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Building a better working world

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

AC/248/16
11 April 2016

Mr. Iftikhar Gadar
Chief Financial Officer
Premier Insurance Limited (the Company)
Karachi

Dear Sir

CERTIFICATE ON RESIDUAL FREE RESERVES AS REQUIRED UNDER RULE 6 (iii) OF THE COMPANIES (ISSUE OF CAPITAL) RULES, 1996

We have been requested to provide you with a certificate on the annexed computation of residual free reserves for the purpose of issue of bonus shares by the Company, as required under Rule 6 (iii) of the Companies (Issue of Capital) Rules, 1996.

Scope of Certificate

This certificate is issued in terms of the requirement of Rule 6 (iii) read with the definition of free reserves as contained in Rule 5 of the Companies (Issue of Capital) Rules, 1996.

Management's Responsibility

It is the management's responsibility to prepare and submit to Pakistan Stock Exchange the computation of residual free reserves for the issue of bonus shares in compliance with the Rule 6 of the Companies (Issue of Capital) Rules, 1996.

Auditors' Responsibility

Our responsibility is to certify the compliance of the requirement of Rule 6 (iii) of the Companies (Issue of Capital) Rules, 1996 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our procedures were limited to verifying the factual accuracy of computation of residual free reserves on the basis of audited financial statements for the year ended 31 December 2015.

Certificate

We certify that the residual free reserves of the Company, in terms of the meaning given to free reserves in the Companies (Issue of Capital) Rules, 1996 after the proposed issue of bonus shares of face value of Rs. 69,648,908 would be higher than twenty five percent of the enhanced paid-up capital of Rs. 417,893,449.

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Restriction on use and distribution

This certificate is issued in relation to the Rule 6 (iii) of the Companies (Issue of Capital) Rules, 1996 and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachment.

Ernst & Young Ford Rhodes Sidat Hyder

Yours faithfully

Chartered Accountants

Karachi

Encls:

OC/MAA

Premier Insurance

31December 2015
Working of free reserves

	(Rs. in '000)
Issued Subscribed and Paid-up Capital	348,244
Proposed Bonus issue (20%)	69,649
Enhanced Capital	417,893
25% of Enhanced Capital	104,473
General Reserve	1,188,731
Accumulated Surplus	51,424
	1,240,155
Less: Proposed Bonus Issue	69,649
Proposed Cash Dividend	34,824
	104,473
Free Reserves	1,135,682

Iftikhar Gadar
Chief Financial Officer
Dated: 07 April 2016

Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants EY KARACHI