

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

		December 31, 2022	December 31, 2021
	Notes	----- (Rupees) -----	
Net insurance premium	38	7,929,369,976	7,225,623,532
Net insurance claims	39	(4,311,851,021)	(3,777,804,999)
Net commission and other acquisition costs	41	(1,025,917,948)	(968,356,238)
Premium deficiency reserve expense		46,346,941	(58,873,368)
Insurance claims and acquisition expenses		(5,291,422,028)	(4,805,034,605)
Management expenses	42	(1,528,435,094)	(728,999,260)
Reversal / (provision) for doubtful debts	16	542,510,469	(8,781,891)
Underwriting results		1,652,023,323	1,682,807,776
Investment income	43	1,338,391,205	981,709,956
Rental income - net	44	126,643,188	104,379,330
Finance cost	45	(2,760,634)	(2,548,867)
Fair value gain on investment property		-	698,055,394
Other income	46	419,206,393	142,247,594
Other expenses	47	(7,130,355)	(8,195,243)
		1,874,349,797	1,915,648,164
Total profit from operations		3,526,373,121	3,598,455,940
Profit from Window Retakaful Operations	48	30,370,651	15,962,349
<b>Profit before taxation</b>		3,556,743,771	3,614,418,289
Taxation	49	(931,915,282)	(1,024,831,827)
<b>Profit after taxation</b>		2,624,828,489	2,589,586,462
			<b>(Restated)</b>
Earnings (after tax) per share - Rupees	50	2.92	2.88

The annexed notes 1 to 64 form an integral part of these financial statements. *6/10*

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer

**PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

		<u>December 31, 2022</u>	<u>December 31, 2021</u>
	Note	-----Rupees-----	
<b>Participant's Retakaful Fund</b>			
Contributions earned		1,079,281,056	782,357,018
Less: contributions ceded to retrotakaful		(100,155,434)	(91,942,133)
Net contribution revenue	28	979,125,622	690,414,885
Wakala fee expense	29	(215,856,211)	(156,471,404)
Net underwriting income		763,269,411	533,943,481
Net claims - reported/ settled - IBNR	30	(501,892,882)	(311,243,050)
Reversal / (charge) of contribution deficiency reserve		42,862,640	(23,851,863)
Surplus before investment income		304,239,169	198,848,568
Investment income	31	8,316,060	4,560,461
Other income	32	72,908,632	10,080,104
Less: Modarib's fees		(20,306,173)	(3,660,141)
(Charge) / Reversal for doubtful contributions	8.1	(8,773,125)	2,850,015
Surplus before taxation		356,384,563	212,679,007
Taxation	34	(10,760,328)	(2,027,758)
Surplus transferred to accumulated surplus		<u>345,624,235</u>	<u>210,651,249</u>
<b>Operator's Retakaful Fund</b>			
Wakala fee income	29	215,856,211	156,471,404
Commission expense	35	(213,471,407)	(145,151,427)
General, administrative and management expenses	36	(15,746,091)	(7,937,109)
		<u>(13,361,287)</u>	<u>3,382,868</u>
Investment income		1,687,509	920,194
Other income		34,143,170	14,518,979
Modarib's fee		20,306,173	3,660,141
		<u>56,136,852</u>	<u>19,099,314</u>
<b>Profit before taxation</b>		<u>42,775,565</u>	<u>22,482,182</u>
Taxation		<u>(12,404,914)</u>	<u>(6,519,833)</u>
<b>Profit after taxation attributable to shareholders</b>		<u>30,370,651</u>	<u>15,962,349</u>

The annexed notes 1 to 45 form an integral part of these financial statements. *6/20*

<u>Chairman</u>	<u>Director</u>	<u>Director</u>	<u>Chief Executive Officer</u>	<u>Chief Financial Officer</u>
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**DRAFT**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAKISTAN REINSURANCE COMPANY LIMITED**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the annexed financial statements of **PAKISTAN REINSURANCE COMPANY LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2022, the statement of 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, except for the effects of the matters discussed in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of 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, 2022 and of the profit, its other comprehensive income, its cash flows and the changes in equity for the year then ended.

**Basis for Qualified Opinion**

**1. Receivable From Sindh Revenue Board (SRB) and the Related Litigation**

As disclosed in note 15 and 37.2 to the financial statements, an amount of Rs. 2,573.89 million (2021: Rs. 2,573.89 million) is receivable from Sindh Revenue Board (SRB) which was recovered by SRB against the sales tax liability on reinsurance services. The Company has recorded this amount as an asset, however the Company could not substantiate any control over the underlying asset and the flow of economic benefits is remote due to ongoing Court case. Had the Company not recorded this asset, total assets, accumulated profit, shareholders' equity and solvency would have been reduced by the same amount accordingly.

**2. Unreconciled Balances**

As stated in note 16 and 32 to the financial statements, amount due from other insurance companies on account of treaty and facultative business includes gross amount of Rs. 16,792.10 million and net amount of Rs. 16,626.78 million and amount due to other insurance companies include an amount of Rs 40.11 million which remain unreconciled as of the reporting date. The Company is in the process of reconciling these balances. Due to pending reconciliations relating to the above balances, resultant adjustment and consequential impact thereon, if any, on these financial statements remain unascertained.

### **3. Treaty- Proportional Business**

As disclosed in note 16, 17, 18, 25, 26, 27, 38, 39, and 55 to the financial statements, certain account balances and class of transactions have been recorded against treaty proportional business. We were not provided the details and supporting documentation of the premium / claims of the ceding insurance companies except statutory quarterly returns. The Company does not have any system and controls to verify such premium and claims. Consequently, we were unable to verify and determine whether any adjustments to these amounts were necessary.

### **4. Investment Property**

As disclosed in note 11 to the financial statements, the Company carries its investment properties at fair value. International Accounting Standard (IAS-40) "Investment Property requires an entity following fair value model to reassess the fair values on a continuing basis. The management has not carried out any exercise to determine the fair values and its resultant impact as of the reporting date. Accordingly, resultant adjustment and consequential impact thereon, if any, on these financial statements remain unascertained.

### **Material Uncertainty Relating To Going Concern**

We draw attention to note 1.2 to the financial statements, which indicates that as of the reporting date, the Company is in breach of the minimum solvency requirement as prescribed under Section 36 of the Insurance Ordinance, 2000 and related rules. Such breach indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not further modified in respect of this matter.

### **Emphasis of Matter**

1. We draw attention to note 60 to the financial statements, which indicates that in terms of Section 36 of the Insurance Ordinance, 2000, the Company is required to maintain the minimum solvency ratio at all times to be computed in a manner as prescribed under the above section and related rules. As of the reporting date, the Company is in breach of such solvency requirement. Our opinion is not further modified in respect of this matter.
2. We draw attention to note 37.1 to the financial statements, which provide details regarding contingencies in respect of which decisions are pending. Our opinion is not further modified in respect of this matter.

### **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, we do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion section and material uncertainty relating to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**Following are the Key audit matters:**

S. No	Key audit matters	How the matter was addressed in our audit report
1.	<b>Revenue Recognition -Facultative premium earned</b>	
	<p>Refer notes 5.12 and 38 to the financial statements for accounting policies and details in respect of revenue recognition. The Company recognizes facultative premium earned from facultative reinsurance policies representing 73% of gross premium written.</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 transactions may not be accurately recorded, recognized in the appropriate period and not properly disclosed in the financial statements.</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding, including the design and implementation of internal controls over process of capturing, processing in and recording of facultative premium income.</li> <li>• Assessed the appropriateness of the company's accounting policies for recording of facultative premiums in line with the requirements of applicable laws, accounting and reporting standards.</li> <li>• Tested the policies on sample basis where policies were written close to the year-end and subsequent to the year-end, and evaluated that these were recorded in the appropriate accounting period.</li> <li>• Tested the facultative premium recorded on sample basis to test the accuracy from the underlying policies issued to insurance contract holders.</li> <li>• Recalculated the unearned portion of facultative premium and ensured that appropriate amount has been recorded</li> </ul>

S. No	Key audit matters	How the matter was addressed in our audit report
		<p>as provision for unearned premium in liabilities.</p> <ul style="list-style-type: none"> <li>• Evaluated that adequate disclosures have been made for facultative premium as the applicable laws and accounting and reporting standards.</li> </ul>
2.	<b>Valuation of outstanding claims including claims incurred but not reported</b>	
	<p>Refer note 5.6 and 25 to the financial statements for accounting policy and details in respect of facultative claim liabilities.</p> <p>The Company's facultative claim liabilities represent approximately 35% of the Company's total liabilities, both Conventional and Takaful. Valuation of these liabilities involves significant judgment because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, trend of historical claims and estimates of the frequency and severity of claims. Facultative claim liabilities are recognized on intimation of the insured event based on management judgment and estimate.</p> <p>The Company maintains provision for IBNR claims based on the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions.</p> <p>Based on the above factors, we have considered it as a key audit matter.</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Company's accounting policy for recording of facultative claims in line with the requirements of applicable laws and accounting and reporting standards.</li> <li>• Obtained an understanding of the Company's policies and procedures including the design and implementation of internal controls over the capturing, processing and recording of information related to claims.</li> <li>• Performed test of details and test of controls on sample basis to evaluate whether the facultative claims settled during the year end and outstanding at the year-end are appropriately recorded in accordance with the requirements of company's policies and insurance regulations.</li> <li>• Assessed the competence, capability and objectivity of the actuary involved by the company to value IBNR reserves for facultative claims.</li> </ul>

S. No	Key audit matters	How the matter was addressed in our audit report
		<ul style="list-style-type: none"> <li>Reviewed the valuation report of management actuary to: <ul style="list-style-type: none"> <li>Understand the basis and methodology used for such valuation.</li> <li>Evaluate the completeness and accuracy of source data used for the purpose of valuation.</li> </ul> </li> <li>Involved an external actuarial specialist to evaluate the: <ul style="list-style-type: none"> <li>Relevance and reasonableness of assumptions of management expert's findings and conclusions and their consistency with other evidence;</li> <li>The relevance and reasonableness of assumptions and methods used;</li> <li>The relevance of the source data used.</li> </ul> </li> <li>Evaluated the adequacy of disclosures given on outstanding claims including IBNR as per the insurance regulations and applicable accounting and reporting standards.</li> </ul>
3.	<b>Retirement Benefits Plans</b>	
	<p>Please refer notes 5.8 and 28 to the financial statements. The company operates various defined benefit plans. The Company's obligation in respect of these plans as at December 31, 2022 amounted to Rs. 3,630.7 million.</p> <p>Valuation of these plans require significant level of judgement and technical expertise to select appropriate valuation assumptions. Changes in the key assumptions (discount rate, salary increase rate, retirement age and mortality rate etc.) may have a material impact on the</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> <li>Assessed the competence and objectivity of the actuary involved by the Company to value the obligation under the plan.</li> <li>Reviewed the actuarial valuation reports to:</li> </ul>



S. No	Key audit matters	How the matter was addressed in our audit report
	<p>valuation of these obligations under the retirement plans.</p> <p>Based on the above factors, we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- Understand the basis and methodology used for such valuation</li> <li>- Evaluate the competences and accuracy of source data used for the purposes of valuation.</li> <li>• Involved our auditor's external expert to: <ul style="list-style-type: none"> <li>- Relevance and reasonableness of management expert's findings and conclusions and their consistency with other evidence;</li> <li>- The relevance and reasonableness of assumptions and methods used; and</li> <li>- The relevance of the source data used.</li> </ul> </li> <li>• Ensured the appropriateness of amount involved in valuation of these obligations.</li> <li>• Evaluated the adequacy of disclosures in the financial statements in accordance with the applicable accounting and reporting standards.</li> </ul>

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

Board of directors are 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.

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.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion, except for the effects of the matters described in basis for qualified opinion section of our report:

- a) proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of 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 thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

**Other Matter**

The financial statements of the Company for the year ended December 31, 2021 were audited by another firm of chartered accountants, who expressed a qualified opinion on those financial statements vide their report dated April 25, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz khan.

**KARACHI**

**DATED:**

**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS** *bdo*

**UDIN:**

**DRAFT**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS**

### **Disclaimer of Opinion**

We were engaged to audit the annexed financial statement of Pakistan Reinsurance Company Limited- Window Retakful Operation, which comprise the statement of financial position as of December 31, 2022, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in the fund and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have not obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

We do not express an opinion on the accompanying financial statements of Pakistan Reinsurance Company Limited- Window Retakful Operation. Because of the significance of the matters described in basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for Disclaimer of Opinion**

#### **1. Treaty- Proportional Business**

As disclosed in 8, 12, 13, 20, 28, 30, 35 and 38 to these financial statements, certain account balances and class of transactions have been recorded against treaty proportional business. We were unable to obtain sufficient and appropriate evidence in respect of such account balances and class of transactions because the Company does not establish any system and controls to verify the transactions and only relies on the amounts provided in the statutory quarterly returns and bordereaux. Consequently, we were unable to verify and determine whether any adjustments to these amounts were necessary.

#### **2. Unreconciled Balances**

As stated in note 8 to the financial statements, amount due from retakful participants on account of treaty and facultative retakful business includes gross amount of Rs. 423.435 million and net amount of Rs. 410.660 million which remain unreconciled as of the reporting date. The Company is in the process of reconciling these balances. Due to pending reconciliations relating to the above balances, resultant adjustment and consequential impact thereon, if any, on these financial statements remain unascertained.

#### **3. Emphasis of Matter**

We draw attention to the note 27.1 to these financial statements which explains that notice was served by Sindh Revenue Board (SRB) in 2016 for non-filing of sales tax returns and raised sales tax liability via same notice on conventional reinsurance service provider by the Operator. Our opinion is not modified in respect of this matter.

### **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.

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.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion, except for the effects of the matters described in the basis for disclaimer of opinion section of our report:

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

#### **Other Matter**

The financial statements of the Company for the year ended December 31, 2021 were audited by another firm of chartered accountants, who expressed disclaimer of opinion on those financial statements vide their report dated April 25, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Tariq Feroz Khan.

**KARACHI**

**DATED:**

**UDIN:**

**BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS**

