

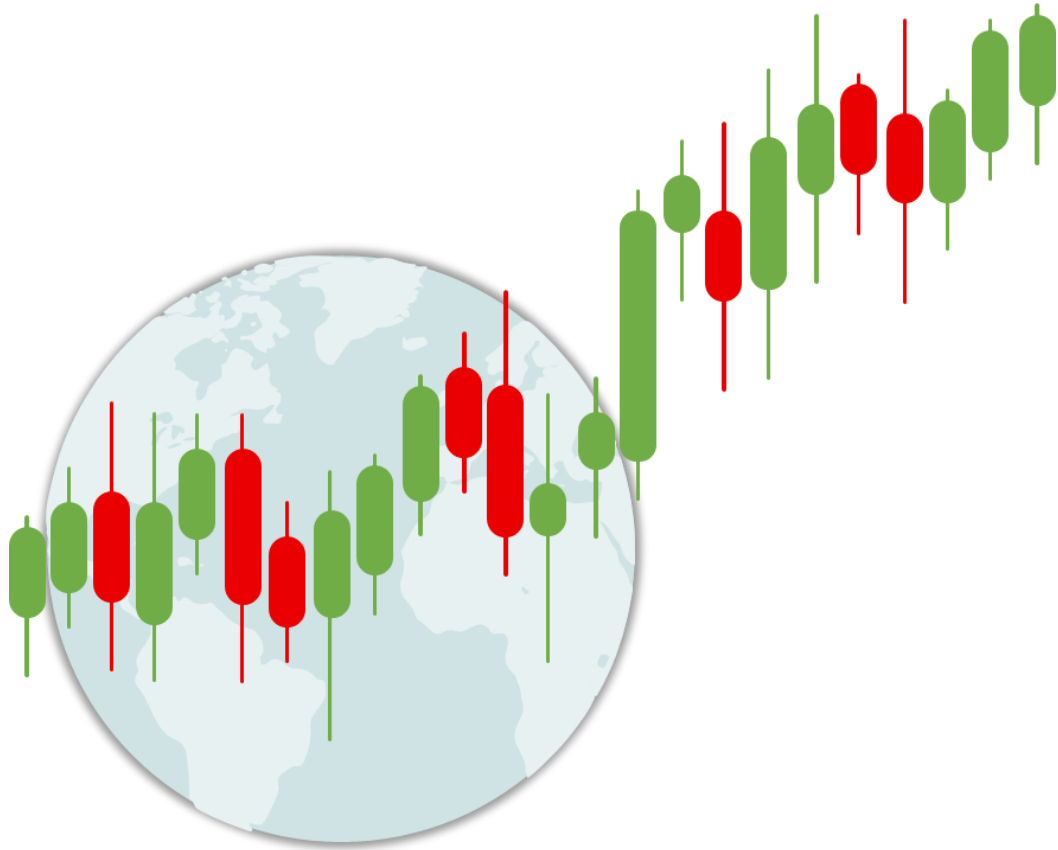
# Listing on Pakistan Stock Exchange

Your Avenue for Progress



# Topics Covered

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What is an IPO?

Benefits of Listing

Eligibility Criteria

Mandatory Requirements

Non-compliance With Profitability Requirement

Green Field Project

Listing Fees

Procedure to Get Listed

Allocation of Shares

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# What is an IPO?

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An initial public offering (IPO) is the process where a company **issues a stake of its ownership** to the public for the first time.

Investors who wish to gain ownership in a company **subscribe** to the company's shares.

# Benefits of Listing



## Raise Long Term Working Capital

For funding expansions, mergers, working capital requirements, etc.

## Debt Limit Enhancement

Banks improve loan limits with competitive interest rates to listed companies with higher paid up capital or Equity

## Enhances Company's Public Profile

IPOs can be effective branding and marketing tools as they attract media interest. Listed companies are regarded as industry leaders in their respective sectors.

## HR Capital

For valuation of a public listed company all stakeholders use market value rather than book value which is mostly higher.

## Improved Relations with Bankers and Suppliers

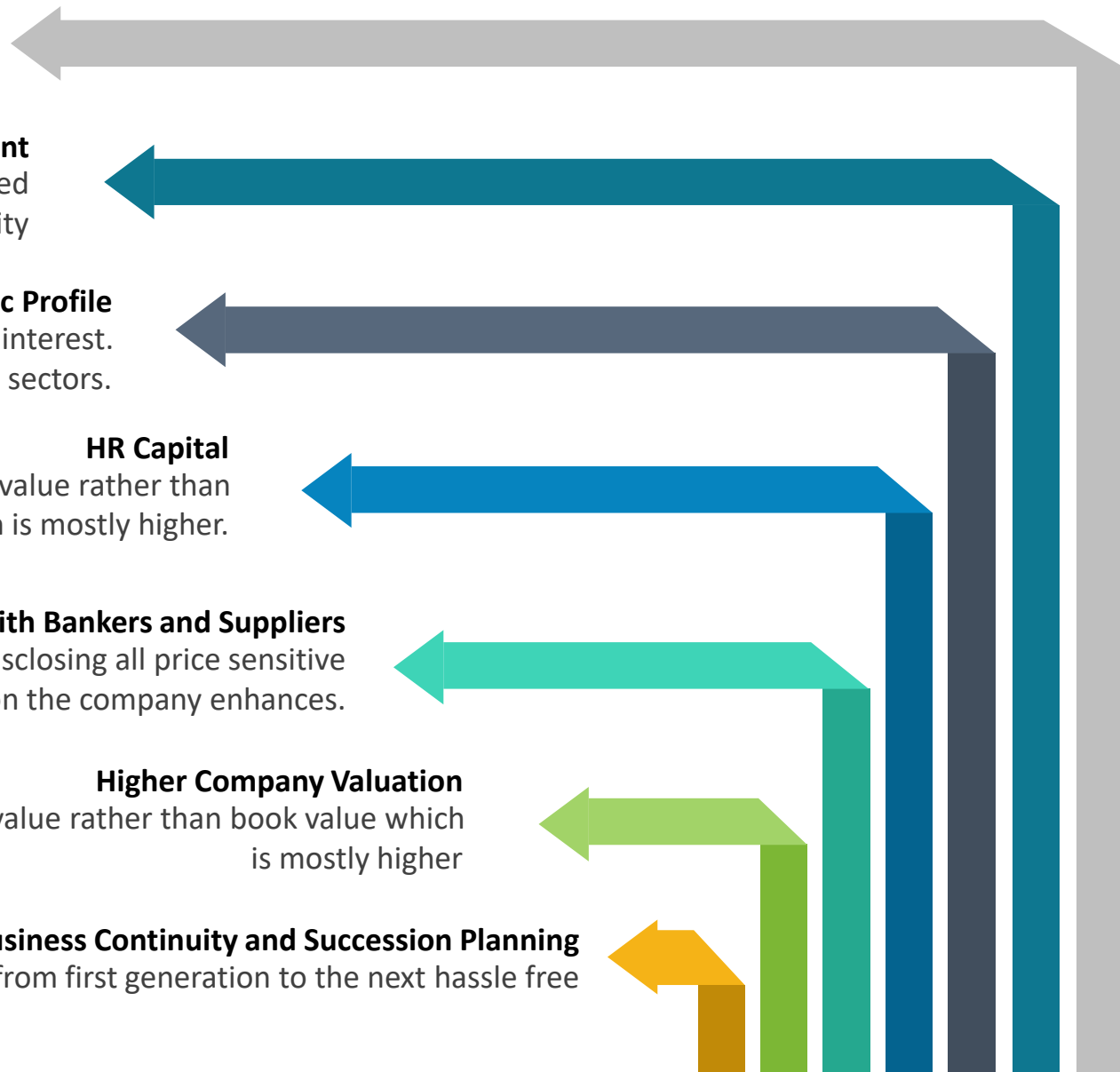
Due to the requisite of making financial accounts public and disclosing all price sensitive information, the banker's and supplier's trust on the company enhances.

## Higher Company Valuation

For valuation of a public listed company all stakeholders use market value rather than book value which is mostly higher

## Business Continuity and Succession Planning

Listing makes transition from first generation to the next hassle free



# What is the Eligibility Criteria?

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## Main Board

- Minimum post-issue paid up capital of Rs.200 Million



## GEM Board

- Minimum post-issue paid up capital of Rs.25 Million



# What are the mandatory requirements?



## Financial Statements

- Must prepare periodic Financial statements.
- Must audit statements by QCR (Quality Control Review) rated chartered accountants.
- Must publish on the website.



## Company Website

- Must contain basic business information.
- Must contain prospectus
- Must post annual, half-year quarterly accounts.

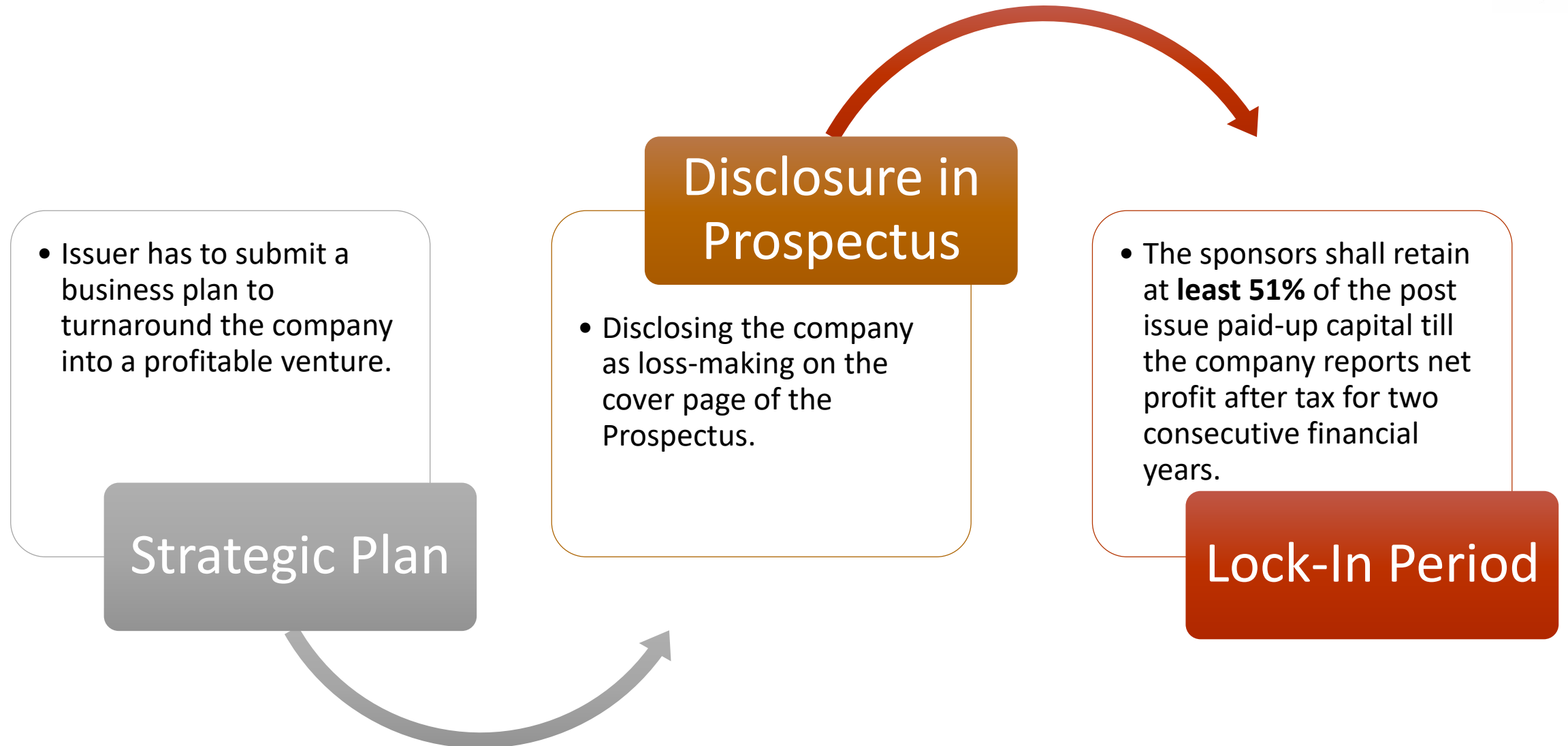


## Operational Requirements

- Must be in business for at least three years.
- Must be profitable for at least two preceding years before getting listed (Exception in the next slide)



# Non-compliance With Profitability Requirement



## If the Issuer is applying to list a Green Field Project, the following requirements need to be fulfilled:

<p>Sponsors' contribution, in the form of equity in a green field project at the time of IPO, shall not be less than 51% of the entire equity.</p>	<p>The sponsors of the Issuer shall retain at least 51% of the post issue paid-up capital till the company reports net profit after tax for two consecutive financial years including profit from its core business activities.</p>	<p>Successful business track record of sponsors.</p>	<p>Experience and skills of the management to run the proposed project.</p>	<p>If required, Engineering, Procurement and Construction (EPC) contract shall be in place.</p>	<p>Land for the project, if required is acquired by the Issuer and the same is in the name of the issuer.</p>	<p>Disclosing the company as Green-Field Project on the cover page of the Prospectus.</p>
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# Listing Fees



**Initial Listing Fees**

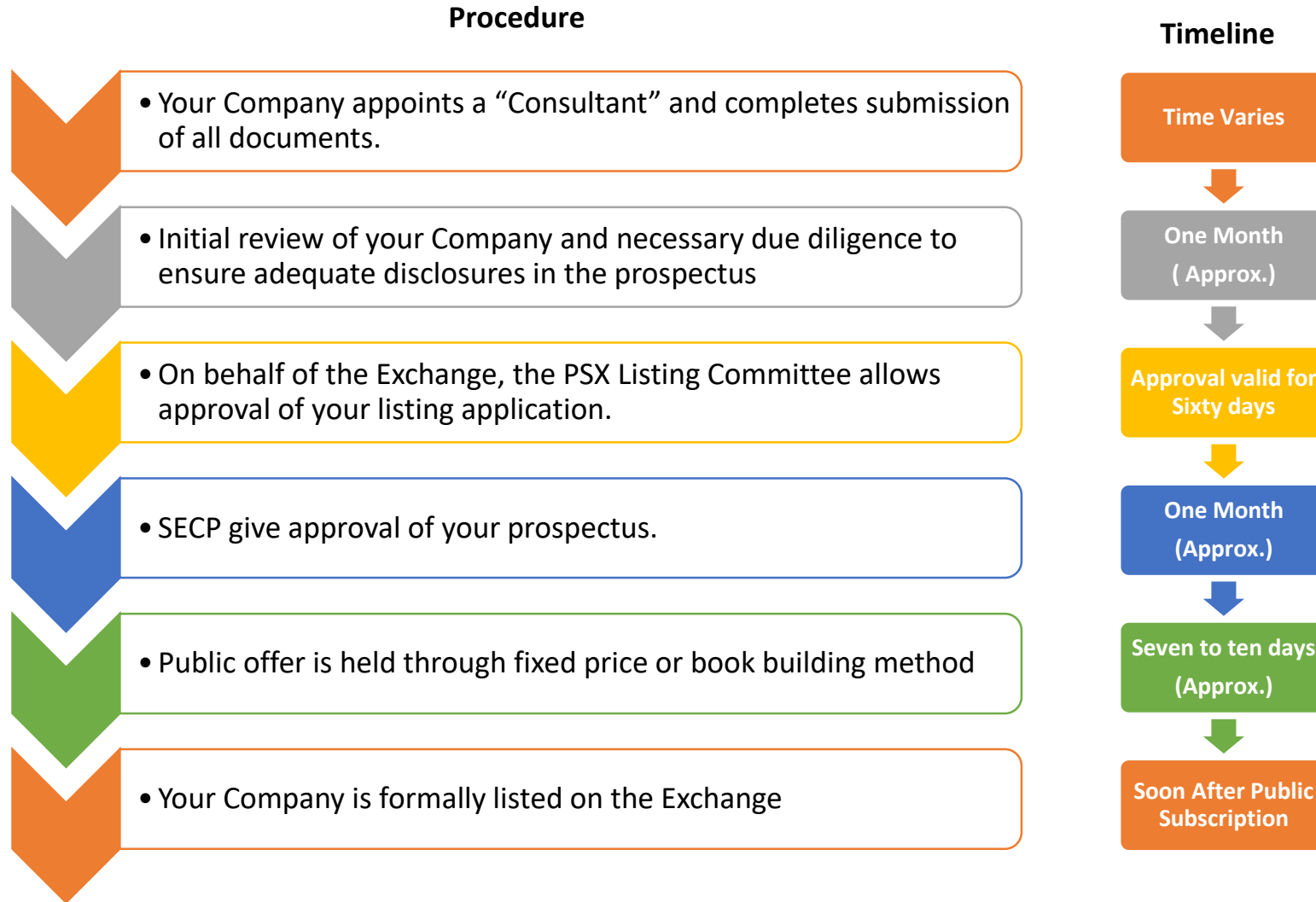
- One tenth of 1% of Paid Up Capital.
- Capped at PKR 1.5 Million.



**Annual Listing Fees**

- Annual Rate for FY 2019-20
- Capped at PKR 3 Million.

# How can you get your company listed on the Exchange?



# Allocation of IPO or Offer for sale to General Public



<b>Post Issue Paid up Capital (PIPC)</b>	<b>Allocation of Capital to the General Public, excluding Premium Amount and Pre-IPO Placement</b>
<b>Up to PKR 2.5 billion</b>	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.
<b>Above PKR 2.5 billion and up to PKR 5 billion</b>	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.
<b>Above PKR 5 billion and up to PKR 10 billion</b>	At-least 10% of PIPC
<b>Above PKR 10 billion</b>	At-least 5% of PIPC

# Contact Information

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## Marketing and Business Development

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**Thank You!**

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