

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the 16th September, 2022

NOTIFICATION

S.R.O. 1754 (I)/2022.- In exercise of the powers conferred under section 512 read with sections 58, 82, 83 and 83 A of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is hereby pleased to make following amendments to the Companies (Further Issue of Shares) Regulations, 2020, the same having being published in the official Gazette vide notification No. 1423(I)/2022 dated August 04, 2022 for public consultation as required under the said section 512 of the Companies Act, 2017, namely:-

AMENDMENTS

In the aforesaid Regulations, -

- (1) in the preamble, for the expressions “82 and 83” the expressions “82, 83 and 83 A” shall be substituted;
- (2) in regulation 2, in sub-regulation (1), -
 - (a) after clause (i), the following new clause shall be inserted, namely: -

“(ia) “Application Supported by Blocked Amount “(ASBA)” means an application for subscribing to shares, where money is blocked in the subscriber’s respective bank account;” and
 - (b) in clause (xvi), for the word “Commission” the words “shareholders of the company through special resolution” shall be substituted;
- (3) in regulation 3, -
 - (a) in sub-regulation (1), -
 - (i) after the heading, the following new sub-heading is inserted, namely: -

“General Conditions”;
 - (ii) in clause (iii), after sub-clause (h), the following new sub-clauses shall be inserted, namely: -

“(i) minimum subscription amount; and
(j) provision of ASBA facility (optional).”;

(iii) after clause (vi), the following new clauses shall be inserted, namely: -

- “(vii) in case of a listed company, the letter of offer of right shall be dispatched or credited within the time period as specified by the listing’s regulations of the securities exchange;
- (viii) a listed issuer shall not be eligible to make a right issue if the issuer at the time of right issuance is placed on Pakistan Stock Exchange (PSX) defaulter counter. Provided that this condition will not be applicable on the companies wherein the purpose of the right issue is repayment of the respective overdues or removing defaults;
- (ix) a listed issuer shall not be eligible to make right issue if it is not cooperating in an investigation or inspection ordered by the Commission;
- (x) if the whole or any part of the shares offered by the issuer is declined or is not subscribed, the directors may allot such shares in such manner as they may deem fit within a period of thirty days from the close of the offer or within such extended time not exceeding thirty days with the approval of the Commission;
- (xi) right shares shall only be offered for consideration only in cash;
- (xii) right shares shall not be subscribed for consideration of already injected funds in the issuing company by the subscriber either in the form of loan or any other consideration;
- (xiii) if the board of directors fail, within extended time, to allot shares or underwriters fail to take up the unsubscribed portion, the unsubscribed right issue will be extinguished. In such cases, in addition to any other action specified under the Act against the board, the underwriter will be barred for three years from underwriting any issue of any listed issuer;
- (xiv) subject to compliance with the requirement of section 82 of the Act, a company may issue right shares at a discount to face value: provided that-
 - (a) the issue is underwritten in the form and manner as stated in clause (vi) of this sub-regulation; and
 - (b) appropriate disclosures in line with the size of the issue are made;

- (xv) the listed Issuer shall not, at any time changes or deviate from the purpose of utilization of proceeds of right issue earlier disclosed to the members through Schedule 1;
- (xvi) in exceptional circumstances, the issuer may change the purpose of proceeds utilization subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in purpose of proceeds utilization;
- (xvii) the mechanism for an exit offer opportunity shall be as under-
 - (a) EOGM notice in respect of any change in the purpose of proceeds utilization of the issue as disclosed in the offer document shall be given along with draft special resolution as required under the provisions of the Act;
 - (b) subject to approval of special resolution as defined in the Act, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit;
 - (c) during the exit opportunity, shares shall be purchased by sponsors of the issuer;
 - (d) purchase price per share shall be average market price of the period between last date of payment against right issuance and the date of passing of special resolution;
 - (e) the exit offer shall be executed by the sponsors with in a period of thirty (30) days from the date of passing of special resolution.”;

(b) for sub-regulation (2), (3) and (4), the following shall be substituted, namely: -

“(2) In case the right issue size cumulatively during a financial or a calendar year is less than or equal to Rs.750 million or 50% of the paid-up capital of the listed company issuing right shares, whichever is lower, the listed company, in addition to compliance of the general conditions, provided in sub-regulation (1), shall-

- (i) simultaneously place Schedule 1 on the website of Securities Exchange along with sending it to all the members with copy of the extract of the resolution of the board's meeting approving the right issue;
- (ii) Offer letter dispatched to all shareholders should include the copy of Schedule 1;
- (iii) the book closure for the issue shall be made within thirty (30) days from the date of board resolution or within such time period as approved by the Commission;

(3) In case the right issue size cumulatively during a financial or a calendar year exceeds Rs.750 million or 50% of the paid up capital of the listed company issuing right shares, whichever is higher, the listed company, in addition to compliance of the general conditions, provided in sub-regulation (1), shall comply with the following conditions, namely: -

- (i) no company shall issue right exceeding the above referred threshold if the issuing company, its sponsor, promoter, substantial shareholder and directors have overdues or defaults irrespective of the amount appearing in the report obtained from Credit Information Bureau;
- (ii) the company shall prepare and its board shall approve the draft offer document in easily understandable English and Urdu language;
- (iii) the Offer document shall contain all disclosures, as referred to in Schedule I of these regulations. and such disclosure should be true and adequate and enable the applicants to take an informed investment decision;
- (iv) the draft offer document shall be submitted to PSX and the Commission within 45 days of the date of announcement and it shall simultaneously be placed by the listed company on the PSX and company's website. It shall be the discretion of the company and its board to seek public comments on the offering document and in such case, the public can submit its comments within 7 days of placement;
- (v) PSX and the Commission shall, within 15 days of the filing of draft offer document, share their observations and changes with the company, if any;
- (vi) the board shall ensure that draft offer document is updated in light of the public comments, (if opted for), PSX and the Commission comments/observations, and shall submit final offer letter to PSX within 20 days from the date of

comments/observations, whichever is later. Simultaneously, the Board shall also disclose in tabular form on PSX and company website as per the Schedule II, all the comments received along with the explanations as to how they are addressed;

- (vii) the final offer document shall be placed on PSX website along with book closure dates, and relevant right issuance timelines in accordance with Section 83 of the Act;
- (viii) the sponsors shall retain their entire shareholding for one year or project completion whichever is later;
- (ix) the statutory auditor shall monitor the proceed utilization till 95% of the proceeds are utilized in the manner referred to in the final offer letter, and shall submit half yearly report to the issuer. The issuer will include the report, along with its comments, if any, in its half yearly and annual financial statements.”;

- (c) sub-regulation (4) shall be omitted;
- (d) in sub-regulations (5), for the full stop at the end the words “except that it will stand extinguished in case it is not completed within the timeline line and manner specified with in these regulations.” shall be substituted; and
- (e) after sub-regulation (5), amended as aforesaid, the following new sub-regulations shall be inserted, namely: -

“(6) The company can opt for announcing minimum subscription amount being less than the total amount of right announced. In instant scenario, the company in addition to complying with the requirements (as applicable depending upon the size of the right issue) as mentioned in Regulation 3, shall comply with the following conditions, -

- (i) minimum subscription amount should not be less than 90% of size of right issue;
- (ii) directors/substantial shareholders undertake in writing that they will subscribe the right shares to be offered to them as per their right entitlement to the extent of their proportion of minimum subscription;
- (iii) public portion of minimum subscription shall be underwritten by the underwriter, not being associated company or associated undertakings of the issuer;
- (iv) right entitlement letter will be traded on PSX, risk and rewards shall be sole liability of the investors.

(7) The company can opt for ASBA facility for receiving of right proceeds and in case the company announces the option of ASBA facility it, in addition to complying with the requirements (as applicable depending upon the size of the right issue) as provided in regulation 3, shall also comply with the following conditions,-

- (i) the company or banker to the issue, upon receipt of instructions from the subscriber, immediately block the subscription money in respective account of the subscriber;
- (ii) in case of subscribers other than ASBA, if the company fails to refund the subscription amount within 15 days, it shall be liable to pay penalty of 15% per annum to the subscriber along with the subscription amount.”;

(4) in regulation 5,-

(a) in sub-regulation (1), in clause (ii), in sub-clause (m), in the proviso, for the full stop at the end, the expressions “and the valuers must be registered as per the requirements of regulation 8A and 8B of the Companies (Further Issue of Shares) Regulations, 2020” shall be substituted;

(b) after sub-clause (m), the following new sub-clauses shall be inserted, namely: -

“(n) the company shall invite claims, if any, on the non-cash assets through advertisement in the widely circulated newspaper both English and Urdu language clearly mentioning the fact that-

- (i) after issuance of shares the title of the assets will be transferred in the name of the issuer; and
 - (ii) claims must be submitted to the statutory auditors (insert name) within seven (7) days of the date of advertisement;
- (o) the company shall intimate the Commission, at the time of seeking approval, confirming details of claims received and settled as referred in sub-clause (n) verified through its statutory auditor along with an affidavit that the information is correct to the best of their knowledge;
- (p) non-cash assets shall be transferred in the name of issuer within sixty (60) days of the date of approval by the Commission or within such extended time not exceeding 30 days with the approval of the Commission;
- (q) the shares shall be issued only in the book entry form within 60 days from the date of approval by the Commission;

- (r) the issuer shall intimate the Commission and the securities exchange about issuance of the shares within seven days of the issuance;
- (s) the sponsors shall retain their shareholding arising as a result of subject issuance for at least twelve months; and at least twenty five percent of their shareholding for the next two years;
- (t) the persons other than sponsors, shall retain their shareholding arising as a result of subject issuance from the date of their issuance as follows-
 - (i) for a period of one year, in case such shareholding is not more than ten percent (10%) of the issuer's respective paid up share capital;
 - (ii) for a period of two years, in case such shareholding is above ten percent (10%) but not more than twenty five percent (25%) of the issuer's respective paid up share capital; and
 - (iii) for a period of three years, in case such shareholding is above twenty five percent (25%) of the issuer's respective paid up share capital:

Provided that the conditions referred in sub-clauses (s) and (t), shall not be applicable in case where offer price is at premium to the market price of the share of the company and free float of the issuing company is less than 10% of its listed capital;

- (u) the person(s) to whom share are being issued shall not have overdues or defaults irrespective of the amount appearing in the report obtained from Credit Information Bureau.”;

(5) in regulation 6,-

- (a) in sub- regulation (1), after sub-clause (iv), the following new sub-clauses shall be inserted, namely:-

“(iva) Irrespective of the size of the issue, the listed company shall comply with all applicable requirements of Chapter IV of these Regulations and seek approval of the Commission for issuance of such shares offered by way of other than Right;

(ivb) If such shares are being offered by way of Right, then the issuing company shall comply with the requirement as specified in Regulation 3.”;

- (b) after the sub-regulation (2), the following new sub-clauses shall be inserted, namely: -

“(3) A listed company, in case of issue of preference shares, by way of other than right offer, in addition to compliance of conditions

mentioned at regulation 6 (1) above, is required to submit the following along with the application to the Commission:-

- (i) consent of the person(s) to whom the shares are to be issued; and
- (ii) terms and conditions of the agreement(s) executed between the company and the preference shareholders.”;

(6) in regulation 7,-

- (a) in sub-regulation (1), the expression “83” the expression “83A” shall be substituted;
- (b) in sub-regulation (1), in clause (v), in sub-clause (b), for the semi colon, a colon shall be substituted and thereafter the following new provisos shall be inserted, namely:-

“Provided further that agenda of the EOGM should explicitly provide details of any litigation or legal proceedings in the context of the current or previous ESOS along with management’s stance:

Provided further that ESOS by the issuer has to be announced within six months of passing of special resolution, and in case of failure to do so, fresh resolution will be required.”;

- (c) after sub-regulation (8), the following new sub-regulations shall be inserted, namely:-

“(9) In case of a listed company, entitlement pool is capped at 10% of the enhanced paid capital of the company in a year; and 25% of the enhanced paid up capital of the company at any point in time.

Explanation:- For the purpose of this regulation, “Entitlement Pool” means number of shares that can be issued under an employee stock option scheme determined by the compensation committee and approved by the shareholders through special resolution.

(10) A listed company may raise its capital through issuance of employee stock option scheme with the approval of the shareholders through special resolution passed in the general meeting.

(11) The listed company shall comply with the requirements envisaged in the Act and file the notice of increase in share capital with the registrar in line with the requirements of the Act.”;

(7) after regulation 8B, the following new regulations shall be inserted, namely:-

“8C. Contents of valuation report.- (1) In case the shares of a listed company are being issued against properties, building, Plant, equipment, machinery etc. separate valuation of each asset is required and such valuation report shall include,-

- (i) affidavit/undertaking from the valuer about title verification and physical existence of the asset;
- (ii) in case of Land and building, purchase date, chronological transfer of property along with the value for which transferred, fresh *Fard*, comparison of at least 3 comparable properties, if any, justification/reasons why they are considered comparable; reasons in case no comparable property is available; NOCs from the Bank to ensure that they are free from encumbrance;
- (iii) in case of building, plant, equipment, machinery, purchase date, chronological transfer of the building, plant, equipment, machinery; initial useful life; remaining useful life; in case initial useful lime estimate has been revised (detail and reason of such revision), repair/maintenance cost incurred; in case plant is bought from a foreign supplier, the date when the payment for purchase of plant etc. was made, the date when it reached in the country, reasons of time lag in the purchase payment and arrival date; requisite formal approvals from other regulatory bodies and reference to the record of funding for the purchase in relevant books of accounts; and
- (iv) in case shares are being issued against intangible assets and services, the valuation should include affidavit/undertaking from the valuer about title verification of the asset; the methodology used and justification for the same.”; and

(8) for Schedule I, the following shall be substituted, namely:-

“Schedule I

The Companies (Further Issue of Shares) Regulations, 2020

Right Share - Offer Document

General Instruction for filling the form:

- All information should be relevant and updated. The source and basis of all statements and claims should be disclosed.
- All blank spaces in the draft offer document shall be filled up with appropriate data before filing the offer document.
- Wherever it is mentioned that details are given elsewhere in the document, the same shall be adequately cross referred by indicating the paragraph, heading and page number.
- There should be no forward-looking statement or estimation that cannot be

substantiated.

1. Cover Page:

(i) The following statement should appear on the upper most top in bold capital letters:

“ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (*HEREIN REFERRED TO AS ‘OFFER DOCUMENT’*) AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS

(ii) Following additional information should also appear on the front page:

This document is issued for the purpose of providing information to shareholders of the Company and to the public in general in relation to the rights issue (size of the issue in Rs.) consisting of new ordinary shares (Number of share) by (name of the issuer). A copy of this document has been registered with the Securities Exchange.

This offer document is valid till..... (60 days from the last day of payment of subscription amount).

- (iii) Full name of the Issuer (including previous name, if any) along with logo/monogram, if any, date and place of its incorporation, incorporation number, address of its registered and corporate offices, telephone number, contact person, website address and e-mail address.
- (iv) Total issue size (number of shares), offer price, premium/discount if any, total amount to be raised through right issue, proportion of right offer.
- (v) Date of placing offer document on PSX for public comments.
- (vi) Date of Final Offer Letter, Date of Book Closure, Subscription amount payment dates, Trading dates for Letter of Rights
- (vii) Details of the relevant contact persons

	Name of the Person	Designation	Contact Number	Office Address	Email Id
Authorized Officer of the Issuer					
Underwriter					
Banker to the Issue					

(viii) Website addresses from where the offer document can be downloaded.

2. Inside Cover Page:

The following undertaking by the Issuer:

“WETHE CHIEF EXECUTIVE OFFICER AND...CHIEF FINANCIAL OFFICER ...CERTIFY THAT;

- (i) THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
- (ii) THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
- (iii) THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
- (iv) THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
- (v) ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED.”

For and on behalf of (... Name of the Issuer...)

.....Sd-.....

.....Sd-.....

Name of the Chief Executive Officer

Name of the Chief Financial Officer”

3. Undertaking by the Board of Directors (Board)

In case of right issue above threshold as specified in Regulations....

WE, THE BOARD _____ HEREBY CONFIRM THAT:

- (i) ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.
- (ii) WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.
- (iii) RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.
- (iv) THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER ON _____ (I.E. WITHIN 45 DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.
- (v) PUBLIC COMMENTS WERE SOUGHT FOR A PERIOD OF 7 (SEVEN) WORKING DAYS I.E _____ TO _____. (OPTIONAL AND IS THE DISCRETION OF THE COMPANY AND ITS BOARD)
- (vi) COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON
- (vii) THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE PUBLIC COMMENTS, SECURITIES EXCHANGE AND SECP COMMENTS.
- (viii) THE BOARD HAS DISCLOSED ON PSX’S AND COMPANY’S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.

- (ix) THE FINAL OFFER DOCUMENT WAS PLACED ON SECURITIES EXCHANGE WEBSITE ON _____ ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 20 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX & SECP).
- (x) THE STATUTORY AUDITOR M/s _____ WILL MONITOR THE PROCEED UTILIZATION IF THE ISSUANCE PROCEEDS EXCEED RS.750 MILLION OR 50% OF THE PAID UP CAPITAL OF THE LISTED COMPANY ISSUING RIGHT SHARES, WHICHEVER IS HIGHER .
- (xi) THE ISSUER HAS COMPLIED WITH THE REQUIREMENTS OF SECTION 82 OF THE COMPANIES ACT, 2017 IN CASE OF ISSUANCE OF RIGHT SHARES AT DISCOUNT TO FACE VALUE.

4. **DISCLAIMER:**

- (i) Following disclaimer be included:
- *In line with Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities Exchange Commission of Pakistan (SECP).*
 - *The Securities Exchange and the SECP disclaims*
 - a. *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.*
 - b. *any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.*
 - c. *any responsibility w.r.t quality of the issue*
 - *It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.*

5. **Glossary of Technical Terms & Definitions:**

All the technical terms and abbreviations used in offer document must be defined in the glossary.

6. **Table of Content**

7. **Salient features of the right issue:**

(i) **Brief Terms of the Rights Issue:**

a)	Description of issue:	
b)	Size of the proposed issue	Rs. _____ divided into _____ of Rs. _____ each
c)	Face value of the share	
d)	Basis of determination of price of the right issue	

e)	Proportion of new issue to existing issued shares with condition, if any	
f)	Date of meeting of board of directors (BoD) wherein the right issue was approved	
g)	Names of directors attending the BoD meeting	
h)	Brief purpose of utilization of right issue proceeds	
i)	Purpose of the Right Issue - Details of the main objects for raising funds through present right issue.	<ul style="list-style-type: none"> • Total funds required for the project: • percentage of funds financed through the right issue: • percentage of funds financed from other sources, if any; • time of completion of project. • Impact on production capacity
j)	'Minimum level of subscription' (MLS)	-----% The Board shall clearly pronounce the options in case MLS is not achieved.
k)	"Application Supported by Blocked amount" (ASBA) facility, if any, will be provided for subscription of right shares	

(ii) Principal Purpose of the Issue and funding arrangements:

- A. Details of the principal purpose of the issue.
- a. Summary item-wise breakup of the proceeds to be utilized both in terms of amount & %age of total allocation made to the relevant item, along with percentage completion status of the relevant item. Additional information may also be included, as needed, to make the table give complete, concise and clear picture.
- B. Additional disclosures relating to purpose of the issue shall be made in case of the following:

a) If purpose of the issue is to finance a project:

Details of:

- Total Cost required for the project;
- Sources of Funding;
- Status of Debt Financing if any;
- Project completion status
- location of the project;
- Working capital requirement of the project: - all details, along with following, as specified in 8(ii)(b) of this schedule be included here.
 - ✓ Basis of estimation of working capital requirement, along with relevant assumptions.
 - ✓ If no working capital is shown as a part of the project for which the issue is

being made, the reasons for the same.

- plant and machinery, technology, process, etc. – all details as specified in 8(ii)(c) of this Schedule be included here;
- land, building – all details as specified in 8(ii)(d) of this Schedule be included here;
- Following information regarding persons or entities with whom any agreement is entered into:
 - ✓ Place of registration and year of incorporation.
 - ✓ Nature of business
 - ✓ paid up share capital.
 - ✓ Net worth
 - ✓ Revenue
 - ✓ general information relevant to the issuer.
- Pre and post expansion production capacity of the Issuer, if applicable.

b) If purpose of the issue is to finance working capital:

- Specify activities that are classified as working capital.
- Basis of estimation of working capital requirement, along with relevant assumptions.
- Reasons for raising additional working capital, substantiating the same with relevant facts and figures.
- Total envisaged working capital requirement in a tabular form, the margin money thereof and the portion to be financed by any bank(s) or otherwise.
- Cash Conversion Cycle in Number of days for last three years (days inventory outstanding + days sales outstanding - days payables outstanding)

	years	years	years
Cash Conversion Cycle (in days)			

c) If purposes of the issue is to purchase Plant/ Equipment/ Technology:

- Details shall be given in a tabular form, which shall include the details of the machines required to be bought by the issuer, cost of the machines, name of the suppliers, date of placement of order and the date or expected date of supply, etc.
- The percentage and value terms of plant and machinery delivered
- The percentage and value terms of the plant and machinery for which orders are yet to be placed.
- If second-hand machinery is bought or proposed to be bought, if any, the issuer shall include valuation report (as envisaged in the Regulations) as part of the disclosure. Information contained herein should include useful life of machines, balance estimated life, performance guarantee etc., impact on production capacity, impact on market share.
 - ✓ purchase date, chronological transfer of the building, plant, equipment, machinery; initial useful life; remaining useful life; in case initial useful lime estimate has been revised (detail and reason of such revision), repair/maintenance cost incurred;

- ✓ expected working capital expenditure during next 3 years.
 - In case plant is bought from a foreign supplier, for both new and second-hand plant & machinery/equipment, the date when the payment for purchase of plant etc. was made, the date when it reached in the country, reasons of time lag in the purchase payment and arrival date; requisite formal approvals from other regulatory bodies; reference to the purchase payment in relevant books of accounts.
- d) If the purpose of the issue is to acquire Land:**
- location of the land
 - area of the land
 - estimated cost of the land
 - details of whether the land has been acquired by the Issuer
 - Title of the land
 - Property agent hired for the execution of purchase
 - Comparable value of the property in the vicinity.
 - If the party from whom land is being acquired is a related party, status be disclosed.
 - For related party transaction, rationale as to how the transaction is an arm's length transaction.
- e) If the purpose of the issue is to acquire intangible assets:**
- Nature of the asset
 - Title of the asset
 - Estimated cost of the asset
 - If the party from whom intangible asset is being acquired is a related party, status be disclosed.
- f) If purpose of the issue is loan/debt repayment:**
- details of loan proposed to be repaid such as name of the lender, brief terms and conditions and amount outstanding;
 - dates of receipt of loan from directors;
 - details whether the loan is pledged against any financing facility
 - in case the loan is given by the directors, table containing date of deposit of loan in bank account of the company and subsequent utilization of the same.
 - Reasons of issuing right for payment of loan
 - Impact of loan repayment on financial position of the company.
- g) If purposes of the issue is BMR/investment in greenfield project:**
- Details of source of funding.
 - Status of debt financing, if any.
 - Details regarding financial close of the project.
 - Details of letter of credit, if applicable.
 - Utilization of the proceeds:
 - Breakup of the funds required and funds already deployed
 - Working capital requirement of the project:

- ✓ Basis of estimation of working capital requirement, along with relevant assumptions.
- ✓ If no working capital is shown as a part of the project for which the issue is being made, the reasons for the same.
 - Implementation schedule of the project like land acquisition, execution of civil works, installation of plant and machinery, date of trial production, date of commercial production.
 - Details regarding implementation of the project.
 - Pre and post expansion production capacity of the Issuer, if applicable.

(iii) General Requirements:

- a) Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be.
- b) Where the issuer is implementing the project in a phased manner, the cost of each phase including the phase, if any, which has already been implemented.
- c) Details of all material existing or anticipated transactions in relation to the utilization of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies.

(iv) Financial effects arising from right issue

	Measurement Unit	Pre Issue	–	Post Issue	Increase in Percentage (%)
Authorized Capital					
Paid-up-Capital					
Net Asset/Breakup value per share					
Gearing Ratio					
Production Capacity					
Market Share					

(v) Total expenses to the issue: (i) bankers' commission (ii) others, if any.

(vi) Details of underwriters:

Name of the Underwriter	Amount Underwritten	Associated Company/Associated Undertaking of the Issuer (YES/NO)

(vii) Commitments from substantial shareholders/directors:

Name of the person	Status (Substantial Shareholder/Director)	Number of Shares Committed to be Subscribed	Amount Committed to be Subscribed	Shareholding % - pre-issuance	Shareholding % - post issuance

(viii) Fractional shares: Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer;

(ix) Important Dates:

(Name of the Issuer) Tentative Schedule for Issuance of Letter of Rights Book Closure: From dd/mm/yy to dd/mm/yy (both days inclusive)			
S.No	Procedure	Day	Date
1	Date of credit of unpaid Rights into CDC in Book Entry Form		
2	Dispatch of Letter of Right (LOR) to physical shareholders		
3	Intimation to Stock Exchange for dispatch of physical Letter of Rights		
4	Commencement of trading of unpaid Rights on the Securities Exchange		
5	Last date of trading of letter of Rights		
6	Payment of subscription amount start date		
7	Last date for acceptance of payment		
8	Allotment of shares and credit of Shares into CDS		
9	Date of dispatch of physical shares certificates		

8. Subscription Amount Payment procedure:

- (i) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "<Issuer Name> Right Shares Subscription Account" through any of the authorized branches of above mentioned bank(s) on or before dd/mm/yy along with this Right Subscription Request* duly filled in and signed by the subscriber(s).
- (ii) Right Subscription Request can be downloaded from
- (iii) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, (Issuer Name) at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- (iv) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.
- (v) The Bank will not accept Right Subscription Request delivered by post which may reach after the closure of business on dd/mm/yyyy, unless evidence is available that these have been posted before the last date of payment.
- (vi) Payment of the amount indicated above to the issuer's Banker(s) to the issue on or before dd/mm/yyyy shall be treated as acceptance of the Right offer.
- (vii) After payment has been received by the Company's banker(s), the Right Securities will

be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

9. Profile of management and sponsors

- (i) Profile of directors (names, executive/ nonexecutive/independent/nominee director and tenure of directorship held)
- (ii) other directorships held (provide names of the company(ies))
- (iii) Profile of sponsors
- (iv) If sponsor is company registered in Pakistan, date of incorporation, names of directors % age of shareholding.
- (v) If sponsor is foreign registered company, % age of shareholding, Form 43, form 45 be provided.

10. Financial Details of the Issuer

- (i) financial highlights of issuer for last three years

	Audited Account Year	Audited Accounts Year	Audited Accounts Year...
Name of the Statutory Auditor			
Gross Revenue/Sale			
Gross Profit			
Profit before interest & Tax			
Profit after tax			
Net Profit/Loss			
Accumulated Profit/Loss			
Total Assets			
Total Liabilities			
Net Equity			
Break-up value Per Share			
Earnings/Loss per share			
Dividend Announced			
Bonus Issue			

- (ii) financial highlights for preceding one year of consolidated financial statements same as (B) above,

- (iii) Detail of issue of capital in previous five years

Right Issue	FY_____	FY_____	FY_____	FY_____	FY_____
Percentage					
Number of Shares					
Amount Raised					
Unsubscribed portion					
Unsubscribed portion allotted by BoD					
Unsubscribed portion taken up by the Underwriter					

Proceed utilization break up....					
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- (iv) Average market price of the share of the issuer during the last six months
- (v) Share Capital and Related Matters
 - a) Pattern of shareholding of the issuer in both relative and absolute terms.
 - b) Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).
 - c) Details and shareholding of holding company, if any.

11. Risk Factors:

- (i) Each risk factor shall appear in the following manner
 - a) Risk as envisaged by the issue;
 - b) Proposals, if any, to address the risk.
- (ii) Risk factors shall be classified as internal and external risk factor.
- (iii) Risk factors shall be disclosed in the descending order of materiality.
- (iv) All possible risk factors relating to business of the company, the project, technology, competition, suppliers, consumers, industry, liquidity, regulatory, changes in Govt. policies, law and order situation, capital market, pending litigations, defaults etc. shall be disclosed.
- (v) Additional risk factors relating to the following areas shall necessarily be disclosed in the offer document, wherever applicable:
 - a) Approvals that are yet to be received by the issuer;
 - b) Seasonality of the business;
 - c) Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue;
 - d) Lack of experience of the Management to run the business;
 - e) If the issuer has incurred losses in the last three financial years;
 - f) Dependence of the issuer or any of its business segments upon a single customer or a few customers
 - g) Loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.
 - h) In case of outstanding debt instruments, any default in compliance with the material covenants;
 - i) Default in repayment of loan by the issuer and associated group companies, if any.
 - j) Potential conflict of interest of the Sponsors, substantial shareholders or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.
 - k) Excessive dependence on any key managerial personnel for the project for which the issue is being made.
 - l) Any material investment in debt instruments by the issuer which are unsecured.
 - m) Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.
 - n) Negative cashflow from operating activities in the last three preceding financial years.
 - o) Any restrictive covenant that could hamper the interest of the equity shareholders
 - p) Low credit rating of the Issuer.
 - q) Dependence of the issuer or any of its business upon a single customer or few

customers, loss of any one or more may have material adverse effect on the issuer.

- r) Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the issuer.
- (vi) A statement that 'to the best of our knowledge and belief all risk factors have been disclosed' shall be given immediately after the risk factor by the authorized officer/Management.

12. Legal proceedings

- (i) Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the issuer.
- (ii) Action taken by the securities exchange against the issuer or associated listed companies of the issuer during the last three years due to noncompliance of the its regulations.
- (iii) Legal proceedings be summarized in the following format

Legal Order dated	Issuing Authority	Tax Period, if any	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance

13. Signatories to the Offer document:

- (i) List of the signatories to the offer document and their signatures in original duly dated and witnessed.

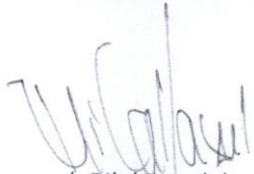
Schedule II

The Companies (Further Issue of Shares) Regulations, 2020

Sr. No	Name of the Person	Comment received	Whether the Company agree/ disagree to the comment	Proposed change, if agreed.	Rationale

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[File No. CSD/CI-Reg/14/2018]


 (Bilal Rasul)
 Secretary to the Commission