



PICIC Insurance Limited

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AC/036/19

July 8, 2019

Mr. Hafiz Maqsood Munshi
Manager
Companies & Securities Compliance – RAD,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
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Karachi.

Subject: MATERAIL INFORMATION FOR PSX FROM PICIC

Placement on Defaulter's Segment by PSX under Rule 5.11.1 (b) & (i)

We refer to PSX placing the Company on the defaulters counter. In this regard the management, would like to clarify the following, for the understanding and clarity of the members of the exchange and shareholders of the company:

- 1) The company is in the process of merger with Crescent Star Foods (Pvt) Ltd. (CSF), whereby CSF will merge with and into PICIC Insurance Ltd. (Surviving Entity). The scheme of merger is pending for approval with the Honorable High Court of Sindh.
- 2) The Scheme of Arrangement was approved by the EOGM held on February 6, 2018.
- 3) As per merger petition, the principle line of business of the company will change (Currently Insurance).
- 4) The company has applied for REVOCATION OF INSURANCE LICENCE under section 9 (3) of the Insurance Ordinance, 2000. As a prerequisite for surrender of Insurance licence, the company's insurance related liabilities are to be taken over by another insurer. Due to this the management has decided not to underwrite Insurance business, as continuation of underwriting will conflict with the process of merger, as well as the revocation of insurance licence.
- 5) The auditors of the company have given qualified opinion on assumption of going concern, since the company has stopped underwriting business. However the management has reported in the Director's Report, the pending merger which will remove the concern of the auditor's opinion in this regard.

The management is making its representation to PSX, for removal of the company's name from the defaulters counter, keeping in view the pending approval of merger petition in the High Court of Sindh, as the matter is SUBJUDICE.

The management is hopeful that PSX will consider the explanation and consider our request. The next date of hearing at court is 07.08.2019.

Yours Sincerely,


Moiz Ali
Chief Executive Officer

