

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 2nd May, 2017

NOTIFICATION

S. R. O.296(I)/2017.— In exercise of powers conferred by sections 19, 87, 88, 89, 90, 91, 94 and 95 read with section 169 of the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan hereby makes the following regulations, the same have been previously published in the official Gazette vide Notification No.S.R.O.1139(I)/2015 dated 16th November 2015 as required by sub-section (4) of section 169 of the Act, namely:-

CHAPTER I

PRELIMINARY

1. Short title, commencement and applicability.— (1) These Regulations shall be called the Public Offering Regulations, 2017.

- (2) They shall come into force at once.
- (3) They shall apply to:
 - (i) a public limited company or body corporate proposing to issue securities to the general public;
 - (ii) an Offeror who intends to offer securities to the general public; and
 - (iii) sponsors of the public limited company or body corporate, the Consultants to the Issue, the Underwriter, the Book Runner, the Designated Institution, the Banker to an Issue, Investment Agent and Issuing and Paying Agent.

(4) These Regulations shall not apply to an Issue by Special Purpose Vehicle or body corporate specifically setup by the Federal Government or any provincial Government for the purpose of issue of any debt security, under any other law or offer of securities as mentioned under sub-section (4) of section 87 of the Act.

2. Definitions.— (1) In these Regulations, unless there is anything repugnant in the subject or context, –

- (i) “Abridged Prospectus” means condensed form of the Prospectus containing such information and disclosures as mentioned in Second Schedule to these Regulations;
- (ii) “Act” means the Securities Act, 2015 (III of 2015);
- (iii) “Application Supported by Blocked Amount” means an application for subscription to shares or bidding, where money is blocked in the applicant’s

- or bidder's respective bank account;
- (iv) "Banker to an Issue" means a scheduled bank licensed by the Commission as a Banker to an Issue.;
 - ¹[(v) "Bid" in case of shares means an intention to buy a specified number of shares at a specified price;]
 - ²[(va) "Bid" in case of debt securities means an intention to buy a specified number of debt securities for a particular profit rate/spread;]
 - (vi) "Bid Amount or Bid Money" ³[in case of shares] means the amount equal to the product of the number of shares bid for and the Bid Price;
 - ⁴[(via) "Bid Amount or Bid Money" in case of debt securities means the amount equal to the product of the number of debt securities bid for and the face value of debt security;]
 - (vii) "Bid Collection Center" includes designated offices of the Book Runner, specified branches of any scheduled bank and offices of any other institution specified by the Book Runner where bids are received and processed;
 - (viii) "Bidder" means an investor who makes a bid for subscription of ⁵[securities] in the Book Building process;
 - (ix) "Bidding Period" means the period during which bids for subscription of ⁶[securities] are received;
 - (x) "Bid Price" means the price at which Bid is made for a specified number of shares;
 - ⁷[(xi) "Book Building" in case of shares means a process undertaken to elicit demand for shares under which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels;]
 - ⁸[(xia) "Book Building" in case of debt securities means a process undertaken to elicit demand for debt securities under which bids are collected from the Bidders and a book is built which depicts demand for the debt securities at different profit rate/spread levels;]
 - (xii) "Book Building Portion" means the part of the total Issue which has been allocated for subscription through Book Building;
 - (xiii) "Book Building System" means an online electronic system operated by the

1 Substituted for the text "(v) "Bid" means an intention to buy a specified number of securities at a specified price;" vide SRO 819(I)/2020 dated September 7, 2020

2 Inserted vide SRO 819(I)/2020 dated September 7, 2020

3 Inserted vide SRO 819(I)/2020 dated September 7, 2020

4 Inserted vide SRO 819(I)/2020 dated September 7, 2020

5 Substituted for the word "shares" vide SRO 819(I)/2020 dated September 7, 2020

6 Substituted for the word "shares" vide SRO 819(I)/2020 dated September 7, 2020

7 Substituted for the text "(xi) "Book Building" means a process undertaken to elicit demand for shares offered for sale through which bids are collected from the Bidders and a book is built which depicts demand for the securities at different price levels;" vide SRO 819(I)/2020 dated September 7, 2020

8 Inserted vide SRO 819(I)/2020 dated September 7, 2020

Designated Institution for conducting Book Building;

- (xiv) “Book Runner” means a securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter;
- (xv) “Centralized E-PO System (CES)” means a centralized system through which applications for subscription of securities through Public Offering can be made electronically through internet, Automated Teller Machines (ATM) and mobile phones;
- (xvi) “Commercial Paper” means an unsecured debt security with a maturity of not less than 30 days and not more than one year;
- ¹[(xvii) Companies Act” means Companies Act, 2017 (XIX of 2017);]
- (xvii) “Consultants to the Issue” means any person licensed by the Commission to act as a Consultant to the Issue ²[, which may also be called Lead Manager or Advisor];
- (xviii) “Consolidated Bid” mean a bid which is fully or partially beneficially owned by persons other than the one named therein.
- ³[(xviii) “Cut off profit rate/spread” mean the profit rate/spread of a debt security determined on the basis of book building process.]
- ⁴[(xviii) “Custodian” means an investment agent/debt securities trustee, Bank, Investment Finance Service license holder and Depository Company engaged in regulated activities, not being an associate of the Special Purpose Acquisition Company, appointed for securing the monies of investors in the escrow account;]
- (xix) “Debt Securities Trustee” means a person licensed by the Commission under the Act and appointed as a Debt Securities Trustee by an Issuer ⁵[through execution of trust deed];
- (xx) “Designated Institution” includes the securities exchange, central depository and clearing company to provide Book Building System;
- ⁶[(xxi) “Escrow Account” means an account maintained with a scheduled bank (having an investment grade rating) by a custodian;]
- (xxi) “Dutch Auction Method” means the method through which Strike Price is determined by arranging all the Bids in descending order based on the Bids Prices along with the number of shares and the cumulative number of shares bid for. The Strike Price is determined by lowering the Bid Price to the extent that the total number of securities offered under the Book Building Portion are subscribed;
- (xxii) “Financial Institution” means a financial institution as defined in the

¹ Inserted vide SRO 838(I)/2017 dated August 23, 2017

² Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

³ Inserted vide SRO 819(I)/2020 dated September 7, 2020

⁴ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

⁵ Substituted for the words “of debt security” vide SRO 1383(I)/2020 December 23, 2020

⁶ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

¹[Companies Act];

(xxiii) “Floor Price” in case of book building means the minimum price per share set by the Issuer in consultation with Consultant to an Issue;

²[(xxiiiia) “Green Field Project” includes a project that is being newly built by the Issuer and has not commenced commercial production/operation;]

³[(xxiiib) “Government Guaranteed Sukuk” means Sukuk issued by any corporation or body corporate owned and controlled by the Federal Government and such Sukuk is guaranteed by the Federal Government;]

(xxiv) “Green Shoe Option” means a pre-determined number of securities to be issued by the Issuer in case of over-subscription of the issue;

(xxv) “Initial Public Offering or IPO” means first time offer of securities to the general public;

(xxvi) “Institutional Investors” means any of the following entities:

(a) A financial institution;

(b) A company as defined in the ⁴[Companies Act];

(c) An insurance company established under the Insurance Ordinance, 2000;

(d) A securities broker;

(e) A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;

(f) A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005;

(g) A private fund established under Private Fund Regulations, 2015;

(h) Any employee’s fund established for beneficial of employees;

(i) Any other fund established under any special enactment; ⁵[]

⁶[(ia) A foreign company or any other foreign legal person; and]

(j) Any other entity as specified by the Commission.

⁷[(xxvii) “Investment agent means an entity that holds a valid license to act as

1 Substituted for the word “Ordinance” vide SRO 838(I)/2017 dated August 23, 2017

2 Inserted vide SRO 7(I)/2018 dated January 5, 2018

3 Inserted vide SRO 819(I)/2020 dated September 7, 2020

4 Substituted for the words “Companies Ordinance, 1984 (XLVII of 1984)” vide SRO 838(I)/2017 dated August 23, 2017

5 Deleted the word “and” vide SRO 838(I)/2017 dated August 23, 2017

6 Inserted vide SRO 838(I)/2017 dated August 23, 2017

7 Substituted for the text “(xxvii) “Investment Agent” means an Institution licensed by the Commission as a Debt Securities Trustee and appointed by the Issuer through execution of investment agency agreement. The Investment Agent shall be responsible to facilitate issue and sale of Sukuk and other Shariah compliant securities under these Regulations and to safeguard interest of the holders of Sukuk and other Shariah compliant securities;” vide SRO 1383(I)/2020 December 23, 2020

Consultant to the Issue under the Act and is appointed by the issuer through execution of issuance agreement;]

(xxviii) “Issue” means public offer of securities to the general public or a class thereof by an Issuer;

¹[(xxix) “Issuer” in relation to securities, means any person including a company, a Special Purpose Vehicle and a body corporate who has issued or proposes to issue a security and includes an Offeror;]

(xxx) “Issuing and Paying Agent” means a Financial Institution appointed by an Issuer of Commercial Paper under these Regulations as an Issuing and Paying Agent;

²[omitted]

³[(xxxii) “Limit Bid” in case of shares mean a bid placed by the bidder at a maximum price that he is willing to pay for shares under the Book Building method;]

⁴[(xxxiiib) Limit bid in case of debt security means a bid placed by the bidder for a particular profit rate/spread under the book building method.]

⁵[(xxxiiia) “Limited Liability Partnership (LLP)” means a partnership registered under the Limited Liability Partnership Act, 2017;]

(xxxiii) “Minimum Bid Size” means the Bid Amount equal to ⁶[one] million rupees under the Book Building method;

⁷[(xxxiiia) “Merger” means the merger, acquisition, amalgamation, combination or joining of two or more companies or other entities as may be specified by the Commission for the purpose of merger or part thereof into an existing company;]

(xxxiv) “Offeror” means any person or entity holding, directly or indirectly, such number of securities as prescribed in these Regulations and offers such securities for sale to the public or invites any other person to make subscription for such an offer and includes an Issuer;

(xxxv) “Offer Size” means the total number of securities offered for sale comprising allocation to the Book Building Portion and allocation to the retail portion, if any, excluding pre-IPO placement;

⁸[(xxxva) “Offer Price” means the price per share at which shares are offered to the general public in case of Fixed Price method and the retail investors in case of the Book Building and set by the Issuer in consultation with the

1 Substituted for the words “(xxix) “Issuer” in relation to securities, means any person who has issued or proposes to issue a security and includes an Offeror;” vide SRO 838(I)/2017 dated August 23, 2017

2 Deleted the text “(xxxii) “Limit Price” means the maximum price a prospective Bidder is willing to pay for a share under the Book Building method;” vide SRO 819(I)/2020 dated September 7, 2020

3 Substituted for the text “(xxxii) “Limit Bid” means a bid by the Bidder at a Limit Price under the Book Building method;” vide SRO 819(I)/2020 dated September 7, 2020

4 Inserted vide SRO 819(I)/2020 dated September 7, 2020

5 Inserted vide SRO 838(I)/2017 dated August 23, 2017

6 Substituted for the word “two” vide SRO 819(I)/2020 dated September 7, 2020

7 Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

8 Inserted vide SRO 7(I)/2018 dated January 5, 2018

Consultant to the Issue;]

(xxxvi) “Offer for Sale” means an offer of securities for sale to the general public by an Offeror;

¹[(xxxvii) “Permitted Investments” means investments in Government securities, mutual funds (except equity based), money market instruments, debt securities and sukuk with investment grade ratings;]

²[(xxxviii) “Price Band” in case of Book Building means Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band;]

³[Omitted]

(xxxviii) “Prospectus” includes any document, notice, circular, material, advertisement, offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company, body corporate or entity, other than deposits invited by a bank and certificate of investments and certificate of deposits issued by non-banking finance companies;

(xxxix) “Public Offer” means offer of securities by an Issuer including an offer to the general public or a section of the public but does not include Private Offer or Private Placement;

(xl) “Regulations” means the Public Offering Regulations, 2017;

(xli) “Related Employees” mean such employees of the Issuer, the Offeror, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue or the Offer for Sale;

(xlii) “Retail Investor” means an investor who bids for a security or make an application for subscription of a security out of the offer size allocated to the general public;

⁴[(xliii) “Reverse Dutch Auction Method” means the method through which the cutoff profit rate/spread is determined by arranging all the profit rate/spread in an ascending order along with the number of debt securities and the cumulative number of debt securities bid for at each profit rate/spread. The cut off profit rate/spread is determined by increasing the profit rate/spread to the extent that the total number of debt securities offered under the Book Building portion are subscribed.]

(xliii) “securities” means shares and debt securities

(xliv) “Schedule” means a schedule to these Regulations;

(xlv) “Secondary Public Offering” means offer of securities to the general public

¹ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

² Inserted vide SRO 7(I)/2018 dated January 5, 2018

³ Deleted the words “(xxxvii)“Ordinance” means the Companies Ordinance, 1984 (XLVII of 1984);” vide SRO 838(I)/2017 dated August 23, 2017

⁴ Inserted vide SRO 819(I)/2020 dated September 7, 2020

subsequent to IPO;

- ¹[(xlvii) “Shariah Advisor” means an individual, a Limited Liability Partnership (LLP) or a company who/that meets the fit and proper standards specified by the Commission;]
- ²[(xlviii) “Shariah Compliant Security” means a security structured on the basis of any of the Shariah concepts;]
- ³[(xlviiii) “Shariah concepts” for the purpose of these Regulations includes Ijarah, Musharakah, Murabahah, Modaraba, Salam and any other concept allowed by the Shariah Advisor;]
- ⁴[(xlv) “Shariah certificate” for the purpose of these Regulations means a Shariah pronouncement, a fatwa or Shariah opinion signed by Shariah Advisor in such form and manner as notified by the Commission from time to time;]
- ⁵[(xli) “Shelf Registration” means an arrangement that allows the Issuer to make offering in multiple tranches through a single offering document i.e. Prospectus;]
- (l) “Supplement to the shelf prospectus” means an updated condensed form of the full prospectus for inviting public subscription through subsequent tranche(s);
- (li) “Step Bid” ⁶[in case of shares] means a series of Limit Bids at increasing prices provided that Bid Amount of any step is not less than ⁷[one] million rupees under the Book Building method;
- ⁸[(lia) “Step Bid” in case of debt securities means a series of Limit Bids at different profit rates/spreads provided that Bid Amount of any step is not less than one million rupees under the Book Building method;]
- (lii) “Strike Price” means the price per share determined on the basis of Book Building process;
- ⁹[(liii) “Special Purpose Vehicle (SPV)” for the purpose of these regulations means a public limited company or a body corporate registered with the Commission under the Companies (Asset Backed Securitization) Rules, 1999;]

1 Substituted for the words “(xlvii) “Shariah Advisor” means a firm or a company who/that meets the fit and proper standards specified by the Commission or the State Bank of Pakistan for Shariah advisory services.” Vide SRO 838(I)/2017 dated August 23, 2017

2 Substituted for the words “(xlviii) “Shariah Compliant Security” means a security structured on the basis of any of the Shariah concepts including Ijarah, Musharika, Morabiha, Modaraba, Salam and any other concept allowed by the Shariah Advisor;” vide SRO 838(I)/2017 dated August 23, 2017

3 Inserted vide SRO 838(I)/2017 dated August 23, 2017

4 Substituted for the words “(xlv) “Shariah certificate” for the purpose of these Regulations includes a Shariah pronouncement or fatwa by the Shariah Advisor;” vide SRO 838(I)/2017 dated August 23, 2017

5 Substituted for the text “(xli) “Shelf Registration” means the sanctioned amount of securities to be issued in tranches over a period of time as specified in the Prospectus. Vide SRO 819(I)/2020 dated September 7, 2020

6 Inserted vide SRO 819(I)/2020 dated September 7, 2020

7 Substituted for the word “two” vide SRO 819(I)/2020 dated September 7, 2020

8 Inserted vide SRO 819(I)/2020 dated September 7, 2020

9 Substituted for the words “(liii) “Special Purpose Vehicle” means a special purpose vehicle as defined in the Companies (Asset Backed Securitization) Rules, 1999;” vide SRO 838(I)/2017 dated August 23, 2017

- ¹[(liiia) “Special Purpose Acquisition Company” or “SPAC” means a Company formed and registered under the Companies Act, 2017, having sole principal line of business to raise money through public offering for entering into merger or acquisition transactions;]
- (liv) “Sponsor” means:
- (a) a person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;
 - (b) A person who replaces the person referred to in clause (a) above; and
 - (c) A person or group of persons who has control of the issuing company whether directly or indirectly.
- (lv) “Sukuk” means an instrument of equal value representing undivided share ²[] in ownership of the identified tangible assets, usufruct and services or in the ownership of the assets of particular projects or special investment activity;
- ³[(lvi) “Tranche” means offer of a certain portion out of the total issue size as disclosed in the shelf prospectus; and]
- (lvii) “Valuation Section” means a section in the prospectus containing the justifications given by the Consultant to the Issue in support of the offer price or Floor Price set by the Issuer ⁴[and disclosure of post issue Free Float as number of shares as well as in percentage].

(2) Words and expressions used but not defined in these Regulations shall have the same meaning as are assigned to them in the Act, the ⁵[Companies Act], or the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

CHAPTER II

GENERAL CONDITIONS

3. General Conditions for Public Offer of Securities.— (1) An Issuer shall make a public offer of securities, subject to the following general conditions, namely. –

⁶[⁷[omitted]

- ⁸[(i) the Issuer has obtained approval from its Board of Directors relating to Public Offering.]
- (ii) the Issuer has profitable track record for at least 2 preceding financial years from

¹ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

² Deleted comma “;” vide SRO 838(I)/2017 dated August 23, 2017

³ Substituted for the text “(lvi) “Tranche” means offer of a certain portion out of the total amount of securities approved by the Commission; and” vide SRO 819(I)/2020 dated September 7, 2020

⁴ Inserted vide SRO 7(I)/2018 dated January 5, 2018

⁵ Substituted for the word “Ordinance” vide SRO 838(I)/2017 dated August 23, 2017

⁶ Inserted vide SRO 7(I)/2018 dated January 5, 2018

⁷ Deleted the text “(i) the Issuer shall have been in operations for at least 3 financial years;” vide SRO 1619 (I)/2019 dated December 26, 2019

⁸ Inserted vide SRO 819(I)/2020 dated September 7, 2020

its core business activities;

¹[Provided that in case of non-compliance with profitability criteria, the sponsors of the Issuer shall retain at least 51% of the post issue paid-up capital till the company reports net profit after tax for two consecutive financial years including profit from its core business activities;

Provided further that the issuer shall: (a) submit a business plan to turnaround the company into a profitable venture; and (b) disclose the following on the cover page of the Prospectus in bold language:

“This is a loss-making company. The risks associated with loss making companies are comparatively much higher than profitable companies. The prospective investor should, therefore, be aware of the risk of investing in such companies and should make the decision to invest only after careful due diligence. It is advisable to consult any independent investment advisor before making any investment.”]

- (iii) not less than 51% of the shares of the issuer are held by same persons for at least 2 preceding financial years;

²[Provided that this clause shall not apply in case of new issuance of shares by the issuer.

³[Provided further that the above clauses (ii) and (iii) shall not apply in case of: (i) Green Field Project; (ii) public offering of debt security whose debt servicing is guaranteed from the Government. (iii) public offering of debt security by multilateral agencies. (iv) public offering of debt security by state owned enterprises having entity rating of BBB+ and above.]

Provided further that Commission may consider relaxing any of the above clauses (ii) to (iii) in case of privatization of government owned entities by Privatisation Commission through capital markets.]

- ⁴[(iv) In case of green field project, following criteria shall be applicable:

- a. Sponsors' contribution, in the form of equity in a green field project at the time of IPO, shall not be less than 51% of the entire equity and shall be retained till the commencement of commercial production.
- b. In case the project requires debt financing, in addition to equity funding, financial close shall be mandatory.
- c. Successful business track record of sponsors preferably running a listed company/ies, manufacturing/industrial units etc. considering various parameters such as operational profitability, operating cash flows, EPS

1 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

2 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

3 Substituted for the text “Provided further that the above clauses (ii) to (iii) shall not apply in case of Green Field Project;” vide SRO 819(I)/2020 dated September 7, 2020

4 Substituted for the text “(iv) its book value per share is not less than its face value per share;

Provided that clause (iii) above shall not apply in case of new issuance of shares;

Provided further that the above clauses (i) to (iv) shall not apply in case of Green Field Project; and” vide SRO 1619 (I)/2019 dated December 26, 2019

and dividend payout etc.

- d. Experience and skills of the Management to run the proposed project.
- e. If required, Engineering, Procurement and Construction (EPC) contract shall be in place.
- f. Land for the project, if required is acquired by the Issuer and the same is in the name of the issuer.
- g. the sponsors of the Issuer shall retain at least 51% of the post issue paid-up capital till the company reports net profit after tax for two consecutive financial years including profit from its core business activities.
- h. The Issuer shall disclose the following on the cover page of the Prospectus in bold language:

“It is a green field project. The risks associated with the green field project are much higher than a project that has commenced commercial production/operations. The prospective investor should, therefore, be aware of the risk of investing in such projects and should make the decision to invest only after careful due diligence. It is advisable to consult any independent investment advisor before making any investment.”]

- (v) The securities shall be issued in book-entry form only;]
- (2) No Issuer shall make a public offer if
 - (i) the Issuer, its sponsors, promoters, substantial shareholders ¹[and] directors ²[] have over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau; and

³[Provided that the clause (i) above shall not apply to the nominee director of the government and financial institution/ creditor.

Provided further that the clause (i) shall not apply to independent director.]

- (ii) the Issuer or its directors, sponsors or substantial shareholders have been holding the office of the directors, or have been sponsors or substantial shareholders in any company,
 - (a) which had been declared defaulter by the securities exchange or futures exchange; or
 - (b) whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - (c) which has been de-listed by the securities exchange due to non-

1 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

2 Deleted the words “and associates” vide SRO 1619 (I)/2019 dated December 26, 2019

3 Inserted vide SRO 819(I)/2020 dated September 7, 2020

compliance of its regulations.

Provided that Commission may grant relaxation upon reasons to be recorded, and rectification of cause leading to such delisting

¹[(3) The Issuer shall appoint Consultant to the Issue, Book Runner, Underwriter, Balloter and Share Registrar and Banker to an Issue, where required, through separate agreements in writing.

Provided that appointment of consultant to the Issue shall not be mandatory in case of initial public offering of other class of shares by listed companies.

Provided further that the Commission may consider relaxing the appointment of Consultant to the Issue in case of privatization of government owned entities by Privatization Commission through capital markets

Provided further, that in case the Consultant to the Issue is not appointed by the Issuer than a specific disclosure in this context shall be made on the Cover page of the Prospectus.

Provided further, that scheduled bank, investment finance service license holder and development financial institution can only act as Consultant to the Issue in case of public offering of debt securities.

Provided further, that sub-regulation (3) shall not apply to the extent if the issue or offer of securities is made simultaneously both in domestic and international markets.]

(4) The Consultant to the Issue, Book Runner and Underwriter and their associates shall not publish any research report by whatever name called in respect of the Issuer or Issue from the date of their appointment as Consultant to the Issue, Book Runner and Underwriter ²[till] the date of allotment of securities to the general public ³[:

Provided that information memorandum and other marketing material may be prepared and shared with the prospective investors through private arrangement.]

(5) Subsequent to the underwriting agreement with the issuer, the underwriter to the issue may enter into separate agreements with other underwriters ⁴[duly licensed by the Commission], with the consent of the issuer ⁵[and any such arrangement shall be disclosed in the Prospectus in case of fixed price method and in supplement to the Prospectus in case of book building method].

(6) The Consultant to the Issue may enter into separate agreements with any expert for performance of its duties;

Provided that the said agreement(s) shall not absolve the Consultant to the Issue from

1 Substituted for the text “1[(3) The Issuer shall appoint Consultant to the Issue, Book Runner, Underwriter, Balloter and Share Registrar and Banker to an Issue, where required, through separate agreements in writing. The Book Runner, Underwriter and Balloter and Share Registrar shall be independent of the Issuer in case of issuance of equity securities.

Explanation: For the purpose of this clause, Independent means that the above regulated persons do not have any conflict of interest and relationship or connection whether pecuniary or otherwise including but not limited to shareholding, directorship and employment etc. with the issuer, its associated companies and other regulated persons involved in Public offering process: Provided that sub-regulation (3) shall not apply to the extent if the issue or offer of securities is made simultaneously both in domestic and international markets.]” vide SRO 819(I)/2020 dated September 7, 2020

2 Substituted for the word “to” vide SRO 7(I)/2018 dated January 5, 2018

3 Substituted for the semi colon “;” vide SRO 7(I)/2018 dated January 5, 2018

4 Inserted vide SRO 7(I)/2018 dated January 5, 2018

5 Inserted vide SRO 7(I)/2018 dated January 5, 2018

its obligations as specified in these Regulations and the agreement entered with the Issuer.

(7) Issuer shall ensure that Centralized E-PO System (CES) is available for the general public

(8) The Issuer ¹[itself or] through its Consultant to the Issue, ²[if any] shall submit an application along with draft prospectus for listing of its securities to the securities exchange under section 19 of the Act read with the relevant regulations of the securities exchange. The copy of the said application along with draft prospectus shall also be sent to the Commission for its record;

(9) The Issuer while submitting draft prospectus to the securities exchange shall comply with the following requirements with respect to the contents of the draft prospectus and advertisement;

³(i) Prepare the draft prospectus as per the format and disclosures prescribed in First Schedule and should be translated into Urdu in addition to English version.]

(ii) Prepare the draft abridge prospectus, if any, ⁴[as per the disclosures] prescribed in Second Schedule.

(iii) Prepare the draft advertisement, if any, ⁵[as per the disclosures] prescribed in Third Schedule.

(iv) Prepare the draft supplement to the prospectus, in case of shelf registration, ⁶[as per the disclosures] prescribed in Fourth Schedule.

⁷(9a) The Issuer and Consultant to the Issue, if any shall ensure that all applicable disclosures as prescribed under First Schedule are made in the draft prospectus.

(9b) In case, some disclosures are not applicable to a particular issue, the Issuer and Consultant to the Issue, if any shall report the same to the Commission along with rationale.]

(10) The language of the draft prospectus should be simple, plain, clear, precise and easily understandable.

(11) The draft prospectus as submitted by the Issuer shall be placed by the securities exchange on its website for a period of seven working days and the same shall be notified by the securities exchange to its members, for seeking public comments. The draft prospectus shall also be placed on the website of the Issuer and Consultant to the Issue⁸[, if any];

(12) The securities exchange shall ensure that all comments received on the draft prospectus have been incorporated and suitably addressed by the Consultant to the Issue and the Issuer to the satisfaction of the securities exchange.

⁹[Provided that in case where Consultant to the Issue is not appointed, the Issuer, itself

1 Inserted vide SRO 819(I)/2020 dated September 7, 2020

2 Inserted vide SRO 819(I)/2020 dated September 7, 2020

3 Substituted for the text "(i) Prepare the draft prospectus in the format as prescribed in First Schedule and should be translated into Urdu in addition to English version." Vide SRO 819(I)/2020 dated September 7, 2020

4 Substituted for the words "in the form as" vide SRO 819(I)/2020 dated September 7, 2020

5 Substituted for the words "in the form as" vide SRO 819(I)/2020 dated September 7, 2020

6 Substituted for the words "in the form as" vide SRO 819(I)/2020 dated September 7, 2020

7 Inserted vide SRO 819(I)/2020 dated September 7, 2020

8 Inserted vide SRO 819(I)/2020 dated September 7, 2020

9 Inserted vide SRO 819(I)/2020 dated September 7, 2020

shall address the comments received on the draft prospectus.]

¹[(13) While processing any application submitted by the Issuer ²[itself or through its] Consultant to the Issue³[, if any] under section 19 of the Act for its approval, the securities exchange, in addition to any other requirements, shall examine the proposed issue from various aspects including eligibility requirements and suitability of the Issuer or security for listing considering the interest of general public and its benefits to the capital market. In order to assess the suitability aspect, the securities exchange shall ensure that the Issuer has made all such disclosures as are necessary to comply with the requirements of sub-section 4(a) of Section 20 read with Section 22 of the SECP Act, 1997. The securities exchange may ask for any additional information as required.]

⁴[(14) The securities exchange shall communicate its approval or reasons for rejection of the application to the Consultant to the Issue, if any, the Issuer and the Commission.]

⁵[(15) After obtaining the approval of the securities exchange, the Issuer itself or through its Consultant to the Issue, if any, shall submit an application along with the documents prescribed in Eight Schedule to the Commission for its approval under section 87 and 88 of the Act. The application shall be accompanied by the processing fee as prescribed in Fifth Schedule.]

⁶[(15a) Any change in the Prospectus subsequent to its approval by the Commission and prior to its publication, may be made only with prior written approval of the securities exchange and the Commission.”; and

(15b) Any change in the Prospectus subsequent to its publication, may be made only with the prior written approval of the securities exchange and the Commission and such change shall be disseminated to the public through publication of addendum to the Prospectus in at least all those newspapers, websites in which the Prospectus has been published earlier]

⁷[(16) In case application for listing is refused by the securities exchange, the Issuer itself or through its Consultant to the Issue, if any, may file a petition before the Commission within thirty days of such refusal.]

(17) A company may issue securities outside Pakistan subject ⁸[to] prior approval of

1 Substituted for the text “(13) While processing any application submitted by the Issuer through the Consultant to the Issue under section 19 of the Act for its approval, the securities exchange, in addition to any other requirements, shall examine the proposed issue from various aspects including eligibility requirements and suitability of the Issuer or security for listing considering the interest of general public and its benefits to the capital market. In order to assess the suitability aspect, the securities exchange may ask for any additional information from the Issuer and the Consultant to the Issue including financial projections, future strategies of the Issuer, experts’ reports, etc.

Explanation: The term suitability with regard to listing of securities includes assessing various risks involved such as sector risk, operational risk, legal risk, etc, track record of sponsors, quality and capability of the management, past financial performance of the Issuer, future strategies of the Issuer, dividend payout history, financial projections, financial viability, dividend policy, etc.” vide SRO 1619 (I)/2019 dated December 26, 2019

2 Substituted for the words “through the” vide SRO 819(I)/2020 dated September 7, 2020

3 Inserted vide SRO 819(I)/2020 dated September 7, 2020

4 Substituted for the text “(14) The securities exchange shall communicate its approval or reasons for rejection of the application to the Consultant to the Issue with a copy to the Issuer and Commission. 4[]” vide SRO 819(I)/2020 dated September 7, 2020

5 Substituted for the text “(15) After obtaining the approval of the securities exchange, the Issuer through the Consultant to the Issue shall submit an application ⁵[along with the documents prescribed in Eight Schedule] to the Commission for its approval under section 87 and 88 of the Act. The application shall be accompanied by the processing fee as prescribed in Fifth Schedule.” Vide SRO 819(I)/2020 dated September 7, 2020

6 Inserted vide SRO 7(I)/2018 dated January 5, 2018

7 Substituted for the text “(16) In case application for listing is refused by the securities exchange, the Issuer through the Consultant to the Issue may file a petition before the Commission within thirty days of such refusal.” Vide SRO 819(I)/2020 dated September 7, 2020

8 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

the Commission under section 95 of the Act and payment of non-refundable fee of one million rupees and submission of such documents as prescribed in Sixth Schedule.

(18) Securities of any company established outside Pakistan can be offered for sale to the public under sections 87 and 88 of the Act read with ¹[section 446 and 447 of the Companies Act].

Provided such foreign company is compliant with the provision of Part ²[XII of the Companies Act], these Regulations and meets requirements of regulations of the securities exchange for listing of companies and securities.

³[(19) The securities subscription form on the format provided in Seventh Schedule shall be made part of the Prospectus.

⁴[(20) the Issuer, the Consultant to the Issue, the Underwriter, the Book Runner and the Designated institution shall maintain record of the issue for a period of at least ten years from the closing of the public subscription.]

(21) The offer size and allocation of capital to the general public shall be as per the requirements of the relevant regulations of the securities exchange.]

CHAPTER III

Public Offer of Shares

4. Methods for public offer of shares: An Issuer including an Offeror may make public offer of shares as per any of the method given below:

(1) **Fixed Price Method:** Under the fixed price method, the offer price is set by the Issuer in consultation with the Consultant to the Issue.

(2) **Book Building Method:** Book building is a mechanism of price discovery of shares through ⁵[Bidders who make Bids at Floor Price or within the Price Band]. Bids received are listed in descending order of price evidencing demand at different price levels ⁶[at Floor Price or within the Price Band] . A Strike Price is arrived at through Dutch Auction Method.

5. Conditions for public offer of Shares.- An Issuer shall comply with the following conditions, namely,-

(1) The sponsors of the Issuer shall retain their entire shareholding in the company for a period of not less than twelve months from the last date for public subscription or in case of green field projects from the date of commencement of commercial operations or production by the company, whichever is later;

(2) The sponsors of the Issuer shall retain not less than twenty five percent of the paid up capital of the company for not less than three financial years from the last date for the public subscription or, in case of green field projects, from the date of commencement of

1 Substituted for the words "Sections 461 and 462 of the Ordinance" vide SRO 838(I)/2017 dated August 23, 2017

2 Substituted for the words "XIV of the Ordinance" vide SRO 838(I)/2017 dated August 23, 2017

3 Inserted vide SRO 7(I)/2018 dated January 5, 2018

4 Substituted for the text "(20) The percentage utilization of the excess IPO proceeds, in case the Strike Price is determined above the Floor Price." Vide SRO 819(I)/2020 dated September 7, 2020

5 Substituted for the words "bidders who make bids not below the Floor Price" vide SRO 7(I)/2018 dated January 5, 2018

6 Substituted for the words "at or above the Floor Price" vide SRO 7(I)/2018 dated January 5, 2018

commercial operations or production by the company, whichever is later;

¹[Provided that sub regulation (1) and (2) shall not apply in case of: (i) secondary public offering; and (ii) initial public offering of other class of shares by listed companies.]

(3) The shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;

(4) Subject to compliance with sub-regulation (1) and (2) above, and with the approval of the securities exchange, the sponsors of the Issuer may sell their shareholding through block-sale to any other person who shall be deemed sponsor for the purposes of these Regulations. Any such person and its directors, sponsors and substantial shareholders shall comply with conditions as stipulated in sub regulation (1) of regulation 3 above;

(5) The issuer may allot shares on account of preferential allocation to its employees at the same price at which shares are offered to the general public;

(6) In case of public offer of shares for a green field project, balancing, modernization and replacement or expansion,-

(i) The public offer of shares shall be in accordance with the financial plan approved by the board of directors of the Issuer. The financial plan shall be disclosed in the prospectus along with rationale for variations, if any;

²[omitted]

CHAPTER IV

Offer of shares through fixed price method

6. Conditions for public offer of shares through fixed price method.- In addition to the conditions as mentioned at regulation 5 above, an Issuer shall comply with the following conditions, namely,-

³[(1) The Issuer shall decide the offer price in consultation with the Consultant to the Issue, if any. The Consultant to the Issue, if any or the Issuer shall provide explanations in support of the offer price under a separate section titled as “Valuation Section” of the prospectus.]

(2) The public offer under the fixed price method shall be fully underwritten.

1 Inserted vide SRO 819(I)/2020 dated September 7, 2020

2 Deleted the text “(ii) the Issuer shall before making the offer of shares to the public, provide the Commission a certificate from Consultants to the Issue confirming that,-

(a) viability of the financial plan as disclosed in the prospectus has been carried out considering overall fund raising avenues, proceed utilization, time involved etc.

(b) various components of financial plan have been verified by the auditors;

(c) shares allocated to sponsors, foreign and local investors, if any, have been fully paid for;

(d) land for the project, where required, has been acquired and is in the name of Issuer; and

(e) irrevocable letter(s) of credit, where required, has been opened.

(iii) the Consultant to the issue shall verify implementation status of the project, as disclosed in the prospectus, by obtaining a report from an independent valuer; and

(iv) The Issuer shall submit, progress report on implementation of the project on quarterly basis till commencement of the commercial production or operations of the project, to the Commission for information and the securities exchange for public dissemination.” Vide SRO 1619 (I)/2019 dated December 26, 2019

3 Substituted for the text “(1) The Issuer shall decide the offer price in consultation with the Consultant to the Issue. The explanations given by the Consultant to the Issue in support of the offer price set by the Issuer shall be provided under a separate section titled as “Valuation Section” of the prospectus.” Vide SRO 819(I)/2020 dated September 7, 2020

- (3) An issuer shall issue shares to the general public at the price not higher than the price at which the shares were issued to investor during the period of six months prior to the date of public subscription.
- ¹[(4) After approval of the prospectus by the Commission, the Issuer itself or through its Consultant to the Issue, if any shall seek from the securities exchange the dates for the publication of prospectus and the subscription period.]
- (5) Non-compliance with any of the condition imposed by the securities exchange and the Commission while granting approval for issuance, circulation and publication of the prospectus shall be considered as violation of the prospectus and the Act.
- ²[(6) After inserting the dates of the subscription period, the copy of the approved Prospectus shall be placed on the website of the Issuer, the securities exchange and the Consultant to the Issue, if any.]
- (7) The prospectus shall be issued, circulated and published not less than seven days and not more than thirty days before the commencement of the subscription period for the retail portion of the Issue.
- (8) The prospectus or abridged prospectus, as approved by the Commission shall be published in at least one English and one Urdu Newspaper.
- (9) The general public shall submit application for the subscription of shares to the Banker to an Issue either in physical form or electronically. The application shall be duly accompanied by a crossed cheque or demand draft or pay order in the name of the Issuer or evidence of direct debit of subscription money from the applicant's bank account or blocking of the subscription money in the applicant's bank account.
- (10) Within ³[10 working] days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.
- ⁴[(11) The company whose shares are offered through fixed price method shall not be provisionally listed.]

CHAPTER V

Public Offer of shares through book building method

7. Conditions for offer of shares through Book Building: In addition to the conditions as mentioned at regulation 5 above, the Issuer shall comply with the following

1 Substituted for the text "(4) After approval of the prospectus by the Commission, the Consultant to the Issue shall seek from the securities exchange the dates for the publication of prospectus and the subscription period." Vide SRO 819(I)/2020 dated September 7, 2020

2 Substituted for the text "(6) Consultant to the Issue shall immediately place a copy of the approved Prospectus on its website and the websites of the Issuer and the securities exchange after inserting dates of the subscription period." Vide SRO 819(I)/2020 dated September 7, 2020

3 Substituted for the figure "7" vide SRO 7(I)/2018 dated January 5, 2018

4 Substituted for the text "(11) The Issuer, the Consultant to the Issue and the Underwriter shall maintain record of the issue for a period of at least ten years from the closing of the public subscription." Vide SRO 819(I)/2020 dated September 7, 2020

conditions, namely:

- (1) The offer Size is not less than twenty five million shares and two hundred fifty million rupees or such higher number of shares and amount as may be specified by the Commission from time to time;
- (2) The company whose shares are issued through Book Building shall not be provisionally listed.
- (3) Maximum seventy-five percent of the offer size is allocated to book building portion and the remaining minimum twenty-five percent to the retail investors. The retail portion of the public offer shall be fully underwritten.

¹[Omitted]

Provided further that the Commission may allow undertaking of book building process and subscription by retail investors simultaneously, subject to the condition that the Consultant to the Issue, the Book Builder and the Issuer shall satisfy the Commission that the necessary arrangements in terms of IT infrastructure, underwriting for the retail portion, distribution network, etc are in place for simultaneously undertaking book building and retail subscription;

- (4) The bidders may be allowed to place bids for hundred percent of the offer size and the strike price shall be the price at which the hundred percent of the offer size is subscribed. However, the successful bidders would be allotted and issued only seventy-five percent of the offer size and the remaining twenty five percent would be offered to the retail investors. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares by the retail investors, if any, to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be immediately refunded or unblocked. In this case, the retail portion may not be underwritten.

²[Omitted]

- (6) Book building portion shall be ³[credit] underwritten by one or more book runners.
- (7) The Issuer and the Consultant to the Issue⁴[, if any] shall provide names and Unique Identification Numbers of all their associates, if any, to the Book

¹ Deleted the words "Provided that in case retail portion of the offer size is oversubscribed, the portion allocated to book building investors at strike price shall be allotted to the retail investors in the manner given below:

#	Times retail portion oversubscribed	Percentage of the offer size to be allotted to retail investors out of book building portion on proportionate basis
1	10 to 20 times	10%
2	21 to 30 times	15%
3	31 times or more	30%

² Vide SRO 7(I)/2018 dated January 5, 2018

³ Deleted the words "(5)The Book Building Portion may comprise of hundred percent of offer size without any offer to retail investor provided that shares offered through 100% book building shall only be traded among institutional investors and high net worth individuals on a special board other than the main ready board of the securities exchange. The Commission may impose any other conditions on case to case basis." Vide SRO 7(I)/2018 dated January 5, 2018

⁴ Inserted vide SRO 819(I)/2020 dated September 7, 2020

⁵ Inserted vide SRO 819(I)/2020 dated September 7, 2020

Runner; at least three working days before the commencement of the Bidding Period. The book runner shall enter the names and UIN number of associates of the Issuer, the associates of the Consultant to the Issue and its associates, if any in the book building system in order to ensure compliance with these regulations.

¹[(8) The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the shares offered through Book Building.]

²[(9) The associates of the Consultant to the Issue and Book Runner shall not in aggregate make bids in excess of ³[ten percent] of the shares offered through Book Building:

Provided that sub-regulation (9) shall not apply to such associates of the Consultant to the Issue and the Book Runner that are Financial Institutions ⁴[.] Mutual Funds ⁵[and Insurance Companies].]

(10) The consultant to the issue shall ensure that the issuer has entered into a tripartite agreement in writing with the Designated Institution and the Book Runner. The said agreement shall specify inter-alia, the rights, privileges, duties, responsibilities and obligations of each party to the agreement and shall provide a clause on dispute resolution mechanism among the parties to the agreement.

⁶[Provided that in case where there is no consultant to the Issue, the Issuer itself shall ensure that tripartite agreements contain the required content as prescribed above.]

(11) The Issuer, the Consultant to the Issue, the Book Runner, the Underwriter and the Designated Institution shall maintain record of the issue for a period of at least ten years from the closing of the public subscription.

8. Procedure for public offer of shares through Book Building.- The following procedure shall be adopted for book building process:

⁷[(1) The Issuer shall decide the Floor Price and the Price Band in consultation with the Consultant to the Issue, if any.

Provided that the upper limit of the Price Band should not be more than 40% of the Floor Price. The Floor Price and its determination shall be disclosed under a separate section titled as “Valuation Section” in the prospectus. The Consultant to the Issue, if any or the Issuer shall Justify the Floor price.]

1 Substituted for the words “(8) The associates of the Issuer as disclosed in the prospectus shall not in aggregate make bids for shares in excess of five per cent of the Book Building Portion;” vide SRO 7(I)/2018 dated January 5, 2018

2 Substituted for the words “(9) The associates of the Consultant to the Issue and the Book Runner shall not in aggregate make bids for shares in excess of two per cent of the Book Building Portion;” vide SRO 7(I)/2018 dated January 5, 2018

3 Substituted for the words “five percent” vide SRO 1619 (I)/2019 dated December 26, 2019

4 Substituted for the word “and” vide SRO 1619 (I)/2019 dated December 26, 2019

5 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

6 Inserted vide SRO 819(I)/2020 dated September 7, 2020

7 Substituted for the text “(1) The Issuer shall decide the Floor Price ⁷[and the Price Band] in consultation with the Consultant to the Issue.

7[Provided that the upper limit of the Price Band should not be more than 40% of the Floor Price.]

The Floor Price and its determination shall be disclosed under a separate section titled as “Valuation Section” in the prospectus containing the justifications given by the Consultant to the Issue in support of the Floor Price set by the Issuer ⁷[along with post issue Free Float disclosure].” Vide SRO 819(I)/2020 dated September 7, 2020

- (2) After approval of the prospectus by the Commission, the ¹[Issuer itself or through its] Consultant to the Issue²[, if any] shall seek from the securities exchange the dates for the publication of prospectus and the Bidding Period.
- (3) Non-compliance with any of the condition imposed by the securities exchange and the Commission while granting approval for issue, circulation and publication of the prospectus shall be considered as violation of the prospectus and the Act.
- (4) The prospectus and abridged prospectus as approved by the Commission shall be published in at least one English and one Urdu Newspaper.
- (5) The prospectus shall be issued, circulated and published not less than seven days and not more than thirty days before the commencement of the subscription period for the retail portion of the Issue.
- ³[(6) After inserting the dates of the Bidding period, the copy of the approved Prospectus shall be placed on the website of the Issuer, the Book Runner, the Designated Institution, the securities exchange and the Consultant to the Issue, if any.]
- ⁴[6(a) The Issuer shall publish the Prospectus at least one day before the commencement of registration of bidders by the Book Runner]
- (7) The bidding shall be conducted electronically through the System in a fair, efficient and transparent manner.
- ⁵[(8) Save as provided in regulation 3(15)(a) and (b), Floor price shall not be revised once the Prospectus has been approved by the Commission.]
- (9) The registration of bidders by the Book Runner shall commence at least three working days before the start of the bidding period and shall remain open till 03:00 pm on the last date of the bidding period.
- (10) The Book Runner shall at least establish bid collection centers in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/ Baltistan. The Book Runner may also designate any of the Bankers to an Issue as its collection agent.
- (11) The Book Runner shall provide a mechanism for registration of the bidders at the bid collection centers and collection agents.
- (12) The Book Runner shall make all necessary arrangements for receiving bids and the instruments evidencing payment of the bid money
- (13) The Book Runner shall put in place a mechanism to enter details including the maximum Bid amount of the Bidders into the System

1 Inserted vide SRO 819(I)/2020 dated September 7, 2020

2 Inserted vide SRO 819(I)/2020 dated September 7, 2020

3 Substituted for the text “(6) Consultant to the Issue shall immediately place copy of the approved Prospectus on its website and the websites of the Book Runner, the Designated Institution, the Issuer and the securities exchange after inserting dates of the Bidding Period.” Vide SRO 819(I)/2020 dated September 7, 2020

4 Inserted vide SRO 7(I)/2018 dated January 5, 2018

5 Substituted for the words “(8) Floor Price shall not be revised upward once the Prospectus has been approved.” Vide SRO 7(I)/2018 dated January 5, 2018

- (14) Once details of the bidders are entered into the System, the Designated Institution shall assign and communicate password and user ID to the bidders enabling them to directly place the bid and revise the bid ¹[], if required.
- ²[(15) The bidding shall remain open for at least one working day.]
- (16) The Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Book Runner and Consultant to the Issue to the Commission, the securities exchange, the Designated Institution and the bankers to an issue. All the Bankers to an Issue shall be advised by the book runner for refund/ unblocking of the Bid Money of the bidders. The margin money shall be unblocked/ refunded to the bidders, where required, immediately but not later than three working days of the closing of the Bidding Period;
- (17) The Book Building process shall be considered as cancelled if the total number of bids received is less than ³[forty]; and
- (18) The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
- (i) credit ⁴[] of all shares allocated under the retail portion of the issue; and
 - (ii) issuance of NOC by the securities exchange in case the company is already listed or formal trading of the company in case of new listing.

9. Procedure for bidding.— The following procedure shall be followed for bidding:

- (1) Bids can be placed ⁵[as] ‘Limit ⁶[Bid]’ or a ‘Step Bid’ either electronically or with the bid collection centers and collection agent.
- Provided that the minimum size of a limit bid and that of any step, in case of a Step Bid, shall not be less than ⁷[one] million rupees;
- (2) The book runner shall vet the bid applications and accept only such bid applications that are duly filled in and supported by a crossed cheque or demand draft or pay order or confirmation from the Banker to an Issue that Bid Money has been electronically debited from the bidder account or is blocked in the bidder account;
- (3) In case of institutional investors, the book runner may accept bid applications with minimum 25% margin money.

1 Deleted the words “upward only” vide SRO 819(I)/2020 dated September 7, 2020

2 Substituted for the text “(15) The bidding shall remain open for at least two consecutive working days.” Vide SRO 819(I)/2020 dated September 7, 2020

3 Substituted for the word “hundred” vide SRO 1619 (I)/2019 dated December 26, 2019

4 Deleted the words “or dispatch” vide SRO 7(I)/2018 dated January 5, 2018

5 Substituted for the words “at a” vide SRO 819(I)/2020 dated September 7, 2020

6 Substituted for the word “Price” vide SRO 819(I)/2020 dated September 7, 2020

7 Substituted for the word “two” vide SRO 819(I)/2020 dated September 7, 2020

¹[Provided that the book runner may waive this margin requirement for institutional investors at its own discretion.]

- (4) On receipt of bid application, the Book Runner shall enter the Bid into the System and issue to the bidder an electronic receipt bearing name of the book runner, name of the bidding center, date and time;
- (5) The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period;
- (6) The bidders can revise the bids upward till 05:00 p.m. on the last day of the Bidding Period;
- (7) The Book Runner may reject any bid application for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runner shall not be challengeable by the bidder.
- (8) The Designated Institution shall through the System display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Designated Institution, Book Runner, the Consultant to the Issue, securities exchange, clearing house and the central depository;
- (9) At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution;
- (10) The bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price;
- (11) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
- ²(12) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis]
- (13) The bidders who have made bids below the Strike Price shall not qualify for allotment of securities and the book runner shall intimate their respective banks for unblocking their Bid Money within one working day of the close of the bidding period;
- (14) Within one day of the closing of the bidding period, successful bidders shall be intimated the Strike Price and the number of shares provisionally allotted to

1 Substituted for the text "Provided that the book runner may waive this margin requirement for institutional investors subject to confirmation from their respective banks or custodian banks (in case of foreign institutional investors) that an amount equivalent to the bid money is available in the respective bank or custodian account and would be paid directly to the book runner on its request and confirmation of allocation of shares;" vide SRO 1619 (I)/2019 dated December 26, 2019

2 Substituted for the words "(12) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price strictly on time priority basis." Vide SRO 7(I)/2018 dated January 5, 2018

each of them;

- (15) The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis; and
- (16) The successful bidders shall be issued securities only after the end of the public subscription, in the form of book-entry to be credited in their respective accounts. All the bidders shall, therefore, provide number of their accounts in the bid application; and
- (17) The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the bidding period.

10. Restrictions: (1) The bidding period shall not be extended except in extraordinary circumstances like closure of banks, failure of System, etc. In such case, Book Runner shall apply to the Commission for extension in the Bidding Period after obtaining NOC from securities exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and the website of the issuer, consultant to the issue, book runner, the designated institution and the securities exchange.

- (2) The bidder shall not ¹[]–
 - (i) ²[make] bid below the Floor Price ³[and above the upper limit of the Price Band];
 - (ii) ⁴[make] bid for more than ⁵[10%] of the shares allocated under the Book Building Portion ⁶[];
 - (iii) subject to the provision of clause (i) above, ⁷[make] bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
 - (iv) ⁸[make] consolidated bid;
 - (v) ⁹[make more] than one bid either severally or jointly; ¹⁰[
 - (vi) make downward revision both in terms of Bid Price and Bid Volume;

Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same; or]

1 Deleted the word “make” vide SRO 7(I)/2018 dated January 5, 2018

2 Inserted vide SRO 7(I)/2018 dated January 5, 2018

3 Inserted vide SRO 7(I)/2018 dated January 5, 2018

4 Substituted for the word “a” vide SRO 7(I)/2018 dated January 5, 2018

5 Substituted for the expression “5%” vide SRO 1619 (I)/2019 dated December 26, 2019

6 Deleted the text “except for institutional investors who may make bid up to 10% of the shares allocated under the Book Building Portion” vide SRO 1619 (I)/2019 dated December 26, 2019

7 Substituted for the word “a” vide SRO 7(I)/2018 dated January 5, 2018

8 Substituted for the word “a” vide SRO 7(I)/2018 dated January 5, 2018

9 Substituted for the word “More” vide SRO 7(I)/2018 dated January 5, 2018

10 Substituted for the words “or (vi) downward revision or withdraw the bid.” Vide SRO 7(I)/2018 dated January 5, 2018

¹[(vii) withdraw the Bid.]

(3) No person shall take part in the book building process, directly or indirectly severally or jointly in any manner or engage in any act or practice which create a false and misleading appearance of active bidding for raising or depressing strike price in the book building process.

11. Procedure for allocation of shares to retail investors.— The following procedure shall be followed for allocation of shares to retail investors:

²[(1) Within three working days of the closing of the Bidding Period, the Issuer itself or through its Consultant to the Issue, if any shall publish supplement to the prospectus in those newspapers in which the prospectus was earlier published and also disseminate the same to the securities exchange, banker to an issue and underwriter. For this clause the term supplement to the prospectus means information relating to results of the Book Building or any other information prescribed below that is important for the retail investors.]

³[(1a) The supplement to the prospectus shall contain the information relating to the Strike Price, the Offer Price, names of the underwriters of the retail portion of the Issue if any, underwriting commission bifurcating as take up commission or any other, commitment by the successful bidders for subscribing the undersubscribed retail portion in case of hundred percent book building, category wise breakup of the successful bidders along with number of shares allocated to them, dates of public subscription and such other information as specified by the Commission.]

(2) The issuer may offer the shares to the retail investors at a certain discount to the strike price.

(3) The general public shall submit application for the subscription of shares to the Banker to an Issue either in physical form or electronically. The application shall be duly accompanied by a crossed cheque or demand draft or pay order in the name of the Issuer or evidence of direct debit of subscription money from the applicant's bank account or blocking of the subscription money in the applicant's bank account.

(4) Within 10 ⁴[working] days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

1 Inserted vide SRO 7(I)/2018 dated January 5, 2018

2 Substituted for the text "(1) Within three working days of the closing of the Bidding Period, the Consultant to the Issue shall publish all supplement to the prospectus in those newspapers in which the prospectus was earlier published and also disseminate the same to the securities exchange, banker to an issue and underwriter.

Explanation: - For the purposes of this clause the expression supplement to the prospectus means information relating to the Strike Price, the Offer Price, names of the underwriters of the retail portion of the Issue if any, underwriting commission bifurcating as take up commission or any other, commitment by the successful bidders for subscribing the undersubscribed retail portion in case of hundred percent book building, category wise breakup of the successful bidders along with number of shares allocated to them, dates of public subscription and such other information as specified by the Commission." Vide SRO 819(I)/2020 dated September 7, 2020

3 Inserted vide SRO 819(I)/2020 dated September 7, 2020

4 Inserted vide SRO 7(I)/2018 dated January 5, 2018

- (5) In case retail portion of the issue, if any, remains unsubscribed, the unsubscribed shares shall either be taken up by the underwriters or allotted to successful bidders at the strike price determined in the book building process on pro-rata basis.

CHAPTER VI

Offer for sale of shares by an Offeror

12. Offer for sale of shares by the Offeror.—¹[(1) A person or group of persons, holding more than ten per cent shares of a listed company or listed body corporate, may offer such shares for sale to the public subject to the conditions that the offer size (product of the offer price or floor price and number of shares being offered) of capital to the public shall not be less than one hundred million rupees.]

(2) In case of offer for sale of shares of an unlisted company or unlisted body corporate, the size of the offer of capital to be offered to the public shall be in accordance with these Regulations and regulations of the securities exchange;

²[Provided that offer for sale of shares by the existing shareholders of a company is not allowed in case of green field project]

³[CHAPTER VIA

Special Purpose Acquisition Company, Functions and other Requirements

12a. Eligibility to Commence business as SPAC. – (1) No person shall commence business as a SPAC unless,-

- (i) it is registered as a public limited company having principle line of business of SPAC, having a paid-up capital of not less than ten million rupees, and shall not carry out any commercial business other than the business of SPAC; and
- (ii) its promoters, sponsors, directors and chief executive officer fulfil the Fit and Proper criteria as specified in the Ninth Schedule.

12b. Functions of SPAC – (1) A SPAC shall be responsible, -

- (i) to raise and utilize funds for the sole purpose of merger or acquisition transaction and complete the transaction within permitted time frame as per these regulations;
- (ii) to open an escrow account and maintain custodial arrangements for escrow account at all times as required under these regulations;

¹ Substituted for the text “(1) A person or group of persons, holding more than ten per cent shares of a listed company or listed body corporate, may offer such shares for sale to the public subject to the conditions that the offer size of capital to the public shall not be less than one hundred million rupees.

Explanation.- For the purpose of this clause, the term, “offer size ” means the product of the offer price ¹[or floor price] and the number of shares being offered;” vide SRO 819(I)/2020 dated September 7, 2020

² Inserted vide SRO 7(I)/2018 dated January 5, 2018

³ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

- (iii) to act in the best interests of the investors and to ensure that merger transactions shall be structured in such a manner to avoid any conflict of interest;
- (iv) to be obliged to manage its assets, in the interest of the investors in good faith and to the best of its ability and without undue advantage for itself or any of its related parties, associates or its officers;
- (v) to ensure that at least 15% shareholding of merged entity (post-merger) are held by the sponsors for a period of at least one year from the date of merger:

Provided that SPAC sponsors may increase shareholding percentage in the merged entity, if merged entity (subsequent to merger) starts generating operating profit within specified time (as disclosed in prospectus);

- (vi) to ensure that sponsor's shareholding in the target company premerger/acquisition should be less than 30% of the total shareholding of the target company;
- (vii) to prepare the draft prospectus as per format and disclosures prescribed in Schedule Eleven and shall submit application for approval of the prospectus as per these regulations and the Act, 2015.

12c. Listing. - A SPAC offering securities to the public shall be listed on the securities exchange.

12d. Modes of fund raising. – (1) A SPAC can raise funds through issuance of equity securities and/or warrants either by way of;

- (i) Initial Public Offer (IPO); or
- (ii) Private placements

12e. Minimum Fund Raised.- A SPAC shall raise at least Rs. 200 million to undertake a merger or acquisition transaction. The offering document/prospectus should clearly provide the justification that the funds raised are sufficient enough to enable the SPAC to have a core business with sufficient size and scale relative to the industry in which the business operates.

12f. Time frame for completion of qualifying acquisition.- SPAC must complete the merger or acquisition transaction within the permitted time frame of thirty six (36) months from the date of listing of SPAC on the exchange:

Provided that the Commission may, upon request by the SPAC, after reasons to be recorded in writing, extend the permitted time by six months subject to terms and conditions as deem appropriate by Commission.

12g. Shareholders' Approval. – (1) Each merger or acquisition transaction shall be approved by the shareholders by way of special resolution. The SAPC shall provide the disclosures as specified in Schedule Twelve, while presenting to the shareholder.

- (2) SPAC shall ensure mandatory implementation of e-voting.
- (3) The notice of general meeting by SPAC shall not be less than 21 days.

12h. Rights of holders of voting securities who vote against a qualifying acquisition /Refund to Investors Or incase where SPAC fails to complete the merger or acquisition transaction- (1) A SPAC shall be entitled to make refund to the entitled shareholders from the Escrow account in the following scenarios, -

- (i) where the company is unable to complete the merger or acquisition transaction within the permitted time period as specified in these regulations or as approved by the Commission; or
- (ii) to those entitled shareholders, who do not approve the merger or acquisition transaction.

(2) if the SPAC is unable to complete the merger or acquisition transaction within the permitted time period, the securities holders, will receive pro rata amount out of the Escrow account including any profit accrued/credited in the Escrow account, net of any taxes payable.

(3) The SPAC shareholder/(s), other than directors, sponsors and chief executive offer, disapproving the merger or acquisition transaction shall be –

- (i) entitled to receive, in exchange for their securities, a sum equivalent to 90% of their initial investment, net of any taxes payable and expenses related to the facilitation of the exchange, provided that such merger or acquisition transaction is approved and completed within the permitted time frame; and
- (ii) paid as soon as practicable upon completion of the merger or acquisition transaction should they elect to exchange their securities. The securities tendered in exchange for cash must be cancelled. In complying with this requirement, the SPAC must specify, in the circular to shareholders in relation to the qualifying acquisition, the timeframe for payment to holders of securities electing to exchange their securities. The SPAC must also demonstrate that this timeframe is reasonable, including providing details of all milestones or steps to be taken.
- (iii) the basis of computation for refund must be disclosed in the prospectus and notice of the general meeting.
- (iv) SPAC shall notify through its share registrar the list of dissenting shareholders to CDC. Shares of the dissenting shareholder shall immediately be blocked by CDC.
- (v) for the purpose of processing the list of dissenting shareholder/(s) and freezing, SPAC shares shall not be tradeable on the securities exchange for one day i.e. immediately after the date of book closure.

(4) SPAC immediately after processing payments from the Escrow account as per the procedure specified in these regulations shall stand delisted and process of its voluntary winding up shall be initiated by the SPAC as specified in Companies Act, 2017.

12i. Management of Escrow Account. – (1) SPAC must place at least ninety percent (90%) of the funds raised in an escrow account immediately upon receipt of all proceeds. 10% of the total proceeds may be utilized to defray expenses related to the initial public offering/private placements, operating costs, fund the search for a target business and complete the qualifying acquisition;

(2) The monies in the escrow account shall only be utilized for the purpose of merger or acquisition transaction.

(3) The monies in the escrow account can be released by the custodian for such purposes as permitted under these regulations and upon termination of the escrow account.

- (4) The escrow account can be terminated-
- (i) following the completion of all merger or acquisition within the permitted time frame; or
 - (ii) upon failure to complete merger or acquisition transaction by SPAC.

(5) The proceeds in the escrow account can be invested in permitted investments and any income generated by the funds held in the escrow account, including profit or dividend income derived from the permitted investments, must accrue to the escrow account and SPAC must ensure that in such investments initial capital is preserved.

(6) Members of the management team shall not be eligible for any other payments from escrow account other than in relation to securities purchased by them during and after the public offering.

12j. Fair market value of Acquisition. – (1) The fair market value of the target company or companies, as the case may be, must equal to at least eighty percent (80%) of the aggregate amount in the escrow account, net of any taxes payable and the losses incurred on the investments made out of the escrow account.

(2) The fair market value should be supported by a valuer's report recognized under the Companies Act, 2017

12k. Additional financing.- (1) SPAC can raise additional funds by way of rights issue or other than right issue or through secondary public offering to complete its merger or acquisition transaction within the permitted time period specified in these regulations or as approved by the Commission. At least ninety percent (90%) of the proceeds received, as a result, shall also immediately be deposited into escrow account.

- (2) Where a SPAC proposes to obtain debt financing, the SPAC must ensure that–
- (i) any credit facility obtained prior to the completion of the merger or acquisition transaction, may only be drawn after the approval of the merger or acquisition through special resolution;
 - (ii) the funds from the credit facility obtained must be applied towards the financing of the merger or acquisition, defraying related costs or enhancing the business(es) acquired under the merger or acquisition; and
 - (iii) the monies in the escrow account must not be used as collateral for the debt financing.

12l. Majority ownership and management control:- The merger or acquisition by SPAC should result in majority ownership or management control by the SPAC of the merged/target entity.

12m. Change in board of directors and management team.- Any change in the board, if so required, shall only be made in a manner provided in the Companies Act, 2017, provided that the directors of SPAC shall at all times comply with fit and proper criteria given under Ninth Schedule.

12n. The Custodian - its roles and responsibilities. – (1) The funds raised by SPAC from issuance of securities shall be kept by the custodian in escrow account, in accordance with the custodian agreement, these Regulations and applicable laws.

(2) Contents of the custodian agreement must be in accordance and in compliance with these regulations and at minimum should include such information as specified in Schedule Ten.

(3) SPAC must secure and maintain custodial arrangements at all times over the monies in the escrow account until the termination of the escrow account.

(4) A custodian must take appropriate measures to ensure the safekeeping of the monies held in the escrow account.

(5) A custodian must ensure that proper accounting records and other records of escrow account are maintained.

(6) A custodian may be provided a mandate by the SPACs to invest the amounts held in the escrow account in permitted investments.

(7) A custodian may only distribute the funds held in the escrow account in accordance with the provisions of the custodian agreement.

(8) The custodian shall disclose any information to the Commission and PSX upon request;

(9) The custodian agreement will terminate—

(i) on the appointment of a new custodian following the resignation or termination of services of the existing custodian; or

(ii) following the termination of the escrow account.

12o. Failure to complete merger or acquisition transaction- (1) In case SPAC fails to complete merger or acquisition transaction within the permitted time frame or within such extended time as approved by the Commission it shall notify the Commission and the concerned securities exchange of the same fact within seven days.

(2) In case where SPAC fails to complete the merger or acquisition transaction prior to expiry of the permitted time frame due to any unforeseen circumstances/reasons, it shall immediately notify the same to the Commission and the concerned securities exchange of the fact.

12p. Power of the Commission to issue directions. – The Commission may issue such directions to the SPAC, including but not limited to filing of reports and furnishing such documents and information to the Commission or to the investors, as it may deem fit, and SPAC shall comply with such requirements.

12q. Relaxation: The Commission may, if deems appropriate based on valid justification provided by the SPAC, upon reasons to be recorded in writing, relax any of the requirements of Chapter VIA subject to such conditions or limitations as it deems appropriate.]

CHAPTER VII

PUBLIC OFFER OF DEBT SECURITIES

13. General Conditions for public offer of Debt Securities. - An issuer may make a public offer of debt security under section 87 and 88 of the Act, if it fulfills the following conditions, namely.-

(1) It is authorized by its Memorandum and Articles of Association to issue debt securities;

- ¹[(2) For issuance of debt security, other than the commercial paper, the Issuer shall appoint, as applicable, -
- (i) Debt Securities Trustee;
 - (ii) Investment Agent;
 - (iii) Shariah Advisor.]
- (3) It has obtained rating of the debt security from a credit rating company licensed by the Commission and the rating shall not be more than six months old. The minimum rating shall be A2 (short term) in case of short term debt securities (instruments with tenor of up to one year) and BBB+ (long term)/ A2 (short term) in case of long term debt securities (instruments with tenor exceeding one year) ;
- Provided that in case of short term debt securities (instruments with tenor of up to one year), the condition of instrument rating may be waived, if the issuer has obtained entity rating and such rating is not less than “A-” (long term)/ “A2” (short term) and not more than six months old ²[:
- Provided further that this clause shall not apply to a Sovereign Sukuk ³[,] a Government Guaranteed Sukuk ⁴[and any other debt security whose debt servicing is guaranteed from the Government;]
- (4) The public offer for debt securities shall be fully underwritten, except in case of issuance of Sukuk, where underwriting may not be required in the following conditions:
- i. The issue is made for the repayment of debt;
 - ii. Utilization of the proceeds of the issue is solely for meeting the working capital requirement; and
 - iii. The issuer has alternative funding arrangements in place for meeting short fall, if any, in the event of undersubscription of the issue.
- (5) The long term debt securities ⁵[including Sukuk and other Shariah compliant securities] shall not be restructured or rescheduled unless approval of two third of the debt securities holders in value for the time being outstanding is obtained;
- (6) It shall report profit payment and redemption status of the securities on semiannual basis to the Commission, securities exchange, debt securities trustee, investment agent, and issuing and paying agent, till complete redemption of the issue.
- (7) In case of Shariah compliant debt securities including Sukuk, the following conditions shall also be complied with:

¹ Substituted for the text “(2) In case of debt securities, other than Commercial Paper and Sukuk, it has appointed debt securities trustee licensed by the Commission;” vide SRO 1383(I)/2020 December 23, 2020

² Substituted for the full stop “.” vide SRO 838(I)/2017 dated August 23, 2017

³ Substituted for the word “and” vide SRO 1619 (I)/2019 dated December 26, 2019

⁴ Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

⁵ Inserted vide SRO 838(I)/2017 dated August 23, 2017

- (i) The issuer has appointed Investment Agent through an investment agency agreement which contains at least roles and responsibilities of both parties to the agreement, dispute resolution mechanism and such other clauses as specified by the Commission from time to time;
- (ii) The investment agent shall endeavor that assets are transferred to Sukuk holders through an SPV.
- (iii) In case the Sukuk is issued without establishment of SPV then Shariah Advisor should give reasons referring to Shariah principles for allowing issuance of Sukuk without establishment of an SPV ¹[]
- (iv) The Investment Agent shall not be ²[associated company or associated undertaking of the Issuer];
- ³[(v) In case of secured Sukuk, the Issuer has arranged appropriate security, in the form acceptable to the Investment Agent:

Provided that this sub-clause shall not apply to ⁴[] Government Guaranteed Sukuk;]
- ⁵[(vi) The Issuer shall, before the issue of Sukuk, engage Shariah Advisor and obtain in writing from it/him/her Shariah certificate and the Shariah certificate must be signed by Shariah Advisor ascertaining that the basis on which the Sukuk are structured is Shariah compliant;]
- ⁶[(vii) The Shariah Advisor may not remain engaged throughout the tenor of the Issue, if the Shariah certificate states so and where an Issuer opts to engage Shariah Advisor for a longer period, the term of engagement shall be at the discretion of the Issuer;]
- (viii) The Issuer has obtained a Shariah Certificate from the Shariah Advisor which must contain at least such information and certification and in the form and manner as notified by the Commission from time to time including the following:
 - a. ⁷[how the structure is free from riba;]
 - b. whether and to what extent the return to Sukuk holders is attributable to the underlying assets;
 - c. whether and to what extent the ownership of underlying

1 Deleted the words “and what additional measures have been taken for the protection of assets of Sukuk issue and protection of rights of Sukuk holders” vide SRO 838(I)/2017 dated August 23, 2017

2 Substituted for the words “associate of the issuer” vide SRO 838(I)/2017 dated August 23, 2017

3 Substituted for the words “(v) The issuer may arrange appropriate security, where required, in the form and manner acceptable to the Investment Agent;” vide SRO 838(I)/2017 dated August 23, 2017

4 Deleted the words “a Sovereign Sukuk and a” vide SRO 819(I)/2020 dated September 7, 2020

5 Substituted for the words “(vi) The Issuer has appointed a Shariah Advisor, through agreement in writing. The agreement beside other things must clearly define roles and responsibilities of the Shariah Advisor;” vide SRO 838(I)/2017 dated August 23, 2017

6 Substituted for the words “(vii) The Shariah Advisor shall remain appointed throughout the tenor of the Issue and replacement or change of the Shariah Advisor shall be reported along with reason to the Commission, the securities exchange, the Investment Agent and all the Shariah compliant debt securities holders within fifteen days of the replacement.” Vide SRO 838(I)/2017 dated August 23, 2017

7 Substituted for the words “why the structure is free from riba, and how it is different from a comparable conventional structure based on lending money at interest;” vide SRO 838(I)/2017 dated August 23, 2017

assets, belongs to the Sukuk holders;

- d. whether and to what extent ¹ [the related agreements and contracts,] separately and collectively, are consistent with the concerned Shariah principles; and
- e. exceptions, reservations, and qualifications regarding Shariah compliance, if any, and details thereof.

²[Provided that the Issuer shall ensure that all relevant documents, contracts, details, and information required by the Shariah Advisor for understanding of the transactions, concepts, structure and framing or review of the Shariah certificate are provided and adequately explained to the Shariah Advisor;]

³[Omitted]

- ⁴[(x) The Issue shall not embed any swaps, options or other derivatives except in the case of convertible or exchangeable Shariah compliant securities;]
- (xi) The Issuer shall ensure that proceeds of the Issue are utilized ⁵[for Shariah compliant purposes and] in the form and manner as disclosed in the Prospectus.
- (xii) Where Shariah compliant debt securities are convertible or exchangeable into ordinary shares of the ⁶ [Issuer], the option of conversion or exchange, as the case may be, shall be at the discretion of the investors and the underlying ordinary shares shall be listed at the time of the offer of such debt securities. ⁷[]

⁸[Provided that this clause shall not apply in case of issuance of Tier 1 and Tier 2 instruments by Scheduled Banks.]

- ⁹[(xiiia) The Shariah Advisor providing the initial Shariah certificate shall state in their Shariah certificate whether or not Shariah Audit of the issued Sukuk is required;
- (xiiib) The compliance of features and Shariah requirements of Sukuk shall be audited on annual basis, where applicable; and
- (xiiic) The Issuer shall appoint its own statutory auditors or another firm of

1 Substituted for the words “agreements and undertakings,” vide SRO 838(I)/2017 dated August 23, 2017

2 Substituted for the words “Provided that the consultant to the issue shall ensure that the Issuer has provided all related documents, contracts, access to all books, accounts, transaction documents and information required by the Shariah Advisor for issuance of the said certificate.” Vide SRO 838(I)/2017 dated August 23, 2017

3 Deleted the words “(ix) The Issuer shall at all times during the tenor of the issue ensure that its principal business is not against the Shariah principles.” Vide SRO 838(I)/2017 dated August 23, 2017

4 Substituted for the words “(x) The Issuer shall not embed any options except in the case of convertible or exchangeable Shariah compliant securities;” vide SRO 838(I)/2017 dated August 23, 2017

5 Inserted vide SRO 838(I)/2017 dated August 23, 2017

6 Replaced with the word “issuer” vide SRO 838(I)/2017 dated August 23, 2017

7 Deleted the words “The compliance of features and Shariah requirements of Sukuk shall be audited on annual basis.” Vide SRO 838(I)/2017 dated August 23, 2017

8 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

9 Inserted vide SRO 838(I)/2017 dated August 23, 2017

Chartered Accountants to perform Shariah audit;]

- ¹[(xiii) The Shariah audit report where required shall made part of the annual financial report of the Issuer;]
- ²[(xiv) The external Shariah audit fee where applicable shall be disclosed in the audited financial statements of the Issuer;]
- ³[(xiva) Where a Sukuk is structured using a single Shariah concept, the Sukuk shall preferably be named according to that concept;
- (xivb) In case of rescheduling or restructuring of an Issue, the Issuer shall seek a fresh Shariah certificate from the Shariah Advisor;
- (xivc) The Prospectus must make it unambiguously clear to the investors whether or not the Sukuk are asset backed, that is, based on true sale, providing investors an unqualified right over the concerned assets and where the Sukuk are not asset backed, the Prospectus shall explain the implications, most notably, if the Sukuk holders are assuming credit risk of the Issuer and their standing in the hierarchy of creditors;
- (xivd) Where Sukuk are issued without transferring concerned assets, where applicable, to an SPV, the Issuer shall explain in the Prospectus why the SPV structure has not been used and any potential implications regarding investor protection and Shariah compliance;
- (xive) The Prospectus shall specify fees and expenses pertaining to Shariah compliance, including the fee, if any, paid to the Shariah Advisor;
- (xivf) The Issuer shall furnish the Shariah certificate and the transaction documents to all the Sukuk holders in physical or electronic form or shall make available the same on its website, in downloadable format, for information of the investors;
- (xivg) The engagement letter or agreement executed with the Shariah Advisor among other things must clearly define the roles and responsibilities of both parties to the agreement, dispute resolution mechanism and such other clauses as specified by the Commission from time to time;]
- (xv) Any other condition as may be specified by the Commission from time to time.

⁴[omitted]

1 Substituted for the words “(xiii) The Shariah audit report shall made part of the annual financial report of the issuer.” Vide SRO 838(I)/2017 dated August 23, 2017

2 Substituted for the words “(xiv) The Shariah audit fee shall be disclosed in the audited financial statements of the issuer.” Vide SRO 838(I)/2017 dated August 23, 2017

3 Inserted vide SRO 838(I)/2017 dated August 23, 2017

4 Deleted the text “4[**Explanation 1.**- For the purposes of this regulation the expression “Sovereign Sukuk” shall include Sukuk issued and guaranteed by the Federal Government.

Explanation 2.- For the purposes of this regulation the expression “Government Guaranteed Sukuk” shall include Sukuk issued by any corporation or body corporate owned and controlled by the Federal Government and such Sukuk is guaranteed by the Federal Government;]” vide SRO 819(I)/2020 dated September 7, 2020

¹[(8) Within 10 working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the debt securities shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.]

14. Conditions for Public Offering of short term debt securities.- An issuer may make public offer of short term debt securities in the form of Commercial Paper only subject to compliance with the following conditions, namely.-

- (1) The equity of the Issuer is not less than Rs. 50 million as per its latest audited financial statements.
- (2) The commercial paper shall be issued for maturities between thirty days and one year and the date of maturity shall be calculated from the first day of subscription. Where the maturity date happens to be a holiday, the payment shall be made on the immediate following working day.
- (3) The Commercial Paper shall be issued in denomination of Rs.10,000 or multiples thereof.
- (4) The aggregate amount of a Commercial Paper shall be within such limits as may be approved by its Board of Directors, provided the total liabilities of the issuer after the issue of such Commercial Paper do not exceed four times of the issuer's equity.
- (5) The commercial paper shall be issued at discount to face value.
- (6) The commercial paper shall not be rolled over or restructured or rescheduled.
- (7) The Issuer shall appoint an Issuing and Paying Agent through an agreement in writing. The agreement shall contain all the basic terms and conditions, and role and responsibilities of both the parties to the agreement.
- (8) The Issuing and Paying Agent appointed shall not be associate of the issuer.
- (9) On maturity, the holder shall present the commercial paper for payment to the Issuing and Paying Agent who, having received funds from the Issuer, shall effect repayment through crossed cheque, pay order, demand draft or direct credit in the holders respective account.
- (10) Commercial Paper may be redeemed before maturity under a call option and an investor may ask the Issuer for early redemption under a put option subject to the condition that such options are provided in the offering document.

15. Conditions for issue of convertible debt securities.— An issuer may make a public offer of a convertible debt security under ²[clause (b) of sub-section (1) of section 83 of the Companies Act] subject to the following conditions, namely:

- (1) the Issuer is authorized by its Memorandum and Articles of Association to issue convertible securities;

1 Inserted vide SRO 819(I)/2020 dated September 7, 2020

2 Substituted for the words “the first proviso to sub-section (1) of section 86 of the Ordinance” vide SRO 838(I)/2017 dated August 23, 2017

- (2) the Issuer has obtained approval of the Commission under ¹[clause (b) of sub-section (1) of section 83 of the Companies Act];
- (3) The conversion ratio or mechanism is disclosed in the prospectus; and
- (4) The mechanism for resolution of dispute if arises at the time of conversion is provided in the prospectus.

²[**15a. Book Building Mechanism for debt securities:** An issuer can adopt book building mechanism for discovery of profit rate in case of fixed rate instrument and spread (+/-) in relation to the Kibor in case of floating rate instrument.

Bid for the purpose of this regulation means intention to buy specified number of debt securities for a particular spread/profit rate quoted in basis points.

The Book Building shall be conducted as per the conditions and procedure prescribed below:

- i. The total issue size of the debt security shall be offered to the General Public including both book building portion and retail portion.
- ii. Maximum Seventy Five percent of the issue size shall be allocated to the Book Building portion and the remaining twenty five percent to the retail investors. The retail portion of the public offer shall be fully underwritten.

Provided that the requirement of 25% allocation to the retail portion may be relaxed by the Commission upon reasons to be recorded in writing.

- iii. The Issuer shall enter into a tripartite agreement in writing with the Designated Institution and the Book Runner. The said agreement shall specify inter-alia, the rights, privileges, duties, responsibilities and obligations of each party to the agreement and shall provide a clause on dispute resolution mechanism among the parties to the agreement:
- iv. The Issuer shall publish the prospectus at least one day before the commencement of registration of bidders by the book runner;
- v. For Floating rate instruments, Bidder can enter spread on both positive and negative sides in relation to the KIBOR.
- vi. The Book Building shall be considered as cancelled if the Issuer does not receive bids for total number of debt securities offered under the book building.
- vii. Clause (9) to (15) of Regulation 8 and clause (1), (4) and (5) of Regulation 9 relating to procedure for Book Building and bidding of shares shall also apply in case of debt securities.
- viii. The Book Runner shall collect full amount of the bid money as margin money in respect of bids placed by the individual investors.
- ix. In case of Institutional Investors, the Book Runner shall accept application with minimum 10% margin money.

¹ Substituted for the words “the first proviso to sub-section (1) of section 86 of the Ordinance” vide SRO 838(I)/2017 dated August 23, 2017

² Inserted vide SRO 819(I)/2020 dated September 7, 2020

Provided that Book runner may waive/reduce the margin requirement for institutional investors at its own discretion

- x. Book Building Portion shall be credit underwritten by one or more book runners:
- xi. At the close of the bidding period, cut-off profit rate/ spread shall be determined on the basis of reverse Dutch Auction Method by arranging all the profit rate/spread in an ascending order along with the number of debt securities and the cumulative number of debt securities bid for at each profit rate/spread. The cut off profit rate/spread is determined by increasing the profit rate/ spread to the extent that the total number of debt securities offered under the Book Building portion are subscribed. The allotment shall be made on following basis:
 - a. The allotment shall be made on the basis of highest bid priority, i.e. the bid made at the lowest profit rate/ spread shall be considered first for allotment;
 - b. The bidders who have made bids at profit rate/spread less than the Cut-off profit rate/ spread shall be allotted the debt securities at the Cut-off profit rate/Spread;
 - c. In case all the bids made at profit rate/spread below the cut off profit rate/spread are accommodated and debt securities are still available for allotment. Such available debt securities shall be allotted against the bids made at the Cutoff profit rate/spread on proportionate basis.
 - d. The bidders who have made bids at profit rate/spread higher than the Cut-off profit rate/spread shall not qualify for allotment.
- xii. Within one day of the close of the bidding period, successful bidders shall be intimated the Cut-off profit rate/spread and the number of debt securities allotted to each of them;
- xiii. Successful bidders shall deposit remaining amount of bid money within three working days of intimation of successful bid. In case any bidder fails to do so, margin money shall be forfeited without any recourse.
- xiv. The successful bidders shall be issued securities only after the end of the public subscription, in the form of book-entry to be credited in their respective accounts.

15b. Restrictions:

(1) The bidding period shall not be extended except in extra ordinary circumstances like closure of banks, failure of System, etc. In such case, Book Runner shall apply to the Commission for extension in the Bidding Period after obtaining NOC from securities exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and the website of the issuer, consultant to the issue, if any, book runner, the designated institution and the securities exchange.

- (2) The bidder shall not:
 - (i) make consolidated bid;

- (ii) make upward revision in terms of profit rate/spread;
- (iii) make downward revision in terms of bid amount; and
- (iv) withdraw the Bid:

(3) No person shall take part in the book building process, directly or indirectly severally or jointly in any manner or engage in any act or practice which create a false and misleading appearance of active bidding for raising or depressing cutoff profit rate/spread in the book building process.

15c. Procedure for allocation of debt securities to the retail investors:

- i. Within three working days of the closing of the Bidding Period, the Issuer itself or through its Consultant to the Issue, if any shall publish supplement to the prospectus in those newspapers in which the prospectus was earlier published and also disseminate the same to the securities exchange, banker to an issue and underwriter. For this clause the term supplement to the prospectus means information relating to results of the Book Building or any other information prescribed below that is important for the retail investors.
- ii. The supplement to the prospectus shall contain the information relating to the cut off profit rate/spread, names of the underwriters of the retail portion of the Issue , underwriting commission bifurcating as take up commission or any other, category wise breakup of the successful bidders along with number of debt securities allocated to them, dates of public subscription and such other information as specified by the Commission.
- iii. The general public shall submit application for the subscription of debt securities to the Banker to an Issue either in physical form or electronically. The application shall be duly accompanied by a crossed cheque or demand draft or pay order in the name of the Issuer or evidence of direct debit of subscription money from the applicant's bank account or blocking of the subscription money in the applicant's bank account.
- iv. Within 10 working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the debt securities shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.]

CHAPTER VIII

MISCELLANEOUS

16. Post Issue Reporting and Disclosures. The issuer upon completion of public offering of securities shall,

- (i) report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly/half-yearly and annual accounts ¹[till the fulfillment of the

¹ Substituted for the words "for three years" vide SRO 1619 (I)/2019 dated December 26, 2019

commitments mentioned in the prospectus]; and

¹[(ii) submit a: (a) Half yearly progress report; and (b) annual progress report reviewed by the auditor, to the securities exchange till the fulfillment of the commitments mentioned in the prospectus stating the following:

a. Implementation status of the project/commitment made in the Prospectus as per format given below:

Commitment made in the Prospectus	Start date (disclosed in the prospectus)	Completion date (disclosed in the Prospectus)	Current status	Rationale for delay, if any.

b. Detailed break-up utilization of the proceeds raised from the issue.]

²[(ia) Submit a final report reviewed by the auditor after the fulfillment of the commitments mentioned in the Prospectus.]

³[(iii) in case of Sukuk and other Shariah compliant securities, ensure that while preparing their financial reports, all the relevant standards, notified by the Accounting and Auditing Organization of the Islamic Financial Institutions and the Islamic Financial Accounting Standard as notified by the Commission for adoption, from time to time relating to the financial reporting and accounting treatment of Sukuk are complied with.]

⁴[16a. Offering an Exit Opportunity in case of change in principal purpose of Issue as disclosed in prospectus:

- (1) The Issuer shall not, at any time change the principal purpose of the issue as disclosed in the Prospectus.
- (2) In exceptional circumstances, the issuer may change the principal purpose of the issue subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in principal purpose of the issue as disclosed in the Prospectus.
- (3) Offering an exit opportunity shall also be mandatory where the principal purpose of issue was undertaken and thereafter funds were diverted to other purposes, which resulted in non-completion of principal purpose of issue in a timely manner as disclosed in the prospectus.
- (4) The mechanism for an exit offer opportunity shall be as under:
 - (i) EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of Companies Act,

1 Substituted for the text “(ii) submit a quarterly report providing the status of the commitments mentioned in the prospectus and conditions imposed at the time of granting approval of the prospectus, for at least three years to the securities exchange and the Commission.” Vide SRO 1619 (I)/2019 dated December 26, 2019

2 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

3 Inserted vide SRO 838(I)/2017 dated August 23, 2017

4 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

2017.

- (ii) Subject to approval of special resolution as defined in the Companies Act, 2017, 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 by offering a price per share, by the sponsors of the issuer that shall be highest of the following:
 - a) Intrinsic value based on the latest available audited accounts;
 - b) Weighted average closing price for last six preceding months
 - c) offer price at which the shares were subscribed through IPO.
- (iii) The exit offer shall be executed by the sponsors with in a period of thirty days from the date of passing of special resolution.]

¹[16(b) **Relaxation:** The Commission may relax any of the requirements of the Public Offering Regulations, 2017 for privatization of government owned entities by Privatization Commission through capital market.]

CHAPTER IX

Functions and responsibilities

17. General responsibilities of the Consultant to the Issue, Book Runner, Underwriter, Banker to an Issue and Issuing and Paying Agent: The Consultant to the Issue, Book Runner, Underwriter, Banker to an Issue and Issuing and Paying Agent shall –

- (1) make all efforts to protect the interests of investors.
- (2) maintain high standards of integrity, dignity and fairness in the conduct of its business.
- (3) fulfill its obligations in a prompt, ethical, and professional manner.
- (4) at all times exercise due diligence, ensure proper care and exercise independent professional judgment.
- (5) endeavor to ensure that inquiries and complaints from investors are dealt with in a timely and appropriate manner;
- (6) avoid conflict of interest and make appropriate disclosure to the customers of their possible source or potential areas of conflict of duties and interest which would impair their ability to render fair, objective and unbiased services;
- (7) ensure that they have made the reporting lines and compensation arrangements for their employees in a way to eliminate or effectively manage actual and potential conflicts of interest;

¹ Inserted vide SRO 819(I)/2020 dated September 7, 2020

- (8) ensure that their directors and employees shall not directly or indirectly indulge in any insider trading or other market abuses;
- (9) have internal control procedures and financial and operational capabilities which can be reasonably expected to protect its operations, its customers, investors and other regulated persons from financial loss arising from theft, fraud, and other dishonest acts, professional misconduct or omissions;
- (10) be responsible for the acts or omissions of its employees in respect of the conduct of its business;
- (11) frame policies and procedures to ensure compliance with the requirements of these Regulations by its employees;
- (12) ensure that communications with the securities exchange and the Commission are kept confidential, except as required to be disclosed to the customers;
- (13) render only such services as agreed in writing with their customer and are not prohibited under these Regulations and any other applicable law;
- (14) Maintain a functional website containing all public information about the issue and mechanism for handling of complaints;
- (15) inculcate a culture of compliance of the regulatory requirements through ongoing education and training of their employees.
- (16) ensure that internal control policy is widely disseminated for compliance by all employees and is reviewed for appropriateness and sufficiency by the competent authority at least once every year;
- (17) promptly investigate, in the event of a breach of policies, procedures, controls or misconduct, and take appropriate steps to rectify the weaknesses, if any, to prevent recurrence of such breach;
- (18) Employ sufficient human resource which is adequately trained to efficiently perform its functions;
- (19) Submit any document, report or information as and when required by the Commission;
- (20) ensure that annual review, for appropriateness and sufficiency, of the internal control system is carried out by the internal audit department, which reports directly to the board of directors or its audit committee.
- (21) ensure that any change in license status, any penal action against it or any material change in its financial and operating position which may have adverse effect on the interest of the Issuer, or investors is promptly notified to the Issuer, the offeror, the Commission and the securities exchange;
- (22) ensure that all information provided to the securities exchange and Commission is true, accurate and no material fact is omitted or suppressed; and
- (23) in case of consultant to the issue give, directly or indirectly, any investment advice about any security in the media unless a disclosure of its interest in the said security is made, while giving such advice.

18. Functions of the Consultant to the Issue.— The Consultant to the Issue shall perform the following functions, namely:-

- (1) preparation of prospectus, and related documents and ensuring that the same are prepared in accordance with the requirements of the applicable laws including section 89 of the Act, these Regulations, regulations of the securities exchange and other applicable regulatory framework;
- (2) before submitting the application to the securities exchange under section 19 of the Act, the Consultant to the Issue shall examine the proposed issue from various aspects including eligibility requirements and suitability of the Issuer or security for listing considering the interest of general public and its benefits to the capital market.

¹[]

- (3) give justifications in support of the offer/ Floor Price set by the Issuer under a separate section titled as “Valuation section ” in the prospectus.
- (4) assist in the execution of agreements of the issuer with underwriters, bankers to an issue, book runner, Designated Institution, debt security trustee, issuing and paying agent ,balloter and transfer agent and investment agent;
- (5) on behalf of the Issuer, seeking the approval of the securities exchange under section 19 of the Act and Commission under section 87 and 88 of the Act;
- (6) preparation and publication of prospectus and advertisements with regard to public issue;
- (7) ensure that the public offering including book building is carried out in accordance with the prospectus and requirement of these Regulations and the Act;
- (8) preparation and submission of final report on the issue to the Commission;
- (9) comply with all the applicable directives and orders issued by the Commission; and
- (10) any other related function as may be specified by the Commission from time to time.

19. Responsibilities of the Consultants to the Issue.— (1) The Consultants to the Issue shall.-

- (i) ensure that, after having made due and careful enquiry, they have reasonable grounds to believe that-
 - (a) the application submitted to the securities exchange under section 19 of the Act and the prospectus submitted to the Commission under section 87 and 88 of the Act meets the relevant requirements of the Act, these Regulations, regulations of the securities exchange and other applicable

¹ Deleted the text “Explanation: The term suitability with regard to listing includes assessing various risks involved such as sector risk, operational risk, legal risk, etc., track record of sponsors, quality and capability of the management, past financial performance of the Issuer, future strategies of the Issuer, dividend payout history, financial projections, financial viability, dividend policy, etc.” vide SRO 1619 (I)/2019 dated December 26, 2019

regulatory framework; and

- (b) the documents, reports, statements and information submitted along with the aforesaid application and prospectus are not false or misleading and do not contain any material omission;
- (ii) ensure that adequate disclosures are made to the investors in a timely manner so as to enable them to make a balanced and informed decision.
- (iii) endeavor to ensure that the investors are provided with true and adequate information without making any misleading or exaggerated claims or any misrepresentation and are made aware of the associated risks before taking any investment decision.
- (iv) obtain from their employees an undertaking stating therein that they will not misuse their position of having access to non-public information, if any, relating to the issue for their personal benefit or for the benefit of any other person who does not have or is not authorized to have access to such information;
- (v) actively participate in preparation of the prospectus and ensure that all material facts, including all potential risks, as required under the law are disclosed therein and that the Issuer is compliant with all the laws applicable to the issue of securities;
- (vi) remain associated with the issue till its completion i.e. ¹[] credit of securities, submission of final report to the securities exchange and Commission, resolution of the issue related complaints, if any, and implementation of final decision of the Commission on application rejected, if any.
- (vii) ensure that they understand the nature of business of their customer.
- (viii) ensure that their customer is fully briefed on its obligations and potential liabilities pertaining to its application and supporting documents including the prospectus, in relation to the requirements stipulated by the Commission.
- (ix) ensure that their customer has been made aware of the need for it to extend its full cooperation in the provision and verification of information for the purposes of the assignment;
- (x) withdraw from the assignment in case their customer fails or refuses to address its concerns about the issue or any related information provided to it.
- (2) The Consultants to the Issue shall not-
 - (i) make any false statement, whether oral or written, either about their qualifications or capability to render services or their achievements with regard to services rendered to their potential customers;
 - (ii) make unsubstantiated claims or statements, in order to acquire business from the customer, about qualifications of their professional staff or their capability to render certain services or their achievements concerning the consultancy services rendered by them;

¹ Deleted the words “dispatch and” vide SRO 7(I)/2018 dated January 5, 2018

- (iii) submit any document or report to the Commission that contains any untrue or false statement, or any material fact omitted therefrom;
- (iv) agree to manage or be associated with any issue as consultant unless its responsibilities relating to the issue are clearly determined through an agreement in writing; and
- (v) be a party to or instrumental for -
 - (a) creation of false market;
 - (b) price rigging or manipulation or;
 - (c) Conveying of non-public price sensitive information in respect of securities proposed to be listed in securities exchange to any person.

20. Responsibilities of the book runner.- The Book Runner shall be responsible to:

- (1) ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
- (2) ensure blocking of bid and margin money of the Bidders in their respective accounts;
- (3) the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
- (4) use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed through an agreement in writing
- (5) ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
- (6) ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
- (7) underwrite the Book Building Portion;
- (8) ensure that it has obtained list and Unique Identification Numbers of the associates of the Issuer and the consultant to the issue;
- (9) ensure that names and Unique Identification Numbers of all the persons mentioned above are entered and capped in a manner as prescribed in these Regulations before commencement of the Bidding Period;
- (10) ensure that it blocked all Unique Identification Numbers and names of all related employees for participation in the bidding; and

21. Responsibilities of Banker to an Issue: .- The Banker to an Issue shall.-

- (1) ensure that information related to the subscription of the issue is provided to the Issuer, within the time period and in the form and manner as disclosed in the prospectus or as required under the agreement executed with the them;

- (2) in case of Application Supported by Blocked Amount, on receipt of the application, immediately block the bid money or subscription money in respective account of the bidder or the subscriber;
- (3) Upon receipt of information from the book runner and balloter and share registrar, immediately unblock the bid money or subscription money of the unsuccessful bidders or subscribers;
- (4) Immediately inform the Commission regarding any penal action, legal proceedings initiated against it by the State Bank of Pakistan;
- (5) not accept applications for subscription of securities and subscription money thereof after closing of the subscription period.

22. Responsibilities of underwriter.— (1) An underwriter shall, -

- (i) obtain from its relevant employees, an undertaking stating therein that they will not misuse their position of having access to the non-public information, if any, relating to the Issue being underwritten for their personal benefit or for the benefits of any other person who does not have or is not authorized to have access to such information;
 - (ii) ascertain before entering into an underwriting agreement that the regulatory requirement, if any, relating to the exposure limits on investment in securities are not breached in case it is called upon to fulfill its commitment of subscribing the unsubscribed portion of an Issue pursuant to the underwriting agreement;
 - (iii) in the event of being called upon to subscribe to the securities underwritten pursuant to an agreement, subscribe such securities within such time as specified in the agreement but it shall not exceed fifteen days starting from the date of Issue of such intimation, notice, invitation by the Issuer;
 - (iv) sell the securities subscribed pursuant to the underwriting agreement in the secondary market or to persons other than the directors, sponsors and associates of the Issuer;
 - (v) Publish its entity credit rating in its periodic financial reports, and each advertisement and brochure, if any, in relation to promotion of its business;
- (2) The underwriter shall not,-
- (i) enter into any buy-back or repurchase arrangement with the Issuer or any other person with respect to the securities underwritten by it;
 - (ii) derive any undue benefits directly or indirectly, from any underwriting transaction other than the commission payable to it under the underwriting agreement;
 - (iii) make any oral or written statement, which would misrepresent its underwriting commitment;
 - (iv) give, directly or indirectly, any investment advice about any security in the media unless a disclosure of its interest in the said security is made, while giving such advice;

- (v) willfully make false statement or conceal any material fact in any document, report or paper furnished to the Commission;
- (vi) participate itself or through its associates for the subscription of shares out of retail portion of an issue which is underwritten by it;
- (vii) be party to or instrumental for creation of false market;
- (viii) be party to or instrumental for price rigging or manipulation;
- (ix) be party to or instrumental for passing of unpublished price sensitive information in respect of securities which are listed or proposed to be listed on the securities exchange to any person or intermediary;
- (x) undertake underwritings commitments exceeding four times of its equity (excluding unrealized gains and revaluation surplus) as per its latest audited financial statements at any time.

Provided that any subsequent agreement by the underwriter to the issue with other underwriters ¹[duly licensed by the Commission] may be excluded while arriving at exposure limit of an underwriter in respect of its commitment.

23. Responsibilities of Issuing and Paying Agent.— The issuing and Paying Agent shall,-

- (1) enter into an agreement in writing with the Issuer to act as Issuing and Paying Agent for the issue;
- (2) ensure that the conditions laid down for the issuance of debt securities are strictly adhered to;
- (3) ensure that the Issuer has the minimum credit rating as specified in these Regulations;
- (4) ensure that the Issuer has met all the requirements as prescribed in these Regulations before the issuance of debt securities;
- (5) obtain copies of all the investor agreements i.e. the agreements executed with the initial subscribers and the said agreements contain salient features and other terms and conditions of the issue including the following,-
 - (i) covenants of the issue of debt securities;
 - (ii) non availability of any recourse to the initial subscribers on the Issuer and Issuing and Paying Agent and to the subsequent purchasers on the sellers in the secondary market;
 - (iii) non availability of any guarantee by any bank or other financial institution;
 - (iv) default history of the Issuer including rescheduling/restructuring of loan for the last 5 years; and

¹ Inserted vide SRO 7(I)/2018 dated January 5, 2018

- (6) verify all the documents submitted by the Issuer i.e. copy of Board's resolution etc. and have in custody certified copies of the original document and issue a certificate that documents are in order;
- (7) Place specimen of the investors' agreement between the Issuer and the subscribers containing minimum terms and conditions on its website.
- (8) on the issue date, deliver debt securities to investors against proof of payment and at maturity, after receiving funds from the Issuer, effect repayment on receipt of the debt security from the investors;
- (9) make it clear to the initial subscribers in the investor agreement and the general public in the prospectus that their investment is subject to credit and other risks inherent in such instruments and payment would be made to them after the Issuer has made the funds available to Issuing and Paying Agent;
- (10) inform the initial subscribers that in case of any default by the Issuer, it will not be in a position to seek recovery from the Issuer or initiate any action against the Issuer either on its own or on behalf of the investors;
- (11) in case of any default by the Issuer, be responsible for the immediate notification of such default to the holders of the debt security and the Commission

Explanation.— For the purpose of these Regulations the term “default” shall include partial payment of redemption amount instead of full amount.

- (12) in case of partial payment by the Issuer, distribute the received funds, among all the holders of the debt securities, on pro-rata basis and while doing so it shall take all necessary measures to safeguard its position against any adverse consequences including incorporation of this provision in the agreement executed between the Issuer and the Issuing and Paying Agent;
- (13) submit a report on the issue to the Commission within fifteen days from the last date for closing of the subscription of the debt security and the report shall contain all the material facts and figures relating to the issue including those as required under these Regulations to be reported to the Commission; and
- (14) obtain from the concerned depository company list of debt security holders on monthly basis.

24. Responsibilities of Designated Institution in case of book building.— (1)

The Designated Institution in case of book building system shall perform following functions namely;

- (i) record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Sub-Account Number of the bidder with participant account number;
- (ii) provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned in para (i) above;

- (iii) generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
 - (iv) record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
 - (v) display the bids revised, and date and time of upward revision;
 - (vi) ¹[neither allow withdrawal of bid, nor] accept the bids placed at a Bid Price that is below the Floor Price ²[or above the upper limit of the Price Band];
 - (vii) display live the total number of shares offered for sale, the Floor Price, ³[Price Band,] total number of bids received, total number of shares bid for and indicative Strike Price;
 - (viii) build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
 - (ix) discover the strike price at the close of the Bidding Period;
 - (x) generate alerts for the Bidders via Short Message Service through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, and upon discovery of the strike price; and
 - (xi) ensure that system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these Regulations;
- (2) The Designated Institution shall ensure that:
- (i) identity of the bidder is not displayed; and
 - (ii) no bid is entered into the System after closing of the Bidding Period;

25. Repeal and Savings (1) The following shall stand repealed;

- (i) Book Building Regulations, 2015
- (ii) Guidelines for issuance of Prospectus, 2002
- (iii) Guidelines for Issuance of Term Finance Certificates To The General Public, 2002

(2) Save as otherwise specifically provided, nothing in these Regulations shall affect or be deemed to affect anything done, action taken, registration granted, investigation or proceedings commenced, order issued, relaxation granted unless withdrawn, appointment, conveyance, mortgage deed, document or agreement made, fee paid or accrued, resolution passed, direction given, proceedings taken or instrument executed or issued, under the repealed regulations and guidelines and any such thing, action, investigation, proceedings, order,

¹ Substituted for the word "not" vide SRO 7(I)/2018 dated January 5, 2018

² Inserted vide SRO 7(I)/2018 dated January 5, 2018

³ Inserted vide SRO 7(I)/2018 dated January 5, 2018

appointment, conveyance, mortgage deed, document, agreement, fee, resolution, direction, proceedings or instrument shall if in force at the coming into force of these Regulations and not inconsistent with any of the provisions of these Regulations, continue to be in force, and have effect as if it were respectively done, taken, commenced, made, directed, passed, given, executed or issued under these Regulations.

SCHEDULES
¹[FIRST SCHEDULE
FORMAT OF THE PROSPECTUS², DISCLOSURE REQUIREMENTS] AND
REPORTS TO BE SET OUT THERE IN

Section 1

Format of the prospectus

1. Cover Page:

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

“ADVICE FOR INVESTORS

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

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

- (ia.) **The following additional statement should appear in case of offering of equity securities: -**

"Investment in equity securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on the examination of the issuer and the offer including the risks involved as disclosed at Part of the Prospectus

.

- (ii) The following statement should appear in case of offer of shares through book building after the **above-mentioned** statement: -

“ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

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

1 Substituted for the entire **FIRST SCHEDULE** vide **SRO 1619 (I)/2019** dated **December 26, 2019**

2 Inserted vide **SRO 819(I)/2020** dated **September 7, 2020**

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

- (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) In case of offer for sale, full Name of the Offeror and the following statement:

“THIS IS NOT A PROSPECTUS BY [... NAME OF THE ISSUER ...] (THE “COMPANY”) BUT AN OFFER FOR SALE BY THE [... NAME OF THE OFFEROR ...] (THE “OFFEROR”) FOR OFFER FOR SALE OF SHARES HELD IN THE COMPANY.”
- (v) Total issue size i.e. the number of securities to be offered with breakup of pre-IPO preferential allocation, if any; allocation to book building portion, in case of book building; allocation to retail investors; and allocation under the green shoe option, if any. In case of shelf registration, the total approved issue size, the size of the current tranche and the time period of shelf registration.
- (vi) The offer price, the Floor Price, the Price Band, in case of book building.
- (vii) In case of book building, dates for registration of the bidders; dates of bidding i.e the bidding period along with timing.
- (viii) Date(s) of public subscription along with timing in bold letters.
- (ix) Name of the consultants to the issue, the book runner in case of book building, the bankers to an issue; web link along with timing through which e-application for subscription of securities can be submitted; and names of the underwriters.
- (x) Disclosure regarding availability of Centralized E-PO System and any other additional electronic system offered for Public Subscription.
- (xi) Contact details of at least two relevant persons of the Issuer, consultants to the issue, Book Runner and Underwriter, if any, well conversant with the issue who could be contacted by the investors, if needed.
- (xii) Website addresses from where the prospectus, application and bidding forms can be downloaded.

- (xiii) Date of publication of the prospectus.
- (xix) Name of the securities exchange where the specified securities are proposed to be listed.
- (xv) Additional information in case of issuance of debt securities:
 - (a) Entity and instrument rating,
 - (b) name of the rating agency;
 - (c) tenor;
 - (d) name of Shariah advisor/Shariah board (in case of issuance of Islamic debt security or such other securities which are claimed to be Shariah compliant); and
 - (e) rate of profit.

2. Inside Cover Page:

- (i) The following undertaking by the Issuer:

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

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

For and on behalf of (... Name of the Issuer...and in case of an offer for sale ... name of the offeror...)

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

Name of the Chief Executive Officer

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

Name of the Chief Financial Officer”

- (ii) In case of book building, a supplement to the prospectus as per the following format.
“Supplement to the Prospectus

This Supplement is being published pursuant to Public Offering Regulations 2017 and in continuation of the prospectus of ...(name of the Issuer)... earlier published on MM DD, YYYY.

Name of the Issuer...

- Floor Price
 Strike Price
 Issue Price
 Price Band]

Underwriters to the retail portion of the issue if any

S. No.	Names of underwriter	Number of shares underwritten	Amount (Rs. in million)
(i)			
(ii)			
Total			

Underwriting commission (in %age):

Category-wise breakup of successful bidders

S. No.	Category	No. of bidders	Number of shares provisionally allocated
	Institutional Investors:		
	Commercial banks:		
	Development financial institutions		
	Mutual funds:		
	Insurance companies		
	Investment banks:		
	Employees' provident/ pension funds		
	Leasing companies:		
	Modarabas:		
	Securities brokers		
	Foreign institutional investors		
	Any other		
	Institutional Investors		
	Individual investors:		
	Foreign investors:		
	Local		
	Individual Investors		

3. **Glossary of Technical Terms:** All the technical terms and abbreviations used in prospectus must be defined in the glossary.

4. **Definitions**

5. **Table of Content**

6. **Part I: Approvals, Consents and Listing on the Securities Exchange:**

(i) **Approval of the Commission:** Detail of approvals obtained from the Commission with respect to the issue. The detail must contain nature of approval, date of approval and relevant law.

(ii) The following disclaimer must be given:

“DISCLAIMER:

It must be distinctly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Company and any of its schemes stated herein or for the correctness of any of the statements made or opinions expressed with 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.”

(iii) **Approval of the Securities Exchange:** Detail of approvals obtained from the Securities Exchange with respect to the issue. The detail must contain nature of approval, date of approval and relevant law.

(iv) The following disclaimer must be given:

“DISCLAIMER:

(a) The Securities Exchange has not evaluated the quality of the issue and its approval should not be construed as any commitment of the same. The public/investors should conduct their own independent investigation and analysis regarding the quality of the issue before subscribing.

(b) The publication of this document does not represent solicitation by the Securities Exchange.

(c) 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 Securities 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.

(d) It is clarified that information in this Prospectus should not be construed as advice on any particular matter by the Securities Exchange and must not be treated as a substitute for specific advice.

- (e) The Securities 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.
- (f) The Securities Exchange neither takes responsibility for the correctness of contents of this document nor the ability of the Company to fulfill its obligations there under.
- (g) Advice from a suitably qualified professional should always be sought by investors in relation to any particular investment.”
- (v) Statement on filing of the Prospectus and other documents like experts’ reports and contracts mentioned in the Prospectus, with the registrar of companies.
- (vi) Statement about making of application to the securities exchange for listing of the Issuer, in case of unlisted entity.

7. Part II Summary of the Prospectus:

This part shall contain summary of the following information, as applicable:

- i. Primary business of the Issuer and the industry in which it operates;
- ii. Names of the Sponsors;
- iii. Salient features of the Issue including method of offering;
- iv. Pre and Post issue shareholding of the Sponsors;
- v. Principal purpose of the Issue and utilization of the proceeds;
- vi. Cross-reference to the Part--- titled Valuation Section.
- vii. Qualified opinion, if any given by the auditor during the last three financial years.
- viii. Following details as per the financial statements for last 3 years or for a shorter period if 3 years of commencement of business are not completed in tabular format and cross reference to the Part ----- titled financial information:
 - a. Share capital;
 - b. Net Worth;
 - c. Revenue;
 - d. Gross margin
 - e. Operating margin
 - f. Profit after tax;
 - g. Profit after tax margin;
 - h. Earnings per share;
 - i. Breakup value per share;
 - j. Total borrowings as per the balance sheet;
 - k. Total debt to equity ratio;
 - l. Cash flow from operations
- ix. Summary table of outstanding legal proceedings other than the normal course of business against the issuer its sponsors, substantial shareholders, directors or its associated group companies, over which the issuer has control, that could have material impact on the issuer and a cross-reference to the Part ----- titled “Legal proceeding and Overdue Loans”
- x. Cross-reference to the Part ----- titled ‘Risk Factors’
- xi. Summary of related party transactions for last 3 years

8. Part III Overview, History and Prospects:

- (i) Background and history of the company including its name, registration number, date of incorporation, date of commencement of business, date of conversion into public limited company, description of the business including core and others, if any.
- (ii) Pattern of shareholding of the company.
- (iii) revenue and cost driver of the company in detail
- (iv) Organizational structure of the company; group information, if any;
- (v) Major events in the history of the issuer such as:
 - a) Significant financial or strategic partnerships as per Issuer.
 - b) Time/cost overrun in setting up projects.
 - c) Capacity enhancement, location of plants.
 - d) launch of key products or services.
 - e) entry in new geographies or exit from existing markets.
 - f) Key awards, accreditations or recognition .
 - g) Defaults or rescheduling/ waiver / restructuring of borrowings with financial institutions/ banks.
- (vi) Nature and location of the company's projects, if any; current implementation and operational status of the projects; nature and type of plant and machinery; total capacity and capacity utilization; financial plan with detailed breakup, in case the proceeds of the issue are to be used for financing a project.
- (vii) Infrastructure facilities like roads, buildings, housing colonies; utilities like water, electricity; raw materials.
- (viii) Product or services of the issuer:
 - a) Nature of the product(s)/services
 - b) Approach to marketing of products and services
- (ix) End users, demand for the products, names of the competitors.
- (x) Intellectual property rights
- (xi) Details of material property
- (xii) Future prospects, demand outlook.
- (xiii) Vendors to the issuer
- (xiv) Approvals: All government and other approvals which are material and necessary for carrying on the business of the issuer.
- (xv) Group Structure of the Issuer showing shareholding in relative and absolute term.
- (xvi) Details regarding Associated companies of the issuer including:

- a) Name of company
 - b) Nature of business
 - c) Nature of relation
 - d) Shareholding of Issuer
- (xvii) Related parties' transactions, if any and their significance on the financial performance of the Issuer.
- (xviii) Performance for the last three years, of associated listed companies of the Issuer over which the issuer has control along with following information:
- a) Name of the company;
 - b) Date of incorporation;
 - c) Registration number;
 - d) Nature of business
 - e) date of listing;
 - f) Paid-up-capital; equity; total assets; total liabilities; profit before and after tax; rate of cash dividends paid; break-up value per share; earning per share, return on equity and return on assets.
- (xix) Industry overview and sector analysis.

9. Part IIIA. Share Capital and Related Matters

- (i) Share Capital in tabular form (both existing and post IPO) along-with necessary notes relating to the issued and allocated shares, if any.
- (ii) Pattern of shareholding of the issuer in both relative and absolute terms.
- (iii) Number of shares held by the sponsors of the Issuer that shall be kept in blocked form as per regulation 5 of these regulations.
- (iv) Present issue size of the issue with detailed break-up of allocation to Pre-IPO investors including their names, employees, non-resident Pakistanis etc., if any and general public.
- (v) Details of Green Shoe Option, if any:
 - (a) Maximum number of equity shares under green shoe option
 - (b) Maximum amount of funds to be received by the issuer in case of oversubscription.
- (vi) Break up of shares issued during preceding years.
- (vii) Bonus shares, right shares and non-cash shares issued during the preceding years.
- (viii) Details of employee's stock option scheme, if any offered to the employees.
- (ix) Shares issued at a price lower than the offer price during the preceding one year.
- (x) Undertaking from the Sponsors of the Issuer that IPO proceeds shall be utilized as per the purpose disclosed in the prospectus.

10. Part IV. Principal Purpose of the Issue and funding arrangements:

- a. Details of the principal purpose of the issue.
- b. Additional disclosures relating to purpose of the issue shall be made in case of the following:
 - i. One of the purpose of the issue is to finance a project:

Details of:

- (a) location of the project;
 - (b) plant and machinery, technology, process, etc. ;
 - i) 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.
 - ii) The percentage and value terms of plant and machinery delivered
 - iii) The percentage and value terms of the plant and machinery for which orders are yet to be placed.
 - (c) The details of the second hand machinery bought or proposed to be bought, if any, including the age of the machines, balance estimated life, performance guarantee etc.
 - (d) The following information regarding persons or entities with whom technical agreement, if any have been entered into shall be given:
 - i) place of registration and year of incorporation.
 - ii) Nature of business
 - iii) paid up share capital.
 - iv) Net worth
 - v) Revenue
 - vi) general information relevant to the issuer.
- ii. One of the purpose of the issue is to finance working capital:
- (a) Basis of estimation of working capital requirement
 - (b) Reasons for raising additional working capital.
- iii. One of the purpose of the issue is to purchase Plant/ Equipment/ Technology:
- a. Details in a tabular form, which shall include the details of the equipment required to be bought by the issuer, cost of the equipment, name of the suppliers, date of placement of order and the date or expected date of supply, etc.
 - b. The percentage and value terms of the equipment delivered
 - c. The percentage and value terms of the equipment for which orders are yet to be placed.
 - d. The details of the second hand equipment bought or proposed to be bought, if any, including the age of the machines, balance estimated life, etc.
 - e. The following information regarding persons or entities with whom technical agreement, if any have been entered into shall be given:
 - i) place of registration and year of incorporation.
 - ii) Nature of business
 - iii) paid up share capital.
 - iv) Net worth
 - v) Revenue
 - vi) general information relevant to the issuer.
- iv. One of the purpose of the issue is to acquire Land:
- a. location of the land
 - b. area of the land
 - c. estimated cost of the land
 - d. Details of whether the land has been acquired by the Issuer
 - e. Title of the land.

- v. One of the purpose of the issue is loan repayment:
 - (a) details of loan proposed to be repaid such as name of the lender, brief terms and conditions and amount outstanding;
 - c. Requirement of Funds.
 - d. Details of source of funding.
 - e. Status of debt financing, if any.
 - f. Details regarding financial close of the project.
 - g. Details of letter of credit, if applicable.
 - h. Utilization of the proceeds at Floor Price:
 - i. Utilization of excess IPO funds, in case the strike price is determined above the floor price.
 - j. Breakup of the funds required and funds already deployed
 - k. 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.
 - l. Details regarding implementation of the project.
 - m. Pre and post expansion production capacity of the Issuer, if applicable.

11. Part IVA: Valuation Section

- ¹[(i) Justifications given by the Consultant to the Issue, if any or the issuer in support of the Offer/ Floor Price set by the Issuer.]
- (ii) Disclosure of Post issue Free Float both in terms of the number of shares and percentage.
- (iii) Disclosure of Peer group comparison with respect to the following:
 - a. Earning per share;
 - b. Book value per share;
 - c. Market value per share;
 - d. P/E multiple;
 - e. P/B multiple;
 - f. Return on Equity;
 - g. Return on Assets; and
 - h. Free Float as number of shares as well as in percentage

12. Part V: In case of issue of debt securities (Islamic and conventional): In case of issue of debt securities, the following shall be disclosed, inter-alia,-

- (i) Structure of the issue, i.e. issue size with breakup of pre-IPO placement, if any, preferential allocation, if any, and allocation to the general public.
- (ii) Salient features of the issue including its tenor, rate of return, denomination of the certificate, market lot, secured/unsecured, credit rating details, purpose of the issue and utilization the proceeds thereof; brief security arrangement with

¹ Substituted for the text “(i) Justifications given by the Consultant to the Issue in support of the Offer/ Floor Price set by the Issuer, by taking into account various aspects including eligibility requirements and suitability of the Issuer or security for listing considering the interest of general public and its benefits to the capital market.

Explanation: The term suitability with regard to listing includes assessing various risks involved such as sector risk, operational risk, legal risk, etc, track record of sponsors, quality and capability of the management, past financial performance of the Issuer, future strategies of the Issuer, dividend payout history, financial projections, financial viability, dividend policy, etc.” vide SRO 819(I)/2020 dated September 7, 2020

- reference to main part on security in case of secured, restrictions and covenants, if any; opening and closing of the subscription list; investors eligibility; facilities available to investors local, foreign and NRPs, minimum application amount and basis of allotment; minimum amount that must be raised; refund/unblocking of subscription money of the unsuccessful applications; issue, credit of securities; procedure for transfer of securities.
- (iii) Details of outstanding debt securities issued during preceding years along with date of issue, issue size, amount redeemed, amount outstanding; amount of profit paid; tenor; and credit rating.
 - (iv) Redemption schedule; redemption reserve, if any.
 - (v) Interest of the existing holders of the security being issued; nature of the security whether registered or bearer;
 - (vi) Options like conversion option, put options, call option etc.
 - (vii) Market Making and liquidity
 - (viii) Deduction of Zakat
 - (ix) Taxations, like applicability of tax on income from investment in the security; withholding tax, capital gain tax, stamp duty, capital value tax etc.
 - (x) Deferred Taxation
 - (xi) In case of issue of Shariah compliant securities, structure of the instrument, Shariah principle based of which the instrument is structured; name and profile of the Shariah advisor; Shariah Certificate by the Shariah advisor.

13. Part VI: Risk Factors:

- i. Risk factors shall be classified as internal and external risk factor.
- ii. Risk factors shall be disclosed in the descending order of materiality.
- iii. 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.
- iv. Additional risk factors relating to the following areas shall necessarily be disclosed in the prospectus, 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.
- v. A statement that to the best of our knowledge and belief all risk factors have been disclosed shall be given immediately after the risk factors.

14. Part VII: Financial Information:

- (i) Auditor's report as certificate on issued, subscribed and paid-up capital.
- (ii) Auditor's certificate on break-up value per share, free float before and after Issue.
- (iii) In case of subsidiaries auditors' certificates based on consolidated accounts of the issuing company.
- (iv) Latest management/un-audited accounts of the company, if any.
- (v) Summary of financial highlights of the Issuer along with key financial ratios for the last 3 years or for a shorter period if 3 years of commencement of business are not completed.
- (vi) Summary of major items of revenue and expenditure for the last 3 years.
- (vii) Bifurcation of revenue with respect to local and export sales, if applicable.
- (viii) Summary of revenue on account of major product/major activities.
- (ix) In case other income constitute more than 25% of the operating income or 10% of the Revenue, the breakup of the same along with the nature of the income i.e. recurring or nonrecurring.
- (x) If a material part of the revenue i.e. 50% or more is dependent upon a single customer or few major customers than the same shall be disclosed.
- (xi) If the material part of the company's purchases i.e. 50% or more is dependent upon a single supplier or few major suppliers then the same shall be disclosed.
- (xii) Comparative financial analysis with peer group companies.

15. Part VIIA: Revaluation of the assets

Details of valuation, if any, of assets

16. Part VIIB: Dividend policy:

- i. Dividend policy: The Issuer shall clearly mention its existing dividend policy, past 5 years dividend track record and future dividend policy. The Issuer shall clearly state the factors on which future dividend payments would depend. These factors may include earnings, capital requirements, contractual obligations including restrictive covenants under financing agreements the Issuer may enter into to finance the fund requirements for its business activities, applicable legal restrictions and overall financial position and projections of the Issuer.
- ii. Dividend payout history of listed associated companies over which the Issuer has

control.

17. Part VIIC: Credit Rating (in case of debt securities):

- (i) Credit rating report in summarized/press release form.
- (ii) Complete credit rating report showing instrument or entity rating, whichever is applicable;
- (iii) Credit rating of the Issuer for the last three years, if undertaken, along with name of the respective rating agency;

18. Part VIID: Trustee and Security (in case of debt securities):

- (i) Details of security and assets backing the instrument including nature of assets, book value of the assets as per the latest audited accounts; nature of charge established in favour of the Trustee, number and nature of charges on the said assets; names of the creditors having charge on these assets; and aggregate amount and type of such borrowing;
- (ii) Name of the Trustee, amount or rate of fee payable to the trustee;
- (iii) Event of defaults as mentioned in the Trust Deed;
- (iv) Circumstance under which security becomes enforceable;
- (v) Mechanism for enforcement of security including authority by way of special resolution by the security holders; quorum of the meeting; authority for approval of resolution etc.

¹**[Part VIIE: Investment agent and Security** (in case of debt securities):

- (i) Details of security and assets backing the instrument including nature of assets, book value of the assets as per the latest audited accounts; nature of charge established in favor of the investment agent, number and nature of charges on the said assets; names of the creditors having charge on these assets; and aggregate amount and type of such borrowing;
- (ii) Name of the investment agent, amount or rate of fee payable to the investment agent;
- (iii) Event of defaults as mentioned in the issuance agreement;
- (iv) Circumstance under which security becomes enforceable;
- (v) Mechanism for enforcement of security including authority by way of special resolution by the security holders; quorum of the meeting; authority for approval of resolution etc.]

19. Part VIII: Management of the Company

- (i) Composition of the board of directors of the company along with their names, executive or non-executive director, independent director or otherwise, addresses, CNIC number, brief profile, qualification, period of directorship and directorship in other companies.
- (ii) For each director, details of current and past directorship(s) in listed companies whose shares have been/were suspended from being traded on the securities exchange during his/her tenure, as follows:
 - a. Name of the Company:
 - b. date of Listing
 - c. reasons for suspension and period of suspension.

¹ Inserted vide SRO 1383(I)/2020 December 23, 2020

- b) If the suspension of trading revoked,
 - c) the date of revocation of suspension.
 - d) Term of the director in the above company/companies.
- (iii) For each director, details of current and past directorship(s) in listed companies which have been/were delisted from the stock exchange(s), during his/her tenure, as follows:
- a) Name of the Company
 - b) Date of Listing
 - c) Date of delisting
 - d) Compulsory or voluntary delisting:
 - e) Reasons for delisting:
 - f) Term of the director in the above company/companies.
- (iv) Profile of the senior management including chief executive officer, chief financial officer, chief operating officer and company secretary.
- (v) Appointment and election of directors and chief executive
- (vi) Interest of the directors and promoters along with number and value of shares held by each of them, if any.
- (vii) Interest of the director and promoter in property/assets and profit of the company.
- (viii) Benefits (monetary or otherwise) provided to sponsors, substantial shareholders and directors during last three years.
- (ix) Composition of the audit committee and its role and responsibilities.
- (x) Powers of the directors including any borrowing power
- (xvii) Indemnity available to the board of directors and other employees of the company.
- Statement on compliance with the code of corporate governance

20. Part IX: Legal proceedings and overdue loans:

- i. Legal proceedings:
 - a) 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.
 - b) 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.
- ii. Overdue loans: Details of overdue amount, if any appearing in the Credit information Bureau (CIB) report of the Issuer, its sponsors, promoters, substantial shareholders, directors and associated group companies over which the issuer has control.

21. Part X: Underwriting arrangement, Commissions, Brokerage and other Expenses:

- (i) Underwriting; name of the underwriters and amount underwritten by each of them.
- (ii) Opinion of the directors regarding resources of the underwriters

- (iii) Rate of the underwriting and take up commission.
- (iv) Statement about non-execution of any buy-back, or repurchase agreement between the underwriters or their associates and the Issuer or its associates.
- (v) Fees and expenses for Centralized E-PO system.
- (vi) Rate of commission to the banker to an issue.
- (vii) Rate of the brokerage commission.
- (viii) Fees and expenses for Shariah advisory and Shariah audit in case of Shariah compliant debt security.
- (vi) Breakup of the expenses of the issue including fee/amount payable to (a) consultant to the issue; the book runners; the ballotters and registrar to the issue; the underwriters; listing fee; CDC fee; SECP fee; printing and publication cost fee etc.

22. Part XI: Miscellaneous Information

- (i) Address of the registered and corporate office of the company (complete address, telephone & fax numbers and e-mail address)
- (ii) Name, address, telephone number and email address of bankers to the company
- (iii) Name, address, telephone number and email address of the company's auditors
- (iv) Name, address, telephone number and email address of the legal advisors to the company
- (v) Name, address, telephone number and email address of legal advisor to the issue
- (vi) Name, address, telephone number and email address of the ballotters and share registrar
- (vii) Name, address, telephone number and email address of Consultant to the Issue

23. Part XII: Material Contracts:

- i. Details of material contracts referred to in the prospectus like:
 - a) underwriting agreements,
 - b) due diligence reports by the underwriters and consultant to the issue,
 - c) private placement agreements,
 - d) project related agreements,
 - e) long term and short-term financing agreements
 - f) technical agreements,
 - g) letter of credits and bank/corporate guarantees,
 - h) related party agreements. etc.
- (ii) Title and date of document/contract, parties to the contract, amount involved, if any, etc.
- (iii) Inspection of Documents & Contracts by security exchange

Place and timing where documents relating to the Issuer and the issue can be inspected. The documents to be made available there must include copies of all those agreements, contracts, reports etc. referred to in the prospectus. The timing of inspection must be the usual business hours on working days at the registered office of the company from the date of publication of the prospectus until the closing of subscription list.

24 Part XIII:- Book Building Procedure/instructions for registration and bidding:

- (i) In case of issue through book building, information needed to be disclosed i.e.

- number of shares allocated under the book building portion and retail portion, Floor Price and the Price Band,
- (ii) Types of bids and procedure for making a bid.
 - (iii) Mechanism for determination of the strike price.
 - (iv) Time frame for intimation to the successful bidders. Mechanism for payment of the balance amount by the successful bidders
 - (v) Name of the book runner, its roles and responsibilities, Address, telephone number, cell number and fax number of the bid collection centers.
 - (vi) Name of the designated institution and its roles and responsibilities.
 - (vii) Role and responsibilities of the Issuer.
 - (viii) Opening and closing of the bidding period.
 - (ix) Eligibility to participate in bidding.
 - (x) Information about availability of the prospectus, the registration form, and the bidding form.
 - (xi) Procedure for registration.
 - (xii) Procedure for bidding.
 - (xiii) Title and number of the bank account for book building portion of the issue and Mechanism for payment of the margin money into the book building account.
 - (xiv) Procedure for payment of the margin money by the foreign investors.
 - (xv) Procedure for rejection of bids.
 - (xvi) Time frame for upward revision of bids by the bidder.
 - (xvii) Procedure for withdrawal of issue.
 - (xviii) Mechanism for determination of strike price.
 - (xix) Basis of allotment of share.
 - (a) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
 - (b) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis
 - (i) Mechanism and mode for refunding/unblocking of the margin money.
 - (ii) Procedure and time frame for publication of the supplement to the prospectus.
 - (iii) Procedure for allotment of shares in case of 100% book building and allotment of unsubscribed retail portion to the bidders.

25. Part XIV: Application and Allotment instructions for retail portion:

- i. Eligible Investors Instructions for submitting application.
- ii. Opening and closing of subscription list. Procedure for public subscription through physical form.
- iii. Procedure for public subscription through Centralized E-PO System and other additional electronic system
- iv. Facilities available to local, Non-Resident Pakistanis and Foreign Investors.
- v. Code of occupation of investors/applicants.
- vi. Nationality Code.
- vii. Minimum amount of application and basis for allotment of shares.
- viii. Refund/Unblocking of subscription money to unsuccessful applicants.
- ix. Minimum amount of application and basis of allotment.
- x. Issue and credit of shares.
- xi. Transfer of shares.

- xii. List of Bankers to the Issue
- xiii. List of E-IPO facilities
- xiv. Interest of share holders
- xv. Eligibility for dividend
- xvi. Deduction of Zakat.
- xvii. Taxations, like applicability of capital gain tax, withholding tax on dividends, tax on bonus shares, federal excise duty and capital value tax & withholding tax on sale/purchase of shares.
- xviii. Tax on income of the Issuer, sales tax.
- xix. Deferred taxation.
- xx. Tax credit for enlistment, tax credit for investment in IPOs.

26. Part XV: Signatories to the Prospectus:

- (i) List of the signatories to the prospectus and their signatures in original duly dated and witnessed
- (ii) The Prospectus should be signed by every director and CEO of the Issuer and shall be duly witnessed.

Provided that in case of offer for sale of shares the prospectus should also be signed by every Offeror or the persons authorized in writing by the Offerors

27. Part XVI: Memorandum of Association:

Memorandum of Association of the Issuer

28. Application Form

The application form both front and back containing instructions and other information

29. Bidding Form

The bidding form both front and back containing bidding procedure, strike price determination mechanism and basis of allotment.

Section 2

REPORTS TO BE SET OUT IN THE PROSPECTUS

1. A report made by auditors (who shall be named in the prospectus) for each of the two financial year immediately preceding the issue of the prospectus with respect to the following:
 - (a) Profits and losses and assets and liabilities, in accordance with the clause (2) or (3), as the case may require; and
 - (b) the details of dividend (date, rate, class of shares) paid by company during last two financial years immediately preceding the issue of prospectus of the company. if no accounts have been made up in respect of any part of the period of two years ending on a date three months before the issue of the prospectus, containing a statement of that fact.
2. If the company has no subsidiaries, the report shall so far as regards profits and losses, assets and liabilities for each of the two financial years immediately preceding the issue of the prospectus;

3. If the company has subsidiaries, the report shall so far as regards profits and losses, assets and liabilities of the company as a whole with combined profits and losses of its subsidiaries, and individually with profit and losses of each subsidiary concern;
4. If any shares have been or are to be issued or the proceeds, or any part of the proceeds, of the issue of the securities are or is to be applied directly or indirectly for the purchase of any business and by reason of that purchase entitled to an interest, as respects either the capital or profits and losses or both, in such business exceeding fifty per cent thereof, a report made by auditors (who shall be named in the prospectus) upon profit and losses and assets and liabilities of the business;
5. If the proceeds, or any part of the proceeds, of the issue of the shares or debt securities are or is to be applied directly or indirectly in any manner resulting in the acquisition by the company of shares in any other body corporate and by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate will become a subsidiary of the company, a report made by auditors (who shall be named in the prospectus) upon the profits or losses, the assets and liabilities of the other body corporate for each of the two financial year immediately preceding the issue of the prospectus;
6. The said report shall indicate how the business acquired is in the best interest of shareholders of the issuer. Where the business being acquired has subsidiaries, how such subsidiaries are in the best interest of shareholders;
- ¹[7. In case of debt security following need to be incorporated, as applicable, -
 - (a) summary of the credit rating report by the credit rating agency;
 - (b) report by the company's auditors on security backing the issue;
 - (c) report by the Debt Securities Trustee that the security arranged and the mechanism for its enforcement, if needed, is appropriate for safeguarding interest of the security holders;
 - (d) report by the Investment agent that the security arranged and the mechanism for its enforcement, if needed, is appropriate for safeguarding interest of the security holders]
8. Statement on accuracy of the contents of the prospectus; and
9. The Chief Executive and Chief Financial Officer of the company shall certify that the prospectus constitutes a full, true and plain disclosure of all material facts relating to the securities offered by the prospectus.]

¹ Substituted for the text "7. In case of debt security, summary of the credit rating report by the credit rating agency, report by the company's auditors on security backing the issue and report by the debt security trustee that the security arranged and the mechanism for its enforcement, if needed, is appropriate for safeguarding interest of the security holders;" vide SRO 1383(I)/2020 December 23, 2020

SECOND SCHEDULE
MATTERS TO BE SPECIFIED IN THE ABRIDGED PROSPECTUS AND
REPORTS TO BE SET OUT THEREIN

1. The matters to be specified in the abridged prospectus and the reports to be given therein must be the same as provided in the full prospectus but, subject to provisions of this Schedule, in condensed or briefed form. The abridged prospectus must not contain any such information, material or report that is not contained in or part of the full prospectus.
2. The word, abridged must appear as a prefix to the word prospectus throughout the document.
3. Website addresses from where the complete prospectus along with experts reports, securities subscription application form and/or bidding form can be downloaded.
4. Addresses from where copies of the prospectus along with experts report can be obtained in physical form along with time and dates for collection.
5. Advices for investors, relating to reading of risk factors; prohibition of making false and fictitious application; consolidated and multiple bids etc.
6. The following information relating to the Issuer and the issue:
 - i. name of the Issuer; issued capital; date of incorporation, nature of the principle business, components of operations and five years financial summary;
 - ii. type of security; size of the issue including pre-IPO placement, if any, and offer price; dates for public subscription and minimum amount of application;
 - iii. in case of book building, minimum bid value; date and time for registration of the prospective bidders; bidding period; date and time for revision of bids; rejection of bids;
 - iv. Valuation Section as appearing in the prospectus
 - v. Disclosure regarding availability of Centralized E-PO System and any other additional electronic system offered for Public Subscription
 - ¹[vi. in case of debt security additional information like, as applicable,
 - (a) tenor;
 - (b) rate of return/profit;
 - (c) redemption schedule;
 - (d) Option details;
 - (e) redemption reserve;
 - (f) name and contact details of the debt securities trustee
 - (g) Name and contact details of the investment agent;
 - (h) Name and contact details of the credit rating company;]

¹ Substituted for the text “vi. in case of debt security additional information like tenor; rate of return/profit; redemption schedule; call, put, conversion options, if any; redemption reserve, if any; name and contact detail of the debt securities trustee and the credit rating company;” vide SRO 1383(I)/2020 December 23, 2020.

- vii. in case of issue of Sukuk, additional information like name of the Shariah Advisor, brief on the transaction structure, Shariah Certificate by the Shariah Advisors, etc; and
 - viii. Principal purposes of the issue.
7. Detail of approvals obtained including date of approval, name of the approving authority, relevant law and clause under which approval has been granted; disclaimer, if any, by the approving authority;
 8. Names of the underwriter(s) and amount underwritten by each of them, if relevant;
 - ¹[9. Address and other contact detail of the following, as applicable:
 - (a) Consultant to the issue;
 - (b) the book runner;
 - (c) bid collection centres;
 - (d) all bankers to an issue;
 - (e) the ballotters;
 - (f) the transfer agents;
 - (g) the auditors of the Issuer;
 - (h) legal advisor to the issue;
 - (i) the debt securities trustee;
 - (j) the investment agent;
 - (k) the credit rating agency;
 - (l) Shariah advisors;]
 10. The abridged prospectus must be signed and witnessed in such form and manner as the full prospectus.

¹ Substituted for the text “9. Address and other contact detail of the Consultant to the issue, the book runner and bid collection centres, all the bankers to an issue, the ballotters and transfer agents, the auditors of the Issuer, legal advisor to the issue, the debt securities trustee, the credit rating agency, Shariah advisors, market maker, if relevant; and.” Vide SRO 1383(I)/2020 December 23, 2020.

THIRD SCHEDULE
CONTENTS OF THE ADVERTISEMENT FOR PUBLIC OFFER OF SECURITIES

1. The matters to be specified in an advertisement to be published, telecasted or broadcasted, subsequent to publication of prospectus in full or in abridged form must contain only such material or information that is contained in or part of the prospectus.
2. Advices for investors, relating to reading of risk factors; prohibition of making false and fictitious application; consolidated and multiple bids; seeking professional advice before making investment decision etc. must be given.
3. The following information relating to the Issuer and the issue shall be disclosed in the advertisement:
 - (i) Name of Issuer, number of securities to be offered; offer price; bankers to an issue; consultant to the issue, and contact detail of the person who can be contacted by the investors for information about the issue;
 - (ii) Website addresses from where the complete prospectus along with experts reports, securities subscription application form and/or bidding form can be downloaded;
 - (iii) Addresses from where copies of the prospectus along with experts report can be obtained in physical form alongwith time and dates for collection;
 - (iv) In case of book building, the following additional information shall be disclosed:
 - (a) Bidding period; floor price; ¹[Price Band] and
 - (b) name of the book runner; address and contact detail of the bid collection centers.
 - ²[(v) In case of debt security, the following additional information, as applicable, shall be disclosed:
 - (a) Entity and instrument rating;
 - (b) rate of return of the instrument;
 - (c) tenor of the instrument;
 - (d) Name of the rating agency;
 - (e) Name of the debt security trustee;
 - (f) Name of the Investment Agent;
 - (g) Name of the Shariah advisors.]
4. Any other information or material that the Commission deems necessary to be disclosed.
5. It is the responsibility of Issuers to ensure that the advertisements comply with all other relevant laws and Regulations.

¹ Inserted vide SRO 7(I)/2018 dated January 5, 2018

² Substituted for the text “(v) In case of debt security, the following additional information shall be disclosed:

(a) Entity and instrument rating, rate of return; tenor; and

(b) Names of the rating agency, the debt security trustee and the Shariah advisors.” Vide SRO 1383(I)/2020 December 23, 2020.

6. The advertisements should be published at least in all those newspapers in which the prospectus or the abridged version of prospectus has been published.

FOURTH SCHEDULE
MATTERS TO BE SPECIFIED IN THE SUPPLEMENT TO THE PROSPECTUS
AND REPORTS TO BE SET OUT THEREIN

- (1) Supplement to the prospectus shall be published in all those newspapers in which the shelf prospectus has been published.
- (2) The period between publication of supplement to the prospectus and the previous supplement to the prospectus or shelf prospectus should not be less than ¹[30 days].
- (3) The last supplement to the prospectus shall be published within a time period of not more than three years from the date of publication of the shelf prospectus.
- (4) The supplement to the prospectus for each issue shall contain updated status of the information contained in the shelf prospectus. The supplement to the prospectus shall contain the following:
 - (i) Reference of the shelf prospectus including date of publication of the shelf prospectus and date of publication of the supplements published earlier, if any;
 - (ii) Advices for investors, relating to reading of risk factors; prohibition of making false and fictitious application; consolidated and multiple bids etc.;
 - (iii) name of the Issuer;; number of securities to be issued under this tranche; the offer price; date of subscription; subscription period; name of advisors and consultant to the issue, name of the bankers to an issue; names of underwriters;
 - (iv) date of publication of the supplement to the prospectus;
 - (v) contact details of the relevant person for seeking further information by investors;
 - (vi) website addresses from where the shelf prospectus, the supplement to the prospectus earlier published, if any, the supplement to the prospectus, application and bidding forms can be downloaded;
 - (vii) name of the offeror, if any; type of security; size of the issue including pre-IPO placement, if any, and offer price; dates for public subscription; minimum amount of application and basis of allotment; refund of subscription money; transfer, issue ²[] and credit of securities;
 - (viii) in case of debt security additional information like tenor; rate of return; redemption schedule; call, put, conversion options, if any; detail of assets backing the instrument; redemption reserve, if any; amount raised through earlier tranches;
 - (ix) in case of issue of Sukuk, additional information like transaction structure, names and role of related parties like originator, service providers etc;
 - (x) in case of book building, the bidding procedure including investors' eligibility for bidding; minimum bid value; date and time for registration of the prospective bidders; bidding period; date and time for revision and withdrawal

¹ Substituted for the words "six months" vide SRO 1619 (I)/2019 dated December 26, 2019

² Deleted the words " , dispatch" vide SRO 7(I)/2018 dated January 5, 2018

of bids; rejection of bids; strike price determination; basis of allotment, refund/unblocking of margin money;

- (xi) Pricing of the security being offered;
- (xii) Minimum amount which must be raised;
- (xiii) Dividend history of the company;
- (xiv) in case of debt security additional information like tenor; rate of return; redemption schedule; call, put, conversion options, if any; credit rating; name of the rating agency; detail of assets backing the instrument; redemption reserve, if any;
- (xv) Addresses from where copies of the prospectus can be obtained in physical form along with time and dates for collection;
- (xvi) detail of approvals obtained including date of approval, name of the approving authority, relevant law and clause under which approval has been granted; disclaimer, if any, by the approving authority and name of the securities exchange where the security will be listed;
- (xvii) All risk factors which in the opinion of the company may be assumed by investor whether specific to the issuer; and
- (xvii) financial snapshots based on last ¹[three years].

REPORTS TO BE SET OUT IN THE SUPPLEMENT TO THE PROSPECTUS

In the supplement to the prospectus, the following reports and statements shall be set out:

- (1) Auditors updated reports on income statement, balance sheet, paid up capital and breakup value per share in the form and manner as disclosed in full prospectus.
- (2) In case of debt security:
 - (i) summary of the updated, if any, credit rating report by the credit rating agency;
²[]
- (3) In case of Sukuk and asset based securitization transaction, brief on the transaction structure.
- (4) In case of Sukuk or other Shariah compliant instrument, Shariah pronouncement (Fatwa) by the Shariah advisors to the issue.

¹ Substituted for the words “five years audited accounts” vide SRO 1619 (I)/2019 dated December 26, 2019

² Deleted the text “(ii) report by the company’s auditors on security backing the issue; and

(iii) report by the debt security trustee that the security arranged and the mechanism for its enforcement, if needed, is appropriate for safeguarding interest of the security holders.” Vide SRO 1619 (I)/2019 dated December 26, 2019

- (5) A statement by the board of directors or by the chief executive officer or the chief financial officer duly authorized by the board that the supplement contains a fair summary of the key information set out in the prospectus.

**¹[FIFTH SCHEDULE
PROCESSING FEE**

- (i) In case of public offering of equity securities of a company: Rs.200,000/ -
- (ii) In case of issuance of debt security: Rs.100,000/-

[*fee revised as per the directive of Policy Board vide SRO 716(I)/2019, dated 2nd July, 2019]]

¹ Substituted for the entire “**FIFTH SCHEDULE
PROCESSING FEE**

(i) In case of public offering of equity securities of an unlisted company: Rs.500,000/- plus 0.025% of the post listed paid-up capital

(ii) In case of public offering of equity securities of a listed company: Rs.500,000/-

(iii) In case of issuance of debt security: Rs.100,000/-” vide SRO 1286(I)/2019 dated October 28, 2019

SIXTH SCHEDULE

CHECKLIST OF DOCUMENTS IN CASE OF ISSUE/LISTING OF SECURITIES (GDRs/GDSs/Bonds) OUTSIDE PAKISTAN UNDER SECTION 1¹95 OF THE SECURITIES ACT, 2015]

S.#	Name of Document
1	Application by the applicant under section 95 of the Act.
2	Copy of the draft Offering Circular for issue of securities outside Pakistan by the Company
3	Copy of Memorandum and Articles of Association containing Certificates of Incorporation and Commencement of Business, duly certified from the concerned Company Registration office (CRO)
4	Copy of approval as required under ² [clause (b) of sub-section (1) of section 83 of the Companies Act, 2017] for issuance of shares by way of other than right offer, (<i>where applicable</i>).
5	Copy of special resolution, on Form 26 duly certified from Company Registration Office(CRO) concerned, passed in the AGM/EOGM of the members of the Company regarding issuance of securities outside Pakistan;
6	Copy of the notice of general meeting in which approval of the members obtained.
7	Confirmation that copy of the above mentioned special resolution has been submitted to the securities exchanges
8	Detailed justification for the issuance of the securities (GDRs GDSs/Bond) outside Pakistan
9	Complete break-up of the utilization of the proceeds of the GDRs GDSs/Bond issue.
10	Complete detail of the projects, if any, alongwith its feasibility, which will be financed through the proceeds of the GDRs/GDSs/Bond issue;
11	Copy of the resolution passed in the Board of Director's meeting of the Company authorizing issuance of GDRs/GDSs/Bond outside Pakistan;
12	Five years financial projections of the Company duly reviewed by its auditors or any other audit firm;
13	Copy of approval of SBP and that of any other approval/NOC obtained from any regulatory authority/agency/department with respect to the proposed issue of GDRs/GDSs/Bond;
14	Detail of international regulatory requirements relating to the proposed issue of GDRs/GDSs/Bond and compliance status with these requirements by the Company;
15	Copy of audited annual accounts of the Company for the last five years alongwith latest quarterly and half yearly accounts;
16	Copy of CIB reports of the Company, its directors, associated and subsidiary companies;
17	Copy of Credit Rating Report (for both entity and the instrument) in case of debt securities.

¹ Substituted for the words "62-A OF THE COMPANIES ORDINANCE, 1984" vide SRO 838(I)/2017 dated August 23, 2017

² Substituted for the words "proviso to sub-section (1) of Section 86 of the Companies Ordinance, 1984" vide SRO 838(I)/2017 dated August 23, 2017

18	Complete group structure along with shareholding position of the group in each group company;
19	Complete latest pattern of shareholding of the Company in hard and soft form (both before and after issue of GDRs/GDSs/Bonds);
20	Affidavit on Non-judicial stamp paper from Chief Executive on accuracy of the disclosure made in the Offering Circular, Term Sheet and all documents submitted in connection with the proposed issue of GDRs/GDSs/Bond to the Commission, duly certified by the Oath Commissioner;
21	Copy of the term sheet containing of shares and Amount); (ii) number of shares that represents each GDRs/GDSs or number of shares to be issued in case of conversion of Bonds ; (iii) name of Depository; (iv) name of custodian; (v) name of lead manager, book runner, underwriter, co-lead manager, local financial advisor etc.; (vi) timeline for issuance of GDRs/GDSs/Bond; (vii) Legal provisions under which GDRs/GDSs/Bond will be issued and governed; (viii) name of the Stock Exchange on which GDRs/GDSs/Bond will be listed (ix) rights and entitlement of GDRs/GDSs/Bond holder; (x) mechanism of conversion of GDRs/GDSs/Bond into ordinary shares; (xi) Breakup of the expenses related to the proposed issue of GDRs/GDSs/Bond; (xii) the amount and percentage of Commission payable to the underwriters etc.(xiii) complete redemption schedule in case of issue of debt securities.
22	Consent to act as Global-coordinator, Lead manager, financial advisor and/or Book runner;
23	Name of countries where the proposed GDRs/GDSs/Bond will be offered
24	Receipted challan of the application filing and processing fee
25	Power of Attorney, on Non-Judicial Stamp Paper, in favor of local consultants to the issue, certified by the Notary Public.

Note: Copies of all the documents should be truly certified by the Company Secretary.

1["Seventh Schedule

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(7) OF THE SECURITIES ACT, 2015

AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015

عوام الناس کو مطلع کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی شق نمبر (7) کے تحت جھوٹی یا جعلی درخواستیں دینا قانوناً جرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ایکٹ 2015 کی شق نمبر (8) کے تحت ضبط کی جاسکتی ہے۔



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

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

Name of the Issuer

SUBSCRIPTION DATES

APPLICATION FOR SUBSCRIPTION OF SECURITIES

As per the Section 72 of Companies Act 2017, the securities shall be issued in book-entry form only. Therefore, securities of Name of the Issuer shall only be issued in scrip-less form in the CDS of CDCPL (Refer to instruction No.4 on the reverse hereof)

From D/M/Y to D/M/Y during banking hours

Broker's stamp & Code

PSX

Code

Banker's Stamp

Bank Code

Branch Code

Application Serial No.

CDC PARTICIPANT / ACCOUNT HOLDER	SUB ACCOUNT NUMBER	HOUSE A/C
OR		
CDC INVESTOR ACCOUNT SERVICES ID	CDC INVESTOR ACCOUNT NO.	Do you want to avail CDC's facility of IPO FACILITATION ACCOUNT* Yes No

The Directors,
Name of the Issuer,
Address of the Issuer.

1) I/We apply for the following number of securities at issue price for the value indicated below:

No of Securities Applied For	Amount Payable in PKR	Cheque / Demand Draft / Pay Order No.
------------------------------	-----------------------	---------------------------------------

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

For Pakistanis	
Resident	01
Non-resident	02

3) DECLARATION

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

4) ALL DETAILS MUST BE WRITTEN IN _____

a) **B L O C K - L E T T E R S** b) _____ IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN

a) Name in FULL (as per CNIC) Mr Ms Mr Co. Please Tick			
Father's/ Husband's Name (as per CNIC)			
Identity Number (CNIC/ Passport / Identity Number (NTN*))			
* INVESTORS ARE ENCOURAGED TO DISCLOSED THEIR NTN NUMBER TO FACILITATE THE ISSUER TO CHECK STATUS OF SECURITIES HOLDERS AS TAX RETURN FILER OR NON FILER FROM THE ACTIVE TAXPAYER LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15% APPLIES TO FILERS INSTEAD			
Full Address ³ [(including Email Address)]			
Phone No. ⁴ [(including Mobile Number)]	Occupation Code	Muslim	Non-Muslim
International Bank Account Number (IBAN)			
Bank Name			
Branch Name & Address			
Additional Information – For Non-Resident Pakistanis and Foreign Investor Only			
Place of Issue of Passport	Date of Issue of Passport		
Corporate Business Letter enclosed	Yes	No	Nationality Code
		Country of Residence	
5) FOR JOINT HOLDER, IF ANY			
b) Name in Full (as per CNIC) Mr Ms Mr Co. Please Tick			
Identity Number (CNIC / Passport /Registration No.)			
DIVIDEND MANDATE: (Mandatory) In order to enable the Company to credit the cash dividend declared, if any, by the Company, directly in the Securities Holders' bank account, please fill in the following boxes:			
Title of Account			
International Bank Account Number (IBAN)			
Bank Name			

1 Inserted vide SRO 7(I)/2018 dated January 5, 2018

2 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

3 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

4 Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

Branch Name And Address		
(TO BE FILLED IN BY THE APPLICANT'S BANKER)		
6.) It is certified that the above-mentioned applicant (s) is/are maintaining account number as mentioned above at this bank branch and his/her/their particulars and signature (s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us. Note: In case the subscription money is paid through a bank other than the bankers to the offer (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.		Bank's Authorized Signatory Bank's Rubber Stamp
SPECIMEN SIGNATURE(S) OF THE APPLICANT		
NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)		SPECIMEN SIGNATURE(S)
a		
b		
Banker's to the Offer: Provisional acknowledgement of application for Securities of Name of Issuer Received from Mr/Ms/Mrs. application for Securities		Bank's Authorized Signatory Bank's
Name of bank	Branch Code	Application Serial No. Date of Receipt
IMPORTANT: (i) This slip must be retained by the Applicant ii) Please read instructions provided with this application		

Back Page

APPLICATION AND ALLOTMENT INSTRUCTIONS

1. ELIGIBLE INVESTORS INCLUDE:

- (a) Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including Pakistani nationality;
- (b) Foreign Nationals whether living in or outside Pakistan;
- (c) Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
- (d) Mutual Funds, Provident / pension / gratuity funds / trusts, (subject to the terms of the Trust Deed and existing regulations); and
- (e) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

2. COPIES OF THE PROSPECTUS

Copies of the Prospectus and applications forms can be obtained from the Trading Rights Entitlement Certificate (TREC) Holders of PSX, the Bankers to the Issue and their Branches, the Consultant to the issue and the registered office of the **Name of the Issuer**. The Prospectus and the Application Forms can also be downloaded from the following websites:

- (i) website address of the Issuer; (ii) website address of Consultant to the Issue; and
<https://eipo.cdcaccess.com.pk/public/index.xhtml>

The applicants are required to complete the relevant sections of the application in order to get the Securities in scrip-less form. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such securities are allowed ONLY in the applicant's own CDC account ¹[OR in CDC's IPO Facilitation Account. (IPO Facilitation Account is an Investor Account opened by CDC under its Regulations for the purpose of crediting and holding of Securities on behalf of individual Pakistani investors who have subscribed to such Securities offered by an Issuer/Offeror).]

3. NAME(S) AND ADDRESS(ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH, AND SHOULD NOT BE ABBREVIATED.

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

5. APPLICATIONS MADE BY INDIVIDUAL INVESTORS

- (a) In case of individual investors, a photocopy of the CNIC (in case of resident Pakistanis) / NICOP or Passport (in case of non-resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant.
- (b) Original CNIC / NICOP / Passport, along with a photocopy, must be produced for verification to the

¹ Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

Banker to the issue and the applicant's banker (if different from the Banker to the issue) at the time of presenting an application. The photocopy will, after verification, be retained by the branch along with the application.

6. APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

- (a) Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by a photocopy of their memorandum and articles of association or equivalent instrument / document. Where applications are made by virtue of power of attorney, the same should also be submitted along with the application.
- (b) Photocopies of the documents mentioned in paragraph 6(a) above must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the banker to the issue) at the time of presenting the application. The copies, will after verification, be retained by the bank branch along with the application.

7. ADDITIONAL INSTRUCTIONS FOR INVESTORS

- (a) Only one application will be accepted against each account, however, in case of joint accounts, one application may be submitted in the name of each joint account holder.
- (b) Joint application in name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit copies of their CNICs / NICOP / Passports. The securities will be credited to the CDS account mentioned on the face of the form ¹[OR in CDC's IPO Facilitation Account] and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit, or return. Please note that application will be considered as a single application for the purpose of allotment of securities.
- (c) Subscription money must be paid by cheque drawn on applicants own bank account or pay order / bank draft payable to one of the Bankers to the Issue in favor of "A/C IPO OF Name of the Issuer" and crossed "A/C PAYEE ONLY".
- (d) For the application made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
- (e) The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of securities.
- (f) Applications are not to be made by minors and / or persons of unsound mind.
- (g) Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- (h) Applicants should retain the bottom portion of their application forms as provisional acknowledgment of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of securities for which the application has been made.
- (i) Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- (j) Banker to the issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the issue.
- (k) It would be permissible for a Banker to the issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- (l) Submission of false and fictitious applications is prohibited and such Application Money may be forfeited under section 87(8) of Securities Act, 2015.
- (m)

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

8. ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON RESIDENT INVESTORS

- (a) In case of Foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with

¹ Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

the applications. Copies of these documents can be attested by the Bank Manager in the country of applicant's residence.

- (b) Foreign / Non-resident investors should follow the payment instructions given in **Para ()** of the prospectus.

9. BASIS OF ALLOTMENT

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

- (a) The minimum value of application for subscription of 500 securities is **PKR ___/-** (Issue Price x 500 securities) Application for amount below the minimum value shall not be entertained.
 (b) Application for securities must be made for 500 securities or in multiple thereof only. Applications which are neither for 500 securities nor for multiple thereof, shall be rejected.
 (c) Allotment / transfer of securities to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
 (d) The allotment of securities shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / the instructions by the Securities and Exchange Commission of Pakistan.
 (e) Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all the data fields in the application form.
 (f) **The Issuer will credit the respective CDS accounts of the successful applicants.**

10. CODE OF BANKERS TO THE ISSUE

CODE No.	Bank name
01.	
03.	
04.	
05.	
06.	
07.	
08.	
09.	
10.	
11.	
12.	

11. CODE OF OCCUPATIONS

CODE No.	OCCUPATIONS	CODE No.	OCCUPATIONS
01.	Businees	06.	Professional
02.	Business Executive	07.	Student
03.	Service	08.	Agriculturist
04.	Housewife	09.	Industrialist
05.	Household	10.	Other

12. PUBLIC SUBSCRIPTION THROUGH e-IPO:

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

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

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

For making application though CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) ¹[OR CDC's IPO Facilitation Account] may registered themselves with CES.

¹ Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

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

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

For further detail on CES, please refer to para ().

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

13. NATIONALITY CODE

CODE	NAME OF COUNTRY	CODE	NAME OF COUNTRY
001.	U.S.A	006.	Bangladesh
002.	U.K	007.	China
003.	U.A.E.	008.	Bahrain
004.	K.S.A.	009	Other
005.	Oman		

For further queries, you may contact:

Contact details of relevant person of the Issuer		Contact details of relevant person of Consultant to the Issue	
Name	Name	Name	Name
Phone Number	Phone Number	Phone Number	Phone Number
Email Address	Email Address	Email Address	Email Address

”]

¹EIGHTH SCHEDULE

LIST OF DOCUMENTS TO BE SUBMITTED ALONGWITH APPLICATION FOR APPROVAL TO ISSUE, CIRCULATE AND PUBLISH PROSPECTUS

S. No.	Documents to be submitted along with application for approval of Prospectus.
1.	Application under section 88(1) read with section 87(2) of the Securities Act, 2015 for approval to issue, circulate and publish prospectus.
² [1a.	Copy of the board resolution relating to approval of the Public Offering.]
2.	Copy of the Pakistan Stock Exchange Limited (PSX) approval letter.
3.	Copy of the prospectus both in hard and soft form, approved by PSX.
4.	Copy of the abridged prospectus, if any, both in hard and soft form, approved by PSX.
5.	Copy of the advertisement, if any, both in hard and soft form, approved by PSX.
6.	Last page of the full prospectus and abridged prospectus, if any, duly signed in original by every person who is named therein as director of the issuing company. Signatures of the directors must be witnessed by the company secretary. In case of offer for sale of shares, last page of the full prospectus and abridged prospectus if any signed in original by every Offeror or the persons authorized in writing by the Offerors.
7.	Copy of the audited accounts of the company, both in hard and soft form, for the last two years or for a shorter period in case the company is in existence for a shorter period.
8.	Copy of the Memorandum of Association and Articles of Association of the company.
9.	Affidavit on non-judicial stamp paper from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) on making full, true, fair and plain disclosure of all material facts in the prospectus duly certified by an Oath Commissioner.
10.	Undertaking, on non-judicial stamp paper, from CEO or the Company Secretary (CS) or CFO, that they have fully disclosed in the prospectus all the legal proceedings pending in any court in which the company or any of its associated companies over which it has control, is a party and which may have an adverse material impact on the business of the company, duly certified by the Oath Commissioner.
11.	Copy of the consent letters from the Consultant to the Issue, the Book Runner, where required, the Underwriters, if any, the Share Registrar and Ballotter, and the Bankers to the Issue.
12.	Power of Attorney, on non-judicial stamp paper in favor of the Consultant to the Issue, to file the application and other documents and information on behalf of the company.
13.	Undertaking on non-judicial stamp paper from the Underwriters regarding no buy-back/re-purchase agreement, duly certified by the Oath Commissioner.
14.	Undertaking on non-judicial stamp paper regarding no buy-back/re-purchase agreement, by the sponsors, duly certified by the Oath Commissioner.
15.	In case of supplement to the prospectus, an undertaking, on non-judicial stamp paper, from CEO of the company to the effect that basic structure/features of the

¹ Inserted vide SRO 1619 (I)/2019 dated December 26, 2019

² Inserted vide SRO 819(I)/2020 dated September 7, 2020

	issue is/are in line the prospectus approved by the Commission. In case there is any change/deviation, it should be clearly stated in the said undertaking.
16.	Additional documents in case of debt securities: (i) copy of the credit rating report where required, by a credit rating company licensed by the Commission. (ii) copy of the agreement regarding appointment of the market maker, if any. (iii) copy of the trust deed and related documents including letter of hypothecation, certificate of registration of mortgage/charge, detail of the charged assets, particular of mortgages/charges etc. (iv) copy of only one investor agreement in full, if the terms and conditions of all the agreements are same, along with key pages of others. (v) copy of the shariah pronouncement in case of Sukuk.
17.	Original paid challan evidencing payment of application processing fee as under: (i) in case of public offering of equity securities: Rs. 200,000/-. (ii) in case of issuance of debt securities: Rs.100,000/-.
18.	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 of the Prospectus:
19.	Three printed copies of the prospectus in magazine form and on Compact Disk (CD), within two days of its publication.
20.	Copies of all those newspapers in which the prospectus and the advertisement(s), if any, are published, within two days of their publication.
21.	Copy of the supplement to the prospectus, in case of book building
22.	In case of debt securities, statement regarding the payment of profit and redemption of the principal amount, regularly on semiannual basis.
23.	A final report regarding public offering within 15 working days of the close of the subscription period. The report must contain the following information: salient features of the issue, date of publication of prospectus, book building period, number of securities offered under the book building portion, floor price, total number of bidders, number of bids declared successful/unsuccessful/rejected, number of securities bids for, strike price, allotment of securities to various categories of investors, number of securities offered under the retail portion, offer price, total number of applicants and amount thereof, applications received through e-ipo facilities, number of physical applications, number of successful applicants and unsuccessful applicants, amount refunded, date of credit of securities, credit of shares held by sponsors into their respective CDS Accounts in blocked form, date of formal listing etc.

Note: The documents submitted in the form of photo copy must be certified by the Company.]

¹[NINTH SCHEDULE

FIT AND PROPER CRITERIA

[see regulation 12(a)]

Fit and proper criteria for Promoters / Sponsors, directors and chief executive officer of Special Purpose Acquisition Companies (SPACs).

(A) Application and Scope:

The Fit and Proper Criteria in relation to Special Purpose Acquisition Companies (SPACs) shall be applicable to the following persons:

- (i) Promoters or sponsors;
- (ii) Directors; and
- (iii) Chief executive officer

(B) Integrity and Track Record:

A person shall not be considered Fit and Proper if he:

- (i) has been convicted of an offence involving moral turpitude, fraud or breach of trust;
- (ii) has been involved in the mismanagement of investments, financial or business misconduct, fraud etc.;
- (iii) has been suspended or barred from capital market activities;
- (iv) has been subject to material adverse findings, after conducting an inquiry, by the Commission or any other regulatory or professional body or government agency;
- (v) has been actively involved in the management of a company or firm whose registration or license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to mismanagement of affairs, financial misconduct or malpractices;
- (vi) is ineligible, under the Act, Companies Act or any other legislation or regulation, from acting as a director or serving in a managerial capacity of a company;
- (vii) found involved in money laundering or terrorist financing, illegal deposit taking/ banking business/ financial dealings;
- (viii) has been adjudged as insolvent or has suspended payment or has compounded with his creditors;
- (ix) The fitness and propriety of any person shall be assessed by taking into account all the relevant factors including but not limited to the following:
 - a. Integrity and track record of such person;
 - b. Competence and capability of the person; and
 - c. Conflict of interest of such person;

Undertaking from all the sponsors, directors and key management with regard to the above shall be enclosed along with application for registration as SPAC.

¹ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

(C) Competence and Capability:

The sponsors shall be required to submit an undertaking w.r.t competence and capability. In determining a person's competence and capability the following shall be considered:

- (i) A SPAC must demonstrate that promoters/sponsors/directors have the experience, qualification and competence to—
 - a) achieve the SPAC's business objective and strategy as disclosed in the prospectus issued in relation to the initial public offering; and
 - b) perform their individual roles, including an understanding of the nature of their obligations and those of the SPAC under the regulatory requirements relevant to their roles.
- (ii) The SPAC promoters/sponsors/directors, as a whole, must possess the appropriate experience and track record which demonstrate that it will be capable of identifying and evaluating acquisition targets, completing the qualifying acquisition and managing the company sustainably based on the business strategy outlined in the prospectus. The SPAC must demonstrate that the promoters/sponsors/directors/chief executive officer have the requisite collective experience and track record, which include having—
 - a) sufficient and relevant technical and commercial experience and expertise;
 - b) positive track record in corporations within the same industry and business activity evidenced by promoters/sponsors/directors/chief executive officer's contribution to the growth and performance of such corporations, including ability to deal with the relevant risks relating to the business operations;
 - c) ability to locate and develop appropriate acquisition opportunities for corporations; and
 - d) positive corporate governance and regulatory compliance history.
- (iii) the chief executive and director must be fully conversant with their duties as prescribed under the statutes, rules and regulations; and
- (iv) in case of promoters or sponsors or directors, should have special knowledge of matters which the company may have to deal with as a SPAC.

(D) General:

- (i) The Fit and Proper Criteria is perpetual in nature and SPAC shall ensure compliance with the provisions of Fit and Proper Criteria;
- (ii) In case of any change in status result in non-compliance with the Fit and Proper Criteria, the SPAC shall immediately stop the person from performing his assigned functions, informs the Commission and initiate the process for replacement of the individual with a fit and proper individual;
- (iii) All persons subject to Fit and Proper Criteria shall report any change with reference to their fitness and propriety to the SPAC within three business days of such change taking effect and SPAC shall within three business days from the date of receipt, report the same to the Commission;
- (iv) Any violations or circumvention of the Fit and Proper Criteria shall be dealt with under the provisions of the Act; and

- (v) All persons subject to fit and proper criteria shall submit an affidavit to the Commission affirming under the oath that the person meets the fit and proper criteria and it has no overdue payment of any financial institution.]

¹[SCHEDULE TEN

Minimum Contents of the Custodian Agreement

Custodian Agreement at minimum should include -

- (i) provisions relating to the powers of the custodian including any indemnity given by the SPAC to the custodian;
- (ii) general covenants by the SPAC to—
 - (a) comply with the provisions of the custodian agreement; and
 - (b) provide the custodian any information which the custodian may require in order to discharge its duties and obligations as custodian under the custodian agreement;
- (iii) reporting covenants by the SPAC to immediately notify the custodian of any—
 - (a) circumstance that has occurred that would materially prejudice the SPAC;
 - (b) change in the utilization of proceeds; and
 - (c) other matter that may materially prejudice the interests of the holders of voting securities;
- (iv) Where the custodian is allowed to invest the monies kept in the escrow account, the conditions under which it is permitted to do so and the types of permitted investment;
- (v) provision on release of funds from escrow account, clearly specifying that funds can only be released in relation to—
 - (a) Making permitted investments of the monies in escrow account as specified under Regulation 12(h)(4);
 - (b) For the purpose of merger or acquisition transaction in accordance with Regulation 12(h)(1) and 12(i) of these regulations;
 - (c) the release of funds to the holders of voting securities, in accordance with 12(g)(3) of these regulations, who had voted against the qualifying merger or acquisition and the remaining funds to the SPAC upon completion of the qualifying acquisition within the permitted time frame; and
 - (d) the release of funds to the holders of voting securities upon failure to complete the merger or acquisition transaction as referred to in regulation 12(o) of these regulations;
 - (e) meeting expenses related to the initial public offering/private placements and operating costs, fund the search for a target business and complete the qualifying acquisition in accordance with these regulations.
- (vi) the conditions for the resignation and termination of the custodian.

¹ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

¹[Eleven Schedule

[Format of the Prospectus - SPAC]

[see Regulation 12(b)]

ADVICE FOR INVESTORS

- INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN PART -- OF THIS PROSPECTUS BEFORE MAKING ANY INVESTMENT DECISION.
- SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.
- **ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS**
- A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.
- SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER PUBLIC OFFERING REGULATIONS, 2017. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.
- PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, COMMITMENT BY THE SUCCESSFUL BIDDERS FOR SUBSCRIBING THE UNDERSUBSCRIBED RETAIL PORTION IN CASE OF HUNDRED PERCENT BOOK BUILDING, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.

Company Name – SPAC's name & Logo

PROSPECTUS

Company's Incorporation date: _____

Company's Incorporation Number: _____

For more information about Company, please refer to its website at <http://----->

Contact person of the Company: Mr./Ms.-----Phone-----Email:.....

Disclaimer

- The money raised through IPO will be used for acquisition of company(ies) or merging with company within a period of three years from the date of listing of SPAC on the exchange.
- (Disclosure if applicable) SPAC currently does not have any specific business combination under consideration and that the SPAC's officers and directors have neither individually selected nor considered a target business for the business combination nor have they had any discussions regarding possible target businesses among themselves or with underwriters or other advisors.

Issue Size: The Issue consists of ----- Ordinary Shares (i.e. ---% of the total post-IPO paid up capital of (name of company) of face value of PKR 10/- each. [Please also disclose the size of warrants and features, If the issue also consists of warrants, convertible in to shares post acquisition or merger]

Method of Offering: Fixed Price or 75%/100% Book Building Method (whichever is applicable)

Floor Price: The entire Issue will be offered through book building method at a Floor Price of PKR --/- per share (including premium (if any) of PKR --/- per share with a price band of upto 40%. Justification of premium is given under "Valuation Section", i.e. Section ---).

¹ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

Book Building Method: The bidders shall be allowed to place bids for hundred percent (100%/75% (whichever is applicable) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%/75% whichever is applicable) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) (in case of 100% book building) of the Issue size i.e. ----- shares and the remaining twenty five percent (25%) i.e. ----- shares shall be offered to the retail investors.

Retail/general public portion: General Public portion of the Issue comprises of ----- ordinary shares (---- of the total issue) at the Strike Price. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders of book building on a pro rata basis.

Public Comments: The Draft Prospectus was placed on PSX’s website for seeking public comments starting from -----(date) to -----(date). The comments received have been duly responded/incorporated by the Lead Manager.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on ---- (date) and will close at 3:00 pm on ----(date)

BIDDING PERIOD DATES: From -----(date) to -----(date) (From: 9:00 am to 5:00 pm)

DATE OF PUBLIC SUBSCRIPTION: From -----(date) to -----(date) (both days inclusive) From: 9:00 am to 5:00 pm

Lead manager/ consultant to the issue	Book runner	Custodian
Bankers to the Book Building portion of the Issue	Bankers to the Issue (Retail Portion) *	

*Online applications can be submitted through Centralized E-IPO system (CES) of Central Depository Company of Pakistan Limited (CDC), PSX’s e-IPO system (PES) and ---(name of bank) e-IPO system. CES, PES and ---(name of bank) e-IPO system can be accessed via web link www.cdceipo.com, <https://eipo.psx.com.pk> and <http://www.---> respectively. For details please refer to section --- of the Prospectus.

In order to facilitate investors, -----Bank Limited (“--”) is providing the facility of electronic submission of application (e-IPO) to their account holders. ---[name of bank] account holders can use ---[name of bank] net banking to submit their application via link <http://----->. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on -----[Date].

The Company is Proposed to be listed at the Pakistan Stock Exchange Limited

Prospectus and Subscription Forms can be downloaded from the following websites

<http://----->; <http://----->; and <http://----->

For further information/queries you may contact:

Mr./Ms..... Phone:..... Email:.....	Mr./Ms..... Phone:..... Email:.....	Mr./Ms..... Phone:..... Email:.....
--	---	---

DATE OF PUBLICATION OF THIS PROSPECTUS: -----

UNDERTAKING BY THE ISSUER, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

DATE: -----

WE, Mr./Ms.------(name & designation) and Mr./Ms.------(name & designation) OF ----- LIMITED hereby certify that:

1. We being the Chief Executive Officer and Chief Financial Officer of the issuer accept absolute responsibility for the disclosures made in this prospectus.
2. We hereby certify that we have reviewed this prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this prospectus and that nothing has been concealed.
3. The information contained in this prospectus is true and correct to the best of our knowledge and the opinions and intendeds expressed herein are honestly held.
4. This prospectus contains all information with regard to the issuer and the issue, which is material in the context of the issue and nothing has been concealed in this respect;
5. There are no other facts, the omission of which makes this prospectus as a whole or any part thereof misleading;
6. All requirements of the Securities Act, 2015, the disclosures in Public Offering Regulations, 2017 for preparation of prospectus, relating to approval and disclosures have been fulfilled; and all information as required under the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus; and
7. No charges, fee, expenses, payments etc. have been committed to be paid to any person in relation to this public offering except for those as disclosed in the prospectus.
8. Whatever stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.
9. The funds raised through IPO shall be utilized only for the purpose of Acquisition or Merger.

JOINTLY IN THEIR INDIVIDUAL CAPAICTY AND FOR AND BEHALF OF ----- LIMITED

<p>-sd- _____ Mr./Ms..... PRESIDENT & CEO</p>	<p>-sd- _____ Mr./Ms..... CHIEF FINANCIAL OFFICER</p>	<p>Witness-1 Witness-2</p>
---	---	--------------------------------

UNDERTAKING BY THE COMPANY AND SPONSORS

The Company and its sponsors undertake:

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

-sd- _____ Mr./Ms..... For and on behalf of the Issuer	-sd- _____ Mr./Ms..... For and on behalf of the Sponsors	Witness-1 Witness-2
---	---	----------------------------

UNDERTAKING BY THE CONSULTANT TO THE ISSUE

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Limited
Stock Exchange Road
Karachi

Being mandated as Consultant to this Initial Public Offering of shares of -----
----- SPAC Limited, we hereby confirm that;

1. All material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.
2. We have examined the business model and audited financial statements of the Issuer and based on the same, material information, including risks that would enable the investor to make an informed decision, has been disclosed in the Prospectus.

For and on behalf of ----- Limited

- sd- _____ Mr./Ms.----- [Designation] Date: -----	- sd- _____ Mr./Ms.----- [Designation]	Witness-1 Witness-2
--	---	----------------------------

UNDERTAKING BY THE BOOK RUNNER

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

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

For and behalf of --- Limited.

<p>- sd-</p> <p>_____</p> <p>Mr./Ms.-----</p> <p>[Designation]</p> <p>Date: -----</p>	<p>- sd-</p> <p>_____</p> <p>Mr./Ms.-----</p> <p>[Designation]</p>	<p>Witness-1</p> <p>Witness-2</p>
--	--	-----------------------------------

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

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of ----- Limited earlier published on -----

----- **Limited (name of the company)**

- FLOOR PRICE: PKR ---/- PER SHARE
- STRIKE PRICE: PKR ---/- PER SHARE
- ISSUE PRICE: PKR ---/- PER SHARE
- PRICE BAND (40% above the FLOOR PRICE): PKR ---/- PER SHARE

Note:

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

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

GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Issuer	----- Limited
Board / BOD	Board of Directors of ----- Limited
BR	Book Runner
BVPS	Rs.---/- per share
CAGR	Compounded Annual Growth Rate
CDC	The Central Depository Company of Pakistan Limited
CDS	Central Depository System
Consultant to the Issue/ Lead Manger	----- Limited
Custodian	----- Limited
Conditions	The terms and conditions governing and regulating the Sukuk
CY	Calendar Year
DFI	Development Financial Institutions
EPS	Earnings per Share
FY	Financial Year
GOP	Government of Pakistan
PSX	Pakistan Stock Exchange Limited
PKR or Rs.	Pakistani Rupee
SECP or the Commission	Securities & Exchange Commission of Pakistan
SPAC	Special Purpose Acquisition Company
Transfer Agent & Balloter	----- Limited
Transaction Legal Counsel	-----

Definitions:

Application Money	In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted.
Banker to the Book Building	Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.----- Bank Limited and ----- Limited have been appointed, in this IPO, as the Bankers to the Book Building.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe for Shares of ----- Limited at a price at or above the floor price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to Section ----- for details.
Bid Amount	The amount equal to the product of the number of shares Bid for and the Bid price.
Bid Collection Center	Designated offices of the Book Runner, specified branches of any of the Scheduled Bank and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in <u>Section ----- of this Prospectus</u> .
Bid Price	The price at which bid is made for a specified number of shares.
Bid Revision	The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations. As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.
Bidder	An Eligible Investor who bids for shares in the Book Building process.
Bidding Form	The form prepared by the Issuer for the purpose of making bids.
Bidding Period	The period during which bids for subscription of shares are received. The Bidding Period shall be of ---- days, from ----- to -----_both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).
Book Building	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
Book Building Account	An account opened by the Issuer with the Collection Bank. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in Section - ---- of this Prospectus and the balance of the Application Money, if any, shall

	be paid through this account after successful allocation of shares under Book Building.
Book Building Portion	The part of the total Issue allocated for subscription through the Book Building.
Book Runner	A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer. ----- Limited has been appointed as Book Runner for this Issue.
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.
Collection Banks	----- Bank Limited and ----- Limited are the collection banks for the Book Building portion. For this purpose, ----- Bank Limited and ----- Limited have opened an account titled “-----”, Number: [----] at its [----] Branch, [---] . The Collection Banks shall keep and maintain the bid money in the said account. Once the Strike Price is determined and lists of successful bidders and successful applicants/allottees are finalized and shares are credited to the successful bidders and applicants, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Collection Banks for transfer of the money of successful and accepted applications to the Issuer’s account(s).
Company /SPAC /Issuer	----- Limited (the “Company” or “SPAC” or “-----”)
Company’s Legal Advisor	-----
Commission	Securities & Exchange Commission of Pakistan (“SECP”).
Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein.
Custodian	Means an investment agent/debt securities trustee, Bank, Investment Finance Service license holder and Depository Company engaged in regulated activities, not being an associate of the Special Purpose Acquisition Company, appointed for securing the monies of investors in the escrow account. [As per Regulation #.....of Public Offering Regulations, 2017] -----Limited has been appointed as custodian for securing the monies of investors in the escrow account.
Designated Institution	Pakistan Stock Exchange Limited (“PSX”) is acting as the Designated Institution for this Issue and its book building system will be used for price discovery
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.

e-IPO facility

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

(I) PSX's e-IPO System (PES):

In order to facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the general public can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

the investor himself, or
the TREC Holder with whom the investor has a sub-account, or
the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:

the investor himself, or
the TREC Holder with whom the investor has a sub-account, or
the Bank with whom the investor has a bank account.

For further guidance and queries regarding PES, investors may contact PSX at phone number: 111-001-122, or contact at phone (021)-35274401-10 and email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on---[date]

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

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

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

CDS account (Investor account or sub account) is not mandatory for subscription of securities through CES. Investors who do not have CDS account can opt for IPO facilitation account.

Investors who opt for IPO facilitation account are required to open CDS account after public subscription process.

	<p>For information relating to CDS account, investors may visit www.cdcpakistan.com.</p> <p>Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on [.]</p> <p>In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities by authorizing (adding the details of) their respective Participant(s) in CES.</p> <p>For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or Mr. ----- at Phone ---- and email: -----</p> <p>-.</p> <p>(III) e-IPO facilities by Bankers to the Issue:</p> <p>Currently, ----- is providing e-IPO facilities to its accountholders.</p> <p>Account holders of ---- can submit their applications through the above-mentioned link 24 hours a day during the subscription period which will close at midnight on [.]</p>
Escrow Account	<p>Means an account maintained with a scheduled bank (having an investment grade rating) by a custodian.</p> <p>[As per Regulation #.....of Public Offering Regulations, 2017]</p>
Eligible Investor	<p>An Individual and Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 1,000,000 (One Million Rupees only).</p>
Floor Price	<p>The minimum price per share set by the Issuer in consultation with Lead Manager. For this Issue, Floor Price is PKR ----/- per share.</p>
General Public	<p>All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.</p>
Initial Public Offer (IPO)	<p>Initial Public Offering or IPO means first time offer of securities to the general public.</p>
Institutional Investors	<p>Any of the following entities:</p> <ul style="list-style-type: none"> A financial institution; A company as defined in the Companies Act, 2017; An insurance company established under the Insurance Ordinance, 2000; A securities broker; A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; A private fund established under Private Fund Regulations, 2015; Any employee’s fund established for beneficial of employees; Any other fund established under any special enactment; A foreign company or any other foreign legal person; and Any other entity as specified by the Commission.
Issue	<p>Total issue size ----- Ordinary Shares of ----Ltd.</p>

Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
Issuer / SPAC	----- Limited (the “Company” or “----”)
Key Employees	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
Lead Manager	Any person licensed by the Commission to act as a Consultant to the Issue. ----- Limited has been appointed as Lead Manager by the Issuer for this Issue.
Limit Bid	The bid at a Limit Price.
Limit Price	The maximum price a prospective Bidder is willing to pay for a share under Book Building.
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by an institutional investor.
Minimum Bid Size	The Bid amount equal to One Million Rupees (PKR 1,000,000/-).
Ordinary Shares	Ordinary Shares of -----Ltd. having face value of PKR 10.00/- each.
Permitted Investment	Means investments in Government securities, money market instruments and securities with investment grade ratings. [As per Regulation #.....of Public Offering Regulations, 2017]
Price Band	Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band
Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
Registration Period	The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period from <u>DD/MM/YYYY</u> to <u>DD/MM/YYYY</u> from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
PO Regulations	The Public Offering Regulations, 2017 [These regulations can be accessed through website http://-----]
Related Employees	Related Employees mean such employees of the Issuer, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue. Please refer to Section 3.21.5 for further details.

Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'. [These regulations can be accessed through website http://-----]
Special Purpose Acquisition Company / SPAC	Means a Company formed and registered under the Companies Act, 2017, having sole principal line of business to raise money through public offering for entering into merger or acquisition transactions.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly. [As per clause (liv) of sub-regulation (1) of Regulation 2 of the Public Offering Regulations, 2017]
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees One Million (PKR 1,000,000/-). [As per regulation No.2(1) (lia) of the Public Offering Regulations, 2017]
Strike Price	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Regulations, at which the shares are Issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, Lead Manager, Book Runner and the Company.
Supplement to the Prospectus	The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.
System	An online electronic system operated by the Designated Institution i.e. PSX for conducting Book Building.

TABLE OF CONTENTS		PAGE NO.
PART 1:	APPROVAL, CONSENTS AND LISTING ON THE STOCK EXCHANGE	
PART 2:	SUMMARY OF THE PROSPECTUS	
PART 3:	THE SPAC AND RELATED INFORMATION	
PART 4:	SHARE CAPITAL AND RELATED MATTERS	
PART 5:	RISK FACTORS	
PART 6:	FINANCIAL INFORMATION	
PART 7:	BOARD AND MANAGEMENT OF THE COMPANY	
PART 8:	LEGAL PROCEEDINGS AND OVERDUE LOANS	
PART 9:	UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES TO THE ISSUE	
PART 10:	MISCELLANEOUS INFORMATION	
PART 11:	MATERIAL CONTRACTS / DOCUMENTS RELATED TO THE ISSUE	
PART 12:	BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING	
PART 13:	APPLICATION AND ALLOTMENT INSTRUCTIONS	
PART 14:	SIGNATORIES TO THE PROSPECTUS	
PART 15:	MEMORANDUM OF ASSOCIATION	
PART 16:	APPLICATION FORM AND BIDDING FORM	

PART 1:

APPROVAL, CONSENTS AND LISTING ON THE STOCK EXCHANGE

1.1. APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities and Exchange Commission of Pakistan (the “Commission” or the “SECP”) as required under Section 87(2), read with Section 88(1) of the Securities Act, 2015 (the “Act”) has been obtained for the Issue, circulation and publication of this Prospectus.

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER 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 ISSUER IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF 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.

1.2. APPROVAL OF THE PROSPECTUS BY THE PAKISTAN STOCK EXCHANGE LIMITED

The Prospectus for the issue of -----ordinary shares has been approved by the Pakistan Stock Exchange Limited (“PSX”) vide letter No. ---- dated ----, in accordance with the requirements of its Listing Regulations.

DISCLAIMER:

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

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

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

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

E. PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANYONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES,

INCOMPLETENESS AND / OR MISTAKES, FOR DECISIONS AND /OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

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

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

1.3. DETAILS OF ANY OTHER APPROVALS (if applicable, along with terms & conditions be disclosed here)

1.4. FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

----- [name of the issuer] has delivered to the Registrar of Companies as required under Sections 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of ----- [name of the issuer].

1.5. LISTING AT PSX

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

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

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

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

PART 2:

SUMMARY OF THE PROSPECTUS

2.1. PRIMARY BUSINESS OF THE ISSUER

----- Limited is incorporated on as a special purpose acquisition company (SPAC) with the sole object of merger or acquisition. The issuer is required to complete the

merger/acquisition transaction within a period of three years from the date of its listing. The issuer intends to acquire/merge with companies operating the following sectors.

[Please mention the sector(s) wherein the issuer intends to perform acquisition or merger]

[Please also disclose whether or not the SPAC currently have any specific business combination under consideration.]

2.2. MANAGEMENT/SPONSORS OF SPAC

The sponsors/promoter of SPAC comprised of the followings: [Please mention complete details of SPACs sponsors/promoter alongwith their expertise. In case of individuals their professional experience alongwith education. In case of companies, their area of operations and track record]:

S.NO.	Name of Sponsors/Promoters	Area of Expertise alongwith years of experience	Professional Qualification	Major Achievements

INTEREST OF DIRECTORS AND PROMOTERS/SPONSORS

[Complete details of interest of directors and sponsors/promoters]

2.3. SALIENT FEATURES OF THE ISSUE

The Issue consists of ----- Ordinary Shares (i.e. ---% of the total post-IPO paid up capital) of face value of PKR 10/- each. [If the issue also consists of issuance of warrants Plz also disclose the size of warrants and features]

The entire Issue of ---- Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR ---/- per share with a price band of 40% above the floor price i.e. Rs. ---/-.The bidders shall be allowed to place bids for hundred percent (100%) (In case of 100% book building) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. ----- shares and the remaining twenty five percent (25%) i.e. ----- shares shall be offered to the retail investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

2.4. PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Post IPO, the share capital will increase from ----- ordinary shares to ---- ordinary shares. Given below is the Pre and Post Issue shareholding of the sponsors of the Company:

S.No.	Name of Sponsor	Shareholding (Nos. of shares-Pre-Issue)	%	Shareholding (Nos. of shares-Post-Issue)	%

2.5. PRINCIPLE PURPOSE OF THE ISSUE AND UTILIZATION OF PROCEEDS

The amount of funds raised from the issuance of shares shall be used by the Company for the purpose of merger /acquisition.

[Please disclose the intended area/sector of acquisition/merger]

2.6. FINANCIAL HIGHLIGHTS OF THE ISSUER

The total Paid up capital of the Company as onstood at Rs.....million.

2.7. OUTSTANDING LEGAL PROCEEDINGS

All the outstanding legal proceedings of the Issuer have been disclosed in Part ----. Further, there are /no outstanding legal proceeding other than the normal course of business involving sponsors, substantial shareholders and directors of Issuer and associated companies, over which the Issuer has control, that could have material impact on the Issuer.

2.8. RISK FACTORS

For key risk factors that may have an impact on the Company, its business and the Issue, please refer to Section ---of the Prospectus.

2.9. SUMMARY OF RELATED PARTY TRANSACTIONS

PART 3:

THE SPAC AND RELATED INFORMATION

3.1. THE COMPANY/SPAC

----- Limited is incorporated on and registered with SECP as a special purpose acquisition company (SPAC) with the sole object of merger or acquisition. The sponsors/promoters of SPAC include the followings:

The issuer is required to complete the merger/acquisition transaction within a period of three years from the date of its listing. The issuer intends to acquire/merge with companies operating the following sectors.

[Please also disclose whether or not SPAC currently have any specific business combination under consideration. If the SPAC is affiliated with a private equity group, then also disclose the members of the SPAC management team employed by the private equity group, which is continuously made aware of potential business opportunities, one or more of which the SPAC may desire to pursue for a business combination.]

[Please mention the sector(s) wherein the issuer intends to perform acquisition or merger]

3.2. PRINCIPLE PURPOSE OF THE ISSUE

The funds raised from the issuance of -----shares of SPAC shall be used by the Company for the purpose of acquisition/merger.

The intended area/sector of acquisition/merger and the estimated cost of merger/acquisition are as follows:...

3.3. MINIMUM FUND RAISED

A Special Purpose Acquisition Company shall raise at least Rs.----million (not less than Rs. 200 million prescribed under the Regulations) to undertake a merger or acquisition transaction.

[Please provide justification that the funds raised are sufficient enough to enable the SPAC to have a core business with sufficient size and scale relative to the industry in which the business operates]

3.4. OBLIGATIONS OF SPAC

A Special Purpose Acquisition Company shall be responsible, -

- (i) to raise and utilize funds for the sole purpose of merger or acquisition transaction and complete the transaction within permitted time frame as per the public offering regulations;
- (ii) to open an escrow account and maintain custodial arrangements for escrow account at all times as required under these regulations.
- (iii) to act in the best interests of the investors and to ensure that merger transactions shall be structured in such a manner to avoid any conflict of interest;
- (iv) to be obliged to manage its assets, in the interest of the investors in good faith and to the best of its ability and without undue advantage for itself or any of its related parties, associates or its officers;
- (v) to ensure that at least 15% shareholding of merged entity (post-merger) are held by the sponsors for a period of at least one year from the date of merger; However, SPAC sponsors may increase shareholding percentage in the merged entity, if merged entity (subsequent to merger) starts generating operating profit within specified time (as disclosed in prospectus).
- (vi) to ensure that sponsor's shareholding in the target company pre-merger/acquisition should be less than 30% of the total shareholding of the target company.

3.5. SHAREHOLDERS APPROVAL

Each merger or acquisition transaction shall be approved by the shareholders by way of special resolution. The shareholder disapproving the merger or acquisition transaction are entitled for refund of their money out of Escrow account as per entitlement.

The shareholders who will not be present at the time of considering special resolution either in person or through proxy, they shall within in days and as per following mechanism communicate the dissent. (Please specify the mechanism)

Provided further that at the expiry of the timeline referred above and in case of approval through special resolution the merger or acquisition transaction shall stand approved.

3.6. REFUND TO INVESTORS

A SPAC can make refund to the entitled shareholders from the Escrow account as follows:

- (i) where the company is unable to complete the merger or acquisition transaction within the stipulated time period of thirty six (36) months;
- (ii) to those entitled shareholders, who do not approve the merger or acquisition transaction.

3.7. RIGHTS OF HOLDERS OF VOTING SECURITIES WHO VOTE AGAINST A QUALIFYING ACQUISITION/REFUND TO INVESTORS OR INCASE WHERE SPAC FAILS TO COMPLETE THE MERGER OR ACQUISITION TRANSACTION

A SPAC shall be entitled to make refund to the entitled shareholders from the Escrow account in the following scenarios, -

- (i) where the company is unable to complete the merger or acquisition transaction within the permitted time period as specified in the regulations or as approved by the Commission; or
- (ii) to those entitled shareholders, who do not approve the merger or acquisition transaction.

If the SPAC is unable to complete the merger or acquisition transaction within the permitted time period, the securities holders, will receive pro rata amount out of the Escrow account including any profit accrued/credited in the Escrow account, net of any taxes payable.

The SPAC shareholder/(s), other than directors, sponsors and chief executive officer, disapproving the merger or acquisition transaction shall be –

- (i) entitled to receive, in exchange for their securities, a sum equivalent to 90% of their initial investment, net of any taxes payable and expenses related to the facilitation of the exchange, provided that such merger or acquisition transaction is approved and completed within the permitted time frame; and
- (ii) paid as soon as practicable upon completion of the merger or acquisition transaction should they elect to exchange their securities. The securities tendered in exchange for cash must be cancelled. In complying with this requirement, the SPAC must specify, in the circular to shareholders in relation to the qualifying acquisition, the timeframe for payment to holders of securities electing to exchange their securities. The SPAC must also demonstrate that this timeframe is reasonable, including providing details of all milestones or steps to be taken.
 - a. [The basis of computation for refund must be disclosed in the prospectus and notice of the general meeting.]
- (iii) SPAC shall notify through its share registrar the list of dissenting shareholders to CDC. Shares of the dissenting shareholder shall immediately be blocked by CDC.
For the purpose of processing the list of dissenting shareholder/(s) and freezing, SPAC shares shall not be tradeable on the securities exchange for one day i.e. immediately after the date of book closure.

SPAC immediately after processing payments from the Escrow account as per the procedure specified in the regulations shall stand delisted and process of its voluntary winding up shall be initiated by the SPAC as specified in Companies Act, 2017.

3.8. MANAGEMENT OF ESCROW ACCOUNT

SPAC must place at least ninety percent (90%) of the funds raised in an escrow account immediately upon receipt of all proceeds. 10% of the total proceeds may be utilized to defray expenses related to the initial public offering/private placements, operating costs, fund the search for a target business and complete the qualifying acquisition;

The monies in the escrow account shall only be utilized for the purpose of merger or acquisition transaction.

The monies in the escrow account can be released by the custodian for such purposes as permitted under the regulations and upon termination of the escrow account.

The escrow account can be terminated-

- (i) following the completion of all merger or acquisition within the permitted time frame; or
- (ii) upon failure to complete merger or acquisition transaction by SPAC.

The proceeds in the escrow account can be invested in permitted investments and any income generated by the funds held in the escrow account, including profit or dividend income derived from the permitted investments, must accrue to the escrow account and SPAC must ensure that in such investments initial capital is preserved.

Members of the management team shall not be eligible for any other payments from escrow account other than in relation to securities purchased by them during and after the public offering.

3.9. ADDITIONAL FINANCING

SPAC can raise additional funds by way of rights issue or other than right issue or through secondary public offering to complete its merger or acquisition transaction within the permitted time period specified in the regulations or as approved by the Commission subject to the condition. At least ninety percent (90%) of the proceeds received, as a result, shall also immediately be deposited into escrow account. Where a SPAC proposes to obtain debt financing, the SPAC must ensure that—

- (i) any credit facility obtained prior to the completion of the merger or acquisition transaction, may only be drawn after the approval of the merger or acquisition through special resolution;
- (ii) the funds from the credit facility obtained must be applied towards the financing of the merger or acquisition, defraying related costs or enhancing the business(es) acquired under the merger or acquisition; and
- (iii) the monies in the escrow account must not be used as collateral for the debt financing.

3.10. TIME FRAME FOR COMPLETION OF ACQUISITION/MERGER

SPAC must complete the merger or acquisition transaction within the permitted time frame of thirty six (36) months from the date of listing of SPAC on the exchange.

Provided that the Commission may if deem appropriate, upon request by the SPAC extend the permitted time by six months subject to terms and conditions as deem appropriate by Commission.

SPAC must complete the merger or acquisition transaction within the permitted time frame of thirty six (36) months from the date of listing on the exchange.

3.11. CUSTODIAN ROLES AND RESPONSIBILITIES

The funds raised by SPAC from issuance of securities shall be kept by the custodian in escrow account, in accordance with the custodian agreement, the public offering regulations and applicable laws. Contents of the custodian agreement must be in accordance and in compliance with the public offering regulations and at minimum should include such information as specified therein.

A custodian must take appropriate measures to ensure the safekeeping of the monies held in the escrow account and must ensure that proper accounting records and other records of escrow account are maintained. Custodian may be provided a mandate by the SPACs to invest the amounts held in the escrow account in permitted investments. Custodian may only distribute the funds held in the escrow account in accordance with the provisions of the custodian agreement.

The custodian shall disclose any information to the Commission and PSX upon request. The custodian agreement will terminate—

- (i) on the appointment of a new custodian following the resignation or termination of services of the existing custodian; or
- (ii) following the termination of the escrow account.

3.12. FAILURE TO COMPLETE MERGER OR ACQUISITION TRANSACTION

In case SPAC fails to complete merger or acquisition transaction within the permitted time frame or within such extended time as approved by the Commission, shall notify the Commission and the concerned securities exchange of the same fact within seven days.

In case where SPAC fails to complete the merger or acquisition transaction prior to expiry of the permitted time frame due to any unforeseen circumstances/reasons, it shall immediately notify the same to the Commission and the concerned securities exchange of the fact.

3.13. FAIR VALUE OF ACQUISITION

The acquisition, which may comprise more than one acquisition, must equal to at least eighty percent (80%) of the aggregate amount in the escrow account, net of any taxes payable and the losses incurred on the investments made out of the escrow account.

The fair market value should be supported by a valuer's report recognized under the Companies Act, 2017.

PART 4

SHARE CAPITAL AND RELATED MATTERS

4.1. SHARE CAPITAL

(i) Authorized Share Capital:

Description	No. of Shares	Amount

(ii) Issued, Subscribed, & Paid Up Share Capital:

Description	No. of Shares	Premium (if any)	Amount
Issued for Cash:			
Issued for Other than cash:			
Total			

(iii) Shares held by Directors/Sponsors of the Company:

Description	No. of Shares	%	Premium (if any)	Amount
Issued for cash:				
Issued for Other than cash:				
Total				

(iv) Present Issue Size:

Description	No. of Shares	%	Premium (if any)	Amount
Book building Portion				
Retail Portion				
Total				

(v) Sponsors shares to be kept in blocked form

Sponsor shareholding to be kept in blocked form for a period of years are as follows:

Sponsors	Shareholding	% Post IPO Paid-up Capital

4.2. PRESENT ISSUE

The Issue comprises of ----- Ordinary shares of face value worth PKR 10/- each.

The entire Issue of ----- Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR ----/- per share with price band of Rs. --- per share

The bidders shall be allowed to place bids for hundred percent (100%)(in case of 100% book building) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. ----- shares and the remaining twenty five percent (25%) i.e. ---- shares shall be offered to the retail investors.

Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

4.3. FLOOR PRICE

The ordinary shares of -----SPAC Ltd are being offered at Floor Price (in case of book building) of PKR ---/- per share.

4.4. FEATURES OF WARRANTS (IF ANY)

The number of warrants to be issued and complete mechanism for conversion of warrants and tradability of warrants.

PART 5:

RISK FACTORS

5.1. RISK OF FAILURE TO FIND THE TARGET COMPANY

The objective of SPAC is to find a suitable company for merger or acquisition. SPAC may be unable to find a suitable target within the stipulated time period. Complete consequences be referred in here

5.2. SHORTFALL IN COST OF ACQUISITION

SPAC may face short fall of funds due to rising prices or competition.

5.3. FOREIGN EXCHANGE RISK

Currency risk is the risk of loss arising from the fluctuations of exchange rates.

5.4. RISK OF NON-COMPLIANCE WITH REGULATION OF SECP AND PSX

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

5.5. COVID-19 RISK

In March 2020, the Government of Pakistan implemented a country wide lockdown in order to contain the spread of Covid-19 in the country. Consequently, significant reduction in traffic was witnessed particularly in large cities, although the transport of essential items continued.

Any unprecedented increase in Covid-19 cases could lead to market closure/lockdown, which may potentially impact the SPAC search for the target and may also potentially impact the timelines for implementation of merger/acquisition plan.

5.6. UNDER-SUBSCRIPTION RISK

The Issue of ----- Limited may be under-subscribed due to lack of interest on the part of the investors. The book building process shall be considered as cancelled if: The Company does not receive bids for the number of shares allocated under the Book Building portion; The Company does not receive at least 40 bids. The bid money submitted by investors shall be refunded subsequently.

5.7. CAPITAL MARKET RISK

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

5.8. ANY OTHER RISK THAT INVESTORS MUST BE AWARE OF WHILE MAKING INVESTMENT DECISION

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

PART 6

FINANCIAL INFORMATION

CERTIFICATE BY THE AUDITOR ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY TESTIFYING INJECTION OF SPONSORS EQUITY.

PART 7:

BOARD AND MANAGEMENT OF THE COMPANY

7.1. BOARD OF DIRECTORS OF THE COMPANY

S. No	Name	Designation	Address	CNIC	Current Directorships	Past Directorships
--------------	-------------	--------------------	----------------	-------------	------------------------------	---------------------------

7.3. PROFILES OF DIRECTORS

[The profile should include, qualification, experience and major achievement of directors]

7.4. NUMBER OF DIRECTORS

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

7.5. PROFILE OF SENIOR MANAGEMENT

7.6. QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.7. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 87.

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

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

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

The current Board of Directors were appointed on -----.

7.8 INTEREST OF DIRECTORS AND PROMOTERS

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

Following directors are holding ordinary shares of the Company:

7.9 INTEREST OF DIRECTORS AND PROMOTERS IN PROPERTIES/ASSETS AND PROFIT OF THE COMPANY

7.10 REMUNERATION OF THE DIRECTORS

7.11 BENEFITS TO PROMOTERS AND OFFICERS

7.12 VOTING RIGHTS

7.15 BORROWING POWERS OF DIRECTORS

7.16 POWERS OF DIRECTORS

7.17 INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

7.18 CORPORATE GOVERNANCE

PART 8

LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. LEGAL PROCEEDINGS

Legal proceedings against sponsors, company and management

[Please give details of legal proceedings, if any]

8.2. OVERDUE LOANS

The[Issuer], its Chief Executive and directors, its sponsors, and its associated companies have/have no overdue loans (local and/or foreign currency).

PART 9

9 UNDERWRITING ARRANGEMENT, COMMISSION, BROKERAGE AND OTHER EXPENSES

9.1. UNDERWRITING

Book Building Portion

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

General Public Portion

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

9.2 BUY BACK / REPURCHASE AGREEMENT

The Book Runner in the capacity as underwriter of the book building portion has not entered into any buy back/Re-purchase agreement with the company or any other person in respect of this issue of shares.

Also, neither the company nor any of its associates have entered into any buy back/Re-purchase agreement with the book runners in the capacity as underwriter or its associates. The company and its associates shall not buy back/Re-purchase shares from the book runners and its associates taken up, if any, by it in capacity as the book runner.

9.3 COMMISSION OF THE BANKERS TO THE ISSUE

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

9.4 FEES AND EXPENSES FOR E-IPO Facility

9.5 BROKERAGE

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

9.6. ESTIMATED EXPENSES OF THE ISSUE

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

Particulars	Rate	Expense (PKR)
Lead Manager and Book Runner Fees1		
Commission to banker for General Public		
PES and CDC e-IPO facility charges		
E-IPO Banks Charges		
Bankers to the issue out of pocket expenses		
Broker's Commission		
PSX Initial Listing fee		
PSX Service fee		
PSX Book Building software charges		
Share Registrar, Transfer Agent and Balloting Agent		
Marketing & Printing Expenses		
CDC Fresh Issue fee		
CDC Annual Listing fee		
SECP IPO Application Processing fee		
Miscellaneous Expenses		
Total		

PART 10

MISCELLANEOUS INFORMATION

10.1. REGISTERED OFFICE / CENTRAL OFFICE Registered Office Address: ----- Phone: ----- Fax: -----Email: ----- Website: -----	10.2. AUDITOR OF THE ISSUER M/s. -----, Chartered Accountants Address: -----. Contact No.: ----- Email: -----
10.3. LEGAL ADVISORS OF THE ISSUER [Name and Contact details] 1.----- 2.-----	10.4. LEGAL ADVISOR TO THE ISSUE [Name and Contact details] 1.----- 2.-----
10.5. REGISTRAR AND TRANSFER AGENT -----Limited Office: ----- UAN: ----- FAX: ----- Email & Website:: -----	10.6. CONSULTANT TO THE ISSUE -----Limited Address: -----Phone: ----- Fax: ----- Email & Website: -----
10.7 Custodian to the Issue -----Limited Office: ----- UAN: ----- FAX: ----- Email & Website:: -----	10.8 Book Runner to the Issue -----Limited Office: ----- UAN: ----- FAX: ----- Email & Website:: -----
10.9. BANKERS TO THE BOOK BUILDING 1.----- 2.-----	10.10 BANKERS TO THE RETAIL PORTION 1.----- 2.-----

PATR 11

MATERIAL CONTRACTS / DOCUMENTS RELATED TO THE ISSUE

11.1. UNDERWRITING AGREEMENTS

S. No.	Underwriters Name	Amount (PKR)	Date of Agreement
--------	-------------------	--------------	-------------------

11.2. OTHER MATERIAL DOCUMENTS

S. No.	Description	Date
1	Agreement with the Book Runner	
2	Agreement with the Custodian	
3	Approval of Pakistan Stock Exchange Limited vide letter reference no. ----	
4	Agreement with Lead manager	
	Approval of the Securities and Exchange Commission of Pakistan vide letter reference no. ----	

11.3. INSPECTION OF DOCUMENTS AND CONTRACTS

The Financial statements, Copies of the Memorandum and the Articles of Association, the Auditor's Certificates, Clearance letter from PSX and the approval letters from SECP, and the copies of agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Bank from the date of publication of this Prospectus until the closing of the Subscription Period.

PART 12

BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1 BOOK BUILDING PROCEDURE

12.1.1 Brief Structure

The Present Issue

The Issue comprises of ---- Ordinary shares of face value worth PKR --/- each.

The entire Issue of --- Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR --/- per share. Initially, 75% of the issue size i.e. --- Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. ----- Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis

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

The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares, if any, of the retail portion to

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

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

12.1.2 Types of Bids and Procedure for making a Bid

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

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

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

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

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 million shares at PKR 20 per share, based on which the total Application Money would amount to PKR 20 million. In this case the Bid Amount will be also PKR 20 million. Since the Bidder has placed a Limit Bid of PKR 20 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 20 per share.

Step Bid: A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 1,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.7 million shares at PKR 20.00 per share, 0.6 million shares at PKR 21.00 per share and 0.5 million shares at PKR 22.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR --- million. In case of individual Bidder, the Margin Money will be 100% i.e. PKR --- million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR -- million.

RESTRICTIONS

(i) AN ELIGIBLE INVESTOR SHALL NOT:

- (a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;
- (b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION
- (c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS
- (d) PLACE CONSOLIDATED BID
- (e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY

(f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND
(g) WITHDRAW BID

(ii) RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.

(iii) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.

(iv) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

(v) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE LEAD MANAGER TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND BOOK RUNNERS ARE PROVIDED IN SECTION 3A (v).

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

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner. As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.**

The Bidders must fill-in the part of the Bidding Form under the heading, "Dividend Mandate" to enable the Company to directly credit their cash dividend, if any, in their respective International Bank Account Number (IBAN).

12.1.3 Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Bok Building Portion are subscribed.

2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.

3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

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

PART 13

APPLICATION AND ALLOTMENT INSTRUCTIONS

13.1. APPLICATION AND ALLOTMENT INSTRUCTION

13.1.1 Eligible Investors Include

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

APPLICATION MUST BE MADE ON SECP's APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY

13.1.2 Copies of Prospectus

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

<http://www.----->, <http://-----/> & www.cdceipo.com;

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

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

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

13.1.3 Opening and Closing Of The Subscription List

The subscription list will open at the commencement of banking hours on ----- and will close on ----- at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on -----.**

13.1.4 E-IPO SYSTEM

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

- I. PSX's e-IPO System (PES):
- II. Centralized e-IPO System (CES):

13.1.5 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

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

13.1.6 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.
2. Attested photocopies of the documents mentioned in 13.1.5 must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

13.1.7 ADDITIONAL INSTRUCTIONS FOR INVESTORS

- 1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.**
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.

3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "-----" and crossed "A/C PAYEE ONLY".
4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under section 87(8) of the Securities Act, 2015.

13.1.8 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
2. Foreign / Non- resident investors should follow payment instructions given in Section 12.1.16 of this Prospectus.

13.1.9 CODE OF OCCUPATION OF INVESTORS/APPLICANTS

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

13.1.10 NATIONALITY CODE

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

13.1.11 MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SHARES OF THE ISSUE

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

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.

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

5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.

6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:

- If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
- If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
- If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
- If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
- After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - o If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.

o If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.

7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:

- First preference will be given to the applicants who applied for 500 shares;
- Next preference will be given to the applicants who applied for 1,000 shares;
- Next preference will be given to the applicants who applied for 1,500 shares;
- Next preference will be given to the applicants who applied for 2,000 shares; and then
- After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.

8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.

9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.1.12 BASIS OF ALLOTMENT

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

1. The minimum value of application will be calculated as Issue Price 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
4. The Company will credit shares in the CDS Accounts of the successful applicants.

13.2. REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded. As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

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

13.3. ISSUE AND CREDIT OF SHARE CERTIFICATES

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

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

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

13.4. TRANSFER OF SHARES

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

13.5. LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	
02	
03	
04	
...	...

13.6. MINIMUM AMOUNT OF APPLICATION

As per PO Regulations, the minimum amount of bid shall not be less than PKR 1.0 Million.

13.7. LIST OF E-IPO FACILITIES

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

I) PSX's e-IPO System (PES):

In order to facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the general public can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

For further guidance and queries regarding PES, investors may contact PSX at phone number: 111-001-122, or contact at phone (021)-35274401-10 and email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on----[date]

II) Centralized e-IPO Systems

In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through ILINK’s member banks available for CES, list of which is available on above website.

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

CDS account (Investor account or sub account) is not mandatory for subscription of securities through CES. Investors who do not have CDS account can opt for IPO facilitation account.

Investors who opt for IPO facilitation account are required to open CDS account after public subscription process.

For information relating to CDS account, investors may visit www.cdcpakistan.com.

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on February 04, 2021

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities by authorizing (adding the details of) their respective Participant(s) in CES.

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

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

Currently, UBL is providing e-IPO facilities to its account holders.

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

Account holders of UBL can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on -----.

13.8. INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.9. ELIGIBILITY FOR DIVIDEND

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

13.10. DEDUCTION OF ZAKAT (please update, with latest requirements)

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

13.11. CAPITAL GAINS TAX (please update, with latest requirements)

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

Serial #	Capital Gain Tax for FY 19	Filer	Non-Filer
1	Applicable Capital Gain Tax Rate	15%	30%

13.12. WITHHOLDING TAX ON DIVIDENDS (please update, with latest requirements)

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15%

13.13. TAX ON BONUS SHARES (please update, with latest requirements)

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

13.14. INCOME TAX (please update, with latest requirements)

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

13.15. DEFERRED TAXATION (please update, with latest requirements)

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

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

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

As of -----, Company has reported a deferred tax liability of PKR ---- million.

13.16. SALES TAX (please update, with latest requirements)

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

13.17. SALES TAX ON SALE / PURCHASE OF SHARES (please update, with latest requirements)

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

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

13.18. TAX CREDIT FOR INVESTMENT IN IPO (please update, with latest requirements)

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a securities exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

13.19. ANY OTHER APPLICABLE DETAILS

PART 14

SIGNATORIES TO THE PROSPECTUS

Name	Designation	Signature
------	-------------	-----------

Signed by the above in the presence of following witnesses:

<p>Witness 1 -sd- _____ Name: ----- Designation: ----- CNIC: -----</p>	<p>Witness 1 -sd- _____ Name: ----- Designation: ----- CNIC: -----</p>
---	---

PART 15

MEMORANDUM OF ASSOCIATION -

[Please place legible scanned copy of the Memorandum of Association of the Company hereunder]

PART 16

APPLICATION FORM AND BIDDING FORM]

¹Twelve Schedule

[Format of Information Circular to SPAC holders seeking vote for approval of merger/acquisition transaction]

[see Regulation 12(g)]

To solicit a shareholder vote on the merger/acquisition, the SPAC will prepare an information circular which may include the following information:

1) Information about the target company;

- (i) Primary business of the target company and the industry in which it operates; Background and history of the target company including its name, registration number, date of incorporation, date of commencement of business, date of conversion into public limited company, description of the business including core and others, if any.
- (ii) Group Structure of the target company showing shareholding in relative and absolute term.
- (iii) Pattern of shareholding of the target company.
- (iv) Names of the Sponsors;
- (v) Organizational structure of the target company; group information, if any;
- (vi) Major events in the history of the target company such as:
 - a) Significant financial or strategic partnerships.
 - b) Time/cost overrun in setting up projects.
 - c) Capacity enhancement, location of plants.
 - d) launch of key products or services.
 - e) entry in new geographies or exit from existing markets.
 - f) Key awards, accreditations or recognition .
 - g) Defaults or rescheduling/ waiver / restructuring of borrowings with financial institutions/ banks.
- (vii) Nature and location of the target company's projects, if any; current implementation and operational status of the projects; nature and type of plant and machinery; total capacity and capacity utilization; financial plan with detailed breakup, in case the proceeds of the issue are to be used for financing a project.
- (viii) Infrastructure facilities like roads, buildings, housing colonies; utilities like water, electricity; raw materials.
- (ix) Product or services of the target company: Revenue and cost driver of the target company in detail;
- (x) Intellectual property rights;
- (xi) Details of material property
- (xii) Future prospects, demand outlook.
- (xiii) Vendors to the target company.
- (xiv) Approvals: All government and other approvals which are material and necessary for carrying on the business of the target company.
- (xv) Details regarding Associated companies of the target company.

¹ Inserted vide SRO 1214 (I)/2021 dated September 15, 2021

(xvi) Related parties' transactions, if any and their significance on the financial performance of the target company.

2) The draft scheme for the proposed merger/acquisition transaction

3) Financial Information;

- (i) Financial statements of the SPAC and the Target Company;
- (ii) Pro forma financial information to reflect the merger transaction;
- (iii) Qualified opinion, if any given by the auditor of the target company during the last three financial years;
- (iv) Following details as per the financial statements of the target company for the last 3 years or for a shorter period if 3 years of commencement of business are not completed in tabular format:
 - a) Share capital;
 - b) Net Worth;
 - c) Revenue;
 - d) Gross margin
 - e) Operating margin
 - f) Profit after tax;
 - g) Profit after tax margin;
 - h) Earnings per share;
 - i) Breakup value per share;
 - j) Total borrowings as per the balance sheet;
 - k) Total debt to equity ratio;
 - l) Cash flow from operations

4) Description of post-transaction company and its management, directors, governance structure, and material contracts;

5) Management's discussion and analysis (MD&A) of the SPAC and the target company

6) All material Risk factors related to the target company;

7) The timeframe for payment to holders of securities electing to exchange their securities. The SPAC must also demonstrate that this timeframe is reasonable, including providing details of all milestones or steps to be taken.

8) LEGAL PROCEEDINGS AND OVERDUE LOANS OF THE TARGET COMPANY;

Summary table of outstanding legal proceedings other than the normal course of business against the target company its sponsors, substantial shareholders, directors or its associated group companies, over which the target company has control, that could have material impact on the target company.

OVERDUE LOANS OF THE TARGET COMPANY

9) MATERIAL CONTRACTS / DOCUMENTS RELATED TO THE ISSUE (list of all agreements related to the proposed merger or acquisition)

10) MEMORANDUM OF ASSOCIATION OF THE TARGET COMPANY

11) BOARD AND MANAGEMENT OF THE TARGET COMPANY

S.NO.	Name of Sponsors/Promoters	Area of Expertise alongwith years of experience	Professional Qualification	Major Achievements
-------	----------------------------	---	----------------------------	--------------------

12) PRE AND POST ISSUE SHAREHOLDING OF THE SPAC

S.No.	Name of Sponsor	Shareholding (Nos. of shares- Pre-Issue)	%	Shareholding (Nos. of shares- Post-Issue)	%
-------	-----------------	--	---	---	---

13) OUTSTANDING LEGAL PROCEEDING

14) REFUND TO INVESTORS: A SPAC can make refund to the entitled shareholders from the Escrow account as follows:

- (i) where the company is unable to complete the merger or acquisition transaction within the stipulated time period of thirty six (36) months;
- (ii) to those entitled shareholders, who do not approve the merger or acquisition transaction.

15) RIGHTS OF HOLDERS OF VOTING SECURITIES WHO VOTE AGAINST A QUALIFYING ACQUISITION

16) TIME FRAME FOR COMPLETION OF ACQUISITION/MERGER

17) Any other information that an investor must know before approving the transaction

18) **MISCELLANEOUS INFORMATION**

REGISTERED OFFICE / CENTRAL OFFICE OF THE TARGET Registered Office Address: ----- Phone: ----- Fax: -----Email: ----- Website: -----	AUDITOR OF THE TARGET M/s. -----, Chartered Accountants Address: -----. Contact No.: ----- Email: -----
REGISTRAR AND TRANSFER AGENT -----Limited Office: ----- UAN: ----- FAX: ----- Email & Website:: -----	BANKERS

all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this prospectus and that nothing has been concealed

Annexure-A

Information and documents to be submitted along with the prospectus]

1. Undertakings by the directors/ investment agent / custodian on non-judicial stamp papers attested by Oath Commissioner regarding compliance with the requirements of Regulations;

2. Affidavits/undertakings from the promoters, directors of the SPAC that they meet the fit & proper criteria as required under regulation 12(b) of the Regulations, duly attested by Oath Commissioner;
3. Profiles of the directors and sponsors/ of the SPAC containing the details regarding their professional experience;
4. Forms 28 and 29 duly certified from the concerned Company Registration Office (CRO);
5. Copies of all other approvals required under any law and/or contract;
6. Undertaking, on Non-Judicial Stamp Paper, from the Chief Executive or any Director/Sponsor of the SPAC authorized by the Board of Directors to the effect that the SPAC shall comply with the requirements of the Regulations;
7. Undertaking, on Non-Judicial Stamp Paper, from the Sponsor/Promoters of SPAC to the effect that they shall not utilize the amount of fund raised from the public for any other purpose except for merger or acquisition transaction and related expenses as permitted under these regulations.
8. Power of attorney by the SPAC in favor of consultants/advisors, if any;
9. Certificate of Incorporation, Memorandum and Articles of Association/constitutive document of SPAC;
10. Copy of the Information Memorandum, if any;]

F. No.SMD/CIW/Misc./09/2015

(Bilal Rasul)
Secretary to the Commission