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S. A. SALAM's
**Complete Company Law
and Procedures**

Volume I

64th Update – February 28, 2026

Please find enclosed **80** updated pages so as to complete and update your copy of the Book. Kindly insert as follows:–

Existing Pages to be removed	Updated Pages to be inserted	Existing Pages to be removed	Updated Pages to be inserted
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Yours sincerely,
Abdul Rab Khan
Manager

Note from the Author

It gives me great pleasure to complete the 64th update of Complete Company Law and Procedures, Volume-I. This update covers:

-SRO's: 64(I)/2026 & 328(I)/2026;

-SECP's Circular: 29 of 2025 & 01 of 2026;

-ICAP's Circular: 04 of 2025; and

-ICAP's: List of Firms having Satisfactory QCR (As on December 31, 2025).

These are briefly explained as follows:-

Part AI – Companies Act

1. On page AI-66(9) onwards, **SRO 328(I)/2026** dated February 19, 2026 has been reproduced. This is re: **Replacement of its Physical Shares into book-entry form by unlisted Companies.**
2. On page AI-162(1) onwards, ICAP's List of Practicing Firms having Satisfactory QCR Rating (As on December 31, 2025) has been reproduced.
3. On page AI-162(16), **ICAP's Circular 04 of 2025** dated November 20, 2025 has been reproduced. This is re: **Statement of Compliance for the Financial Statements.** This also supersedes Circular No. 4 of 2018 dated March 26, 2018.
3. On page AI-162(100), Circular No.07 of 2025 dated March 13, 2025 has been amended by **SECP's Circular No.01 of 2026** dated January 08, 2026. This is re: **Holding of Election of Directors.**
4. On page AI-162(109), **SRO 2444(I)/2025** dated December 12, 2025 has been reproduced. This is re: **Adoption of IFRS 18 and IFRS 19.**
5. On page AI-162(109), **SRO 25(I)/2025** dated January 06, 2026 has been reproduced. This is re: **IFRS-9 Expected Credit Losses Exemption Extension.**
6. On page AI-405 onwards, Seventh Schedule has been amended by **SRO 2121(I)/2025** dated November 10, 2025. This is re: **Fee Schedule.**

Part III – Regulations

7. On page III-84(7), Circular No.12 of 2021 dated April 06, 2021 has been amended by SECP's **Circular No.29 of 2025** dated October 31, 2025. This is re: **Equity Sub-fund.**
8. On page III-177 onwards, **Research Analyst Regulations 2015** have been amended by **SRO 07(I)/2026** dated January 02, 2026.
9. On page III-691, Auditors (Reporting Obligations) Regulations, 2018 have been amended by **SRO 2393(I)/2025** dated December 04, 2025. This is re: **Unique Document Identification Number.**
10. On page III-824 onwards, Regulations 13 & 16 and Annexures-A-I & B of the **Futures Brokers (Licensing and Operations) Regulations, 2018** have been amended by **SRO 2445(I)/2025** dated December 12, 2025. These are re: **Disclosure of financial risks & Duties and obligations of a futures broker.**

11. On page III-924 onwards, Regulations 3, 5, 13 & 1st Schedule of the **Companies (Further Issue of Shares) Regulations, 2020** have been amended by SRO **64(I)/2026** dated January 13, 2026. These are re: **Conditions for right issue.**

Suggestions, comments etc. for improving the book and updating service will be most valuable.

Sheikh Asif Salam
Chartered Accountant

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- (i) All unlisted companies, having share capital, incorporated on or after March 03, 2025, shall hold and issue shares in book-entry form only, from the date of their incorporation and no such company shall maintain its shares in physical form and the replacement of shares from book-entry to physical shares shall not be permitted.
- (ii) At the time of incorporation, the subscribers of the company shall provide consent to the contractual arrangements, including its terms and conditions, with the Central Depository for directly crediting and maintaining its shares in book-entry form along-with payment of annual fee & security deposit.
- (iii) All unlisted companies shall also comply with the requirements of Central Depository for issuing shares in book entry form.
- (iv) All unlisted companies, having share capital, upon induction of its shares in book entry form at the time of incorporation shall attach following additional document(s) issued by Central Depository along-with relevant return(s) on the prescribed form notifying detail of or change in shareholding under the companies Act, 2017 as and when due:

Sr. No.	Relevant Form	Additional Document
1.	Form-A (Annual return of a company)	<ul style="list-style-type: none"> • Complete list of shareholding / CDS list of shareholders. • Complete CDS list of transfer of shares, if applicable.
2.	Form-3 (Return of allotment of shares & Change of more than twenty-five percent in shareholding or membership or voting rights)	<p>In case of allotment of shares:</p> <ul style="list-style-type: none"> • Statement of allotment of shares / CDS list of allottees. <p>In case of transfer of shares:</p> <ul style="list-style-type: none"> • Statement of transfer of shares / CDS Account Activity report.
3.	Form-27 (Final return for buy back of shares of unlisted companies)	<ul style="list-style-type: none"> • Statement of buy back of shares / CDS Account balance statement where buy back shares are parked.

- (v) Any person, who contravenes or does not comply with the requirements of this notification shall be liable for penal action as provided under sub-section (2) of section 510 of the Companies Act, 2017.”

Replacement of its Physical Shares into book-entry form by unlisted Companies.- Following is the text of SRO 328(I)/2026 dated February 19, 2026:-

“In exercise of powers conferred by section 510 read with section 72 of the Companies Act, 2017 (XIX of 2017) (the “Act”) and regulation 44 of the Companies Regulations, 2024 (the “Regulations”) the Securities and Exchange Commission of Pakistan, in continuation of its earlier notification S.R.O. No. 246(I)/2025 dated February 27, 2025, is hereby pleased to notify that all unlisted companies having share capital shall ensure replacement of its physical shares into book-entry form prior to giving effect to any share related transaction in the manner specified hereunder,-

- (1) All unlisted companies which intend to undertake any transaction involving transfer of shares or any allotment of its shares including bonus shares, right issues, or shares issued otherwise than by way of rights, or buy-back of shares etc. (“share related transactions”), shall, after thirty (30) days from the date of issuance of this notification, replace all its physical shares into book-entry form prior to undertaking such transaction in accordance with the first proviso to sub-section (2) of section 72 of the Act.

- (2) All these share related transactions shall be executed exclusively in book-entry form through the Central Depository System while complying with the following requirements,-
- (i) All unlisted companies prior to the reporting of any share related transaction(s) to the Registrar, shall in accordance with Regulation 44 of the Regulations, apply to the Central Depository for CDS Eligible Security and the replacement of their physical shares into book-entry form, following the prescribed procedure, to ensure that all shares of the company are duly inducted into the Central Depository System.
 - (ii) The allottee(s), transferor(s), transferee(s) or any other person concerned, as applicable, shall, prior to subscribing to or accepting any rights or bonus issue or participating in a buy-back of shares or effecting or accepting any transfer of shares or any other share related transaction, as the case may be, ensure that all shares held by them are duly maintained in book-entry form.
 - (iii) All unlisted companies to which this notification applies, shall comply with all applicable regulations, directions, guidelines, or circulars issued by the Commission or the Central Depository from time to time in relation to the maintenance, issuance and / or transfer of shares etc. in book-entry form and matters incidental or ancillary thereto.
- (3) Upon replacement of its physical shares into book-entry form, the unlisted company shall also attach following additional document(s) issued by Central Depository along-with the relevant applicable return(s)/forms, notifying detail of or change in shareholding under the Act:

Sr. No.	Relevant Applicable Return/Form	Additional Document(s)
1.	Form-3 (Return of allotment of shares & Change in shareholding or membership or voting rights)	In case of allotment of shares: <ul style="list-style-type: none"> • Statement of allotment of shares / CDS list of allottees. In case of transfer of shares: <ul style="list-style-type: none"> • Statement of transfer of shares / CDS Account Activity report.
2.	Form-A (Annual return of a company)	<ul style="list-style-type: none"> • Complete list of shareholding / CDS list of beneficial owners' report. • Complete CDS list of transfer of shares, if applicable.
3.	Form-27 (Final return for buy back of shares of unlisted companies)	<ul style="list-style-type: none"> • Statement of buy back of shares / CDS Account balance statement where buy back shares are parked.

- (4) The Central Depository shall ensure the provision of all latest statements specified in Para 3 to the companies to enable their compliance with this notification under Regulation 44 of the Regulations.
- (5) After the replacement of physical shares in book-entry form, the cancelled physical share certificates and Form for transfer of shares shall be retained by the company for a period of ten years unless directed by the Commission, any court or other competent authority to preserve these for a longer period, or are likely to be needed in connection with any pending proceedings, before any Court or authority, of which the Commission or the company has notice.

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- (6) Where an unlisted company or any allottee(s), transferor(s), transferee(s) or any other person concerned, is unable to proceed for replacement of the shares into book-entry form due to any impediment, including but not limited to a shareholding dispute, pending litigation, or any other reasonable cause, the company or the concerned person(s), as the case may be, shall report such circumstances to the Commission. Upon receipt of such impediment, the Commissioner (LRD) may relax the requirements to the extent deemed appropriate in the circumstances.
- (7) Any person, who contravenes or does not comply with the requirements of this notification shall be liable to a penalty as provided under sub-section (2) of section 510 of the Companies Act, 2017.”
-

Provided that this condition will not be applicable on the companies wherein the purpose of the right issue is repayment of the respective overdues or removing defaults ¹[that resulted in placement of the company on the PSX's non-compliant segment or winding-up segment];

- (ix) ²[an] issuer shall not be eligible to make right issue if it is not cooperating in an investigation or inspection ordered by the Commission;
- (x) if the whole or any part of the shares offered by the issuer is declined or is not subscribed, the directors may allot such shares in such manner as they may deem fit within a period of thirty days from the close of the offer or within such extended time not exceeding thirty days with the approval of the Commission;
- (xi) right shares shall only be offered for consideration only in cash;
- (xii) right shares shall not be subscribed for consideration of already injected funds in the issuing company by the subscriber either in the form of loan or any other consideration;
- (xiii) if the board of directors fail, within extended time, to allot shares or underwriters fail to take up the unsubscribed portion, the unsubscribed right issue will be extinguished. In such cases, in addition to any other action specified under the Act against the board, the underwriter will be barred for three years from underwriting any issue of any listed issuer;
- (xiv) subject to compliance with the requirement of section 82 of the Act, a company may issue right shares at a discount to face value: provided that-
 - (a) the issue is underwritten in the form and manner as stated in clause (vi) of this sub-regulation; and
 - ³(b) appropriate disclosures are made in line with the requirements of these Regulations;]
- (xv) the ⁴[] Issuer shall not, at any time changes or deviate from the purpose of utilization of proceeds of right issue earlier disclosed to the members through Schedule 1;
- (xvi) in exceptional circumstances, the issuer may change the purpose of proceeds utilization subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in purpose of proceeds utilization;
- (xvii) the mechanism for an exit offer opportunity shall be as under-
 - (a) EOGM notice in respect of any change in the purpose of proceeds utilization of the issue as disclosed in the offer document shall be given along with draft special resolution as required under the provisions of the Act;

¹Words inserted by SRO 2458(I)/2025 dated December 16, 2025.

²Substituted for "a listed" by SRO 361(I)/2024 dated March 04, 2024.

³Sub-clause (b) substituted by SRO 361(I)/2024 dated March 04, 2024. Before substitution it read as follows:-

"(b) appropriate disclosures in line with the size of the issue are made;"

⁴Word "listed" deleted by SRO 361(I)/2024 dated March 04, 2024.

- (b) subject to approval of special resolution as defined in the Act, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit;
- (c) during the exit opportunity, shares shall be purchased by sponsors of the issuer;
- (d) purchase price per share shall be average market price of the period between last date of payment against right issuance and the date of passing of special resolution;
- (e) the exit offer shall be executed by the sponsors within a period of thirty (30) days from the date of passing of special resolution.]

¹[(2) In addition to compliance with the general conditions, provided in sub-regulation (1), a company issuing right shares shall comply with the following additional requirements,-

- (i) The board of directors of the issuing company shall, prior to announcement of the right issue, ensure that the issuing company, its sponsor(s), promoter(s), substantial shareholder(s) and directors shall not have overdues or defaults irrespective of the amount appearing in the report obtained from Credit Information Bureau:

Provided that clause (i) shall not apply to independent director(s) and the nominee director(s) of the government and financial institution(s)/ creditor(s);

²[Provided further that clause (i) shall not apply if the aforesaid persons obtain No Objection Certificate from the respective financial institution(s), in relation to right issue.]

- (ii) the company shall prepare and its board shall approve the draft offer document ³[];
- (iii) the Offer document shall contain all disclosures, as referred to in Schedule I of these regulations, and such disclosure should be true and complete and enable the applicants to take an informed investment decision;

¹Sub-regulation (2) substituted by SRO 361(I)/2024 dated March 04, 2024. Earlier regulations (2) & (3) substituted by SRO 1754(I)/2022 dated September 16, 2022. Before substitution by SRO 361(I)/2024, it read as follows:-

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

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

Before substitution by SRO 1754(I)/2022, it read as follows:-

“(2) Subject to compliance with the requirements of section 82 of the Act, a company may issue right shares at discount to face value provided the issue is underwritten in the form and manner as stated in sub-regulation (1).”

²Proviso inserted by SRO 64(I)/2026 dated January 13, 2026.

³Words “in English and Urdu language” omitted by SRO 1665(I)/2025 dated August 29, 2025.

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- (iv) the draft offer document shall be submitted to PSX and the Commission within ¹[3 working days] of the date of announcement and it shall be the discretion of the company to seek public comments on the offering document and in such case, the company shall simultaneously place the draft offer document on the PSX and company's website. The public can submit its comments within ¹[5 days] of placement;
- ²[(iv)(a) The draft offer document shall be submitted to the Commission along with the following information:
- i. complete list of associated companies;
 - ii. father's name and CNIC number of sponsors, promoters, substantial shareholders, and directors; and
 - iii. CUIN of the associated companies to the Commission ³[/].]
- (v) PSX and the Commission shall, within ⁴[5 working days] of the filing of draft offer document ⁵[along with submission of complete information], share their observations and changes with the company, if any;
- (vi) the board shall ensure that draft offer document is updated in light of the public comments, (if opted for), and PSX and the Commission comments/ observations, and shall submit final offer document to PSX and the Commission within ⁶[5 days] from the date of comments/ observations. Simultaneously, the Board shall also disclose in tabular form on PSX and company website as per the Schedule II, all the comments received along with the explanations as to how they are addressed;
- ⁷[(vi)(a) company shall ensure that book closure must be started for determination of right shares entitlement within 7 working days of the date on which the final offer document is placed on PSX website.
- Provided that 7 working days shall also include notice period for book closure and book closure period shall not be more than one (1) day.]
- (vii) the final offer document shall be placed on PSX website along with book closure dates, and relevant right issuance timelines in accordance with Section 83 of the Act; and
- (viii) the sponsors shall retain their entire shareholding for one year or project completion ⁸[,] whichever is later.]
- ⁹[(3) A company shall commence book closure for determining entitlement to bonus issue within 7 working days of the board's resolution.

Provided that 7 working days shall also include notice period for book closure and book closure period shall not be more than one (1) day.]

¹Substituted for "45 days" & "7 days" by SRO 1665(I)/2025 dated August 29, 2025.

²Clause (iv)(a) inserted by SRO 1665(I)/2025 dated August 29, 2025.

³Words "along with the application" omitted by SRO 64(I)/2026 dated January 13, 2026.

⁴Substituted for "15 days" by SRO 1665(I)/2025 dated August 29, 2025.

⁵Words inserted by SRO 1665(I)/2025 dated August 29, 2025.

⁶Substituted for "20 days" by SRO 1665(I)/2025 dated August 29, 2025.

⁷Clause (vi)(a) inserted by SRO 1665(I)/2025 dated August 29, 2025.

⁸Comma inserted by SRO 1665(I)/2025 dated August 29, 2025.

⁹Sub-regulation (3) inserted by SRO 1665(I)/2025 dated August 29, 2025.

¹[]

²[]

¹Sub-regulation (3) deleted by SRO 361(I)/2024 dated March 04, 2024. Earlier regulation (3) substituted by SRO 1754(I)/2022 dated September 16, 2022. Before omission by SRO 361(I)/2024, it read as follows:-

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

- (i) no company shall issue right exceeding the above referred threshold if the issuing company, its sponsor, promoter, substantial shareholder and directors have overdue or defaults irrespective of the amount appearing in the report obtained from Credit Information Bureau;
- (ii) the company shall prepare and its board shall approve the draft offer document in easily understandable English and Urdu language;
- (iii) the Offer document shall contain all disclosures, as referred to in Schedule I of these regulations. and such disclosure should be true and adequate and enable the applicants to take an informed investment decision;
- (iv) the draft offer document shall be submitted to PSX and the Commission within 45 days of the date of announcement and it shall simultaneously be placed by the listed company on the PSX and company's website. It shall be the discretion of the company and its board to seek public comments on the offering document and in such case, the public can submit its comments within 7 days of placement;
- (v) PSX and the Commission shall, within 15 days of the filing of draft offer document, share their observations and changes with the company, if any;
- (vi) the board shall ensure that draft offer document is updated in light of the public comments, (if opted for), PSX and the Commission comments/observations, and shall submit final offer letter to PSX within 20 days from the date of comments/ observations, whichever is later. Simultaneously, the Board shall also disclose in tabular form on PSX and company website as per the Schedule II, all the comments received along with the explanations as to how they are addressed;
- (vii) the final offer document shall be placed on PSX website along with book closure dates, and relevant right issuance timelines in accordance with Section 83 of the Act;
- (viii) the sponsors shall retain their entire shareholding for one year or project completion whichever is later;
- (ix) the statutory auditor shall monitor the proceed utilization till 95% of the proceeds are utilized in the manner referred to in the final offer letter, and shall submit half yearly report to the issuer. The issuer will include the report, along with its comments, if any, in its half yearly and annual financial statements.”

Before substitution by SRO 1754(I)/2022, it read as follows:-

“(3) The book closure for the issue shall be made within thirty days from the date of the board's resolution or within such time period as approved by the Commission.”

²Sub-regulation (4) deleted by SRO 1754(I)/2022 dated September 16, 2022. Before substitution it read as follows:-

“(4) In case of a listed company, the letter of offer of right shall be dispatched or credited within the time period as specified by the listings regulations of the securities exchange.”

Chapter III**Bonus Issue**

4. Conditions for bonus issue.- (1) A company, in accordance with the provisions of its articles of association, may issue bonus shares subject to the following conditions, namely:-

- (i) the issue of bonus shares is approved by the board;
- (ii) ¹[] the resolution of board approving to issue bonus shares is communicated to the Commission and the securities exchange on the same day i.e. on the day of the decision;

(2) The decision of the board to issue bonus shares, once announced, shall not be varied, postponed, withdrawn or cancelled.

Chapter IV**Issue of Shares by Way of Other than Right Offer**

5. Conditions for issue of shares by way of other than right offer.- (1) A ²[] company may issue further shares, by way of other than right, under sub-section (1) ³[(b)] of section 83 of the Act subject to the following general conditions, namely.-

- ⁴(i) the issue is proposed by the board and the said decision shall be communicated on the same day to the Commission and to the securities exchange, where the Company is listed, for public dissemination;]
- (ii) the aforesaid proposal of the board clearly states the following-
 - (a) proposal of the board to issue shares without right offer is subject to approval of the shareholders and the Commission;
 - (b) quantum of the issue both in terms of the number of shares and percentage of paid up capital before and after the issue;
 - (c) issue price per share and justification for the same;
 - (d) consideration against which shares are proposed to be issued i.e. cash or other than cash;
 - (e) name of person(s), their brief profile, existing shareholding, if any, in the company, to whom the shares are proposed to be issued;
 - (f) purpose of the issue;
 - ⁵[(f)(a) justification for issuing different kind and class of shares, if applicable;]
 - (g) justification for issue of the shares by way of other than right;
 - (h) benefits of the issue to the company and its members;

¹Words "in case of a listed company," deleted by SRO 361(I)/2024 dated March 04, 2024.

²Word "public" deleted by SRO 361(I)/2024 dated March 04, 2024.

³Word inserted by SRO 1665(I)/2025 dated August 29, 2025.

⁴Clause (i) substituted by SRO 1665(I)/2025 dated August 29, 2025. Before substitution it read as follows:-

"(i) the issue is proposed by the board;"

⁵Sub-clause (f)(a) inserted by SRO 1665(I)/2025 dated August 29, 2025.

- (i) breakup value per share as per the latest available audited and reviewed accounts;
- (j) consent of the person(s) to whom the shares are to be issued is(are) obtained;
- (k) the proposed new shares shall rank pari passu in all respects with the ¹[respective kind and class of] existing ²[] shares of the company. In case the proposed new shares are different from the issued ordinary shares in any respect, then the board's decision must state the differences in detail
- (l) average market price of the share, ³[] during the last three months preceding the board's decision as well as the latest available market price; and
- (m) where shares are proposed to be issued for consideration other than in cash, the value of non-cash assets or services or intangible assets shall be determined by a valuer:

Provided that the valuation shall not be older than six months from the date of submission of the application to the Commission ⁴[and the valuers must be registered as per the requirements of ⁵[these regulations]].

⁶[Provided further that the requirements of sub-regulation 5(1)(ii)(b), (c), (e), (i), (j), (l) and (m) shall not be applicable in case of further issuance of shares by way of other than right where the issuance is dependent on a future contingent event.

Explanation:- For the purpose of these regulations the expression "future contingent event" is an event emanating from legal or regulatory requirements that may or may not occur in future and it can reasonably be determined that the required information for issuance of shares by way of other than right offer in such event is not available to the issuer at the time of passing of resolution by the board of directors.]

- ⁷(n) a company shall submit application to the Commission along with the following information:
 - i. complete list of associated companies;
 - ii. father's name and CNIC number of sponsors, promoters, substantial shareholders and directors; and
 - iii. CUIIN of the associated companies to the Commission ⁸[].]
- ⁹[(iii)] the company shall invite claims, if any, on the non-cash assets through advertisement in the widely circulated newspaper both English and Urdu language clearly mentioning the fact that-

¹Words inserted by SRO 1665(I)/2025 dated August 29, 2025.

²Word "ordinary" omitted by SRO 1665(I)/2025 dated August 29, 2025.

³Words "in case of a listed company," deleted by SRO 361(I)/2024 dated March 04, 2024.

⁴Full stop substituted and words inserted by SRO 1754(I)/2022 dated September 16, 2022.

⁵Substituted for "regulation 8A and 8B of the Companies (Further Issue of Shares) Regulations, 2020" by SRO 361(I)/2024 dated March 04, 2024.

⁶Proviso and explanation inserted by SRO 361(I)/2024 dated March 04, 2024.

⁷Sub-clause (n) inserted by SRO 1665(I)/2025 dated August 29, 2025.

⁸Words "along with the application" omitted by SRO 64(I)/2026 dated January 13, 2026.

⁹Clauses (n) to (p) re-numbered as clauses (iii) to (v) by SRO 361(I)/2024 dated March 04, 2024. Earlier sub-clauses (n) to (u) inserted by SRO 1754(I)/2022 dated September 16, 2022.

Chapter VIII

Miscellaneous

11. Penalty for contravention of Regulations: Whoever fails or refused to comply with, or contravenes any requirements of the regulations shall be punishable with penalty as provided under sub-section (2) of section 512 of the Act.

12. Repeal and Savings.- (1) The Companies (Further Issue of Shares) Regulations, 2018, hereinafter referred to as the repealed regulations shall, upon coming into force of these regulations, stand repealed:

Provided that repeal of the repealed regulations shall not-

- (i) revive anything not in force at the time at which the repeal take effect; or
- (ii) affect the previous operation of the repealed instruments or anything duly done or suffered thereunder; or
- (iii) affect any right, privilege, obligation or liability acquired, accrued or incurred under or in respect of the said repealed regulations; or
- (iv) affect any penalty imposed, forfeiture made or punishment incurred in respect of any offence committed against or in violation of the repealed regulations; or
- (v) affect any inspection, investigation, prosecution, legal proceeding or remedy in respect of any obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such inspection, investigation, prosecution, legal proceedings or remedy may be made, continued or enforced and any such penalty, forfeiture or punishment may be imposed, as if these regulations has not been notified.

(2) Save as otherwise specifically provided, nothing in these regulations shall affect or deemed to affect any action taken, orders issued, relaxation granted unless withdrawn, fee paid or accrued, resolution passed, direction given under the repealed regulations shall, if in force at the effective date of these regulations and not inconsistent with provision of these regulations, shall continue to be in force and have effect as if it were respectively taken, made, directed, passed, given, executed or issued under these regulations.

¹[13. ²[Fees].- A company shall, at the time of filing an application or submitting draft offer document under these regulations, submit original challan or other evidence of payment of fees as specified under Schedule VII to the Companies Act, 2017 (XIX of 2017), if applicable.]

¹Regulation 13 inserted by SRO 1665(I)/2025 dated August 29, 2025.

²Inserted by SRO 64(I)/2026 dated January 13, 2025.

3. Undertaking by the Board of Directors (Board) ¹[or an officer of the Company authorized by them in this behalf]

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

WE, THE BOARD _____ HEREBY CONFIRM THAT:

- (i) ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.
- (ii) WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.
- (iii) RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.
- ²(iv) THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER, IF PUBLIC COMMENTS ARE SOUGHT, ON _____ (I.E. WITHIN 3 WORKING DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD).
- (v) PUBLIC COMMENTS WERE SOUGHT FOR A PERIOD OF 5 DAYS I.E _____ TO _____ (OPTIONAL AND IS THE DISCRETION OF THE COMPANY).]
- (vi) COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON
- (vii) THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE PUBLIC COMMENTS (IF SOUGHT), SECURITIES EXCHANGE AND SECP COMMENTS.
- (viii) THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.

¹Words inserted by SRO 361(I)/2024 dated March 04, 2024.

²Clauses (iv), (v) & (ix) substituted by SRO 64(I)/2026 dated January 13, 2026. Earlier clauses (iv) to (xi) substituted by SRO 361(I)/2024 dated March 04, 2024. Before substitution these read as follows:-

- “(iv) THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER, IF PUBLIC COMMENTS ARE SOUGHT, ON _____ (I.E. WITHIN 45 DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.
- (v) PUBLIC COMMENTS WERE SOUGHT FOR A PERIOD OF 7 (SEVEN) WORKING DAYS I.E _____ TO _____. (OPTIONAL AND IS THE DISCRETION OF THE COMPANY).
- (ix) THE FINAL OFFER DOCUMENT WAS SUBMITTED TO THE COMMISSION AND PLACED ON SECURITIES EXCHANGE WEBSITE ON _____ ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 20 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX and SECP).”

- ¹[(ix) THE FINAL OFFER DOCUMENT WAS SUBMITTED TO THE COMMISSION AND PLACED ON SECURITIES EXCHANGE WEBSITE ON _____ ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 5 DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX and SECP).]
- (x) THE STATUATORY AUDITOR M/s. _____ OF THE ISSUER SHALL SUBMIT HALF YEARLY REPORT TO THE ISSUER REGARDING UTILIZATION OF PROCEEDS IN THE MANNER REFERRED TO IN THE FINAL OFFER DOCUMENT. THE ISSUER WILL INCLUDE THE REPORT OF THE STATUTORY AUDITOR, ALONG WITH ITS COMMENTS THEREON, IF ANY, IN ITS HALF YEARLY AND ANNUAL FINANCIAL STATEMENTS.
- (xi) THE ISSUER HAS COMPLIED WITH THE REQUIREMENTS OF SECTION 82 OF THE COMPANIES ACT, 2017 IN CASE OF ISSUANCE OF RIGHT SHARES AT DISCOUNT TO FACE VALUE.
- (xii) NAMES OF THE DISSENTING DIRECTORS (IF ANY) ARE _____.]

4. DISCLAIMER:

- (i) Following disclaimer be included:
 - *In line with Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities Exchange Commission of Pakistan (SECP).*

Before substitution by SRO 361(I)/2024 dated March 04, 2024, these read as follows:-

- “(iv) THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER ON _____ (I.E. WITHIN 45 DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.
- (v) PUBLIC COMMENTS WERE SOUGHT FOR A PERIOD OF 7 (SEVEN) WORKING DAYS I.E _____ TO _____. (OPTIONAL AND IS THE DISCRETION OF THE COMPANY AND ITS BOARD)
- (vi) COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON
- (vii) THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE PUBLIC COMMENTS, SECURITIES EXCHANGE AND SECP COMMENTS.
- (viii) THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.
- (ix) THE FINAL OFFER DOCUMENT WAS PLACED ON SECURITIES EXCHANGE WEBSITE ON _____ ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 20 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX & SECP).
- (x) THE STATUATORY AUDITOR M/s _____ WILL MONITOR THE PROCEED UTILIZATION IF THE ISSUANCE PROCEEDS EXCEED RS.750 MILLION OR 50% OF THE PAID UP CAPITAL OF THE LISTED COMPANY ISSUING RIGHT SHARES, WHICHEVER IS HIGHER.
- (xi) THE ISSUER HAS COMPLIED WITH THE REQUIREMENTS OF SECTION 82 OF THE COMPANIES ACT, 2017 IN CASE OF ISSUANCE OF RIGHT SHARES AT DISCOUNT TO FACE VALUE.”

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²Clause (ix) substituted by SRO 64(I)/2026 dated January 13, 2026.

- The Securities Exchange and the SECP disclaims
 - a. *any liability whatsoever for any loss however arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.*
 - b. *any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.*
 - c. *any responsibility w.r.t quality of the issue*
- *It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.*

5. Glossary of Technical Terms & Definitions:

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

6. Table of Content

7. Salient features of the right issue:

(i) Brief Terms of the Rights Issue:

a)	Description of issue:	
b)	Size of the proposed issue	Rs. _____ divided into _____ of Rs. _____ each
c)	Face value of the share	
d)	Basis of determination of price of the right issue	
e)	Proportion of new issue to existing issued shares with condition, if any	
f)	Date of meeting of board of directors (BoD) wherein the right issue was approved	
g)	Names of directors attending the BoD meeting	
h)	Brief purpose of utilization of right issue proceeds	
i)	Purpose of the Right Issue - Details of the main objects for raising funds through present right issue.	<ul style="list-style-type: none"> • Total funds required for the project: • percentage of funds financed through the right issue: • percentage of funds financed from other sources, if any; • time of completion of project. • Impact on production capacity
j)	'Minimum level of subscription' (MLS)	-----% The Board shall clearly pronounce the options in case MLS is not achieved.

k)	“Application Supported by Blocked amount” (ASBA) facility, if any, will be provided for subscription of right shares	
¹ [l]	(i) clear justification for issuance of shares of different kind or class, if applicable]	

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

A. Details of the principal purpose of the issue.

- a. Summary item-wise breakup of the proceeds to be utilized both in terms of amount & %age of total allocation made to the relevant item, along with percentage completion status of the relevant item. Additional information may also be included, as needed, to make the table give complete, concise and clear picture.

B. Additional disclosures relating to purpose of the issue shall be made in case of the following:

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

Details of:

- Total Cost required for the project;
- Sources of Funding;
- Status of Debt Financing if any;
- Project completion status
- location of the project;
- Working capital requirement of the project: - all details, along with following, as specified in ²[7](ii)(b) of this schedule be included here.
 - ✓ Basis of estimation of working capital requirement, along with relevant assumptions.
 - ✓ If no working capital is shown as a part of the project for which the issue is being made, the reasons for the same.
- ³• plant and machinery, technology, process, etc. – all details as specified in 7(ii)(c) of this Schedule be included here;
- land, building – all details as specified in 7(ii)(d) of this Schedule be included here;]
- Following information regarding persons or entities with whom any agreement is entered into:
 - ✓ Place of registration and year of incorporation.
 - ✓ Nature of business
 - ✓ paid up share capital.
 - ✓ Net worth

¹Inserted by SRO 1665(I)/2025 dated August 29, 2025.

²Substituted for “8” by SRO 1665(I)/2025 dated August 29, 2025.

³Substituted by SRO 64(I)/2026 dated January 13, 2026. Before substitution these read as follows:-

- plant and machinery, technology, process, etc. – all details as specified in 8(ii)(c) of this Schedule be included here;
- land, building – all details as specified in 8(ii)(d) of this Schedule be included here;”

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- ✓ Revenue
- ✓ general information relevant to the issuer.
- Pre and post expansion production capacity of the Issuer, if applicable.

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

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

	years	years	years
Cash Conversion Cycle (in days)			

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

- Details shall be given in a tabular form, which shall include the details of the machines required to be bought by the issuer, cost of the machines, name of the suppliers, date of placement of order and the date or expected date of supply, etc.
- The percentage and value terms of plant and machinery delivered
- The percentage and value terms of the plant and machinery for which orders are yet to be placed.
- If second-hand machinery is bought or proposed to be bought, if any, the issuer shall include valuation report (as envisaged in the Regulations) as part of the disclosure. Information contained herein should include useful life of machines, balance estimated life, performance guarantee etc., impact on production capacity, impact on market share.
 - ✓ purchase date, chronological transfer of the building, plant, equipment, machinery; initial useful life; remaining useful life; in case initial useful ¹[life] estimate has been revised (detail and reason of such revision), repair/ maintenance cost incurred;
 - ✓ expected working capital expenditure during next 3 years.
- In case plant is bought from a foreign supplier, for both new and second-hand plant & machinery/equipment, the date when the payment for purchase of plant etc. was made, the date when it reached in the country, reasons of time lag in the purchase payment and arrival date; requisite formal approvals from other regulatory bodies; reference to the purchase payment in relevant books of accounts.

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¹Substituted for "lime" by SRO 361(I)/2024 dated March 04, 2024.

- d) If the purpose of the issue is to acquire Land:**
- location of the land
 - area of the land
 - estimated cost of the land
 - details of whether the land has been acquired by the Issuer
 - Title of the land
 - Property agent hired for the execution of purchase
 - Comparable value of the property in the vicinity.
 - If the party from whom land is being acquired is a related party, status be disclosed.
 - For related party transaction, rationale as to how the transaction is an arm's length transaction.
- e) If the purpose of the issue is to acquire intangible assets:**
- Nature of the asset
 - Title of the asset
 - Estimated cost of the asset
 - If the party from whom intangible asset is being acquired is a related party, status be disclosed.
- f) If purpose of the issue is loan/debt repayment:**
- details of loan proposed to be repaid such as name of the lender, brief terms and conditions and amount outstanding;
 - dates of receipt of loan from directors;
 - details whether the loan is pledged against any financing facility
 - in case the loan is given by the directors, table containing date of deposit of loan in bank account of the company and subsequent utilization of the same.
 - Reasons of issuing right for payment of loan
 - Impact of loan repayment on financial position of the company.
- g) If purposes of the issue is BMR/investment in greenfield project:**
- Details of source of funding.
 - Status of debt financing, if any.
 - Details regarding financial close of the project.
 - Details of letter of credit, if applicable.
 - Utilization of the proceeds:
 - Breakup of the funds required and funds already deployed
 - Working capital requirement of the project:
 - ✓ Basis of estimation of working capital requirement, along with relevant assumptions.
 - ✓ If no working capital is shown as a part of the project for which the issue is being made, the reasons for the same.

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- Implementation schedule of the project like land acquisition, execution of civil works, installation of plant and machinery, date of trial production, date of commercial production.
- Details regarding implementation of the project.
- Pre and post expansion production capacity of the Issuer, if applicable.

¹**(h)** If purpose of the issue is to acquire a company-

- Relationship of the issuer with the company being acquired
- Profiles of sponsors, major shareholders and directors of the company being acquired along with percentage of their shareholding
- Ultimate beneficial owners of the company being acquired
- Details related to share purchase agreement
- Any regulatory approvals required before acquisition
- Details of business operations of the company being acquired
- Financial highlights of last three years or such shorter period for which financial information is available.
- Break-up value of shares of the company being acquired
- Offer price per share along with number of shares to be acquired
- Name of valuer and key assumptions used in calculation of offer price
- Relative price measures of the company being acquired i.e. Price to Book Value, Price to Earnings (P/E), and Price to Sales (P/S)
- Impact of acquisition on the operating and financial position of the issuer
- Any other material information;]

(iii) General Requirements:

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

(iv) Financial effects arising from right issue

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

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¹Inserted by SRO 361(I)/2024 dated March 04, 2024.

Production Capacity				
Market Share				

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

(vi) **Details of underwriters:**

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

(vii) **Commitments from substantial shareholders/directors:**

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

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

(ix) **Important Dates:**

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

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8. Subscription Amount Payment procedure:

- (i) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "<Issuer Name> Right Shares Subscription Account" through any of the authorized branches of above mentioned bank(s) on or before dd/mm/yy along with this Right Subscription Request* duly filled in and signed by the subscriber(s).
- (ii) Right Subscription Request can be downloaded from
- (iii) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, (Issuer Name) at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- (iv) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.
- (v) The Bank will not accept Right Subscription Request delivered by post which may reach after the closure of business on dd/mm/yyyy, unless evidence is available that these have been posted before the last date of payment.
- (vi) Payment of the amount indicated above to the issuer's Banker(s) to the issue on or before dd/mm/yyyy shall be treated as acceptance of the Right offer.
- (vii) After payment has been received by the Company's banker(s), the Right Securities will be credited into respective CDS Accounts within ¹[10 working days] from the last payment date. Paid Right Subscription Request will not be traded or transferred.

9. Profile of management and sponsors

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

¹Substituted for "14 business days" by SRO 1665(I)/2025 dated August 29, 2025.

10. ¹[] Details of the Issuer

(i) ¹[] highlights of issuer for last three years

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

(ii) ¹[] highlights for preceding one year of consolidated ¹[] statements same as (B) above,

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

Right Issue	FY__	FY__	FY__	FY__	FY__
Percentage					
Number of Shares					
Amount Raised					
Unsubscribed portion					
Unsubscribed portion allotted by BoD					
Unsubscribed portion taken up by the Underwriter					
Proceed utilization break up....					

(iv) Average market price of the share of the issuer during the last six months

(v) Share Capital and Related Matters

- a) Pattern of shareholding of the issuer in both relative and absolute terms.
- b) Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).
- c) Details and shareholding of holding company, if any.

¹Word "financial" deleted by SRO 361(I)/2024 dated March 04, 2024.

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- ¹[(vi) Group structure along with respective shareholding in subsidiaries and associates.]
- ²[(vii) a company shall disclose the following, if applicable:
- (a) details of any defaults/overdue amount of principal and interest at the date of submission of offer document along with defaults/overdue amounts in last three financial years;
 - (b) the carrying amount of the loans payable in default;
 - (c) whether the default was remedied, or the terms of the loans payable were renegotiated;
 - (d) details and status of any debt restructuring;
 - (e) whether any part of right issue proceeds would be utilized towards overdues;
 - (f) NOC issued by the financial institution(s) in respect of whom the overdues or defaults of the issuing company, its sponsor(s), promoter(s), substantial shareholder(s) or directors appear in the report obtained from the Credit Information Bureau, in relation to right issue; and
 - (g) details of recovery proceedings, if any:
 - (i) proceedings initiated by the lenders against company;
 - (ii) the company's actions in response; and
 - (iii) the current status of such proceedings.]

11. Risk Factors:

- (i) Each risk factor shall appear in the following manner
 - a) Risk as envisaged by the issue;
 - b) Proposals, if any, to address the risk.
- ³[(ii) Risk factors shall be classified as internal and external risk factors and the issuer shall ensure that coverage of each risk factor is in manner that is specific to the issue/issuer and clearly covers the impact of the risk factor on the operations/performance of the issuer.]
- (iii) Risk factors shall be disclosed in the descending order of materiality.
- (iv) All possible risk factors relating to business of the company, the project, technology, competition, suppliers, consumers, industry, liquidity, regulatory, changes in Govt. policies, law and order situation, capital market, pending litigations, defaults etc. shall be disclosed.
- (v) Additional risk factors relating to the following areas shall necessarily be disclosed in the offer document, wherever applicable:
 - a) Approvals that are yet to be received by the issuer;
 - b) Seasonality of the business;
 - c) Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue;

¹Clause (vi) inserted by SRO 361(I)/2024 dated March 04, 2024.

²Clause (vii) inserted by SRO 64(I)/2026 dated January 13, 2026.

³Clause 11(ii) substituted by SRO 361(I)/2024 dated March 04, 2024. Before substitution it read as follows:-

“(ii) Risk factors shall be classified as internal and external risk factor.”

- d) Lack of experience of the Management to run the business;
 - e) If the issuer has incurred losses in the last three financial years;
 - f) Dependence of the issuer or any of its business segments upon a single customer or a few customers
 - g) Loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.
 - h) In case of outstanding debt instruments, any default in compliance with the material covenants;
 - i) Default in repayment of loan by the issuer and associated group companies, if any.
 - j) Potential conflict of interest of the Sponsors, substantial shareholders or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.
 - k) Excessive dependence on any key managerial personnel for the project for which the issue is being made.
 - l) Any material investment in debt instruments by the issuer which are unsecured.
 - m) Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.
 - n) Negative cashflow from operating activities in the last three preceding financial years.
 - o) Any restrictive covenant that could hamper the interest of the equity shareholders
 - p) Low credit rating of the Issuer.
 - q) Dependence of the issuer or any of its business upon a single customer or few customers, loss of any one or more may have material adverse effect on the issuer.
 - r) Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the issuer.
- (vi) A statement that 'to the best of our knowledge and belief all risk factors have been disclosed' shall be given immediately after the risk factor by the authorized officer/Management.

12. Legal proceedings

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

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(iii) Legal proceedings be summarized in the following format

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

13. Signatories to the Offer document:

¹[(i) List of the signatories, including all the directors or an officer of the company authorized by them in this behalf, to the offer document and their signatures in original duly dated and witnessed.]

²[Schedule II

The Companies (Further Issue of Shares) Regulations, 2020

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

¹Clause 13(i) substituted by SRO 361(I)/2024 dated March 04, 2024. Before substitution it read as follows:-

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

²Schedule II inserted by SRO 1754(I)/2022 dated September 16, 2022.

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Company Law & Procedures

Schedule I before substitution by SRO 1754(I)/2022 dated September 16, 2022, it read as follows:-

“Schedule I to the Companies (Further Issue of Shares) Regulations, 2020

Following information shall be sent to the members along with the letter of offer for right issue by a listed company:

- (A) Information pertaining to company offering right issue:
- (a) Company profile and history
 - (i) Name of Company
 - (ii) Incorporation date
 - (iii) Date of commencement of business
 - (iv) Corporate Universal Identification Number (CUIN)
 - (v) Website address and web-link where latest available financial statements are placed (in case of listed company)
 - (vi) Contact details for shareholder facilitation (in form of postal address, phone number or email address)
 - (b) profile of management and sponsors
 - (i) Profile of directors (names, executive/ nonexecutive/ independent/nominee director and tenure of directorship held)
 - (ii) other directorships held (provide names of the company(ies))
 - (c) name(s) of the statutory auditor(s)
 - (d) existing capital indicating classes of shares, if any, separately
 - (i) authorized Capital amounting to Rs. _____ divided in to _____ shares of Rs. ____ each.
 - (ii) paid-up capital amounting to Rs. _____ divided in to _____ shares of Rs. ____ each.
 - (e) name of holding company, if any
 - (f) financial highlights of company for preceding three years including revenue/ sales, gross profit, profit before interest, tax, profit after tax, accumulated profit or (loss), total assets, total liabilities, net equity, break up vale per share, earnings per share, dividend, if any, bonus issue, if any.
 - (g) financial highlights for preceding one year of consolidated financial statements same as (f) above, if any
 - (h) detail of issue of capital in previous five years
 - (i) year wise detail of issue of capital (right issue or other than right)
 - (ii) brief details of funds utilization through previous issue of right shares, if any
- (B) Details of the current right issue:
- (a) description of issue:
size of the proposed issue divided into Rs. _____
of Rs. _____ each
 - (b) face value of the issue Rs. _____ each
 - (c) basis of determination of price of the right issue
 - (d) proportion of new issue to existing issued shares with condition, if any
 - (e) date of meeting of board of directors (BOD) wherein the right issue was approved
 - (f) names of directors attended the BOD meeting
 - (g) justification for the issue
 - (i) details of the main objects for raising funds through present right issue:
 - a) detail of project
 - b) total funds required for the project
 - c) percentage of funds required financed through the right issue
 - d) percentage of funds required financed from other sources, if any
 - e) time of completion of project
 - (ii) expected benefits of the issue to the company and its members (description and amount)

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-
- (h) Average market price of the share of the company during the last six months
 - (i) financial effects arising from right issue
 - (i) increase in paid-up share capital
 - (ii) net asset/breakup value per share before and after right issue
 - (iii) net asset/breakup value per share before and after right issue
 - (j) Total expenses to the issue
 - (i) bankers' commission
 - (ii) others, if any
 - (C) Information regarding risk and risk mitigating factors, as applicable:
 - (a) description of major risks and company's efforts to mitigate them:
 - (i) risks relating to the project for which proceeds of the right issue are to be utilized
 - (ii) risks relating to subscription/under-subscription of right issue
 - (iii) material contingencies
 - (iv) material commitments
 - (v) any adverse issue reported by the auditor in their audit reports in previous five years
 - (b) names of underwriters, (if required)
 - (D) Eligibility criteria & associated matters:
 - (a) members' eligible / entitlement of getting the Letter of Right
 - (b) bankers to the issue
 - (c) date upto which the offer, if not accepted, shall be deemed to have been declined
 - (d) mode of acceptance (only through banking channel)
 - (i) bank account number
 - (ii) date by which amount to be credited in bank account to constitute valid acceptance
 - (iii) number and date of pay order / bank draft and other banking instrument.
 - (E) Any other material information that may have direct or indirect bearing on the investment decision."