



March 09, 2021

The General Manager,  
Pakistan Stock Exchange Ltd.,  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

Dear Sir,

Re: Notice of Meeting of EFU General Insurance Limited

We enclose a copy of Notice of 88<sup>th</sup> Annual General Meeting to be held on Wednesday March 31, 2021 at 10:00 a.m. at Registered Office of the Company at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad.

Please acknowledge receipt.

Yours faithfully,

Amin Punjani  
Company Secretary

**EFU General Insurance Ltd**

EFU House, M.A. Jinnah Road, P.O. Box 5005, Karachi-74000.  
Phone: 92-21-32313471-90, Fax: 92-21-32310450, Email: info@efuinsurance.com

## Notice of Meeting

Notice is hereby given that the 88th Annual General Meeting of the Shareholders of EFU General Insurance Limited will be held at the Registered Office of the Company at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad, on Wednesday March 31, 2021 at 10:00 a.m. to transact the following business:

### A. ORDINARY BUSINESS:

1. confirm the minutes of the 87th Annual General Meeting held on March 27, 2020.
2. confirm the minutes of the Extra-Ordinary General Meeting held on July 08, 2020.
3. receive, consider and approve the Audited Financial Statements (consolidated and unconsolidated) for the year ended December 31, 2020 together with the Chairman's review, Directors' and Auditors' reports thereon.
4. consider and if thought fit to approve the payment of Final Dividend at the rate of 55 % i.e. Rs. 5.50 per share as recommended by the Board of Directors and also approve Interim Cash Dividends of 45 % i.e. Rs. 4.50 per share already paid to the Shareholders for the year ended December 31, 2020.
5. appoint statutory Auditors of the Company for the year 2021 and fix their remuneration. The Audit Committee and the Board of Directors have recommended KPMG Taseer Hadi & Co., Chartered Accountants for re-appointment as auditors.

### B. SPECIAL BUSINESS:

6. consider, and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolutions:

“Resolved that the transactions carried out by the Company in the normal course of business with EFU Life Assurance Limited and Allianz EFU Health Insurance Limited (related parties) in 2020 be and are hereby ratified, approved and confirmed.”

“Further Resolved that the Managing Director & Chief Executive be and is hereby authorized to approve all the transactions to be carried out in the normal course of business with EFU Life Assurance Limited and Allianz EFU Health Insurance Limited till the next Annual General Meeting.”

7. consider, and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolutions:

“RESOLVED that consent of the members of EFU General Insurance Limited. (“Company”) be and is hereby accorded in terms of Section 199 of Companies, Act 2017 and other applicable provisions and hereby authorize further investment upto Rs. 1,000,000,000 (Rupees One Billion Only) from time to time in EFU Life Assurance Limited (“EFUL”), a Subsidiary Company for purchasing ordinary shares of face value of Rs. 10 each at the price prevailing in stock exchange at the date of purchase as per terms and conditions disclosed to the members. The resolution shall be valid for a period of 3 years from the date of passing of special resolution”.

“FURTHER RESOLVED that Managing Director & Chief Executive or Company Secretary be and are hereby individually authorized to fulfill all legal and corporate formalities for making the above investment.”

8. transact any other matter with the permission of the chair.

Attached to this notice of meeting being sent to the members is a statement under Section 134 (3) (b) of the Companies Act, 2017 setting forth:

- a. All material facts concerning the resolutions contained in items 6 and 7 of the Notice.
- b. Status of previous approval of investments in associated company.

By Order of the Board

  
AMIN PUNJANI  
Company Secretary

Karachi: 25 February 2021

**NOTES**

**1. PARTICIPATION IN AGM THROUGH ELECTRONIC MEANS:**

In view of the prevailing situation of Pandemic Covid-19, particularly in the wake of its second wave and concerning the well-being of the participants of the AGM, this General Meeting is being conducted as per guidelines circulated by SECP vide its Circular No. 4 of 2021 dated 15th February 2021. Accordingly, the following arrangements have been made by the Company to facilitate the participation of the shareholders in the AGM through online video conference, either in-person or through appointed proxies:

The shareholders are requested to please provide below information to our Company Secretary at e-mail address: amin.punjani@efuinsurance.com, at least 24 hours before the time of AGM i.e. latest by 10:00 am on March 30, 2021.

Folio / CDC Account No.	Name	CNIC No.	Cell No.	Email Address

Upon receipt of the above information from shareholders, the Company will send login details to their email address, which will enable them to join the said AGM through video conference on Wednesday March 31, 2021 at 10:00 AM.

2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote in respect of him. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
3. CDC Account holders are advised to follow the following guidelines of the Securities & Exchange Commission of Pakistan.

**A. For attending the meeting:**

- (i) In case of individuals, the account holder and/or sub-account holder(s) and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' 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.

**B. For appointing proxies:**

- (i) In case of individuals, the account holder and / or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. The Share Transfer Books of the Company will be closed from March 25, 2021 to March 31, 2021 (both days inclusive). Transfers received in order by our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by the close of business on March 24, 2021 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend.
5. Members are requested to notify / submit the following, in case of book entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided / notified:



- a. Change in their addresses;
- b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual and corporate entities.

#### 6. ELECTRONIC TRANSMISSION OF FINANCIAL STATEMENTS AND NOTICES

Pursuant to Notification vide SRO 787 (I) / 2014 dated September 08, 2014, the Securities & Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving annual financial statements and notice of annual general meeting through electronic mail system (E-mail). The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future.

In this regards, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company's website.

Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Further, it is the responsibility of member(s) to timely update the share registrar of any change in his (her / its / their) registered email address at the address of Company's Registrar.

#### 7. ELECTRONIC DIVIDEND MANDATE

Under Section 242 of Companies Act, 2017 it is mandatory for all listed Companies to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 in case of physical shares.

In case shares are held in CDC, electronic dividend mandate form must be directly submitted to shareholder's brokers / participant / CDC account services as the case may be.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

#### 8. SUBMISSION OF VALID CNIC / SNIC (MANDATORY)

As per SECP directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are, therefore, advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Company's Share Registrar at the following address, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 without any further delay.

#### 9. DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF DIVIDEND

Pursuant to SECP directives vide Circular No.19 / 2014 dated October 24, 2014, SECP has directed all companies to inform shareholders about changes made in the Section 150 of the Income Tax Ordinance. We hereby advise shareholders as under;

- (i) The Government of Pakistan through Finance Act, 2020 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
  - a. for filers of income tax returns: 15 %
  - b. for non-filers of income tax returns: 30 %

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 30% instead @15 %.



- (ii) In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.
- (iii) For any query / problem / information, the investors may contact the Company and / or the Share Registrar at the following phone numbers and email address. The contact number of Company Secretary is 021-32313471-90 (Ext: 9444) and email: amin.punjani@efuinsurance.com and the contact numbers of Share Registrar, CDC Share Registrar Services Limited is 0800-23275 & email: info@cdcsrsl.com.
- (iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar, CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

#### 10. CONSENT FOR VIDEO CONFERENCING FACILITY

Pursuant to the provision to the Companies Act, 2017 the members can also avail the video conferencing facility. In this regard, please fill in the following and submit at registered address of the Company at least 10 days before the holding of annual general meeting. If the Company receives consent from members holding aggregate 10 % or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

I / We, \_\_\_\_\_ of \_\_\_\_\_, being a member of EFU General Insurance Limited holder of \_\_\_\_\_ ordinary share(s) as per registered folio / CDC no. \_\_\_\_\_ hereby opt for video conferencing facility.

#### 11. UNCLAIMED DIVIDEND

As per the provision of Section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years was sent to shareholders, uploaded on Company website and Final notice was issued in newspaper on October 23, 2018. In case, no claim is lodged with the Company in the given time, the Company will deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

#### 12. DEMAND A POLL

Members can exercise their right to demand a poll subject to meeting requirements of Sections 143 and 144 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

#### 13. TRANSMISSION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD / DVD

The company has circulated financial statements to its member through CD at their registered address, printed copy of above referred statements can be provided to members upon request.

#### 14. AVAILABILITY OF AUDITED FINANCIAL STATEMENT ON COMPANY'S WEBSITE

The audited financial statement of the Company for the year ended December 31, 2020 have been made available on the Company's website [www.efuinsurance.com](http://www.efuinsurance.com)

#### 15. DEPOSIT OF PHYSICAL SHARES IN TO CDC ACCOUNTS

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of Companies Act, 2017.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing regulations of Pakistan Stock Exchange.



**Statement under section 134 (3) of the Companies Act, 2017:**

This statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company to be held on March 31, 2021.

**1. Item No. 6 of the Notice**

Transactions carried out with related parties during the year ended December 31, 2020 to be passed as a Special Resolution.

The transactions carried out in normal course of business with associated companies (related parties) are approved by the Board as recommended by the Audit Committee on quarterly basis. In the case of EFU Life Assurance Limited and Allianz EFU Health Insurance Limited, a majority of the Directors were interested and in accordance with the provisions of Section 208 of the Companies Act, 2017. Such transactions, therefore, are being placed before the shareholders for approval through special resolution proposed to be passed at the annual general meeting.

In view of the above, the normal business transactions conducted during the year 2020 with EFU Life Assurance Limited and Allianz EFU Health Insurance Limited as per following details are being placed before the shareholders for their consideration and approval / ratification.

		Amount in PKR '000'
EFU Life Assurance Limited	Premium written	24,658
EFU Life Assurance Limited	Premium paid	11,580
EFU Life Assurance Limited	Claims paid	4,360
EFU Life Assurance Limited	Dividend received	659,994
EFU Life Assurance Limited	Dividend paid	46,810
EFU Life Assurance Limited	Profit Commission Earned	25,066
Allianz EFU Health Insurance Limited	Premium written	2,487
Allianz EFU Health Insurance Limited	Premium paid	20,248
Allianz EFU Health Insurance Limited	Claims paid	741

The names of Directors with interest as Director in related parties:

- i. Mr. Saifuddin N. Zoomkawala, Director of the Company is also a Director in EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.
- ii. Mr. Hasanali Abdullah, Director of the Company is also a Director in EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.
- iii. Mr. Rafique R. Bhimjee, Director of the Company is also a Director in EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.
- iv. Mr. Taher G. Sachak, Director of the Company is also a Director in EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.
- v. Mr. Ali Raza Siddiqui, Director of the Company is also a Director in EFU Life Assurance Limited.

**Authorization to the Chief Executive for the approval of transactions carried out and to be carried out with EFU Life Assurance Limited and Allianz EFU Health Insurance Limited (related parties) till the next Annual General Meeting to be passed as a Special Resolution.**

The Company would be conducting transactions with EFU Life Assurance Limited and Allianz EFU Health Insurance Limited in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in EFU Life Assurance Limited and Allianz EFU Health Insurance Limited as detailed herein above. Therefore, in order to comply with the provisions of clause 15 under Listed Companies (Code of Corporate Governance) Regulations 2019, the shareholders may authorize the Managing Director & Chief Executive to approve transactions carried out and to be carried out in the normal course of business with EFU Life Assurance Limited and Allianz EFU Health Insurance Limited till the next Annual General Meeting.

The names of Directors and nature and extent of their interest in the proposed resolution is the same as mentioned above.



2. **Item No. 7 regarding investment in associated company:**

The details and information to be furnished regarding item No. 7 - investment in associated company under section 199 of the Companies Act, 2017:

**Information to be disclosed to members - (1) The Company shall disclose following information in the statement annexed to the notice, pursuant to sub-section (3) of Section 134 of the Act, of a general meeting called for considering investment decision under Section 199 of the Act-**

**(A) Regarding associated company or associated undertaking:**

**(i) name of associated company or associated undertaking;**

EFU Life Assurance Limited.

**(ii) basis of relationship;**

Common Directorship

**(iii) earnings per share for the last three years;**

year ended December 31, 2020 - Rs. 17.84

year ended December 31, 2019 - Rs. 15.49

year ended December 31, 2018 - Rs. 15.46

**(iv) break-up value per share, based on latest audited financial statements;**

Rs. 62 on the basis of audited financial statements for the year ended December 31, 2020.

**(v) financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and**

EFU Life Assurance Limited (EFU Life) is one of the leading life insurance companies in the country. As on December 31, 2020, it has asset base of Rs. 154 Billion. Its After tax profit for the years 2020, 2019 and 2018 was Rs. 1,784 million, Rs. 1,549 million and Rs. 1,546 million respectively. EFU Life as on December 31, 2020 has Paid-up Capital of Rs. 1,000 million, General Reserve of Rs. 2,000 million and Accumulated Surplus of Rs. 3,175 million

**(vi) in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely-**

(i) description of the project and its history since conceptualization;

(ii) starting date and expected date of completion of work;

(iii) time by which such project shall become commercially operational;

(iv) expected time by which the project shall start paying return on investment; and

(v) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;

Not Applicable.

**Regulations No. 3 (1) (a) (B) General disclosures:**

**(i) maximum amount of investment to be made;**

Rs. 1000 million.

**(ii) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;**

Long-term strategic investment for return and capital appreciation which will enhance the profitability of the Company and add to the value of the members

**(iii) sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds-**

i. justification for investment through borrowings;

ii. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and

iii. cost benefit analysis;

Not Applicable. The investment will be made from Company's own funds.



- (iv) **salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;**

Not Applicable as shares will be purchased from time to time from the stock markets at the price ruling on the date of purchase.

- (v) **direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;**

No Director, Chief Executive or their relatives has any interest in the proposed investment, except in their individual capacities as “Directors / Chief Executive” and / or as shareholders of the company.

- (vi) **in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs; and**

EFU Life Assurance Limited is a Subsidiary Company of the Company with holding of 44.49 % shares at a book value of Rs. 13.1 billion as at December 31, 2020. The market value of the subsidiary is Rs. 9.3 billion. During the year, the Company received dividend income of Rs. 660 million and recorded share of profit of Rs. 733 million.

- (vii) **any other important details necessary for the members to understand the transaction;**

None

**Regulation No. 3 (b) - In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made-**

- (i) **maximum price at which securities will be acquired;**

Not more than the price quoted on Stock Exchange.

- (ii) **in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;**

The shares will be purchased at market value ruling at Stock Exchange on purchase date.

- (iii) **maximum number of securities to be acquired;**

Equivalent to the amount of investment.

- (iv) **Number of securities and percentage thereof held before and after the proposed investment;**

44,487,840 shares (44.49 %) held to date i.e. before proposed investment. Number of Shares and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of shares which could vary with the market price at which shares are purchased in future.

- (v) **current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and**

Current market value per share as of Dec 31, 2020 is Rs. 209.02 and weighted average value of twelve weeks is Rs. 207.79

- (vi) **fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;**

Not Applicable.

**Regulation No. 3(3) - The directors of the investing company while presenting the special resolution for making investment in an associated company or associated undertaking shall certify to the members of the investing company that they have carried out necessary due diligence for the proposed investment before recommending it for members' approval.**

The Directors of the Company submit that they have carried out necessary due diligence for the proposed investment in shares of EFU Life Assurance Limited.

**Regulation No. 4(1) - Other information to be disclosed to the members. - (1) If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 199 of the Act.**

No Director or Chief Executive has any interest in the investing Company except in their individual capacities as “Directors / Chief Executive” and / or as shareholders of the investing Company. The Shareholding of the Directors is Mr. Saifuddin N. Zoomkawala 316,800, Mr. Hasanali Abdullah 374,958 Mr. Rafique R. Bhimjee 16,879,935, Mr. Taher G. Sachak 2,046 and Ali Raza Siddiqui 800.



**Status of approvals for investment in Associated undertakings:**

As required by Regulation No. 4 (2) information under Regulation 3 of the Companies (investment in associated companies and associated undertakings) Regulations, 2017, the status of approvals is as follows:

**i. total investment approved;**

Rs. 1 billion in EFU Life Assurance Limited was approved by the shareholders at Annual General Meeting of the Company held on April 07, 2018 to be invested within a period of three years.

**ii. amount of investment made to date;**

The Amount of Rs. 238.27 million has been invested out of Rs. 1 billion as at December 31, 2020.

**iii. reasons for not having made complete investment so far where resolution required it to be implemented in specified time;**

The period in which the investment is to be made as approved by the shareholders is up to April 07, 2021. Investment will be made on availability of shares at reasonable price.

**iv. and material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.**

Since the date of passing the resolution by the shareholders of the Company on April 07, 2018 the shareholders equity of the investee company has increased to Rs. 5,958 million as at December 31, 2018, Rs. 5,908 million as at December 31, 2019 and Rs. 6,175 million as at December 31, 2020.

