

9th March 2020

Hafiz Maqsood Munshi,
Manager, Compliance & Securities Compliance-RAD
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **Re: JCM 31 of 2019**

Dear Sir,

We have been directed by Crescent Star Insurance Limited ("Our Client") to respond to Pakistan Stock Exchange letter No PSX/Gen-686 dated 21st February 2020. Our Client response to the aforementioned letter and earlier letter is as follow:-

1. Through PSX notice/letter No PSX/Gen-6117 dated December 24, 2019 whereby Our Client was issued on the basis of Clause 5.11.1(m) of PSX regulations which states:-
 - 5.11.1. *A listed company may be placed in the Defaulters' Segment if:*
 - (m) *Winding-up petition is filed by creditor(s) or shareholder(s) in the Court subject to the following conditions:*
 - (i) *such creditor or creditors, either severally or jointly, have a claim against the company which is equivalent to at least ten percent of the equity of the company as per the latest accounts available with the Exchange; or*
 - (ii) *such shareholder or shareholders, either severally or jointly, own at least ten percent of the company's paid-up capital;*

As earlier explained by Our Client through Our Client letter dated 27th December 2020, the aforementioned rule is only applicable in the following situations: -

- a. In case where winding up is filed by a creditor/creditor whose claim is equivalent to 10 percent of the Company equity;
 - b. Shareholder/shareholders, who own at least 10 percent of the company's paid up capital
2. Accordingly, the aforementioned rule is not applicable to Our Client for the following reasons :-
 - a. Din Corporation (Private) Limited is not a creditor in Our Clients books and no payment is owed to them nor even Din Corporation (Private) Limited is shareholder of Our Client. This fact is evident from annual

audited accounts, which are available online, submitted to SECP and PSX. Din Corporation (Private Limited) has been wrongly advised to approach Hon'ble Sindh High Court for enforcement of a contractual obligation by filling winding up Petition;

- b. Without prejudice, even otherwise, as mentioned in Mohsin Tayebaly & Co letter dated 19th December 2019, the alleged claim of Din Corporation (Private) Limited is for Rs.57,768,000/-, which is under the 10% of equity bench mark for Clause 5.11.1 to be applicable.
3. Accordingly, for the reasons explained above, provisions of Clause 5.11.1(m) are not applicable on the stated facts, therefore, we on behalf of Our Client requests PSX to close the matter.

Thanking you for your co-operation.

Yours faithfully,

AHM & Co

