

# Listing on Pakistan Stock Exchange

Your Avenue for Progress



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# Introduction



# 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



# Why should you list on PSX?

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## Raise Long Term Low-cost Capital

- Growth and expansion needs
- Invest or carry out merger & acquisition plans
- Invest in new projects
- Enhance current capacity
- Diversify business
- Meets working capital requirements



## Inclusion in Indices

The PSX has several indices like KSE 100, a benchmark used by investors all around the world to measure Pakistan's performance. Listing will give you the chance to be included in these indices, providing you with global recognition.



## Inexpensive Financing

Money raised through offering your company's share on the bourse is relatively inexpensive, especially in a rising interest rate environment, helping organizations reduce their dependence on costly long term and short term loans.



# Why should you list on PSX?

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## Enhances Company's Public Profile

- IPOs add a level of prestige to a Company
- IPOs can be used as a branding and marketing tool as they attract media interest, attention and scrutiny
- Listed companies on the Exchange are regarded as Industry leaders in their respective sectors.



## Tax Credit

- 20% on tax payable in the first year of listing
- 20% on tax payable in the subsequent first tax year of listing
- 10% on tax payable in the following two tax years respectively



## Improved Relations with Bankers and Suppliers

- A listed company has to disclose and disseminate all material and price sensitive financial information which adds to:
- The business transparency
  - Improved relations with Bankers, lenders and clients



# Why should you list on PSX?

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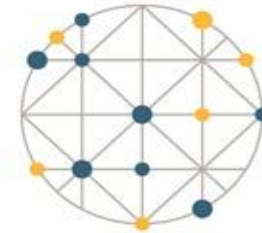
## HR Capital

Attract and retain the best talent for your company because of enhanced reputation.



## Higher Valuation

By going public, all stakeholders involved use fair valuation of the company by the market which is generally higher than the book value, outlining the true worth of an organization.



## Business Continuity and Succession Planning

Listing bridges any discord that may arise during a transition from the first generation to the next, by introducing

- Corporate Governance Structures
- Succession Planning





# Listing Requirements

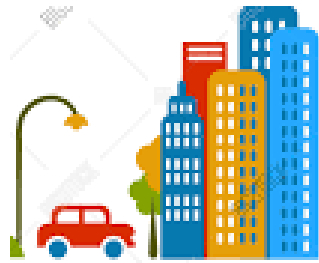


# What is the Eligibility Criteria?

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## Main Board

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



## SME Board

- Post-issue paid up capital between Rs.25 - 200 Million



# What are the mandatory requirements?

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## 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.



# Annual Listing Fee



# What is the Listing Fees?

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## Initial Listing Fees

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

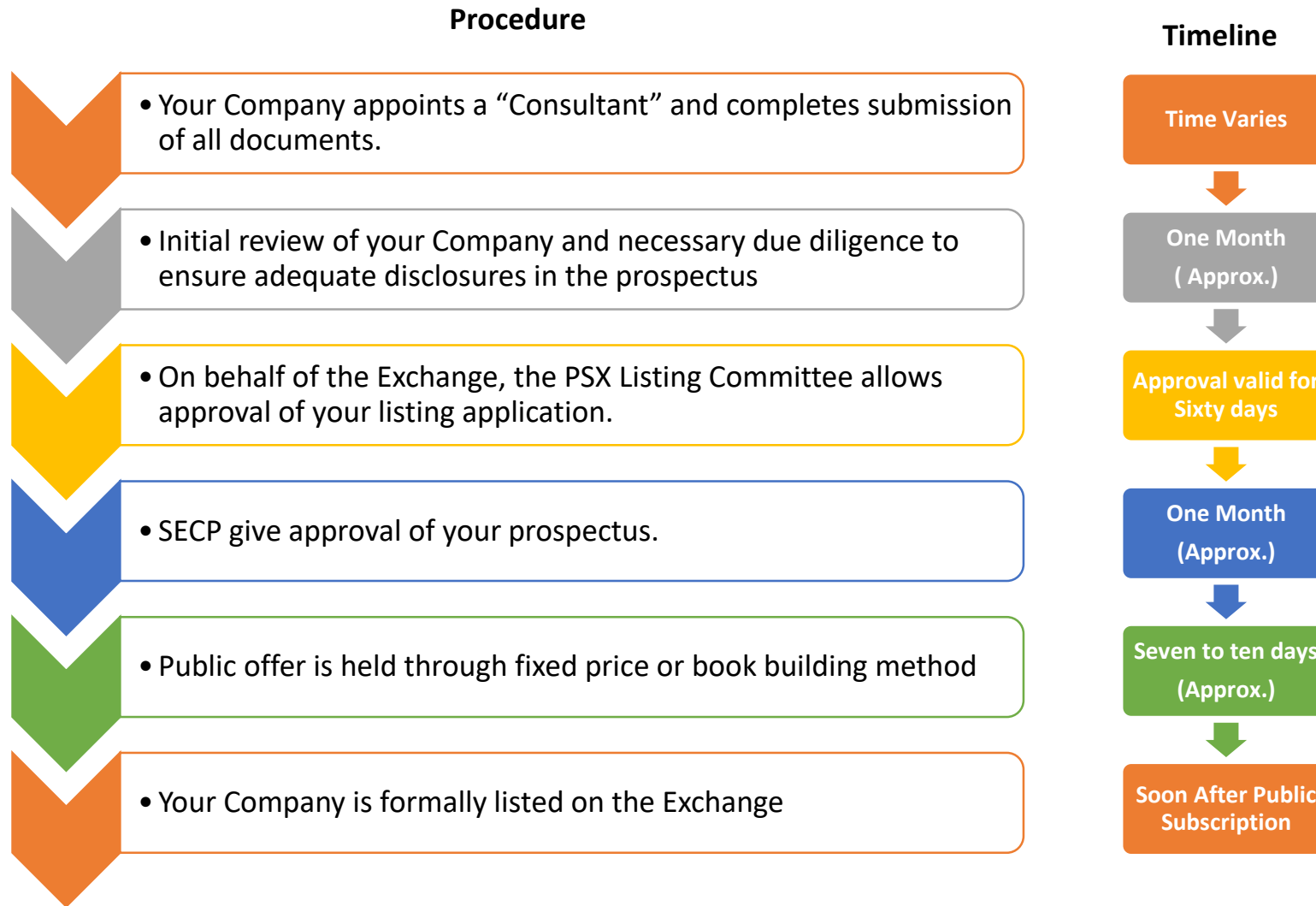
## Annual Listing Fees

- Annual Rate for FY 2020-21
- Capped at PKR 3 Million

# Listing Procedure



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



# Allocation to General Public





# Allocation of IPO or Offer for sale to General Public

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<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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