

GOVERNMENT OF PAKISTAN  
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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*Islamabad, the 2<sup>nd</sup> September, 2020*

**NOTIFICATION**

**SRO 808 (I)/2020.-** The following draft amendment to the Companies (Further Issue of Shares) Regulations, 2020 proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of the powers under section 512 read with sections 58, 82 and section 83 of the Companies Act, 2017 (XIX of 2017), is hereby published for information of all the persons likely to be effected thereby and notice is hereby given that objections or observations, if any, received within 14 days from the date of this notification shall be taken into consideration, namely:-

**DRAFT AMENDMENTS**

In the aforesaid Regulations, -

(1) in regulation 3,-

(a) in sub-regulation (1),-

(i) for clause (vi), the following shall be substituted, namely:-

“(vi) A listed company may issue right shares at face value or at premium to face value provided the directors and substantial shareholders of the company undertake in writing that they will subscribe the right shares to be offered to them as per their right entitlement or arrange subscription for the same through other persons;” and

(ii) after clause (vi), substituted as aforesaid, the following new clauses shall be inserted namely: -

(vii) A listed company issuing right shares must report to the Commission, the securities exchange for public dissemination and disclose in the right offer letter, the minimum level of subscription and the factors based on which the minimum level is determined, such as the level of funding required by the listed company;

(viii) Where the minimum level of subscription is not achieved, the right issue shall be terminated and subscription received shall be immediately returned to all the subscribers or the listed company may enter into

an underwriting arrangement to achieve subscription of the remaining/balance shares.

(ix) Underwriting arrangements in relation to issuance of right shares is optional and at discretion of the issuing Company;”;

(b) for sub-regulation (2), the following shall be substituted, namely: -

“(2) Subject to compliance with the requirements of section 82 of the Act and clauses (vii) and (viii) of sub-regulation (1), a company may issue right shares at discount to face value.”;

(c) for sub-regulation (5), the following shall be substituted, namely:-

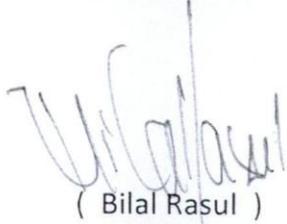
“(5) save as provided in clause (viii) of sub-regulation (1), a right issue once announced by the board of a listed company shall not be varied, postponed, withdrawn or cancelled.”;

(2) In Schedule I, in clause (C), in sub-clause (b), after the comma, the words “(if required)” shall be substituted with the words “(if any)” and after the semi colon at the end, the word “and” shall be inserted and thereafter the following new sub-clause shall be inserted, namely:-

“(c) the minimum level of subscription together with jurisdiction for the same.”.

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[No. CSD/CI-Reg/14/2018]

  
( Bilal Rasul )  
Secretary to the Commission