

## 6. PROCEDURE FOR APPLICATION

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### 6.1. ELIGIBLE APPLICANTS

Applications are invited from the following categories of investors, **having a valid CDS account in the CDS:**

- i. Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- ii. Citizens of Sri Lanka who are resident outside Sri Lanka and above 18 years of age; or
- iii. Companies, corporations or institutions incorporated or established within Sri Lanka; or
- iv. Corporate bodies incorporated or established outside Sri Lanka; or
- v. Approved unit trusts licensed by the SEC; or
- vi. Approved provident funds and contributory pension schemes registered/incorporated/established in Sri Lanka (in this case, Applications should be in the name of the Trustee/Board of Management); or
- vii. Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- viii. Global, regional and country funds approved by the SEC.

Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.**

Applications submitted by investors mentioned in (ii), (iv), (vii) and (viii) should be in accordance with the provisions of Foreign Exchange Act No.12 of 2017 and any regulations and/or directions issued thereunder.

Applications submitted under the Unit Trust Investor Category should conform to the criteria defined by the SEC Directive dated 6 June 2011 (Ref: SEC/LEG/11/06/01).

Eligible Applicants may fall into one of the following categories.

- i. Retail Individual Investor Category
- ii. Unit Trust Investor Category
- iii. Non-Retail Investor Category

Please refer “Glossary of Terms Related to the Issue” for the definitions of the aforementioned categories.

### 6.2. THE PROCEDURE FOR APPLICATION

#### 6.2.1. HOW TO APPLY

##### **Availability of Prospectus and Application Form**

Applicants applying for new shares should submit their Applications in the manner set out below as applicable to you.

##### **i. Via Physical Delivery**

The Prospectus and Application Form will be made available free of charge from the collection points listed in Annexure B. The Prospectus and the Application Form can also be downloaded from **[www.cse.lk](http://www.cse.lk)** , **<https://www.cargillsbank.com/ipo/>**, on the websites of the Managers to

the Issue [www.ctcls.lk](http://www.ctcls.lk) and [www.ndbib.com](http://www.ndbib.com). **Please refer Section 6.2.8 for submission of Application Forms.** Investors must download the Application Form, print and submit same together with relevant supporting documents via physical delivery.

Applicants must apply for the New Shares through the Application Form, which constitutes part of this Prospectus. The Application Form should be legibly completed and be received by the Registrars to the Issue.

#### ii. Via CSE Mobile App

Applicants who register with the CSE Mobile App should follow the instructions set out in the said Mobile App and submit their Application as per the instructions. Submission of digital Application Forms through such CSE Mobile App is limited to both citizens of Sri Lanka who are resident in or outside Sri Lanka and are above 18 years of age and, foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas) only.

**The Mobile App, currently, does not facilitate Applications made through Powers of Attorney (POA), Margin Trading, Joint Applicants and the categories referred to in Section 6.1 subsections iii, iv, v, vi and viii to apply. Therefore, such Applicants may send their Applications physically as disclosed above.**

#### iii. CDS Web Portal

The Applicant can use the online Application Web Portal accessible via <https://ipo.cse.lk/> or [www.cds.lk](http://www.cds.lk) or <https://www.linkedin.com/company/cds-srilanka>. Only resident and non-resident individual Applicants who have a valid CDS account at the time of application can apply via the CDS Web Portal.

**This option is not permitted for Applicants applying via POA, Margin Trading, Joint Applicants, foreign citizens, corporate bodies and Unit Trusts.**

The Applicant must comply with the instructions stated on the Web Portal when submitting the online Application.

**Any Application submitted without a valid CDS account will be rejected.**

Users must first register for the Web Portal and read the instructions given on the Web Portal carefully and click on “Apply Now” option. Users will be directed to a page to self-register and create a login by validating their mobile number and email address. Once the user logs-in to the Web Portal the Application can be completed and submitted via the CDS Web Portal.

#### iv. CDS eConnect

Institutional users (CDS Account types of Local Customer & Foreign Customer) who are registered to the CDS eConnect facility are allowed to apply for the IPO through their registered CDS eConnect.

Registered eConnect Institutional users (Applicant categories iii, iv, v, vi, viii mentioned in Section 6.1 Eligible Applicants), have an option for “eIPOs” within their eConnect facility, through which they are enabled to select the relevant IPO and apply.

**APPLICANTS SHOULD APPLY ONLY THROUGH ONE INVESTOR CATEGORY (INCLUDING JOINT APPLICANTS) AND WOULD BE PERMITTED TO SUBMIT ONLY ONE APPLICATION FORM. TWO OR MORE APPLICATIONS SUBMITTED BY THE SAME APPLICANT EITHER UNDER THE SAME CATEGORY OR UNDER DIFFERENT CATEGORIES WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.**

### **Retail Individual and Non-Retail Investor Category**

Applicants falling under the **Retail Individual and Non-Retail Investor Categories** should apply for the Shares through the **WHITE coloured** Application Form printed for this purpose, which constitutes part of this Prospectus (please refer Section 6.2.1 above for methods of obtaining the Prospectus and Application Form).

Exact size copies of the Application Form will also be permissible under the Retail Individual and Non-Retail Investor Categories. The completed Application Forms should be submitted to the Registrars to the Issue in accordance with Section 6.2.8 of the Prospectus.

Local and Foreign individual Investor/s who apply for a maximum of Twelve Thousand and Five Hundred (12,500) new shares value of not more than Rupees Hundred Thousand (LKR 100,000) will be categorized as Retail Individual Investors for share allotment purposes.

All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration Number (as applicable) is stated in the relevant cages of the Application Form.

### **Unit Trust Investor Category**

Applicants applying under the **Unit Trust Investor Category** must apply for the Shares using the separate **YELLOW coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available through the Joint Managers and Financial Advisors to the Offer, CT CLSA Capital (Private) Limited, No. 4-15, Majestic City, 10, Station Road, Colombo 04 and NDB Investment Bank Limited, Level 1, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04.

The completed Application Forms should be submitted to the **Joint Managers and Financial Advisors to the Offer** who will forward the same to the Registrars to the Offer in accordance with Section 6.2.8

Only one Application should be made by an Applicant under the **Unit Trust Category**.

Applications submitted under the Unit Trust Investor Category should submit a confirmation by the trustee that such Unit Trust is in conformity with the criteria defined by the SEC Directive dated 06 June 2011 (Ref: SEC/LEG/11/06/01).

### **Joint Applications**

An Applicant of a Joint Application, applying through another Application Form, is deemed to have made multiple Applications and will be rejected.

An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

Subject to the above, the Company/Managers/Registrars to the Issue reserve the right to reject multiple Applications and suspected multiple Applications which are not allowed or to accept only one Application Form at their discretion.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation or reason.

Please note that Applicant information such as full name, address, NIC number/Passport Number and residency will be downloaded from the database of CDS, based on the CDS account number indicated

in the Application Form. Such information shall take precedence over the information provided in the Application Form.

The CDS account number stated on the application you submit should be registered under your name. Kindly contact your stockbroker if you are in doubt about the CDS account number. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.

Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

All Applicants (both resident and foreign) should indicate their respective NIC number or Company Registration Number or Passport Number as the case may be in the Application Form. Individual resident Applicants should indicate their Passport Number in the Application Form only if they do not have an NIC Number.

As per the Directive of the SEC made under Circular No. 08/2010 dated 22 November 2010 and Circular No. 13/2010 issued by the CDS dated 30 November 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the allotment of New Shares under this Issue, the allotted New Shares will be credited to the Applicant's CDS account so indicated. Please note that **SHARE CERTIFICATES SHALL NOT BE ISSUED.**

Any Application which does not carry a valid CDS account number or indicates a CDS account number which is not opened at the time of Issue Closing Date or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

You can open a CDS account through any Trading participants of the CSE as set out in Annexure B or through any Custodian Bank as set out in Annexure C of this Prospectus. You can also open a CDS account through the CSE Mobile App. The CSE mobile application can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

**PLEASE NOTE THAT AN ALLOTMENT OF NEW SHARES WILL ONLY BE MADE IF YOU HAVE A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.**

Applicants have the option of having their shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the shares need to be deposited to his/her 'locked' balance in the CDS account, the said shares would be deposited to Applicant's 'trading' balance in the CDS account.

**Operation of a 'locked' balance in the CDS**

In order to preserve the confidentiality of shareholder information and to ensure that securities are not made available for trading for those shareholders who do not want to trade the securities, the CDS provides a mechanism where securities can be 'locked' in the CDS account.

The CDS maintains two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant and all dealings and trading would be permitted on the said trading balance, as done normally.

As opposed to the trading balance, the locked balance will not be visible to the CDS participant and all dealings on such locked balance would be suspended thereby maintaining the confidentiality of the information and also safeguarding the account holder from any unauthorized sale by a broker.

At the request of an account holder, the CDS would transfer a named quantity of securities from the locked balance to the trading balance of a CDS account and/or from the trading balance to the locked balance.

### **6.2.2. NUMBER OF SHARES APPLIED**

Application should be made for a minimum of Five Hundred (500) Shares for a value of Sri Lanka Rupees Four Thousand (LKR 4,000/-) and in multiples of One Hundred (100) Shares thereafter. The maximum number of Shares that can be applied through one Application under the IPO would be limited to Sixty Two Million Five Hundred Thousand (62,500,000) Shares, i.e. the total number of Shares issued under the IPO. Any Applications for over and above Sixty Two Million Five Hundred Thousand (62,500,000) Shares would be either capped at the maximum of Sixty Two Million Five Hundred Thousand (62,500,000) Shares or rejected at the outset at the discretion of the Board of Directors.

Applications made for less than Five Hundred (500) Shares or for a number which is not in multiples of One Hundred (100) Shares thereafter, will be rejected and the accompanying cheques, bank drafts or bank guarantees will not be sent for clearing but will be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, the first named Applicant. **The cheque or bank draft or bank guarantee or RTGS/CEFT/SLIPS transfer or payment via the payment gateway provided through the CDS Web Portal/CSE Mobile App should be issued/carried out to the exact the number of New Shares applied for multiplied by the Share Issue Price.** Any Application not conforming to the above requirement will be rejected and the Application monies will be returned as aforementioned.

Please refer Section 6.3 for details with respect to the Mode of Remittance.

### **6.2.3. IDENTIFICATION INFORMATION**

All Applicants should disclose their identification/registration information by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.

The NIC, Passport, or Company Registration Number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

Resident Applicants may use the Passport for purposes of identification only if they do not have a NIC Number.

Tabulated below is the relevant identification information that a prospective investor should provide depending on the legal status:

**Table 6-1 Investor Identification Required**

Citizenship/Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lanka Citizens	X			
Sri Lanka Citizens with no NIC Number*		X		
Foreign Citizens**		X		
Corporate Entities***			X	X

\* In the case of Sri Lankan citizens, the Passport Number will be accepted only when the NIC Number is not available. The CDS account must be for the same Passport Number.

\*\* Foreign citizens must state the Passport Number in the space provided in the Application Form.

\*\*\* In case of a corporate entity, the Company Registration Number must be provided. The common seal or rubber stamp should be affixed, and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

A valid CDS account number must be stated in the Application Form. All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration Number is stated in the relevant cages of the Application Form. All information about the Applicant (i.e., name, address, nationality and NIC or Passport Number) will be downloaded from the database of the CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application Form, the information in the CDS shall take precedence.

If the CDS account number is not indicated in the Application Form, or the number indicated in the Application Form is found to be inaccurate/incorrect, or the account number indicated is not opened at the Issue Closing Date, such Application will be rejected, and no allotments of Shares will be made.

#### **6.2.4. KEY RESPONSIBILITY OF A FOREIGN INVESTOR**

Foreign Investors may be affected by the laws of the jurisdiction of their residence. If Foreign Investors wish to apply for the New Shares, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

#### **6.2.5. MARGIN TRADING**

Applicants who wish to apply through their margin trading account should submit the Applications in the name of the 'margin provider/Applicant's name' signed by the margin provider.

The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form. The New Shares shall be uploaded to the CDS account indicated in the Application Form.

The NIC, Passport, or Company Registration Number of the Applicant as the case may be, must be stated in the Application Form.

Resident Applicants may use the Passport for purposes of identification, only if they do not have a NIC Number.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Details regarding multiple Applications are available under Section 6.2.1.

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by Applicants through a margin trading facility.

#### **6.2.6. APPLICATIONS MADE UNDER POWER OF ATTORNEY**

In the case of Applications made under POA, a copy of the said POA, **certified by a notary public** to be a true copy of the original, should be submitted to the Registrars to the Issue along with the Application Form. **The original POA should not be attached.**

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by a POA.

#### **6.2.7. JOINT APPLICATIONS**

If the ownership is desired in the name of one applicant, such applicant should make the application for an **individual CDS account**. In the case of Joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.

Joint Application Forms are permitted only for natural persons not exceeding three (3) Applicants. Joint Applicants should note that there should not be a combination of residents of Sri Lanka and non-residents. An Applicant of a Joint Application shall not apply through a separate Application Form either individually or jointly.

Please note that the CSE Mobile App, CDS Web Portal and CDS eConnect do not facilitate an Application by Joint Applicants.

#### **6.2.8. SUBMISSION OF APPLICATIONS**

##### **a) Applicants Applying via CSE Mobile App or CDS Web Portal**

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance/proof of remittance as applicable (Payment Gateway or CEFT or SLIPS or RTGS) for the full amount payable on Application Form shall be forwarded online as referred to Section 6.2.1.

##### **b) Applicants Applying via Physical Delivery**

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance/proof of remittance as applicable (cheque or bank draft or bank guarantee or RTGS transfers (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-), for the full amount payable on Application Form may be forwarded by way of delivery (by hand or post) enclosed in a sealed envelope marked '**Cargills Bank Limited – IPO**' on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

#### **S S P Corporate Services (Private) Limited**

101, Inner Flower Road,  
Colombo 03

Applications may also be handed over to the Bank and designated branches of the Bank, Managers to the Issue, Bankers to the Issue and its designated branches and, Trading Participants of the CSE, as set out in Annexure B **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

In the case of Applications dispatched by post, such Applications should reach the Registrars to the Issue **not later than 4.30 p.m. Local Time on the Market Day immediately following the Issue Closing Date.**

Any Applications received after the above deadlines shall be rejected even if the courier or post mark is dated prior to the Issue Closing Date.

### **6.3. PAYMENT OF APPLICATION MONIES**

#### **6.3.1. CHEQUES OR BANK DRAFTS – RESIDENT SRI LANKAN INVESTORS**

Cheque or Bank Drafts payments as a mode of payment are only applicable for Applicants Applying **via Physical Delivery**

Cheques or bank drafts should be drawn on any Licensed Commercial Bank in Sri Lanka and crossed '**Account Payee Only**' and made payable to "**CARGILLS BANK LIMITED IPO PHYSICAL**".

Cheques or bank drafts accompanying Application Forms made for less than Five Hundred (500) Shares, i.e. for a value less than Sri Lanka Rupees Four Thousand (LKR 4,000/-) and in multiples of One Hundred (100) Shares thereafter (as mentioned in Section 6.2.2) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant or, in the case of joint Applicants, to the first named Applicant.

In the event that cheques are not realized within Two (2) Market Days from the date of presenting the same to the bank for clearing, the Directors reserve the right to reject the Applications and return the Application cheques. No allocation of New Shares will be made to such Applicants.

Cheques must be honoured on the first presentation to the bank for the Application to be valid. Applications supported by cheques which are not honoured on first presentation will be rejected.

#### **6.3.2. BANK GUARANTEES – RESIDENT SRI LANKAN INVESTORS**

Applications made by resident Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 6.3.6 will be accepted.

Bank guarantees will be presented to the respective banks only after the New Shares have been allotted by the Bank or the registrar to the issue.

Bank Guarantees as a mode of payment are only applicable for Applicants Applying **via Physical Delivery**

Bank guarantees should be issued by any Licensed Commercial Bank in Sri Lanka and in favour of "**CARGILLS BANK LIMITED IPO PHYSICAL**" in a manner acceptable to the Company and payable on demand.

Please note that the original bank guarantee should be lodged with the Registrars to the Issue together along with the Application Form prior to 4.30 p.m. local time on the Issue Closing Date, in order to claim funds in respect of such Applications made via bank guarantees.

Bank guarantees should be valid for a minimum of One (1) month from the Issue Opening Date (i.e. 14 December 2023).



Applicants are advised to ensure that sufficient funds/facilities are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue.

It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

### **6.3.3. CEFT/SLIPS TRANSFERS - RESIDENT SRI LANKAN INVESTORS**

In case of CEFT/SLIPS transfers (only for Application made via the CSE Mobile App and CDS Web portal) such transfers should be made to the credit of **“CARGILLS BANK LIMITED IPO ONLINE”** bearing the account number 111000111151 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900), on the Issue Opening Date (i.e., the funds to be made available to the above account).

Applicants are required to indicate their CDS account number or NIC Number as payment reference for CEFT/SLIPS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant’s bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit of **“CARGILLS BANK LIMITED IPO ONLINE”** and the fund transfer confirmation should be submitted with the Application Form.

**IMPORTANT - When CEFT, SLIPS transfers are made, ensure to enter the CDS account number of the Applicant in the ‘Beneficiary Narration/Beneficiary Remark/ Reference / Remark / Comment’ field to identify the payments. If the payment cannot be identified Application may get rejected.**

### **6.3.4. RTGS TRANSFERS -RESIDENT SRI LANKAN INVESTORS**

In case of RTGS transfers, such transfers should be made to the credit of the following accounts for applications submitted via;

1. **Physical applications** (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-)) should be made to the credit of **“CARGILLS BANK LIMITED IPO PHYSICAL”** bearing the account number 111000111143 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900)
2. **CSE Mobile App or CDS Web Portal** (only for Application valued above and inclusive of Sri Lanka Rupees Five million (LKR 5,000,000/-)) should be made to the credit of **“CARGILLS BANK LIMITED IPO ONLINE”** bearing the account number 111000111151 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900)

on the Issue Opening Date (i.e., the funds to be made available to the above account).

Applicants are required to indicate their CDS account number or NIC Number as payment reference for RTGS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant’s bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit of **“CARGILLS BANK LIMITED IPO PHYSICAL”** for physical application and **“CARGILLS BANK LIMITED IPO ONLINE”** for application submitted CSE Mobile App or CDS Web Portal. The fund transfer confirmation should be submitted with the Application Form.

**IMPORTANT - When RTGS transfers are made, ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/ Reference / Remark / Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.**

### **6.3.5. PAYMENT OPTIONS FOR CSE MOBILE APP OR CDS WEB PORTAL APPLICANTS**

CSE Mobile App and CDS Web Portal is now integrated with the Helapay Payment App.

Only the LOCAL INDIVIDUAL applicants, with applied share values less or equal to LKR 49,900 will be able to use the Helapay app after completing the applications on the said eIPO platform. If the applicant has already made a payment to the IPO account prior to starting the application process, such applicants should not select the 'Helapay' option.

Customer charges of LKR 100.00 charged by 'Helapay' will apply for such payment and to be borne by the applicants.

Please note that the applicants who wish to use the integrated Helapay Payment App platform through the CSE Mobile App or CDS Web portal should have the 'Helakuru' Mobile App installed in their mobile devices.

Alternatively, Individual applicants who wish to use the payment modes of SLIPS, CEFTS, RTGS transfers must ensure to initiate such transfers prior to making the application using the CSE Mobile App, in order to attach the proof of payment which is a mandatory requirement in submitting their applications via CSE Mobile App.

### **6.3.6. AMOUNT PAYABLE AND OTHER PAYMENT CONDITIONS**

The amount payable should be calculated by multiplying the number of New Shares applied for under a particular category by the Share Issue Price of Sri Lanka Rupees Eight (LKR 8/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or amount deposited to IPO account via RTGS/CEFT/SLIPS transfer such Applications will be rejected.

CEFT/SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (5,000,000/-) imposed by the CBSL.

Payments for Applications via the payment gateway available on CSE Mobile App and CDS Web Portal is subject to a maximum value limit of Sri Lanka Rupees Fifty Thousand (LKR 50,000/-). i.e. Maximum Application value of LKR 49,000/- and convenience fee of LKR 100/-.

In the case of cheques, bank drafts, RTGS/CEFT/SLIPS transfer and bank guarantees, Application Forms should be accompanied by only one cheque or bank draft or RTGS/CEFT/SLIPS transfer (single transfer) or bank guarantee and should be issued for the full amount indicated in the Application Form. Any Application for New Shares of accompanied by two or more cheques or bank drafts or RTGS/CEFT/SLIPS transfers or bank guarantees will be rejected at the outset.

Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred million (LKR 100,000,000/-) will be permitted to submit multiple Bank guarantees issued by Licensed Commercial Banks in Sri Lanka, multiple bank drafts/cheques drawn upon any Licensed Commercial Bank operating in Sri Lanka, or a single RTGS transfer directed through any licensed commercial bank operating in Sri Lanka, each of which should be for values on the date of opening of the Offer.

**Cash will not be accepted.** Anyone wishing to pay cash should obtain a bank draft from a Licensed Commercial Bank in Sri Lanka.

### 6.3.7. FOREIGN CURRENCY REMITTANCES

This section is applicable to:

- Citizens of Sri Lanka who are above 18 years of age and resident overseas.
- Corporate bodies incorporated or established outside Sri Lanka.
- Regional or country funds approved by the SEC.
- Foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.

A foreign investor may invest through an IIA (previously known as a Securities Investment Account/SIA) maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through an IIA are presented below:

- A Foreign Investor may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market.
- The intermediary may open an IIA, on the investor's behalf.
- In conjunction with the IIA, an account with the CDS must be opened in case the investor does not already possess a valid CDS account.
- In respect of regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC.

- **Applicants Applying via CSE Mobile App, CDS Web Portal or CDS eConnect**

- o Payment for New Shares should be made through a RTGS/CEFT/SLIPS transfer against the funds arranged through the IIA and made payable to **"CARGILLS BANK LIMITED IPO ONLINE"** bearing the account number 111000111151 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900) prior to 4.30 p.m. local time on the Issue Closing Date. Kindly note that the foreign individual Applicants are **NOT** eligible to use the payment gateway option. Therefore, they must ensure to initiate the transfers prior to making the Application using an accepted mode of payment.

**IMPORTANT - When CEFT, RTGS or SLIPS transfers are made, please ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/Reference / Remark / Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.**

- **Applicants Applying via Physical Delivery**

- o Payment for New Shares should be made through a cheque or bank draft, or bank guarantee issued by a Licensed Commercial Bank in Sri Lanka or through a RTGS (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-) against the funds arranged through the IIA and made payable to **"CARGILLS BANK LIMITED IPO PHYSICAL"** bearing the account number 111000111143 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900) prior to 4.30 p.m. local time on the Issue Closing Date.

Cheques or bank drafts or bank guarantees or RTGS (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-)) transfers should be endorsed by the issuing custodian bank to the effect that arrangements have been made to facilitate such payment to be made against funds available in the individual's IIA. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.

Any refund payments to Foreign Investors are made in terms of Section 6.7 of this Prospectus.

Applications supported by foreign currency remittances should be made in conformity with requisite declarations accompanied by the documentation stipulated by the Head of the Department of Foreign Exchange of the CBSL.

#### **6.3.8. RESTRICTIONS APPLICABLE TO FOREIGN CITIZENS RESIDENT IN SRI LANKA**

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee Accounts, only if they possess dual citizenship where one such citizenship is Sri Lankan. **Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form. In case of an online Application, the certified copy of the citizenship certificate should be uploaded under the relevant field.**

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts, or bank guarantees or RTGS/CEFT/SLIPS transfers drawn upon Sri Lanka Rupee accounts maintained with any Licensed Commercial Bank in Sri Lanka or payment gateway in the CDS Web Portal but may do so via an IIA account as detailed in Section 6.3.7 above. **Applications made by foreign citizens not in accordance with the foregoing shall be rejected.**

#### **6.4. REJECTION OF APPLICATIONS**

- i. Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in this Prospectus will be rejected at the absolute discretion of the Company.
- ii. Any Application Form which does not provide the NIC, Passport (where NIC is not available) or Company Registration Number as the case may be, will be rejected.
- iii. Any Application Forms accompanying fund transfers confirmations without the requisite payment references will be rejected.
- iv. Applications delivered by hand or by courier after 4.30 p.m. Local Time on the Issue Closing Date will be rejected. Applications received by post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Issue Closing Date will also be rejected even if they carry a postmark date earlier than the Issue Closing Date.
- v. Applications made for less than Five Hundred (500) New Shares or for a number which is not in multiples of One Hundred (100) New Shares thereafter, will be rejected.
- vi. An Application which does not carry a CDS account number or indicates a number of a CDS account which is not opened at the time of Issue Closing Date or which indicates an inaccurate/incorrect CDS account number shall be rejected and no allotment of New Shares will be made.
- vii. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.
- viii. Applicants should apply only through one investor category and would be permitted to submit only one Application Form. Two or more Applications submitted by the same Applicant either under the same category or under different categories will be construed as multiple Applications and will be rejected.
- ix. The Company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 6.2.1.
- x. Payment for Applications of New Shares accompanying two or more cheques and bank drafts or bank guarantees or RTGS/CEFT/SLIPS transfers as mentioned in Section 6.3.6 will be rejected at the outset in the event the value of such Application is below Sri Lankan Rupees One Hundred million (100,000,000/-)

- xi. Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.
- xii. Physical applications accompanying payments made via RTGS in the event the value of such Application is below Sri Lankan Rupees One Hundred million (100,000,000/-) or by way of CEFT or SLIPS will be rejected.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation and reason.

## 6.5. BANKING OF PAYMENTS

All cheques and bank drafts received in respect of Applications will not be banked until the Market Day following the Issue Closing Date in terms of the CSE Listing Rules.

## 6.6. BASIS OF ALLOTMENT

The basis of allotment of shares be as per the manner prescribed in the CSE Listing Rule 2.1.1 (g) (I) (ii), since the size of the offering is less than LKR 3 billion. The basis of allotment will be as follows:

**Table 6-2 Basis of Allotment of New Shares to Various Categories of Applicants**

<b>Investor Category</b>	<b>Percentage of Issue (%)</b>
Unit Trusts Investors*	10%
Retail Individual Investors	40%
Non-Retail Investors	50%
Total	100%

\* Unit Trust Investors should be growth or balanced unit trusts operated by managing companies licensed by the SEC, where such unit trusts comprise of not less than 500 unit holders resident in Sri Lanka who together hold at least 50% of that fund as per the SEC Directive dated March 10, 2011 (Ref: SEC/LEG/11/06/01).

Applications submitted under the Unit Trust Investor Category should be accompanied by a confirmation by the trustee that such unit trust is in conformity with the criteria defined by the SEC Directive dated 06 June 2011 (Ref: SEC/LEG/11/06/01) and CSE Listing Rules, 2.1.1(g)(ii)(b).

Local and Foreign Investor/s who apply for shares of value not more than LKR 100,000/- will be deemed as Retail Individual Investors for share allotment purposes.

Investors who do not fall under the Retail Individual Investor Category and Unit Trusts Investor Category stated above will be deemed as Non-Retail investors for share allotment purposes.

In determining the basis of allotment within the Retail Individual Investor Category, investors who subscribe for a smaller number of shares shall be given priority.

The investor categories have been selected to ensure the broadest possible spread of shareholders while treating all Applicants in a fair manner as may be decided by the Board at its discretion.

In the event of an undersubscription in the Unit Trust Investor Category, the Retail Individual Investor Category shall be given first priority in allotment of the undersubscribed New Shares.

In the event of an undersubscription in the Retail Individual Investor Category, the Unit Trust Investor Category shall be given first priority in allotment of the undersubscribed New Shares.

In the event of an undersubscription in the Non-Retail Investor Category, Retail Individual Investor Category will be given first priority followed by Unit Trust Investor Category in the allotment of the undersubscribed New Shares.

In the event of an oversubscription in any one or more of the categories mentioned above, the basis of allotment will be decided by the Board of Directors in a fair and equitable manner.

The Board of Directors will endeavour to decide and announce to the CSE the basis of allotment as soon as practicable so as to ensure compliance with the Listing Rules. Upon the allotment being decided, an announcement will be made to the CSE.

The successful Applicants will be informed of their allotment within 10 Market Days from the Issue Closing Date.

## **6.7. REFUNDING/RETURNING OF FUNDS ON PARTIALLY ACCEPTED/ REJECTED APPLICATIONS**

Where an Application is accepted only in part or rejected in its entirety, the balance/entirety of the monies received on an Application as the case may be, will be refunded. Such refunds will be made on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules. As required by Rule 2.4(I) of the CSE Listing Rules, Applicants would be entitled to receive interest at the rate of last quoted AWPLR published during the immediately preceding week by the CBSL or any other authority (in the event the CBSL ceases to publish the AWPLR) plus five percent (5%) for the delayed period on any refunds not made by the expiry of the aforementioned period.

It is the responsibility of Foreign Investors to ensure that their IIA details are accurately provided under 'Refund Payment Instructions' on the Application Form to forward the refund to the IIA through which the Application was made.

With regard to applications which have been fully rejected due to any of the reasons specified in this Section 6, neither the Company nor the Registrars to the Issue nor CDS shall be liable for any delay on the refund of monies to the Applicant if the Applicant has paid the Application monies through RTGS/CEFT/SLIPS and has not indicated his NIC Number or the CDS account number as the payment reference.

### **Refund via Sri Lanka Inter-bank Payment Systems (SLIPS)**

The refund payment will be made to the bank account specified by the Applicant through the SLIPS on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of Applicant's bank account in the Application Form. However, SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (LKR 5,000,000/-) imposed by the CBSL with effect from 29 October 2010, as per Operating Instruction Circular No. 11/2010 dated 25 October 2010.

In the event of refunds over Rupees Five million (LKR 5,000,000/-), if the Applicant has provided accurate and complete details of his bank account in the Application, refunds will be made via RTGS.

In the event the refund payment is effected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the bank

together with the Registrars to the Issue or CDS will send the refund cheques to such Applicants at the earliest possible time and the Applicant should not hold the bank or the Registrars to the Issue or CDS accountable for such delays.

### **Refunds Via Crossed Cheque**

If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a Joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Application Form.

## **6.8. SUCCESSFUL APPLICANTS AND CDS LODGMENT**

The New Shares allotted will be directly uploaded to the respective CDS accounts given in the Application Forms before the expiry of Twelve (12) Market Days from the Issue Closing Date as per the CSE Listing Rules.

Upon completion of crediting the respective CDS accounts, a written confirmation will be sent to the shareholder within Two (2) Market Days of crediting the CDS accounts by ordinary post to the address provided by each Applicant in their respective Applications.

Applicants have the option of having their shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Refer Section 9.5 for the definition of 'locked'.

New Shares shall not be transferable by the shareholders during the period between the date of allotment of the New Shares and up to the date of listing (excluding the date of listing) of the Ordinary Shares on the CSE. Further, the Company shall not allot any Shares (other than the allotment of New Shares) or transfer existing Shares during the interim period between the date of the Initial Listing Application and the date of listing of the Shares of the Company.

Upon the Ordinary Shares being listed on the CSE, such Shares shall be freely transferable except for those Shares mentioned in Section 9.5 of this Prospectus, which will be locked-in to be in compliant with CSE Listing Rules 2.1.1(d).

## **6.9. DECLARATION TO THE CSE AND SECONDARY MARKET TRADING**

The Company will submit to the CSE a declaration on the Market Day ("Declaration") immediately following the day on which the Applicants' CDS accounts are credited with the new shares. Trading of the ordinary shares on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.