

রেজিস্টার্ড নং ডি এ-১



অতিরিক্ত সংখ্যা  
কর্তৃপক্ষ কর্তৃক প্রকাশিত

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মঙ্গলবার, ডিসেম্বর ৩০, ২০২৫

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[ বেসরকারি ব্যক্তি এবং কর্পোরেশন কর্তৃক অর্থের বিনিময়ে জারীকৃত বিজ্ঞাপন ও নোটিশসমূহ ]

**Bangladesh Securities and Exchange Commission**  
**Law Division**  
**CMRRC Department**  
**Regulatory Section**  
**NOTIFICATION**

Dated: 28 December 2025

**No. 53.02.0000.000.201.22.0109.03.98.272.160.**—In exercise of the powers conferred by section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance XVII of 1969), and in suppression of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 made in this behalf, the Bangladesh Securities and Exchange Commission makes, with prior circulation, the following rules, namely:—

**CHAPTER I**  
**PRELIMINARY**

**1. Short title and application.—**

- (1) These Rules may be called the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025.
- (2) These Rules shall be applicable for issuance of equity securities through public offer.
- (3) These Rules shall come into force with immediate effect.

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( ১৪১৩১ )

মূল্য : টাকা ৭০.০০

**2. Definitions.**—(1) In these Rules, unless there is anything repugnant in the subject or context,—

- (a) “bidder” means the eligible investor who participates in the bidding;
- (b) “book-building method” means the process by which an issuer attempts to determine the price to offer its securities based on demand from the eligible investors;
- (c) “Commission” means the Bangladesh Securities and Exchange Commission (BSEC) established under the বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন);
- (d) “cut-off price” means the lowest price offered by the bidders at which the EIs portion of total issue could be exhausted;
- (e) “electronic subscription system or ESS” means a uniform and integrated automated system of the stock exchange(s) which provides services relating to enlistment of eligible investors, price discovery, bidding, subscription collection, allotment, refund of any public offering of equity securities, and any other activities related to public offering;
- (f) “eligible investor or EI” means any of the following person who has business operation or investment in Bangladesh and registered with the ESS of the stock exchange(s):
  - (i) Merchant Banker and Portfolio Manager;
  - (ii) Asset Manager;
  - (iii) Stock-Dealer;
  - (iv) Bank;
  - (v) Financial Institution;
  - (vi) Insurance Company;
  - (vii) Fund Manager;
  - (viii) Alternative Investment Fund and other Collective Investment Scheme (CIS);
  - (ix) Non-resident or NR having account with any Security Custodian registered with the Commission;

(x) National Pension Authority or any Recognized Provident Fund, approved Pension Fund and approved Gratuity Fund; and

(xi) Any other person as approved by the Commission:

Provided that EI who has maintained minimum investment in listed securities before the intended subscription, as per the condition of the consent letter for the public issue, shall be eligible for subscription:

Provided further that the institutional EI shall have adequate resources and personnel to perform the valuation of equity securities:

Provided further that the Commission may impose further condition for any of the above persons from time to time in the consent letter for the public offer;

- (g) “equity securities” means securities as defined at clause (d) of section 2 of the Securities and Exchange Ordinance, 1969;
- (h) “fees” means any money paid to any person in connection with the public offer of equity securities under these Rules;
- (i) “fixed price method” means the process by which an issuer offers its equity securities at a price set by the issuer in consultation with the issue manager under rule 3 of these Rules;
- (j) “green field company” means a company which has not commenced its commercial production or operation;
- (k) “group companies” means two or more companies function as a single or very closely related economic entity through a common source of control having mostly common ownership and management; and also encompasses relationship, e.g., parent, subsidiaries, associate and sister concerns, as generally understood;
- (l) “high net-worth individuals or HNI” means a natural person who has minimum net worth of Tk. 20 (twenty) million as per the latest income tax return and is also registered with the ESS of the stock exchange (s);
- (m) “indicative price” means the offering price set by the issuer in consultation with the issue manager, after taking input from the EI’s through road show, which is supported by specified valuation methods, on the basis of which the bidders bid within the price band for determining the cut off price;
- (n) “initial public offer or IPO” means first offer of equity securities by an issuer to the investors;
- (o) “issue of capital” means issue of any securities as defined at clause (ff) of section 2 of the Securities and Exchange Ordinance, 1969;

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- (p) “issuer” means any person as defined at clause (g) of section 2 of the Securities and Exchange Ordinance, 1969;
- (q) “issue manager” means a merchant banker as defined in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬;
- (r) “lock -in” refers to a restriction on the sale or transfer of share for a specific period of time;
- (s) “non-resident or NR” means any person who is not a citizen of Bangladesh including any person who is staying in Bangladesh as a foreigner having valid foreign passport and visa which permit him or her staying in Bangladesh as worker or professional;
- (t) “non-resident Bangladeshi or NRB” means any citizen of Bangladesh staying abroad or who has dual citizenship having valid Bangladeshi passport or who has foreign passport bearing stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh;
- (u) “pre-IPO paid-up capital” means the paid-up capital of the issuer at the time of IPO application;
- (v) “pre-issue activities” means all activities commencing from the date of the meeting of board of directors in which the capital raising plan is formally disclosed, and to the collection of subscriptions for any public offer;
- (w) “post-IPO paid-up capital” means the paid-up capital of the issuer after raising capital through IPO;
- (x) “post-issue activities” means all activities related to allotment of shares, refund, and all other activities after subscription collection to full utilization of public issue proceeds, reporting to the Commission and stock exchange(s) thereof, etc.;
- (y) “price band” means the upward and downward ceiling of 25% (twenty five percent) from the indicative price within which bidders shall bid for determination of cut off price;
- (z) “prospectus or offer document” means any document, including a red-herring prospectus, draft prospectus, and offer document, prepared for the purpose of communicating to the investors an issuer’s plan to offer for sale of its securities;
- (za) “public issue or offer” means public issue of equity securities through initial public offer or repeat public offer;

- (zb) “red-herring prospectus” means a preliminary prospectus filed by an issuer which contains all the information pertaining to the issuer and the issue including the total amount to be raised through the public issue, but does not include the issue price and the number of securities to be offered;
- (zc) “registrar to the issue” means a merchant banker, registered with or recognized by the Commission for carrying out the activities in relation to an issue including processing applications from investors, keeping record of applications and money received from investors or paid to the seller of equity securities, assisting in determining the basis of allotment of equity securities, finalizing the list of persons entitled to allotment of equity securities and processing and distributing allotments, refunds or certificates and other related documents;
- (zd) “regulated company” means a company having at least 3 (three) years of operational history after getting license from and regulated by any regulatory authority to operate its business in Bangladesh;
- (ze) “related party” means any person as defined in International Accounting Standards (IAS)-24 as a related party;
- (zf) “repeat public offer or RPO” means further public offer by an issuer who has listed its equity securities with any stock exchange or has raised capital through public offer;
- (zg) “road show” means presentation by an issuer and issue manager to EIs physically or digitally or combination of both about the offer of equity securities disclosing red-herring prospectus having all the features;
- (zh) “shari’ah advisor” means an eligible shari’ah expert, a partnership firm, a company or a legal entity dedicated for shari’ah advisory role that meets the fit and proper criteria specified by the Commission from time to time;
- (zi) “shari’ah pronouncement” means the statement or fatwa or shari’ah opinion/script provided by the Shari’ah Supervisory Board (SSB) of the issuer on any specific shari’ah matter or shari’ah compliance matter or any other issue of the issuer as per rules or as desired by Shari’ah Advisory Council (SAC) of the Commission;

- (zj) “sponsor or promoter” means any person whose name appears as a subscriber for initial capital contribution to the Memorandum and Articles of Association of a company;
- (zk) “sponsor group” means a group of persons who has control over the company directly or indirectly; in case of an individual sponsor, it includes his or her family member or any person holding shares of the sponsor(s) by way of inheritance or gift or any other means of transfer without any consideration; and
- (zl) “strategic investor” means any institutional investor who is committed to hold the investment made to the company at least for 2 (two) years.
- (2) Words and expressions used herein and not defined, but defined in the Securities and Exchange Ordinance, 1969 (XVII of 1969), ব্যাংক কোম্পানি আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন), বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সালের ১৫ নং আইন), কোম্পানি আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নম্বর আইন), ডিপজিটরি আইন, ১৯৯৯ (১৯৯৯ সনের ৬ নম্বর আইন), বীমা আইন, ২০১০ (২০১০ সনের ১৩ নম্বর আইন), ফাইন্যান্সিয়াল রিপোর্টিং আইন, ২০১৫ (২০১৫ সনের ১৬ নম্বর আইন), ফাইন্যান্স কোম্পানি আইন, ২০২৩ (২০২৩ সনের ৫৯ নম্বর আইন) shall have the same meanings respectively assigned to them in the said Acts and the Ordinance, and the Rules and Regulations made thereunder.

## CHAPTER II

### METHODS FOR PUBLIC OFFER OF EQUITY SECURITIES

#### 3. Method of filing application for public offer of equity securities.—

Application for issuance of equity securities through public offer under these Rules may be made on any of the following methods:—

- (1) **Fixed price method:** Under fixed price method, the issuer in consultation with the issue manager shall fix the offer price with justification through valuation methods outlined at **Annexure -C**.
- (2) **Book building method:** Under book-building method, offer price shall be determined based on demand from the EIs through a process including roadshow for determining indicative price with justification through valuation methods outlined at **Annexure -C**, and determining cut off price through the bidding process.

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**CHAPTER III****REQUIREMENTS FOR APPLICATION****4. Requirements for filing application for a public offer of equity securities.—**

**(1) General requirements:** An issuer may make an application for public offer of its equity securities, if—

- (a) it is a public limited company established with a view to perpetual business operation and a going concern;
- (b) it has minimum existing pre-IPO paid-up capital of Tk. 30 (thirty) crore and shall offer at least 10% (ten percent) of its post-IPO paid-up capital:

Provided that post -IPO paid-up capital shall be at least Tk. 50 (fifty) crore;

- (c) its sponsors and directors shall hold collectively at least 30% (thirty percent) of the post-IPO paid up capital at all times;
- (d) it has obtained approval from its Board of Directors relating to public offer along with the offer size and method;
- (e) it has profitable track record for at least in the latest financial year from its core business activities and has no accumulated retained loss at the time of application:

Provided that this provision shall be relaxed for regulated company and green field company:

Provided, however, that such regulated company or green field company shall have to disclose a business plan in the prospectus to bring the company into a profitable venture;

- (f) it has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus;
- (g) it has utilized at least 90% (ninety percent) of the proceeds previously raised through issue of capital;
- (h) the issue manager or any of its related party or connected persons is in no way connected with the issuer or any of its connected person nor does hold any of its securities prior to the public offer:

Provided that the above provision may be relaxed for the related party or connected person of the issue manager to participate in the bidding process under book building method with a declaration in the red-herring prospectus or prospectus to the effect that they don't involve in any cartel or tacit collusion for influencing the cut off price;

- (i) it has prepared its financial statements in accordance with the requirements of the Securities and Exchange Rules, 2020, the applicable International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) as adopted in Bangladesh, and shall have such financial statements audited in conformity with the International Standards on Auditing (ISA), the Financial Reporting Act, 2015, the Companies Act, 1994, and other applicable legal and regulatory requirements:

Provided that a declaration, duly signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the issuer, shall be submitted confirming that the financial statements of the issuer have been prepared in full compliance with the financial reporting and auditing standards issued or endorsed by the Financial Reporting Council (FRC):

Provided further that a compliance certificate, issued by the statutory auditor of the issuer, shall have to the effect that the audit of the issuer's financial statements has been conducted in conformity with the auditing standards prescribed or endorsed by the FRC:

Provided further that the statutory auditor of the issuer shall be responsible for the accuracy, authenticity and assurance of its audit report;

- (j) it has got cost audit by professional accountants as per the Companies Act, 1994, if applicable;
- (k) it has got its latest financial statements audited by the panel auditors as declared by the Commission from time to time;
- (l) it has been regular in holding annual general meeting (AGM);
- (m) it has complied with the provisions of Corporate Governance Code as published by the Commission from time to time;
- (n) the issuer or any of its directors and shareholders holding 5% (five percent) or more shares are not loan defaulter as per the latest CIB report of Bangladesh Bank;



- (o) 35% (thirty five percent) of the issue has been underwritten on a firm commitment basis by the underwriter(s);
- (p) it has complied with all the requirements of these Rules in preparing prospectus;
- (q) it has complied with the provisions of guidelines regarding valuation of assets, as published by the Commission from time to time;
- (r) it has not raised paid-up capital in cash or other than cash consideration except issuance of bonus shares within the preceding 2 (two) years from the date of application for public offer:

Provided that issuance of shares in exchange of valid consideration except intangible assets or intellectual property for other forms of collaborative investments may be allowed within the said period subject to prior approval of the Commission:

Provided further that issuance of right shares only to the existing shareholders and/or any shares issued to any strategic investor in cash consideration through banking channel may be allowed before 1 (one) year from the date of application for public offer:

Provided further that in case of issuance of shares by any company under public private partnership (PPP) recognized by PPP Authority or having majority holding by the state or foreign shareholders this provision is not applicable;

[Explanation: Collaborative investment means any equity investment is made to any company registered in Bangladesh in collaboration with joint ventures or by any alternative investment fund or by any foreign strategic investor.]

- (s) it has to submit its history of raising of capital since inception duly attested by the Managing Director or Chief Executive Officer of the issuer:

Provided that in case of raising of capital through cash consideration, the banker's certificate and auditor's certificate showing the amount of deposit equivalent to the paid-up capital, duly attested by the Managing Director or Chief Executive Officer of the issuer shall be submitted:

Provided further that the issuer shall submit the bank statements of last 5 (five) years or shorter period of operation, as applicable in support of the banker's certificate and auditor's certificate:

Provided further that in case of raising of capital through other than cash consideration, the vendor's agreement along with relevant documents certified by Registrar of Joint Stock Companies and Firms (RJSC&F), amount of capital raised equivalent to the paid-up capital, duly attested by the Managing Director or Chief Executive Officer of the issuer shall be submitted;

- (t) it has declared that the issuer shall be responsible for submitting a report to the Commission on utilization of public issue proceeds duly audited by a panel of auditors of the Commission within 10 (ten) days of the end of each quarter with a confirmation to the effect that the public issue proceeds has been utilized according to the use of proceeds mentioned in the prospectus; and
- (u) it has fully converted its convertible securities, if any, into ordinary shares within the financial year based on which it intends to go for public offer.

**(2) Additional requirements for the companies except green field company under fixed price method:**

- (a) it may offer its shares at par or at premium (above par) or at discount (below par);
- (b) its post-IPO paid -up capital shall not exceed of Tk. 125 (one hundred and twenty-five) crore:

Provided that any regulated company having pre-IPO paid up capital more than Tk. 125 (one hundred and twenty-five) crore may also offer its share:

Provided further that any regulated company having accumulated loss has to have positive projected net profit after tax in the projected financial statements as attached in the prospectus within the next 2 (two) years of IPO which shall be duly examined or verified in accordance with International Standard on Assurance Engagements (ISAE) 3400 by the panel of auditors of the Commission; and

- (c) in case the offer made at premium:
  - (i) its post-IPO paid -up capital shall not exceed of Tk. 125 (one hundred and twenty-five) crore;
  - (ii) it has been in commercial operation at least for preceding 3 (three) years;
  - (iii) it has made net profit after tax and positive net operating cash flows at least for immediately preceding 2 (two) financial years; and

- (iv) it has been rated by a credit rating company registered with the Commission with at least single A rating in the long-term scale.

**(3) Additional requirements for green field company under fixed price method:**

- (a) it shall offer its shares at par or at discount;
- (b) its post-IPO paid -up capital may be exceeded Tk. 125 (one hundred and twenty-five) crore;
- (c) it has positive projected net profit after tax in the projected financial statements as attached in the prospectus within the next 2 (two) years of IPO which shall be duly examined or verified in accordance with ISAE 3400 by the panel of auditors of the Commission;
- (d) collective contribution of its sponsors, sponsor group, strategic investors and directors to the company, in the form of equity or as paid-up capital shall not be less than 75% (seventy five percent) of its post IPO paid-up capital which shall be retained till the company reports net profit after tax for 2 (two) consecutive financial years including profit from its core business activities after IPO;
- (e) its sponsors and directors shall have successful business track record of running any company, as service provider, manufacturer or industrial units etc., justifying by various parameters such as operational profitability, positive net operating cash flows, positive earnings per share (EPS) and dividend payout, etc.;
- (f) its management shall have sufficient skills and experience to run such green field company;
- (g) detailed plan of operation for green field company including Engineering, Procurement and Construction (EPC) contract, if required, shall be in place; and
- (h) the green field company shall provide a declaration in the cover page of the Prospectus in bold letter, among others, as follows:

**“It is a green field company/not yet completed one year of operation, which is envisaged to start commercial operation by..... (date is preferred). The risks associated with the green field company are much higher than a company that has already commenced its commercial production/operation.”**

**(4) Additional requirements for book-building method:**

- (a) it shall offer its shares at cut off price only;
- (b) if any company having pre-IPO paid-up capital or net worth of Tk. 500 (five hundred) crore or more, it may offer less than 10% (ten percent) but not below 5% (five percent) of its post IPO paid-up capital;
- (c) it has been in commercial operation at least for preceding 3 (three) years;
- (d) it has made net profit after tax and positive net operating cash flows at least for immediately preceding 2 (two) financial years;
- (e) the provision under clause (c) and (d) are not applicable for any company under public private partnership (PPP) recognized by PPP Authority; or having majority holding of the state or foreign shareholders;
- (f) it has been rated by a credit rating company registered with the Commission with at least single A rating in the long-term scale; and
- (g) it has made separate agreement with the issue manager for the role of issue management and registrar to the issue.

**(5) Additional requirements for repeat public offer (RPO):** An issuer of a listed equity securities may make repeat public offer, subject to compliance with the following conditions:

- (a) information concerning the repeat public offer shall be disseminated as price sensitive information immediately upon board decision as well as upon approval at the general meeting and approval of the Commission, in accordance with the relevant Rules and Regulations;
- (b) there should be an explicit announcement while disseminating the information in first 2 (two) events under sub-rule (a) that the repeat public offer shall be subject to approval of the Commission;
- (c) such offer has been approved by the board, the shareholders in a general meeting, and the consent to which is obtained from the Commission;
- (d) 90% (ninety percent) of the proceeds of previous public offer or rights issue, as the case may be, have been utilized and relevant reports were duly submitted to the Commission;
- (e) the issue has been underwritten at least 35% (thirty five percent) on a firm commitment basis by the underwriter(s); and
- (f) the issuer has been rated at least with investment grade by a credit rating company registered with the Commission.

## CHAPTER IV

APPOINTMENT, ROLES & RESPONSIBILITIES OF PARTIES UNDER  
PUBLIC OFFER

**5. Appointment, roles & responsibilities of issue manager and registrar to the issue, etc.—** (1) The issuer shall appoint an issue manager registered with the Commission, for the purpose of making the public offer; and include detailed roles and responsibilities in the agreement including pre-issue activities;

(2) The issue manager(s) shall be entitled to fees and be responsible for the public issue including preparation and disclosures made in the prospectus, due diligence certificate to the issue, conducting road show, bidding process and IPO subscription process, etc.;

(3) The issue manager may act as a registrar to the issue by itself or being authorized by the issuer, it may appoint any entity which is eligible for conducting the role of registrar to the issue:

Provided that the registrar to the issue appointed under this sub-rule shall conduct its role using recognized electronic subscription system (ESS) of the stock exchange(s) under an agreement with specific terms of reference:

Provided further that ESS developed by the stock exchange(s) singly or jointly shall be recognized by the Commission to conduct the functions of registrar to the issue for such public offer;

(4) The issue manager, registrar to the issue, valuer, auditor, credit rating company, underwriter and all other concerned persons who perform expert roles to the public offer, whether appointed by issuer or issue manager, as applicable, shall be responsible for their respective legal roles for due diligence certificate, accuracy and authenticity of submitted respective reports and any statement on merit of the issue relating to pre-issue and public issue activities;

[Explanation: The issue manager, registrar to the issue, valuer, auditor, credit rating company shall be deemed as “expert” under section 136 and section 137 read with section 139 of the Companies Act, 1994 and section 34 of the Financial Reporting Act, 2015, as applicable]

(5) The issue manager, auditors, credit rating company and any other expert shall have the right to visit factory, business office and seek relevant books of accounts and documents for making appropriate due diligence certificate and report.

**6. Appointment, roles & responsibilities of underwriter(s).—**

- (1) The issuer shall appoint one or more underwriter(s) for public issue, registered with the Commission:

Provided that in case of appointing multiple underwriters for the same public issue, the issue manager shall co-ordinate with all the underwriters as a lead underwriter to the issue;

- (2) The role of underwriter(s) including the lead underwriter shall be detailed in the underwriting agreement;
- (3) The issue manager shall play the role of lead underwriter of the public offer and the underwriting agreement shall contain a condition to the effect as mentioned in sub-rule (6);
- (4) The issue manager as a lead underwriter, on behalf of the issuer, shall co-ordinate with the underwriter(s) and collect commitment from the underwriters(s) on a firm commitment basis:

Provided that the underwriter, who has committed to subscribe the issue, may fulfill its commitment by itself or by taking commitment from any interested eligible investor (EI) under best-efforts alone or jointly:

Provided further that even after commitment of the eligible investors (EIs) under the best efforts, the underwriter(s) shall remain responsible for its firm commitment;

- (5) If any public issue is underwritten under best-efforts as mentioned in the underwriting agreement under sub-rule (4), the list or details of eligible investors (EIs) along with their details of commitment shall be disclosed in the prospectus;
- (6) The issuer or issue manager as a lead underwriter, as authorized, in the event of under subscription, shall send notice to the underwriter(s) within 10 (ten) days of closure of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall be credited into securities subscription account within the said period;
- (7) The issuer or issue manager as a lead underwriter shall, within 7 (seven) days of the expiry of the period mentioned in sub-rule (6), send to the Commission, the proof of subscription and deposit of the money by the underwriter(s); and

- (8) The issue manager as a lead underwriter, underwriter(s), and committed EIs under best-efforts whether appointed by the issuer or issue manager, as applicable, shall be responsible for their respective legal roles for respective pre-issue, public issue and due diligence certificate to the issue and also be accountable therefor.

## CHAPTER V

### APPLICATION FOR PUBLIC OFFER

#### 7. Submission of application and processing thereof.—

- (1) An issuer shall submit the application either in paper or in electronic or both forms, as applicable, to the Commission for consent of issuance of equity securities through public offer; and simultaneously to the stock exchange(s) for listing in the main board thereof, as per requirements of these Rules and relevant listing regulations of the stock exchange(s):

Provided that if the issuer submits the application under book building method, it shall conduct the road show as per rule 8 before submitting the application to the Commission and the stock exchange(s) under this rule;

- (2) Application under sub-rule (1) shall encompass the documents required at **Annexure-A** along with the red-herring prospectus or draft prospectus, prepared as per requirements of these Rules, duly completed, together with all annexes thereto, duly signed on each page, by the issuer's chief executive officer or managing director, chief financial officer, company secretary and chief executive officer or managing director of the issue manager;
- (3) Immediate after submission of the application, the issuer shall post the red-herring prospectus or draft prospectus in the websites of the issuer and the issue manager which shall be updated with any change made thereof;
- (4) The audited financial statements of the issuer must be submitted along with the application and included in the red-herring prospectus or draft prospectus, but the said financial statements shall not be older than 120 (one hundred and twenty) days at the time of submission of application to the Commission and also comply with the provision of section 183 and 189 of the Companies Act, 1994;
- (5) All the required documents as per **Annexure – A, C, D, E, F and G** shall be submitted with the application;

- (6) Any amendment to the prospectus, signed by the said persons, shall also have to be filed with the Commission and the stock exchange(s), in accordance with sub-rule (2);
- (7) The Commission or the stock exchange(s) may require the issuer or its directors, officers, issue manager(s), auditors, valuer(s), banker(s), underwriter, EIs, credit rating company or any other relevant person to submit additional disclosure, information, documents, certification and clarification, as the case may be, to produce or to disclose, in the draft prospectus, or red-herring prospectus for sale of equity securities, within such time as may be stipulated. All the communications to or from the stock exchange(s) shall be intimated to the Commission:

Provided that if any relevant information is required from any other regulatory or government authority, the stock exchange(s) may also seek that information from that authority with intimation to the Commission;

- (8) The issuer or its directors, officers, issue manager(s), auditors, valuer(s), banker(s), underwriter, EIs, credit rating company or any other relevant person shall fulfill such requirements within such stipulated time.

**8. Conducting road show and finalization of red-herring prospectus under book building method.—**

- (1) The issuer or issue manager shall send invitation to the EIs, through publication in at least 3 (three) widely circulated national dailies (two in Bangla and one in English) as well as any digital platform, giving at least 10 (ten) working days' time, to the roadshow mentioning time, venue, and link for attending physically or electronically as well as link for availing the offer documents as mentioned at sub-rule (2);
- (2) The issuer or issue manager shall upload the offer documents or red-herring prospectus containing all relevant information covering the proposed size of the public issue and audited financial statements for the last 3 (three) years to its own website:

Provided that the offer documents shall also include a projected financial statement for at least next 3 (three) years considering the business expansion through utilization of proceeds of the proposed public issue;



- (3) The red-herring prospectus shall be prepared by the issue manager in accordance with these Rules without mentioning the issue price or number of securities to be offered;
- (4) The red-herring prospectus shall contain valuation methods outlined at **Annexure- C** and any other internationally accepted valuation method:

Provided that the valuation of public offer under different valuation methods shall be supported by detailed calculation including qualitative & quantitative factors;

- (5) Representative(s) from the stock exchange(s) shall present in the road show as observer(s);
- (6) The EIs who attended in the roadshow and interested to participate in the bidding shall submit their own valuation in the recognized digital platform, if any, or in paper form with justification following the valuation methods as outlined at **Annexure- C**, mentioning price and quantity, to the issuer or issue manager, either through online (softcopy) or off-line (hardcopy) within 3 (three) working days of end of the roadshow:

Provided that the issuer or issue manager shall submit aforesaid valuations received from EIs to the stock exchange(s) and the Commission along with the application:

Provided further that the red-herring prospectus shall contain a detailed summary report of the IPO valuation received from EIs having a statistical presentation 5% percentile (Outlier), 25% percentile (1<sup>st</sup> Quartile), mean, median, 75% percentile (3<sup>rd</sup> Quartile) and 95% percentile (Outlier), etc.:

Provided further that the collection of valuation from EIs through roadshow may be conducted in digital platform established by the stock exchange(s), as and when recognized by the Commission by order in writing;

- (7) The issue manager in consultation with the issuer shall determine the indicative price based on the valuation received from EIs, which derived from their demand in the road show. The indicative price shall be disclosed in the red-herring prospectus supported or justified by at least 4 (four) valuation methods, 2 (two) from absolute valuation and 2 (two) from relative valuation methods as outlined at **Annexure- C**:

Provided that the indicative price shall also be supported or justified by the valuation made by the EIs during the roadshow:

Provided further that the indicative price shall be supported or justified by the valuations obtained from at least 40 (forty) EIs from different categories of investors group, including at least 10 (ten) EIs from each of 3 (three) categories, namely- portfolio manager, stock dealer and asset manager; and

- (8) The application along with the red-herring prospectus and required documents shall be simultaneously submitted to the Commission and the stock exchange(s) as per sub-rule (1) of rule 7 of these Rules.

**9. Recommendation by the stock exchange(s) for listing.—**

- (1) The red-herring prospectus or draft prospectus as submitted under sub-rule (1) of rule 7 by the issuer to the stock exchange(s) shall be uploaded in the website of the stock exchange(s); and the same shall be notified by the stock exchange(s) to the EIs for their comments within 5 (five) working days of such notification;
- (2) The stock exchange(s) shall share the comments or observations received from the EIs on the red-herring prospectus or draft prospectus within 3 (three) days of the receiving of such comments or observations with the issuer and issue manager; and ask the issuer and the issue manager to review and address the relevant comments or observations within 5 (five) working to satisfy the stock exchange(s);
- (3) The stock exchange(s) shall conduct visit of factory or operational business office of the company as well as review on the submitted financial statements and other documents by itself or by an expert review panel and complete such visit & review within 20 (twenty) days on receipt of the application;
- (4) The stock exchange(s), after visiting such factory or business and reviewing the financial statements and other documents, may ask or seek for any additional information, clarification, or documents as required to the issuer, issue manager, banker, auditor, valuer, EIs, underwriter, credit rating company or any other relevant person. All the communications to or from the stock exchange(s) shall be intimated to the Commission;
- (5) The issuer, issue manager, banker, auditor, valuer, EIs, underwriter, credit rating company or any other relevant person shall fulfill such requirement within stipulated time;

- (6) The stock exchange(s) shall provide its recommendation for listing or rejection of the application mentioning the reasons as per **Annexure-B** along with findings, checklist etc. to the Commission with intimation to the issuer and the issue manager, within 30 (thirty) days of receipt of the application:

Provided that the stock exchange(s) shall also send final version (authenticated by the respective stock exchange) of red-herring prospectus or draft prospectus or any other offer documents, as applicable, in case of positive recommendation of the exchange(s) to the Commission.

## CHAPTER VI

### BIDDING AND SUBSCRIPTION

#### 10. Bidding by EIs for determination of cut-off price under book building method.—

- (1) After reviewing the application submitted under sub-rule (8) of rule 8 and positive recommendation under sub-rule (6) of rule 9 by any of the stock exchanges along with final version of the red-herring prospectus, the Commission, if satisfied, shall issue consent to commence bidding by the EIs for determination of the cut-off price:

Provided that if any stock exchange makes negative recommendation under sub-rule (6) of rule 9, the issue shall not be considered for bidding on that stock exchange;

- (2) The bidding for EIs portion shall be conducted through a uniform and integrated automated system (ESS) of the stock exchange(s);
- (3) The bidding for EIs shall be opened for 72 (seventy-two) hours round the clock;
- (4) The indicative price shall be the basis for determining the cut off price with an upward and downward band of 25% (twenty five percent) of indicative price within which the bidders shall bid for the allocated portion of EIs;
- (5) The bidders shall participate in the bidding by submitting the price within the price band mentioning intended quantity;
- (6) No bidder shall quote for more than 1% (one percent) of the total amount allocated for EIs;

- (7) The bidders shall bid through the ESS of the stock exchange(s) and deposit full intended bidding amount in advance to the designated bank account maintained by the stock exchange(s);
- (8) The bidders may revise their bids for once, within the bidding period, up to 5% (five percent) variation of their first bid price;
- (9) Any information on the bid shall not be displayed or accessible to any person during the bidding period;
- (10) All bids shall be recorded in a descending order of individual bid price (i.e., on highest to lowest bid basis) till exhaustion of the allocated portion of amount under EI category;
- (11) After completion of the bidding period, the cut-off price shall be determined at nearest integer of the lowest bid price at which the total amount offered to EIs to be exhausted:

Provided that securities shall be allotted at cut off price to all the bidders who bid at or above the cut off price:

Provided further that the total quantity of securities shall be determined by dividing the cut off price with the amount of allotted portion for EIs:

Provided further that every bidder shall be allotted the quantity of securities on its bid amount dividing by the cut off price:

Provided further that if more than one bidder bid at the cut-off price, the remaining quantity of securities for EIs, except the bidding which are above the cut-off price, shall be allotted on pro-rata basis;

- (12) The issue shall be cancelled if cut off price is not determined due to total portion of the EIs not exhausted through the bidding process;
- (13) The final allotment list shall be sent through email to the allottees (EIs) and disseminated through posting in the websites of the issuer, issue manager and the stock exchange(s), within 3 (three) working days from the date of close of bidding;
- (14) The stock exchange(s) shall transfer the bid amount against equity securities to be allotted, to the escrow bank account of the issuer, within 4 (four) working days from the date of closing of bidding;
- (15) The stock exchange(s) shall refund the excess bid amount, if any, to the EIs within 5 (five) working days from the date of closing of bidding;

- (16) The issuer and the issue manager shall prepare the final draft prospectus including the status of bidding, cut-off price, list of EIs with number of equity securities allotted for, price and number of equity securities for offering to the general public and submit the final draft prospectus with relevant documents, simultaneously to the Commission and the stock exchange(s) within 5 (five) working days from the date of closing of bidding;
- (17) If the public issue falls below 10% (ten percent) of post IPO paid up capital as minimum requirement at clause (b) of sub-rule (1) of rule 4 due to cut off price, except clause (b) of sub-rule (4) of rule 4, required additional equity securities shall be offered to the general investors and above changes shall be included in the final draft prospectus accordingly;
- (18) After completion of bidding by the EIs, the equity securities shall be offered to the general investors at the cut-off price with due approval of the final prospectus as per sub-rule (2) of rule 12;
- (19) Any type of cartel approach and tacit collusion in the roadshow and bidding process shall be prohibited:

Provided that the Commission may, on its own motion or on the basis of any complaint, if it is satisfied that the issuer or issue manager or any EI or bidder is involved in any cartel or tacit collusion for influencing the indicative price or cut off price, take the following actions:

- (a) cancel the bidding of the involved bidder(s); or
  - (b) impose restriction to participate in bidding for next 3 (three) public offers under book building method; or
  - (c) eligibility as EI shall be suspended for next 5 (five) years;
  - (d) the public issue shall be canceled if the issuer is involved in such activities;
  - (e) the license of issue manager shall be canceled or suspended for next 5 (five) years if the issue manager is involved in such activities;
  - (f) any person responsible for such activities shall be banned from any capital market activities for next 5 (five) years;
  - (g) any penal actions under the Securities and Exchange Ordinance, 1969;
- (20) The issuer, issue manager or registrar to the issue and their connected person or related party shall give a declaration to the stock exchange(s) to the effect that they shall not be involved individually or in concert in any type of tacit collusion or cartel during the roadshow and bidding.

[Explanation: “Cartel or Tacit Collusion” means, under this rule, a pattern of conduct whereby EIs, issuer, issue manager, underwriter(s), and any other person with or without any explicit or implicit agreement or communication, act in a manner that has the effect of materially influencing, distorting, or undermining fair price discovery in a public offer. Such conduct may include, but not limited to, the following: (i) abnormal clustering of bids at identical or near-identical price points, particularly at the upper or lower limit of the price band; (ii) submission of identical or near-identical bid quantities by multiple bidders, inconsistent with their investment capacity; (iii) temporal concentration of bids or bid revisions by multiple bidders within unusually narrow time windows; (iv) recurrent appearance of the same group of bidders jointly influencing cut-off prices across multiple public issues; and (v) patterns of bids materially inconsistent with valuation parameters or rational valuation benchmarks.]

**11. Subscription by EIs under fixed price method. —**

- (1) After reviewing the application submitted under sub-rule (1) of rule 7 and positive recommendation under sub-rule (6) of rule 9 by the stock exchange(s) along with final version of the draft prospectus, the Commission, if satisfied, shall issue consent for raising of capital from the EIs and general investors and approve the prospectus under sub-rule (2) of rule 12;
- (2) The subscription of EIs portion shall be conducted through a uniform and integrated automated system (ESS) of the stock exchange(s);
- (3) The subscription of EIs shall be opened for 120 (one hundred twenty) hours round the clock;
- (4) EIs shall subscribe through the ESS of the stock exchange(s) and deposit full intended subscription amount in advance to the designated bank account maintained by the stock exchange(s) for receiving the subscription;
- (5) No EI shall subscribe for more than 1% (one percent) of the total amount offered to the EIs;
- (6) All the EIs shall be allotted equity securities as per their subscription, but such equity securities shall be allotted on pro-rata basis in case of over subscription;

- (7) The final allotment list shall be sent through email to the allottees (EIs) and disseminated through posting in the websites of the issuer, issue manager and the stock exchange(s), within 3 (three) working days from the date of close of subscription;
- (8) The stock exchange(s) shall transfer the subscribed amount against securities to be allotted, to the escrow bank account of the issuer, within 4 (four) working days from the date of closing of subscription;
- (9) The stock exchange(s) shall refund the excess subscribed amount to the EIs within 5 (five) working days from the date of closing of subscription;
- (10) In case of under-subscription by EIs, the unsubscribed portion of equity securities shall be transferred to the general investors portion; and
- (11) Subscription by Mutual Funds, General Investors and Others shall be opened for 5 (five) working days simultaneously with the EIs.

## CHAPTER VII

### APPROVAL, REJECTION AND PUBLICATION OF PROSPECTUS

#### 12. Approval, rejection and review. —

- (1) On receipt of an application of consent for issuance of equity securities under public offer from an issuer, the Commission shall review the said application, after receiving the recommendation, findings and checklist of the stock exchange(s), to ascertain whether it is complete and acceptable;
- (2) If the application is complete and acceptable considering the positive recommendation of the stock exchange(s), the Commission shall issue letter of consent for issuance of capital through public offer and approve the prospectus, subject to such conditions as it may deem fit, within 20 (twenty) days of receipt of recommendation from the stock exchange(s);
- (3) In case the said application is incomplete or not acceptable due to not recommended by the stock exchange(s), the Commission may, in writing, reject the application stating the reasons mentioned in the recommendation, findings and checklist of the stock exchange(s) within 20 (twenty) days of receiving the recommendations from the stock exchange(s):

Provided that if there is any material defect or misrepresentation found in the findings or checklist of the stock exchange(s), the Commission, with consultation with the concerned stock exchange(s), may ask to review the findings within 7 (seven) days of receiving such recommendation;

- (4) The Commission, on reviewing the application, may ask or seek for any information, clarification, or documents as required to the issuer, issue manager, banker, auditor, valuer, EIs, underwriter, stock exchange(s), credit rating company or any other relevant person;
- (5) The issuer, issue manager, banker, auditor, valuer, EIs, underwriter, stock exchange(s), credit rating company or any other relevant person shall fulfill such requirement within stipulated time;
- (6) The issuer, whose application has been rejected by the Commission, may apply for review to the Commission within 20 (twenty) days from the date of such rejection, and the decision of the Commission thereon shall be final;
- (7) In case of rejection of any application due to not recommended by any stock exchange, and subsequently the issuer file a review application, the Commission shall review such application and the decision of the Commission thereon shall be final:

Provided that no such decision shall be made without giving the issuer, issue manager, auditor, the stock exchange(s) or any other concerned person a reasonable opportunity of being heard;

- (8) The Commission reserves the right to accept or reject or suspend any public issue proposal in its own discretion in the greater interest of the investors and the capital market as well; and
- (9) An issuer may submit application to the Commission along with the decision of its Board of Directors to withdraw the application of public offer at any time before the date of issuance of prospectus, mentioning specific reasons thereof; and in such case, the issuer shall comply with method and conditions of withdrawal as determined by the Commission from time to time.

**13. Format and contents of the prospectus and abridged version thereof. —**

The red-herring prospectus/prospectus shall be prepared as per **Annexure–H** and the abridged version of prospectus shall be prepared as per **Annexure–I** of these Rules.



**14. Publication of prospectus and opening of subscription list.—**

- (1) Upon receiving the consent along with the vetted prospectus from the Commission to the issue of capital under these Rules, the issuer shall publish the prospectus, as approved by the Commission, within 3 (three) working days from the date of according such consent or approval, in its website as well as to the websites of the issue manager, the stock exchange(s) and the Commission with proper notification and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchange(s) and the issue manager a soft copy of the text of the vetted Prospectus in “MS-Word” format:

Provided that the issuer shall publish the notice of publication of prospectus at least in 4 (four) national dailies (two in Bangla and other two in English) with a QR Code and web link to find the copy of the detailed prospectus and abridged version of the prospectus, within the time specified in the letter of consent issued by the Commission;

- (2) A notice shall be placed on the website to the effect that interested persons are entitled to the prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager;
- (3) The issuer shall also print sufficient number of copies of the prospectus so that any person may collect the printed copy of the prospectus from the office of the issuer or issue manager if any person requires in writing beforehand;
- (4) The subscription application shall indicate in bold type letter that, except bidding or subscription by EIs under book building method, neither any sale of securities shall be made nor any money shall be taken from any person, in connection with such sale until 10 (ten) working days of elapse from the date of prospectus publication;
- (5) The subscription for general investors shall commence after 10 (ten) working days of the publication of the abridged version of the prospectus and shall remain open up to 15 (fifteen) working day from the date of publication of abridged version of prospectus. The subscription shall be made as per the public issue application process mentioned in the consent letter;

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- (6) Upon completion of the period of subscription for securities as mentioned in sub-rule (5), the issuer shall inform the Commission and the stock exchange(s), within 5 (five) working days of closure of such completion, in respect of the following matters, namely:
    - (a) total number of securities for which subscription has been received; and
    - (b) amount received from the subscription;
  - (7) The issuer or issue manager, as authorized, in the event of under subscription, shall send notice to the underwriter(s) within 10 (ten) days of closure of subscription or bidding under book building calling upon them to subscribe the securities and pay for this in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall be credited into securities subscription account within the said period from the underwriter(s) along with the EIs committed under best efforts;
  - (8) The issuer or issue manager, as authorized shall, within 7 (seven) days of the expiry of the period mentioned in sub-rule (7), send to the Commission proof of subscription and deposit of the money by the underwriter(s) and EIs committed under best-efforts.

**15. Limitation on the use of the prospectus.—**

- (1) A prospectus may be used to offer the securities until any of the following events occur, namely:—
  - (a) there are material changes in any of the information included in the prospectus; and
  - (b) any transaction or event which is material to affect or change the conditions under which the public offer is being made as per the contents of the prospectus and which should have otherwise been required to be reported to the Commission;
- (2) If any of the above events occur, the offer shall stand suspended until an amendment duly signed by all the directors of the issuer, the chief executive officers of both the issuer and the issue manager to the prospectus furnishing the appropriate information have been filed with and declared effective by the Commission;
- (3) The occurrence of any of the events mentioned in sub-rule (1) shall be notified to the general public after such declaration has been made effective by the Commission in 4 (four) national daily newspapers in which the abridged version of the prospectus was published prior to the date of the opening of the subscription:

Provided that in case there is any necessity for amendment to the prospectus during the subscription period, in that case, the subscription may be suspended by the Commission and the subscribers who have already deposited money may decide either to withdraw their application or continue with it;

- (4) A declaration under sub-rule (3) shall state in detail the nature of change or event which has occurred after the publication of the prospectus and shall be signed by all the directors of the company and the chief executive officers (CEO) or managing directors (MD) of the issuer and the issue manager and a copy of the said declaration shall be submitted to the Commission.

## CHAPTER VIII

### DISTRIBUTION AND LOCK-IN

#### 16. (1) Distribution of securities under fixed price method:—

Eligible Investors (EIs)	Mutual Funds, General Investors (GI) & Others				
	Mutual Funds	Permanent Employees of Issuer	HNI	NRB	General Investors
10%	10%	5%	5%	10%	60%

#### (2) Distribution of securities under book building method:—

Eligible Investors (EIs)	Mutual Funds, General Investors (GI) & Others				
	Mutual Funds	Permanent Employees of Issuer	HNI	NRB	General Investors
40%	10%	3%	5%	7%	35%

- (3) Any employee of the issuer shall be eligible for subscription who have been serving the issuer for at least 6 (six) months after confirmation of his service by the issuer/employer:

Provided that no collection of subscription or allotment of equity securities shall be made to such employees under private offer or any other mode before the Commission's consent for such public offer:

Provided further that no employee shall subscribe more than Tk. 10 (ten) lac for such public offer:

Provided further that the equity securities allotted to the employees shall be subject to locked in for 1 (one) year;

- (4) Allocated quota for mutual fund category under fixed price and book building method shall be 15% (fifteen percent) after 5 (five) years of effective of these Rules and accordingly such allocation shall be adjusted with the portion of General Investors;
- (5) No mutual fund shall subscribe for more than 1% (one percent) of its Net Asset Value (NAV) at market price;
- (6) Any unsubscribed portion in Mutual Funds, Permanent Employees, HNI and NRB shall be transferred to the General Investors portion;
- (7) In case of over subscription, the equity securities shall be allotted on pro rata basis to the EIs, Mutual Funds, Permanent Employees and HNIs under fixed price and book building method:

Provided that the equity securities shall be allotted on lottery basis to the General Investors and NRBs under fixed price and book building method;

- (8) In case of under-subscription under Mutual Funds, General Investors (GI) & Others category up to 35% (thirty five percent), the underwriters shall subscribe the unsubscribed securities on their firm commitment;
- (9) In case of under-subscription above 35% (thirty five percent) either collectively or any of EIs and Mutual Funds, General Investors (GI) & Others category, the public offer shall be cancelled under both methods;
- (10) Application and subscription procedures of Mutual Funds, General Investors (GI) & Others except EIs shall be prescribed in the consent letter of the Commission.

**17. Lock-in.**—(1) Shares or equity securities of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the stock exchange(s) in the following manner:

- (a) shares held by sponsors, sponsor group, directors, and shareholders holding 5% (five percent) or more, for 3 (three) years:

Provided that after listing, successor of deceased shareholders as mentioned above shall fall under same lock-in for the rest period;

- (b) in case, any existing sponsor, sponsor group or director of the issuer transfers any share to any person, those transferred shares, for 3 (three) years;
- (c) shares allotted to any person, before 3 (three) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 1 (one) year;
- (d) shares held by alternative investment funds or by non-resident or NR for 1 (one) year;
- (e) shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years;
- (f) shares allotted to EI's under book building method shall be subject to lock-in in the following manner:
  - (i) 90 (ninety) days for 50% (fifty percent) of allotted shares to the respective EI;
  - (ii) 120 (one hundred twenty) days for 25% (twenty five percent) of allotted shares to the respective EI;
  - (iii) 180 (one hundred eighty) days for rest 25% (twenty five percent) of allotted shares to the respective EI;
- (2) Shares held by strategic investors shall be subject to lock-in for 2 (two) years from the date of investment made or 1 (one) year from the first trading day at the stock exchange(s), whichever comes later;
- (3) Ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned at sub-rule (1) and sub-rule (2) above.

## CHAPTER IX

### MISCELLANEOUS

- 18. Guidelines for public offer under special sector.**—The Commission may issue guidelines under these Rules by order in writing for issuance of equity securities by any special sector or industry segment, as it deems appropriate to the Commission from time to time.

**19. Fees for public offer and listing of securities.—**

Type of fees	Fixed Price Method	Book Building Method
<b>Issue Management fee</b>	Maximum 1% (one percent) of the public offer amount or Tk. 25 (twenty five) lac, whichever is higher (excluding pre-IPO/RPO advisory fee)	Maximum 1% (one percent) of the public offer amount (including premium) or Tk. 30 (thirty) lac, whichever is higher (excluding pre-IPO/RPO advisory fee)
<b>Underwriting fee</b>	Maximum 0.5% (point five percent) on 35% (thirty five percent) of the public offer amount (including premium, if any).	Maximum 0.5% (point five percent) on 35% (thirty five percent) of the amount of Mutual Funds, General Investors and Others category (including premium).
<b>Registrar to the Issue fee:</b>	0.30% (point thirty percent) of the public offer amount or Tk. 10 (ten) lac, whichever is lower: Provided that Registrar to the Issue shall provide the fees & charges for the ESS service as per the agreement within the above ceiling.	0.30% (point thirty percent) of the public offer amount or Tk. 15 (fifteen) lac, whichever is lower: Provided that Registrar to the Issue shall provide the fees & charges for the ESS service as per the agreement within the above ceiling.
<b>Application fee for the Commission</b>	Tk. 50,000.00 (non-refundable)	Tk. 50,000.00 (non-refundable)
<b>Consent fee for the Commission</b>	0.30% (point thirty percent) on the public offer amount (including premium, if any).	0.30% (point thirty percent) on the public offer amount (including premium).
<b>Fees for Stock Exchange(s)</b>	As per the relevant Listing Regulations of the Stock Exchange.	
<b>Other fees</b>	As per relevant contracts or as approved by the Commission	

- 20. Prohibition on false information, etc.**—No person shall, when complying with these Rules or when making any application for consent of issuance of securities and publication of prospectus, give any information, explanation, documents, papers, reports, financial statements, due diligence, recommendation or any statement, which he knows, or has reasonable caused to believe, to be false or not true in any material particular.
- 21. Contravention.**—If any issuer or any other person related with the issue violates any of the provisions of these Rules or furnishes false, incorrect, misleading information or suppresses any information, the Commission may take appropriate actions under the Securities and Exchange Ordinance, 1969.
- 22. The Commission's decision shall be final on certain matter.**—Notwithstanding anything contained in these Rules, in the event of any confusion or difference of opinion on any matter whatsoever, the decision of the Commission shall be final and binding on all concerned.
- 23. Repeal and Savings.**—
- (1) The Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 is hereby repealed.
  - (2) Even after repeal of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and with the effective of the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025, all the applications submitted under the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 to the Commission shall be considered as submitted under these new Rules; but the issuer shall update its application as per requirements under these new Rules.
  - (3) Notwithstanding the repeal of the said Rules, any consent given, document or agreement made, fee received or paid, resolution passed, direction given, proceeding taken, instrument executed or issued or things done under or in pursuance of the said Rules shall, if in force before the commencement of these Rules, continue to be in force and shall have effect as if made, directed, passed, given, taken, executed, issued or done under or in pursuance of these Rules.

**Annexure-A****Documents to be filed by the issuer**

[See rule 7 (2) and rule 7 (5)]

The following documents attested by the Managing Director/Chief Executive Officer of the issuer and the issue manager shall be filed with the application for consent to an issue of capital through public offer, namely:—

- (1) Memorandum and Articles of Association- certified by the Registrar of Joint Stock Companies and Firms (RJSC&F);
- (2) Certificate of Incorporation and Certificate of Commencement of Business – certified by the Registrar of Joint Stock Companies and Firms;
- (3) Extract from the Minutes of Meeting of the Board of Directors for raising paid up capital through public offer and copy of the special resolution, if conducted;
- (4) Consent of the Directors to serve, in original, signed by all directors;
- (5) Land title deed with updated mutation copy, parcha, khazna receipt, etc.;
- (6) Deed of leasehold property, if any, along with related rent documents;
- (7) List of all plant and machineries along with dates of purchase, sellers name, address, condition (i.e. brand new/reconditioned/second hand) when purchased, country of origin, (if imported, then country name and related imported documents), useful economic life at purchase and remaining economic life, purchase price and written down value, PSI certificate for all imported items from any internationally recognized/certified agency, and relevant documents:  

Provided that if the imported plant & machinery is reconditioned or second-hand, a certificate from any internationally recognized/certified agency on its economic life;
- (8) NID and/or copy of passport of all the directors, Managing Director, CFO and Company Secretary;
- (9) Loan agreements/Sanction Letter of Bank and FIs, if any;
- (10) Disclosure of other loans & advances along with documents, if any;
- (11) Banker's letter confirming opening of separate bank account for Public Offer purpose;
- (12) Agreement with (a) Issue Manager (b) Register to the Issue, if any (c) stock exchange(s) for ESS Service (d) Underwriter(s) and (d) Any other parties for Public Offer;
- (13) Joint venture agreement or agreement with strategic investor, if any;



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- (14) Tax holiday approval letter from NBR, if any;
  - (15) Copy of return of allotment and particulars of directors certified by the Registrar of Joint Stock Companies and Firms;
  - (16) Banker's certificate and auditor's certificate with regard to deposit of the amount of paid-up capital in case of raising of capital in cash;
  - (17) Original/certified copy of the bank statements of the last 5 (five) years evidencing deposit of the amount of paid-up capital in case of raising of capital in cash;
  - (18) Auditor's certificate for clause (16), if applicable;
  - (19) Undertakings of the issuer and its directors and shareholder(s) having more than 10% of share for obtaining CIB Report from Bangladesh Bank;
  - (20) Copies of valid license/registration/renewal/recognition and No Objection Certificate (NOC) from the respective regulatory authority/primary regulator, where applicable;
  - (21) Credit rating report, if applicable;
  - (22) A compliance report of Corporate Governance Code both and primary regulator, if any;
  - (23) Proper documents (return, certificate, etc.) in support of information disclosed in the prospectus or offer documents regarding income tax, VAT status etc.
  - (24) Revaluation Report, if any, as prepared according to the Commission's guidelines;
  - (25) Audited Financial Statements for last 5 (five) years or shorter period for which the issuer is in commercial operation;
  - (26) Auditor's certificate in pursuance to Section 135 of the Companies Act, 1994;
  - (27) Projected financial statement for at least next 3 (three) years considering the business expansion on utilization of the fund from the proposed issue;
  - (28) Feasibility report prepared by eligible professional in case the issue proceeds are to be used in new project/green field project;
  - (29) Copies of contract/agreement/ loan sanction letter from bank/financial institutions, if any, to meet the additional funds required beyond the issue proceeds to complete the new project/ green field project;
  - (30) Documents regarding the following for the last 5 (five) years or any shorter period of commercial operation certified by the auditor(s):

- 
- (a) Statement of long term and short-term borrowings including borrowing from related party or connected person(s) with rate of interest/profit and interest/profit paid/accrued;
  - (b) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest/profit, primary security, collateral/other security, re-payment schedule and status;
  - (c) Statement of unsecured loans with terms & conditions;
  - (d) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;
  - (e) Statement of trade receivables showing receivable from related party and connected person(s);
  - (f) Statement of any loan given by the issuer including loans to related party or connected person(s) with rate of interest/profit and interest/profit realized/accrued;
  - (g) Statement of other income showing interest/profit income, dividend income, discount received, other non-operating income;
  - (h) Statement of turnover showing separately in cash and through banking channel;
  - (i) Statement of related party transaction, if any;
  - (j) Reconciliation of business income shown in tax return with net income shown in audited financial statements;
  - (k) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;
  - (l) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;
  - (m) Statement of payment status of TAX, VAT and other taxes/duties; and
  - (n) Any other statement as may be required by the Commission;
- (31) RJSC&F certified vendor's agreement along with the title documents of ownership of properties or assets in case of raising of capital in kind, i.e. other than cash consideration;
- (32) Auditor's certificate on utilization of the fund raised through issue of capital earlier;
- (33) Any other documents/statements/information as required under these rules or may be required by the stock exchange, Commission, time to time in writing.

**Annexure-B**

**FORMAT OF RECOMMENDATION OF THE STOCK EXCHANGE(S)  
ALONG WITH A DECLARATION ON THE ISSUE**

**[See rule 9 (6)]**

Dated:

The Chairman

Bangladesh Securities and Exchange Commission, Dhaka.

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**Sub: IPO/RPO of ..... equity securities of Taka  
..... each of ..... (Name of the Issuer/Name of the Issue)**

**Sir,**

We, the ..... (name of the stock exchange) Limited, on the basis of principle of disclosure-based IPO, declare the following on the forthcoming issue, namely.....

- (a) We have reviewed the draft prospectus/red-herring prospectus, documents and information annexed with the aforesaid IPO application after visiting factory and/or business premises of the issuer as well as review on the submitted financial statements and other documents by us or by an expert review panel as well as subsequent correspondences with the issuer and other relevant persons thereto in accordance with the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025 and/or any other relevant listing regulations;
- (b) We state that the issuer and issue manager(s) have submitted/failed to submit required information and/or documents as well as disclosed/failed to disclose required information in the draft prospectus/red-herring prospectus in accordance with the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025 and/or any other relevant listing regulations;

Based on the above submission as well as declaration by the issuer or its directors, justification by the issue manager, due diligence certificate of issue manager/underwriter(s), the proposed issue seems eligible for listing in the main board of our stock exchange and also recommending that the Commission may accord consent for the IPO of equity securities of.....  
(name of the issuer/name of the issue). In this regard, detailed compliance checklist is attached herewith.

Or

Based on the above submission as well as declaration by the issuer or its directors, justification by the issue manager, due diligence certificate of issue manager/underwriter(s), the proposed issue seems ineligible for listing in the main board of our stock exchange and also not recommending the Commission to accord consent for the IPO of equity securities of.....  
(name of the issuer/name of the issue) due to the following reason(s)/non-compliance (s):

Sl. No.	Reason(s)	Non-compliances of Rules/Regulations, if any	Remarks, if any
1.			
2.			
3.			

**For** ..... (name of the stock exchange)

Sd/

Chief Regulatory Officer

..... (name of the stock exchange)

**Annexure - C****GUIDELINES FOR JUSTIFICATION OF VALUATION OF PUBLIC  
OFFER****[See rule 3 (1), 3 (2), 7 (5), 8(4), 8 (6) & 8 (7)]**

The issuer in consultant with the issue manager shall justify the value or offer price of the equity securities or indicative price, as applicable, using at least 2 (two) methods from the following absolute valuation and at least 2 (two) methods from the following relative valuation, which are most suitable for the company under fixed price or book building method:

- (1) Notable valuation methods under Absolute Valuation:
  - (i) Discounted Cash Flow Method (DCF);
  - (ii) Dividend Discount Model (DDM);
  - (iii) Residual Income Model (RIM);
  - (iv) Asset-Based Model; and
  - (v) Any other recognized method;
- (2) Notable valuation methods under relative valuation:
  - (i) Price-to-Earnings (P/E) based valuation method;
  - (ii) Price-to-Book (P/B) based valuation method;
  - (iii) Price-to-Sales (P/S) based valuation method;
  - (iv) Price-to-EBITDA (P/EBITDA) or Enterprise Value to EBITDA (EV/EBITDA) (based valuation method, for capital intensive, mature and profitable companies); and
  - (v) Any other recognized valuation method;
- (3) In relative valuation method, valuation shall be justified with the peer company or related industry fundamentals considering the revenue size, dividend yield, growth rates, discount rate, macro and industry factors, etc.;
- (4) In relative valuation method, peer company or industry is to be recognized on basis of classification by any legitimate authority of the country; or in absence of that the Standard Industrial Classification Codes set by U.S. Securities and Exchange Commission may be considered;

(5) In absolute valuation method,-

- (i) the discount rate shall not be less than the rate/yield declared for 10 (ten) years' treasury bond; and
- (ii) the revenue growth rate shall not be higher than the average growth rate of the last 5 (five) years of the issuer:

Provided that if there is any BMRE project, the revenue growth projection needs to be justified with expected capacity enhancement:

Provided further that for companies with initial high growth phase, multi stage valuation method can be used with strong rationale as well as considering GDP growth rate:

Provided further that the terminal growth rate can not be higher than long term GDP growth;

(6) In addition to the above, if the issue manager validates the indicative price or offers price by any other valuation method, it shall follow the conservative approach to justify such indicative price or offer price.

**Annexure- D**

**Declaration about the responsibility of the directors, including the CEO of  
the issuer in respect of the red-herring prospectus/ prospectus**

**[See rule 7 (5)]**

This red-herring prospectus/ prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take or proceed for any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this red-herring prospectus/ prospectus to enable the investors to make a well-informed decision for investment.

**Signature**

**[Full Name]**

**Designation**

**Date**

**Annexure-E****Due diligence certificate to be furnished by the Issue Manager in the red-herring prospectus/ prospectus****[See rule 7 (5)]****To****The Chairman****The Bangladesh Securities and Exchange Commission****Sub: Public offer of ..... equity securities of Tk. ....by .....  
(Name of the Issuer).****Dear Sir,**

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above-mentioned public issue, visited the factory and/or business premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer along with the key management of holding company of the issuer, if any, in connection with the finalization of the red-herring prospectus/ prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer, we have finalized the red-herring prospectus/ prospectus pertaining to the said issue.



**WE CONFIRM THAT:**

- (a) The red-herring prospectus/ prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue and also in the rules, regulations, notification, order, directives, guidelines, instructions, etc. framed/issued or approved by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in red-herring prospectus/ prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025 and other applicable laws/regulations;
- (d) Besides ourselves, all the intermediaries named in the red-herring prospectus/ prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriter(s) to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the red-herring prospectus/ prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;

- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Offer of Equity Securities) Rules, 2025 containing details such as the rule number, its text, the status of compliance, page numbers of the red-herring prospectus/ prospectus where the rules have been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue/offer of following issuers in the last 5 (five) years;

<u>Serial No</u>	<u>Issue Month/Year</u>	<u>Issue Price</u>	<u>Dividend Payment History</u>
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1.

2.

Managing Director/Chief Executive Officer

Place:

Name of the Issue Manager(s)

Date:

Official Stamp(s)

Annexure - F

Due diligence certificate by the underwriter(s)

[See rule 7 (5)]

**To**

**The Chairman**

**The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of ..... equity securities of Tk. .... of  
.....(Name of the Issuer)**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, valuation, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company, we have taken our underwriting decision.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk..... (.....) and we have the capacity to underwrite a total amount of Tk.....(.....) as per relevant legal requirements. We have committed to underwrite for up to Tk.....(.....) for the upcoming issue;
- (b) At present, the following underwriting obligations are pending for us:  
(Name of issue and amount underwritten)
  - i) .....
  - ii) .....

- 
- (c) All relevant information to our underwriting decision have been received and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities **under firm commitment basis; however, ....% of the total committed amount will be subscribed by underwriter itself and .....% of the committed amount shall be subscribed by the best effort basis** against the above-mentioned public **offer** within 15 (fifteen) days of calling up thereof by the issuer or lead underwriter, as assigned; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Managing Director/Chief Executive Officer

Name of the Underwriter

Official Stamp

Date:

**Annexure -G**

**Ratios pertinent to the red-herring prospectus or prospectus**

**[See rule 7 (5)]**

- (1) Among others, the following ratios of the issuer for the last 5 (five) years or shorter period from commercial operation certified by the Auditor;
- (2) If the issuer is not in commercial operation, projected ratios shall be furnished;
- (3) Any other ratio as may be pertinent to the issuer and the issue or required by the Commission shall also be furnished;
- (4) All the ratios shall be explained and compared with the industry or sector average ratios of the same periods along with sources of the information.

**I. Liquidity Ratios:**

- (i) Current Ratio; and
- (ii) Quick Ratio.

**II. Operating Efficiency Ratios:**

- (i) Accounts Receivable Turnover Ratio;
- (ii) Inventory Turnover Ratio; and
- (iii) Asset Turnover Ratio.

**III.****Profitability Ratios:**

- (i) Gross Margin Ratio;
- (ii) Operating Profit Ratio;
- (iii) Net Profit Ratio;
- (iv) Return on Assets Ratio;
- (v) Return on Equity Ratio;
- (vi) Earnings per Share (EPS); and
- (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin.

**IV. Solvency Ratios:**

- (i) Debt to Total Assets Ratio;
- (ii) Debt to Equity Ratio;
- (iii) Times Interest Earned Ratio; and
- (iv) Debt Service Coverage Ratio.

**V. Cash Flow Ratios:**

- (i) Net Operating Cash Flow per Share (NOCFPS); and
- (ii) NOCFPS to EPS Ratio.

**Annexure - H**

**Disclosure requirements in the red-herring prospectus or prospectus**

[See rule 13]

**Instructions:**

- (1) Only relevant and updated information and statistics shall be disclosed in the prospectus or red-herring prospectus. Sources and basis of all statements or claims made shall be disclosed. Superlative adjectives shall not be used for any party unless they can be substantiated by proper source of information which is disclosed.
- (2) Simple language for easy understanding of the contents of the prospectus should be used. All technical terms used should be clarified using simple terms to ensure better understanding by investors.
- (3) Wherever it is mentioned in the prospectus that details are given elsewhere in the document, the same shall be adequately cross-referenced by indicating the page and paragraph numbers.
- (4) The prospectus should not make any statement that cannot be substantiated or may be misleading.
- (5) In addition to the information specifically required by these Rules, the prospectus shall contain all material information necessary to enable investors to make an informed assessment of the business engaged in or to be engaged in by the issuer, its assets and liabilities, its financial position, its profits and losses and its future prospects and the rights attaching to the securities being offered and, in case of more than one project being included in the proposed public offer, separate full disclosure for each project.
- (6) The Commission may require disclosure of additional information in the prospectus as it considers appropriate in a particular offer, and the issuer shall comply it.

**Disclosures format:**

**An issuer making a public issue of securities shall make the following disclosures in the red-herring prospectus or prospectus:**

**Front Cover Page:** On the front cover page of the prospectus, the following information and statements shall be given, namely: -

- (a) The following statements in bold type on face in red color-

**“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”**

**“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk-taking ability before making their investment decisions.”**

- (b) Name and logo of the issuer and the issue manager;
- (c) Amount and type of securities being offered;
- (d) Issue date of the prospectus;
- (e) Offer price of the securities on a per unit and aggregate basis or total size of fund to be raised, as the case may be;
- (f) Opening and closing date of subscription;
- (g) The type of red-herring prospectus or prospectus;
- (h) Credit Rating status and name of the credit rating company(s), where applicable.

**Subsequent pages:** The inside pages of the prospectus shall contain the following information or disclosures:

**(A) Preliminary Information and declarations:**

- (i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), and contact persons of the issuer, issue manager(s), underwriter(s), registrar to the issue, auditors, credit rating company, legal advisor, shari’ah advisor, if any, and valuer, where applicable;



- (ii) The name(s) of the stock exchange(s) where the specified securities are proposed to be listed;
- (iii) Names and dates of the newspapers where abridged version of prospectus was published;
- (iv) Definitions and Acronyms or Elaborations;
- (v) A declaration that a person interested to get a prospectus may obtain from the issuer, and the issue manager(s);
- (vi) The following statement: “If you have any query about this document, you may consult the issuer, issue manager and underwriter”;
- (vii) The following statement in bold type in a box format:

**“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC OFFER OF EQUITY SECURITIES) RULES, 2025. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY).”**

- (viii) The following clause on ‘Risks in relation to the First Issue’ (where applicable) shall be incorporated in a box format in bold type in case of an initial public offer:

**“This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk....., i.e. ‘X-times’ of the face value. The issue price has been determined and justified by the issuer and the issue manager or bidding by the eligible investors as stated under the paragraph on “Justification of Issue Price” should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing.”**

- (ix) The following clause on ‘General Risk’ shall be incorporated in a box format in bold type:

**“Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘risk factors’ given on page number(s) .....**

- (x) The following clause on ‘Issuer’s Absolute Responsibility’ clause shall be incorporated in a box format in bold type:

**“The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this red-herring prospectus or prospectus contains all material information with regard to the issuer and the issue, that the information contained in the red-herring prospectus or prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.”**

- 
- (B) **Availability of Prospectus:** Details of contact address, website, QR code and other location.
- (C) **Table of Contents:** The table of contents shall inter-alia include components under the following broad-heads (preferably in this chronology):
- (1) Executive Summary
  - (2) Conditions imposed by the Commission
  - (3) Declaration and due diligence certificates
  - (4) About the issuer
  - (5) Corporate directory of the Issuer
  - (6) Details about different contractual parties
  - (7) Status of credit rating and credit rating company
  - (8) Details of Underwriting
  - (9) Capital and shareholding structure
  - (10) Detailed description of Business
  - (11) Description of property
  - (12) Plan of operation and discussion of financial condition
  - (13) Management's discussion and analysis of financial condition and results of operations
  - (14) Directors, members of the Shariah Supervisory Board, if any, and key Officers
  - (15) Certain relationship and related Transactions
  - (16) Executive Compensation
  - (17) Options granted to Directors, Officers and Employees
  - (18) Transaction with the Directors and subscribers to the Memorandum
  - (19) Ownership and lock-in of the Company's Securities
  - (20) Corporate Governance Compliance Declaration
  - (21) Valuation Report & Justification of Price of securities prepared by the Issue Manager

- 
- (22) Parties involved and their responsibilities
  - (23) Material contracts
  - (24) Litigations, Fine or Penalty
  - (25) Risk factors and managements about the risks
  - (26) Description of Issue
  - (27) Use of Proceeds
  - (28) Description of Debt Securities and Preference Share, without conversion features
  - (29) Markets for the Securities Being Offered
  - (30) Description of securities outstanding or being offered
  - (31) Financial Statements
  - (32) Credit Rating Report
  - (33) Public Issue Application Procedure

**(D) Detailed disclosures:**

- (1) **Executive Summary:** It shall cover at least the following areas in brief:
  - (a) Issuer's profile; (b) Industry profile & marker positioning of the issuer; (c) key Financial Information; (d) Features of the issue and its objects/use of proceeds; (e) any legal issue and related Information; (f) Sponsor, Directors' background; (g) Capital structure and history of capital raising; (h) Summary of Valuation of securities along with justification process; (i) Any other pertinent issues or disclaimer.
- (2) **Conditions imposed by the Commission in the consent letter:**
- (3) **Declaration and due diligence certificates as per Annexure(s) D, E and F:**
- (4) **About the issuer (in summary):**
  - (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants/ factory, corporate head office, business premises and outlets of the issuer, telephone number, contact person, website address and e-mail address;

- (b) Names, addresses, telephone numbers, and e-mail addresses of the sponsors, chairman, all board of directors, managing director including independent directors of the issuer;
- (c) Names, addresses, telephone numbers, and e-mail addresses of the CFO and company secretary;
- (5) Corporate directory of the Issuer:**
- (6) Details about the different contractual parties:**
  - (a) Names, addresses, telephone numbers, and e-mail addresses of the legal advisor, bankers, and auditors;
  - (b) Names, addresses, telephone numbers, fax number(s), contact person, website addresses and e-mail addresses of the issue manager, and registrar to the issue, etc.;
- (7) Status of credit rating and credit rating company (CRC):**
  - (a) Credit rating status of the issuer and/issue (latest and historical, rationale, etc.);
  - (b) Brief about CRC and Default Statistics & Transition Metrics of the CRC at least in the last five years.
- (8) Details of underwriting:**
  - (a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters, level of capital adequacy of each underwriter;
  - (b) Detailed status of full commitment and best effort (in figure and percentage); and parties under own commitment and best efforts;
  - (c) Major terms and conditions of the underwriting agreements.
- (9) Capital & Shareholding Structure of the Issuer:**
  - (a) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);
  - (b) Paid up capital including and share premium before and after the present issue; and after conversion of convertible instruments (if any);

- 
- (c) Category-wise shareholding structure with percentage before and after the present issue; and after conversion of convertible instruments (if any);
  - (d) Where shares have been issued in consideration other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue along with an auditor's report in this regard;
  - (e) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;
  - (f) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;
  - (g) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;
  - (h) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;
  - (i) The total shareholding of the sponsors including sponsor group, directors and any person who owns, beneficially or of record, 5% (five percent) or more of the securities of the issuer in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock-in period and the number and percentage of pledged shares, if any, held by each of them;

- (j) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within 2 (two) years immediately preceding the date of filing the red-herring prospectus or draft prospectus;
- (k) The name and address of any person who owns, beneficially or of record, 5% (five percent) or more of the securities of the issuer, indicating the number of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;
- (l) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.

**(10) Detailed Description of Business:**

- (a) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;
- (b) Location of the project;
- (c) Plant, machinery, technology, process, etc.;
- (d) Details of the major events or milestone in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;
- (e) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;

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- (f) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% (ten percent) of the company's total revenues;
  - (g) If the issuer has single or multiple halal certified products, then disclosure of halal certified products along with date of certification from Islamic Foundation, Bangladesh.
  - (h) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;
  - (i) Details of the distribution channel, export possibilities and export obligations, if any;
  - (j) Competitive conditions in business with names, percentage and volume of market shares of major competitors;
  - (k) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;
  - (l) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;
  - (m) Large customer dependency (i.e., customers who purchased 10% or more of the company's products or services with amount and percentage thereof);
  - (n) Large supplier dependency (i.e., suppliers from whom the issuer purchased 10% or more of its raw material or finished goods with amount and percentage thereof);
  - (o) Validity of strategic agreement with any large supplier or customer, if any;
  - (p) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;
  - (q) Description of any material patents, trademarks, or royalty agreements;
  - (r) Number of total employees, permanent employees;



- (s) A brief description of business strategy including market outlook;
- (t) If the ongoing or intended products or business is with the intent to operate in light of shari'ah or Halal Certified, shall attach a shari'ah pronouncement or opinion by the SSB about its business nature and be signed by the Shari'ah members of the SSB or Shari'ah advisor, in absence of SSB; and also details of halal certification of each product, if any;
- (u) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

**(11) Description of Property:** Shall contain the following information in respect of properties of the issuer namely:—

- (a) Location and area, building, principal plants and other property of the company and the condition thereof;
- (b) Whether the property is owned by the company or taken on lease;
- (c) Ownership, possession, location and area of the land, dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;
- (d) The names of the persons from whom the land has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;
- (e) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

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- (f) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;
  - (g) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;
  - (h) The details of plant and machineries as per latest financial statement of written down value along with dates of purchase, sellers name, address, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;
  - (i) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.;
  - (j) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;
  - (k) If plant is purchased in brand new condition, then it should be mentioned;
  - (l) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;
  - (m) Statement about the physical verification report by the issue manager(s), and if required, with the support of any relevant technical consultant, regarding the properties of the issuer;
  - (n) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;
  - (o) Full description of other properties of the issuer, if any.

**(12) Plan of Operation and Discussion of Financial Condition:**

- (a) If the issuer has not started its commercial operation or green field project, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:—
  - (i) Projected financial statements up to the year of commercial operation;
  - (ii) Rationale behind the projection;
  - (iii) Any expected significant changes in the issuer's policy or business strategies;
  - (iv) Detail plan of capital investment with break-up;
  - (v) Summary of feasibility report, etc;
  - (vi) Other disclosures as per rules;
- (b) If the issuer had been in operation, The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:
  - (i) Internal and external sources of cash;
  - (ii) Any material commitments for capital expenditure and expected sources of funds for such expenditure;
  - (iii) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;
  - (iv) Any seasonal aspects of the issuer's business;
  - (v) Any known trends, events or uncertainties that may have material effect on the issuer's future business;
  - (vi) Any assets of the company used to pay off any liabilities;

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- (vii) Any loan taken from or given to any related party or connected person of the issuer with details of the same;
  - (viii) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;
  - (ix) The estimated amount, where applicable, of future capital expenditure;
  - (x) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 (five) years or from commercial operation, which is shorter;
  - (xi) Any financial commitment, including lease commitment, the company had entered into during the past 5 (five) years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be affected;
  - (xii) Details of all personnel related schemes for which the company has to make provision for in future years;
  - (xiii) Breakdown of all expenses related to the public issue;
  - (xiv) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

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- (xv) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last 5 (five) years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;
- (xvi) Financial Information of Group Companies and Companies under common ownership exceeding 50% (fifty percent): following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, as applicable, along with significant notes of the auditors:
- a. Date of Incorporation;
  - b. Nature of Business;
  - c. Equity Capital;
  - d. Reserves;
  - e. Sales;
  - f. Profit after tax;
  - g. Earnings per share and Diluted Earnings Per Share;
  - h. Net Asset Value;
  - i. The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any stock exchange;
  - j. Information regarding significant adverse factors relating to the group;
  - k. Any of the group companies has become sick or is under winding up;

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- l. The related business transactions within the group and their significance on the financial performance of the issuer;
  - m. Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions;
- (xvii) Where the issuer is a banking company, insurance company, non-banking financial institution, or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer and valid No Objection Certificate (NOC) from the primary regulator for issuance of securities through public offer;
- (xviii) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;
- (xix) Discussion on the results of operations shall inter-alia contain the following:
- a. A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;
  - b. A summary of major items of income and expenditure;
  - c. The income and sales on account of major products or services;

- d. In case, other income constitutes more than 10% (ten percent) of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;
  - e. If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;
  - f. In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.
- (xx) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:
- a. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.
  - b. Significant economic changes that materially affect or are likely to affect income from continuing operations;
  - c. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;
  - d. Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;

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- e. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;
  - f. Total turnover of each major industry segment in which the issuer operated;
  - g. Status of any publicly announced new products or business segment;
  - h. The extent to which the business is seasonal;
- (xxi) Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;
  - (xxii) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;
  - (xxiii) Injunction or restraining order, if any, with possible implications;
  - (xxiv) Technology, market, managerial competence and capacity built-up;
  - (xxv) Changes in accounting policies in the last 3 (three) years;
  - (xxvi) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the red-herring prospectus or prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next 12 (twelve) months;



- (xxvii) Factors that may affect the results of operations;
- (xxviii) Qualified opinion, if any given by the auditor during the last three financial years.

**(13) Management's discussion and analysis of financial condition and results of operations:**

- (a) Overview of business and strategies;
- (b) SWOT ANALYSIS;
- (c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before and after tax, EPS etc.
- (d) Known trends demand, commitments, events or uncertainties that are likely to have an effect on the company's business;
- (e) Trends or expected fluctuations in liquidity;
- (f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

**(14) Directors, Members of SSB, if any and Officers:** following information in respect of directors and officers of the issuer, namely:—

Names, addresses, telephone numbers, and e-mail addresses of the chairman, managing director, directors including independent directors, etc. of the issuer; (incorporated in chapter (viii))

Names, addresses, telephone numbers, and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer; (incorporated in chapter (viii))

- (a) Name, e-mail addresses, Father's name, age, educational qualification, experience and position of each of the directors of the company, the date on which he first became a director and the date on which his current term of office shall expire and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him;

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- (b) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;
  - (c) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years, then dividend payment history and market performance of that issuer;
  - (d) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers;
  - (e) Short bio-data of each director;
  - (f) Loan status of the issuer, its directors and shareholders who hold 10% (ten percent) or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank;
  - (g) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included;
  - (h) Changes in the key management persons during the last 3 (three) years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the prospectus. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;

- (i) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position;
- (j) If the present directors are not the sponsors and control of the issuer was acquired within 5 (five) years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.
- (k) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed;
- (l) Interest of the key management persons;
- (m) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary;
- (n) Change in board of directors during last 3 (three) years.

**(15) Certain Relationships and Related Transactions:**

- (a) The prospectus shall contain a description of any transaction during the last 5 (five) years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:-
  - (i) Any director or sponsor or executive officer of the issuer;
  - (ii) Any person holding 5% (five percent) or more of the outstanding shares of the issuer;
  - (iii) Any related party or connected person of any of the above persons.

- (b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last 3 (three) years prior to the issuance of the prospectus;
- (c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

**(16) Executive Compensation:**

- (a) The total amount of remuneration or salary or perquisites paid to the top 5 (five) salaried officers of the issuer in the last accounting year and the name and designation of each such officer;
- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year;
- (c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year;
- (d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM;
- (e) Any contract with any director or officer providing for the payment of future compensation;

- (f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto;
- (g) Any other benefit or facility provided to the above persons during the last accounting year.

**(17) Options granted to Directors, Officers and Employees:**

- (a) The following information in respect of any option held by each director, the salaried officers, and all other officers as a group, namely:—
  - (i) The date on which the option was granted;
  - (ii) The exercise price of the option;
  - (iii) The number of shares or stock covered by the option;
  - (iv) The market price of the shares or stock on the date the option was granted;
  - (v) The expiration date of the option;
  - (vi) Consideration against the option.
- (b) If such options are held by any person other than the directors, and the officers of the issuer company, the following information shall be given in the prospectus, namely:—
  - (i) The total number of shares or stock covered by all such outstanding options;
  - (ii) The range of exercise prices;
  - (iii) The range of expiration dates;
  - (iv) Justification and consideration of granting such option.

**(18) Transaction with the Directors and Subscribers to the Memorandum:**

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last 5 (five) years along with the description of assets, services or other consideration received or to be received;

- (b) If any assets were acquired or to be acquired within next 2 (two) financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.

**(19) Ownership and Lock-in of the Company's Securities:**

- (a) Provisions for lock-in as per these Rules;
- (b) The names, addresses, BO ID Number and lock-in period of all shareholders of the company before IPO, number of securities and the percentage of the securities represented by such;
- (c) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;
- (d) The average cost of acquisition of equity shares by the directors certified by the auditors;
- (e) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors or directors. In this connection, a statement to be included:—

Date of Allotment /Transfer of fully paid-up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% pre-issue paid up capital	% Post issue paid	Sources of fund
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- (f) Detail of shares issued by the company at a price lower than the issue price;
- (g) History of significant (5% or more) changes in ownership of securities from inception.

**(20) Corporate Governance:**

- (a) A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission;
- (b) A compliance report of Corporate Governance requirements certified by competent authority;
- (c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

**(21) Valuation Report of securities prepared by the Issue Manager:**

- (a) The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial, valuation methods, and all other information pertinent to the issue as per these Rules;
- (b) In preparation of the valuation report & justification thereof, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information;
- (c) While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence;

**(22) Parties involved and their responsibilities, as applicable:**

- (a) Issue manager(s);
- (b) Underwriters;
- (c) Statutory Auditors;
- (d) Cost Auditor;
- (e) Valuer;
- (f) Credit Rating Company;
- (g) Registrar to the issue.

**(23) Material contracts:**

- (a) Major agreements entered into by the issuer with supplier or buyer;
- (b) Material parts of the agreements.

**(24) Litigations, Fine or Penalty:**

- (a) The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:
  - (i) Litigation involving Civil Laws;
  - (ii) Litigation involving Criminal Laws;
  - (iii) Litigation involving Securities Laws;
  - (iv) Litigation involving Labor Laws;
  - (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties);
  - (vi) Litigation involving any other Laws.
- (b) Cases including outstanding litigations filed by the Company or any of its directors:
  - (i) Litigation involving Civil Laws;
  - (ii) Litigation involving Criminal Laws;
  - (iii) Litigation involving Securities Laws;
  - (iv) Litigation involving Labor Laws;
  - (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties);
  - (vi) Litigation involving any other Laws.

**(25) Risk Factors and Management's Perceptions about the Risks:**

- (a) All risk factors and management's perception about how to address the risks are to be clearly stated. All risk factors which are specific to the project and internal to the issuer and those which are external and beyond the control of the issuer and all qualitative or quantitative risks those may not be material at present but may have a material impact in future shall be included;



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- (b) Risk factors shall be disclosed in descending order of materiality. Wherever risks about material impact are stated, the financial and other implications of the same shall be disclosed. If it cannot be quantified, a statement shall be furnished about the fact that the implications cannot be quantified;
  - (c) Perceptions to address risks shall not contain any speculative statement on the positive outcome of any litigation, etc. and shall not be given for any matter that is sub-judice before any Court or Tribunal;
  - (d) The disclosures of Risk factors shall include, where applicable, the following:
    - (i) Internal risk factors may include, among others:
      - a. Credit Risk;
      - b. Liquidity Risk;
      - c. Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;
      - d. Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;
      - e. Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;
      - f. More than 20% (twenty percent) revenue of the issuer comes from sister concern or associate or subsidiary;
      - g. Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last 5 (five) years, if any;
      - h. Loss making associate or subsidiary or group companies of the issuer;
      - i. Financial weakness and poor performance of the issuer or any of its subsidiary or associates;

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- j. Decline in value of any investment;
  - k. Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;
  - l. Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled;
  - m. Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;
  - n. Related party transactions entered into by the company those may adversely affect competitive edge;
  - o. Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities;
  - p. Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;
  - q. Seasonality of the business of the issuer;
  - r. Expiry of any revenue generating contract that may adversely affect the business;
  - s. Excessive dependence on debt financing which may adversely affect the cash flow;
  - t. Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;
  - u. Enforcement of contingent liabilities which may adversely affect financial condition;

- v. Insurance coverage not adequately protect against certain risks of damages;
- w. Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;
- x. Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;
- y. History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;
- z. Risks related to engagement in new type of business, if any;
- aa. Risk in investing the securities being offered with comparison to other available investment options;
- bb. Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;
- cc. Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;
- dd. Registered office or factory building or place of operation is not owned by the issuer;
- ee. Lack of renewal of existing regulatory permissions or licenses;
- ff. Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;

- gg. Issuances of securities at lower than the IPO offer price within one year;
  - hh. Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.
- (ii) External risk factors may include among others:
- a. Interest rate risks;
  - b. Exchange rate risks;
  - c. Industry risks;
  - d. Economic and political risks;
  - e. Market and technology-related risks;
  - f. Potential or existing government regulations;
  - g. Potential or existing changes in global or national policies;
  - h. Statutory clearances and approvals those are yet to be received by the issuer;
  - i. Competitive condition of the business;
  - j. Complementary and supplementary products or services which may have an impact on business of the issuer.

**(26) Description of the Issue:**

- (a) Issue size;
- (b) Number of securities to be issued;
- (c) Authorized capital and paid-up capital;
- (d) Face value, premium and offer price per unit of securities;
- (e) Number of securities to be entitled for each category of applicants;
- (f) Holding structure of different classes of securities before and after the issue;
- (g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

**(27) Use of Proceeds:**

- (1) Maximum 30% (thirty percent) of the IPO/RPO proceeds may be used for repayment of outstanding loans/investments of the issuer subject to the following conditions:
  - (a) The loan repayment shall be allowed if the loan is used in any project or BMRE purpose with auditor's report on proper utilization of such loan; and
  - (b) The loans which to be repaid shall not be classified and rescheduled due to non-performing:

Provided that banker's certificate(s) shall be submitted to the effect that the loans which to be repaid are not classified and rescheduled;
- (2) The use of the issue proceeds shall be disclosed in the prospectus in details:
  - (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up (where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be);
  - (b) Utilization of the 90% (ninety percent) of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details;
  - (c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;
  - (d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

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- (e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;
  - (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;
  - (g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last 3 (three) years working capital and next 2 (two) years projection;
  - (h) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;
  - (i) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;
  - (j) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.

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**(28) Description of Debt Securities and Preference Shares, without conversion features:**

- (a) Outstanding amount of debt or preference shares;
- (b) details feature of such securities;
- (c) list of subscribers;
- (d) mode of issuance;
- (e) maturity period;
- (f) interest rate/coupon rate/dividend rate/yield;
- (g) redemption period;
- (h) sinking fund requirements;
- (i) yield to maturity;
- (j) encumbrance of any assets of the issuer against such securities and any other rights the holder of such securities may have;
- (k) details of use of proceeds:

Provided that the issuer shall not apply for public offer if it has any securities with conversion feature which has not been fully converted into ordinary shares within the financial year based on which it intends to go for public offer.

**(29) Markets for the Securities Being Offered:** The issuer shall apply to all the relevant stock exchanges in Bangladesh within 7 (seven) working days from the date of consent for public offer accorded by the Commission.

**(30) Description of securities outstanding or being offered:** All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

- (a) Dividend, voting and preemption rights;
- (b) Conversion and liquidation rights;
- (c) Dividend policy;
- (d) Other rights of the securities holders.

**(31) Financial Statements:**

- (a) The latest financial statements prepared and audited in accordance with the requirements of the Securities and Exchange Rules, 2020, the applicable International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) as adopted in Bangladesh, and shall have such financial statements audited in conformity with the International Standards on Auditing (ISA), the Financial Reporting Act, 2015, the Companies Act. 1994, and other applicable legal and regulatory requirements:

Provided that a declaration, duly signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the issuer, shall be submitted confirming that the financial statements of the issuer have been prepared in full compliance with the financial reporting and auditing standards issued or endorsed by the Financial Reporting Council (FRC):

Provided further that a Compliance Certificate, issued by the statutory auditor of the issuer, shall have to the effect that the audit of the issuer's financial statements has been conducted in conformity with the auditing standards prescribed or endorsed by the FRC;

- (b) If any quarter of the financial year of the issuer ends after the year ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer:

Provided that if the audited financial statements as disclosed in the prospectus is older than 180 (one hundred eighty) days at the time of publication of prospectus, the next quarterly or half yearly, as applicable, financial statements shall be reviewed in accordance with International Standard on Assurance Engagements (ISAE) 3000 by the statutory auditors and annexed with the prospectus;



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- (c) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;
  - (d) Selected ratios as specified in Annexure-D;
  - (e) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above-mentioned inclusion and submission will have to be made for the period since commercial operation;
  - (f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;
  - (g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;
  - (h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;
  - (i) Net asset value (with and without considering revaluation surplus or reserve) per share of the securities being offered at the date of the latest audited statement of financial position.
  - (j) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-
    - (i) Statement of long term and short-term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;
    - (ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;
    - (iii) Statement of unsecured loans with terms and conditions;

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- (iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.;
  - (v) Statement of trade receivables showing receivable from related party and connected persons;
  - (vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;
  - (vii) Statement of other income showing interest income, dividend income, discount received, other non-operating income;
  - (viii) Statement of turnover showing separately in cash and through banking channel;
  - (ix) Statement of related party transaction;
  - (x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;
  - (xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;
  - (xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;
  - (xiii) Statement of payment status of TAX, VAT and other taxes or duties; and
  - (xiv) Any other statement as may be required by the Commission.

**(32) Credit Rating Report, if applicable**

**(33) Public Issue Application Procedure:** As described in the consent letter.”

**Annexure-I****Disclosures in abridged version of prospectus**

[See rule 13]

- (1) Name(s) and address(es), telephone numbers, web addresses, e-mails, fax number s and contact persons of the issuer, issue manager and underwriter;
- (2) Amount, type and offering price of the securities on a per unit and aggregate basis of securities being issued;
- (3) Opening and closing date of subscription;
- (4) Availability of full prospectus;
- (5) Name of the credit rating Company (if any) along with rating assigned with date of validity;
- (6) Names of the valuer, if any and the auditors;
- (7) It shall be indicated that a prospectus may be obtained from the issuer and issue manager;
- (8) The following statement: “If you have any query about this document, you may consult the issuer, issue manager and underwriter”;
- (9) The following statement in bold type in a box format: **“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC OFFER OF EQUITY SECURITIES) RULES, 2025. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, /CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, UNDERWRITERS, AUDITOR(S) AND/OR VALUER, CREDIT RATING COMPANY (IF ANY);**

- (10) The following statements in bold type:

**“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”**

**“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk-taking ability before making their investment decisions”;**

- (11) Summary of use of proceeds of the offer;
- (12) Brief corporate directory of the issuer;
- (13) Location of the project;
- (14) Principal products or services of the issuer;
- (15) Names of associates, subsidiary /related and holding of issuer company;
- (16) Name, address and short description of each of the directors;
- (17) Comparative financial statements and NAV per share, EPS, and financial ratios for the last five years or from commercial operation, which is shorter;
- (18) Public issue application process.

By order of the Bangladesh Securities and  
Exchange Commission

**Khondoker Rashed Maqsood**

Chairman.