



**ASIA
INSURANCE**
COMPANY LTD

2021 ANNUAL REPORT



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covered





ANNUAL REPORT
2021

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CHAIRMAN'S MESSAGE



It is of great pleasure for me to present the Annual Report of the Company for the year ended on December 31, 2021. As I reflect on 2021, these past 2 years have been a testing time for everyone, particularly those who have lost relatives and friends or have struggled with the health impacts of COVID-19. I convey our heartfelt condolences for all those who have lost their loved ones during this difficult time. Despite the challenges faced by the economy, I am pleased to report that 2021 has been a spectacular year for the company despite challenges posed by the continued spread of the COVID-19 pandemic. Your Company has completed another successful year, 2021. Its' combined gross premium and contribution income increased by Rs. 320.78 million representing 47.17% increased from previous year. The profit after tax has decreased by Rs. 14.49 million representing 35.08% decrease from previous year. The profit before tax has decreased by Rs. 50.28 million representing 57.39% decrease from previous year. I am happy to mention that our journey of progress and accomplishments is continuing despite economic challenges faced by the country in 2021. This continued sustainability and improvement in business and operations of the Company would not have been possible without the untiring hard work of the field force, back office staff and professional management of the Company. I am confident that the Company's spirited manpower will continue their hard work to increase the market share of your Company to a well-deserved level commensurate with its peers. The continued sustainability will be sustained to encourage all stake holders of the Company including its employees, management, shareholders and its valued client. Under the able guidance of its illustrious Board of Directors, the management and staff of Asia Insurance Company will continue to remain committed to their vision, mission and core values. Your Company will continue to capitalize the new opportunities and the development of new products and services to achieve the fulfillment of its insurance potential. In addition to our dedicated staff and management, I would like to also thank Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Members of Pakistan Banking Council, our Auditors, brokers and above all our valued clients for their continued support and confidence in us.

A handwritten signature in black ink, which appears to read 'Ihtsham ul Haq Qureshi', is positioned above the printed name.

Chairman
Ihtsham ul Haq Qureshi

COMPANY INFORMATION

Chairman	Mr. Ihtsham ul Haq Qureshi (Prince Henrik Medal of Honour by Royal Kingdom of Denmark)
Chief executive Officer	Mr. Zain ul Haq Qureshi
Directors	Mr. Ihtsham ul Haq Qureshi (Prince Henrik Medal of Honour by Royal Kingdom of Denmark) Mr. Zain ul Haq Qureshi Mrs. Nosheen Ihtsham Qureshi (Tamgha-e-Imtiaz by Government of Pakistan) Mr. Khawaja Suhail Iftikhar (Former General Manager of PIA) Mr. Thibaud Ponchon (Nominee Director of InsuResilience Investment Fund SICAV RAIF, Luxembourg) Mr. Hassan Ahmed Khan Mr.Syed Murtaza Hasnain Nadir
Audit Committee	Mr. Hassan Ahmed Khan (Chairman) Mr.Syed Murtaza Hasnain Nadir (Member) Mr. Thibaud Ponchon (Member) Mr. Khawaja Suhail Iftikhar (Member) Mr. Iftikhar Ahmed (Secretary)
Legal Advisor	Barister Munawar -us-Salam Cornelius , Lane & Mufti, Advocates and Solicitors, Nawa -e-Waqt Building, 4-Shahra -e-Fatima Jinnah, Lahore .
Sharia Advisor	Mufti Muhammad Akhlaq
Share Registrar	Corplink (Pvt.) Limited, Wings Arcade, 1-K, Model Town, Lahore.
CFO	Mr. Muhammad Ali Raza (ACA)
Company Secretary / Compliance Officer	Ms. Shazia Hafeez (B.Sc.) (LL.B.)
Internal Auditor	Mr. Iftikhar Ahmed CA (Final), APFA, MBA, CICA
Auditors	BDO Ebrahim & Company Chartered Accountants.
Actuary	Anwar Associate

Management Committees

Risk Management & Compliance Committee

Mr. Zain ul Haq Qureshi	Chairman
Mr. Shahbaz Hameed	Member
Mr. Muhammad Masood	Member
Ms. Shazia Hafeez	Secretary

Underwriting committee

Mr. Ihtisham ul Haq Qureshi	Chairman
Mr. Zain ul Haq Qureshi	Member
Mr. Faisal Mehmood Qureshi	Member
Mr. Amjad Rao	Secretary

Claim settlement Committee

Mr. Khawaja Suhail Iftikhar	Chairman
Mr. Shahbaz Hameed	Member
Mr. Hassan Ahmad Khan	Member
Mr. Asif Ali Mughal	Secretary

Reinsurance & Co-insurance Committee

Mr. Ihtisham ul Haq Qureshi	Chairman
Mr. Zain ul Haq Qureshi	Member
Mr. Mohammad Ali Raza	Member
Mr. Muhammad Masood	Secretary

Board Committees

Ethic, Human Resource & Remuneration Committee

Mr. Hassan Ahmad Khan	Chairman
Mrs. Nosheen Ihtsham	Member
Mr. Ihtisham ul Haq Qureshi	Member
Mr. Shahbaz Hameed	Secretary

Investment Committee

Mr. Ihtisham ul Haq Qureshi	Chairman
Mr. Zain ul Haq Qureshi	Member
Mrs. Nosheen Ihtsham	Member
Mr. Hassan Ahmed Khan	Member
Mr. Mohammad Ali Raza	Secretary

Audit Committee

Mr. Hassan Ahmed Khan	Chairman
Mr. Syed Murtaza Hasnain Nadir	Member
Mr. Thibaud Ponchon	Member
Mr. Khawaja Suhail Iftikhar	Member
Mr. Iftikhar Ahmed	Secretary

MANAGEMENT

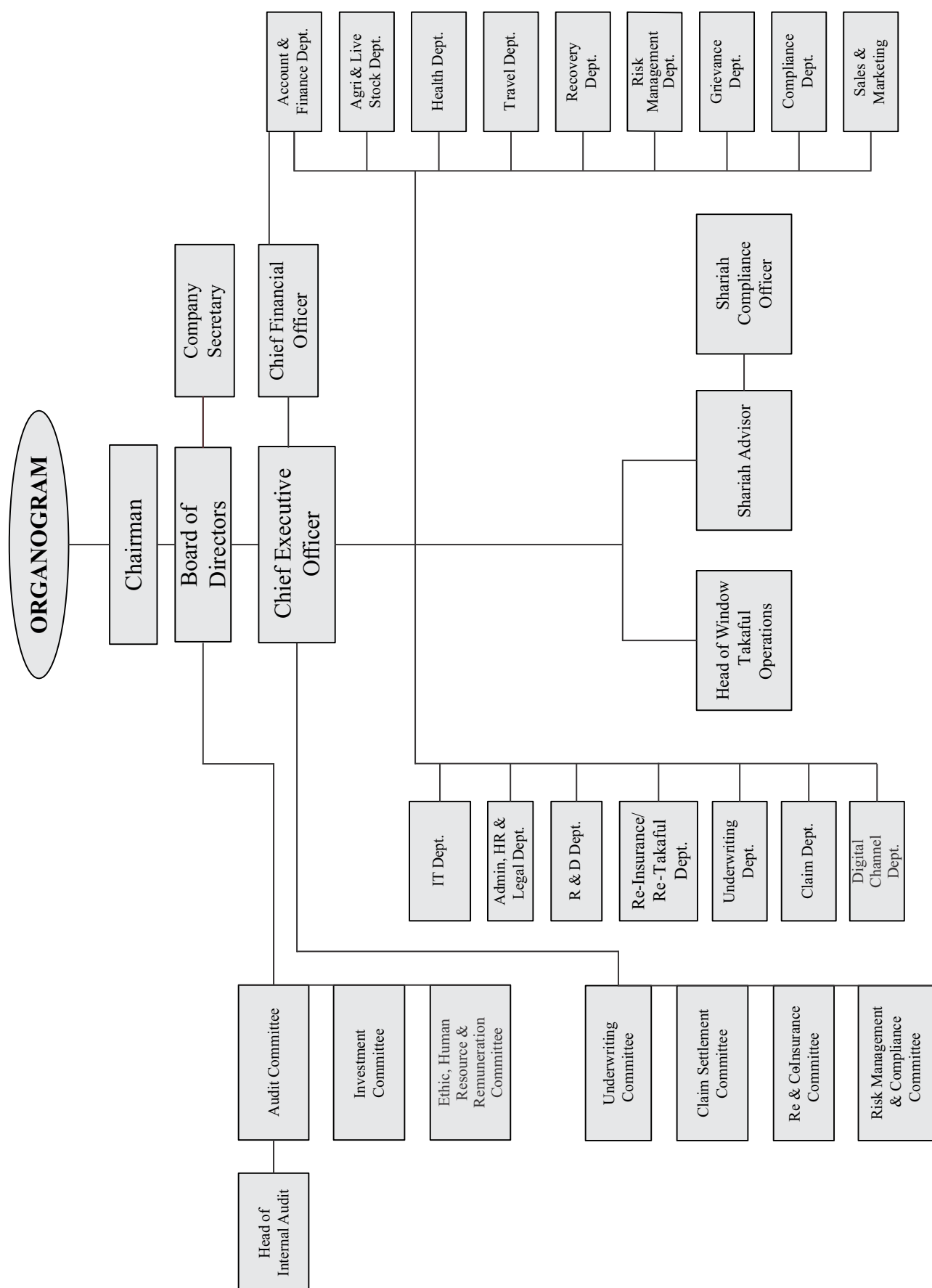
Mr. Zain ul Haq Qureshi	Chief Executive Officer
Mr. Muhammad Ali Raza	Chief Financial Officer
Ms. Shazia Hafeez	Company Secretary & Compliance Officer
Mr. Riaz Hussain Shah	Executive Vice President (EVP)
Mr. Shahbaz Hameed	Deputy General Manager HR / Admin & Legal Head
Mr. M. Amjad Rao	Deputy General Manager / Controller of Branches
Mr. Gulfaraz Anis	Deputy General Manager MIS
Mr. Abdul Hamid	Head of Takaful
Mr. M. Imran Qureshi	Agri & Corporate Head
Dr. Asrar Hussain Ch	VP Livestock Projects
Mr. Muhammad Ahmad Chauhan	Head of Corporate Health
Mr. Iftikhar Ahmad	Head of Internal Audit
Mr. Asif Ali Mughal	Head of Claims / Grievance
Mr. Muhammad Masood	Head of Reinsurance / Risk Management
Mr. Mustjab Ahmed	Head of Co-Insurance Underwriting
Mr. Amjad Hussain	Head of Travel & Recovery
Mr. Faisal Mehmood Qureshi	Head of Underwriting
Mr. Basit Ali	Manager Accounts
Mr. Asif Masood Bhatti	General Manager South

Registered & Head Office: Asia House, 19 C/D Block-L, Gulberg III, Main Ferozpur Road, Lahore, Pakistan.

Phone: +92-42-35865575-78

Fax: +92-42-35865579

UAN: +92-311-111-ASIA (2742)



Statement Of Ethics:

All Directors and staff are required to:

- Act with integrity, dignity and in an ethical manner when dealing with the public, clients and peers.
- Protect the confidentiality of client information at all times except where required by law to disclose it.
- Protect the confidentiality of information relating to the Company both during the course of Directorship or employment (as the case may be) and after its termination (regardless of reason).
- Obtain written permission from the Company's Compliance Officer (or the Chief Executive Officer in the event that the Compliance Officer is Unavailable) to hold any position (paid or unpaid) with any outside party, firm or organization. For clarity, positions covered include but are not limited to consultant, employee, Director, representative and agent. Directors are exempt from the requirement.
- Maintain accurate records of business transactions related to the Company or its clients.
- Report any business or professional activity that may result in a conflict with or be competitive with the interest of the Company.
- Report any person or activity to the Compliance Officer or their opinion is in violation of this statement.
- Disclose their shareholding in the Company's securities upon agreement and any changes in shareholding within 24 hours of any such change.
- Every Director and employee who has knowledge of confidential material information of the Company's affairs is prohibited from trading in shares of the Company.

Statement Of Business Practices

- **Uncompromising Integrity:**

Our business is founded on trust and we manage it ethically, lawfully and fairly. It is our objective to conduct business with reputable clients and business partners who are involved in lawful business activities. We do not facilitate money laundering.

- **Clients' Interest:**

Nothing we do is more important than shielding and preserving our clients' lawful interests. We hold responsibilities towards our clients in the highest regard.

- **Entrepreneurship:**

We work hard every day to hire the best people, stimulate them, reward them and endorse them to innovate. We are an equal opportunity employer.

- **Zeal for Performance:**

We contribute towards our Company's financial goals and focus on achieving better results.

- **A Culture of Distinction:**

We measure our performance on every task we undertake not just by the results but also by the quality of our work.

- **A Tradition of Success:**

While we are fair and ethical at all times, we compete fairly with the quality and the price of our innovative products and services, not by offering improper benefits to others. Employees are not permitted to use their jobs to solicit, to demand, accept, obtain or be promised advantages.

PRODUCTS AND SERVICES

a. CONVENTIONAL INSURANCE BUSINESS:

- **Motor Insurance**

We provide complete Auto Insurance plans for both individuals and corporate clients, covering accidental damage, theft, snatching, armed hold up, third party liability and terrorism. This is backed up with the liberty to have your vehicle repaired at the workshop of your own choice.

- **Property Insurance**

We provide insurance coverage to your homes, offices & factories against accidental fire, lightning and allied perils like Riot & Strike Damage, Malicious Damage, Earthquake (Fire and Shock), Explosion, Atmospheric Disturbance, Impact Damage, Burglary etc.

- **Marine Insurance**

We provide insurance coverage for the imports and exports of consignments, loss or damage of cargo during transit by air, sea and rail/road. It also covers dispatching of finished goods from the insured's premises to anywhere within and outside Pakistan.

- **Agriculture Insurance**

We provide insurance coverage against agriculture loans disbursed by banks, which cover insurance of crops and livestock, as well as farm implements like tractors and harvesters.

- **Travel Insurance**

We provide bank guarantees for travel agents and travel insurance service for our corporate clients, individuals, students and special packages for Hajj and Ummrah tour operators and groups. Our travel insurance policies are approved for travel around the world, including the Schengen States.

- **Miscellaneous Insurance**

We also provide customized insurance solutions for our corporate clients, the covers range from the insurance of engineering projects to electrical equipment and machinery breakdown, contractor all risks, erection all risk, bonds and guarantees.

- **Health Insurance**

We provide health insurance services to corporate employees and their families to safe guard against injuries and accidents in the course of daily life. We are also providing personal accident insurance for individuals and special policy for school going children.

PRODUCTS AND SERVICES

b. TAKAFUL BUSINESS:

- **Motor Takaful**

We offer complete Auto Takaful plans for both individuals and corporate clients, covering accidental damage, theft, snatching, armed hold up, third party liability and terrorism. This is backed up with the liberty to have your vehicle repaired at the workshop of your own choice.

- **Property Takaful**

We provide Takaful coverage to your homes, offices & factories against accidental fire, lightning and allied perils like Riot & Strike Damage, Malicious Damage, Earthquake (Fire and Shock), Explosion, Atmospheric Disturbance, Impact Damage, Burglary etc.

- **Marine Takaful**

We provide Takaful coverage for the imports and exports of consignments, loss or damage of cargo during transit by air, sea and rail/road. It also covers dispatching of finished goods from the insured's premises to anywhere within and outside Pakistan.

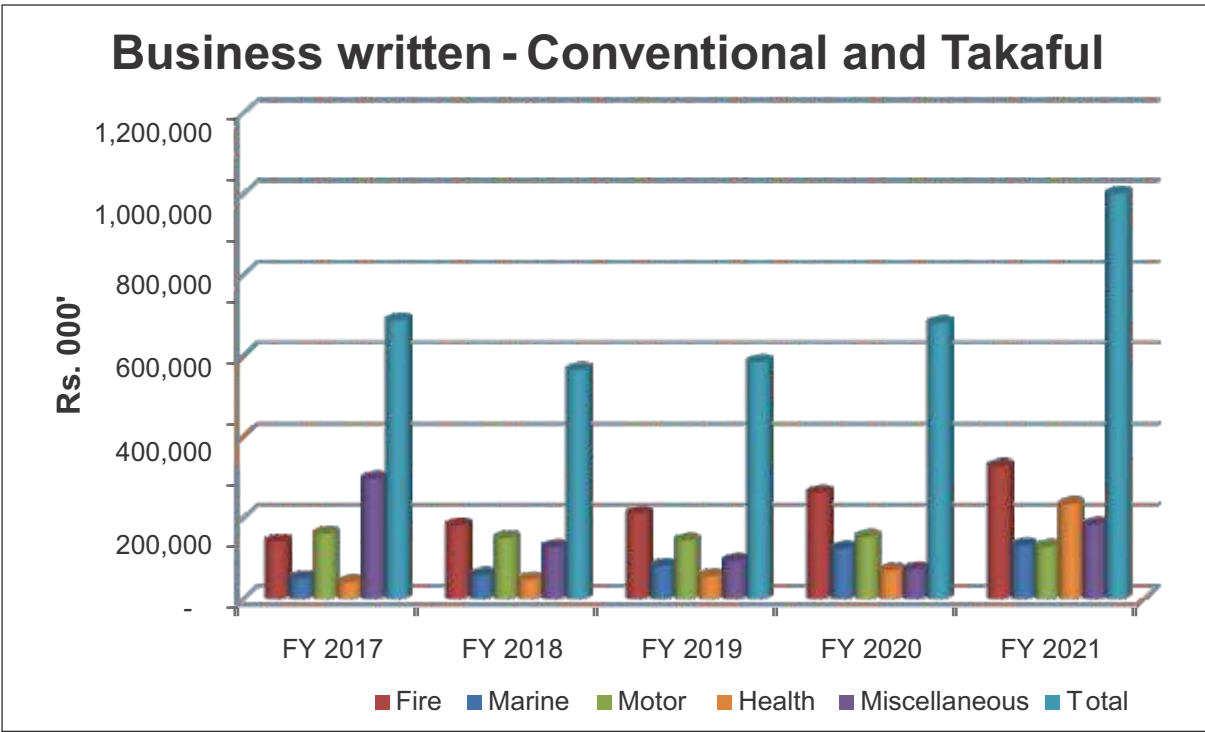
- **Miscellaneous Takaful**

We also provide customized Takaful solutions for our corporate clients, the covers range from the Takaful of engineering projects to electrical equipment and machinery breakdown, contractor all risks, erection all risk, money Takaful, plate glass.

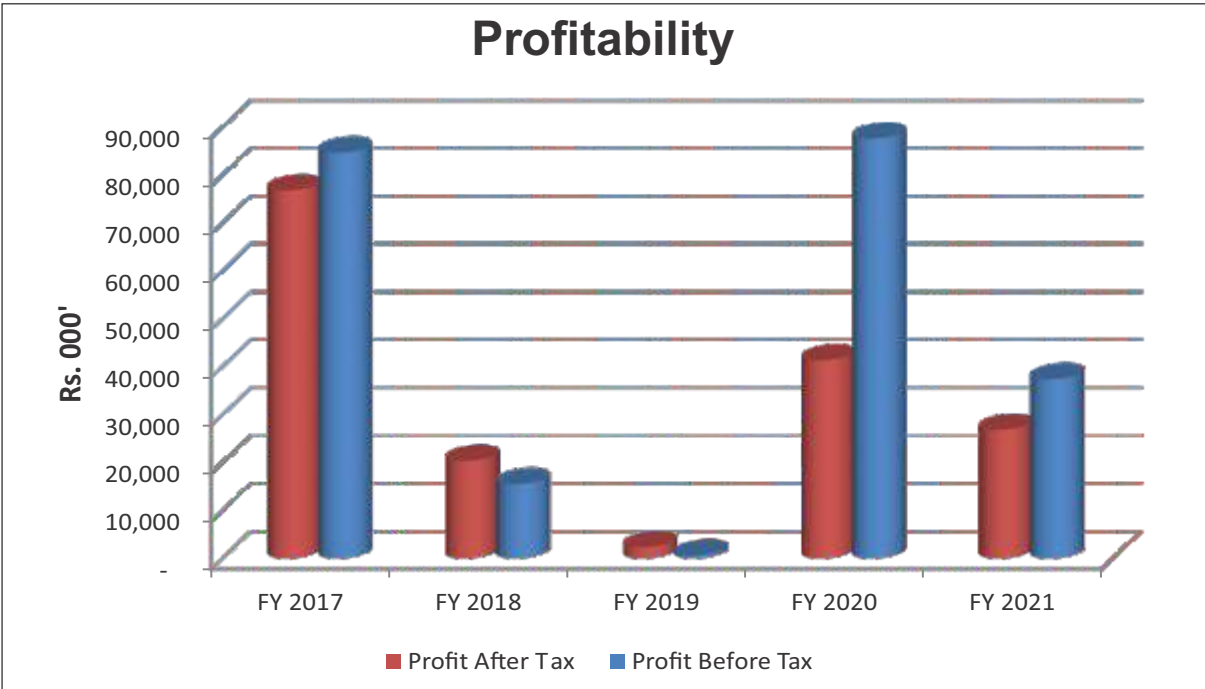
- **Health Takaful**

We provide health takaful services to corporate employees and their families to safe guard against injuries and accidents in the course of daily life. We are also providing personal accident takaful for individuals.

Financial Highlights – Performance at a glance
(Graphical Presentation)

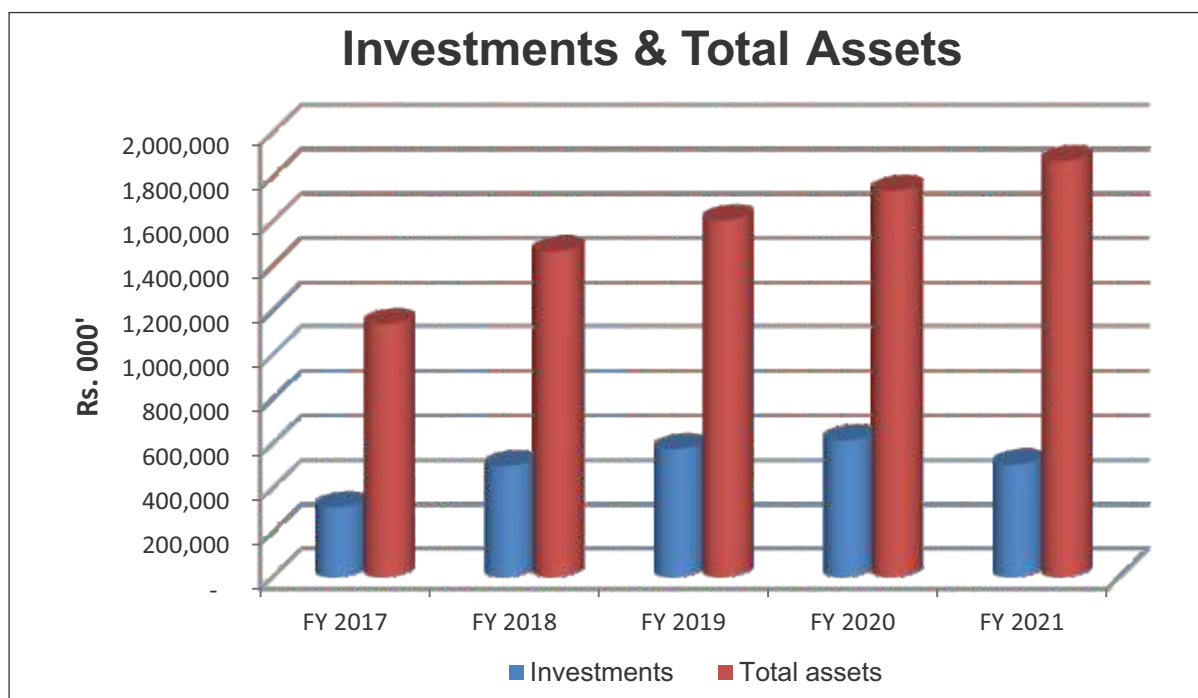


The company has sustained its premium and contribution growth for the third year in a row from 2019 to 2021. During the current year, Company has also achieved 1 billion rupees total Gross Written Premium and Gross Written Contribution threshold (Conventional plus Takaful Operations) for the first time in the history which depicts the popularity of company among its customers.

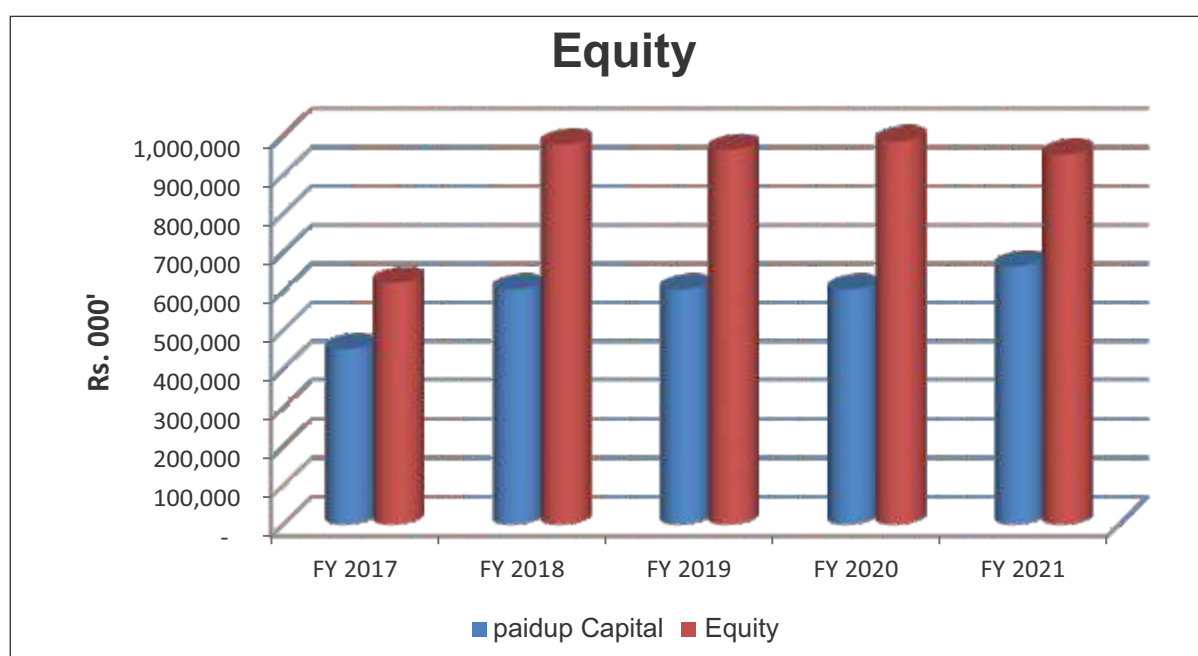


With the adverse economic indicators, the company still managed to post profit along with expansion of its branch network. The company is continuously making efforts to reduce its claim costs by focusing on the risk management process while underwriting the business.

Financial Highlights – Performance at a glance (Graphical Presentation)



Healthier increase in total assets over the period of 5 years, shows company's prudent policies regarding safety of shareholders' investments along with growth.



Consistent hard work and diligent business strategy adopted by the company's management resulted in persistent growth in shareholders value with shareholder's equity close to 1 billion rupees combined with a cash dividend for both 2020 and 2021 financial years. Furthermore, company has increased its paid up capital in 2021 to strengthen its balance sheet and its regulatory capital.

Financial Highlights - Performance at glance

Key operating and financial data for the last five years are as follows:

Particulars	2021	2020	2019	2018	2017
Rupees in Thousands					
CONVENTIONAL					
Paidup Capital	663,711	603,373	603,373	603,373	450,000
Total Assets	1,870,807	1,736,613	1,603,980	1,464,002	1,136,324
Equity	951,363	984,887	975,827	985,919	621,087
Cash and Bank Deposits	275,208	116,685	202,790	316,248	243,196
Gross Premium	923,509	607,062	523,656	521,370	659,319
Net Premium Revenue	593,676	471,450	437,893	480,215	527,728
Gross Claim Paid	248,575	238,051	170,907	194,584	188,544
Net Claim Expense	166,803	145,131	131,677	136,964	179,238
Under Writing Profit/(Loss)	6,503	(25,571)	(67,990)	(19,527)	(17,495)
Profit/(Loss) Before Tax	37,340	87,623	4,474	15,457	84,669
Profit/(Loss) After Tax	26,813	41,301	6,189	20,315	76,795
Investment Income/(Loss)	19,259	110,631	52,855	10,778	(30,084)
Earnings Per Share(Rs.)	0.40	0.62	0.10	0.36	1.71
TAKAFUL					
PTF					
Gross Contribution	77,339	73,003	60,120	42,584	27,579
Net Contribution Revenue	23,488	23,735	17,280	8,433	(1,490)
Gross Claim Paid	26,269	27,217	3,815	5,039	2,751
Net Claim Expense	25,489	23,977	12,218	5,662	4,055
Under Writing Profit/(Loss)	(1,904)	172	4,602	2,754	(5,563)
Investment Income	-	-	-	-	-
OPF					
Investment Income	2,477	3,111	1,931	822	79

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 41st Annual General Meeting “AGM” of the members of the Asia Insurance Company Limited (the “**Company**”) will be held on 29th April 2022, at 11:00 am at 19 C/D, Block L, Gulberg III, and Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Annual General Meeting held on April 29th, 2021
2. To receive, consider, and adopt the Audited Annual Accounts of the Company for the year ended December 31, 2021 together with the Chairman’s Review Report, Directors’ and Auditors’ report thereon.
3. To appoint Auditors of the Company for the year ending 31 December 2022 and fix their remuneration. The present auditors M/s BDO Ebrahim & Co., Chartered Accountant, being eligible, have offered themselves for re-appointment.
4. To approve and declare the final cash dividend for the year ended 31 December 2021 @ 30 paise per share i.e. 3% as recommended by the Board of Directors and issuance of bonus shares at 10% i.e. 1 share for every 10 shares held.
5. To consider any other business of the Company with the permission of the Chair.

SPECIAL BUSINESS

To consider and, if through fit, pass the following resolution as Special Resolution with or without modification:

6. Replacement of Article 46 of Articles of Association of the Company

RESOLVED THAT subject to obtaining the requisite approvals the existing Article 46 of Association of the Company, be and is hereby replaced by the following:

46. Director’s Qualification

“Save as provided in section 153 of the Companies Act, 2017, no person shall be appointed as a director unless he is a member of the company”.

RESOLVED FURTHER that the Chief Executive Officer and Secretary of the Company be and is hereby authorized to take necessary steps and execute documents as may be necessary or expedient for the purpose of giving effect to the spirit and intent of above resolutions and take steps necessary for filing of documents with Registrar Concerned for the amendment in the Articles of Association of the Company.

Attached to this notice of meeting being sent to the members is a statement under Section 134 (3) of the Companies Act, 2017 setting forth all material facts concerning the resolutions contained in item no. 5 of the notice.

In view of the directions issued to listed companies by the Securities and Exchange Commission of Pakistan vide its Circular no. 4 of 2021 dated February 15, 2021 and subsequent Circular no. 6 of 2021 dated March 3, 2021, the Company has decided to hold its Annual General Meeting through electronic means.

The special arrangements for attending the AGM through electronic means will be as under:

- (a) AGM will be held through Zoom Application – a video link facility.
- (b) Shareholders interested in attending the AGM through Zoom Application will be requested to get themselves registered with the Company Secretary office at least 2 working days before AGM at email address corporate@asiainsurance.com.pk or may WhatsApp or sms on 03154008755 by providing the following detail:

Name of Shareholder	CNIC no.	Folio/CDS no.	Cell no.	Email Address

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after identification process. Shareholders will be able to login and participate in the AGM proceeding in person or through proxy, through their devices after completing all the formalities required for the identification and verification of the shareholders.

- (c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary Office at least two working days before the AGM at corporate@asiainsurance.com.pk or may WhatsApp or sms on 03154008755. Shareholders are required to mention their full name, CNIC no. and folio/CDS no. for this purpose.

Lahore
April 7, 2022

By order of the Board

Shazia Hafeez
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 23-04-2022 to 29-04-2022 (both days inclusive). Transfers received by our Shares Registrar M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Model Town, Lahore, by the close of business on 22-04-2022 will be treated as being in time for the purpose of entitlement of final cash dividend and bonus shares to the transferees and to attend and vote at the AGM.
2. A Member entitled to attend and vote at the meeting may appoint another Member as his/her proxy to attend the meeting and vote for him/her. Instruments appointing proxies, in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the meeting, duly signed / notarized certified copy, as the case may be.
3. Shareholders are required to immediately notify the company of any change to their postal addresses.
4. CDC Account Holders are required to follow guidelines provided in Circular 1, dated January 26, 2000 (issued by the Securities and Exchange Commission of Pakistan):

Attending the Meeting

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate their identity by showing their original CNIC or original passport at the time of attending the meeting.
- ii. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (along with CNIC) shall be produced at the time of the meeting.

Appointing Proxies

- i. In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as provided above.
 - ii. The proxy form shall be witnessed by the 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 (and attested copy of CNIC of nominee) shall be submitted along with proxy form to the Company.
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 CNIC, for individual and NTN both for individual & corporate entities.

6. The members holding in aggregate 10% or more shareholding residing in the city, can also avail video conference facility under the provisions of section 134 (1) (b) of the Act to participate in the meeting. The consent of such members must reach at the registered office of the Company at least 10 days before the meeting.
7. Pursuant to Notification vide SRO 787, 10/2014 dated September 8, 2014, the Securities and Exchange Commission of Pakistan has directed all the companies to facilitate their members receiving annual financial statements and notice of AGM through electronic mail system. The Company is pleased to offer this facility to its valued members who desire to receive annual financial statements and notices through email in future.

In this regard, 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 on the Company's website.

8. 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 shareholder as under;
 - (i) The Government of Pakistan through Finance Act, 2019, effective from July 1, 2019, 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 & email address. The contact number of Company Secretary is 042-35865574-78 & email (as given above) and the contact numbers of Shares Registrar M/s Corplink (Pvt.) limited, is (042) 35916714, 35916719, 35839182 and email: corplink786@gmail.com/shares@corplink.com.pk.
- (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. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

9. **ZAKAT DECLARATION (CZ-50)** Zakat will be deducted from the dividends at source under the Zakat and Usher Laws and will be deposited within the prescribed period with the relevant authority. In case you want to claim exemption, please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 and Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form with our Share Registrar, Shares Registrar M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Model Town, Lahore or in case of book entry securities in CDC to respective CDC participants. The shareholders while sending the Zakat Declarations must quote company name and their respective CDS A/C # or Folio No
10. Members can exercise their right to demand a poll subject to meeting requirements under Sections 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.
11. The members holding in aggregate 10% or more shareholding residing in the city, can also avail video conference facility under the provisions of section 134 (1) (b) of the Act to participate in the meeting. The consent of such members must reach at the registered office of the Company at least 10 days before the meeting.
12. In compliance of Section 244 of the Act, the Company uploaded the details of unclaimed dividend on its website and submitted a statement to the Commission through e-services portal, stating the amount of dividend, which remained unclaimed for a period of 3 years from the date it was due.
13. financial statements and reports have been placed on the website of the Company www.asiainsurance.com.pk
14. The Company has circulated financial statements to its members through CD at their registered address, printed copy of above referred statement can be provided to members upon request.

15. Electronic Dividend Mandate:

Under Section 242 of Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to its shareholders 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 to fill in Bank Mandate Form (if not already provided) for Electronic Credit of Cash Dividend, available on the Company's website, and send it duly signed along with a copy of CNIC to the Share Registrar, M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Model Town, Lahore, in case of physical shares.

In case of shares held in CDC, the Electronic Dividend Mandate Form must be directly submitted to shareholder's brokers/participant/CDC account services.

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

16. Deposit of Physical Shares into CDC Accounts:

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any member/stock broker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, no risk of loss, damage or theft, no stamp duty on transfer of shares in book-entry form and hassle-free credit of bonus or right shares.

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

17. Form of Proxy is enclosed.

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 in the Annual General Meeting of the Company to be held on April 29, 2022.

Item 6 of the Notice

Comparative Analysis of existing Clause with proposed replacement in the Articles of Association of the Company.

Existing Article 46	After proposed replacement of Article 46
The qualification of a Director shall be the holding of shares of the Company to the nominal value of Rs. 5000/- at least in his own name and his qualification shall be acquired within two months after appointment. This requirement of holding shares by a Director in his own name is not applicable on the Nominee Director.	“Save as provided in section 153 of the Companies Act, 2017, no person shall be appointed as a director unless he is a member of the company”.

Reasons for Change: To make the Article 46 in conformity with the provisions of the Companies Act, 2017.

Statement by the Board:

The Board of Directors, in their meeting held on March 31, 2021 resolved that the proposed replacement of the Article 46 is in line with the applicable provisions of law.

15. الیکٹرانک ڈیوڈ منڈیٹ

کمپنیز ایکٹ 2017ء کے سیکشن 242 کے تحت تمام لسٹڈ کمپنیوں کے لئے لازم ہے کہ وہ اہل شیئر ہولڈرز کے مقرر کردہ بینک اکاؤنٹ میں اُن کو بذریعہ برقی طریقہ کار براہ راست نقد منافع منقسمہ ادا کریں۔ بینک اکاؤنٹ میں براہ راست منافع منقسمہ وصول کرنے کے لئے شیئر ہولڈرز کو درخواست کی جاتی ہے کہ وہ الیکٹرانک کریڈٹ برائے کیش ڈیوڈ منڈیٹ کے لئے کمپنی کی ویب سائٹ پر دستیاب بینک منڈیٹ فارم پر کریں اور فزیکل شیئر کی صورت میں شیئر رجسٹراریسز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 201-K ٹاؤن لاہور کو اپنے شناختی کارڈ کی نقل کے ہمراہ دستخط شدہ فارم ارسال کریں (اگر قبل ازیں فراہم نہیں کیا گیا ہے)۔

CDC میں موجود شیئر کی صورت میں الیکٹرونک ڈیوڈ منڈیٹ فارم شیئر ہولڈرز کے بروکر/شرکاء/CDC اکاؤنٹ سروسز کو براہ راست جمع کرائیں۔ معلومات کی عدم وصولی کی صورت میں کمپنی شیئر ہولڈرز کو منافع منقسمہ کی ادائیگی روکنے پر مجبور ہوگی۔

16. CDC اکاؤنٹس میں فزیکل شیئرز کا ڈیپازٹ

کمپنیز ایکٹ 2017ء کے سیکشن 72 کے تحت تمام موجودہ کمپنیوں کی کمپنیز ایکٹ 2017ء کے تاریخ نفاذ سے 4 سال کے اندر اپنے فزیکل شیئر بک اینٹری فارم میں تبدیل کرنا لازمی ہے۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے لسٹڈ کمپنیوں کو بذریعہ مراسلہ نمبر CSD/ED/Misc./2016-639-640 ہدایت کی ہے کہ وہ فزیکل فارم میں شیئر کے حامل اراکین کو اپنے حصص بک اینٹری فارم میں تبدیلی کی تلقین کریں۔

ہم یہاں باضابطہ طور پر فزیکل فارم میں حصص کے حامل اپنے تمام اراکین کو درخواست کرتے ہیں وہ پہلی فرصت میں اپنے حصص کو بک اینٹری فارم میں تبدیل کریں۔ انہیں سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ یا پاکستان سٹاک ایکسچینج کے کسی رکن/سٹاک بروکر سے رابطہ کرنے کی بھی تجویز کی جاتی ہے تاکہ وہ سنٹرل ڈیپازٹری سسٹم میں اپنا اکاؤنٹ کھولیں اور اپنے فزیکل شیئرز کو بک اینٹری کی صورت میں درج کر سکیں۔ اراکین کو آگاہ کیا جاتا ہے کہ بک اینٹری کی صورت میں حصص رکھنے کے کئی فوائد ہیں جن میں مندرجہ ذیل شامل ہیں لیکن یہ یہاں تک محدود نہیں، حصص کا محفوظ اور آسان قبضہ، آسانی تجارت اور منتقلی کے قابل، گمشدگی، خرابی یا چوری کا کوئی خطرہ نہیں، بک اینٹری کی صورت میں حصص کی منتقلی پر کوئی سٹامپ ڈیوٹی نہیں، بونس یا رائٹ حصص کے کریڈٹ میں کوئی مسئلہ نہیں۔

ہم کمپنی کے اراکین کو ان کے بہترین مفاد میں دوبارہ تلقین کرتے ہیں وہ پہلی فرصت میں اپنے فزیکل شیئرز کو بک اینٹری کی صورت میں تبدیل کرائی۔

پراکسی فارم لف ہذا ہے۔

17. کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت بیان

بیان ہذا 29 اپریل 2022ء کو منعقدہ کمپنی کے سالانہ اجلاس میں زیر بحث لائے جانے والے خصوصی امور سے متعلق ٹھوس حقائق پر مشتمل ہے۔
نوٹس کا آئیٹم 6

کمپنی کے آرٹیکلز آف ایسوسی ایشن میں مجوزہ تبدیلی کے ساتھ موجودہ شیئرز کا موازنہ

موجودہ آرٹیکل 46	مجوزہ تبدیلی کے بعد آرٹیکل 46
ڈائریکٹر کی اہلیت کا معیار یہ ہوگا کہ اُس کے نام پر کمپنی کے -/5000 روپے مالیت کے حصص ہوں اور تقرری کے دو ماہ کے اندر وہ اہل ہو جائے گا۔ ڈائریکٹرز کے نام پر حصص کی ملکیت کا یہ معیار نامزد ڈائریکٹر پر لاگو نہیں ہوتا۔	”تاؤتیک کمپنیز ایکٹ 2017ء کے سیکشن 153 کے برعکس واقع ہو، کوئی بھی شخص، جب تک وہ کمپنی کا رکن نہ ہو، ڈائریکٹر مقرر نہیں ہو سکتا۔“

تبدیلی کی وجہ: آرٹیکل 46 کو کمپنیز ایکٹ 2017ء کے قواعد کی تعمیل میں لانا۔

بیان منجانب بورڈ

بورڈ آف ڈائریکٹرز نے 31 مارچ 2021ء کو منعقدہ اپنے اجلاس میں طے کیا کہ آرٹیکل 46 کی مجوزہ تبدیلی قانون کے لاگو قواعد کے عین مطابق ہے۔

8. مؤرخہ 24 اکتوبر 2014ء کے SECP مراسلہ نمبر 19/2014 کی پیروی میں SECP تمام کمپنیوں کو ہدایت کرتی ہے کہ وہ انکم ٹیکس آرڈیننس کے سیکشن 150 میں کی گئی تبدیلیوں سے متعلق شیئر ہولڈرز کو آگاہ کریں۔ ہم یہاں باضابطہ شیئر ہولڈرز کو ہدایت کرتے ہیں کہ:

(i) یکم جولائی 2019ء سے نافذ العمل فائننس ایکٹ 2019ء کے ذریعے حکومت پاکستان نے انکم ٹیکس آرڈیننس 2001ء کے سیکشن 150 میں چند ترامیم کی ہیں جس کے ذریعے کمپنی کی جانب سے ادا شدہ منافع منقسمہ کی رقم پر وہ ہولڈنگ ٹیکس کی کٹوتی کے لئے مختلف شرح وضع کی گئی ہے، ٹیکس کی شرح حسب ذیل ہے:

a. انکم ٹیکس ریٹرز کے فائلرز کے لئے: 15 فی صد

b. انکم ٹیکس ریٹرز کے نان فائلرز کے لئے: 30 فی صد

کمپنی کو نقد منافع منقسمہ پر 30 فی صد کی بجائے 15 فی صد کی شرح سے ٹیکس کٹوتی کا اہل بنانے کے لئے فائلر ہونے کے باوجود تمام شیئر ہولڈرز جن کے نام FBR کی ویب سائٹ پر موجود فعال ٹیکس دہندگان کی فہرست (ATL) میں موجود نہیں انہیں نقد منافع منقسمہ کی ادائیگی سے قبل ATL میں اپنے نام کا اندراج کرنے کی تلقین کی جاتی ہے بصورت دیگر ان کے نقد منافع منقسمہ پر 30 فی صد کی بجائے 15 فی صد کی شرح سے ٹیکس کی کٹوتی ہوگی۔

(ii) دو یا زائد شیئر ہولڈرز کے نام پر رجسٹرڈ حصص کی صورت میں ہر جوائنٹ ہولڈرز کو انفرادی حیثیت میں فائلر یا نان فائلر شمار کیا جائے گا اور ہر جوائنٹ ہولڈر کی شیئر ہولڈنگ (جیسا کہ کمپنی کو آگاہ کیا گیا ہو) کی بنیاد پر کمپنی کی جانب سے ٹیکس کی کٹوتی ہوگی۔ لہذا جوائنٹ ہولڈرز کو اپنی شیئر ہولڈنگ کی معلومات جمع کرانے کی درخواست کی جاتی ہے بصورت دیگر ہر جوائنٹ ہولڈر کو مساوی حصص کا مالک تصور کیا جائے گا۔

(iii) کسی بھی سوال/مسئلے/معلومات کے لئے سرمایہ دار کمپنی اور/یا شیئر رجسٹر سے مندرجہ ذیل فون نمبر اور ای میل ایڈریس پر رابطہ کر سکتے ہیں۔ کمپنی سیکریٹری کا رابطہ نمبر 042-35865574-78 اور ای میل (مذکورہ بالا) ہے۔ جب کہ شیئر رجسٹر ایمرسز کارپ لنک (پرائیویٹ) لمیٹڈ کے رابطہ نمبران 3583918، 35916719، 35916714، (042) اور ای میل corplink786@gmail.com اور shares@corplink.com.pk ہے۔

(iv) CDC کا ڈائٹس کے مالک کارپوریٹ شیئر ہولڈرز کے پاس اپنے متعلقہ شرکاء سے تجدید شدہ نیشنل ٹیکس نمبر (NTN) موجود ہونا چاہئے جب کہ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے NTN سرٹیفکیٹ کی نقل کمپنی یا اس کے شیئر رجسٹر کو ارسال کرنا ہوگی۔ NTN یا NTN سرٹیفکیٹ، کوئی بھی معاملہ ہو، ارسال کرتے ہوئے شیئر ہولڈرز کو کمپنی کا نام اور ان کے متعلقہ فوئیو نمبر درج کرنا ہوں گے۔

9. زکوٰۃ کا اعلان (CZ-50)

زکوٰۃ اور عشر کے قوانین کے تحت منفع منافع سے کاٹی جانے لگی اور مقررہ مدت کے اندر متعلقہ اٹھارٹی کے پاس جمع کرائی جائیگی، اگر آپ استثنیٰ کا دعویٰ کرنا چاہتے ہیں، تو براہ کرم زکوٰۃ اور عشر آرڈیننس، 1980 اور زکوٰۃ (کٹوتی اور رقم کی واپسی) رولز، 1981 CZ50 کے اصول 4 کے تحت اپنے زکوٰۃ کے اعلانات ہمارے شیئر رجسٹر (M/s Corplink (Pvt) کے پاس جمع کرائیں۔ لمیٹڈ، ونگز آرکیڈ، K-1، ماڈل ٹاؤن لاہور یا سی ڈی سی میں بک انٹری سیکورٹیز کی صورت میں متعلقہ سی ڈی سی سے شرکاء کو شیئر ہولڈرز کو زکوٰۃ کا اعلان بھیجتے وقت کمپنی کا نام اور اپنے متعلقہ CDS A/C # یا فوئیو نمبر کا حوالہ دینا چاہیے۔

10. کمپنیز ایکٹ 2017ء کے سیکشن 143-145 اور کمپنیز (پوسٹل بیلٹ) ضوابط، 2018ء کی لاگو شدہ قوانین کے تحت اجلاس کے معیارات سے مشروط اراکین رائے شماری کے مطالبہ کا حق استعمال کر سکتے ہیں۔

11. دوسرے شہر میں مقیم 10 فی صد یا زائد شیئر ہولڈنگ کے مالک اراکین اجلاس میں شرکت کے لئے ایکٹ کے سیکشن (b)(1) 134 کے قواعد کے تحت وڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں۔ ایسے اراکین کا اقرارنامہ اجلاس سے کم از کم 10 یوم قبل کمپنی کے رجسٹرڈ آفس میں پہنچ جانا چاہئے۔

12. ایکٹ کے سیکشن 244 کی پیروی میں کمپنی نے مقررہ تاریخ سے 3 سال کے عرصہ تک لا دعویٰ منافع منقسمہ کی تفصیلات اپنی ویب سائٹ پر شائع کردی ہیں اور کمیشن کو بذریعہ ای سرورسز پورٹل منافع منقسمہ کی رقم پر مشتمل بیان جمع کرا دیا ہے۔

13. مالیاتی اسٹیٹمنٹس اور رپورٹس کمپنی کی ویب سائٹ www.asiainsurance.com.pk پر شائع کردی گئی ہیں۔

14. کمپنی نے رجسٹرڈ پتے پر اپنے اراکین کو مالیاتی اسٹیٹمنٹس بذریعہ CD ارسال کردی ہیں۔ مذکورہ بالا اسٹیٹمنٹس کی پرنٹ شدہ نقل مطالبے پر اراکین کو فراہم کردی جائے گی۔

1. کمپنی کی شیئر ٹرانسفرنگس 23-04-2022 تا 29-04-2022 (بشمول دونوں ایام) بند رہیں گی۔ 22-04-2022 کو کاروبار بند ہونے تک ہمارے شیئر رجسٹر میں سرکارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، ماڈل ٹاؤن، لاہور کو موصول ٹرانسفرز موصول الیہ کی حتمی نقد منافع منقسمہ اور بونس حصص کی اہلیت اور AGM میں ووٹ اور شرکت کرنے کی غرض سے بروقت وصولی شمار کی جائیں گی۔
 2. اجلاس میں شرکت اور ووٹ کرنے کا/کی اہل رکن اجلاس میں اپنی جگہ شرکت اور ووٹ کرنے کے لئے کسی دوسرے رکن کو اپنا پراسی مقرر کر سکتا/سکتی ہے۔ کارآمد کرنے کی غرض سے، باقاعدہ دستخط/نوٹرائز شدہ مصدقہ نقل کوئی بھی معاملہ ہو، پراسی مقرر کرنے کا دستاویز اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازمی پہنچ جانا چاہئے۔
 3. ڈاک کے پتے میں تبدیلی کی صورت میں شیئر ہولڈرز کمپنی کو فوری طور پر لازمی آگاہ کریں۔
 4. CDC کا ووٹ ہولڈرز کو (سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ) مراسلہ نمبر 1 مورخہ 26 جنوری، 2000ء میں بیان کردہ مندرجہ ذیل ہدایات پر عمل درآمد کرنا ہوگا:
- اجلاس میں شرکت کرنا
- i. فرد واحد کی صورت میں، اکاؤنٹ یا ذیلی اکاؤنٹ ہولڈرز اور/یا گروپ اکاؤنٹ میں سیکیورٹیز اور CDC ضوابط کے تحت شائع کردہ رجسٹریشن معلومات کے حامل افراد کو اجلاس میں شرکت کے وقت اپنا اصلی شناختی کارڈ یا اصلی پاسپورٹ پیش کر کے اپنی شناخت ثابت کرنا ہوگی۔
 - ii. کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (بشمول CNIC) اجلاس کے موقع پر پیش کرنا ہوگا۔
- پراسی کی تقرری
- i. فرد واحد کی صورت میں، اکاؤنٹ یا ذیلی اکاؤنٹ ہولڈرز اور/یا گروپ اکاؤنٹ میں سیکیورٹیز اور CDC ضوابط کے تحت شائع کردہ رجسٹریشن معلومات کے حامل افراد کو مذکورہ بالا طریقے سے پراسی فارم جمع کرنا ہوگا۔
 - ii. دو افراد پر پراسی فارم کے گواہ ہونے کے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔
 - iii. مستفید ہونے والے مالکان اور پراسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراسی فارم کے ساتھ جمع کرائی جائیں۔
 - iv. اجلاس کے موقع پر پراسی کو اپنا اصلی شناختی کارڈ یا اصلی پاسپورٹ پیش کرنا ہوگا۔
 - v. کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اور نامزد شخص کے شناختی کارڈ کی مصدقہ نقول) پراسی فارم کے ہمراہ کمپنی کو جمع کرنا ہوگا۔
5. اراکین سے درخواست ہے کہ CDC میں بک اینٹری سیکیورٹیز کی صورت میں متعلقہ CDC شرکاء اور فزیکل شیئرز کی صورت میں کمپنی کے شیئر رجسٹرار کو مندرجہ ذیل سے آگاہ کریں/جمع کرائیں، اگر پہلے فراہم/مطلع نہ کیا گیا ہو۔
- a. اپنے پتے میں تبدیلی
 - b. فرد واحد کے لئے کارآمد شناختی کارڈ اور فرد واحد اور کاروباری اداروں کے لئے NTN کی نقول۔
6. دوسرے شہر میں مقیم 10 فی صد یا زائد شیئر ہولڈنگ کے مالک اراکین اجلاس میں شرکت کے لئے ایکٹ کے سیکشن (b)(1) 134 کے قواعد کے تحت ووٹ کالفرنس کی سہولت حاصل کر سکتے ہیں۔ ایسے اراکین کا اقرار نامہ اجلاس سے کم از کم 10 یوم قبل کمپنی کے رجسٹرڈ آفس میں پہنچ جانا چاہئے۔
 7. مورخہ 8 ستمبر 2014 کے مراسلہ نمبر SRO787,10/2014 کی پیروی میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان تمام کمپنیوں کو ہدایات جاری کرتا ہے کہ وہ اپنے اراکین بذریعہ برقی ڈاک سسٹم AGM کا نوٹس اور سالانہ مالیاتی گوشوارے بہم پہنچائیں۔ مستقبل میں بذریعہ ای میل سالانہ مالیاتی گوشوارے اور نوٹس وصول کرنے کے خواہشمند معزز اراکین کو کمپنی یہ سہولت ازراہ مسرت پیش کرتی ہے۔
- اس ضمن میں جو اراکین یہ سہولت حاصل کرنا چاہتے ہیں انہیں درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم پر اپنا اقرار نامہ جمع کرائیں۔

نام شیئر ہولڈر	شناختی کارڈ نمبر	فولیو/ CDS نمبر	سیل نمبر	ای میل ایڈریس

اجلاس کے انعقاد سے 30 منٹ قبل لاگ ان کی سہولت دستیاب ہوگی تاکہ شرکا شناخت کے عمل کے بعد اجلاس میں شرکت کر سکیں۔ شیئر ہولڈرز اپنی شناخت اور تصدیق کے لئے تمام تر تقاضے پور کرنے کے بعد اپنے آلات کی مدد سے ذاتی حیثیت یا بذریعہ پراسی AGM کی کارروائی میں لاگ ان اور شرکت کر سکیں گے۔

(c) AGM کے انعقاد سے کام کے کم از کم دو یوم قبل کمپنی سیکریٹری کے دفتر میں بذریعہ ای میل corporate@asiainsurance.com.pk یا

03154008755 پر بذریعہ ٹکس ایپ یا ایس ایم ایس شیئر ہولڈرز AGM کے ایجنڈا آئٹمز سے متعلق اپنی آراء اور تجاویز ارسال کر سکتے ہیں۔ اس مقصد کے لئے شیئر ہولڈرز کو اپنا مکمل نام، شناختی کارڈ نمبر اور فولیو/ CDS نمبر ظاہر کرنا ہوگا۔

منجانب بورڈ آف ڈائریکٹرز

لاہور

7 اپریل، 2022ء

شازیہ حفیظ

کمپنی سیکریٹری

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ ایشیا انشورنس کمپنی لمیٹڈ (”کمپنی“) کے اراکین کا اکیلیسواں سالانہ اجلاس عام ”AGM“، مورخہ 29 اپریل 2022ء، بوقت دن 11:00 بجے بمقام C/D 19، بلاک ایل، گلبرگ III، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 29 اپریل 2021ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ہمراہ 31 دسمبر 2021ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ کھاتوں کو وصول کرنا، انہیں زیر غور لانا اور اپنانا۔
3. 31 دسمبر 2022ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا۔ حالیہ آڈیٹرز میسرز BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کر چکے ہیں۔
4. بورڈ آف ڈائریکٹرز کی سفارشات پر 30 پیسے فی حصص یعنی 3% کی شرح سے 31 دسمبر 2021ء کو اختتام پذیر سال کے لئے حتمی نقد منافع منقسمہ اور 10 فی صد یعنی ہر 10 ملکیتی حصص کے لئے ایک حصص پر، بونس حصص کے اجرا کا اعلان کرنا اور اس کی منظوری دینا۔
5. چیئرمین کی اجازت سے کمپنی کے دیگر امور کو زیر غور لانا۔

خصوصی امور

- بمعاہ علاوہ ترمیم مندرجہ ذیل قرارداد کو زیر غور لانا اور مناسب سمجھنے پر بطور خصوصی قرارداد منظور کرنا:
6. کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 46 کو تبدیل کرنا
- قرارداد پایا کہ لازمی منظوری حاصل کرنے سے مشروط کمپنی کے آرٹیکل 46 آف ایسوسی ایشن کو مندرجہ ذیل سے تبدیل کیا جائے:
- 46. ڈائریکٹرز کی اہلیت**

”تا وقتیکہ کمپنیز ایکٹ 2017ء کے سیکشن 153 کے برعکس واقع ہو، کوئی بھی شخص، جب تک وہ کمپنی کا رکن نہ ہو، ڈائریکٹر مقرر نہیں ہو سکتا۔“

مزید قرارداد پایا کہ چیف ایگزیکٹو آفیسر اور کمپنی سیکریٹری کو ایسے لازمی اقدامات کرنے اور دستاویز جاری کرنے کا یہاں باضابطہ مجاز ٹھہرایا جاتا ہے جو مذکورہ بالا قرارداد کی روح اور ارادے کو مؤثر کرنے کے لئے درکار ہیں۔ مزید یہ کہ انہیں کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کے لئے متعلقہ رجسٹرار کے ساتھ دستاویزات کے اندراج کے لئے ضروری اقدامات کرنے کا بھی مجاز ٹھہرایا جاتا ہے۔

اراکین کو ارسال کئے جانے والے اجلاس کے نوٹس کے ہمراہ کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت بیان منسلک ہے جس میں نوٹس کے آئیٹم نمبر 5 میں موجود قرارداد سے متعلق تمام ٹھوس حقائق موجود ہیں۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے بذریعہ مراسلہ نمبر 4/2021 مورخہ 15 فروری، 2021ء اور مابعد مراسلہ نمبر 6/2021 مورخہ 3 مارچ، 2021ء کے تحت لسٹڈ کمپنیوں کو جاری ہدایات کی روشنی میں کمپنی نے سالانہ اجلاس عام بذریعہ برقی وسائل منعقد کرنے کا فیصلہ کیا ہے۔

برقی ذرائع سے AGM میں شرکت کے خصوصی انتظامات حسب ذیل ہوں گے:

- (a) AGM زوم آپٹیکیشن (ویڈیولنک سہولت) کے ذریعے منعقد ہوگا۔
- (b) زوم آپٹیکیشن کے ذریعے AGM میں شرکت کے خواہش مند حصص داران کو AGM کے انعقاد سے کم از کم 2 یوم قبل بذریعہ ای میل corporate@asiainsurance.com.pk یا وٹس ایپ/ایس ایم ایس نمبر 03154008755 پر مندرجہ ذیل تفصیلات فراہم کر کے اپنا اندراج کرانے کی درخواست کی جاتی ہے۔

Directors' Report

For the year ended December 31, 2021

Dear Shareholders,

The Directors of Asia Insurance Company Limited ("the Company") take pleasure in presenting the annual report of your company, together with the audited financial statements for the year ended December 31, 2021.

The Directors' Report prepared under Sections 226 and 227 of the Companies Act, 2017 and Code of Corporate Governance, will be put forward to the members at the 41st Annual General Meeting of the Company to be held on 29th April, 2022.

Business Overview

Pakistan's economy has experienced unprecedented challenges during the past two years on account of stabilization measures and the COVID-19 outbreak that kept the economy below its potential level. The COVID-19 pandemic that engulfed the whole world is one-in-a-century event which has exposed the inadequacy of healthcare systems around the world. The loss of millions of jobs, closure of businesses, and tipping millions into extreme poverty were obvious outcomes all over the globe.

Despite economic challenges, your Company showed a remarkable improvement and continued striving for better by offering the best professional service to its clients. Consequent to higher business volumes, the claims payout and expenses have also increased, but overall claim expense ratios are at satisfactory level.

The Company posted a healthy profit before tax of Rs. 26.86 Million while also crossing Rs. 1 Billion in Gross Premium Written and Takaful Contributions for the first time ever, a landmark achievement.

Window Takaful Operations

The written contribution for the year was Rs. 77.34 million; while net contribution revenue was Rs.23.49 million. Participants' Takaful Fund Deficit for the year was Rs. 0.21 million and profit from Operator's Funds (for shareholders) for the year was Rs. 14.76 million.

Financial Results

Following is the overall performance of the Company for the year ended December 31, 2021.

	2021	2020
Gross Premium	923,508,842	607,062,294
Profit for the year before tax	37,340,434	87,623,165
<u>Taxation:</u>		
Current	(21,990,195)	(32,491,321)
Deferred	11,779,655	(14,952,387)
Prior years	(316,724)	1,121,767
	(10,527,264)	(46,321,941)
Profit for the year after tax	26,813,170	41,301,224
Un-appropriated profit brought forward	182,386,994	161,085,770
Qard-e-Hasna	-	(20,000,000)
Final Dividend for the year 2020	(60,337,390)	-
Un-appropriated profit carried forward	148,862,774	182,386,994

Dividend

In view of the financial performance of the Company the Board of Directors in its meeting dated 31 March 2022 has recommended to pay final cash dividend for the year ended December 31, 2021 @ 30 paise per share i.e. 3% as recommended by the Board of Directors and issuance of bonus shares at 10% i.e. 1 share for every 10 shares held.

Earnings per Share

Earnings per share is Rs.0.40 Earnings per share shows decrease as compared to the last year.

Election of Directors and Composition of Board

The Election of Directors held on January 9, 2021 after the completion of the term of Directors and seven (7) directors (one Female and six male directors) elected in Extraordinary General Meeting. Composition of Board is as under:

Category	Names of Directors
Independent Directors	Mr. Khalid Rashid (resigned w.e.f. 30-6-2021)
	Mr. Hassan Ahmed Khan
Non-Executive Directors	Mr. Khawaja Suhail Iftikhar
	Mrs. Nosheen Ihtsham (Female Director)
	Mr. Thibaud Ponchon (Nominee Director)
	Mr. Syed Murtaza Hasnain Nadir (appointed on casual vacancy w.e.f. 1-07-2021)
	Mr. Ihtsham ul Haq Qureshi (resigned as CEO and became non-executive director w.e.f. 1-07-2021)
Executive Directors	Mr. Zain ul Haq Qureshi

Casual Vacancy on Board:

Mr. Khalid Rashid resigned from the Board of the Company with effect from June 30th, 2021. The Board expressed its appreciation for the valuable guidance and services rendered by him during his tenure as Chairman and Director of the Company and for smooth conduct of the Board Meetings. Mr. Syed Murtaza Hasnain Nadir has been appointed as a Non-Executive Director on the Board of the Company, on the casual vacancy, occurred due to the resignation of Mr. Khalid Rashid with effect from July 1st, 2021.

Change of CEO

Mr. Ihtsham ul Haq Qureshi resigned as the Chief Executive Officer of the Company with effect from June 30th, 2021, however, he will be the part of the Board of Directors in capacity of Non- Executive Director. The Board appointed Mr. Zain ul Haq Qureshi as the Chief Executive Officer of the Company with effect from July 1st, 2021. Mr. Ihtsham ul Haq Qureshi has been appointed as the Chairman by the Board.

Remuneration Policy of the Non-Executive and Independent Directors

In order to comply with the Companies Act, 2017, Listed Companies (Code of Corporate Governance, Regulations 2019 and Articles of Association of the Company, the Company has policy with respect to the remuneration of Executive, Non-executive and Independent directors.

The Non-Executive and Independent Directors are not paid employees of the Company and are not involved in its day-to-day running. The non-executive and Independent directors are entitled to receive a meeting fee.

Insurer Financial Rating Strength

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the IFS rating of the Company as “A+” on August 26, 2021. This rating denotes a strong capacity to meet policyholders' and contractual obligations and reflects the gains achieved by the management in core insurance business.

Related Party Transactions

At each board meeting the Board of Directors approves Company's transactions with Associated Companies / Related parties. All the transactions executed with related parties are on arm's length basis

Risk Management Policy and Know Your Customer Policy

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. Our Company's Risk Management approach is made for qualitative evaluation of risk and minimizing its hazards. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been formulated and clearly spelled out in the said guidelines.

In addition to the Risk Management Policy, the Board has approved Know Your Customer Policy as formulated and recommended by the Risk Management and Compliance Committee.

A Compliance Program is also in place, which ensure and provide guidelines that relevant Laws are complied with in letter and spirit.

Internal Control

The system of internal controls is sound and is being implemented and monitored by the Internal Audit Department. This is a continuing process and any weaknesses are identified and removed. Further, same is regularly reviewed by the board.

Committees

The Board in compliance with the Code of Corporate Governance has established following committees;

Management Committees

Risk Management & Compliance Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Zain ul Haq Qureshi	Chairman	4	4
Mr. Shahbaz Hameed	Member	4	4
Mr. Muhammad Masood	Member	4	4
Ms. Shazia Hafeez	Secretary	4	4

Underwriting Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Ihtsham ul Haq Qureshi	Chairman	4	4
Mr. Zain ul Haq Qureshi	Member	4	4
Mr. Faisal Mehmood Qureshi	Member	4	4
Mr. Amjad Rao	Secretary	4	4

Claim settlement Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Khawaja Suhail Iftikhar	Chairman	4	4
Mr. Shahbaz Hameed	Member	4	4
Mr. Hassan Ahmad Khan	Member	4	4
Mr. Asif Ali Mughal	Secretary	4	4

Reinsurance & Co-insurance Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Ihtsham ul Haq Qureshi	Chairman	4	4
Mr. Zain ul Haq Qureshi	Member	4	4
Mr. Mohammad Ali Raza	Member	4	4
Mr. Muhammad Masood	Secretary	4	4

Board Committees

Ethic, Human Resource & Remuneration Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Hassan Ahmad Khan	Chairman	4	4
Mrs. Nosheen Ihtsham	Member	4	4
Mr. Ihtisham ul Haq Qureshi	Member	4	4
Mr. Shahbaz Hameed	Secretary	4	4

Investment Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Ihtisham ul Haq Qureshi	Chairman	4	4
Mr. Zain ul Haq Qureshi	Member	4	4
Mrs. Nosheen Ihtsham	Member	4	4
Mr. Hassan Ahmed Khan	Member	4	4
Mr. Mohammad Ali Raza	Secretary	4	4

Audit Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Hassan Ahmed Khan	Chairman	5	5
Mr. Syed Murtaza Hasnain Nadir	Member	5	2
Mr. Thibaud Ponchon	Member	5	5
Mr. Khawaja Suhail Iftikhar	Member	5	5
Mr. Iftikhar Ahmed	Secretary	5	4

Branch Network

Your company is fully aware of the fact that the network of feasible and profitable branches must be established in as many cities of Pakistan as possible. Our aims and objectives of opening branches are to provide excellent services to our esteemed clients and prompt settlement of claims besides ensuring ultimate profitability for the shareholders through prudent underwriting and cost efficiency.

Statement of Investment of Provident Fund

The company operates an approved provident fund scheme covering all its permanent employees. The investment balances are as follows:

Particulars	December 31, 2021 Rupees	December 31, 2020 Rupees
Investment	37,742,627	33,191,100

Annual Evaluation of Board's Performance

The Board has placed a mechanism to evaluate its performance annually as required by the Code of Corporate Governance. The mechanism devised is based on the emerging and leading trends on the functioning of the Board and improving its effectiveness.

Principal Risks and Uncertainties

The principal risk the Company faces under insurance contracts is the possibility that the insured event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimize insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Company underwrites mainly property, motor, marine cargo and transportation and other miscellaneous general insurance business. These classes of insurance are generally regarded as short term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

Covid-19 and Omicron Pandemic

The pandemic outbreak continues to have negative repercussions for the domestic as well as global economic landscape. However, successful vaccination drive has substantially decreased the hospitalization rate, which in turn has led to normalization of business activities. To prevent and reduce transmission and maintain healthy business operations and work environments, Asia Insurance follows preventative measures. Virtual Communications are used to minimize the risk of contracting a virus. Internal Communications regarding SOPs, social distancing, hygiene, prevention and curation (in case of contraction of virus) by the Human Resource Department are regularly disseminated for the benefit of the employees. The priority has remained to maintain service levels continuity to meet the expectations of customers and minimize the impact of the pandemic. During the pandemic, Asia Insurance continued to be responsive, facilitated proactively to ensure business continuity and coped with the challenges related to the pandemic in the insurance sector.

Risk Management Function

Your Company established a Risk Management Function. It is overseen by the Risk Management and Compliance Committee to identify and monitor risks associated with various operations of the Company.

Asia Insurance Company is committed to enhancing its overall profitability through optimization of value added activities, while maintaining a strong risk-adjusted capitalization.

Corporate Briefing Session

Corporate Briefing Session was held on 28 May, 2021 for shareholders and analysts as per requirement of Pakistan Stock Exchange. Company's senior management shareholders and analysts attended the session.

Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations

Compliance with Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. A statement to this effect is annexed in the report.

Compliance with AML/CFT Laws

The Company has duly complied with the AML/CFT laws of the country and timely reporting in this regard has been done.

Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity,
- Proper books of accounts have been maintained by the Company,
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments,
- The International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statement and any departure from there has been adequately disclosed,
- The system of internal control is sound in design and has been effectively implemented and monitored,
- There are no significant doubts upon the Company's ability to continue as a going concern,
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations,
- The key operating and financial data for the last six years is annexed,
- The value of investments of provident fund based on their audited accounts as on December 31, 2021 was Rs. 37,742,627.
- The statement of pattern of shareholding in the Company as at 31 December 2021 is included with the Report.

Key Financial Data

Key operational and financial data for the last 5 years is as follows:

Particulars	2021	2020	2019	2018	2017
Rupees in Thousands					
CONVENTIONAL					
Paidup Capital	663,711	603,373	603,373	603,373	450,000
Total Assets	1,870,807	1,736,613	1,603,980	1,464,002	1,136,324
Equity	951,363	984,887	975,827	985,919	621,087
Cash and Bank Deposits	275,208	116,685	202,790	316,248	243,196
Gross Premium	923,509	607,062	523,656	521,370	659,319
Net Premium Revenue	593,676	471,450	437,893	480,215	527,728
Gross Claim Paid	248,575	238,051	170,907	194,584	188,544
Net Claim Expense	166,803	145,131	131,677	136,964	179,238
Under Writing Profit/(Loss)	6,503	(25,571)	(67,990)	(19,527)	(17,495)
Profit/(Loss) Before Tax	37,340	87,623	4,474	15,457	84,669
Profit/(Loss) After Tax	26,813	41,301	6,189	20,315	76,795
Investment Income/(Loss)	19,259	110,631	52,855	10,778	(30,084)
Earnings Per Share(Rs.)	0.40	0.62	0.10	0.36	1.71
TAKAFUL					
PTF					
Gross Contribution	77,339	73,003	60,120	42,584	27,579
Net Contribution Revenue	23,488	23,735	17,280	8,433	(1,490)
Gross Claim Paid	26,269	27,217	3,815	5,039	2,751
Net Claim Expense	25,489	23,977	12,218	5,662	4,055
Under Writing Profit/(Loss)	(1,904)	172	4,602	2,754	(5,563)
Investment Income	-	-	-	-	-
OPF					
Investment Income	2,477	3,111	1,931	822	79

Board Meetings

During the year ended December 31, 2021 following meetings of the Board of Directors were held and attended by the Directors as below:

Name of Directors	Meetings Held	Meetings Attended
Mr. Khalid Rashid (resigned on 30-6-2021)	5	0
Mr. Ihtisham ul Haq Qureshi	5	5
Mr. Khawaja Suhail Iftikhar	5	5
Mr. Zain ul Haq Qureshi	5	5
Mr. Thibaud Ponchon	5	5
Mrs. Nosheen Ihtsham	5	4
Mr. Hassan Ahmad Khan	5	5
Mr. Syed Murtaza Hasnain Nadir (appointed on 01-07-2021)	5	2

Leave of absence was granted to those Directors who could not attend the Board Meeting.

Company's relations with stakeholders

We have a very positive and practical approach towards relations with various stakeholders particularly with regulatory authorities i.e. Securities and Exchange Commission of Pakistan (SECP), Federal Board of Revenue (FBR), State Bank of Pakistan (SBP), other Insurance Companies, the Reinsurers and the Insurance Association of Pakistan (IAP). The Company Secretary is responsible for adhering and implementing all the applicable laws, regulations and conventions in order to keep the organization at its highest.

Future outlook

Going forward, trajectory of inflation and interest rates would largely hinge upon the international commodity prices. However, likely resumption of IMF program, flexible exchange rate and proactive monetary policy stance could have positive impact on the economy. Challenging economic landscape may lead to modest growth in insurance industry. However, increase in policy rate could propel investment income.

However, the Company will continue to focus its momentum of growth in premium while at the same time maintaining

Auditors

The present Auditors M/s. BDO Ebrahim & Co. Chartered Accountants, had been appointed for the year ended December 31, 2021, and shall retire on the conclusion of 41st Annual General Meeting. Present Auditors will be re-appointed for the year ended December 31, 2022 in the upcoming 41st AGM.

Pattern of shareholding is attached with this report.

We would like to thank our valued customers for their continued patronage and support and to Pakistan Reinsurance Company Limited, Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.



Chief Executive Officer



Director

PATTERN OF SHAREHOLDING AS ON DECEMBER 31, 2021

No. of Shareholders	Shareholdings		Total shares held
	From	To	
74	1	100	970
8	101	500	1,993
8	501	1,000	5,662
8	1,001	5,000	20,717
1	35,001	40,000	36,414
1	90,001	95,000	92,480
1	395,001	400,000	398,491
1	900,001	905,000	903,322
1	920,001	925,000	924,808
1	1,940,001	1,945,000	1,943,865
1	2,520,001	2,525,000	2,521,350
1	16,870,001	16,875,000	16,871,130
1	42,645,001	42,650,000	42,649,928
107			66,371,130

Categories of shareholders	Holding	%age
Directors, Chief Executive Officer, and their spouse and minor children	45,002,395	67.8042%
Insurance Companies	36,414	0.0549%
Shareholders holding 10% or more	59,521,058	89.6791%
General Public		
- Local	3,557,319	5.3597%
- Foreign	-	-
Joint Stock Companies	550	0.0008%
Government Holding	903,322	1.3610%
Foreign Companies	16,871,130	25.4194%

Sr. No.	Name	Holding	%age
1	MR. IHTSHAM UL HAQ QURESHI	42,649,928	64.2598%
2	MRS. NOSHEEN IHTSHAM	398,491	0.6004%
3	MR. KHALID RASHEED	809	0.0012%
4	MR. ZAIN UL HAQ QURESHI	1,947,302	2.9340%
5	KHAWAJA SUHAIL IFTIKHAR	1,819	0.0027%
6	MR. THIBAUD PONCHON	0	0.0000%
7	MR. HASSAN AHMAD KHAN	1,213	0.0018%
8	MRS. SHIZA HASSAN	2,833	0.0043%
		45,002,395	67.8042%

PATTERN OF SHAREHOLDING AS ON DECEMBER 31, 2021

Insurance Companies

Sr. No.	Name	Holding	%age
1	Pakistan Reinsurance Company Limited	36,414	0.0549%

Government Holding

Sr. No.	Name	Holding	%age
1	Federal Board of Revenue	903,322	1.3610%

Foreign Companies

Sr. No.	Name	Holding	%age
1	Insuresilience Investment Fund	16,871,130	25.4194%

Joint Stock Companies

Sr. No.	Name	Holding	%age
1	Sarfaraz Mehmood (Private) Ltd	550	0.0008%

General Public

Sr. No.	Name	Holding	%age
1	Shares held by the General Public - Local	3,557,319	5.3597%

Shareholders Holding 10% or More of Total Capital

Sr. No.	Name	Holding	%age
1	Mr. Ihtsham ul Haq Qureshi	42,649,928	64.2598%
2	InsuResilience Investment Fund	16,871,130	25.4194%
		59,521,058	89.6791%

Shareholders Holding 5% or More of Total Capital

Sr. No.	Name	Holding	%age
1	Mr. Ihtsham ul Haq Qureshi	42,649,928	64.2598%
2	InsuResilience Investment Fund	16,871,130	25.4194%
		59,521,058	89.6791%

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows. However, bonus shares have been issued during the year as enumerated

Sr. No.	Name	Sale	Purchase	Bonus
1	Mr. Ihtsham ul Haq Qureshi (CDC)	-	-	3,877,265
2	Mrs. Nosheen Ihtsham (CDC)	-	-	36,226
3	Mr. Khalid Rashid	-	-	73
4	Mr. Zain Ul Haq Qureshi (CDC)	-	-	176,487
5	Khawaja Suhail Iftikhar	-	-	165
6	Mr. Hassan Ahmad Khan	-	-	110
7	Mrs. Shiza Hassan W/o Hassan Ahmed Khan	-	-	257

بورڈ اجلاس

31 دسمبر 2021ء کو اختتام پذیر سال کے دوران بورڈ آف ڈائریکٹرز کے مندرجہ ذیل اجلاس منعقد ہوئے۔ ان اجلاسوں میں ڈائریکٹرز کی حاضری حسب ذیل ہے۔

نام ڈائریکٹر	منعقدہ اجلاس	اجلاس میں حاضری
مسٹر خالد رشید (30-6-2021 کو مستعفی ہوئے)	5	0
مسٹر احتشام الحق قریشی	5	5
مسٹر خواجہ سہیل افتخار	5	5
مسٹر زین الحق قریشی	5	5
مسٹر تھانی باد پوچن	5	5
مسز نوشین احتشام	5	4
مسٹر حسن احمد خان	5	5
مسٹر سید مرتضیٰ حسین نادر (1-07-2021 کو تقرری ہوئی)	5	2

بورڈ اجلاس میں شرکت سے قاصر ڈائریکٹر کو غیر حاضری کی رخصت عنایت کی گئی۔

اسٹیک ہولڈرز کے ساتھ کمپنی کے تعلقات

متعدد اسٹیک ہولڈرز خصوصاً ریگولیٹری اتھارٹی یعنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، فیڈرل بورڈ آف ریونیو (FBR)، اسٹیٹ بینک آف پاکستان (SBP)، دیگر انشورنس کمپنیوں، انشوررز اور انشورنس ایسوسی ایشن آف پاکستان (IAP) کے ساتھ تعلقات میں ہم مثبت اور عملی طریق عمل اپناتے ہیں۔ کمپنی سیکریٹری تمام لاگو قوانین، ضوابط اور کنونشنز پر عمل درآمد کی ذمہ دار ہیں تاکہ ادارے کو صف اول میں کھڑا کیا جاسکے۔

مستقبل کا منظر نامہ

آگے بڑھتے ہوئے، افراط زر کا گراف اور شرح سود ایشیائے خورد و نوش کی عالمی قیمتوں پر منحصر ہوگی۔ البتہ، IMF پروگرام کے آغاز، پکدار شرح مبادلہ اور مانیٹری پالیسی پر قبل از وقت غور و خوض کے باعث معیشت پر مثبت اثرات مرتب ہو سکتے ہیں۔ مشکل ترین معاشی منظر نامہ انشورنس انڈسٹری کی معتدل نمو میں کردار ادا کر سکتا ہے۔ البتہ پالیسی ریٹ میں اضافہ سرمایہ داری آمدنی میں اضافے کا باعث بنے گا۔ البتہ کمپنی پر بیمہ میں نمو کی رفتار پر توجہ جاری رکھے گی اور اسی اثنا میں معقول نفع کو برقرار رکھے گی۔

آڈیٹرز

حالیہ آڈیٹرز میسرز BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس، کو 31 دسمبر، 2021 کو اختتام پذیر سال کے لئے آڈیٹ مقرر کیا گیا۔ اکیالیسویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اکیالیسویں سالانہ اجلاس عام میں 31 دسمبر 2022ء کو اختتام پذیر سال کے لئے ان کی دوبارہ تقرری کی جائے گی۔

شیئر ہولڈنگ کی وضع رپورٹ کے ساتھ منسلک ہے۔

مسلح حوصلہ افزائی اور حمایت کے لئے ہم اپنے معزز صارفین اور معاونت اور رہنمائی کے لئے پاکستان ری انشورنس کمپنی لمیٹڈ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کا تہہ دل سے شکریہ ادا کرتے ہیں۔

ہمارے ڈائریکٹرز کے لئے یہ انتہائی فخر کی بات ہے کہ وہ افسران، فیلڈ فورس اور سٹاف کی کاوشوں کو سراہتے ہیں جنہوں نے کمپنی کی نمو اور اس کے آپریشنز کی مسلسل کامیابی میں اہم کردار ادا کیا۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

اہم مالیاتی اعداد و شمار

گذشتہ پانچ برس کے لئے اہم آپریشنل اور مالیاتی اعداد و شمار حسب ذیل ہیں:

تفصیلات	2021ء	2020ء	2019ء	2018ء	2017ء
روایتی					
ہزار روپوں میں					
اداشدہ سرمایہ	663,711	603,373	603,373	603,373	450,000
کل اثاثہ جات	1,870,807	1,736,613	1,603,980	1,464,002	1,136,324
ایکویٹی	951,363	984,887	975,827	985,919	621,087
کیش اور بینک ڈیپازٹس	275,208	116,685	202,790	316,248	243,196
مجموعی پریمیم	923,509	607,062	523,656	521,370	659,319
خالص پریمیم ریونیو	593,676	471,450	437,893	480,215	527,728
مجموعی اداشدہ کلیم	248,575	238,051	170,907	194,584	188,544
نیٹ کلیم اخراجات	166,803	145,131	131,677	136,964	179,238
انڈر رائٹنگ نفع/(نقصان)	6,503	(25,571)	(67,990)	(19,527)	(17,495)
نفع/(نقصان) بمعہ ٹیکس	37,340	87,623	4,474	15,457	84,669
نفع/(نقصان) علاوہ ٹیکس	26,813	41,301	6,189	20,315	76,795
انویسٹمنٹ آمدنی/(خسارہ)	19,259	110,631	52,855	10,778	(30,084)
فی حصص آمدنی (روپے)	0.40	0.62	0.10	0.36	1.71
کافل					
PTF					
ہزار روپوں میں					
مجموعی شراکت	77,339	73,003	60,120	42,584	27,579
شراکت پر خالص آمدنی	23,488	27,735	17,280	8,433	(1,490)
مجموعی اداشدہ کلیم	26,269	27,217	3,815	5,039	2,751
خالص کلیم اخراجات	25,489	23,977	12,218	5,662	4,055
انڈر رائٹنگ نفع/(نقصان)	(1,904)	172	4,602	2,754	(5,563)
سرمایہ داری آمدنی	-	-	-	-	-
OPF					
ہزار روپوں میں					
انویسٹمنٹ آمدنی	2,477	3,111	1,931	822	79

کارپوریٹ بریفنگ سیشن

پاکستان اسٹاک ایکسچینج کے معیارات کی پیروی میں شیئر ہولڈرز اور تجزیہ کاروں کے لئے 28 مئی 2021ء کو کارپوریٹ بریفنگ سیشن منعقد ہوا۔ کمپنی کے اعلیٰ انتظامی شیئر ہولڈرز اور تجزیہ کاروں نے سیشن میں شرکت کی۔

اخلاقیات اور کاروباری عمل داری پر بیان

بورڈ نے اخلاقیات اور کاروباری عمل داری کی اسٹیٹمنٹ کو اپنایا ہے۔ تمام ملازمین کو اس اسٹیٹمنٹ سے متعلق آگاہ کیا گیا ہے اور ان سے کاروبار اور ضوابط سے متعلق طریقہ کار پر عمل درآمد کر رہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

ریگولیٹری اتھارٹی کی جانب سے مرتب کردہ کوڈ آف کارپوریٹ گورننس کے معیارات کی سختی سے تعمیل کی جاتی ہے۔ اس ضمن میں ایک بیان رپورٹ کے ساتھ منسلک

ہے۔

CFT/AML قوانین کی تعمیل

کمپنی ملک میں رائج CFT/AML قوانین پر باضابطہ طور پر عمل کرتی ہے اور اس ضمن میں بروقت رپورٹنگ کی گئی ہے۔

کاروباری مالیاتی رپورٹنگ فریم ورک

- (a) کمپنی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس اس کے امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بھرپور عکاسی کرتی ہیں۔
- (b) کمپنی نے کھاتوں کی باقاعدہ کتابیں تیار کر رکھی ہیں۔
- (c) مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا باقاعدگی سے اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات مناسب اور معقول فیصلوں کی بنیاد پر لگائے جاتے ہیں۔
- (d) مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) پر عمل کیا گیا ہے اور اس میں ہر قسم کے سقم کو مناسب انداز میں ظاہر کیا گیا ہے۔
- (e) داخلی نظم و ضبط کا ایک مربوط نظام موجود ہے اور اس کا موثر نفاذ اور نگرانی کی جاتی ہے۔
- (f) کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام موجود نہیں ہے۔
- (g) لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی بنیادی سقم موجود نہ ہے۔
- (h) گزشتہ چھ برس کا اہم آپرٹنگ اور مالیاتی ڈیٹا لف ہذا ہے۔
- (i) 31 دسمبر 2021ء کو پڑتا شدہ کھاتوں کی بنیاد پر پراویڈنٹ فنڈ کی سرمایہ داری کی مالیت 37,742,627 روپے تھی۔
- (j) 31 دسمبر 2021ء کو کمپنی میں شیئر ہولڈنگ کی وضع کا بیان رپورٹ ہذا میں شامل ہے۔

برانچ نیٹ ورک

آپ کی کمپنی اس حقیقت سے کلی طور پر آگاہ ہے کہ پاکستان کے جتنے شہروں میں موزوں اور منافع بخش شاخیں کھولی جائیں کم ہے۔ شاخیں کھولنے کے لئے ہمارے عزائم اور مقاصد میں اپنے معزز کلائنٹس کو معیاری خدمات فراہم کرنا و کلیمز کی فوری ادائیگی کرنا ہے۔ مزید برآں، اہل انڈر رائٹنگ اور لاگت پر کنٹرول کے ذریعے اپنے حصص داران کو منافع دینا بھی ہمارے مقاصد میں شامل ہے۔

پراویڈنٹ فنڈ کی انویسٹمنٹ کا بیان

کمپنی اپنے مستقل ملازمین کے لئے ایک منظور شدہ پراویڈنٹ فنڈ سکیم چلا رہی ہے۔ انویسٹمنٹ کا بیلنس حسب ذیل ہے:

تفصیلات	31 دسمبر 2021 روپے	31 دسمبر 2020 روپے
انویسٹمنٹ	37,742,627	33,191,100

بورڈ کی کارکردگی کا سالانہ جائزہ

بورڈ نے کوڈ آف کارپوریٹ گورننس کے مطابق اپنی کارکردگی کے سالانہ جائزے کے لئے ایک طریقہ کار وضع کیا ہے۔ بورڈ کے عمل میں ابھرنے والے اور صف اول کے رجحانات اور اس پر کلی طور پر عمل درآمد کے لئے یہ طریقہ کار مرتب کیا گیا ہے۔

بنیادی خطرات اور بے یقینی

بیمہ معاہدوں کی بابت کمپنی کو لاحق بنیادی خطرات میں بیمہ یافتہ کو پیش آنے والا واقعہ اور اس کے نتیجے میں کلیم کی رقم کی عدم دستیابی یعنی کلیمز کی تعداد اور شدت جیسی ممکنہ صورتیں شامل ہیں۔ اور یہ کہ حقیقی دعوے اور بنی فٹ ادائیگیاں انشورنس واجبات کی رقم سے تجاوز کر سکتی ہے۔ ایک بیمہ معاہدہ کی نوعیت کے مطابق یہ خطرہ بعض اوقات سامنے آتا ہے لہذا اس کی قبل از وقت پیشین گوئی نہیں ہو سکتی۔ کمپنی کا مقصد یہ یقینی بنانا ہے کہ ان واجبات کو کور کرنے کے لئے مناسب ذخائر موجود ہوں۔

کمپنی انڈر رائٹنگ حکمت عملی، مناسب ری انشورنس انتظامات اور کلیمز کی بروقت پیمنٹنگ کے ذریعے ان خطرات سے

نبرد آزما ہوتی ہے۔ انڈر رائٹنگ حکمت عملی کے ذریعے کاروباری درجہ بندیوں کے متوازن اکٹھ اور پھیلاؤ اور انڈر رائٹنگ ہدایات اور حدود کی مدد سے انشورنس رسک کو کم کیا جاتا ہے۔ کمپنی بنیادی طور پر پراپرٹی، موٹر، میرین کارگو اور ٹرانسپورٹیشن اور دیگر متفرق عمومی انشورنس کاروبار کو انڈر رائٹ کرتی ہے۔ انشورنس کے یہ درجے عموماً قلیل مدتی انشورنس معاہدے شائع کئے جاتے ہیں جہاں عموماً کلیمز کا دعویٰ اور ادائیگی کم مدت یعنی ایک سال میں ہوتی ہے۔ اس طرح انشورنس خطرات سے نپٹنے میں مدد ملتی ہے۔

کرونا وائرس اور امی کرون وبا

ملکی و غیر ملکی معاشی دھارے میں عالمگیر وبا کا احیا منفی اثرات مرتب کر رہا ہے۔ البتہ، کامیاب ویکسی نیشن مہم سے ہسپتالوں میں داخلے میں نمایاں کمی واقع ہوئی ہے جس کے نتیجے میں کاروباری سرگرمیوں کو بحال کرنے میں مدد مل رہی ہے۔ منتقلی کے تدارک اور کمی اور صحت بخش کاروباری امور اور کام کے ماحول کو برقرار رکھنے کے لئے ایشیا انشورنس احتیاطی تدابیر پر عمل پیرا ہے۔ وائرس کو پھیلنے سے روکنے کے لئے فاصلاتی رابطہ سازی کو عمل میں لایا جا رہا ہے۔ ملازمین کی صحت کے لئے ہیومن ریسورس ڈیپارٹمنٹ کی جانب سے SOPs، سماجی فاصلہ، ہائی جین، تدارک اور علاج (وائرس سے متاثر ہونے پر) سے متعلق اندرونی سطح پر باقاعدگی سے کمیونیکیشن کا عمل کیا جاتا ہے۔ صارفین کی توقعات کو پورا کرنے اور عالمگیر وبا کے اثر کو کم کرنے کے لئے سروس لیولز کے تسلسل کو برقرار رکھنا اولین ترجیح ہے۔ وبا کے دوران، ایشیا انشورنس ہمیشہ فعال رہی اور کاروباری تسلسل کو برقرار رکھنے کے لئے پیش پیش رہی اور انشورنس کے شعبے میں وبائی چیلنجز سے نبرد آزما ہونے میں کامیاب رہی۔

رسک مینجمنٹ فنکشن

آپ کی کمپنی نے رسک مینجمنٹ فنکشن قائم کر رکھا ہے۔ رسک مینجمنٹ اور کمپلائنس کمیٹی اس کی نگرانی رکھتی ہے اور کمپنی کے متعدد امور سے متعلق خطرات کی نشاندہی اور ان کی نگرانی کرتی ہے۔

ایشیا انشورنس کمپنی خطرات پر قابو پا کر مربوط سرمایہ داری کو برقرار رکھنے کے بعد اپنی اعلیٰ سطحی سرگرمیوں کی آپٹیمائزیشن کے ذریعے مجموعی منافع بڑھانے کے لئے پرعزم ہے۔

ری انشورنس اور کو انشورنس کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر احتشام الحق قریشی	چیئر مین	4	4
مسٹر زین الحق قریشی	رکن	4	4
مسٹر محمد علی رضا	رکن	4	4
مسٹر محمد مسعود	سیکرٹری	4	4

کلیم سیٹلمنٹ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر شہباز حمید	چیئر مین	4	4
مسٹر خواجہ سہیل افتخار	رکن	4	4
مسٹر حسن احمد خان	رکن	4	4
مسٹر آصف علی مغل	سیکرٹری	4	4

بورڈ کمیٹیاں

ایجنٹک، ہیومن ریسورس اینڈ ریمونریشن کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر حسن احمد خان	چیئر مین	4	4
مسٹر نوشین احتشام	رکن	4	4
مسٹر احتشام الحق قریشی	رکن	4	4
مسٹر شہباز حمید	سیکرٹری	4	4

انویسٹمنٹ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر احتشام الحق قریشی	چیئر مین	4	4
مسٹر زین الحق قریشی	رکن	4	4
مسٹر نوشین احتشام	رکن	4	4
مسٹر حسن احمد خان	رکن	4	4
مسٹر محمد علی رضا	سیکرٹری	4	4

آڈٹ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر حسن احمد خان	چیئر مین	5	5
مسٹر سید مرتضیٰ حسین نادر	رکن	5	2
مسٹر تھانی باد پونچن	رکن	5	5
مسٹر خواجہ سہیل افتخار	رکن	5	5
مسٹر افتخار احمد	سیکرٹری	5	4

متعلقہ فریق سے لین دین

بورڈ کے ہر اجلاس میں بورڈ آف ڈائریکٹرز نے الحاق شدہ کمپنیوں / متعلقہ فریقین سے کمپنی کے لین دین کی منظوری دی ہے۔ متعلقہ فریقین سے لین دین کے تمام امور arm's length کی بنیاد پر سرانجام دیئے جاتے ہیں۔

رسک مینجمنٹ پالیسی اور اپنے صارف کو جاننے کی پالیسی

کمپنی نے رسک مینجمنٹ پالیسی مرتب کی ہے جو قائم کمپنی پر منڈلاتے ہوئے بڑے خطرات کی نشاندہی کرتی ہے۔ ہماری کمپنی کی رسک مینجمنٹ پالیسی خطرے کے معیاری تعین اور خطرات کو کم کرنے کے لئے مرتب کی گئی ہے۔ اس پالیسی کو بورڈ نے بھی اپنایا ہے جو ہمہ وقت نظر ثانی سے مشروط ہے۔ خطرات سے نپٹنے کا عمل اور اقدامات وضع کئے گئے ہیں اور مذکورہ ہدایات میں ان کی واضح نشاندہی کی گئی ہے۔

رسک مینجمنٹ پالیسی کے علاوہ، بورڈ نے اپنے صارف کو جاننے کی پالیسی بھی منظوری کی ہے جس کی رسک مینجمنٹ اینڈ کمپلائنس کمیٹی نے سفارش کی ہے۔

مروجہ قوانین پر مبنی عمل درآمد کو یقینی بنانے اور ہدایات فراہم کرنے کے لئے تعمیلی پروگرام بھی وضع کیا گیا ہے۔

داخلی نظم و ضبط

انٹرنل کنٹرولز کا ایک مربوط نظام موجود ہے اور اس کو انٹرنل آڈٹ ڈیپارٹمنٹ نافذ کرتا ہے اور اس کی نگرانی کرتا ہے۔ یہ ایک جاری عمل ہے اور اس میں سقم کی نشاندہی اور خاتمہ کیا جاتا ہے۔ مزید یہ کہ بورڈ اس پر باقاعدگی سے نظر ثانی کرتا ہے۔

کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں:

انتظامی کمیٹیاں

رسک مینجمنٹ اور کمپلائنس کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر زین الحق قریشی	چیئر مین	4	4
مسٹر شہباز حمید	رکن	4	4
مسٹر محمد مسعود	رکن	4	4
مس شازیہ حفیظ	سیکرٹری	4	4

انڈر رائٹنگ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر احتشام الحق قریشی	چیئر مین	4	4
مسٹر زین الحق قریشی	رکن	4	4
مسٹر فیصل محمود قریشی	رکن	4	4
مسٹر امجد راؤ	سیکرٹری	4	4

کلیم سیٹلمنٹ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
مسٹر شہباز حمید	چیئر مین	4	4
مسٹر خواجہ سہیل افتخار	رکن	4	4
مسٹر حسن احمد خان	رکن	4	4
مسٹر آصف علی مغل	سیکرٹری	4	4

منافع منقسمہ/ بونس حصص

کمپنی کی مالیاتی کارکردگی کی روشنی میں بورڈ آف ڈائریکٹرز نے 31 مارچ 2022ء کو منعقد ہونے والے اپنے اجلاس میں بورڈ آف ڈائریکٹرز کی سفارشات پر 31 دسمبر، 2021ء کو اختتام پذیر سال کے لئے 30 پیسے فی حصص یعنی 3 فی صد کا حتمی نقد منافع منقسمہ ادا کرنے اور 10 فی صد یعنی ہر 10 ملکیتی حصص پر 1 حصص پر بونس حصص کے اجرا کی سفارش کی ہے۔

فی حصص آمدنی

فی حصص آمدنی 0.40 روپے ہے جو گزشتہ برس کے مقابلے میں فی حصص آمدنی میں کمی کو ظاہر کرتی ہے۔

ڈائریکٹرز کا انتخاب اور بورڈ کی ترکیب

ڈائریکٹرز کی میعاد مکمل ہونے کے بعد 9 جنوری 2021ء کو منعقدہ غیر معمولی اجلاس عام میں ڈائریکٹرز کی رائے شماری میں سات (7) ڈائریکٹرز (ایک خاتون اور چھ مرد) ڈائریکٹرز کا انتخاب کیا گیا۔ بورڈ کی ترکیب حسب ذیل ہے:

درجہ	نام ڈائریکٹر
خود مختار ڈائریکٹر	مسٹر خالد رشید (30-6-2021 کو مستعفی ہوئے) مسٹر حسن احمد خان
نان ایگزیکٹو ڈائریکٹر	مسٹر خواجہ سہیل افتخار مسٹر نوشین احتشام (خاتون ڈائریکٹر) مسٹر تھائی بونڈ پونچو (نامزد ڈائریکٹر) مسٹر سید مرتضیٰ حسنین نادر (1-07-2021 کو عارضی نشست پر تقرری ہوئی) مسٹر احتشام الحق قریشی (بطور CEO مستعفی ہوئے اور 1-7-2021 کو نان ایگزیکٹو ڈائریکٹر بنے
ایگزیکٹو ڈائریکٹر	مسٹر زین الحق قریشی

بورڈ میں عارضی نشست

مسٹر خالد رشید 30 جون، 2021ء کو کمپنی کے بورڈ سے مستعفی ہوئے۔ بورڈ اپنے اجلاسوں کے سہل انعقاد اور کمپنی کے ڈائریکٹر اور چیئرمین کی حیثیت سے ان کی گراں قدر خدمات اور رہنمائی کے لئے انہیں خراج تحسین پیش کرتا ہے۔ عارضی نشست پر کمپنی کے بورڈ میں نان ایگزیکٹو ڈائریکٹر کی حیثیت سے مسٹر سید مرتضیٰ حسنین نادر کی تقرری کی گئی جو یکم جولائی 2021ء کو مسٹر خالد رشید کے استعفیے سے خالی ہوئی تھی۔

CEO کی تبدیلی

مسٹر احتشام الحق قریشی 30 جون، 2021ء کو کمپنی کے چیف ایگزیکٹو آفیسر کے عہدے سے مستعفی ہوئے البتہ وہ نان ایگزیکٹو ڈائریکٹر کی حیثیت سے بورڈ آف ڈائریکٹرز کا حصہ رہیں گے۔ بورڈ نے یکم جولائی 2021ء کو مسٹر زین الحق قریشی کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا ہے۔ بورڈ نے مسٹر احتشام الحق قریشی کو چیئرمین مقرر کیا ہے۔

نان ایگزیکٹو اور خود مختار ڈائریکٹرز کی ریمونریشن پالیسی

کمپنی ایکٹ 2017ء، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس، ریگولیشنز 2019ء اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کی پیروی میں کمپنی نے ایگزیکٹو، نان ایگزیکٹو اور خود مختار ڈائریکٹرز کا مشاہیرہ طے کرنے کی پالیسی مرتب کی ہے۔ نان ایگزیکٹو اور خود مختار ڈائریکٹرز کمپنی کے تنخواہ دار عہدے دار نہیں اور نہ ہی اس کے روزمرہ امور میں شامل ہوتے ہیں۔ نان ایگزیکٹو اور خود مختار ڈائریکٹرز اجلاس کی فیس وصول کرنے کے حق دار ہیں۔

انشورر مالیاتی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 26 اگست 2021ء کو کمپنی کی IFS ریٹنگ کو "A+" سے اپڈیٹ کیا ہے۔ یہ درجہ بندی پالیسی ہولڈرز کے معاہدہ جاتی فرائض میں بہترین صلاحیت کو ظاہر کرتی ہے اور بنیادی انشورنس امور میں انتظامیہ کی کامیابیوں کی عکاسی کرتی ہے۔

ڈائریکٹرز کی رپورٹ

برائے سال ختمہ 31 دسمبر 2021ء

معزز حصص داران،

ایشیا انشورنس کمپنی لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 دسمبر 2021ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کی سالانہ رپورٹ کے ہمراہ پڑتال شدہ مالیاتی اسٹیٹمنٹس ازراہ مسرت پیش کرتے ہیں۔

کمپنیز ایکٹ 2017ء کے سیکشن 226 اور کوڈ آف کارپوریٹ گورننس کے تحت تیار کردہ ڈائریکٹرز کی رپورٹ 29 اپریل 2022ء کو منعقد ہونے والے کمپنی کے اکیالیسویں سالانہ اجلاس عام میں اراکین کو پیش کی جائے گی۔

کاروباری جائزہ

پاکستان کی معیشت گذشتہ دو برسوں کے دوران بحالی کے اقدامات اور کرونا وائرس کے حملے کے باعث نامساعد حالات سے دوچار رہی جس کے باعث معیشت اپنے ممکنہ ہدف سے کم رہی۔ کرونا وائرس کی عالمگیر وبا کا احیاء صدیوں میں ایک مرتبہ ہوتا ہے جس نے دنیا بھر میں صحت کے نظام پر سوا لیہ نشان لگا دیا ہے۔ دنیا بھر میں لاکھوں نوکریوں کا خاتمہ، کاروبار کی بندش اور کروڑوں لوگوں کا شدید غربت میں مبتلا ہو جانا لازمی امر تھا۔

معاشی چیلنجز کے باوجود آپ کی کمپنی نے نمایاں بہتری دکھائی اور اپنے کلائنٹس کو بہترین پیشہ ورانہ خدمات کی فراہمی کے ذریعے کمپنی ترقی کی جانب گامزن ہے۔ بھاری کاروباری حجم کے نتیجے میں کلیمز کی ادائیگی اور اخراجات میں بھی اضافہ ہوا لیکن مجموعی طور پر کلیم اخراجات کا تناسب تسلی بخش رہا۔

کمپنی نے 26.86 ملین روپے کا بھاری منافع بمعہ ٹیکس درج کیا۔ جب کہ کمپنی کی تاریخ میں پہلی مرتبہ ایک ارب روپے کا مجموعی تحریری پریمیم اور تکافل کنٹریبیوشن ایک سنگ میل عبور کرنے کے مترادف ہے۔

ونڈ و تکافل آپریشنز

مذکورہ سال میں تحریری کنٹریبیوشن 77.34 ملین روپے رہا جب کہ کنٹری بیوشن آمدنی 23.49 ملین روپے رہی۔ مذکورہ برس کے لئے شرکاء کا تکافل فنڈ خسارہ 0.21 ملین اور آپریٹرز فنڈ (برائے حصص داران) سے منافع 14.76 ملین روپے رہا۔

مالیاتی نتائج

31 دسمبر 2021ء کو اختتام پذیر سال کے لئے کمپنی کی مجموعی کارکردگی حسب ذیل ہے:

2020ء	2021ء	
607,062,294	923,508,842	مجموعی پریمیم
87,623,165	37,340,434	مالیاتی سال کے لئے نفع بمعہ ٹیکس
(32,491,321)	(21,990,195)	ٹیکسیشن:
(14,952,387)	11,779,655	حالیہ
1,121,767	(316,724)	تاخیری
(46,321,941)	(10,527,264)	گذشتہ برسوں کے لئے
41,301,224	26,813,170	مالیاتی سال کے لئے نفع علاوہ ٹیکس
161,085,770	182,386,994	غیر تخصیص شدہ منافع براٹ فارورڈ
(20,000,000)	-	قرض حسنہ
-	(60,337,390)	سال 2020ء کے لئے حتمی منافع منقسمہ
182,386,994	148,862,774	غیر تخصیص شدہ منافع کیریڈ فارورڈ

Statement Under Section 46 (6) of the Insurance Ordinance, 2000

The in charge of the management of the business was Mr. Zain ul Haq Qureshi, Chief Executive Officer and the report on the affairs of business during the year 2021 signed by Mr. Zain ul Haq Qureshi and approved by the Board of Directors is part of the Annual Report 2021 under the title of “Directors' Report to Members” and

- a. In our opinion the annual statutory accounts of the Asia Insurance Co. Ltd. set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, 2000 (Ordinance) and any rules made thereunder.
- b. Asia Insurance Co. Ltd. has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and re- insurance arrangements; and
- c. As at the date of the statement, the Asia Insurance Co. Ltd. continues to be in compliance with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and re-insurance arrangements.



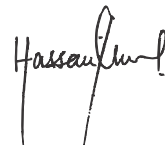
Chairman



Chief Executive Officer



Director



Director

**Statement of Compliance with the Code of
Corporate Governance for Insurers, 2016 and Listed Companies
(Code of Corporate Governance) Regulations, 2019
Asia Insurance Company Limited
For the Year Ended December 31, 2021**

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016, (the Code) and Listed Companies (Code of Corporate Governance) Regulations, 2019, (the Regulations) for the purpose of establishing a framework of good governance, whereby the company is managed in compliance with the best practices of corporate governance.

The company has applied principles contained in the Code and has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:
 - a) Male: Six (6)
 - b) Female: One (1)
2. The Company encourages representation of independent non-executive directors and directors representing minority on its Board of Directors (the Board) At present the composition of the Board is as follows:

Category	Names
a) Independent Directors	Mr. Khalid Rashid (resigned on 30-06-2021) Mr. Syed Murtaza Hasnain (appointed on July 01, 2021) Mr. Hassan Ahmed Khan
b) Other Non-Executive Directors	Mr. Ihtsham ul Haq Qureshi Mr. Khawaja Suhail Iftikhar Mrs. Nosheen Ihtsham Mr. Thibaud Ponchon (Nominee Director) Mr. Syed Murtaza Hasnain Nadir (appointed on 1-07-2021)
c) Executive Directors	Mr. Zain ul Haq Qureshi
d) Female Director (Non-executive)	Mrs. Nosheen Ihtsham

The independent directors meet the criteria of independence as laid down under the Code and CCG 2019.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
4. 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 Development Financial Institution or a Non-Banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by a stock exchange.

5. There was a casual vacancy occurred on Board on June 30, 2021 due to resignation of Mr. Khalid Rashid, Chairman and Independent Director of the Company. The casual vacancy was filled by directors by appointment of Mr. Syed Murtaza Hasnain Nadir on July 01, 2021.
6. The Company has prepared a “Statement of Ethics and Business Practices” as Code of Conduct and has ensured the appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
8. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations. The decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers have been taken by the Board.
9. The meeting of the Board was presided over 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. The Board has complied with the requirements of Act and the CCG 2019 with respect to frequency, recording and circulating minutes of meeting of the Board. Written notice of the Board meetings, along with the agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
10. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations
11. Out of seven Directors, five (5) have completed the training and four (4) of them have obtained the certification under Director’s training program, however, his certification is in the process. Only one female director and newly appointed male director are yet to complete the DTP, who will undertake the Directors Training Program within the stipulated time.
12. The Board has established a system of sound internal control, which is effectively implemented at all levels with the company. The company has adopted and complied with all the necessary aspects of internal controls given in the Code.
13. There was no change of Chief Financial Officer, Head of Internal Audit and Company Secretary during the year. The Board approved their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
14. The Directors’ Report for this year has been prepared in compliance with the requirements of the Code and Regulations and fully describes the salient matters required to be disclosed.
15. The financial statements of the company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
16. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the company other than disclosed in the pattern of shareholding.
17. The company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees:

Underwriting Committee:

Name of Member	Category
Mr. Ihtsham ul Haq Qureshi	Chairman
Mr. Zain ul Haq Qureshi	Member
Mr. Faisal Mehmood Qureshi	Member
Mr. Amjad Rao	Member

Claims Settlement Committee:

Name of Member	Category
Mr. Khawaja Suhail Iftikhar	Chairman
Mr. Hassan Ahmed Khan	Member
Mr. Shahbaz Hameed	Member
Mr. Asif Ali Mughal	Secretary

Reinsurance & Co-insurance Committee:

Name of Member	Category
Mr. Ihtsham ul Haq Qureshi	Chairman
Mr. Zain ul Haq Qureshi	Member
Mr. Mohammad Ali Raza (CFO)	Member
Mr. Muhammad Masood	Secretary

Risk Management & Compliance Committee:

Name of Member	Category
Mr. Zain ul Haq Qureshi	Chairman
Mr. Shahbaz Hameed	Member
Mr. Muhammad Masood	Member
Ms. Shazia Hafeez	Secretary

19. The Board has formed the following Board Committees:

Ethics, Human Resource & Remuneration Committee:

Name of Member	Category
Mr. Hassan Ahmed Khan	Chairman – Independent Director
Mrs. Nosheen Ihtsham	Member – Non-Executive Director
Mr. Ihtisham ul Haq Qureshi	Member – Executive Director/CEO
Mr. Shahbaz Hameed	Secretary

Investment Committee:

Name of Member	Category
Mr. Ihtisham ul Haq Qureshi	Chairman – Executive Director/CEO
Mr. Zain ul Haq Qureshi	Member – Executive Director
Mrs. Nosheen Ihtsham	Member – Non-Executive Director
Mr. Hassan Ahmed Khan	Member – Independent Director
Mr. Mohammad Ali Raza	Secretary

20. The Board has formed an Audit Committee. It comprises of Four (4) members, of whom one (1) is an independent directors and three (3) are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit Committee:

Name of Member	Category
Mr. Hassan Ahmed Khan	Chairman – Independent Director
Mr. Syed Murtaza Hasnain	Member – Non-Executive Director
Mr. Thibaud Ponchon	Member – Non-Executive / Nominee Director
Mr. Khawaja Suhail Iftikhar	Member – Non-Executive
Mr. Iftikhar Ahmed	Secretary

21. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance
22. The meetings of the Underwriting, Claims, Re-insurance & Co-insurance, Risk Management, Investment and Audit Committees were held at every quarter prior to approval of interim and final results of the company and as required by the Code.
23. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee: Five (5) meetings
 - b) Ethics, Human Resource & Remuneration Committee: Four (4) meetings
 - c) Risk Management Committee : Four (4) meetings
24. The Board has set up an effective internal audit function, the staff is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on a regular basis.
25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit are competent and qualified as per the Code. Moreover, the persons who are heading the underwriting, claims, reinsurance, risk management and grievance functions/department are competent, experience and qualified, as required under section 12 of the Insurance Ordinance, 2000.

Name of the Person	Designation
Mr. Zain ul Haq Qureshi	Chief Executive Officer
Mr. Muhammad Ali Raza	Chief Financial Officer
Ms. Shazia Hafeez	Company Secretary / Head of Compliance
Mr. Iftikhar Ahmed	Head of Internal Audit
Mr. Faisal Mehmood Qureshi	Head of Underwriting
Anwar Associates	Actuary
Mr. Asif Ali Mughal	Head of Claims and Grievance Department
Mr. Muhammad Masood	Head of Reinsurance and Management Department

26. The statutory auditors of the company have been appointed from the panel of auditors approved by the Commission in terms of sections 48 of the Insurance Ordinance, 2000. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, 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 the ICAP and that

they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

27. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.
28. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code.
29. The Board ensures that the investment policy of the company has been drawn up in accordance with the provision of the Code.
30. The Board ensures that the risk management system of the company is in place as per the requirements of the Code.
31. The company has set up a risk management department, which carries out its tasks as covered under the Code.
32. The Board ensures that as part of the risk management system, the company gets itself rated from Pakistan Credit Rating Agency (the PACRA), which is being used by its risk management department and the respective Committee as a risk monitoring tool. The rating assigned by the PACRA on August 26, 2021 is A+.
33. The Board has set up a grievance department, which fully complies with the requirements of the Code.
34. The company has obtained exemption from the Securities and Exchange Commission of Pakistan in respect of requirement of number of independent directors enumerated in Regulation 6 of the Code up to 31 March 2022.
35. We confirm that all other material principles contained in the Code and all other requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

Explanation for Regulation 6: The Board of the Company comprises of seven elected Directors and one-third works out to be 2.33. Presently, two (2) independent Directors were elected by the shareholders in terms of Section 166 of the Companies Act, 2017, which have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently as per laws and regulations to fulfill the requirements, therefore, not warrant the appointment of a third independent Director.

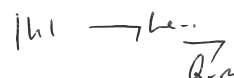
Fractional requirement for independent directors has not been rounded up as one keeping in view the requisite qualification, experience and expertise of the present Board of Directors.

36. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 are below:

As per regulation 29, "Nomination Committee" the Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate. No separate committee is constituted as these functions are performed by Human Resource committee.



Chief Executive Office



Chariman

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASIA INSURANCE
COMPANY LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE
GOVERNANCE FOR INSURERS, 2016 & LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (combined called "the Regulations") prepared by the Board of Directors of Asia Insurance Company Limited ("the Company") for the year ended December 31, 2021 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance), Regulations, 2019 and provision (Ixxvi) of the Code of Corporate Governance for insurers, 2016.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.

Further, we highlight content of paragraphs 35 and 36 of the Statement where the matter of minimum number of Independent Directors on the Board of Directors of the Company and constitution of the Nomination Committee has been explained, respectively.

LAHORE

DATED: March 31 , 2022

UDIN: CR202110131y9Yj7MbDv



**BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Imran**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIA INSURANCE COMPANY LIMITED
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of **ASIA INSURANCE COMPANY LIMITED**, (the Company), which comprise the statement of financial position as at December 31, 2021, and the profit and loss account, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2021 and of the profit or other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Compliance with laws and regulations	
	<p>The Company is in highly regulated industry and is governed by stringent laws and regulations which mainly include Insurance Ordinance, 2000, Insurance Accounting Regulations, 2017, Insurance Rules, 2017 and Companies Act, 2017, and various circulars issued by the SECP from time to time to regulate the business of the Company. The Company is required to comply with these rules and regulations.</p> <p>We have considered compliance with laws and regulation as a key audit matter since failure to comply with any of these applicable laws and regulations could have a material financial impact on the business of the Company.</p>	<p>Our audit procedures in respect of this area included the following:</p> <ul style="list-style-type: none"> ● Obtained an understanding of the relevant legal and regulatory framework within which the Company operates and assessed the design and operation of its key controls over this framework. ● Discussed the applicable policies and procedures with senior management and reviewed Board papers, and internal audit reports for any recorded instances of potential non-compliance, and maintained a high level of vigilance when carrying out our other audit procedures for indications of non-compliance. ● Reviewed the Company's documentation and correspondence with the regulators.
2.	Valuation of investments	
	<p>The Company's investment comprises investments in equity, term deposit and debt instruments. As at December 31, 2021 total net investment amount to Rs. 504.499 million.</p> <p>The valuation of these investments is made using different valuation techniques as disclosed in note 7.8 to the financial statements.</p>	<p>Valuation of investments were addressed by applying following procedures:</p> <ul style="list-style-type: none"> ● Evaluated the design and implementation of key control around investments; ● Re-performed valuation to assess those investments are carried as per the valuation methodology specified in the accounting policies;

S. No	Key audit matters	How the matter was addressed in our audit
	<p>The Company's accounting policy and movement in the year in the investments balances are disclosed in note 9, 10 and 11 to the financial statements.</p> <p>We have considered this as a key audit matter in view of the significance of these investments in relation to the total assets of the Company.</p>	<ul style="list-style-type: none"> ● Performed purchases and sales testing on sample basis of trades made during the year and checked that transactions were recorded in the correct period as part of investment in case of purchases. ● Checked the existence of the securities from the Central Depository Company's report; ● We also reviewed management's assessment of whether there are any indicators of impairment including those securities that are not actively traded; and <p>Furthermore, we also assessed the adequacy of the respective disclosure relating to investments as disclosed in the financial statements.</p>
3.	Revenue recognition risks	
	<p>Refer note 7.2 to the financial statements for accounting policies and details in respect of revenue recognition. The Company receives its revenue primarily from two main sources namely, premiums and investments income. Premiums from insurance policies comprise of 94.34% of the total revenue.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transitions may not be recognized in the appropriate period.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> ● Obtained the understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to premium and investment income. ● Assessed the appropriateness of the company's accounting policy for recording of premium and investment income in line with requirements of applicable accounting and reporting standards;

S. No	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> ● Tested the policies on sample basis where premium was recorded close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; and ● Tested the investment income transaction on sample basis where investment income was recorded close to year end and subsequent to year end and evaluated that these were recorded in the appropriate period.
4.	Valuation of outstanding claims including claims incurred but not reported (IBNR)	
	<p>As disclosed in note 28 to the financial statements, outstanding claims including IBNR amounting to Rs. 180.112 million as at December 31, 2021.</p> <p>The outstanding claims including IBNR represented significant portion of the Company's total liabilities.</p> <p>We focused on this area because the valuation of outstanding claims including IBNR are significant in magnitude and requires use of judgement and estimates. Outstanding claims including IBNR are estimates for settlement of claims in future which are impacted by a number of factors which includes the trends in severity of historical claims, frequency of historical claims and changes in government regulations.</p>	<p>Our audit procedures in respect of this area includes the following:</p> <ul style="list-style-type: none"> ● We assessed and tested the operating effectiveness of selected key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claims estimates recorded. ● Substantive tests were performed on the amounts recorded for a sample of claims notified, focusing on those with significant impact on the financial statements, to assess whether the claims are appropriately estimated and recorded. ● Tested the completeness and accuracy of the underlying data used in the valuation of outstanding claims including IBNR.

S. No	Key audit matters	How the matter was addressed in our audit
	The valuation involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact the valuation of these liabilities.	<ul style="list-style-type: none"> ● We assessed the adequacy of the disclosures by reference to the relevant accounting standards and applicable regulations.
5.	Valuation of insurance / re-insurance receivables	
	<p>Refer to note 7.29 and 13 to the financial statements for accounting policies and details in respect of valuation of insurance/ reinsurance receivables.</p> <p>The Company's insurance / reinsurance receivable represents 23.029 % of its total assets which are stated net of provision for impairment of Rs. 23.178 million. Valuation of these receivable involves significant judgment regarding uncertainty in determining impairment/ provisions.</p> <p>We identified the valuation of insurance / reinsurance receivables as a key matter as the estimation involves a significant degree of judgment.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> ● Tested the accuracy of insurance/reinsurance receivables aging report, on a sample basis, by comparing individual balances in the report with underlying documentation to evaluate that the balances appearing in the ageing report were classified within appropriate ageing bucket. ● Assessed the appropriateness of assumptions and estimates made by the management for the provision for impairment by comparing, on a sample basis, past experience and historical trends of collection the financial circumstances of counter parties, their credit ratings and actual write offs, and receipts an settlement from/with customers and reinsurer subsequent to the financial year end ● Assessed the reinsurance share of claims outstanding against the terms of the reinsurance contracts and the related recorded liabilities and ● Assessed the historical accuracy of provisions for bad debts recorded by examining the utilization or release of previously recorded provisions.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 and the Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

LAHORE

DATED: March 31, 2022

UDIN: CR202110131y9Yj7MbDv



BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Imran

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Property and Equipment	8	132,987,550	161,334,759
Investments			
Equity Securities	9	235,655,722	114,930,719
Debt Securities	10	68,843,598	63,303,902
Term Deposits	11	200,000,000	435,000,000
		504,499,320	613,234,621
Loans and Other Receivables	12	44,486,001	139,877,847
Insurance / Reinsurance Receivables	13	430,781,343	328,558,561
Reinsurance Recoveries Against Outstanding Claims	28	111,036,117	122,847,674
Deferred Commission Expense / Acquisition Cost	29	83,152,055	71,018,195
Deferred Taxation	15	30,512,141	18,732,486
Taxation - Payments Less Provision	14	779,103	10,367,419
Prepayments	16	179,289,697	86,978,701
Cash & Bank	17	275,207,826	116,685,060
		1,792,731,153	1,669,635,323
Total Assets of Window Takaful Operations - OPF	18	78,075,617	66,977,612
TOTAL ASSETS		1,870,806,770	1,736,612,935
EQUITY AND LIABILITIES			
Capital and Reserves Attributable to Company's Equity Holders			
Ordinary Share Capital	19	663,711,300	603,373,910
Share Premium - Capital Reserve	19.4	136,288,700	196,626,090
Reserves - Revenue	20	2,500,000	2,500,000
Unappropriated Profit - Revenue Reserve		148,862,774	182,386,994
TOTAL EQUITY		951,362,774	984,886,994
LIABILITIES			
Underwriting Provisions			
Outstanding Claims Including IBNR	28	180,112,312	189,002,250
Unearned Premium Reserves	27	439,169,503	281,981,893
Premium Deficiency Reserve		9,217,525	5,836,322
Unearned Reinsurance Commission	29	15,233,124	20,098,704
Retirement Benefit Obligations	21	994,801	634,843
Lease Liabilities	22	128,811,918	137,663,384
Premiums Received in Advance	23	740,901	718,859
Insurance / Reinsurance Payables	24	63,561,705	39,081,407
Other Creditors and Accruals	25	57,004,601	48,451,998
TOTAL LIABILITIES		894,846,390	723,469,660
Total Liabilities of Window Takaful Operations - OPF	18	24,597,606	28,256,281
TOTAL EQUITY AND LIABILITIES		1,870,806,770	1,736,612,935
CONTINGENCIES AND COMMITMENTS	26		

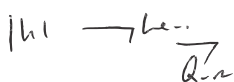
The annexed notes 1 To 54 form an integral part of these Financial Statements.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON DECEMBER 31, 2021

	Note	2021 RUPEES	2020 RUPEES
Net Insurance Premium	27	593,675,987	471,450,281
Net Insurance Claims	28	(166,803,205)	(145,131,095)
Premium Deficiency		(3,381,203)	(2,383,139)
Net Commission and Other Acquisition Costs	29	(125,007,044)	(110,347,016)
Insurance Claims and Acquisition Expenses		(295,191,452)	(257,861,250)
Management Expenses	30	(291,981,411)	(239,159,675)
Underwriting Results		6,503,124	(25,570,644)
Investment Income	31	19,258,725	110,630,657
Other Income	32	16,297,890	10,484,948
Other Expenses	33	(5,079,634)	(4,942,325)
Results of Operating Activities		36,980,105	90,602,636
Finance Cost	34	(14,396,351)	(15,457,927)
Profit from Window Takaful Operations	18	14,756,680	12,478,456
Profit Before Tax		37,340,434	87,623,165
Income Tax Expense	35	(10,527,264)	(46,321,941)
Profit After Tax		26,813,170	41,301,224
Earnings Per Share - Basic & Diluted (Restated)	36	0.40	0.62

The annexed notes 1 To 54 form an integral part of these Financial Statements.



Chairman



Chief Executive Officer



Director



Director



Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED ON DECEMBER 31, 2021

	2021 RUPEES	2020 RUPEES
Profit after Tax	26,813,170	41,301,224
Other Comprehensive Income:		
Item that may be re-classified to profit and loss account:	-	-
Item that may not be re-classified to profit and loss account:	-	-
	-	-
Total Comprehensive Income for the Year	26,813,170	41,301,224

The annexed notes 1 To 54 form an integral part of these Financial Statements.


Chairman


Chief Executive Officer


Director


Director


Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

	2021 RUPEES	2020 RUPEES
Operating Cash Flows		
a) Underwriting Activities		
Insurance Premium Received	802,790,830	549,462,105
Reinsurance Premiums Ceded / Paid	(181,744,958)	(163,584,863)
Claims Paid	(248,575,283)	(238,051,350)
Reinsurance and Other Recoveries Received	84,693,697	93,730,082
Commission Paid	(174,481,343)	(148,552,382)
Commission Received	34,159,633	35,829,325
Management Expenses Paid	(268,153,440)	(227,498,906)
Other Underwriting Receipts / (Payments)	91,154,921	(41,764,257)
Net Cash Flow from Underwriting Activities	139,844,057	(140,430,246)
b) Other Operating Activities		
Income Tax Paid	(12,718,603)	(12,799,675)
Finance Charges Paid	(14,396,351)	(15,457,927)
Other Operating (Payments) / Receipts	(40,213,713)	382,015
Other Receipts in Respect of Operating Assets	14,184,468	8,848,459
Net Cash Flow from Other Operating Activities	(53,144,199)	(19,027,128)
Total Cash Flow from All Operating Activities	86,699,858	(159,457,374)
Investment Activities		
Profit / Return Received	60,808,274	78,201,350
Dividend Received	3,920,432	4,922,372
Decrease in Net Assets in Window Takaful Operations	(14,756,680)	(12,478,456)
Payments for Investments / Investment Properties	(284,346,030)	(468,021,125)
Proceeds from Investments / Investment Properties	372,798,028	474,015,063
Fixed Capital Expenditure	(606,143)	(531,684)
Proceeds from Sale of Property and Equipment	3,193,883	2,790,608
Total Cash Flow from Investing Activities	141,011,764	78,898,128
Financing Activities		
Dividend Paid	(60,337,390)	-
Repayments of Lease	(8,851,466)	(5,545,671)
Total Cash Flow from Financing Activities	(69,188,856)	(5,545,671)
Net Cash Flow from All Activities	158,522,766	(86,104,917)
Cash and Cash Equivalents at the Beginning of the year	116,685,060	202,789,977
Cash and Cash Equivalents at the End of the year	275,207,826	116,685,060

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

	2021 RUPEES	2020 RUPEES
Reconciliation to Profit and Loss Account		
Operating Cash Flows	86,699,858	(159,457,374)
Depreciation Expense	(27,872,891)	(30,634,687)
Profit on Disposal of Fixed Assets	2,113,422	1,636,489
Dividend Income	3,920,432	4,922,372
Investment Income	15,338,293	105,708,285
Profit from Window Takaful Operations	14,756,680	12,478,456
Increase in Assets Other than Cash	100,305,917	228,718,702
Increase in Liabilities Other than Borrowings	(180,228,196)	(107,118,632)
Deferred Taxation	11,779,655	(14,952,387)
Profit After Taxation for the year	26,813,170	41,301,224

The annexed notes 1 To 54 form an integral part of these Financial Statements.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON DECEMBER 31, 2021

	Share Capital	Reserves		Total Reserves	Un-appropriated profit	Total share capital and reserves
	Issued, subscribed and paid up	Share Premium reserve	Revenue reserves			
	-----RUPEES-----					
Balance As At January 1, 2020	603,373,910	196,626,090	2,500,000	199,126,090	161,085,770	963,585,770
Total comprehensive income for the year						
Profit after tax	-	-	-	-	41,301,224	41,301,224
Other comprehensive income	-	-	-	-	-	-
Qard e hasna payment to PTF	-	-	-	-	(20,000,000)	(20,000,000)
Balance As At December 31, 2020	603,373,910	196,626,090	2,500,000	199,126,090	182,386,994	984,886,994
Balance As At January 1, 2021	603,373,910	196,626,090	2,500,000	199,126,090	182,386,994	984,886,994
Total comprehensive income for the year						
Profit after tax	-	-	-	-	26,813,170	26,813,170
Other comprehensive income	-	-	-	-	-	-
Transactions with owners in their capacity as owners recognized directly in equity						
Final dividend for the year ended						
December 31, 2020 @ 10% i.e. Rs 1 per share	-	-	-	-	(60,337,390)	(60,337,390)
Qard e hasna payment to PTF	-	-	-	-	-	-
Bonus shares issued for the year ended						
December 31, 2020 @ 10% i.e.						
10 bonus shares for every 100 shares held	60,337,390	(60,337,390)	-	-	-	-
Balance as at December 31, 2021	663,711,300	136,288,700	2,500,000	199,126,090	148,862,774	951,362,774

The annexed notes 1 To 54 form an integral part of these Financial Statements.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

1 STATUS AND NATURE OF BUSINESS

- 1.1** Asia Insurance Company Limited ('the Company') is a quoted public limited company which was incorporated in Pakistan on December 06, 1979 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is engaged in non-life insurance business mainly comprising of fire, marine, motor, bond and suretyship, agriculture and allied and miscellaneous. The Company commenced its commercial operations in 1980. The registered and principal office of the Company is situated at 19 C/D, Block L, Gulberg III, Main Ferozpur Road, Lahore-Pakistan. Shares of the Company are quoted on Pakistan Stock Exchange.
- 1.2** The Company has been allowed to work as Window Takaful Operator through License No.10 on August 13, 2015 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Insurance in Pakistan. It has not transacted any business outside Pakistan.
- 1.3** The SECP has issued investigation order dated March 21, 2019 against the Company for matters pertaining to claims paid/payable and property valuation and appointed an investigation team. The Company has submitted a response to SECP and is confident, based on the confirmation from the legal advisors that no adverse inference is expected in respect of these matters except two orders have been issued against claim investigation by the SECP during the year 2020. Detail is as follows:

The Securities and Exchange Commission of Pakistan (SECP) has concluded its investigation against order dated March 21, 2019 against the Company and has issued two Orders during the year. The Orders have alleged that the Company has processed allegedly fake/bogus claims. The Company has responded through its letter dated July 17, 2020 and vehemently denied, and it is submitted that the Company has never been knowingly involved in processing any such claims. The allegedly fake/bogus claims were referred to the Surveyor in accordance with law, and the same were processed after obtaining the survey reports from the Surveyor. The Company relied on the expertise of the Surveyor, which is duly licensed entity by the SECP to conduct the insurance surveys under the Ordinance. In addition, it was submitted that from the year 2013 onwards, the Company has paid a total of 25,633 claims. Annually, the number of claims paid by the Company average over 3,000 claims.

The Company has adequate internal control systems which are reflected in the processing of more than 3,000 claims in accordance with the law annually. The Company had requested to withdraw the show cause notices, however, the SECP through its order dated July 21, 2020 has imposed the penalty amounting to Rs. 5.880 million to the Company and its Board of Directors. The Company has challenged the orders and filed an appeal before the Appellate Bench of the Commission and expecting a favorable outcome based on the legal advisor opinion. The Company has blacklisted the Surveyor during the year 2020. Further, the Company has a filed a suit against the Surveyor for amounting to Rs. 20.150 million. Therefore no provision has been made in these financial statements in this regard.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 19 C/D, Block L, Gulberg III, Main Ferozpur Road, Lahore- Pakistan. The Company operates through 1 (2020: 1) principal office and 28 (2020: 28) branches in Pakistan.

3. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING YEAR

Following is the summary of significant transactions and events that have affected the financial position and performance of the Company:

- a) For discussion on the Company's performance, please refer to Director's report.
- b) All other significant transactions and events that have affected the Company's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

4 BASIS OF PREPARATION

4.1 Statement of Compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board, as are notified under the Companies Act, 2017, provisions and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, SECP Takaful Rules, 2012 shall prevail.

In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and statement of comprehensive income of the Operator's Fund of the General Takaful operations of the Company have been presented as a single line item in the statement of financial position and profit and loss account of the Company respectively.

A separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the General Takaful Accounting Regulations, 2019.

4.2 Basis of measurement

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation except for certain investments which are stated at fair value. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

4.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All figures have been rounded to the nearest rupee, unless otherwise stated.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

5.1 Standards / amendments that are effective in current year and relevant to the Company

The following standards, amendments and interpretations are effective for the year ended December 31, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Covid - 19 related rent concessions	June 01, 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Certain annual improvements have also been made to a number of IFRSs.	

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid- 19 related rent concessions.	April 01, 2021
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First time adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

5.3 IFRS 9 Financial Instruments And Amendments to IFRS 4 'Insurance Contracts - Applying IFRS 9 with IFRS 4

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after June 30, 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

b) all other financial assets:

Financial assets	2021				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain or (loss) during the year
	Rupees	Rupees	Rupees	Rupees	Rupees
Cash and bank *	275,207,826	-	-	-	-
Investments in equity securities					
Held for trading	235,655,722	(28,768,615)	-	-	-
Investments in debt securities					
Held to maturity	-	-	68,843,598	-	1,059,346
Term Deposits *	-	-	200,000,000	-	-
Loans and other receivables *	44,486,001	-	-	-	-
Total	555,349,549	(28,768,615)	268,843,598	-	1,059,346

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

	2021			
	Gross carrying amounts of debt instruments that pass the SPPI test			
	A	AA-	A+	Unrated
	Rupees	Rupees	Rupees	Rupees
Investments in debt securities -				
Held to maturity	-	-	-	68,843,598
Term deposits	200,000,000	-	-	-
Total	200,000,000	-	-	68,843,598

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

6 USE OF JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with the requirements of approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments, estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the revision and future periods, if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the financial statements or judgment was exercised in application of accounting policies, are as follows:

	Note
- Provision for unearned premiums	7.2.1
- Premium due but unpaid - net	7.2.5
- Provision for outstanding claims (including IBNR)	7.3.1
- Premium deficiency reserve	7.7
- Useful life of fixed assets	7.10
- Taxation (current and deferred)	7.18
- Impairment in the value of investment	7.22
- Commission income unearned	7.6.2
- Reinsurance recoveries against outstanding claims	7.5
- Prepaid reinsurance premium ceded	7.4.2
- Deferred commission expense	7.6.1

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

7.1 Insurance Contracts

Insurance contracts are those contracts under which the Company as an insurer has accepted insurance risk from the insurance contract holder (insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affects the insured. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed.

- Fire and property
- Marine, aviation and transport
- Motor
- Health
- Miscellaneous

These contracts are provided to individuals as well as commercial organizations with various tenures according to the nature and terms of the contract and the needs of the insured. The Company also accepts insurance risk pertaining to insurance contracts of other insurers as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer. The Company neither issues investment contracts nor does it issue insurance contracts with discretionary participation features (DPF).

7.2 Revenue recognition

7.2.1 Premium

Premium receivable/received under a policy is recognized at the time of issuance of policy. Similarly reinsurance premium is recorded at the time reinsurance is ceded.

Premium written under a policy is recognized 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 recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. This liability is calculated by applying 1/24 method as specified in the Insurance Accounting Regulations, 2017.

7.2.2 Commission income

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

7.2.3 Investment income

Return on investments and fixed deposits are recognized using the effective interest rate method. Profit or loss on sale of investments is recognized at the time of sale.

7.2.4 Dividend Income and other income

Dividend income and entitlement of bonus shares are recognized when the right to receive such dividend and bonus shares is established.

7.2.5 Premiums due but unpaid - net

Premiums due but unpaid is recorded as receivable when it is due, at the fair value of consideration receivable less provision for doubtful debts, if any. If there is objective evidence that receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes that impairment loss in profit and loss account.

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7.3 Claims expense

General insurance claims include all claims occurring during the year, whether reported or not, including external claims handling costs that are directly related to the processing and settlement of claims, reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims are charged to profit and loss account as incurred based on estimated liability for compensation owed under the insurance contracts.

7.3.1 Provision for outstanding claims (including IBNR)

The Company recognizes liability in respect of all claims incurred upto the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract. The liability for claims includes amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provision for IBNR is based on the management's best estimate which takes into account the past trends net of exceptional claims.

7.4 Reinsurance contracts

Contracts (treaty and facultative) entered by the Company under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

7.4.1 Reinsurance expense

Reinsurance premium ceded (treaty and facultative) is recognized as an expense over the period of reinsurance from inception to which it relates to its expiry as follows:

- a) for proportional reinsurance business, evenly over the period of the underlying policies.
- b) for non-proportional reinsurance business, evenly over the period of indemnity.

Where the pattern of incidence of risk varies over the period of the policy, reinsurance premium is recognized as expense in accordance with the pattern of incidence of risk.

7.4.2 Prepaid reinsurance premium ceded

The portion of reinsurance premium ceded not recognized as an expense as at year end is recognized as prepaid reinsurance premium ceded. Unrecognized portion is determined in the same manner as for provision for unearned premiums.

7.5 Reinsurance recoveries against outstanding claims

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

7.6 Commission

7.6.1 Commission expense

Commission expense incurred in obtaining and recording policies is deferred and is recognized in the profit and loss account as an expense in accordance with the pattern of recognition of premium revenue.

7.6.2 Commission income

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates.

7.7 Premium deficiency reserve - (liability adequacy test)

At each balance sheet date, liability adequacy test is performed to ensure the adequacy of unearned premium. Where the cumulative unearned premium reserve for any classes of business is not adequate to meet the expected future liability, after reinsurance from claims and other supplementary expenses, including reinsurance expenses, commissions and other underwriting expenses, expected to be incurred after the balance sheet date in respect of

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unexpired policies in that class of business in force at balance sheet date, a premium deficiency reserve is recognized as a liability to meet the deficit. The movement in premium deficiency reserve is recorded as an expense / income in the profit and loss account for the year. The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired risk.

7.8 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for held for trading, in which case transaction costs are charged to profit and loss account. Subsequently, these are recognized and classified into the following categories:

7.8.1 Available for sale

The financial assets that are intended to be held for an indefinite period of time and may be sold in response to the need for liquidity are classified as available-for-sale.

Subsequent to the initial recognition at cost, these are valued at market values and any unrealized gains / (losses) are taken to other comprehensive income.

7.8.2 Fair value through profit or loss-held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income. Subsequent to initial recognition these are measured at fair value by reference to quoted market prices.

7.8.3 In debt securities

Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any. Amortized cost is calculated taking into account any discount or premium on acquisition, which is deferred and included in the income for the period on a straight line basis, over the term of the investments.

Investment at fair value through profit or loss-held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income.

In term deposits

Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any. Amortized cost is calculated taking into account any discount or premium on acquisition, which is deferred and included in the income for the period on a straight line basis, over the term of the investments.

a) Trade and settlement date accounting

All 'regular way' purchases and sales of financial assets are recognized on the trade date, i.e. the date on which commitment to purchase / sale is made by the Company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

b) Derecognition

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

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c) Impairment

Available-for-sale

The Company considers that available-for-sale investments is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

7.9 Employee benefits

Defined contribution plan

The Company operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 8.33% (2020: 8.33%) of basic salary of the employees.

7.10 Fixed assets and depreciation

7.10.1 Owned assets

These are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation/amortization is charged to profit and loss account on reducing balance method using the following rates:

- Building on freehold land	10%
- Furniture and fixture	10%
- Office equipments	10%
- Motor vehicles	20%
- Computer equipment	30%

Full month's depreciation / amortization is charged in the month when assets become available for use and no depreciation is charged in the month of disposal.

The assets' residual values, useful life and method of depreciation/ amortization are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate part, as appropriate, only when it is possible that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account.

Gains or losses on disposal are included in profit and loss account.

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, in respect of item of fixed assets and intangible assets. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

7.10.2 Capital work-in-progress

Capital work-in-progress is stated at cost. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of fixed assets or intangibles as and when the assets start operation.

7.10.3 Right of use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

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7.11 Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the Company's incremental borrowing rate is used. The Company used its incremental borrowing rate as the discount rate or market rate, if any.

Subsequently, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The short term and low value leases have not been considered under IFRS 16 "Leases".

Ijarah contracts

Operating lease / ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir (lessor) are classified as operating leases/Ijarah. Payments made during the period are charged to profit and loss on a straight-line basis over the period of the lease / Ijarah.

The SECP has issued directive (vide SRO 431(I)/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statements by companies while accounting for Ijarah (Lease) transactions as defined by said Standard. The Company has adopted the above said standard.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

7.12 Investment properties

Property held for the purpose of rental income and long-term capital appreciation is classified as investment property.

7.12.1 Initial recognition

Investment property is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset.

7.12.2 Measurement subsequent to initial recognition

Subsequent to initial recognition, investment property is carried at historical cost less accumulated depreciation and accumulated impairment losses, if any.

7.12.3 Depreciation

Depreciation is charged to profit and loss account in the same manner as owned fixed assets.

7.13 Investment and other income

7.13.1 Dividend income and bonus shares

Dividend income is recognized when the right to receive the same is established.

Entitlement of bonus shares is recognized when the right to receive the same is established.

7.13.2 Interest income

Interest income is recognized on time proportion basis that takes into account effective yield on the assets.

7.13.3 Rental income

Rental income on investment properties is recognized as income on accrual basis.

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7.14 Segment reporting

The Company's operating business is organized and managed separately according to the nature of the services provided with each segment representing a strategic business unit that serves different markets.

The Company has five major segments namely fire and property damage, marine, aviation and transport, motor, crops and miscellaneous, as disclosed in note 7.1.

The Company accounts for segment reporting as prepared in the format prescribed under the Insurance Ordinance 2000 and the Insurance Rules, 2017 and provide required information at appropriate level of detail.

7.15 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the derecognition of the financial assets and liabilities is included in the net profit or loss account for the period in which it arises.

Financial instruments carried in the statement of financial position include investments, loan and other receivables, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims, cash and bank, provision for outstanding claims, insurance / reinsurance payables, other creditors and accruals.

7.16 Off setting of financial asset and financial liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Company intends either to settle on net basis, or realize the assets and to settle the liabilities simultaneously.

7.17 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

7.18 Taxation

7.18.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to be applied to the profit for the year, if entered. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessment finalized during the current year for such years.

7.18.2 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 recognized for all taxable temporary differences and deferred tax assets are recognized 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 utilized.

Deferred tax is calculated at the rates that are expected to be applied 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 the profit and loss account, except in the case of items credited or charged to equity in which case it is included in statement of comprehensive income.

7.19 Foreign currencies

Transactions in foreign currency, if any, are converted into Pak rupees at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Pak rupees at the rate of exchange prevailing at the reporting date. Exchange difference are taken to profit and loss account.

7.20 Management expenses

Management expenses are allocated to all classes of business in proportion to the net premium income of the year. Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the

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management. Provision for bad debts is based on review of outstanding amounts as at balance sheet date. Bad debts are written off to the profit and loss account when identified. Expenses not allowable to the underwriting business are charged to Other expenses.

7.21 Creditors, accruals and provisions

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

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

7.22 Impairment

The carrying amounts of the Company's assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

7.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

7.24 Cash and cash equivalents

For the purpose of cash flow statement, Cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

7.25 Dividend and bonus shares

Dividend to shareholders is recognized as liability in the year in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

7.26 Fair value

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.

7.27 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.

7.28 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any.

7.29 Insurance / reinsurance receivables

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

7.30 Reinsurance assets

The Company determines the impairment of the reinsurance assets by looking at objective evidence, as a result of an event that occurred after initial recognition of the reinsurance assets, which indicates that the Company may not be able to recover amount due from reinsurer under the terms of reinsurance contract. In addition the Company also monitors the financial ratings of its reinsurers on each reporting date.

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7.31 Loans and other receivables

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

7.32 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat and Ushr Ordinance, 1980.

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8 PROPERTY AND EQUIPMENTS

NOTE	2021	2020
	RUPEES	
OPERATING FIXED ASSETS	53,390,635	65,103,806
RIGHT OF USE ASSETS	79,596,915	96,230,953
	132,987,550	161,334,759

8.1 The statement of operating fixed assets is as follows:

PARTICULARS	COST					ACCUMULATED DEPRECIATION					W.D.V.	
	As at 1 January 2021	Additions	Disposals / write-offs	Adjustment	AS AT DECEMBER 31, 2021	Rate %	As at 1 January 2021	Depreciation for the year	Disposals/ write-offs	Adjustment	AS AT DECEMBER 31, 2021	
	RUPEES					RUPEES						
OWNED												
Building - on freehold land	564,200	-	-	-	564,200	10%	401,512	16,269	-	-	417,781	146,419
Furniture and fixtures	11,193,916	-	-	-	11,193,916	10%	4,599,727	659,419	-	-	5,259,146	5,934,770
Office equipment	19,531,779	429,642	-	-	19,961,421	10%	8,543,860	1,122,675	-	-	9,666,535	10,294,886
Motor vehicles	128,734,364	51,501	(3,498,100)	-	125,287,765	20%	83,130,652	8,977,453	(2,509,691)	-	89,598,414	35,689,351
Computers and accessories	10,962,085	125,000	-	-	11,087,085	30%	9,206,787	555,089	-	-	9,761,876	1,325,209
	170,986,344	606,143	(3,498,100)	-	168,094,387		105,882,538	11,330,905	(2,509,691)		114,703,752	53,390,635

PARTICULARS	2020											
	COST				ACCUMULATED DEPRECIATION							W.D.V.
	As at 1 January 2020	Additions	Disposals / write-offs	Adjustment	As at 31 December 2020	Rate %	As at 1 January 2020	Depreciation for the year	Disposals / write-offs	Adjustment	As at 31 December 2020	As at 31 December 2020
RUPEES												
OWNED	RUPEES											
Building - on freehold land	564,200	-	-	-	564,200	10%	383,435	18,077	-	-	401,512	162,688
Furniture and fixtures	11,080,516	113,400	-	-	11,193,916	10%	3,875,071	724,656	-	-	4,599,727	6,594,189
Office equipment	19,289,579	289,200	(47,000)	-	19,531,779	10%	7,359,493	1,203,781	(19,414)	-	8,543,860	10,987,919
Motor vehicles	132,634,108	50,256	(3,950,000)	-	128,734,364	20%	74,404,127	11,549,992	(2,823,467)	-	83,130,652	45,603,712
Computers and accessories	10,962,085	-	-	-	10,962,085	30%	8,454,517	752,270	-	-	9,206,787	1,755,298
	174,530,488	452,856	(3,997,000)	-	170,986,344		94,476,643	14,248,776	(2,842,881)	-	105,882,538	65,103,806

8.2 During the year, company has capitalized one vehicle upon completion of ijarah rental contract at the Rs. 1 per vehicle.

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8.3 Detail of Disposal of fixed assets

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Profit on disposal		Mode of disposal	Particulars of Purchaser
Rupees								
Motor Vehicles								
Suzuki Mehran (LEC-10-2849)	558,100	(507,163)	50,937	456,364	405,427		BID	M.Shakeel
Suzuki Cultus (LEE-08-6679)	735,000	(601,411)	133,589	550,000	416,411		BID	Muhammad Abbas Akram
Honda City (LWF-1917)	950,000	(725,313)	224,687	1,022,727	798,040		BID	Asif Masood Bhatti
Suzuki Cultus (LEC-17A-2367)	1,255,000	(675,804)	579,196	1,072,740	493,544		BID	Muhammad Khalil
Sub-Total	3,498,100	(2,509,691)	988,409	3,101,831	2,113,422			

8.4 The following assets with book value below Rs. 50,000/- were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Profit on disposal	Mode of disposal	Particulars of Purchaser
Rupees							
Vehicles	-	-	-	-	-		
Sub-Total	-	-	-	-	-		
Grand Total 2021	3,498,100	(2,509,691)	988,409	3,101,831	2,113,422		
Grand Total 2020	3,997,000	(2,842,881)	1,154,119	2,790,608	1,636,489		

8.5 Right of use assets

The following is the statement of right of use assets:

Building	2021 Rupees	2020 Rupees
Year ended December 31, 2021		
Net carry value basis		
Opening net book value	96,230,953	112,538,036
Addition (at cost)	-	-
Remeasurement	(92,052)	78,828
Depreciation charge	(16,541,986)	(16,385,911)
Closing net book value	<u>79,596,915</u>	<u>96,230,953</u>

Gross carry value basis

Cost	128,333,036	128,254,208
Remeasurement	(92,052)	78,828
Accumulated depreciation	(48,644,069)	(32,102,083)
Net book value	<u>79,596,915</u>	<u>96,230,953</u>
Depreciation rate % per annum	<u>10%-33%</u>	<u>10%-33%</u>

8.6 During the reporting period, company has remeasured the right of use assets and corresponding liabilities by using the revised payment schedule.

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	Note	2021 Rupees	2020 Rupees
9 INVESTMENTS IN EQUITY SECURITIES			
Investments in equity securities			
Held for Trading	9.1	<u>235,655,722</u>	<u>114,930,719</u>
9.1 Held for Trading			
Listed shares			
Cost		239,677,934	91,971,276
Less: unrealized loss on revaluation of investment		(36,325,774)	(7,297,862)
Carrying value	9.2	203,352,160	84,673,414
Mutual funds			
Cost		29,513,178	27,726,220
Add: unrealized gain on revaluation of investment		2,790,384	2,531,085
Carrying value	9.2	32,303,562	30,257,305
		<u>235,655,722</u>	<u>114,930,719</u>

9.2 Investments - Held for Trading

	2021			2020		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
LISTED SHARES						
Jubilee Life Insurance Company Limited	7,003,038	(4,413,198)	2,589,840	7,003,038	(2,229,939)	4,773,099
Attock Cement Pak. Limited	10,028,992	490,280	10,519,272	24,539,108	(2,016,603)	22,522,505
EFU Life Assurance Limited	4,356,873	(880,818)	3,476,055	4,356,873	(908,043)	3,448,830
Cherat Cement Company Limited	28,606,723	(2,326,014)	26,280,709	-	-	-
D.G Khan Cement Company Limited	42,038,667	(8,116,207)	33,922,460	18,601,424	(96,754)	18,504,670
Nishat Mills Limited	-	-	-	10,242,665	(778,055)	9,464,610
Habib Bank Limited	5,040,000	(141,960)	4,898,040	-	-	-
Kohat Cement Company Limited	8,897,894	(599,494)	8,298,400	-	-	-
Lucky Cement Limited	36,462,181	(5,728,157)	30,734,024	-	-	-
MCB Bank Limited	17,812,049	(560,174)	17,251,875	-	-	-
Maple Leaf Cement Factory Limited	36,146,682	(4,241,057)	31,905,625	-	-	-
Power Cement Limited	43,284,835	(9,808,975)	33,475,860	27,228,167	(1,268,467)	25,959,700
	<u>239,677,934</u>	<u>(36,325,774)</u>	<u>203,352,160</u>	<u>91,971,275</u>	<u>(7,297,861)</u>	<u>84,673,414</u>
MUTUAL FUNDS						
Pakistan Income Fund	29,079,970	2,776,869	31,856,839	27,315,667	2,523,954	29,839,621
HBL Money Market Fund	433,208	13,515	446,723	410,553	7,131	417,684
	<u>29,513,178</u>	<u>2,790,384</u>	<u>32,303,562</u>	<u>27,726,220</u>	<u>2,531,085</u>	<u>30,257,305</u>
Total Equity Securities	<u>269,191,112</u>	<u>(33,535,390)</u>	<u>235,655,722</u>	<u>119,697,495</u>	<u>(4,766,776)</u>	<u>114,930,719</u>

10 INVESTMENTS IN DEBT SECURITIES

INVESTMENTS IN DEBT SECURITIES

Held to maturity

Pakistan Investment Bonds (10 years)

10.1

2021

Rupees

68,843,598

2020

Rupees

63,303,902

2021			2020		
Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
-----Rupees-----					

Held to maturity

Government securities- PIBs

Pakistan Investment Bonds

68,843,598

-

68,843,598

63,303,902

-

63,303,902

68,843,598

-

68,843,598

63,303,902

-

63,303,902

10.1 Pakistan Investments Bonds (PIBs) having face value of Rs. 72 million (2020: 64.50 million), carry interest rate ranging from 7.50% to 9% (2020: 7.75% to 9%) per annum. Profit is paid semi annually and these will mature latest by October 2025.

10.2 Company has deposited following securities with State Bank of Pakistan against statutory deposits under the Insurance Ordinance, 2000:

	2021 Rupees	2020 Rupees
Pakistan investment bonds	68,843,598	63,303,902
	<u>68,843,598</u>	<u>63,303,902</u>

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11 INVESTMENTS IN TERM DEPOSITS	Note	2021 Rupees	2020 Rupees
Held to maturity			
Deposits maturing within 12 months	11.1	200,000,000	435,000,000
11.1 At amortized cost			
Term deposit receipts (TDRs)			
U Microfinance Bank Limited		-	100,000,000
JS Bank Limited		-	35,000,000
NRSP Bank Limited		200,000,000	300,000,000
		200,000,000	435,000,000
11.2 The rate of return on Term Deposit Certificates maintained at various banks and carry mark up at the rate 12.5% per annum (2020 : 6.50% to 12.25% per annum). These Term Deposit Certificates have maturity up to December, 2022.			
12 LOANS AND OTHER RECEIVABLES			
Unsecured Considered good		4,047,570	14,477,568
Accrued investment income	12.1	15,645,030	89,865,783
Balance with brokers	12.3	10,825,441	12,082,671
Security deposits		13,967,960	23,451,825
Other receivable		44,486,001	139,877,847
12.1 This includes balance amounting to Rs. 15.610 million (2020: Rs. 89.831million) with broker, Arif Habib Limited for investment purposes.			
12.2 This includes security deposit against rented premises. The said deposit is refundable at the expiry of the respective rent agreement or on vacation of the rented premises. These deposits do not carry any interest or mark-up.			
12.3 This includes security deposit with related parties and their relatives amounting to Rs. 3,712,500/- against rented premises (2020: Rs. 3,712,500/-).			
13 INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good		2021 Rupees	2020 Rupees
Due from insurance contract holders		187,248,454	111,299,742
Less : Provision for impairment of receivables from insurance contract holders		(10,883,052)	(8,426,680)
Due from other insurers / reinsurers		266,711,748	237,981,306
Less : Provision for impairment of due from other insurers / reinsurers		(12,295,807)	(12,295,807)
		430,781,343	328,558,561
13.1 Movement of provision for impairment is as follows:			
Opening balance		(20,722,487)	(10,268,902)
Adjustment on account of:			
Doubtful premium written off		-	-
Provision made for doubtful due from:			
Due from insurance contract holders		(2,456,372)	(5,123,268)
Due from other insurers / reinsurers		-	(5,330,317)
Net adjustment		(2,456,372)	(10,453,585)
Closing balance		(23,178,859)	(20,722,487)
14 TAXATION - PAYMENTS LESS PROVISION			
Opening		10,367,419	28,937,298
Income tax deducted at source / payments (Advance Tax)		12,718,603	12,799,675
Prior year adjustment		(316,724)	1,121,767
Provision for tax payable		(21,990,195)	(32,491,321)
		779,103	10,367,419
15 DEFERRED TAXATION			
Deferred tax (liability) / asset arising in respect of:			
Depreciation on fixed assets		(207,342)	(674,805)
Unrealized gain on premeasurement of investment - P&L		9,725,263	1,382,365
Leases		14,272,351	12,015,405
Provisions		6,721,869	6,009,521
Minimum taxation		-	-
	15.1	30,512,141	18,732,486
15.1 Balance at beginning of the year		18,732,486	33,684,873
Charged/ Reversal during the year			
charged to profit and loss account		11,779,655	(14,952,387)
charged to other comprehensive income		-	-
during the year		11,779,655	(14,952,387)
Balance at the end of the year		30,512,141	18,732,486
15.2 The deferred tax asset has been recognized on the basis of future projections indicating the quantum of profits available for utilization of losses carried forward. In the event that future profits are not available, the tax losses and minimum tax would not be utilized and may lapse.			

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			2021 Rupees	2020 Rupees
16 PREPAYMENTS	Note			
Prepaid reinsurance premium ceded			139,075,984	86,978,701
Prepaid expenses			40,213,713	-
			<u>179,289,697</u>	<u>86,978,701</u>
17 CASH & BANK				
Cash and Cash Equivalent				
Cash in hand			130,000	464,141
Cash at bank				
Current accounts			57,906,191	62,027,703
Saving accounts	17.1		217,171,635	54,193,216
			<u>275,207,826</u>	<u>116,685,060</u>
17.1	The rate of return on PLS saving accounts maintained at various banks ranges from 3.75% to 11% per annum (2020: 2.52% to 11.25% per annum).			
17.2	Cash and short term borrowing include the following for the purpose of the cash flow statement.			
Cash and cash equivalents			<u>275,207,826</u>	<u>116,685,060</u>
			<u>275,207,826</u>	<u>116,685,060</u>
18 TOTAL ASSETS OF WINDOW TAKAFUL OPERATIONS - OPF				
Total liabilities in window takaful operations			<u>24,597,606</u>	<u>28,256,281</u>
Total assets in window takaful operations			<u>78,075,617</u>	<u>66,977,612</u>
Profit for the year			<u>14,756,680</u>	<u>12,478,456</u>
18.1	The financial statements of window takaful operations are separately prepared under the provisions of clause 11(b) of Takaful Rules, 2012 read with Circular No. 25 of 2015 issued dated July 9, 2015 and General Takaful Accounting Regulations, 2019.			
19 ORDINARY SHARE CAPITAL				
19.1 Authorized share capital				
2021	2020		2021	2020
No. of Shares	No. of Shares		Rupees	Rupees
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>1,000,000,000</u>	<u>1,000,000,000</u>
19.2 Issued, subscribed and paid-up share capital				
2021	2020			
No. of Shares	No. of Shares			
40,337,391	40,337,391	Ordinary shares of Rs. 10/- each fully paid in cash	403,373,910	403,373,910
21,033,739	15,000,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	210,337,390	150,000,000
5,000,000	5,000,000	Statutory fund for window takaful operations	50,000,000	50,000,000
<u>66,371,130</u>	<u>60,337,391</u>		<u>663,711,300</u>	<u>603,373,910</u>
19.3	Amount of Rs. 50 million is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of Takaful Rules, 2012 issued by Securities and Exchange Commission of Pakistan.			
19.4	During the year 2018, the Company has issued 15,337,391 shares to InsuResilience Investment Fund SICAV RAIF, Luxembourg for an aggregate amount of Rs. 350 million bearing a premium of Rs. 12.82 per shares and total amounting to Rs. 196,626,090/- under the shareholders agreement.			
19.5	During the year the Company has issued bonus shares at 10% i.e. in the proportion of 10 bonus shares for every 100 shares held for the year ended December 31, 2020. These bonus shares have been issued from share premium account.			
20 RESERVES - REVENUE				
Revenue reserve			2021	2020
General reserves			Rupees	Rupees
	20.1		<u>2,500,000</u>	<u>2,500,000</u>
20.1	These represent general reserves utilizable at the discretion of the board of directors.			
21 RETIREMENT BENEFIT OBLIGATIONS				
Staff provident fund			<u>994,801</u>	<u>634,843</u>
21.1	The company operates a funded Provident Fund Scheme for its employees and contributions are made monthly equal to employees contribution @ 8.33% (2020: 8.33%) of basic salary and cost of living allowance.			
22 LEASE LIABILITIES				
Lease liabilities as at			137,663,384	143,209,055
Less: Payment made during the year			(23,247,817)	(21,003,598)
Add: Interest expense for the year			14,396,351	15,457,927
			<u>128,811,918</u>	<u>137,663,384</u>

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22.1	The contractual undiscounted cash flows to which the Company is committed under the lease agreement and the years in which they became due are as follows:	Note	2021 Rupees	2020 Rupees
	Maturity analysis-contractual undiscounted cash flow			
	Less than one year		23,712,436	23,081,811
	One to five year		147,221,341	135,414,769
	More than five year		-	35,307,319
	Total undiscounted lease liability		170,933,777	193,803,899
22.2	The above liabilities were obligations under leases with various lessors for lease of buildings.			
22.3	The Company discounted lease payments using its incremental borrowing rate. The weighted average rate applied is 12% (2020: 12%) per annum.			
23	PREMIUM RECEIVED IN ADVANCE			
	Premium received in advance		740,901	718,859
24	INSURANCE / REINSURANCE PAYABLES			
	Due to other insurers / reinsurers		63,561,705	39,081,407
			63,561,705	39,081,407
25	OTHER CREDITORS AND ACCRUALS			
	Outstanding agency commissions		5,440,969	3,756,194
	Sales tax		10,270,098	5,125,216
	Federal insurance fee		1,418,635	370,444
	Worker Welfare Fund		3,868,197	2,310,839
	Tax deducted at source		3,622,944	2,011,972
	EOBI payable		168,711	157,106
	Receipts from foreign reinsurers	25.1	7,133,952	7,133,952
	Auditors' remuneration		721,819	653,546
	Unpaid and unclaimed dividend	25.2	1,036,785	59,962
	Security against various policies		21,426,594	23,606,100
	Others		1,895,897	3,266,667
			57,004,601	48,451,998
25.1	It represents receipts from foreign reinsurers against settlement of treaty agreements in 2011 after adjustment of receivable balances from the reinsurers.			
25.2	The Company has transferred unpaid and unclaimed dividend to separate bank account.			
26	CONTINGENCIES AND COMMITMENTS			
26.1	Contingencies			
a)	Suits for recovery of approximate Rs. 137.80 million (December 31, 2020: Rs. 70.80 million) have been lodged but are not accepted by the Company and the cases are pending adjudication before different courts. As per the Company's legal advisor, such claims are untenable and accordingly management has not provided any liability in respect thereof.			
b)	The Company has filed suit for recovery of Rs. 93.23 million (December 31, 2020: Rs. 64.39 million) against insurer/reinsurer for amount due. The management of the Company on the basis of the facts of the case and advice of the legal advisor believe that they have strong case and has not, therefore, made provision in the financial statements against the aforesaid claim.			
c)	The Company filed a writ petition before the Honorable Lahore High Court, Lahore against the levy of both Federal Excise Duty and Sales Tax on Services for tax year 2012 to 2014, and impugned inter alia, the show cause notices and orders passed by deputy commissioner inland revenue dated June 01, 2016 and demanding an amount of Rs. 77.556 million. The honourable court while issuing notices to the respondents has ordered that no coercive measures shall be adopted against the Company. The matter is pending adjudication before the Honorable High Court, Lahore. As per the Company's legal advisor, such claims are untenable and accordingly management has not provided any liability in respect thereof.			
d)	An order was finalized by the Sindh Board of Revenue (SRB) for the tax period from January 2016 to December 2016 amounting to Rs. 7.00 million against re-insurance services. Revision application was filed by the Company against the said order before the Commissioner, SRB. The Commissioner SRB has remanded back the case with the direction to determine whether reinsurance services have been rendered/acquired outside Sindh or not. The matter is pending adjudication before the Sindh Board of Revenue. The Company is expecting favorable outcome.			
26.2	Commitments			
a)	Ijarah Disclosure:			
	The Company has entered into a Vehicle Ijarah agreements with Mezaan Bank Limited and Sindh Bank Limited. The company has made payment of Rs. 4,593,583/- (2020:6,460,000) till the year end.			
	Future Ijarah Rental Payment:		2021 Rupees	2020 Rupees
	Payable not later than 1 year		1,299,558	4,181,393
	Payable later than 1 year and not later than 5 years		102,238	2,592,802
			1,401,796	6,774,195
26.2.2	There is no known commitment as at December 31, 2021 except as stated above (2020: Nil). However, commitment against lease liabilities has been disclosed in the relevant note to these financial statements.			

27 NET INSURANCE PREMIUM

28 NET INSURANCE CLAIMS EXPENSE

28.1 CLAIM DEVELOPMENT

29 NET COMMISSION AND OTHER ACQUISITION COSTS

30 MANAGEMENT EXPENSES

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30.1 EMPLOYEE BENEFIT COST

	Note	2021 RUPEES	2020 RUPEES
Salaries, allowance and other benefits		141,720,310	126,788,252
Charges for post employment benefit		4,427,875	3,292,871
		<u>146,148,185</u>	<u>130,081,123</u>

30.2 DEPRECIATION

Operating fixed assets	8.1	11,330,905	14,248,776
Right of use assets	8.5	16,541,986	16,385,911
		<u>27,872,891</u>	<u>30,634,687</u>

30.3 This represents services charges paid to Microensure Pakistan (Private) Limited against collaboration for insurance business and other value added services.

30.4 This amount pertains to lease rental paid on Ijarah financing availed during the year from Meezan Bank Limited and Sindh Bank Limited.

30.5 This includes an amount of Rs. 6.365 million paid to InsuResilience Investment Fund (associated entity). This cost represents the share of consultancy charges of Asia Insurance Company Limited for product developed to increase the outreach of the company in the agriculture insurance in Pakistan.

31 INVESTMENT INCOME

		2021 RUPEES	2020 RUPEES
Income from equity securities			
Held for trading			
- Dividend income on listed securities		1,818,128	1,464,863
- Dividend income on mutual funds		2,102,304	3,457,509
Income from debt securities			
Held to maturity			
- Return on Debt securities		5,684,917	5,353,036
Income from term deposits			
Held to maturity			
- Return on term deposits		28,877,333	54,541,785
		<u>38,482,682</u>	<u>64,817,193</u>
Net realized fair value gains/(losses) on investments			
Held for trading			
- Listed securities		9,417,691	51,013,485
- Mutual funds		-	-
Net unrealized fair value gains/(losses) on investments			
Held for trading			
- Listed securities		(29,027,912)	(3,337,852)
- Mutual funds		259,297	(493,035)
Held to maturity			
- Debt securities		1,059,346	575,907
Total investment income		<u>20,191,104</u>	<u>112,575,698</u>
Less: Investment related expenses		(932,379)	(1,945,041)
Net Investment Income		<u>19,258,725</u>	<u>110,630,657</u>

32 OTHER INCOME

Income from financial assets			
Return on bank balances		14,184,468	8,848,459
Income from non financial assets			
Gain on disposal of fixed assets	8.3	2,113,422	1,636,489
		<u>16,297,890</u>	<u>10,484,948</u>

33 OTHER EXPENSES

Auditors' remuneration	33.1	804,396	740,056
Fees and subscriptions		2,717,880	1,891,430
Workers' welfare fund		1,557,358	2,310,839
		<u>5,079,634</u>	<u>4,942,325</u>

33.1 AUDITOR'S REMUNERATION:

Audit fee		546,315	496,650
Half yearly review fee		82,577	78,645
Other services (statutory returns)		117,954	107,231
Out of pocket expenses		57,550	57,530
		<u>804,396</u>	<u>740,056</u>

34 FINANCE COST

Finance cost on right of use asset	22	14,396,351	15,457,927
		<u>14,396,351</u>	<u>15,457,927</u>

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35 INCOME TAX EXPENSE

	Note	2021 RUPEES	2020 RUPEES
For the year			
Current		21,990,195	32,491,321
Deferred		(11,779,655)	14,952,387
		<u>10,210,540</u>	<u>47,443,708</u>
For the prior year(s)			
Current	14	316,724	(1,121,767)
Deferred		-	-
		<u>10,527,264</u>	<u>46,321,941</u>

35.1 Numerical reconciliation is as follows:

	2021 %	2020 %
Applicable tax rate	29.00%	29.00%
Temporary difference	-15.50%	17.06%
Tax impact related to prior year	0.78%	-1.28%
Tax impact of final tax	1.34%	-1.12%
Others	12.64%	9.20%
Average effective rate	<u>28.26%</u>	<u>52.86%</u>

35.2 As at December 31, 2021, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in accounts for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

36 EARNINGS PER SHARE

	2021 RUPEES	Restated 2020 RUPEES
Net Profit after tax for the year	<u>26,813,170</u>	<u>41,301,224</u>
Weighted average number of ordinary shares Outstanding	<u>66,371,130</u>	<u>60,337,391</u>
Earnings per share - basic and diluted	<u>36.1 0.40</u>	<u>0.62</u>

36.1 There is no dilution effect on the basic earnings per share as the Company has no convertible dilutive potential ordinary shares outstanding at the year end; consequently, the reported basic earnings per share is also the diluted earnings per share.

36.2 EPS of last year has been restated based on bonus element for bonus shares issued during the year.

37 DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees under the title of "Asia Insurance Company Limited Employee Provident Trust". The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

The Trustees have intimated that the size of the Fund at year end was Rs. 48.148 million (2020: Rs. 38.951 million). The category wise break up of investment as per section 218 of the Companies Act, 2017 is given below:

	2021 (Rupees) Audited	2020 (Rupees) Audited
Break up of fair value of investments out of provident fund is as follows:		
Saving accounts	18,742,627	14,191,100
Term deposits receipts	<u>19,000,000</u>	<u>19,000,000</u>
	<u>37,742,627</u>	<u>33,191,100</u>
Employees' provident fund		
Size of the fund	<u>48,148,188</u>	<u>38,951,406</u>
Number of members	<u>149</u>	<u>143</u>
Cost of investment made	<u>37,742,627</u>	<u>33,191,100</u>
Percentage of investment made	<u>78.39%</u>	<u>85.21%</u>
Fair value of investment	<u>37,742,627</u>	<u>33,191,100</u>

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38 COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows

	2021				2020			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	-----Rupees-----				-----Rupees-----			
Managerial remuneration	8,712,000	495,000	5,387,292	14,594,292	7,920,000	990,000	9,137,160	18,047,160
Utilities	871,200	49,500	538,740	1,459,440	792,000	99,000	798,516	1,689,516
Fees	-	130,000	-	130,000	-	160,000	-	160,000
Bonus	1,000,000	125,000	498,584	1,623,584	500,000	62,500	297,233	859,733
Rent and house maintenance	3,616,800	205,500	2,236,536	6,058,836	3,288,000	411,000	3,315,036	7,014,036
Commission paid	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Contribution to defined contribution plan	395,844	41,234	448,764	885,842	-	82,464	414,468	496,932
	14,595,844	1,046,234	9,109,916	24,751,994	12,500,000	1,804,964	13,962,413	28,267,377
Executive Directors	14,595,844	916,234	-	15,512,078	12,500,000	1,644,964	-	14,144,964
Non-Executive Director	-	130,000	-	130,000	-	160,000	-	160,000
	14,595,844	1,046,234	-	15,642,078	12,500,000	1,804,964	-	14,304,964
Number of persons	1	4	3	8	1	4	5	10

38.1 The chief executive officer, directors and certain executives are also provided with Company's maintained cars for official purposes.

39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of chief executive officer, directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of parties	Nature of relationship	Nature of transactions	Note	2021		2020	
				Transactions during the period	Closing balance	Transactions during the year	Closing balance
				-----Rupees-----			
Contribution payable to provident fund	EPF	Contribution to provident fund		4,427,875	-	3,292,871	-
Directors, their spouses and relatives (Country of origin - Pakistan and relationship - Directors, spouses and relatives)	Shareholders and relatives	Payable		-	994,801	-	634,843
		Security deposit		-	3,712,500	-	3,712,500
		Final Cash Dividend		34,771,887	992	-	-
		Bonus Shares Issued (Numbers)		4,091,123	-	-	-
		Rental paid		20,236,667	-	18,396,972	-
		Remunerations and fee		15,642,078	-	14,304,964	-
		Right of use of assets		-	78,744,556	-	93,061,554
		Lease liabilities		-	127,447,815	-	133,349,210
		Commission paid		95,044	-	1,363,613	-
InsuResilience Investment Fund SICA VRAIF	Associated	Final Cash Dividend		13,036,782	-	-	-
		Bonus Shares Issued (Numbers)		1,533,739	-	-	-
		Consultancy fee		6,365,217	-	-	-
Executives	Key Management Personal	Remuneration paid		15,205,000	-	14,222,500	-
		Commission paid		1,584,772	-	5,887,923	-

39.1 Basis of relationship with the company

In respect of associated companies and holding company incorporated inside Pakistan with whom the company had entered into an agreement along with basis of relationship is as follows

Name of related party	Country of origin	Relationship	Basis of Association	Shareholdings
InsuResilience Investment Fund SICA VRAIF	Luxembourg	Associated undertaking	Shareholding	25.42%

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40 SEGMENT REPORTING

40.1 Following are the segment assets, liabilities, revenue and expenses of the Company:

2021	Rupees					
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH	MISCELLANEOUS	TOTAL
Premium received (inclusive of FED, FIF and Admin surcharge)	317,719,436	129,609,895	133,093,848	264,612,511	184,279,178	1,029,314,868
Less: Federal Excise Duty / Sales Tax	(20,779,999)	(12,345,546)	(15,634,071)	(29,213,077)	(20,561,491)	(98,534,184)
Federal Insurance Fee	(1,400,634)	(1,097,441)	(997,650)	(2,330,690)	(1,445,427)	(7,271,842)
Gross Written Premium (inclusive of Admin surcharge)	295,538,803	116,166,908	116,462,127	233,068,744	162,272,260	923,508,842
Gross direct Premium	136,216,576	106,154,809	97,798,345	232,894,911	142,557,787	715,622,428
Facultative inward Premium	155,770,943	6,468,792	16,700,108	-	17,725,087	196,664,930
Administrative surcharge	3,551,284	3,543,307	1,963,674	173,833	1,989,386	11,221,484
Insurance Premium earned	254,385,726	115,859,711	123,362,768	146,371,763	126,341,264	766,321,232
Insurance Premium ceded to reinsurers	(98,553,607)	(45,076,338)	(5,258,398)	(2,114,913)	(21,641,989)	(172,645,245)
Net Insurance Premium	155,832,119	70,783,373	118,104,370	144,256,850	104,699,275	593,675,987
Commission income	25,192,876	7,313,756	380,450	2,050,824	4,087,307	39,025,213
Net underwriting income	181,024,995	78,097,129	118,484,820	146,307,674	108,786,582	632,701,200
Insurance claims	(83,833,700)	(9,865,769)	(52,950,783)	(76,677,396)	(16,357,697)	(239,685,345)
Insurance claims recovered from reinsurers	71,818,739	5,894,133	683,630	352,740	(5,867,102)	72,882,140
Net claims	(12,014,961)	(3,971,636)	(52,267,153)	(76,324,656)	(22,224,799)	(166,803,205)
Commission expenses	(85,894,197)	(29,329,626)	(24,365,904)	(5,180,259)	(19,262,271)	(164,032,257)
Management expenses	(96,937,828)	(44,147,589)	(47,009,007)	(55,768,450)	(48,118,537)	(291,981,411)
Premium deficiency expense	2,008,875	(9,079,957)	-	3,689,879	-	(3,381,203)
Net Insurance claims and expenses	(192,838,111)	(86,528,808)	(123,642,064)	(133,583,486)	(89,605,607)	(626,198,076)
Underwriting results	(11,813,116)	(8,431,679)	(5,157,244)	12,724,188	19,180,975	6,503,124
Net investment income						19,258,725
Other income						16,297,890
Other expenses						(5,079,634)
Finance cost						(14,396,351)
Profit from WTO Operations						14,756,680
Profit before tax						37,340,434
Segment assets	334,935,654	105,760,241	86,148,347	134,697,243	102,504,014	764,045,499
Unallocated assets						1,106,761,271
Total assets						1,870,806,770
Segment liabilities	313,328,542	65,894,085	110,614,747	154,948,315	120,253,982	765,039,671
Unallocated liabilities						154,404,325
Total liabilities						919,443,996

40.2 Agriculture and allied business does not meet the threshold for separate segment disclosure. Hence, it has been classified in miscellaneous class of business in current year.

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40.3 SEGMENT INFORMATION

2020	Rupees						
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH	AGRICULTURE AND ALLIED	MISCELLANEOUS	TOTAL
Premium received (inclusive of FED, FIF and Admin surcharge)	248,326,887	119,712,337	146,883,019	69,511,463	10,810,481	58,772,633	654,016,820
Less: Federal Excise Duty / Sales Tax	(16,167,542)	(10,269,287)	(13,040,191)	1,351,428	-	(4,874,209)	(42,999,801)
Federal Insurance Fee	(1,064,791)	(959,852)	(829,360)	(693,139)	(101,070)	(306,513)	(3,954,725)
Gross Written Premium (inclusive of Admin surcharge)	231,094,554	108,483,198	133,013,468	70,169,752	10,709,411	53,591,911	607,062,294
Gross direct Premium	103,611,989	92,930,765	81,571,577	69,236,718	9,663,904	29,806,004	386,820,957
Facultative inward Premium	124,621,848	12,515,796	50,079,081	856,450	608,738	22,946,306	211,628,219
Administrative surcharge	2,860,717	3,036,637	1,362,810	76,584	436,769	839,601	8,613,118
Insurance Premium earned	210,959,487	107,450,741	126,693,397	58,507,781	12,770,625	70,941,913	587,323,944
Insurance Premium ceded to reinsurers	(59,320,611)	(34,835,218)	(5,250,000)	-	(969,000)	(15,498,834)	(115,873,663)
Net Insurance Premium	151,638,876	72,615,523	121,443,397	58,507,781	11,801,625	55,443,079	471,450,281
Commission income	15,684,059	4,727,352	-	-	-	3,084,727	23,496,138
Net underwriting income	167,322,935	77,342,875	121,443,397	58,507,781	11,801,625	58,527,806	494,946,419
Insurance claims	(133,716,509)	(29,276,858)	(51,011,506)	(55,308,581)	(8,566,300)	(40,307,894)	(318,187,648)
Insurance claims recovered from reinsurers	123,539,470	25,591,148	1,934,135	-	-	21,991,800	173,056,553
Net claims	(10,177,039)	(3,685,710)	(49,077,371)	(55,308,581)	(8,566,300)	(18,316,094)	(145,131,095)
Commission expenses	(62,249,572)	(26,204,184)	(25,039,316)	(3,344,062)	(2,455,131)	(14,550,889)	(133,843,154)
Management expenses	(85,906,155)	(43,742,305)	(51,586,742)	(23,820,304)	(5,189,765)	(28,914,405)	(239,159,675)
Premium deficiency expense	(2,008,875)	(137,568)	-	(236,696)	-	-	(2,383,139)
Net Insurance claims and expenses	(160,341,641)	(73,769,767)	(125,703,429)	(82,709,643)	(16,211,196)	(61,781,388)	(520,517,063)
Underwriting results	6,981,294	3,573,108	(4,260,032)	(24,201,862)	(4,409,571)	(3,253,582)	(25,570,644)
Net investment income							110,630,657
Other income							10,484,948
Other expenses							(4,942,325)
Finance cost							(15,457,927)
Profit from WTO Operations							12,478,456
Profit before tax							87,623,165
Segment assets	302,686,863	98,539,598	88,287,378	34,525,665	9,134,400	76,229,227	609,403,131
Unallocated assets							1,127,209,804
Total assets							1,736,612,935
Segment liabilities	261,959,697	63,093,431	119,091,817	56,430,997	9,761,266	74,834,224	585,171,433
Unallocated liabilities							166,554,508
Total liabilities							751,725,941

41 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through P&L	Total
As at January 01, 2020	497,727,995	-	76,263,006	573,991,001
Additions	-	-	465,500,178	465,500,178
Disposals (sale and redemption)	-	-	(423,001,578)	(423,001,578)
Fair value net gains (excluding net realized gains)	575,907	-	(3,830,887)	(3,254,980)
At beginning of current year	498,303,902	-	114,930,719	613,234,621
Additions	-	-	277,873,955	277,873,955
Disposals (sale and redemption)	(235,000,000)	-	(128,380,337)	(363,380,337)
Amortization of PIBs	5,539,696	-	(28,768,615)	(23,228,919)
At end of current year	268,843,598	-	235,655,722	504,499,320

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42 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

Risk management framework

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize 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 risks 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 Company's risk management framework and is also responsible for development of the Company's risk management policies.

42.1 Insurance risk

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim i.e. frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Company's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts, since a diversified portfolio is less likely to be affected by an unexpected event in single subset. The Company principally issues the general insurance cover. Risks under these policies usually cover a twelve month duration. For general insurance contracts, the most significant risks arise from fire.

Underwriting limits and retention policies and procedures precisely regulate who is authorized and accountable for concluding insurance and reinsurance contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting, where necessary, with appropriate measures that are translated without delay into underwriting guidelines if required. The primary risk control measure in respect of the insurance risk is the transfer of the risks to third parties through reinsurance. The reinsurance business ceded is placed on a proportional and non proportional basis with retention limits varying by lines of business.

Reinsurance is used to manage insurance risk. Although the Company has reinsurance arrangements, it does not, however, discharge the Company's liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk by entering into reinsurance arrangements with reinsurers having good credit ratings, which are reviewed on a regular basis. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

42.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Company manages these risk through the measures described above.

The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business as at the balance sheet date:

Class of business	2021				2020			
	Gross claims liability	Net claims liability	Gross premium liability	Net premium liability	Gross claims liability	Net claims liability	Gross premium liability	Net premium liability
	%	%	%	%	%	%	%	%
Fire and property damage	51%	58%	38%	40%	45%	51%	45%	52%
Marine, aviation and transport	14%	15%	3%	5%	17%	19%	5%	5%
Motor	15%	9%	15%	12%	15%	9%	25%	20%
Health	4%	2%	29%	30%	3%	2%	14%	10%
Miscellaneous	16%	16%	16%	13%	20%	19%	11%	13%
Total	100%	100%	100%	100%	100%	100%	100%	100%

42.1.2 Source of uncertainty in estimation of future claim payments

The key source of estimation of uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors, involving varying and significant degrees of judgment and uncertainty, and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Similarly, the provision for claims incurred but not reported is based on historic reporting pattern of the claims; hence, actual amount of incurred but not reported claims may differ from the amount estimated.

42.1.3 Key assumptions

The principal assumption underlying the liability estimation of IBNR and Premium Deficiency Reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

42.1.4 Claims development

The Company maintains adequate reserves in respect of its insurance business in order to protect itself against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

Claims which involve litigation and, in the case of marine, general average adjustments take longer for the final amounts to be determined which exceed one year. Claims of last five years are disclosed in note 28.1. All amounts are presented in gross numbers before reinsurance.

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42.1.5 Sensitivity analysis

The insurance claims provision is sensitive to the above key assumptions. The analysis below is performed for possible movements in key assumptions, with all other assumptions held constant, showing the impact on liabilities and revenue account.

December 31, 2021	Rate	Impact on gross liabilities	Impact on profit and loss account
Current claims	+10%	23,968,535	(23,968,535)
	-10%	(23,968,535)	23,968,535

December 31, 2020	Rate	Impact on gross liabilities	Impact on profit and loss account
Current claims	+10%	31,818,765	(31,818,765)
	-10%	(31,818,765)	31,818,765

42.2 Reinsurance risk

An analysis of gross amount due from other insurers and reinsurers recognized by the rating of the entity from which it is due is as follows:

Rating	Amount due from reinsurers	Reinsurance recoveries against outstanding claims	Other reinsurance assets
A or above (including PRCL)	266,711,748	111,036,117	139,075,984
Total	266,711,748	111,036,117	139,075,984

Geographical 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 with the commercial/industrial/residential occupation of the insureds. 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 form part of the reports which are made available to the underwriters/reinsurance personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan) for instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors, physical separation between the buildings within an insured's premises. It is basically that the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

Address look up and geocoding is the essential field of the policy data interphase of IT systems. It provides instant location which is dependent on data collection provided under the policy schedule. All critical underwriting information is punched into the IT system/application through which a number of MIS reports can be generated to assess the concentration of risk.

For Marine risk, complete underwriting details, besides sums insured and premiums, like vessel identification, voyage input (sea/air/inland transit), sailing dates, origin and destination of the shipments, per carry limits etc. are fed into the IT system. The reinsurance module of the IT system is designed to satisfy the requirements as laid down in the proportional treaty agreement. Shipment declarations are also endorsed on the policies. Respective reinsurance cessions are automatically made upon the posting of policy documents.

Reinsurance arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non proportional treaty which is very much in line with the risk management philosophy of the Company.

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

The concentration of risk by type of contracts is summarized below by reference to liabilities.

	Gross sum insured		Reinsurance		Net	
	2021	2020	2021	2020	2021	2020
Direct and Facultative	Rupees					
Fire and property damage	253,962,267,979	228,320,516,689	74,817,284,147	98,999,776,036	179,144,983,832	129,320,740,653
Marine, aviation and transport	114,725,037,792	91,518,805,720	37,079,132,214	21,433,704,300	77,645,905,578	70,085,101,420
Motor	6,844,083,065	8,558,004,766	314,143,413	341,464,390	6,529,939,652	8,216,540,376
Health & PA	6,604,998,975	6,458,197,540	-	-	6,604,998,975	6,458,197,540
Miscellaneous	101,135,089,182	67,729,171,698	21,764,271,192	49,188,385,876	79,370,817,990	18,540,785,822
Total	483,271,476,993	402,584,696,413	133,974,830,966	169,963,330,602	349,296,646,027	232,621,365,811

Sources of Uncertainty in estimation of future claim payments

Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract.

An estimated amount of the claim is recorded immediately on intimation to the Company. The estimation of the amount is based on the amount notified by the policy holder, management or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. Incurred But Not Reported (IBNR) claims have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method

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involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level. IBNR for all classes is determined and recognized in accordance with valuation carried out by an appointed actuary which is also based on Chain Ladder (CL) method.

There are several variable factors which affect the amount and timing of recognized claim liabilities. However, the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities. It is likely that final settlement of these liabilities may be different from recognized amounts.

Changes in assumptions

The principal assumption underlying the liability estimation of IBNR and Premium Deficiency Reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

42.3 Financial risk

42.3.1 Credit risk

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at December 31, 2021 is the carrying amount of the financial assets as set out below:

Nature of financial assets	2021 Rupees	2020 Rupees
Investments		
Equity securities	235,655,722	114,930,719
Debt securities	68,843,598	63,303,902
Term deposits	200,000,000	435,000,000
	504,499,320	613,234,621
Loans and other receivables	44,486,001	139,877,847
Insurance / reinsurance receivables	430,781,343	328,558,561
Reinsurance recoveries against outstanding claims	111,036,117	122,847,674
Cash and bank	275,077,826	116,220,919
	1,365,880,607	1,320,739,622

Concentration of credit risk

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties, thereby mitigating any significant concentration of credit risk. Provision for impairment is made for doubtful receivables according to the Company's policy. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no history of default. The credit quality of the banks with which Company has balances including TDR's can be assessed with reference to external credit ratings as follows:

Name of banks	Rating		Rating agency	2021	2020
	Short term	Long term			
----- Rupees -----					
Cash at bank					
JS Bank Limited	A1+	AA-	PACRA	841,447	10,553,447
United Bank Limited	A-1+	AAA	JCR-VIS	927,111	199,341
Summit Bank Limited*	N/A	N/A	-	2,242,672	2,300,738
Silk Bank Limited	A-2	A-	JCR-VIS	80,846	78,752
MCB Bank Limited	A1+	AAA	PACRA	200,000	200,000
Askari Bank Limited	A1+	AA+	PACRA	28,867	27,747
Faysal Bank Limited	A1+	AA	PACRA	13,740,478	17,603,695
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,808,959	1,034,480
The Bank of Khyber	A1	A+	JCR-VIS	147,739	104,252
SME Bank Limited*	N/A	N/A	-	10,017,105	4,498,554
Soneri Bank Limited	A1+	AA-	PACRA	6,429,695	2,078,925
Bank of Azad Jammu Kashmir*	N/A	N/A	-	4,696,048	4,696,048
Punjab Provincial Co-operative Bank*	N/A	N/A	-	15,215	15,215
The Bank of Punjab	A1+	AA+	PACRA	2,825,763	172,819
Bank Al - Habib Limited	A1+	AAA	PACRA	6,595,361	2,566,911
Zaraai Taraqiyyati Bank Limited	A-1+	AAA	JCR-VIS	17,452,175	18,323,088
National Bank of Pakistan	A1+	AAA	PACRA	514,041	6,284,248
Khushhali Microfinance Bank Limited	A-1	A+	JCR-VIS	4,728,804	6,464,760
Dubai Islamic Bank Limited	A1+	AA	JCR-VIS	85,981	85,981
Samba Bank Limited	A-1	AA	JCR-VIS	1,062,685	1,079,236
Sindh Bank Limited	A-1	A+	JCR-VIS	532,382	380,858
NRSP Microfinance Bank Limited	A-1	A	JCR-VIS	33,765,826	23,874,919
U Microfinance Bank Limited	A-1	A+	JCR-VIS	159,507,125	22,197
Bank Alfalah Limited	A1+	AA+	PACRA	5,831,501	13,574,709
				275,077,826	116,220,920

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Bank Alfalah Limited

NRSP Microfinance Bank Limited	A-1	A	JCR-VIS	200,000,000	300,000,000
JS Bank Limited	A1+	AA-	PACRA	-	35,000,000
U Microfinance Bank Limited	A-1	A+	JCR-VIS	-	100,000,000
Khushhali Microfinance Bank Limited	A-1	A+	JCR-VIS	-	-
				200,000,000	435,000,000

* Credit ratings are not available.

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

Financial liabilities: 2021

	Carrying Amount	Up to One Year	More Than One Year
Outstanding Claims Including IBNR	180,112,312	180,112,312	-
Insurance / Reinsurance Payables	63,561,705	63,561,705	-
Retirement Benefit Obligations	994,801	994,801	-
Other Creditors and Accruals	57,004,601	57,004,601	-
	301,673,419	301,673,419	-

Financial liabilities: 2020

	Carrying Amount	Up to One Year	More Than One Year
Outstanding Claims Including IBNR	189,002,250	189,002,250	-
Insurance / Reinsurance Payables	39,081,407	39,081,407	-
Retirement Benefit Obligations	634,843	634,843	-
Other Creditors and Accruals	48,451,998	48,451,998	-
	277,170,498	277,170,498	-

Financial Assets: 2021

	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
Insurance / Reinsurance Receivables	430,781,343	430,781,343	-	-
Reinsurance Recoveries Against Outstanding Claims	111,036,117	111,036,117	-	-
Accrued investment income	4,047,570	4,047,570	-	-
Balance with brokers	15,645,030	15,645,030	-	-
Taxation - provision less payments	779,103	779,103	-	-
Security deposits	10,825,441	10,825,441	-	-
Other receivable	13,967,960	13,967,960	-	-
	587,082,564	587,082,564	-	-

Financial Assets: 2020

	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
Insurance / Reinsurance Receivables	328,558,561	328,558,561	-	-
Reinsurance Recoveries Against Outstanding Claims	122,847,674	122,847,674	-	-
Accrued investment income	14,477,568	14,477,568	-	-
Balance with brokers	89,865,783	89,865,783	-	-
Taxation - Provision less payments	10,367,419	10,367,419	-	-
Security deposits	12,082,671	12,082,671	-	-
Other receivable	23,451,825	23,451,825	-	-
	601,651,501	601,651,501	-	-

The credit quality of amount due from other insurers/ reinsurers and reinsurance recoveries against outstanding claims can be assessed with reference to external credit ratings as follows:

	Amount due from other insurers / reinsurers (Carrying Amount)	Reinsurance recoveries against outstanding claims	2021	2020
			-----Rupees-----	
A or above (including PRCL)	256,602,474	88,314,192	344,916,666	326,290,617
Below A	7,297,823	-	7,297,823	-
Others	2,811,451	22,721,925	25,533,376	34,538,363
Total	266,711,748	111,036,117	377,747,865	360,828,980

Impaired assets

The impairment provision is written-off when the Company expects that it cannot recover the balance due. During the year, receivables of Rs. 23.179 million (2020: : Rs. 20.722 million) were impaired and provided for.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

42.3.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In the case of the Company, the liquidity level remained on satisfactory level during the year and Company did not face any difficulty in generation of liquidity.

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

Financial liabilities: (2021)

Carrying amount	2021		
	Contractual cash flows	Up to one year	More than one year
-----Rupees-----			
Outstanding claims including IBNR	180,112,312	180,112,312	-
Insurance / Reinsurance payables	63,561,705	63,561,705	-
Other Creditors and Accruals	57,004,601	57,004,601	-
Lease Liabilities	128,811,918	170,933,777	147,221,341
Borrowings	-	-	-
	429,490,536	471,612,395	324,391,054
			147,221,341

Financial liabilities: (2020)

Carrying amount	2020		
	Contractual cash flows	Up to one year	More than one year
-----Rupees-----			
Outstanding claims including IBNR	189,002,250	189,002,250	-
Insurance / Reinsurance payables	39,081,407	39,081,407	-
Other Creditors and Accruals	48,451,998	48,451,998	-
Lease Liabilities	137,663,384	193,803,899	170,722,088
Borrowings	-	-	-
	414,199,039	470,339,554	299,617,466
			170,722,088

Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The sensitivity analysis is performed on the same basis as that of last year. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the balance sheet is adequate. However, actual experience will 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.

10% decrease in Loss

	Pre tax Profit		Shareholders' equity	
	2021	2020	2021	2020
-----Rupees-----				
Fire and property damage	(1,201,496)	(1,017,704)	(853,062)	(722,570)
Marine aviation and transport	(397,164)	(368,571)	(281,986)	(261,685)
Motor	(5,226,715)	(4,907,737)	(3,710,968)	(3,484,493)
Health	(7,632,466)	(5,530,858)	(5,419,051)	(3,926,909)
Miscellaneous	(2,222,480)	(2,688,239)	(1,577,961)	(1,908,650)
	(16,680,321)	(14,513,110)	(11,843,028)	(10,304,307)

42.3.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities. This can be due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risks: price risk, interest rate risk and currency risk.

42.3.4 Price risk

Primarily, the Company's equity investments are exposed to the price risk. Price risk is limited by the Company through diversification of its portfolio and active monitoring of capital markets.

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 factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 203.352 million (2020: 86.673 million) at the balance sheet date.

ASIA INSURANCE COMPANY LIMITED

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The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable. The Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are based on quoted market prices as of the balance sheet date and available for sale equity instruments which are stated at fair value.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarizes company's equity price risk as of December 31, 2021 and 2020 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios, results could be worse because of the nature of equity markets.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/(decrease) in profit before tax
December 31, 2021	203,352,160	10% increase	223,687,376	14,438,003	20,335,216
		10% decrease	183,016,944	(14,438,003)	(20,335,216)
December 31, 2020	84,673,414	10% increase	93,140,755	6,011,812	8,467,341
		10% decrease	76,206,073	(6,011,812)	(8,467,341)

42.3.5 Interest/mark up rate risk

Interest/mark up rate risk is the risk that 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 mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies.

The financial instruments of the Company can be classified into fixed rate instruments and variable rate instruments as shown below:

	2021	2020	2021	2020
	Effective interest rate (in %)		Rupees	Rupees
Financial assets				
Saving accounts	3.75% to 11.00%	2.52% to 11.25%	217,171,635	54,193,216
Deposits maturing within 12 months - Fixed rate	12.50%	6.50% to 12.25%	200,000,000	435,000,000
Investments				
- Interest bearing - Fixed rate	7.75% to 9.00%	7.75% to 9.00%	68,843,598	63,303,902
			486,015,233	552,497,118

Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at reporting date would not affect profit and loss account.

Sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have increased the profit and loss by the amounts shown below. Reduction in interest rates by 100 basis points would have an opposite impact. This analysis assumes that all variables remain constant. The analysis has been performed on the same basis for the comparative period.

	Profit before tax		Total equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
As at December 31, 2021- Sensitivity	4,860,152	(4,860,152)	3,450,708	(3,450,708)
As at December 31, 2020- Sensitivity	5,524,971	(5,524,971)	3,922,729	(3,922,729)

Above sensitivities are calculated on the assumption that all factors remain constant except interest rates and resulting variation in fair values of the investments and impact on the profit and loss.

The Company monitors the interest rate environment on a regular basis and alters the portfolio mix of fixed and floating rate securities. The Company's policy requires the management to manage the risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Company's portfolio is a measure of the sensitivity of the fair value of the Company's fixed interest securities to the changes in market interest rates.

The Company's policy refrains from the holding of interest bearing instruments that induce the average effective duration of the fixed interest portfolio to pass the benchmark of the average duration.

Interest rate of the Company's financial assets and financial liabilities as at December 31, 2021 can be evaluated from the note 45.

ASIA INSURANCE COMPANY LIMITED
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42.3.6 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani rupees.

43 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The Company's overall strategy remains unchanged from 2012. The company has not obtained long term finance and short term borrowings, therefore gearing ratio of the company is not applicable. In accordance with S.R.O. 89(I)/2017 of Securities and Exchange Commission of Pakistan (SECP), minimum paid up capital requirement to be complied with by Insurance Companies at the end of each year are as follows:

2021	2020	2019
(Rupees in Thousands)		

Minimum paid up capital	500,000,000	500,000,000	500,000,000
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44 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input for which the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input for which the fair value measurement is unobservable. Carrying amount of assets measured under historical cost convention approximate there fair value. Further, faire value of certain assets measured under present value convention is not determinable. Hierarchy of faire value levels is disclosed as under.

44.1 Age-wise Breakup of Unclaimed Insurance Benefits

Particulars	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
Other unclaimed benefits	10,397,503	7,691,520	329,165	1,410,721	429,175	536,922

ASIA INSURANCE COMPANY LIMITED
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44.2 HIERARCHY OF FAIR VALUE LEVELS

2021								
Held for trading	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees								
Financial assets measured at fair value								
Investments								
- Equity securities	235,655,722	-	-	235,655,722	235,655,722	-	-	235,655,722
- Debt securities	-	68,843,598	-	68,843,598	-	68,843,598	-	68,843,598
Assets of Window Takaful Operations - Operator's Fund	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Investments								
- Term deposit*	-	200,000,000	-	200,000,000	-	200,000,000	-	200,000,000
Loan and other receivable*	-	-	44,486,001	44,486,001	-	-	-	-
Insurance / reinsurance receivable*	-	-	430,781,343	430,781,343	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	111,036,117	111,036,117	-	-	-	-
Cash and bank*	-	-	275,207,826	275,207,826	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*	-	-	78,075,617	78,075,617	-	-	-	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*	-	-	(180,112,312)	(180,112,312)	-	-	-	-
Insurance / reinsurance payables*	-	-	(63,561,705)	(63,561,705)	-	-	-	-
Other creditors and accruals*	-	-	(37,316,047)	(37,316,047)	-	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund*	-	-	(24,597,606)	(24,597,606)	-	-	-	-
235,655,722	268,843,598	939,586,904	(305,587,670)	1,138,498,554	235,655,722	268,843,598	-	504,499,320
2020								
Held for trading	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees								
Financial assets measured at fair value								
Investments								
- Equity securities	114,930,719	-	-	114,930,719	114,930,719	-	-	114,930,719
- Debt securities	-	63,303,902	-	63,303,902	-	63,303,902	-	63,303,902
Assets of Window Takaful Operations - Operator's Fund	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Investments								
- Term deposit*	-	435,000,000	-	435,000,000	-	435,000,000	-	435,000,000
Loan and other receivable*	-	-	139,877,847	139,877,847	-	-	-	-
Insurance / reinsurance receivable*	-	-	328,558,561	328,558,561	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	122,847,674	122,847,674	-	-	-	-
Cash and bank*	-	-	116,685,060	116,685,060	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*	-	-	66,977,612	66,977,612	-	-	-	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*	-	-	(189,002,250)	(189,002,250)	-	-	-	-
Insurance / reinsurance payables*	-	-	(39,081,407)	(39,081,407)	-	-	-	-
Other creditors and accruals*	-	-	(38,133,357)	(38,133,357)	-	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund*	-	-	(28,256,281)	(28,256,281)	-	-	-	-
114,930,719	498,303,902	774,946,754	(294,473,295)	1,093,708,080	114,930,719	498,303,902	-	613,234,621

*The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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45 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from investment in PIBs, and TDRs. Following table shows the interest rate profile of the Company's interest bearing financial instruments at the balance sheet date:

FINANCIAL ASSETS AND LIABILITIES	Effective Yield / interest rate	2021						Total
		Interest/ mark-up bearing			Non-interest/ non mark-up bearing			
		Maturity up to one year	Maturity after one year	Sub T Total	Maturity up to one year	Maturity after one year	Sub T Total	
Rupees								
FINANCIAL ASSETS								
Investments								
Equity Securities		-	-	-	235,655,722	-	235,655,722	235,655,722
Debt Securities	7.75% to 9.00%		68,843,598	68,843,598	-	-	-	68,843,598
Term Deposits	12.50%	200,000,000	-	200,000,000	-	-	-	200,000,000
Loans and Other Receivables	-	-	-	-	44,486,001	-	44,486,001	44,486,001
Insurance / Reinsurance Receivables	-	-	-	-	430,781,343	-	430,781,343	430,781,343
Reinsurance Recoveries Against Outstanding Claims	-	-	-	-	111,036,117	-	111,036,117	111,036,117
Cash & Bank	3.75% to 11.00%	217,171,635	-	217,171,635	58,036,191	-	58,036,191	275,207,826
		417,171,635	68,843,598	486,015,233	879,995,374	-	879,995,374	1,366,010,607
FINANCIAL LIABILITIES								
Lease Liabilities	-	11,920,361	116,891,557	128,811,918	-	-	-	128,811,918
Outstanding Claims Including IBNR	-	-	-	-	180,112,312	-	180,112,312	180,112,312
Insurance / Reinsurance Payables	-	-	-	-	63,561,705	-	63,561,705	63,561,705
Other Creditors and Accruals	-	-	-	-	57,004,601	-	57,004,601	57,004,601
		11,920,361	116,891,557	128,811,918	300,678,618	-	300,678,618	429,490,536

2020								
FINANCIAL ASSETS AND LIABILITIES	Effective Yield / interest rate	Interest/ mark-up bearing			Non-interest/ mark-up bearing			Total
		Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	
-----Rupees-----								
FINANCIAL ASSETS								
Investments								
Equity Securities				-	114,930,719	-	114,930,719	114,930,719
Debt Securities	7.75% to 9.00%		63,303,902	63,303,902	-	-	-	63,303,902
Term Deposits	6.50% to 12.25%	435,000,000	-	435,000,000	-	-	-	435,000,000
Loans and Other Receivables	-	-	-	-	139,877,847	-	139,877,847	139,877,847
Insurance / Reinsurance Receivables	-	-	-	-	328,558,561	-	328,558,561	328,558,561
Reinsurance Recoveries Against Outstanding Claims	-	-	-	-	122,847,674	-	122,847,674	122,847,674
Cash & Bank	2.52% to 11.25%	54,193,216	-	54,193,216	62,491,844	-	62,491,844	116,685,060
		489,193,216	63,303,902	552,497,118	768,706,645	-	768,706,645	1,321,203,763
FINANCIAL LIABILITIES								
Lease Liabilities		17,947,226	119,716,158	137,663,384	-	-	-	137,663,384
Outstanding Claims Including IBNR	-	-	-	-	189,002,250	-	189,002,250	189,002,250
Insurance / Reinsurance Payables	-	-	-	-	39,081,407	-	39,081,407	39,081,407
Other Creditors and Accruals	-	-	-	-	48,451,998	-	48,451,998	48,451,998
		17,947,226	119,716,158	137,663,384	276,535,655	-	276,535,655	414,199,039

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

46 STATEMENT OF SOLVENCY	2021
	Rupees
ASSETS	
Property and Equipment	132,987,550
Investments	
Equity Securities	235,655,722
Debt Securities	68,843,598
Term Deposits	200,000,000
Total Assets of Window Takaful Operations - OPF	78,075,617
Total Admissible Assets of Window Takaful Operations - PTF	83,142,592
Loans and Other Receivables	44,486,001
Insurance / Reinsurance Receivables	430,781,343
Reinsurance Recoveries Against Outstanding Claims	111,036,117
Deferred Commission Expense / Acquisition Cost	83,152,055
Deferred Taxation	30,512,141
Taxation - Payments Less Provision	779,103
Prepayments	179,289,697
Cash & Bank	275,207,826
Total assets (A)	1,953,949,362
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000	
(g) any body that is related to insurers	3,712,500
(h) Insurance / Reinsurance receivables	284,372,720
(j) Deferred Taxation	30,512,141
(k) Amounts available to the insurer under guarantees	22,445,427
(u) i. Vehicle, ii. Office Equipment and iii. Furniture and fittings iv. Computers	53,244,216
Total of Inadmissible assets (B)	394,287,004
Total Admissible assets (C=A-B)	1,559,662,358
Total Liabilities	
Total Liabilities of Window Takaful Operations - OPF	24,597,606
Total Liabilities of Window Takaful Operations - PTF	74,590,665
Underwriting Provisions	
Outstanding Claims Including IBNR	180,112,312
Unearned Premium Reserves	439,169,503
Premium Deficiency Reserve	9,217,525
Unearned Reinsurance Commission	15,233,124
Retirement Benefit Obligations	994,801
Premiums Received in Advance	740,901
Insurance / Reinsurance Payables	63,561,705
Lease Liabilities	128,811,918
Other Creditors and Accruals	57,004,601
Total liabilities (D)	994,034,661
Total net Admissible assets (E=C-D)	565,627,697
Minimum Solvency Requirement (higher of following)	
Method A - U/s 36(3)(a)	150,000,000
Method B - U/s 36(3)(b)	123,432,844
Method C - U/s 36(3)(c)	38,531,477
Excess / Deficit in Net Admissible Assets over Minimum Requirements	415,627,697

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2021

47 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee. The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

48 NUMBER OF EMPLOYEES

	2021	2020
	---Numbers---	
Number of employees at the end of the year	238	223
Average number of employees during the year	233	224

49 CORRESPONDING FIGURES

- 49.1** Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons. However, no significant reclassifications made during the current year.

50 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENT

In March 2020, the world health organization (WHO) declared the outbreak of the novel coronavirus (known as Covid-19) as a global pandemic. In the first few months of 2020 the virus had spread globally and its negative impact had gained momentum. The management considers presently this outbreak does not have any impact on the amounts being reported in the company's statement of financial position as at December 31, 2021. While this is still an evolving situation as at the time of issuing these financial statements yet to date the operations of the company have continued uninterrupted during this pandemic, future effects cannot be predicted. However, the management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

51 SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

Subsequent to the statement of financial position date, a fire broke-out at Head Office of the Company. No major loss occurred, however, the financial effect of the incident cannot presently be estimated as survey is being carried out to estimate the loss. The management believes that there is no material impact to the financial statements as the building is not owned by the Company.

Subsequent to the statement of financial position date, the Board of Directors of the Company in its meeting held on March 31, 2022 has recommended final cash dividend for the year ended December 31, 2021 at 3% i.e. 30 paisas per share (2020: Rs. 1 per share). Further, the Board of Directors of the Company has also recommended to issue bonus shares at 10% (2020: Rs. 10%) i.e. in the proportion of 10 bonus shares for every 100 shares held for the year ended December 31, 2021. These financial statements do not reflect these appropriations.

52 DISCLOSURE REQUIREMENT FOR ALL SHARIAH COMPLIANT COMPANIES

In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and statement of comprehensive income of the Operator Fund of the General Takaful operations of the Company have been presented as a single line item in the statement of financial position and profit and loss account of the Company, respectively. Please refer to note 19 to these financial statements. A separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the General Takaful Accounting Regulations, 2019.

Conventional financial statements do not have any figures under Islamic mode.

53 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on March 31, 2022 by the Board of Directors of the Company.

54 GENERAL

The figures in the financial statements has been rounded off to the nearest Rupee.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer



Asia Insurance Company Limited - Window Takaful Operations

Financial Statements As at December 31, 2021

**Shari'ah Advisor's Report to the Board of
Directors For the year ended December 31, 2021**
نحمدہ و نصلي علي رسولہ الكريم اما بعد

The year 2021 was the fifth year of Asia Insurance Company Limited Window Takaful Operations, the launch of Window Takaful Operations by Asia Insurance Company Limited was a step towards promotion of a complete Islamic Economic System. This initiative was to provide Shariah

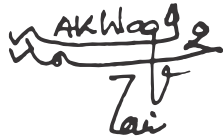
Compliant Takaful facilities to those seeking shariah compliant alternatives to insurance. As Shariah Advisor of AI WTO; I confirm that:

- I have carefully reviewed all the products of AI WTO including Waqf Deed, PTF Policies, Takaful Policies and ReTakaful Agreements etc. And Alhamdulillah I have found them in accordance with Shariah Principles. Further, I confirm that the Takaful Policies issued during the year under review are in accordance with the guidelines of Shariah.
- The management of AI WTO continuously seeks advice and guidance regarding Shariah before launching any Takaful product. Furthermore, all the Takaful products are developed through consultation with the Shariah Advisor and in accordance to the guidelines provided by Shariah Advisor.
- Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that AI WTO has made it a priority to separate all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues from its conventional insurance business, as per requirement of Shariah. AI WTO will start full-fledged Takaful branches in the future.
- For the fulfillment of the financial needs of window Takaful Operations, Shariah Compliant Funds were arranged and the expenses of Takaful including the seed money of Waqf were made with these compliant funds.
- Training and Development is an imperative for understanding the principles of Takaful and its practical outline. For this purpose, AI WTO fulfilled its responsibility and arranged Takaful training for head office and branch staff, I hope AI WTO will continue to invest in its human capital to ensure complete compliance of shariah principles at business and operational levels.

I AM grateful to the Board of Directors of Asia Insurance Company, Management, Head of Window Takaful Operations, Divisional & Branch Heads and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shari'ah Compliance in our Takaful practices.

In the end; I pray to that may Allah Almighty accept our efforts and enable us to perform our duties in the best manner. May Allah Almighty grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to Asia Insurance Company Ltd. (Window Takaful Operations).

“And Allah Knows Best”



Mufti Muhammad Akhlaq
Shariah Advisor,
Asia Insurance Company Ltd,
Window Takaful Operations
Date: March 22, 2022

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

The financial arrangements, contracts and transactions, entered into by Window Takaful Operations of Asia Insurance Company Limited ('the Company') for the year ended December 31, 2021 are in compliance with the Takaful Rules, 2012.

Further we confirmed that:

- The Company has developed and implemented all the policies and procedures in accordance with takaful rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such ruling and takaful rules, 2012 in their overall operations. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- The Company has imparted training / orientations and ensured availability of all manuals / arrangements approved by Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by the Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the policies approved by Shariah Advisor; and
- The assets and liabilities of Window Takaful Operations (Participants' Takaful Fund and Operator's Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the takaful rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Company.



Zain ul Haq Qureshi
Chief Executive Officer

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

We were engaged by the Board of Directors of Asia Insurance Company Limited (“the Company”) to report on the management's assessment of compliance of the Window Takaful Operations (“Takaful Operations”) of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2021, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012.

Responsibilities of the Management

The Board of Directors / management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012 .

The Board of Directors / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail. The procedures performed included:

- Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shari'ah Advisor and the board of directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions during the year ended December 31, 2021 with the Takaful Rules, 2012.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended December 31, 2021, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

LAHORE

DATED: 31 March, 2022



BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Imran

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASIA INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS** (the Operator), which comprise the statement of financial position as at December 31, 2021, and the profit and loss account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Operator's affairs as at December 31, 2021 and of the profit and total comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Operator in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Operator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Operator's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Operator's business; and;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Imran

LAHORE

DATED: 31 March, 2022



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF FINANCIAL POSITION OF OPF AND PTF
AS AT DECEMBER 31, 2021

		Operators' Fund		Participants' Takaful Fund	
		2021	2020	2021	2020
-----Rupees-----					
	Note				
ASSETS					
Loans and Other Receivables	6	20,018	48,149	-	-
Takaful / Retakaful Receivables	8	-	-	44,458,858	64,683,851
Deferred Wakala Fee	22	-	-	16,956,204	14,991,299
Receivable from PTF / OPF	15	13,548,453	8,989,778	-	-
Accrued Investment Income		-	106,849	-	-
Retakaful Recoveries Against Outstanding Claims	20	-	-	3,921,332	1,849,044
Deferred Commission Expense	21	6,564,496	6,177,131	-	-
Prepayments	9	-	-	8,663,090	6,449,375
Cash and Bank	10	57,942,650	51,655,705	39,643,384	17,249,433
TOTAL ASSETS		78,075,617	66,977,612	113,642,868	105,223,002
FUND AND LIABILITIES					
OPERATOR'S FUND (OPF)					
Statutory Fund	12	50,000,000	50,000,000	-	-
Qard-E-Hasna	7	(40,411,000)	(40,411,000)	-	-
Accumulated Profit		43,889,011	29,132,331	-	-
Total Operator's Funds		53,478,011	38,721,331	-	-
Waqf / Participants' Takaful Fund (PTF)					
Seed Money	11	-	-	500,000	500,000
Qard-E-Hasna	7	-	-	40,411,000	40,411,000
Accumulated Profit / (Deficit)		-	-	(1,858,797)	(1,648,464)
Balance of Waqf / PTF		-	-	39,052,203	39,262,536
LIABILITIES					
PTF Underwriting Provisions					
Outstanding Claims Including IBNR	20	-	-	19,396,251	16,804,030
Unearned Contribution Reserve		-	-	37,556,420	35,358,746
Contribution Deficiency Reserves		-	-	-	-
Unearned retakaful rebate	19	-	-	-	-
		-	-	56,952,671	52,162,776
Retirement Benefit Obligations	16	13,448	17,612	-	-
Contributions Received In Advance		-	-	952,489	573,197
Unearned Wakala Fee	22	16,956,204	14,991,299	-	-
Takaful / Retakaful Payables	13	-	-	2,143,512	2,486,551
Other Creditors and Accruals	14	7,627,954	13,247,370	993,540	1,748,164
Payable to PTF / OPF	15	-	-	13,548,453	8,989,778
TOTAL LIABILITIES		24,597,606	28,256,281	74,590,665	65,960,466
TOTAL FUND AND LIABILITIES		78,075,617	66,977,612	113,642,868	105,223,002
CONTINGENCIES AND COMMITMENTS	17				

The annexed notes from 1 to 42 form an integral part of these Financial Statements.

 **Chairman**
 **Chief Executive Officer**
 **Director**
 **Director**
 **Chief Financial Officer**

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 2021

Participants' Takaful Fund (PTF)	Note	2021 Rupees	2020 Rupees
Contributions Earned	18	42,882,626	40,423,936
Less: Contributions Ceded to Retakaful	18	(19,394,393)	(16,688,752)
Net Contributions Revenue		23,488,233	23,735,184
Retakaful Rebate Earned	19	100,732	2,732
Net Underwriting Income		23,588,965	23,737,916
Net Claims - Reported / Settled - IBNR	20	(25,489,030)	(23,977,024)
Reversal / (Charge) of Contribution Deficiency Reserve		-	452,484
		(25,489,030)	(23,524,540)
Other Direct Expenses	25	(4,303)	(41,371)
(Deficit) / Surplus Before Investment Income		(1,904,368)	172,005
Other Income	24	1,694,035	2,032,154
(Deficit) / Surplus Transferred to Accumulated Surplus		(210,333)	2,204,159
Operator's Fund (OPF)			
Wakala Fee	22	32,258,897	27,796,368
Commission Expense	21	(13,363,035)	(12,867,056)
General, Administration and Management Expenses	23	(6,404,811)	(5,364,997)
Operating Results		12,491,051	9,564,315
Other Income	24	2,476,750	3,110,842
Other Expenses	26	(211,121)	(196,701)
Profit for the year		14,756,680	12,478,456

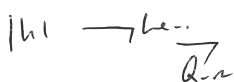
The annexed notes from 1 to 42 form an integral part of these Financial Statements.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED -WINDOW TAKAFUL OPERATIONS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Rupees	2020 Rupees
PARTICIPANT'S TAKAFUL FUND		
(Deficit) / Surplus During the year	(210,333)	2,204,159
Other Comprehensive Income for the year	-	-
Total Comprehensive (Loss) \ Income for the year	<u>(210,333)</u>	<u>2,204,159</u>
OPERATOR'S FUND		
Profit for the year	14,756,680	12,478,456
Other Comprehensive Income for the year	-	-
Total comprehensive income for the year	<u>14,756,680</u>	<u>12,478,456</u>

The annexed notes from 1 to 42 form an integral part of these Financial Statements.




Chairman



Chief Executive Officer



Director



Director



Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED -WINDOW TAKAFUL OPERATIONS
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

	Operators' Fund		Participants' Takaful Fund	
	2021	2020	2021	2020
	Rupees			
OPERATING CASH FLOWS				
a)Takaful activities				
Contributions received	-	-	78,431,820	68,899,737
Wakala fee received / (paid)	34,223,802	30,546,508	(34,223,802)	(30,546,508)
Retakaful contribution ceded	-	-	(2,439,485)	(49,627,962)
Claims Paid	-	-	(26,269,097)	(27,217,278)
Retakaful and other recoveries received	-	-	1,300,000	7,475,012
Commissions paid	(18,378,002)	(2,184,139)	-	-
Rebate on retakaful	-	-	100,732	-
Direct, management and other expenses (payments) / receipts	(7,611,910)	(9,847,450)	3,996,707	(4,864,636)
Other takaful (payments) / Receipts	(4,530,544)	5,394,501	(196,959)	168,131
Net cash flow from Takaful activities	3,703,346	23,909,420	20,699,916	(35,713,504)
b) Other operating activities				
Income tax paid	-	-	-	-
Direct expenses paid	-	-	-	-
Other expenses paid	-	-	-	-
Management expenses paid	-	-	-	-
Other operating receipts	2,583,599	3,110,842	1,694,035	2,032,154
Net cash flow from other operating activities	2,583,599	3,110,842	1,694,035	2,032,154
Total cash flow from all operating activities	6,286,945	27,020,262	22,393,951	(33,681,350)
INVESTMENT ACTIVITIES				
Profit/ return received	-	183,781	-	-
Qard-e-hasana	-	(20,000,000)	-	20,000,000
Payments for investments	-	-	-	-
Fixed capital expenditure	-	-	-	-
Total cash flow from investing activities	-	(19,816,219)	-	20,000,000
FINANCING ACTIVITIES				
Contribution to the operator's fund	-	-	-	-
Ceded money	-	-	-	-
Total cash flows from financing activities	-	-	-	-
Net cash flow from all activities	6,286,945	7,204,043	22,393,951	(13,681,350)
Cash and cash equivalents at beginning of the year	51,655,705	44,451,662	17,249,433	30,930,783
Cash and cash equivalents at end of the year	57,942,650	51,655,705	39,643,384	17,249,433
RECONCILIATION TO PROFIT AND LOSS ACCOUNT				
Operating cash flows	6,286,945	27,020,262	22,393,951	(33,681,351)
Increase/ (decrease) in assets other than cash	4,811,060	(4,783,002)	(13,974,085)	36,245,688
Increase / (decrease) in liabilities	3,658,675	(9,758,804)	(8,630,199)	(360,178)
Profit for the year	14,756,680	12,478,456	(210,333)	2,204,159
Attributed to				
Participants' Takaful Fund	-	-	(210,333)	2,204,159
Operator's Fund	14,756,680	12,478,456	-	-
	14,756,680	12,478,456	(210,333)	2,204,159

The annexed notes from 1 to 42 form an integral part of these Financial Statements.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note	OPERATOR'S FUND			
	Statutory fund	Qard-e-Hasna	Accumulated Surplus	Total
	-----Rupees-----			
Balance As at January 1, 2020	50,000,000	(20,411,000)	16,653,875	46,242,875
Total Comprehensive Income for the year				
Profit for the Year	-	-	12,478,456	12,478,456
Other Comprehensive Income for the year	-	-	-	-
	-	-	12,478,456	12,478,456
Qard-e-hasna to Participant's takaful fund (PTF)	-	(20,000,000)	-	(20,000,000)
Balance as at December 31, 2020	50,000,000	(40,411,000)	29,132,331	38,721,331
Balance as at January 1, 2021	50,000,000	(40,411,000)	29,132,331	38,721,331
Total Comprehensive Income for the year				
Profit for the Year	-	-	14,756,680	14,756,680
Other Comprehensive Income for the year	-	-	-	-
	-	-	14,756,680	14,756,680
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	-
Balance as at December 31, 2021	50,000,000	(40,411,000)	43,889,011	53,478,011
	PARTICIPANTS' FUND			
	Seed money	Qard-e-Hasna	Accumulated Surplus/ (Deficit)	Total
	-----Rupees-----			
Balance as at January 1, 2020	500,000	20,411,000	(3,852,623)	17,058,377
Total Comprehensive Income for the year				
Surplus for the Year	-	-	2,204,159	2,204,159
Other Comprehensive Income for the year	-	-	-	-
	-	-	2,204,159	2,204,159
Qard-e-Hasna from Operator's Fund (OPF)	-	20,000,000	-	20,000,000
Balance as at December 31, 2020	500,000	40,411,000	(1,648,464)	39,262,536
Balance as at January 1, 2021	500,000	40,411,000	(1,648,464)	39,262,536
Total Comprehensive Income for the year				
(Deficit) for the year	-	-	(210,333)	(210,333)
Other Comprehensive Income for the year	-	-	-	-
	-	-	(210,333)	(210,333)
Qard-e-hasna from Operator's fund (OPF)	-	-	-	-
Balance as at December 31, 2021	500,000	40,411,000	(1,858,797)	39,052,203

The annexed notes from 1 to 42 form an integral part of these Financial Statements.

				
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

Asia Insurance Company Limited ('the Company'), a quoted public limited company, was incorporated in Pakistan on December 06, 1979 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is engaged in non-life insurance business mainly comprising of fire, marine, motor and miscellaneous. The Company commenced its commercial operations in 1980. The registered and principal office of the Company is situated at 19 C/D, Block L, Gulberg III, Main Ferozpur Road, Lahore. Shares of the Company are quoted on Pakistan Stock Exchange.

The Company has been allowed to work as Window Takaful Operator ('the Operator') through License No.10 on August 13, 2015 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Takaful in Pakistan. It has not transacted any business outside Pakistan.

For the purpose of carrying on the takaful business, the Company has formed a waqf for participants' equity fund. The Waqf namely Asia Insurance Company Limited (Window Takaful Operations) -Waqf Fund (hereafter referred to as participant takaful fund (PTF)) was created on August 20, 2015 under a trust deed executed by the Company with a ceded money of Rs.500,000/- . Waqf deed also governs the relationship of Operators and policy holders for management of takaful operations, investment policy holders funds and investment of Operators' funds approved by shariah advisor of the company.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, SECP Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 . In case requirements differ, the provisions or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019, shall prevail.

These financial statements reflect the financial position and results of Window Takaful Operations of both the Operators' Fund (OPF) and the Participants' Takaful Fund (PTF) in a manner that assets, liabilities, income and expenses of the Operator and PTF remains separately identifiable.

Total assets, total liabilities, and profit of Window Takaful Operations of the Operator's referred to as the Operator's Fund has been presented in these financial statements in accordance with the requirements of Circular 25 of 2015 dated July 09, 2015.

During 2019, the SECP vide its S.R.O 1416 (I) /2019 dated November 20, 2019 has issued the General Takaful Accounting Regulations, 2019 (Regulations). These regulations prescribed the format for the regulatory returns and published financial Statements of the Window Takaful Operations applicable from January 01, 2020. The financial statements for the year ended December 31, 2021 have been prepared in accordance with these Regulations.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation except where disclosed. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Operator's functional currency and presentation currency. All figures have been rounded to the nearest rupee, unless otherwise stated.

3 NEW STANDING, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards/amendments that are effective in current year and relevant to the company

The following standards, amendments and interpretations are effective for the year ended December 31, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

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	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Covid - 19 related rent concessions	June 01, 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Certain annual improvements have also been made to a number of IFRSs.	

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	April 01, 2021
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts

The operator expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The operator has determined that it is eligible for the temporary exemption option since the operator has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance/takaful as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

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To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms “principal” as being the fair value of the financial asset at initial recognition, and the “interest” as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) All other financial assets:

Operator Fund

	2021			
	Gross carrying amounts of debt instruments that pass the SPPI test			
	A	AA- Rupees	A+ Rupees	Unrated Rupees
Term deposits				
Terms deposits	-	-	-	-
Total	-	-	-	-

Financial assets	2021				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain or (loss) during the year
	Rupees	Rupees	Rupees	Rupees	Rupees
Cash and bank *	57,942,650	-	-	-	-
Loans and other receivables *	20,018	-	-	-	-
Total	57,962,668	-	-	-	-

Participant Takaful Fund

Financial assets	2021				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain or (loss) during the year
	Rupees	Rupees	Rupees	Rupees	Rupees
Cash and bank *	39,643,384	-	-	-	-
Total	39,643,384	-	-	-	-

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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4.1 Property and equipment

4.1.1 Operating assets - Owned

These are stated at cost less accumulated depreciation and impairment.

Depreciation on all fixed assets is charged to statement of comprehensive income on the reducing balance method so as to write off depreciable amount of an asset over its useful life at the rates stated in note. Depreciation on additions to fixed assets is charged on "number of months basis".

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

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

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.2 Takaful contracts

The Takaful contracts are based on the principles of wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty. Contracts under which the Participant Takaful Fund (PTF) accepts significant takaful risk from another party (the policy holder) by agreeing to compensate the policyholder if a specified uncertain future event (the takaful event) adversely affects the policyholder are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non happening. Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The PTF underwrites non-life takaful contracts that can be categorized into fire and property, marine, aviation and transport, motor, health and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the PTF under which the contract holder is another takaful operator/insurer of a facultative nature are included within the individual category of takaful contracts, other than those which fall under the treaty.

Fire and property damage takaful provides coverage against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and other related perils.

Marine, aviation and transport takaful provides coverage against cargo risk, terminals, damage occurred in between the points of origin and final destination and other related perils.

Motor takaful provides comprehensive car coverage, indemnity against third party loss and other related covers.

Health takaful provides basic hospital care including maternity care and outpatient care.

Miscellaneous takaful provides cover against Engineering, Health, Cash in safe, Cash in transit, ATM withdrawals snatching, Personal Accident Takaful, Workmen's Compensation Takaful, Terrorism Takaful, Third party liability Takaful, Plate Glass Takaful and Home Takaful.

4.3 Deferred commission expense

Commission expenses and other acquisition costs are spread over the tenure of the contract, it is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017 and General Takaful Accounting Regulations, 2019. Rebate from re-takaful is spread over the tenure of the contract ceded, it is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017 and General Takaful Accounting Regulations, 2019. The deferred commission expense and other acquisition costs and unearned portion of rebate from re-takaful is set aside as a reserve. Such reserve is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017 and General Takaful Accounting Regulations, 2019.

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4.4 Reserve for Unearned contribution

The unearned portion of contribution written net of wakala is set aside as a reserve and is recognized as a liability. The reserve for unearned contribution is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017 and General Takaful Accounting Regulations, 2019.

4.5 Contribution deficiency reserve

According to the requirements of the Insurance Rules, 2017 and General Takaful Accounting Regulations, 2019, a contribution deficiency reserve needs to be created where the unearned contribution for any class of business is not sufficient to cover the liability after re-takaful from claims, and other supplementary expenses expected to be incurred after the statement of financial position date in respect of the policies in that class of business. Any movement in the reserve is to be charged to the statement of comprehensive income.

For this purpose, loss ratios for each class, excluding health are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, contribution deficiency is determined. The liability of contribution deficiency in relation to Health Takaful is calculated in accordance with the advice of actuary.

As at year end, a provision is created in respect of contribution deficiency reserve for those classes of business where it is estimated that the unearned contribution for that class will not be sufficient to provide for the expected losses and expenses attributable to the unexpired periods of policies in force at the statement of financial position date.

4.6 Re-takaful contracts held

The operator cedes retakaful in normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities and income and expense arising from ceded retakaful contracts are presented separately from assets, liabilities, income and expense from the related takaful contract because the retakaful arrangements do not relieve the PTF from its direct obligation to its policyholder.

4.7 Re-takaful ceded

The Operator enters in to retakaful contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward retakaful contributions are accounted for in the same period as the related contribution for the direct or accepted retakaful business.

Retakaful liabilities represent balance due to retakaful companies. Amounts payable are estimated in a manner consistent with the related retakaful contract. Retakaful assets represent balances due from retakaful companies. Amounts recoverable from retakaful are estimated in a manner consistent with the provisions for outstanding claims or settled claims associated with the retakaful policies and are in accordance with the related retakaful contract.

Retakaful assets are not offset against related takaful liabilities. Income or expenses from retakaful contracts are not offset against expenses or income from related takaful assets.

Retakaful assets or liabilities are derecognized when the contractual rights are extinguished or expired.

The Operator assesses its retakaful assets for impairment on statement of financial position date. If there is objective evidence that retakaful assets are impaired, the Operator reduces the carrying amount of the retakaful assets to its recoverable amount and recognizes that impairment loss in the statement of comprehensive income.

4.8 Receivables due to / from retakaful operators

Receivables and payables related to takaful contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any.

4.8.1 Takaful / Re-takaful receivables

Contributions due from takaful / retakaful represents the amount due from participants and other takaful insurers on account of takaful contracts. These are recognized at cost, which is the fair value of the contribution to be received less provision for impairment, if any.

4.8.2 Retakaful recoveries against outstanding claims

Claims recoveries recoverable from the retakaful operators are recognized as an asset at the same time as the claims which gives rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

4.9 Segment reporting

A business segment is a distinguishable component of the Operator that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Operator accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000,

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General Takaful Accounting Regulations, 2019 and the Insurance Accounting Regulations, 2017 as the primary reporting format.

Based on its classification of takaful contracts issued, the Operator has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in respective notes to the Financial Statements.

Assets and liabilities are allocated to particular segments on the basis of contribution written. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortization are allocated to a particular segment on the basis of contribution written.

4.10 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognized at the time when the Operator becomes a party to the contractual provisions of the instrument and de-recognized when the Operator loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is included in the statement of comprehensive income for the year.

Financial instruments carried on the statement of financial position include cash and bank deposits, investments, takaful / re-takaful receivables, loan and other receivables, contribution and claim reserves detained by cedants, retakaful recoveries against outstanding claims, provision for outstanding claims, takaful / re-takaful payable, other creditors and accruals, liabilities against assets subject to finance lease.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash, cheques, pay orders, demand drafts and balances with banks.

4.12 Revenue recognition

a) Contribution - PTF

Contribution income under a policy is recognized over the period of takaful net off wakala fee. Administrative surcharge recovered from insurer is recognized as part of contribution in the case of co-takaful policies (Leader Follower Case) on proportionate basis.

Wakala fee - OPF

The operator manages the general takaful operations for the participants and charges 40% on gross contribution for all classes as wakala fee against the services. Wakala fee is recognized on the same basis as the related revenue is recognized. Unexpired portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

b) Commission Income-PTF

Rebate from retakaful operators is recognized at the time of issuance of the underlying takaful policy by the operator. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates.

c) Investment Income - PTF / OPF

Profit on Islamic investment products is recognized on accrual basis.

d) Dividend Income - PTF / OPF

Dividend income is recognized when the right to receive the dividend is established.

4.13 Investments

a) In equity securities

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 or changes in interest rates etc. are classified as available for sale.

Subsequent to initial recognition at cost including the transaction cost, these are measured at fair value. Changes in fair value are recognized as other comprehensive income until the investment is derecognized or impaired. Gains and losses on derecognition and impairment losses are recognized in statement of comprehensive income.

Return on fixed income securities classified as available for sale is recognized on a time proportion basis.

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Held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income.

b) In debt securities

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Operator's has a positive intent and ability to hold to maturity. These are initially measured at cost including acquisition charges associated with the investments. Subsequent to initial recognition, these investments are measured at amortized cost less any accumulated impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition by using the effective yield method. These are reviewed for impairment and any losses arising from impairment in values are charged to the statement of comprehensive income.

Held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income.

c) In term deposits

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Operator's has a positive intent and ability to hold to maturity. These are initially measured at cost including acquisition charges associated with the investments. Subsequent to initial recognition, these investments are measured at amortized cost less any accumulated impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition by using the effective yield method. These are reviewed for impairment and any losses arising from impairment in values are charged to the statement of comprehensive income.

4.14 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Operator intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.15 Provisions

Claims include all claims occurring during the year, whether reported or not, related internal and external 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.

The Operator recognizes liability in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of incident giving rise to the claims except as otherwise expressly indicated in an insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims Incurred But Not Reported (IBNR) and expected claims settlement costs.

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 recognized 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.

The provision for claims incurred but not reported (IBNR) is consistently made at the balance sheet date in accordance with the SECP Circular no. 9 of 2016. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level. Provision for IBNR is based on the management best estimate.

As a general policy of the Operator, being followed consistently over the years, no provision of claims has been made where the quantum of loss is unknown.

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4.16 Staff retirement benefits

Defined contribution plan

The Company operates a funded Provident Fund Scheme for its employees and contributions are made monthly equal to employees contribution @ 8.33% (2020: 8.33%) of basic salary and cost of living allowance if any.

4.17 Impairment of assets

The carrying amount of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in statement of comprehensive income.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognized for the assets in prior years. A reversal of an impairment loss is recognized immediately in statement of comprehensive income.

In addition, impairment on available for sale investments and retakaful assets are recognized as follows:

i) Available for sale

The operator determines that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the operator evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

ii) Re-takaful assets

The operator determines the impairment of the re-takaful assets by looking at objective evidence, as a result of an event that occurred after initial recognition of the re-takaful assets, which indicates that the operator may not be able to recover amount due from re-takaful under the terms of re-takaful contract. In addition the operator also monitors the financial ratings of its re-takaful operators on each reporting date.

4.18 Management expenses

4.18.1 Direct expense

Expenses allocated to the "PTF" represents directly attributable expenses. Expenses not directly allocable to "PTF" are charged to Operator's Fund.

4.18.2 Management expense

Expenses not allocable to the underwriting business are charged as management expenses. Management expenses of takaful business are allocated to revenue account of operator as per requirements of Takaful Rules, 2012.

4.18.3 Claims expense

General takaful claims include all claims occurring during the year, whether reported or not, related internal and external 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.

4.19 Creditors, accruals and provisions

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

Provisions are recognized when the Operator has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

4.20 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

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4.21 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves and charity. Allocation to participants, if applicable, is made after deducting the claims paid to them during the year. Further, surplus will be distributed to participants after payment of qard-e-hasna to operator.

4.22 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat & Ushr Ordinance, 1980.

4.23 Qard-e-hasna

Qard-e-hasna is provided by Operators' Fund (OPF) to Participants' Takaful Fund (PTF) in case of deficit in Participants' Takaful Fund (PTF).

4.24 Related party transactions

Party is said to be related if they are able to influence the operating and financial decisions of the Operator and vice versa. The Operator in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price and are carried out at arm's length prices.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- Useful lives and residual value of property and equipment (Note 4.1)
- Reserve for Unearned contribution. (Note 4.4)
- Contribution deficiency reserve. (Note 4.5)
- Classification of investments. (Note 4.13)
- Outstanding claims including IBNR. (Note 4.15)

Other areas involving estimates and judgments are disclosed in respective notes to the financial statements.

6 LOANS AND OTHER RECEIVABLES

Unsecured considered - Good

Advances to staff

Advance against commission

Others

Less:provision for impairment of loans
and receivables others

	Operator's Fund		Participants' Takaful Fund	
	2021	2020	2021	2020
	-----Rupees-----			
	-	-	-	-
	20,018	48,149	-	-
	-	-	-	-
	-	-	-	-
	20,018	48,149	-	-

7 QARD-E-HASNA TO PTF

In accordance with the Takaful Rules, 2012, if at any point in time, assets in Participants' Takaful Fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator's Fund. In the event of future surplus in the Participants' Takaful Fund, to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to Participants.

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	NOTE	Operator's Fund		Participants' Takaful Fund	
		2021	2020	2021	2020
		-----Rupees-----			
8 TAKAFUL / RETAKAFUL RECEIVABLES					
(Unsecured and considered good)					
Due from takaful contract holders		-	-	10,125,187	10,838,518
Less: Provision for impairment of receivables from takaful contract holders		-	-	-	-
Due from insurers / reinsurers		-	-	34,333,671	53,845,333
Less: Provision for impairment of receivables from takaful / retakafuls		-	-	-	-
		-	-	44,458,858	64,683,851
9 PREPAYMENTS					
Prepaid re-takaful contribution ceded		-	-	8,663,090	6,449,375
10 CASH AND BANK					
Cash in hand		-	-	-	-
Cash at bank		-	-	-	-
- Current accounts		-	-	-	-
- Saving accounts	10.1	57,942,650	41,655,705	39,643,384	17,249,433
Deposits Maturing within 12 months					
Term deposit receipts	10.2	-	10,000,000	-	-
		57,942,650	51,655,705	39,643,384	17,249,433
10.1	The rate of return on PLS saving accounts maintained at various banks range from 2.80% to 6.00 % (2020: 2.40% to 5.50%) per annum.				
10.2	The represents term deposit in local currency carrying profit at the rate nil (2020: 9%) per annum. This has matured during the year.				
11 SEED MONEY					
Waqf money	11.1	-	-	500,000	500,000
11.1	The amount of Rs. 500,000/- has been set apart for Waqf Fund / Participant Takaful Fund as Waqf money according to the Waqf deed prepared for the purpose of creation of Waqf Fund / Participant Takaful Fund.				
12 STATUTORY FUND (OPF)					
Statutory reserve	12.1	50,000,000	50,000,000	-	-
12.1	This represents amount of Rs. 50 million deposited as statutory fund to comply with provisions of paragraph 4 of circular no. 8 of 2014 read with section 11(1)(c) of Takaful Rules, 2012 issued by SECP, which states that 'every insurer who is interested to commence Window Takaful business shall transfer an amount of not less than Rs. 50 million to be deposited in a separate bank account for Window Takaful business duly maintained in a scheduled bank'.				
13 TAKAFUL / RETAKAFUL PAYABLES					
Unsecured					
Takaful / Re-takaful payables		-	-	2,143,512	2,486,551
14 OTHER CREDITORS AND ACCRUALS					
Sales tax payable		-	-	731,673	926,626
Federal takaful fee payable		-	-	68,611	70,617
Tax deducted at source		80,496	60,664	21,315	-
Salaries and wages		-	-	-	-
EOBI payable		2,340	-	-	-
Outstanding agency commissions		6,666,814	11,294,416	-	-
Auditors' remuneration		130,626	105,000	-	-
Others		747,678	1,787,290	171,941	750,921
		7,627,954	13,247,370	993,540	1,748,164

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15 Receivable from PTF / OPF	Operator's Fund		Participants' Takaful Fund	
	2021	2020	2021	2020
	-----Rupees-----			
Other Receivable / Payable	13,548,453	8,989,778	(13,548,453)	(8,989,778)
	<u>13,548,453</u>	<u>8,989,778</u>	<u>(13,548,453)</u>	<u>(8,989,778)</u>

16 RETIREMENT BENEFIT OBLIGATIONS - OPF

Staff provident fund	<u>13,448</u>	<u>17,612</u>	<u>-</u>	<u>-</u>
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16.1 The Company operates a funded Provident Fund Scheme for its employees and contributions are made monthly equal to employees contribution @ 8.33% (2020: 8.33%) of basic salary and cost of living allowance.

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There were no contingencies outstanding as at December 31, 2021 (2020: Nil).

17.2 Commitments

There were no commitments outstanding as at December 31, 2021 (2020: Nil).

18 NET CONTRIBUTION	NOTE	Participants' Takaful Fund (PTF)	
		2021 Rupees	2020 Rupees
Written gross contribution		77,339,197	73,002,763
Less: Wakala fee		<u>(34,223,802)</u>	<u>(30,546,508)</u>
		43,115,395	42,456,255
Add: Provision for unearned contribution - Opening		20,367,447	18,335,128
Less: Provision for unearned contribution - Closing		<u>(20,600,216)</u>	<u>(20,367,447)</u>
Contribution earned		42,882,626	40,423,936
Less: Re-takaful contribution ceded		<u>(21,608,108)</u>	<u>(18,300,000)</u>
Add: Prepaid re-takaful contribution - Opening		<u>(6,449,375)</u>	<u>(4,838,127)</u>
Less: Prepaid re-takaful contribution - Closing		8,663,090	6,449,375
Re-takaful expense		<u>(19,394,393)</u>	<u>(16,688,752)</u>
Net Contribution		<u>23,488,233</u>	<u>23,735,184</u>
19 RETAKAFUL REBATE EARNED			
Rebate received/commission received		100,732	-
Add: Unearned re-takaful rebate/commission - opening		-	2,732
Less: Unearned re-takaful rebate/commission - closing		-	-
Rebate Earned		<u>100,732</u>	<u>2,732</u>
20 TAKAFUL BENEFITS / CLAIMS EXPENSE			
Benefits / Claims Paid		26,269,097	27,217,278
Add: Outstanding claims including IBNR - Closing		19,396,251	16,804,030
Less: Outstanding claims including IBNR - Opening		<u>(16,804,030)</u>	<u>(12,085,665)</u>
Claims expense		28,861,318	31,935,643
Less: Re-takaful and other recoveries received		<u>1,300,000</u>	<u>7,475,012</u>
Add: Re-takaful and other recoveries in respect of outstanding claims - Closing		3,921,332	1,849,044
Less: Re-takaful and other recoveries in respect of outstanding claims - Opening		<u>(1,849,044)</u>	<u>(1,365,437)</u>
Re-takaful and other recoveries revenue		3,372,288	7,958,619
Net Claim Expense		<u>25,489,030</u>	<u>23,977,024</u>

20.1 Benefit/ Claim development

There is no claim for which there is uncertainty about the amount and timing of the claim payment and will be paid within 1 year.

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	NOTE	Operator's Fund (OPF)	
		2021 Rupees	2020 Rupees
21 COMMISSION EXPENSE			
Commission paid or payable		13,750,400	13,478,555
Add: Deferred commission expense - opening		6,177,131	5,565,632
Less: Deferred commission expense - closing		(6,564,496)	(6,177,131)
Net Commission		<u>13,363,035</u>	<u>12,867,056</u>
22 WAKALA FEE			
Wakala fee Received		34,223,802	30,546,508
Add: Unearned Wakala fee - opening		14,991,299	12,241,159
Less: Unearned Wakala fee - closing		(16,956,204)	(14,991,299)
Wakala fee Earned		<u>32,258,897</u>	<u>27,796,368</u>
23 GENERAL, ADMINISTRATION AND MANAGEMENT EXPENSES			
Employee benefit cost	23.1	3,053,462	3,323,224
Travelling expense		399,543	294,463
Repairs and maintenance		135,446	158,200
Printing and stationery		97,650	88,700
Bank charges		696	1,566
Service charges	23.2	2,056,816	-
Miscellaneous		661,198	1,498,844
		<u>6,404,811</u>	<u>5,364,997</u>

23.1 These include Rs.0.082 million (2020: Rs. 0.118 million) in respect of post employment benefit respectively.

23.2 This represents services charges paid to Microensure Pakistan (Private) Limited against collaboration for insurance business and other value added services.

		Operator's Fund		Participants' Takaful Fund	
		2021	2020	2021	2020
		-----Rupees-----			
24	OTHER INCOME	Note			
	Return on bank balances	2,476,750	3,110,842	1,285,397	1,565,066
	Other income	-	-	408,638	467,088
		2,476,750	3,110,842	1,694,035	2,032,154
25	OTHER DIRECT EXPENSES				
	Bank charges	-	-	2,303	1,393
	Others	-	-	2,000	39,978
		-	-	4,303	41,371
26	OTHER EXPENSES				
	Shariah advisor fee	-	-	-	-
	Auditors' remuneration	26.1 211,121	196,701	-	-
		211,121	196,701	-	-
26.1	AUDITORS' REMUNERATION				
	Audit fee	158,621	144,201	-	-
	Half yearly review	52,500	52,500	-	-
		211,121	196,701	-	-

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27 COMPENSATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2021	2020	2021	2020	2021	2021
	Rupees					
Managerial remuneration	-	-	-	-	-	-
Leave encashment	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Ex-gratia allowance	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	-	-
	-	-	-	-	-	-
Number of persons	-	-	-	-	-	-

28 RELATED PARTY TRANSACTION

- 28.1** Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Party name/description	Basis	Relation		
Directors	Shareholder	-		
Key management personnel	-	-		
Staff retirement benefits plan	-	-		
Relation with undertaking	Nature and transaction		2021 (Rupees)	2020 (Rupees)
Balances at year end:				
Staff retirement benefits plan	(Payable) to defined benefit plan		<u>(13,448)</u>	<u>(17,612)</u>
Transactions during the year:				
Key management personnel	Remuneration of key management personnel		<u>-</u>	<u>-</u>
Staff retirement benefits plan	Contribution to provident fund during the year		<u>81,898</u>	<u>82,312</u>
Key management personnel	Commission paid to relatives		<u>242,061</u>	<u>-</u>

- 28.2** The transactions with Asia Insurance Company Limited have been disclosed in the relevant notes to the financial statements.

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
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29 SEGMENT INFORMATION

The operator has four primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor and miscellaneous. Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

2021	Rupees					
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	MISCELLANEOUS	TREATY	TOTAL
Contribution received (inclusive of FED, FIF and Admin Surcharge)	32,478,908	17,845,955	12,831,349	20,668,949	-	83,825,161
Less: Federal Excise Duty/Sales Tax	(1,945,093)	(2,228,342)	(1,332,588)	(500,838)	-	(6,006,861)
Federal Takaful Fee	(122,907)	(146,386)	(84,680)	(125,130)	-	(479,103)
Gross written contribution (inclusive of Admin surcharge)	30,410,908	15,471,227	11,414,081	20,042,981	-	77,339,197
Gross direct contribution	11,928,204	13,965,611	8,261,845	12,442,500	-	46,598,160
Facultative inward contribution	18,122,425	832,417	2,948,535	7,530,133	-	29,433,510
Administrative surcharge	360,279	673,199	203,701	70,348	-	1,307,527
Wakala fee earned	11,432,585	6,091,015	6,322,063	8,413,235	-	32,258,897
Takaful contribution earned	17,148,878	9,136,525	9,483,095	7,114,128	-	42,882,626
Takaful contribution ceded to retakaful	(7,425,000)	(7,592,499)	(1,237,500)	(3,139,394)	-	(19,394,393)
Net Takaful contribution	9,723,878	1,544,026	8,245,595	3,974,734	-	23,488,233
Retakaful rebate income	-	100,732	-	-	-	100,732
Net underwriting income	9,723,878	1,644,758	8,245,595	3,974,734	-	23,588,965
Takaful claims	(11,929,862)	(1,133,431)	(11,509,208)	(4,288,817)	-	(28,861,318)
Takaful claims recovered from retakaful	81,283	47,448	3,287,142	(43,585)	-	3,372,288
Net claims	(11,848,579)	(1,085,983)	(8,222,066)	(4,332,402)	-	(25,489,030)
Direct expenses	(1,721)	(917)	(952)	(714)	-	(4,303)
Contribution deficiency expense	-	-	-	-	-	-
Net Takaful claims and expenses	(11,850,300)	(1,086,900)	(8,223,018)	(4,333,116)	-	(25,493,333)
Underwriting results	(2,126,422)	557,858	22,577	(358,382)	-	(1,904,368)
Other income						1,694,035
Other expenses						-
Result of operating activities-PTF						(210,333)
Segment assets - (PTF)	29,454,431	11,835,530	11,695,379	21,014,145	-	73,999,485
Unallocated assets - (PTF)						39,643,383
Total assets - (PTF)						113,642,868
Segment liabilities - (PTF)	22,938,380	5,007,591	9,389,988	5,756,509	-	43,092,468
Unallocated liabilities - (PTF)						31,498,197
Total liabilities - (PTF)						74,590,665
Operators' fund account						
Wakala fee earned	11,432,585	6,091,015	6,322,063	8,413,235	-	32,258,897
Net Commission and other acquisition costs	(7,046,716)	(3,640,966)	(1,561,198)	(1,114,155)	-	(13,363,035)
Management expenses	(2,518,466)	(1,281,243)	(945,252)	(1,659,850)	-	(6,404,811)
Other income						2,476,750
Other expenses						(211,121)
Profit for the period						14,756,680
Segment assets - (OPF)	4,581,489	732,940	623,394	626,673	-	6,564,496
Unallocated assets - (OPF)						71,511,121
Total assets - (OPF)						78,075,617
Segment liabilities - (OPF)	10,027,378	2,560,174	3,524,710	7,510,756	-	23,623,018
Unallocated liabilities - (OPF)						974,588
Total liabilities - (OPF)						24,597,606

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29.1 SEGMENT INFORMATION

2020	Rupees					
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	MISCELLANEOUS	TREATY	TOTAL
Contribution received (inclusive of FED, FIF and Admin Surcharge)	32,213,729	17,272,361	20,983,906	8,746,078	-	79,216,074
Less: Federal Excise Duty/Sales Tax	(1,958,165)	(2,144,445)	(1,225,125)	(467,652)	-	(5,795,387)
Federal Takaful Fee	(123,076)	(138,949)	(78,554)	(77,345)	-	(417,924)
Gross written contribution (inclusive of Admin surcharge)	30,132,488	14,988,967	19,680,227	8,201,081	-	73,002,763
Gross direct contribution	11,874,776	13,247,056	7,646,027	7,637,491	-	40,405,350
Facultative inward contribution	17,829,171	1,094,625	11,824,727	466,381	-	31,214,904
Administrative surcharge	428,541	647,286	209,473	97,209	-	1,382,509
Wakala fee	11,515,994	5,818,856	8,067,091	2,394,427	-	27,796,368
Takaful contribution earned	17,273,991	8,728,282	12,100,636	2,321,027	-	40,423,936
Takaful contribution ceded to retakaful	(5,806,668)	(6,852,918)	(1,477,500)	(2,551,666)	-	(16,688,752)
Net Takaful contribution	11,467,323	1,875,364	10,623,136	(230,639)	-	23,735,184
Retakaful rebate income	-	2,732	-	-	-	2,732
Net underwriting income	11,467,323	1,878,096	10,623,136	(230,639)	-	23,737,916
Takaful claims	(27,552,035)	(1,903,960)	(911,960)	(1,567,688)	-	(31,935,643)
Takaful claims recovered from retakaful	8,136,229	711,802	(1,246,937)	357,525	-	7,958,619
Net claims	(19,415,806)	(1,192,158)	(2,158,897)	(1,210,163)	-	(23,977,024)
Direct expenses	(17,679)	(8,933)	(12,384)	(2,375)	-	(41,371)
Contribution deficiency expense	-	-	-	452,484	-	452,484
Net Takaful claims and expenses	(19,433,485)	(1,201,091)	(2,171,281)	(760,054)	-	(23,565,911)
Underwriting results	(7,966,162)	677,005	8,451,855	(990,693)	-	172,005
Other income						2,032,154
Other expenses						-
Result of operating activities-PTF						2,204,159
Segment assets - (PTF)	30,299,623	14,181,132	18,187,599	8,464,872	-	71,133,226
Unallocated assets - (PTF)						34,089,776
Total assets - (PTF)						105,223,002
Segment liabilities - (PTF)	28,647,328	6,401,495	14,062,763	6,110,939	-	55,222,525
Unallocated liabilities - (PTF)						10,737,941
Total liabilities - (PTF)						65,960,466
Operators' fund account						
Wakala fee	11,515,994	5,818,856	8,067,091	2,394,427	-	27,796,368
Net Commission and other acquisition costs	(7,068,889)	(3,478,827)	(1,991,746)	(327,594)	-	(12,867,056)
Management expenses	(2,214,446)	(1,101,544)	(1,446,306)	(602,701)	-	(5,364,997)
Other income						3,110,842
Other expenses						(196,701)
Profit for the period						12,478,456
Segment assets - (OPF)	4,115,547	674,398	1,063,553	323,633	-	6,177,131
Unallocated assets - (OPF)						60,800,481
Total assets - (OPF)						66,977,612
Segment liabilities - (OPF)	11,335,976	3,448,020	7,341,993	4,159,728	-	26,285,717
Unallocated liabilities - (OPF)						1,970,564
Total liabilities - (OPF)						28,256,281

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30 MOVEMENT IN INVESTMENTS

30.1 Operator's Fund (OPF)

	Held to maturity	Available for sale	Fair value through P&L	Total
At beginning of previous year	10,000,000	-	-	10,000,000
Additions	10,000,000	-	-	10,000,000
Disposals (sale and redemption)	(10,000,000)	-	-	(10,000,000)
Reclassification to cash and bank	(10,000,000)	-	-	(10,000,000)
Designated at fair value through profit or loss upon initial recognition	-	-	-	-
Classified as held for trading	-	-	-	-
Impairment losses	-	-	-	-
At beginning of current year	-	-	-	-
Additions	-	-	-	-
Disposals (sale and redemption)	-	-	-	-
Reclassification to cash and bank	-	-	-	-
Fair value net gains (excluding net realized gains)	-	-	-	-
Designated at fair value through profit or loss upon initial recognition	-	-	-	-
Classified as held for trading	-	-	-	-
Impairment losses	-	-	-	-
At end of current year	-	-	-	-

30.2 There is no investment in Participant takaful fund, therefore, no movement has been presented.

31 CAPITAL MANAGEMENT

The objectives, policies and processes for managing capital of the Operator are as follows:

- to be an appropriately capitalized institution, as defined by regulatory authorities and comparable to the peers;
- maintain strong rating and to protect the Operator against unexpected events;
- availability of adequate capital at reasonable cost so as to enable the Operator to expand; and
- achieve low cost of capital with appropriate mix of capital elements.

32 Management of takaful risk and financial risk

The operator is exposed to a variety of financial risks: credit risk, liquidity risk, market risk (comprising currency risk, interest rate risk and other price risk) that could result in a reduction in operator's net assets or a reduction in the profits. The operator's overall risk management program focuses on unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall risks arising from the operator's financial assets and liabilities are limited. The operator consistently manages its exposure to financial risks without any material change from previous year in the manner described in the notes below. The Board of Directors has the overall responsibility for the establishment and oversight of operator's risk management framework. The Board is also responsible for developing and monitoring the operator's risk management policy.

32.1 Takaful risks

32.1.I Takaful risk

The company accepts the takaful risk through its takaful contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The company manages its risk via its underwriting and retakaful strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Retakaful is purchased to mitigate the effect of potential loss to the company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Retakaful policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

A concentration of risk may also arise from a single takaful contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The company minimizes its exposure to significant losses by obtaining retakaful from a number of retakaful operators, who are dispersed over several geographical regions.

Geographical concentration of takaful 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 with the commercial/industrial/residential occupation of the insurers. 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 form part of the reports which are made available to the underwriters/retakaful personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan) for instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors, physical separation between the buildings within an insured's premises. It is basically that the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

Address look up and geocoding is the essential field of the policy data interphase of IT systems. It provides instant location which is dependent on data collection provided under the policy schedule. All critical underwriting information is punched into the IT system/application through which a number of MIS reports can be generated to assess the concentration of risk.

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For Marine risk, complete underwriting details, besides sums covered and contribution, like vessel identification, voyage input (sea/air/inland transit), sailing dates, origin and destination of the shipments, per carry limits etc. are fed into the IT system. The retakaful module of the IT system is designed to satisfy the requirements as laid down in the proportional treaty agreement. Shipment declarations are also endorsed on the policies. Respective retakaful sessions are automatically made upon the posting of policy documents.

32.1.2 Retakaful arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non proportional retakaful arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non proportional treaty which is very much in line with the risk management philosophy of the Company.

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

The concentration of risk by type of contracts is summarized below by reference to liabilities.

	Gross sum covered		Retakaful Cover		Net Liability	
	2021	2020	2021	2020	2021	2020
	Rupees					
Fire and property damage	29,672,668,923	34,518,230,185	7,552,136,527	7,201,667	22,120,532,396	34,511,028,518
Marine aviation and transport	18,574,590,020	16,401,719,068	9,600,241,992	7,201,667	8,974,348,028	16,394,517,401
Motor	760,892,250	1,477,787,843	101,810,855	1,500,000	659,081,395	1,476,287,843
Miscellaneous	1,158,709,908	5,711,188,427	433,944,603	2,396,667	724,765,305	5,708,791,760
	50,166,861,101	58,108,925,523	17,688,133,977	18,300,000	32,478,727,124	58,090,625,523

32.1.3 Uncertainty in the estimation of future claims payment

Claims on general takaful contracts are payable on a claim occurrence basis. The operator is liable for all insured events that occur during the term of the takaful contract.

An estimated amount of the claim is recorded immediately on intimation to the Company. The estimation of the amount is based on the amount notified by the policy holder, management or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. Incurred But Not Reported (IBNR) claims have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level. IBNR for all classes is determined and recognized in accordance with valuation carried out by an appointed actuary which is also based on Chain Ladder (CL) method.

There are several variable factors which affect the amount and timing of recognized claim liabilities. However, the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. The operator takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from recognized amounts.

32.1.4 Key assumptions

The principal assumption underlying the liability estimation of IBNR and contribution deficiency reserve is that the operator's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

32.1.5 Sensitivity analysis

The risks associated with the takaful contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The sensitivity analysis is performed on the same basis as that of last year. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for takaful claims recognized in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

As the company enters into short term takaful 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 retakaful.

	Pre tax Profit		Participants' Takaful Fund	
	2021	2020	2021	2020
	Rupees			
10% decrease in profit				
Fire and property damage	(1,184,858)	(1,941,581)	(1,184,858)	(1,941,581)
Marine aviation and transport	(108,598)	(119,216)	(108,598)	(119,216)
Motor	(822,207)	(215,890)	(822,207)	(215,890)
Miscellaneous	(433,240)	(121,016)	(433,240)	(121,017)
	(2,548,903)	(2,397,702)	(2,548,903)	(2,397,703)

10% increase in loss would have the same but opposite impact on above analysis.

32.2 Credit risk and concentration of credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause 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 industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises 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 the financial statements. The management monitors and limits the Company's exposure to credit risk through monitoring of clients exposure and conservative estimates of provision for doubtful assets, if any. The management is of the view that it is not exposed to the significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

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

	Category of financial assets	2021 Rupees	2020 Rupees
Current and other accounts	Loans & Receivables	97,586,034	68,905,138
Takaful / re-takaful receivables	Loans & Receivables	44,458,858	64,683,851
Receivable from PTF	Loans & Receivables	13,548,453	8,989,778
Loan and other receivables	Loans & Receivables	20,018	48,149
		155,613,363	142,626,916

The company did not hold any collateral against the above during the year. General provision is made for receivables according to the Company's policy. No provision is made for impairment during the year. This impairment provision is utilized to write off a financial asset when it is determined that Company cannot recover the balance due.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2021	2020
	Short term	Long term		Rupees	Rupees
Sindh Bank Limited	A-1	A+	JCR-VIS	42,624,468	33,681,767
Meezan Bank Limited	A-1+	AAA	JCR-VIS	54,938,163	25,200,119
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	118	115
Bank Islami Pakistan Ltd.	A1	A+	PACRA	23,285	23,137
				97,586,034	58,905,138

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

Financial liabilities: 2021	Carrying Amount	Up to One Year	More Than One Year
Provision for outstanding claims (including IBNR)	19,396,251	19,396,251	-
Contribution received in advance	952,489	952,489	-
Takaful / re-takaful payables	2,143,512	2,143,512	-
Other creditors and accruals	22,169,947	22,169,947	-
	44,662,199	44,662,199	-
Financial liabilities: 2020	Carrying Amount	Up to One Year	More Than One Year
Provision for outstanding claims (including IBNR)	16,804,030	16,804,030	-
Contribution received in advance	573,197	573,197	-
Takaful / re-takaful payables	2,486,551	2,486,551	-
Other creditors and accruals	23,985,312	23,985,312	-
	43,849,090	43,849,090	-

Age analysis of financial assets is as under:

Financial assets: 2021	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
	Rupees			
Takaful / re-takaful receivables	44,458,858	25,499,811	12,063,857	6,895,190
Loan and other receivables	20,018	20,018	-	-
Receivable from PTF	13,548,453	13,548,453	-	-
Current and other accounts	97,586,034	97,586,034	-	-
	155,613,363	136,654,316	12,063,857	6,895,190
Financial assets: 2020	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
	Rupees			
Takaful / re-takaful receivables	64,683,851	36,603,335	14,584,742	13,495,774
Receivable from PTF	8,989,778	8,989,778	-	-
Loan and other receivables	48,149	48,149	-	-
Current and other accounts	68,905,138	68,905,138	-	-
	142,626,916	114,546,400	14,584,742	13,495,774

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The credit quality of amount due from other takaful/ retakaful and retakaful recoveries against outstanding claims can be assessed with reference to external credit ratings as follows:

	Amount due from other takaful / retakaful	Retakaful recoveries against outstanding claims	2021	2020
			-----Rupees-----	
A or above (including PRCL)	32,659,924	-	32,659,924	47,865,330
Others	1,673,747	3,921,332	5,595,079	7,829,047
Total	34,333,671	3,921,332	38,255,003	55,694,377

32.3 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Please refer to note 35 for liquidity risk schedule.

32.4 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 optimizing the return. The market risks associated with the Company's business activities are interest/mark up rate risk and price risk. The Company is not exposed to material currency risk.

a) Interest/mark up rate risk

Interest/mark up rate risk is the risk that 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 mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies.

At the statement of financial position date, the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

Financial assets

	2021	2020	2021	2020
	Effective interest rate (in %)		Rupees	Rupees
Saving accounts	2.80 to 6%	2.40% to 5.50%	97,586,034	58,905,138
Term deposit	9.00%	9.00%	-	10,000,000
			97,586,034	68,905,138

Sensitivity analysis

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 decreased/(increased) profit for the year by the amounts shown below.

	2021	2020
	Rupees	Rupees
Cash flow sensitivity - Variable rate financial assets	975,860	589,051

It is assumed, for the purpose of sensitivity analysis, 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 in the details. The analysis assumes that all other 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 factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is not exposed to equity price risk since it has no significant investments in quoted equity securities at the statement of financial position date. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. Nil/- (2020: Nil/-) at the statement of financial position date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable. The Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are based on quoted market prices as of the statement of financial position date and available for sale equity instruments which are based on quoted market prices as of the statement of financial position date in accordance with the requirements of the Insurance Accounting Rules and Regulations issued by the Securities and Exchange Commission of Pakistan (SECP), dated February 09, 2017.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarizes company's equity price risk as of December 31, 2021 and December 31, 2020 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios, results could be worse because of the nature of equity markets.

Equity investments have been measured at fair values as required by IAS 39 "Financial Instruments: Recognition and Measurement", the impact of hypothetical change would be as follows:

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	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/(decrease) in profit before tax
2021	-	10% increase 10% decrease	-	-	-
2020	-	10% increase 10% decrease	-	-	-

32.5 FUND MANAGEMENT

The operator's objectives when managing capital or to safeguard operator's ability to continue as going concern in order to provide returns for operator or participants and to offer benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the amount of return paid to operators or to participants may be adjusted.

33 FINANCIAL ASSETS AND LIABILITIES

2021									
FINANCIAL ASSETS AND LIABILITIES	Effective Yield/ Mark-up rate per annum	Interest/mark-up bearing			Non-Interest/mark-up bearing			Total	
		Maturity up to one year	Maturity over five years	Sub Total	Maturity up to one year	Maturity over five years	Sub Total		
Rupees									
FINANCIAL ASSETS									
%									
Loans and others receivables	-	-	-	-	20,018	-	-	20,018	20,018
Receivable from PTF	-	-	-	-	13,548,453	-	-	13,548,453	13,548,453
Accrued Investment Income	-	-	-	-	-	-	-	-	-
Takaful / Re-takaful receivables	-	-	-	-	44,458,858	-	-	44,458,858	44,458,858
Retakaful recoveries against outstanding claims	-	-	-	-	3,921,332	-	-	3,921,332	3,921,332
Cash and bank deposits	2.8% to 6%	97,586,034	-	-	97,586,034	-	-	-	97,586,034
		97,586,034	-	-	97,586,034	61,948,661	-	61,948,661	159,534,695
FINANCIAL LIABILITIES									
Provision for outstanding claims (including IBNR)	-	-	-	-	19,396,251	-	-	19,396,251	19,396,251
Contribution received in advance	-	-	-	-	952,489	-	-	952,489	952,489
Takaful / Re-takaful payables	-	-	-	-	2,143,512	-	-	2,143,512	2,143,512
Other creditors and accruals	-	-	-	-	22,169,947	-	-	22,169,947	22,169,947
		-	-	-	44,662,199	-	-	44,662,199	44,662,199
2020									
FINANCIAL ASSETS AND LIABILITIES	Effective Yield/ Mark-up rate per annum	Interest/mark-up bearing			Non-Interest/mark-up bearing			Total	
		Maturity up to one year	Maturity over five years	Sub Total	Maturity up to one year	Maturity over five years	Sub Total		
Rupees									
FINANCIAL ASSETS									
%									
Loans and others receivables	-	-	-	-	48,149	-	-	48,149	48,149
Receivable from PTF	-	-	-	-	8,989,778	-	-	8,989,778	8,989,778
Accrued Investment Income	-	-	-	-	106,849	-	-	106,849	106,849
Takaful / Re-takaful receivables	-	-	-	-	64,683,851	-	-	64,683,851	64,683,851
Retakaful recoveries against outstanding claims	-	-	-	-	1,849,044	-	-	1,849,044	1,849,044
Cash and bank deposits	2.4% to 9%	68,905,138	-	-	68,905,138	-	-	-	68,905,138
		68,905,138	-	-	68,905,138	75,677,671	-	75,677,671	144,582,809
FINANCIAL LIABILITIES									
Provision for outstanding claims (including IBNR)	-	-	-	-	16,804,030	-	-	16,804,030	16,804,030
Contribution received in advance	-	-	-	-	573,197	-	-	573,197	573,197
Takaful / Re-takaful payables	-	-	-	-	2,486,551	-	-	2,486,551	2,486,551
Other creditors and accruals	-	-	-	-	23,985,312	-	-	23,985,312	23,985,312
		-	-	-	43,849,090	-	-	43,849,090	43,849,090

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34 STATEMENT OF SOLVENCY

	Note	Participants' Takaful Fund 2021 Rupees
Assets		
Property and equipment		-
Investments		
Equity Securities		-
Debt Securities		-
Term deposits		-
Loans and others receivables		-
Takaful / Re-takaful receivables	7	44,458,858
Retakaful recoveries against outstanding claims	20	3,921,332
Deferred wakala fee	22	16,956,204
Prepayments	9	8,663,090
Cash & bank	10	39,643,384
Total assets (A)		113,642,868
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000.		
(h) Takaful / Re-takaful receivables		30,500,276
(q)		-
(u)		-
(v)		-
Total of Inadmissible assets (B)		30,500,276
Total Admissible assets (C=A-B)		83,142,592
Total Liabilities		
Underwriting provisions		
Provision for outstanding claims (including IBNR)	20	19,396,251
Contribution deficiency reserve		-
Reserve for unearned contribution		37,556,420
Reserve for unearned retakaful rebate		-
Contributions received in advance		952,489
Takaful / Re-takaful payables	13	2,143,512
Other creditors and accruals	14	993,540
Payable to OPF		13,548,453
Total liabilities (D)		74,590,665
Total net Admissible assets (E=C-D)		8,551,927

Minimum Solvency Requirement

As per requirement of section 10(k) of Takaful Rules, 2012 An Operator shall ensure that in case of General takaful each participant takaful fund, at all times, has admissible assets in excess of its liabilities.

35 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted market price (unadjusted) in active market for identical instrument.

Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs.

	Level-1	Level-2 Rupees	Level-3
As at December 31, 2021			
At fair value through profit or loss-Held for trading	-	-	-
At fair value through OCI - Available for sale	-	-	-
As at December 31, 2020			
At fair value through profit or loss-Held for trading	-	-	-
At fair value through OCI - Available for sale	-	-	-

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	2021 Rupees	2020 Rupees
Operator's Fund		
Category of financial assets		
Loan and receivables		
Loan and receivables	20,018	48,149
Takaful / retakaful receivable	-	-
Receivable from PTF	13,548,453	8,989,778
Accrued investment income	-	106,849
Other financial assets		
Cash and bank balances	57,942,650	51,655,705
	<u>71,511,121</u>	<u>60,800,481</u>
Category of financial Liabilities		
Other financial liabilities		
Other creditors and accruals	7,627,954	13,247,370
	<u>7,627,954</u>	<u>13,247,370</u>
Participants Takaful fund		
Category of financial assets		
Loan and receivables		
Takaful / retakaful receivable	44,458,858	64,683,851
Retakaful recoveries against outstanding claims	3,921,332	1,849,044
Other financial assets		
Cash and bank balances	39,643,384	17,249,433
	<u>88,023,574</u>	<u>83,782,328</u>
Category of financial Liabilities		
Other financial liabilities		
Outstanding claims including IBNR	19,396,251	16,804,030
Contribution received in advance	952,489	573,197
Takaful / retakaful payable	2,143,512	2,486,551
Payable to OPF	13,548,453	8,989,778
Other creditors and accruals	993,540	1,748,164
	<u>37,034,245</u>	<u>30,601,720</u>

36 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

All significant transactions and events that have affected the Company's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

37 CORRESPONDING FIGURES

37.1 Corresponding figures have been rearranged and reclassified, whenever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant reclassification has been made during the year.

38 SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

There is no event causing adjustment to or disclosure in financial statements.

39 NUMBER OF EMPLOYEES

	2021 Number	2020 Number
Number of employees at the end of the year	3	5
Average number of employees	4	5

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on March 31, 2021 by the Board of Directors of the company.

41 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENT

In March 2020, the world health organization (WHO) declared the outbreak of the novel coronavirus (known as Covid-19) as a global pandemic. In the first few months of 2020 the virus had spread globally and its negative impact had gained momentum. The management considers presently this outbreak does not have any impact on the amounts being reported in the company's statement of financial position as at December 31, 2021. While this is still an evolving situation as at the time of issuing these financial statements yet to date the operations of the company have continued uninterrupted during this pandemic, future effects cannot be predicted. However, the management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

42 GENERAL

The figures are rounded off to the nearest rupee unless otherwise stated.







Chairman **Chief Executive Officer** **Director** **Director** **Chief Financial Officer**

BRANCHES NETWORK

Detail of Branches / Sub Offices across the Country

HEAD OFFICE

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land.mark@asiainsurance.com.pk

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Patiala Complex Office

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FAISALABAD REGION

Faisalabad Regional Office

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fsd@asiainsurance.com.pk

Faisalabad Pakistan Market Office

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Faisalabad Kotwali Road Office

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Ph: 021-32469584-5
karachi@asiainsurance.com.pk

Karachi V

806, 8th Floor, Business Plaza, Mumtaz
Hussain Road I.I Chundrigar Road, Karachi.
Ph: 021-32431032-3
autodivision@asiainsurance.com.pk

Hyderabad Office

2nd Floor, Banglow No 202, Arian Center
Block D Nait No. 7 Latifabad, Hyderabad
Ph: 022-3864308
autodivision@asiainsurance.com.pk

Muzaffarabad Office

Upper Floor Utility Store, Near Wapda
Colony, Main Nalaouchi Highway
Gojra muzaffarabad, AJK
Ph: 0582-2446242
muz@asiainsurance.com.pk

SIALKOT REGION

Sial Kot Kashmir Road Office

2nd Floor, Al-Khalil Center, Kashmir Road
Sialkot
Ph: 052-3240271-3
sktc@asiainsurance.com.pk

Sial Kot Paris Road Office

Obrai Buildind, Paris Road, Sialkot
Ph: 052-4591023 Fax: 052-4593022
skt@asiainsurance.com.pk

PESHAWAR REGION

Peshawar Office

Deans trade Centre, Unit No. 180-TF
Saddar Road, Peshawar Cantt
Ph: 091-5603040
psw@asiainsurance.com.pk

RAWALPINDI REGION

Rawalpindi Canning Road Office

Office No. 62, 3rd Floor Nice Plaza
Canning Road Saddar, Rawalpindi
rwp@asiainsurance.com.pk

Islamabad Corporate Office

Flat No.9, 3rd Floor, Shah Nawaz
Plaza, G-11 Markaz, Islamabad

Abbotabad Office

Representative Office
abbt@asiainsurance.com.pk

Gilgit Office

Office No. 14, 2nd Floor, Meer Shah Market
Shahrah-e-Quaid Azam, Jutial Gilgit.

We've got You covered

Option 1**Appointing other person a Proxy**

I/We _____ of _____ being a member of Asia Insurance Company Limited and holder of _____ (number of shares) Ordinary Shares as per Registered Folio No. _____ hereby appoint Mr./Ms. _____ of _____ or failing whom Mr./Ms. _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the (annual, extraordinary general meeting as the case may be) of the Company to be held on _____ and at any adjourned thereof.

Signed under my/our this _____ day of _____, 20____.

Sign Across
Revenue Stamp
Rs. 5/-

Signature should agree
With the specimen signature
Registered with the Company

Signed in presence of:

Signature of Witness

Signature of Witness

Option 2**E-voting as per The Companies (E-voting) Regulations, 2016**

I/We, _____ of _____ being a member of Asia Insurance Company Limited and holder of, _____ (number of shares) Ordinary Shares as per Registered Folio No. _____, hereby appoint for e-voting through intermediary and hereby consent the appointment of execution officer _____ as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolution.

My secured email address is _____. Please send login details, password and electronic signature through email.

Sign Across
Revenue Stamp
Rs. 5/-

Signature should agree
With the specimen signature
Registered with the Company

Signed in presence of:

Signature of Witness

Signature of Witness

Important:

- This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Asia House, 19 C/D, Block-L, Gulberg III, Main Ferozpur Road, Lahore, not later than 48 hours before the time appointed for the meeting.
- CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
- CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

2. کمپنی کے (ای۔ وونگ) ضوابط، 2016ء کے تحت ای۔ وونگ

ایشیا انشورنس کمپنی لمیٹڈ کے رکن اور رجسٹرڈ فوئیو نمبر..... کے تحت.....
 (حصص کی تعداد) کے عمومی حصص کا مالک ہونے کی حیثیت سے میں/ہم.....
 رہائش.....
 ای وونگ کے کئے تقرر کرتے ہیں بذریعہ ثالث اور عمل کرنے والے افسر..... کی ایک پراکسی/نمائندہ کی حیثیت سے
 تقرری پر رضامندی ظاہر کرتے ہیں اور کمپنی کے (ای۔ وونگ) ضوابط، 2016ء کے تحت ای۔ وونگ پر عمل کریں گے، پس قرارداد پر پونگ کی استدعا
 کرتے ہیں۔

میر محفوظ ای میل ایڈریس..... ہے۔ برائے مہربانی لاگ ان تفصیلات، پاس ورڈ اور الیکٹرانک دستخط
 ای میل کے ذریعے بھیج دیں۔

5 روپے
 کارپوریٹ سٹیمپ

(دستخط کمپنی کے رجسٹرڈ نمونہ کے دستخط کے مطابق ہونے چاہئیں)

کی موجودگی میں دستخط کئے گئے:

گواہ کے دستخط

گواہ کے دستخط

ہدایات:

- ✓ مکمل شدہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس ایشیا ہاؤس، 19 C/D، بلاک۔ L، گلبرگ III، مین فیروز پور روڈ، لاہور، میں
 اجلاس کے آغاز سے 48 گھنٹے پہلے پہنچ جانا چاہئے۔
- ✓ CDC حصص داران اور ان کے نمائندے/پراکسی کو درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اور
 پاسپورٹ کی تصدیق شدہ نقول اس پراکسی فارم کے ساتھ منسلک کریں۔
- ✓ CDC حصص داران اور ان کے نمائندے/پراکسی کو درخواست کی جاتی ہے کہ سالانہ اجلاس عام میں شمولیت کے موقع پر اپنی
 شناخت ثابت کرنے کے لئے وہ اپنا اصلی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ بمعہ شامل ہونے کا آئی ڈی نمبر اور اپنا
 اکاؤنٹ نمبر ہمراہ لائیں۔

1. کسی شخص کا اپنا نمائندہ / پر کسی مقرر کرنا

ایشیا انشورنس کمپنی لمیٹڈ کے رکن اور رجسٹرڈ فلیو نمبر..... کے تحت.....
(حصص کی تعداد) کے عمومی حصص کا مالک ہونے کی حیثیت سے میں / ہم.....
رہائش.....
میرے / ہمارے لئے ووٹ کرنے اور میری / ہماری جگہ پر کمپنی کے سالانہ / غیر معمولی اجلاس عام، جو بھی معاملہ ہو، منعقدہ.....
میں شرکت کرنے کے لئے اور اس کی معطلی کی صورت میں محترم / محترمہ.....
رہائش..... کو اپنا کامی کی صورت میں،
محترم / محترمہ..... رہائش.....
کو اپنا پر کسی / نمائندہ مقرر کرتے ہیں۔

.....، 20 کو دستخط کئے گئے۔

5 روپے
کارپوریٹ سٹیپ

(دستخط کمپنی کے رجسٹرڈ نمونہ کے دستخط کے مطابق ہونے چاہئیں)

کی موجودگی میں دستخط کئے گئے:

.....

.....

واہ لے دستخط

واہ لے دستخط



Group of Companies



**ASIA
INSURANCE**
COMPANY LTD



Falcon Engineering Services



OMEGA PROJECT & MANAGEMENT CONSULTING



(Private) Limited
C. Soft (Private) Limited



2021 ANNUAL REPORT

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Main Ferozpur Road, Lahore

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UAN | 0311-111-2742

Ph:042-35865575-78

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info@asiatakaful.com.pk

Facebook

[asiainsurancepakistan](https://www.facebook.com/asiainsurancepakistan)

www.asiainsurance.com.pk