National Clearing Company of Pakistan Limited
8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/JULY-19/03
July 02, 2019

Placement of M/s. PICIC Insurance Limited in the Defaulter Segment

Dear Clearing Members,

This is with reference to Pakistan Stock Exchange Notice No. PSX/N-818 dated: July 02, 2019, regarding placement of M/s. PICIC Insurance Limited (PIL) in the Defaulter's segment with effective from Wednesday, July 03, 2019.

This event leads to action under Clauses 7A.3.5 and 7B.3.1.4 of NCCPL Regulations, 2015 that has been reproduced below for ready reference;

"Where a Security that has been quoted on the defaulter's segment of the Exchange and notified to the Company, such Security shall not be eligible for trading in the SLB Market from the date it has been placed on the defaulter segment. However, all open SLB Contracts shall be released on Accelerated Maturity Date and/or Maturity Date as the case may be."

"In case where such Security is reinstated during the review period, trading in SLB Market shall not be allowed during that review period." ***(Regulations 7A.3.5)***

"Where a Security that have been quoted on the Defaulter segment of the Exchange and notified to the Company, such Security shall not be made available on MF Market from the date it has been placed on the defaulter segment. However, all MF (R) Transactions shall be released as per the terms and conditions defined in the Margin Financing Agreement between MF Participants."

"In case where such Security is reinstated during the review period, trading in MF Market shall not be allowed during that review period." ***(Regulations 7B.3.1.4)***

Accordingly, in pursuance of provisions stipulated in the above referred clauses of NCCPL Regulations, 2015, M/s. PICIC Insurance Limited shall be excluded from the list of SLB Eligible Securities and MF Eligible Securities with effect from Wednesday, July 03, 2019.

All concerned are requested to note the above.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN No. 021-111-111-622

Regards,

_______sd________
Muhammad Asif
Head of Operations

1. Director/HOD - Policy, Regulation and Development Department - SMD
   Securities & Exchange Commission of Pakistan - Islamabad
2. Chief Executive Officer - Pakistan Stock Exchange Limited
3. Chief Executive Officer - Central Depository Company of Pakistan Limited
4. Chief Executive Officer - Mutual Fund Association of Pakistan
5. Chairman - Pakistan Banking Association

PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi
Phones: 111-001-122

PSX/N-818 **NOTICE** **July 2, 2019**

PLACEMENT OF M/S. PICIC INSURANCE LIMITED
IN THE DEFAULTERS' SEGMENT UNDER PSX REGULATIONS NO.5.11.1.(b) & (i)

It is hereby notified to all concerned that as a consequence of default of clauses 5.11.1.(b)&(i) of PSX Regulations i.e suspended commercial production / business operations in principle line of business for a continuous period of one year and qualified opinion of the statutory auditor on the going concern assumption in the audit report for the year ended December 31, 2018, M/s. PICIC Insurance Limited ("PIL") will be placed in the Defaulters' Segment w.e.f **Wednesday, July 3, 2019.**

The said clauses are reproduced hereunder for reference:

5.11.1. A listed company may be placed in the Defaulters' Segment if:

(b) It has suspended commercial production/ business operations in its principle line of business for a continuous period of one year;

(i) Its statutory auditor has issued a qualified opinion on the going concern assumption or has issued a disclaimer or an adverse opinion in the audit report;
Upon placement of such company on the Defaulters' Segment, the Exchange shall only initiate actions under Regulation 5.11.2(a) and 5.11.2(b). However, if the audit report for the following year also contains any of the above concern(s)/opinion(s), trading in shares of the company shall be suspended immediately by the Exchange and the company shall be given 90 days to rectify the non-compliance, failing which, the Exchange shall initiate further actions against the company commencing from Regulation 5.11.2(e).

As specified under Clause 5.11.7 i.e. in case of a company having more than one ground for placement on Defaulters' Segment, the Exchange shall follow the steps prescribed for the ground that leads to earlier suspension or delisting of the company, as the case may be, the Company is hereby instructed under Clause 5.11.2.(c) of PSX Regulations to rectify the non-compliance particularly w.r.t. resumption of commercial production / business operations in principal line of business within 90 days i.e. up to **Monday, September 30, 2019.**

In case the Company fails to rectify the default of Clause 5.11.1.(b) of PSX Regulations within the stipulated time or in case no significant efforts of the Company are witnessed for resumption of commercial production / business operations in principal line of business within the stipulated time, trading in shares of the Company may be suspended, followed by further action under subsequent provisions of Clause 5.11.2. PSX Regulations.

It may also be noted that in case the Company rectifies the non-compliance of Clause 5.11.1.(b) of PSX Regulations within the stipulated time; the Company shall remain quoted in the Defaulters' Segment under Clause 5.11.1.(i) of PSX Regulations and subsequent action shall be attracted as per the requirements of said Regulations.

All concerned are requested to note the above.

HAFIZ MAQSOOD MUNSHI | Manager - RAD

Copy to:
The Director / HOD (PRDD) – SECP
The Director (CSD) - SECP
The Additional Director (CMD-SMD) – SECP
The Acting Chief Executive Officer – PSX
The Acting Chief Regulatory Officer - PSX
All Departmental Heads – PSX
Company Concerned Registration Office
Registrar of Company
Company Concerned
The Central Depository Company of Pakistan Limited
The National Clearing Company of Pakistan Limited
PSX Notice Board and Website
State Bank of Pakistan
Pakistan Banks' Association
Institute of Chartered Accountants of Pakistan (ICAP)
Auditor of the Company Concerned