



PAKISTAN STOCK EXCHANGE LIMITED

PSX/N-6041

NOTICE

October 12, 2018

Reproduced hereunder letter No. SMD/CIW/DSTR/01/2012/1 dated October 10, 2018 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**, regarding **Direction to Pace Pakistan Limited Under Section 100 of The Securities Act, 2015**, for information of all concerned. (Copy of the same is also available on our Website www.psx.com.pk).



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Securities Market Division
Licensing & Regulatory Approvals Department

No. SMD/CIW/DSTR/01/2012/1

October 10, 2018

The Chief Executive Officer,
Pace Pakistan Limited,
2nd & 3rd Floor, Pace Shopping Mall,
Fortress Stadium, Lahore Cantt,
Lahore.

Subject: DIRECTION TO PACE PAKISTAN LIMITED UNDER SECTION 100 OF THE SECURITIES ACT, 2015

This is with reference to the Term Finance Certificates (TFCs) Issue of Rs.1.500 billion by Pace Pakistan Limited (the Issuer) floated through prospectus dated February 7, 2008 (the Prospectus) and listed at PSX on March 28, 2008.

2. The said TFCs issue which initially had a tenor of five years with effect from February 14, 2008 was rescheduled in August 2010 and its tenor was extended for four years till February 14, 2017. Despite the said extended time period, the Issuer has failed to redeem the principal amount and pay the accrued markup to the TFC holders since February 2011.

3. The Issuer has settled principal amount of Rs.487.500 million (33% of the total outstanding principal amount) to different TFC holders on individual basis, contrary to the provisions of clause 3.8.4 of the Trust Deed dated June 9, 2017 (the Trust Deed), through Debt to Asset Swap (DTAS) arrangement with 100% waiver of accrued markup amount.

4. IGI Holdings Limited, the Debt Securities Trustee (DST) vide letter dated October 1, 2018 addressed to the Federal Employees Benevolent Fund & Group Insurance (FEBF&GI) stated that DST has made concerted efforts during the period from 2015 to 2017 requesting the Issuer to appraise the DST on the outstanding amount of the TFC issue, however, the Issuer did not respond.

5. A number of the TFC holders, including FEBF&GI and some individuals complained the Securities and Exchange Commission of Pakistan (the Commission) regarding non-fulfillment of obligations by the Issuer under the Prospectus and the Trust Deed.

6. In view of the foregoing, M/s. Pace Pakistan Limited, through its Chief Executive Officer, is hereby directed under Section 100 of the Securities Act, 2015 as under: -

- (i) To cooperate with IGI Holdings Limited (as the DST of the issue) and immediately provide all the information in respect of the TFC issue as required by DST without any further delay;

- (ii) To settle all the outstanding obligations towards the TFC holders strictly in accordance with the provisions of the relevant governing laws including the Companies Act, 2017; the Trust Deed and the Prospectus; and
- (iii) To attend meeting of the TFC holders fixed by the DST for Monday the October 15, 2018 and ensure redemption of the outstanding TFCs issue without any further delay.

7. You are hereby further directed to report compliance with the above-mentioned directions by October 17, 2018.


(Shaukat Hussain)
Commissioner (SMD)

Copy to:

- (i) The Chief Executive, IGI Holding Limited, Karachi.
- (ii) The Chief Executive, Pakistan Stock Exchange Limited, Karachi.
- (iii) The Executive Director, Corporate Supervision Department, SECP, Islamabad.
- (iv) The Registrar Joint Stock Companies, Companies Registration Office, SECP, Lahore.
- (v) The Deputy Managing Director (Investment), Federal Employees Benevolent Fund and Group Insurance, Islamabad.

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