



PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

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PSBA/Notice-206

April 14, 2025

NOTICE FOR MEMBERS

**DRAFT AMENDMENTS TO THE PUBLIC OFFERING REGULATIONS. 2017. PROPOSED TO BE MADE BY
THE SECP IN EXERCISE OF THE POWERS CONFERRED UNDER SECTION 169 OF THE SECURITIES ACT.
2015 (III OF 2015)**

This is in reference to the notification S.R.O.588 (I)/2025 dated April 07, 2025 (attached), whereby the comments have been invited by the SECP:

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **April 18, 2024**, so that a consolidated response is submitted to the authorities for their consideration.

Sd
Akber Ali
Officer - Secretariat

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1. PSBA Website

PART II
Statutory Notifications (S. R. O.)
GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 7th April, 2025

NOTIFICATION

S.R.O.588(I)/2025.- The following draft amendments to Public Offering Regulations, 2017, proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of the powers conferred under section 169 of the Securities Act, 2015 (III of 2015), are hereby published in the Official Gazette for the information of all the persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, received within fourteen days from the date of its placement on the website of the Commission, shall be taken into consideration by the Securities and Exchange Commission of Pakistan, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

1. In preamble, in sub regulation (3), in sub clause (iii), the word “Eligible Participants” shall be substituted for the word “Book Runner”
2. In regulation 2,
 - (i) In sub regulation (1),
 - (a) for clause (va), the following shall be substituted,-

“(va) “Bid” in case of debt securities means an intention to buy a specified number of debt securities
 - (i) for a particular profit rate/spread in the case of fixed rate or floating rate instrument; or
 - (ii) at a particular price at discount to the face value in the case of discounted rate instrument;”
 - (b) after clause (via), the following new definition shall be inserted,-

- “(vib) “Bid Amount or Bid Money” for Discounted Debt Instrument based on realized value means the amount equal to the product of number of discounted debt instruments bid for and the bid price;”
- (c) after clause (vib), the following new definition shall be inserted, -
- “(vic) “Bid Amount or Bid Money” for Discounted Debt Instrument based on face value means the amount equal to the product of number of discounted debt instruments bid for and the face value;”
- (d) clause (vii) shall be omitted;
- (e) in clause (x), after the expression “Bid Price”, the expression “in case of shares” shall be inserted;
- (f) after clause (x), the following new definition shall be inserted,-
- “(xa) “Bid Price” in case of discounted debt Instrument means the price quoted by the bidder at a particular discount in relation to the face value;
- (g) in clause (xia), after the word “spread”, the expression “/price” shall be inserted;
- (h) clause (xiv) shall be omitted;
- (i) clause (xv) shall be omitted;
- (j) after clause (xviii) , the following new definition shall be inserted,-
- “(xviii ai) “Cut off price” means the price of a discounted debt instrument determined on the basis of book building process;”
- (k) after clause (xx), the following new definition shall be inserted,-
- “(xxa) “Discounted Debt Security/Instrument” means a debt security that is issued at discount to the face value;”
- (l) after clause (xxa), the following new definition shall be inserted,-

“(xxb) “Dutch Auction Method” for Discounted Debt Instrument means the method through which the Cut off price is determined by arranging all the Bids in descending order based on the Bid Prices along with the number of debt securities and the cumulative number of debt securities bid for. The Cut-off 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;”

(m) after clause (xxia) the following new definitions shall be inserted,-

“(xxib) “E-IPO Platform” means an electronic platform through which investors can submit applications for public subscription of securities electronically with payment through e-banking channels;”

“(xxic) “Eligible Participant” shall include securities brokers, mutual funds and scheduled banks that are clearing member of NCCPL;”

(n) for clause (xxiia), the following shall be substituted,-

“(xxiia) “Green Field Project/Company” includes a company that has not commenced commercial production/operations and is executing a new project to commence operations.”

(o) after clause (xxiv), the following new definition shall be inserted,-

“(xxiva) “Growth Enterprise Market (GEM)” shall have the same meaning as assigned to it in the PSX Regulations;”

(p) in clause (xxiib), after the word “spread”, the expression “/price” shall be inserted;

(q) in clause (xxiii), for the word “one”, the word “five” shall be substituted;

(r) after clause (xxiii), the following new definition shall be inserted, -

“(xxxiiia) “Minimum Bid Size in case of Discounted Debt Instrument” means the Bid Amount equal to five million rupees under the Book Building method calculated using the Bid Amount based on face value.”;

(s) existing clause (xxxiiia) shall be renumbered as clause (xxxiiib);

(t) after clause (xxxiiib), the following new definition shall be inserted, -

“(xxxiiic) “NCCPL” shall mean National Clearing Company of Pakistan Limited Licensed by the Commission;”

(u) in clause (xxxvii), for the expression “40%”, the expression “20%” shall be substituted and following new proviso shall be inserted. –

“Provided that Consultant to the Issue can set a higher upper limit by providing valid justification for the same in the Prospectus.”

(v) after clause (xxxvii), the following new definition shall be inserted,-

“(xxxviiia)“PRIDE” means an online interface/platform provided by the securities exchange for submission and processing of listing and prospectus application;”

(w) after clause (xl), the following new definitions shall be inserted,-

“(xla) “REIT Regulations” means the Real Estate Investment Trust Regulations, 2022 as may be amended, replaced or substituted from time to time.”

“(xlb) “REIT Management Company/RMC” shall have the same meaning as assigned to it in the REIT Regulations;”

“(xlc) “REIT Scheme” shall have the same meaning as assigned to it in the REIT Regulations;”

(x) in clause (xli), the expression “the Book Runner” shall be omitted;

(y) after clause (xliia), the following new definition shall be inserted,-

“(xliib) “Secondary Public Offering or SPO” means public offer of listed securities by a listed company;”

(z) for definition (xliii), the following shall be substituted,-

“(xliii) “securities” means shares, debt securities and units of a REIT Scheme;”

(aa) clause (xlvi) shall be omitted;

(bb) in clause (xlviia), for the word “Ijarah”, the word “Ijara” shall be substituted and for the expression, “by the Shariah Advisor”, the expression “under the shariah” shall be substituted;

(cc) for clause (xlviii) the following shall be substituted,-

“(xlviii) “Shariah Compliance Certificate” for the purpose of these Regulations means shariah compliance certificate obtained from the Issuer under the Shariah Governance Regulations, 2023;”

(dd) after clause (xlviii) amended as aforesaid, the following new definition shall be inserted,-

“(xlviiiia) “Shariah Governance Regulations” means the Shariah Governance Regulations, 2023 as may be amended, replaced or substituted from time to time;”

(ee) for clause (li) the following shall be substituted,-

“(li) “Step Bid” in case of shares means a series of Limit Bids at increasing prices provided that Bid Amount of any step is not less than minimum bid size;”

(ff) for clause (lia) the following shall be substituted,-

(lia) “Step Bid” in case of Debt Securities means a series of Limit Bids at different profit rates/spreads/prices provided that Bid Amount of any step is not less than minimum bid size;

(gg) in clause (liv), the following proviso shall be inserted at the end,-

“Provided that in case of REIT Scheme Sponsor shall include the person(s) as disclosed by the REIT Management Company in the Prospectus”;

(hh) after clause (lvi), the following new definition shall be inserted,-

“(lvia) “Units” shall have the same meaning as assigned to it in the REIT Regulations;”

(ii) in sub regulation (2), after the expression “in the Act”, the expression “REIT Regulations,” shall be inserted;

3. In regulation 3,

(i) In sub-regulation (1),

(a) In clause (ii), for the provisos and the para at the end, the following shall be substituted,-

“Provided that the requirement of profitable track record of two preceding financial years shall not apply to REIT Schemes.

Provided further that the requirement of profitable track record for short term sukuk instruments structured on the shariah principle of Shirkat ul Aqd shall be assessed based on Gross profit.

Provided further 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 of the company 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 in the Risk Factors section of the Prospectus in bold language:

This is a loss-making company. The risks associated with loss making companies are comparatively 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”.”

- (b) In clause (iv), for the expression “green field project”, the expression “green field project/company” shall be substituted and following proviso shall be inserted at the end namely,-

Provided further that clause (ii) to (iv) above shall not be applicable in case of SPAC.”

- (ii) In sub regulation (3), the expression “Book Runner,” shall be omitted;

- (iii) In sub regulation (3), for the provisos the following shall be substituted,-

“Provided that appointment of Consultant to the Issue shall not be made mandatory in case of:

- i. initial public offering of other class of shares by listed company
- ii. secondary public offering by a listed company
- iii. public offer of debt securities

Provided further, that investment finance service license holder and development finance institution can only act as Consultant to the Issue in case of public offering of debt securities and listings on the Growth Enterprise Market.

Provided further that Scheduled Bank can only act as Consultant to the Issue in case of public offer of equity securities, public offer of debt securities and listings on the Growth Enterprise Market.”

- (iv) In sub regulation (4), the word “Book Runner” shall be omitted;

- (v) In sub regulation (7), the following shall be substituted,-

“Issuer shall ensure that E-IPO system(s) are available for the general public/retail portion.”

- (vi) Sub regulation (8) shall be omitted,-

- (vii) In sub regulation (9), the following shall be substituted,-

The Issuer shall prepare the draft prospectus and advertisement, as per the following arrangement:

<ul style="list-style-type: none"> <input type="checkbox"/> In case of Initial Public Offering of shares by unlisted company. <input type="checkbox"/> In case of Public Offering of debt securities, other than short term debt securities by unlisted company. <input type="checkbox"/> In case of Initial Public Offering of units of the REIT Scheme. <input type="checkbox"/> In case of Initial Public Offering by a SPAC. 	<p>The Prospectus must contain the information/reports, where applicable, as specified in the First Schedule.</p>
<ul style="list-style-type: none"> <input type="checkbox"/> In case of Initial Public Offering of other class of shares by listed company. <input type="checkbox"/> In case of Secondary Public Offering by listed company or REIT Scheme. <input type="checkbox"/> In case of Public Offering of debt securities, other than short term debt securities, by listed company. <p>Provided that a listed company not compliant with the audited accounts requirements as per the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 as may be amended, substituted or replaced from time to time, shall prepare the draft prospectus as per the requirements of the First Schedule instead of the First Schedule-A.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> The Prospectus must contain the information/reports, where applicable, as specified in the First Schedule - A
<p>In case of Public Offer of short-term debt securities, either through Shelf Registration or otherwise.</p>	<p>The Prospectus or Shelf Prospectus must contain the information/reports, where applicable, as specified in the First Schedule-B.</p>
<p>Draft abridged Prospectus, if any.</p>	<p>The abridged Prospectus must contain the information/reports, where applicable, as specified in the Second Schedule.</p>
<p>Draft advertisement, if any.</p>	<p>The advertisement must contain the information, where applicable, as specified in the Third Schedule.</p>
<p>Draft Supplement to the Prospectus, in case of shelf registration.</p>	<p>The supplement to the Prospectus must contain the</p>

	information/reports, where applicable, as specified in the Fourth Schedule.
Draft Supplement to the Prospectus in case of shelf registration involving debt securities.	The Supplement to the Prospectus must contain the information/reports, where applicable, as specified in the Fourth Schedule-A.

Provided that the Issuer shall follow the instructions specified in the **First Schedule-C** for drafting prospectus.

Provided further that the securities subscription form on the format provided in **Seventh Schedule** shall be made part of the Prospectus.”

(viii) In sub regulation (9a), the following shall be substituted, -

“The Issuer and the Consultant to the Issue, if any, shall ensure that all applicable disclosures as prescribed under respective Schedules are made in the draft prospectus.

Provided that it shall be the responsibility of the Issuer and the Consultant to the Issue, if any, to ensure the quality and accuracy of the disclosures made in the Prospectus.”

(ix) In sub regulation (9b), after the expression “report the same to the”, the expression “securities exchange and the” shall be inserted;

(x) Sub regulations (11), (12), (13), (14), (15), (15a),(15b), (16) and (19) shall be omitted,-

(xi) In sub regulation (20), the word “Book Runner” shall be omitted;

(xii) In sub regulation (20), for the word “institution”, the word “Institution” shall be substituted;

4. After the regulation (3) amended as aforesaid, the following new regulation shall be inserted,-

“3A Regulatory Review Process for the Public Offer of Securities (refer **First Schedule-E**).-

- (1). The Issuer itself or through its Consultant to the Issue, if any, shall simultaneously submit complete listing application and Prospectus application signed by the Chief Executive Officer of the Issuer and/or Consultant to the Issue through PRIDE, for approval of the securities exchange and the Commission respectively.
 - (i) The listing application shall be submitted for approval of the securities exchange under section 19 of the Act read with relevant regulations of the securities exchange, and include the draft Prospectus and such other information/documents as may be required by the securities exchange under its regulations.
 - (ii) The Prospectus application shall be submitted for approval of the Commission under section 87 and 88 of the Act and contain all information/documents as specified under the Eighth Schedule of these Regulations.
- (2). On receipt of the complete applications through PRIDE, the securities exchange shall place the draft Prospectus on its website for a period of five working days to seek public comments thereon. During this period, the securities exchange and the Commission shall review the respective applications and communicate any comments/deficiencies along with any public comments, to the Consultant to the Issue and/or Issuer, for resolution.
- (3). Upon placement of the draft Prospectus on the website of the securities exchange, the Issuer and the Consultant to the Issue, if any, shall also place the draft Prospectus on its website(s).
- (4). The Consultant to the Issue and/or the Issuer (as applicable) shall, within a period of five working days from receipt of the comments/deficiencies/public comments from the securities exchange and the Commission, address the comments/deficiencies/public comments to the satisfaction of the securities exchange and the Commission, and submit revised updated draft Prospectus incorporating any missing disclosures and other documents to the securities exchange and the Commission
- (5). The Issuer/Consultant to the Issue (as applicable), shall also submit a due diligence certificate duly signed by the chief executive officer, as per First Schedule-D, certifying that all deficiencies/comments have been addressed.

Provided that any deficiencies/comments not addressed by the Issuer and/or Consultant to the Issue (as applicable) in the updated draft Prospectus, shall be highlighted in the due diligence certificate along with the rationale for not addressing the same.

Provided that Issuer shall provide due diligence certificate, where the Consultant to the Issue is not appointed by the Issuer.

- (6). On receipt of the due diligence certificate, the securities exchange shall convey its decision on the listing application including draft Prospectus to the Consultant to the Issue, Issuer and the Commission, within a period of two working days.
- (7). In case of approval by the securities exchange, the Commission shall convey its decision to the Consultant to the Issue, Issuer and the securities exchange, within a period of two working days.

Provided that the regulatory timelines are subject to submission of complete application including a well-drafted Prospectus with complete and accurate disclosures, and timely resolution of deficiencies/comments by the Issuer/Consultant to the Issue (as applicable).

Provided further that while processing any application submitted by the Issuer itself or through its Consultant to the Issue, the securities exchange and the Commission 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 and the Commission 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.

Provided further that 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.

- (8). Regulatory approval relating to supplement to the Prospectus in case of shelf registration involving debt securities, shall be processed as under:

- (i) In case there is no material change in the business model, utilization of proceeds and the financial performance of the Company, since publication of the shelf prospectus/last supplement to the shelf prospectus, the Issuer shall submit undertaking to the securities exchange and the Commission through PRIDE confirming the same along with a copy of the supplement to the prospectus, The Issuer shall proceed further with the public subscription on submission of these documents and no further approval shall be required; and
 - (ii) In case there is a material change in the business model, utilization of proceeds and/or financial performance of the Company, since publication of the shelf prospectus/last supplement to the shelf prospectus, the Issuer shall be required to submit supplement to the shelf prospectus for approval of the securities exchange and the Commission, and same shall be processed within 7 working days.”
- (9). Non-compliance with any of the conditions imposed by the securities exchange and the Commission while granting approval for the listing application and/or issuance, circulation and publication of the Prospectus shall be considered as a violation of the Act.
- (10). Any change in the Prospectus subsequent to its approval by the Commission and prior to its publication, shall be made only with prior written approval of the securities exchange and the Commission;

Provided that minor change(s) including but not limited to typographical and numerical errors shall be exempted from said requirement.

The Issuer/Consultation to the Issue shall submit revised Prospectus, including any such changes, to the securities exchange and the Commission for record.

- (11) Any change in the Prospectus subsequent to its publication, shall 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 and websites in which the Prospectus was published earlier;

Provided that minor change(s) including but not limited to public subscription dates, book building dates, typographical and numerical errors, shall be exempted

from said requirement. The Issuer/Consultant to the Issue shall submit revised Prospectus, including any such changes, to the securities exchange and the Commission for record.

Provided further that before publication of addendum to the Prospectus, the Issuer shall report all minor changes made in the Prospectus to the Commission and the securities exchange.

- (12). 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, bidding dates (where applicable) and public subscription dates. The securities exchange shall grant dates within one working day from the date of application.
- (13). After inserting the dates of bidding period where applicable and subscription period, final copy of the approved Prospectus shall be kept placed on the website of the Issuer (till the life of the Company), the securities exchange and the Consultant to the Issue, if any.
- (14). The Prospectus shall be issued, circulated and published not less than seven days and not more than thirty days before commencement of the public subscription.
- (15). The Prospectus as approved by the Commission or abridged version of the Prospectus as per the Second Schedule to these regulations shall be published in at least one English and one Urdu daily newspaper.

Provided that contents of the abridged version of the Prospectus cannot be varied from the Prospectus approved by the Commission.”

5. In regulation 5,

- (i) in sub-regulation (2), the word “financial” shall be omitted,-
- (ii) in sub-regulation (4) the following proviso shall be inserted at the end,-

“Provided that a sale of at least 5% of the post issue paid up capital or Rs. 50 million, whichever is lower, shall constitute a block sale during the lock-in period.”

- (iii) Sub-regulation 6 and clause (i) shall be omitted,-

6. In regulation 6,

- (i) In sub-regulation (3), the following proviso shall be inserted,-

“Provided that right shares issued during the last six month shall not be considered for the purpose.”

- (ii) Sub-regulations (4),(5),(6),(7) and (8) shall be omitted,-

- (iii) for sub-regulation (9), the following shall be substituted,-

“(9) The general public shall submit application for the subscription of shares in physical form to the Banker to an Issue or electronically through e-IPO platform;

Provided that physical application can only be submitted by the Institutional Investors and 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.

Provided further that submission of physical applications by all types of investors shall be discontinued from July 1, 2025, after which all applications shall be submitted only through e-IPO platforms.

- (iv) in sub-regulation (10), for the digit “10”, the digit “5” shall be substituted;

- (v) sub-regulation 11 shall be omitted,-

7. In regulation 7,

- (i) Sub-regulation (2) shall be omitted,-

- (ii) For sub-regulation (3), the following shall be substituted,-

“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.

Provided that allocation to the retail portion shall be increased as follows, in case the retail portion is oversubscribed, and there shall be a corresponding decrease in the allocation to book building investors:

Oversubscription of retail portion	Increase in allocation to retail portion
3 times but less than 5 times	10%
5 times but less than 10 times	20%
10 times and greater	25%

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 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;”

(iii) sub-regulation (4), shall be omitted;

(iv) for sub-regulation (6), following shall be substituted. -

“(6) Eligible participant shall be required to get registered with the designated institution;”

(v) for sub- regulation (7), following shall be substituted.-

“(7) For registration, eligible participant shall submit an interest for participation in the book building auction;

Provided that registration shall be a one-time process and would not be required before each new book building transaction.”

(vi) after sub- regulation (7), following new sub-regulation shall be inserted.-

“(7a) Upon registration, designated institution shall configure its book building system by creating eligible participant in the book building system. Once the eligible participant is created, credentials such as participant ID, PIN and password will be transmitted by the book building system to the authorized person’s registered email address and designated mobile number;”

- (vii) in sub-regulation (9), the expression “and Book Runner” and the expression “and the Book Runner” shall be omitted;
- (viii) in sub-regulation (10), the expression “a tripartite” and the expression “and the Book Runner” shall be omitted;
- (ix) in proviso to sub-regulation (10), for the expression “tripartite agreements” the expression “agreement” shall be substituted;
- (x) in sub-regulation (11), the word “the Book Runner” shall be omitted;
- (xi) after sub-regulation (11), the following new sub regulations shall be inserted namely. -

“(12) Eligible participant shall be responsible to register the bidders and create bidding account for bidders in the book building system for participation.

Provided that eligible participants that are Mutual Funds and Banks can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding.

(13) Eligible participant shall collect advance/margin money against bids based on their own risk assessment criteria.

(14) Eligible participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

(15) Eligible Participants that are Banks and Mutual Funds shall be allowed to participate in the book building with 0% margin money for proprietary trade.

Provided that the Banks shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL; and Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.

(16) Eligible participant that are Securities Brokers shall be allowed to participate with 25% margin money. Securities Brokers shall collect margin money against bid amount from the bidders based on their own risk assessment criteria.”

8. In regulation 8,

(i) for sub-regulation (1) the following shall be substituted, -

“The Issuer shall decide the Floor Price and the Price Band in consultation with the Consultant to the Issue, if any.

Provided that Consultant to the Issue or the Issuer, as the case may be, shall conduct detailed evaluation of the financial performance of the Issuer, while suggesting floor price.

Provided further that the upper limit of the Price Band should not be more than 20% 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 or the Issuer, as the case may be, shall justify the Floor Price.

Provided that Consultant to the Issue can set a higher upper limit by providing valid justification for the same in the Prospectus”;

(ii) Sub-regulations (2),(3),(4),(5) and (6) shall be omitted;

(iii) In sub-regulation 6(a), the expression “by the Book Runner” shall be omitted;

(iv) In sub-regulation (7), after the expression “electronically through the”, the expression “Book Building” shall be inserted;

(v) Sub-regulation (8) shall be omitted;

(vi) In sub-regulation (9), for the word “Book Runner”, the word “Eligible Participants” shall be substituted;

(vii) Sub-regulations (10), (11), (12), (13), (14) shall be omitted;

(viii) In sub-regulation (15), for the word “one”, the word “two” shall be substituted;

(ix) In sub-regulation (16) the following shall be substituted,-

“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 Consultant to the

Issue to the Commission, the securities exchange and the Designated Institution”

(x) Sub-regulation 18 shall be omitted;

9. For regulation 9, the following shall be substituted. -

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

(1). Bids can be placed as ‘Limit Bid’ or a ‘Step Bid’.

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 five million rupees.

(2). The Issuer shall publish the Prospectus at least one day before the commencement of registration of bidders by the eligible participants and issuance of public notice by the designated institution relating to announcement of book building.

(3). Eligible participant shall register the bidders and the registration period shall remain open till 03:00 PM on the last day of bidding.

(4). The bidding shall remain open for at least two working days.

(5). The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.

(6). Designated Institution shall through the Book Building 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 securities exchange.

(7). Designated Institution will issue a public notice regarding the book building at least 3 working days before the bidding period (B-3). The notice shall cover the issuer name, Issue size, floor price, bidding dates, salient features of the issue among others.

(8). Eligible participant shall register bidders (Individual and Institutional Investors) and create user bidding account for bidders.

Provided that Eligible participant can also create bidding account for proprietary participation.

- (9). The creation of user bidding account shall require minimum information such as name of bidder, bid amount, UIN/ CNIC, Incorporation number/ CUIN, contact details, CDC sub account/Investor account / IBAN No. IPO facilitation account can be used if bidder does not have CDC subaccount or CDC investor account. These details shall be captured by the eligible participant at the time of registration.
- (10). Bidders can opt disclosed or un disclosed bidding at the time of registration. In case of disclosed bidding, bids shall be placed by the eligible participation and in case of un disclosed bidding, bids shall be placed by the bidder.
- (11). At the time of registration, bidders shall authorize the eligible participant for placing bid in case of disclosed bidding.
- (12). Eligible participants shall collect the margin money from the bidders and deposit the same with the NCCPL.
- (13). Individual investors shall pay 100% of bid amount as margin money to the eligible participant.
- (14). Institutional investors, shall pay 25% of bid amount as margin money to the eligible participant.

Provided that eligible participant may accept a lower margin from the bidders based on its own risk assessment.

- (15). In case of un disclosed bidding, for creating user bidding account for bidders, the eligible participants shall use the bidder details (email, name, phone number etc.). Book Building system will share the User ID, URL for the bid screen, PIN and password directly with the bidder via registered email and mobile number.
- (16). Once the user is created and confirmed by the eligible participant, the credentials for participation in the bidding process shall be forwarded by the Book Building System to the user (investor in the case of undisclosed bidding or their eligible participant in the case of disclosed bidding) through registered email and/or mobile numbers.

- (17). Eligible participant can limit the amount of bidding by the bidders depending on the margin money received and its own risk assessment criteria.
- (18). In the event of a Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member – PCM (EClear Services Limited).
- (19). Eligible participants shall deposit the margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 pm one working day before the start of the bidding period. (B-1).

Provided that during the bidding period, the eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL.

- (20). NCCPL shall communicate the confirmation of advance/margin money against bid amount of eligible participants to designated institution by 5:30 pm one working day before start of bidding period (B-1).
- (21). Based on the information shared by NCCPL, designated institution will activate the eligible participants who have submitted advance/margin money for the bidding purposes.
- (22). NCCPL will continue to share the information with designated institution relating to margin money deposited by the eligible participants during the bidding period due to registration of new bidders or increase in bidding amount.
- (23). Eligible participants may bid on behalf of their client(s) in the case of disclosed bids, or users may bid anonymously using the credentials provided during the bidding period within the maximum participation amount assigned.
- (24). Book Building System shall ensure that the bids are submitted within the assigned limits based on the advance/margin money against bid details provided by NCCPL and the resultant maximum participation amount.
- (25). The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL.

- (26). The bidders can revise the bids upward till 05:00 p.m. on the last day of the Bidding Period.
- (27). At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Book Building System.
- (28). The bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- (29). 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.
- (30). 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.
- (31). The bidders who have made bids below the Strike Price shall not qualify for allotment of shares.
- (32). At the end of bidding period, successful bidders and their eligible participants shall be notified by the Book Building System via their registered email that their bids are accepted and such bidders are required to arrange settlement with NCCPL at B+1.
- (33). Following the allocation process, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants.
- (34). In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.
- (35). The funds in lieu of accepted bids will be credited to the Issuer banks account by NCCPL after the end of public subscription period, credit of securities to the successful investors and issuance of NOC by the Securities Exchange.

10. In regulation 10, in sub regulation (1), for the word “Book Runner” appearing for the first time, the expression “the Issuer or the Consultant to the Issue” shall be substituted, and for expression “book runner,” the word “and” shall be substituted.
11. In regulation 11,
- (i) Sub-regulation (1), for the expression “three working days”, the expression “one working day” shall be substituted;
 - (ii) for sub-regulation (3), the following shall be substituted,-

“The general public shall submit application for the subscription of shares in physical form to the Banker to an Issue or electronically through e-IPO platform;

Provided that physical application can only be submitted by the Institutional Investors and 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.

Provided further that submission of physical applications by all types of investors shall be discontinued from July 1, 2025, after which all applications shall be submitted only through e-IPO platforms.
 - (iii) In sub-regulation (4), for the digit “10”, the digit “5” shall be substituted;
12. In regulation 12b, in sub-regulation (1), in clause (vii), for the expression “Schedule Eleven”, the expression “First Schedule” shall be substituted;
13. After regulation 12q, the following new chapter and regulations shall be inserted,-

“Chapter VI A-1

Public Offer of REIT Units

(12a1.) Methods for Public Offer of REIT units.- (1) An Issuer including an Offeror may make public offer of units of REIT Scheme as per the Fixed Price method or Book Building method.

Provided that requirements and procedure for fixed price method and book building method, in case of public offer of shares given at regulation 4, 6, 7, 8, 9, 10 and 11 shall also be applicable in case of units of REIT Scheme.”

(12a2.) Conditions for Public Offer of REIT units.- (1) An Issuer may make public offer of units of REIT Scheme, if it fulfils the following conditions, namely.-

- (i) The Issuer is compliant with all the applicable requirements as specified in the REIT Regulations for launching a REIT Scheme and public offering and listing of units of a REIT Scheme.
- (ii) In case of Offer of Sale, the Issuer shall comply with the Offer for Sale requirements specified for shares at Regulation 12.
- (iii) The Issuer shall comply with the disclosure requirements specified in these Regulations, and shall also disclose all information and incorporate necessary documents in the Prospectus as specified in the REIT Regulations.
- (iv) The general requirements relating to board and management in case of public offer and listing shall be complied by RMC.
- (v) The general requirements relating to fund raising in case of public offer and listing shall be complied by the REIT Scheme.
- (vi) The Issuer shall ensure that Lock in period requirements as specified in the REIT Regulations are complied.

14. In regulation 13,

- (i) In sub-regulation (2), clause (iii) shall be omitted;
- (ii) In sub-regulation (4), the following proviso shall be inserted at the end;

“Provided that underwriting shall not be required in case of public offer of short term sukuk instruments.”
- (iii) In sub-regulation (7),
 - (a) for clause (ii) the following shall be substituted,-

“(ii) The Issuer has obtained shariah compliance certificate under the Shariah Governance Regulations, certifying that securities are shariah compliant.”;

(b) clauses (iii), (v), (vi), (vii), (viii), (xiia), (xiib), (xiic), (xiii), (xiv), (xiva), and (xivb) shall be omitted.

(c) in clause (xive), the expression “including the fee, if any, paid to the Shariah Advisor” shall be omitted.

(d) clause (xivg) shall be omitted.

(iv) In sub-regulation (8), for the digit “10”, the digit “5” shall be substituted;

15. In regulation 14, for the expression “short term debt securities” the expression “Commercial Paper” shall be substituted in the heading and the word “only” shall be omitted;

16. In regulation 15a,-

(i) In the start, for the text, “ 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 following sub regulation (1) shall be substituted.-

(1) An issuer can adopt book building mechanism for:

i. discovery of profit rate in case of fixed rate instrument and spread (+/-) in relation to the KIBOR or reference rate in case of floating rate instrument; and

ii. discovery of price in case of discounted instrument.

Explanation

In case of fixed and floating rate instruments to be issued at par, Bid shall mean the intention to buy specified number of debt securities at face value for a particular spread/profit rate quoted in term of basis points.

In case of discounted instrument, Bid shall mean the intention to buy specified number of debt securities at a particular price in relation to the face value.

- (ii) After sub-regulation (1), the number (2) shall be inserted before the text “The Book Building shall be conducted as per the conditions and procedure prescribed below:”
- (iii) In clause iii, the expression “a tripartite” and the expression “and the Book Runner” shall be omitted;
- (iv) In clause iv, the expression “by the book runner” shall be omitted;
- (v) In clause v, after the expression “in relation to the KIBOR”, the expression “or reference rate” shall be inserted;
- (vi) After clause v, amended aforesaid, the following new clause shall be inserted,-
“va For discounted instruments, Bidder shall place bid in terms of price in relation to the face value.”;
- (vii) For clause vii, the following clause shall be substituted.-
“vii. Clause (9) to (15) of Regulation 8 and clause (1) to (5) and (7) to (25) of Regulation 9 relating to procedure for Book Building and bidding of shares shall also apply in case of debt securities”
- (viii) Clauses viii, ix, and x shall be omitted;
- (ix) In clause xi, the expression “In case of fixed rate or floating rate instrument ” shall be added before the expression “ At the close of the bidding period”;
- (x) After clause xi amended aforesaid, the following new clause shall be inserted,-
“xia. For discounted instruments, at the close of the bidding period, cut-off price shall be determined on the basis of Dutch Auction Method by arranging all the prices in descending order along with the number of debt securities and the cumulative number of debt securities bid for at each price. The Cut off price shall be determined by decreasing the price to the extent that the total number of debt securities offered under the Book Building portion are subscribed. The allotment shall be made on the following basis:

- a. The allotment shall be made on the basis of highest bid priority, i.e. the bid made at the highest price shall be considered first for allotment;
- b. The bidders who have made bids at price higher than the Cut-off price shall be allotted the debt securities at the Cut-off price.
- c. In case all the bids made at price above the Cut Off price are accommodated and debt securities are still available for allotment. Such available debt securities shall be allotted against the bids made at the Cut Off price on proportionate basis.
- d. The bidders who have made bids below the Cut off price shall not qualify for allotment.

Provided that Issuer can also opt multiple pricing model for allotment of securities, whereby successful bidders (Investors that have bid at cut off price and above) shall be allotted the securities at bid price.”;

- (xi) In clause xii, following shall be substituted, –

“ At the end of bidding period, successful bidders and their eligible participants shall be notified by the Book Building System via their registered email that their bids are accepted (depending upon the instrument) and such bidders are required to arrange settlement with NCCPL at B+1”

- (xii) In clause xiii, following shall be substituted, -

“Following the allocation process, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants”

- (xiii) In clause xiv, following shall be substituted, -

“In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process”

- (xiv) After clause xiv, following new clause shall be inserted.-

“xv. The funds in lieu of accepted bids will be credited to the Issuer banks account by NCCPL after the end of public subscription period, credit of securities to the successful investors and issuance of NOC by the Securities Exchange”

17. In regulation 15b, sub regulation 1, for the word “Book Runner” appearing for the first time, the expression “ the Issuer or the Consultant to the Issue” shall be substituted and the expression “Book Runner,” shall be omitted;
18. In regulation 15b,-
 - (i) In sub-regulation (2),
 - (a) after clause (ii), the following new clause (iia) shall be inserted,-

“(iia) make downwards revision in terms of the price;”
 - (b) in clause (iii) for the word “and” appearing after the semi-colon, the word “or” shall substituted.
 - (ii) in sub regulation 3, after the word “spread”, the expression “/price” shall be inserted;
19. In regulation 15c,
 - (i) In clause (i), for the expression “three working days”, the expression “a maximum period of one working day” shall be substituted.
 - (ii) In clause (iv), for the digit “10”, the digit “5” shall be substituted.
20. After regulation 15c, the following new chapter and regulation shall be inserted,-

“Chapter VIIA

(15d). Conditions for Public Offer of Shares for Listing at Growth Enterprise Market. -
An Issuer may make a public offer of shares for listing at Growth Enterprise Market, if it fulfills the following conditions, namely.-

- (1) The Issuer is compliant with the eligibility criteria for public offering covered in chapter 5A of the PSX Regulations.
- (2) The Issuer shall appoint Consultant to the Issue for public offer of shares.

- (3) The Issuer shall prepare the Prospectus in compliance with the **First Schedule** and shall comply with the instructions for drafting Prospectus given at **First Schedule-C**.
- (4) The Issuer shall submit the Prospectus to the securities exchange and the Commission for approval as per regulatory review process provided in Regulation 3A of these regulations.

Provided that the Prospectus application shall be accompanied with such information/documents as specified in the **Thirteenth Schedule**.

- (5) The Issuer shall publish the Prospectus as per the requirements of the Securities Act, 2015.
- (6) The Issuer shall offer the shares to the public either through Fixed Price method or Book Building method as per the mechanism specified in these Regulations.
- (7) The Issuer shall comply with the customized requirements for Fixed Price method or Book Building method, if any prescribed by the securities exchange in the listing regulations.

Provided that customized requirements, if any introduced by the securities exchange for Fixed Price method or Book Building Method shall be applicable instead of requirements specified in these regulations.

- (8) The Issuer can prepare the Abridged Prospectus and advertisement as per Second and Third Schedule of these Regulations.

Provided that public offering of shares for listing at GEM shall be governed only through this chapter unless otherwise specified.

Provided further that function and responsibilities specified for different intermediaries at Chapter IX of these regulations shall also apply in case of public offer of shares for listing at GEM.”;

21. In regulation 16,-

- (i) In clause (i), for the word “fulfillment” the word “fulfilment” shall be substituted and the word “and” after the semi-colon shall be omitted;

- (ii) In clause (ii), for the word “fulfillment” the word “fulfilment” shall be substituted;
- (iii) In clause (iia), for the word “fulfillment” the word “fulfilment” shall be substituted;
- (iv) After clause (iia), amended as aforesaid, the following new clause (iib) shall be inserted,-
 - “(iib) The Securities Exchange shall submit its observations on the utilization of proceeds and implementation of project to the Issuer on quarterly basis, as per **Fourteenth Schedule**.
 - (iic) The issuer shall respond to observations of the securities exchange and shall upload observations and response on its website and disseminate the same to the investors, within 15 working days.”
- 22. In regulation 17, the word “Book Runner” shall be omitted;
- 23. In regulation 18, in sub-regulation (4), the expression “Book Runner,” shall be omitted;
- 24. In regulation 19,-
 - (i) In sub-regulation (1), after clause (i), the following new clause shall be inserted,-
 - “(ia) submit a due diligence certificate to the Commission and securities exchange as per **First Schedule-D**.”;
- 25. For regulation 20, following shall be substituted. -

20. Functions/Responsibilities of the Eligible Participants. - The Eligible participant shall perform or be responsible for the following activities:

- (1). Establish bidding accounts in the book building system for proprietary participation.
- (2). Register bidders and create bidding accounts for the bidders for participation in the bidding.

Provided that Eligible Participants that are Mutual Funds and Banks can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding.

(3). Eligible participant shall collect advance/margin money against bids from the bidders based on their own risk assessment criteria.

(4). Eligible participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

26. In regulation 21, the expression “Book Runner and” and the expression “the bid money or” and the expression “bidders or” shall be omitted;

27. In regulation 24, in sub-regulation (1), in clause (xi), the expression “online or through the book runner” shall be omitted;

28. **In First Schedule,-**

(i) After Section 1, under the heading “Format of the prospectus” the following shall be inserted,-

- ☐ In case of Initial Public Offering of shares by unlisted company.
- ☐ In case of Public Offering of debt securities, other than short term debt securities by unlisted company.
- ☐ In case of Initial Public Offering of units of the REIT Scheme.
- ☐ In case of Initial Public Offering by a SPAC.

(ii) In serial no. 1 “Cover Page”, after clause (ia), the following new clause shall be inserted,-

“(ib) The following statement should appear in case of SPAC:

- ☐ 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.
- ☐ 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 business among themselves. (If applicable)” ;

- (iii) In serial no. 1 “Cover Page”, in clause (ix) for the expression “book runner in case of book building” the expression “eligible participants” shall be substituted;
- (iv) In serial no. 1 “Cover Page”, in clause (xi), the expression “, Book Runner” shall be omitted;
- (v) In serial no. 6 “Part I: Approvals, Consents and Listing on the Securities Exchange”, for clause (i), (ii), (iii), and (iv) the following shall be substituted, -

“(i) **Approval of the Securities Exchange and Commission:** Detail of approvals obtained from the securities exchange and Commission with respect to the Issue. The details must contain nature of approval, date of approval and relevant law.

The following disclaimer must also be provided:

DISCLAIMER:

- (a) The Securities Exchange and Commission 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 and Commission.
- (c) The contents of this document do not constitute an invitation to invest in shares or subscribe for any securities or other financial instrument by the Securities Exchange and Commission, 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 and Commission.

- (d) It is clarified that information in this Prospectus should not be construed as advice on any particular matter by the Securities Exchange and Commission and must not be treated as a substitute for specific advice.
- (e) The Securities Exchange and Commission 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) Securities Exchange and Commission 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.
- (g) Advice from a suitably qualified professional should always be sought by investors in relation to any particular investment.”;
- (vi) In serial no. 10 “Part IV: Principal Purpose of the Issue and funding arrangements”, the following expressions in clause b, sub-clause i, in para d, sub-paras (i), (iii), (iv) and (v) shall be omitted;
- (vii) In serial no. 10, “Part IV: Principal Purpose of the Issue and funding arrangements”,
 - (a) in clause b, sub-clause iii, in para e, sub-paras (i), (iii), (iv) and (v) shall be omitted;
 - (b) in clause b, after sub clause iv, the following new clause iva shall be inserted,
 - “iva One of the purpose of the issue is to acquire land from associated/related party:
 - a. Location of the land
 - b. Area of the land
 - c. Title of the Land

d. Valuation of land by Pakistan Engineering Council registered valuer”

(viii) After serial no. 10 Part IV, amended as aforesaid, the following new serial no. 10A “Part IV (AI)” shall be inserted,-

“10A Part IV (AI). Post Issue Matters. (Reporting and Exit Opportunity)

i. Post issuance reporting requirements as per regulation 16 of these regulations,

ii. Exit Opportunity Mechanism as per regulation 16(a) of these regulations.”

(ix) In serial no. 12, Part V, for clause (xi), the following shall be substituted,

“(xi) In case of issue of Shariah compliant securities, structure of the instrument, Shariah principle, and Shariah Certificate”;

(x) In “serial no. 13 Part VI: Risk Factors”, clause iv, after para (p) the following new paras shall be inserted,-

“q. Financial Risks:

- ☐ Qualified opinion issued by the auditor.
- ☐ Contingent liabilities as per the latest audited financial statements.
- ☐ Legal/Tax proceedings having possible material impact on the company.
- ☐ Overstated EPS due to non-recurring items.
- ☐ Bad debt and high receivable turnover ratio as compared to industry.
- ☐ Obsolete inventory or slow-moving inventory or high inventory turnover.
- ☐ Portfolio investment risk, if company is managing portfolio of financial assets.
- ☐ High debt to equity ratio or capital structure ratios.
- ☐ High cash conversion cycle.
- ☐ Presence of intangible assets on books of accounts, accounting for 30% or more of the total assets.

r. Project Related Risks:

- ☐ Financial close of the project not achieved.
- ☐ Suppliers of Plant and Machinery not yet identified.

- ☐ No agreement in place for purchase of land.
- ☐ Land for project not yet identified.
- ☐ Material Agreements not in place.
- ☐ Track record of the issuer, sponsors, directors and substantial shareholders with respect to project implementation.
- ☐ Order not been placed for Plant and Machinery.
- ☐ Regulatory approvals that are yet to be obtained for project implementation.
- ☐ High dependence on internal cash flows or contribution from third party for project implementation.
- ☐ Expected cost overruns in implementation of the project due to uncertain economic conditions.
- ☐ No EPC or Turnkey contractor appointed for implementation of the project.
- ☐ Cost of project based on managements estimates instead of third-party feasibility report.
- ☐ Investment in Green field Project.

s. Business Risk:

- ☐ Monopoly due to some regulatory protection.
- ☐ High dependence on few customer/suppliers.
- ☐ Limited raw material suppliers.
- ☐ No agreement in place with major customers/suppliers.
- ☐ Short term agreements with major customers/suppliers.
- ☐ Unique and complex structure adopted for business operations.
- ☐ High dependence on associated companies for running business operations or generating revenue.
- ☐ High dependence on one product for revenue generation.
- ☐ Dependence on growth of other sectors for revenue generation.
- ☐ Insurance contract(s) not in place for running business operations.
- ☐ Higher dependence on non-core items as compared to core items for profit generation.

t. Regulatory Risks:

- ☐ Imposition of duties/taxes making the product unviable.
- ☐ Withdrawal of regulatory duties making the product unviable.

u. Dependence on few customers/suppliers/products/technologies:

- ☐ Dependence of Company on one or two major products or services.
- ☐ Customer Concentration risk: 50% or more of company's revenue is coming from one or two major customer.
- ☐ Supplier concentration risk: 50% or more of company's purchases is coming from one or two major suppliers.
- ☐ Dependence of company heavily on technology and is subject to risk of obsolescence impacting profitability.
- ☐ Majority of customers have not continued to purchase company's product during the last couple of years.

v. License/regulatory Approvals:

- ☐ Necessary approvals are not in place and are required for continuity or initiation of business/project.

w. Regulatory duties:

- ☐ Business continuity/profitability is highly dependent on the regulatory protection provided by the Governor in form of duties or anti-dumping duties.”

x. Financial performance:

- ☐ Company is not profitable during the last two years – incorporation of loss-making disclosure.
- ☐ Cash flow from operations in negative.
- ☐ Dividend Policy depicting inability of the company to pay dividend in coming years.
- ☐ Flexible credit sale policy and poor recovery mechanism – high receivable turnover (days) or high bad debts.
- ☐ Audited financial information of the entity formed as the result of merger or acquisition transaction is not available.
- ☐ Any financial covenant imposed by the financiers restricting distribution of dividend inability of the company properly service its debt and financial commitment.

y. Non-recurring items/transactions:

☐ Exaggerated EPS or BVPS due to non-recurring items.

z. Capital Structure:

☐ Low debt to equity ratio due to revaluation surplus.

☐ High Debt to equity ratio.

Aa. Manufacturing process/Capacity Utilization:

☐ Enhancement of production capacity of product that is currently underperforming.

Ab. Supply Chain:

☐ Majority of raw material is imported from other countries and is subject to supply chain risk.

Ac. Agreements:

☐ No agreement with major customers, suppliers and distribution partners or short-term agreement with major customers, suppliers and distribution partners.

☐ No agreement in place with suppliers of Plant and Machinery, which may cause delay in commissioning the project.

☐ No EPC/Turnkey contractor for implementation of the expansion project.

Ad. Litigation:

☐ No provisioning relating to different litigation mounts.

☐ Pending legal proceedings having substantial financial impact.

Ae. Market conditions/Pandemic:

☐ Delay in commissioning of the Project due to pandemic or unforeseen circumstances.

☐ Increase in market interest rates and underlying inflation impacting return and instrument value.

Af. Transaction Structure:

- ☐ Unique transaction structure involving utilization of IPO proceeds for investment in associated green field project.
- ☐ Unique transaction structure that involves raising funds, in addition to the IPO from associated concerns or related parties through right or other than right issue for investment in project.

Ag. Experience:

Tapping new markets and segments without any past experience/expertise or formal commitment.

Ah. Other Risks:

- ☐ Political uncertainty impacting policies.
- ☐ Forward looking statements in the Prospectus.
- ☐ Special Purpose Acquisition Transaction and issuance of warrants.
- ☐ Pandemic or global outbreak of disease.
- ☐ Possible law and order situation impacting revenue and profits.
- ☐ Transfer pricing element, in case products/items are bought or sold from/to associated persons undertakings.

Instructions: While drafting risk disclosures, potential/possible impact of each of the areas identified above on the issue, the Issuer, financial performance, project etc. where applicable, must be clearly mentioned.

- (xi) In serial no. 14 “Part VII: Financial Information”, after clause (iii) and (xii) the following new clauses (iiia) & (xiii) shall be inserted respectively,-

“(iiia) Detailed latest audited accounts of the issuer including notes to the accounts.”

“(xiii) Summary of financial projections for five years based on reasonable grounds and assumptions.

Provided that the auditor or Consultant to the Issue shall certify that the financial projections are based on reasonable assumptions and use cautionary language with the financial projections.

Provided further that financial projections shall be mandatory only for green field project or brown field project, where the Issuer is entering in

a new sector or product type with no operational track record or history.

In any other cases, the Issuer in consultation with the Consultant to the Issue may decide to include financial projections in the Prospectus.”;

- (xii) In serial no. 16 “Part VIIB: Dividend policy”, in clause i, the following para shall be added at the end,-

“The Issuer shall also disclose a non-binding tentative dividend pay-out ratio specifically highlighting tentative percentage of earnings to be distributed to the shareholders as dividend in case the company is profitable, has cash and does not intend to pursue any expansion opportunities.”

- (xiii) In serial no 21 “Part X: Underwriting arrangement, Commissions, Brokerage and other Expenses”, the clause (vi) shall be renumbered as (ix) and the expression “the Book Runners;” shall be omitted;

- (xiv) In serial no 24 “Part XIII-: Book Building Procedure/instructions for registration and bidding”, the clause (v) shall be substituted with the following,

-

(v) Name of the eligible participant

- (xv) In serial no. 26 “Part XV: Signatories to the Prospectus:”,

(a) In clause (i), the following proviso shall be inserted, -

“Provided that electronic signatures shall also be acceptable”;

(b) In clause (ii), the following proviso shall be inserted at the end,-

“Provided that electronic signatures shall also be acceptable”.

- (xvi) **In Section 2,-**

(a) In Serial No. 1, after clause (b), the following proviso shall be inserted,-

“Provided that the requirement of immediate preceding financial years may not be applicable in case of public offering of debt securities by regulated entity (regulated by a regulatory body) whose latest audited accounts are not available due to delay in regulatory approval not in company control.”;

(b) in Serial No. 2, the following proviso shall be inserted,-

“Provided that the requirement of immediate preceding financial years may not be applicable in case of public offering of debt securities by regulated entity (regulated by a regulatory body) whose latest audited accounts are not available due to delay in regulatory approval not in company control.”

29. After the First Schedule amended as aforesaid, the following new Schedules shall be inserted,-

“First Schedule-A

FORMAT OF THE PROSPECTUS AND DISCLOSURE REQUIREMENTS

- ☐ In case of Initial Public Offering of other class of shares by listed company.
- ☐ In case of Secondary Public Offering by listed company or REIT Scheme.
- ☐ In case of Public Offering of debt securities, other than short term debt securities, by listed company.

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 PARA --- 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.”

- ii. 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 PARA OF THE PROSPECTUS.”

- 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, date of listing, name of securities exchange where issuer is listed, address of its registered and corporate offices, telephone number, contact person, website address and email 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 [... NAME OF THE OFFEROR ...] (THE “OFFEROR”) FOR OFFER FOR SALE OF SHARES HELD IN THE COMPANY.”
- v. Total issue size, method of offering, issue price, profit rate (in case of debt securities).
- vi. In case of debt securities, credit rating of issue and issuer (where required), name of credit rating agency, structure adopted by the Issuer i.e. issuance agreement or trust structure etc., maturity, call option (if any), put option (if any).
- vii. In case of book building, Floor Price, Price Band, dates for registration of the bidders; dates of bidding i.e the bidding period along with timing; Allocation of securities to book building and retail portion.
- viii. Date(s) of public subscription along with timing in bold letters.
- ix. Name of the Consultant(s) to the issue, if any, Eligible participants, bankers to an issue; Underwriters (if required) Investment Agent (where applicable), Debt Securities Trustee (where applicable), Issuing and paying agent (where applicable).
- x. Modes of submitting application and making payment (Physical and Electronic)
- xi. Disclosure of regarding availability of E-IPO platforms.
- xii. Contact details of at least two relevant persons of the Issuer, consultant to the issue (if any), Investment Agent/Debt Securities Trustee /Issuing and Paying agent (where applicable), and Underwriter, if any, well conversant with the issue who could be contacted by the investors, if needed.
- xiii. Address/website address, QR Code from where the prospectus, application and bidding forms, financial statements can be obtained/downloaded.
- xiv. Date of publication of the prospectus.

- xv. Name of the securities exchange where the specified securities are proposed to be listed.

2. Inside Cover Page:

- i. The following undertaking by the Issuer:

“WE THE CHIEFT EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFY THAT;

- a. 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;
- b. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
- c. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
- d. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
- e. 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.”
- f. 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-....

.... Sd-....

.....

.....

Name of the Chief Executive
Officer

Name of the Chief Financial
Officer”

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. Approvals, Consents and Listing on the Securities Exchange:

i. Approval of the Securities Exchange and Commission:

Detail of approvals obtained from the Securities Exchange and Commission with respect to the issue. The detail must contain nature of approval, date of approval and relevant law. The following disclaimer must also be disclosed:

“DISCLAIMER:

- (a) The Securities Exchange and Commission 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 and Commission.
 - (c) The contents of this document do not constitute an invitation to invest in shares or subscribe for any securities or other financial instrument by the Securities Exchange and Commission, 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 and Commission.
 - (d) It is clarified that information in this Prospectus should not be construed as advice on any particular matter by the Securities Exchange and Commission and must not be treated as a substitute for specific advice.
 - (e) The Securities Exchange and Commission 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) Securities Exchange and Commission 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.
 - (g) Advice from a suitably qualified professional should always be sought by investors in relation to any particular investment.”
- ii. Statement on filing of the Prospectus and other documents like experts’ reports and contracts mentioned in the Prospectus, with the registrar of companies.

7. Overview of the Issuer:

- 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, date of listing and name of securities exchange, organizational structure, description of the business including core and others, if any.
 - ii. Share Capital in tabular form along with necessary notes relating to the issued and allocated shares, if any.
 - iii. Pattern of shareholding of the issuer in both relative and absolute terms.
 - iv. Products and services
 - v. Customers and suppliers
 - vi. Capacity and Capacity utilization
8. Principal Purpose of the Issue and funding arrangements:
- i. Principal purpose of the issue.
 - ii. Detailed breakup of Utilization of proceeds.
 - iii. Name of relevant parties and their role in implementation of Project
 - iv. Implementation schedule.
 - v. Utilization of excess funds, in case the strike price is determined above the floor price.
 - vi. Pre and post expansion production capacity of the Issuer, if applicable.
9. Valuation Section (only in case of equity securities)
- 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) Earnings 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.
10. Additional Information in case of debt securities (Islamic and conventional):

In case of issue of debt securities, the following additional information shall be disclosed,-

- i. Issue size with breakup of pre-IPO placement, if any, preferential allocation, if any, allocation to general public.
- ii. Salient features of the issue including its tenor, rate of return, denomination, market lot, secured/unsecured, credit rating details, security arrangement, restrictions and covenants, if any, Options like conversion option, put options, call option etc.
- iii. In case of issue of Shariah compliant securities, structure of the instrument, Shariah Principle; Shariah Certificate.
- iv. Structure adopted for issuance of debt securities:

<u>Trust Structure</u>
<u>Trustee and Security (in case of debt securities, where trust structure is adopted)</u>
<p>a) 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;</p> <p>b) Name of the Trustee, amount or rate of fee payable to the trustee;</p> <p>c) Event of defaults as mentioned in the Trust Deed;</p> <p>d) Circumstance under which security becomes enforceable;</p> <p>e) 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.</p>
<u>Issuance Agreement</u>
<u>Investment agent and Security (in case of debt securities where issuance agreement is used):</u>
<p>a) 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 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;</p> <p>b) Name of the investment agent, amount or rate of fee payable to the investment agent;</p> <p>c) Event of defaults as mentioned in the issuance agreement;</p>

- d) Circumstance under which security becomes enforceable;
- e) 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.

11. Risk Factors:

- i. Risk factors shall be classified as internal and external factor.
- ii. Risk factors shall be disclosed in 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 Government policies, law and order situation, capital market, pending litigations, defaults etc. shall be disclosed.
- iv. Additional risk factors relating to the following areas shall 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 the 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 director of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.
 - k) Excessive dependence on any key managerial personnel for the project for which the issue is being made.
 - l) Any material investment in debt instruments by the issuer which are unsecured.

- m) Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.
- n) Negative cashflow from operating activities in the last three preceding financial years.
- o) Any restrictive covenant that could hamper the interest of the equity shareholders
- p) Low credit rating of the Issuer
- q) Financial Risks:
 - ☐ Qualified opinion issued by the auditor.
 - ☐ Contingent liabilities as per the latest audited financial statements.
 - ☐ Legal/Tax proceedings having possible material impact on the company.
 - ☐ Overstated EPS due to non-recurring items.
 - ☐ Bad debt and high receivable turnover ratios as compared to the industry.
 - ☐ Obsolete inventory or slow-moving inventory or high inventory turnover.
 - ☐ Portfolio investment risk, if company is managing portfolio of financial assets.
 - ☐ High debt to equity ratio or capital structure ratios.
 - ☐ High cash conversion cycle.
 - ☐ Presence of intangible assets on books of accounts, accounting for 30% or more of the total assets.
- r) Project Related Risks:
 - ☐ Financial close of the project not achieved.
 - ☐ Suppliers of Plant and Machinery not yet identified.
 - ☐ No agreement in place for purchase of land.
 - ☐ Land for project not yet identified.
 - ☐ Material Agreements not in place.
 - ☐ Track record of the issuer, sponsors, directors and substantial shareholders with respect to project implementation.
 - ☐ Order not been placed for Plant and Machinery.
 - ☐ Regulatory approval that are yet to be obtained for project implementation.
 - ☐ High dependence on internal cash flow or contribution from third party for project implementation.
 - ☐ Expected cost overruns in implementation of the project due to uncertain economic conditions.
 - ☐ No EPC or Turnkey contractor appointed for implementation of the project.

- ☐ Cost of project based on management estimates instead of third-party feasibility report.
 - ☐ Investment in Green field Project.
- s) Business Risk:
- ☐ Monopoly due to some regulatory protection.
 - ☐ High dependence on few customer/suppliers.
 - ☐ Limited raw material suppliers.
 - ☐ No agreement in place with major customers/suppliers.
 - ☐ Short term agreements with major customers/suppliers.
 - ☐ Unique and complex structure adopted for business operations.
 - ☐ High dependence on associated companies for running business operations or generating revenue.
 - ☐ High dependence on one product for revenue generation.
 - ☐ Dependence on growth of other sectors for revenue generation.
 - ☐ Insurance contract(s) not in place for running business operations.
 - ☐ Higher dependence on non-core items as compared to core items for profit generation.
- t) Regulatory Risks:
- ☐ Imposition of duties/taxes making the product unviable.
 - ☐ Withdrawal of regulatory duties making the product unviable.
- u) Dependence on few customers/suppliers/products/technologies:
- ☐ Dependence of Company on one or two major products or services.
 - ☐ Customer Concentration risk: 50% or more of company's revenue is coming from one or two major customer.
 - ☐ Supplier concentration risk: 50% or more of company's purchases is coming from one or two major suppliers.
 - ☐ Dependence of company heavily on technology and is subject to risk of obsolescence impacting profitability.
 - ☐ Majority of customers have not continued to purchase company's product during last couple of years.
- v) License/regulatory Approvals:
- ☐ Necessary approvals are not in place and are required for continuity or initiation of the business/project.
- w) Regulatory duties:

- ☐ Business continuity/profitability is highly dependent on the regulatory protection provided by the Government in form of duties or anti-dumping duties.
- x) Financial performance:
 - ☐ Company is not profitable during the last two years – incorporation of loss-making disclosure as specified in the Public Offering Regulations, 2017.
 - ☐ Cash flow from operations is negative.
 - ☐ Dividend Policy depicting inability of the company to pay dividend in coming years.
 - ☐ Flexible credit sale policy and poor recovery mechanism – high receivable turnover (days) or high bad debts.
 - ☐ Audited financial information of the entity formed as the result of merger or acquisition transaction is not available.
 - ☐ Any financial covenant imposed by the financiers restricting distribution of dividend. Inability of the company to properly service its debt and financial commitments.
- y). Non-recurring items/transactions:
 - ☐ Exaggerated EPS or BVPS to non-recurring items.
- z) Capital Structure:
 - ☐ Low debt to equity ratio due to revaluation surplus.
 - ☐ High Debt to equity ratio.
- Aa) Manufacturing process/Capacity Utilization:
 - ☐ Enhancement of production capacity of product that is currently underperforming.
- Ab) Supply Chain:
 - ☐ Majority of raw material is imported from other countries and is subject to supply chain risk.
- Ac) Agreements:
 - ☐ No agreement with major customers, suppliers and distribution partners or short-term agreement with major customers, suppliers and distribution partners.
 - ☐ No agreement in place with suppliers of Plant and Machinery, which may cause delay in commissioning the project.
 - ☐ No EPC/Turnkey contractor for implementation of the expansion project.
- Ad) Litigation

- ☐ No provisioning relation to different litigation amounts.
 - ☐ Pending legal proceedings having substantial financial impact.
 - Ae) Market conditions/Pandemic:
 - ☐ Delay in commissioning of the Project due to pandemic or unforeseen circumstances.
 - ☐ Increase in market interest rates and underlying inflation impacting return and instrument value.
 - Af) Transaction Structure:
 - ☐ Unique transaction structure involving utilization of IPO proceeds for investment in associated green field project.
 - ☐ Unique transaction structure that involves raising funds, in addition to the IPO from associated concerns or related parties through right or other than right issue for investment in project.
 - Ag) Experience:
 - ☐ Tapping new markets and segments without any past experience/expertise or formal commitment.
 - Ah) Other Risks:
 - ☐ Political uncertainty impacting policies.
 - ☐ Forward looking statements in the Prospectus.
 - ☐ Special Purpose Acquisition Transactions and issuance of warrants.
 - ☐ Pandemic or global outbreak of disease.
 - ☐ Possible law and order situation impacting revenue and profits.
 - ☐ Transfer pricing element, in case products/items are bought or sold from/to associated persons undertakings.
 - 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.
12. Financial Information:
- i. Website address, QR Code from where audited accounts of Company can be downloaded.
 - ii. Latest audited accounts along with notes to the accounts.
 - iii. 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.
 - iv. Summary of financial projections for five years based on reasonable grounds and assumptions

Provided that the auditor of Consultant to the Issue shall certify that the financial projections are based on reasonable assumptions and use cautionary language with the financial projections.

Provided further that financial projections shall be mandatory only for green field project or brown field project where the Issuer is entering in a new sector or product type with no operational track record or history. In any other cases, the Issuer in consultation with the Consultant to the Issue may decide to include financial projections in the Prospectus.

v. Dividend policy: Clearing highlighting

- ☐ Future plans.
- ☐ Tentative non-building dividend payout ratio to be paid in future years, in case the company is profitable has cash and does not intend to pursue any expansion opportunities.
- ☐ Restrictive covenants imposed on payment of dividend, if any.
- ☐ Dividends paid in past years.

13. Management of the Company:

- i. Name of Board of Directors of the Company.
- ii. Statement on compliance with the code of corporate governance.

14. Legal proceedings and overdue loans:

- i. Legal proceedings:
 - a) Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsor, 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 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 as control.

15. Expenses to the Issue:

16. Book Building Procedure/instructions for registration and bidding (where applicable):

17. Application and Allotment instructions for retail portion (where applicable):

18. Signatories to the Prospectus:

- i. List of the signatories to the prospectus and their signatures in original duly dated and witnessed.

Provided that electronic signature shall also be acceptable.

- 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

Provided that electronic signature shall also be acceptable.

19. Application Form:

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

20. Bidding Form:

The bidding form both front and back containing bidding procedure, strike price/cutoff spread/profit rate determination mechanism and basis of allotment.”

First Schedule-B

Format of the Prospectus

In case of Public Offer of short-term debt securities, either through Shelf Registration or otherwise.

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 GIVENT AT PARA --- BEFORE MAKING ANY INVESTMENT DECISION.

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

- ii. 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, e-mail address, and in case of listed company the date of listing and name of securities exchange where the issuer is listed.

- iii. Total issue size, profit rate, tenor, profit payment frequency, type of instrument (Discounted, Fixed rate, Floating rate), type of shariah structure, credit rating, date of subscription, subscription period and other salient features.
 - iv. Date(s) of public subscription along with timing in bold letters.
 - v. Name of the market intermediaries involved along with the contact details.
 - vi. Modes of submitting application and making payment (Physical and Electronic).
 - vii. QR code and address/website address from where the prospectus, audited financial statement, other information, documents, reports and forms can be accessed.
 - viii. Date of publication of the prospectus.
 - ix. Name of the securities exchange where the specified securities are proposed to be listed.
2. Inside Cover Page:
- i. The following undertaking by the Issuer:

“WE THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFY THAT;

 - a. THE PROSPECTUS CONTAINS ALL INFORMATION WITH THE REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
 - b. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
 - c. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
 - d. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
 - e. 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.
 - f. 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 ...)

.... Sd-.....

....Sd-.....

Name of the Chief

Name of the Chief

Executive Officer

Financial Officer”

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. Approvals, Consents and Listing on the Securities Exchange
7. Overview of the Issuer
 - 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, date of listing and name of securities exchange (if applicable), organizational structure, description of the business including core and others, if any
 - ii. Share capital in tabular form along with necessary notes relating to the issued and allocated shares, if any.
 - iii. Pattern of shareholding of the issuer in both relative and absolute terms.
 - iv. Products and services
 - v. Customers and Suppliers
 - vi. Capacity and capacity utilization
 - vii. Material properties
8. Principal Purpose of the Issue and funding arrangements:
 - i. Principal purpose of the issue.
 - ii. Detailed breakup of utilization of proceeds and implementation timelines, if any.
 - iii. In case of Shelf Prospectus, number of tranches that Issuer plans to issue under the arrangement, total amount to be raised and proposed utilization.
9. Additional Information specific to the Instrument and Issue:
 - i. Issue size with breakup of pre-IPO placement, if any, preferential allocation, if any, allocation to general public.
 - ii. Salient features of the issue including its tenor, profit rate, market lot, secured/unsecured, credit rating details, restrictions and covenants, if any;

options like conversion option, put options, call option, structure of the instrument; Shariah principle, details of shariah structure, name, profile and involvement of the intermediaries relating to the shariah structure.

iii. Structure adopted for issuance of securities:

Trust Structure	
Trustee and Security (where trust structure is adopted)	
a)	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;
b)	Name of the Trustee, amount or rate of fee payable to the trustee;
c)	Event of defaults as mentioned in the Trust Deed;
d)	Circumstance under which security becomes enforceable;
e)	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.
Issuance Agreement	
Investment Agent and Security (where issuance agreement is used):	
f)	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;
g)	Name of the investment agent, amount or rate of fee payable to the investment agent;
h)	Event of defaults as mentioned in the issuance agreement;
i)	Circumstance under which security becomes enforceable;
j)	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.

10. Risk Factors specific to the Issue, Issuers, Industry in which the Issuer operates and macro risk factors.

11. Management and Board of Directors.

i. Name of Board of Directors of the Company.

- ii. Statement on compliance with the code of corporate governance
- 12. Financial performance/snapshot of the company for the last three years or for a shorter period if three years of commencement of business are not completed. Financial performance to also include latest quarterly and half yearly positions. (Provide website address/QR Code from where latest audited financial statements can be accessed)
- 13. Legal proceedings and overdue loans:
 - i. Legal proceedings: Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the issuer.
 - ii. Overdue loans: Details of overdue amount, if any appearing in the Credit information Bureau (CIB) report of the associated group companies over which the issuer has control.
- 14. Expenses to the Issue.
- 15. Application and Allotment instructions for investors.
- 16. Signatories to the Prospectus.
- 17. Application Form”

First Schedule-C

Instructions for Drafting of Prospectus

While drafting Prospectus, following instruction must be followed:

- i. All disclosures must be made in plain language easily understandable to the general public.
- ii. Prospectus must be worded in a “clear, concise and effective” manner.
- iii. Prospectus must include all material information relating to the issue, the Issuer, and the industry etc.
- iv. The source of information, where applicable must be properly disclosed.
- v. Claims relating to performance of the Issuer can only be included, if they can be sustained.
- vi. Duplication must be avoided and information may be cross referenced where applicable.
- vii. Financial information must be provided in one standard financial unit (in million/in billion).
- viii. Scanned copy of undertakings on non-judicial stamp paper, where required must be incorporated in the Prospectus.

- ix. Contradictory statements must be avoided.
- x. Risk disclosures must be concise and specific to the issue, Issuer and matters that can impact future performance.
- xi. Risk factors must explicitly pronounce possible impact, if any.
- xii. Forwards looking statements and financial projections must be based on valid rationale/assumptions.

Following additional disclosure shall be made on the front page of the Prospectus in case of forwards-looking statements/Financial projections.

Note regarding forward looking statements

This prospectus contains forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including statements regarding future results of operations and financial position, business strategy and plans and objectives of management for future operations, timelines relating to implementation plan are forward-looking statements.

These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.”

First Schedule-D

Due Diligence Certificate by the Consultant to the Issue/Lead Manager

Being mandated as Consultant to the Issue/Lead Manager to Initial/Secondary Public Offering of (Name of Company) through the (Method of Offering), we hereby confirm that:

- (1) The issuer is compliant with the conditions/requirements for public offering of securities and material information/disclosure(s) as required under the Securities Act, 2015, Companies Act, 2017, Public Offering Regulations, 2017, Chapter 5 of PSX Rule Book: The Listing of Companies and Securities Regulations and Real Estate Investment Trust Regulations, 2022 (where applicable) have been incorporated in the Prospectus.”
- (2) The contents of the Prospectus and the supporting document(s) are true and correct to the best of our knowledge.
- (3) We have incorporated appropriate risk factors in the Prospectus that can have impact on performance of the Company.

- (4) We have reviewed the material contracts in relation to the subject public offer and material contracts executed by the Company in normal course of business.
- (5) We have visited the infrastructure facilities, manufacturing facilities, business premises of the Issuer, where applicable.
- (6) We have analysed all related factors (such as relative valuation, financial performance, management quality, past track record, demand and supply of product portfolio, industry trends, macro conditions, regulatory/tax advantage etc.) affecting price of the issue and based on same justifiable price (Offer price/floor price) is suggested to the Issuer.
- (7) All comments of the securities exchange, Commission and the public are duly addressed and incorporated in the prospectus, where required. The comments not address/incorporated in the Prospectus along with rationale are given below:-

Signature of CEO of CTI

First Schedule-E

Regulatory Approval Timelines

Steps Involved	Role of different parties	Timeline in working days
Submission of the Listing/Prospectus application	Consultant to the Issue (CTI)/Issuer to simultaneously submit Listing application and Prospectus application signed by the CEO to the securities exchange and the Commission through PRIDE.	0
Public Comments Period	On receipt of complete applications, securities exchange to place prospectus on its website for seeking public comments and issue notification for information of stakeholders.	5 working days
Regulatory Review Period	From the date of placement of prospectus on website for public comments, parallel review of Commission and securities exchange to evaluate the respective applications; and convey deficiencies/comments to CTI/Issuer for incorporation in the prospectus and/or resolution.	
Response period	CTI/Issuer to address the public comments, deficiencies and observations of the Regulators and submit revised updated prospectus along with	5 working days

	a due diligence certificate (First Schedule-D) certifying that all issues have been addressed. If some issues are not addressed, the CTI shall highlight list of those issues in the due-diligence certificate along with rationale for not addressing the same.	
PSX approval	On receipt of due diligence certificate, securities exchange to convey its decision to the CTI, Issuer and the Commission.	2 working days
SECP approval	On receipt of securities exchange approval, Commission to convey its decision to the CTI, Issuer and the securities exchange.	2 working days
Total Approval Time (A)		14 working days

Note: The regulatory approval/processing timelines are subject to submission of complete application including quality of Prospectus and effective resolution of comments and deficiencies by the CTI/Issuer.

Regulatory Approval Timelines for supplement to the prospectus involving shelf registration for debt securities including sukuk.

Steps Involved	Role of different parties	Timeline in working day
Submission of Supplement to the Prospectus	Consultant to the Issue (CTI)/Issuer to simultaneously submit the supplement to the prospectus to the securities exchange and Commission through PRIDE.	0
Regulatory Review Period	From the date of submission of supplement to the prospectus, the Commission and securities exchange to evaluate the supplement to the prospectus and convey deficiencies/comments to CTI/Issuer for incorporation in the supplement to the prospectus and/or resolution.	2 working days
Response Period	CTI/Issuer to address the deficiencies and observations of the Regulators and submit revised updated supplement to the prospectus.	2 working days

PSX approval	On receipt of updated supplement to the prospectus, securities exchange to convey its decision to the CTI, Issuer and the Commission.	1 working day
SECP approval	On receipt of securities exchange approval, Commission to convey its decision to the CTI, Issuer and the securities exchange.	2 working days
Total Approval Time (A)		7 working days

30. In Second Schedule, -

- (i) In Serial no. 1, the expressions “and the reports to be given therein” and “material or report” shall be omitted;
- (ii) For Serial no. 3, the following shall be substituted, -
 - “3. Abridged prospectus must contain following information:
 - i. Name of Company and Salient features on the Issue;
 - ii. In case of debt securities, Issue size, profit/coupon rate, credit rating, type of instrument, tenor
 - iii. Purpose of the Issue
 - iv. Name of intermediaries
 - v. Subscription details.
 - vi. Website address from where full prospectus and audited accounts can be accessed or download.
 - vii. QR Code for accessing full prospectus, audited accounts and other important documents.”;
- (iii) Serial nos. 4, 5, 6, 6i, 6ii, 6iii, 6iv, 6v, 6vi, 6vii, 6viii, 7, 8, 9 and 10 shall be omitted.

31. In Third Schedule,-

- (i) In Serial no. 1,

- (a) after the expression “telecasted or broadcasted”, the expression “through print or electronic or social media,” shall be inserted,
 - (b) the word “or” appearing after the expression “only such material” shall be omitted;
 - (ii) For Serial no. 2, the following shall be substituted, -
 - “2. Advertisement to contain following information:
 - i. Name of Company and Salient features of the Issue
 - ii. Purpose of the Issue.
 - iii. Name of intermediaries.
 - iv. Subscription details.
 - v. Website address from where full prospectus and audited accounts can be accessed or downloaded.
 - vi. QR Code for accessing full prospectus, audited accounts and other important documents.”
 - (iii) For Serial no. 3, the following shall be substituted,-
 - “3. The advertisement can be telecasted or Broadcasted or published on all available media platforms.”
 - (iv) Serial nos. 4, 5 and 6 shall be omitted,-
32. In Fourth Schedule, -
- (i) In Serial no. 4,
 - (a) for clause (vi), the following shall be substituted,-
 - “(vi) website addresses and QR Code from where the shelf prospectus, the supplement to the prospectus earlier published, if any, application and bidding forms can be downloaded;”;
 - (b) clauses (viii), (ix) and (xiv) shall be omitted;

- (ii) Under the heading “REPORTS TO BE SET OUT IN THE SUPPLEMENT TO THE PROSPECTUS”, clause (2), (3) and (4) shall be omitted.;

33. After the Fourth Schedule amended as aforesaid, the following new Schedule shall be inserted, -

“Fourth Schedule-A

Format of supplement to the Prospectus in case of shelf registration involving debt securities including sukuk

- (1) Supplement to the prospectus shall be published in all those newspapers in which the shelf prospectus has been published.
- (2) Supplement to the prospectus shall be placed on the website of Issuer and the Securities Exchange.
- (3) The period between publication of supplement to the prospectus and the previous supplement to the prospectus or shelf prospectus should not be less than 30 days.
- (4) 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.

Minimum contents to be specified in supplement to the prospectus

- 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. Name of the Issuer; business model, number of securities to be issued under this tranche; funds to be raised, utilization of the proceeds, profit rate; tenor; profit payment frequency, type of instrument (Discounted, Fixed rate, Floating rate), type of shariah structure, credit rating, amount raised through earlier tranches; date of subscription; subscription period; name of intermediaries and other salient features.
- iii. Application and allotment instructions for investors.
- iv. QR Code and website addresses from where the shelf prospectus, the supplement to the prospectus earlier published, if any, audited accounts, other information, documents, reports and forms can be accessed.
- v. Financial performance/snapshot of the company for the last three years or for a shorter period if three years of commencement of business are not completed. Financial performance to also include latest quarterly and half yearly positions.
- vi. Risk Factors, if any due to change in business model, utilization of the proceeds and/or financial performance of the Company since the publication of shelf prospectus or last supplement to the prospectus.”

34. **In Sixth Schedule,-**

- (i) In existing table, clause 22, the expression “and/or Book Runner” shall be omitted;
- (ii) After the existing table, the following new table shall be inserted, -

“CHECKLIST OF DOCUMENTS IN CASE OF ISSUE/LISTING OF SHARES OUTSIDE PAKISTAN UNDER SECTION 95 OF THE SECURITIES ACT, 2015”

<u>S.#</u>	<u>Name of Document</u>
1.	Application by the applicant under section 95 of the Act.
2.	Copy of the draft Offering Document prepared for issuance/Listing of shares outside Pakistan by the Company.
3.	Copy of Board Resolution for issuance/listing of shares outside Pakistan.
4.	Letter confirming mode opted (other than right or by renouncing right) by the company for issuing new share capital.
5.	Copy of Memorandum and Articles of Association containing Certificates of Incorporation and Commencement of Business, duly certified from the concerned Company Registration office (CRO).
6.	Detailed justification for the issuance/listing of the shares outside Pakistan.
7.	Copy of approval of SBP and any other approval/NOC obtained from any regulatory authority/agency/department with respect to the proposed issue of shares.
8.	Detail of international regulatory requirements relating to the proposed issue of shares and compliance status with these requirements by the Company.
9.	Copy of audited annual accounts of the Company for the last two years.
10.	Name and Consent letter from the Global Coordinator, Consultant, Lead manager, financial advisor appointed for issuance/Listing of shares.
11.	Name of Country/Securities Exchange where the proposed shares will be offered/listed.
12.	Challan of the application filing and processing fee.
13.	Any other information as required by the Commission.

Note: Copies of all documents should be certified by an authorized representative of the Company.

- (i) the following shall be substituted for the heading and para below,-

“PUBLIC SUBSCRIPTION THROUGH E-IPO Platforms:

Investors can also submit application electronically through following E-IPO platforms:”;

- (ii) in clause (i), the following shall be substituted for the second para,-

“For making application through 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) may register themselves with CES. Investors who do not have CDC Account can select CDC IPO facilitation account for registration.

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 of a specific company by authorizing (adding details of) their respective Participants(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Public Offering and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors’ subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC’s IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.”

- (iii) in clause (ii), the following shall be substituted,-

PSX E-IPO System:

In order to facilitate investors, the Pakistan Stock Exchange (“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 can be accessed through the web link ‘<https://eipo.psx.com.pk>’. Payment of subscription money can be made through 1LINK or NIFT.

For making application through PES, investors must be registered with PES. The PES registration 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.

Registered investors with PES can submit their applications through the web link, ‘<https://eipo.psx.com.pk>’, 24 hours a day during the subscription period.

For further guidance and queries regarding PES, investors may contact PSX at phone number 111-001-122 or, and email

36. In Eighth Schedule,-

- (i) In the heading of the table, after the expression “approval of Prospectus”, the expression “where applicable,” shall be inserted;
- (ii) For Serial no. 1a, the following shall be substituted, -

“Copy of the board resolution relating to Public Offering and listing of securities”;
- (iii) After serial No. 1a, amended as aforesaid, the following new serial nos. shall be inserted,-

“1(b) Due-Diligence certificate by the Consultant to the Issue or the Issuer (where applicable) as per **First Schedule-D**”.

1(c) Letter by the Issuer confirming mode opted (other than right or by renouncing right) by the company for issuing new share capital through Public Offering transaction.”;

(iv) Serial no. 2 shall be omitted;

(v) For Serial no. 3, the following shall be substituted, -

“3. Copy of the prospectus in soft form”;

(vi) For Serial no. 4, the following shall be substituted, -

“4. Copy of the abridged prospectus, if any, in soft form.”;

(vii) for Serial no. 5, the following shall be substituted,-

“5. Copy of the advertisement, if any, in soft form.;

(viii) For Serial no. 6, the following shall be substituted, -

“6. Last page of the full prospectus 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 signed in original by every Offeror or the persons authorized in writing by the Offerors.

Provided that electronic signatures shall also be acceptable.”;

(ix) In Serial no. 7, the following shall be substituted, -

“Copy of the audited accounts of the company, in soft form, for the last two years or for a shorter period in case the company is in existence for a shorter period.

Provided that in case of public offering of debt securities by regulated entity (regulated by a regulatory body) whose latest audited accounts are not available due to delay in regulatory approval not in company control. In this case the regulated entity may submit available audited accounts instead of last two-year audited accounts.”;

- (x) In Serial no. 11, the expression “ the Book Runner, where required” shall be omitted and expression “auditor, legal advisor, if any” after the expression “Share Registrar and Ballotter” shall be inserted.
- (xi) After Serial no. 15, the new Serial no. 15a “Copy of underwriting agreements” shall be inserted.
- (xii) In Serial no. 16,
 - (a) for clause (iii), the following shall be substituted,-

“(iii) copy of the trust deed or Issuance agreement as applicable and related documents including letter of hypothecation, certificate of registration or mortgage/charge, detail of the charged assets, particular of mortgage/charges etc.”
 - (b) in clause (v), for the word “pronouncement” the expression “compliance certificate” shall be substituted.;
- (xiii) Serial no. 19 shall be omitted;
- (xiv) The following shall be substituted for the “Note” at the end of the Eighth Schedule,-

“Note:
 - i. The documents submitted in the form of photo copy must be certified by an authorized representative of the Company.
 - ii. Application, Affidavits, undertakings, Power of attorney on stamp papers and Last of the Prospectus must also be submitted in hard form.”

37. Eleventh Schedule shall be omitted.

38. After the Twelve Schedule the following new Schedules shall be inserted, namely: -

THIRTEENTH SCHEDULE

LIST OF DOCUMENTS TO BE SUBMITTED ALONGWITH APPLICATION FOR APPROVAL OF THE PROSPECTUS-PUBLIC OFFER FOR LISTING AT GEM

S. No.	Documents to be submitted along with application for approval of the prospectus-Public Offer for Listing at GEM
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	Copy of the board resolution relating to approval of the Public Offering of shares for Listing at GEM.
3	Letter by the Issuer confirming mode opted (other than right or by renouncing right) by the company for issuing new share capital through Public Offering transaction.
4	Due-Diligence certificate by the Consultant to the Issue as per First Schedule -D.
5	Copy of the prospectus, abridged prospectus (if any), and advertisement (if any) in soft form.
6	Last page of the prospectus 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 prospectus signed in original by every Offeror or the persons authorized in writing by the Offerors. Provided that electronic signatures shall also be acceptable.
7	Copy of the audited accounts of the company in soft form, for the last two years or for a shorter period in case the company is in existence for a shorter period.
8	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.
9	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.
10	Copy of the consent letters from the Consultant to the Issue, auditor, legal advisor, the Underwriters, if any, the Share Registrar and Ballotter, and the Bankers to the Issue.
11	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.
12	Undertaking on non-judicial stamp paper from the Underwriters regarding no buy-back/re-purchase agreement, duly certified by the Oath Commissioner.

13	Undertaking on non-judicial stamp paper regarding no buy-back/re-purchase agreement, by the sponsors, duly certified by the Oath Commissioner.
14	Copy of underwriting agreements, if any
15	Original paid challan of Rs. 100,000 evidencing payment of application processing fee.
16	Any other document/information as may be required by the Commission for its own record or for inclusion in the prospectus.
17	<p><u>Documents required after Approval of the Prospectus:</u></p> <p>A final report regarding public offering within 15 working days of the close of the subscription period.</p>

Note:

- i. The documents submitted in the form of photo copy must be certified by an authorized representative of the Company.
- ii. Application, Affidavits, undertakings, Power of attorney on stamp papers and Last of the Prospectus must also be submitted in hard form.

Fourteenth Schedule

Format of report by Securities Exchange

For quarter ended:

Brief overview of the Issuer and project details:

Name of Issuer.	
Proceeds from public offering.	
Purpose of the Issue.	
Planned Implementation.	
Name of supplier, if any.	
Name of EPC contractor, if any.	
Name of civil contractor, if any.	
Any other party/ies involved in execution of project.	
Regulatory approvals, if any required.	

Object specific observations:

Commitment made in the Prospectus	Amount allocated in Prospectus	Start date (disclosed in the prospectus)	Completion date (disclosed in the Prospectus)	Funds utilized	Current status	Observations	Deviation from Prospectus, if any observed.

General Observations relating to implementation of project

[No.SY/SECP/8/13]


(Bilal Rasul)
Secretary to the Commission