



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

NCCPL/CM/MARCH-20/04
March 03, 2020

Placement of M/s. Adam Sugar Mills Limited in the Defaulter Segment

Dear Clearing Members,

This is with reference to Pakistan Stock Exchange Notice No. PSX/N-286 dated: March 03, 2020, regarding placement of M/s. Adam Sugar Mills Limited (ADAMS) in the Defaulter's segment with effective from Wednesday, March 04, 2020.

This event leads to action under Clauses 7A.3.5, 7B.3.1.4 and 7E.2.1.1 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)**

"Where a MSF Eligible Security has been placed on the defaulter segment of the Exchange and notified to the Company, such Security shall not be made available for Murabaha Share Financing from the date of its placement on the defaulter segment. However, all open MSF Transaction shall be settled as per the terms and conditions defined in the Murabaha Master Agreement agreed between MSF Participants. Such MSF Eligible Security shall be eligible for Murabaha Share Financing once it has been removed from the defaulter's segment by the Exchange." **(Regulations 7E.2.1.1)**

Accordingly, in pursuance of provisions stipulated in the above referred clauses of NCCPL Regulations, 2015, M/s. Adams Sugar Mills Limited shall be excluded from the list of SLB Eligible Securities, MF Eligible Securities and MSF Eligible Securities with effect from Wednesday, March 04, 2020.

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. Executive 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-286

NOTICE

March 3, 2020

PLACEMENT OF M/S. ADAM SUGAR MILLS LIMITED IN THE DEFAULTERS' SEGMENT UNDER PSX REGULATION NO.5.11.1.(i)

It is hereby notified to all concerned that as a consequence of default of clause 5.11.1. (i) of PSX Regulations i.e. Disclaimer of opinion of the statutory auditor in the audit report for the year ended September 30, 2019, M/s. Adam Sugar Mills Limited ("ADAMS") will be placed in the Defaulters' Segment w.e.f **Wednesday, March 4, 2020.**

The said clauses are reproduced hereunder for reference:

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

- (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).

Please note that in case audit report of ADAMS for the following year also contains qualified opinion on going concern assumption / a disclaimer or an adverse opinion, trading in shares of the company may be suspended, followed by further action(s) under subsequent provisions of Clause 5.11.2. of PSX 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 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