

Annual Report 2016

57th

Year of Continuous Services



BIBOJEE GROUP



**THE UNIVERSAL
INSURANCE CO. LTD.**



CONTENTS

Vision Statement	02
Mission Statement / Quality Policy	03
Corporate Information	04
Management and Board Committees	05
Notice of Annual General Meeting	06
Ten Years Key Financial Data	11
Graphic Presentation	12
Directors' Report	15
Statement of Compliance with the Code of Corporate Governance	24
Review report to the members on statement of compliance with Best Practices of the Code of Corporate Governance	29
Auditor's Report	30
Balance Sheet	32
Profit and Loss Account	34
Statement of Comprehensive Income	35
Statement of Changes in Equity	36
Cash Flow Statement	37
Statement of Premiums	39
Statement of Claims	40
Statement of Expenses	41
Statement of Investment Income	42
Notes to the Financial Statements	43
Pattern of Shareholdings and detail of Pattern of Shareholding	86
Executives of the Company	89
Jama Punji	90
Form of Proxy	91



VISION STATEMENT

We, at Universal Insurance Company Limited recognize the importance of satisfying our customers by consistently providing quality insurance services in accordance with their needs and expectations. We strive to be competent partner of our customers against insured perils.



MISSION STATEMENT QUALITY POLICY

We strive to provide our customers cost effective insurance cover by continually increasing the productivity of our employees. To increase productivity, we conduct regular training programs during which employees are assessed and allocated a career path in accordance with their performance.

We diligently follow the applicable laws and ensure strict compliance by conducting regular internal audits and educating our employees about the law.

We try to improve our services by continually assessing our systems and procedures based on customers and team feedback. We strive to maintain a customer focused approach by ensuring that our service is delivered to the customer on time, according to the customer required specifications and within our stipulated cost.



CORPORATE INFORMATION

Board of Directors	Mr. Raza Kuli Khan Khattak (Chairman)
	Lt. GEN (R) Ali Kuli Khan Khattak
	Mr. Gohar Ayub Khan (Chief Executive)
	Mrs. Shahnaz Sajjad Ahmad
	Dr. Shaheen Kuli Khan Khattak
	Mr. Mushtaq Ahmed Khan F.C.A.
	Mr. Pervez Iftikhar Ahmed Khan
	Mr. Muhammad Kuli Khan Khattak
	Mr. Muhammad Imran Malik
	Mr. Amir Raza (Principal Officer)
Principal Officer	Mr. Amir Raza
Chief Operating Officer	Mr. Omar Ayub Khan
Chief Financial Officer	Mr. Ashfaq Ahmed
Company Secretary	Mr. Liaqat Ali Shaukat
Internal Auditor	Mr. Abdul Waheed Chaudhry
Auditors	M/S. Shinewing Hameed Chaudhri & Co. Chartered Accountants
Legal Advisor	Rana Muhammad Aamir Zulfiqar (Advocate)
Share Registrar	M/S Hameed Majeed Associates (Pvt) Ltd. H.M House, 7-Bank Square, Lahore Phone # 042-37235081-82 Fax: # 042-37358817
Registered Office:	Universal Insurance House 63-Shahrah-e-Quaid-e-Azam Lahore, 54000 Pakistan. Ph: 042-37353453-37353458 Fax: 042-37230326 Web: www.uic.com.pk Email: info@uic.com.pk



MANAGEMENT AND BOARD COMMITTEES

Management Committees:

i) Underwriting, Reinsurance & Co-Insurance Committee;

Mr. Muhammad Imran Malik	Chairman
Mr. Amir Raza	Member
Miss. Bushra Hina Mushtaq	Member
Mr. Muhammad Alyas	Secretary

ii) Claims Settlement Committee;

Mr. Gohar Ayub Khan	Chairman
Mr. Amir Raza	Member
Mr. Abdul Waheed Ch.	Member
Mr. Ashfaq Ahmed	Secretary

iii) Risk Management & Compliance Committee

Mr. Muhammad Imran Malik	Chairman
Mr. Amir Raza	Member
Mr. Ashfaq Ahmed	Member
Miss. Bushra Hina Mushtaq	Secretary

Board Committees:

iv) Ethics, Human Resource & Remuneration Committee

Lt. Gen (R) Ali Kuli Khan Khattak	Chairman
Mr. Gohar Ayub Khan	Member
Mrs. Shahnaz Sajjad Ahmad	Member
Mr. Mushtaq Ahmed Khan F.C.A	Member
Mr. Muhammad Imran Malik	Member
Mr. Liaqat Ali Shaukat	Secretary

v) Investment Committee

Mr. Mushtaq Ahmed Khan F.C.A	Chairman
Dr. Shaheen Kuli Khan Khattak	Member
Mr. Muhammad Imran Malik	Member
Mr. Amir Raza	Member
Mr. Ashfaq Ahmed	Secretary

vi) Audit Committee

Lt. Gen (R) Ali Kuli Khan Khattak	Chairman
Mrs. Shahnaz Sajjad Ahmad	Member
Mr. Mushtaq Ahmed Khan F.C.A	Member
Mr. Muhammad Imran Malik	Member
Mr. Abdul Waheed Ch.	Secretary



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of the Shareholders of The Universal Insurance Company Limited will be held on Friday April 28, 2017 at 10:30 A.M. at the registered office of the Company at Universal Insurance House, 63-Shahrah-e-Quaid-e-Azam, Lahore to transact the following business:-

A. ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on April 30, 2016 at Lahore.
2. To elect Nine (09) Directors in accordance with Section 178 (3) of the Companies' Ordinance 1984, as fixed by the Board in its meeting held on February 24, 2017 for a period of three (3) years commencing from April 30, 2017 in place of following retiring directors.

- | | |
|--------------------------------------|-----------------------------------|
| 1. Mr. Raza Kuli Khan Khattak | 6. Mr. Muhammad Kuli Khan Khattak |
| 2. Lt. Gen (R) Ali Kuli Khan Khattak | 7. Mr. Mushtaq Ahmed Khan F.C.A |
| 3. Mr. Gohar Ayub Khan | 8. Mr. Pervez Iftikhar Ahmed Khan |
| 4. Mrs. Shahnaz Sajjad Ahmad | 9. Mr. Muhammad Imran Malik |
| 5. Dr. Shaheen Kuli Khan Khattak | 10. Mr. Amir Raza |

The retiring directors are eligible for re-election.

3. To receive, consider and adopt the audited accounts of the Company for the year ended December 31, 2016 and reports of the directors and auditors thereon.
4. To appoint auditors for the year 2017 and to fix their remuneration. The Board on recommendation of Audit Committee of the company has recommended the appointment of M/s. ShineWing Hameed Chaudhri & Co. Chartered Accountants as external auditor for the year 2017 being eligible, have offered themselves for re-appointment.

B. SPECIAL BUSINESS

5. To consider and approve the increase in the authorized share capital of the company from Rs. 500 million to Rs. 750 million by incorporating the amendment in the Memorandum & Articles of Association of the company and if thought fit, to pass the following resolutions with or without modification(s), addition(s) or deletion(s) as Special resolution:

"Resolved that the authorized share capital of the company be increased from Rs. 500 million divided into 50 million ordinary shares of Rs. 10/- each to Rs. 750 million divided into 75 million ordinary shares of Rs. 10/- each.

Further resolved that the clause IV of Memorandum of Association and Clause 4 of Articles of Association of the company be amended accordingly.

Further resolved that the Company Secretary be and is hereby authorized to take steps necessary for filling of documents with Registrar Concerned for increase in authorized capital. Further resolved that in case of any omission or mistake if pointed out by the SECP or any other competent authority in the aforesaid resolutions the Company Secretary be and is hereby authorized to make necessary corrections as permitted under the law in letter & spirit".

6. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company either through CD/DVD/USB and to pass the following resolution as an Ordinary Resolution, with or without modification:



“Resolved that consent & approval of the members is hereby accorded for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on December 31, 2017 through CD/DVD/USB instead of transmitting the same in hard copies.

Further Resolved that the Company Secretary be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.”

7. That the following resolutions be passed by the shareholders at the AGM as an Ordinary Resolution, with or without modification:

- a) Keeping in view the promulgation of new Companies Amendment Ordinance 2002 & 2016, Listing Regulations of Pakistan Stock Exchange Ltd., (PSX) and provisions of the Code of Corporate Governance, Securities Act, 2015, Electronic Transactions Ordinance, 2002, Companies (Buy-Back of Shares) Rules, 1999, Companies (Issue of Capital) Rules, 1996, Share Capital (Variation in Rights and Privileges) Rules, 2000, Central Depository Regulations and the Central Depositories Act, 1997 and keeping in view the austerity measures and to reduce the overhead expenses of the company, the management of the following Associate Undertakings decided to contribute the salary & other allowances of the following two employees, which will also facilitate smooth flow of financial and corporate operations of the said companies. To keep the working of these public listed companies absolutely transparent in all their transactions and in order to safeguard the interest of shareholders it has been made mandatory for all public listed companies to remain compliant with the above referred laws.
- b) We Bibojee group of companies detailed herein below i.e. Associate Companies have decided to create a new department which will be headed by Ms. Jahanara Sajjad Ahmed, FCA (Executive Director Corporate Governance and Financial Adviser) at a gross salary of Rs.1,000,000/- per month & other usual allowances & perquisites and Mr. Abdul Rehman Qureshi, LLB an eminent professional as (Corporate Consultant) at a gross retainer fee of Rs.100,000/- per month which will keep our total group companies to remain compliant with the above laws. Therefore, keeping in view the austerity measures the salary, allowances and other perquisites of the above referred employees will be shared by all the group companies detailed herein below on prorata basis at the end of each & every quarter: -

1. Bibojee Services (Pvt.) Ltd.
2. Janana De Malucho Textile Mills Ltd.
3. Babri Cotton Mills Ltd.
4. Bannu Woollen Mills Ltd.
5. Rahman Cotton Mills Ltd.
6. The General Tyre & Rubber Company of Pakistan Ltd.
7. Ghandhara Nissan Ltd.
8. Ghandhara Industries Ltd.
9. The Universal Insurance Company Ltd.



Considering the proposal placed before the meeting, it was decided through ordinary resolution that...

“(i) the consent of the Shareholders/members is hereby granted to approve the Ordinary Resolution to be passed in the forthcoming Annual General Meeting held on 28th April, 2017 to reimburse the branch office expenses & the salaries and benefits of Ms. Jahanara Sajjad Ahmed, FCA (Executive Director Corporate Governance and Financial Adviser) to the Group and Mr. Abdul Rahman Qureshi (Corporate Consultant) on pro rata basis at the end of each and every quarter to be shared by the following Associate companies.

- i. Bibojee Services (Pvt.) Ltd.
- ii. Janana De Malucho Textile Mills Ltd.
- iii. Babri Cotton Mills Ltd.
- iv. Bannu Woollen Mills Ltd.
- v. Rahman Cotton Mills Ltd.
- vi. The General Tyre & Rubber Company of Pakistan Ltd.
- vii. Ghandhara Nissan Ltd.
- viii. Ghandhara Industries Ltd.
- ix. The Universal Insurance Company Ltd.

It was also decided that the Principal Officer and the Company Secretary be authorized to complete all necessary legal and corporate formalities pertaining to this resolution and for this purpose, to consider and, if though fit, to approve (with or without modifications) the following resolutions:

(ii) The Principal Officer and the Company Secretary of the company (the “Authorized Officers”), or such one or more persons as may, from time to time, be specifically designated by the Authorized Officers for the purpose, be and are, as the case may be, hereby authorized to complete all necessary legal and other corporate formalities with regard to this matter on behalf of the company and to do all such acts, deeds, matters and things, as may be deemed necessary and beneficial for the company in this regard.

(iii) All acts, deeds, and things done by the Authorized Officer pursuant to the above Resolutions for and on behalf of and in the name of the company shall be binding acts, deeds and things done by the company.

(iv) The Principal Officer and the Company Secretary, be and are hereby jointly or severally authorized to take any further modifications/amendments/corrections at a later stage if pointed out by Securities & Exchange Commission of Pakistan (SECP) and to take such other steps, execute such other documents and make necessary corporate and other filings as may be necessary or expedient for the purpose of giving effect to the above resolutions and all other matters incidental or ancillary thereto.”

C. ANY OTHER BUSINESS

To transact any other business with the permission of the Chair.

A statement of material facts under Section 160(1)(b) of the Companies Ordinance, 1984 covering above mentioned special business is annexed with this notice of the general meeting.

By Order of the Board

(Liaqat Ali Shaukat)
Company Secretary

Dated: April 06, 2017



NOTES:

- 1- Any member who seeks to contest election to the office of Directors shall, whether he/she is retiring or otherwise, file at the registered office of the company not later than 14 days before the date of the Annual General Meeting notice of his/ her intension to offer himself/ herself for election as a director together with his/ her consent to act as a director as required under section 178/(3) of the companies ordinance 1984 together with the relevant declarations as required under the Code of Corporate Governance.
- 2- The Share Transfer Books of the Company will remain closed from April 24, 2017 to May 01, 2017 (both days inclusive).
- 3- A member entitled to attend and vote at the meeting may appoint another member as his/ her proxy to attend and vote instead of him/ her. Proxies, in order to be effective, must be received at the Registered Office of the Company duly stamped, signed and witnessed not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy. A proxy must be a member of the Company.
- 4- CDC shareholders are requested to bring their original CNIC card, Account, Sub account numbers and participant's Number in Central Depository Company (CDC) for identification purpose for attending the meeting. In case of Corporate entity, the Board of Director's resolution/ Power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
- 5- Shareholders are requested to immediately notify shares registrar of the company promptly of any change in their addresses, if any.
- 6- Members who have not yet submitted photocopies of their valid computerized national identity cards to the Company are requested to send the same at earliest directly to our share registrar M/s. Hameed Majeed Associates (Pvt) Ltd, 7- Bank Square, Lahore.
- 7- Form of proxy is appended to the annual report in both English and Urdu languages.
- 8- The audited financial statements of the company for the year ended December 31, 2016 have been placed on the company website www.uic.com.pk.
- 9- Members who desire to receive annual financial statements and notice of annual general meeting of the company through email in future are hereby requested to convey their consent to company secretary at email address info@uic.com.pk via email on a standard request form which is available on company website. It is the responsibility of the member to timely update of any change in their registered email address.
- 10- Pursuant to SECP S.R.O. No. 43(1)/2016 dated January 22, 2016, the members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of meeting to the company on the appointment of Execution Officer by the intermediary as a Proxy.

11- Consent for Video Conference Facility

Members can also avail video conference facility in (name of cities where facility can be provided keeping in view geographical dispersal of members). In this regard fill the following and submit at the registered address of the Company 10 days before holding the general meeting. If the company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting.



I/We _____ of _____ being a member of The Universal Insurance Co. Ltd., holder of _____ Ordinary Share(s) as per Folio No. _____ hereby opt for video conference facility at _____.

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES' ORDINANCE, 1984 REGARDING SPECIAL BUSINESS:

This statement sets out the material facts pertaining to the Special Business, given in Agenda No. 5, 6 and 7 of the Notice, to be transacted at the 57th Annual General Meeting of the Company to be held on April 28, 2017 at 10:30 A.M. at registered office of the Company, Universal Insurance House, 63-Shahrah-e-Quaid-e-Azam, Lahore.

Item No. 5 of the Agenda

In order to compete in the market it has been felt necessary to increase the Paid-up Capital of the company at suitable times, and for the purpose it is necessary that the Authorized Capital be increased in advance.

Item No. 6 of the Agenda

SECP has vide S.R.O 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Item No. 7 of the Agenda

The Board of Directors of the Company in its meeting held on April 01, 2017 considered that in order to run the business of the company efficiently and economically, the above referred resolution be approved by the shareholders in order to reduce the overheads of the company. These expenses shall be charges and reimbursed by the associate companies on quarterly basis.

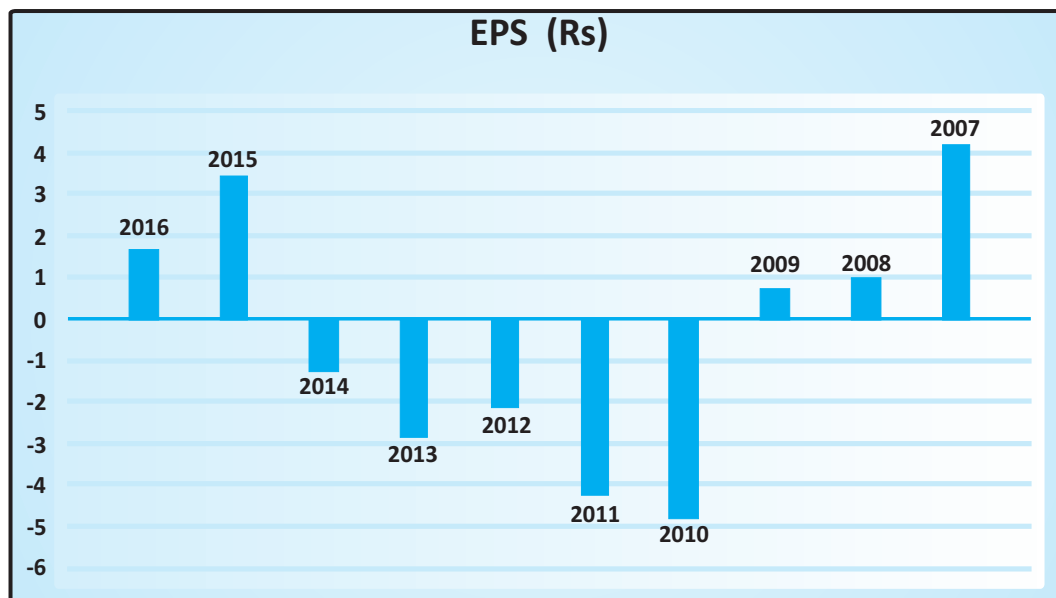
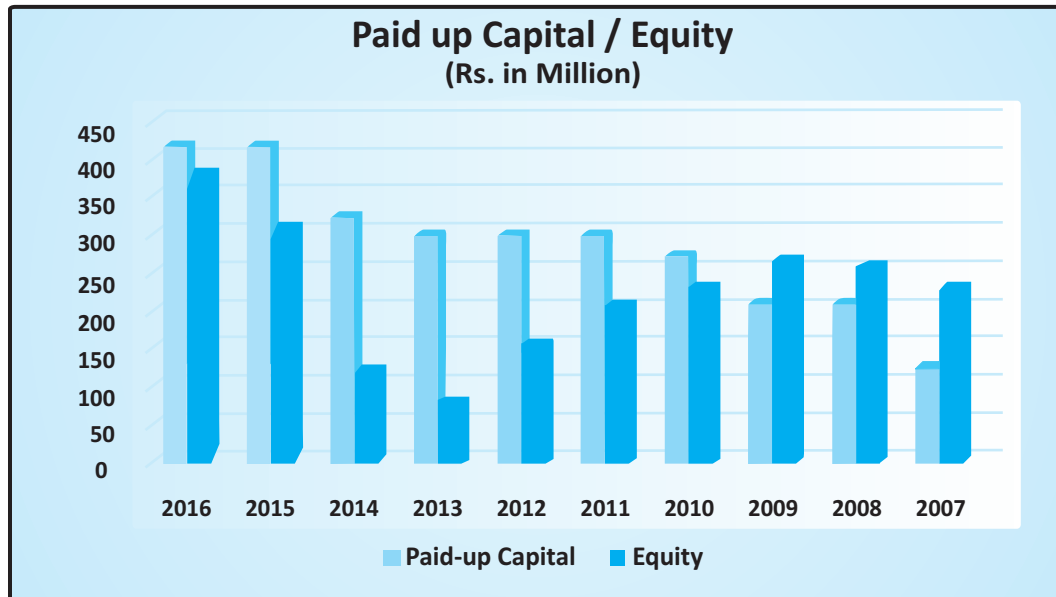
Directors of the company and executives are only interested to the extent of their shareholding in the company.

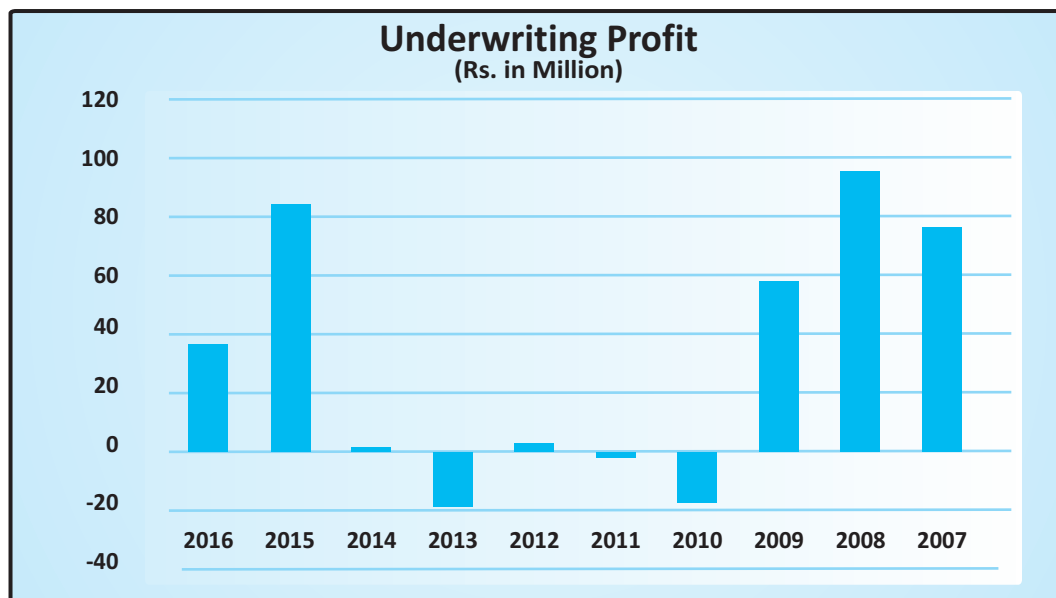
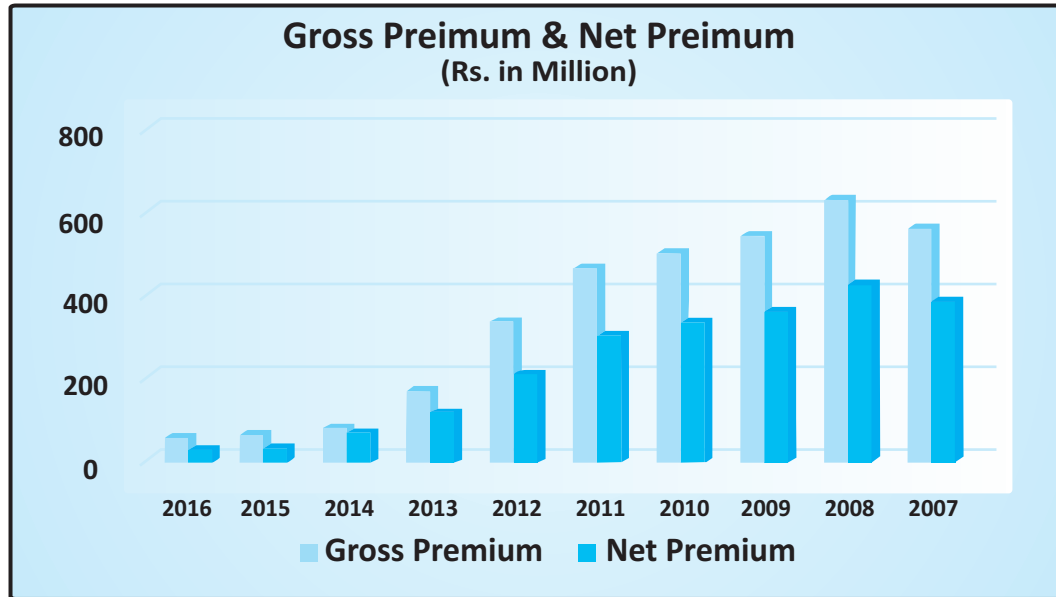


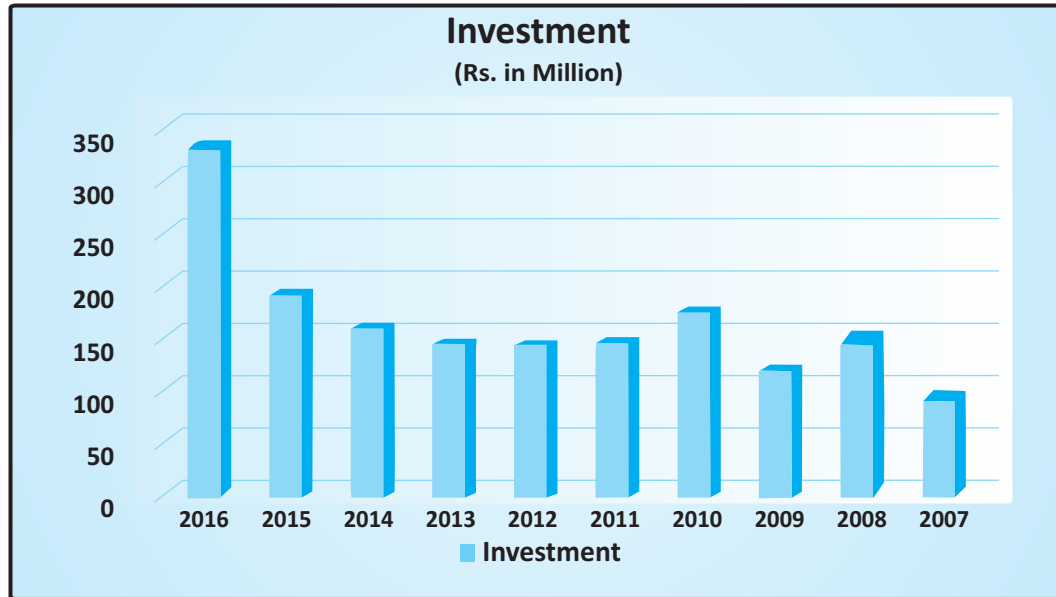
TEN YEARS KEY FINANCIAL DATA

(Rupees in million)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Gross Premium	40	45	68	115	295	464	503	539	611	550
Net Premium	26	28	35	99	211	292	329	361	407	372
Net Claim	(9)	(56)	2	54	102	143	177	182	197	187
Investment	320	187	157	138	135	135	160	115	145	89
Underwriting Profit / (Loss)	36	83	0.329	(18)	1.4	(2)	(17)	58	96	75
Profit / (Loss) Before Tax	71	131	(41)	(87)	(66)	(110)	(103)	11	34	63
Profit / (Loss) After Tax	69	130	(46)	89	(66)	(65)	(86)	8	21	50
Paid-up Capital	416	416	370	300	300	300	262.50	210	210	120
Cash and Banks	6	108	122	160	62	130	88	159	152	143
Total Property & Assets	804	784	847	935	913	1069	1164	1066	922	788
Equity	382	311	118	78	143	208	233	265	257	236
EPS (Rs)	1.66	3.5	(1.34)	(2.97)	(2.21)	(4.20)	(4.58)	0.48	1.00	4.15









DIRECTORS' REPORT TO THE SHAREHOLDERS

I on behalf of the Board of Directors feel immense pleasure to present the **57th Annual Report** of the Company with audited financial statements for the financial year ended December 31, 2016.

OPERATING RESULTS:

Operating results of the Company for the year ended 31 December, 2016 are narrated below.

	<u>2016</u>	<u>2015</u>
	-----Rupees in '000-----	
Gross premium	35,979	44,801
Net premium	25,546	27,991
Profit from underwriting business	36,123	82,724
Net claims	(8,604)	(56,152)
Management / administrative expenses	63,653	34,852
Capital and reserves	381,985	310,911
Profit before taxation	71,246	130,739

PROFIT AND LOSS APPROPRIATION ACCOUNT

Balance of accumulated loss at the commencement of the year	(133,578)	(266,854)
Profit after taxation for the year	69,213	129,717
Other comprehensive loss for the year	(393)	(157)
Items directly recognized in statement of changes in equity	2,254	3,716
Balance of accumulated loss at the end of the year	<u>(62,504)</u>	<u>(133,578)</u>
Earing per share	<u>1.66</u>	<u>3.50</u>

REVIEW OF OPERATING RESULTS:

The operating results of the Company are reflecting sizeable improvement in almost all the area of consideration. The Underwriting profit of the company indicates that all the classes of business have produced positive results where as profit after tax shows significant improvement during the year under review. Following previous year practice the management of the Company reviewed the outstanding claims of the company and many of them were settled at negotiated terms and similarly remaining claims were reviewed prudently upwardly and downwardly with the objective to carry forward them at rationalized estimates. As the result of improvement in financial results the accumulated losses of the company registered a remarkable reduction which, on the contrary impacted positively on the shareholder's equity. The company during the year followed the previous year's underwriting strategy where group business along with business from selected clients were underwritten in shape of co-insurance and facultative business.

DIVIDEND

Due to accumulated losses, the directors have recommended no dividend for the year 2016.

IFS Rating

The Company IFS rating was upgraded by rating agency in 2015 and the rating agency M/s. PACRA has indicated in its report of December 30, 2016 to review it further as a result of improvement in our financials.



INFORMATION TECHNOLOGY (IT)

The integration process is in progress and we have planned to generate all the financial statements through integrated system before the end of current financial year. During the year we carried out detailed review on our existing I.T modules and some of them were upgraded in accordance with changes in our requirements.

ISO Certification

The Company received ISO 9001:2008 certification from M/s. Lloyd's Register-EMEA, Karachi since May 17, 2003. M/s. Lloyd's Register-EMEA, Karachi has renewed Company's certification ISO 9001:2008 on October 19, 2015 for next 3 years which exhibits that Company meets the requirement of standard and maintains satisfactory level of implementation of ISO-Quality Management System.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The corporate laws, rules and regulations framed there under spell out the overall functions of the Board of Directors of the company. The Board is fully aware of its corporate responsibilities as envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and is pleased to certify that:

- (a) The financial statements, prepared by the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- (b) The Company has maintained proper books of account as required under the companies Ordinance, 1984.
- (c) The Company has applied consistently appropriate accounting policies in preparation of the financial statements and accounting estimates are on the basis of prudent and reasonable judgment.
- (d) Financial statements have been prepared by the Company in accordance with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) or any other regulation or law as applicable in Pakistan. The departure there from, if any, is disclosed adequately.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon Company's ability to continue as a going concern.
- (g) The Company has followed the best practices of the Corporate Governance as laid down in the Rule Book of the stock exchange and there has been no material departure there from except for the matters described in the Auditors' Review Report to the members on statement of compliance with best practices of code of corporate governance.
- (h) Key operating and financial data for the last ten years in summarized form is annexed to this annual report.
- (i) Information about taxes and duties is given in the corresponding notes in the financial statements.
- (j) The Director Training Program has attended by two directors during the year.

Related Party Transitions

The related party transactions are approved or ratified by the Board Audit Committee and the Board of Directors.



BOARD OF DIRECTOR'S MEETINGS.

During the year, Six (6) Board meetings were held. The number of meetings attended by each Director is given hereunder :

<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
Mr. Raza Kuli Khan Khattak	6
Lt. Gen. (R) Ali Kuli Khan Khattak	5
Mr. Gohar Ayub Khan	5
Mrs. Shahnaz Sajjad Ahmad	4
Dr. Shaheen Kuli Khan Khattak	2
Mr. Mushtaq Ahmad Khan - FCA	3
Mr. Muhammad Kuli Khan Khattak	0
Mr. Pervez Iftikhar Ahmed Khan	0
Mr. Muhammad Imran Malik	5
Mr. Amir Raza	6

Leaves of absence was granted to the Directors who could not attend some of the Board meetings due to their other engagements.

One casual vacancy occurred during the year 2016 due to sad demise of a Director Ch. Sher Mohammad which was duly filled by Mr. Muhammad Kuli Khan Khattak.

BOARD COMMITTEES

The Board of Directors, in compliance with the Code, has constituted following committees

AUDIT COMMITTEE

Audit Committee comprising of three members, two of whom are non-executive directors including chairman of the committee and one independent director:

The Audit Committee performs according to the terms of reference determined by the Board of the company and which conforms to the requirements of the code. Four meetings of audit committee were held during the year as per detail given below

		<u>No. of Meetings Attended</u>
- Lt. Gen. (R) Ali Kuli Khan Khattak	Chairman	3
- Mr. Mushtaq Ahmad Khan - F.C.A	Member	2
- Mr. Muhammad Imran Malik	Member	3
- Mr. Abdul Waheed Ch.	Secretary	4

HUMAN RESOURCE & REMUNERATION COMMITTEE

Human Resource & Remuneration Committee is consisting of following members. Three meetings were held during the year as per detail given below

		<u>No. of Meetings Attended</u>
- Lt. Gen. (R) Ali Kuli Khan Khattak	Chairman	2
- Mr. Gohar Ayub Khan	Member	3
- Mrs. Shahnaz Sajjad Ahmad	Member	3
- Mr. Mushtaq Ahmad Khan - F.C.A	Member	1
- Mr. Muhammad Imran Malik	Member	2

INVESTMENT COMMITTEE

Investment Committee is consisting of following members. Three meetings were held during the year as per detail given below

		<u>No. of Meetings Attended</u>
- Mr. Mushtaq Ahmad Khan - F.C.A	Chairman	3
- Dr. Shaheen Kuli Khan Khattak	Member	2
- Mr. Pervez Iftikhar Ahmed Khan	Member	0
- Mr. Muhammad Imran Malik	Member	1



UNDERWRITING COMMITTEE

Underwriting Committee consisting of following members, held three meetings during the year as per detail given below

		No. of Meetings Attended
- Mr. Mushtaq Ahmad Khan - F.C.A	Chairman	3
- Mr. Pervez Iftikhar Ahmed Khan	Member	0
- Mr. Muhammad Imran Malik	Member	1
- Mr. Amir Raza	Member	3

CLAIMS SETTLEMENT COMMITTEE

Claims Settlement Committee consisting of following members, held three meetings during the year as per detail given below

		No. of Meetings Attended
- Mr. Gohar Ayub Khan	Chairman	3
- Mr. Mushtaq Ahmad Khan - F.C.A	Member	1
- Mr. Muhammad Imran Malik	Member	2
- Mr. Amir Raza	Member	3

RE-INSURANCE & CO-INSURANCE COMMITTEE

Re-Insurance & Co-Insurance Committee is consisting of following members. Three meetings were held during the year as per detail given below

		No. of Meetings Attended
- Lt. Gen. (R) Ali Kuli Khan Khattak	Chairman	2
- Mr. Mushtaq Ahmad Khan - F.C.A	Member	1
- Mr. Amir Raza	Member	3

Pattern of Shareholding

The pattern of shareholding is separately annexed in the report.

Trading in Company's Shares

No trading in the shares of the Company was carried out by the Directors, CEO and their spouses and minor children except Mr. Gohar Ayub Khan (CEO) who has purchased 2500 shares during the financial year ended December 31, 2016.

Appointment of Auditors

The Auditors M/s. Shinewing Hameed Chaudhri & Co, Chartered Accountants retire at the conclusion of Annual General Meeting, given their consent for re-appointment for the year ending December 31, 2017.

Future Outlook

The Board decision taken in December 2014 to underwrite the group and selected clients business has produced positive results during the year 2016 and in view of this improvement the Board has been considering to start underwrite the market business on selected parameters. This decision is dependant on IFS Credit Rating which is hopefully upgraded in the near future.

Acknowledgement

We would like to thank the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Company Ltd., State Bank of Pakistan, Other Reinsurers and Co-insurers for their continued cooperation and guidance through-out the year and our valued clients for their continued patronage extended to us.

For & on behalf of the Board of Directors

Raza Kuli Khan Khattak
Chairman

Date: April 01, 2017

Place: Lahore



دی یونیورسل انشورنس کمپنی لمیٹڈ

ممبران کے لیے ڈائریکٹرز کی رپورٹ
(یہ انگریزی رپورٹ کا ترجمہ ہے)

بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی 57 ویں سالانہ رپورٹ مع 31 دسمبر 2016 کو ختم ہونے والے سال کے لیے نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے مجھے انتہائی خوشی محسوس ہو رہی ہے۔

آپریٹنگ نتائج (Operating Results)

31 دسمبر 2016 کو اختتام پذیر سال کے آپریٹنگ نتائج مندرجہ ذیل ہیں:-

2015	2016	
----- (روپے '000) -----		
44,801	35,979	- مجموعی پریمیم
27,991	25,546	- نیٹ پریمیم
82,724	36,123	- انڈر رائٹنگ کاروبار سے منافع
(56,152)	(8,604)	- نیٹ کلیمز
34,852	63,653	- انتظامی اخراجات
310,911	381,985	- سرمایہ اور ذخائر
130,739	71,246	- قبل از ٹیکس منافع
		- فائدہ اور نقصان حصول اکاؤنٹ
(266,854)	(133,578)	- سال کے ابتدا میں مجموعی (نقصان) کا بیلنس
129,717	69,213	- اس سال کے لیے بعد از ٹیکس منافع
(157)	(393)	- اس سال کے لیے دیگر جامع (نقصان)
3,716	2,254	- ایکویٹی میں تبدیلی کی تحریر میں تسلیم کردہ براہ راست اشیاء
(133,578)	(62,504)	- سال کے اختتام پر مجموعی (نقصان) کا بیلنس
3.50	1.66	- آمدنی فی شیئر

آپریٹنگ نتائج کا جائزہ (Review of Operating Results)

کمپنی کے تمام امور کے مالی نتائج میں کافی بہتری آئی ہے۔ کمپنی انڈر رائٹنگ کا منافع اس بات کی علامت ہے کہ کمپنی کے کاروبار کے تمام امور میں مثبت نتائج آئیں ہیں جو کہ زیر جائزہ کمپنی کے مالی سال کے بعد از ٹیکس منافع کی صورت میں ظاہر کرتا ہے۔ پچھلے سال کے طریقہ کار کو دیکھتے ہوئے کمپنی کی انتظامیہ نے آؤٹ سٹینڈنگ کلیمز کا جائزہ لیا اور ان میں سے بہت سے کلیمز کو گفت و شنید کی شرائط پر طے کیا اور اسی طرح جو آؤٹ سٹینڈنگ کلیمز رہ گئے ہیں ان میں کمی بیشی کے ساتھ ان کو آئندہ سال کے لیے مناسب اندازے پر آگے لیجانے کا بغور جائزہ لیا۔ کمپنی کے مالیاتی نتائج میں بہتری کے نتیجے میں جمع شدہ نقصانات میں قابل ذکر کمی درج ہوئی جس سے شراکت داروں کی ایکویٹی پر مثبت اثرات مرتب ہوئے۔



ڈیویڈنڈ (Dividend)

مجموعی نقصان کی وجہ سے ڈائریکٹرز نے سال 2016 کے لیے ڈیویڈنڈ دینے کی سفارش کی ہے۔

کریڈٹ ریٹنگ (Credit Rating)

سال 2015 میں ریٹنگ ایجنسی کی طرف سے کمپنی کی IFS ریٹنگ اپ گریڈ کردی گئی تھی اور PACRA نے 30 دسمبر 2016 کی رپورٹ میں اس بات کا اشارہ دیا ہے کہ وہ کمپنی کے مالی نتائج میں بہتری کی صورت میں کمپنی کی ریٹنگ کے بارے میں مزید جائزہ لیں گے۔

انفارمیشن ٹیکنالوجی (Information Technology)

انٹیکریشن کا عمل ابھی تیاری کے مراحل میں ہے اور ہمارا یہ منصوبہ ہے کہ موجودہ مالی سال کے اختتام سے پہلے تمام مالیاتی گوشوارے اس انٹیکریٹڈ سسٹم سے مرتب ہوں۔ اس سال کے دوران ہم نے اپنے موجودہ آئی ٹی ماڈیولز کا تفصیلی جائزہ لیا ہے اور ان میں سے کچھ ماڈیولز میں اپنی ضروریات کے مطابق تبدیلیاں کی ہیں۔

آئی ایس او سرٹیفیکیشن (ISO Certification)

17 مئی 2003 سے کمپنی نے میسرز لائڈرجسٹر۔ای ایم ای اے۔کراچی سے ISO 9001:2008 کی سرٹیفیکیشن حاصل کی۔ میسرز لائڈرجسٹر۔ای ایم ای اے۔کراچی نے 19 اکتوبر 2015 کو اگلے تین سال کے لیے ISO 9001:2008 کو دوبارہ جاری کیا۔ اس سے صاف ظاہر ہے کہ کمپنی ISO کوالٹی مینجمنٹ سسٹم کے معیار پر پورا اُترتی ہے اور کمپنی نے ISO کوالٹی مینجمنٹ سسٹم کے عمل درآمد کے معیار کو یقینی بنایا ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک (Corporate and Financial Reporting Framework)

کمپنی کے بورڈ آف ڈائریکٹرز کا رہائے نمایاں کو سرانجام دینے کے لیے کاروباری قوانین، اصول و ضوابط موجود ہیں۔ بورڈ اپنے کاروباری فرائض سے بخوبی آگاہ ہے۔ جو کہ کارپوریٹ گورننس کے ضابطہ کے مطابق ہے اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کا مقرر کردہ ہے۔ اور اس کی گواہی دیتا ہے کہ:

(اے) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ اس کی تمام معلومات کو صاف و شفاف انداز میں واضح کرنے کے ساتھ اس کے اپریشنز کے نتائج، نقد کی آمدورفت اور ایکٹیوٹی میں تبدیلیاں شامل ہیں۔

(بی) اکاؤنٹس کی کتابیں کمپنی کی جانب سے کمپنی آرڈیننس 1984 کے مطابق تیار کی گئی ہیں۔

(سی) مالیاتی اسٹیٹمنٹ اور اکاؤنٹنگ تخمینہ جات کی تیاری کے لیے موزوں اکاؤنٹنگ پالیسیز مستقل اپنائی جاتی ہیں جو موزوں اور محتاط اندازوں پر منحصر ہوتی ہیں۔

(ڈی) انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) پر، جیسا کہ پاکستان میں نافذ العمل ہے، مالیاتی اسٹیٹمنٹ کی تیاری کی جاتی ہے اور کہیں اس سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کر دیا جاتا ہے۔

(ای) داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عمل درآمد کے ساتھ اس کی نگرانی کی جاتی ہے۔

(ایف) کمپنی کی اس صلاحیت پر کسی قسم کے شکوک و شبہات نہیں کہ یہ چلتے رہنے والا ادارہ ہے۔

(جی) کمپنی نے سٹاک ایکسچینج کی اصول کتاب میں مقرر کردہ کارپوریٹ گورننس کے بہترین طریقوں کی پیروی کی ہے اور کوئی قابل اثر اندازی انحراف نہیں کیا گیا ماسوائے ان

معاملات کے جو آڈیٹر کی ممبران کے لیے کوڈ آف کارپوریٹ گورننس کی جائزہ رپورٹ میں ہے۔

(ایچ) گزشتہ دس سال کے لیے نمایاں آپریٹنگ اور فنانشل اعداد و شمار کا خلاصہ سالانہ رپورٹ کے ساتھ منسلک ہے۔

(آئی) ٹیکس اور ڈیوٹی کے متعلق معلومات مالیاتی گوشواروں میں متعلقہ نوٹوں میں دی گئی ہے۔

(جے) مالی سال کے دوران دو ڈائریکٹرز نے ڈائریکٹریٹنگ پروگرام میں شرکت کی۔



متعلقہ پارٹی ٹرانزیکشنز (Related Party Transactions)

بورڈ آف آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے متعلقہ پارٹی ٹرانزیکشنز کی منظوری اور توثیق کی ہے۔

ڈائریکٹرز کا اجلاس (Director's Meeting)

اس سال کے دوران 6 اجلاس منعقد ہوئے تھے۔ ہر ایک ڈائریکٹر کی جانب سے اجلاسوں میں شرکت کی تعداد درج ذیل ہے:

نمبر شمار	ڈائریکٹر کے نام	شرکت کردہ اجلاس کی تعداد
۱۔	جناب رضا فلی خان خٹک	6
۲۔	لفٹیننٹ جنرل (ریٹائرڈ) علی فلی خان خٹک	5
۳۔	جناب گوہر ایوب خان	5
۴۔	محترمہ شہناز سجاد احمد	4
۵۔	ڈاکٹر شاہین فلی خان خٹک	2
۶۔	جناب مشتاق احمد خان۔ ایف سی اے	3
۷۔	جناب محمد فلی خان خٹک	0
۸۔	جناب پرویز افتخار احمد خان	0
۹۔	جناب محمد عمران ملک	5
۱۰۔	جناب عامر رضا	6

جو ڈائریکٹرز بورڈ کے سالانہ اجلاسوں میں اپنی دیگر مصروفیات کے باعث شریک نہیں ہو سکے ان ڈائریکٹرز کے لیے غیر حاضری کی چھٹی منظور کر لی گئی تھی۔ ڈائریکٹر چوہدری شیر محمد کی وفات کی وجہ سے سال 2016 کے دوران خالی ہونے والی سیٹ محمد فلی خان خٹک سے پُر کر دی گئی۔

بورڈ کمیٹیز (Board Committees)

کمپنی کے بورڈ آف ڈائریکٹرز نے قوانین کے مطابق مندرجہ ذیل کمیٹیاں قائم کی ہیں:

آڈٹ کمیٹی (Audit Committee)

آڈٹ کمیٹی تین ممبران پر مشتمل ہے جس میں دو نان ایگزیکٹو ڈائریکٹرز بشمول کمیٹی کے چیئر مین اور ایک آزاد ڈائریکٹر شامل ہے۔ آڈٹ کمیٹی بورڈ کے بنائے ہوئے اصول و ضوابط کے تحت کام کرتی ہے اور جو قوانین اور ریگولیشنز کے مطابق ہے۔ سال کے دوران آڈٹ کمیٹی کے 4 اجلاس منعقد کیے گئے جس کی تفصیل درج ذیل ہے:-

نمبر شمار	ڈائریکٹر کے نام	عہدہ	شرکت کردہ اجلاس کی تعداد
۱	لفٹیننٹ جنرل (ریٹائرڈ) علی فلی خان خٹک	چیئر مین	3
۲	جناب مشتاق احمد خان۔ ایف سی اے	رکن	2
۳	جناب محمد عمران ملک	رکن	3
۴	جناب عبدالوحید چوہدری	سیکرٹری	4



ہیومن ریسورس اور ریمونیریشن کمیٹی (Human Resource and Remuneration Committee)

ہیومن ریسورس اینڈ ریمونیریشن کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے۔ سال کے دوران کمیٹی کے 3 اجلاس منعقد کیے گئے جس کی تفصیل درج ذیل ہے:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	شرکت کردہ اجلاس کی تعداد
۱	لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک	چیئرمین	2
۲	جناب گوہرا یوب خان	رکن	3
۳	محترمہ شہناز سجاد احمد	رکن	3
۴	جناب مشتاق احمد خان - ایف سی اے	رکن	1
۵	جناب محمد عمران ملک	رکن	2

انویسٹمنٹ کمیٹی (Investment Committee)

انویسٹمنٹ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے۔ سال کے دوران کمیٹی کے 3 اجلاس منعقد کیے گئے جس کی تفصیل درج ذیل ہے:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	شرکت کردہ اجلاس کی تعداد
۱	جناب مشتاق احمد خان - ایف سی اے	چیئرمین	3
۲	ڈاکٹر شاہین قلی خان خٹک	رکن	2
۳	جناب پرویز افتخار احمد خان	رکن	0
۴	جناب محمد عمران ملک	رکن	1

انڈر رائٹنگ کمیٹی (Underwriting Committee)

انڈر رائٹنگ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے۔ سال کے دوران کمیٹی کے 3 اجلاس منعقد کیے گئے جس کی تفصیل درج ذیل ہے:-

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	شرکت کردہ اجلاس کی تعداد
۱	جناب مشتاق احمد خان - ایف سی اے	چیئرمین	3
۲	جناب پرویز افتخار احمد خان	رکن	0
۳	جناب محمد عمران ملک	رکن	1
۴	جناب عامر رضا	رکن	3



کلیئر سیٹلمینٹ کمیٹی (Claims Settlement Committee)

کلیئر سیٹلمینٹ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے۔ سال کے دوران کمیٹی کے 3 اجلاس منعقد کیے گئے جس کی تفصیل درج ذیل ہے:

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	شرکت کردہ اجلاس کی تعداد
۱	جناب گوہر ایوب خان	چیرمین	3
۲	جناب مشتاق احمد خان - ایف سی اے	رکن	1
۳	جناب محمد عمران ملک	رکن	2
۴	جناب عامر رضا	رکن	3

ری انشورنس اور کو انشورنس کمیٹی (Re-Insurance and Co-Insurance Committee)

ری انشورنس اور کو انشورنس کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے۔ سال کے دوران کمیٹی کے 3 اجلاس منعقد کیے گئے جس کی تفصیل درج ذیل ہے:

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	شرکت کردہ اجلاس کی تعداد
۱	لیفٹیننٹ جنرل (ریٹائرڈ) علی فلی خان خٹک	چیرمین	2
۲	جناب مشتاق احمد خان - ایف سی اے	رکن	1
۳	جناب عامر رضا	رکن	3

شیئر ہولڈنگ پیٹرن (Pattern of Shareholding)

شیئر ہولڈنگ کا پیٹرن علیحدہ سے رپورٹ کے ساتھ لف ہوا ہے۔

کمپنی کے شیئرز میں لین دین (Trading in Company's Shares)

31 دسمبر 2016 کو اختتام پذیر مالی سال کے دوران کمپنی کے شیئرز پر ڈائریکٹرز، CEO اور ان کی ا کے شریک حیات اور چھوٹے بچوں کی طرف سے کوئی تجارت نہیں کی گئی ماسوائے مسٹر گوہر ایوب خان کے جنہوں نے 2500 شیئرز خریدے۔

آڈیٹرز کی تعیناتی (Appointment of Auditors)


سالانہ اجلاس عام کے اختتام پر میسرز شائن ونگ حمید چوہدری اینڈ کمپنی سبکدوش ہو رہے ہیں اور 31 دسمبر 2017 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے خواہشمند ہیں۔

مستقبل کا جائزہ (Future Outlook)

ڈائریکٹرز نے دسمبر 2014 میں گروپ اور مخصوص کلائینٹس کے بیمہ کی انڈرائٹنگ کرنے کا فیصلہ کیا جن کے مالی سال 2016 میں مثبت نتائج آئے ہیں اور اس بہتری کے پیش نظر بورڈ مارکیٹ برنس اور مخصوص انڈرائٹنگ کرنے پر غور کر رہا ہے۔ یہ فیصلہ IFS Credit Rating پر منحصر ہے جو مستقبل قریب میں اپ گریڈ ہونے کی امید ہے۔

اعتراف (Acknowledgement)

ہم S E C P، پاکستان ری انشورنس کمپنی لمیٹڈ، سٹیٹ بینک آف پاکستان اور دوسری ری انشوررز اور کو انشوررز کی پورے سال کے دوران مسلسل مدد اور رہنمائی کے شکر گزار ہیں اور ہم اپنے معزز کلائینٹس کے مسلسل اعتماد پر ان کے بھی شکر گزار ہیں۔

منجانب بورڈ


رضاقی خان خٹک

(چیرمین)

تاریخ: اپریل 01، 2017

مقام: لاہور



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE, 2012 AND CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

Name of Insurer: The Universal Insurance Company Limited
Year Ended: December 31, 2016

This statement is being presented in compliance with the Code of Corporate Governance, 2012 (CCG) contained in Regulation No. 5.19 of the rule book of Pakistan Stock Exchange and Code of Corporate Governance for Insurers, 2016 for the purpose of establishing a framework of good governance, whereby a listed company (Insurer) is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Mr. Muhammad Imran Malik
Executive Directors	Mr. Gohar Ayub Khan Mr. Amir Raza
Non-Executive Directors	Mr. Raza Kuli Khan Khattak Lt. Gen (R) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmed Dr. Shaheen Kuli Khan Khattak Mr. Muhammad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan F.C.A Mr. Pervez Iftikhar Ahmed Khan

The independent director meets the criteria of independence under clause 5.19.1 (b) of the CCG, 2012 and as laid down under the Code of Corporate Governance for Insurers, 2016.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI or, being a member of a stock exchange, has been declared as a defaulter by the stock exchange.



4. One casual vacancy occurring on the board on March 16, 2016 was filled up by the directors within 90 days.
5. The Company has prepared a “Code of conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive directors and the key officers, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all necessary aspects of internal controls given in the Code.
10. The Board arranged orientation courses / training programs for two of its directors during the year to apprise them of their duties and responsibilities.
11. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year.
12. The directors’ report for this year has been prepared in compliance with the requirements of the CCG, 2012 and Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The directors, CEO and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the CCG, 2012 and Code of Corporate Governance for Insurers, 2016.
16. The Board has formed the following Management Committees:



Underwriting, Re-insurance & Co-Insurance Committee:

Name of the Member	Category
Mr. Muhammad Imran Malik	Chairman
Mr. Amir Raza	Member
Miss. Bushra Hina Mushtaq	Member
Mr. Muhammad Alyas	Secretary

Claims Settlement Committee:

Name of the Member	Category
Mr. Gohar Ayub Khan	Chairman
Mr. Amir Raza	Member
Mr. Abdul Waheed Ch.	Member
Mr. Ashfaq Ahmed	Secretary

Risk Management & Compliance Committee:

Name of the Member	Category
Mr. Muhammad Imran Malik	Chairman
Mr. Amir Raza	Member
Mr. Ashfaq Ahmed	Member
Miss. Bushra Hina Mushtaq	Secretary

17. The Board has formed the following Board Committees:

Ethics, Human Resource & Remuneration Committee:

Name of the Member	Category
Lt. Gen (R) Ali Kuli Khan Khattak	Chairman
Mr. Gohar Ayub Khan	Member
Mrs. Shahnaz Sajjad Ahmed	Member
Mr. Mushtaq Ahmed Khan F.C.A	Member
Mr. Muhammad Imran Malik	Member
Mr. Liaqat Ali Shaukat	Secretary

Investment Committee:

Name of the Member	Category
Mr. Mushtaq Ahmed Khan F.C.A	Chairman
Dr. Shaheen Kuli Khan Khattak	Member
Mr. Muhammad Imran Malik	Member
Mr. Amir Raza	Member
Mr. Ashfaq Ahmed	Secretary

18. The Board has formed an Audit Committee. It comprises of four members, of whom one is independent director and three are non-executive directors. The chairman of the Committee is a non-executive director. The composition of the Audit Committee is as follows:



Audit Committee:

Name of the Member	Category
Lt. Gen (R) Ali Kuli Khan Khattak	Chairman
Mrs. Shahnaz Sajjad Ahmed	Member
Mr. Mushtaq Ahmed Khan F.C.A	Member
Mr. Muhammad Imran Malik	Member
Mr. Abdul Waheed Ch.	Secretary

19. The meetings of the Committees were held at least once every quarter, with the exception of 1st quarter meetings other than Board Audit Committee meetings, prior to approval of interim and final results of the Company and as required by the CCG, 2012 and Code of Corporate Governance for Insurers, 2016. The terms of reference of the Committees have been formed and advised to the Committees for compliance.
20. The Board has set up an effective internal audit function equipped with suitably qualified and experienced persons who are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis.
21. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code of Corporate Governance for Insurers, 2016. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Person	Designation
Mr. Gohar Ayub Khan	Chief Executive Officer
Mr. Amir Raza	Principal Officer
Mr. Omer Ayub Khan	Chief Operating Officer
Mr. Ashfaq Ahmed	Chief Financial Officer
Mr. Muhammad Alyas	Compliance Officer
Mr. Liaqat Ali Shaukat	Company Secretary
Mr. Abdul Waheed Ch.	Head of Internal Audit
Miss. Bushra Hina Mushtaq	Head of Underwriting
Mr. Muhammad Rashid Ashraf	Head of Claims
Mr. Muhammad Alyas	Head of Reinsurance
Miss. Bushra Hina Mushtaq	Head of Risk Management
Mr. Aftab Rashid	Head of Grievance Dept.

22. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.



23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.
25. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code of Corporate Governance for Insurers, 2016.
26. The Company has set up a risk management function/ department, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.
27. The Board ensures that as part of the risk management system, the Company gets itself rated from The Pakistan Credit Rating Agency Limited which is being used by its risk management function/ department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on December 30, 2016 is BBB with Stable outlook.
28. The Board has set up a grievance department/ function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.
29. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors, employees and stock exchange.
30. Material / price sensitive information has been disseminated among all market participants at once through the stock exchange.
31. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by the designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
32. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan in respect of the requirement of the Code of Corporate Governance for Insurers, 2016.
33. We confirm that all other material principles contained in the CCG and the Code of Corporate Governance for Insurers, 2016 have been complied with.

For and on behalf of the
Board of Directors

RAZA KULI KHAN KHATTAK
CHAIRMAN

Date: April 01, 2017
Place: Lahore



Review Report to the Members on Statement of Compliance With the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 and Code of Corporate Governance, 2012 as mentioned in the Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange ("PSX") (combined called "the Code") as prepared by the Board of Directors ("the Board") of **The Universal Insurance Company Limited** ("the Company") for the year ended December 31, 2016 to comply with the requirements of Listing Regulations of PSX, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried-out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried-out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2016.

**DATE: APRIL 01, 2017
LAHORE;**

Shine Wing Hameed Chaudhri & Co.
**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Nafees ud din**



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income;
- (iv) statement of changes in equity;
- (v) cash flow statement;
- (vi) statement of premiums;
- (vii) statement of claims;
- (viii) statement of expenses; and
- (ix) statement of investment income

of The Universal Insurance Company Limited (the Company) as at December 31, 2016 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

DATE: APRIL 01, 2017
LAHORE;

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Nafees ud din



BALANCE SHEET
AS AT
31 DECEMBER 2016





BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016 Rupees in thousand	2015
Share capital and reserves			
Authorised share capital			
50,000,000 (2015: 50,000,000)			
ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up share capital	4	416,180	416,180
Accumulated loss		(62,504)	(133,578)
Reserves	5	28,309	28,309
		(34,195)	(105,269)
Total equity		<u>381,985</u>	<u>310,911</u>
Surplus on revaluation			
of fixed assets	6	260,519	242,501
Underwriting provisions			
Provision for outstanding claims (including IBNR)		78,055	106,234
Premium deficiency reserve	7	282	3,032
Provision for unearned premium		7,857	16,805
Commission income unearned		1,448	3,050
Total underwriting provisions		87,642	129,121
Deferred liabilities			
Staff retirement benefits - gratuity	8	9,400	6,714
Creditors and accruals			
Premiums received in advance		0	249
Amount due to other insurers / reinsurers	9	36,910	37,339
Accrued expenses	10	8,524	26,304
Other creditors and accruals	11	16,984	26,929
		62,418	90,821
Other liabilities			
Deposits against performance bonds	12	993	2,993
		609	609
Unclaimed dividends		1,602	3,602
Total liabilities		<u>161,062</u>	<u>230,258</u>
Contingencies and commitments	13		
Total equity and liabilities		<u>803,566</u>	<u>783,670</u>

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016 Rupees in thousand	2015
Cash and bank deposits			
Cash and other equivalents	14	73	1
Current and other accounts	15	5,843	108,192
Deposits maturing within 12 months	16	0	0
		<u>5,916</u>	<u>108,193</u>
Investments	17	320,438	187,286
Deferred taxation	18	33,191	33,191
Current assets - others			
Premiums due but unpaid - unsecured	19	3,401	15,909
Amounts due from other insurers / reinsurers - unsecured	20	145,432	159,534
Accrued investment income	21	0	17
Reinsurance recoveries against outstanding claims		54,162	64,203
Taxation - payments less provision	22	10,756	10,416
Deferred commission expense		1,231	2,341
Prepayments	23	4,131	6,571
Loans to employees - unsecured	24	134	143
Sundry receivables	25	31,711	11,530
		<u>250,958</u>	<u>270,664</u>
Fixed assets - tangible	26		
Owned			
Land and buildings		161,485	171,801
Furniture, fixtures and office equipment		4,122	4,657
Computer equipment		1,056	1,389
Motor vehicles		7,168	6,489
		<u>173,831</u>	<u>184,336</u>
Investment property	27	19,232	0
Total assets		<u><u>803,566</u></u>	<u><u>783,670</u></u>

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

Fire and property damage	Marine and transport	Motor	Others	Treaty	Aggregate	
					2016	2015

----- Rupees in thousand -----

Note

Revenue account

Net premium revenue		5,049	7,814	5,878	6,805	0	25,546	27,991
Net claims	41	1,452	(64)	4,222	2,994	0	8,604	56,152
Change in premium deficiency reserve	7	0	0	0	2,750	0	2,750	(2,207)
Expenses	28	(298)	(477)	(238)	(179)	0	(1,192)	(1,331)
Net commission		1,315	(563)	(669)	332	0	415	2,119
		1,017	(1,040)	(907)	153	0	(777)	788

Underwriting result

		7,518	6,710	9,193	12,702	0	36,123	82,724
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Investment income 31,382 4,816

Rental income 699 64

Other income 29 18,929 47,518
87,133 135,122

General and administration expenses 30 (62,277) (32,129)

Financial charges (184) (1,392)

Share of profit of Associates 17.1 46,574 29,138
- net of taxation & 17.3

Profit before taxation

71,246 130,739

Taxation 31 (2,033) (1,022)

Profit after taxation

69,213 129,717

Profit and loss appropriation account

Balance of accumulated loss at commencement of the year (133,578) (266,854)

Profit after taxation for the year 69,213 129,717

Other comprehensive loss for the year (393) (157)

Items directly recognised in statement of changes in equity 2,254 3,716

Balance of accumulated loss at the end of the year (62,504) (133,578)

----- Rupees -----

Earnings per share 32 1.66 3.50

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	Rupees in thousand	
Profit after taxation	69,213	129,717
Other comprehensive loss for the year		
Items that will not be reclassified to profit or loss:		
Remeasurement loss on staff retirement benefits - gratuity	(529)	(205)
Deferred tax asset related to remeasurement of staff retirement benefits - gratuity	164	66
Share of other comprehensive loss of Associates - net of tax	(28)	(18)
	(393)	(157)
Total comprehensive income for the year	68,820	129,560

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR



Amir Raza
PRINCIPAL OFFICER



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Capital reserves		Revenue reserve	Accumulated loss	Total
		Share premium	Capital reserve			
----- Rupees in thousand -----						
Balance as at December 31, 2014	370,000	4	18	14,467	(266,854)	117,635
Transfer of incremental depreciation from surplus on revaluation of buildings	0	0	0	0	1,783	1,783
Surplus on revaluation realised on disposal of buildings	0	0	0	0	1,493	1,493
Miscellaneous items of Associates accounted for under equity method	0	0	0	0	440	440
Transaction with owners: Shares issued during the year	46,180	13,820	0	0	0	60,000
Profit for the year ended December 31, 2015	0	0	0	0	129,717	129,717
Other comprehensive loss for the year ended December 31, 2015	0	0	0	0	(157)	(157)
Total comprehensive income for the year ended December 31, 2015	0	0	0	0	129,560	129,560
Balance as at December 31, 2015	416,180	13,824	18	14,467	(133,578)	310,911
Transfer of incremental depreciation from surplus on revaluation of buildings	0	0	0	0	1,802	1,802
Miscellaneous items of Associates accounted for under equity method	0	0	0	0	452	452
Profit for the year ended December 31, 2016	0	0	0	0	69,213	69,213
Other comprehensive loss for the year ended December 31, 2016	0	0	0	0	(393)	(393)
Total comprehensive income for the year ended December 31, 2016	0	0	0	0	68,820	68,820
Balance as at December 31, 2016	416,180	13,824	18	14,467	(62,504)	381,985

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	Rupees in thousand	
Cash flows from operating activities		
(a) Underwriting activities		
Premiums received	36,543	73,044
Reinsurance premiums paid	(16,997)	(14,895)
Claims paid	(22,448)	(102,858)
Reinsurance and other recoveries received	12,914	55,588
Commissions paid	(21,391)	(7,159)
Commissions received	5,754	6,724
Net cash (outflow) / inflow from underwriting activities	(5,625)	10,444
(b) Other operating activities		
Income tax paid	(2,432)	(2,200)
Management expenses paid	(3,312)	(5,714)
Other operating payments	(39,077)	(38,005)
Other operating receipts	1,545	21,516
Loans to employees - net	9	(61)
Other payments - net	(9,120)	(63,541)
Net cash outflow from other operating activities	(52,387)	(88,005)
Net cash outflow from operating activities	(58,012)	(77,561)
Cash flows from investing activities		
Profit / return received	6,115	11,598
Dividends received	11,888	5,360
Rental income received	699	1,411
Payments for purchase of investments	(75,578)	(5,887)
Proceeds from redemption of investments	15,000	0
Fixed capital expenditure	(2,368)	0
Proceeds from disposal of fixed assets	163	15,183
Net cash (outflow) / inflow from investing activities	(44,081)	27,665
Cash flows from financing activities		
Issue of share capital	0	60,000
Borrowings - short term running finances	0	(22,185)
Financial charges paid	(184)	(1,958)
Net cash (outflow) / inflow from financing activities	(184)	35,857
Net cash outflow from all activities	(102,277)	(14,039)
Cash and cash equivalents - at beginning of the year	108,193	122,232
Cash and cash equivalents - at end of the year	5,916	108,193



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	Rupees in thousand	
Reconciliation to profit and loss account		
Operating cash flows	(58,012)	(77,561)
Depreciation	(4,838)	(5,339)
Provisions for doubtful receivables	(14,430)	12,961
Gratuity	(2,157)	(2,778)
Reversal of impairment loss on fixed assets	727	0
Financial charges	(184)	(1,392)
Gain on disposal of fixed assets - net	94	10,009
Decrease in assets other than cash	(3,167)	(84,009)
Decrease in liabilities	67,037	239,049
	(14,930)	90,940
Other adjustments		
Investment income	31,382	4,816
Share of profit from Associates - net of tax	46,574	29,138
Fair value gain on investment property	1,950	0
Change in premium deficiency reserve	2,750	(2,207)
Rental income	699	64
Profit on term deposit receipts and bank accounts	788	6,966
	84,143	38,777
Profit after taxation	69,213	129,717
Definition of cash		
Cash comprises cash-in-hand, bank balances and other deposits, which are readily convertible to cash and which are used in cash management function on a day to day basis.		
Cash for the purpose of the cash flow statement consists of:		
Cash and other equivalents		
Stamps in hand	73	1
Cash and other accounts		
Current accounts	4,200	46,673
Saving accounts	1,643	61,519
	5,843	108,192
Total cash	5,916	108,193

The annexed notes form an integral part of these financial statements.

 Raza Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Lt. GEN (R) Ali Kuli Khan Khattak DIRECTOR	 Mrs. Shahnaz Sajjad Ahmad DIRECTOR	 Amir Raza PRINCIPAL OFFICER
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STATEMENT OF PREMIUMS FOR THE YEAR ENDED 31 DECEMBER 2016

Business underwritten inside Pakistan


Class	Premiums				Reinsurance				Net premium revenue	
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing		2016	2015

----- Rupees in thousand -----

Direct and facultative

Fire and property damage	9,081	9,192	4,194	14,079	7,486	4,228	2,684	9,030	5,049	11,629
Marine and transport	14,423	4	362	14,065	6,407	3	159	6,251	7,814	849
Motor	7,134	1,885	2,056	6,963	905	509	329	1,085	5,878	5,555
Others	5,341	5,724	1,245	9,820	2,199	1,202	386	3,015	6,805	9,958
Total	35,979	16,805	7,857	44,927	16,997	5,942	3,558	19,381	25,546	27,991
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	35,979	16,805	7,857	44,927	16,997	5,942	3,558	19,381	25,546	27,991

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



STATEMENT OF CLAIMS FOR THE YEAR ENDED 31 DECEMBER 2016

Business underwritten inside Pakistan

Class	Claims				Reinsurance				Net claims expense	
	Paid	Outstanding		Claims expense	Re-insurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	2016	2015
		Opening	Closing			Opening	Closing			

----- Rupees in thousand -----

Direct and facultative

Fire and property damage	4,224	35,562	29,689	(1,649)	3,380	29,539	25,962	(197)	(1,452)	(1,328)
Marine and transport	6,634	32,775	29,733	3,592	5,092	27,408	25,844	3,528	64	(3,019)
Motor	8,379	25,337	13,852	(3,106)	1,738	2,260	1,638	1,116	(4,222)	(39,156)
Others	3,211	12,560	4,781	(4,568)	2,704	4,996	718	(1,574)	(2,994)	(11,680)
Total	22,448	106,234	78,055	(5,731)	12,914	64,203	54,162	2,873	(8,604)	(55,183)
Treaty - proportional	0	0	0	0	0	0	0	0	0	(969)
Grand total	22,448	106,234	78,055	(5,731)	12,914	64,203	54,162	2,873	(8,604)	(56,152)

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



STATEMENT OF EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2016

Business underwritten inside Pakistan

Class	Commission				Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
	Paid or payable	Deferred		Net expense				2016	2015
		Opening	Closing						

----- Rupees in thousand -----

Direct and facultative

Fire and property damage	1,861	1,962	879	2,944	298	3,242	4,259	(1,017)	(1,147)
Marine and transport	2,883	0	86	2,797	477	3,274	2,234	1,040	(613)
Motor	697	173	200	670	238	908	1	907	824
Others	390	206	66	530	179	709	862	(153)	148
Total	5,831	2,341	1,231	6,941	1,192	8,133	7,356	777	(788)
Treaty - proportional	0	0	0	0	0	0	0	0	0
Grand total	5,831	2,341	1,231	6,941	1,192	8,133	7,356	777	(788)

Note: Commission from reinsurers is arrived at after taking impact of opening and closing unearned commission.

The annexed notes form an integral part of these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


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CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



STATEMENT OF INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	Rupees in thousand	
Income from non-trading investments		
Held-to-maturity		
Return on fixed income securities and deposits	4,854	4,841
Available-for-sale		
Dividend income	2	4
Gain / (loss) on remeasurement of investments at fair value through profit or loss	26,526	(29)
Net investment income	31,382	4,816

The annexed notes form an integral part of these financial statements.


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CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Status and nature of business

The Universal Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on May 09, 1958 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Company is listed on Pakistan Stock Exchange and is engaged in non-life insurance business. The registered office of the Company is situated at Universal Insurance House, 63 - Shahrah-e-Quaid-e-Azam, Lahore. Presently, the Company is operating through one (2015: one) branch in Pakistan.

2. Basis of preparation

These financial statements have been prepared in accordance with the format prescribed under Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002].

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments at fair value through profit or loss, which are stated at fair value, available-for-sale investments, which are stated at lower of cost and market value, held to maturity investments, which are stated at amortised cost, land & buildings, which are stated at revalued amounts and the obligation under the employee benefit, which is measured at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded to the nearest thousand unless otherwise stated.

2.4 Use of estimates and judgments

- (a) The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.



- (b) The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements or judgment was exercised in application of accounting policies are as follows:
- Provision for outstanding claims (including IBNR)
 - Provision for doubtful receivables
 - Fixed assets
 - Investment property
 - Provision for unearned premiums
 - Premium deficiency reserve
 - Impairment in value of investments
 - Taxation
 - Employees' retirement benefits
 - Classification of investments

2.5 Standards and amendments to published approved International Financial Reporting Standards not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2017:

- (a) Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 01, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on the Company's financial statements.
- (b) Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 01, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- (c) Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - Effective for annual periods beginning on or after January 01, 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the Company's financial statements.
- (d) Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
- (i) Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after January 01, 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on the Company's financial statements.



- (ii) Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after January 01, 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the Company's financial statements.

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2017 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

3. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policy holders if a specified uncertain future event (the insured event) adversely affects the policy holders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its life time, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

Insurance contracts issued by the Company are generally classified in four basic categories i.e. Fire and Property, Marine and Transport, Motor and Miscellaneous and are issued to multiple types of clients with business in engineering, automobiles, cement, power, textile, paper, agriculture, services and trading sectors, etc. and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and vary accordingly.

- Fire & Property insurance contracts generally cover the assets of the policy holders against damages by fire, earthquake, riots & strike, explosion, atmospheric disturbance, flood, electric fluctuations impact, burglary and loss of profit followed by incident of fire.
- Marine & Transport insurance contracts generally provide cover for loss or damage to cargo while in transit to and from foreign land and inland transit due to various insured perils including loss of or damage to carrying vessel.
- Motor insurance contracts provide indemnity for accidental damage to or loss of insured vehicles including loss of or damage to third party and other comprehensive car coverage.
- Other insurance contracts provide variety of coverage including cover against burglary, loss of cash in safe, cash in transit and cash on counter, fidelity guarantee, personal accident, workmen compensation, contractor's all risk, erection all risk, machinery breakdown, boiler damage, crop and health.



In addition to direct insurance, the Company also participates in risks under co-insurance contracts from other companies and also accepts risks through re-insurance inward by way of facultative acceptance on case to case basis provided such risks are within the underwriting policies of the Company. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

The Company neither issues investment contracts nor does it issue insurance contracts with discretionary participation features (DPF).

3.2 Premium

Premium written under a policy is recognised as income over the period of insurance from the date of issuance of the policy to which it relates to its expiry. Where the pattern of incidence of risk varies over the period of the policy, premium is recognised as revenue in accordance with the pattern of incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognised as unearned premium by the Company.

3.3 Reinsurance ceded

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contracts are not offset against expenses or income from related insurance assets.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired.

The Company assesses its reinsurance assets for impairment on the balance sheet date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

3.4 Claims

Claims are charged to income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

(a) Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

Reinsurance recoveries against outstanding claims are recognised as an asset and measured at the amount expected to be received.



(b) Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the balance sheet date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried-out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognised outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

(c) Claims incurred but not reported

The provision for claims incurred but not reported (IBNR) is made at the balance sheet date. In accordance with SECP Circular no. 9 of 2016, the Company has changed its method of estimation of IBNR. The Company now takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using Chain Ladder methodology, which involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor, which represents the extent of future development of claims to reach their ultimate level.

Upto December 31, 2015, the provision for IBNR was accounted for on the basis whereby all claims incurred before the year-end but reported subsequently were aggregated and the ratio of such claims to outstanding claims was applied to outstanding claims at the reporting date (except exceptional losses) to arrive at liability for IBNR. The analysis was carried-out separately for each class of business.

The change in method for estimating IBNR claims has immaterial effect on provision for claims, reinsurance recoveries against outstanding claims and profit for the year ended December 31, 2016.

3.5 Premium deficiency reserve (liability adequacy test)

At each balance sheet date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date with the carrying amount of unearned premium liability. Any deficiency is recognised by establishing a provision (premium deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable.

The movement in the premium deficiency reserve is recognised as an expense or income in the profit and loss account for the year.

3.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash-in-hand, cash at banks on current and saving accounts.



3.7 Loans to employees and agents

These are recognised at cost, which is the fair value of consideration given.

3.8 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition except for 'investment at fair value through profit or loss', which is measured initially at fair value.

All 'regular way' purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the investment.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such indication exists, the Company applies the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments except for investments in Associates accounted for under equity method, which are tested for impairment in accordance with the requirements of IAS 36 'Impairment of Assets'.

(a) Investments in Associates

Associates are the entities over which the Company has significant influence but not control. Investments in Associates are accounted for using the equity method of accounting and are initially recognised at cost. The Company's share of its Associates' post acquisition profits or losses, movement in other comprehensive income and its share of post-acquisition movement in reserves is recognised in profit and loss account, statement of comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of investments. Distributions received from an Associate reduce the carrying amount of investment.

(b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity are subsequently measured at amortised cost using the effective yield method. Any premium paid or discount availed on the acquisition of held to maturity investment is deferred and included in income for the period on a straight line basis over the term of investment. For investments carried at amortised cost, gains and losses are recognised in profit and loss account when the investments are de-recognised or impaired.

(c) Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with requirements of the SEC (Insurance) Rules, 2002. The Company uses stock exchange quotations at the balance sheet date to determine the market value of its quoted investments whereas fair value of investments in delisted / unlisted companies is determined by reference to the net assets and financial position of the investee on the basis of latest available audited financial statements.



(d) Investments at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognised in profit and loss account.

3.9 Premiums due but unpaid

These are recognised when due, at fair value of the consideration receivable less provision for doubtful receivables, if any. Provision for impairment on premium receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to original terms of receivable. Receivables are also analysed as per their ageing and accordingly provision is maintained on a systematic basis.

3.10 Amounts due to / from other insurers / reinsurers

Amounts due to / from other insurers / reinsurers are carried at cost, which is the fair value of the consideration to be paid / received in the future for services. However, an assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying amount.

3.11 Claim recoveries

Claim recoveries receivable from reinsurers are recognised as an asset at the same time as the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

3.12 Taxation

(a) Current

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

(b) Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity; in this case the tax is also recognised in other comprehensive income or directly in equity respectively.



3.13 Deferred commission expense

Commission costs incurred in obtaining and recording policies of insurance and reinsurance are being deferred and recognised as an asset in correlation with unearned premium that will be recognised in the subsequent reporting periods.

3.14 Prepaid reinsurance expense

Premium for reinsurance contracts operative on a proportional and non-proportional basis is recorded as a liability on attachment of the underlying risks reinsured or on inception of the reinsurance contract respectively. For proportional reinsurance contracts, the reinsurance expense is recognised in accordance with the pattern of recognition of premium income to which they relate. For non-proportional reinsurance contracts, the reinsurance expense is recognised evenly in the period of indemnity. The portion of reinsurance premium not recognised as an expense is shown as a prepayment.

3.15 Fixed assets

Fixed assets, except freehold land, buildings on freehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount whereas buildings on freehold land are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost less accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which these are incurred.

(a) Depreciation

Depreciation on fixed assets is charged to profit and loss account applying the reducing balance method so as to write-off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in note 26. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognised. The residual values and useful lives are reviewed by management at each financial year-end and adjusted if impact on depreciation is significant.

(b) De-recognition

An item of fixed assets is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit and loss account in the year the asset is de-recognised.

3.16 Investment property

Investment property is accounted for under the fair value model in accordance with the requirements of IAS 40. Depreciation is charged to income applying reducing balance method at the rate of 5% per annum from the date of transfer / purchase. Subsequent capital expenditure on existing property and gain / loss on disposals are accounted for in the same manner as for fixed assets.

3.17 Provision for unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage. Provision for unearned premium is being calculated as a proportion of the gross premium of each policy, determined as the ratio of the unexpired period of the policy and the total period, both measured to the nearest day as specified in Accounting Regulation 8(4)(a) of the SEC (Insurance) Rules, 2002 for non-life insurance.



3.18 Commission income unearned

Commission income receivable from reinsurers is taken to profit and loss account in accordance with the pattern of recognition of the reinsurance premium to which these relate.

3.19 Employee benefits

(a) Gratuity

The Company operates an unfunded gratuity scheme for all permanent employees who are entitled to gratuity equivalent to last drawn gross salary multiplied by the number of years of service upto the date of leaving the Company. The latest actuarial valuation was carried-out as at December 31, 2016, using the 'Projected Unit Credit Method' to determine the liability on the reporting date. The amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the period in which these occur. Amounts recognised in profit and loss account are limited to current and past service costs, gains or losses on settlements and net interest income / expense.

(b) Compensated absences

The Company accounts for liability in respect of employees' compensated absences in the period in which these are earned.

3.20 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for goods or services received, whether or not billed to the Company.

3.21 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.22 Revenue recognition

(a) Premium income earned

Premium written under a policy is recognised as income over the period of insurance from the date of issuance of the policy to which it relates to its expiry as follows:

- for direct business evenly over period of the policy.
- for proportional re-insurance business evenly over the period of underlying insurance policies.

Where the pattern of incidence of risk varies over the period of policy, the premium is recognised as revenue in accordance with the pattern of incidence of risk.

(b) Administrative surcharge

This represents documentation and other charges recovered by the Company from policy holders in respect of policies issued at the rate of 5% of the premium restricted to a maximum of Rs. 2,000 per policy. Administrative surcharge is recognised as revenue at the time the policies are written.



(c) Commission income

Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy by the Company. This income is deferred and brought to the account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit / commission, if any, which the Company may be entitled to under the terms of reinsurance, is recognised on accrual basis.

(d) Dividend income and bonus shares

Dividend income is recognised when the right of receipt is established. Bonus shares are accounted for by increase in number of shares without any change in the value of investments.

(e) Investment income

Income from held-to-maturity investments

Income from held-to-maturity investments is recognised on a time proportion basis taking into account the effective yield on the investments.

Income from available-for-sale investments

- Return on fixed income investments

Return on fixed income securities is recognised on a time proportion basis.

- Gain / loss on sale of available-for-sale investments

Gain / loss on sale of available-for-sale investments is included in income currently.

- Income from investments at fair value through profit or loss

Gain / loss on sale of investments at fair value through profit or loss is included in income currently.

(f) Rental and other income

Rental and other income is recognised on accrual basis.

3.23 Expenses

Management expenses, which are directly attributable to the underwriting business, are allocated in accordance with the volume of each class of business. Portion of management expenses, which are not allocable to the underwriting business, are charged as general and administration expenses. These expenses are charged to profit and loss account at the time the policies are accepted.

3.24 Impairment

(a) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available-for-sale financial asset is calculated with reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.



(b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss account.

3.25 Financial instruments

Financial instruments carried on the balance sheet include current & other accounts, investments, premiums due but unpaid, amounts due from other insurers / reinsurers, accrued investment income, reinsurance recoveries against outstanding claims, loans to employees, sundry receivables, provision for outstanding claims, amounts due to other insurers / reinsurers, accrued expenses, other creditors & accruals, deposits against performance bonds and unclaimed dividends. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition except for 'financial instruments at fair value through profit or loss', which are measured initially at fair value.

Financial assets are de-recognised when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realises the rights to benefits specified in the contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.26 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.27 Earnings per share

The Company presents basic earnings per share for its shareholders. Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.28 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.



3.29 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised as liability in the Company's financial statements in the year in which these are approved.

3.30 Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the balance sheet date whereas transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated in Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are included in income currently.

3.31 Segment reporting

The Company accounts for segment reporting using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 as the primary reporting format based on the Company's practice of reporting to the management on the same basis.

As the operations of the Company are carried-out in Pakistan, information relating to geographical segment is not considered relevant.

Assets, liabilities and capital expenditure, that are directly attributable to segments, have been assigned to them whereas the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. The assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities.

4. Issued, subscribed and paid-up share capital

2016 Number of shares	2015		2016 Rupees in thousand	2015
26,337,977	26,337,977	Ordinary shares of Rs.10 each fully paid in cash	263,380	263,380
15,280,000	15,280,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	152,800	152,800
41,617,977	41,617,977		416,180	416,180

4.1 Movement during the year

41,617,977	37,000,000	As at January 01,	416,180	370,000
0	4,617,977	Issue of fully paid ordinary shares of Rs.10 each	0	46,180
41,617,977	41,617,977		416,180	416,180

4.2 Bibojee Services (Pvt.) Limited (the Holding Company) holds 35,776,303 (2015: 35,776,303) ordinary shares of the Company at the year-end.



5. Reserves

Composition of reserves is as follows:

2016 2015
Rupees in thousand

Capital reserves:

Share premium reserve

- balance as at January 01,
- premium received (note 5.1)

13,824	4
0	13,820

13,824 13,824

Capital reserve

18 18

13,842 13,842

Revenue reserve

14,467 14,467

28,309 28,309

- 5.1 The Company, during the preceding year, had issued 4,617,977 further shares by way of otherwise than right under section 86(1) of the Companies Ordinance, 1984 to its Holding Company at a price of Rs.12.99 per share.

6. Surplus on revaluation of fixed assets - net

This represents surplus over book value resulted from revaluations of freehold land and buildings on freehold land carried-out during prior years adjusted only by surplus realised on disposal of revalued assets, incremental depreciation arising out of revaluation and deferred taxation. The year-end balance has been arrived at as follows:

Balance as at January 01, 161,389 161,401

Add: surplus arisen during the year on:

- freehold land
- buildings on freehold land (note 26.1)

4,160	0
4,429	3,264

8,589 3,264

Less: transferred to accumulated loss:

- upon sale of revalued assets
- on account of incremental depreciation for the year

0	(1,493)
(1,802)	(1,783)

(1,802) (3,276)

168,176 161,389

Less: deferred tax on:

- opening balance of surplus
- surplus on revaluation carried-out during the year
- sale of revalued assets
- incremental depreciation for the year

11,727	12,097
1,185	1,077
0	(493)
(577)	(588)

12,335 12,093

Add: resultant adjustment due to reduction in tax rate

385 366

156,226 149,662

Share of surplus on revaluation of fixed assets of

Associates accounted for under equity method -
net of deferred taxation

104,293 92,839

Balance as at December 31,

260,519 242,501



7. Premium deficiency reserve	2016	2015
Rupees in thousand		
Balance as at January 01,	3,032	825
Change in premium deficiency reserve	(2,750)	2,207
Balance as at December 31,	282	3,032
8. Staff retirement benefits - gratuity		
The amount recognised in the balance sheet is as follows:		
Liability for gratuity	9,400	6,714
8.1 Net movement in liability		
Liability as at January 01,	6,714	4,596
Expenses recognised in profit and loss account (note 8.3)	2,157	2,778
Benefits paid during the year	0	(259)
Payable to outgoing employees (note 11)	0	(606)
Remeasurement recognised in other comprehensive income (note 8.4)	529	205
Liability as at December 31,	9,400	6,714
8.2 Reconciliation of changes in present value of defined benefit obligation		
Present value of defined benefit obligation as at January 01,	6,714	4,596
Current service cost	1,498	1,342
Past service cost	0	895
Interest cost	659	541
Benefits paid during the year	0	(259)
Payable to outgoing employees (note 11)	0	(606)
Remeasurement recognised in other comprehensive income (note 8.4)	529	205
Present value of defined benefit obligation as at December 31,	9,400	6,714
8.3 Expenses recognised in profit and loss account		
Current service cost	1,498	1,342
Past service cost	0	895
Interest cost	659	541
	2,157	2,778
8.4 Remeasurement recognised in other comprehensive income		
Gain due to change in financial assumptions	(50)	(54)
Loss due to change in experience adjustments	579	259
	529	205



8.5 Mortality was assumed to be based on SLIC 2001-05 ultimate mortality rates, with moderate rate of employee turnover.

8.6 Principal actuarial assumptions used	2016	2015
Discount rate - per annum	8.00%	9.00%
Expected rate of increase in salary - per annum	7.00%	8.00%

8.7 Historical information

	2016	2015	2014	2013	2012
	----- Rupees in thousand -----				
Liability for defined benefit obligation	9,400	6,714	4,596	6,052	5,516
Remeasurement (gain) / loss on obligation	529	205	(334)	52	561

8.8 Future undiscounted payments

	2016	2015
	Rupees in thousand	
Upto 1 year	340	254
1-2 years	752	305
3-4 years	7,525	1,340
5-10 years	5,541	10,431

8.9 The expected charge to profit and loss account for the year ending December 31, 2017 will be Rs.2.709 million.

8.10 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption at the reporting date:

	Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	Percentage	----- Rs. in thousand ----	
Discount rate as at December 31,	1	8,734	10,156
Expected rate of increase in salary	1	10,204	8,681

8.11 The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change in comparison to the previous period.

8.12 The weighted average duration of the defined benefit obligation is 7.54 years.



	2016	2015
	Rupees in thousand	
9. Amounts due to other insurers / reinsurers		
Amounts due to coinsurers	12,023	11,130
Amounts due to reinsurers	24,887	26,209
	36,910	37,339
9.1	The balances as at December 31, 2016 relating to amounts due to / from other insurers and re-insurers (note 20) and premiums due but unpaid (note 19) are although unconfirmed but are considered to be accurately stated by the management.	
10. Accrued expenses		
Salaries payable	4,132	5,093
Audit fee payable	350	350
Expenses payable	1,682	2,941
Commission payable	2,360	17,920
	8,524	26,304
11. Other creditors and accruals		
Federal excise duty	300	3,022
Federal insurance fee	20	313
Sundry creditors	8,605	11,404
Leave encashment payable	2,224	2,559
Gratuity payable to outgoing employees (note 8.2)	0	606
Income tax deducted at source	227	724
Security deposit against rent	280	146
Others	5,328	8,155
	16,984	26,929
12. Deposits against performance bonds		
The Company, during the year based on its legal Advisors' advice, has written-back cash margin amounting Rs.2 million received as collateral at the time of issuance of guarantee against premium receivable. The case has been dismissed twice for non-prosecution. Presently, the case is pending before the Civil Judge, Lahore and is pending for restoration since April, 2015.		
13. Contingencies and commitments		
13.1	The Income Tax Department (the Department), during June, 2015, has passed an order under section 161(1)(a)(b) of the Income Tax Ordinance, 2001 (the Ordinance) for the tax year 2009 creating a demand of Rs.8.586 million with default surcharge amounting Rs.8.447 million under section 205 of the Ordinance. The Company, during the preceding year, has filed an appeal before the Commissioner Inland Revenue (Appeals) CIR(A) against the said order. The Company, however, has paid Rs.5.500 million under protest and grouped this amount under sundry receivables (note 25). The CIR(A), during the year, has decided the appeal in the Company's favour. The Company has applied for the refund of forced recovery of Rs.5.500 million made by the Department, which has filed a second appeal before the Appellate Tribunal against the order of CIR(A).	



- 13.2** The Department, vide order dated June 27, 2014 for the tax year 2008, has created tax demand of Rs.50.990 million under section 121 (Best judgement assessment) of the Ordinance. Subsequently as per directions of the Federal Tax Ombudsman (FTO), the Commissioner on February 16, 2016 has vacated the order passed by the Department on June 27, 2014 and remanded it back to the Department for making fresh assessment in accordance with law. The Department, during January 2015, has filed a representation before the President of Pakistan, who, on May 30, 2016, has accepted the representation of the Department and set-aside the impugned recommendations of the FTO as having being passed without jurisdiction. As per directions contained in the decision of the President of Pakistan, the Commissioner's order dated February 16, 2016 has become in fructuous and void ab initio and the original order dated June 27, 2014 stands restored. The Company has filed an appeal before the CIR(A) during July, 2016 against the order dated June 27, 2014. The Department has made a forced recovery of Rs.138 thousand on June 30, 2016, which has been grouped under sundry receivables (note 25). The CIR(A), vide order dated October 10, 2016, has decided the appeal in the Company's favour.
- 13.3** The Company has filed a civil suit against Premier Alliance Industries Ltd. for recovery of Rs.7.300 million in lieu of issuance of insurance guarantee. The Company's suit has been decreed against the defendant and now execution proceeding is pending before the Civil Court, Lahore.
- 13.4** The Deputy Commissioner Inland Revenue, during the year, has passed three orders under the Federal Excise Act, 2005 relating to tax years 2013, 2014 and 2015 creating federal excise duty liability of Rs.15.529 million, Rs.9.497 million and Rs.7.102 million respectively (total Rs.32.128 million). The Company, during these years, had paid sales tax to respective provincial Governments as after the 18th constitutional amendment, it had become a provincial matter. The Company has filed appeals before the Commissioner Appeals, who has rejected these appeals. The Company, thereafter, has filed appeals before the Appellate Tribunal Inland Revenue, Lahore Bench, which are pending adjudication. The Sales Tax Department of Federal Board of Revenue on December 30, 2016 has effected forced recoveries aggregating Rs.23.831 million by attaching the Company's bank accounts. The management, based on its tax Advisors' opinion, is confident that favourable decision will be made at Appellate Tribunal or High Court; therefore, the aforementioned forced recoveries have been accounted for as Federal Excise Duty Refundable and grouped under sundry receivables (note 25).
- 13.5** The Company, during the year, has received the order sheet from the High Court of Sindh (Karachi), which indicates that Civil Revision Application filed by National Highway Authority for recovery of Rs.2.621 million has been dismissed by the Court.
- 13.6** The Company, during the year ended December 31, 2012, had made payment of Rs.12.600 million to Bibojee Services (Pvt.) Ltd. (the Holding Company) on account of gratuity benefits of Mr. Sardar Khan, Ex-Managing Director of the Company; the Holding Company was of the view that the Ex-Managing Director was required to adjust certain claims against him; therefore, payment received on account of gratuity payable will be settled with mutual consent otherwise the amount will be refunded to the Company. However, during the year ended December 31, 2013, Mr. Sardar Khan had filed a suit against the Company in the Court of Senior Civil Judge, Lahore for recovery of Rs.20.090 million on account of gratuity along with profit, mark-up, costs, etc. The Company has moved an application for dismissal of the suit being not competent under the law. The Civil Judge, on January 09, 2017, has decided against the Company for an amount of Rs.20.900 million. The Company, thereafter, has filed an appeal before the Additional District Judge, Lahore to contest the impugned order and decree of the lower Court. No provision against the balance claim amounting Rs.8.300 million has been made in these financial statements as the management is confident of a favourable outcome of the litigation.



13.7 Nazir Rice Mills (Pvt.) Ltd., Sialkot, against the Company, has filed an application before the Insurance Tribunal Punjab, Lahore (the Tribunal) under section 118 of the Insurance Ordinance, 2000 for recovery of burglary loss of Rs. 347 million along with liquidated damages. The Company has rejected the claim on the basis of survey report. The case is pending adjudication. The management, based on the meritorious grounds, is confident that the case will be decided in the Company's favour.

13.8 Sheikh Maqbool Elahi has filed a case before the Tribunal against six insurance Companies for recovery of Rs.150 million. UBL Insurers Ltd. is the leading Company whereas the liability of the Company, if any, is to the extent 15%. The case is pending adjudication. The management, based on the meritorious grounds, is confident that case will be decided in the Company's favour.

13.9 Cases filed by Fashion Guide International, Baig Trading Corporation and Rana Basit Rice Mills (Pvt.) Ltd. before the Tribunal asking for the decrees of Rs.33.884 million, Rs.56.010 million and Rs.38.114 million respectively are pending adjudication. The management is confident about merits of the Company's cases as the survey reports are in the Company's favour.

13.10 As at December 31, 2016, commitments for revolving letters of credit, other than for capital expenditure, were outstanding for Rs. 747 thousand (2015: Rs. 747 thousand).

14. Cash and other equivalents	2016	2015
	Rupees in thousand	
Cash-in-hand	72	0
Stamps-in-hand	1	1
	<u>73</u>	<u>1</u>

15. Current and other accounts		
Saving accounts (note 15.1)	1,643	61,519
Current accounts	4,200	46,673
	<u>5,843</u>	<u>108,192</u>

15.1 These include balance of Rs.747 thousand (2015: Rs.747 thousand) kept with a bank as security against letters of credit. Rates of profit on bank balances ranged from 3.75% to 3.80% (2015: 4.08% to 7.20%) per annum.

16. Deposits maturing within 12 months		
Term deposit receipts (note 16.1)	1,257	1,257
Provision for impairment	(1,257)	(1,257)
	<u>0</u>	<u>0</u>

16.1 These represented term deposit receipts issued by financial institutions as the chances of realisation of these deposits are bleak, these have been fully provided for.

17. Investments		
In related parties - quoted		
Bannu Woollen Mills Ltd. (note 17.1)	1,694	1,418
Ghandhara Industries Ltd. (note 17.3)	184,378	138,088
	<u>186,072</u>	<u>139,506</u>
Others		
Held to maturity - Pakistan Investment Bonds (including accrued interest) (note 17.6)	47,377	47,317
Available-for-sale (note 17.9)	159	159
Investments at fair value through profit or loss (note 17.11)	86,830	304
	<u>134,366</u>	<u>47,780</u>
	<u>320,438</u>	<u>187,286</u>



17.1 Bannu Woollen Mills Ltd. (BWM)

2016 2015
Rupees in thousand

8,940 (2015: 8,940) ordinary shares of Rs.10 each - cost	32	32
Equity held: 0.09% (2015: 0.09%)		
Share of post acquisition reserves:		
As at January 01,	1,386	1,333
Share of profit after taxation	73	75
Share of other comprehensive loss	(8)	-
Share of items directly recognised in equity	7	5
Share of surplus on revaluation of fixed assets arisen during the year	249	-
Dividend received	(45)	(27)
As at December 31,	1,662	1,386
	1,694	1,418

17.2 BWM was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Pakistan Stock Exchange. It is principally engaged in manufacture and sale of woollen yarn, cloth and blankets.

The summary of financial information of BWM, based on its un-audited financial statements for the period of six months ended December 31, 2016, is as follows:

Summarised Balance Sheet

Non-current assets	1,509,843	1,216,642
Current assets	830,451	769,276
	2,340,294	1,985,918
Non-current liabilities	275,751	247,486
Current liabilities	171,741	155,318
	447,492	402,804
Net assets	1,892,802	1,583,114
Reconciliation to carrying amount		
Opening net assets	1,583,114	1,521,324
Profit after taxation for the period of twelve months ended December 31,	80,572	82,895
Other comprehensive (loss) / income for the period of twelve months ended December 31,	(8,447)	414
Effect of items directly credited in equity	8,166	6,087
Dividend paid	(47,531)	(28,519)
Revaluation surplus arisen during the year - net of taxation	276,928	-
Adjustment due to reduction in tax rate	-	913
Closing net assets	1,892,802	1,583,114
Company's share percentage 0.09% (2015: 0.09%)		
Company's share	1,704	1,425
Miscellaneous adjustments	(10)	(7)
Carrying amount of investment	1,694	1,418



Summarised Profit and Loss Account

	2016 Rupees in thousand	2015
Sales for the period of twelve months ended December 31,	768,914	851,992
Profit before taxation for the period of twelve months ended December 31,	109,608	115,499
Profit after taxation for the period of twelve months ended December 31,	80,572	82,895
17.3 Ghandhara Industries Ltd. (GIL)		
1,184,148 (2015: 1,184,148) ordinary shares of Rs. 10 each - cost	12,078	12,078
Equity held: 5.56% (2015: 5.56%)		
Share of post acquisition reserves:		
As at January 01,	126,010	102,294
Share of profit after taxation	46,501	29,063
Share of other comprehensive loss	(20)	(18)
Share of revaluation surplus arisen during the year	11,650	-
Dividend received	(11,841)	(5,329)
As at December 31,	172,300	126,010
	184,378	138,088

- 17.4** GIL was incorporated in Pakistan on February 23, 1963 and its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is assembly, progressive manufacturing and sale of Isuzu trucks and buses.

The summary of financial information of GIL, based on its un-audited financial statements for the period of six months ended December 31, 2016, is as follows:

Summarised Balance Sheet

Non-current assets	2,053,144	1,767,046
Current assets	5,569,250	2,845,621
	7,622,394	4,612,667
Non-current liabilities	124,761	87,944
Current liabilities	4,175,088	2,034,662
	4,299,849	2,122,606
Net assets	3,322,545	2,490,061



Reconciliation to carrying amount		2016	2015
		Rupees in thousand	
Opening net assets		2,490,061	2,057,822
Profit after taxation for the period of twelve months ended December 31,		836,353	522,724
Other comprehensive loss for the period of twelve months ended December 31,		(354)	(318)
Dividend paid		(213,044)	(95,870)
Revaluation surplus arisen during the year - net of taxation		209,529	-
Effect of change in tax rate		-	5,703
Closing net assets		<u>3,322,545</u>	<u>2,490,061</u>
Company's share percentage 5.56% (2015: 5.56%)			
Company's share		184,734	138,447
Miscellaneous adjustments		(356)	(359)
Carrying amount of investment		<u>184,378</u>	<u>138,088</u>
Summarised Profit and Loss Account			
Sales for the period of twelve months ended December 31,		<u>7,246,798</u>	<u>4,098,765</u>
Profit before taxation for the period of twelve months ended December 31,		<u>1,217,553</u>	<u>742,513</u>
Profit after taxation for the period of twelve months ended December 31,		<u>836,353</u>	<u>522,724</u>
17.5	Market values of the Company's investments in BWM and GIL as at December 31, 2016 were Rs.644 thousand (2015: Rs.452 thousand) and Rs.858.934 million (2015: Rs.364.753 million) respectively.		
17.6	Held-to-maturity		
	Maturity	Coupon rate %	
	Pakistan Investment Bonds (PIBs) August 18, 2016	11.50	- 15,599
	-do- July 18, 2018	11.50	5,232 5,213
	-do- July 18, 2018	11.50	15,691 15,626
	-do- July 22, 2020	12.00	5,053 4,992
	-do- March 26, 2020	9.25	5,823 5,887
	-do- April 21, 2021	7.75	5,268 -
	-do- April 21, 2019	7.00	10,310 -
		<u>47,377</u>	<u>47,317</u>
17.7	Market value of these PIBs as at December 31, 2016 was Rs.44.763 million (2015: Rs.43.941 million). Profit on PIBs is received bi-annually.		
17.8	Investments in PIBs have been made to meet the statutory requirements of section 29(2)(a) of the Insurance Ordinance, 2000.		



	2016	2015
	Rupees in thousand	
17.9 Available-for-sale		
Quoted		
Hamid Textile Mills Ltd. 49,000 (2015: 49,000) ordinary shares of Rs.10 each	490	490
Pakistan National Shipping Corporation 888 (2015: 888) ordinary shares of Rs.10 each	24	24
	514	514
Un-Quoted		
JS Growth Fund 2,867 (2015: 2,867) units of Rs.100 each	135	135
Nowshera Engineering Works Ltd. 1,106 (2015: 1,106) ordinary shares of Rs.10 each	11	11
Fawad Textile Mills Ltd. 26,740 (2015: 26,740) ordinary shares of Rs.10 each	268	268
	414	414
	928	928
Provision for impairment in value of investments	(769)	(769)
	159	159
17.10 As at December 31, 2016, the fair value of available-for-sale investments was Rs.783 thousand (2015: Rs.534 thousand). As per the Company's accounting policy, available-for-sale investments are stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary). However, IAS 39, 'Financial Instruments: Recognition and Measurements' dealing with the recognition and measurement of financial instruments requires that these investments be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying value as at December 31, 2016 would have been higher by Rs.624 thousand (2015: Rs.375 thousand).		
17.11 Investments at fair value through profit or loss		
PICIC Growth Fund 13,500 (2015: 13,500) units of Rs.10 each	509	509
Unrealised loss on remeasurement of investments	(98)	(205)
	411	304
NAFA Islamic Stock Fund 5,793,917 units of Rs.10.36 each	60,000	-
Unrealised gain on remeasurement of investments	26,419	-
	86,419	-
	86,830	304



18. Deferred taxation - net

2016 2015
Rupees in thousand

This is composed of the following:

Taxable temporary differences arising in respect of:

- accelerated tax depreciation allowances	2,525	1,986
- surplus on revaluation of buildings	11,949	11,726
	14,474	13,712

Deductible temporary differences arising in respect of:

- unused tax losses	52,981	74,967
- provision for doubtful receivables	33,114	29,810
- staff retirement benefits - gratuity	3,603	3,161
- minimum tax recoverable against normal tax charge in future years	449	471

90,147 108,409

Deferred tax asset

75,673 94,697

Less: deferred tax asset not recognised

42,482 61,506

Net deferred tax asset recognised

33,191 33,191

18.1 Net deferred tax asset recognised in these financial statements has been restricted to Rs.33.191 million (2015: Rs.33.191 million) on the ground of prudence. The management intends to re-assess the recognition of deferred tax asset as at December 31, 2017.

19. Premiums due but unpaid - unsecured

Considered good **3,401** 15,909

Considered doubtful **84,599** 72,655

Provision for doubtful receivables (note 19.2) **(84,599)** (72,655)

- -

3,401 15,909

19.1 (a) No balance was due from Associated Companies as at December 31, 2016 and December 31, 2015.

(b) Maximum aggregate balance due from Associates at the end of any month during the preceding year was Rs.21.788 million.

19.2 Provision for doubtful receivables

Balance as at January 01, **72,655** 87,733

Provision / (reversal) made during the year **11,944** (15,078)

Balance as at December 31, **84,599** 72,655

19.3 Refer contents of note 9.1.



		2016	2015
		Rupees in thousand	
20. Amounts due from other insurers / reinsurers - unsecured			
Amounts due from coinsurers		117,824	121,007
Amounts due from reinsurers		47,802	56,422
		165,626	177,429
Provision for doubtful receivables (note 20.1)		(20,194)	(17,895)
Amounts due from other insurers / reinsurers - considered good		145,432	159,534
20.1 Provision for doubtful receivables			
Balance as at January 01,		17,895	15,342
Provision made during the year		2,486	2,553
Balance written-off during the year		(187)	-
Balance as at December 31 ,		20,194	17,895
20.2	Refer contents of note 9.1.		
21. Accrued investment income			
Profit on term deposit receipts - considered good		17	17
Considered doubtful		7	7
		24	24
Provision for doubtful accrued investment income		0	(7)
Balance written-off during the year		(24)	-
		(24)	(7)
		-	17
22. Taxation - payments less provision			
Advance income tax		12,848	11,001
Provision for taxation		(2,092)	(585)
		10,756	10,416
23. Prepayments			
Prepaid reinsurance premium ceded		3,558	5,942
Others (note 23.1)		573	629
		4,131	6,571
23.1 Prepayments others			
Considered good		573	629
Considered doubtful		-	570
Provision for doubtful prepayments (note 23.2)		-	(570)
		-	-
		573	629
23.2 Provision for doubtful prepayments - others			
Balance as at January 01,		570	582
Reversal made during the year		-	(12)
Balance written-off during the year		(570)	-
Balance as at December 31,		-	570



24. Loans to employees - unsecured	2016	2015
	Rupees in thousand	
Executives	20	78
Others (note 24.2)	114	65
	<u>134</u>	<u>143</u>
24.1 These represent interest free loans given to employees in accordance with the policy of the Company. These are recoverable in equal monthly instalments.		
24.2 Others		
Considered good	114	65
Considered doubtful	132	132
Provision for doubtful loans - others	0	(132)
Balance written-off during the year	(132)	0
	<u>0</u>	<u>0</u>
	<u>114</u>	<u>65</u>
25. Sundry receivables		
Advance to employees against expenses (note 25.1)	50	21
Security deposits (note 25.3)	1,625	1,625
Sales tax refundable	135	122
Tax paid under protest - refundable (note 13.1)	5,500	5,500
Forced tax recovery (note 13.2)	138	0
Federal excise duty - refundable (note 13.4)	23,831	0
Others	432	4,262
	<u>31,711</u>	<u>11,530</u>
25.1 Advances to employees against expenses		
Considered good	50	21
Considered doubtful (note 25.2)	0	93
Provision for doubtful advances	0	(93)
	<u>0</u>	<u>0</u>
	<u>50</u>	<u>21</u>
25.2 Provision for advances to employees against expenses		
Balance as at January 01,	93	144
Reversal made during the year	0	(51)
Balance written-off during the year	(93)	0
Balance as at December 31,	<u>0</u>	<u>93</u>
25.3 Security deposits		
Considered good	1,625	1,625
Considered doubtful	0	535
Provision for doubtful deposits (note 25.4)	0	(535)
	<u>0</u>	<u>0</u>
	<u>1,625</u>	<u>1,625</u>
25.4 Provision for doubtful security deposits		
Balance as at January 01,	535	908
Reversal made during the year	0	(373)
Balance written-off during the year	(535)	0
Balance as at December 31,	<u>0</u>	<u>535</u>



26. FIXED ASSETS - Tangible

	Freehold land	Buildings on freehold land	Furniture, fixtures and office equipment	Computer equipment	Motor vehicles	Total
Rs. in thousand						
As at January 01, 2015						
Cost / revalued amount	124,800	63,594	18,899	12,801	41,650	261,744
Accumulated depreciation	0	(15,260)	(12,940)	(10,291)	(30,941)	(69,432)
Accumulated impairment loss	0	(727)	0	0	0	(727)
Book value	124,800	47,607	5,959	2,510	10,709	191,585
Year ended December 31, 2015						
Opening book value	124,800	47,607	5,959	2,510	10,709	191,585
Disposals:						
Cost	0	(1,855)	(2,737)	(3,769)	(15,349)	(23,710)
Accumulated depreciation	0	346	2,028	3,276	12,886	18,536
	0	(1,509)	(709)	(493)	(2,463)	(5,174)
Depreciation charge	0	(2,361)	(593)	(628)	(1,757)	(5,339)
Surplus on revaluation	0	3,264	0	0	0	3,264
Closing book value	124,800	47,001	4,657	1,389	6,489	184,336
As at December 31, 2015						
Cost / revalued amount	124,800	65,003	16,162	9,032	26,301	241,298
Accumulated depreciation	0	(17,275)	(11,505)	(7,643)	(19,812)	(56,235)
Accumulated impairment loss	0	(727)	0	0	0	(727)
Book value	124,800	47,001	4,657	1,389	6,489	184,336
Year ended December 31, 2016						
Opening book value	124,800	47,001	4,657	1,389	6,489	184,336
Additions	0	0	3	99	2,266	2,368
Disposals:						
Cost	0	0	(165)	0	(267)	(432)
Accumulated depreciation	0	0	137	0	226	363
	0	0	(28)	0	(41)	(69)
Depreciation charge	0	(2,350)	(510)	(432)	(1,546)	(4,838)
Transferred to investment property (note 27.1)	0	(24,432)	0	0	0	(24,432)
Accumulated depreciation	0	7,150	0	0	0	7,150
	0	(17,282)	0	0	0	(17,282)
Surplus on revaluation	4,160	0	0	0	0	4,160
Depreciation elimination upon revaluation	0	4,429	0	0	0	4,429
Impairment loss reversed	0	727	0	0	0	727
Closing book value	128,960	32,525	4,122	1,056	7,168	173,831
As at December 31, 2016						
Cost / revalued amount	128,960	40,571	16,000	9,131	28,300	222,962
Accumulated depreciation	0	(8,046)	(11,878)	(8,075)	(21,132)	(49,131)
Book value	128,960	32,525	4,122	1,056	7,168	173,831
Annual rate of depreciation (%)	-	5%	10-30%	30%	20%	

26.1 Surplus on revaluation

Latest revaluation of buildings on freehold land has been carried-out by Masud Associates (Pvt.) Ltd. (Valuation & Engineering Consultants, 65 - The Mall, Lahore) as on December 31, 2016 on the basis of current depreciated market value. Had there been no revaluation, carrying value of buildings on freehold land as at December 31, 2016 would have been lower by Rs.22.158 million (2015: Rs.36.054 million).



26.2 Disposal of fixed assets

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain/(loss)	Sold through negotiation to:
----- Rs. in thousand -----						
Furniture, fixtures and office equipment						
Cabinet, table and chairs	16	14	2	6	4	Muhammad Saleem, Lahore
Electrical appliances	15	9	6	3	(3)	Muhammad Sarwar, Lahore
Air-conditioning equipment	134	114	20	50	30	Muhammad Javed and Muhammad Raheel, Lahore
	165	137	28	59	31	
Vehicles						
Suzuki Mehran	225	197	28	96	68	Muhammad Waseem Zafar, Sialkot.
Motor cycle	42	29	13	8	(5)	Syed Ali Kausar, Karachi.
	267	226	41	104	63	
2016	432	363	69	163	94	
2015	23,710	18,536	5,174	15,183	10,009	

27. Investment property

2016 2015
Rupees in thousand

Transfer made during the year from fixed assets	17,282	-
Fair value gain arisen on revaluation carried-out during the year - grouped under other income (note 29)	1,950	-
	<u>19,232</u>	<u>-</u>

27.1 The management, during the year, has transferred its properties located at Mumtaz Centre and Eden Centre, Lahore having aggregate book value of Rs.17.282 million to Investment Property as it intends to earn rentals against these properties.

28. Expenses

Salaries and other benefits (note 28.1)	669	708
Rent, rates and taxes	12	94
Electricity charges	103	115
Communication	45	55
Printing and stationery	3	2
Travelling and entertainment	7	4
Repair and maintenance	29	57
Provision for leave encashment	53	86
Service charges	259	197
Others	12	13
	<u>1,192</u>	<u>1,331</u>



28.1 These include Rs.47 thousand (2015: Rs.169 thousand) in respect of staff retirement benefits - gratuity.

28.2 The above expenses of management allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of gross premium revenue.

29. Other income	2016	2015
	Rupees in thousand	
Income from financial assets		
Profit on term deposit receipts	-	6,770
Profit on bank accounts	788	196
Payable balances written-back	11,825	9,027
	12,613	15,993
Income from non-financial assets		
Fronting fee	776	1,225
Cash margin deposit written-back (note 12)	2,000	-
Gain on disposal of fixed assets (note 26.2)	94	10,009
Fair value gain on investment property (note 27)	1,950	-
Reversal of impairment loss	727	-
Federal excise duty - written-back (note 29.1)	0	20,220
Sale of scrap	44	63
Recoveries of medical expenses	725	-
Miscellaneous	0	8
	6,316	31,525
	18,929	47,518

29.1 The Company, upto the year 2009, had paid Federal Excise Duty (FED) on the basis of insurance premium received and not on receivable balances. Due to this policy, premium receivable and FED payable accounts were shown in the audited financial statements of the Company for the year ended December 31, 2009. Thereafter, changes had occurred in FED law and FED was converted in sales tax mode. From the year 2010, the Company is paying sales tax on accrual basis and issuing sales tax invoice on every insurance premium received or receivable on monthly basis. Later on, necessary adjusting entries were incorporated in insurance receivable account but no adjustment was given to FED payable account. As per the Company's tax Advisor, FED outstanding liability of the year 2009 was not payable. The Company, therefore, had written-back FED liability amounting Rs.20.220 million during the preceding financial year. After the eighteenth constitutional amendment, collection of sales tax on insurance services was made a provincial matter.



	2016	2015
	Rupees in thousand	
30. General and administration expenses		
Salaries and other benefits (note 30.1)	28,906	26,548
Rent, rates and taxes	599	588
Electricity charges	928	864
Insurance	749	350
Communication	816	898
Printing and stationery	347	450
Travelling and entertainment	1,532	1,410
Depreciation (note 26)	4,838	5,339
Repairs and maintenance	1,682	1,642
Legal and professional	3,325	3,530
Provision for doubtful receivables made / (reversed) (note 30.2)	14,430	(12,961)
Provision for leave encashment	1,652	1,014
Advertisement	73	186
Auditors' remuneration (note 30.3)	840	515
Others	1,560	1,756
	62,277	32,129
30.1 These include Rs.2.110 million (2015: Rs.2.609 million) in respect of staff retirement benefits-gratuity.		
30.2 Provision for doubtful receivables		
Premiums due but unpaid (note 19.2)	11,944	(15,078)
Amounts due from other insurers / reinsurers (note 20.1)	2,486	2,553
Prepayments - others (note 23.2)	0	(12)
Advances to employees against expense (note 25.2)	0	(51)
Security deposits (note 25.4)	0	(373)
	14,430	(12,961)
30.3 Auditors' remuneration		
Statutory audit fee	400	400
Half yearly review	150	100
Regulatory returns	100	0
Certification charges	25	0
Out-of-pocket expenses	165	15
	840	515
31. Taxation		
Current year	(2,108)	(1,312)
Prior year adjustment	16	727
	(2,092)	(585)
Deferred	59	(437)
	(2,033)	(1,022)



31.1 No numeric tax rate reconciliation is presented in these financial statements as the Company is mainly liable to pay tax due under sections 5 (tax on dividends) and 113 (minimum tax) of the Income Tax Ordinance, 2001. Unused tax losses as at December 31, 2016 aggregated Rs.170.907 million (2015: Rs.234.271 million).

32. Earnings per share - basic	2016	2015
	Rupees in thousand	
Profit after taxation attributable to ordinary shareholders	<u>69,213</u>	<u>129,717</u>
	No. of shares	
Weighted average number of shares outstanding during the year	<u>41,617,977</u>	<u>37,037,956</u>
	Rupees	
Earnings per share - basic	<u>1.66</u>	<u>3.50</u>

32.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2016 and December 31, 2015, which would have any effect on the earnings per share of the Company if the option to convert is exercised.

33. Remuneration of chief executive, principal officer and executives

The aggregate amount charged in these financial statements for remuneration including all benefits to the chief executive, principal officer and executives of the Company is as follows:

	Chief executive	Principal officer	Executives
2016	----- Rs. in thousand -----		
Managerial remuneration	932	4,306	5,009
House rent	288	1,325	1,959
Utilities	1,902	753	430
Medical allowance	122	120	0
	3,244	6,504	7,398
Number of persons	1	1	5
2015	----- Rs. in thousand -----		
Managerial remuneration	863	3,432	3,213
House rent	325	1,056	1,232
Utilities	1,724	894	618
Medical allowance	2,803	143	0
	5,715	5,525	5,063
Number of persons	1	1	3



- 33.1** Chief executive, principal officer and executives are also provided with other facilities, including free use of the Company maintained cars.
- 33.2** No meeting fee was paid to directors during the year; (2015: aggregate amount charged in the preceding year's financial statements for meeting fee to all the directors amounted Rs.90 thousand).
- 33.3** No remuneration was paid to non-executive directors of the Company.
- 33.4** Gratuity amounting Rs.500 thousand (2015: Rs.500 thousand) is payable to ex-chief executive.

34. Transactions with related parties

- 34.1** Related parties comprise of the Holding Company, Associated Companies and key management personnel. The Company, during the current year, has carried-out no transaction with any related party. Details of balances as at December 31, 2015 and significant transactions with related parties made during the preceding year ended December 31, 2015 were as follows:

	2015 Rupees in thousand
The Holding Company	
Year-end balance	
Commission payable	5,506
Transactions during the preceding year	
Rent received / adjusted	1,347
Shares deposit money received against issue of share capital	60,000
Associated Companies	
Transactions during the preceding year	
Premiums received / adjusted	16,510
Claims paid	14,537

- 34.2** The Company, during the year, has received dividend aggregating Rs.11.886 million (2015: Rs.5.356 million) from its Associated Companies.

35. Segment reporting

The Company has following four primary segments:

- Fire & property damage insurance provides coverage against damages caused by fire, riot & strike, explosion, earthquake, atmospheric damage, flood, electric fluctuations and other related perils.
- Marine & transport insurance provides coverage against cargo risk, war risk, damages occurring in inland transit and other related perils.
- Motor insurance provides comprehensive car coverage, indemnity against third party loss and other related coverages.
- Others insurance provides coverage against burglary, loss of cash-in-safe and cash-in-transit, engineering losses and other coverages.



	Fire & property damage		Marine & transport		Motor accident		Others & treaty		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Rs. in thousand										
Revenue										
Gross premium earned	14,079	21,531	14,065	5,415	6,963	7,570	9,820	12,547	44,927	47,063
Segment results	7,518	14,104	6,710	4,482	9,193	44,102	12,702	20,036	36,123	82,724
Investment income									31,382	4,816
Rental income									699	64
Other income									18,929	47,518
General and administration expenses									(62,277)	(32,129)
Financial charges									(184)	(1,392)
Share of profit of Associates - net of taxation									46,574	29,138
									35,123	48,015
Profit before taxation									71,246	130,739
Taxation									(2,033)	(1,022)
Profit after taxation									69,213	129,717
Other information										
Segment assets	82,238	116,442	75,738	56,880	20,372	26,409	29,436	48,199	207,784	247,930
Unallocated assets									595,782	535,740
Total assets									803,566	783,670
Segment liabilities	49,885	64,758	43,308	41,874	19,096	30,773	13,256	32,048	125,545	169,453
Unallocated liabilities									35,517	60,805
Total liabilities									161,062	230,258

36. Financial and insurance risk management objectives and policies

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest / mark-up rate risk, price risk and currency risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. Overall risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

The individual risk wise analysis is given below:



36.1 Credit risk and concentration of credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and causes the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various sectors and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. The Company's credit risk exposure is not significantly different from that reflected in these financial statements. The management monitors and limits the Company's exposure and makes estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure as specified below:

	2016	2015
	Rupees in thousand	
Current and other accounts	5,843	108,192
Investments	134,366	47,780
Premiums due but unpaid	3,401	15,909
Amounts due from other insurers / reinsurers	145,432	159,534
Accrued investment income	0	17
Reinsurance recoveries against outstanding claims	54,162	64,203
Loans to employees	134	143
Sundry receivables	2,057	5,887
	345,395	401,665

Provision is made for doubtful receivables according to the Company's policy. The impairment provision is written-off when the Company expects that it cannot recover the balance due. During the year, provisions for doubtful receivables aggregating Rs.14.430 million-net have been made (note 30.2); (2015: provisions aggregating Rs.12.961 million were reversed). The provision for doubtful receivables is shown in the respective notes to these financial statements.

The age analysis of premiums due but unpaid is as follows:

Upto one year	-	10
Past due one year but less than three years	3,401	15,899
	3,401	15,909

	Short term	Long term	Rating agency	2016	2015
				Rs. in thousand	
Bank Al Habib Ltd.	A1+	AA+	PACRA	57	56,887
National Bank of Pakistan	A1+	AAA	-do-	799	872
Habib Bank Ltd.	A1+	AAA	JCR-VIS	4,961	50,401
United Bank Ltd.	A1+	AAA	-do-	26	32
				5,843	108,192



The credit quality of amount due from other insurers / reinsurers can be assessed with reference to external credit ratings as follows:

Amounts due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Total	
		2016	2015
----- Rs. in thousand -----			
136,696	50,908	187,604	171,545
8,737	3,253	11,990	52,192
145,433	54,161	199,594	223,737

36.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity requirements are monitored regularly and the management ensures that sufficient liquid funds are available.

The following are the contractual maturities of financial liabilities on an undiscounted cash flow basis:

Carrying amount	Contractual cash flow	Upto one year
----- Rs. in thousand -----		

2016

Financial liabilities

Provision for outstanding claims (including IBNR)	78,055	78,055	78,055
Amounts due to other insurers / reinsurers	36,910	36,910	36,910
Accrued expenses	8,524	8,524	8,524
Other creditors and accruals	13,933	13,933	13,933
Deposits against performance bonds	993	993	993
Unclaimed dividends	609	609	609
Total	139,024	139,024	139,024

2015

Provision for outstanding claims (including IBNR)	106,234	106,234	106,234
Amounts due to other insurers / reinsurers	37,339	37,339	37,339
Accrued expenses	26,304	26,304	26,304
Other creditors and accruals	19,559	19,559	19,559
Deposits against performance bonds	2,993	2,993	2,993
Unclaimed dividends	609	609	609
Total	193,038	193,038	193,038



36.3 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters while optimising the return. The market risks associated with the Company's business activities are interest / mark-up rate risk, price risk and currency risk.

a) Interest / mark-up rate risk

Interest / mark-up rate risk is the risk that the value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatching of financial assets and liabilities that mature or repaid in a given period. The Company manages this mismatch through risk management strategies where significant changes in gap position can be adjusted. At the reporting date, the interest / mark-up rate profile of the Company's significant interest / mark-up bearing financial instruments was as follows:

2016	2015	2016	2015
Effective interest rate		Rs. in thousand	
Percentage			

Fixed rate financial instruments

Financial assets

Investments - PIBs	7.00 to 12.00	9.25 to 12.00	47,377	47,317
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Floating rate financial instruments

Financial assets

Bank deposits	3.75 to 3.80	4.08 to 7.20	1,643	61,519
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Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rate will not effect fair value of any financial instrument. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates at the reporting date would have increased profit for the year by Rs.16 thousand (2015: Rs.615 thousand). It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected above. The analysis assumes that all variables remain constant.

b) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark-up rate risk or currency risk), whether those changes are caused by factor specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instrument traded in the market. The Company is not exposed to commodity price risk. The Company is exposed to equity price risk that arises as a result of changes in the levels of Pakistan Stock Exchange-Index and the value of individual shares.

The available-for-sale investments are stated at lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002. The carrying and market values of these investments have been disclosed in the note 17.10 to these financial statements. Fair value is determined on the basis of objective evidence at each reporting date.



As the Company is only exposed to price risk for investments classified in the available-for-sale and at fair value through profit or loss categories, a 10% increase / decrease in share / unit prices at the year-end would have increased / decreased profit for the year and equity as at December 31, 2016 by Rs.8,699 thousand (2015: Rs.46 thousand).

c) Currency risk

Currency risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. At the reporting date, the Company does not have assets or liabilities, which are exposed to foreign currency risk.

Financial instruments by categories

	Held to maturity		Available-for-sale		At fair value through profit or loss		Bank accounts, deposits, loans and receivables		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets as per balance sheet	Rs. in thousand									
Current and other accounts	0	0	0	0	0	0	5,843	108,192	5,843	108,192
Investments	47,377	47,317	159	159	86,830	304	0	0	134,366	47,780
Premiums due but unpaid	0	0	0	0	0	0	3,401	15,909	3,401	15,909
Amounts due from other insurers / reinsurers	0	0	0	0	0	0	145,432	159,534	145,432	159,534
Accrued investment income	0	0	0	0	0	0	0	17	0	17
Reinsurance recoveries against outstanding claims	0	0	0	0	0	0	54,162	64,203	54,162	64,203
Loans to employees	0	0	0	0	0	0	134	143	134	143
Sundry receivables	0	0	0	0	0	0	2,057	5,887	2,057	5,887
	47,377	47,317	159	159	86,830	304	211,029	353,885	345,395	401,665

Financial liabilities as per balance sheet

	2016	2015
	Rupees in thousand	
Provision for outstanding claims (including IBNR)	78,055	106,234
Amounts due to other insurers / reinsurers	36,910	37,339
Accrued expenses	8,524	26,304
Other creditors and accruals	13,933	19,559
Deposits against performance bonds	993	2,993
Unclaimed dividends	609	609
	139,024	193,038



37. Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims and similar procedures are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. Reinsurance policies are written with approved reinsurers on either a proportionate basis or non-proportionate basis. The reinsurers, carefully selected and approved, are dispersed over several geographical regions.

Experience shows that larger is the portfolio of similar insurance contracts, smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Company principally issues the general insurance contracts e.g. marine & transport, fire & property damage, motor and others. Risks under non-life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from accidental fire, atmospheric disaster and terrorist activities. Insurance contracts at times also cover risk for single incident that exposes the Company to multiple insurance risks.

a) Concentration of insurance risk

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.



Risk surveys are carried-out on a regular basis for the evaluation of physical hazards associated primarily with the commercial / industrial occupation of the insured. Details regarding the fire separation / segregation with respect to the manufacturing processes, storage, utilities, etc. are extracted from the layout plan of the insured facility. Such details are formed part of the reports which are made available to the underwriters / reinsurers for their evaluation. Reference is made to the standard construction specifications laid down by IAP (Insurance Association of Pakistan). For fire & property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

A risk management solution is implemented to help assess and plan for risk in catastrophic scenarios. It provides a way to better visualise the risk exposure to the Company, which determines the appropriate amount of reinsurance coverage to protect the business portfolio.

b) Reinsurance risk

As per general practice of the insurance industry, in order to minimise financial exposure arising from large claims, the Company, in the normal course of business, enters into agreements with other companies for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from sizeable risk and provide additional underwriting capacity, which also constitutes towards the growth of premium. A significant portion of the reinsurance is affected under treaty, facultative and also under excess of loss reinsurance contracts to protect the Company's exposure towards catastrophic losses.

To minimise its exposure to any possible losses from reinsurers' insolvencies, the Company evaluates the financial condition of the reinsurers, their rating and monitors concentrations of credit risk arising from the respective geographic regions, activities or economic characteristics of the reinsurers.

In compliance with the regulatory requirement, the reinsurance agreements are duly submitted to the Securities and Exchange Commission of Pakistan on an annual basis.

The concentration of risk by type of contracts is summarised below by reference to liabilities:

	Gross sum insured		Reinsurance		Net	
	2016	2015	2016	2015	2016	2015
	----- Rs. in thousand -----					
Fire	6,579,732	18,491,945	5,395,380	6,842,020	1,184,352	11,649,925
Marine	16,822,648	7,287,004	7,401,965	6,193,953	9,420,683	1,093,051
Motor	1,845,861	1,345,494	239,962	296,009	1,605,899	1,049,485
Others	323,793	253,869	132,755	38,080	191,038	215,789
	25,572,034	27,378,312	13,170,062	13,370,062	12,401,972	14,008,250



c) **Neutral assumptions for claims estimation**

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available .

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried-out to estimate the size of the reinsurance recoveries.

The estimation process takes into account the past claims reporting pattern and details of reinsurance programs. The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of the balance sheet date. The expected future liabilities are determined on the Actuary's advice.

d) **Sensitivity analysis**

The risks associated with the insurance contracts are complex and subject to a number of variables, which complicate quantitative sensitivity analysis. The Company considers that the liability for insurance claims recognised in the balance sheet is adequate. However, actual experience may differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set-out below, showing the impact on profit before tax, net of reinsurance:

Net impact of increase / decrease in average claim by 10 % on				
Underwriting result		Shareholders' equity		
2016	2015	2016	2015	
----- Rs. in thousand -----				
Fire	49	815	49	815
Marine	6	372	6	372
Motor	84	307	84	307
Others	308	149	308	149
	447	1,643	447	1,643



38. Maturity analysis of financial assets and liabilities

2016						
Interest / mark-up bearing			Non interest / mark-up bearing			Total
Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	

----- Rs. in thousand -----

Financial assets on balance sheet

Current and other accounts	1,643	0	1,643	4,200	0	4,200	5,843
Investments	0	47,377	47,377	86,989	0	86,989	134,366
Premiums due but unpaid	0	0	0	3,401	0	3,401	3,401
Amounts due from other insurers / reinsurers	0	0	0	145,432	0	145,432	145,432
Reinsurance recoveries against outstanding claims	0	0	0	54,162	0	54,162	54,162
Loans to employees	0	0	0	134	0	134	134
Sundry receivables	0	0	0	2,057	0	2,057	2,057
	1,643	47,377	49,020	296,375	0	296,375	345,395
Off balance sheet	0	0	0	0	0	0	0
Total	1,643	47,377	49,020	296,375	0	296,375	345,395

Financial liabilities on balance sheet

Provision for outstanding claims (including IBNR)	0	0	0	78,055	0	78,055	78,055
Amounts due to other insurers / reinsurers	0	0	0	36,910	0	36,910	36,910
Accrued expenses	0	0	0	8,524	0	8,524	8,524
Other creditors and accruals	0	0	0	13,933	0	13,933	13,933
Deposits against performance bonds	0	0	0	993	0	993	993
Unclaimed dividends	0	0	0	609	0	609	609
	0	0	0	139,024	0	139,024	139,024
Off balance sheet	0	0	0	0	0	0	0
Total	0	0	0	139,024	0	139,024	139,024
On balance sheet gap	1,643	47,377	49,020	157,351	0	157,351	206,371
Off balance sheet gap	0	0	0	0	0	0	0



2015						
Interest / mark-up bearing			Non interest / mark-up bearing			Total
Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	

----- Rs. in thousand -----

Financial assets on balance sheet

Current and other accounts	61,519	0	61,519	46,673	0	46,673	108,192
Investments	15,599	31,718	47,317	463	0	463	47,780
Premiums due but unpaid	0	0	0	15,909	0	15,909	15,909
Amounts due from other insurers / reinsurers	0	0	0	159,534	0	159,534	159,534
Accrued investment income	0	0	0	17	0	17	17
Reinsurance recoveries against outstanding claims	0	0	0	64,203	0	64,203	64,203
Loans to employees	0	0	0	143	0	143	143
Sundry receivables	0	0	0	5,887	0	5,887	5,887
	77,118	31,718	108,836	292,829	0	292,829	401,665
Off balance sheet	0	0	0	0	0	0	0
Total	77,118	31,718	108,836	292,829	0	292,829	401,665

Financial liabilities on balance sheet

Provision for outstanding claims (including IBNR)	0	0	0	106,234	0	106,234	106,234
Amounts due to other insurers / reinsurers	0	0	0	37,339	0	37,339	37,339
Accrued expenses	0	0	0	26,304	0	26,304	26,304
Other creditors and accruals	0	0	0	19,559	0	19,559	19,559
Deposits against performance bonds	0	0	0	2,993	0	2,993	2,993
Unclaimed dividends	0	0	0	609	0	609	609
	0	0	0	193,038	0	193,038	193,038
Off balance sheet	0	0	0	0	0	0	0
Total	0	0	0	193,038	0	193,038	193,038
On balance sheet gap	77,118	31,718	108,836	99,791	0	99,791	208,627
Off balance sheet gap	0	0	0	0	0	0	0



39. Fair value

IFRS 13 (Fair Value Measurement) defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Following are the assets where fair value is only disclosed and is different from their carrying value:

	Fair value measurement using level 1 2016 Rs. in thousand
Investments in Associates	859,578
Available-sale-investments	783
	<u>860,361</u>

40. Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and meet the regulatory, solvency and paid-up capital requirements so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

41. Claims review

41.1 The management, during the year, has carried-out a comprehensive exercise to bring fairness in the Company's outstanding claim liabilities; accordingly claim liabilities aggregating Rs.12.701 million (2015: Rs.61.067), which are no longer payable / settlements with the clients finalised, have been reversed / adjusted in the books of account of the Company.

41.2 The management, during the year, has also reversed / adjusted / written-back health insurance claims aggregating Rs.3.752 million (2015: Rs.10.551 million) against which neither the claim related documents were available nor the Claimants had raised any demand. These claims pertained to financial years ended upto December 31, 2012. The management has also obtained an opinion from its legal Advisor, who has confirmed that these claims are time-barred and hence may be reversed / adjusted / written-back.



41.3 Claims development table

The table given below shows movement of outstanding claims from occurrence to date (amount and timing uncertainty still exist):

<u>Accident Year</u>	<u>Prior to 2010</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
----- Rupees in thousand -----									
Estimate of ultimate claim cost									
At the end of accident year	225,877	177,352	129,647	88,197	98,523	23,356	9,478	7,427	759,857
One year later	215,546	165,103	59,610	46,486	72,583	23,356	3,346	0	586,030
Two years later	152,279	115,103	35,433	34,924	72,583	12,737	0	0	423,059
Three years later	143,622	95,103	32,741	34,924	25,361	0	0	0	331,751
Four years later	118,623	94,489	32,741	8,441	0	0	0	0	254,294
Five years later	118,029	61,863	7,716	0	0	0	0	0	187,608
Six years later	46,164	28,180	0	0	0	0	0	0	74,344
Seven or more years later	20,452	0	0	0	0	0	0	0	20,452
Estimate of cumulative claims	20,452	28,180	7,716	8,441	25,361	12,737	3,346	7,427	113,660
Cumulative payments / adjustments to date	(4,166)	(4,545)	(3,485)	(4,772)	(4,394)	(4,807)	(2,669)	(6,767)	(35,605)
Liability recognised in balance sheet	16,286	23,635	4,231	3,669	20,967	7,930	677	660	78,055

42. Number of employees

	2016	2015
Number of employees as at December 31,	<u>25</u>	<u>22</u>
Average number of employees during the year	<u>24</u>	<u>23</u>

43. Date of authorisation for issue

These financial statements were authorised for issue on 01 April 2017 by the board of directors of the Company.

44. Figures

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements and re-classifications have been made in these financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2016

Number of ShareHolders	Shareholding		Total Number of Share Held	Percentage of Total Capital
	From	To		
295	1 -	100	6,844	0.02
166	101 -	500	48,767	0.12
89	501 -	1000	68,455	0.16
247	1001 -	5000	621,384	1.49
47	5001 -	10000	324,593	0.78
25	10001 -	15000	308,805	0.74
10	15001 -	20000	181,499	0.44
2	20001 -	25000	44,176	0.11
4	25001 -	30000	109,389	0.26
3	30001 -	35000	102,928	0.25
2	35001 -	40000	74,931	0.18
4	40001 -	45000	170,102	0.41
2	45001 -	50000	100,000	0.24
3	70001 -	75000	213,820	0.51
1	75001 -	80000	77,472	0.19
1	80001 -	85000	80,193	0.19
1	95001 -	100000	96,181	0.23
2	105001 -	110000	216,086	0.52
1	110001 -	115000	110,109	0.26
1	120001 -	125000	123,962	0.30
1	145001 -	150000	147,351	0.35
1	155001 -	160000	158,136	0.38
1	195001 -	200000	197,000	0.47
1	225001 -	230000	229,920	0.55
1	240001 -	245000	241,500	0.58
1	245001 -	250000	247,928	0.60
1	415001 -	420000	415,237	1.00
1	510001 -	515000	510,406	1.23
1	610001 -	615000	614,500	1.48
1	35775001 -	35780000	35,776,303	85.96
916			41,617,977	100.00

CATEGORIES OF SHAREHOLDERS AS AT 31 DECEMBER 2015

Sr. #	Categories	No. of Shareholders	No. of Shares Held	Percentage of Capital
1	Executives	2	520	0.0012
2	Directors, Chief Executive Officer, and their spouse and minor children	10	932,465	2.2405
3	Associated Companies, Undertakings and Related Parties	1	35,776,303	85.9636
4	NIT and ICP	1	1,363	0.0033
5	Banks, Development Financial Institutions, Non Banking Financial Institutions	1	1,359	0.0033
6	Insurance Companies	1	22,243	0.0534
7	General Public (Local)	889	4,718,616	11.3379
8	Others	11	165,108	0.3967
TOTAL:		916	41,617,977	100.0000



DETAILED CATEGORIES OF SHAREHOLDERS AS ON DECEMBER 31ST, 2016

Sr. #	Name	Shares Held	Percentage of Capital
-------	------	-------------	-----------------------

Executives

1	Mr. Muhammad Ilyas	20	0.0000
2	Mr. Abdul Waheed Chaudhry	500	0.0012
Running Total:		520	0.0012

Directors, Chief Executive Officer, and their spouse and minor children

1	Mr. Raza Kuli Khan Khattak	510,406	1.2264
2	Lt. Gen (R) Ali Kuli Khan Khattak	247,928	0.5957
3	Mr. Gohar Ayub Khan	2,500	0.0060
4	Ms. Shahnaz Sajjad Ahmed	77,472	0.1862
5	Dr. Shaheen Kuli Khan Khattak	77,472	0.1862
6	Mr. Mohammad Kuli Khan Khattak	6,562	0.0158
7	Mr. Mushtaq Ahmed Khan F.C.A.	2,625	0.0063
8	Mr. Pervez I. Khan	2,500	0.0060
9	Mr. Muhammad Imran Malik	2,500	0.0060
10	Mr. Amir Raza	2,500	0.0060
Running Total:		932,465	2.2405

Associated Companies, Undertakings and Related Parties

1	Bibojee Services (Pvt.) Limited	35,776,303	85.9636
Running Total:		35,776,303	85.9636

NIT and ICP

1	Investment Corporation of Pakistan	1,363	0.0033
Running Total:		1,363	0.0033

Banks, Development Financial Institutions, Non Banking Financial Institutions

1	Shirazi Investment (Pvt.) Limited	1,359	0.0033
Running Total:		1,359	0.0033

Insurance Companies

1	Gulf Insurance Company Limited	22,243	0.0534
Running Total:		22,243	0.0534

General Public (Local)

Running Total: **4,718,616** **11.3379**



Sr. #	Name	Shares Held	Percentage of Capital
-------	------	-------------	-----------------------

Others

1	ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LIMITED	3,500	0.0084
2	MILLWALA SONS (PRIVATE) LIMITED	99	0.0002
3	ALI HUSAIN RAJABALI LTD	6,500	0.0156
4	MAPLE LEAF CAPITAL LIMITED	1	0.0000
5	MAAN SECURITIES (PRIVATE) LIMITED	5,000	0.0120
6	CLIKTRADE LIMITED	40	0.0001
7	SALIM SOZER SECURITIES (PVT.) LTD.	110,109	0.2646
8	SULTAN TEXTILE MILLS (KARACHI) LIMITED	132	0.0003
9	DARSON SECURITIES (PVT) LIMITED	382	0.0009
10	DEPUTY ADMINISTRATOR ABANDONED PROPERTIES ORGANIZATION	37,431	0.0899
11	FIKREE'S (SMC-PVT) LTD.	1,914	0.0046
Running Total:		165,108	0.3967

Grand Total: **41,617,977** **100.0000**

Shareholders holding more than 5% shares:

1	Bibojee Services (Pvt.) Limited	35,776,303	85.9636
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Information Under Clause 5.19.11 (xii) of Rule Book of Pakistan Stock Exchange Ltd.

All trades in the Company's shares carried out by its Directors, executives and their spouses and minor children during the year January 01, 2016 to December 31, 2016 are as follow:

Sr.#	Name	Sale	Purchase
1	Mr. Gohar Ayub Khan - Chief Executive Officer	-	2500



HEAD OFFICE EXECUTIVE / DEPARTMENTAL HEAD

Name	Designation	Telephone Office	Fax No.
Mr. Gohar Ayub Khan	Chief Executive Officer	042-37311666	042-37230326
Mr. Amir Raza	Principal Officer	042-37355579	042-37230326
Mr. Omar Ayub Khan	Chief Operating Officer	042-37311666	042-37230326
Mr. Abdul Waheed Chaudhry	D.G.M - Internal Auditor	042-37355426	042-37230326
Mr. Aftab Rashid	Assistant General Manager-IT / Grievance Dept.	042-37355426	042-37230326
Mr. Ashfaq Ahmed	Chief Financial Officer	042-37243168	042-37230326
Mr. Muhammad Alyas	Manager Re-insurance and Compliance Officer	042-37238616	042-37230326
Mr. Liaqat Ali Shaukat	Company Secretary	042-37322813	042-37230326
Miss Bushra Hina Mushtaq	Manager Underwriting	042-37311608	042-37230326

BRANCHES

Sr. No.	Br_Code	Branch	Address	Ph No.
1	117	Principal Office, Karachi	3rd Floor Nelson Chamber I.I Chundrigar Road, Karachi	0334-3360326



Investor's Awareness

As per direction of SECP vide their S.R.O. 924 (1)/2015 dated September 09, 2015 we are pleased to incorporate the following informational message on 'JumaPunji' for investor's awareness in Annual Report of the Company for the year ended December 31, 2016.

www.jamapunji.pk

Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
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- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



FORM OF PROXY

I / We _____ of
_____ being a member(s) of The
Universal Insurance Company Limited and holder of _____ Ordinary Shares
as per Registered Folio No./CDC Participation ID and Account
No. _____ hereby appoint _____ of
_____ or failing him / her
_____ of
_____ who is

also member of The Universal Insurance Company Limited vide Registered Folio
No./CDC Participant's ID and Account No. _____ as may / our proxy
to vote for me / us and on my / our behalf at the 57th Annual General Meeting of the
Company to be held on Friday 28th April, 2017 at 10:30 a.m and any adjournment
thereof.

Signed this _____ day of _____ 2017.

Signature _____

**AFFIX
REVENUE
STAMP
RS. 5/-**

Witness:

Signature _____

Signature _____

Name _____

Name _____

CNIC No.: _____

CNIC No.: _____

Address _____

Address _____

IMPORTANT:

1. This form of Proxy duly completed must be deposited at the Company's Registered office The Universal Insurance Company Limited, 63-Shahrah-e-Quaid-e-Azam, Lahore not later than 48 hours before the time of holding the meeting.
2. A Proxy should also be a member of the Company.
3. CDC Shareholders and their proxies must attach an attested photocopy of their Computerized National identity Card or Passport with this Proxy Form.



دی یونیورسل انشورنس کمپنی لمیٹڈ پراکسی فارم

میں / ہم _____ ساکن _____ بحیثیت ممبر
دی یونیورسل انشورنس کمپنی لمیٹڈ اور حامل عام حصص تعدادی _____ بمطابق رجسٹرڈ فوئیو نمبر / سی ڈی سی شرکت کنندگان شناخت و اکاؤنٹ نمبر
_____ بذریعہ ہذا اپنی جانب سے مسمی _____ سکنہ _____
یا ان کی عدم دستیابی کی صورت میں مسمی _____ سکنہ _____ کو مقرر کرتا
/ کرتی ہوں جو کہ دی یونیورسل انشورنس کمپنی لمیٹڈ کے رجسٹرڈ فوئیو نمبر / سی ڈی سی کے اکاؤنٹ نمبر _____ کے مطابق رکن ہے
جو ہماری غیر حاضری کی صورت میں ہمیں یا ہماری جانب سے 57 ویں سالانہ اجلاس عام جو کہ بروز جمعہ 28 اپریل 2017 کو بوقت صبح 10:30 بجے ہونا
قرار پایا ہے یا اس کے کسی بھی التوا میں میری / ہماری جگہ شرکت کرے اور ووٹ ڈالے۔

دستخط بروز _____ بتاریخ _____ 2017

دستخط: _____

ریونیوٹکٹ
5/- روپے
چسپاں کریں

گواہان:

دستخط: _____	دستخط: _____
نام: _____	نام: _____
شناختی کارڈ نمبر: _____	شناختی کارڈ نمبر: _____
پتہ: _____	پتہ: _____

اہم نوٹ:

- 1- ہر لحاظ سے مکمل شدہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس دی یونیورسل انشورنس کمپنی لمیٹڈ 63- شاہراہ قائد اعظم لاہور پہنچ جائیں جو مینٹنگ کے منعقد ہونے کے 48 گھنٹے سے لیٹ نہ ہو۔
- 2- پراکسی لگانے والے کیلئے ضروری ہے کہ وہ کمپنی کا ممبر ہو۔
- 3- سی ڈی سی شیرز ہولڈرز اور ان کی پراکسی لگانے والوں کیلئے ضروری ہے کہ وہ اس پراکسی فارم کے ساتھ اپنی تصدیق شدہ قومی شناختی کارڈ یا پاسپورٹ کی کاپی لگائیں۔



THE UNIVERSAL INSURANCE CO. LTD.
UNIVERSAL INSURANCE HOUSE
63-SHAHRAH-E-QUAID-E-AZAM
LAHORE-54000 PAKISTAN.
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