

Below is a summarized comparison between the GEM Board and the Main Board.

S.N.	Particulars	GEM Board	Main Board
•	Type of Issuers	Aimed at Growth Companies i.e. Startups, Green Field Companies (GFCs), etc.	All types allowed, even loss-making companies and Green Field Projects (GFPs).
•	Consultant to the Issue (CTI) / Lead Advisor	Only following can act as Advisor to the Issue; <ul style="list-style-type: none"> • Licensed Consultants to the Issue (CTI) • Securities Broker Licensed by the Commission • Scheduled Banks • Accounting and Auditing Firm (Recognized by ICAP or ICMAP) 	Licensed Consultants to the Issue can act as Lead Advisors.
•	Paid-up Capital	To list, issuer must have a post issue paid up capital of at least PKR 25 million. There is no maximum limit to it.	To list, issuer must have a post issue paid up capital of at least PKR 200 million.
•	Initial Offering	<ul style="list-style-type: none"> • Initial subscribers should be at least ten. • In case of Book Building, the bid size for each initial subscriber shall be PKR 100,000. 	<p><u>Book Building Portion (BBP):</u></p> <ul style="list-style-type: none"> • Issuer must at least receive bids for the total number of shares allocated under BBP. • No. of bids should not be less than 40 • Minimum Bid Size = PKR 1 million. <p><u>General Public Portion (GPP):</u></p> <ul style="list-style-type: none"> • No. of subscribers in IPO should be at least 500. • Minimum amount of subscription required is for 500 shares
•	Method of offering	Fixed Price or Book Building method. In case of Fixed Price method, issue must be completely underwritten.	Fixed Price or Book Building method. In case of Fixed Price method, issue must be completely underwritten.
•	Eligible Investors	(i) Institutional investors and (ii) Accredited individual investors registered with the NCCPL having net assets of at least Rs. 5 million.	<u>BBP:</u> Institutional Investors and HNWI's who can place a minimum bid of PKR 1 million <u>GPP:</u> All Investors
•	Market Maker (MM)	Growth company may appoint Market Maker (Requirement of MM is optional)	Market Maker not required.

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•	Trading and Settlement	Trading through KATS	Trading through KATS.										
•	Restriction on Shares of Sponsors	<ul style="list-style-type: none"> • 100% to be frozen in CDC for 1 year. • 25% to be frozen in CDC for 3 years. 	<ul style="list-style-type: none"> • 100% to be frozen in CDC for 1 year. • 25% to be frozen in CDC for 3 years. 										
•	Minimum Free Float	10% of paid up capital.	<p>As per the PSX Rule 5.4.1, following are the applicable float requirements:</p> <table border="1"> <thead> <tr> <th>Post Issue Paid up Capital (PIPC)</th> <th>Allocation of Capital to the General Public, excluding Premium Amount and Pre-IPO Placement</th> </tr> </thead> <tbody> <tr> <td>Up to PKR 2.5 billion</td> <td>At-least 10% of PIPC Provided that the Company shall be required to subsequently enhance the quantum of public shareholding to 25% within next 3 years of its listing.</td> </tr> <tr> <td>Above PKR 2.5 billion and upto PKR 5 billion</td> <td>At-least 10% of PIPC Provided that the Company shall be required to subsequently enhance the quantum of public shareholding to 15% within next 3 years of its listing.</td> </tr> <tr> <td>Above PKR 5 billion and upto PKR 10 billion</td> <td>At-least 10% of PIPC</td> </tr> <tr> <td>Above PKR 10 billion</td> <td>At-least 5% of PIPC</td> </tr> </tbody> </table>	Post Issue Paid up Capital (PIPC)	Allocation of Capital to the General Public, excluding Premium Amount and Pre-IPO Placement	Up to PKR 2.5 billion	At-least 10% of PIPC Provided that the Company shall be required to subsequently enhance the quantum of public shareholding to 25% within next 3 years of its listing.	Above PKR 2.5 billion and upto PKR 5 billion	At-least 10% of PIPC Provided that the Company shall be required to subsequently enhance the quantum of public shareholding to 15% within next 3 years of its listing.	Above PKR 5 billion and upto PKR 10 billion	At-least 10% of PIPC	Above PKR 10 billion	At-least 5% of PIPC
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•	Listing Fee	<ul style="list-style-type: none"> • Initial listing fee ... capped at PKR 50K • Annual listing fee based on Paid-up capital, capped at PKR 200K 	<ul style="list-style-type: none"> • Initial listing fee ... capped at PKR 1.5 million • Annual listing fee ... Based on Market Capitalization, capped at PKR 5 million 										
•	Offering Document (OD)	Instead of a Prospectus, only an IM is required to be prepared and placed on the websites of the Issuer, Advisor and the Exchange.	Prospectus / Offer for Sale Document is required to be prepared and Published before the Issue.										

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•	Vetting of Offering Document (OD)	<p>Advisor must do necessary Due Diligence and prepare the IM according to Schedule - I of Chapter 5A.</p> <p>OD shall not be vetted by PSX.</p>	<p>Prospectus is vetted by PSX and SECP.</p> <p>However, CTI / Lead Manager is responsible for the accuracy / veracity / adequacy of disclosures in the prospectus.</p>
•	Approval	Listing application is approved by PSX.	Listing application and Prospectus is approved by PSX. Prospectus is also approved by SECP.
•	Code of Corporate Governance (CCG)	<p>Growth Company (GC) only needs to comply with the following within 2 years of listing:</p> <ol style="list-style-type: none"> 1. Audit Committee comprising independent directors 2. Female representation on board 3. Minimum number of independent directors should be two or 1/3 of the board. 	Compliance with complete CCG is required.
•	Compliance Status	CEO of GEM Company must submit half yearly compliance report to PSX.	<ol style="list-style-type: none"> 1. Issuer must submit a detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly / half-yearly and annual accounts till the fulfillment of the commitments mentioned in the prospectus; and also 2. submit; <ol style="list-style-type: none"> a) half yearly progress report and; b) annual progress report reviewed by the auditor providing the status of the commitments mentioned in the prospectus to PSX. c) A final report reviewed by auditor after the fulfillment of the commitments written in the Prospectus.
•	Migration	Issuer is allowed to migrate from GEM board to Main Board.	Reverse migration from Main Board to GEM Board is not allowed.
•	Voluntary Delisting (VD)	Easier VD procedure / process.	VD procedure / process is more stringent.