

PRESS RELEASE



PSX Lists First GEM Board Company

Karachi, November 26, 2021 – In a watershed development at Pakistan Stock Exchange (PSX), Pak Agro Packaging Limited (PAPL) becomes the very first company to be listed on PSX’s Growth Enterprise Market (GEM) Board. The GEM Board is a listing platform created to facilitate growth enterprises whether small, medium or greenfield businesses for their capital raising needs.

Adviser to the Prime Minister on Finance and Revenue Mr. Shaukat Tarin was the Chief Guest of the gong ceremony.

The Ceremony was also attended by Chairman SECP, Mr. Aamir Khan; Chairperson PSX, Dr. Shamshad Akhtar; MD & CEO PSX, Mr Farrukh H. Khan; Board Members PSX; CEO Pak Agro Packaging Limited, Mr. Khalid Butt; CEO AKD Securities Ltd., Mr Farid Alam; and senior management of the participating organisations including PSX, SECP, Pak Agro Packaging Limited and AKD Securities Limited.

Pak Agro Packaging Limited had set out to raise Rs 180 million through the PSX GEM Board Listing. The Issue of Pak Agro Packaging Limited consisted of 8,000,000 ordinary shares comprising of 40% of the post-issue paid-up capital of the Company. The entire Issue was offered through book building process at a floor price of Rs 22.50 per share.

The amount raised was Rs 198,000,000 against total bids received Rs 366,453,573 (or 14.79 million shares) at strike price of Rs 24.75 per share, thereby the Issue was oversubscribed by 1.85x. A large number of investors participated in the book building process and out of 106 bidders, 69 investors were declared successful.

The Adviser to Prime Minister on Finance & Revenue, Mr. Shaukat Tarin, hailing the inclusion of the first company on the GEM Board, said, “As we celebrate the first listing on the GEM Board, I congratulate not only the management of Pak Agro Packaging Limited but also the Board Members and the Management of Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan who have worked tirelessly in converting this dream into reality. I would recommend SMEs to come forward to avail this opportunity to raise capital through the Stock Exchange.”

In response to comments of MD PSX regarding rationalisation of tax incentives, Mr Shaukat Tarin stated, “We absolutely have to rationalise tax incentives so that investment in Pakistan’s productive sector increases. We want to see investment in this country in productive sectors. While I am not against the real estate sector as it benefits the economy and supports around 40 other industries as well as creates employment, we have to make sure that the benefits to the real estate sector are aligned with those given to other productive sectors of the economy as well. We do see an anomaly in the real estate sector when plots of land are bought and are held for years. That is productive capital sunk. In this regard, I would like to announce that we will be introducing certain scheme of taxes that will be applicable to these assets so that the money can be recycled to the other sectors of the economy as well. We are also approving REIT listings which will benefit the capital market. Additionally, we are in favour of listing of SOEs which are currently encumbered by the circular debt phenomenon. This has choked some of our public sector entities, specially in the energy sector. We are, however, in the process of unlocking that. Petroleum and some power companies in the listed domain will see some activity and that will help the Stock Exchange as these are heavy weight companies.

We appreciate the hard work put in by you, and I will stand with you in all your efforts; I also call upon the FBR to provide the necessary support that you need and to review the tax regime to encourage companies to list”, he added.

The Chairman SECP, Mr Aamir Khan, stated, “The SECP has always focused on improving access to finance for SMEs, and the GEM Board will facilitate small enterprises, start ups and green field companies in gaining

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access to private capital.”

Speaking about the successful book building & listing of Pak Agro Packaging Limited on the GEM Board of PSX, the MD PSX, Mr. Farrukh Khan, stated, “I congratulate Pak Agro Packaging Limited as the first company to be listed on the GEM Board of the Exchange since the Board was launched in 2019. The GEM Board is an important innovation in Pakistan’s capital market and will support the financing needs of the hugely important and vibrant SME sector in Pakistan by enabling them to raise debt and equity capital at a low cost and with ease. The new Board will also help in the full value chain of early stage financing in Pakistan as such investors will now have a viable exit mechanism via listing on the GEM Board.

As an industry leader in providing agricultural support packaging & storage products, Pak Agro Packaging Limited is now raising capital to expand its industrial base by manufacturing fishing nets. We are very happy that they have utilised the GEM Board to raise of capital for diversifying their industrial capacity as well as for meeting their working capital needs.”

He further stated, “Pakistan Stock Exchange has been working diligently to facilitate the SME sector of Pakistan in meeting their financial needs through the capital markets. We are thankful to the SECP and Ministry of Finance for their guidance and support in this effort. We are confident that this will become an important source of capital for Pakistan’s SME sector.”

Speaking about the successful listing of Pak Agro Packaging Limited on PSX’s GEM Board, the Chairman of the Company, Dr. Safdar Ali Butt, in his video message, said, “I wish to offer my congratulations to Pakistan Stock Exchange, SECP, our consultants, AKD Securities Ltd, and all those entities who have been instrumental in opening the doors to access equity capital for SMEs of this country through the GEM Board of Pakistan Stock Exchange.”

He further stated, “The common misconceptions of SMEs being a risky proposition has clearly not stopped informed and sensible investors, particularly the institutional investors, from investing in the bright & potentially enormous future of SMEs.”

In his message, the Chairman of AKD Group, Mr. Aqeel Dhedhi, stated “The first listing at the GEM Board has paved the way for SMEs access to equity capital and created opportunity for investors to participate in evolution of progressive enterprises.”

The CEO of AKD Securities Ltd., Mr. Farid Alam, added, “SMEs are a backbone of any developing economy. The growth path that we as a nation have embarked upon, requires contribution from all participants of the economic value chain. By introducing the GEM Board, SECP and PSX, with the help of financial sector entities, have allowed SMEs access to that integral capital for long term growth. We are delighted to be part of the first ever GEM listing and a catalyst for long term growth.”

Head of Investment Banking at AKD Securities Ltd., Syed Khurram Shahid, said, “PAPL’s inaugural listing at PSX GEM Board executed by AKD Securities Limited is a testimony of our firm belief in leading the development of the financial ecosystem and supporting the growth stimulus of Small and Medium Enterprises. This Board offers a lot of promise and a formidable channel for raising funds for financially challenged SME sector companies.”

AKD Securities Limited took the initiative of bringing the first growth company for listing on the Exchange’s GEM Board. The book building attracted tremendous response from investors. This reflects the interest and appetite that investors have for sound and sustainable businesses that offer good potential returns and growth opportunities.