

NOTIFICATION

November 02, 2011

No. SEC/CMRRCD/2003-109/118/Admin/-----: In exercise of power conferred by section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Securities and Exchange Commission makes, after prior circulation, the following further amendments to the Securities and Exchange Commission (Rights Issue) Rules, 2006, namely:-

1. In rule 3, condition (f), the last word 'and' shall be deleted.
2. In rule 3, condition (g), the '.' shall be replaced by ';', then the word 'and' shall be added.
3. In rule 3, the following new condition (h) shall be added after the condition (g), namely:

“(h) Profitability record in the immediate preceding year.”.

4. In rule 4, the existing sub-rule (2) shall be replaced by the following new sub-rule (2), namely:-

“(2) No issuer of a listed security shall price its rights share above par value, if it has not been in commercial operation for immediate past three years having a track record of profitability.”.

5. In rule 6, the following new sub-rule (4) shall be added after the existing sub-rule (3), namely:-

“(4) The underwriter shall furnish a statement regarding underwriting and portfolio management position, where applicable.”.

6. In rule 7, the existing sub-rule (1) shall be replaced by the following new sub-rule (1), namely:-

“(1) An application for issuing rights share along with the offer document shall be furnished to the Commission for approval within 15 (fifteen) working days of approval of such issue by the shareholders of the company in a general meeting.”.

7. In rule 7, sub-rule (2), serial No. (d), the last word 'and' shall be deleted.

8. In rule 7, sub-rule (2), serial No. (e), the '.' shall be replaced by ';'.

9. In rule 7, sub-rule (2), the following new serial No. (f), (g), (h) and (i) shall be added after the serial No. (e), namely:-

“(f) Credit Rating Report of the issuer, if the offer is at a premium;

(g) Memorandum and Articles of Association, Return of Allotment of Shares and Particulars of Directors;

(h) Summarized cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the five years immediately preceding the issue of rights share offer document or for such shorter period during which the issuer was in commercial operation; and

(i) Due diligence certificate by the directors as per Form-D.”.

10. In rule 8, serial No. (g), reference No. (iv) shall be deleted.

11. In rule 8, serial No. (h), (i) and (w) shall be replaced by the following serial No. (h), (i) and (w) respectively, namely:-

“(h) Cash flows statement, profit and loss account, balance sheet, changes in equity and notes to the accounts of the issuer, together with certificate from the auditors as in Form-C.

(i) Summarized cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the 5 (five) years immediately preceding the issue of rights share offer document or for such shorter period during which the issuer was in commercial operation.

(w) Credit Rating Report of the issuer, if the offer is at a premium.".

12. In rule 9, sub-rule (1), the following new serial No. (f) shall be added after the existing serial No. (e), namely:-

“(f) The issuer shall post the rights offer document in the issuer's website and also put on the websites of the Commission, stock exchanges, and the issue manager within 3 (three) working days from the date of according consent and shall remain posted till the closure of the subscription period as mentioned in sub-rule (1) of rule 12.”.

By order of the Securities and Exchange
Commission

Prof. Dr. M. Khairul Hossain
Chairman.