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PART II

**Statutory Notifications (S.R.O.)**

GOVERNMENT OF PAKISTAN  
**MINISTRY OF PRIVATISATION**  
(Privatisation Commission)

NOTIFICATION

*Islamabad, the 21st June, 2024*

**S. R. O. 1086(I)/2024.**—WHEREAS the Privatisation Commission is required to publish by notice in the official Gazette each privatisation transaction, under section 26 of the Privatisation Commission Ordinance, 2000 (LII of 2000).

WHEREAS the Privatisation Commission has completed the divestment of upto 5% of Government of Pakistan's (GoP) shares (70,005,000 shares) in Pakistan Petroleum Limited ("PPL") through a Book Building process to both International and Domestic Institutional investors and High Net Worth Individuals (HNWI) via an Offer for Sale Document (OFSD) in compliance with the applicable regulations of domestic stock exchanges and Securities and Exchange Commission of Pakistan (SECP). The PPL Transaction was completed on the 15th day July, 2014;

NOW, THEREFORE, in pursuance of section 26 of the Privatisation Commission Ordinance, 2000 (LII of 2000), the Privatisation Commission is

(2001)

*Price: Rs. 6.00*

[8227 (2024)/Ex. Gaz.]

pleased to publish by this notice, the following description of the said PPL Transaction, namely:—

### Section A

Summary description of transaction including name and address of the contracting parties.

In compliance with the decisions of the Cabinet Committee on Privatisation (CCoP) and the Privatisation Commission (PC) Board decisions, dated 3rd October, 2013 and the 8th and 9th January, 2014 respectively, for the divestment of upto 5% GOP shares (70,005,000 shares) in PPL through domestic stock exchanges, the PC Board in its meeting held on the 22nd April, 2014, approved the appointment of consortium comprising M/s Habib Bank Limited, Bank Alfalah Limited, Arif Habib Limited, BMA Capital Limited and Foundation Securities Limited to act as Lead Managers and Book Runners (LM&BR) for the transaction.

After thoroughly considering the recommendations of LM&BR on 10th June, 2014 CCoP endorsed and *inter alia*, approved the following recommendations of the PC Board, approved in its meeting held on 10th June, 2014, namely:—

- (i) *approve Transaction Structure envisaged offering 70.05 million shares to both International and Domestic Institutional investors and High Net Worth Individuals(HNWI), through a Book Building process, to be executed in the last week of June, 2014;*
- (ii) *approve to make final allotment of shares out of the Book Building Offer, after receipt of full subscription money from the successful bidders. However, shares to such bidders should be issued/transferred within 7 working days after receipt of full subscription money; and*
- (iii) *approve the transaction marketing road shows scheduled to be held in Karachi, Lahore, Islamabad, Sialkot, Faisalabad and Multan between 8th June, 2014 to 24th June 2014. Privatization Commission would seek requisite approvals from Stock Exchanges and Securities and Exchange Commission of Pakistan relating to the transaction structure, allotment mechanism, and any other approvals required for the transaction.*

Book Building Process is an internationally acceptable and employed method, for price determination through which indication of interest at different

price levels from investors for the shares offered is collected and a Book of Demand is built.

To create momentum and generate strong demand to maximize the value for the offered shares while ensuring building of a high-quality shareholder base, management road shows were organized in Karachi, Lahore, Islamabad, Sialkot and Faisalabad from June 19th to 23rd, 2014, wherein meetings with Institutional Investors and High Net Worth Individuals were conducted.

CCoP and PC Board after thorough consideration of multiple factors i.e. the investor feedback, regional precedents of discounts offered in similar offerings, past privatisation precedents of discounts offered, recent trend in PPL share price, etc., in its meetings held on the 25th June, 2014 approved Rs. 205/- per share as the Floor Price and minimum price set for the offering of GOP shares in PPL. The same was notified via announcements through the domestic stock exchanges and LM&BR.

The Book Building process which was scheduled for 26th June, 2014 using Karachi Stock Exchange Book Building Software, was initiated at 09:00 am on 26th June, 2014 and concluded at 05:00 pm on 27th June, 2014. The Bidders were allowed to place bids from 09:00 am to 05:00 pm on both days. The Bidders had the right to revise their bids at any time during the bidding period up to 05:00 pm on the first day and till 07:00 pm on the last day. Salient features of Book of Demand were as follows:-

- (i) *At the Floor price of Rs. 205/- per share, total orders of Rs 29.33 billion (~143 million shares) have been received, i.e. a coverage of 2.04x the offer size at the 'Floor Price'.*
- (ii) *At the 'Strike Price' of Rs. 219/- per share, total orders of Rs. 15.98 billion (~73 million) shares have been received, i.e. a coverage of 1.04x the offer size at the Strike Price, representing a premium of ~7.0% to the Floor price, ~2.4% premium to the closing price of Rs. 213.92/- per share on 25th June, 2014 and ~0.5% premium to the closing price of Rs. 217.94/- per share on 27th June, 2014.*

Considering the demand generated and LM&BR recommendations, CCoP and PC Board in its meeting held on 28th June, 2014 approved the Strike Price, of Rs. 219/- per share at which GOP Shares in PPL were offered to the successful bidders. Thus representing a premium of ~7.0% to the Floor price, ~2.4% premium to the closing price of Rs. 213.92/- per share on 25th June, 2014 and ~0.5% premium to the closing price of Rs. 217.94/- per share on 27th June, 2014, raising gross sale proceeds of ~Rs.15.342 Billion.

The allocation of shares to the successful bidders was made as specified in the Offer for Sale Document (OFSD). The successful bidders were intimated, within two working days of the closing of the bidding period, about the strike price and the number of shares provisionally allotted to each of them. The successful bidders deposited the balance amount, within three working days of the closing of the bidding period, as consideration against allotment of shares. Shares to the successful bidders were accordingly issued/ transferred within seven working days after receipt of full subscription money.

### **Section B**

Consultants advising the PC in PPL Transaction

Consortium comprising of M/s Habib Bank Limited, Bank Alfalah Limited, Arif Habib Limited, BMA Capital Limited and Foundation Securities Limited were appointed to act as Lead Managers and Book Runners (LM&BR) for the PPL transaction.

### **Section C**

Requisite Approvals and Exemptions

For a seamless and efficient execution of the PPL Transaction and to achieve the desired objectives requisite approvals and exemptions were solicited from various agencies, departments and organisations i.e. Securities and Exchange Commission of Pakistan (SECP), Finance Division, Karachi Stock Exchange (KSE), Lahore Stock Exchange (LSE), Islamabad Stock Exchange (ISE), Central Depository Company Pakistan Ltd. (CDC) etc.

[F. No. PPL-24(1)SO/BKG/I&T/PC/2014.]

SHAHZAD ASIF,  
*Director Admin.*