



PAKISTAN STOCK EXCHANGE LIMITED
Stock Exchange Building, Stock Exchange Road, Karachi-74000
UAN: 111-001-122

PSX/N-4829

NOTICE

August 16, 2017

**REQUIREMENT OF FREE FLOAT OF SHARES BY
THE LISTED COMPANIES**

Further to our Notice No. PSX/N-4582 dated August 1, 2017 pertaining to submission of an Annual Free Float Certificate duly verified by the Auditor under Regulation No. 5.7.2(c)(ii) of PSX Regulations.

The matter has been deliberated with the Institute of Chartered Accountants of Pakistan (ICAP) and the ICAP vide letter No. ICAP/DTS/000361/45306/2959 dated August 16, 2017 has suggested submission of an Auditors' Independent Assurance Report alongwith its format instead of the Certificate prescribed earlier.

Accordingly, we are pleased to attach herewith the format of Independent Reasonable Assurance Report alongwith format of free float statement of shares to be submitted by the Companies.

It is further informed that since the revised Free Float Methodology was implemented w.e.f. quarter ended March 31, 2017, the listed companies whose financial year closes on June 30, 2017 shall submit the above for two quarters i.e. March 31, 2017 and June 30, 2017 and whereas the companies whose financial year closes on September 30, 2017 and December 31, 2017 shall submit the same for all the three quarters and four quarters, respectively.

All the listed companies are requested to ensure compliance of the above.


MUHAMMAD GHUFRAN

Deputy General Manager – Operations

Distribution: All Listed Companies

Copy to:

1. The Executive Director (PRDD), SMD, SECP
2. The Chief Executive Officer, PSX
3. Acting Chief Regulatory Officer, PSX
4. The Head of Operations, CDC
5. All Head of Departments – PSX
6. PSX Notice Board & Website



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FORMAT

INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES

To the Chief Executive of the (name of Company)

1. Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed "Statement of Free Float of Shares (the 'Statement') of (the Company) as of,, and (mention relevant quarter end).

2. Applicable Criteria

The criteria against which the Statement is assessed is Regulation No. 5.7.2(c)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations) which requires every listed company/modaraba/mutual fund to submit directly to Pakistan Stock Exchange (PSX) an annual Free-Float Certificate duly verified by the auditor along with the annual audited accounts as prescribed under regulation 5.6.4(a) of the PSX Regulations.

3. Management's Responsibility for the Statement/s

Management is responsible for the preparation of the Statement as of,, and(mention relevant quarter end) in accordance with the applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the Statement/s such that it is free from material misstatement, whether due to fraud or error.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion as to whether the Statement is prepared in accordance with the applicable criteria, based on the procedures we have performed and the evidence we have obtained.



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We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Statement. In making those risk assessments, we considered internal control relevant to (name of company)'s preparation of the Statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by management, as well as, evaluating the overall presentation of the Statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the Statement. Our assurance procedures performed included verification of information in the Statement with the underlying data and record comprising of Central Depository Company statements, forms submitted by the Company with Securities & Exchange Commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX regulation also forms part of our assurance procedures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

6. Opinion*

In our opinion, the Statement as of,, and (mention relevant quarter end) is prepared, in all material respects, in accordance with the PSX Regulations.

7. Restriction on use and distribution

This report is issued in relation to the requirements as stipulated under Regulation No 5.7.2(c)(ii) of the PSX Regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.

Date: _____

Signature

Chartered Accountants

* Modification/Qualification of opinion, if applicable, shall be in accordance with ISAE 3000 (Revised).



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FORMAT OF STATEMENT OF FREE FLOAT OF SHARES

	Quarter-1	Quarter-2	Quarter-3	Quarter-4
Total Outstanding Shares	xxx	xxx	xxx	xxx
Less: Government Holdings	(xxx)	(xxx)	(xxx)	(xxx)
Less: Shares held by Directors / Sponsors / Senior Management Officers and their associates	(xxx)	(xxx)	(xxx)	(xxx)
Less: Shares in Physical Form	(xxx)	(xxx)	(xxx)	(xxx)
Less: Shares held by Associate companies / Group Companies (Cross holdings)	(xxx)	(xxx)	(xxx)	(xxx)
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	(xxx)	(xxx)	(xxx)	(xxx)
Less: Treasury shares	(xxx)	(xxx)	(xxx)	(xxx)
Less: Any other category that are barred from selling at the review date	(xxx)	(xxx)	(xxx)	(xxx)
Free Float	xxx	xxx	xxx	xxx

Basis of Preparation: This Statement is prepared in accordance with the requirements of Regulation No. 5.7.2(c)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations)

Company Secretary

Chief Executive

Note:

"Sponsors" has the same meaning as defined in The Companies (Issue of Capital) Rules, 1996.
"Senior Management Officers" and **"Associates"** have the same meaning as defined in the Securities Act, 2015.