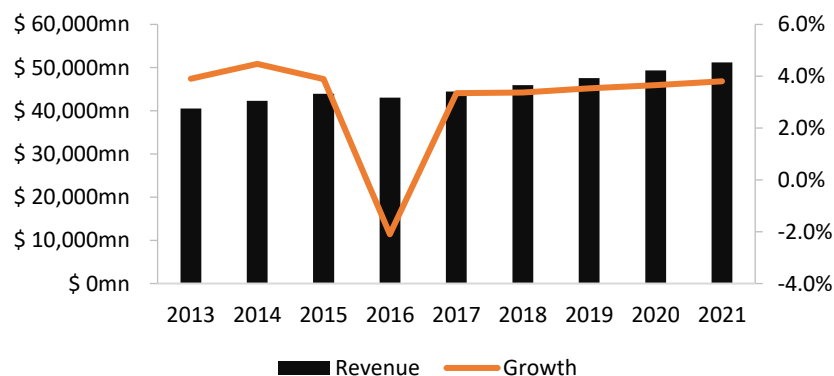
Source: Pakistan Economic Survey
*July-Feb

Global Hosiery Market

Hosiery market is referred to the market of garments that can be worn directly on feet and legs. Hosiery includes socks, stockings, opaques, knee highs, leggings, stay-ups, panty hose and tights amongst others.

The growth of the global hosiery market is driven by the robust demand for comfortable and stylish hosiery among the consumers. Changing lifestyles and demographic factors are bringing changes in demand patterns for hosiery. Further, the global demand for hosiery is increasing due to the increasing employment rate across various countries in the world. Rising disposable income is also expected to intensify the growth of the global hosiery market. Moreover, rapid urbanization is anticipated to positively impact the growth of the hosiery market.

Hosiery Global Revenue & Growth



Source: Statista.com

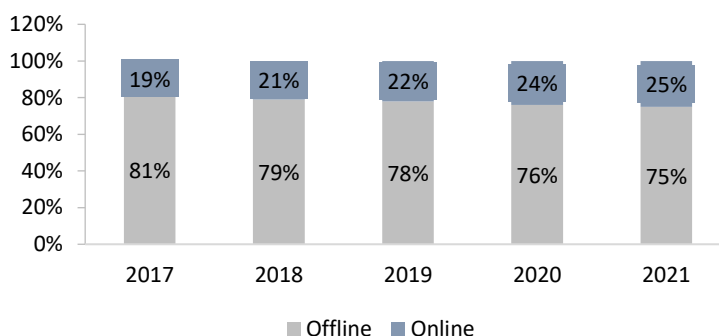
Geographically, Europe was the largest region to hold the market share of 39.7% in 2016 and is stated to account for a leading share of 35.3% in global hosiery market by the end of 2024. North America was the second largest region in the market in year 2016 to hold the market share of 31.4% and is estimated to garner 33.3% of the total market share by the end of 2024. The market share of Asia Pacific is expected to witness lucrative growth by registering a CAGR of 5.6% over the period 2017-2024 and is expected to account USD 9,546.1 Million by 2024 as compared to USD 6,245.4 Million in 2016.

Top 5 countries in terms of Revenue Generated FY18	US \$ Million
United States of America	8,188
China	7,451
Brazil	4,939
Japan	2,789
Germany	2,399

Source: Statista.com

Growing brand awareness among consumers and increasing number of internet users across all regions and rapidly growing e-commerce business are major factors which are augmenting the growth of global hosiery market. Further, the changing consumer behavior with respect to buying among women towards online shopping, especially in developing countries such as India and China is a key factor which is likely to drive the demand for hosiery. Moreover, manufacturers are continuously strengthening their online distribution channels and selling their products through various online retail shops. This factor is estimated to positively impact the growth of market. Based on distribution channel, the global hosiery market is segmented into mass merchants, departmental stores and online stores among others. The e-commerce market for hosiery is dominated by women population.

Sales Channel

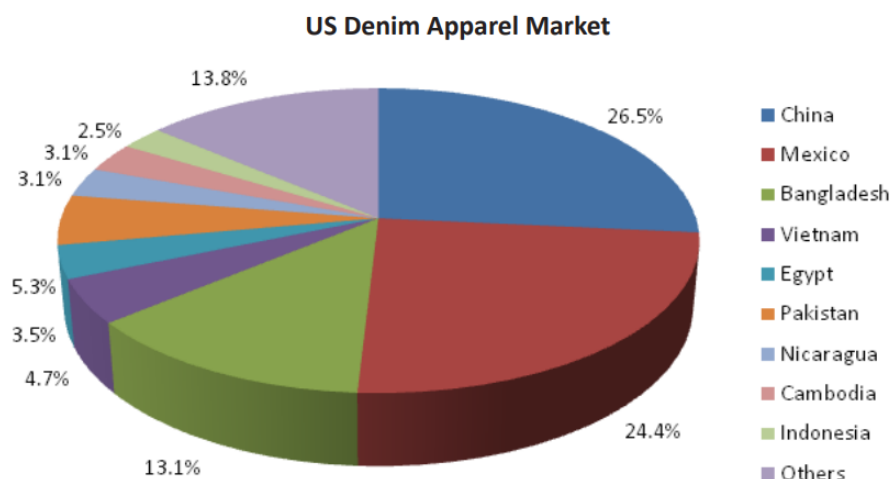


Source: Statista.com

Global Denim Market

Global denim market is estimated to grow at about 6.4% annually from \$57 billion in 2016 (US accounts for 24% of this size) to \$75+ billion in 2021. USA is one of the top consumers of denim jeans with an estimated demand of 450million pieces per year, followed by European Union (EU). USA's top three suppliers of denim jeans include China, Mexico and Bangladesh. Largest supplier of denim garments to EU is Bangladesh followed by China.

Demand growth for the next six years is expected to largely emanate from Asia (12%), Latin America (15%), North America (10%), Europe (4%), Mexico and China. Top denim fabric importing countries include Bangladesh and Mexico. Top denim fabric exporting countries include China, Pakistan, Turkey, Hong Kong, Italy, India, Spain and Brazil. Supply growth of denim fabric is expected to supersede the increase in demand due to expected increase in production facilities around the globe posing pressure on bargaining power of fabric and garments manufacturers.



Source: Denim Industry – Sector Update (March, 2018) – JCR-VIS Credit Rating Company Limited

Demand Drivers

With increasing disposable income and inclination towards western fashion trends, emerging economies are shifting their purchasing patterns towards denim jeans as a part of their casual wear. Higher quality, durability, comfort level, low maintenance, and easy availability are the main reasons for growing demand for denim products amongst the youth. Despite rising acceptance of denim products across all age groups, demand for men is forecasted to surpass that for women. Evolution of e-commerce has increased accessibility thereby improving distribution channels and facilitating consumption.

Denim Industry in Pakistan

Denim fabric has recently been developed and over the last few years there is a rapid growth and expansion in its use and production capacity in Pakistan. There are about 40 major players in the denim industry of Pakistan. Some of them, like Artistic Milliner (Pvt.) Limited, Soorty Enterprises (Pvt.) Limited, Pak Denim Limited, Al-Ameen Denim Mills Limited, S.M Denim Mills Ltd, Denim International, Classic Denim, Rajby Industries, etc. are producing about 50 million square meters of finished denim fabrics monthly.

Domestic denim sector's market size hovers around 10-15% of total textile exports of Pakistan, with the product mix of denim fabric to garments being equal to 30:70. Major markets for fabric exports include Bangladesh, Turkey, Egypt and local players. Prime markets for denim garments comprise of USA and Europe.

Historically, local cotton was considered most suitable for manufacturing of denim fabric due to its low staple length catering to lesser course count requirement; however, given the weakening in quality of cotton crop, reliance on imported cotton of local players has increased. Domestic denim fabric producing capacity is estimated at around 500m sq. meters annually, approximately threefourth of which is catered by tier 1 and tier 2 players of which most are operating at 80% capacity utilization. The determinant which governs player size is the number of looms installed and their speed.

Tier 1 (Looms >250)

1. Artistic Milliners (Private) Limited
2. Soorty Enterprises (Private) Limited
3. U.S. Denim Mills

Tier 2 (Looms 150-200)

1. Rajby Textiles (Private) Limited
2. Naveena Exports Limited
3. Artistic Denim Mills
4. Kassim Denim Mills
5. Siddiqsons Limited

Tier 3 (Looms <=150)

1. Denim International
2. Classic Denim
3. Pak Denim Limited
4. Rana Tex
5. Karim Denim Mills

Source: Denim Industry – Sector Update (March, 2018) – JCR-VIS Credit Rating Company Limited

Total domestic denim garments manufacturing capacity is estimated at around 15 to 20 million pieces per month. With sales entirely directed to the international market and being the final product in the value chain, this division spurs higher margins compared to the fabric segment. Given the increasing demand and in order to maintain market share, all of the major players are expanding capacities of garment division. Moreover, new players who have a strong foothold in non-denim segment are also entering the denim segment. Some of the major players include Artistic Milliners (Pvt.) Ltd., Soorty Enterprises, and US Apparels etc.

4.6.1 Future Prospects

Interloop over the years, continues to provide quality products to its customers by meeting their demands both on quality and quantity fronts. The Company plans to further its global footprint by not only expanding its hosiery division but also entering into new product lines including denim. The Company has initiated a pilot project for apparel under its fully owned subsidiary.

The new expansion plans will add to the growth in actual production of hosiery products by c. 22.6% and the Company will have a new product line to offer in the form of denim.

Interloop is not only in talks with its existing customers but is also approaching new customers for its denim range. Given the global growth forecasted in both Hosiery and Denim segments and the overall growth forecasted in the garments industry, Interloop is positioned to add to its long trend growth in revenue and market share.

4.7 EXPANSION PLAN

Interloop currently operates 4 hosiery production facilities in Pakistan and 1 in Bangladesh through its associate IL Bangla Limited, and is planning to expand its hosiery segment by adding a new production facility.

The Company also has plans to setup denim production facility for stitching denim jeans at Lahore. The Company will procure denim fabric from other companies and will stitch jeans at the production facility.

A break-up of category wise investment required for expansion and the expenditure already incurred is given in the below summary of capital expenditure:

4.7.1 Summary of Capital Expenditure

Hosiery Project:

Description	Funds Required (PKR)	% Allocation	Already Incurred (PKR)	% Completed
Plant & Machinery	2,698,000,000	60%	-	0%
Land & Building	872,000,000	19%	210,000,000	5%
Power & Utilities	903,000,000	20%	-	0%
Miscellaneous Expenses	31,000,000	1%	-	0%
Total	4,504,000,000	100%	210,000,000	5%

Denim Project:

Description	Funds Required (PKR)	% Allocation	Already Incurred	% Completed
Plant & Machinery	3,893,389,515	58%	-	0%
Land & Building	2,192,800,134	32%	269,855,670	4%
Power & Utilities	528,883,879	8%	-	0%
Miscellaneous Expenses	135,349,206	2%	-	0%
Total	6,750,422,734	100%	269,855,670	4%

Source of funds	Funds Utilized			
IPO Proceeds	4,905,000,000	44.0%	-	0%
Debt*	6,349,422,734	56.0%	479,855,670	7.5%
Total	11,254,422,734	100%	479,855,670	7.5%

The Company has utilized PKR 479 million to acquire land for denim and hosiery plant. Debt is used to finance the acquisition of land and represents c. 7.5% of debt utilized and c. 4.3% of the total sources of funds.

*For details please refer section 2.3.13& 7.12.2

4.7.2 The Need For Expansion**Some of the key factors that determine the need for expansion in the Hosiery Business:**

1. Global hosiery market revenues have grown at a CAGR of 3.5% from 2010-18. The industry is forecasted to continue with its upward sloping growth and post a CAGR of 3.5% over the course of the next 3 years
2. The growth is driven by robust demand for comfortable and stylish hosiery
3. Younger and educated population is changing lifestyle patterns and new products are demanded at a rapid rate
4. Global employment levels are improving and with more disposable income, consumers are looking for better quality products
5. With the advent of technology, consumers can now purchase goods online in the ease of their home. The internet offers a wider market place thus pushing manufacturers to invest further in the business to meet the ever evolving choices and demand

Some of the key factors that determine the need for expansion in the Denim Business:

1. Global denim garments market is estimated to grow at about 6.4% annually from \$57 billion in 2016 to \$75+ billion in 2021
2. Demand growth for the next six years is expected to largely emanate from Asia (12%), Latin America (15%), North America (10%), Europe (4%), Mexico and China
3. Increasing disposable income and inclination towards western fashion trends is causing a shift in purchasing pattern of emerging economies with denim garments becoming a part of casual wear
4. Higher quality, durability, comfort level, low maintenance, and easy availability are the main reasons for the growing demand for denim products amongst the youth
5. Demand for denim garments amongst the male population is expected to surpass that of women.
6. E-commerce has removed boundaries and provided outreach of products to far and wide markets
7. Pakistan has become a denim Hub in the region in less than a decade and is considered as one of the leading suppliers of quality denim fabric to the world's known brands
8. With increasing competition from China, Bangladesh, Turkey and Vietnam etc. local businesses are focusing to invest in the denim sector to grab the market share with ever growing demand

4.7.3 Summary of Utilization of funds for Hosiery Expansion

Plant Location:

Interloop has recently signed an agreement and made full payment for purchase of land on Khurrianwala bypass in Faisalabad of 38 acres where hosiery division V will be constructed. The land does not fall under any industrial estate and there are no tax advantages for constructing the plant at the planned location.

Expansion Details:

Interloop currently produces c. 530+ million pairs of socks/tights each year from its 4 hosiery production facilities in Pakistan and 1 in Bangladesh through its associate IL Bangla. The Company is forecasting increased demand from its customers backed by global growth in hosiery segment expected in the years to come. While keeping upto date with latest technology and R&D at the core of its business activity, Interloop offers innovation in its products to its customers. The planned expansion in hosiery is expected to add c. 22.6% additional actual production capacity and take the actual production of socks in excess of 75 million dozens/annum.

The facility will house 1,200 knitting machines and other machinery to support production of hosiery products.

Details of Plant & Machinery for Hosiery Division V:

Category	Manufacturer	Country of Origin	Useful Life
Knitting Machines	Lonati	Italy	15-20 Years
Linking Machines	Shanghai East Best International	China	7 to 10 Years
Boarding Machines	Sun Myung System Co	Korea	7 to 10 Years

Plant & Machinery:

Plant & Machinery - Description	Value (PKR'000)
Knitting Machine	2,502,000
Boarding Machine	78,000
Production Accessories	56,000
Lab Equipment	20,000
IT Equipment	42,000
Total	2,698,000

Civil Works & HVAC System:

Civil Works - Description	Value (PKR'000)
Land	210,000
Main Building	378,000
Boundary Wall	10,000
Admin & Storage Block	65,000
Canteen	40,000
Roads	41,000
Other Building Areas	128,000
Total	872,000

HVAC - Description	Value (PKR'000)
Chilling	323,000
Electrification	242,000
Mechanical	106,000
Suction	96,000
Air	54,000
EHS System	82,000
Total	903,000

The Company is also forecasting miscellaneous expenses of c. PKR 31 million during the setting up of hosiery plant expansion.

4.7.4 Summary for Utilization of Funds for Denim Project

Plant Location:

The Company has already acquired a piece of land beside Hosiery Division 3 on 8-KM Manga Raiwand Road, Lahore through debt for PKR 269.8 million. The land does not fall under any industrial estate and there are no tax advantages for constructing the plant at the acquired location.

Expansion Details:

Interloop is planning to set up denim production facility for stitching denim jeans at Lahore and add to its existing product line of hosiery and yarn. The Company will procure denim fabric from other Companies and will stitch Jeans. Further, the civil work for setting up the production facility has started in November, 2018 and is expected to be completed by August 2019. Once completed, the production facility will be capable of housing machinery for stitching 40,000 pieces of denim jeans/day.

The expansion is being undertaken in a phased manner with commercial production commencing from October, 2019 and production related machinery to be inducted in batches with the last batch (with cumulative plant capacity of producing 40,000 pieces of denim/day) expected to be inducted by November, 2020. Details of Plant & machinery to be purchased for denim factory and a break-up of utilization of proceeds is provided below:

Details of Plant & Machinery for Denim Plant:

Category	Manufacturer	Country of Origin	Useful Life
Computer Aided Design & Cutting Machines	Lectra	France	10-15 Years
Sewing Machines	(Brother, Japan) & (Sip, Italy)	Japan & Italy	7 to 10 Years
Garment Dry Process Machines (GDP)	Jeanologia	Spain	7 to 10 Years
Garment Wet Process Machines (GWP)	Tonello	Italy	15-20 Years

Cost Details for Denim Plant:

Civil Works- Description	Value (PKR'000)
Main Factory Building	1,602,233
Land	269,855
Admin & Storage Block	320,712
Total	2,192,800

Production Machinery - Description	Value (PKR'000)
Sewing Machines	1,042,851
Garment Dry Process Machines (GDP)	1,050,927
Garment Wet Process Machines (GWP)	975,208
Product Development and Sampling	172,936
CAD & Cutting	217,246
Lab Equipment	40,661
Other Ancillary Machines	313,841
Local Machines	79,720
Total	3,893,390

Power & Miscellaneous	Value (PKR'000)
Power	528,884
Pre-operating cost	40,000
Miscellaneous	95,349
Total	664,233

For Denim expansion, a few LCs have been opened and the Company is in talks with banks to arrange credit lines for expansion, however, the Company may utilize its internal cash, if any or the mix of both as and when required based on the optimal capital structure. The Company has finalized the construction company for civil works of denim plant.

4.7.5 Incremental Working Capital Requirement

Once the two projects are operating at their full capacity, an incremental working capital requirement of PKR 2 billion will arise per annum.

4.7.6 Increase in Capacity Post Expansion

Below is the chart detailing production levels during the last year and incremental production capacity post expansion:

Particulars	Pre Expansion/Annum	Post Expansion/Annum
Socks, Tight (Million Dozens) (pair)		
Total Capacity	52.0	75.0
Actual Production	44.6	65.0
Denim (Jeans) (Pieces stitched per day)		
Total Stitching Capacity	Nil	40,000
Actual Stitching	Nil	40,000

With the proposed expansion plans, Interloop will be able to increase its total capacity of hosiery products from 52 million dozens pair of socks/tights to 75 million dozen pair of socks/tights and a new line of clothing will be introduced in the form of denim jeans.

4.7.7 Implementation Schedule

Details of date wise implementation schedule for the expansion plans is as follows:

Hosiery Division V – Implementation Schedule				
Serial #	Particulars	Start Date	Completion Date	Status
1	Civil Works	Jul-19	Apr-20	Feasibility is finalized. Agreement for acquisition of Land is signed and full money is paid. Machinery shall be procured and LCs shall be opened in accordance with implementation schedule of the Hosiery Project.
2	Machinery Delivery (batch 1,50%)	Dec-19	May-20	
3	Utilities Installation (batch 1)	Apr-20	May-20	
4	Machinery Installation(batch 1)	May-20	Jun-20	
5	Quality Check of Plant Performance (batch 1)	Jun-20	Jul-20	
6	Commercial Production from the Plant (batch 1)	Jul-20 onwards	-	
7	Machinery Delivery (batch 2,50%)	Dec-20	May-21	
8	Utilities Installation (batch 2)	Apr-21	May-21	
9	Machinery Installation(batch 2)	May-21	Jun-21	
10	Quality Check of Plant Performance(batch 2)	Jun-21	Jul-21	
11	Commercial Production from the Plant (batch 2)	Jul-21 onwards	-	

Denim Division – Implementation Schedule				
Serial #	Particulars	Start Date	Completion Date	Status
1	Civil Works	Nov-18	Aug- 19	Land has been acquired. Ground breaking for civil work as planned in Nov-18 has started. Machines have been finalized, few LCs are opened and further LCs will be opened in accordance with the implementation schedule of the denim project
2	Machinery Delivery (batch wise)	Feb-19	Oct-20	
3	Utilities Installation	Mar-19	Aug-19	
4	Machinery Installation (Development Centre)	Mar-19	-	
5	Machinery Installation for Commercial Production (batch wise)	Sep-19	Nov-20	
6	Quality Check of Plant Performance	Oct- 19	-	
7	Commercial Production from the Plant	Oct- 19 (based on first batch of machinery) Dec-20 (full scale commercial production)	-	

Details regarding Implementation schedule of denim division:

- The civil work for setting up the production facility has started in November, 2018 and is expected to be completed by August 2019.
- The Company will induct machinery in batches. The first batch of machinery (capacity of stitching 20,000 pieces of denim jeans/day) is expected to be inducted by August 2019, while the second and last batch of machinery (additional capacity of stitching 20,000 pieces of denim jeans/day) is expected to be inducted by November 2020.
- Based on the first batch of machinery, the Denim project will commence commercial production from October 2019, while the full scale commercial production will start from December 2020 after the induction of complete machinery.

4.8 KEY PERFORMANCE DRIVERS

4.8.1 Key Revenue Drivers

Increase in Production Capacity:

Interloop currently produces c. 530+ million pairs of socks/tights each year. The Company is in an expansionary phase and with the addition of Hosiery Division V, Interloop will have an estimated actual production capacity of c. 75 million dozens of socks each year.

Growth in Hosiery & Denim Sector:

The global hosiery and denim segments are forecasted to grow at a faster pace in the next few years. Interloop is planning to capitalize on this opportunity by increasing its production capacity for the expected growth in demand.

Expanding Product Base:

With the targeted expansion, Interloop is entering into denim business. By adding new product range in its portfolio, Interloop will not only open new avenues for its revenue generation but will also add diversification in its operations.

Product Development:

A significant factor in Interloop's continuous growth is its ability to anticipate changes in technology, industry standards and customer preferences and to successfully develop new products in time. Established in 2004 as a section with 4 knitting machines to fulfill business needs of the time, Product Development (PD) evolved into a complete Vertical Sampling Facility by 2014. PD takes care of customer requirements, development of product as per customer specifications, recording parameters for costing and bulk execution and improving processes through Kaizen activities. The Product Development Lab houses a complete range of latest color development machines.

Research & Innovation:

Innovation has been an integral part of Interloop's business strategy since inception. In 2013, a dedicated and self-sufficient Research & Innovation (R&I) Centre was set up in Pakistan. The R&I Center is equipped with hi-tech machines and a modern lab, and is looked after by an extremely competent team. A Global Innovation Forum having representation from Interloop's worldwide teams and R&I Centre, works at the heart of entire innovation process, from raw concepts to testing and commercialization. More than 100 concepts have been released for marketing while 3 patents and 20+ trademarks have been granted to Interloop globally.

4.8.2 Key Cost Drivers

Cost of Raw Material:

Cotton is the key raw material for manufacturing of textile related products. A shortage in cotton production due to poor farming or natural disaster might increase the cost of raw materials due to shorter supply, shrinking the overall margins.

Cost of Labor:

A shortage of skilled labor or an increase in minimum wages by the government will result in an increase in cost of labor, adversely affecting the margins of the Company. However, the Company is in the process of implementing lean manufacturing with the help of ex-Toyota employees from USA and Japan which will increase productivity by at least 30% in two years, thus mitigating possible wage increase.

Shift in Consumer Choices:

With rapidly changing consumer demands, the Company might have to invest in Capex and R&D budgets at a faster rate, resulting in an increase in fixed cost component of production thereby increasing the overall production cost.

4.9 KEY DISCLOSURES

4.9.1 De-Merger of Interloop Limited

With Hosiery being the core business of the Company, Interloop over the years has also made investments in the dairy, IT and real estate sector along with short term investments in mutual funds (the "Investment Segment"). A separate new ventures department was established in the Company to look after the existing diversification from purely textile related business lines and to also look for opportunities in other sectors for e.g. power, logistics etc.

Prior to the demerger, all the investments were parked on the balance sheet of Interloop. The sponsors of Interloop were of the view to have the non-core business lines separated from Interloop and parked under a holding company structure. The idea was to have all non-textile projects parked under one umbrella as separate entities with independent management and operations all consolidating into one holding company. Further as the textile division and other investments were all in an expansionary phase, the sponsors of Interloop decided to carve out non-textile investments from Interloop in order to ensure a focused approach of management for each business line.

The idea mentioned above led Interloop to enter into a demerger exercise in FY 18 with the primary purpose to direct the management's focus on the core business activities, prepare the textile focused company for listing on the PSX by offering potential investors with pure textile sector exposure, and to have the non-core investments under one umbrella for improved management and operational efficiency on their part.

For the purpose of carve-out, a Scheme of Arrangement (the "Scheme") was filed with the Punjab High Court under section 279 to 282 of Companies Act, 2017 in December 2017. The principal object of the scheme was to provide for the division of Interloop as follows:

- i. the separation of the Investment Segment (as a going concern) from Interloop;
- ii. the transfer to, and vesting in Interloop Holdings, of the Investment Segment;
- iii. the issuance of ordinary shares of Interloop Holdings to the Sponsor Shareholders pro rata to the percentage of ordinary voting shares held by them in Interloop;
- iv. the payment of cash consideration by Interloop Holdings to the relevant employees pro rata to the percentage of non-voting shares held by them in Interloop; and
- v. the retention of the textile related assets and liabilities as part of Interloop

with the scheme being effective from the date on which the certified copy of the order of the High Court sanctioning the Scheme is filed with the Registrar of Companies at the SECP.

The Honorable High Court of Lahore sanctioned the scheme on May 8, 2018 sanctioning the scheme as per the principal object. The scheme was filed with the Registrar of Companies at the SECP on May 16, 2018 and is effective since then.

As part of the scheme, net assets of PKR 8.2 billion were transferred to Interloop Holdings against which 820,229,034 new shares of Interloop Holdings were issued to the ordinary shareholders of Interloop and PKR 22,081,422 was paid in consideration to the Employee Stock Option Shareholders of Interloop.

4.9.2 Interloop Limited Employee Stock Option Scheme

Interloop Limited offers an Employee Stock Option Scheme ("ESOS") to its employees approved vide SECP letter Ref. # SMD/CIW/ESOS/01/2016 (dated: September 1, 2016). As per SECP approval, Interloop is allowed to issue further capital up to 15% of its enhanced paid-up capital (ordinary & voting) to its employees under the ESOS by way of other than right offer under the first provision to subsection (1) of Section 83 of Companies Act, 2017 (previously subsection (1) of Section 86 of Companies Ordinance, 1984).

Key Details of the ESOS:

A Compensation Committee is set-up which determines the number of shares to be issued in response to exercise of options once the minimum vesting period has completed. The shares issued as a result of ESOS are Non-Voting Ordinary Shares ("ESOS shares") which rank *pari passu* with the Ordinary Shares in all respects subject to limitation / restriction that holders of such non-voting ordinary shares shall not be entitled to receive notice, attend and vote at the general meeting of the Company, except and otherwise provided by the Companies Act, 2017 whereby the holders of such shares would be entitled to vote separately as a class.

In the event of further issue of capital by means of bonus shares, the holders of the Ordinary Shares and the ESOS shareholders shall be offered/ allotted shares simultaneously and strictly in proportion to their existing shareholding in accordance with the Section 83 of the Companies Act, 2017. However, in case of further issue of capital by right shares, the ESOS shareholders do not qualify for rights entitlement.

Salient features of the scheme are re-produced as under;

1. All Management Executives of Interloop Limited (irrespective of their grades) will be given an option to buy Company Non-Voting Ordinary Shares. This will be subject to approval by the Board every year
2. Only those Management Executives will be given these options that have completed a regular service of 3 years with the Company on 31st December of the preceding year
3. Value of the Shares will be determined as per the breakup value of the shares as per Company Balance Sheet on closing date of the last fiscal year
4. ESOS Shares will be entitled to Dividend as announced by the Company from time to time.
5. ESOS Shares will only be sold back to the Company in following manner:
 - a. At the time of separation from the Company, the Company shall be bound to buy back the shares and the employee will be bound to sell the shares back to the Company
 - b. After 3 years of issuance, the Company may agree to buy back the shares on request of the employee
6. Value of the ESOS Shares at the time of Buy Back shall be taken as the latest book value determined as per the latest audited accounts of the Company
7. In the event of Company becoming a listed company, the ESOS shares will convert to Ordinary shares, 3 years after the date of listing of the Company or after completion of 3 years after date of issue/purchase, whichever is later. The Company will no longer be obliged to buy back the ESOS shares after formal listing. However, if the employee still wishes to sell the ESOS shares after listing, the Company may buy back shares at the lower of the prevailing price on the stock exchange or at the break-up value of those shares determined as per the latest audited accounts of the Company

8. In case of death of a shareholder under the said scheme, the ESOS shares shall be bought back by the Company at the break-up value of those shares determined as per the latest audited accounts of the Company and the proceeds shall be paid to the deceased's nominees or legal heirs, as the case may be

To date, the Company has issued 510,423 non-voting shares against ESOS to its employees. In August 2018, Interloop carried a 300% bonus issue which was also offered to the ESOS shareholders. Post bonus issue, the existing number of ESOS shares issued is 2,041,692 shares.

4.10 RISK FACTORS

4.10.1 Export Risk

Interloop generates approximately 90% of its revenue from exports. Risks related to heavily export based companies can be further sub-divided into following categories:

4.10.1.1 Commercial Risk

A risk whereby the customers of Interloop fail to repay or delay the payment for goods shipped to them due to bankruptcy, liquidity issue or any other reason resulting in a aging receivables and/or bad debts for Interloop. Occurrence of such an event might have an impact on the liquidity of Interloop.

4.10.1.2 Political Risk

A situation whereby the political situation in Pakistan or the customer's country is such that the export of goods or fulfillment of orders is not possible which might have an affect on the sales and profitability of Interloop.

4.10.1.3 Exchange Rate Risk

The Company relies majorly on its exports, and hence the Company is exposed to exchange rate risk. Any unfavorable movement in exchange rates might negatively affect the company's profitability and hence, negatively affect the share price.

4.10.1.4 Bank Risk

A risk where the counter-party bank is not able to honor its obligation as part of the export process because it is not impartial or solvent might affect the receipt of funds at Interloop level for the invoiced shipments.

4.10.1.5 Shipment Risk

A risk whereby the shipments made by Interloop are not delivered to the end customers due to any reasons including natural catastrophe, shipment laws or theft etc.

4.10.1.6 Contractual Risk

A risk whereby there is a breach in contract between Interloop and its customer which leads to litigation and the affect the governing laws of any such contract has on the outcome of such litigation.

4.10.2 Regulatory Framework

Textile sector is exposed to inconsistent Government regulations, tax schemes, policies, incentive schemes and duty structures which directly affects the Company's financial performance which in turn affect the share price.

Interloop's profitability would suffer if the government revokes the current incentive schemes offered to the textile sector companies or if there is an adverse regulatory change in its exporting countries.

4.10.3 Business Risk

Interloop is a manufacturing concern and a glitch in production process affects the overall profitability of the Company. A shortage of raw material will result in the plant operating at less than optimal utilization levels. Poor quality of raw material will affect the quality of end product.

Dependence on few customers increases the risk of profitability being volatile in case one or two customers leave the Company by moving to one of the competitors or shifting to locally produced products.

4.10.4 Environmental Risk

Natural catastrophes such as heavy rains and floods could destroy local cotton crop. Performance of the textile sector is largely dependent upon the availability of raw material, which is highly sensitive to seasonal fluctuations. Thus, any decrease in the crop yield will dampen the Company's performance and negatively influence the share price.

4.10.5 Economic Slowdown

There could be a reduction in overall market demand for the products manufactured by the Company either due to a lower than expected disposable income at the consumer end, a recession and/or customers shifting to need based purchasing instead of want based buying.

4.10.6 Operational Risk

High turnover of skilled staff will negatively affect the production process of the Company and result in more efficiency-related losses. The Company's profitability will also suffer if the Company is not able to keep pace with the rapidly changing technology.

Interloop is currently in talks with its existing customers and is also approaching new customers for its upcoming denim line. The Company has not signed any MOU so far with any customer pertaining to its denim line. A lower than expected demand from potential customers or no interest at all will affect the efficiency levels and profitability of denim line.

Any delay in project timelines shall also impact forecasted profitability.

4.10.7 Increased Competition Risk

The gap in the total global demand and the corresponding supply of quality textile finished products, and the margins available for manufacturers will attract new entrants in the market. Cotton is the primary raw material in the production process, which is available abundantly hence there are fewer barriers to entry for new manufacturers in the textile segment. With an increase in supply of quality producers, fierce competition might drive down margins for the Company.

4.10.8 Interest Rate Risk

Interloop is in its expansion phase, and for that purpose the Company has obtained financing from various lenders. Any adverse interest rate movement might affect the company's profitability as it would result in a higher debt servicing cost. This may negatively impact the share price.

4.10.9 Capital Market Risk

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

4.10.10 Credit Risk

Credit risk represents the risk that the Company may default in meeting its obligations associated with financial liabilities. However the Company has implemented measures to efficiently manage its financial obligations and ensures avoidance of such event.

4.10.11 Liquidity Risk

Liquidity Risk is the risk that Company may be unable to meet its short term financing financial requirement affecting the overall business operations.

4.10.12 Under-subscription Risk

The Issue of Interloop Limited may get under-subscribed due to lack of interest on part of the investors. In such a case, the book building process shall be considered as cancelled if the Company does not receive bids for the number of shares allocated under the Book Building Portion and the bid money submitted by investors shall be refunded accordingly.

4.10.13 Risk of Non-Compliance with Regulation of SECP and PSX

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

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

5 FINANCIAL INFORMATION

AUDITORS REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS OF INTERLOOP LIMITED



Ref: KHBC-IL-1/IPO/379/19

The Board of Directors
Interloop Limited
P-157, Al-Sadiq Plaza, Railway Road,
Faisalabad.

Auditor's report under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017

Dear Sirs,

We have been requested to provide you the report with respect to information of the Company included in auditor's report section as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Scope of the report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Management responsibilities

The responsibility for preparation and fair presentation of the financial information and non-financial information in the prospectus document is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This report does not relieve the management from its responsibilities.

Auditor's responsibilities

Our responsibility is to report with respect to information included in auditor's report paragraph of this report as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017. Our report is being issued in accordance with the 'Guidelines for issue of Certificate for Special Purposes by Practicing Chartered Accountants Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to checking the correctness of financial information and non-financial information included in the auditors' report section (including annexures) of the report. For this purpose, we traced and gathered the financial information from the audited unconsolidated financial statements of the Company for the years ended June 30, 2014 to the half year ended December 31, 2018, accordingly, we have summarize details of the assets, liabilities, and the profit or loss of the Company. In addition, we have reported other information required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017

based on our audits of the unconsolidated financial statements of the Company for the respective years/period.

Auditor's report

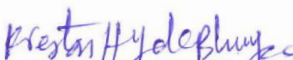
Based on our procedures performed as mentioned in the preceding paragraph, we are pleased to report the following:

1. We have audited the unconsolidated financial statements of the Company for the financial years ended from June 30, 2014 to the half year ended December 31, 2018.
2. In terms of the requirement under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017, and based on the audited unconsolidated financial statements, we report as under:
 - a) Summary of assets, liabilities and shareholder's equity of the Company for the five and half years ended from June 30, 2014 to the half year ended December 31, 2018 is included in **Annexure 'A'** of this report; and
 - b) the statement of profit or loss and other comprehensive income of the company for the five and half years ended from June 30, 2014 to the half year ended December 31, 2018 are included in **Annexure 'B'** of this report.
3. Details of dividend paid and bonus shares issued are mentioned in '**Annexure- C**'.
4. The Company has made an equity investment of Pak Rupees 450,000,000/- (45,000,000 ordinary shares of Rs.10 each) in IL Apparel (Pvt.) Limited upto December 31, 2018 turning it to wholly owned subsidiary of the Company.
5. No unconsolidated financial statements of the Company have been audited by us, subsequent to the audit of unconsolidated financial statements of the Company for the half year ended December 31, 2018.

Restriction on use and distribution

This report is being issued on the specific request of the management for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited. Accordingly, this should not be distributed to any other third party without our prior written consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours truly,


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Date: February 11, 2019
Place: Faisalabad

ANNEXURE - 'A'

SUMMARY OF ASSETS, LIABILITIES, AND SHAREHOLDERS' EQUITY

	December 31, 2018	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
	[R u p e e s]					
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	16,140,344,936	15,451,966,848	13,639,798,894	11,710,738,765	11,443,616,452	10,196,341,966
Intangible asset	38,255,453	42,411,059	47,205,207	34,923,324	28,355,671	31,791,862
Long term investments	829,549,286	380,549,286	1,400,159,286	1,400,159,286	1,204,451,786	830,086,786
Long term loan and advances	88,143,267	60,746,885	50,026,983	63,227,321	28,852,774	28,131,962
Long term deposits	26,995,345	25,055,445	29,372,357	48,355,525	71,870,285	62,944,955
	<u>17,123,288,287</u>	<u>15,960,729,523</u>	<u>15,166,562,727</u>	<u>13,257,404,221</u>	<u>12,777,146,968</u>	<u>11,149,297,531</u>
CURRENT ASSETS						
Stores and spares	869,661,883	779,198,611	696,743,313	583,261,263	559,983,441	556,955,235
Stock in trade	8,386,122,722	5,121,718,003	3,565,880,527	3,176,740,546	4,005,720,825	4,422,082,367
Trade debts	8,514,281,535	7,293,008,673	4,814,219,944	4,778,114,314	4,277,049,170	3,501,181,256
Loan and advances	1,346,667,913	617,743,740	1,007,837,168	621,987,224	292,615,686	702,803,163
Deposits, prepayments and other receivables	153,712,572	179,864,209	497,238,609	227,858,192	94,516,076	118,055,103
Tax refunds due from government	2,490,991,281	2,451,806,446	1,971,626,235	952,072,639	930,588,731	827,858,027
Short term investments	136,364,939	147,423,663	716,525,946	-	-	-
Deferred employee share option compensation expense	863,032	5,013,622	968,191	-	-	-
Cash and bank balances	453,543,976	193,686,593	58,598,752	51,374,185	42,659,821	96,407,953
	<u>22,352,209,853</u>	<u>16,789,463,560</u>	<u>13,329,638,685</u>	<u>10,391,408,363</u>	<u>10,203,133,750</u>	<u>10,225,343,104</u>
TOTAL ASSETS	<u>39,475,498,140</u>	<u>32,750,193,083</u>	<u>28,496,201,412</u>	<u>23,648,812,584</u>	<u>22,980,280,718</u>	<u>21,374,640,635</u>
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital	10,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	2,000,000,000	2,000,000,000
Issued, subscribed and paid up capital	7,624,416,920	1,901,104,230	1,899,384,990	1,896,000,000	1,896,000,000	1,896,000,000
Reserves	8,606,984	38,861,728	21,052,128	-	-	-
Unappropriated profit	3,656,427,530	7,142,573,682	12,522,990,106	10,560,456,715	7,522,172,810	5,889,244,959
Total equity	<u>11,289,451,434</u>	<u>9,082,539,640</u>	<u>14,443,427,224</u>	<u>12,456,456,715</u>	<u>9,418,172,810</u>	<u>7,785,244,959</u>
LIABILITIES						
NON-CURRENT LIABILITIES						
Long term financing	4,935,076,177	2,247,935,094	1,916,474,879	3,133,871,077	4,451,888,128	4,486,996,514
Liabilities against assets subject to finance lease	-	615,363	1,083,951	-	146,079,952	128,360,435
Deferred liabilities	2,108,778,714	1,925,611,810	1,572,460,706	1,262,174,359	984,357,816	746,856,643
	<u>7,043,854,891</u>	<u>4,174,162,267</u>	<u>3,490,019,536</u>	<u>4,396,045,436</u>	<u>5,582,325,896</u>	<u>5,362,213,592</u>
CURRENT LIABILITIES						
Trade and other payables	2,804,582,566	2,730,412,199	1,831,789,774	2,159,892,176	1,629,613,883	1,790,580,215
Dividend payable	-	475,276,124	-	-	-	-
Accrued mark up	255,157,982	137,855,938	83,139,648	88,957,728	166,494,817	214,844,384
Short term borrowings	17,095,808,121	15,180,936,840	7,636,573,125	3,255,000,000	5,055,000,000	5,360,000,000
Current portion of non current liabilities	986,643,146	969,010,075	1,011,252,105	1,292,460,529	1,116,425,898	848,031,830
Taxes and duties payable	-	-	-	-	12,247,414	13,725,655
	<u>21,142,191,815</u>	<u>19,493,491,176</u>	<u>10,562,754,652</u>	<u>6,796,310,433</u>	<u>7,979,782,012</u>	<u>8,227,182,084</u>
CONTINGENCIES AND COMMITMENTS (Note. 1)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY AND LIABILITIES	<u>39,475,498,140</u>	<u>32,750,193,083</u>	<u>28,496,201,412</u>	<u>23,648,812,584</u>	<u>22,980,280,718</u>	<u>21,374,640,635</u>
1. CONTINGENCIES AND COMMITMENTS						
1.1 Contingencies						
Bank guarantees issued by various banks on behalf of the company in favour of:						
Sui Northern Gas Pipelines limited against supply of gas.	386,803,700	386,803,700	138,073,700	104,947,700	106,097,700	106,097,700
The Director, Excise and Taxation, Karachi against imposition of infrastructure cess	190,852,944	172,852,944	145,852,944	112,852,944	97,352,944	76,352,944
Faisalabad Electric Supply Company (FESCO) against supply of electricity.	70,414,020	70,414,020	70,414,020	62,751,560	62,751,560	7,298,020
Punjab Revenue Authority	7,984,050	4,334,550	3,500,000	-	-	-
State Bank of Pakistan	25,000,000	25,000,000	-	-	-	-
Pakistan Army against supply of goods	-	-	-	112,712,836	-	-
Collector of Customs	23,164	-	-	-	-	-
	<u>681,077,878</u>	<u>659,405,214</u>	<u>357,840,664</u>	<u>393,265,040</u>	<u>266,202,204</u>	<u>189,748,664</u>
Post dated cheques issued in favour of custom authorities for release of imported goods:	<u>3,189,153,402</u>	<u>2,643,165,836</u>	<u>2,209,307,853</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,870,231,280</u>	<u>3,302,571,050</u>	<u>2,567,148,517</u>	<u>393,265,040</u>	<u>266,202,204</u>	<u>189,748,664</u>
1.2 Commitments						
Under letters of credit for:						
Capital expenditure	482,317,629	747,705,729	516,676,114	1,058,352,048	196,785,109	1,436,430,480
Raw material	150,621,377	209,205,545	635,309,047	230,763,643	190,658,094	355,415,048
Stores and spares	39,645,575	37,153,231	29,702,568	-	18,921,856	63,738,361
	<u>672,584,581</u>	<u>994,064,505</u>	<u>1,181,687,729</u>	<u>1,289,115,691</u>	<u>406,365,059</u>	<u>1,855,583,889</u>

ANNEXURE - 'B'**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Half year ended December 31, 2018	Year ended June 30, 2018	Year ended June 30, 2017	Year ended June 30, 2016	Year ended June 30, 2015	Year ended June 30, 2014
	[R u p e e s]					
Sales	17,933,452,444	31,138,737,042	26,529,785,538	25,751,322,046	24,295,293,329	22,650,093,889
Cost of sales	(12,364,246,687)	(21,976,765,961)	(19,503,501,155)	(18,888,349,878)	(18,504,372,242)	(17,245,662,579)
Gross profit	5,569,205,757	9,161,971,081	7,026,284,383	6,862,972,168	5,790,921,087	5,404,431,310
Distribution expenses	(1,402,729,009)	(2,645,390,839)	(2,113,247,568)	(896,895,712)	(1,054,476,952)	(1,232,855,515)
Administrative expenses	(947,798,832)	(1,610,894,253)	(1,298,707,178)	(1,156,926,941)	(981,659,099)	(899,651,829)
Other operating expenses	(385,415,740)	(425,428,849)	(108,151,938)	(463,323,628)	(296,466,782)	(229,322,768)
	(2,735,943,581)	(4,681,713,941)	(3,520,106,684)	(2,517,146,281)	(2,332,602,833)	(2,361,830,112)
Profit from operations	2,833,262,176	4,480,257,140	3,506,177,699	4,345,825,887	3,458,318,253	3,042,601,198
Finance cost	(530,012,216)	(483,653,993)	(391,940,087)	(472,971,695)	(891,230,791)	(832,644,200)
Other income	16,969,388	9,163,611	35,342	1,666,905	2,010,103	1,742,161
Profit before taxation	2,320,219,348	4,005,766,758	3,114,272,954	3,874,521,097	2,569,097,566	2,211,699,159
Taxation	(118,307,554)	(119,954,132)	(103,187,809)	(214,117,026)	(77,827,296)	(45,412,309)
Profit for the year	2,201,911,794	3,885,812,626	3,011,085,145	3,660,404,071	2,491,270,269	2,166,286,850
Other comprehensive loss :						
Items that may not be reclassified subsequently to profit or loss:						
Remeasurement of post retirement benefits obligation	-	(91,305,032)	(59,625,477)	(47,632,166)	(43,062,419)	(101,098,251)
Total comprehensive income for the year	2,201,911,794	3,794,507,594	2,951,459,668	3,612,771,905	2,448,207,850	2,065,188,599
Earnings per share - basic	2.8884	5.1007	15.874	19.31	13.14	11.43
Earning per share - diluted	2.8880	5.1003	15.872	19.31	13.14	11.43

ANNEXURE - 'C'

DETAIL OF DIVIDEND PAID AND BONUS SHARES ISSUED

	Half year ended December 31, 2018	Year ended June 30, 2018	Year ended June 30, 2017	Year ended June 30, 2016	Year ended June 30, 2015	Year ended June 30, 2014
Dividend to all shareholders (Rupees) (Note. 1)	-	950,552,116	988,926,277	574,488,000	815,280,000	821,600,000
Bonus Shares (Rupees)	5,718,312,690	-	-	-	-	632,000,000
Ordinary shares issued as fully paid in cash (Numbers)	21,900,000	21,400,000	21,400,000	21,400,000	21,400,000	21,400,000
Ordinary shares issued as fully paid bonus shares (Numbers)	738,500,000	168,200,000	168,200,000	168,200,000	168,200,000	168,200,000
Non-voting ordinary shares issued as fully paid in cash (Numbers)	510,423	510,423	338,499	-	-	-
Non-voting ordinary shares issued as fully paid bonus shares (Numbers)	1,531,269	-	-	-	-	-
Total numbers of shares	762,441,692	190,110,423	189,938,499	189,600,000	189,600,000	189,600,000

1. Year wise break up of dividend along with approval date, payment date and rate of dividend is as under;

Year	Declared Date	Payment Date	Rate	Amount Rupees
2014	24-Aug-13	11-Sep-13	20.00%	252,800,000
	31-Oct-13	26-Nov-13	15.00%	189,600,000
	3-Feb-14	21-Feb-14	10.00%	126,400,000
	2-Apr-14	3-Apr-14	20.00%	252,800,000
Total				821,600,000
2015	28-Jul-14	15-Aug-14	10.00%	189,600,000
	31-Oct-14	24-Nov-14	3.00%	56,880,000
	20-Feb-15	28-Feb-15	20.00%	379,200,000
	27-Apr-15	4-May-15	5.00%	94,800,000
	18-Jun-15	26-Jun-15	5.00%	94,800,000
Total				815,280,000
2016	30-Oct-15	13-Nov-15	5.30%	100,488,000
	4-Feb-16	19-Feb-16	15.00%	284,400,000
	25-Apr-16	3-May-16	10.00%	189,600,000
Total				574,488,000
2017	25-Jul-16	1-Aug-16	10.00%	189,600,000
	31-Oct-16	5-Nov-16	9.30%	176,328,000
	31-Mar-17	7-Apr-17	20.00%	379,876,998
	14-Jun-17	16-Jun-17	12.80%	243,121,279
Total				988,926,277
2018	12-Feb-18	17-Feb-18	25.00%	475,276,124
	12-Jun-18	4-Jul-18	25.00%	475,276,124
Total				950,552,248

5.1 AUDITOR CERTIFICATE ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY



Ref: KHBC-IL-1/IPO/380/19

The Board of Directors
Interloop Limited
P-157, Al-Sadiq Plaza, Railway Road,
Faisalabad.

ISSUED SUBSCRIBED AND PAID-UP CAPITAL AS AT DECEMBER 31, 2018

Dear Sirs

We have been requested to provide you with a certificate on issued, subscribed and paid-up capital of the Company as at December 31, 2018.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under the listing regulations of Pakistan Stock Exchange Limited (PSX).

Management Responsibility

The responsibility for the fair presentation of Issued, Subscribed and Paid-up Capital is primarily that of the management of the Company. The management's responsibilities include maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certification does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the Issued, Subscribed and Paid-up Capital as at December 31, 2018 in accordance with the 'Guidelines for issue of Certificate for Special Purposes by Practicing Chartered Accountants Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the relevant financial information included in this certificate from the relevant records of the Company. Further, we have traced the financial information and pattern of shareholding from the books and records of the Company in respect of shares issued by the Company till December 31, 2018.

Certificate

Based on the procedures performed as mentioned in above paragraph, we certify that the issued, subscribed and paid-up capital of the company as at December 31, 2018 is as follows:

Description	Number of shares	Amount (PKR)
Ordinary Shares of Rs. 10 each fully paid-up in cash	21,900,000	219,000,000
Ordinary Shares of Rs. 10 each fully paid bonus shares	738,500,000	7,385,000,000
Total Ordinary Shares	760,400,000	7,604,000,000
Non-Voting Ordinary Shares of Rs. 10 each fully paid-up in cash	510,423	5,104,230
Non-Voting Ordinary Shares of Rs. 10 each fully paid bonus shares	1,531,269	15,312,690
Total Non-Voting Ordinary Shares	2,041,692	20,416,920

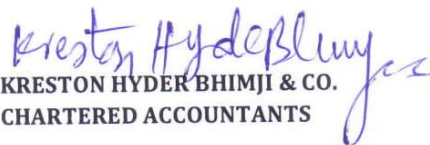
The issued, subscribed and paid-up capital as at December 31, 2018 is *held as follows*:

ISSUED, SUBSCRIBED & PAID-UP CAPITAL (VOTING SHARES) OF INTERLOOP LIMITED ARE HELD AS FOLLOWS:					
No. of shares	Shares held by Directors / Sponsors of the Company	Face Value (PKR)	Premium (PKR)	Total Value (PKR)	Percentage
298,498,840	Navid Fazil	2,984,988,400	-	2,984,988,400	39.26%
282,498,838	Musadaq Zulqarnain	2,824,988,380	-	2,824,988,380	37.15%
Shares held by Directors					
69,358,284	Shereen Aftab	693,582,840	-	693,582,840	9.12%
37,229,040	Jahan Zeb Khan Banth	372,290,400	-	372,290,400	4.90%
3,606,000	Muhammad Maqsood	36,060,000	-	36,060,000	0.47%
1	Tariq Iqbal Khan	10	-	10	0.00%
1	Saeed Ahmad Jabal	10	-	10	0.00%
Shares held by Family Members/other shareholders					
16,000,000	Zain Sadiq	160,000,000	-	160,000,000	2.10%
13,867,560	Tariq Rashid Malik	138,675,600	-	138,675,600	1.82%
7,200,000	Farzana Zulqarnain	72,000,000	-	72,000,000	0.95%
7,200,000	Nazia Navid	72,000,000	-	72,000,000	0.95%
4,000,000	Faryal Sadiq	40,000,000	-	40,000,000	0.53%
4,000,000	Noor Jehan Sadiq	40,000,000	-	40,000,000	0.53%
4,000,000	Alena Sadiq	40,000,000	-	40,000,000	0.53%
4,000,000	Shanze Sadiq	40,000,000	-	40,000,000	0.53%
3,735,000	Fehmida Jahan Zeb	37,350,000	-	37,350,000	0.49%
2,581,218	Ahmed Sultan	25,812,180	-	25,812,180	0.34%
1,825,218	Mehar Sultan	18,252,180	-	18,252,180	0.24%
400,000	Shahzad Qamar Butt	4,000,000	-	4,000,000	0.05%
400,000	Azhar Sadiq	4,000,000	-	4,000,000	0.05%
760,400,000	Total Voting Ordinary Paid up Capital	7,604,000,000	-	7,604,000,000	100.00%
ISSUED, SUBSCRIBED & PAID-UP CAPITAL (NON-VOTING SHARES) OF INTERLOOP LIMITED ARE HELD AS FOLLOWS:					
Shares held by Non-Voting ESOS Holder					
2,041,692	ESOS Holders	20,416,920	-	20,416,920	
2,041,692	Total Non-Voting Ordinary Paid up Capital	20,416,920	-	20,416,920	
TOTAL ISSUED, SUBSCRIBED & PAID-UP CAPITAL (VOTING PLUS NON-VOTING SHARES) OF INTERLOOP LIMITED:					
762,441,692	Total Paid up Capital (Voting plus Non-Voting) Ordinary Shares of the Company	7,624,416,920	-	7,624,416,920	

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion of information in the prospectus to be issued for Initial Public Offering. Accordingly, this should not be distributed to any other third party without our prior written consent. This certificate is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly,


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Date: February 11, 2019
Place: Faisalabad

5.2 SHARE BREAK-UP VALUE CERTIFICATE



Ref: KHBC-IL-1/381/19

The Board of Directors,
Interloop Limited
P-157, Al-Sadiq Plaza, Railway Road,
Faisalabad

Dear Sirs,

BREAK UP VALUE PER SHARE

We have been requested to provide you with a certificate on the break-up value per share of the company as at 31st December 2018.

Scope of certificate

This certificate is being issued for the purpose of proposed listing of the Company's shares on the Pakistan Stock Exchange Limited.

Management's responsibility

It is the management's responsibility to provide the financial information relating to the break-up value per share of the company computed in accordance with the requirements of the Technical Release (TR) -22 of The Institute of Chartered Accountants of Pakistan (ICAP).

Auditor's responsibility

Our responsibility is to review the information provided to us by the management and to calculate and certify the break-up value per share of the Company based on such information.

Certificate


Based on the financial statements of the Company for the year ended 31st December 2018, the break-up value per ordinary share is as follows:

		December 31, 2018 (Rupees)
Issued, subscribed and paid up capital		7,624,416,920
Reserves		8,606,984
Unappropriated profit		<u>3,656,427,530</u>
Shareholder's Equity	A	11,289,451,434
Ordinary share of Rupees 10 each	B	762,441,692
Break-up value per share of Rupees 10 each	(C=A/B)	Rs.14.81

Restriction

This certificate is being issued on the specific request of the Company for the purpose of proposed listing of the Company's shares on the Pakistan Stock Exchange Limited.

Yours Sincerely,


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Date: February 11, 2019
Place: Faisalabad

5.3 SUMMARY OF FINANCIAL HIGHLIGHTS OF INTERLOOP LIMITED

(Amounts in PKR Millions)

	Audited Numbers For the Year ended June 30 th					Audited
	2014	2015	2016	2017	2018	Dec-18
Income Statement						
Revenue	22,650	24,150	26,333	26,530	31,139	17,933
Cost of Goods Sold	(17,246)	(18,504)	(18,888)	(19,504)	(21,977)	(12,364)
Gross Profit	5,404	5,646	7,445	7,026	9,162	5,569
Operating Expenses	(2,133)	(1,891)	(2,636)	(3,412)	(4,256)	(2,351)
Operating Profit	3,272	3,755	4,809	3,614	4,906	3,219
Other Income/(Expense)	(228)	(294)	(462)	(108)	(416)	(368)
Financial Charges	(833)	(891)	(473)	(392)	(484)	(530)
Profit/(Loss) before Taxation	2,212	2,569	3,875	3,114	4,006	2,320
Taxation	(45)	(78)	(214)	(103)	(120)	(118)
Profit/(Loss) after Taxation	2,166	2,491	3,660	3,011	3,886	2,202
EBITDA	4,085	4,846	5,956	4,817	6,388	4,008
Depreciation and Amortization	813	1,091	1,146	1,202	1,482	790
Balance Sheet						
Non-Current Assets	11,149	12,777	13,257	15,167	15,961	17,123
Current Assets	10,225	10,203	10,391	13,313	16,789	22,352
Total Assets	21,375	22,980	23,649	28,479	32,750	39,475
Equity	7,785	9,418	12,456	14,443	9,083	11,289
Long-Term Debt	4,487	4,452	3,134	1,916	2,248	4,935
Liabilities against assets subject to finance lease	128	146	0	1	1	0
Accrued markup	215	166	89	83	138	255
Current Portion of non-current liabilities	848	1,116	1,292	1,011	969	987
Short-Term Borrowings	5,360	5,055	3,255	7,637	15,181	17,096
Non-Current Liabilities	5,362	5,582	4,396	3,490	4,174	7,044
Current Liabilities	8,227	7,980	6,796	10,546	19,493	21,142
Net Debt	10,993	10,990	7,762	9,873	18,195	22,683
Stock-in-trade	4,422	4,006	3,177	3,566	5,122	8,386
Trade debts	3,501	4,277	4,778	4,814	7,293	8,514
Trade and other payables	1,791	1,642	2,160	1,815	2,730	2,805

Cash Flow Statement

Operating Activities	2,478	3,549	5,311	1,239	(2,791)	(1,955)
Investing Activities	(3,271)	(2,644)	(1,526)	(3,153)	(4,467)	(1,935)
Financing Activities	838	(959)	(3,776)	1,945	7,369	4,149
Cash Balance	96	43	51	59	194	454
Capex	3,052	2,287	1,357	3,172	3,448	1,504

Growth

Sales Growth (%)	13.5%	6.6%	9.0%	0.7%	17.4%	N/A
EBITDA Growth (%)	13.5%	18.6%	22.9%	-19.1%	32.6%	N/A
Profit after Taxation Growth (%)	17.3%	15.0%	46.9%	-17.7%	29.1%	N/A

Margins

Gross Margin	23.9%	23.4%	28.3%	26.5%	29.4%	31.1%
Operating Profit Margin	14.4%	15.5%	18.3%	13.6%	15.8%	17.9%
EBITDA Margin	18.0%	20.1%	22.6%	18.2%	20.5%	22.4%
Profit before Taxation Margin	9.8%	10.6%	14.7%	11.7%	12.9%	12.9%
Profit after Taxation Margin	9.6%	10.3%	13.9%	11.3%	12.5%	12.3%

Earnings Ratios

Earnings per Share ¹	11.4	13.1	19.3	15.9	20.4	2.9
Earnings per Share ^{1.1}					5.1	2.9
Break-up value per share ²	41.1	49.7	65.7	76.0	47.8	14.8
Break-up value per share ^{2.1}					11.9	14.8
Return on Equity ³	30.2%	29.0%	33.5%	22.4%	33.0%	N/A
Return on Assets ⁴	11.1%	11.2%	15.7%	11.6%	12.7%	N/A

Balance Sheet Ratios

Fixed Asset Turnover ⁵	2.14x	2.04x	2.17x	1.89x	1.96x	N/A
Asset Turnover ⁶	1.06x	1.05x	1.11x	0.93x	0.95x	N/A
Capex to Total Assets ⁷	14%	10%	6%	11%	11%	N/A
Current Ratio ⁸	1.24x	1.28x	1.53x	1.26x	0.86x	N/A
Inventory Turnover (days)	94	79	61	67	85	N/A
Receivables Turnover (days)	56	65	66	66	85	N/A
Payables Turnover (days)	38	32	42	34	45	N/A

Leverage Ratios

Net Debt to EBITDA	2.69x	2.27x	1.30x	2.05x	2.85x	N/A
Total Debt to Equity	1.42x	1.16x	0.62x	0.74x	2.04x	N/A
EBITDA/Interest	4.91x	5.44x	12.59x	12.29x	13.21x	N/A
(EBITDA - Capex)	1,033	2,560	4,599	1,645	2,940	N/A
(EBITDA - Capex)/Interest	1.24x	2.87x	9.72x	4.20x	6.08x	N/A
Outstanding Shares⁹	189,600,000	189,600,000	189,600,000	189,938,499	190,110,423	762,441,692
Outstanding Shares¹⁰					762,441,692	762,441,692

1 Earning per share is based on total profit after tax divided by outstanding shares of the company at the corresponding year end

1.1 Earning per share of FY 18 is restated based on post year changes in share capital structure. The revised number of shares pre-ipo are 762,441,692 shares (voting + non-voting)

2 Break-up Value per share is calculated by dividing equity of the company with outstanding shares

2.1 Break-up Value per share is based on the revised number of shares post year end FY18

3 Return on Equity is based on profit after tax divided by average equity

4 Return on Assets is based on profit after tax divided by average assets

5 Fixed Asset Turnover is calculated by dividing revenue with average fixed assets

6 Asset Turnover is calculated by dividing revenue with average total assets

7 Capex to total assets measures the quantum of Capex to total assets

8 Current ratio is calculated by dividing current assets over current liabilities

9 Actual outstanding shares at each corresponding fiscal year end

10 Revised number of shares post year ended FY18

6 MANAGEMENT

6.1 BOARD OF DIRECTORS OF THE COMPANY

Name	Address	Designation	CNIC	Partnership/Directorships in Other Companies
1 Mr. Musadaq Zulqarnain	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad	Chairman	33100-5988502-5	<ul style="list-style-type: none"> – Interloop Dairies Limited – IL Bangla Limited – Interloop Holdings (Pvt.) Limited – Texlan Center (Pvt.) Limited – The Citizens Foundation – Port Qasim Authority – Interloop Welfare Trust
2 Mr. Navid Fazil	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad	Chief Executive Officer / Director	33100-8995171-1	<ul style="list-style-type: none"> – IL Bangla Limited – Interloop Holdings (Pvt.) Limited – Texlan Center (Pvt.) Limited – SA Farms (Proprietorship) – SA Enterprises – Interloop Welfare Trust
3 Mr. Muhammad Maqsood	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad	Director / CFO	35201-1552684-3	<ul style="list-style-type: none"> – Interloop Dairies Limited – IL Apparel (Pvt.) Limited – Interloop Holdings (Pvt.) Limited – Texlan Center (Pvt.) Limited – Interloop Welfare Trust
4 Mr. Jahan Zeb Khan Banth	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad	Non-Executive Director	33100-0983028-3	<ul style="list-style-type: none"> – Interloop Dairies Limited – Interloop Welfare Trust – Interloop Holdings (Pvt.) limited – Momentum Logistics (Pvt.) limited
5 Ms. Shereen Aftab	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad	Non-Executive Director	33100-6528472-6	<ul style="list-style-type: none"> – Interloop Dairies Limited – Artful Crafting
6 Mr. Tariq Iqbal Khan	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad	Independent Director	61101-1856569-1	<ul style="list-style-type: none"> – International Steels Limited – National Refinery Limited – Pakistan Oilfields Limited – Packages Limited – Silk bank Limited – FFC Energy Limited – CAS Management (Pvt)

					Limited
				–	Islamic International Medical Trust
				–	High Altitude Sustainability Trust
				–	Pakistan Engineering Academy Endowment Fund
				–	Human Element Foundation
				–	Gillette Pakistan Limited
				–	Lucky Cement Limited
				–	Khyber Pakhtunkhwa Oil & Gas Company Limited
				–	PICIC Insurance Limited
7	Mr. Saeed Ahmad Jabal	Al-Sadiq Plaza, P-157, Railway Road, Faisalabad	Independent Director	33100-0816774-7	– N/A

6.2 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its sponsors undertake:

- That neither Issuer nor its directors, sponsors or substantial shareholders have been holding the office of the directors, or have been sponsors or substantial shareholders in any company:
 - which had been declared defaulter by the securities exchange or futures exchange; or
 - whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by SECP due to noncompliance of any applicable rules, regulations, notices, procedures, guidelines etc. which has been de-listed by the securities exchange due to non-compliance of its regulations.
 - which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- That none of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company have made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e., pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the Country.

6.3 OVERDUE LOANS

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

6.4 DIVIDEND PAYOUT BY LISTED GROUP / ASSOCIATED COMPANIES

The Company has no listed associated companies under the same management or control.

6.5 PROFILES OF DIRECTORS

6.5.1 Mr. Musadaq Zulqarnain – Chairman Interloop Limited

Mr. Musadaq Zulqarnain is the Chairman of Interloop Limited, CEO & Chairman of Interloop Holdings Private Limited and Chairman of Interloop Dairies Limited and IL Bangla Limited. He has served on the Board of Faisalabad Industrial Estate Development & Management Company (FIEDMC) for 6 years and also held the position of its CEO. Musadaq is currently a Member of the Board of Port Qasim Authority. He is the President of Interloop Welfare Trust, engaged in numerous philanthropic activities in the country. He is also associated with The Citizens Foundation (TCF), the largest not-for-profit organization providing primary and secondary education in Pakistan, and is currently member of the TCF Board.

With leadership experience spanning over more than three decades, Musadaq initially worked for 14 years at senior positions with a top gas transmission company in Pakistan and later on transformed into a successful entrepreneur, developing and expanding one of the world's largest Hosiery manufacturing and export business, Interloop Limited, over last 26 years.

A mechanical engineer by professional training, Musadaq is a development enthusiast and philanthropist, actively engaged in nurturing the youth of Pakistan through primary, secondary and higher-education for the underprivileged. He has initiated numerous programs for women empowerment and supports talent by promoting sports for the youth and community, especially the differently abled. He has always been at the forefront in providing free health services for poor patients and relief activities during natural disasters by contributing food, rations and constructing houses for the displaced families.

As of October, 2018, Mr. Zulqarnain has obtained the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.

6.5.2 Mr. Navid Fazil – Chief Executive Officer Interloop Limited

Mr. Navid Fazil is a Founding Director and Chief Executive Officer of Interloop Limited. He is also a Member of the Boards of Directors of IL Bangla Limited and Interloop Holdings (Private) Limited. He is the Vice President of Interloop Welfare Trust, which is engaged in numerous philanthropic activities in the country.

Navid enjoys more than two and a half decades' experience as a business leader and entrepreneur and has played a key role in developing Interloop Limited as one of the world's largest Hosiery manufacturing and export business.

Navid is an Electrical Engineer and earned his Master's in Management from the University of Oxford, UK. With a technically trained and intellectual mind, he puts great emphasis on continuously improving the Hosiery Operations and has a special focus on Lean Manufacturing, Research & Innovation and Sustainability.

Navid is actively involved in many social responsibility programs, both professionally and personally.

As of October, 2018, Mr. Fazil has obtained the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.

6.5.3 Mr. Muhammad Maqsood – Group CFO

Mr. Muhammad Maqsood is serving as Group CFO and Director on Interloop Limited's Board and is also Chief Executive Officer of IL Apparel (Pvt.) Limited. With an overall experience of 23 years, of which 15+ years have been spent with Interloop, his current responsibility portfolio includes finance, taxation, yarn sales and supply chain & logistics. As member of the Board of Interloop, Interloop Dairies, IL Apparel (Pvt.) Limited, Texlan Center (Pvt.) Limited and Interloop Welfare Trust, Maqsood strives to take the company and the group at large to higher levels of efficiency thus contributing towards organization's efforts of moving up the value chain. Maqsood is a fellow member of Institute of Chartered Accountants of Pakistan and the Institute of Financial Accountants, UK. He has also obtained a certificate from Insead University – France on Strategic Financial Management in Global Markets. In leisure time, he enjoys walking, reading and spending time with family.

As of October, 2018, Mr. Maqsood has obtained the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.

6.5.4 Mr. Jahan Zeb Khan Banth – Non Executive Director

A chemical engineer by profession, Jahan Zeb Khan was previously working with Interloop Limited as Director Technical, strategically leading maintenance of Hosiery manufacturing equipment, expansion projects, BMR and the Energy Division. Of the overall rich experience of 38 years, Jahan Zeb has spent the last 21 years with Interloop. During his illustrious career, he has travelled to UK, US, China, Canada, France, Egypt, Saudi Arabia, UAE and many more destinations for business.

As of October, 2018, Mr. Banth has obtained the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.

6.5.5 Mrs. Shereen Aftab – Non Executive Director

Mrs. Shereen Aftab is Director of Interloop Limited since 1999. In the past, she served as Director Merchandising at Interloop. She holds a PhD degree in Immunology from University of Manchester and is also a qualified MBBS doctor. She has profound interest in Arts & Crafts and is currently running her business in this field.

As of October, 2018, Mrs. Aftab has obtained the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.

6.5.6 Mr. Tariq Iqbal Khan – Independent Director

Mr. Tariq Iqbal Khan is a fellow of Institute of Chartered Accountants, Pakistan, with diversified experience of more than 40 years. He was pivotal in founding Islamabad Stock Exchange where he subsequently served as President as well. He has also served as the Member Tax Policy & Co-ordination in the Central Board of Revenue, followed by being appointed as Commissioner SECP, where he was instrumental in restructuring the SECP. He also held the charge of Chairman SECP (acting) for a brief period. He has served on prominent national level committees like Chairman of Committee for formulation of Take Over law. CLA Committee for review of Security and Exchange Ordinance 1969, Committee for formulation of CDC law and regulations and Prime Minister's Committee for Revival of Stock Market. He served as the Chairman and MD of NIT for more than 8 years, which played the role of a catalyst in establishing, strengthening and stabilizing the capital markets. Additionally, during this period, he held the charge of Chairman & MD of ICP, for almost 5 years. He has served on Boards of the top companies like CDC, Faysal Bank, Bank Al Habib, Askari Bank GSK, Sanofi Aventis, ICI, BOC, PSO, OGDC, Mari Petroleum, SSGC, Siemens and remained Chairman of SNGPL and ARL etc. Presently he is a member of the Boards of eminent listed companies including, International Steels Limited, National Refinery Limited, Pakistan Oil Fields Ltd., Packages Limited and Silk Bank Limited, while the non-listed company include FFC Energy (Pvt) Limited and CAS Management (Pvt) Ltd. he has also held Board positions in the past in Gillette Pakistan Limited, Lucky Cement Limited, PICIC Insurance Co., and Khyber Pakhtunkhaw Oil & Gas Co. Ltd.

As of October, 2018, Mr. Tariq has obtained the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.

6.5.7 Mr. Saeed Ahmad Jabal – Independent Director

Mr. Saeed Ahmad Jabal is a Chartered Accountant qualified in the year 1974. He carries more than 44 years' post qualification experience of working in Pakistan and Overseas.

He worked in lead positions as CFO, Director Finance, Executive Director, Corporate Secretary, Chief internal Auditor in fruit juices & fruit preserves industry, seed industry project (A world Bank Project), garments and wearing apparels pioneer industry, textile, spinning, weaving and fabric processing mills, home textile industry, socks industry etc. Mr. Jabal, looked after enhancing the computerized financial system on IBM-AS400 platform, supervised the conversion and implementation of Oracle ERP System in a composite textile company.

Besides Finance & Accounts, he worked on Systems, Procedures and Policies writing for smooth running of business operations & management and SOPs writing for ISO 9000 certification and for organizational development and management etc.

Overseas experience comprised of analysis for financial compliances with contracts and policies Computerized System Project team member for designing, developing system specs, testing of the system and its implementation etc.

As of October, 2018, Mr. Jabal is enrolled in the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017 and shall complete his training before June 30th, 2019.

6.6 PROFILES OF KEY MANAGEMENT

6.6.1 Mr. Rana Ali Raza – Company Secretary

Mr. Rana Ali Raza is a chartered secretary of Pakistan, an associate member of Institute of Financial Accountants of United Kingdom and an associate member Institute of Public Accountants of Australia respectively. He is also a CA (Finalist) of Institute of Chartered Accountant of Pakistan and a Graduate from Punjab University, Lahore-Pakistan.

He has overall more than ten years diversified experience and handled almost all types of corporate laws related assignments. He has also practiced taxation for at least five years at advanced level. Besides this, he has also obtained adequate expertise in review of systems and audits of manufacturing, trading, and service industries.

In the past, he had professional associations with Punjab Oil Mills Limited (POML), a listed company on Pakistan Stock Exchange, as a Company Secretary, which is a leading manufacturer of edible oils and fats based in Islamabad, Pakistan followed by with GGI GENEVA Group International (Represented by Tariq Abdul Ghani Maqbool & Co. Chartered Accountants) as a Manager Tax & Corporate Affairs, which is one of the leading CA Firms based in Lahore.

6.6.2 Mr. Jamshaid Iqbal – Head of Internal Audit

Mr. Jamshaid Iqbal is an Associate Member of Institute of Chartered Accountants of Pakistan. He started his professional chartered accountancy career from Riaz Ahmad & Co in 2002. He has more than 12 years of experience of textile industry, including 9 years of Post Qualification experience of leading Internal Audit Function. In his most recent position, Mr. Iqbal was heading Internal Audit function at Master Textile Mills Limited, a vertically composite textile unit at Lahore. Earlier, he has served Masood Textile Mills Limited as Manager Internal Audit & Risk Management for approximately 4 Years. He has exhibited demonstrated proficiency and commitment to innovating process improvements that positively affect profitability. He has delivered exceptional results in challenging and competitive business environments. Spearheaded several process improvement initiatives to establish cohesive and highly productive working relationships among businesses and support groups; resulting in increased operational efficiency, productivity and revenue. He has exposure in varying capacities ranging from internal audit, risk management and financial reporting as advisor to the executive management on regulatory compliance and corporate governance.

6.6.3 Mr. Azhar Sadiq –VP Operations

Azhar Sadiq is Vice President Operations at Interloop Limited since 1st January 2014 and is the first employee to rise to the level after starting his career with Interloop in 1998 as a junior officer. Azhar holds a Master in Business Administration and has led different functions including Manufacturing, Planning, Quality Assurance and Strategic HR.

Being a Lean Manufacturing expert, Azhar is leading Lean Transformation at Interloop and has spearheaded many breakthroughs in KAIZEN application. He is passionate about developing people expertise and careers and is well regarded as a Lean and Management Teacher. His management philosophy is based on learning by doing, developing autonomous teams, delegating and a structured organizational approach

6.6.4 Ms. Faryal Sadiq – Vice President, People & Organization Development and Sales & Marketing

Faryal Sadiq is the Vice President for People & Organization Development and Sales & Marketing at Interloop Limited. She oversees the HR, Administration, Organization Development and Sales & Marketing functions with a special focus on enhancing talent management and employee engagement at Interloop.

Faryal has over 10 years' experience as a management consultant and has worked with a range of clients including global retailers and consumer goods companies. She started her professional career with Deloitte MCS Limited, United Kingdom and later joined Ernst & Young, UK within their Strategy Advisory. Faryal has delivered multiple large scale transformation programs and has advised clients on a range of areas including commercial strategy, operating model, enterprise cost reduction, and growth strategies.

Faryal holds an MBA from the University of Oxford and BSc. (Hons.) from London School of Economics, UK, specializing in Economics and Economic History.

6.6.5 Mr. Zain Sadiq – Vice President

Zain Sadiq is Vice President at Interloop Limited and is overseeing setting up of new Hosiery manufacturing plant while remaining engaged with Interloop Dairies Limited. He started his professional career at Interloop Dairies Limited where he has been part of the core team responsible for project visualization and establishment of a 2,500 milking heads dairy farm. Research and planning for the setup took Zain to Australia, New Zealand and the U.S., where he studied different dairy farming systems. After consultation with global dairy experts, an efficiently designed system suitable for the local environment was implemented, and now, Interloop Dairies is successfully operating as one of the leading modern dairy farms in Pakistan. Zain graduated with a Bachelor's Degree in Economics in 2009 from Davidson College, North Carolina, USA where he was inducted into Omicron Delta Epsilon; Economics Honors Society for high scholastic achievement. Having interest in finance, he pursued the Chartered Financial Analyst Certification after college and became Level 2 qualified.

6.6.6 Tariq Rashid Malik – President Yarns and Sourcing

Tariq Rashid Malik has been associated with Interloop for 22 successful years, previously Mr. Tariq was part of the Board of Directors of the Company and is currently serving as President Yarns and Sourcing. His current scope of responsibilities includes overseeing Interloop Spinning, Procurement & Supplies and IL Bangla Limited. As part of his professional commitments, he travels extensively across the globe. Tariq envisions Interloop to continuously grow as a sustainable entity and to scale excellence in hosiery business and also to successfully expand in to non-textile sectors. Tariq is an Economics & Political Science graduate from the University of Punjab, Lahore.

6.6.7 Mr. Humayun Javed Khan – Head of Corporate Communication

Humayun has rich professional experience of developing, revamping and marketing corporate and product brands and leading business units, in established organizations as well as start-ups, in private and the public sectors. Working in marketing & communications, brand management, PR, business development, sales and distribution in diverse companies including Muller & Phipps Pakistan (Pvt.) Ltd., Pakistan International Airlines, Dawood Hercules Corporation Ltd. and Karachi Education Initiative/Karachi School for Business & Leadership trained him in strategy development and implementation.

As Division Head he had the opportunity of effectively leading national business as well as directing international marketing communication campaigns and assignments. Over the years he has learnt the art of engaging internal & external audiences and applied it as an essential tool in business management.

6.6.8 Mr. Tayab Masood – Managing Director, Interloop Apparel (Pvt.) Limited

Tayab Masood has joined IL Apparel (Private) Limited as Managing Director. A Knitwear Apparel Veteran with demonstrated accomplishments in marketing management, team building, apparel manufacturing and managing large scale apparel supply chains, Tayab is an enthusiastic leader who successfully partnered in

numerous business ventures and accomplished multiple growth by weaving together motivated teams, excellent systems and raising the bar for customer service.

6.6.9 Mr. Feroze Ahmed – Vice President, Denim Division

Mr. Feroze Ahmed has joined Interloop Limited in October 2016 as Vice President, New Business Development. He has the status of Executive Director and reports to the CEO.

Mr. Ahmed has extensive experience of delivering large scale transformational programmes and managing significant business changes across IT, business, commercial and other functions.

Having BA (Hons.) in Economics & Political Science from the University of Toronto and MSc. in International Business & Emerging Markets from the University of Edinburgh, Mr. Ahmed initially worked as a Senior Consultant, Advisory Services at Ernst & Young LLP from 2007 – 2011 and led various projects involving operating model redesign, strategic cost reduction and business transformation for renowned multinational companies. He joined Santander Group as Senior Change Manager, Digital Strategy from 2011 – 2014 where at the outset; he worked as the change management lead for Corporate Customer Integration and later headed the Digital Change function at the Santander Corporate Bank.

At his most recent engagement with Barclays UK from 2014 – 2016 as Senior Project Manager and Programme Manager, Digital Banking, Mr. Ahmed steered the delivery of the digital banking proposition, piloted applying for mortgage products on a digital channel and directed the programme for digital adoption across top performing branches. While at Barclays, Mr. Ahmed and team were nominated for the Market Gravity Innovation Award in 2016.

6.7 NUMBER OF DIRECTORS

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

6.8 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 153 of the Companies Act or any other law for the time being in force.

6.9 REMUNERATION OF THE DIRECTORS

As per article 63, the remuneration of directors shall from time to time be determined by the company in general meeting subject to the provisions of the Companies Act.

As per the Article 85, any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise perform services which in the opinion of the directors are outside the scope of ordinary duties of a director, may be paid such extra remuneration as the Board of Directors may determine from time to time.

As per Article 86, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any other salaried office of place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance as may be determined by the Company in its general meeting. The remuneration of a director for attending meetings of the Board shall from time to time be determined by the Board of Directors.

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

6.10 BENEFITS TO PROMOTERS AND OFFICERS

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

6.11 INTEREST OF DIRECTORS

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

Following directors are holding ordinary shares of the Company:

Name of Shareholder	Designation	Numbers of Shares held	Value of Shares held
Musadaq Zulqarnain	Chairman/Director	282,498,838	2,824,988,380
Navid Fazil	CEO/Director	298,498,840	2,984,988,400
Muhammad Maqsood	Group CFO/Director	3,606,000	36,060,000
Shereen Aftab	Non-Executive Director	69,358,284	693,582,840
Jahan Zeb Khan Banth	Non-Executive Director	37,229,040	372,290,400
Tariq Iqbal Khan	Independent Director	1	10
Saeed Ahmad Jabal	Independent Director	1	10

6.12 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 159 of the Companies Act and Article 87.

As per Article 89, the directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

As per Article 90, subject to the provisions of the Companies Act, the Company may from time to time increase or decrease the number of Directors.

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

As per Article 93, the Company may by resolution in general meeting, remove a director in accordance with the provisions of the Companies Act.

The current Board of Directors were appointed on 22nd October, 2017 and the next election is tentatively scheduled for October, 2020.

The Company, has undertaken that the composition of Board of Directors of the Company will be brought in line with Listed Companies (Code of Corporate Governance) Regulation, 2017 by December, 2018.

6.13 VOTING RIGHTS

According to Article 51, subject to any rights or restrictions for the time being attached to any class 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 159 shall apply. On a poll every member shall have voting rights as laid down in Section 134 of the Companies Act.

As per Article 52, in case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

As per Article 53, a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

6.14 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:

1. Mr. Tariq Iqbal Khan – Chairman
2. Saeed Ahmad Jabal – Member
3. Jahan Zeb Khan Banth – Member

6.15 HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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

1. Mr. Saeed Ahmad Jabal – Chairman
2. Navid Fazil – Member
3. Jahan Zeb Khan Banth – Member

6.16 NOMINATION COMMITTEE

The Board of Directors has set up an effective Nomination Committee which is responsible for considering and making recommendations to the Board in respect of appointments to the Board, the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

The nomination committee comprises of the following members:

1. Musadaq Zulqarnain – Chairman
2. Navid Fazil – Member
3. Muhammad Maqsood – Member

6.17 BORROWING POWERS OF DIRECTORS

As per Article 70, subject to the provision of Section 183 of the Companies Act, the directors may from time to time at their discretion borrow such sum or sums as they may think fit for the purpose of the company including from banks and financial institutions and secure the payment of repayment of such sum or sums in such manner and upon such terms and conditions as they think fit by mortgage or charge upon the whole or any part of the property present and future or any such other way as the directors may think expedient. The Company may raise and secure payment of any sum by issue of redeemable capital. The redeemable capital may be issued at a discount, premium or otherwise with special privilege as to redemption, conversion into shares with voting rights and their subsequent reconversion into redeemable capital.

As per Article 71, the directors shall cause a proper register to be kept in accordance with Section 112 of all mortgages and charges specially affecting the property of the Company and shall duly comply with the requirements of Section 100 and 105 in regard to registration of mortgages and charges and shall also duly comply with the requirements of Section 107 as to keeping a copy of every instrument creating any mortgage or charge and the requirements of Section 109 as to giving intimation of the payment or satisfaction of any charge of mortgage created.

As per Article 72, further the directors shall have the powers to borrow or raise funds for subsidiary, wholly owned and/or associated companies set-up abroad from local/domestic banks, financial institutions or similar financial arrangements from institutions globally. The directors may issue security instrument as the deem appropriate including issuing guarantees, cross corporate guarantees, undertakings, affidavits, commitments and promissory instruments etc. conversion or redemption of such borrowings/loans.

As per Article 123, any bonds, debentures or other securities to be issued by the Company shall be under the control of the Board which may issue them upon such terms and conditions and in such manner and for such consideration as shall be considered by the Board to be for the benefit of the Company.

As per Article 124, any bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, convertibility into shares, attending and voting at general meetings of the Company, appointment of directors, and otherwise, provided that debentures with the right to be converted into shares shall not be issued without the consent of the Company in general meeting obtained by way of a special resolution, subject to provisions of the Companies Act.

6.18 POWERS OF DIRECTORS

The control of the Company shall be vested in the Board of Directors and the business of the Company shall be managed by the Board of Directors who may exercise all such powers of the Company and do all such acts and things as may be exercised or done by the Company as by the Companies Act or by Articles of the Company or by a special resolution expressly directed or required to be exercised or done by the Company.

6.19 FINANCIAL PERFORMANCE OF LISTED ASSOCIATE COMPANIES

The Company has no listed associated companies under the same management or control.

6.20 CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2017. Furthermore, as of October, 2018, six (06) out of the seven (07) member Board has completed the Directors Training Program as prescribed by the SECP under the Listed Companies (Code of Corporate Governance) Regulation, 2017. One of the Independent Directors i.e. Mr. Saeed Ahmad Jabal is yet to obtain the Directors Training and the Company ensures that he will complete the Directors Training Program by June 30th, 2019.

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

6.21 INVESTMENT IN ASSOCIATE/SUBSIDIARY COMPANIES

Interloop Limited has made the following investments in its associated/subsidiary companies.

Associate/Subsidiary	Amount In PKR	Stake Held (%)
IL Bangla Limited	379,549,286	43.75%
IL Apparel (Pvt.) Limited	301,000,000	100.00%

6.22 REVALUATION OF FIXED ASSETS

No revaluation of the fixed assets has been carried out. Company's operating property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

6.23 CAPITALIZATION OF RESERVES

Since incorporation in 1992, Interloop has carried out capitalization of reserves at several instances by issuance of Bonus Shares. Details of capitalization over the years is as follows:

#	Mode of Capitalization	Total Reserves Capitalized (PKR)	Date of Capitalization
1	Bonus Issue	1,050,000,000	2007
2	Bonus Issue	632,000,000	2014
3	Bonus Issue	5,718,312,690	2018

7 MISCELLANEOUS INFORMATION

7.1 REGISTERED OFFICE

Al-Sadiq Plaza, P-157,
Railway Road,
Faisalabad
Phone: +92-41-2619724
Website: <http://www.interloop-pk.com/>
Email: aliraza.rana@interloop.com.pk

CORPORATE OFFICE

Interloop Limited
1-KM, Khurrianwala-Jaranwala Road,
Khurrianwala, Faisalabad
Phone: +92-41-4360400

7.2 BANKER TO THE ISSUE FOR BOOK BUILDING

Habib Bank Limited

7.3 BANKERS TO THE ISSUE FOR GENERAL PORTION

1. MCB Islamic Bank Limited
2. Allied Bank Limited
3. Bank Alfalah Limited
4. Faysal Bank Limited
5. Habib Bank Limited
6. Habib Metropolitan Bank Limited
7. MCB Bank Limited
8. Meezan Bank Limited
9. Summit Bank Limited
10. United Bank Limited

7.4 BID COLLECTION CENTERS

	Karachi	
Contact Officer:	Mr. Zaid Farooq Lodhia	Mr. Muhammad Adnan Hussain
Direct No.:	021-32465891	021-34302178
Mobile No.:	0321 821 0505	03212329864
PABX No.:	021 111 245 111	021-34302171-177
Fax No.:	021 3242 9653	021-34302186
Email:	zaid@ismailiqbal.com	adnan.hussain@ismailiqbal.com
Postal Address:	Arif Habib Center, 23 MT Khan Road, Karachi	C-132 (B) KDA Scheme#1 Miran Muhammad Shah Road Karachi
	Lahore	Islamabad
Contact Officer:	Mr. Sameer Khan	Mr. Assad Manzur (Branch Operations Manager)
Direct No.:	042-35871730-34; 0321 232 9835	051-2829656 & 051-2273819
Email:	Sameer.khan@ismailiqbal.com	Assad.butt@hbl.com
Postal Address:	Arif Habib Office House No. 16/7-B, Eden Cottages; Main Gulberg 2, Near MCB House Lahore.	Habib Bank Limited (CDA Civic Centre Branch Code-0602); CDA Civic Centre Branch ; Tariq Chambers, Block-2, Melodi Market, Markaz E-6, Islamabad
	Faisalabad	Peshawar
Contact Officer:	Mr. Muhammad Iqbal Dogar (Branch Operations Manager)	Mr. Muhammad Husnain (Branch Operations Manager)
Direct:	041- 2541137 & 041-2541135	091-2210579 & 091-2550012
Email:	iqbal.dogar@hbl.com	muhammad.husnain1@hbl.com
Postal Address:	Habib Bank Limited (Circular Road Branch Code-0143); Corporate Centre, Circular Road Branch; P-832/A-1 Block 10,Circular Road Faisalabad	Habib Bank Limited (Peshawar City Branch Code-0223); Peshawar City Branch, Chowk Abrasham Garan 153, Peshawar
	Quetta	Azad Kashmir
Contact Officer:	Syed Ali Abbas (Branch Operations Manager)	Mr. Tanveer Ahmed (Branch Operations Manager)
Direct:	081-2822543 & 081-22822869 Ext. 236	05822-920475 & 05822-920475
Email:	ali.abbas3@hbl.com	tanveer.ahmed@hbl.com
Postal Address:	Habib Bank Limited (Quetta Complex Branch Code-1649); Quetta Complex Branch, Quetta Complex; 402-A Gulistan Road, Quetta Cantt.	Habib Bank Limited (Main Branch Muzaffarabad Code-0422); Main Branch Muzaffarabad; Khasra # 1275/488, Gillani Chowk, Muzaffarabad Tehsil & Distt Muzaffarabad, Azad Kashmir
	Gilgit/Baltistan	
Contact Officer:	Mr. Shah Alam (Branch Operations Manager)	
Direct:	05811-450377 & 05811-450405	
Email:	shah.alam@hbl.com	
Postal Address:	Habib Bank Limited (Gilgit Branch Code-0107); Gilgit Branch; Shahrah-e-Quaid-e-Azam NLI Market Gilgit Baltistan	

7.5 BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY

1. Allied Bank Limited
2. Askari Bank Limited
3. Al Baraka Bank
4. Bank Alfalah Limited
5. Bank Alfalah Limited – Islamic Banking
6. Faysal Bank Limited
7. Habib Bank Limited
8. Habib Metropolitan Bank Limited
9. MCB Bank Limited
10. MCB Islamic Bank Limited
11. Meezan Bank Limited
12. National Bank of Pakistan
13. Standard Chartered Bank (Pakistan) Limited
14. Summit Bank Limited
15. Silk Bank Limited
16. The Bank of Punjab
17. The Bank of Punjab – Taqwa Islamic Banking
18. United Bank Limited

7.6 AUDITORS OF THE COMPANY

Kreston Hyder Bhimji & Co., Chartered Accountants
206, 1st Floor, Business Centre,
New Civil Line,
Faisalabad, Pakistan

7.7 LEGAL ADVISOR OF THE COMPANY

HaidermotaBNR & Company
D-79, Block # 5, K.D.A Scheme # 5
Clifton, Karachi
Tel: +92 (021) 111 520 000
Email: hmcobnr@hmcobnr.com
Website: <https://hmcobnr.com/>

7.8 CONSULTANT TO THE ISSUE

Arif Habib Limited
Arif Habib Center
23, MT Khan Road, Karachi
Tel: 021-32465891
Fax: 021-32429653
Email: dabeer.hasan@arifhabibltd.com
Website: www.arifhabibltd.com

7.9 BOOK RUNNER

Ismail Iqbal Securities (Private) Limited
C-132 (B) Miran Mohammad Shah Road,
KDA Scheme 1 Karachi,
Tel: 021 - 321 232 9835
Fax: 021-34302186
Email: sameer.khan@ismailiqbal.com
Website: www.ismailiqbal.com

7.10 COMPUTER BALLOTTER & SHARES REGISTRAR

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block B, S.M.C.H.S

Main Shahra-e-Faisal, Karachi

Tel: +92 (021) 111 111 500

Website: <http://cdcpakistan.com/>

7.11 UNDERWRITING RELATED INFORMATION

Within three(3) working days of the closing of the Bidding Period, a 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 the shares are to be listed.

Since the Issue is made through 100% Book Building, it is not required to be underwritten as per PO Regulation, 2017.

7.12 MATERIAL CONTRACTS

7.12.1 Details of Short-Term Financing Facilities

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
Allied Bank Limited	ERF-II	1500	SBP+0.25%	5/6/2018	28-02-2019
	LC SIGHT	300	0.03% FLAT	5/6/2018	28-02-2019
AskariBank Limited	ERF-II	500	SBP+0.30%	2/2/2018	31-12-2018
	LC SIGHT	100	0.03% FLAT	2/2/2018	31-12-2018
Bank Alfalah Limited	ERF-II	1,500.00	SBP+0.30%	27-02-2018	31-12-2018
	LC SIGHT	350	0.02% PQ	27-02-2018	31-12-2018
Bank of Punjab	ERF-II	1,500.00	SBP+0.30%	4/9/2018	31-01-2019
	LC SIGHT	300	0.03%PQ	4/9/2018	31-01-2019
Faysal Bank Limited	ERF-II	1,040.00	SBP+0.30%	6/7/2018	6/30/2019
	LC SIGHT	200	0.02%PQ	6/7/2018	6/30/2019
Habib Bank Limited	ERF-II	1,500.00	SBP+0.30%	7/2/2018	7/2/2019
	LC SIGHT	300	0.02% PQ	7/2/2018	7/2/2019
Habib Metropolitan Bank	ERF-II	1,026.50	SBP+0.30%	28-12-2017	31-12-2018
	LC SIGHT	300	0.02% PQ	28-12-2017	31-12-2018
Meezan Bank Limited	IERF-II	1,000.00	SBP+0.30%	1/3/2018	31-12-2018
	LC SIGHT	200	0.03% PQ	1/3/2018	31-12-2018
MCB Islamic Bank	IERF-II	450	SBP+0.30%	16-01-2018	31-12-2018
	LC SIGHT	300	0.02% PQ	16-01-2018	31-12-2018
MCB Bank Limited	ERF-II	1,000.00	SBP+0.25%	27-03-2018	31-12-2018
	LC SIGHT	200	0.02% FLAT PQ	27-03-2018	31-12-2018
National Bank	ERF-II	5,000.00	SBP+0.25%	18-01-2018	31-12-2018

of Pakistan	LC SIGHT	100	0.03% FLAT PQ	18-01-2018	31-12-2018
Standard Chartered Bank (Pakistan) Limited	ERF-II	2,000.00	SBP+0.30%	15-03-2018	31-12-2018
	IMPORT LC	225	0.05% FLAT PQ	15-03-2018	31-12-2018
United Bank Limited	ERF-II	1,046.00	SBP+0.30%	23-01-2018	31-12-2018
	LC SIGHT	500	0.015% FLAT	23-01-2018	31-12-2018
	NICF-PLEDGE	200	1 MK + 1.00%	23-01-2018	31-12-2018
	NICF-HYPO	46	1MK+2.00%	23-01-2018	31-12-2018

7.12.2 Details of Long-Term Financing Facilities

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
Allied Bank Limited	SYNDICATED TERM FINANCE FACILITY	746.428	FIXED 5.00%	9/4/2011	9/4/2021
	SYNDICATED TERM LOAN	128.277	3MK+1.30%	29-07-2011	29-07-2021
Bank of Punjab – Taqwa Islamic Banking	DIMINISHING MUSHARAKA	83.33	3MK+0.25%	7/9/2015	6/9/2021
MCB Islamic Bank Limited	DIMINISHING MUSHARAKA	72.816	3MK+0.30%	29-12-2012	5/4/2019
	DIMINISHING MUSHARAKAIII	1,300.00	3MK+0.10%	12/3/2018	14-03-2024
Meezan Bank Limited	DIMINISHING MUSHARAKA	200	3MK+0.30%	29-07-2013	19-07-2019
	DIMINISHING MUSHARAKA	336.66	3MK+0.30%	22-12-2014	9/7/2020
	LG	100	0.05% PQ	1/3/2018	31-12-2018
Bank Alfalah Islamic	DIMINISHING MUSHARAKA	66.762	3MK+0.50%	16-09-2014	15-09-2019
	DIMINISHING MUSHARAKA	87.29	3MK+0.50%	21-03-2014	20-03-2020
Bank Alfalah Limited	LG	500	0.05% PQ	27-02-2018	31-12-2018
	CREDIT CARD	25	AS PER SOC	27-02-2018	31-12-2018
Bank of Punjab	LG	50	0.05% PQ	4/9/2018	31-01-2019
Faysal Bank Limited	LG	50	0.05% PQ	6/7/2018	6/30/2019
Standard Chartered Bank (Pakistan) Limited	BOND & GUARANTEES	25	0.25% PQ FLAT	15-03-2018	31-12-2018
Habib Metropolitan Bank	LG	200	0.05% PQ	28-12-2017	31-12-2018

Interloop has further signed an offer letter with HBL for its denim expansion project inclusive of the following facilities:

1. A Sight LC of PKR 2.8 billion will be opened first (un-funded)– (PKR 2.3 billion is for machinery and PKR 0.5 billion is for building of denim plant)
2. When the machinery arrives in Pakistan, the Sight LC of PKR 2.3 billion and PKR 0.5 billion for building will be converted to a loan (Diminishing Musharka)
3. Out of the loan of PKR 2.8 billion, PKR 1.5 billion will be at a rate of SBP-ILTF rate + 0.75% and the remaining PKR 1.3 billion will be at a rate of 3 Month KIBOR + 0.15%

The above mentioned facility along with IPO proceeds at floor price covers PKR 7.7 billion of the PKR 11.2 billion required for the expansion. For the balance of PKR 3.5 billion, the Company is in talks with different banks, however, the Company may utilize its internal cash, if any or the mix of both as and when required based on the optimal capital structure.

In addition to the above, Board of Directors of Interloop Holdings (Pvt.) Limited, an associated company of Interloop Limited having same sponsors, has passed the resolution in its meeting held on February 20, 2019, that any shortfall faced by the Interloop Limited for the expansion project shall be funded through its portfolio of investments in liquid securities having Mark to Market value of PKR 3.1 billion as of February 19, 2019. Moreover, Interloop holdings (Private) Limited has also provided undertaking regarding the aforesaid arrangement.

7.12.3 Details of Letter of Credit

To date, the Company has opened Letter of Credit for machinery pertaining to Denim factory. Details of all LCs opened to date and their status is as follows:

Particular	Beneficiary	Country	L/C NO. & Date	Amount	Status
1 UNIT OF ROTARY DRYER, MODEL DPS 290 RC	TRIVENETA GRANDI IMPIANTI S.R.L. - ITALY	ITALY	ILC11520439018 PK	PKR 7,339,299	Closed
			10/8/2018		
6 UNITS OF WASHING MACHINES	TONELLO S.R.L., ITALY	ITALY	ILC50040470818 PK	PKR 34,346,500	Closed
			11/12/2018		
01 SET OF FLEXI LAB WITH FIX TABLE AND 01 STE OF G2 LAB	JEANOLOGIA S.L., SPAIN	SPAIN	ILC50040556518 PK	PKR 17,374,000	Closed
			10/12/2018		
01 SET OF HG 60 SAMPLE HYDRO EXTRACTOR	YILTEKS IC VE DIS TICARET A.S.	TURKEY	ILC50040614618 PK	PKR 1,606,000	Closed
			12/3/2018		
19 SETS OF SEWING MACHINES	TROMECA AMBROSI S.R.L., ITALY	Italy	ILC50090725318 PK	PKR 28,654,614	Closed
			11/15/2018		
29 SETS OF SEWING	BROTHER	Hongkong	ILC50090742918	PKR 6,815,820	Closed

MACHINE	MACHINERY (ASIA) LIMITED, HONG KONG		PK 12/3/2018		
LAB OVEN, IRON DUMMY & TILTING DUMMIES	MACTEC - ITALY	Italy	ILC50090717918 PK	€ 40,274	Open
5 SETS OF SEWING MACHINES	TROMECA AMBROSI S.R.L., ITALY	Italy	ILC50090725318 PK	€ 30,000	Open
ELECTRICAL MATERIAL	R.E.B. IMPIANTI DI ROSSETTO S. & C. S.N.C. - ITALY	Italy	6009978	€ 17,920	Open
02 SETS OF BOTTOM HEMMING LOCK STITCH AND 01 SET OF ZIGZ AG AUTO MACHINE	JUKI SINGAPORE PTE LTD., SINGAPORE	Singapore	ILC50090823118 PK	€ 14,210	Open
10 SETS OF SEWING MACHINES	PEGASUS SEWING MACHINE PTE., LTD., SINGAPORE	Singapore	ILC50090850718 PK	€ 10,250	Open
05 SETS OF INDUSTRIAL SEWING MACHINES-DYNAMIC	MORIMOTO MFG., CO., LTD., JAPAN	Japan	ILC50090821718 PK	€ 14,375	Open
01 SET OF PLOTTER CUTTER	GERBER TECHNOLOGY LTD., U.K.	United Kingdom	ILC50090821918 PK	€ 7,600	Open
FLOW METTERS	ENDRESS+HAUSER INSTRUMENTS INTERNATIONAL AG - SWITZERLAND	Switzerland	LICCON0715521 8PK	€ 7,721	Open
01 SET OF MULTI HEAD EMBROIDERY MACHINE	TAJIMA INDUSTRIES LTD., JAPAN	Japan	L/C IN PROCESS	€ 2,875,000	Open
INA HANGER SYSTEM	INL INTERNATIONAL TECHNOLOGY PTE., LTD., SINGAPORE	Singapore	ILC50090894618 PK	€ 32,934	Open

Note: The Company has not opened any LCs for machinery related to Hosiery Division V, as the project will initiate from July, 2019. Projection completion will be in phases with Phase 1 expected to start commercial production from July 2020 and Phase 2 with full scale production from July 2021 onwards. During the tenor of project implementation for denim and hosiery expansion, the Company will open LCs for import of machinery for the two projects according to the Implementation Schedule for the projects as mentioned in Section 4.7.7 of this prospectus.

7.13 INSPECTION OF DOCUMENTS AND CONTRACTS

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

7.14 LEGAL PROCEEDINGS

There are no legal proceedings being carried out on the Company.

7.15 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.

7.16 FINANCIAL YEAR OF THE COMPANY

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

8 APPLICATION AND ALLOTMENT INSTRUCTIONS

8.1 ELIGIBLE INVESTORS INCLUDE:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

8.2 APPLICATION MUST BE MADE ON SECP'S APPROVED APPLICATION FORM OR ALEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

8.3 COPIES OF THE PROSPECTUS

Copies of this Prospectus and Applications Forms can be obtained from members of PSX, the Bankers to the Issue and their branches, the Consultant to the Issue, the Book Runner to the Issue and registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

<http://www.arifhabibltd.com>, <http://ismailiqbal.com/iis/>, <http://interloop-pk.com/> & www.cdceipo.com;

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

8.4 NAMES(S) AND ADDRESS (ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED

8.5 ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.

8.6 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of

presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

8.7 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.
2. Attested photocopies of the documents mentioned in 8.7 (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

8.8 ADDITIONAL INSTRUCTIONS FOR INVESTORS

1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "**Interloop Limited - General Subscription**" and crossed "**A/C PAYEE ONLY**".
4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.

11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under section 87(8) of the Securities Act, 2015.

8.9 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
2. Foreign / Non- resident investors should follow payment instructions given in Section 2.2.17 of this Prospectus.

8.10 BASIS OF ALLOTMENT

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

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

8.11 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	MCB Islamic Bank Limited
02	Allied Bank Limited
03	*Bank Alfalah Limited
04	Faysal Bank Limited
05	Habib Bank Limited
06	Habib Metropolitan Bank Limited
07	MCB Bank Limited
08	Meezan Bank Limited
09	*Summit Bank Limited
10	*United Bank Limited

*These Banks are providing their own e-IPO facilities. Account holders of these Banks may apply for subscription of shares electronically. For detail please refer to para 8.14.

8.12 CODE OF OCCUPATION OF INVESTORS / APPLICANTS

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

8.13 NATIONALITY CODE

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

8.14 E-IPO FACILITIES

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

(i) Centralized e-IPO System (CES):

The Central Depository Company of Pakistan Limited (CDC) in collaboration with 1Link (G) Limited (1Link) has developed a Centralized e-IPO System (CES) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on the above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is one time activity, free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt of CDC at Phone 021-34326030 and email: farooq_butt@cdcpak.com.

(ii) e-IPO facilities by Bankers to the Issue:

Currently, United Bank Limited (UBL), Summit Bank Limited (SMBL) and Bank Alfalah (BAFL) are providing e-IPO facilities to their respective account holders.

UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

SMBL account holders can use SMBL Net Banking to submit their application via link <https://ib.summitbank.com.pk>

BAFL account holders can use BAFL Net Banking to submit their application via link: <https://netbanking.bankalfalah.com>

Investors who are registered with CES or account holders of UBL or BAFL can submit their applications through the above mentioned links 24 hours a day during the subscription period which will close at midnight on 22/03/2019.

9 INSTRUCTIONS FOR REGISTRATION AND BIDDING

REGISTRATION PERIOD OPENS FROM MARCH 08, 2019 TO MARCH 13, 2019 BETWEEN 9:00 AM TO 5:00 PM AND BETWEEN 9:00 AM TO 3:00 PM ON MARCH 14, 2019

BIDDING PERIOD OPENS FROM MARCH 13, 2019 TO MARCH 14, 2019 BETWEEN 9:00 AM TO 5:00 PM

INITIAL PUBLIC OFFER OF ORDINARY SHARES OF INTERLOOP LIMITED ("INTERLOOP" OR THE "COMPANY") THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 45.00/- PER SHARE

This Issue consists of 109,000,000 Ordinary Shares (12.50% of the total post-IPO paid up capital of Interloop Limited) of face value of PKR 10/- each.

The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be allotted and issued only seventy-five percent (75%) of the Issue size i.e. 81,750,000 and the remaining twenty five percent (25%) i.e. 27,250,000 shall be offered to the retail investors.

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 upward revise their bids online. Please visit www.bkb.psx.com.pk to access online portal. Online access will be available for upward bid revisions during the Bidding Period from 9:00 am to 5:00 pm. **An investor shall not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing Indicative Strike price with a maximum price band of upto 40% of the floor price. THE BIDDER SHALL NOT MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. NO WITHDRAWAL OF BID SHALL BE ALLOWED.**

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 Habib Bank Limited and evidence to be submitted to the Book Runner) into the respective Book Building account of the Issuer, **A/C No. 07867917878703**, titled **"Interloop Limited - Book Building"**, maintained at Habib Bank Limited, HBL Plaza Branch, Karachi.
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 Interloop Limited is **0688555-1**. 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 **Interloop Limited - Book Building** at any of the following bidding centers:

Karachi		
Contact Officer:	Mr. Zaid Farooq Lodhia	Mr. Muhammad Adnan Hussain
Direct No.:	021-32465891	021-34302178
Mobile No.:	0321 821 0505	0321 232 9864
PABX No.:	021 111 245 111	021-34302171-177
Fax No.:	021 3242 9653	021-34302186
Email:	zaid@ismailiqbal.com	adnan.hussain@ismailiqbal.com
Postal Address:	Arif Habib Center, 23 MT Khan Road, Karachi	C-132 (B) KDA Scheme#1 Miran Muhammad Shah Road Karachi
Lahore		Islamabad
Contact Officer:	Mr. Sameer Khan	Mr. Assad Manzur (Branch Operations Manager)
Direct No.:	042-35871730-34; 0321 232 9835	051-2829656 & 051-2273819
Email:	Sameer.khan@ismailiqbal.com	Assad.butt@hbl.com
Postal Address:	Arif Habib Office House No. 16/7-B, Eden Cottages; Main Gulberg 2, Near MCB House Lahore.	Habib Bank Limited (CDA Civic Centre Branch Code-0602); CDA Civic Centre Branch ; Tariq Chambers, Block-2, Melodi Market, Markaz E-6, Islamabad
Faisalabad		Peshawar
Contact Officer:	Mr. Muhammad Iqbal Dogar (Branch Operations Manager)	Mr. Muhammad Husnain (Branch Operations Manager)
Direct:	041- 2541137 & 041-2541135	091-2210579 & 091-2550012
Email:	iqbal.dogar@hbl.com	muhammad.husnain1@hbl.com
Postal Address:	Habib Bank Limited (Circular Road Branch Code-0143); Corporate Centre, Circular Road Branch; P-832/A-1 Block 10,Circular Road Faisalabad	Habib Bank Limited (Peshawar City Branch Code-0223); Peshawar City Branch, Chowk Abrasham Garan 153, Peshawar
Quetta		Azad Kashmir
Contact Officer:	Syed Ali Abbas (Branch Operations Manager)	Mr. Tanveer Ahmed (Branch Operations Manager)
Direct:	081- 2822543 & 081- 22822869 Ext. 236	05822-920475 & 05822-920475
Email:	ali.abbas3@hbl.com	tanveer.ahmed@hbl.com
Postal Address:	Habib Bank Limited (Quetta Complex Branch Code-1649); Quetta Complex Branch, Quetta Complex; 402-A Gulistan Road, Quetta Cantt.	Habib Bank Limited (Main Branch Muzaffarabad Code-0422); Main Branch Muzaffarabad; Khasra # 1275/488, Gillani Chowk, Muzaffarabad Tehsil & Distt Muzaffarabad, Azad Kashmir
Gilgit/Baltistan		
Contact Officer:	Mr. Shah Alam (Branch Operations Manager)	
Direct:	05811-450377 & 05811-450405	
Email:	shah.alam@hbl.com	
Postal Address:	Habib Bank Limited (Gilgit Branch Code-0107); Gilgit Branch; Shahrah-e-Quaid-e-Azam NLI Market Gilgit Baltistan	

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 as a Limit Bid then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 million shares at a price of PKR 45.00/- per share, then the total Application Money would amount to PKR 45 million. In such a case, (i) Individual Investor shall deposit PKR 45 million in the Book Building account as the bid amount which is 100% of PKR 45 million; and (ii) Institutional Investor shall deposit at least PKR 11.25 million in the Book Building account as the Margin Money which is 25% of PKR 45 million.

b) Payment for Step Bid:

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

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.8 million shares at PKR 45.00 per share, 0.7 million shares at PKR 47.00 per share and 0.6 million shares at PKR 50.00 per share. Therefore in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 98.9 million. In such a case, (i) Individual Investors shall deposit PKR 98.9 million in the Book Building Account as Margin Money which is 100% of PKR 98.9 million and (ii) Institutional Investors shall deposit at least PKR 24.73 million in the Book Building Account as Margin Money which is 25% of PKR 98.9 million.

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.**

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. Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin money within **three (3) days** of such intimation, 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 portion shall be made after receipt of full subscription money from the successful bidders; however, shares to such bidders shall be issued securities only after the end of the public subscription, in the form of book-entry to be credited in their respective accounts. All the bidders shall, therefore, provide number of their accounts.
19. The bidders who have made bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking their Bid Money within **one (1) working day** of the close of the bidding period and the refunds, where required, to such bidders shall be made within **three (3) working days** from the close of the bidding period.
20. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis.






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

10 REGISTRATION FORM



REGISTRATION FORM			
 Interloop Limited	Book Runner  ISMAILI QBAL <small>Securities (Pvt.) Ltd.</small>	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSL PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <input type="checkbox"/>	
		Registration Dates	March 08, 2019 to March 14, 2019
		Bidding Dates	March 13, 2019 to March 14, 2019
		Bidding Form No.	
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF INTERLOOP LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 45.00 PER SHARE (INCLUDING A PREMIUM OF PKR 35.00/- PER SHARE)			
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.			
Name		CNIC #	
		NTN*	
Address		Cell #	
		Land Line #	
E-mail		Fax #	
PLEASE TICK THE APPROPRIATE BOX		Nationality (If other than Pakistani)	
<input type="checkbox"/> Local Institutional Investor		<input type="checkbox"/> Resident	
<input type="checkbox"/> Foreign Institutional Investor		<input type="checkbox"/> Non Resident	
<input type="checkbox"/> Individual Investor		<input type="checkbox"/> Foreigner	
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.			
Payment Details:	Payments to be made in favor of "Interloop Limited - Book Building"		
Amount in Figures		Instrument #	
Instrument Date		Margin %age	
Banker's Name, Address & Branch			
CDC Details for Sub A/C & House A/C			
CDC Participant Name		CDC Participant ID	
Sub A/C No.		House A/C No.	
CDC Details for Investor A/C			
CDC Investor Service A/C ID		CDC Investor A/C No.	
I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.			
I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.			
Signature of Bidder: _____			

11 DUPLICATE REGISTRATION FORM

DUPLICATE REGISTRATION FORM									
 interloop Interloop Limited	Book Runner  SMALIRBAL Securities (Pvt.) Ltd.	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSL <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Registration Dates</td> <td>March 08, 2019 to March 14, 2019</td> </tr> <tr> <td>Bidding Dates</td> <td>March 13, 2019 to March 14, 2019</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>		Registration Dates	March 08, 2019 to March 14, 2019	Bidding Dates	March 13, 2019 to March 14, 2019	Bidding Form No.	
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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 <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Local Institutional Investor</td> <td><input type="checkbox"/> Resident</td> </tr> <tr> <td><input type="checkbox"/> Foreign Institutional Investor</td> <td><input type="checkbox"/> Non Resident</td> </tr> <tr> <td><input type="checkbox"/> Individual Investor</td> <td><input type="checkbox"/> Foreigner</td> </tr> </table>		<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)	
<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Resident								
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<input type="checkbox"/> Individual Investor	<input type="checkbox"/> Foreigner								
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0 % APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.									
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Amount in Figures		Instrument #							
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Banker's Name, Address & Branch									
CDC Details for Sub A/C & House A/C									
CDC Participant Name		CDC Participant ID							
Sub A/C No.		House A/C No.							
CDC Details for Investor A/C									
CDC Investor Service A/C ID		CDC Investor A/C No.							
I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION. I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Duplicate Registration Form.									
Signature of Bidder: _____									

12 BIDDING FORM

BIDDING FORM

 interloop Interloop Limited		Book Runner  Securities (Pvt.) Ltd.		Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSL <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT	
		Bidding Dates March 13, 2019 to March 14, 2019		Bidding Form No.	

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF INTERLOOP LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 45.00 PER SHARE (INCLUDING A PREMIUM OF PKR 35.00/- 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	<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 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

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

In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:

Title of Account	
Account Number	
Bank Name	
Branch Name & Address	


The Directors of Interloop Limited
 Al-Sadiq Plaza, P-157,
 Railway Road,
 Faisalabad
 Dear Sir,
 On the basis of Prospectus by Interloop Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:

Bid Details			
	No. of Shares (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 **PKR2,000,000/-**. 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 **PKR2,000,000/-**.
- 2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to **PKR 2,000,000/-** at least.
- 3) Any Bid received below the Floor Price will not be accepted by the Book Runner.
- 4) An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.
- 5) **An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to 40% maximum Price Band i.e. the strike price must not exceed 40% upper limit of floor price.**

Signature of Bidder: _____


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

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange ("PSX"), I/we am/are eligible to bid in this Initial Public Offer of Ordinary Shares. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

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

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

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) 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 **"Interloop Limited - Book Building"**. For online transfer facility (pay order or demand draft may be deposited at any branch of Habib Bank Limited and evidence to be submitted to the Book Runner) the payment shall be made into A/C # **07867917878703** being maintained at **HBL Plaza Branch, Karachi**.
- 3) For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- 4) In case of intercity instruments, only Pay Orders **"payable at any branch"** will be accepted. For the purpose of expediting the clearing of the instruments it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- 5) Eligible Investors can register themselves till 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can only upward revise their bids online. Please visit www.bkb.psx.com.pk to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the floor price. **However, the bidder shall not make downward revision both in terms of bid price and bid volume; provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. No withdrawal of bid shall be allowed.**

Yours Faithfully,

Signature of Bidder: _____






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

To be filled in by the Book Runner:

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

13 ADDITIONAL PAYMENT FORM




ADDITIONAL PAYMENT FORM

 Interloop Limited		Book Runner		Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSL <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT	
		 Securities (Pvt.) Ltd.		Bidding Dates: March 13, 2019 to March 14, 2019 Bidding Form No.	
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF INTERLOOP LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 45.00 PER SHARE (INCLUDING A PREMIUM OF PKR 35.00/- PER SHARE)					
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 "Interloop Limited - Book Building"					
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.					
Signature of Bidder: _____				 For investor education please visit www.jamapunji.pk Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan	

To be filled in by the Book Runner:

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

14 BID REVISION FORM

BID REVISION FORM							
 Interloop Limited	Book Runner  <small>Securities (Pvt.) Ltd.</small>	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSL <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Bidding Dates</td> <td>March 13, 2019 to March 14, 2019</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>		Bidding Dates	March 13, 2019 to March 14, 2019	Bidding Form No.	
Bidding Dates	March 13, 2019 to March 14, 2019						
Bidding Form No.							
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF INTERLOOP LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 45.00 PER SHARE (INCLUDING A PREMIUM OF PKR 35.00/- 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				
Address	Cell #	Resident	<input type="checkbox"/> Individual Investor Nationality (If other than Pakistani)				
	Land Line#	Non-Resident					
		Foreigner					
Fax #	E-mail:	CNIC #					
		NTN*					
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.							
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No [] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:							
Title of Account							
Account Number							
Bank Name							
Branch Name & Address							
The Directors of Interloop Limited Al-Sadiq Plaza, P-157, Railway Road, Faisalabad Dear Sir, On the basis of Prospectus by Interloop Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:							
Bid Details							
	No. of Shares (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 PKR2,000,000/- . 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 PKR2,000,000/- . 2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to PKR 2,000,000/- at least. 3) Any Bid received below the Floor Price will not be accepted by the Book Runner. 4) An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. 5) An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to 40% maximum Price Band i.e. the strike price must not exceed 40% upper limit of floor price.							
Signature of Bidder: _____		 <small>For Investor education, please visit www.jamapunji.gov.pk Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan</small>					

15 SIGNATORIES TO THE PROSPECTUS

-sd-

Musaddaq Zulqarnain
Chairman/Non-Executive Director

-sd-

Navid Fazil
Chief Executive Officer

-sd-

Muhammad Maqsood
Group CFO/Executive Director

-sd-

Jahan Zeb Khan Banth
Non-Executive Director

-sd-

Shereen Aftab
Non-Executive Director

-sd-

Tariq Iqbal Khan
Independent Director

-sd-

Saeed Ahmad Jabal
Independent Director

Signed by the above in presence of witness:

Witness:

-sd-

Rana Ali Raza
Company Secretary
Interloop Limited

Date: **September 28, 2018**

16 MEMORANDUM OF ASSOCIATION

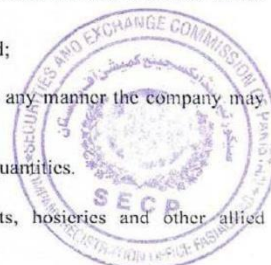
THE COMPANIES ORDINANCE, 1984
--: 0: --
(PUBLIC COMPANY LIMITED BY SHARES)
--: 0: --
Memorandum of Association
Of
INTERLOOP LIMITED

- I. The name of the Company is "INTERLOOP LIMITED".
- II. The Registered Office of the Company will be situated in the Province of Punjab.
- III. The objects for which the Company is established are all or any of the following:-

1. To set up, install, own, manage operate and run an industrial undertaking for the knitting of textile hosiery, garments, stitching and processing from cotton/polyester yarn and to undertake all such activities as are concerned therewith or ancillary thereto;

And for the purposes of achieving the above objects, the company is authorized;

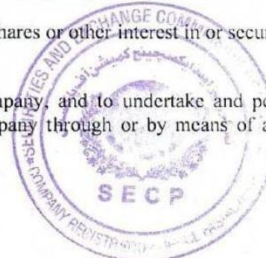
- (a) To purchase/import raw materials required in connection thereto in any manner the company may think fit.
 - (b) To purchase/import machinery, spare parts, accessories in required quantities.
 - (c) To tender, contract distribute, sell, export ready-made garments, hosiery and other allied commodities of all kinds produced by this company.
 - (d) To do and perform all other acts and things as are incidental or conducive to the attainment of the above objects.
 - (e) To own, establish or have and maintain shops, branches and agencies all over Pakistan or elsewhere for sale and distribution of its products comprising hosiery, ready-made garments and other allied commodities.
 - (f) To make known and give publicity to the business and products of the company by means the company may deem fit or by giving reward, prizes and donations, or by any suitable method.
 - (g) To purchase, acquire, protect, renew, improve, use and sell, whether in Pakistan or elsewhere any patents, rights, inventions, licences, protection of concessions which may appear advantageous or useful to the company.
2. To install and set up Spinning Mills and to sell and deal in all kinds of yarn manufacture by the Company in or outside Pakistan.
 3. To install and set up textile weaving mills and to sell and deal in such cloth manufacture by the Company in or outside Pakistan.
 4. To own, establish, manage and run manufacturing units of textile weaving, yarn, fabrics, cloth and made ups of all kinds.
 5. To own, establish, manage and run dyeing, bleaching, calendaring, finishing, mercerizing and printing mills, other works and factories for the manufacture of cotton, silk, art silk, nylon, polyester rayon and woolen yarn and fabrics, hosiery and spooling fibrous and synthetic materials and their products and by products thereof generally to carry on the business as manufacturers, producers, importers, stockiest, and otherwise dealers in yarn, cloth and hosiery of all and every description and allied articles.
 6. To purchase, import, export, comb, spin, weave, dye and scour wool, wool-top, woolen yarn, worsted yarn, cotton yarn, man-made fiber, silk and any fibrous substance.



7. To carry on business as general traders, distributors, Rice trading, edible oil representatives, agents, importers, exporters, stockiest, sellers, buyers or dealers in all legal manners in goods and products of all kinds and descriptions and for that purpose to do all such acts, deeds or things as would be required for effective discharge of these objects.
8. To purchase/import, install and set-up a Power Generation Plant, Captive Power Generation Plant for the purpose of generation, transmission and distribution of electrical energy to its own production process and to obtain any approval or license from any competent authority for setting up such power generation facility.
9. To borrow or raise money by means of loans or by obtaining lease facility from directors, banks, government or other financial institutions, leasing companies, investment companies and other lending institutions for the purpose of business of the company in such manner as the company may deem fit and in particular by issue of debentures, perpetual or otherwise, convertible into shares or non-convertible and as security for any such money so borrowed, and to mortgage, pledge, or charge whole or any part of the property, assets or revenue of the company, by special assignment or otherwise to transfer or convey the same absolutely or in trust as may seem expedient and to purchase, redeem or pay off any such securities.
10. To borrow or raise or secure the payment of money by the issue of debentures, debenture-stocks, bonds, obligations, and securities of all kinds and secure the same, as may seem expedient with full power to make the same transferable by delivery of by instrument of transfer or otherwise on the undertaking of the company collaterally or to secure any securities of the company by a trust deed or any other assurance.
11. To set up, install, acquire, run and/or manage textile manufacturing and export unit(s) including socks of any type and design, made from any materials or blend/combination of materials, anywhere in the world.
12. To carry on the business of dairymen, cheese, butter, egg and sausage manufacture and merchants poultry and livestock breeders, butchers, bakers, confectioners, refreshment contractors, farmers, and general provision merchant and dealers.
13. To sell breed, import, export, improve, prepare, deal and trade in cattle, poultry, live and dead stock of every description milk, cream, butter, cheese, eggs, sausages, brawn, table delicacies and any other commodities, goods or things.
14. To do the business of sheep breeders and to act as purchasers, sellers, importers, exporters and dealers of sheep, goats and other such animals, and to deal in their wool, hair, flesh, skins, bones and to do all other kinds of business related to it.
15. To cultivate, grow, collect, process, produce, set-up and carry on the business of agriculture farming, crop farming, fruit farming, tunnel farming, and to purchase, seeds, feeds, fertilizers, pesticides, irrigation systems, for the purpose.
16. To purchase, sell, import export, distribute, supply, trade in crops, fertilizers, fruits, vegetables and to deal in all types of agricultural products, any other natural growth and their products and by products including but not limited to seeds, pesticides, fertilizers.
17. To carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and to perform all other acts which are necessary and incidental to the business of electricity generation, transmission, distribution and supply subject to permission required under any law.
18. To ascertain the tariff for bulk supply that will secure recovery of operating costs, interest charges and depreciation of assets, redemption at due time of loans other than those covered by depreciation, expansion projects, payment of taxes, and reasonable return on investment, to quote the tariff to bulk purchasers of electrical power, and to prefer petition to the appropriate authority for approval of the schedule of tariff and of adjustment or increases in its bulk supply tariff, where desirable or necessary subject to permission required under any law.
19. To purchase, apply for or otherwise obtain or acquire (Whether with a view to a re-sale or otherwise) any inventions, patents, designs, rights, privileges, licenses, processes, secret or other information or trademarks or copyrights which may seem to the Company to be capable of being used for any of the purposes of the Company or the acquisition of which may be calculated directly or indirectly to benefit the Company, and to

work, use, exercise, manufacture, vend, develop, grant licenses in respect of or otherwise dispose of, deal in or turn to account all or any of such inventions, patents, designs, rights, privileges, licenses or processes, information, trade marks, or copyrights as aforesaid.

20. To purchase or by other means acquire any freehold, leasehold, or other property for any estate or interest whatever, and any rights, privileges or easements over or in respect of any property, and any buildings, houses, offices, factories, works, appliances, machinery, engines, plant, water rights, motive power and light and any real or personal property or rights whatsoever which may be necessary for or may be conveniently used with or may enhance the value of any other property of the Company.
21. To equip, maintain and manage laboratories and experimental stations for the purpose of research and other experimental work in connection with any matter connected with the business of the Company.
22. To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorized to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired any shares, debentures, debenture-stock or securities that may be agreed upon and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
23. To enter into working arrangements of all kinds with other companies, corporations, firms, or persons and also to make and carry into effect arrangements with respect to union or amalgamation, either in whole or in part or any other arrangement with other companies, corporations, firm or firms but not to form Cartels or institutions or mechanisms of collaboration that serve to limit or suppress competition.
24. To improve, manage, cultivate, develop, Company, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.
25. To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
26. To lend and advance money or give credit to such persons and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give any type of guarantees including cross corporate guarantees, assurances, affidavits in the shape of the formats of financial instruments for repayment and redemption of such loans and borrowings/ investments, as the case may be, and/or become security for any such persons either on its own behalf or on behalf of any of its subsidiary company(ies) but not to carry out any type of banking business/ private money lenders and subject to section 195 of the Ordinance.
27. To apply for, promote, and obtain any Act of the Government of Pakistan or of any Provincial or Local Government, Provisional Order, or Licence of any Governments or authorities whether supreme, provincial, - local, municipal or otherwise for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution; or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
28. To enter into any arrangements with Governments or authorities (supreme municipal, local, or otherwise) or any corporations, companies 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, decrees, rights, privileges, and concessions which the Company may think desirable, and to carry out, exercise, and comply with any such charters, contracts, decrees, rights, privileges and concessions.
29. To subscribe for, take, purchase, or otherwise acquire and hold shares or other interest in or securities of any other company but not to act as an investment company.
30. To act as agents and as trustees for any person, firm, or company, and to undertake and perform sub-contracts and also to act in any of the businesses of the Company through or by means of agents, sub-contractors, or others.



31. To remunerate any person, firm, or company rendering services to this Company, whether by cash payment or by the allotment to him or them of shares or Securities of the Company credited as paid up in full or otherwise.
32. To pay all or any expenses incurred in connection with the formation, promotion and incorporation of the Company or to contract with any person, firm, or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, debentures, debenture – stock, or securities of this Company.
33. To support and subscribe to any charitable or public object and any institution society, or club which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on business; to give pensions, gratuities, or charitable aid to any person or persons who may have served the Company or to the wives, children or other relatives of such persons; to make payments towards insurance; and to form and contribute to provident and benefit funds for the benefit of any persons employed by the Company.
34. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses or dwellings or by grants of money pensions, allowances, bonus or other payments or by creating from time to time, subscribing or contributing to provident fund and other funds or trusts and by providing or subscribing or contributing towards recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.
35. To promote any other company for the purpose of acquiring all or any of the property or undertaking any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
36. To sell or otherwise dispose of the whole or any part of the undertaking of the Company, either together or in portion, for such consideration as the Company may think fit, and in particular for shares, debentures, debenture-stock, or securities of any company purchasing the same.
37. To invest surplus funds of the Company in any legally permissible manner as the Company deems fit.
38. To invest and deal with the moneys of the Company in any investments movable (including stocks and shares) or immovable in such manner as from time to time seem expedient and be determined but not to carry out investment business or akin to the same.
39. To distribute among the members of the Company in kind any property of the Company, and in particular any shares, debentures, debenture-stock, or securities of other companies belonging to this Company or of which this Company may have the power of disposing, in the event of winding up of the Company, in accordance with the law.
40. To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture-stock (perpetual or otherwise and to secure the payment of any money borrowed, raised or owing by mortgage, charge, or lien upon the whole or any part of the Company's property or assets (whether present or future), and also by a similar mortgage, charge, or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.
41. To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of Company, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
42. To open bank accounts of the company and to draw, accept, make, endorse, discount, execute and issue cheques, promissory notes, bills of Company, bills of lading or other negotiable or transferable instruments related to the business of the company.
43. To do all and everything necessary, suitable or proper or incidental or conducive to the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any powers hereinbefore set forth, either alone or in association with other corporate bodies, firms, or individuals and to do every act or thing incidental or appurtenant to or arising out of or connected with the business or powers of the Company or part thereof, provided the same be lawful.

44. To borrow or raise funds from the financial institution, private equity investors, individuals, from within the country of such set up or from anywhere in the world as subordinated equity and/or loan and/or advances.
45. To enter into Joint Venture Agreements with anybody, to form subsidiary company(ies), or wholly owned company(ies) as permitted under law.
46. 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, Forex, illegal brokerage, leasing, investment, managing agency, insurance business, any of the NBFC business, multi-level marketing (MLM), Pyramid and Ponzi Schemes directly or indirectly as restricted under the law or any unlawful operation.

IV. The liability of the members is limited.

- V. The Authorized Capital of the Company is Rs. 10,000,000,000/- (Rupees Ten Billion only) divided into 965,000,000 (Nine Hundred Sixty Five Million) Ordinary Shares of Rs.10/- (Rupees Ten) each and 35,000,000 (Thirty Five Million) Non-Voting Ordinary Shares of Rs.10/- (Rupees Ten) each, with attached thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as provided in the Articles of Association of the Company, or in accordance with the Companies Ordinance, 1984, and to vary, modify or abrogate such rights, privileges and conditions, in such manner as may be permitted by the Companies Ordinance, 1984 and to increase and/or reduce the capital and to divide shares in the capital into several kinds and classes and to consolidate or subdivide the shares and to issue shares for higher or lower denominations.



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/Husband's Name (In Full)	Nationality	Occupation	Residential Address (in Full)	Number of Ordinary Shares Taken	Signature of Subscribers	Signature to Witness, Name, Father's Name, Occupation & Full Address
1. NAVID FAZIL	S/O Mohammad Fazil	Pakistani	Textile Business	15/A, Peoples Colony, Faisalabad.	1 (One)	-SD-	
2. MUSADAQ ZULQARNAIN	S/O Mohammad Fazil	-do-	-do-	-do-	1 (One)	-SD-	
3. BE-GUM SARWARI SADIQ	D/O Mchar Mohammad Sadiq	-do-	House Lady	P-157, Railway Road, Faisalabad.	1 (One)	-SD-	
4. MRS. RASHIDA MALIK	W/o Malik Abdul Rashid	-do-	House Wife	161-Chandni Street, Extension Al-Najaf Colony, Faisalabad.	1 (One)	-SD-	
5. REHAN HANIF	S/O Mohammad Hanif	-do-	Textile Business	77/A, Unit No. 6, Latif Abad, Hyderabad.	1 (One)	-SD-	
					5 (Five)		

Date: 21st April 1992.

Certified to be true Copy

M. Asghar Bary
 M. Asghar Bary
 Addl. Joint Registrar
 Securities & Exchange
 Commission of Pakistan
 Company Registration Office
 FAISALABAD.

17 APPLICATION FORM


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

عوام کو مطلع کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی سیکشن 87(7) کے تحت جھوٹی درخواستیں دینا قانونی جرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرانی ہوتی ہے، سیکورٹیز ایکٹ 2015 کی سیکشن 87(8) کے تحت ضبط کی جاسکتی ہے۔

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

Interloop Limited
APPLICATION FOR SUBSCRIPTION OF SHARES

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


The Directors,
Al-Sadiq Plaza, P-157,
Railway Road,
Faisalabad, Pakistan
http://www.interloop-pk.com/

CDC PARTICIPANT / ACCOUNT HOLDER ID: _____ SUB ACCOUNT NUMBER: _____ HOUSE A/C NO.: _____

OR

CDC INVESTOR ACCOUNT SERVICES ID: _____ CDC INVESTOR ACCOUNT NO.: _____

1) I/We apply for the following number of Shares at Issue Price for the value indicated below:

No. of Shares Applied For	Amount Payable in PKR	Cheque/ Demand Draft/ Pay Order No.
_____	_____	_____

2) I/We agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/We authorize you to credit the Shares to me/us pursuant to this application and if no Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.

3) **DECLARATION**
I/We declare that: i) I am/We are national(s) of _____; ii) I am/We are not minor(s); iii) I/We have not made nor have I/we instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/we understand that I/we shall not be entitled to the allotment of Shares if successful rather the application money shall be liable to confiscation if this declaration proves to be incorrect at any time.
Yours faithfully,

Signature(s) a) _____ b) _____

4) **ALL DETAILS MUST BE WRITTEN IN BLOCK LETTERS IN THE SPACES PROVIDED. LEGIBLY IN BLACK PEN**

a) Name in Full (as per CNIC) _____
Please Tick ☐ Mr ☐ Ms ☐ Co ☐ Please Tick

Father's/Husband's Name (as per CNIC) _____

Identity Number (CNIC/ Passport/ Registration No.) _____

Identity Number (NTN) _____

INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE INTERLOOP LIMITED TO CHECK STATUS OF THE SHARE HOLDERS AS TAX RETURN FILER OR NON FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS AND OF 20.0% FOR NON FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.

Full Address _____

Phone No. _____ Occupation Code _____ Muslim ☐ Non Muslim ☐

International Bank Account Number (IBAN) _____

Bank Name _____

Branch Name & Address _____

Additional Information - For Non-Resident Pakistanies and Foreign Investors Only

Place of Issue of Passport _____ Date of Issue of Passport (DD-MM-YYYY) _____

Corporate Business Letter enclosed Yes ☐ No ☐ Nationality Code _____ Country of Residence _____

5) **FOR JOINT HOLDER, IF ANY**

b) Name in Full (as per CNIC) _____
Please Tick ☐ Mr ☐ Ms ☐ Co ☐ Please Tick

Identity Number (CNIC/ Passport/ Registration No.) _____

DIVIDEND MANDATE: Mark tick [✓] in the appropriate boxes Yes [] No []

In order to enable the Company to credit the cash dividend declared, if any, by the Company, in Shareholder Holder bank account, instead through dividend warrants, please fill in the following boxes:

Title of Account _____

International Bank Account Number (IBAN) _____

Bank Name _____

Branch Name and Address _____

Signature of the Applicant as per the Bank account _____

(TO BE FILLED IN BY THE APPLICANT'S BANKER)

6) It is certified that the above-mentioned applicant(s) is/are maintaining account number as mentioned above at this bank branch and his/her particulars and signature(s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us.

Note: In case the subscription money is paid through a bank other than the Bankers to the Issue (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.

Bank's Authorized Signatory Bank's Rubber Stamp

SPECIMEN SIGNATURE(S) OF THE APPLICANT

NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)

a) _____

b) _____

Bankers to the Issue's Provisional acknowledgement of application for shares of Interloop Limited

Received from Mr/Ms/Mrs. _____ Shares. _____ application for _____

Name of Bank _____ Branch Code _____ Application Serial No. _____ Date of Receipt _____

Signature of Authorized Representative & Rubber Stamp of Receiving Bank

IMPORTANT: (i) This slip must be retained by the Applicant (ii) Please read instructions provided with this application

APPLICATION AND ALLOTMENT INSTRUCTIONS

- Eligible investors includes:
 - 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.
- Copies of the Prospectus and Application Forms can be obtained from the Trading Rights Entitlement Certificate (TREC) holders of Pakistan Stock Exchange Limited, the Bankers to the Issue and their branches, the Consultant to the Issue and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded from the website: <http://www.interloop-pk.com/>, <http://arhabibtd.com> & <https://eipo.cdaccess.com.pk/public/index.xhtml>
- The Applicants are required to complete the relevant sections of the application to get the Shares in book entry form. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such Shares are allowed ONLY in the applicant's own CDC Account.
- Name(s) and addresses must be written in full block letters, in English and should not be abbreviated.
- All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS
 - In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis)/Passport (in case of non-resident Pakistanis 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.
 - Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS
 - Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application.
 - Attested photocopies of the documents mentioned in 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.
- Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.
- Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The Shares 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.
- 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 "Interloop Limited - General Subscription" and crossed "A/C PAYEE ONLY".
- For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.
- The applicant should have at least one bank account with any of the commercial banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.
- Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.
- To enable the Company to directly credit the cash dividend, if any, in the Bank Accounts of the shareholder, the applicants must fill-in relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".
- Shares will be issued only in the book-entry form. Therefore, the applicants must provide their CDS account Number in the Shares Subscription Form.
- Applications are not to be made by minors and/or persons of unsound mind.
- Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
- It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- Submission of false and fictitious applications is an offence under section 87(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.

عوام اس کو مطلع کیا جاتا ہے کہ یکم اپریل 2015 کی شق نمبر (7) 87 کے تحت رجسٹرڈ یا جعلی درخواستیں دینا قانوناً ناجرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، یکم اپریل 2015 کی شق نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- Foreign / Non - resident investor should follow payment instruction given in Section 2.2.17 of the Prospectus.

BASIS OF ALLOTMENT

- The minimum value of application for subscription of 500 shares (Issue Price x 500 shares) Application for amount below the minimum value shall not be entertained.
- Application for shares must be made for 500 shares or in multiple thereof only. Applications which are neither for 500 shares nor for multiple thereof, shall be rejected.
- Allotment of Shares to successful applicants shall be made in accordance with the allotment criteria/ instructions disclosed in the Prospectus.
- Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
- Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
- The Company will credit the respective CDS accounts of the successful applicants.

BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01	MCB Islamic Bank Limited	06	Habib Metropolitan Bank Limited
02	Allied Bank Limited	07	MCB Bank Limited
03	Bank Alfalah Limited	08	Meezan Bank Limited
04	Faysal Bank Limited	09	Summit Bank Limited
05	Habib Bank Limited	10	United Bank Limited

OCCUPATION CODE

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

- In order to facilitate investors, United Bank Limited ("UBL"), Bank Alfalah Limited ("BAFL") and Summit Bank (SMBL) are offering 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>. BAFL account holders can use BAFL Net Banking to submit their applications via link <https://netbanking.bankalfalah.com>. SMBL account holders can use SMBL Net Banking to submit their application via link <https://b.summitbank.com.pk>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on March 22, 2019.
- The Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in this IPO which can be accessed through the web link www.cdcpak.com. Payment of subscription money can be made through TLINK's member banks available for CES, list of which is available on above website.
- For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.
- Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 - 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed at Phone 021-34326030 and email: farooq_butt@cdcpak.com. For further details on CES, please refer para 2.3.3 of the Prospectus.

13. NATIONALITY CODE

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

For further queries you may contact:

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