

The Pakistan General Insurance Company Limited

(Incorporated in 1947)



August 5, 2019 -17576
Our ref.: PSX/2019/78692

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

INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDED DECEMBER 31, 2018

Dear Sir,

Please refer to your letter no. PSX/C-1002-3349 dated July 29, 2019.

In this regard it is stated that the independent auditors of the Company have issued an adverse opinion on the financial statements of the Company primarily due to the invalid going concern assumption. We have prepared the financial statements of the Company on a going concern basis which in our opinion is correct assumption in preparing the financial statements with which the auditors do not agree and thus had issued an adverse opinion on the financial statements. Moreover, the other points raised in the auditors' report primarily relate to the period of 2017 and were resolved but, however, reported due to the requirements of "International Standards on Auditing 710 Comparative Information – Corresponding Figures and Comparative Financial Statements" which requires observations related to the comparative information (i.e. last year) as reported in the financial statements shall be again disclosed in the auditors' report of latest period.

As to the going concern assumption, the Company had been directed by the SECP to cease entering into new contracts of insurance under section 63 of Insurance Ordinance, 2000 which the Company is vehemently contesting and the case is pending adjudication before the Honourable Lahore High Court, Lahore. The management and legal counsel of the Company is of the view that there is every likelihood that the case will be decided by the grace of Almighty in favour of the Company before the close of current financial year (i.e. December 31, 2019) and the Company will once again be permitted to enter into new contracts of insurance.

In view of the above contentions, it is requested to please remove the name of the Company from the Defaulters' segment of the Exchange.

Looking forward for positive response.

Sincerely,


Ch. Mazhar Zahoor
Chief Executive

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