

**Government of Pakistan
Privatisation Commission**

**MODEL CHECK LIST INDICATING ACTIONS THAT MAY BE TAKEN / SHOULD NOT BE
TAKEN BY AN ENTERPRISE ON THE PRIVATISATION LIST
(With or Without Prior Consent / Clearance of Privatisation Commission)**

[Ratified by the Cabinet's decision in Case No. 961/47/2020, dated Dec 01, 2020, as approved by the Cabinet Committee on Privatisation (CCoP) in Case No. CCOP-21/6/2020, dated Nov 16, 2020]

S#	Actions may be taken without prior consent/ clearance of Privatisation Commission	Actions to be taken with prior consent/clearance of Privatisation Commission
1	<p><u>Management</u></p> <ul style="list-style-type: none"> ✓ Undertaking routine hiring, filling of vacancies due to resignation, retirement etc. ✓ Take decision with respect to all litigation matters by or against the company. ✓ Regularly attend the courts proceedings filed by and against PC/ unit jointly. ✓ Undertake normal business activities 	<p><u>Management</u></p> <ul style="list-style-type: none"> • Change of CEO, CFO, COO, Board of Directors, etc. • Major administrative changes. • Hiring other than in normal course. • Setting up / winding up of companies (including subsidiaries, affiliates or Associates). • Implementation of existing and new development plans. • Sale or transfer of licenses, permits etc. • Closing of any line of business.
2	<p><u>Employees</u></p> <ul style="list-style-type: none"> ✓ CBA Agreements as per law. ✓ Transfer of employees, in case of re-structured entities and finalization of payroll. Final list of the employees transferred to restructured entities to be provided to Privatisation Commission. ✓ Completion and finalization of the actuarial valuations of employee benefits (pensions, medicine, free electricity etc.) for the employees transferred to re-structured entities. ✓ Agreement between re-structured entities and the main entity for the use of facilities of main entity for employees. 	<p><u>Employees</u></p> <ul style="list-style-type: none"> • Introduction of any severance scheme. • Changes in employee's benefits between the pre-bid meeting and the bidding date. • Transfer of employees from main entity to the re-structured entity or vice versa after finalization of list of employees transferred to the re-structured entities. • Changes in terminal benefits/ employees' salaries.

4	<p><u>Financial</u></p> <ul style="list-style-type: none"> ✓ Provision of monthly operating results (Profit & Loss and Balance Sheet) and audited accounts, as per audit schedule. ✓ Finalization of company financial statements upon completing the transfer of assets/liabilities if any. ✓ Closure of Business Transfer Agreement (BTA)/Supplementary Business Transfer Agreement (SBTA) and proper transfer of shares to GOP; ✓ Separation of the management and accounts of the re-structured entities. 	<p><u>Financial</u></p> <ul style="list-style-type: none"> • Material change affecting the Financial Statements. • Fresh borrowing and related guarantees. • Financial and contractual obligations outside the normal course of business. • Major financial restructuring. • Capital expenditure of any kind over and above that of routine maintenance and repair. • Declaration of dividend after bidding date.
5	<p><u>Assets & Investments</u></p> <ul style="list-style-type: none"> ✓ Regularization of the transfer of all immovable assets which are currently in possession of the company but where the legal titles of ownership does not exist ✓ Regularization and transfer of the ownership of all movable assets (vehicles) currently in use of the company but where the legal titles of ownership does not exist ✓ Completion and update of list of assets (fixed assets register) under the control of the company (list be provided to Privatisation Commission). 	<p><u>Assets & Investments</u></p> <p>Threshold will depend upon the nature of the transaction and industry</p> <ul style="list-style-type: none"> • Material reduction / increase in inventories, etc. • Sale / purchase / transfer of assets of any kind including fixed assets • Purchase /divestment of Investments
6	<p><u>Liabilities & Capital</u></p> <ul style="list-style-type: none"> ✓ Completion of final list of debts existing or transferred for submission to Privatisation Commission. ✓ Finalization of the allocation of debts and official/legal transfer of debts (final list be provided to Privatisation Commission). ✓ Trading of listed shares. ✓ Normal loan/ debt creation and repayment 	<p><u>Liabilities & Capital</u></p> <ul style="list-style-type: none"> • Issuance of shares, bonds or debentures. • Buyback of the Company's own shares from the stock market or other investors. • Changes in Capital Structure of company. • Settlement of any liability beyond a certain threshold.
7	<p><u>Operational</u></p> <ul style="list-style-type: none"> ✓ Undertaking normal routine day-to-day affairs of the entity. ✓ Undertaking routine maintenance and repair work. 	<p><u>Operational</u></p> <ul style="list-style-type: none"> • Major change in processes, technologies, etc. • Major change in Corporate Policies.

8	-----	<u>Marketing</u> <ul style="list-style-type: none"> Major change in product line, distribution network, etc.
9	-----	<u>Information Sharing</u> <ul style="list-style-type: none"> In meetings, interviews, or with any type of media which may go against the spirit of privatisation. Issuance of public statements with respect to privatizing entity. All special resolution matters as per Companies Act 2017, or where the Company's Articles of Association require Special Resolution. Any Board meeting.