



**ASIA
INSURANCE**
COMPANY LTD

2023 ANNUAL REPORT



**we've
got you
covered**





ANNUAL REPORT
2023

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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 December 31, 2023. As I reflect on 2023, Pakistan faced the worst economic crisis in the year 2023, since its independence.

Your Company has completed another difficult year, 2023. Despite challenging economic environment Asia Insurance managed to perform remarkably well. Its combined gross premium and contribution income increased by Rs. 246.844 million representing 22.4% increase from previous year.

The Profit before tax is Rs.157.407 Million and Profit after tax is Rs.85.699 Million.

I am happy to mention that our journey of progress and accomplishments is continuing despite economic challenges faced by the country in 2023. 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 stakeholders of the Company including its employees, management, shareholders and its valued clients. 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.

Chairman

Ihtsham ul Haq Qureshi
(Prince Henrik Medal of Honour
by Royal Kingdom of Denmark)



Our Vision

Asia Insurance Company Limited aims to be an ideal Insurance company with a large equity base; to provide more opportunities and options for utilization of funds and to increase profitability through economies of scale, better resource mobilization and reduction in operational cost; to achieve this while providing better service to our clients and stakeholders.

Our Mission

Provide excellent services by way of best risk management and hassle-free settlement of claims through a nation-wide network of branches manned by a sound and dynamic team to ensure good governance.



Core Value

Dedication towards customer services, motivated personnel, reward them and enhance their skills, Contribute towards Company's financial goals and focus on achieving results, Commitment towards excellence in quality of work.

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. 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	Ms. Rafia Ashraf CA (Final), MBA (Malaysia)
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
Ms. Rafia Ashraf	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
Mr. Hassan Ahmed Khan	Member
Ms. Rafia Ashraf	Secretary

Audit Committee

Mr. Hassan Ahmed Khan	Chairman
Mr. Thibaud Ponchon	Member
Mr. Khawaja Suhail Iftikhar	Member
Mr. Iftikhar Ahmed	Secretary

MANAGEMENT

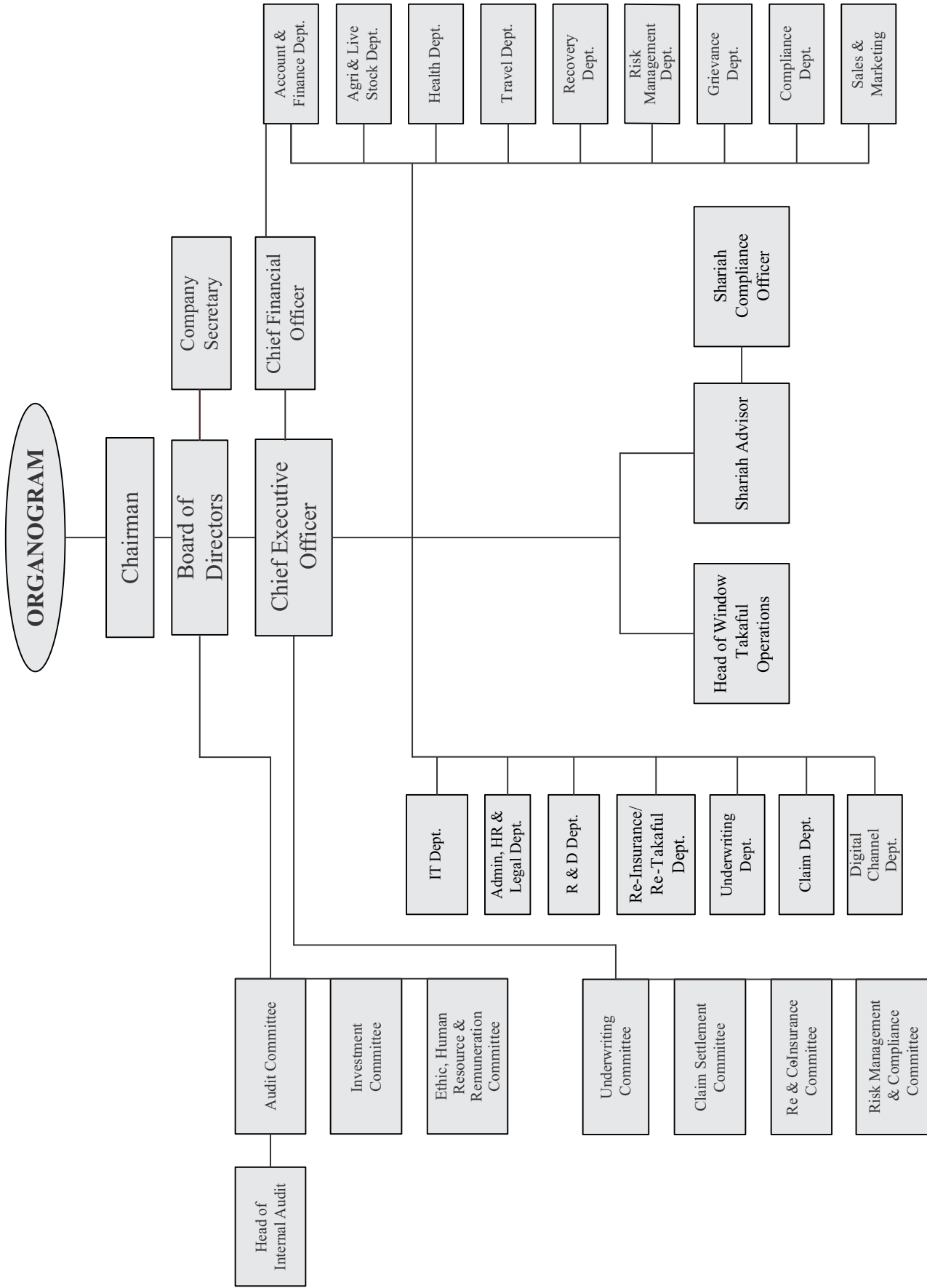
Mr. Zain ul Haq Qureshi	Chief Executive Officer
Ms. Rafia Ashraf	Chief Financial Officer
Ms. Shazia Hafeez	Company Secretary & Compliance Officer
Mr. Riaz Hussain Shah	Executive Vice President (EVP)
Mr. Shahbaz Hameed	Deputy General Manager HR / Admin & Legal Head
Mr. M. Amjad Rao	Deputy General Manager / Controller of Branches
Mr. Gulfaraz Anis	Deputy General Manager MIS
Mr. 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. Amjad Hussain	Head of Travel & Recovery
Mr. Faisal Mehmood Qureshi	Head of Underwriting
Mr. Muhammad Ali Maqsood	Manager Accounts
Mr. Waqas Waheed	Team Lead Window Takaful
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:**

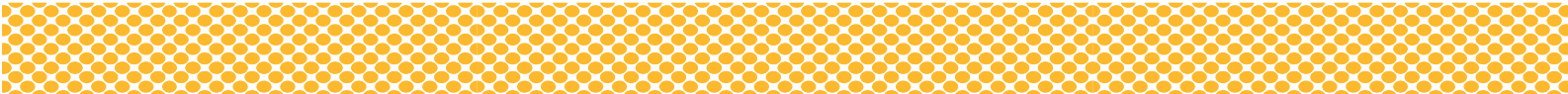
We contribute towards our Company's financial goals and focus on achieving better results.

- **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.

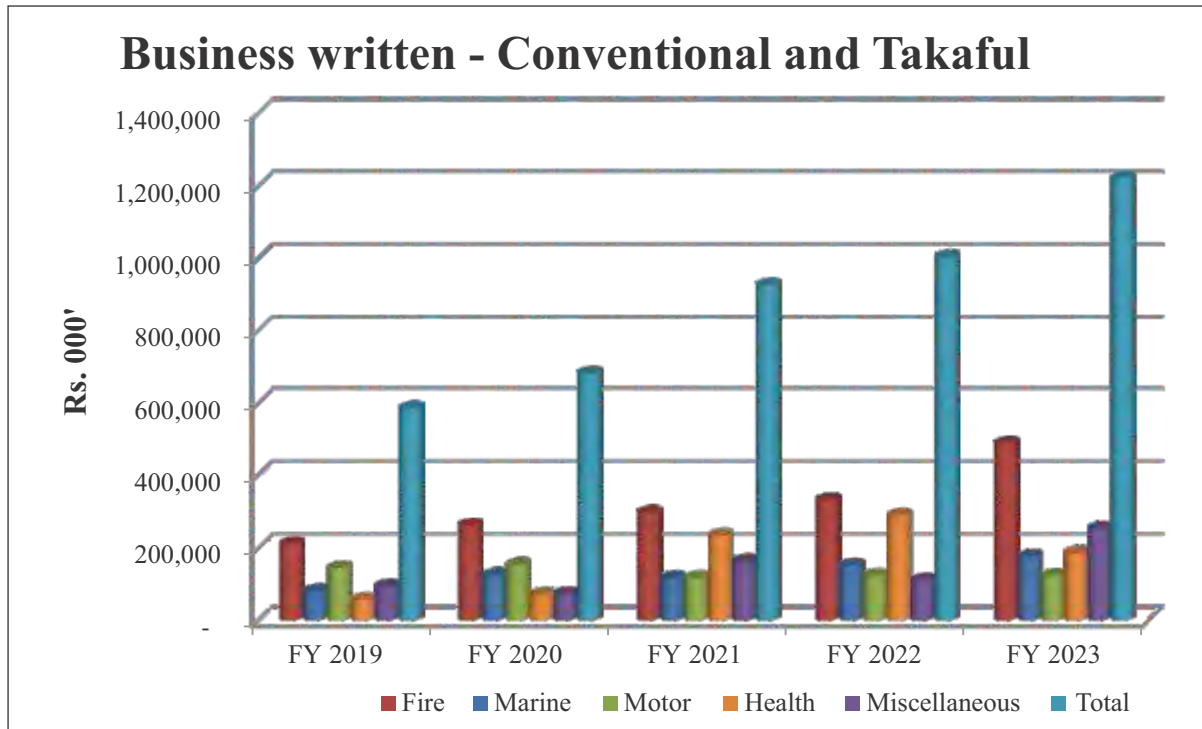
- **Miscellaneous Takaful**

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.

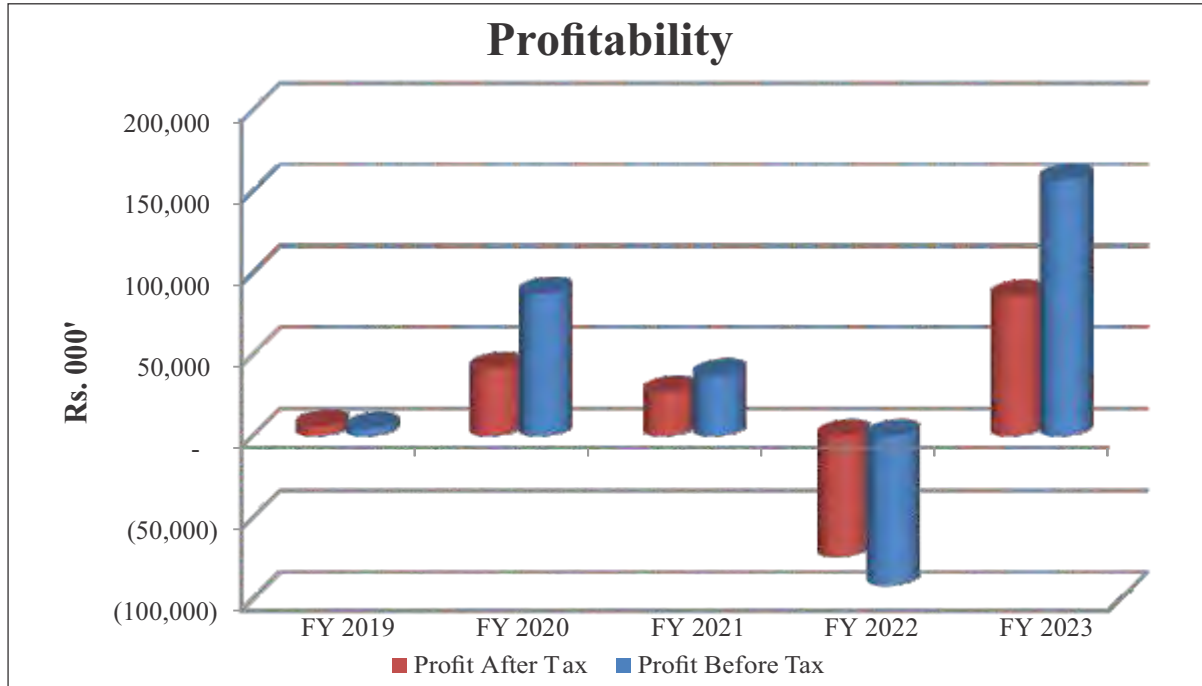
- **Health Takaful**

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)
(Rupees in Thousand)

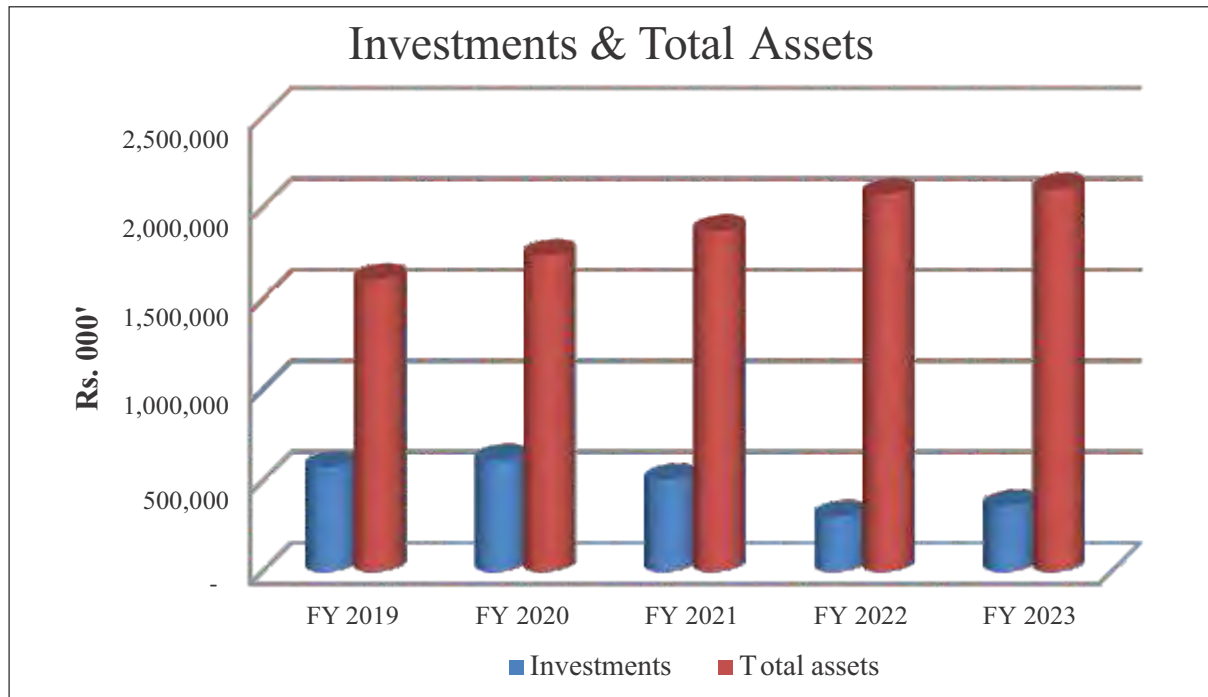


The company has sustained its premium and contribution growth for the sixth year in a row. During the current year, Company has achieved 1.35 billion rupees total Gross Written Premium and Gross Written Contribution in 2023 which depicts an increase of 22.4% as compared to last year.

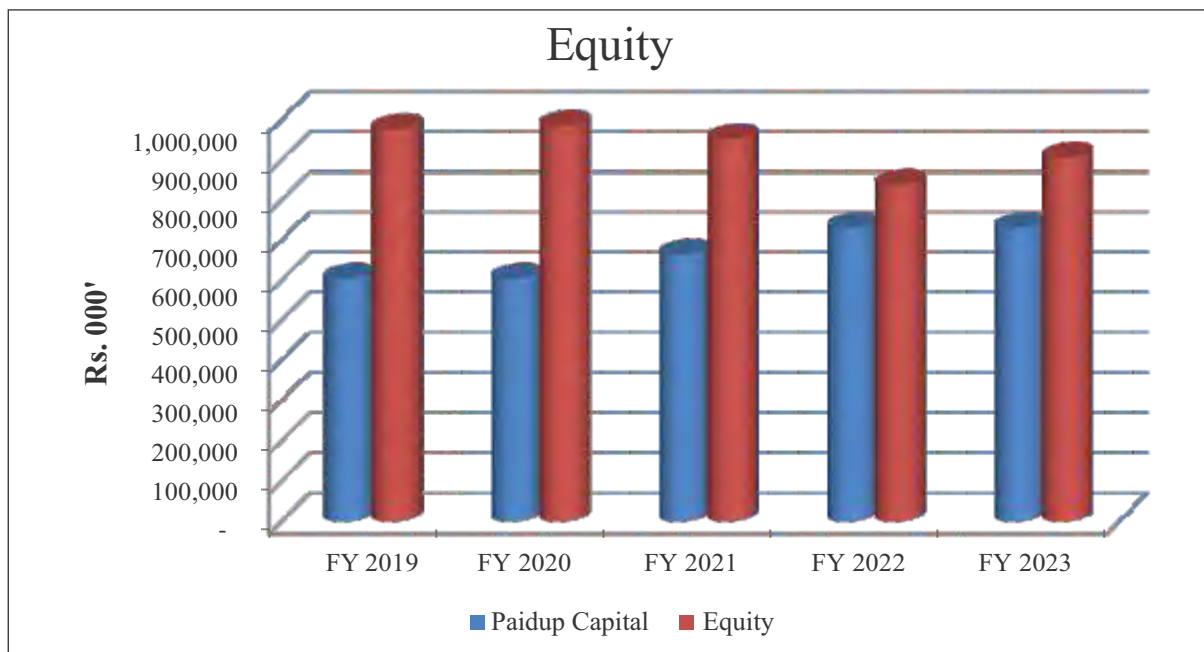


With the adverse economic indicators, the company still managed to post profit along with expansion of its branch network. The company is continuously making efforts to reduce its claim cost by focusing on the risk management process while underwriting the business.

**Financial Highlights - Performance at a glance
(Graphical Presentation)
(Rupees in Thousand)**



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 the value of shareholder's wealth the combined with a cash dividend for the financial year 2023.

Financial Highlights - Performance at a glance
(Graphical Presentation)
(Rupees in Thousand)

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

Particulars	2023	2022	2021	2020	2019
Rupees in Thousands					
CONVENTIONAL					
Paidup Capital	730,082	730,082	663,711	603,373	603,373
Total Assets	2,100,813	2,073,356	1,870,807	1,736,613	1,603,980
Equity	905,319	837,620	951,053	984,887	975,827
Cash and Bank Deposit	399,942	437,421	275,208	116,685	202,790
Gross Premium	1,219,521	1,001,553	923,509	607,062	523,656
Net Premium Revenue	827,145	735,276	593,676	471,450	437,893
Gross Claim Paid	543,533	368,589	248,575	238,051	170,907
Net Claim Expense	278,741	293,086	166,803	145,131	131,677
Under Writing Profit / (Loss)	7,272	(74,576)	6,503	(25,571)	(67,990)
Profit / (Loss) Before Tax	157,406	(91,229)	37,340	87,623	4,474
Profit / (Loss) After Tax	85,699	(73,831)	26,813	41,301	6,189
Investment Income (Loss)	53,804	(29,044)	19,259	110,631	52,855
(Loss)/Earning Per Share (Rs.)	1.17	(1.01)	0.40	0.62	0.10
TAKAFUL					
PTF					
Gross Contribution	129,284	100,408	77,339	73,003	60,120
Net Contribution Revenue	37,113	28,277	23,488	23,735	17,280
Gross Claim Paid	62,069	10,246	26,269	27,217	3,815
Net Claim Expense	49,200	28,394	25,489	23,977	12,218
Under Writing Profit / (Loss)	(15,599)	(329)	(1,904)	172	4,602
Investment Income	-	-	-	-	-
OPF					
Investment Income	12,078	2,890	2,477	3,111	1,931

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 43rd Annual General Meeting “AGM” of the members of the Asia Insurance Company Limited (the “Company”) shall be held on Monday, the April 29th, 2024, at 1:00 PM at 19 C/D, Block L, Gulberg III, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Extraordinary General Meeting held on January 09, 2024.
2. To receive, consider, and adopt the Audited Annual Accounts of the Company for the year ended December 31, 2023 together with Directors' and Auditors' report thereon.
3. To appoint M/s Ilyas Saeed & Co., Chartered Accountant as auditors of the Company and fix their remuneration for the year ending December 31, 2024.
4. To approve and declare the final cash dividend for the year ended 31 December 2023 @ Rs. 0.5 (50 Paisas) per share i.e.5% as recommended by the Board of Directors
5. To consider any other business of the Company with the permission of the Chair.

SPECIAL BUSINESS.

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

“**RESOLVED THAT** the transaction carried out by the Company with related parties in 2023, are hereby ratified, approved and confirmed.”

“**RESOLVED FURTHER THAT** the renewal of Lease Agreements regarding Ground , 4th, 5th and 6th Floors of Asia House 19, C/D Block L, Gulberg III, Lahore, with Related Parties wherein majority of directors are interested for the period of three (3) years, starting from April 1, 2024 are hereby approved”

“**RESOLVED FURTHER THAT** Chief Executive and the 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”

Lahore
April 8, 2024

By order of the Board

Shazia Hafeez
Company Secretary

NOTES:

1. The financial statements and reports have been placed on the website of the Company www.asiainsurance.com.pk
2. The Share Transfer Books of the Company will remain closed from 22-04-2024 to 29-04-2024 (both days inclusive). Transfers received to our Shares Registrar M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Model Town, Lahore, by the close of business on 21-04-2024 will be treated as being in time for the purpose and to attend the meeting.
3. 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.
4. Shareholders are required to immediately notify the company of any change to their postal addresses.
5. 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.
6. 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.
 7. 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.
 8. In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2023 through email to Shareholders whose email addresses are available with the Company's Share Registrar, M/s Corplink (Pvt.) Limited. The Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.
 9. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for "filer" and "non-filer" Shareholders at 15% and 30% respectively. A "filer" is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a "non-filer" is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all Shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Share Registrar, M/s Corplink (Pvt.) Limited, of the Company by the first day of book closure. According to the FBR, withholding tax in the case of joint accounts will be determined separately based on the "Filer/ Non-Filer" status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the

shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s Corplink (Pvt.) Limited,, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

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.

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.

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. 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.
12. The Company has furthermore made arrangements for participation of the shareholders through Video-Link. The members who are willing to attend and participate in AGM, through Video-Link are requested to register themselves by sending an email at cs@asiainsurance.com.pk with subject Registration for AGM and by providing the following particulars:

Full name of the shareholder, CNIC no. Folio/CDS no. and number of shares held. Video-Link details and login credentials will be shared with those members whose emails containing all the above particulars are received on the above mentioned email address by the close of business hours (3:00 pm) by or before April 25, 2024.

The shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM on email: at cs@asiainsurance.com.pk

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.

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

Deposit of Physical Shares into CDC Accounts:

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

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

Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on Monday 29th April 2024.

Item 6 of the Notice

The transaction carried out with related parties during the year ended December 31, 2023 are approved by the Board as recommended by the Audit Committee on quarterly basis. However, in case of lease agreements of Ground, 4th, 5th and 6th floors of the Company, the majority of directors are interested being the related parties, therefore, approval of shareholders is to be sought for such transactions, in accordance with provisions of Section 208 of the Companies Act, 2017, such transactions are being placed before the shareholders for the approval through special resolution proposed to be passed in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended December 31, 2023

Following are the details as per Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 (For the Lease Agreements regarding Ground, 4th, 5th and 6th floors of Asia House, Company's Registered office

A	Name of related parties	1. Mrs. Shiza Hassan 2. Mr. Zain ul Haq Qureshi 3. Mr. Aisam ul Haq Qureshi
B	Names of the interested or concerned persons or directors	Mr. Ihtsham ul Haq Qureshi Mrs. Nosheen Ihtsham Mrs. Shiza Hassan Mr. Zain ul Haq Qureshi
C	Nature of relationship, interest or concern	Close Relative and sibling and sons of Director
D	Detail, description, terms and conditions of transactions	Lease Agreement of Ground floor of Asia House with Mr. Aisam ul Haq Qureshi Lease Agreement of 4 th , of Asia House with Mr. Zain ul Haq Qureshi Lease Agreement with Mrs. Shiza Hassan regarding 5 th and 6 th floors of Asia House
E	Amount of transaction	Monthly Rent regarding Ground Floor : Rs.332,750/ 4 th Floor: Rs. 803,757/ Monthly Rent regarding 5 th and 6 th floors: Rs. 1,607,690/
F	Time frame or duration of the transactions or contracts or arrangements	Three years
G	Pricing policy	Arm's length
H	Recommendations of the audit committee, where applicable	Audit Committee recommended for approval of the Board
I	Any other relevant and material information that is necessary for the board to make a well informed decision regarding the approval of related party transactions	As the Board was informed vide disclosure of interest notice by the interested Directors and being related parties majority of the Directors were interested, therefore, it was resolved to take this matter for approval before the shareholders meeting, to be held on April 29, 2024.

<p>1- محترمہ شیر احسن 2- محترم زین الحق قریشی 3- محترم اعصام الحق قریشی</p>	<p>متعلقہ فریقوں کا نام</p>	<p>A</p>
<p>محترم احتشام الحق قریشی محترمہ نوشین احتشام محترمہ شیر احسن محترم زین الحق قریشی</p>	<p>دلچسپی رکھنے والے یا متعلقہ افراد یا ڈائریکٹرز کے نام</p>	<p>B</p>
<p>قریبی رشتہ دار اور بہن بھائی اور ڈائریکٹر کے بیٹے</p>	<p>رشتے کی نوعیت، دلچسپی یا تشویش</p>	<p>C</p>
<p>محترم اعصام الحق قریشی کے ساتھ ایشیا ہاؤس کی زمینی منزل کی لین دین کی تفصیلات، محترم زین الحق قریشی کے ساتھ ایشیا ہاؤس کی چوتھی منزل کے لیز کا معاہدہ محترمہ شیر احسن کے ساتھ ایشیا ہاؤس کی 5 ویں اور 6 ویں منزل کے بارے میں لیز کا معاہدہ</p>	<p>تفصیل، شرائط و ضوابط کا معاہدہ</p>	<p>D</p>
<p>زمینی منزل کے بارے میں ماہانہ کرایہ / 332,750 روپے چوتھی منزل / 803,757 روپے۔ ماہانہ کرایہ پانچویں اور چھٹی منزل کے بارے میں / 1,607,690 روپے۔</p>	<p>لین دین کی رقم</p>	<p>E</p>
<p>تین سال</p>	<p>لین دین یا معاہدوں یا انتظامات کا ٹائم فریم یا مدت</p>	<p>F</p>
<p>قربت داری سے احتیاط</p>	<p>قیمتوں کا تعین کرنے کی پالیسی</p>	<p>G</p>
<p>آڈٹ کمیٹی نے بورڈ کی منظوری کے لیے سفارش کی</p>	<p>آڈٹ کمیٹی کی سفارشات، جہاں قابل اطلاق ہو</p>	<p>H</p>
<p>چونکہ بورڈ کو دلچسپی رکھنے والے ڈائریکٹرز کی طرف سے دلچسپی کے نوٹس کے اظہار کے ذریعے مطلع کیا گیا تھا اور متعلقہ فریق ہونے کی وجہ سے ڈائریکٹرز کی اکثریت دلچسپی رکھتی تھی، اس لیے اس معاملے کو 29 اپریل 2024 کو ہونے والے شیئرز ہولڈرز کے اجلاس سے پہلے منظوری کے لیے لے جانے کا فیصلہ کیا گیا۔</p>	<p>کوئی دوسری متعلقہ اور مادی معلومات جو بورڈ کو متعلقہ فریق کے لین دین کی منظوری کے بارے میں باخبر فیصلہ کرنے کے لیے ضروری ہے۔</p>	<p>I</p>

الیکٹرانک ڈیویڈنڈ مینڈیٹ:

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے تحت، تمام لسٹڈ کمپنیوں کے لیے لازمی ہے کہ وہ اپنے شیئرز ہولڈرز کو الیکٹرانک موڈ کے ذریعے براہ راست حقدار شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیویڈنڈ ادا کریں۔ براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ وصول کرنے کے لیے، حصص یافتگان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب کیش ڈیویڈنڈ کے الیکٹرانک کریڈٹ کے لیے بینک مینڈیٹ فارم (اگر پہلے سے فراہم نہ کیا گیا ہو) کو پُر کریں، اور اسے دستخط شدہ CNIC کی ایک کاپی کے ساتھ شیئر رجسٹرار، میسجز کارپوریشن (پرائیویٹ) لمیٹڈ، وگلز آرکیڈ، K-1، ماڈل ٹاؤن، لاہور، بھیجیں۔ فریکل شیئرز کی صورت میں۔

زکوٰۃ کا اعلامیہ (CZ-50)

زکوٰۃ کو زکوٰۃ اور عشر کے قوانین کے تحت منبج منافع سے کاٹ لیا جائے گا اور مقررہ مدت کے اندر متعلقہ اٹھارٹی کے پاس جمع کرایا جائے گا۔ 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 CZ-50 کے قاعدہ 4 کے تحت اپنے زکوٰۃ کے اعلانات ہمارے شیئر رجسٹرار، شیئرز رجسٹرار میسجز کارپوریشن (پرائیویٹ) لمیٹڈ کے پاس جمع کرائیں۔ وگلز آرکیڈ، K-1، ماڈل ٹاؤن، لاہور یا سی ڈی سی میں بک انٹری سیکورٹیز کی صورت میں متعلقہ سی ڈی سی شرکاء کو شیئرز ہولڈرز کو زکوٰۃ کا اعلامیہ بھیجتے وقت کمپنی کا نام اور اپنے متعلقہ CDS A/C نمبر یا فو لیو نمبر کا حوالہ دینا چاہیے

سی ڈی سی اکاؤنٹس میں فریکل شیئرز جمع کرنا:

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق، ایکٹ، 2017 کے آغاز سے چار (4 سال کی مدت کے اندر ہر موجودہ کمپنی پر لازم ہوگا کہ وہ اپنے فریکل شیئرز کو بک انٹری فارم کے ساتھ مخصوص طریقہ کار کے مطابق تبدیل کرے جیسا کہ SECP کی طرف سے بیان کیا گیا ہے۔ فریکل شیئرز ہولڈنگ رکھنے والے شیئرز ہولڈرز اپنے فریکل شیئرز کو اسکرپٹ لیس فارم میں رکھنے کیلئے براہ راست CDC کے ساتھ کسی بھی بروکر یا انویسٹر اکاؤنٹ کے ساتھ CDC ذیلی اکاؤنٹ کھول سکتے ہیں، یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا، بشمول کسی بھی وقت حصص کی محفوظ تحویل اور فروخت۔ جب بھی وہ چاہیں کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فریکل شیئرز کی تجارت کی اجازت نہیں ہے۔

کمپنیز ایکٹ، 2017 کی دفعہ 134(3) کے تحت بیان۔

یہ بیان پیر 29 اپریل 2024 کو منعقد ہونے والی کمپنی کی سالانہ اجلاس عام میں لین دین کے لیے خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے۔

نوٹس کا آئٹم 6

31 دسمبر 2023 کو ختم ہونے والے سال کے دوران متعلقہ فریقوں کے ساتھ کیے گئے لین دین کو سہ ماہی بنیادوں پر آڈٹ کمیٹی کی سفارش کے مطابق بورڈ نے منظور کیا ہے۔ تاہم، کمپنی کے زمینی، چوتھے، پانچویں اور چھٹے فلور کے لیز کے معاہدوں کی صورت میں، ڈائریکٹرز کی اکثریت متعلقہ فریق ہونے کی وجہ سے دلچسپی رکھتی ہے، اس لیے سیکشن کی دفعات کے مطابق اس طرح کے لین دین کے لیے شیئرز ہولڈرز کی منظوری لی جانی چاہیے۔ کمپنیز ایکٹ 2017 کے سیکشن 208 کے تحت اس طرح کے لین دین کو سالانہ اجلاس عام میں منظور کرنے کی تجویز کردہ خصوصی قرارداد کے ذریعے منظوری کے لیے شیئرز ہولڈرز کے سامنے رکھا جا رہا ہے۔ متعلقہ فریقوں کے ساتھ تمام لین دین کی توثیق کی جائے گی، ان کا انکشاف 31 دسمبر 2023 کو ختم ہونے والے سال کے مالیاتی گوشواروں میں کیا گیا ہے۔ کمپنیز (متعلقہ پارٹی لین دین اور متعلقہ ریکارڈ کی دیکھ بھال) کے ضوابط، 2018 کے مطابق تفصیلات درج ذیل ہیں۔ (ایشیا ہاؤس کمپنی کے رجسٹرڈ آفس کی زمینی، چوتھی، پانچویں اور چھٹی منزل سے متعلق لیز کے معاہدوں کے لیے)

8- ایکٹ کے سیکشن 223(6) کی تعمیل میں کمپنی نے سالانہ رپورٹ 2023 کو الیکٹرانک طور پر ای میل کے ذریعے شیئرز ہولڈرز کو منتقل کر دیا ہے جن کے ای میل ایڈریس کمپنی کے شیئرز رجسٹرار، میسرز کارپلنک (پرائیویٹ) لمیٹڈ کے پاس دستیاب ہیں۔ کمپنی کسی بھی رکن کو ان کے مطالبے پر سالانہ رپورٹ کی ہارڈ کاپیاں، ان کے رجسٹرڈ پتے پر، ایسی درخواست موصول ہونے کے ایک ہفتے کے اندر مفت فراہم کرے گی۔

9- انکم ٹیکس آرڈیننس، 2001 کے پہلے شیڈول کے حصہ III کے ڈویژن I کے ساتھ پڑھے گئے سیکشن 150 کی تعمیل میں، ڈیویڈنڈ کی آمدنی پر وہ ہولڈنگ ٹیکس "فائلر" اور "نان فائلر" شیئرز ہولڈرز کے لیے 15% اور 30% بالترتیب کا ٹیکس لگایا جائے گا۔ ایک "فائلر" ایک ٹیکس دہندہ ہے جس کا نام ایف بی آر کی طرف سے وقتاً فوقتاً جاری کردہ ایکٹو ٹیکس پیپرز لسٹ (ATL) میں ظاہر ہوتا ہے اور "نان فائلر" فائلر کے علاوہ کوئی دوسرا شخص ہوتا ہے۔ کمپنی کو فائلرز کے لیے 15% ٹیکس دہولڈ کرنے کے قابل بنانے کے لیے، تمام شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام FBR کی ویب سائٹ پر تازہ ترین دستیاب ATL میں ظاہر ہوں، بصورت دیگر نان فائلرز کے لیے ان کے کیش ڈیویڈنڈ پر 30% ٹیکس لگایا جائے گا۔ ڈیویڈنڈ آمدنی سے وہ ہولڈنگ ٹیکس اسٹیٹی کی اجازت صرف اس صورت میں دی جائے گی جب ایک درست ٹیکس اسٹیٹی سرٹیفکیٹ کی ایک کاپی کمپنی کے شیئرز رجسٹرار، میسرز کارپلنک (پرائیویٹ) لمیٹڈ کو بک بند ہونے کے پہلے دن تک فراہم کر دی جائے۔ ایف بی آر کے مطابق مشترکہ کھاتوں کی صورت میں وہ ہولڈنگ ٹیکس کا تعین پر نسیل شیئرز ہولڈرز کے "فائلر/نان فائلر" اسٹیٹس کے ساتھ ساتھ جوائنٹ ہولڈرز کے اسٹیٹس کی بنیاد پر ان کے شیئرز ہولڈنگ کے تناسب کی بنیاد پر کیا جائے گا۔ مشترکہ شیئرز ہولڈرز کے ساتھ شیئرز رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ پر نسیل شیئرز ہولڈرز اور جوائنٹ ہولڈرز کے شیئرز ہولڈنگ کا تناسب ہمارے شیئرز رجسٹرار

M/s Corplink (Pvt.) Limited، کو تحریری طور پر فراہم کریں۔ اگر ہمارے رجسٹرار کو مطلوبہ معلومات فراہم نہیں کی جاتی ہیں تو یہ فرض کیا جائے گا کہ حصص پر نسیل شیئرز ہولڈرز اور جوائنٹ ہولڈرز (ز) کے برابر تناسب میں رکھے گئے ہیں۔

کسی بھی سوال/مسئلہ/معلومات کے لیے، سرمایہ کار کمپنی اور/یا شیئرز رجسٹرار سے درج ذیل فون نمبرز اور ای میل ایڈریس پر رابطہ کر سکتے ہیں۔ کمپنی سکرپیٹری کا رابطہ نمبر 042-35865574-78 اور ای میل (جیسا کہ اوپر دیا گیا ہے) اور شیئرز رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ کے رابطہ نمبر ہیں، (042) 35916714، 35839182 اور ای میل، 35916719، 35839182:corplink786@gmail.com/shares@corplink.com.pk

سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئرز ہولڈرز کو اپنے متعلقہ شرکاء کے ساتھ اپنا نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کرنا ہوگا، جب کہ کارپوریٹ فزیکل شیئرز ہولڈرز کو اپنے NTN سرٹیفکیٹ کی ایک کاپی کمپنی یا اس کے شیئرز رجسٹرار کو بھیجی ہوگی۔ شیئرز ہولڈرز کو NTN یا NTN سرٹیفکیٹ بھیجنے وقت، جیسا کہ معاملہ ہو، کمپنی کا نام اور ان کے متعلقہ فون نمبرز کا حوالہ دینا چاہیے۔

10- اراکین کمپنیز ایکٹ، 2017 کے سیکشن 145-143 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے قابل اطلاق شقوق کے تحت تقاضوں کو پورا کرنے کے لیے رائے شماری کا مطالبہ کرنے کا اپنا حق استعمال کر سکتے ہیں۔

11- ایکٹ کے سیکشن 244 کی تعمیل میں، کمپنی نے اپنی ویب سائٹ پر غیر دعویٰ شدہ ڈیویڈنڈ کی تفصیلات اپ لوڈ کیں اور ای-سروسز پورٹل کے ذریعے کمیشن کو ایک بیان جمع کرایا، جس میں ڈیویڈنڈ کی رقم بتائی گئی، جو کہ واجب الادا ہونے کی تاریخ سے 3 سال کی مدت تک غیر دعویٰ در رہی۔

12- مزید یہ کہ کمپنی نے ویڈیولنک کے ذریعے شیئرز ہولڈرز کی شرکت کے لیے انتظامات کیے ہیں۔ ویڈیولنک کے ذریعے جو ممبران AGM میں شمولیت اور شرکت کے خواہشمند ہیں ان سے درخواست کی جاتی ہے کہ وہ cs@asiainsurance.com.pk پر ای میل بھیج کر AGM کے لیے سبیکٹ رجسٹریشن اور درج ذیل تفصیلات فراہم کر کے اپنے آپ کو رجسٹر کرائیں۔

شیئرز ہولڈرز کا پورا نام، CNIC نمبر، فوٹو/سی ڈی ایس نمبر اور منعقدہ حصص کی تعداد، ویڈیولنک کی تفصیلات اور لاگ ان کی اسناد ان ممبران کے ساتھ شیئرز کی جائیں گی جن کی ای میل تمام تفصیلات پر مشتمل مذکورہ بالا ای میل ایڈریس پر 25 اپریل 2024 یا اس سے پہلے کاروباری اوقات کے اختتام پر (00:03 بجے) تک موصول ہوگی۔ حصص یافتگان AGM کے مجوزہ ایجنڈا آئٹمز کے لیے اپنے تبصرے/مشورے ای میل cs@asiainsurance.com.pk پر بھیج دے سکتے ہیں۔

نوٹس:

- 1- مالیاتی بیانات اور رپورٹس کمپنی کی ویب سائٹ www.asiainsurance.com.pk پر پیش کردی گئی ہیں۔
- 2- کمپنی کی حصص کی منتقلی کی کتابیں 22-04-2024 سے 29-04-2024 تک (دونوں دن سمیت) بند رہیں گی۔ ہمارے شیئرز رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، ماڈل ٹاؤن، لاہور کو 21-04-2024 کو دفتری اوقات کے اختتام تک موصول ہونے والی منتقلی کو مقصد اور اجلاس میں شرکت کے لیے وقت پر سمجھا جائے گا۔
- 3- اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر کسی دوسرے ممبر کو اجلاس میں شرکت کے لیے اپنا پراکسی مقرر کر سکتا ہے اور اس کی جگہ ووٹ دے سکتا ہے۔ پراکسیوں کی تقرری کرنے والے اختیار مؤثر ہونے کے لیے، اجلاس سے کم از کم 48 گھنٹے پہلے صحیح طریقے سے دستخط شدہ/نوٹرائزڈ تصدیق شدہ کاپی کے ساتھ کمپنی کے رجسٹرڈ آفس پہنچانا چاہیے، جیسا بھی معاملہ ہو۔
- 4- شیئرز ہولڈرز کو اپنے پوسٹل پتہ میں کسی بھی تبدیلی کا کمپنی کو فوری طور پر مطلع کرنا چاہیے۔
- 5- CDC اکاؤنٹ ہولڈرز کو سرکلر 1، مورخہ 26 جنوری 2000 (پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کے ذریعہ جاری کردہ) میں فراہم کردہ رہنما خطوط پر عمل کرنے کی ضرورت ہے۔

میٹنگ میں شرکت

- i- افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کا وقت اپنا اصل CNIC یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔
- ii- کارپوریٹ اداروں کے معاملے میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی میں نامزد شخص کے دستخط کے ساتھ (CNIC کے ساتھ) پیش کرنا ہونگے۔

پراکسیوں کا تقرر

- i- فرد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، پراکسی فارم جمع کرائے گا جیسا کہ اوپر دیا گیا ہے۔
- ii- پراکسی فارم کی گواہی دو افراد دیں گے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔
- iii- CNIC کی تصدیق شدہ کاپیاں یا مستفید مالکان کے پاسپورٹ اور پراکسی کو پراکسی فارم کے ساتھ پیش کیا جائے گا۔
- iv- پراکسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔
- v- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نمونہ کے دستخط کے ساتھ (اور نامزد شخص کے CNIC کی تصدیق شدہ کاپی) کمپنی کو پراکسی فارم کے ساتھ جمع کرائی جائے گی۔
- 6- اراکین سے درخواست کی جاتی ہے کہ سی ڈی سی میں بک انٹری سیکورٹیز کی صورت میں متعلقہ سی ڈی سی شرکاء کو اور فزیکل شیئرز کی صورت میں کمپنی کے شیئرز رجسٹرار کو درج ذیل کو مطلع کریں/جمع کرائیں، اگر پہلے مطلع/فراہم نہ کیا گیا ہو:

a ان کے پتہ میں تبدیلی

b- فرد کیلئے CNIC اور فرد اور کارپوریٹ اداروں دونوں کیلئے NTN کی درست اور قابل مطالعہ فوٹو کاپیاں۔

- 7- شہر میں رہائش پذیر 10% یا اس سے زیادہ شیئرز ہولڈنگ والے ممبران اجلاس میں شرکت کے لیے ایکٹ کے سیکشن 134(1)(b) کے تحت ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں۔ ایسے اراکین کی رضامندی میٹنگ سے کم از کم 10 دن پہلے کمپنی کے رجسٹرڈ آفس میں پہنچنی چاہیے۔

نوٹس برائے سالانہ اجلاس عام

سالانہ اجلاس عام کانٹس

نوٹس ہذا سے مطلع کیا جاتا ہے کہ ایشیا انشورنس کمپنی لمیٹڈ ("کمپنی") کے اراکین کا 43 واں سالانہ اجلاس عام "AGM" بروز پیر 29 اپریل 2024 کو دوپہر 00:01 بجے 19، D/C، بلاک L، گلبرگ III، لاہور، پر درج ذیل امور کے لیے منعقد ہوگا۔

عمومی امور:

- 1 - 09 جنوری 2024 کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2 - ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کی پوزیشن کا سالانہ جائزہ لیا جانا اور اپنانا۔
- 3 - میسرز الیاس سعید اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کے طور پر مقرر کرنا اور 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے ان کا معاوضہ طے کرنا۔
- 4 - 31 دسمبر 2023 کو ختم ہونے والے سال کیلئے حتمی نقد منافع کی منظوری اور اعلان کرنے کے لیے @0.5 روپے (50 پیسے) فی شیئر یعنی 5% جیسا کہ بورڈ آف ڈائریکٹرز نے تجویز کیا ہے
- 5 - چیئر کی اجازت سے کمپنی کے دیگر امور کو زیر غور لانا۔

خصوصی کاروبار

- 6 - غور کرنے کے لیے اور، اگر مناسب ہو تو، ترمیم کے ساتھ یا اس کے بغیر، مندرجہ ذیل قرارداد کو خصوصی قرارداد کے طور پر پاس کریں:
"قرارداد 2023 میں متعلقہ فریقوں کے ساتھ کمپنی کی طرف سے کی گئی لین دین، کی توثیق، منظوری اور تصدیق کی جائے گی۔"
مزید یہ قرارداد کیا کہ ایشیا بلاک D/C، 19، گلبرگ III، لاہور کی زمینی، چوتھی، پانچویں اور چھٹی منزل کے بارے میں لیز کے معاہدوں کی تجدید متعلقہ فریقوں کے ساتھ کی جائے گی جہاں ڈائریکٹرز کی اکثریت یکم اپریل 2024 سے شروع ہونے والے (3) تین سال کی مدت کے لیے دلچسپی رکھتی ہے۔ اس کی منظوری دی جائیگی۔

منجانب بورڈ آف ڈائریکٹرز

لاہور

8 اپریل، 2024ء

شازیہ حفیظ
کمپنی سیکریٹری

Directors' Report

For the year ended December 31, 2023

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, 2023.

The Director’s 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 43rd Annual General Meeting of the Company to be held on 29 April, 2024.

State of Company’s Affairs and Business Overview

Pakistan faced the worst economic crisis in the year 2023. Pakistan is experiencing significant economic and political challenges, which had an adverse impact on it. These challenges include low foreign reserve levels, high foreign exchange rates, high inflation rates, high interest rates, and high fuel and energy prices. However, despite these difficulties, a recent development on the economic front offers a glimmer of hope.

Pakistan's economy has set the growth momentum since the last quarter of 2023, evident through a notable upturn in various economic indicators. Pakistan's total liquid foreign exchange reserves increased to \$ 13.2 billion on September 26, 2023.

The management of your Company closely monitors the situation and develops and implements mitigating strategies to minimize the impact on its operational and financial performance. Under these circumstances, the performance of the Company remained adversely affected in the start of the year 2023 however, in the third quarter, the Company’s performance picked up and despite such difficult economic situation and uncertainty your Company has been able to perform remarkably well. The Company posted a Profit before tax of Rs.157.41 Million.

Window Takaful Operations

The written contribution for the year was Rs.129.29 million; while net contribution revenue was Rs.37.11 million. Participants' Takaful Fund Contribution Deficit for the year was Rs.3.22 million and profit from Operator's Funds (for shareholders) for the year was Rs.35.15 million.

Financial Results

Following is the overall performance of the Company for the year ended December 31, 2023.

	2023	2022
Gross Premium	1,219,521,663	1,001,553,258
(Loss)/Profit for the year before tax	157,406,936	(91,229,364)
<u>Taxation:</u>		
Current	34,301,391	(10,311,313)
Deferred	46,597,145	27,877,796
Prior Year	(9,190,8960)	(168,517)
	71,707,640	17,397,966
Profit (Loss) for the year after tax	85,699,296	(73,831,398)
Un-appropriated profit brought forward	35,120,307	148,862,774
Qard-e-Hasna	(18,000,000)	(20,000,000)
Final Dividend Paid	0	(19,911,339)
Un-appropriated profit carried forward	102,819,333	35,120,037

Dividend

Your Directors recommended to pay final cash dividend for the year ended 31 December 2023 @ Rs. 0.5 (50 paisas) per share i.e.5%.

Earnings per Share

(Loss)/ Earnings per share is Rs.1.17.

(Loss)/ Earnings per share shows increase of 2.19 per share as compared to the last year.

Board of Directors:

The Board consists of seven individuals having the knowledge, skill and experience required to provide oversight and strategic guidelines to the Company. All the Directors, except the CEO, are non-executive directors, including two who are also Independent Directors, and one of them is a female Director. None of the Directors on the Board is Director of more than seven (7) listed companies including this Company. All the Directors represent diverse fields / professions and possess all the necessary skills and understanding to deal with various business issues and have the ability to review management performance. The Composition of the Board is as follows:

Category	Names
a) Independent Directors	Mr. Syed Murtaza Hasnain Nadir Mr. Hassan Ahmed Khan
b) Other Non-Executive Directors	Mr. Ihtsham ul Haq Qureshi (Chairman) Mr. Khawaja Suhail Iftikhar Mrs. Nosheen Ihtsham (Female Director) Mr. Thibaud Ponchon (Nominee Director)
c) Executive Directors	Mr. Zain ul Haq Qureshi (CEO)

Casual Vacancy on Board:

Mr. Nauman Kramat Dar resigned from the Board of the Company with effect from 23 August, 2023. Mr. Syed Murtaza Hasnain Nadir has been appointed as an Independent Director on the Board of the Company, on the casual vacancy on 22 November 2023, which occurred due to the resignation of Mr. Nauman Kramat Dar with effect from 23 August, 2023.

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 25 August, 2023. 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
Ms. Rafia Ashraf	Member	4	1
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. Ihtsham ul Haq Qureshi	Member	4	4
Mr. Shahbaz Hameed	Secretary	4	4

Investment 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. Hassan Ahmed Khan	Member	4	4
Ms. Rafia Ashraf	Secretary	4	1

Audit Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Hassan Ahmed Khan	Chairman	5	5
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, 2023 Rupees	December 31, 2022 Rupees
Investment	55,128,036	45,593,404

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.

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 26th May, 2023 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.

Corporate Social Responsibility

Your company fully understands its corporate responsibility towards the society by providing equal Employment opportunities for persons with disabilities and financial support to its deserving employees, contributing considerable amount to the national exchequer, applying solution for energy conservation and environment protection.

We strongly believe in maintaining the highest standards in health, safety and environment to ensure the well-being of the people who work with us as well as of the communities where we operate.

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

Corporate and Financial Reporting Framework

- (a) 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,
- (b) Proper books of accounts have been maintained by the Company,
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments,
- (d) 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,
- (e) The system of internal control is sound in design and has been effectively implemented and monitored,
- (f) There are no significant doubts upon the Company's ability to continue as a going concern,
- (g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations,
- (h) The key operating and financial data for the last six years is annexed,
- (i) The value of investments of provident fund based on their audited accounts as on December 31, 2023 was Rs. 55,128,036.
- (j) The statement of pattern of shareholding in the Company as at 31 December 2023 is included with the Report.

Key Financial Data

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

Particulars	2023	2022	2021	2020	2019
Rupees in Thousands					
CONVENTIONAL					
Paidup Capital	730,082	730,082	663,711	603,373	603,373
Total Assets	2,100,813	2,073,356	1,870,807	1,736,613	1,603,980
Equity	905,319	837,620	951,053	984,887	975,827
Cash and Bank Deposit	399,942	437,421	275,208	116,685	202,790
Gross Premium	1,219,521	1,001,553	923,509	607,062	523,656
Net Premium Revenue	827,145	735,276	593,676	471,450	437,893
Gross Claim Paid	543,533	368,589	248,575	238,051	170,907
Net Claim Expense	278,741	293,086	166,803	145,131	131,677
Under Writing Profit / (Loss)	7,272	(74,576)	6,503	(25,571)	(67,990)
Profit / (Loss) Before Tax	157,406	(91,229)	37,340	87,623	4,474
Profit / (Loss) After Tax	85,699	(73,831)	26,813	41,301	6,189
Investment Income (Loss)	53,804	(29,044)	19,259	110,631	52,855
(Loss)/Earning Per Share (Rs.)	1.17	(1.01)	0.40	0.62	0.10
TAKAFUL					
PTF					
Gross Contribution	129,284	100,408	77,339	73,003	60,120
Net Contribution Revenue	37,113	28,277	23,488	23,735	17,280
Gross Claim Paid	62,069	10,246	26,269	27,217	3,815
Net Claim Expense	49,200	28,394	25,489	23,977	12,218
Under Writing Profit / (Loss)	(15,599)	(329)	(1,904)	172	4,602
Investment Income	-	-	-	-	-
OPF					
Investment Income	12,078	2,890	2,477	3,111	1,931

Board Meetings

During the year ended December 31, 2023 following meetings of the Board of Directors were held and attended by the Directors as below:

Name of Directors	Meetings Held	Meetings Attended
Mr. Ihtisham ul Haq Qureshi	4	4
Mr. Khawaja Suhail Iftikhar	4	3
Mr. Zain ul Haq Qureshi	4	4
Mr. Thibaud Ponchon	4	4
Mrs. Nosheen Ihtsham	4	4
Mr. Hassan Ahmad Khan	4	3
Mr. Nouman Karamat Dar (resigned on 23-08-2023)	4	1
Mr. Murtaza Hasnain Nadir (appointed on casual vacancy on 22-11-2023)	4	0

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

Internal Audit:

The Company has an independent Internal Audit function. The Audit Committee reviews the appropriateness and authority of this function on a quarterly basis. The Head of Internal Audit functionally reports to the Audit Committee. The Audit Committee approves the audit plan, based on an annual and quarterly assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports the findings to the Audit Committee.

External Auditors:

The present Auditors M/s. BDO Ebrahim & Co. Chartered Accountants, shall retire on the conclusion of 43rd Annual General Meeting and as they have completed their 5 year term and will not be re-appointed.

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

The World Bank projected Pakistan's economic growth at 1.7% for the ongoing fiscal year 2023-24 and 2.4% in FY 2024-25, an inspiring recovery from -0.2% in the previous fiscal year.

In November 2023, the Pakistan Stock Exchange (PSX) showcased outstanding performance. The sustained rise in the PSX index over the past five months indicates an improvement in the overall health of the economy and signals a positive economic outlook for the ongoing fiscal year.

Asia Insurance, being a dynamic organization that has demonstrated its resilience and determination to grow and thrive, overcoming multiple challenges over the years, is committed to bringing quality products to market while providing the best service at the lowest cost.

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

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, 2023

No. of Shareholders	Shareholdings		Total shares held
	From	To	
79	1	100	845
9	101	500	1,877
9	501	1,000	6,773
8	1,001	5,000	22,784
1	40,001	45,000	40,055
1	100,001	105,000	101,728
1	435,001	440,000	438,340
1	990,001	995,000	993,654
1	1,015,001	1,020,000	1,017,288
1	2,135,001	2,140,000	2,138,251
1	2,770,001	2,775,000	2,773,485
1	18,555,001	18,560,000	18,558,243
1	46,910,001	46,915,000	46,914,920
114			73,008,243

Categories of shareholders	Holding	%age
Directors, Chief Executive Officer, and their spouse and minor children	49,501,743	67.8030%
Insurance Companies	40,055	0.0549%
Shareholders holding 10% or more	65,473,163	89.6791%
General Public		
- Local	3,913,943	5.3609%
- Foreign	-	-
Joint Stock Companies	605	0.0008%
Government Holding	993,654	1.3610%
Foreign Companies	18,558,243	25.4194%

Directors, CEO, their Spouses and Minor Children

Sr. No.	Name	Holding	%age
1	MR. IHTSHAM UL HAQ QURESHI	46,914,920	64.2598%
2	MRS. NOSHEEN IHTSHAM	438,340	0.6004%
3	MR. ZAIN UL HAQ QURESHI	2,142,031	2.9340%
4	KHAWAJA SUHAIL IFTIKHAR	2,000	0.0027%
5	MR. THIBAUD PONCHON	-	0.0000%
6	MR. HASSAN AHMAD KHAN	1,334	0.0018%
7	MR. SYED MURTAZA HASNAIN NADIR	2	0.0000%
8	MRS. SHIZA HASSAN	3,116	0.0043%
		49,501,743	67.8030%

PATTERN OF SHAREHOLDING AS ON DECEMBER 31, 2023

Insurance Companies

Sr. No.	Name	Holding	%age
1	Pakistan Reinsurance Company Limited	40,055	0.0549%

Government Holding

Sr. No.	Name	Holding	%age
1	Federal Board of Revenue	993,654	1.3610%

Foreign Companies

Sr. No.	Name	Holding	%age
1	Insuresilience Investment Fund	18,558,243	25.4194%

Joint Stock Companies

Sr. No.	Name	Holding	%age
1	Sarfaraz Mahmood (Private) Ltd	605	0.0008%

General Public

Sr. No.	Name	Holding	%age
1	Shares held by the General Public - Local	3,913,943	5.3609%

Shareholders Holding 10% or More of Total Capital

Sr. No.	Name	Holding	%age
1	Mr. Ihtsham ul Haq Qureshi	46,914,920	64.2598%
2	InsuResilience Investment Fund	18,558,243	25.4194%
		65,473,163	89.6791%

Shareholders Holding 5% or More of Total Capital

Sr. No.	Name	Holding	%age
1	Mr. Ihtsham ul Haq Qureshi	46,914,920	64.2598%
2	InsuResilience Investment Fund	18,558,243	25.4194%
		65,473,163	89.6791%

During the financial year there has been no trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses minor children.

اسٹیک ہولڈرز کے ساتھ کمپنی کے تعلقات

متعدد اسٹیک ہولڈرز خصوصاً ریگولیٹری اتھارٹی یعنی سیکورٹیز 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

عالمی بینک نے آئندہ مالیاتی سال 2023-24 اور مالیاتی سال 2024-25 کے لئے پاکستان کی معاشی نمو بالترتیب %1.7 اور %2.4 ہونے کا اشارہ دیا ہے۔ جو گذشتہ مالیاتی سال کی %0.2- شرح نمو کی نسبت انتہائی خوش کن ہے۔

نومبر 2023ء میں، پاکستان اسٹاک ایکسچینج (PSX) نے عمدہ ترین کارکردگی دکھائی۔ گذشتہ پانچ مہینوں پر محیط PSX انڈیکس میں مسلسل بلندی کا رجحان معیشت کی مجموعی صورتحال میں بہتری کا اشارہ دیتا ہے اور آئندہ برسوں کے لئے مثبت معاشی منظر نامے کو ظاہر کرتا ہے۔

ایشیا انشورنس بطور مربوط ادارہ نے ترقی اور نمو کے لئے اپنے بھرپور عزم کا اعادہ کیا ہے اور سالوں پر محیط کثیر مسائل سے نبرد آزما ہونے کے لئے پرامید ہے۔ مزید برآں، کمپنی منڈی میں معیاری پروڈکٹس متعارف کرانے اور کم لاگت خدمات فراہم کرنے کے لئے کوشاں ہے۔

البتہ کمپنی پر بیمہ کی بابت اپنی ترقی کی رفتار پر بھرپور توجہ دے رہی ہے اور اسی اثنا میں کمپنی معیاری منافع پیش کرنے کے لئے بھی برسرِ پیکار ہے۔

پیٹرن آف شیئر ہولڈنگ رپورٹ کے ساتھ منسلک ہے۔

ہم مسلسل حوصلہ افزائی اور حمایت کے لئے اپنے معزز صارفین اور معاونت اور رہنمائی کے لئے پاکستان ری انشورنس کمپنی لمیٹڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کا تہ دل سے شکر یہ 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 ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

بورڈ اجلاس

31 دسمبر 2023ء 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 ڈائریکٹرز	منعقدہ اجلاس	اجلاس میں حاضری
محترم احتشام الحق قریشی	4	4
محترم خواجہ سہیل افتخار	4	3
محترم زین الحق قریشی	4	4
محترم تھیبو پونجو	4	4
محترمہ نوشین احتشام	4	4
محترم حسن احمد خان	4	3
محترم نعمان کرامت ڈار (23-08-2023 کو مستعفی ہوئے)	4	1
محترم مرتضیٰ حسنین نادور (بتقرر بطور عارضی نشست مؤرخہ 22-11-2023)	4	0

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

انٹرنل آڈٹ

کمپنی کا ایک خود مختار انٹرنل آڈٹ فنکشن ہے۔ آڈٹ کمیٹی سہ ماہی بنیادوں پر اس فنکشن کی موزونیت اور اتھارٹی کا جائزہ لیتی ہے۔ انٹرنل آڈٹ کے عمل کا سربراہ آڈٹ کمیٹی کو جواب دہ ہوتا ہے۔ آڈٹ کمیٹی آپریٹنگ مقامات کے سالانہ اور سہ ماہی جائزہ کی بنیاد پر آڈٹ پلان کی منظوری دیتی ہے۔ انٹرنل آڈٹ فنکشن مالیاتی، آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لیتا ہے اور نتائج سے متعلق آڈٹ کمیٹی کو رپورٹ کرتا ہے۔

بیرونی آڈیٹرز

حالیہ آڈیٹرز میسرز BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس 43 ویں سالانہ اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔ چونکہ انہوں نے پانچ سال کی میعاد مکمل کر لی ہے لہذا ان کی دوبارہ تقرری نہیں ہو سکتی۔

اہم مالیاتی اعداد و شمار

گذشتہ 5 برس کے لئے اہم آپریشنل اور مالیاتی اعداد و شمار حسب ذیل ہیں:

تفصیلات	2019ء	2020ء	2021ء	2022ء	2023ء
روپے ہزاروں میں					
روایتی					
اداشدہ سرمایہ	603,373	603,373	663,711	730,082	730,082
کل اثاثہ جات	1,603,980	1,736,613	1,870,807	2,073,356	2,100,813
ایکویٹی	975,827	984,887	951,363	837,620	905,319
کیش اور بینک ڈیپازٹس	202,790	116,685	275,208	437,421	399,942
مجموعی پریمیم	523,656	607,062	923,509	1,001,553	1,219,521
خالص پریمیم ریونیو	437,893	471,450	593,676	735,276	827,145
مجموعی اداشدہ کلیم	170,907	238,051	248,575	368,589	543,533
نیٹ کلیم اخراجات	131,677	145,131	166,803	293,086	278,741
انڈر رائٹنگ نفع / (نقصان)	(67,990)	(25,571)	6,503	(74,575)	7,272
نفع / (نقصان) بمعہ ٹیکس	4,474	87,623	37,340	(91,229)	157,406
نفع / (نقصان) علاوہ ٹیکس	6,189	41,301	26,813	(73,831)	85,699
انویسٹمنٹ آمدنی / (خسارہ)	52,855	110,631	19,259	(29,044)	53,804
فی حصص آمدنی (روپے)	0.10	0.62	0.40	(1.01)	1.17
مکافل					
PTF					
مجموعی شراکت	60,120	73,003	77,339	100,408	129,284
شراکت پر خالص آمدنی	17,280	27,735	23,488	28,277	37,113
مجموعی اداشدہ کلیم	3,815	27,217	26,269	10,246	62,069
خالص کلیم اخراجات	12,218	23,977	25,489	28,394	49,200
انڈر رائٹنگ نفع / (نقصان)	4,602	172	(1,904)	(329)	(15,599)
سرمایہ داری آمدنی	-	-	-	-	-
OPF					
انویسٹمنٹ آمدنی	1,931	3,111	2,477	2,890	12,078

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 و 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) گذشتہ چھ برس کا اہم آپریشننگ اور مالیاتی ڈیٹا لف ہذا ہے۔

(i) 31 دسمبر 2023ء کو پڑتا ل شدہ کھاتوں کی بنیاد پر پراویڈنٹ فنڈ کی سرمایہ داری کی مالیت 55,128,036 روپے تھی۔

(j) 31 دسمبر 2023ء کو کمپنی کے شیئر ہولڈنگ کے پیٹرن کا بیان رپورٹ ہذا میں شامل ہے۔

کمپنی انڈر رائٹنگ حکمت عملی، مناسب ری انشورنس انتظامات اور کلیمز کی بروقت ہینڈلنگ 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 شمار 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۔

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۔

کارپوریٹ بریفنگ سیشن

پاکستان اسٹاک ایکسچینج کے معیارات کی پیروی میں شیئر ہولڈرز اور تجزیہ کاروں کے لئے 26 مئی 2023ء 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 کرنا ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

ریگولیٹری اتھارٹیز 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۔

کاروباری سماجی ذمہ داری

آپ کی کمپنی معذور افراد کے لئے مساوی ملازمتی مواقع فراہم کر کے اور مستحق ملازمین کو مالیاتی سپورٹ دے کر معاشرے کی جانب اپنی کاروباری ذمہ داری سے بخوبی آگاہ ہے اور قومی خزانے میں خاطر خواہ رقوم جمع کر رہی ہے اور توانائی کی بچت اور ماحولیاتی تحفظ کے لئے بھی حل پیش کر رہی ہے۔

ہم صحت، حفاظت اور ماحولیات کے بلند ترین معیار کو برقرار رکھنے پر قوی یقین رکھتے ہیں تاکہ ہمارے ساتھ کام کرنے والے لوگوں کے ساتھ ساتھ گردنواح میں مقیم افراد کی خوشحالی کو یقینی بنایا جاسکے۔

آڈٹ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
محترم حسن احمد خان	چیئرمین	5	5
محترم تھیبو پونجو	رکن	5	5
محترم خواجہ سہیل افتخار	رکن	5	5
محترم افتخار احمد	سیکرٹری	5	4

برانچ نیٹ ورک

آپ کی کمپنی اس حقیقت سے مکمل 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 اور 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 اعلامیہ

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

تفصیلات	31 دسمبر 2023 - روپے	31 دسمبر 2022 - روپے
انویسٹمنٹ	55,128,036	45,593,404

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۔

ری انشورنس اور کوانٹورنس کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
محترم احتشام الحق قریشی	چیئر مین	4	4
محترم زین الحق قریشی	رکن	4	4
محترمہ رانجیہ اشرف	رکن	4	1
محترم محمد مسعود	سیکرٹری	4	4

بورڈ کمیٹیاں

ایسٹیک، ہیومن ریسورس اینڈ ریمونریشن کمیٹی

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

انویسٹمنٹ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
محترم احتشام الحق قریشی	چیئر مین	4	4
محترم زین الحق قریشی	رکن	4	4
محترم حسن احمد خان	رکن	4	4
محترمہ رانجیہ اشرف	سیکرٹری	4	1

کمیٹیاں

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
محترم زین الحق قریشی	چیرمین	4	4
محترم شہباز حمید	رکن	4	4
محترم محمد مسعود	رکن	4	4
محترمہ شازیہ حفیظ	سیکرٹری	4	4

انڈر رائٹنگ کمیٹی

نام رکن	درجہ	منعقدہ اجلاس	اجلاسوں میں حاضری
محترم احتشام الحق قریشی	چیرمین	4	4
محترم زین الحق قریشی	رکن	4	4
محترم فیصل محمود قریشی	رکن	4	4
محترم امجد راؤ	سیکرٹری	4	4

کلیم سیٹلمنٹ کمیٹی

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

انشورر مالیاتی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 25 اگست 2023ء 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۔

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 نمٹنے 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 منظور کی ہے جس کی رسک مینجمنٹ ایڈ کمپلائنس کمیٹی نے سفارش کی ہے۔

مروجہ قوانین پر من وعن 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 باقاعدہ نگرانی کی جاتی 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۔

بورڈ آف ڈائریکٹرز

بورڈ کمپنی کو بصیرت اور اسٹریٹجک ہدایات فراہم کرنے کے لئے درکار علم، مہارت اور تجربہ کے حامل 7 افراد پر مشتمل ہے۔ CEO کے علاوہ تمام ڈائریکٹرز نان-ایگزیکٹو ڈائریکٹرز ہیں جس میں دو آزاد ڈائریکٹرز اور ایک خاتون ڈائریکٹر ہے۔ بورڈ کا کوئی بھی ڈائریکٹر بشمول کمپنی ہذا سات (7) سے زائد کمپنیوں کا ڈائریکٹر نہیں ہے۔ تمام ڈائریکٹرز متنوع شعبوں/پیشوں کی نمائندگی کرتے ہیں اور متعدد کاروباری مسائل سے نبرد آزما ہونے کے لئے ضروری مہارت اور سوجھ بوجھ سے لیس ہیں۔ مزید برآں، ڈائریکٹرز انتظامیہ کی کارکردگی کا جائزہ لینے کی صلاحیت رکھتے ہیں۔ بورڈ کی ترکیب حسب ذیل ہے:

درجہ	نام
(a)	آزاد ڈائریکٹرز محترم سید مرتضیٰ حسنین نادر محترم حسن احمد خان
(b)	دیگر نان ایگزیکٹو ڈائریکٹرز محترم احتشام الحق قریشی (چیئرمین) محترم خواجہ سہیل افتخار محترمہ نوشین احتشام (خاتون ڈائریکٹر) محترم تھپو پونجو (نامزد ڈائریکٹر)
(c)	ایگزیکٹو ڈائریکٹر محترم زین الحق قریشی (CEO)

بورڈ میں عارضی خالی نشست

مسٹر نعمان کرامت ڈائریکٹرز کے بورڈ سے مورخہ 23 اگست، 2023ء کو مستعفی ہوئے۔ مسٹر نعمان کرامت کے مستعفی ہونے کے باعث خالی ہونے والی عارضی نشست پر 22 نومبر 2023ء مسٹر سید مرتضیٰ حسنین نادر کی کمپنی کے بورڈ میں بطور خود مختار ڈائریکٹر تقرری کی گئی ہے۔

نان ایگزیکٹو اور خود مختار ڈائریکٹرز کی ری مونیٹریشن 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 ملازم نہیں ہیں 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۔

مالیاتی نتائج

31 دسمبر 2023ء کو اختتام پذیر سال کے لئے کمپنی کی مجموعی کارکردگی حسب ذیل ہے:

2022ء	2023ء	مجموعی پریمیم
1,001,553,258	1,219,521,663	مذکورہ سال کے لئے (خسارہ) بمعہ ٹیکس
(91,229,364)	157,406,936	

ٹیکسیشن:

(10,311,313)	34,301,391	حالیہ
27,877,796	46,597,145	تاخیری
(168,517)	(9,190,896)	گذشتہ برسوں کا
17,397,966	71,707,640	
(73,831,398)	85,699,296	مذکورہ برس کے لئے نفع (خسارہ) علاوہ ٹیکس
148,862,774	35,120,037	غیر تخصیص شدہ منافع (جو آگے لایا گیا)
(20,00,000)	(18,000,000)	قرض حسنہ
(19,911,339)	0	سال 2021ء کے لئے حتمی منافع منقسمہ
35,120,037	102,819,333	غیر تخصیص شدہ منافع (جو آگے بھیجا گیا)

منافع منقسمہ

31 دسمبر، 2023ء کو اختتام پذیر سال کے لئے آپ کے ڈائریکٹرز نے 0.5 روپے (50 پیسے) فی حصص یعنی 5% کی شرح سے حتمی نقد منافع منقسمہ ادا کرنے کی تجویز دی ہے۔

فی حصص آمدنی

(خسارہ) / آمدنی فی حصص 1.17 روپے ہے۔

گذشتہ برس کی نسبت (خسارہ) / آمدنی فی حصص میں 2.19 روپے اضافہ ظاہر ہوتا ہے۔

ڈائریکٹرز کی رپورٹ

برائے اختتام شدہ سال 31 دسمبر 2023ء

معزز شیئر ہولڈرز!

ایشیا انشورنس کمپنی لمیٹڈ ("کمپنی") کے ڈائریکٹرز آپ کی کمپنی کی سالانہ رپورٹ بمعہ پڑتال شدہ مالیاتی اسٹیٹمنٹس برائے سال ختمہ 31 دسمبر 2023ء ازراہ مسرت پیش کرتے ہیں۔

کمپنی ایکٹ 2017ء کے سیکشن 226 اور کوڈ آف کارپوریٹ گورننس ڈائریکٹرز کی رپورٹ کے تحت مرتب کردہ ڈائریکٹرز کی رپورٹ کمپنی کے 43 ویں سالانہ اجلاس عام منعقدہ 29 اپریل 2024ء میں اراکین کے سامنے رکھی جائے گی۔ کمپنی کے امور کی حالت اور کاروباری جائزہ

پاکستان نے سال 2023ء میں بدترین معاشی بحران کا سامنا کیا۔ پاکستان نمایاں معاشی اور سیاسی چیلنجز کا شکار ہے جس کے ملک پر مضر اثرات مرتب ہوئے ہیں۔ ان چیلنجز میں غیر ملکی زرمبادلہ کے ذخائر کی کم سطح، بلند شرح مبادلہ، افراط زر کی بلند شرح، بلند شرح سود اور ایندھن اور توانائی کی بڑھتی ہوئی قیمتیں ہیں۔ البتہ، ان مشکلات کے باوجود اقتصادی محاذ پر حالیہ پیش رفت نے امید کی ایک کرن پیدا کی ہے۔

پاکستان کی معیشت نے سال 2023ء کی آخری سہ ماہی سے ترقی کی رفتار کو وضع کیا ہے جو متعدد معاشی اشاریوں کے نمایاں اپٹرن سے عیاں ہے۔ پاکستان کے کل لیکویڈ غیر ملکی زرمبادلہ کے ذخائر میں 26 ستمبر 2023ء کو 13.2 بلین ڈالر کا اضافہ ہوا۔

آپ کی کمپنی کی انتظامیہ حالات کا باہر کی سے جائزہ لے رہی ہے اور اپنی آپریشنل اور مالیاتی کارکردگی پر اثرات کو کم کرنے کے لئے تدارکی حکمت عملی کو وضع اور نافذ کر رہی ہے۔ ان حالات میں، کمپنی کی کارکردگی سال 2023ء کے آغاز میں کمپنی کی کارکردگی بری طرح متاثر ہوئی البتہ تیسری سہ ماہی میں کمپنی کی کارکردگی میں بہتری آئی اور ان مشکل معاشی حالات اور بے یقینی کے باوجود آپ کی کمپنی نسبتاً بہتر کارکردگی دکھائی ہے۔ کمپنی نے 157.41 ملین روپے کا منافع بمعہ ٹیکس درج کیا ہے۔

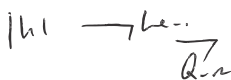
ونڈ و تکافل آپریشنز

مذکورہ سال میں تحریری کنٹری بیوشن 129.29 ملین روپے رہا جب کہ خالص کنٹری بیوشن آمدنی 37.11 ملین روپے رہی۔ مذکورہ برس کے لئے شرکاء کا تکافل فنڈ کنٹری بیوشن خسارہ 3.22 ملین روپے اور آپریٹرز فنڈز (برائے شیئر ہولڈرز) سے منافع 35.15 ملین روپے ریکارڈ ہوا۔

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 2023 signed by Mr. Zain ul Haq Qureshi and approved by the Board of Directors is part of the Annual Report 2023 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 (The Company)
For the Year Ended December 31, 2023**

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. Murtaza Hasnain Nadir Mr. Hassan Ahmed Khan
b) Other Non-Executive Directors	Mr. Ihtsham ul Haq Qureshi Mr. Khawaja Suhail Iftikhar Mr. Thibaud Ponchon (Nominee Director)
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 August 23, 2023 due to resignation of Mr. Nauman Kramat Dar, Independent Director of the Company. The casual vacancy was filled by directors by appointment of Mr. Syed Murtaza Hasnain Nadir, Independent Director on November 22, 2023.

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 among those, four (4) have obtained the certificates under Directors training program, however, one (1) director's certification is in the process. The one (1) female director is exempted from such certification. The newly appointed one (1) director on the casual vacancy on 22-11-2023 will obtain the said training within the stipulated time period.
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 a change of Chief Financial Officer, on 23-09-2023 during the year but no change in Head of Internal Audit and Company Secretary. The Board approved the 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
Ms. Rafia Ashraf (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 – Non Executive Director
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
Mr. Hassan Ahmed Khan	Member – Independent Director
Ms. Rafia Ashraf (CFO)	Secretary

20 The Board has formed an Audit Committee. It comprises of three (3) members, of whom one (1) is an independent directors and two (2) 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. 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
Ms. Rafia Ashraf	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 Head of Risk 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 25, 2023 is A++.
33. The Board has set up a grievance department, which fully complies with the requirements of the Code.
34. 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.

35. 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 Officer



Chairman

**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, 2023 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, 2023.

Further, we highlight content of paragraphs 34 and 35 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: 3 April, 2024

UDIN: CR202310131eH5Sty1qc

Bdo Ebrahim & Co

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, 2023, 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 material accounting policies information 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 changes in equity 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 the Company's affairs as at December 31, 2023 and of the profit and other comprehensive income, the changes in equity 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 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.	<p>Compliance with laws and regulations</p> <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.	<p>Valuation of investments</p> <p>The Company's investment comprises investments in equity, term deposit and debt instruments. As at December 31, 2023, total net investment amount to Rs. 320.484 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 10, 11 and 12 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 93.89 % 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 subsequent to year end and evaluated that these were recorded in the appropriate period. ● Recalculated the unearned portion of premium income and ensured that appropriate amount has been recorded as provision for unearned premium in liabilities.
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. 254.914 million as at December 31, 2023.</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 14 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 27 % of its total assets which are stated net of provision for impairment of Rs. 28.224 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 ● Circularized confirmation request letters to third parties and also performed alternative procedures to confirm the existence of balances. ● 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.

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business; and
- no zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980)

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

LAHORE

DATED: 3 April, 2024

UDIN: AR2023101311I3GT20HX

Bdo Ebrahim & Co

**BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS**

Engagement Partner: Muhammad Imran

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

ASSETS	Note	2023 Rupees	2022 Rupees
Property and Equipment	8	155,998,471	185,026,191
Investment Property	9	40,827,320	38,727,320
Investments			
Equity Securities	10	85,430,962	186,268,535
Debt Securities	11	135,053,472	75,496,368
Term Deposits	12	100,000,000	-
		320,484,434	261,764,903
Loans and Other Receivables	13	88,613,502	26,632,812
Insurance / Reinsurance Receivables	14	557,524,093	451,004,830
Reinsurance Recoveries Against Outstanding Claims	28	156,115,608	247,439,231
Deferred Commission Expense / Acquisition Cost	29	140,105,642	93,163,086
Deferred Taxation	16	11,792,792	58,389,937
Taxation - Payments Less Provision	15	2,167,185	7,617,356
Prepayments	17	118,573,010	179,376,942
Cash and Bank	18	399,942,738	437,421,495
		1,992,144,795	1,986,564,103
Total Assets of Window Takaful Operations - OPF	19	108,668,589	86,791,472
TOTAL ASSETS		2,100,813,384	2,073,355,575
EQUITY AND LIABILITIES			
Capital and Reserves Attributable to Company's Equity Holders			
Ordinary Share Capital	20	730,082,430	730,082,430
Share Premium - Capital Reserve	20.4	69,917,570	69,917,570
Reserves - Revenue	21	2,500,000	2,500,000
Unappropriated Profit - Revenue Reserve		102,819,333	35,120,037
TOTAL EQUITY		905,319,333	837,620,037
LIABILITIES			
Underwriting Provisions			
Outstanding Claims Including IBNR	28	254,913,907	384,332,836
Unearned Premium Reserves	27	538,157,690	444,361,295
Premium Deficiency Reserve		6,642,836	2,114,175
Unearned Reinsurance Commission	29	14,034,468	15,678,432
Retirement Benefit Obligations	22	992,124	967,061
Lease Liabilities	23	111,726,246	152,183,457
Insurance / Reinsurance Payables	24	122,693,450	138,024,723
Other Creditors and Accruals	25	107,253,271	63,726,056
TOTAL LIABILITIES		1,156,413,992	1,201,388,035
Total Liabilities of Window Takaful Operations - OPF	19	39,080,059	34,347,503
TOTAL EQUITY AND LIABILITIES		2,100,813,384	2,073,355,575
CONTINGENCIES AND COMMITMENTS	26	-	-

The annexed notes 1 To 53 form an integral part of these Financial Statements.



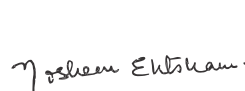
Chairman



Chief Executive Officer



Director



Director



Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
Net Insurance Premium	27	827,145,816	735,275,461
Net Insurance Claims	28	(278,741,525)	(293,086,144)
Premium Deficiency		(4,528,661)	7,103,350
Net Commission and Other Acquisition Costs	29	(194,996,897)	(162,512,981)
Insurance Claims and Acquisition Expenses		(478,267,083)	(448,495,775)
Management Expenses	30	(341,606,715)	(361,354,438)
Underwriting Results		7,272,018	(74,574,752)
Investment Income / (Loss)	31	53,804,241	(29,044,491)
Other Income	32	82,025,719	13,369,096
Other Expenses	33	(6,310,212)	(4,280,162)
Results of Operating Activities		136,791,766	(94,530,309)
Finance Cost	34	(14,529,391)	(15,665,013)
Profit from Window Takaful Operations - OPF	19	35,144,561	18,965,958
Profit / (Loss) Before Tax		157,406,936	(91,229,364)
Taxation	35	(71,707,640)	17,397,966
Profit / (Loss) After Tax		85,699,296	(73,831,398)
Earnings / (Loss) Per Share - Basic & Diluted	36	1.17	(1.01)

The annexed notes 1 To 53 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 DECEMBER 31, 2023


	2023 Rupees	2022 Rupees
Profit / (Loss) after Tax	85,699,296	(73,831,398)
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/(Loss) for the year	85,699,296	(73,831,398)

The annexed notes 1 To 53 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 DECEMBER 31, 2023

	2023 Rupees	2022 Rupees
Operating Cash Flows		
a) Underwriting Activities		
Insurance Premium Received	1,176,818,222	1,113,429,646
Reinsurance Premiums Paid	(344,701,392)	(331,985,943)
Claims Paid	(543,533,646)	(368,588,612)
Reinsurance and Other Recoveries Received	226,696,814	143,319,878
Commission Paid	(232,723,583)	(192,970,664)
Commission Received	34,270,319	30,944,445
Management Expenses Paid	(318,826,289)	(333,915,476)
Other Underwriting (Payments)/Receipts	(37,411,292)	9,240,357
Net Cash Flow from Underwriting Activities	(39,410,847)	69,473,631
b) Other Operating Activities		
Income Tax Paid	(19,660,324)	(17,318,083)
Finance Charges Paid	(14,529,391)	(15,665,013)
Other Operating Receipts	27,778,777	12,434,935
Other Receipts in Respect of Operating Assets	73,869,309	13,369,096
Net Cash Flow From Other Operating Activities	67,458,371	(7,179,065)
Total Cash Flow From All Operating Activities	28,047,524	62,294,566
Investment Activities		
Profit / Return Received	32,766,013	46,714,158
Dividend Received	8,757,778	7,469,142
Decrease in Net Assets in Window Takaful Operations	(35,144,561)	(18,965,958)
Payments for Investments / Investment Properties	63,483,339	(57,800,136)
Investment (made) / matured	(100,000,000)	200,000,000
Fixed Capital Expenditure	(4,057,896)	(46,867,757)
Proceeds from Sale of Property and Equipment	9,126,257	113,500
Total Net Cash Flow from Investing Activities	(25,069,070)	130,662,949
Financing Activities		
Dividend Paid	-	(19,911,339)
Repayments of Lease	(40,457,211)	(10,832,507)
Total Cash Flow from Financing Activities	(40,457,211)	(30,743,846)
Net cash (used in) / generated from all activities	(37,478,757)	162,213,669
Cash and Cash Equivalents at the Beginning of the year	437,421,495	275,207,826
Cash and Cash Equivalents at the End of the year	399,942,738	437,421,495

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

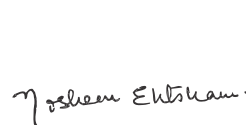
	31-Dec-23 Rupees	31-Dec-22 Rupees
Reconciliation to Statement of Profit or Loss		
Operating Cash Flows	28,047,524	62,294,566
Depreciation Expense	(32,115,769)	(28,855,074)
Profit / (loss) on disposal of fixed assets	8,156,410	(64,588)
Dividend Income	8,757,778	7,469,142
Other Investment Income / (Loss)	45,046,463	(36,513,633)
Profit from Window Takaful Operations	35,144,561	18,965,958
(Decrease) / Increase in Assets Other than Cash	34,742,642	158,164,541
Decrease / (Increase) in Liabilities Other than Borrowings	4,516,832	(283,170,106)
Deferred Taxation	(46,597,145)	27,877,796
Profit / (Loss) After Taxation for the year	85,699,296	(73,831,398)

The annexed notes 1 To 53 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 DECEMBER 31, 2023


	Capital Reserve		Revenue Reserves		Total share capital and reserves
	Issued, subscribed and paid up	Share Premium reserve	Revenue reserves	Un-appropriated profit	
	-----Rupees-----				
Balance As At January 1, 2022	663,711,300	136,288,700	2,500,000	148,862,774	951,362,774
Total comprehensive loss for the year					
Loss after tax	-	-	-	(73,831,398)	(73,831,398)
Other comprehensive income	-	-	-	-	-
	-	-	-	(73,831,398)	(73,831,398)
Transactions with owners in their capacity as owners recognised directly in equity					
Final dividend for the year ended December 31, 2021 @ 3% i.e. Rs 0.30 per share	-	-	-	(19,911,339)	(19,911,339)
Bonus shares issued for the year ended December 31, 2021 @ 10% i.e. 10 bonus shares for every 100 shares held	66,371,130	(66,371,130)	-	-	-
Qard-e-Hasna contribution to PTF	-	-	-	(20,000,000)	(20,000,000)
Balance As At December 31, 2022	730,082,430	69,917,570	2,500,000	35,120,037	837,620,037
Balance As At January 1, 2023	730,082,430	69,917,570	2,500,000	35,120,037	837,620,037
Total comprehensive Income for the year					
Profit after tax	-	-	-	85,699,296	85,699,296
Other comprehensive income	-	-	-	-	-
	-	-	-	85,699,296	85,699,296
Qard -e-Hasna Contribution to PTF	-	-	-	(18,000,000)	(18,000,000)
Balance As At December 31, 2023	730,082,430	69,917,570	2,500,000	102,819,333	905,319,333

The annexed notes 1 To 53 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 DECEMBER 31, 2023

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 surety ship, 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:
- 1.4** 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.
- 1.5** With reference to above mentioned point at 1.3, reinsurance recoveries were also obtained from the respective reinsurers including Pakistan Reinsurance Company Limited (PRCL), a government owned entity. The SECP has passed an order directing the Company to provide some information. The Company believes that proceedings initiated by PRCL were beyond the scope of cited Sections of the Ordinance and notice/order has been issued on the basis of selective facts on insistence of PRCL. The Company has challenged the order and filed an appeal before the Appellate Bench of the Commission and expecting a favourable outcome.

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 (2022: 1) principal office and 28 (2022: 28) branches in Pakistan.

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

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.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017,
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, General Takaful Accounting Regulation 2019 and SECP Takaful Rules, 2012.

In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, General Takaful Accounting Regulation 2019 and 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. Further, the PTF was not consolidated with the conventional insurance business. The similar requirements have been prescribed by General Takaful Accounting Regulations 2020 issued by SECP.

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.

The total assets of Operator Fund of WTO include an amount of Rs. 78.411 million (2022: Rs. 60.411 million) being Qard-e-Hasna receivable from Participant Takaful Fund of WTO. In accordance with the Takaful Rules, 2012, if at any point in time, assets in Participant 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 Fund. In the event of future surplus in the Participant 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.

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. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- 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 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023
Effective date (annual periods beginning on or after)	

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in this Note 7 Material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

FRS 1 standard has been issued by IASB effective from 01, July 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

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.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- b) all other financial assets:

Financial assets	31-Dec-2023				
	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 *	399,942,738	-	-	-	-
Investments in equity securities Held for trading	85,430,962	121,206,050	-	-	-
Investments in debt securities Held to maturity	-	-	135,053,472	-	4,765,511
Term Deposits *	-	-	100,000,000	-	-
Loans and other receivables *	88,613,502	-	-	-	-
Total	573,987,202	121,206,050	253,053,472	-	4,765,511

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

Investment in debt Securities -	31-Dec-2023			
	Gross carrying amounts of debt instruments that pass the SPPI test			
	BBB	AA-	A+	Um rated
	Rupees	Rupees	Rupees	Rupees
Held to maturity	-	-	-	135,053,472
Term Deposits	100,000,000	-	-	-
Total	100,000,000	-	-	135,053,472

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.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

7 MATERIAL ACCOUNTING POLICIES

The material 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).

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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

The Company recognizes liability in respect of all claims incurred up to the balance sheet date which is measured at the un discounted 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.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 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.

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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) De recognition

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.

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% (2022: 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%

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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 re-measurement of the lease liability.

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 if any or market rate.

Subsequently, the lease liability is measured at amortized cost using the effective interest method. It is re-measured 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 re-measured 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.

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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.

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 are prepared in the format prescribed under the Insurance Ordinance 2000 and the Insurance Rules, 2017 and provide required information at appropriate level of detail.

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

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.

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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 include 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 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 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.

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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.

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.

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7.32 Zakat

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

7.33 Contingencies

Contingencies are disclosed when the company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

Contingencies are reviewed at each statement of financial position date and adjusted to reflect the current estimate.

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8 PROPERTY AND EQUIPMENT

	NOTE	2023	2022
OPERATING FIXED ASSETS			
8.1		79,262,147	89,117,271
RIGHT OF USE ASSETS			
8.5		76,736,324	95,908,920
		155,998,471	185,026,191

8.1 The statement of operating fixed assets is as follows:

PARTICULARS	2023									
	COST			Accumulated Depreciation			W.D.V.		Depreciation rate (% per annum)	
	As at January 01, 2023	Additions	Disposals / write-offs	AS AT DECEMBER 31, 2023	As at January 01, 2023	Depreciation for the year	Disposals / write-offs	AS AT DECEMBER 31, 2023	AS AT DECEMBER 31, 2023	
OWNED										
Building - on freehold land	34,607,000	-	-	34,607,000	1,283,493	3,332,351	-	4,615,844	29,991,156	10%
Furniture and fixtures	13,532,952	382,180	-	13,915,132	5,946,779	781,503	-	6,728,282	7,186,850	10%
Office equipment	21,786,267	1,556,909	(397,692)	22,945,484	10,635,350	1,182,611	(250,337)	11,567,624	11,377,860	10%
Motor vehicles	132,798,301	7	(9,088,755)	123,709,553	97,371,963	6,947,751	(8,284,371)	96,035,343	27,674,210	20%
Computers equipments	11,869,539	2,118,800	(214,660)	13,773,679	10,239,203	698,957	(196,552)	10,741,608	3,032,071	30%
	214,594,059	4,057,896	(9,701,107)	208,950,848	125,476,788	12,943,173	(8,731,260)	129,688,701	79,262,147	

PARTICULARS	2022									
	COST			Accumulated Depreciation			W.D.V.		Depreciation rate (% per annum)	
	As at January 01, 2022	Additions	Disposals / write-offs	AS AT DECEMBER 31, 2022	As at January 01, 2022	Depreciation for the year	Disposals / write-offs	AS AT DECEMBER 31, 2022	AS AT DECEMBER 31, 2022	
OWNED										
Building - on freehold land	564,200	34,042,800	-	34,607,000	417,781	865,712	-	1,283,493	33,323,507	10%
Furniture and fixtures	11,193,916	2,339,036	-	13,532,952	5,259,146	687,633	-	5,946,779	7,586,173	10%
Office equipment	19,961,421	2,157,831	(332,985)	21,786,267	9,666,535	1,127,016	(158,201)	10,635,350	11,150,917	10%
Motor vehicles	125,287,765	7,510,536	-	132,798,301	89,598,414	7,773,549	-	97,371,963	35,426,338	20%
Computers equipments	11,087,085	817,554	(35,100)	11,869,539	9,761,876	509,123	(31,796)	10,239,203	1,630,336	30%
	168,094,387	46,867,757	(368,085)	214,594,059	114,703,752	10,963,033	(189,997)	125,476,788	89,117,271	

8.2 During the year the Company has capitalised seven (2022: 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
Suzuki Swift LEC-12-2521	1,140,620	(1,037,974)	102,646	979,167	876,521	Negotiation	Mr. Nouman Mukhtar
Honda Civic LEE-11-5320	1,865,000	(1,655,778)	209,222	1,636,364	1,427,142	Negotiation	Mr. M. Abbas Akram
Suzuki Swift LEA11-3754	985,500	(831,150)	154,350	1,033,333	878,983	Negotiation	Mr. Nouman Mukhtar
Toyota Vitz LEE-08-1994	823,800	(703,487)	120,313	1,413,636	1,293,323	Negotiation	Mr. Syed Yasir
Honda Civic LED-11-4030	2,054,293	(1,895,644)	158,649	1,954,545	1,795,896	Negotiation	Mr. M. Usman
Sub Total	6,869,213	(6,124,033)	745,180	7,017,045	6,271,865		

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
Battery	27,000	(20,137)	6,863	6,000	(863)	Negotiation	Abid Auto Battery
Battery	27,000	(20,137)	6,863	6,000	(863)	Negotiation	Abid Auto Battery
Batteries 120 watt	19,100	(13,698)	5,402	10,000	4,598	Negotiation	Abid Auto Battery
Batteries 120 watt	19,100	(13,698)	5,402	10,000	4,598	Negotiation	Abid Auto Battery
Batteries-Excide N 165	14,600	(8,130)	6,470	11,500	5,030	Negotiation	Abid Auto Battery
Batteries-Excide N 165	14,600	(8,130)	6,470	11,500	5,030	Negotiation	Abid Auto Battery
Batteries-Excide N 165	14,600	(8,130)	6,470	11,500	5,030	Negotiation	Abid Auto Battery
Batteries-Excide N 165	14,600	(8,130)	6,470	11,500	5,030	Negotiation	Abid Auto Battery
Batteries-Excide N 165	11,309	(6,169)	5,140	11,500	6,360	Negotiation	Abid Auto Battery
Batteries-Excide N 165	11,309	(6,169)	5,140	11,500	6,360	Negotiation	Abid Auto Battery
Batteries-Excide N 165	11,309	(6,169)	5,140	11,500	6,360	Negotiation	Abid Auto Battery
Batteries-Excide N 165	11,309	(6,169)	5,140	11,500	6,360	Negotiation	Abid Auto Battery
Battery 120 amp	45,976	(34,777)	11,199	5,000	(6,199)	Negotiation	Abid Auto Battery
UPS-Deluxe 5 KVA	78,600	(47,298)	31,302	10,000	(21,302)	Negotiation	Dur Technologies
UPS-TP 3000 (3 KVA)	77,280	(43,396)	33,884	10,000	(23,884)	Negotiation	Dur Technologies
UBNT access point	35,000	(32,190)	2,810	-	(2,810)	Negotiation	Mr. Fawad
UBNT access point	35,000	(32,190)	2,810	-	(2,810)	Negotiation	Mr. Fawad
UBNT access point	35,000	(32,190)	2,810	-	(2,810)	Negotiation	Mr. Fawad
UBNT access point	35,000	(32,190)	2,810	-	(2,810)	Negotiation	Mr. Fawad
Laptop	21,000	(17,732)	3,268	7,000	3,732	Negotiation	The Computer Professional
CPU	7,500	(6,394)	1,106	1,500	394	Negotiation	Qari computers
SCANNER HP SCANJET 200	7,660	(7,593)	67	1,200	1,133	Negotiation	Copier links
Laptop Dell Latitude E6410	20,000	(18,836)	1,164	6,000	4,836	Negotiation	New Cosmos Enterprises
Laptop Dell Latitude E6410	18,500	(17,238)	1,262	6,000	4,738	Negotiation	New Cosmos Enterprises
Toyota Corolla AB-0199	550,000	(531,877)	18,123	538,512	520,389	Negotiation	Mr. Nouman Mukhtar
Honda civic LEG-09-9041	1,669,542	(1,628,460)	41,082	1,400,000	1,358,918	Negotiation	Mudassar Mustafa
Sub-Total	2,831,894	(2,607,227)	224,667	2,109,212	1,884,545		
Grand Total 2023	9,701,107	(8,731,260)	969,847	9,126,257	8,156,410		
Grand Total 2022	368,085	(189,997)	178,088	113,500	(64,588)		

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8.5 Right of use assets	Note	31-Dec-2023 Rupees	31-Dec-2022 Rupees
Building			
Year ended December 31,			
Net carry value basis			
Opening net book value		95,908,920	79,596,915
Addition (at cost)		-	34,384,791
Adjustment for lease remeasurement		-	(180,745)
Depreciation for the year		(19,172,596)	(17,892,041)
Closing net book value		<u>76,736,324</u>	<u>95,908,920</u>
Gross carry value basis			
Cost		158,115,762	128,240,984
Addition (at cost)		-	34,384,791
Adjustment for lease remeasurement		-	(180,745)
Accumulated depreciation		(81,379,438)	(66,536,110)
Net book value		<u>76,736,324</u>	<u>95,908,920</u>
Depreciation rate % per annum		10%-33%	10%-33%
9 INVESTMENT PROPERTY			
Freehold land (Residential plots)	9.1	40,827,320	38,727,320
9.1 The movement in this account is as follows:			
Opening balance	9.2	38,727,320	-
Additions		2,100,000	38,727,320
Closing balance		<u>40,827,320</u>	<u>38,727,320</u>
9.2 This comprises three residential plots at DHA Multan and considered as freehold land held for capital appreciation. Investment property is initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition investment property will be carried out at cost model. Addition during the year represent development charges.			
10 INVESTMENTS IN EQUITY SECURITIES			
Investments in equity securities			
Held for Trading	10.1	<u>85,430,962</u>	<u>186,268,535</u>
10.1 Held for Trading			
Listed shares			
Cost		53,669,983	255,260,728
Add: unrealized Gain / (Loss) on revaluation of investment		18,363,524	(105,075,664)
Carrying value	10.2	72,033,507	150,185,064
Mutual funds			
Cost		11,544,629	31,997,509
Add: unrealized gain on revaluation of investment		1,852,826	4,085,962
Carrying value	10.2	<u>13,397,455</u>	<u>36,083,471</u>
		<u>85,430,962</u>	<u>186,268,535</u>

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10.2 Investments - Held for Trading

	31-Dec-2023			31-Dec-2022		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
LISTED SHARES						
EFU LIFE ASSURANCE LIMITED	130,706	(35,151)	95,555	4,356,873	(969,093)	3,387,780
MCB BANK LIMITED	21,490,673	2,925,152	24,415,825	21,490,673	(5,054,033)	16,436,640
BANK ALFALAH LIMITED	10,075,594	5,205,056	15,280,650	-	-	-
THE BANK OF PUNJAB	9,878,220	5,803,380	15,681,600	-	-	-
MEEZAN BANK LIMITED	9,953,500	6,021,140	15,974,640	-	-	-
JUBILEE LIFE INSURANCE CO. LIMITED	2,141,290	(1,556,053)	585,237	7,003,038	(5,336,428)	1,666,610
ATTOCK CEMENT PAK LIMITED	-	-	-	10,028,992	(5,748,157)	4,280,835
CHERAT CEMENT COMPANY LIMITED	-	-	-	28,606,723	(10,550,043)	18,056,680
D. G. KHAN CEMENT CO. LIMITED	-	-	-	42,038,667	(20,917,907)	21,120,760
HABIB BANK LIMITED.	-	-	-	6,512,381	(2,752,311)	3,760,070
KOHAT CEMENT COMPANY LIMITED	-	-	-	8,897,894	(2,399,094)	6,498,800
LUCKY CEMENT LIMITED	-	-	-	37,939,350	(16,260,124)	21,679,226
MAPLE LEAF CEMENT FACTORY LIMITED	-	-	-	37,657,337	(16,373,827)	21,283,510
OIL & GAS DEVELOPMENT CO. LIMITED	-	-	-	1,485,050	(51,170)	1,433,880
POWER CEMENT LTD.	-	-	-	43,284,835	(18,967,465)	24,317,370
PIONEER CEMENT LIMITED	-	-	-	1,481,036	(246,716)	1,234,320
SYSTEMS LIMITED	-	-	-	1,491,380	492,733	1,984,113
TRG PAKISTAN LIMITED	-	-	-	1,492,403	242,317	1,734,720
UNITED BANK LIMITED	-	-	-	1,494,096	(184,346)	1,309,750
	53,669,983	18,363,524	72,033,507	255,260,728	(105,075,664)	150,185,064
MUTUAL FUNDS						
PAKISTAN INCOME FUND	11,009,902	1,800,198	12,810,100	31,527,792	4,057,603	35,585,395
HBL MONEY MARKET FUND	534,727	52,628	587,355	469,717	28,359	498,076
	11,544,629	1,852,826	13,397,455	31,997,509	4,085,962	36,083,471
Total Equity Securities	65,214,612	20,216,350	85,430,962	287,258,237	(100,989,702)	186,268,535

11 INVESTMENTS IN DEBT SECURITIES

	Note	31-Dec-23	31-Dec-22
Held to maturity		Rupees	Rupees
Pakistan Investment Bonds and Treasury Bills	11.1	135,053,472	75,496,368

	31-Dec-2023			31-Dec-2022		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
-----Rupees-----						
Held to maturity	77,403,601	-	77,403,601	75,496,368	-	75,496,368
Government securities	57,649,871	-	57,649,871	-	-	-
Pakistan Investment Bonds	135,053,472	-	135,053,472	75,496,368	-	75,496,368
Treasury Bills	-	-	-	-	-	-

11.1 Pakistan Investments Bonds (PIBs) having face value of Rs. 83 million (2022: 79 million), carry interest rate ranging from 7.5% to 12% (2022: 9% to 13%) per annum. Profit is paid semi annually and these will mature latest by October 2025.

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

	Note	31-Dec-23	31-Dec-22
Pakistan investment bonds		135,053,472	75,496,368
		135,053,472	75,496,368

11.3 Company has made investment in treasury bills (T-bills) , carry interest rate ranging from 21.165% to 22.1405% per annum. Profit will be paid on maturity and these will mature latest by October 2024.

12 INVESTMENTS IN TERM DEPOSITS

	Note	31-Dec-23	31-Dec-22
Held to maturity			
Deposits maturing within 12 months	12.1	100,000,000	-
12.1 At amortized cost			
Term deposit receipts (TDRs)		100,000,000	-
NRSP Bank Limited		100,000,000	-

12.2 This represents, investment in Term Deposit Receipts (TDRs) with the NRSP Bank Limited, have a maturity period of one year and will matured on May 03, 2024. These carry mark-up 24% per annum.

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		31-Dec-23 Rupees	31-Dec-22 Rupees
13 LOANS AND OTHER RECEIVABLES	Note		
Unsecured Considered good			
Accrued investment income		24,715,111	1,592,970
Balance with brokers	13.1	69,587	35,671
Security deposits	13.2 & 13.3	14,559,313	14,921,313
Other receivable		49,269,491	10,082,858
		<u>88,613,502</u>	<u>26,632,812</u>
13.1	This includes balance amounting to Rs. 0.031220 million (2022: Rs. 0.000263 million) with broker, Arif Habib Limited for investment purposes.		
13.2	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.		
13.3	This includes security deposit with related parties and their relatives amounting to Rs. 4.538 million against rented premises (2022: Rs. 4.538 million) against rented premises.		
14 INSURANCE / REINSURANCE RECEIVABLES			
(Unsecured and considered good)			
Due from insurance contract holders		166,868,179	203,485,617
Less : Provision for impairment of receivables from insurance contract holders	14.1	(14,127,414)	(11,365,701)
Due from other insurers / reinsurers		418,879,940	272,455,672
Less: Provision for impairment of due from other insurers / reinsurer	14.1	(14,096,612)	(13,570,758)
		<u>557,524,093</u>	<u>451,004,830</u>
14.1 Movement of provision for impairment is as follows:			
Opening balance		(24,936,459)	(23,178,859)
Adjustment on account of:			
Doubtful premium written off		-	-
Provision made for doubtful due from:			
Due from insurance contract holders		(2,761,713)	(482,649)
Due from other insurers / reinsurers		(525,854)	(1,274,951)
Net adjustment		(3,287,567)	(1,757,600)
Closing balance		<u>(28,224,026)</u>	<u>(24,936,459)</u>
15 TAXATION - PAYMENTS LESS PROVISION			
Opening balance		7,617,356	779,103
Income tax deducted at source / payments (Advance Tax)		19,660,324	17,318,083
Prior year adjustment		9,190,896	(168,517)
Provision for tax payable		(34,301,391)	(10,311,313)
		<u>2,167,185</u>	<u>7,617,356</u>
16 DEFERRED TAXATION			
Deferred tax (liability) / asset arising respect of:			
Accelerated depreciation on property and equipment		(676,511)	(916,440)
Unrealized gain on re-measurement of investment - Profit and loss		(5,862,742)	29,287,013
Leases		10,147,077	16,319,616
Provisions		8,184,968	7,231,573
Minimum Taxation		-	6,468,175
	16.1	<u>11,792,792</u>	<u>58,389,937</u>
16.1 Balance at beginning of the year		58,389,937	30,512,141
Charged/ Reversal during the year			
charged to profit and loss account		(46,597,145)	27,877,796
charged to other comprehensive income during the year		-	-
		<u>(46,597,145)</u>	<u>27,877,796</u>
Balance at the end of the year		<u>11,792,792</u>	<u>58,389,937</u>

ASIA INSURANCE COMPANY LIMITED
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	Note	31Dec-23 Rupees	31-Dec-22 Rupees
17 PREPAYMENTS			
Prepaid reinsurance premium ceded		118,573,010	151,598,164
Prepaid expenses		-	27,778,778
		<u>118,573,010</u>	<u>179,376,942</u>
18 CASH AND BANK			
Cash and Cash Equivalent			
Cash in hand		60,000	60,000
Cash at bank			
Current accounts		49,333,077	92,782,191
Saving accounts	18.1	350,549,661	344,579,304
		<u>399,942,738</u>	<u>437,421,495</u>
18.1	The rate of return on PLS saving accounts maintained at various banks ranges from 17.5% to 22.50% per annum (2022: 11% to 17.5% per annum).		
18.2	Cash and bank include the following for the purpose of the cash flow statement.		
Cash and cash equivalents		399,942,738	437,421,495
		<u>399,942,738</u>	<u>437,421,495</u>
19 TOTAL ASSETS OF WINDOW TAKAFUL OPERATIONS - OPF			
Total liabilities in window takaful operations		39,080,059	34,347,503
Total assets in window takaful operations		108,668,589	86,791,472
Profit for the year		35,144,561	18,965,958
19.1	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.		
20 ORDINARY SHARE CAPITAL			
20.1 Authorized share capital			
		31-Dec-2023	31-Dec-2022
		Rupees	Rupees
2023	2022		
No. of Shares	No. of Shares		
<u>100,000,000</u>	<u>100,000,000</u>	1,000,000,000	1,000,000,000
			Ordinary shares of Rs. 10/- each
20.2 Issued, subscribed and paid - up share capital			
2023	2022		
No. of Shares	No. of Shares		
40,337,391	40,337,391	403,373,910	403,373,910
			Ordinary shares of Rs. 10/- each fully paid in cash
27,670,852	27,670,852	276,708,520	276,708,520
			Ordinary shares of Rs. 10/- each issued as fully paid bonus shares
5,000,000	5,000,000	50,000,000	50,000,000
			Statutory fund for window takaful operations
<u>73,008,243</u>	<u>73,008,243</u>	<u>730,082,430</u>	<u>730,082,430</u>
20.3	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.		
20.4	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.		

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	Note	31Dec-23 Rupees	31-Dec-22 Rupees
21 RESERVES - REVENUE			
Revenue reserve			
General reserves	21.1	<u>2,500,000</u>	<u>2,500,000</u>
21.1	These represent general reserves utilizable at the discretion of the board of directors.		
22 RETIREMENT BENEFIT OBLIGATIONS			
Staff provident fund		<u>992,124</u>	<u>967,061</u>
22.1	The company operates a funded Provident Fund Scheme for its employees and contributions are made monthly equal to employees contribution @ 8.33% (2022: 8.33%) of basic salary and cost of living allowance.		
23 LEASE LIABILITIES			
Secured			
Lease liabilities as at January 01,		152,183,457	128,811,918
Add: Additions during the year		-	34,384,791
Less: Completion of Lease / remeasurement		-	(180,745)
Less: Payment made during the year		(54,986,602)	(26,497,520)
Add: Interest expense for the year		14,529,391	15,665,013
		<u>111,726,246</u>	<u>152,183,457</u>
23.1	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:		
Maturity analysis - contractual undiscounted cash flow			
Less than one year		33,959,358	54,986,628
One to five year		92,570,180	120,634,666
More than five year		21,463,219	27,358,088
Total undiscounted lease liability		<u>147,992,757</u>	<u>202,979,382</u>
23.2	The above liabilities were obligations under leases with various lessors for lease of buildings.		
23.3	The Company discounted lease payments using its incremental borrowing rate. The weighted average rate applied is 12% (2022: 12%) per annum.		
24 INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers		122,693,450	138,024,723
		<u>122,693,450</u>	<u>138,024,723</u>
25 OTHER CREDITORS AND ACCRUALS			
Outstanding agency commissions		60,623,606	15,493,454
Sales tax		5,664,383	4,511,528
Federal insurance fee		1,313,375	1,018,973
Worker Welfare Fund		7,353,496	4,205,357
Tax deducted at source		1,448,669	2,429,640
EOBI payable		281,135	268,720
Receipts from foreign reinsurers	25.1	7,133,952	7,133,952
Auditors' remuneration		907,005	788,700
Unpaid and unclaimed dividend	25.2	1,562,995	1,413,847
Security against various policies		18,617,103	22,825,907
Others		2,347,552	3,635,978
		<u>107,253,271</u>	<u>63,726,056</u>
25.1	It represents receipts from foreign reinsurers against settlement of treaty agreements in 2011 after adjustment of receivable balances.		
25.2	The Company has transferred unpaid and unclaimed dividend to separate bank account.		

ASIA INSURANCE COMPANY LIMITED
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26 CONTINGENCIES AND COMMITMENTS

26.1 COMMITMENTS

- a) Suits for recovery of approximate Rs. 204.353 million (December 31, 2022: Rs. 142.5 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. 104.963 million (December 31, 2022: Rs. 101.6 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 Commissioner Inland Revenue, under section 177 of the Income Tax Ordinance, 2001, initiated an audit of the income tax affairs for the tax year 2014, relevant to the financial year ending on December 31, 2013. A final order under section 122 of the Ordinance was issued by the tax department on July 31, 2019, resulting in a tax demand of Rs.1.245 million. This demand was established by disallowing various profit and loss expenses totaling Rs.13.373 million under section 174(2) of the Ordinance. The company filed an appeal against this order before the Commissioner Inland Revenue, Appeals (CIR-A), Lahore. The CIR-A, through an order dated May 06, 2021, granted relief to the company by reducing the disallowed profit and loss expenses. Subsequently, the tax department filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR) challenging the CIR-A's order, and this appeal is currently awaiting adjudication. It is anticipated that there will be no unfavorable outcome concerning the tax liability.
- d) The Commissioner Inland Revenue issued a withholding tax order under sections 161/205 of the Ordinance, finalizing it on July 27, 2017, resulting in a tax demand of Rs.47,713 for the tax year 2015, relevant to the financial year ending on December 31, 2024. Subsequently, on June 30, 2021, the department issued another order under sections 161/205 of the Ordinance, creating a tax demand of Rs.8.285 million. The company filed an appeal against this order before the Commissioner Inland Revenue, Appeals, Lahore (CIR-A). The CIR-A, through an order dated January 12, 2022, deleted the tax charged, citing it as a duplicate order. Despite this, the tax department filed a second appeal before the Appellate Tribunal Inland Revenue challenging the CIR-A's order, and it is currently awaiting adjudication. It is anticipated that there will be no unfavorable outcome regarding the tax liability.
- e) The Sindh Revenue Board (SRB) finalized the order-in-original pertaining to the tax period from January 2014 to December 2015. This resulted in the creation of a sales tax demand of Rs.19.807 million due to reinsurance premiums received by the company from other insurance firms, as per the order dated December 31, 2022. The company lodged an appeal against this order before the Commissioner (CIR-SRB). The CIR-SRB has conducted a hearing on the company's appeal, and the order is currently pending. There is no anticipated unfavorable outcome concerning the sales tax liability.
- f) The tax department imposed Federal Excise Duty (FED) along with a penalty, citing FED on sales tax mode for the tax period from January 2012 to December 2015 (spanning 4 years) through orders dated June 01, 2016. This resulted in a sales tax demand of Rs.172.252 million. The company appealed these orders before the Commissioner Inland Revenue, Appeals, Lahore (CIR-A). However, the CIR-A, through an order dated March 22, 2017, dismissed all four appeals lodged by the company. Subsequently, the company filed second appeals before the Appellate Tribunal Inland Revenue (ATIR) challenging the CIR-A's decision. The ATIR, in orders dated August 25, 2022, nullified the FED charged by the tax department, amounting to Rs.172.252 million. Additionally, the company initiated a writ petition before the Hon'ble Lahore High Court, Lahore, contesting the imposition of FED on sales tax modes. The case is currently awaiting adjudication before the Hon'ble Lahore High Court.
- g) In the income tax return for the tax year 2021, corresponding to the financial year ending on December 31, 2020, the company offset the previous year's refund adjustment of Rs.18.061 million against the tax payable for the tax year 2021. However, the tax department finalized an order under section 221(1) of the Income Tax Ordinance, 2001 on March 13, 2023, disallowing the refund adjustment. Consequently, a tax demand of Rs.18.061 million was established. The company appealed this order before the Commissioner Inland Revenue, Appeals, Lahore (CIR-A). On May 31, 2023, the CIR-A nullified the order and directed the tax department to reconsider the matter in accordance with the law, providing the company with a proper opportunity to be heard. The case is currently pending.

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26.2 Commitments

There is no known commitment as at December 31, 2023 (2022: nil). However, commitment against lease liabilities has been disclosed in the relevant note to these financial statements.

	Note	31-Dec-2023 Rupees	31-Dec-2022 Rupees			
27 NET INSURANCE PREMIUM						
Written Gross Premium		1,219,521,663	1,001,553,258			
Add: Unearned premium-reserve Opening		444,361,295	439,169,503			
Less: Unearned premium-reserve Closing		(538,157,690)	(444,361,295)			
Premium earned		1,125,725,268	996,361,466			
Reinsurance premium ceded		265,554,297	273,608,185			
Add: Prepaid reinsurance premium-Opening		151,598,164	139,075,984			
Less: Prepaid reinsurance premium -Closing		(118,573,009)	(151,598,164)			
Reinsurance expense		298,579,452	261,086,005			
		827,145,816	735,275,461			
28 NET INSURANCE CLAIMS						
Claims Paid						
Add: Outstanding claims including IBNR-Closing		543,533,646	368,588,612			
Less: Outstanding claims including IBNR -Opening		254,913,907	384,332,836			
Claims expense		(384,332,836)	(180,112,312)			
		414,114,717	572,809,136			
Reinsurance and other recoveries received		226,696,814	143,319,878			
Add: Reinsurance and other recoveries in respect of outstanding claims-Closing		156,115,608	247,439,231			
Less: Reinsurance and other recoveries in respect of outstanding claims -Opening		(247,439,231)	(111,036,117)			
Reinsurance and other recoveries revenue		135,373,191	279,722,992			
		278,741,525	293,086,144			
28.1 CLAIM DEVELOPMENT						
		2019	2020	2021	2022	2023
Estimate of ultimate claims costs:		-----Rs. in '000'-----				
At end of accident year		177,950	240,301	295,894	600,211	382,080
One year later		170,018	194,538	298,834	570,524	-
Two years later		168,469	194,988	301,774	-	-
Three years later		168,588	195,438	-	-	-
Four years later		168,707	-	-	-	-
Current estimate of cumulative claims		168,707	195,438	301,774	570,524	382,080
Cumulative payments to date		(162,731)	(188,791)	(282,300)	(533,996)	(300,901)
Liability recognized in the statement of financial position		5,976	6,647	19,474	36,528	81,179
29 NET COMMISSION AND OTHER ACQUISITION COSTS						
Commission paid or payable				277,853,735		203,023,149
Add: Deferred commission expense - Opening				93,163,086		83,152,055
Less: Deferred commission expense - Closing				(140,105,642)		(93,163,086)
Net Commission				230,911,179		193,012,118
Less: Commission received or recoverable				34,270,318		30,944,445
Add: Unearned re-insurance commission - Opening				15,678,432		15,233,124
Less: Unearned re-insurance commission - Closing				(14,034,468)		(15,678,432)
Commission from reinsurers				35,914,282		30,499,137
				194,996,897		162,512,981

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	Note	31-Dec-2023 Rupees	31-Dec-2022 Rupees
30 MANAGEMENT EXPENSES			
Employee benefit cost	30.1	169,606,874	161,064,456
Travelling and conveyance		8,413,203	5,876,028
Advertisement and sales promotion		5,707,058	2,313,080
Printing and stationery		7,544,299	6,260,560
Depreciation	30.3	32,115,769	28,855,074
Rent, rates and taxes	30.2	7,722,985	6,729,005
Legal and professional charges -business related		4,563,760	3,519,815
Electricity, gas and water		8,488,442	5,509,696
Petrol, oil and lubricants		18,409,729	15,977,091
Repairs and maintenance		17,694,361	18,124,263
Postages, telegram and telephone		9,268,734	8,188,105
Annual Supervision fee SECP		632,730	632,730
Service charges	30.4	39,385,455	88,955,118
Ijarah rentals		-	1,440,375
Entertainment		5,704,266	4,722,297
Provision for bad and doubtful receivable	14	3,287,567	1,757,600
Miscellaneous		3,061,483	1,429,145
		<u>341,606,715</u>	<u>361,354,438</u>
30.1 EMPLOYEE BENEFIT COST			
Salaries, allowance and other benefits		164,791,565	156,593,606
Charges for post employment benefit		4,815,309	4,470,850
		<u>169,606,874</u>	<u>161,064,456</u>
30.2			
The Company has obtained 28 branches on operating lease. According to management, these rental agreements have been classified as short-term leases due to their duration being less than 12 months or low value. 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).			
30.3 DEPRECIATION			
Operating fixed assets	8.1	12,943,173	10,963,033
Right of use assets	8.5	19,172,596	17,892,041
		<u>32,115,769</u>	<u>28,855,074</u>
30.4			
This represents services charges paid to MicroEnsure Pakistan (Private) Limited against collaboration for insurance business and other value added services.			
31 INVESTMENT INCOME / (LOSS)			
Income from equity securities			
Held for trading			
- Dividend income on listed securities		7,095,729	4,546,399
- Dividend income on mutual funds		1,662,049	2,922,743
		<u>8,757,778</u>	<u>7,469,142</u>
Income from debt securities			
Held to maturity			
- Return on Debt securities		5,495,728	5,674,439
Income from term deposits			
Held to maturity			
- Return on term deposits		15,978,082	23,634,514

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	Note	31-Dec-2023 Rupees	31-Dec-2022 Rupees
Net realized fair value gains/(losses) on investments			
Held for trading			
- Listed securities		(105,449,087)	-
- Mutual funds		3,563,380	-
Net unrealized fair value gains/(losses) on investments			
Held for trading			
- Listed securities		123,439,188	(68,749,890)
- Mutual funds		(2,233,138)	1,295,580
Held to maturity			
- Debt securities		4,765,511	1,659,086
Total investment income		54,317,442	(29,017,129)
Less: Investment related expenses		(513,201)	(27,362)
Net Investment Income / (loss)		<u>53,804,241</u>	<u>(29,044,491)</u>
32 OTHER INCOME			
Income from financial assets			
Return on bank balances		70,800,454	13,369,096
Realized exchange gain		3,068,855	-
Income from non financial assets			
Gain on disposal of fixed assets	8.4	8,156,410	-
		<u>82,025,719</u>	<u>13,369,096</u>
33 OTHER EXPENSES			
Auditors' remuneration	33.1	1,067,615	874,500
Fees and subscriptions		2,094,458	3,003,914
Workers' welfare fund		3,148,139	337,160
Loss on disposal of fixed assets		-	64,588
		<u>6,310,212</u>	<u>4,280,162</u>
33.1 AUDITOR'S REMUNERATION:			
Audit fee		772,391	600,951
Half yearly review fee		85,800	85,800
Other services (statutory returns)		142,724	129,749
Out of pocket expenses		66,700	58,000
		<u>1,067,615</u>	<u>874,500</u>
34 FINANCE COST			
Finance cost on right of use asset	23	14,529,391	15,665,013
		<u>14,529,391</u>	<u>15,665,013</u>
35 TAXATION			
For the year			
Current	15	34,301,391	10,311,313
		<u>80,898,536</u>	<u>(17,566,483)</u>
For the prior year(s)			
Current	15	(9,190,896)	168,517
Deferred		-	-
		<u>71,707,640</u>	<u>(17,397,966)</u>
35.1 Numerical Reconciliation applicable tax rate and average effective rate			
Applicable tax rate		0.29	0.29
Temporary difference		(0.32)	(0.31)
Tax impact related to prior year		0.38	(0.18)
Tax impact of final tax		(0.09)	(0.08)
Others		0.20	0.09
Average effective rate		0.46	(0.19)

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35.2 Comparison of tax provision against tax assessments

Year	Excess/ (Short)Tax provision	Tax assessment / Tax return
2020	(316,724) 32,491,321	32,174,597
2021	(168,517) 21,990,195	21,821,678
2022	9,190,896 10,311,313	1,120,417

35.3 As at December 31, 2023, 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 / (LOSS) PER SHARE

	Note	2023 Rupees	2022 Rupees
Net Profit / (loss) after tax for the year		<u>85,699,296</u>	<u>(73,831,398)</u>
Weighted average number of ordinary shares Outstanding		<u>73,008,243</u>	<u>73,008,243</u>
Earnings / (loss) per-share basic and diluted	36.1	<u>1.17</u>	<u>(1.01)</u>

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

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. 61.843 million (2022: Rs. 52.372 million). The category wise break up of investment as per section 218 of the Companies Act, 2017 is given below:

	31-Dec-2023 (Rupees) Audited	31-Dec-2022 (Rupees) Audited
Saving accounts	15,128,036	12,593,404
Term deposits receipts	<u>40,000,000</u>	<u>33,000,000</u>
	<u>55,128,036</u>	<u>45,593,404</u>
Employees' provident fund		
Size of the fund	<u>61,843,601</u>	<u>52,372,894</u>
Number of members	133	164
Cost of investment made	<u>55,128,036</u>	<u>45,593,404</u>
Percentage of investment made	89.14%	87.06%
Fair value of investment	<u>55,128,036</u>	<u>45,593,404</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:

	2023				2022			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	-----Rupees-----				-----Rupees-----			
Managerial remuneration	10,524,750	-	18,051,816	28,576,566	9,504,000	-	8,547,438	18,051,438
Utilities	1,530,450	-	2,587,412	4,117,862	950,400	-	854,742	1,805,142
Fees	-	-	-	-	30,000	190,000	-	220,000
Bonus	600,000	-	1,029,250	1,629,250	1,800,000	-	144,223	3,248,223
Rent and house maintenance	3,811,800	-	7,283,258	11,095,058	3,945,600	-	3,548,466	7,494,066
Contribution to defined- Contribution plan	872,340	-	1,499,736	2,372,076	791,688	-	591,598	1,383,286
	17,339,340	-	30,451,472	47,790,812	17,021,688	190,000	14,990,467	32,202,155
Executive Directors	17,339,340	-	-	17,339,340	17,021,688	-	-	17,021,688
Non-Executive Director	-	-	-	-	-	190,000	-	190,000
	17,339,340	-	-	17,339,340	17,021,688	190,000	-	17,211,688
Number of persons	1	7	19	27	1	7	5	13

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	2023		2022	
				Transactions during the period	Closing Balance	Transactions during the year	Closing Balance
				-----Rupees-----			
Contribution payable to provident fund	EPF	Contribution to provident fund	4,815,309	-	4,470,850	-	-
		Payable	-	992,124	-	967,061	-
Directors, their spouses and relatives (Country of origin - Pakistan and relationship - Directors, spouses and relatives)	Shareholders and relatives	Security Deposit		4,537,500		4,537,500	
		Final Cash Dividend	-	9	11,473,914	9	9
		Bonus Shares Issued (Numbers)	-	-	4,499,876	-	-
		Rental paid	30,412,874	-	25,586,132	-	-
		Remunerations and fee	17,339,340	-	17,211,688	-	-
		Right of use of assets	-	76,624,154	-	94,122,578	-
		Lease liabilities	-	110,141,268	-	149,801,535	-
		Commission paid	555,690	-	253,892	-	-
InsuResilience Investment Fund SICAV RAIF	Associated	Final Cash Dividend	-	-	5,061,339	-	-
		Bonus Shares Issued (Numbers)	-	-	1,687,113	-	-
		Consultancy Fee	-	-	-	-	-
Executives	Key Management Personnel	Remuneration paid	30,451,472	-	16,420,000	-	-
		Commission paid	-	-	235,776	-	-
Tagmu (Private) Limited	Common Director	Services Charges Paid	9,261,910	-	-	-	-

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 SICAVRAIF	Luxembourg	Associated undertaking	Shareholding	25.42%
Tagmu (Private) Limited	Pakistan	Related Party	Common Director	-

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40 SEGMENT REPORTING

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

As at December 31, 2023	Rupees					TOTAL
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH & PERSONAL ACCIDENT	MISCELLANEOUS	
Premium received (inclusive of FED, FIF and Admin surcharge)	517,175,395	195,516,401	140,818,976	197,601,441	260,161,509	1,311,273,722
Less: Federal Excise Duty / Sales Tax	(28,789,266)	(18,849,462)	(18,336,035)	(10,905,063)	(6,295,053)	(83,174,879)
Federal Insurance Fee	(1,910,837)	(1,659,635)	(1,175,243)	(1,848,464)	(1,983,001)	(8,577,180)
Gross Written Premium (inclusive of Admin surcharge)	486,475,292	175,007,304	121,307,698	184,847,914	251,883,455	1,219,521,663
Gross direct Premium	187,680,571	161,354,916	114,667,006	184,797,109	196,166,928	844,666,530
Facultative inward Premium	295,397,200	9,060,301	3,775,480	-	53,594,833	361,827,814
Administrative surcharge	3,397,521	4,592,087	2,865,212	50,805	2,121,694	13,027,319
Insurance Premium earned	392,029,554	170,831,227	114,084,040	212,937,903	235,842,544	1,125,725,268
Insurance Premium ceded to reinsurers	(121,397,557)	(57,937,387)	(6,848,347)	(59,046,776)	(53,349,385)	(298,579,452)
Net Insurance Premium	270,631,997	112,893,840	107,235,693	153,891,127	182,493,159	827,145,816
Commission income	23,660,771	3,790,801	4	994,237	7,468,469	35,914,282
Net underwriting income	294,292,768	116,684,641	107,235,697	154,885,364	189,961,628	863,060,098
Insurance claims	(132,515,876)	(9,023,905)	(60,854,273)	(158,957,433)	(52,763,230)	(414,114,717)
Insurance claims recovered from reinsurers	111,989,106	4,499,542	8,796,360	626,468	9,461,715	135,373,191
Net claims	(20,526,769)	(4,524,363)	(52,057,913)	(158,330,965)	(43,301,515)	(278,741,525)
Commission expenses	(137,789,717)	(44,341,570)	(23,231,889)	(6,891,687)	(18,656,316)	(230,911,179)
Management expenses	(118,947,458)	(51,855,899)	(34,604,760)	(64,631,990)	(71,566,607)	(341,606,715)
Premium deficiency expense	-	2,062,962	-	-	(6,591,623)	(4,528,661)
Net Insurance claims and expenses	(277,263,944)	(98,658,870)	(109,894,562)	(229,854,642)	(140,116,061)	(855,788,080)
Underwriting results	17,028,824	18,025,771	(2,658,865)	(74,969,278)	49,845,568	7,272,018
Net investment income						53,804,241
Other income						82,025,719
Other expenses						(6,310,212)
Finance cost						(14,529,391)
Profit from WTO Operations						35,144,561
Profit before tax						157,406,936
Segment assets	480,280,035	113,544,556	80,923,239	111,156,081	186,414,442	972,318,353
Unallocated assets						1,128,495,031
Total assets						2,100,813,384
Segment liabilities	515,119,544	72,883,721	120,619,520	173,925,900	161,146,937	1,043,695,622
Unallocated liabilities						151,798,429
Total liabilities						1,195,494,051

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40.2 SEGMENT REPORTING

As At December 31, 2022	Rupees					TOTAL
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH	MISCELLANEOUS	
Premium received (inclusive of FED, FIF and Admin surcharge)	359,022,286	168,773,036	140,543,198	322,900,211	120,357,813	1,111,596,544
Less: Federal Excise Duty / Sales Tax	(26,186,145)	(16,603,414)	(17,663,123)	(31,834,618)	(9,677,572)	(101,964,872)
Federal Insurance Fee	(1,767,289)	(1,428,919)	(1,122,497)	(2,881,849)	(877,860)	(8,078,414)
Gross Written Premium (inclusive of Admin surcharge)	331,068,852	150,740,703	121,757,578	288,183,744	109,802,381	1,001,553,258
Gross direct Premium	172,985,221	138,837,427	109,931,500	287,997,676	85,209,861	794,961,685
Facultative inward Premium	154,351,880	7,872,572	9,511,296	-	21,974,255	193,710,003
Administrative surcharge	3,731,751	4,030,704	2,314,782	186,068	2,618,265	12,881,570
Insurance Premium earned	316,473,509	150,023,916	124,250,801	279,811,908	125,801,332	996,361,466
Insurance Premium ceded to reinsurers	(113,232,971)	(61,034,760)	(5,391,623)	(63,420,356)	(18,006,295)	(261,086,005)
Net Insurance Premium	203,240,538	88,989,156	118,859,178	216,391,552	107,795,037	735,275,461
Commission income	24,536,055	4,194,935	-	-	1,768,147	30,499,137
Net underwriting income	227,776,593	93,184,091	118,859,178	216,391,552	109,563,184	765,774,598
Insurance claims	(283,696,664)	(4,747,847)	(55,650,658)	(123,953,359)	(104,760,608)	(572,809,136)
Insurance claims recovered from reinsurers	247,746,205	4,370,582	1,657,386	3,770,262	22,178,557	279,722,992
Net claims	(35,950,459)	(377,265)	(53,993,272)	(120,183,097)	(82,582,051)	(293,086,144)
Commission expenses	(102,674,927)	(36,753,000)	(24,385,811)	(7,533,852)	(21,664,528)	(193,012,118)
Management expenses	(114,766,170)	(54,419,978)	(45,060,898)	(101,468,326)	(45,639,066)	(361,354,438)
Premium deficiency expense	-	7,154,563	-	-	(51,213)	7,103,350
Net Insurance claims and expenses	(253,391,556)	(84,395,680)	(123,439,981)	(229,185,275)	(149,936,858)	(840,349,350)
Underwriting results	(25,614,963)	8,788,411	(4,580,803)	(12,793,723)	(40,373,674)	(74,574,752)
Net investment income						(29,044,491)
Other income						13,369,096
Other expenses						(4,280,162)
Finance cost						(15,665,013)
Profit from WTO Operations						18,965,958
Profit before tax						(91,229,364)
Segment assets	462,000,509	98,960,711	71,817,192	190,690,307	119,736,592	943,205,311
Unallocated assets						1,130,150,264
Total assets						2,073,355,575
Segment liabilities	488,284,469	68,507,177	110,849,200	211,016,225	169,580,446	1,048,237,517
Unallocated liabilities						187,498,021
Total liabilities						1,235,735,538

41 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through P&L	Total
As at January 01, 2022	268,843,598	-	235,655,722	504,499,320
Additions	-	-	18,067,123	18,067,123
Disposals (sale and redemption)	(200,000,000)	-	-	(200,000,000)
Amortization of PIBs	6,652,770	-	(67,454,310)	(60,801,540)
At beginning of January 01, 2023	75,496,368	-	186,268,535	261,764,903
Additions	157,649,871	-	29,907,314	187,557,185
Disposals (sale and redemption)	-	-	(111,424,544)	(111,424,544)
Amortization of PIBs	1,907,233	-	-	1,907,233
Fair value net gains (excluding net realized gains)	-	-	(19,320,343)	(19,320,343)
At end of current year	235,053,472	-	85,430,962	320,484,434

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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	2023				2022			
	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	57%	64%	51%	52%	60%	67%	41%	41%
Marine, aviation and transport	8%	8%	3%	4%	6%	6%	3%	4%
Motor	11%	8%	13%	11%	6%	4%	14%	11%
Health	10%	6%	20%	16%	5%	4%	30%	32%
Miscellaneous	15%	14%	13%	16%	23%	19%	12%	13%
Total	100%	100%	100%	100%	100%	100%	100%	100%

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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.

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, 2023		Rate	Impact on gross liabilities	Impact on profit and loss account
Current claims		+10%	41,411,472	(41,411,472)
		-10%	(41,411,472)	41,411,472
December 31, 2022		Rate	Impact on gross liabilities	Impact on profit and loss account
Current claims		+10%	57,280,914	(57,280,914)
		-10%	(57,280,914)	57,280,914

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)	418,879,940	156,115,608	118,573,010
Total	418,879,940	156,115,608	118,573,010

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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 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/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.

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:

Direct and Facultative	Gross sum insured		Reinsurance		Net	
	2023	2022	2023	2022	2023	2022
	Rupees					
Fire and property damage	357,409,045,718	277,999,738,037	93,242,496,982	84,400,720,468	264,166,548,736	193,599,017,569
Marine, aviation and transport	180,644,958,812	150,165,318,975	61,326,630,961	65,276,864,158	119,318,327,851	84,888,454,817
Motor	8,333,981,542	7,563,593,622	598,086,426	302,543,745	7,735,895,116	7,261,049,877
Health & PA	7,745,911,000	6,021,325,300	-	-	7,745,911,000	6,021,325,300
Miscellaneous	21,759,633,202	25,295,968,191	6,036,211,900	4,742,994,036	15,723,421,302	20,552,974,155
Total	575,893,530,274	467,045,944,125	161,203,426,269	154,723,122,407	414,690,104,005	312,322,821,718

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.

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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 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, 2023 is the carrying amount of the financial assets as set out below:

Nature of financial assets	2023 Rupees	2022 Rupees
Investments		
Equity securities	85,430,962	186,268,535
Debt securities	135,053,472	75,496,368
Term deposits	100,000,000	-
	320,484,434	261,764,903
Loans and other receivables	88,613,502	26,632,812
Insurance / reinsurance receivables	557,524,093	451,004,830
Reinsurance recoveries against outstanding claims	156,115,608	247,439,231
Cash and bank	399,882,738	437,361,495
	1,522,620,375	1,424,203,271

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:

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Name of banks	Rating		Rating agency	2023	2022
	Short term	Long term			
Cash at bank					
JS Bank Limited	A1+	AA	PACRA	1,647,820	1,598,027
United Bank Limited	A-1+	AAA	JCR-VIS	2,936,388	2,759,974
Summit Bank Limited*	N/A	N/A	-	44,762,699	34,089,560
Silk Bank Limited	A-2	A-	JCR-VIS	96,986	86,507
MCB Bank Limited	A1+	AAA	PACRA	200,000	200,000
Askari Bank Limited	A1+	AA+	PACRA	35,795	31,279
Faysal Bank Limited	A1+	AA	PACRA	5,620,252	31,388,208
Habib Bank Limited	A-1+	AAA	JCR-VIS	21,531,320	36,032,661
The Bank of Khyber	A-1	A+	JCR-VIS	1,117	155,677
SME Bank Limited*	N/A	N/A	-	-	14,981,891
Soneri Bank Limited	A1+	AA-	PACRA	4,978,176	3,662,517
Bank of Azad Jammu Kashmir*	N/A	N/A	-	33,789	4,696,048
Punjab Provincial Co-operative Bank*	N/A	N/A	-	15,215	15,215
The Bank of Punjab	A1+	AA+	PACRA	390	191,740
Bank Al-Habib Limited	A1+	AAA	PACRA	5,155,077	1,761,455
Zaraai Taraqiyati Bank Limited	A-1+	AAA	JCR-VIS	717,708	708,138
National Bank of Pakistan	A1+	AAA	PACRA	3,592,528	1,327,115
Khushhali Microfinance Bank Limited	A-2	A-	JCR-VIS	1,255,255	6,073,413
Dubai Islamic Bank Limited	A1+	AA	JCR-VIS	85,981	85,981
Samba Bank Limited	A-1	AA	JCR-VIS	798,781	1,158,654
Sindh Bank Limited	A-1	A+	JCR-VIS	8,865	392,001
NRSP Microfinance Bank Limited	A-2	BBB+	JCR-VIS	295,713,887	251,763,678
U Microfinance Bank Limited	A-1	A+	JCR-VIS	232,685	37,156,831
Finca Microfinance Bank Limited	A-2	A-	PACRA	144,900	3,942,335
The Karakum Co-Operative Bank Limited	N/A	N/A	-	992,045	224,144
Bank Alfalah Limited	A1+	AA+	PACRA	9,276,443	2,878,446
				399,834,102	437,361,495
Bank Alfalah Limited					
NRSP Microfinance Bank Limited	A-2	BBB+	JCR-VIS	100,000,000	-
JS Bank Limited	A1+	AA	PACRA	-	-
U Microfinance Bank Limited	A-1	A+	JCR-VIS	-	-
Khushhali Microfinance Bank Limited	A-2	A-	JCR-VIS	-	-
				100,000,000	-

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

Financial Liabilities: 2023	Carrying Amount	Up to One Year	More Than One Year
Outstanding Claims Including IBNR	254,913,907	254,913,907	-
Insurance / Reinsurance Payables	122,693,450	122,693,450	-
Retirement Benefit Obligations	992,124	992,124	-
Other Creditors and Accruals	107,253,271	107,253,271	-
	485,852,752	485,852,752	-
Financial Liabilities: 2022			
Outstanding Claims Including IBNR	384,332,836	384,332,836	-
Insurance / Reinsurance Payables	138,024,723	138,024,723	-
Retirement Benefit Obligations	967,061	967,061	-
Other Creditors and Accruals	63,726,056	63,726,056	-
	587,050,676	587,050,676	-
Financial Assets: 2023			
Insurance / Reinsurance Receivables	557,524,093	557,524,093	-
Reinsurance Recoveries Against Outstanding Claims	156,115,608	156,115,608	-
Accrued investment income	24,715,111	24,715,111	-
Balance with brokers	69,587	69,587	-
Security deposits	14,559,313	14,559,313	-
Other receivable	49,269,491	49,269,491	-
	802,253,203	802,253,203	-
Financial Assets: 2022			
Insurance / Reinsurance Receivables	451,004,830	451,004,830	-
Reinsurance Recoveries Against Outstanding Claims	247,439,231	247,439,231	-
Accrued investment income	1,592,970	1,592,970	-
Balance with brokers	35,671	35,671	-
Taxation - Provision less payments	7,617,356	7,617,356	-
Security deposits	14,921,313	14,921,313	-
Other receivable	10,082,858	10,082,858	-
	732,694,229	732,694,229	-

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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	2023	2022
			-----Rupees-----	
A or above (including PRCL)	359,998,330	129,003,129	489,001,459	499,161,892
Below A	73,638,696	-	73,638,696	10,876,337
Others	(14,757,086)	27,112,479	12,355,393	9,856,674
Total	418,879,940	156,115,608	574,995,548	519,894,903

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. 28.224 million (2022: : Rs. 24.936 million) were impaired and provided for.

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: 2023

Outstanding Claims Including IBNR
Insurance / Reinsurance Payables
Other Creditors and Accruals
Lease Liabilities

Carrying amount	Contractual cash flows	Up to one year	More than one year
254,913,907	254,913,907	254,913,907	-
122,693,450	122,693,450	122,693,450	-
107,253,271	107,253,271	107,253,271	-
111,726,246	147,992,757	33,959,358	114,033,399
596,586,874	632,853,385	518,819,986	114,033,399

Financial Liabilities: 2022

Outstanding Claims Including IBNR
Insurance / Reinsurance Payables
Other Creditors and Accruals
Lease Liabilities

384,332,836	384,332,836	384,332,836	-
138,024,723	138,024,723	138,024,723	-
63,726,056	63,726,056	63,726,056	-
152,183,457	202,979,382	54,986,628	147,992,754
738,267,072	789,062,997	641,070,243	147,992,754

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

Fire and property damage
Marine aviation and transport
Motor
Health
Miscellaneous

Pre tax Profit		Shareholders' equity	
2023	2022	2023	2022
-----Rupees-----			
(2,052,677)	(3,595,046)	(1,457,401)	(2,552,483)
(452,436)	(37,727)	(321,230)	(26,786)
(5,205,791)	(5,399,327)	(3,696,112)	(3,833,522)
(15,833,097)	(12,018,310)	(11,241,499)	(8,533,000)
(4,330,152)	(8,258,205)	(3,074,408)	(5,863,326)
(27,874,153)	(29,308,615)	(19,790,649)	(20,809,117)

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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. 72/ million-(2022: 150/-) million at the balance sheet 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 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, 2023 and 2022 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, 2023	72,033,507	10% increase	79,236,858	5,114,379	7,203,351
		10% decrease	64,830,156	(5,114,379)	(7,203,351)
December 31, 2022	150,185,064	10% increase	165,203,570	10,663,140	15,018,506
		10% decrease	135,166,558	(10,663,140)	(15,018,506)

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:

	2023	2022	2023	2022
	Effective interest rate (in %)		Rupees	Rupees
Financial assets				
Saving accounts	17.5% to 22.50%	11% to 17.50%	350,549,661	344,579,304
Deposits maturing within 12 months - Fixed rate Investments	24%	0.00%	100,000,000	-
- Interest bearing - Fixed rate	7.5% to 12%	9% to 14%	135,053,472	75,496,368
			585,603,133	420,075,672

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.

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	Profit before tax		Total equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
As at December 31, 2023- Sensitivity	5,856,031	(5,856,031)	4,157,782	(4,157,782)
As at December 31, 2022- Sensitivity	4,200,757	(4,200,757)	2,982,537	(2,982,537)

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, 2023 can be evaluated from the note 45.

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:

	2023	2022	2021
	(Rupees)		
Minimum paid up capital	500,000,000	500,000,000	500,000,000

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 their fair value. Further, fair value of certain assets measured under present value convention is not determinable. Hierarchy of fair 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
	(Rupees)					
Other unclaimed benefits	13,699,740	9,849,042	588,585	1,398,491	1,365,300	468,322

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44.2 HIERARCHY OF FAIR VALUE LEVELS

	2023								
	Held for trading	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	Rupees								
Investments									
- Equity securities	85,430,962	-	-	-	85,430,962	85,430,962	-	-	85,430,962
Assets of Window Takaful Operations - Operator's Fund	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investments									
- Term deposit*	-	100,000,000	-	-	100,000,000	-	-	-	-
- Debt securities	-	135,053,472	-	-	135,053,472	-	100,000,000	-	100,000,000
Loan and other receivable*	-	-	88,613,502	-	88,613,502	-	-	-	-
Insurance / reinsurance receivable*	-	-	557,524,093	-	557,524,093	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	156,115,608	-	156,115,608	-	-	-	-
Cash and bank*	-	-	399,942,738	-	399,942,738	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*	-	-	108,668,589	-	108,668,589	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(254,913,907)	(254,913,907)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	(122,693,450)	(122,693,450)	-	-	-	-
Other creditors and accruals*	-	-	-	(88,722,213)	(88,722,213)	-	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(39,080,059)	(39,080,059)	-	-	-	-
	85,430,962	235,053,472	1,310,864,530	(505,409,629)	1,125,939,336	85,430,962	100,000,000	-	185,430,962

Transfers during the year

During the year ended December 31, 2023:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

Valuation techniques

Fair value of investments classified as held to maturity is assessed using level 2 inputs usually closing market price as per rates prescribed by Financial Market Association of Pakistan by using PKRV rates at reporting date per certificates multiplied by the number of certificates held.

Fair value of Investments at fair value through profit or loss is determined using level 1 inputs i.e., quoted market prices of listed securities / NAVs of open end mutual funds.

	2022								
	Held for trading	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	Rupees								
Investments									
- Equity securities	186,268,535	-	-	-	186,268,535	186,268,535	-	-	186,268,535
- Debt securities	-	75,496,368	-	-	75,496,368	-	75,496,368	-	75,496,368
Assets of Window Takaful Operations - Operator's Fund	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investments									
- Term deposit*	-	-	-	-	26,632,812	-	-	-	-
Loan and other receivable*	-	-	26,632,812	-	451,004,830	-	-	-	-
Insurance / reinsurance receivable*	-	-	451,004,830	-	247,439,231	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	247,439,231	-	437,421,495	-	-	-	-
Cash and bank*	-	-	437,421,495	-	86,791,472	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*	-	-	86,791,472	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(384,332,836)	(384,332,836)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	(138,024,723)	(138,024,723)	-	-	-	-
Other creditors and accruals*	-	-	-	(49,089,291)	(49,089,291)	-	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(34,347,503)	(34,347,503)	-	-	-	-
	186,268,535	75,496,368	1,249,289,840	(605,794,353)	905,260,390	186,268,535	75,496,368	-	261,764,903

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

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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	2023						T Total
		Interest/ mark-up bearing			Non-interest/ non mark-up bearing			
		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		-	-	-	85,430,962	-	85,430,962	85,430,962
Debt Securities	7.5% to 12%	-	135,053,472	135,053,472	-	-	-	135,053,472
Term Deposits	24%	100,000,000	-	100,000,000	-	-	-	100,000,000
Loans and Other Receivables		-	-	-	88,613,502	-	88,613,502	88,613,502
Insurance / Reinsurance Receivables		-	-	-	557,524,093	-	557,524,093	557,524,093
Reinsurance Recoveries Against Outstanding Claims		-	-	-	156,115,608	-	156,115,608	156,115,608
Cash & Bank	17.5% to 22.5%	350,549,661	-	350,549,661	49,393,077	-	49,393,077	399,942,738
		450,549,661	135,053,472	585,603,133	937,077,242	-	937,077,242	1,522,680,375

FINANCIAL LIABILITIES

Lease Liabilities		33,959,358	77,766,888	111,726,246	-	-	-	111,726,246
Outstanding Claims Including IBNR		-	-	-	254,913,907	-	254,913,907	254,913,907
Insurance / Reinsurance Payables		-	-	-	122,693,450	-	122,693,450	122,693,450
Other Creditors and Accruals		-	-	-	107,253,271	-	107,253,271	107,253,271
		33,959,358	77,766,888	111,726,246	484,860,628	-	484,860,628	596,586,874

FINANCIAL ASSETS AND LIABILITIES	Effective Yield / interest rate	2022						T Total
		Interest/ mark-up bearing			Non-interest/ non mark-up bearing			
		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		-	-	-	186,268,535	-	186,268,535	186,268,535
Debt Securities	9% to 14%	-	75,496,368	75,496,368	-	-	-	75,496,368
Term Deposits		-	-	-	-	-	-	-
Loans and Other Receivables		-	-	-	26,632,812	-	26,632,812	26,632,812
Insurance / Reinsurance Receivables		-	-	-	451,004,830	-	451,004,830	451,004,830
Reinsurance Recoveries Against Outstanding Claims		-	-	-	247,439,231	-	247,439,231	247,439,231
Cash & Bank	11% to 17.50%	344,579,304	-	344,579,304	92,842,191	-	92,842,191	437,421,495
		344,579,304	75,496,368	420,075,672	1,004,187,599	-	1,004,187,599	1,424,263,271

FINANCIAL LIABILITIES

Lease Liabilities		54,986,628	97,196,829	152,183,457	-	-	-	152,183,457
Outstanding Claims Including IBNR		-	-	-	384,332,836	-	384,332,836	384,332,836
Insurance / Reinsurance Payables		-	-	-	138,024,723	-	138,024,723	138,024,723
Other Creditors and Accruals		-	-	-	63,726,056	-	63,726,056	63,726,056
		54,986,628	97,196,829	152,183,457	586,083,615	-	586,083,615	738,267,072

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

46 STATEMENT OF SOLVENCY	31-Dec-23 Rupees
ASSETS	
Property and Equipment	155,998,471
Investment Property	40,827,320
Investments	
Equity Securities	85,430,962
Debt Securities	135,053,472
Term Deposits	100,000,000
Total Assets of Window Takaful Operations - OPF	108,668,589
Total Admissible Assets of Window Takaful Operations - PTF	189,737,849
Loans and Other Receivables	88,613,502
Insurance / Reinsurance Receivables	557,524,093
Reinsurance Recoveries Against Outstanding Claims	156,115,608
Deferred Commission Expense / Acquisition Cost	140,105,642
Deferred Taxation	11,792,792
Taxation Payments Less Provision	2,167,185
Prepayments	118,573,010
Cash and Bank	399,942,738
Total assets (A)	2,290,551,233
Inadmissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000	
(g) any body that is related to insurers	4,537,500
(h) Insurance / Reinsurance receivables	422,715,483
(j) Deferred Taxation	11,792,792
(k) Amounts available to the insurer under guarantees	20,480,936
(u) i. Vehicle, ii. Office Equipment and iii. Furniture and fittings iv. Computers	49,270,991
Total of Inadmissible assets (B)	508,797,702
Total Admissible assets (C=AB)	1,781,753,531
Total Liabilities	
Total Liabilities of Window Takaful Operations-OPF	39,080,059
Total Liabilities of Window Takaful Operations-PTF	121,785,695
Underwriting Provisions	
Outstanding Claims Including IBNR	254,913,907
Unearned Premium Reserves	538,157,690
Premium Deficiency Reserve	6,642,836
Unearned Reinsurance Commission	14,034,468
Retirement Benefit Obligations	992,124
Insurance / Reinsurance Payables	122,693,450
Lease Liabilities	111,726,246
Other Creditors and Accruals	107,253,271
Total liabilities (D)	1,317,279,746
Total net Admissible assets (E=C-D)	464,473,786
Minimum Solvency Requirement (higher of following)	
Method A - U/s 36(3)(a)	150,000,000
Method B - U/s 36(3)(b)	172,851,939
Method C - U/s 36(3)(c)	64,201,813
	172,851,939
Excess / Deficit in Net Admissible Assets over Minimum Requirements	291,621,847

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

	2023	2022
48 NUMBER OF EMPLOYEES	---Numbers---	
Number of employees at the end of the year	<u>218</u>	<u>248</u>
Average number of employees during the year	<u>233</u>	<u>243</u>

49 CORRESPONDING FIGURES

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

50 SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

The Board of Directors of the Company has proposed final cash dividend for the year ended December 31, 2023 i.e. 50 paisas (2022: Nil) per share i.e. 5% (2022: Nil) amounting to Rs. 36.50 million (2022: Nil) at their meeting held on March 27, 2024 for approval of the members.

51 DISCLOSURE REQUIREMENT FOR ALL SHARIAH COMPLIANT COMPANI

51.1 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 not 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.

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

52 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on March 27, 2024 by the Board of Directors of the Company.

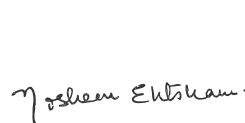
53 GENERAL

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


Chairman


Chief Executive Officer


Director


Director


Chief Financial Officer



Asia Insurance
Company Limited -
Window Takaful Operations

Financial Statements
As at December 31, 2023

Shari'ah Advisor's Report to the Board of Directors For the year ended December 31, 2023

نحمده و نصلي علي رسوله الكريم اما بعد

The year 2023 was the seventh 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.

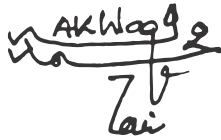
As Shariah Advisor of AI WTO; I confirm that:

- 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 Shariah 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 04, 2024

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 2023 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 implement;

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 polices have been approval 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 Shari 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 TAKAFUL RULES, 2012

Scope

We have been engaged by **Asia Insurance Company Limited** (the Operator) to perform a 'reasonable assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Operator, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended December 31, 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion on this information.

Criteria applied by the management

In preparing the Subject Matter, the management applied the criteria in accordance with the Takaful Rules, 2012 (Criteria).

The Management's responsibilities

The management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

BDO's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Operator. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our Independence and Quality Management

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 Management 1 for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

We checked that all the products and policies have been approved by Shariah Advisor and observed that the Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and Shariah Rules and Principles as determined by Shariah Advisor.

- We checked that 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.
- We reviewed training certificates and attendance sheets to evaluate that the Operator has imparted necessary trainings and orientations to maintain the adequate level of awareness, capacity, and sensitization of the staff and management.
- We have designed and performed following verification procedures (including but not limited to) on various financial arrangements, based on judgmental and systematic samples with regard to the compliance with Takaful Rules, 2012 and principles.
 - We obtained details of investments made and checked that all investments made in Shariah Compliant stocks as determined by Shariah Advisor;
 - We inquired regarding other investments like fixed deposits to confirm that all such contracts are executed with Islamic Financial Institutions;
 - We reviewed re-takaful and co-takaful parties along with arrangements / contracts entered into by Window Takaful Operations to assess compliance with Shariah Advisor guidelines and Takaful Rules, 2012; and
 - We re-calculated Operator's profit share and Wakalah fee income to confirm that approved percentage are applied on income from investments and contribution respectively.

The procedures selected by us for the engagement depended on our judgment, including the assessment of the, risks of the Operator's material non-compliance with the Takaful Rules 2012, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Operator's compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances but not for the purpose of expressing a conclusion as to the effectiveness of the Operator's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. A system of internal control, because of its nature, may not prevent or detect all instances of non- compliance with the Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the Takaful Rules, 2012 will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

In performing our audit procedures necessary guidance on Shariah matters was provided by the Shariah experts.

Opinion

In our opinion, the Statement of Compliance of the Takaful Operations of the Operator as of December 31, 2023 is presented, in all material respects, in accordance with Takaful Rules, 2012.

LAHORE

DATED: 3 April, 2024

Bdo Ebrahim & Co

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, 2023, 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 material accounting policy information 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, 2023 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 or 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);
- a) 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;
- b) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Operator's business; and;
- c) 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: 3 April, 2024

UDIN: AR202310131W8jKmzL1r

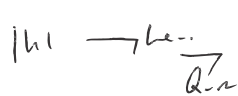
Bdo Ebrahim & Co

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF FINANCIAL POSITION OF OPF AND PTF
AS AT DECEMBER 31, 2023

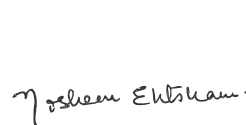
	Note	Operators' Fund		Participants' Takaful Fund	
		2023	2022	2023	2022
		-----Rupees-----			
ASSETS					
Loans and Other Receivables	6	2,424,154	42,450	973,896	91,322
Takaful / Retakaful Receivables	8	-	-	86,288,870	81,057,859
Deferred Wakala Fee	21	-	-	24,136,262	21,098,465
Receivable from PTF	15	32,213,898	54,042,475	-	-
Retakaful Recoveries Against Outstanding Claims	19	-	-	2,998,991	2,694,389
Deferred Commission Expense	20	11,184,193	9,132,523	-	-
Prepayments	9	-	-	14,968,200	7,012,125
Cash and Bank	10	62,846,344	23,574,024	78,153,709	94,299,086
TOTAL ASSETS		108,668,589	86,791,472	207,519,928	206,253,246
FUND AND LIABILITIES					
OPERATOR'S FUND (OPF)					
Statutory Fund	12	50,000,000	50,000,000	-	-
Qard-E-Hasna	7	(78,411,000)	(60,411,000)	-	-
Accumulated Profit		97,999,530	62,854,969	-	-
Total Operator's Funds		69,588,530	52,443,969	-	-
WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)					
Seed Money	11	-	-	500,000	500,000
Qard-E-Hasna	7	-	-	78,411,000	60,411,000
Accumulated (Deficit) / Surplus		-	-	(1,880,249)	1,339,122
Balance of Waqf / PTF		-	-	77,030,751	62,250,122
LIABILITIES					
PTF Underwriting Provisions					
Outstanding Claims Including IBNR	19	-	-	24,942,209	37,506,329
Unearned Contribution Reserve		-	-	59,892,520	49,001,581
Contribution Deficiency Reserves		-	-	2,634,320	209,782
		-	-	87,469,049	86,717,692
Retirement Benefit Obligations	16	18,324	7,862	-	-
Contributions Received In Advance		-	-	4,227,752	195,622
Unearned Wakala Fee	21	24,136,262	21,098,465	-	-
Takaful / Retakaful Payables	13	-	-	2,256,490	2,220,189
Other Creditors and Accruals	14	14,925,473	13,241,176	4,321,988	827,146
Payable to PTF / OPF	15	-	-	32,213,898	54,042,475
TOTAL LIABILITIES		39,080,059	34,347,503	130,489,177	144,003,124
TOTAL FUND AND LIABILITIES		108,668,589	86,791,472	207,519,928	206,253,246
CONTINGENCIES AND COMMITMENTS	17	-	-	-	-

The annexed notes 1 to 40 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, 2023

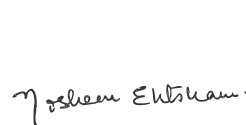
	Note	2023 Rupees	2022 Rupees
Participants' Takaful Fund (PTF)			
Contributions Earned	18	69,181,804	49,601,815
Less: Contributions Ceded to Retakaful	18	(32,067,925)	(21,324,965)
Net Contributions Revenue		<u>37,113,879</u>	<u>28,276,850</u>
Net Underwriting Income		<u>37,113,879</u>	<u>28,276,850</u>
Net Claims - Reported / Settled - IBNR	19	(49,200,790)	(28,394,143)
Charge of Contribution Deficiency Reserve		(2,424,538)	(209,782)
		<u>(51,625,328)</u>	<u>(28,603,925)</u>
Other Direct Expenses	24	(1,088,337)	(1,947)
Deficit Before Investment Income		<u>(15,599,786)</u>	<u>(329,022)</u>
Other Income	23	12,380,415	3,526,941
(Deficit) / Transferred to Accumulated Surplus		<u>(3,219,371)</u>	<u>3,197,919</u>
Operator's Fund (OPF)			
Wakala Fee	21	49,211,813	39,361,314
Commission Expense	20	(23,256,917)	(16,373,133)
General, Administration and Management Expenses	22	(2,638,346)	(6,682,799)
Operating Results		<u>23,316,550</u>	<u>16,305,382</u>
Other Income	23	12,078,585	2,889,964
Other Expenses	25	(250,574)	(229,388)
Profit for the year		<u>35,144,561</u>	<u>18,965,958</u>

The annexed notes 1 to 40 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, 2023


	Note	2023 Rupees	2022 Rupees
PARTICIPANT'S TAKAFUL FUND (PTF)			
(Deficit) / Surplus During the year		(3,219,371)	3,197,919
Other Comprehensive Income for the year		-	-
Total Comprehensive (Loss) / Income for the year		<u>(3,219,371)</u>	<u>3,197,919</u>
OPERATOR'S FUND (OPF)			
Profit during the year		35,144,561	18,965,958
Other Comprehensive Income for the year		-	-
Total comprehensive income for the year		<u>35,144,561</u>	<u>18,965,958</u>

The annexed notes 1 to 40 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, 2023

	Operators' Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
----- Rupees -----				
OPERATING CASH FLOWS				
a) Takaful activities				
Contributions received	-	-	126,933,940	102,534,088
Wakala fee received / (paid)	52,249,610	43,503,575	(52,249,610)	(43,503,575)
Retakaful contribution ceded	-	-	(39,920,379)	(59,078,989)
Claims Paid	-	-	(62,069,512)	(10,245,972)
Retakaful and other recoveries received	-	-	-	1,188,850
Commissions Paid	(22,709,947)	(13,837,095)	-	-
Direct, management and other expenses (payments) / receipts	(3,792,801)	(6,408,616)	(18,236,825)	40,304,662
Other takaful receipts / (payments)	19,446,873	(40,516,454)	(983,406)	(70,303)
Net cash flow generated from / (used in) from Takaful activities	45,193,735	(17,258,590)	(46,525,792)	31,128,761
b) Other operating activities				
Other operating receipts	12,078,585	2,889,964	12,380,415	3,526,941
Net cash flow generated from other operating activities	12,078,585	2,889,964	12,380,415	3,526,941
Total cash flow from all operating activities	57,272,320	(14,368,626)	(34,145,377)	34,655,702
INVESTMENT ACTIVITIES				
Qard-e-Hasna	(18,000,000)	(20,000,000)	18,000,000	20,000,000
Total cash flow (used in) / generated from investing activities	(18,000,000)	(20,000,000)	18,000,000	20,000,000
FINANCING ACTIVITIES				
Total cash flows from financing activities	-	-	-	-
Net cash flow generated from / (used in) all activities	39,272,320	(34,368,626)	(16,145,377)	54,655,702
Cash and cash equivalents at beginning of the year	23,574,024	57,942,650	94,299,086	39,643,384
Cash and cash equivalents at end of the year	62,846,344	23,574,024	78,153,709	94,299,086
RECONCILIATION TO PROFIT AND LOSS ACCOUNT				
Operating cash flows	57,272,320	(14,368,626)	(34,145,377)	34,655,702
(Decrease) / Increase in assets other than cash	(17,395,203)	43,084,481	17,412,059	37,954,676
(Decrease) / Increase in liabilities	(4,732,556)	(9,749,897)	13,513,947	(69,412,459)
Profit / (Deficit) for the year	35,144,561	18,965,958	(3,219,371)	3,197,919
Attributed to				
Participants' Takaful Fund	-	-	(3,219,371)	3,197,919
Operator's Fund	35,144,561	18,965,958	-	-
	35,144,561	18,965,958	(3,219,371)	3,197,919

The annexed notes 1 to 40 form an integral part of these Financial Statements.


Chairman


Chief Executive Officer


Director


Director

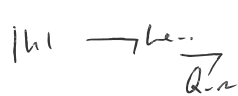

Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note	OPERATOR'S FUND			
	Statutory fund	Qard-e-Hasna	Accumulated Surplus	Total
	-----Rupees-----			
Balance As at January 1, 2022	50,000,000	(40,411,000)	43,889,011	53,478,011
Total Comprehensive Income for the year				
Profit for the year	-	-	18,965,958	18,965,958
Other Comprehensive Income for the year	-	-	-	-
	-	-	18,965,958	18,965,958
Qard-e-hasna to Participants' Takaful Fund (PTF)	-	(20,000,000)	-	(20,000,000)
Balance as at December 31, 2022	50,000,000	(60,411,000)	62,854,969	52,443,969
Balance as at January 1, 2023	50,000,000	(60,411,000)	62,854,969	52,443,969
Total Comprehensive Income for the year				
Profit for the year	-	-	35,144,561	35,144,561
Other Comprehensive Income for the year	-	-	-	-
	-	-	35,144,561	35,144,561
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	(18,000,000)	-	(18,000,000)
Balance as at December 31, 2023	50,000,000	(78,411,000)	97,999,530	69,588,530

	PARTICIPANTS' FUND			
	Seed money	Qard-e-Hasna	Accumulated Surplus/ (Deficit)	Total
	-----Rupees-----			
Balance as at January 1, 2022	500,000	40,411,000	(1,858,797)	39,052,203
Total Comprehensive Income for the year				
Surplus for the year	-	-	3,197,919	3,197,919
Other Comprehensive Income for the year	-	-	-	-
	-	-	3,197,919	3,197,919
Qard-e-Hasna from Operator's Fund (OPF)	-	20,000,000	-	20,000,000
Balance as at December 31, 2022	500,000	60,411,000	1,339,122	62,250,122
Balance as at January 1, 2023	500,000	60,411,000	1,339,122	62,250,122
Total Comprehensive Income for the year				
(Deficit) for the year	-	-	(3,219,371)	(3,219,371)
Other Comprehensive Income for the year	-	-	-	-
	-	-	(3,219,371)	(3,219,371)
Qard-e-hasna from Operator's fund (OPF)	-	18,000,000	-	18,000,000
Balance as at December 31, 2023	500,000	78,411,000	(1,880,249)	77,030,751

The annexed notes 1 to 40 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, 2023**

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, 2023 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.

**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. 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 IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- 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 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Operator adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Operator to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in this Note 4 Material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

IFRS 1 standard has been issued by IASB effective from 01, July 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

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.

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:

- 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
- All other financial assets:

Operator Fund

	December 31, 2023			
	Gross carrying amounts of debt instruments that pass the SPPI test			
	AAA	AA-	A+	Unrated
	Rupees	Rupees	Rupees	Rupees
Term deposit receipts (TDRs)	50,000,000	-	-	-
Total	50,000,000	-	-	-

	December 31, 2023				
	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 *	62,846,344	-	-	-	-
Loans and other receivables *	2,404,136	-	-	-	-
Total	65,250,480	-	-	-	-

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Participant Takaful Fund

Participant Takaful Fund	December 31, 2023				
	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*	78,153,709	-	-	-	-
Total	78,153,709	-	-	-	-

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

4. MATERIAL 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.

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 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..

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.

**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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.

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 ratakaful 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.

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 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.

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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 de recognition 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.

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) Interm 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.

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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 net discounted 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.

**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% (2022: 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.

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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.

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.

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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.

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
6 LOANS AND OTHER RECEIVABLES	-----Rupees-----			
Unsecured considered - Good				
Advances to staff	-	22,432	-	-
Advance against commission	20,018	20,018	-	-
Others	536,396	-	973,896	91,322
Accrued Investment Income	1,867,740	-	-	-
	2,424,154	42,450	973,896	91,322

7 QARD-E-HASNATO 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	
		2023	2022	2023	2022
-----Rupees-----					
8 TAKAFUL / RETAKAFUL RECEIVABLES					
(Unsecured and considered good)					
Due from takaful contract participants		-	-	13,625,268	7,242,522
Less: Provision for impairment of receivables from takaful participants holders		-	-	(223,574)	-
Due from other takaful / retakaful		-	-	73,748,017	73,815,337
Less: Provision for impairment of receivable from takaful / retakaful		-	-	(860,841)	-
		<u>-</u>	<u>-</u>	<u>86,288,870</u>	<u>81,057,859</u>
8.1 Movement of provision for impairment is as follows:					
Opening balance		-	-	-	-
Adjustment on account of:					
Doubtful premium written of		-	-	-	-
Provision made for doubtful due from:					
Due from takaful contract participants		-	-	223,574	-
Due from other takaful / retakaful		-	-	860,841	-
Net adjustment		-	-	1,084,415	-
Closing balance		-	-	1,084,415	-
9 PREPAYMENTS					
Prepaid re-takaful contribution ceded		-	-	14,968,200	7,012,125
10 CASH AND BANK					
Cash at bank					
- Saving accounts	10.1	12,846,344	23,574,024	78,153,709	94,299,086
Term deposit receipts (TDRs)	10.2	50,000,000	-	-	-
		<u>62,846,344</u>	<u>23,574,024</u>	<u>78,153,709</u>	<u>94,299,086</u>
10.1	The rate of return on PLS saving accounts maintained at various banks range from 2.79% to 20.% (2022: 7% to 10.40%) per annum.				
10.2	This represents, investment in Term Deposit Receipts (TDRs) with the National Bank Of Pakistan, have a maturity period of three months and will be matured on January 26, 2024. This carries a mark-up at the rate of 20.35% per annum.				
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'.				

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13 TAKAFUL / RETAKAFUL PAYABLES

Unsecured					
Takaful / Re-takaful payables	NOTE	-	-	2,256,490	2,220,189

14 OTHER CREDITORS AND ACCRUALS

Sales tax payable		-	7,920	670,702	770,652
Federal takaful fee payable		-	-	49,769	50,651
Tax deducted at source		191,407	88,221	45,251	5,843
EOBI payable		36,000	-	-	-
Outstanding agency commissions	14.1	14,369,519	11,770,879	-	-
Auditors' remuneration		155,595	123,000	-	-
Others		172,952	1,251,156	3,556,266	-
		<u>14,925,473</u>	<u>13,241,176</u>	<u>4,321,988</u>	<u>827,146</u>

14.1 This represent the commission payable on the polices which has been underwritten during the year

15 Receivable / (Payable) (Current Account between OPF and PTF)	Operator's Fund		Participants' Takaful Fund	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	-----Rupees-----			
Other Receivable / (Payable)	<u>32,213,898</u>	<u>54,042,475</u>	<u>(32,213,898)</u>	<u>(54,042,475)</u>

16 RETIREMENT BENEFIT OBLIGATIONS - OPF

Staff provident fund		<u>18,324</u>	<u>7,862</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% (2022: 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, 2023 (2022: Nil).

17.2 Commitments

There were no commitments outstanding as at December 31, 2023 (2022: Nil).

18 NET CONTRIBUTION	Participants' Takaful Fund (PTF)	
	31-Dec-23	31-Dec-22
	Rupees	Rupees
Written gross contribution	129,284,556	100,408,290
Less: Wakala fee	(52,249,610)	(43,503,575)
	<u>77,034,946</u>	<u>56,904,715</u>
Add: Provision for unearned contribution - Opening	27,903,116	20,600,216
Less: Provision for unearned contribution - Closing	(35,756,258)	(27,903,116)
Contribution earned	<u>69,181,804</u>	<u>49,601,815</u>
Less: Re-takaful contribution ceded	(40,024,000)	(19,674,000)
Add: Prepaid re-takaful contribution - Opening	(7,012,125)	(8,663,090)
Less: Prepaid re-takaful contribution - Closing	<u>14,968,200</u>	<u>7,012,125</u>
Re-takaful expense	(32,067,925)	(21,324,965)
Net Contribution	<u>37,113,879</u>	<u>28,276,850</u>

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19	NET CLAIMS - REPORTED / SETTLED - IBNR	NOTE	Participants' Takaful Fund (PTF)	
			31-Dec-23	31-Dec-22
			Rupees	Rupees
	Benefits / Claims Paid		62,069,512	10,245,972
	Add: Outstanding claims including IBNR - Closing		24,942,209	37,506,329
	Less: Outstanding claims including IBNR - Opening		(37,506,329)	(19,396,251)
	Claims expense		49,505,392	28,356,050
	Less: Re-takaful and other recoveries received		-	1,188,850
	Add: Re-takaful and other recoveries in respect of outstanding claims - Closing		2,998,991	2,694,389
	Less: Re-takaful and other recoveries in respect of outstanding claims - Opening		(2,694,389)	(3,921,332)
	Re-takaful and other recoveries revenue		304,602	(38,093)
	Net Claim Expense		49,200,790	28,394,143

19.1 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

20	COMMISSION EXPENSE		Participants' Takaful Fund (OPF)	
			31-Dec-23	31-Dec-22
			Rupees	Rupees
	Commission paid or payable		25,308,587	18,941,160
	Add: Deferred commission expense - opening		9,132,523	6,564,496
	Less: Deferred commission expense - closing		(11,184,193)	(9,132,523)
	Net Commission		23,256,917	16,373,133
21	WAKALA FEE			
	Wakala fee		52,249,610	43,503,575
	Add: Unearned Wakala fee - opening		21,098,465	16,956,204
	Less: Unearned Wakala fee - closing		(24,136,262)	(21,098,465)
	Wakala Fee Earned		49,211,813	39,361,314
22	GENERAL, ADMINISTRATION AND MANAGEMENT EXPENSES			
	Employee benefit cost	22.1	2,043,524	2,494,863
	Travelling expense		199,967	266,159
	Repairs and maintenance		10,842	52,590
	Printing and stationery		56,912	169,037
	Bank charges		3,063	1,920
	Service charges		230,941	3,594,856
	Miscellaneous		93,097	103,374
			2,638,346	6,682,799

22.1 These include Rs.0.054 million (2022: Rs. 0.078 million) in respect of post employment benefits.

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	NOTE	Operator's Fund		Participants' Takaful Fund			
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22		
23 OTHER INCOME	23.1	-----Rupees-----					
Return on bank balances and deposits		12,078,585	2,889,964	11,682,355	3,055,664		
Other income		-	-	698,060	471,277		
		<u>12,078,585</u>	<u>2,889,964</u>	<u>12,380,415</u>	<u>3,526,941</u>		
23.1	This includes return on (TDRs) amounting Rs. 1.868 million (2022: Rs. Nil) at the rate of 20.35% per annum.						
24 OTHER DIRECT EXPENSES							
Provision for bad and doubtful receivable		-	-	1,084,415	-		
Bank charges		-	-	3,922	1,947		
		<u>-</u>	<u>-</u>	<u>1,088,337</u>	<u>1,947</u>		
25 OTHER EXPENSES							
Auditors' remuneration		250,574	229,388	-	-		
		<u>250,574</u>	<u>229,388</u>	<u>-</u>	<u>-</u>		
25.1 AUDITORS' REMUNERATION							
Audit fee		195,974	174,788	-	-		
Half yearly review		54,600	54,600	-	-		
		<u>250,574</u>	<u>229,388</u>	<u>-</u>	<u>-</u>		
26 COMPENSATION OF DIRECTORS AND EXECUTIVES							
		Chief Executive		Directors		Executives	
		2023	2022	2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration		-	-	-	-	-	-
Leave encashment		-	-	-	-	-	-
Bonus		-	-	-	-	-	-
Ex-gratia allowance		-	-	-	-	-	-
Contribution to defined - contribution plan		-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

27 RELATED PARTY TRANSACTION

27.1 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	31-Dec-23 (Rupees)	31-Dec-22 (Rupees)
Directors	Shareholder	-		
Key management personnel	-	-		
Staff retirement benefits plan	-	-		
Relation with undertaking		Nature and transaction		
Balances at year end:				
Staff retirement benefits plan		(Payable) to defined benefit plan	<u>(18,324)</u>	<u>(7,862)</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>53,832</u>	<u>78,495</u>
Key management personnel		Commission paid to relatives	<u>-</u>	<u>-</u>

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

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28 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.

As at December 31, 2023	Rupees					
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	MISCELLANEOUS	TREATY	TOTAL
Contribution received (inclusive of FED, FIF and Admin Surcharge)	67,856,142	27,245,700	15,347,286	26,561,642	-	137,010,770
Less: Federal Excise Duty/Sales Tax	(2,256,142)	(2,512,964)	(1,816,463)	(510,109)	-	(7,095,678)
Federal Takaful Fee	(143,928)	(208,519)	(113,800)	(164,289)	-	(630,536)
Gross written contribution (inclusive of Admin surcharge)	65,456,072	24,524,217	13,417,023	25,887,244	-	129,284,556
Gross direct contribution	14,006,523	19,950,453	11,099,743	16,305,552	-	61,362,271
Facultative inward contribution	51,077,485	3,672,956	2,038,223	9,459,603	-	66,248,267
Administrative surcharge	372,064	900,808	279,057	122,089	-	1,674,018
Wakala fee expense	23,779,411	9,315,157	6,732,208	9,385,037	-	49,211,813
Takaful contribution earned	35,669,112	13,972,737	10,098,314	9,441,641	-	69,181,804
Takaful contribution ceded to retakaful	(11,495,561)	(15,671,617)	(2,078,011)	(2,822,736)	-	(32,067,925)
Net Takaful contribution	24,173,551	(1,698,880)	8,020,303	6,618,905	-	37,113,879
Retakaful rebate income	-	-	-	-	-	-
Net underwriting income	24,173,551	(1,698,880)	8,020,303	6,618,905	-	37,113,879
Takaful claims	(33,260,534)	(2,632,131)	(6,795,029)	(6,817,698)	-	(49,505,392)
Takaful claims recovered from retakaful	390,489	812,421	(705,142)	(193,166)	-	304,602
Net claims	(32,870,045)	(1,819,710)	(7,500,171)	(7,010,864)	-	(49,200,790)
Direct expenses	(561,130)	(219,813)	(158,862)	(148,532)	-	(1,088,337)
Contribution deficiency expense	(284,517)	(421,620)	-	(1,718,401)	-	(2,424,538)
Net Takaful claims and expenses	(33,715,692)	(2,461,143)	(7,659,033)	(8,877,797)	-	(52,713,665)
Underwriting results	(9,542,141)	(4,160,023)	361,270	(2,258,892)	-	(15,599,786)
Other income						12,380,415
Result of operating activities-PTF						(3,219,371)
Segment assets - (PTF)	68,350,077	22,105,110	12,718,105	25,219,031	-	128,392,323
Unallocated assets - (PTF)						79,127,605
Total assets - (PTF)						207,519,928
Segment liabilities - (PTF)	34,464,667	7,241,086	10,422,659	15,054,297	-	67,182,709
Unallocated liabilities - (PTF)						63,306,468
Total liabilities - (PTF)						130,489,177
Operators' fund account						
Wakala fee earned	23,779,411	9,315,157	6,732,208	9,385,037	-	49,211,813
Net Commission and other acquisition costs	(14,764,511)	(5,605,432)	(1,659,424)	(1,227,550)	-	(23,256,917)
Management expenses	(1,335,780)	(500,473)	(273,805)	(528,288)	-	(2,638,346)
Other income						12,078,585
Other expenses						(250,574)
Profit for the period						35,144,561
Segment assets - (OPF)	8,578,689	884,466	646,770	1,074,268	-	11,184,193
Unallocated assets - (OPF)						97,484,396
Total assets - (OPF)						108,668,589
Segment liabilities - (OPF)	21,081,703	4,189,931	4,137,397	9,096,750	-	38,505,781
Unallocated liabilities - (OPF)						574,278
Total liabilities - (OPF)						39,080,059

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28.1 SEGMENT INFORMATION

As at December 31, 2022	Rupees					TOTAL
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	MISCELLANEOUS	TREATY	
Contribution received (inclusive of FED, FIF and Admin Surcharge)	51,728,629	18,218,275	20,810,178	16,723,950	-	107,481,032
Less: Federal Excise Duty/Sales Tax	(2,298,229)	(1,960,470)	(1,655,866)	(611,098)	-	(6,525,663)
Federal Takaful Fee	(146,932)	(139,878)	(105,424)	(154,845)	-	(547,079)
Gross written contribution (inclusive of Admin surcharge)	49,283,468	16,117,927	19,048,888	15,958,007	-	100,408,290
Gross direct contribution	14,322,893	13,385,051	10,357,624	15,380,292	-	53,445,860
Facultative inward contribution	34,592,378	2,128,353	8,505,455	472,912	-	45,699,098
Administrative surcharge	368,197	604,523	185,809	104,803	-	1,263,332
Wakala fee expense	15,715,802	6,704,069	6,148,803	10,792,641	-	39,361,315
Takaful contribution earned	23,573,706	10,056,104	9,223,209	6,748,796	-	49,601,815
Takaful contribution ceded to retakaful	(7,590,666)	(7,547,417)	(1,432,500)	(4,754,382)	-	(21,324,965)
Net Takaful contribution	15,983,040	2,508,687	7,790,709	1,994,414	-	28,276,850
Retakaful rebate income	-	-	-	-	-	-
Net underwriting income	15,983,040	2,508,687	7,790,709	1,994,414	-	28,276,850
Takaful claims	(3,760,325)	(478,928)	(3,436,450)	(20,680,347)	-	(28,356,050)
Takaful claims recovered from retakaful	16,567	(4,509)	(211,650)	161,499	-	(38,093)
Net claims	(3,743,758)	(483,437)	(3,648,100)	(20,518,848)	-	(28,394,143)
Direct expenses	(925)	(395)	(362)	(265)	-	(1,947)
Contribution deficiency expense	-	-	-	(209,782)	-	(209,782)
Net Takaful claims and expenses	(3,744,683)	(483,832)	(3,648,462)	(20,728,895)	-	(28,605,872)
Underwriting results	12,238,357	2,024,855	4,142,247	(18,734,481)	-	(329,022)
Other income						3,526,941
Other expenses						-
Result of operating activities-PTF						3,197,919
Segment assets - (PTF)	55,714,725	15,677,708	21,039,518	19,430,887	-	111,862,837
Unallocated assets - (PTF)						94,390,409
Total assets - (PTF)						206,253,246
Segment liabilities - (PTF)	30,925,056	4,248,902	10,382,145	22,269,153	-	67,825,256
Unallocated liabilities - (PTF)						76,177,868
Total liabilities - (PTF)						144,003,124
Operators' fund account						
Wakala fee earned	15,715,802	6,704,069	6,148,803	10,792,641	-	39,361,315
Net Commission and other acquisition costs	(9,738,109)	(4,027,246)	(1,517,305)	(1,090,473)	-	(16,373,133)
Management expenses	(3,280,123)	(1,072,749)	(1,267,823)	(1,062,105)	-	(6,682,799)
Other income						2,889,964
Other expenses						(229,388)
Profit for the period						18,965,959
Segment assets - (OPF)	7,072,198	584,045	992,397	483,883	-	9,132,523
Unallocated assets - (OPF)						77,658,949
Total assets - (OPF)						86,791,472
Segment liabilities - (OPF)	17,180,983	2,859,128	6,244,645	6,584,588	-	32,869,343
Unallocated liabilities - (OPF)						1,478,160
Total liabilities - (OPF)						34,347,503

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29 MOVEMENT IN INVESTMENTS

During the year, the entity invested Rs. 50.0 million in term deposit receipts, which is categorized at amortized cost. There are no opening balances, additions and impairments for the year, eliminating the need for reconciliation. This is classified under cash and bank balance.

30 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.

31 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.

31.1 Takaful risks

31.1.1 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 geo coding is the essential field of the policy data inter phase 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 cessions are automatically made upon the posting of policy documents.

31.1.2 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	
	2023	2022	2023	2022	2023	2022
	----- Rupees -----					
Fire and property damage	62,043,099,174	55,681,930,002	16,620,864,155	8,575,072,163	45,422,235,019	47,106,857,839
Marine aviation and transport	35,251,971,224	22,255,937,580	26,018,079,959	10,807,040,015	9,233,891,265	11,448,897,565
Motor	926,652,663	1,663,003,495	158,697,966	166,625,852	767,954,697	1,496,377,643
Miscellaneous	1,826,882,965	1,597,300,814	500,628,943	1,367,545,100	1,326,254,022	229,755,714
	100,048,606,026	81,198,171,891	43,298,271,023	20,916,283,130	56,750,335,003	60,281,888,761

31.1.3 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.

31.1.4 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.

31.1.5 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.

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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	
	2023	2022	2023	2022
	----- Rupees -----			
10% decrease in profit				
Fire and property damage	(3,287,005)	(374,376)	(3,287,005)	(374,376)
Marine aviation and transport	(181,971)	(48,344)	(181,971)	(48,344)
Motor	(750,017)	(364,810)	(750,017)	(364,810)
Miscellaneous	(701,086)	(2,051,885)	(701,086)	(2,051,885)
	(4,920,079)	(2,839,415)	(4,920,079)	(2,839,415)

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

31.2 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 counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counter parties 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.

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

	Category of financial assets	2023 Rupees	2022 Rupees
Saving Accounts	Loans & Receivables	141,000,053	117,873,110
Takaful / re-takaful receivables	Loans & Receivables	86,288,870	81,057,859
Receivable from PTF	Loans & Receivables	32,213,898	54,042,475
Loan and other receivables	Loans & Receivables	2,424,154	42,450
		261,926,975	253,015,894

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	2023	2022
	Short term	Long term		Rupees	Rupees
Sindh Bank Limited	A-1	A+	JCR-VIS	570,748	5,327,512
Meezan Bank Limited	A-1+	AAA	JCR-VIS	2,434,580	52,422,605
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	178	94
Bank Islami Pakistan Ltd.	A1	AA-	PACRA	24,647	23,762
National Bank of Pakistan	A1+	AAA	PACRA	80,832,819	60,099,137
Faysal Bank	A1+	AA	PACRA	7,137,082	60,099,137
				91,000,054	117,873,110

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

Financial liabilities: 2023	Carrying Amount	Up to One Year	More Than One Year
Provision for outstanding claims (including IBNR)	24,942,209	24,942,209	-
Contribution received in advance	4,227,752	4,227,752	-
Takaful / re-takaful payables	2,256,490	2,256,490	-
Payable to PTF / OPF	32,213,898	32,213,898	-
Other creditors and accruals	14,698,066	14,698,066	-
	78,338,415	78,338,415	-

Financial liabilities: 2022	Carrying Amount	Up to One Year	More Than One Year
Provision for outstanding claims (including IBNR)	37,506,329	37,506,329	-
Contribution received in advance	195,622	195,622	-
Takaful / re-takaful payables	2,220,189	2,220,189	-
Payable to PTF / OPF	54,042,475	54,042,475	-
Other creditors and accruals	13,145,035	13,145,035	-
	107,109,650	107,109,650	-

Age analysis of financial assets is as under:

Financial assets: 2023	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
	Rupees			
Takaful / re-takaful receivables	86,288,870	63,100,181	13,296,236	9,892,453
Loan and other receivables	2,424,154	2,424,154	-	-
Receivable from PTF	32,213,898	32,213,898	-	-
Saving accounts	141,000,053	141,000,053	-	-
	261,926,975	238,738,286	13,296,236	9,892,453

Financial assets: 2022	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
	Rupees			
Takaful / re-takaful receivables	81,057,859	56,395,226	15,878,984	8,783,649
Receivable from PTF	54,042,475	54,042,475	-	-
Loan and other receivables	42,450	42,450	-	-
Saving accounts	117,873,110	117,873,110	-	-
	253,015,894	228,353,261	15,878,984	8,783,649

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	2023	2022
	-----Rupees-----			
A or above (including PRCL)	70,461,505	-	70,461,505	70,665,268
Others	3,286,512	2,998,991	6,285,503	5,844,458
Total	73,748,017	2,998,991	76,747,008	76,509,726

31.3 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 33 for liquidity risk schedule.

31.4 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.

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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	2023	2022	2023	2022
	Effective interest rate (in %)		Rupees	Rupees
Saving accounts	2.79 to 20%	7 to 10.40%	91,000,053	117,873,110
Term deposit	20.35%	Nil	50,000,000	-
			141,000,053	117,873,110

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.

2023	2022
Rupees	Rupees
1,410,001	1,178,731

Cash flow sensitivity - Variable rate financial assets

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/- (2022: 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

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Sensitivity analysis .

The table below summarizes company's equity price risk as of December 31, 2023 and December 31, 2022 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:

	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
2023	-	10% increase	-	-	-
	-	10% decrease	-	-	-
2022	-	10% increase	-	-	-
	-	10% decrease	-	-	-

31.5 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.

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32 FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS AND LIABILITIES	2023										
	Effective Yield/ Mark-up rate per annum	Interest/mark-up bearing			Non-Inte rest/mark-up bearing			Sub Total	Maturity over five years	Maturity over one year to five years	Total
		Maturity up to one year	Maturity over one year to five years	Maturity over five years	Maturity up to one year	Maturity over one year to five years	Maturity over five years				
	%	Rupees									
FINANCIAL ASSETS											
Loans and others receivables	-	-	-	-	-	-	-	2,424,154	-	-	2,424,154
Receivable from PTF	-	-	-	-	-	-	-	32,213,898	-	-	32,213,898
Takaful / Re-takaful receivables	-	-	-	-	-	-	-	86,288,870	-	-	86,288,870
Retakaful re coveries against outstanding claims	-	-	-	-	-	-	-	2,998,991	-	-	2,998,991
Cash and bank	2.79 to 20.35%	141,000,053	-	-	-	-	141,000,053	-	-	-	141,000,053
		141,000,053	-	-	-	-	141,000,053	123,925,913	-	-	264,925,966
FINANCIAL LIABILITIES											
Provision for outstanding claims (including IBNR)	-	-	-	-	-	-	-	24,942,209	-	-	24,942,209
Contribution received in advance	-	-	-	-	-	-	-	4,227,752	-	-	4,227,752
Takaful / Re-takaful payables	-	-	-	-	-	-	-	2,256,490	-	-	2,256,490
Payable to PTF / OPF	-	-	-	-	-	-	-	32,213,898	-	-	32,213,898
Other creditors and accruals	-	-	-	-	-	-	-	14,698,066	-	-	14,698,066
		-	-	-	-	-	-	78,338,415	-	-	78,338,415
		-	-	-	-	-	-	78,338,415	-	-	78,338,415
FINANCIAL ASSETS AND LIABILITIES											
	%	Rupees									
FINANCIAL ASSETS											
Loans and others receivables	-	-	-	-	-	-	-	42,450	-	-	42,450
Receivable from PTF	-	-	-	-	-	-	-	54,042,475	-	-	54,042,475
Takaful / Re-takaful receivables	-	-	-	-	-	-	-	81,057,859	-	-	81,057,859
Retakaful re coveries against outstanding claims	-	-	-	-	-	-	-	2,694,389	-	-	2,694,389
Cash and bank deposits	7% to 10.4%	117,873,110	-	-	-	-	117,873,110	-	-	-	117,873,110
		117,873,110	-	-	-	-	117,873,110	137,837,173	-	-	255,710,283
FINANCIAL LIABILITIES											
Provision for outstanding claims (including IBNR)	-	-	-	-	-	-	-	37,506,329	-	-	37,506,329
Contribution received in advance	-	-	-	-	-	-	-	195,622	-	-	195,622
Takaful / Re-takaful payables	-	-	-	-	-	-	-	2,220,189	-	-	2,220,189
Payable to PTF / OPF	-	-	-	-	-	-	-	54,042,475	-	-	54,042,475
Other creditors and accruals	-	-	-	-	-	-	-	13,145,035	-	-	13,145,035
		-	-	-	-	-	-	107,109,650	-	-	107,109,650
		-	-	-	-	-	-	107,109,650	-	-	107,109,650

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

33 STATEMENT OF SOLVENCY

Assets	Note	Participant's Takaful Fund
		31-Dec-2023
		Rupees
Property and equipment		
Investments		
Term deposits		
Loans and others receivables		
Takaful / Re-takaful receivables		973,896
Retakaful recoveries against outstanding claims	8	86,288,870
Deferred wakala fee	19	2,998,991
Prepayments	21	24,136,262
Cash and bank	9	14,968,200
Total assets (A)	10	78,153,709
		207,519,928

In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000.

(h) Takaful / Re-takaful receivables	72,782,875
(q)	-
(u)	-
(v)	-
Total of Inadmissible assets (B)	72,782,875
Total Admissible assets (C=A-B)	134,737,053

Total Liabilities

Underwriting provisions		
Provision for outstanding claims (including IBNR)	19	24,942,209
Contribution deficiency reserve		2,634,320
Reserve for unearned contribution		59,892,520
Contributions received in advance		4,227,752
Takaful / Re-takaful payables	13	2,256,490
Other creditors and accruals	14	4,321,988
Payable to OPF		32,213,898
Total liabilities (D)		130,489,177

Total net Admissible assets (E=C-D)

4,247,876

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.

34 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.

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Level-1	Level-2	Level-3	Total
	Rupees			
As at December 31, 2023				
At fair value through profit or loss-Held for trading	-	-	-	-
At fair value through OCI - Available for sale	-	-	-	-
As at December 31, 2022				
At fair value through profit or loss-Held for trading	-	-	-	-
At fair value through OCI - Available for sale	-	-	-	-

	2023 Rupees	2022 Rupees
Operator's Fund		
Category of financial assets		
Loan and receivables		
Loan and receivables	2,424,154	42,450
Takaful / retakaful receivable	-	-
Receivable from PTF	32,213,898	54,042,475
Other financial assets		
Cash and bank deposits	62,846,344	23,574,024
	97,484,396	77,658,949
Category of financial Liabilities		
Other financial liabilities		
Other creditors and accruals	14,698,066	13,145,035
	14,698,066	13,145,035
Participants Takaful fund		
Category of financial assets		
Loan and receivables		
Takaful / retakaful receivable	86,288,870	81,057,859
Retakaful recoveries against outstanding claims	2,998,991	2,694,389
Other financial assets	973,896	91,322
Cash and bank balances	78,153,709	94,299,086
	168,415,466	178,142,656
Category of financial Liabilities		
Other financial liabilities		
Outstanding claims including IBNR	24,942,209	37,506,329
Contribution received in advance	4,227,752	195,622
Takaful / retakaful payable	2,256,490	2,220,189
Payable to OPF	32,213,898	54,042,475
Other creditors and accruals	4,321,988	827,146
	67,962,337	94,791,761

35 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.

36 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary to reflect more a appropriate presentation of events and transactions for the purpose of comparison. However, no significant reclassification has been made during the year.

**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

37 SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

There is no event causing adjustment to or disclosure in financial statements.

38 NUMBER OF EMPLOYEES

	2023 Number	2022 Number
Number of employees at the end of the year	3	3
Average number of employees	3	3

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on March 27, 2024 by the Board of Directors of the company.

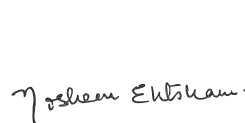
40 GENERAL

The figures are rounded off to the nearest rupees unless otherwise stated.


Chairman


Chief Executive Officer


Director


Director


Chief Financial Officer

BRANCHES NETWORK

Detail of Branches / Sub Offices across the Country

HEAD OFFICE

Asia House, 19 C/D, Block-L, Gulberg-III
Main Ferozpur Road, Lahore
Ph: 042-35865574-78 Fax: 042-35865579
info@asiainsurance.com.pk
www.asiainsurance.com.pk

HEALTH / AGRI / TRAVEL DIVISION

Asia House, 19 C/D, Block-L, Gulberg-III
Main Ferozpur Road, Lahore
Ph: 042-35865574-78 Fax: 042-35865579
info@asiainsurance.com.pk
www.asiainsurance.com.pk

WINDOW TAKAFUL OPERATION

Asia House, 19 C/D, Block-L, Gulberg-III
Main Ferozpur Road, Lahore
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takaful@asiainsurance.com.pk
info@asiainsurance.com.pk

LAHORE REGION

Branch Head

Mr. Zaheer ud Din Babar / Mr. Jaffar Abbas
Taj Arcade Office

Suite No. 33-34, 1st floor, Taj Arcade, Opposite
Services Hospital, Jail Road, Lahore
Ph: 042-35408325-27-29
lhr.tajarcade@asiainsurance.com.pk

Branch Head

Mr. Javaid Talib
Mumtaz Centre Office

Suit No. 4, 3rd Floor, Mumtaz Centre, 15-A
Shahrah-e-Fatima Jinnah, Lahore
Ph: 042-36299472-3
mumtazcentre@asiainsurance.com.pk

Branch Head

Mr. Sana Ullah / Mr. Muhammad Ahmad
Land Mark Plaza Office

330 3rd Floor, Landmark Plaza, Jail Road
Lahore
Ph: 042-35764121
land.mark@asiainsurance.com.pk

Branch Head

Mr. Agha Soud
Abbot Road Office

2nd Floor, Asif Center, 19-A, Abbot road
Lahore.
Ph: 042-36308070 Fax: 042-36308066
abbot@asiainsurance.com.pk

Branch Head

Mr. Afaq Ali
Bilal Center Office

Room No. 213, 2nd Floor, Hassan Centre
83-Brandreth Road, Lahore
Ph: 042-37672619

Branch Head

Mr. Nadeem Haider
Patiala Complex Office

Office No. 7, 2nd Floor, Patiala Complex
2-link Mecload Road, Lahore
Ph: 042-37351138 Fax: 042-37351139

FAISALABAD REGION

Branch Head

Mr. Ch. Muhammad Ashraf
Faisalabad Regional Office

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Kutchery Bazar, Circular Road, Faisalabad
Ph: 041-2605557-58 Fax: 041-2605559
fsd@asiainsurance.com.pk

Branch Head

Mr. Mian Muhammad Afzal
Faisalabad Pakistan Market Office

Office No. 17-C, 1st Floor Pearl City Tower
Opp. PSO Pump, Sargodha Road, Faisalabad.
Ph: 041-8815227

Branch Head

Mr. Muhammad Shafiq
Faisalabad Kotwali Road Office

Taj Plaza, 3rd Floor, Opposite Shell Petrol Pump
Kotwali Road, Faisalabad
Ph: 041-2648291, 041-2412192
fsd3@asiainsurance.com.pk

Branch Head

Mr. Irfan Akram
Faisalabad Civil Lines Office

Office No. S5 2nd Floor Chaudhary Arcade
New Civil Lines, Faisalabad
Ph: 041-2408444
irfan.akram@asiainsurance.com.pk

Branch Head

Mr. Abdul Rasheed
Sargodha Office

Khan Arcade, Kutchery Road, Sargodha
Ph: 048-3721286
sgd@asiainsurance.com.pk

SIALKOT REGION

Branch Head

Mr. Younas Shaheen
Sialkot Kashmir Road Office

2nd Floor, Al-Khalil Center, Kashmir Road
Sialkot Ph: 052-3240271-3
sktc@asiainsurance.com.pk

Branch Head

Mr. Ahmad Waqas Afzal
Sialkot Paka Garha Office

Plot / Building # 14 & 15 1st Floor
Business Bay, Clock Tower, Pakka
Garha, Sialkot.
Ph: 052-4591023 Fax: 052-4593022
slk@asiainsurance.com.pk

BRANCHES NETWORK

MULTAN REGION

Branch Head

Mr. Syed Khalil Ahmad
Multan Corporate Office

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Cantt.Ph: 061-6306813, 061-4586814
mnt@asiainsurance.com.pk

Branch Head

Mr. Ch. Imran Ali
Multan Nusrat Road Office

1st Floor, Khawar Centre, Near SP Chowk
Nusrat Road, Multan Cantt
Ph: 061-4541451-2 Fax: 061-4541450
mnt2@asiainsurance.com.pk

Branch Head

Mr. Attiq ur Rehman
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Mukarram Plaza, Alfalah Town Sadiqabad
District Rahim Yar Khan
Ph: 068-5701195 Fax: 068-5957377
sadiqabad@asiainsurance.com.pk

KARACHI REGION

Branch Head

Mr. Muhammad Ashruf Ansari
Karachi I

Room No. 1, 1st Floor Mian Chamber, Opposite
Sindh Madrasa, Shahrae Liaqat, Karachi.
Ph: 021-32428365, 32466960, 32465203
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k1@asiainsurance.com.pk

Branch Head

Mr. Sh. Murad Afzal
Karachi II

Office No. 510, 511, 512, Gul Tower,
I.I Chundrigar Road, Karachi.
Ph: 021-32461834-5
k2@asiainsurance.com.pk

Branch Head

Mr. Asif Masood Bhatti
Karachi Regional Office

Office No. 512-513, 5th Floor Falak
Corporate City, Mithandar Police Station,
Bolton Market, Karachi.
Ph: 021-32469584-5
karachi@asiainsurance.com.pk

Branch Head

Mr. Suleman Basaria
Karachi V

806, 8th Floor, Business Plaza, Mumtaz
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s.basaria@asiainsurance.com.pk

RAWALPINDI REGION

Branch Head

Mr. Liaqat Ali Malik
Rawalpindi Canning Road Office

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Canning Road Saddar, Rawalpindi
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rwp@asiainsurance.com.pk

Branch Head

Mr. Mohsin Mahmood
Islamabad Corporate Office

Flat No.6, 1st Floor, Al Barkat Plaza
Punjab Market G. 13/4, Islamabad

PESHAWAR REGION

Branch Head

Mr. Barkat Ali Bhatti
Peshawar Office

Deans trade Centre, Unit No. 180-TF
Saddar Road, Peshawar Cantt
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Branch Head

Mr. Aijaz Rafique
Hyderabad Office

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Block D Nait No. 7 Latifabad, Hyderabad
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Branch Head

Mr. Faheem Akhtar
Gilgit Office

Office No. 14, 2nd Floor, Meer Shah Market
Shahrah-e-Quaid Azam, Jutial Gilgit.

Abbotabad Office

Representative Office
abbt@asiainsurance.com.pk

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 لیٹڈ کے رکن اور رجسٹرڈ فو لیو نمبر..... کے تحت
(حصص کی تعداد) کے عمومی حصص کا مالک ہونے کی حیثیت سے میں/ہم.....
رہائش.....
ای وونگ کے لئے 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۔

میرا محفوظ ای میل ایڈریس..... ہے۔ برائے مہربانی لاگ ان تفصیلات، پاس ورڈ اور ایکسٹرا تک دستخط
ای میل کے ذریعے بھیج دیں۔



(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 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 جمع 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 فولیو 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 یانا کامی کی صورت میں،
محترم / محترمہ رہائش
کو اپنا پر کسی / نمائندہ مقرر کرتے ہیں۔

.....، 20 _____ کو دستخط کئے گئے۔



(دستخط کمپنی کے رجسٹرڈ نمونہ کے دستخط کے مطابق ہونے چاہئیں)

کی موجودگی میں دستخط کئے گئے:

گواہ کے دستخط

گواہ کے دستخط



ADDRESS

Asia House 19 C/D, L Block Gulberg-III,
Main Ferozpur Road, Lahore

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Facebook

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www.asiainsurance.com.pk