



# ***Guide for Listing of Companies through Initial Public Offerings***



**Securities Market Division  
Securities and Exchange Commission of Pakistan**

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## **DISCLAIMER**

**This Guidebook has been prepared with the intention to create awareness of the process of Initial Public Offerings (IPOs) for the general public and in particular to facilitate the Issuers/Offerers. However, the Guidebook does not tell each and everything and the opinions or legal interpretations, contained in it are circumstantial and may vary under different situations. The information contained herein is subject to change without prior notice. The Securities and Exchange Commission of Pakistan makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information for any claim, demand or cause action.**

**If the reader is in a doubt while dealing with any specific condition, it is recommended to refer to the Companies Ordinance, 1984 and allied laws and consult professionals of the relevant field for seeking advice.**

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## **INTRODUCTION:**

Listing of a company or a security on a stock exchange is all about raising money to enable businesses to meet their funding needs. When you need money on a large scale or you are a small business looking to expand, you might need more money than your close acquaintances can provide. At this stage some people look to borrow money from the banks or venture capitalists. Others decide to try and raise money from a wider group of investors through stock market in the form of equity, quasi equity or debt.

Listing means registration of a company or a security on a stock exchange for trading and display of its name and quotation on the official list of the stock exchange. The securities may be of any public limited company, corporation or Government.

This Guidebook may be helpful to understand the purpose of listing, its benefits, minimal requirements and procedure of listing. The Guidebook refer various provisions of the applicable laws, rules and regulations, the checklist of the contents of an equity prospectus, the format of applications for seeking approval of a stock exchange and the Securities and Exchange Commission of Pakistan (SECP or the Commission) and checklist of documents required to be provided to the stock exchange and SECP along with the application. The Guidebook can assist the Issuers and their Lead Manager/Consultants/Advisors, the Book Runners and the Underwriters to make their Initial Public Offering (IPOs) smoothly and efficiently.

## **PURPOSE OF LISTING:**

The primary purpose of listing of a company on a stock exchange is to raise funds for meeting financial needs, however, listing may be done for other reasons like realization of the investment by the existing shareholders and raising profile of the company etc.

For all the glamour associated with going public, the fact remains that the decision to do so should be based on hard business realities. As an owner or major shareholder, you must weigh the advantages and disadvantages of going public in light of the plans and goals you have set for your company.

The decision to list your company needs to be made once you have realistically assessed your company, its management, resources, stage of development, long term strategy, goals and future prospects. You would also need to consider the timing of a listing in terms of market conditions and where your business is at that point in time.

Listing is accompanied by benefits as well as responsibilities and public scrutiny. There are many specific requirements that you need to comply with as a listed entity. It would be a good idea to familiarize yourself with these requirements to assess whether your company will be able to fully comply.

You may want to list your company for various reasons. Perhaps you need access to capital to further your growth, raise your profile or the shareholders may want to realize their investment in the company.

## **BENEFITS OF LISTING:**

Some of the benefits of listing of a company on a stock exchange are given as under:

### **(1) *For the Issuing Company:***

#### **(i) Additional avenue for fund raising:**

Listed companies have the incentive to tap capital market as an additional avenue for fund raising through IPOs, secondary offerings and right issues for financing Green Field Projects/new projects, BMR and expansions. It is often cheaper to raise equity capital rather than to rely on debt finance, to fund the expansion of a company's business. It is easier for a listed company to raise equity from the capital market any time.

#### **(ii) Improvement in the company's credentials:**

(a) Listing raises company's public profile with customers, suppliers, investors and the media. As a result more business opportunities become available.

(b) A listed company is included in the stock exchange's Index Series, thus creating additional exposure for the company both locally and internationally and, therefore, may be covered by the analyst in their reports.

(c) A listed company may also be considered for awards like stock exchange top 25 companies awards that bring credibility and investors' confidence in the company.

(d) Listed companies are benefitted of the general perception that after listing financial and business strength of the companies is improved.

(e) A listed company can use its shares to fund acquisitions through mergers as shareholders of the merged entity might be more interested in listed shares.

(iii) Listing creates value and liquidity for shareholders, because listed shares are independently assessed and valued. Listing boosts liquidity and help in broadening the shareholders base. Shareholders of listed companies can realize their investment easily.

(iv) Shares of listed companies can be sold easily at a fair price through secondary offering by the company or by the sponsors/promoters through divestment.

(v) Listing helps in offering of Employees Stock Option Schemes to retain hardworking professionals and gain their loyalties.

(vi) Listing helps in attracting institutional and professional investors as business partners.

**(2) For economy of the country:**

- (i) Increase in revenue in the form of income tax paid by the Stock Exchanges, Depository Company, Clearing Company and members of the Stock Exchanges.
- (ii) Capital Gain Tax (CGT) paid by the investors on gain on sale of shares.
- (iii) Listing provides investment opportunities to the investors and so savings of individuals are mobilized.
- (iv) Decrease in dependence on the banking sector and so resources of the banking sector can be utilized for the development of the under-developed sectors of the economy.
- (v) Increase in employment opportunities.

**(3) For capital market:**

- (i) Market capitalization increases.
- (ii) Investor base increases.
- (iii) Inflow of foreign portfolio investment increases.
- (iv) Revenue of stock exchange and related intermediaries increases.
- (v) Recognition of the local stock exchange globally due to increase in listed companies, market capitalization and investor base.
- (vi) Increased disclosure/reporting requirements enhance transparency and curtails risks of the investors.
- (vii) Attract international investors who can easily trade in listed shares without any restrictions which helps in image building of the country's capital market in the eyes of foreign investors.

**(4) For Government:**

- (i) A source of revenue generation through privatization of State Owned Organizations.

**MAJOR LEGAL REQUIREMENTS APPLICABLE TO IPO's AND LISTING:**

**(1) Application for Listing to the Stock Exchange:**

An issuer that intends to list any of its security on a stock exchange shall make an application to such stock exchange under section 9 of the Securities and Exchange Ordinance, 1969. The application under section 9 shall be made on the format given at **Annexure-I** and shall be accompanied by such documents and information as mentioned therein. Any security offered and

issued to the general public needs to be listed on a stock exchange so that the holders of such security is provided an exit route.

**(2) *Issue of shares by a company or a body corporate through IPO:***

A company may raise fund for meeting its financing needs through issue of securities i.e. shares, bonds etc. to various classes of investors including the general public. Whenever a company decides to raise fund from the general public, it is required under section 57 of the Companies Ordinance, 1984 (the Ordinance) to issue, circulate and publish, after approval of SECP, prospectus i.e. a document inviting the general public for subscription of securities of the company. In case of a foreign company having place of business in Pakistan, section 461 read with section 57 of the Ordinance is relevant. The application under section 57 shall be made on the format given at **Annexure-II** and shall be accompanied by such documents and information as mentioned therein.

**(3) *Offer for sale of shares to the public by an existing shareholder:***

A person who holds more than ten percent shares in a company or a body corporate may offer for sale such shares in totality or a part thereof to the general public through an offer for sale document i.e. prospectus published, issued and circulated after approval of the Commission under section 62 read with section 57 of the Ordinance. In case of offer for sale of shares of a foreign company having place of business in Pakistan, section 461 read with section 62 and 57 of the Ordinance are relevant. The application under section 62 shall be made on the format given at **Annexure-III** and shall be accompanied by such documents and information as mentioned therein.

**(4) *Eligibility for Listing:***

Any public limited company or body corporate having minimum paid up capital of two hundred million rupees (Rs.200 million) may apply for listing on a stock exchange in Pakistan. Section 2 of the Ordinance prohibits private limited companies to invite general public for subscription of their securities including shares. A foreign company having place of business in Pakistan can also apply for listing on a stock exchange in Pakistan.

**(5) *Disclosures requirements:***

The prospectus to be issued, circulated and published for information of the general public should contain atleast all those information, reports and material as required under section 53 read with part-I of the Second Schedule of the Ordinance. The prospectus should contain all such other material and information which in the opinion of its signatories are necessary for decision making by the prospective investors. While drafting the prospectus, the issuers and their Lead Manager/Advisors/Consultants to the Issue, the Book Runner, Legal Advisors, Auditors and other related parties are advised to also consult the Checklist on the Contents of the prospectus provided at **Annexure-IV** attached herewith.

The signatories to the prospectus, the promoters, the existing directors, the persons agreed to become director and other persons named in the prospectus as expert in their respective areas for which they have given consent in writing to act as and be named therein have to make sure that no misstatement has been given in the prospectus and that no material fact or information which was required to be disclosed has been concealed.

**(6) Issue size and Allocation of Capital:**

Keeping in view the minimum bench mark of Rs.200 million paid-up capital, the size of issue and allocation to various categories of investors has been set as under:

- (i) For companies seeking listing:
  - (a) In case post issue paid-up capital of the issuing company is up to Rs.500 million, at least 25% of such capital shall be offered to the general public; and
  - (b) In case capital of the issuing company is beyond Rs.500 million, public offer shall be at least Rs.125 million or 12.5% of the post issue paid-up capital, whichever is higher. Such company shall, however, enhance the quantum of public shareholding to 25% within four years of its listing.
- (ii) For companies already listed:

In case of companies already listed, the allocation of capital to the general public shall not be less than Rs. 100 million.
- (iii) Upto 20% of the issue size can be allocated to overseas Pakistanis.
- (iv) Upto 5% of the issue size can be allocated to employees of the issuing company.
- (v) In case of Modarabas at least 70% of the issue size shall be allocated to general public/retail investors.

Keeping in view the appetite for IPOs, the offer price, nature of business of the issuer and issuer's pattern of shareholding, the requirement of minimum allocation to retail investors can be relaxed if deemed appropriate by SECP.

**(7) Circulation and Publication of Prospectus in Abridged Form:**

The prospectus is required to be circulated to the stock exchange at which the company is listed or proposed to be listed and all the bankers to the issue in addition to make it available at the registered office of the issuer. The prospectus is required to be published at least in one Urdu and one English daily Newspaper. In order to make the publication cost minimal, the law allows publication of the prospectus in abridged form in terms of Section 53 of the Ordinance.

**(8) Laws, Rules, Regulations and Guidelines applicable on IPOs and Listing:**

Some of the major laws applicable on public offering of securities and listing of a company or a security on a Pakistani stock exchange are referred to as under:

- (i) Part V of the Ordinance namely, "Prospectus, Allotment, Issue and Transfer of shares and debentures, Deposits etc." mainly section 53, 57 and 62 and second Schedule. Section 461 of part XIV of the Ordinance, in case the issuer is a foreign company. The said Ordinance is available at the link: <http://www.secp.gov.pk/corporatelaws/pdf/CompaniesOrdinance984-17-03-2011.pdf>



- (ii) Section 9 of the Securities and Exchange Ordinance, 1969 which is available at link [http://www.secp.gov.pk/corporatelaws/pdf/secord1969\\_sep08.pdf](http://www.secp.gov.pk/corporatelaws/pdf/secord1969_sep08.pdf)
- (iii) The Companies (Issue of Capital) Rules, 1996: The said rules are available at the link [http://www.secp.gov.pk/corporatelaws/pdf/Feb\\_02\\_1996.pdf](http://www.secp.gov.pk/corporatelaws/pdf/Feb_02_1996.pdf)
- (iv) The Securities and Exchange Rules, 1971: The said rules are available at the link [http://www.secp.gov.pk/Services/laws\\_policies.asp#rules](http://www.secp.gov.pk/Services/laws_policies.asp#rules)
- (v) Guidelines for the preparation of Prospectus: The said Guidelines are available at the link <http://www.secp.gov.pk/otherlinks/GuidelinesChecklist/Guidelines.pdf>
- (vi) Listing Regulations of the Stock Exchanges: The said regulations are available at the link <http://www.kse.net.pk> <http://www.lahorestock.com> and <http://www.ise.com.pk>

### **CRITERIA FOR LISTING**

For listing of a company on a stock exchange, the following criterion shall be followed:

- (i) Application to the stock exchange under section 9 of the Securities and Exchange Ordinance, 1969 read with the Listing Regulations and copy thereof to SECP.
- (ii) In case of issue of new shares by a company, application to SECP under section 57 of the Companies Ordinance, 1984 read with the Companies (Issue of Capital) Rules, 1996.
- (iii) In case of divestment by any shareholder of the issuing company, application to SECP under section 62 read with section 57 of the Companies Ordinance, 1984 read with the Companies (Issue of Capital) Rules, 1996.
- (iv) After approval of SECP under section 57 or 62, as the case may be, approval of the stock exchange for allocation of dates for publication of prospectus, commencement of bidding period (in case the offer is made through Book Building mechanism) and commencement of period for public subscription shall be sought. The period for public subscription shall not be earlier than seven days and later than thirty days from publication of the prospectus.
- (v) For acceptance of bids, display of order book and basis of allotment of shares etc, the procedure provided in the prospectus read with the relevant laws shall be followed.

### **COMPANIES' READINESS FOR LISTING:**

Companies that are ready to go public, generally have certain specific characteristics. Most of such companies have progressed beyond the start-up phase to a certain size and have become profitable; with prospects of further significant growth.

The market readily accepts companies that have achieved the followings:

- (i) A track record of revenue growth

- (ii) Capable leadership
- (iii) An experienced and credible management team
- (iv) Operations in a strong industry with potential for high performance

### **LISTING INCENTIVES BY THE GOVERNMENT:**

Government of Pakistan through the Finance Act, 2011 has announced a tax holiday for five years for newly established industrial undertakings, BMR and expansion provided such projects are financed entirely through equity. For detail Sections 65D and 65E of the Income Tax Ordinance, 2001 may be consulted. To be benefitted of this incentive, the companies may raise equity through the capital market for financing their projects.

### **INTERMEDIARIES TO IPO:**

In order to make the IPOs smooth and efficient, the issuing company before publication of the prospectus shall appoint the following intermediaries:

- Book Runner to the Issue, in case of book building.
- Lead Managers/Advisor/Arranger/Consultant to the Issue, if so required by the Issuer.
- Underwriters, where required.
- Independent Share Registrars and Transfer Agents/The Balloter.
- Bankers to the Issue.
- Legal Advisor to the Issue.

### **METHODS OF OFFERING OF SHARES:**

The most popular methods used for offering of shares include the Fixed Price Method and the Book Building Process. The method that is used in most of the jurisdictions is the Book Building Process. Salient features of these methods are given as under:

#### ***(i) Fixed Price Method:***

Under this method the offer price is set by the issuer or the Offerer, as the case may be. The issue is underwritten through independent institutions which provide comfort to the prospective investors as far as the offer price is concerned. The basis of issue price is disclosed in the prospectus where the issuer gives detail about the qualitative and quantitative factors justifying the issue price. In the Fixed Price Method, the investors subscribe for the shares at the price already decided by the issuer.

#### ***(ii) Book Building Process:***

Book-Building is a mechanism of price determination through which indication of interest for investment in the shares offered by an issuer/Offerer is collected from Institutional Investors and High Net worth Individual Investors through making of bids and a book is built which gives a

picture of demand for the shares at different price levels. Floor Price is decided by the Issuer/Offerer in consultation with the Book Runner whereas Strike Price is determined at the end of the bidding period on the basis of bids received through the Dutch Auction Method. Under the Dutch Auction Method, Strike Price is the price at which bids for the entire shares offered for sale are made. Book Building portion of the offer is underwritten by the Book Runner.

Detail procedure of issue/offer of shares through Book Building is given in the Appendix-4 of the Listing Regulations of the Stock Exchanges.

#### **COST OF LISTING:**

The cost of listing of a company on a stock exchange includes the initial listing fee of the stock exchange, SECP fee, underwriting fee, advisory fee of the Lead Manager and Book Runner, commission to the Bankers to the issue, the Ballotters and Share Registrars, prospectus' printing and publication cost. Amount of fees paid to the Commission, the stock exchanges and the brokers are nominal and may be seen at **Annexure-V** attached herewith.

***This Guidebook, the Profarma applications and checklists mentioned herein can be downloaded from the following website:***

***<http://www.secp.gov.pk>***

**FORM OF APPLICATION UNDER SECTION 9 OF THE SECURITIES AND EXCHANGE ORDINANCE,  
1969 FOR LISTING A SECURITY ON A STOCK EXCHANGE**

To:

The Managing Director,  
Karachi Stock Exchange (Guarantee) Limited,  
Karachi

Dear Sir,

1. We hereby apply for the listing of our ..... (Name of Company.....) on your Stock Exchange.
2. Necessary information and documents as required in the annexure to this form are enclosed herewith.

Yours faithfully,

\_\_\_\_\_  
Signature & Address

c.c. to:

The SECP, Islamabad as required under Sub-Section (1) of Section 9 of the Securities and Exchange Ordinance, 1969.

**Documents to be submitted with listing application to the Exchange**

1. An application for Listing on Form I and copy thereof to the Commission along with all the documents.
2. An undertaking on Form-II as required under regulation 5(1).
3. An undertaking, on Form-III, pertaining to issue of share certificates, computerized transfer deeds and verification of signatures on transfer deeds;
4. Copy of the certificate of incorporation.
5. Copy of the conversion certificate from private to public company; if applicable.
6. Copy of the certificate of commencement of business.
7. Copy of the certificate for change of name of the company, if applicable.

8. Copy of the Feasibility Report, in case of a new project. The report shall contain a letter from the Chief Executive Officer (CEO) of the institution who has prepared the report, brief profile of such institution, scope of work of the institution for conducting feasibility study and preparing the report. The report shall be dated and each page of it shall carry signature or initial of CEO or any other officer authorized to do so by the Board of Directors of such institution by way of a Resolution.
9. Copy of the resolution passed by the Board of Directors of the company with respect to listing and issue of shares to the general public.
10. Copy of the certificate of registration of Modaraba Management Company, if required.
11. Copy of authorization for flotation of Modaraba by the Registrar of Modarabas.
12. Copy of the license, consent, approval, NOC etc. from the concerned regulatory authority for undertaking / carrying on the business.
13. Pay Order/Bank Draft/Cheque in favour of the Exchange for payment of initial listing fee at the rate as mentioned in regulation 32.
14. Pay Order/Bank Draft/Cheque in favour of the Exchange for payment of annual listing fee at the rate as mentioned in regulation 32.
15. Pay Order/Bank Draft/Cheque in favour of the Exchange for payment of service charges at the rate as mentioned in regulation 32.
16. Auditor's Certificate, separately indicating the amount subscribed by the sponsors/promoters/directors/associates/friends/relatives and shares subscribed by the foreign/local investors under private placement. The certificate shall be supported by copies of Form-3 i.e., return of allotment of shares.
17. Auditors' Certificates under Section 53 read with Clause 28(1) of Section 2 of Part-I of the Second Schedule to the Companies Ordinance, 1984. The certificate shall also state Earning Per Share of the company for the last five years or for a shorter period if five years of the commencement of business are not completed.  
The audited accounts disclosed in the Prospectus / Offer For Sale shall not be older than six months from the date of publication of the Prospectus / Offer For Sale Document.
18. Auditor's certificate on the Break-up value of shares on the basis of the latest audited accounts along with its calculation.
19. Copy of Information Memorandum prepared for placement of shares to local and foreign investors;
20. Names of Directors/shareholders common to the company and the institutions/funds, which have subscribed the shares under private placement.
21. No Objection Certificates from the Underwriter(s) to the Issue/Offer, if any, on Form-IV.
22. Copies of all material contracts and agreements relating to the public issue/offer of shares and project, if any.
23. Copies of the Consent Letters from Bankers to the issue/offer. The letter shall state that;
  - (i) the Bank has given its consent to act as one of the Bankers to Issue/Offer;
  - (ii) this consent has not been withdrawn;
  - (iii) it has no objection on publication of its name in the prospectus/offer for sale document;
  - (iv) the bank has undertaken that the subscription money shall be kept in a separate bank account and shall not be released to the company/the offerer without prior written approval of the Exchange and/or until the company is formally listed.

24. Copies of the title deeds of land duly attested by a gazetted officer;
25. Copy of the consent from the auditor, expert/legal advisors to the Issue/Offer, if any, under Sub-section (5) of Section 57 of the Companies Ordinance, 1984;
26. Copy of letter jointly signed by the Chief Executive Officer and Chief Financial Officer of the company confirming that they have reviewed the contents of the draft prospectus / offer for sale and to the best of their knowledge and belief these have been stated/disclosed correctly and fairly.
27. Copies of individual consent letters from all Directors, Chief Executive and Secretary of the Company for publishing their names as Directors, Chief Executive and Secretary respectively in the Prospectus/Offer For Sale Document. The consent letter shall be dated and contain full name, father's name, CNIC Number & latest postal address of the Directors, Chief Executive and the Company Secretary.
28. Copy of consent from the Ballotters to the Issue/Offer. The Ballotters to the Issue/Offer shall not be associated company or associated undertaking of the issuing company/the offerer.
29. 25 copies of draft full Prospectus / Offer for Sale draft abridged prospectus and advertisement, if any, with last page signed in original by directors of the Company or the offerer, as the case may be.
30. 25 copies of audited annual accounts of the company for the last 5 years and its latest half yearly and quarterly accounts, if any or for a shorter period if five years of the commencement of business are not completed.
31. A List of employees, who have been allocated shares out of the present issue along with their full particulars i.e., names, addresses and number of shares offered to each of them;
32. In issues where premium is to be charged from public, the shares allocated to any person on account of preferential allocation at par shall not be saleable for a period of two years from the date of public subscription. Such shares shall be deposited in a Blocked Account with a depository company and their deposit shall be certified by the depository company. The particulars of these shares shall be furnished to the Stock Exchange. Provided that charges of opening and operating of the said Blocked Account with the depository company shall be borne by the holder of such shares.
33. Copy of application submitted with CDC for declaration of such company as CDC eligible security.
34. Report of State Bank of Pakistan that the names of promoters/sponsors/controlling directors of the company are not in the Defaulter's List of State Bank of Pakistan either in their individual capacity or in the capacity of Directors of other companies. (This will not apply to nominee Directors of the Government and Financial Institutions).
35. Report of State Bank of Pakistan that the name of the company as well as the names of other companies in which directors of the company are holding directorship are not in the defaulter's list of State Bank of Pakistan.
36. Printed copy of share certificate duly cancelled.
37. Documents as prescribed under Annexure-A, in relation to the requirements of Annexure to Form III of the Securities and Exchange Rules, 1971.
38. Documents as prescribed under Annexure-B, in relation to the requirements mentioned in the Companies (Issue of Capital) Rules, 1996.
39. Any other document/material/information as may be required by the Exchange for its own record or for inclusion in the prospectus/offer for sale document.

Notes:

- i) Please note that copies of all the documents are certified by the Company Secretary/CEO.
- ii) Please note that all documents relating to regulatory authority are duly certified from the concerned Company Registration Office or concerned Regulatory Authority.
- iii) Please note that in addition to the above-mentioned documents, the following shall be also be submitted:
  - a) Soft copy of the draft prospectus / offer for sale document;
  - b) Scanned copy of the Memorandum & Articles of Association; and
  - c) Scanned copy of the audited annual accounts of the company for the last 5 years or for a shorter period if five years of the commencement of business are not completed and its latest half yearly and quarterly accounts.

Annexure-A

1. Memorandum and Articles of Association and, in case of debentures, a copy of the trust deed
2. Copies of prospectus issued by the Company in respect of any security already listed on the Stock Exchange;
3. A brief history of the company since incorporation giving details of its activities including any re-organization, changes in its capital structure and borrowings
4. A statement showing:
  - (a) cash dividends and bonuses paid during the last 10 years or such shorter period as the company may have been in existence;
  - (b) dividends or interest in arrears, if any.
5. Certified copies of agreements or other documents relating to arrangements with or between:
  - (a) vendors and/or promoters
  - (b) underwriters
  - (c) brokers
6. Certified copies of agreements with:
  - (a) managing agents.
  - (b) selling agents.
  - (c) Managing Director and technical directors.
7. Certified copies of the agreements with the NIT, ICP, PICIC, IDBP and any other financial institution.
8. A statement containing particulars, dates of and parties to all material contracts, agreements (including agreements for technical advice and collaboration), concessions and similar other documents except those entered into in the normal course of the company's business or intended business together with a brief description of the terms of such agreements.
9. Names and addresses of the directors and persons holding ten per cent or more of any class of equity security as on the date of application together with the number of share or debentures held by each of them.
10. Particulars of the security listing of which is sought.

In case of Equity-based Project:

1. Certificate from the auditors that the fixed capital expenditure is entirely financed by equity and that the capital allocated to sponsors, foreign and local investors, if any, has been fully paid.
2. Project appraisal report from a financial institution or a commercial bank or an investment bank.
3. Certificate from the auditors that the land for the project has been acquired, transferred/registered in the name of company, letters of credit have been established and shipment schedule of plant and machinery has been finalized by the suppliers.
4. Undertaking on Non-Judicial Stamp Paper from the Sponsors that they shall retain at least twenty-five per cent of the capital of the company for a period of five years from the date of public subscription.
5. Underwriting arrangement in the manner as prescribed in sub rule (II)(iv) of rule 3 of the Companies (Issue of Capital) Rules, 1996.

In case of Loan-based Project:

1. Certificate from auditors that sponsors' subscription has been received in full and at least 80% thereof has been utilized in the project.
2. Certificate from the concerned Stock Exchange that at least 30% of the plant and machinery has been installed and last consignment of plant and machinery, where required has been shipped to the company.
3. Undertaking on Non-Judicial Stamp Paper from the Sponsors that they shall at all times retain at least 25% of the capital of the company.

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**APPLICATION UNDER SECTION 57(1) OF THE COMPANIES ORDINANCE, 1984  
(ON THE COMPANY'S LETTERHEAD)**

No.....

Date.....

The Commissioner,  
Securities Market Division,  
Securities and Exchange Commission of Pakistan,  
Islamabad.

Subject: **Application under Section 57(1) of the Companies Ordinance, 1984 for approval to issue, circulate and publish the Prospectus for offer of .....million ..... [name of the securities] by ..... [name of Company].**

Dear Sir,

I ....., the Company Secretary/the Chief Financial Officer/the Chief Executive Officer of .....(name of the company).... duly authorized by the Board of Directors to do so hereby apply under Section 57(1) of the Companies Ordinance, 1984 for seeking approval to issue circulate and publish the prospectus for issue of .....million ..... [name of securities]..... to the general public.

2. I have gone through the draft prospectus attached to this application and ensure that all material facts, information and risk factors related to the offer are disclosed in a simple and plain language and in a proper manner, that nothing has been concealed and that the attached draft prospectus illustrates full, true and fair picture of the issue and the issuing company.

3. Salient features of the issue are attached herewith.

Yours truly,

Signatures:.....  
Name:.....  
CNIC No.....  
Designation.....  
Date.....  
Place.....  
Official Stamp.....

Note:-

This application should be signed by the company secretary, the chief financial officer or the chief executive officer of the issuing company duly authorized by the board of directors to do so.

**A. Information about the issuing company and the proposed Issue:**

1.	Name of the issuing company.	
2.	Nature of the security proposed to be offered to the public.(e.g. ordinary shares, preference shares, TFCs, PTCs, Sukuks etc.).	

3.	Number and amount of securities alongwith percentage proposed to be offered to the public.	
4.	Purpose of the issue and break-up of the utilization of the proceed of the issue.	
5.	Offer mechanism [tick ✓ the relevant box please]	<input type="checkbox"/> Fixed Price <input type="checkbox"/> Book building
6.	Offer Price /Floor Price (in case of book building)	
7.	Capital Structure i.e. authorized capital and break up of Paid-up Capital of the Company before and after the proposed offer alongwith price per share comprising face vale and premium, if any.	
8.	Latest Credit rating of the issuing company and the instrument alongwith name of the rating agency, where applicable.	
9.	Name of the stock exchange where the security will be listed.	
10.	Registered Office address, phone & fax number alongwith website & email address, of the issuing company.	
11.	Number and date of registration of the issuing company, date of commencement of business and nature of business of the issuing company.	
12.	Name of the advisor/consultant/lead manager to the issue, if any, alongwith its address, phone & fax number and website & email addresses.	
13.	Name of the contact person(s) alongwith his address, phone & fax number and email address, to be contacted for seeking information /documents related to the issue.	
14.	Brief financial position of the issuing company for the last three years.	
15.	Detail of the undergoing projects, if any, alongwith their implementation schedule.	

**B. General information:**

1.	Whether the prospectus is cleared by the stock exchange. [tick ✓ the relevant box please]	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	Whether the application accompanied by all the documents mentioned in the Commission's checklist of documents for approval of prospectus.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.	If the answer to above is "No" then please indicate documents yet to be submitted to the Commission alongwith expected date of submission.	

4.	Whether soft copy of the full and abridged prospectus alongwith advertisement, if any, has been provided to the concerned officer of the Commission.	<input type="checkbox"/>	<input type="checkbox"/>
5.	Whether approval under Section 86(1) of the Companies Ordinance, 1984 has been obtained for further issue of share capital, where required.	<input type="checkbox"/>	<input type="checkbox"/>
6.	Whether approval for the proposed offer from any other regulatory authority is also required? If so, then please indicate whether such approval has been obtained.		
7.	Whether the company intends to seek any relaxation from the requirement of any of the law/rule/regulation relating to the proposed offer? If so, then please indicate relevant provision of the law.		

**C. Payment details**

1.	Amount of application processing fee paid:	Rs.
2.	Number and date of the bank challan evidencing payment of application processing fee:	

**LIST OF DOCUMENTS TO BE SUBMITTED TO THE COMMISSION BY COMPANIES ALONG WITH APPLICATION FOR APPROVAL TO ISSUE, CIRCULATE AND PUBLISH PROSPECTUS/OFFER FOR SALE DOCUMENT**

1. Application under Section 57(1) or 62(1) of the Companies Ordinance, 1984 (the Ordinance) as the case may be.
2. Application made to Stock Exchange (s) along-with copy of enclosures.
3. Clearance letter from the concerned stock exchange(s).
4. Copy, both in hard and soft form of the Prospectus/Offer for Sale Document duly cleared by the stock exchange both in full and abridged with last page signed in original by directors of the Company and duly witnessed and that of the advertisement, if any.
5. Affidavit, on Non-Judicial Stamp Paper, from the Chief Executive (CEO) & the Chief Financial Officer (CFO) of the Company and Offerer (where applicable) on accuracy of the disclosures made in the prospectus, certified by the Oath Commissioner.
6. Non-refundable application processing fee in the following manner:-
  - a. In case post IPO paid-up capital of the issuing company is upto Rs. 1 billion, a fee of Rs.100,000/-.
  - b. In case post IPO paid-up capital of the issuing company is above Rs. 1 billion, a fee of Rs.200,000/-.
7. Undertaking on Non-Judicial Stamp Paper from the Balloter, Transfer Agent (Share Transfer Agent) and Underwriter(s) that they fulfill all the conditions of rule-4 of the Balloters, Transfer Agents, and Underwriters Rules, 2001.
8. Copies of the commitment letter(s)/willingness/consent(s) of Pre-IPO Investors (where applicable).

9. Undertaking on Non-Judicial Stamp Paper regarding no buy-back/re-purchase agreement from the Underwriters.
10. Form 29 duly certified from concerned Company Registration Office.
11. Confirmation that issued capital of the company does not consist of shares issued against intangible assets.
12. Affidavit, on Non-Judicial Stamp Paper, from CEO, Directors, Company Secretary & CFO of the Company and Offerer (where applicable) that they have fully disclosed all legal proceedings pending in court of law which may have an adverse material impact on the business of the Company, certified by the Oath Commissioner

Any other document/information as may be required by the Commission for its own record or for inclusion in the prospectus.

**Documents required after Approval and before Public Subscription:**

13. Five printed copies of the prospectus along with copies of all those newspapers in which the prospectus has been published within two days of such publication.

**Documents required after Approval and after Subscription:**

14. Report containing information about the public issue, advertisement of the prospectus, subscription received, basis of allotment, refund made and related matters, within 30 days of the public offer.

**Note:**

The documents submitted in the form of photocopy, must be certified by the Company Secretary or the CEO.

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**APPLICATION UNDER SECTION 62(1) OF THE COMPANIES ORDINANCE, 1984**  
*(on the Company's letterhead, where the offerer is a Company)*

No.....

Date.....

The Commissioner,  
Securities Market Division,  
Securities and Exchange Commission of Pakistan,  
Islamabad.

Subject: **Application under Section 62(1) of the Companies Ordinance, 1984 for approval to issue, circulate and publish the Offer for Sale Document for offer of .....million ..... [name of the securities] of ... [name of the issuing company]... by ..... [name of Offerer].**

Dear Sir,

I ....., duly authorized by ... [name of the Offerer].... to do so hereby apply under Section 62(1) read with Section 57 of the Companies Ordinance, 1984 for seeking approval to issue circulate and publish the Offer For Sale Document for offer of .....million ..... [name of securities].... to the general public.

2. I have gone through the draft Offer for Sale Document attached to this application and ensure that all material facts, information and risk factors related to the offer are disclosed in a simple and plain language and in a proper manner, that nothing has been concealed and that the attached draft Offer for Sale Document illustrates full, true and fair picture of the issue and the issuing company.

3. Salient features of the issue are attached herewith.

Yours truly,

Signatures:.....  
Name:.....  
CNIC No.....  
Designation.....  
Date.....  
Place.....  
Official Stamp.....

**Note:**

This application should be signed by the company secretary, the chief financial officer or the chief executive officer of the Offerer, in case the Offerer is a company, duly authorized by the board of directors of the Offerer to do so. In case the Offerer is individual then this application should be signed by him/her or by the person authorized by him/her in writing to do so.

**A. INFORMATION ABOUT THE ISSUING COMPANY AND THE PROPOSED ISSUE:**

1.	Name of the Offerer(s).	
2.	Name of the issuing company.	
3.	Nature of the security proposed to be offered to the public.(e.g. ordinary shares, preference shares, TFCs, PTCs, Sukuks etc.).	
4.	Number and amount of securities alongwith percentage proposed to be offered to the public.	
5.	Purpose of the offer and break-up of the utilization of proceed of the offer.	
6.	Offer mechanism [tick V the relevant box please]	<input type="checkbox"/> Fixed Price <input type="checkbox"/> Book building
7.	Offer Price /Floor Price (in case of book building)	
8.	Capital Structure i.e. authorized capital and break up of Paid-up Capital of the company before and after the proposed offer alongwith price per share comprising face vale and premium, if any.	
9.	Latest Credit rating of the issuing company and the instrument alongwith name of the rating agency, where applicable.	
10.	Name of the stock exchange where the security will be listed.	
11.	Registered Office address, phone & fax number alongwith website & email address, of the Offerer and the issuing company.	
12.	Number and date of registration of the company, date of commencement of business and nature of business of the issuing company.	
13.	Name of the advisor/consultant/lead manager to the issue, if any, alongwith its address, phone & fax number and website & email addresses.	
14.	Name of the contact person(s) alongwith his address, phone & fax number and email address, to be contacted for seeking information /documents related to the offer.	
15.	Brief financial position of the issuing company for the last three years.	
16.	Detail of the undergoing projects, if any, of the issuing company alongwith their implementation schedule.	

**B. GENERAL INFORMATION:**

1.	Whether Offer for Sale Document is cleared by the stock exchange. [tick ✓ the relevant box please]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	Whether the application accompanied by all the documents mentioned in the Commission's checklist of documents for approval of the Offer for Sale Document/prospectus.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3.	If the answer to above is "No" then please indicate documents yet to be submitted to the Commission alongwith expected date of submission.		
4.	Whether soft copy of the full and abridged Offer for Sale Document/prospectus alongwith advertisement, if any, has been provided to the concerned officer of the Commission.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5.	Whether approval of the board of directors of the Offerer, in case the Offerer is a company, has been obtained for divestment of securities through the proposed public offer.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6.	Whether approval for the proposed divestment from any regulatory authority is also required? If so, then please indicate whether such approval has been obtained.		
7.	Whether the Offerer intends to seek any relaxation from the requirement of any of the law/rule/regulation relating to the proposed offer? If so, then please indicate relevant provision of the law.		

**C. PAYMENT DETAILS**

1.	Amount of application processing fee paid:	Rs.
2.	Nature of payment instrument (i.e. bank draft, pay order, bank challan, cheque):	
3.	Number and date of the payment instrument:	
4.	Drawn on (name of the bank and the relevant branch)	

Note:

The documents to be submitted with this application are same as listed down in the checklist of documents mentioned above.

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**STANDARD DISCLOSURE IN FULL PROSPECTUS FOR ISSUE OF SHARES**

S. No.	Contents of Proposed Full Prospectus	Legal Reference
<b>1. Cover Page:</b>		
i.	The following statement should appear on the upper most top in bold capital letters: - "THE INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS ESPECIALLY THE RISK FACTORS GIVEN AT SECTION (___) BEFORE MAKING ANY INVESTMENT DECISION."	Procedural Requirement (PR) read with Clause 2 of Guidelines for Preparation of Prospectus, 2002 (the Guidelines)
ii.	The following statement should immediately appear below the sentence mentioned at serial i above in bold capital letters: - "SUBMISSION OF FICTITIOUS AND MULTIPLE APPLICATIONS (MORE THAN ONE APPLICATIONS BY SAME PERSON) IS PROHIBITED AND SUCH APPLICATIONS. MONEY IS LIABLE TO CONFISCATION UNDER SECTION 18A OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969"	PR read with Section 18-A of the Securities and Exchange Ordinance, 1969
iii.	Full name of the Issuer.	PR
iv.	Total issue size and the amount offered to general public should be separately mentioned. Green Shoe Option, if any, should also be mentioned.	-do-
v.	Date(s) of Subscription in bold letters.	Clause 6 of Section 1, Part-I of Second Schedule
vi.	Date of Publication of the prospectus.	Section 52 of Companies Ordinance, 1984 (the Ordinance)
vii.	Full name(s) of the underwriters.	Clause 11 of Section 1, Part-I of Second Schedule
viii.	Full name of the Adviser/Arranger/Lead Manager.	PR
<b>2. Inside Cover Page:</b>		
.	<b>Statements on Issuer's absolute responsibility:</b> An undertaking by the Issuer should be disclosed on the following format: "The issuer, having made all reasonable inquiries, accepts responsibility for the disclosures made in this prospectus and confirms that: <ul style="list-style-type: none"> <li>▪ 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;</li> <li>▪ the information contained in the prospectus is true and correct to the best of our knowledge and belief,;</li> <li>▪ the opinions and intentions expressed herein are honestly held; and</li> <li>▪ there are no other facts, the omission of which make this document as a whole or any part thereof misleading."</li> </ul>	PR read with Rule 11 of the Companies (General Provisions and Forms) Rules, 1985
i.	<b>Glossary of Technical Terms</b>	



ii.	Index shall appear immediately after the glossary of technical terms.	
	<b>Part I: Approvals and Listing on the Stock Exchange</b>	
i.	<p>The Following disclaimer of SECP be inserted in para under the heading APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</p> <p><b>“DISCLAIMER:</b> It must be distinctly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Company and any of its schemes stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Prospectus. SECP has not evaluated quality of the issue and its approval for issue, circulation and publication of 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 subscribing.”</p>	PR read with Section 57 of the Ordinance.
ii.	<p>The Following disclaimer of the Stock Exchange be inserted in para under heading CLEARANCE OF THE PROSPECTUS BY THE STOCK EXCHANGE</p> <p><b>“DISCLAIMER:</b></p> <ul style="list-style-type: none"> <li>• The Stock Exchange has not evaluated the quality of the issue and its clearance 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.</li> <li>• The publication of this document does not represent solicitation by the Stock Exchange.</li> <li>• The contents of this document does not constitute an invitation to invest in shares or subscribe for any securities or other financial instrument by the Stock Exchange, 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 the Exchange.</li> <li>• It is clarified that information in this Prospectus should not be construed as advice on any particular matter by the Stock Exchange and must not be treated as a substitute for specific advice.</li> <li>• The Stock Exchange disclaims any liability whatsoever for any loss however arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.</li> <li>• The Stock Exchange neither takes responsibility for the correctness of contents of this document nor the ability of the Company to fulfill its obligations there under.</li> <li>• Advice from a suitably qualified professional should always be sought by investors in relation to any particular investment.”</li> </ul>	PR read with Section 9 of the of the Securities and Exchange Ordinance, 1969
iii.	Filing of the Prospectus and other Documents with the Registrar of Companies	PR read with Section 57 (3) and (4) of the Ordinance



xi.	Shares issued in preceding years	Clauses 7,9 and 10 of Section 1, Part-I of Second Schedule
xii.	Principal purpose of the issue	Clause 5(a), 12 (2) and Clause 24 of Section 1, Part-I of Second Schedule
xiii.	Interest of shareholders	Clause 1(2) of Part-I, Section 1 of Second Schedule
xiv.	Dividend policy Eligibility for dividend	Clause 4 of the Guidelines.
xv.	Deduction of Zakat	PR read with Zakat and Ushr Ordinance, 1980
xvi.	Capital gains	PR read with Section 37-A of the Income Tax Ordinance, 2001(IT. 2001)
xvii.	Withholding tax on dividends	PR read with Section 150 of IT, 2001.
xviii.	Deferred taxation	PR
xix.	Federal excise duty & withholding tax on sale/purchase of shares	PR
xx.	Tax credit for investment in IPO	PR read with Section 62 of IT. 1984
xxi.	Justification for premium (where the issue is on premium)	Rule 4 of the Companies (Issue of Capital) Rules, 1996
<b>Part II: Book Building Procedure (in case of Book Building issue this is additional part and the rest parts are to be renumbered accordingly)</b>		As per Appendix 4 of the Listing Regulations of the Stock Exchange(LR)
i.	Brief issue structure	
ii.	Book building procedure	
iii.	Lead manager(s) and/or book runner(s)	Clause 3.2 of Appendix 4 of LR
iv.	Role and functions of lead manager(s) and book runner(s)	-do-
v.	Opening and closing of the bidding period	-do-
vi.	Eligibility to participate in bidding	PR read with Appendix 4 of the LR
vii.	Information for bidders	-do-
viii.	Bidding form and procedure for bidding	Clause 3.2 of Appendix 4 of LR
ix.	Bank account for book building and public portion	PR read with Appendix 4 of the LR
x.	Payment into the book building account	-do-
xi.	Payment by foreign investors	-do-
xii.	Revision of bids by the bidder	-do-
xiii.	Rejection of bids by the book runner(s)	-do-
xiv.	Withdrawal of bids by the bidder	-do-

xv.	Withdrawal of issue/offer by the issuer/offerer	-do-
xvi.	Mechanism for determination of strike price	Clause 3.2 of Appendix 4 of LR
xvii.	Basis of allotment of share	-do-
xviii.	Refund of margin money	PR read with Appendix 4 of the LR
xix.	Underwriting	-do-
xx.	Publication of the final prospectus/ offer for sale document	-do-
xxi.	Addresses of bid collection centers	Clause 3.2 of Appendix 4 of LR
xxii.	Statement by issuer/offerer	-do-
xxiii.	Statement by lead manager(s)	-do-
xiv.	Statement by book runner(s)	PR read with Appendix 4 of the LR
<b>Part III: Underwriting, Commissions, Brokerage and other Expenses</b>		
i.	Underwriting; name and address of underwriters and amount underwritten by each of them.	Clause 11 and 13 of Section 1, Part-I of Second Schedule read with Rule 4 of the Companies (Issue of Capital) Rules, 1996
ii.	Opinion of the directors regarding resources of the underwriters	Clause 11 of Section 1, Part-I of Second Schedule
iii.	Underwriting Commission	Clause 5 and 13 of Part-I, Section 1 of Second Schedule
iv.	No buyback/repurchase Agreement; execution of any buy-back/repurchase agreement between underwriters and the Company or any associated persons and the underwriters.	PR read with Rule 11 of the Companies (General Provisions and Forms) Rules, 1985
v.	Commission to Banker to the Issue	Clause 13 of Part-I, Section 1 of Second Schedule
vi.	Brokerage	-do-
vii.	Expenses of the Issue with detailed break-up of fee/amount payable to (a) advisors, (b) registrar to the issue, (c) underwriters, (d) bankers to the issue, (g) listing fee, (h) SECP fee, (i) publication fee, (j) other fee.	-do- and clause 14 of Part-I, Section 1 of Second Schedule
<b>Part IV: Overview, History and Prospects:</b>		
<b>A. The Issuer</b>		
i.	Issuer's/Offerer History	Clause 21- of Part-I, Section 1 of Second Schedule
ii.	Description of the business	Clause 2 of Part-I, Section 1 of Second Schedule
iii.	Industry Overview	PR

iv.	Nature and location of the company's projects , if any, location, end users, demand of the product, other producers/suppliers (the competitors) of the product etc)  a) Current Status of the Project b) Plant & machinery c) Capacity and Capacity Utilization d) Financial Plan (project cost & means of financing) e) Implementation schedule of the project: Land acquisition, ground breaking ceremony, execution of civil works, installation of plant and machinery, trial production etc. f) Infrastructure facilities for raw materials and utilities like water, electricity etc.	Clause 2, 5(a) and 12 (2) of Part-I, Section 1 of Second Schedule
v.	Future prospects	-do-
vi.	Demand Outlook	-do-
vii.	Vendors	Clause 12 (1) (a),(b), (c) and 12 (3) of Part-I, Section 1 of Second Schedule
viii.	Risk Factors: All possible risk factor relating to the business of the Company, the project, technology, competitors, suppliers, consumers, industry, liquidity, regulatory, changes in Govt. policies, law and order situation, capital market, competition, pending litigations, defaults etc. shall be disclosed in the prospectus by way of risk factors.  Note: Any statement required to be given prominence shall appear immediately after the risk factors.	The Guidelines
<b>Part V: Financial Information</b>		
i.	Auditor's Certificate under Section 53(1) read with clause 28(1) of Section 2 of Part-I of the 2nd schedule to the Ordinance containing a statement on Break-up Value per share of the issuer	Clause 26, 28 (1), 29 and 30 of, Section 1, Part 1of Second Schedule
ii.	Auditor's Certificate on Issued, Subscribed, & Paid-up Capital	-do-
iii.	Latest audited Accounts of the Subsidiary of the Company (if any)	-do-
iv.	Latest Management/un-audited Accounts of the Company (optional)	PR
v.	Summary of financial highlights for the last 5 years	Clause 30 of Appendix of the Listing Regulations of KSE.
vi.	Financial ratios for the last 5 years	PR (in case of Book Building issue clause 3.2 of LR of KSE)
<b>Part VI: Management of the Company</b>		
i.	Board of directors of the Company (containing name, designation, addresses, CNIC number and directorship in other companies)	Clause 4(1) of Part-I, Section 1 of Second Schedule
ii.	Over due Loans (of the Company or its Directors)	PR
iii.	Dividend Payout by Listed Companies in which the Directors holding directorship	PR

iv.	Number of Directors	PR read with Section 174 of Ordinance.
v.	Profile of Directors and key Management	PR read with clause 5 of the Guidelines
vi.	Qualification of Directors	PR
vii.	Remuneration of Directors/Chief Executive	Clause 3, 4(2) and 16(1)(a) of Section 1, Part-I of Second Schedule
viii.	Appointment/ Election of Directors/Chief Executive	Clause 16(1)(a) of Section 1, Part-I of Second Schedule read with Sections 174 to 178, 180, and 184 of the Ordinance
ix.	Interest of the Directors/Promoters Interest of the Directors in promotion of the company(number and value of shares, if any, nature and extent of the interest of shareholders in the - and profits of the company).	Clause 18 (1)(a) of Section 1, Part-I of Second Schedule
x.	Interest of the Director/Promoter in Property acquired by the Company	Clause 12(1)(d) and 18 (1)(b) of Section 1, Part-I of Second Schedule
xi.	Benefits to Promoters & Officers during last two years	Clause 15 of Section 1, Part-I of Second Schedule
xii.	Voting Rights	Clause 19 of Section 1, Part-I of Second Schedule
xiii.	Restriction, if any, upon the members of the Company	Clause 20 of Section 1, Part-I of Second Schedule
xiv.	Audit committee/construction of audit committee	Clause (xxx) of Code of Corporate Governance of the Listing Regulations of KSE
xv.	Internal audit	Clause (xxxv) of Code of Corporate Governance of the Listing Regulations of KSE
xvi.	Powers of Directors	PR read with Section 196 of the Ordinance
xvii.	Borrowing Powers of Directors	-do-
xviii.	Indemnity	PR read with Section 59(4) (b) of the Ordinance
xix.	Performance, for last three years, of other associated listed companies under the same management: a) Name of the company; b) Date of Incorporation; c) Registration Number; d) Date and type of Public Offer (debt/equity); e) Amount of Issue; f) Date of listing and name of the exchange where the company is listed;	PR

	g) Date of completion of project, where the object of the issue was financing of a project; h) Paid-up-capital; i) Equity; j) Profit after tax; k) Rate of profit/dividends paid; l) Break-up value per share; m) Earning per share.	
xx.	Subsidiary Companies	PR read with Section 208 of the Ordinance
xxi.	Associated Companies and investment therein	-do-
<b>Part VII: Miscellaneous Information</b>		
i.	Registered Office of the Company (complete address, telephone & fax numbers and e-mail address)	PR read with Section 53(1A) of the Ordinance.
ii.	Bankers to the Company	PR
iii.	Bankers to the Issue	Section 57(5) of Ordinance.
iv.	Name and address of the Auditors	Section 57(5) of Ordinance and Clause 17 of Section 1, Part-I of Second Schedule
v.	Name and address of the Legal Advisors to the Company	-do-
vi.	Name and address of the registrar to the issue (ballotter) and transfer agent	PR
vii.	Name and address of Legal Advisor to the Issue	Clause 17 of Section 1, Part-I of Second Schedule read with Section 57(5) of the Ordinance
viii.	Name and address of the Lead Manager/Advisor/Consultant	PR
ix.	Material Contracts/Documents Nature, amount and dates of different agreements executed with respect to the issue not limited to Underwriting agreements, Due Diligence Reports of the Underwriters, Private Placement agreements, Project Related Agreements etc.	Clause 16 (1)(b) of, Section 1, Part 1 of Second Schedule
x.	Inspection of Documents & Contracts Copies of Memorandum and Articles of Association of the Company, the Auditors' Certificate, Information Memorandum, Credit Rating Report and copies of agreements referred to in the 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 the prospectus until the closing of subscription list.	Clauses 16(2) and 23 of Section 1, Part 1 of Second Schedule
xi.	Pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the company or any of its subsidiaries is a party	Clause 27 of, Section 1, Part 1 of Second Schedule
xii.	Memorandum of association	Clause 1 of the Part 1 of Second Schedule read with Clause 39(iii)(b) of the Appendix 1 of the Listing Regulations of KSE.
xiii.	Valuation of assets	clause 22(2) of Section 1 of part I of the second Schedule

xiv.	Capitalization	clause 22(1) of Section 1 of part I of the second Schedule																								
<b>Part VIII: Application &amp; Allotment Instructions</b>																										
i.	Application Instructions	PR read section 67(2) of the Ordinance.																								
ii.	Allotment instructions	-d0-																								
iii.	Basis of Allotment	Clause 7 of Section 1, Part-I of Second Schedule read with Section 67 and 68 of the Ordinance																								
iv.	List of Bankers to the issue and their Bank Code	Section 57(5) of the Ordinance																								
v.	Code of Occupation: <table border="1" data-bbox="318 695 1026 982"> <tr> <td>01</td> <td>Business</td> <td>02</td> <td>Service</td> </tr> <tr> <td>03</td> <td>Household</td> <td>04</td> <td>Student</td> </tr> <tr> <td>05</td> <td>Industrialist</td> <td>06</td> <td>Retired Persons</td> </tr> <tr> <td>07</td> <td>Agriculturist</td> <td>08</td> <td>Housewife</td> </tr> <tr> <td>09</td> <td>Business Executive</td> <td>10</td> <td>Others</td> </tr> </table>	01	Business	02	Service	03	Household	04	Student	05	Industrialist	06	Retired Persons	07	Agriculturist	08	Housewife	09	Business Executive	10	Others	PR read section 67(2) of the Ordinance.				
01	Business	02	Service																							
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vi.	Nationality Code: <table border="1" data-bbox="284 1066 1073 1308"> <thead> <tr> <th>Code No.</th> <th>Name of country</th> <th>Code No.</th> <th>Name of country</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>U.S.A</td> <td>006</td> <td>Bangladesh</td> </tr> <tr> <td>002</td> <td>U.K</td> <td>007</td> <td>China</td> </tr> <tr> <td>003</td> <td>U.A.E</td> <td>008</td> <td>Bahrain</td> </tr> <tr> <td>004</td> <td>K.S.A</td> <td>009</td> <td>Other</td> </tr> <tr> <td>005</td> <td>Oman</td> <td></td> <td></td> </tr> </tbody> </table>	Code No.	Name of country	Code No.	Name of country	001	U.S.A	006	Bangladesh	002	U.K	007	China	003	U.A.E	008	Bahrain	004	K.S.A	009	Other	005	Oman			-do-
Code No.	Name of country	Code No.	Name of country																							
001	U.S.A	006	Bangladesh																							
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003	U.A.E	008	Bahrain																							
004	K.S.A	009	Other																							
005	Oman																									
<b>Part IX: Signatories to the Prospectus</b>																										
i.	List of the signatories to the prospectus and their signatures in original duly dated and witnessed	Section 57 (3) of the Ordinance																								
<b>Part X : Memorandum of Association</b>																										
i.	Memorandum of Association	Clause 1 of the Part 1of Second Schedule																								
	<b>Application Form</b> The Application Form should contain allotment instructions, basis of allotment, list of bankers to the issue & their bank code and code of different occupations and Nationalities.	Section 53 (5) 68 and of the Ordinance.																								

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**FEE CHARGED BY THE SECP, THE STOCK EXCHANGES AND THE BROKERS**

▪ **SECP Fee:**

Non-refundable application processing fee in the following manner:-

- In case post IPO paid-up capital of the issuing company is upto Rs. 1 billion, a fee of Rs.100,000/-.
- In case post IPO paid-up capital of the issuing company is above Rs. 1 billion, a fee of Rs.200,000/-.

▪ **Initial Listing Fee of the Stock Exchanges:**

Initial Listing Fee of the exchanges is one tenth of one percent of the Paid-Up-Capital of the issuing company subject to a maximum of rupees two million and five hundred thousand.

▪ **Brokerage Commission:**

Brokerage Commission is upto 1% of the amount of the successful applications.

**Note:**

Commission to the underwriters, Lead Manager/Advisor/Consultant/Arranger, Book Runner, Bankers to the issue, Balloter/share registrar to the issue and Legal advisor to the issue are deregulated and may be agreed between the concerned intermediaries.

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**Securities and Exchange Commission of Pakistan**

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