



The Pakistan General Insurance Company Limited

(Incorporated in 1947)

PGI

December 20, 2019
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.

COMPLIANCE OF CLAUSES 5.11.1 (B) AND (I) OF PSX REGULATIONS

Dear Sir,

Please refer to your letter no. PSX/GEN-6036 dated December 18, 2019 and your previous communication bearing number PSX/C-1002-3349 dated July 29, 2019 and our letters no. PSX/2019/78692 dated August 5, 2019, September 11, 2019 and November 5, 2019. Following are the brief excerpts of the case.

The Company had been directed by the Securities and Exchange Commission of Pakistan ('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.

The adverse opinion of auditors is due to going concern issue (for the reason mentioned above) because of suspended commercial operations of the Company.

It is once again reiterated that the matter is sub-judice before the Honourable Lahore High Court, Lahore. Further, as mentioned above the commencement of operations is beyond our control as the direction from SECP for commencement of business is pending adjudication before the Honourable High Court. The case was fixed for hearing on couple of occasions but due to non-availability of the lawyer of SECP in one occasion and the Honourable justice on the another occasion, the hearing of the case remained adjourned. However, the case is fixed for hearing on January 7, 2020.

We assure you that we are more than hopeful that the said decision will be issued in our favour and the Company will recommence its operations.

Looking forward for positive response.

Sincerely,

Ch. MazharZahoor
Chief Executive