

PSX RESPONSE PAPER

[With reference to PSX Notice No. PSX/N-461 dated April 05, 2021]

Proposed amendments to PSX Regulations in relation to relaxation of action(s) of placement of a listed company in Defaulters' Segment and/ or suspension of trading in shares of a listed company

September 23, 2021

1. INTRODUCTION:

- 1.1 PSX publishes 'Response Paper' on its website after close of consultation process on proposed amendments to PSX Regulations. The Response Paper sets out PSX's response to the comments received on the proposed regulatory amendments.
- 1.2 PSX vide notice No. PSX/N-461 dated April 05, 2021 invited public to submit their comments and feedback on proposed amendments to PSX Regulations in relation to insertion of power for PSX to relax action(s) of placement of a listed company in Defaulters' Segment and/or suspension of trading in shares of a listed company, in addition to another matter, latest by April 12 2021.

Note: For details on the above notice, readers may peruse the same by clicking the following link:

<https://www.psx.com.pk/psx/resources-and-tools/listings/public-comments>

- 1.3 PSX received comments from five respondents who opted to keep their identity confidential. PSX is thankful to them for submitting comments.
- 1.4 Comments received along with responses of PSX are mentioned below:

Sr. #	Comments	Response of PSX
1	I would recommend that all those companies who have been suspended from 2015 their trading should again be restored like Hayderi Construction (HADC) AMTEX, JPGL, CHBL etc. Minority shareholders are sufferings from years all their hard earned money is stuck in these shares as the trading has been suspended by PSX so i beg you to please restore the trading of shares in all these companies on last closing rate this would be the best thing PSX will ever do for small shareholders as they will again regain their confidence.	PSX has noted the concerns raised by the investors. However, it is to clarify that power to relax action(s) of placement of a listed company in Defaulters' Segment and/or suspension of trading in shares of a listed company which is in non-compliance with the PSX Regulations was proposed to be exercised based on certain grounds as specified in the proposed amendments which were notified vide aforementioned notice.
2	My shares of following Cos. are suspended since long: (i) Beema Pakistan Ltd. 500 Shares (ii) Shafi Chemicals. 500 Shares Kindly arrange for restarts of their business in PSX.	The restoration of trading in shares of companies, as
3	I have shares of Japan Power, Mandviwala Mauser (mwmp), Norrie Textile (Delisted), Dsfl,	

Sr. #	Comments	Response of PSX
	<p>Amtex which are suspended and 1 delisted. I would be grateful if the PSX management is thinking for the small investors who earn their livelihood in a difficult situation and then their money which is invested in equities gets blocked due to suspension, delisting.</p> <p>I would be grateful for your earliest procedure so that I can have my money back and can freely trade and earn something.</p>	<p>informed by the respondents, which are already suspended on account of regulatory breaches of applicable regulatory framework is a matter different from this proposal.</p>
4	<p>I would recommends that all of these companies who have been suspended from couple of years their trading should again be restored like Haydari Construction Company Limited (HADC), Southern Electric Power Company Limited (SEPCO), Amtex Limited (AMTEX), Japan Power Generation Limited (JPGL) etc., Minority shareholders are suffering from years all their hard earned money is stuck in these shares as the trading has been suspended by PSX so I beg you to please restore the trading of suspended shares in all these companies on last closing rate this would be the best things PSX will ever do for small shareholders as they will again regain their confidence.</p>	
5	<p>I would request and recommend that all companies like CHBL, HADC, AMTEX, which have been facing suspension since 2016-17, may be relaxed and allowed trading in their shares. Most of the shareholders have been suffering from the loss and their hard earned money is stuck in these companies for years. Looking forward for your positive response and favorable decision for small shareholders/ investors.</p>	

2. IMPLEMENTATION OF PROPOSED AMENDMENTS:

SECP has granted approval of the proposed amendments in relation to restoration of power of PSX to relax the disciplinary action of suspension of trading in shares of a listed company only for a period of 60 days subject to fulfillment of the following conditions:

- The relaxation is considered to be in the best interest of the shareholders; and
- Where the company has demonstrated improvement from last reported progress towards the rectification of cause(s) of its non-compliance(s).

The above relaxation may be extended by PSX considering the ground(s) as aforementioned.

The proposed amendments have taken effect from August 11, 2021.