

Procedure for Input of Paid-up Capital / Total Issue in CDS (Listed & Unlisted)

Following are the different scenarios for input of Paid-up Capital / Total Issue in CDS.

S.No	Activity	Listed / Quoted Securities	Unlisted Securities
1	At the time of Induction	<p>At the time of eligibility the issuer is required to provide CDC; the latest Annual Audited Report or a certificate from the “Statutory Auditor” in terms of issued capital. In case of debt securities, Modaraba Certificates & Closed End Funds; copy of approved Prospectus and approval of SECP and relevant Stock Exchange is required.</p> <p>The last annual audited report shall be submitted in all the cases except for new companies who have not yet completed their minimum period (i.e. 18th months after the date of incorporation) for audit of financial statements. Original Auditor’s Certificate w.r.t paid-up capital shall be submitted in such cases.</p> <p>In case of a subsequent change in paid up capital after the eligibility and prior to induction, then the same shall be supported by issuers’ audited financial statements or original statutory auditor’s certificate.</p> <p>At the time of induction the paid up capital will also be reconciled with stock exchange quotation to confirm if the same is published there.</p>	<p>At the time of eligibility the Issuer is required to provide CDC; the latest Annual Audited Report or a certificate from the “Statutory Auditors in terms of issued capital. In case of privately-placed debt securities, certified copy of relevant Trust Deed including Supplemental Trust Deed, where applicable, is required.</p> <p>The last annual audited report shall be submitted in all the cases except for new companies who have not yet completed their minimum period (i.e. 18th months after the date of incorporation) for audit of financial statements. Original Auditor’s Certificate w.r.t paid-up capital shall be submitted in such cases</p>
2	Right Issue	<p>Issuer is required to provide the following documents to CDC:</p> <p>At the time of <u>defining Right Issue</u> into CDS:</p> <ol style="list-style-type: none"> 1. Corporate action notice. 2. Certified true copy of board resolution. 3. Certified true Copy of SECP Approval (only in case of Rights issue at a discount, No approval of SECP is required for a discount upto 10%). <p>At the time of <u>providing Upload:</u></p> <ol style="list-style-type: none"> 1. Letter for Authorization to Upload Data. 	<p>Issuer is required to provide the following documents to CDC:</p> <p>At the time of <u>defining Right Issue</u> into CDS:</p> <ol style="list-style-type: none"> 1. Corporate action notice. 2. Certified true copy of board resolution. 3. Certified true Copy of SECP Approval (only in case of Right issue at a discount). <p>At the time of <u>providing Upload:</u></p> <ol style="list-style-type: none"> 1. Letter for Authorization to Upload Data.



		<p>At the time of <u>credit of right Issue:</u></p> <ol style="list-style-type: none"> Allotment confirmation letter along with CDC fee as per approved tariff scheduled. Original Certificate from “Statutory Auditor” as per the mentioned guidelines in Annexure A. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer. 	<p>At the time of <u>credit of right Issue:</u></p> <ol style="list-style-type: none"> Allotment confirmation letter along with CDC fee as per approved tariff scheduled. Original Certificate from “Statutory Auditor” as per the mentioned guidelines in Annexure A. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer.
3	Bonus	<p>As per Finance Act, 2014 bonus will be processed into two phases i.e., 95% and 5% of the proposed bonus.</p> <p>Part “A”: Issuer is required to provide the following documents to CDC at the time of <u>defining Bonus</u> into CDS:</p> <ol style="list-style-type: none"> Corporate action notice. Certified true copy of board resolution. Annual audited report for further verification of proposed bonus Issue. In case of Interim Bonus, half yearly reviewed accounts are required. For issuance of Bonus after 1st & 3rd quarter “Auditor’s certificate (free reserves certificate) along with details of authorized capital (SECP certified true copy of Form-7)” would be required <p>At the time of <u>credit of Bonus 95%:</u></p> <ol style="list-style-type: none"> Allotment confirmation letter along with CDC fee as per approved tariff scheduled. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer. 	<p>As per Finance Act, 2014 bonus will be processed into two phases i.e., 95% and 5% of the proposed bonus.</p> <p>Part “A”: Issuer is required to provide the following documents to CDC at the time of <u>defining Bonus</u> into CDS:</p> <ol style="list-style-type: none"> Corporate action notice. Certified true copy of board resolution. Annual audited report for further verification of proposed bonus Issue. In case of Interim Bonus “Statutory Auditor’s certificate along with details of authorized capital)” would be required <p>At the time of <u>credit of Bonus 95%:</u></p> <ol style="list-style-type: none"> Allotment confirmation letter along with CDC fee as per approved tariff scheduled. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer.



	<p>Part “B”:</p> <p><u>Process for remaining 5% of the proposed bonus shares:</u></p> <p><u>At the time of Upload:</u></p> <p>Issuer to provide Letter for Authorization to Upload Data as per annexure “E” (shall be signed by authorized signatories.)</p> <p><u>At the time of Credit of Bonus 5%:</u></p> <ol style="list-style-type: none"> Allotment of Confirmation Letter signed by authorized signatories along with undertaking as referred in Annexure “F”. <p>OR</p> <p>A Representation Letter in case where no shareholders are in the litigation as referred in “Annexure “G”.</p> <ol style="list-style-type: none"> Credit of shares will be processed once all the requirements will be fulfilled <p>Note:</p> <ol style="list-style-type: none"> Notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer. Credit in suspended and blocked accounts will be allowed. <p>Procedures for Cancellation of Bonus Shares in Central Depository System (CDS):</p> <p>As per the CDC Regulations 12.4.8 for cancellation of Bonus issue following Procedure shall be followed:</p>	<p>Part “B”:</p> <p><u>Process for remaining 5% of the proposed bonus shares:</u></p> <p><u>At the time of Upload:</u></p> <p>Issuer to provide Letter for Authorization to Upload Data (shall be signed by authorized signatories.)</p> <p><u>At the time of Credit of Bonus 5%:</u></p> <ol style="list-style-type: none"> Allotment of Confirmation Letter signed by authorized signatories along with undertaking as referred in Annexure “E”. <p>OR</p> <p>A Representation Letter in case where no shareholders are in the litigation as referred in “Annexure “F”.</p> <ol style="list-style-type: none"> Credit of shares will be processed once all the requirements will be fulfilled <p>Note:</p> <ol style="list-style-type: none"> Notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer. Credit in suspended and blocked accounts will be allowed. <p>Procedures for Cancellation of Bonus Shares in Central Depository System (CDS):</p> <p>As per the CDC Regulations 12.4.8 for cancellation of Bonus issue following Procedure shall be followed:</p>
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		<ol style="list-style-type: none"> 1. Issuer before the defined credit date of Bonus shares may send a request letter duly signed by authorized signatory (ies) to CDC along with the certified copy of Board Resolution for cancelation of Bonus entitlement to process cancellation into CDS. 2. A copy of intimation letter sent to PSX and SECP should also be provided prior to cancellation of Bonus. 	<ol style="list-style-type: none"> 1. Issuer before the defined credit date of Bonus shares may send a request letter duly signed by authorized signatory (ies) to CDC along with the certified copy of Board Resolution for cancelation of Bonus entitlement to process cancellation into CDS. 2. A copy of intimation letter sent to SECP should also be provided prior to cancellation of Bonus.
4	<p>Further Issue of Shares Other than Rights (against cash or other than cash)</p>	<p>Issuer is required to provide the following documents to CDC:</p> <p>At the time of <u>defining Further Issue without Rights Issue</u> into CDS:</p> <ol style="list-style-type: none"> 1. Certified true Copy of SECP approval. 2. SECP Certified true copy of special resolution (Form 26). 3. SECP Certified true copy of Form-7 OR Annual Audited Accounts for authorized capital. <p>At the time of <u>providing Upload</u>:</p> <ol style="list-style-type: none"> 1. Issuer to provide Letter for Authorization to Upload Data. <p>At the time of <u>credit of Further Issue without Rights</u>:</p> <ol style="list-style-type: none"> 1. Allotment confirmation letter along with CDC fee as per approved tariff scheduled. 2. Certificate from the “Statutory Auditor” as per the guidelines in Annexure B. 3. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer. 	<p>Issuer is required to provide the following documents to CDC:</p> <p>At the time of <u>defining Further Issue without Rights Issue</u> into CDS:</p> <ol style="list-style-type: none"> 1. Certified true Copy of SECP approval. 2. SECP Certified true copy of special resolution (Form 26). 3. SECP Certified true copy of Form-7 OR Annual Audited Accounts for authorized capital. <p>At the time of <u>providing Upload</u>:</p> <ol style="list-style-type: none"> 1. Issuer to provide Letter for Authorization to Upload Data. <p>At the time of <u>credit of Further Issue without Rights</u>:</p> <ol style="list-style-type: none"> 1. Allotment confirmation letter along with CDC fee as per approved tariff scheduled. 2. Certificate from the “Statutory Auditor” as per the guidelines in Annexure B. 3. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer.
5	<p>New Issue</p>	<p>Issuer is required to provide the following documents to CDC:</p>	<p>Issuer is required to provide the following documents to CDC:</p>



		<p>At the time of <u>defining New Issue</u> into CDS:</p> <ol style="list-style-type: none"> 1. Certified true Copy of SECP approval of IPO. 2. Copy of approved Prospectus 3. Approval of relevant stock exchanges. <p>At the time of <u>providing Upload</u>:</p> <ol style="list-style-type: none"> 1. Letter for Authorization to Upload Data. <p>At the time of <u>credit of New Issue</u>:</p> <ol style="list-style-type: none"> 1. Allotment confirmation letter along with CDC fee as per approved tariff scheduled. 2. Certificate from the “Statutory Auditor” as per the guidelines in Annexure B. 3. Representation from the Issuer is required with reference to Section 70 (As per Annexure D) of the Companies Act 2017 (Not applicable in case of debt securities).Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer. 	<p>At the time of <u>defining New Issue</u> into CDS:</p> <ol style="list-style-type: none"> 1. Certified true Copy of SECP approval of IPO (<i>only for those securities which are in process of listing</i>). <p>In case of privately-placed debt securities, certified copy of relevant Trust Deed including Supplemental Trust Deed (where applicable) is required.</p> <p>At the time of <u>providing Upload</u>:</p> <ol style="list-style-type: none"> 1. Letter for Authorization to Upload Data. <p>At the time of <u>credit of New Issue</u>:</p> <ol style="list-style-type: none"> 1. Allotment confirmation letter along with CDC fee as per approved tariff scheduled. . 2. Certificate from the “Statutory Auditor” as per the guidelines in Annexure B. 3. Representation from the Issuer is required with reference to Section 70 (As per Annexure D) of the Companies Act 2017 (Not applicable for private companies and debt securities). 4. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer.
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6	<p>Merger / De-Merger</p>	<p><u>Transferee Company</u> is required to provide the following documents to CDC:</p> <p>At the time of <u>defining Merger / De-Merger</u>:</p> <ol style="list-style-type: none"> 1. Corporate action notice. 2. Certified true copy of scheme of amalgamation and the order of Competent Authority / Court. 3. Certified true copy of board resolution. 4. CRO certified true copy of Form 7 filed, where as a result of Merger the authorized share capital of Transferee Company needs to be increased. <p>At the time of credit of Merger / De-Merger:</p> <ol style="list-style-type: none"> 1. Allotment confirmation letter along with CDC fee as per approved tariff scheduled. . 2. Certificate from “Statutory Auditor” as per the guidelines in Annexure C. (Auditor’s certificate will not be applicable in case of merger of wholly own subsidiary company) 3. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer. 	<p><u>Transferee Company</u> is required to provide the following documents to CDC:</p> <p>At the time of <u>defining Merger / De-Merger</u>:</p> <ol style="list-style-type: none"> 1. Corporate action notice. 2. Certified true copy of scheme of amalgamation and the order of Competent Authority / Court. 3. Certified true copy of board resolution. 4. CRO certified true copy of Form 7 filed, where as a result of Merger the authorized share capital of Transferee Company needs to be increased. <p>At the time of credit of Merger / De-Merger:</p> <ol style="list-style-type: none"> 1. Allotment confirmation letter along with CDC fee as per approved tariff scheduled. . 2. Certificate from “Statutory Auditor” as per the guidelines in Annexure C. (Auditor’s certificate will not be applicable in case of merger of wholly own subsidiary company) 3. Credit of shares will be processed once all the requirements will be fulfilled (Note: notice of allotment will be construed as received on the date when all requirements is fulfilled by the issuer.
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Notes:

1. In case of change in paid-up capital, due to any reason not mentioned in this document, CDC would require “original statutory auditor’s certificate” along with other relevant documents which would vary on case to case basis.
2. The requirement for representation under Section 70 of the Companies Act 2017 in respect of new issue is not applicable on private companies and debt securities issued by any issuer.
3. All certificates from the statutory auditors shall be submitted in original.

Annexure A

Guidelines for Auditor's certificate

The Auditor's certificate to be submitted by the Issuer with CDC under these Procedures shall confirm the following as a minimum requirement:

1. Revised paid up capital and receiving of subscription amount.
2. That all requirements with regards to allotment of shares in the name of CDC have been fulfilled by the Issuer.
3. That conditions (if any) imposed by the regulatory body in respect of rights at a discount have been fulfilled by the Issuer in every respect.

Note:

1. Regarding serial number 3 above, the issuer instead of getting it certified from the statutory auditor can either submit final approval of Regulatory body stating that conditions imposed, if any, have been fulfilled or a confirmation from their external legal advisor to this effect.
2. Where securities are issued in **physical**, the auditor's certificate should confirm all the stated requirements of the Annexure with the exception of **point no. 2**.
3. It shall be specifically mentioned in the certificate that the Auditor issuing the certificate is the Statutory Auditor of the Issuer.

Annexure B

Guidelines for Auditor's certificate

The Auditor's certificate to be submitted by the Issuer with CDC under these Procedures shall confirm the following as minimum requirement:

1. In case of new issue, confirming the **total issue / paid-up capital** and receiving of subscription amount in case of cash or other consideration in case of other than cash.
OR
In case of further issue, confirming the **revised paid up capital / total issue** and receiving of subscription amount in case of cash or other consideration in case of consideration other than cash.
2. That all requirements with regards to allotment of securities in the name of CDC have been fulfilled by the Issuer.
3. That conditions (if any) imposed by the regulatory body have been fulfilled by the Issuer in every respect.

Note:

1. Regarding serial number 3 above, the issuer instead of getting it certified from the statutory auditor can either submit final approval of Regulatory body stating that conditions imposed, if any, have been fulfilled or a confirmation from their external legal advisor to this effect.
2. With respect to serial number 3 above; in cases where no special condition has been imposed, a representation letter will be required from the issuer stating that no special conditions were imposed and further that all ordinary conditions have been fulfilled.
3. Where securities are issued in **physical**, the auditor's certificate should confirm all the stated requirements of the Annexure with the exception of **point no. 2**.
4. It shall be specifically mentioned in the certificate that the Auditor issuing the certificate is the Statutory Auditor of the Issuer.

Annexure C

Guidelines for Auditor's certificate

The Auditor's certificate to be submitted by the Issuer with CDC under these Procedures shall confirm the following as a minimum requirement:

1. Revised paid up capital of the transferee company after credit of merger.
2. That all requirements with regards to allotment of Securities in the name of CDC have been fulfilled by the Issuer, and
3. That conditions (if any) imposed by the competent authority / court have been satisfied by the Issuer in every respect.

Note:

1. Regarding serial number 3 above, the issuer instead of getting it certified from the statutory auditor can either submit final approval of Regulatory body stating that conditions imposed, if any, have been fulfilled or a confirmation from their external legal advisor to this effect.
2. Where pursuant to Merger, securities of Transferee Company are issued in **physical** to the shareholders of the Transferor Company; the auditor certificate should confirm all the stated requirements of the guideline only with the exception of **point no. 2**.
3. It shall be specifically mentioned in the certificate that the Auditor issuing the certificate is the Statutory Auditor of the Issuer.



**[To be obtained from public limited companies (both listed and unlisted) only –
To be printed on non-judicial stamp paper of Rs. 100]**

Representations and Warranties

for allowing entering of Securities of the Issuer into the relevant Accounts and Sub-Accounts in the CDS as Book-entry Securities

1. For the purpose of inducing Central Depository Company of Pakistan Limited (“CDC”) to enable Book-entry Securities representing our ordinary shares to be entered into the relevant Accounts and Sub-Accounts in the Central Depository System (“CDS”) established and maintained by CDC, we, [insert name of the company], represent and warrant to and in favour of CDC that:
2. No contravention of provisions of the Companies Act, 2017, as the case may be, has occurred in connection with the allotment of such ordinary shares.
3. We are aware that CDC will rely upon the representations and warranties made and provided by us in paragraph 1 above while enabling Book-entry Securities representing our ordinary shares to be entered into the relevant Accounts and Sub-Accounts in the CDS established and maintained by CDC.
4. We undertake to indemnify and hold harmless CDC and each of its directors and officers against all losses, liabilities, costs and expenses paid or payable by all or any of them (including fees and charges paid or payable to lawyers) in connection with or arising from any or each of the representations and warranties made and provided by us in paragraph 1 above being incorrect or misleading, whether wholly or in part.
5. We intend this document to have legal effect.
6. This document and its terms will be governed by and construed in accordance with the laws of Pakistan.

Signed for and on behalf of
_____ Limited

Signature: _____

Name: _____

Title: _____

Dated: [Karachi/Lahore/Islamabad] ____ day of _____ 20__

Witnesses:

1. Signature: _____

Name: _____

Address: _____

CNIC: _____

2. Signature: _____

Name: _____

Address: _____

CNIC: _____



<On Company Letterhead>

“Annexure E”

Date: _____

Head of Operations & Customer Support Services
Central depository Company of Pakistan Limited
CDC House,
99-B, Block-B,
S.M.C.H.S. Main Shahrah-e-Faisal,
Karachi.

Sub: Authorization to Upload data.

Dear Sir,

Under section 12.4.5 of the CDC Regulation, you are requested to please enable us to upload the data related to the change of 5% tax on the bonus shares which were withheld as per Finance Act, 2014, for the following security.

Name of security

<ABC Limited>

ISIN

<PK0000000000>

Please note the revised Paid-up Capital of our Company <no. of shares / certificates> after issuance bonus shares.

Also please note for billing purposes, approximate _____ shares / certificates are expected to be credited into CDS.

We confirm that we will upload data on the following format (extracted from the original data):

001,01111,123,“PK0012301010”,11111

002,01111,123,“PK0012301010”,22222

Regards,

Authorized Signatory(ies)



Annexure F

(ON COMPANY'S LETTER HEAD)

Date: _____

Head of Operations & Customer Support Services
Central Depository Company of Pakistan Limited
Karachi

UNDERTAKING

Dear Sir,

This is to confirm that we have withheld bonus shares to the extent of 5% of those shareholder who have filed an appeal and have been granted interim stay which to our knowledge is still valid and the request for credit of the shares to the FBR account does not include shares of the above referred shareholders.

We further undertake that we will keep CDC and its officer harmless against any claim due to credit of any shares of the above referred shareholders into the account of FBR.

We shall be pleased to provide you with any other information/ clarification, should you so require.

Yours sincerely

(Authorised Signatory(ies))



Annexure G

(ON COMPANY'S LETTER HEAD)

Date: _____

Head of Operations & Customer Support Services
Central Depository Company of Pakistan Limited
Karachi

Representation Letter:

This is further to our letter ref. _____ dated _____.

We hereby confirm that till to date none of our shareholder has filed any suit against Company in any Court of Law against tax on bonus shares (imposed under section 236M or 236N of Income Tax Ordinance 2001, inserted through Finance Act, 2014). Accordingly, we hereby requests CDC to credit 5% bonus shares (of those share holder who have not paid the required amount of tax to FBR) to the FBR Account no. _____ titled _____.

We shall be pleased to provide you with any other information/ clarification, should you so require.

Yours sincerely,

Authorized Signatory(ies)