

## NOTICE

The Securities and Exchange Commission (SEC) hereby publishes the proposed (draft) amendment to the Securities and Exchange Commission (Rights Issue) Rules, 2006 in the newspaper as per requirement of sub-section (1) of section 33 of the Securities and Exchange Ordinance, 1969, for eliciting public opinion, etc.

Opinion, advice or objection, if any, thereon will have to be sent to the following address within two weeks from the date of publication of the proposed amendment.

Chairman  
Securities and Exchange Commission  
Jiban Bima Tower (14, 15, 16 & 20<sup>th</sup> Floor)  
10 Dilkusha C/A  
Dhaka-1000

### **Proposed (draft) amendment**

The Securities and Exchange Commission (Rights Issue) Rules, 2006 shall be amended in the following manner, 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.”.

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 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. (ii) shall be replaced by the following new reference (ii), namely:

“(ii) earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years or such shorter period during which the issuer was in commercial operation; while doing so, preceding six months average sectoral price-to-earning should be taken into consideration;”

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

12. 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 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.”