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Barristers, Advocates & Legal Consultants

- Founded by the Late Muntaz Ahmed Shaikh, ASC, in 1971 -

13th November, 2018

WITHOUT PREJUDICE/THROUGH COURIERⁱⁱ

To:

The Chief Executive Officer,
M/s PICIC Insurance Co. Ltd,
C/O: M/s Crescent Star Insurance Co. Ltd
Nadir House, 2nd Floor,
I.I. Chundrigar Road,
Karachi,
P. O. Box No. 4616

Ref: No. 19(PICIC Ins.)/L/2018

Sub: Legal Notice for Outstanding Dues payable by M/s Crescent Star Insurance Company Ltd

Dear Sir,

We write to you under due instructions from our client namely M/s Pakistan Reinsurance Company Limited (hereinafter referred to as 'PRCL'), having its registered office address at PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi. The undersigned has opted to address you as under by way of this Legal Notice as:

1. That your company operating under the name and style of M/s PICIC Insurance Co. Ltd (hereafter referred to as 'PIC'), is the ceded insurer who has been availing Reinsurance services as provided by PRCL under the care of/via M/s Crescent Star Insurance Co. Ltd, and in exchange for such services, your company is liable to pay Reinsurance Premiums to our client, which you are reminded, is the basis of any insurance/reinsurance contract.
2. That in consideration of your availing of such services for a considerable period, various dues remain pending by your company, which are governed by Section 43 of the Insurance Ordinance 2000 along with Regulation 6 of the Pakistan Insurance Corporation (C.S.R) Regulations, 1978. In addition, as per the sections abovenamed, our client, after exhausting all possible routes of fair negotiation and compromise, had no other option but to issue you a Letter dated 10.01.2018 in regards to your outstanding dues of Rs. 73,982,419/- (Rupees Seventy-Three Million, Nine Hundred & Eighty-Two Thousand, Four Hundred and Nineteen Only).

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3. That it is paramount to note that said Letter dated 10.01.2018 serves as a final notice to negotiation as per Regulation 6 of the Pakistan Insurance Corporation (C.S.R) Regulations, 1978. It is not out of place to state that in light of the outstanding amounts being due, a seven-day period was provided to your company to approach PRCL. However, from PIC's apparently dismissive conduct in ignoring the said Letter/Notice, it is very apparent that your company has no intention to settle such amounts.

From your conduct, it is clear that you are willfully defaulting in repayment of the outstanding amounts, which you are bound by law to pay. In consideration of the above you are hereby called upon to satisfy the entire outstanding liability of Rs. 73,982,419/- (Rupees Seventy-Three Million, Nine Hundred & Eighty-Two Thousand, Four Hundred and Nineteen Only) within 7 (seven) days of receipt of this Notice. Failure to accede to the demands of our client within the stipulated time shall result in the following actions:

- A. Imposition of a fine of Rs. 10,000/-, in addition to a fine of Rs. 1,000/- per day as per Section 43(3) of the Insurance Ordinance, 2000;
- B. Filing of a Civil Suit for Recovery of Amounts before the concerned Civil Jurisdiction of the Honourable Courts of Pakistan for the entire claim as provided along with any additional remedies available to PRCL as per law.

Regards,



Hassaan Ahmed,
Barrister-at-Law

M/S Mumtaz, Ghazi & Magsi

(NB: This notice and its contents are without prejudice to the rights, reliefs and remedies available to our client under the law.

Delivered to all known addresses of recipient.

To:

The Chief Executive Officer,
M/s Crescent Star Insurance Co. Ltd
Nadir House, 2nd Floor,
I.I. Chundrigar Road,
Karachi,
P. O. Box No. 4616

Ref: No. 19(Crescent Ins)/L/2018

Sub: Legal Notice for Outstanding Dues payable by M/s Crescent Star Insurance Company Ltd

Dear Sir,

We write to you under due instructions from our client namely M/s Pakistan Reinsurance Company Limited (hereinafter referred to as 'PRCL'), having its registered office address at PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi. The undersigned has opted to address you as under by way of this Legal Notice as:

1. That your company operating under the name and style of M/s Crescent Star Insurance Company Ltd (hereafter referred to as 'CSIC'), is the ceded insurer who has been availing Reinsurance services as provided by PRCL, and in exchange for such services, your company is liable to pay Reinsurance Premiums to our client, which you are reminded, is the basis of any insurance/reinsurance contract.
2. That in consideration of your availing of such services for a considerable period, various dues remain pending by your company, which are governed by Section 43 of the Insurance Ordinance 2000 along with Regulation 6 of the Pakistan Insurance Corporation (C.S.R) Regulations, 1978. In addition, as per the sections above named, our client, after exhausting all possible routes of fair negotiation and compromise, had no other option but to issue you a Letter dated 25.09.2018 in regards to your outstanding dues of Rs. 42,441,375/- (Rupees Forty-Two Million, Four Hundred and Forty-One Thousand, Three Hundred & Seventy-Five Only).

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3. That it is paramount to note that said Letter dated 25.09.2018 serves as a final notice to negotiation as per Regulation 6 of the Pakistan Insurance Corporation (C.S.R) Regulations, 1978. It is not out of place to state that in light of the outstanding amounts being due, a seven-day period was provided to your company to approach PRCL. However, from CSIC's apparently dismissive conduct in ignoring the said Letter/Notice, it is very apparent that your company has no intention to settle such amounts. That such amounts to the crime of "Willful Default".

From your conduct, it is clear that you are willfully defaulting in repayment of the outstanding amounts, which you are bound by law to pay. In consideration of the above you are hereby called upon to satisfy the entire outstanding liability of Rs. 42,441,375/- (Rupees Forty-Two Million, Four Hundred and Forty-One Thousand, Three Hundred & Seventy-Five Only) within 7 (seven) days of receipt of this notice. Failure to accede to the demands of our client within the stipulated time shall result in the following actions:

- A. Imposition of a fine of Rs. 10,000/-, in addition to a fine of Rs. 1,000/- per day as per Section 43(3) of the Insurance Ordinance, 2000;
- B. Filing of a Civil Suit for Recovery of Amounts before the concerned Civil Jurisdiction of the Honourable Courts of Pakistan;
- C. Approaching the National Accountability Bureau Authorities for the purposes of filing a Complaint in relation to Section 9(a)((viii) of the NAB Ordinance 1999 with relation to the commission of the offence of Corruption and Corrupt Practices on account of "Willful Default" by yourself and your company.

Regards,


Hassaan Ahmed,
Barrister-at-Law

M/S Mumtaz, Ghazi & Magsi



† NB: This notice and its contents are without prejudice to the rights, reliefs and remedies available to our client under the law.

‡ Delivered to all known addresses of recipient.