



General Insurance Company

National Assets Insurance Limited

FINANCIAL STATEMENTS
WITH
ACCOMPANYING INFORMATION

For The Period

from March 29, 2023 to September 28, 2023



National Assets Insurance Ltd.

CONTENTS

Company Information	2
Notice of the 5th Extra Ordinary General Meeting	3
Liquidator's Report Regarding Liquidation Proceedings	4
Independent Auditors' Report	15
Statement of Financial Position	19
Statement of Profit or Loss	20
Statement of Comprehensive Income	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Statement of Receipts and Payments	24
Notes to the Financial Statements	25
Pattern of Shareholding	50
Notice Regarding Liquidated Funds to Shareholders	51
Form of Proxy	53



National Assets Insurance Ltd.

COMPANY INFORMATION

Liquidator	Muhammad Umair Bhaur
Auditors	Yousuf Adil Chartered Accountants A/35, Cavish Court Block 7 & 8, K.C.H.S.U. Shahrah-e-Faisal Karachi
Registered Office	69/2, Abid Majeed Road, Lahore Cantt. Lahore
Winding up Office	2nd Floor, NBP, Aitemaad Islamic Banking, PECHS, Block-2, Tariq Road Karachi
Bankers	National Bank of Pakistan
Share Registrar	THK Associates (Pvt.) Ltd. Plot # 32-C, Jami Commercial Street 2, DHA, Phase VII, Karachi
Legal Advisors	Parker Russell-A.J.S. (Advocates, Barrister & Legal Consultants) 901, Q.M. House, Elander Road Karachi
Tax Advisor	Messrs. Grant Thornton 1st & 3rd Floor Modern Motors House Beaumont Road Karachi
Board of Directors	(Powers seized due to winding up)



National Assets Insurance Ltd.

NOTICE OF THE 5TH EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that the 5th Extra Ordinary General Meeting of **National Assets Insurance Limited** will be held at 2nd Floor, NBP, Aitemaad Islamic Banking, PECHS, Block-2, Tariq Road, Karachi, on 11 January 2024 at 10:30 a.m., to transact the following business:

1. To consider and approve the minutes of the 14th Annual General Meeting of the Company, held at 2nd Floor, NBP, Aitemaad Islamic Banking, PECHS, Block-2, Tariq Road, Karachi, on 23 June 2023 at 10:30 a.m.
2. To approve and adopt the Audited Financial Statements of the company for the period ended on 28 September 2023 and starting from 29 March 2023 along with all the policies as mentioned in the Financial Statements while adopting the auditors' report thereon.
3. To discuss the Income Tax related matters which are the core reason of delay in winding up of the Company
4. To discuss and approve the Liquidator's Report to the Shareholders for its onward submission with SECP.
5. To obtain signatures of all the shareholders and / or their representatives present in the meeting on the decisions made in the meeting for record purposes.

To transact any other business with the permission of the chair.

Date: 20 December 2023

MUHAMMAD UMAIR BHAUR
(Liquidator)

Notes:

1. The share transfer books of the company is already closed due to winding up proceedings.
2. A member entitled to attend and vote at the Extra Ordinary General Meeting is entitled to appoint another member as a proxy and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. The financial statements are available on website



National Assets Insurance Ltd.

LIQUIDATOR'S REPORT REGARDING LIQUIDATION PROCEEDINGS

U/S 415 OF THE COMPANIES ACT 2017

(MEMBERS' VOLUNTARY WINDINGUP)

Past Summary

Members Voluntary Winding Up of the Company was started on 29 March 2022. All required notices to regulatory authorities and shareholders were duly given. All statutory Forms were duly submitted with SECP. Preliminary report of liquidator was also duly submitted.

As per Section 141 of the Income Tax Ordinance 2001, a clearance from FBR was required to be obtained before distribution of liquidated funds. Due to some procedural and technical issues at FBR's end, neither manual nor online facility was available to apply for permission under the above-mentioned section.

Later, in the interest of time as well as in the interest of shareholders, the Liquidator distributed the capital amount to all major shareholders as well as to individual shareholders (On advice of consultant) whose bank accounts were known (under the intimation to the concerned Commissioner Income Tax).

There was no involvement of withholding tax in distribution of capital amount. However, the Liquidator kept reasonable cushion of funds in the form of complete amount of retained earnings to meet any unforeseen demands from FBR and / or any other authority and to meet other valid claims.

As on 31 May 2023 (the date of previous report of the Liquidator), out of total capital of Rs. 500 million, Rs. 473.959 million had been distributed to shareholders which becomes 94.79% of total capital.

Please refer to the last report of the Liquidator for further details Annexed "A".

As the distribution of retained earnings / dividends involved deduction of withholding tax, while FBR was still not in a position to issue permission under section 141 of the Income Tax Ordinance 2001 as discussed above, the Liquidator approached the Federal Tax Ombudsman through the Tax Consultant "Messrs. Grant Thornton".



National Assets Insurance Ltd.

Liquidator's Report related to the developments from 29 March 2023 to 15 December 2023

1. The summary of FBR related matters has been attached as Annexed "B".

FBR issued Order u/s 141 (2) of the Income Tax Ordinance 2001, dated 25 August 2023, Annexed "C" in result of the Liquidator's application to the Federal Tax Ombudsman.

However, they did not advise the aggregate amount (all amounts that have already been communicated as demands and those that might become demands in result of existing and future audit proceedings) to be set aside as per the requirements of tax law.

Extract from the section 141 of the Income Tax Ordinance 2001 is hereunder,

"The Commissioner shall, within three months of being notified under sub-section (1), notify the liquidator in writing of the amount which appears to the Commissioner to be sufficient to provide for any tax which is or will become payable by the person whose assets are in the possession of the liquidator."

Under the above scenario, the Liquidator discussed the matter with the tax consultant and the consultant agreed to the Liquidator's above mentioned understanding.

After filing the Income Tax Return for the period from 01 January 2022 to 28 March 2023, the Liquidator is now once again seeking for an appointment to personally meet FBR's concerned officials along with the tax consultant to find out the way forward so that the liquidation may be concluded as early as possible.

Annexure "B" reflects that FBR has so far mentioned the tax liability to the tune of around Rs. 34 million. However, the Liquidator understands that since the Income Tax Return for the period from 01 January 2022 to 28 March 2023 has been submitted and the computed admitted income tax of Rs. 3.1 million has been duly paid, the tax demand related to the period from 01 January 2022 to 28 March 2023 would be accordingly reduced.

However, FBR in its order under section 141 has further advised that an additional amount of tax liability can appear in result of five (5) audits of withholding tax statements of five (5) tax years and further the Income Tax Authorities have recommended to FBR Headquarters for their permission regarding selection of an additional Tax Year's audit u/s 177.



National Assets Insurance Ltd.

Hence, the full and final aggregate amount of tax liability has not been / cannot be ascertained at this point of time.

The Liquidator as well as the tax consultant understand that the tax liability as mentioned in 141 order is grossly overstated.

After the rectification of all the matters discussed above, the correct tax liability may be immaterial as compared to the existing demand.

The Liquidator has already requested the Income Tax Authorities for out of turn taking up of the appeals for tax year 2015 and 2020 in the interest of shareholders.

Under the above scenario, the Liquidator understands that the tax matters as communicated by FBR to the Company are;

- material in amounts,
- not quantified by FBR so far
- and the related demands are not in line with the tax law

Hence, the Liquidator is left with two options;

a. To struggle to get the known demands minimized through filing of appeals etc. and wait for orders regarding Withholding Tax Audits of 5 tax years and one more tax audit of one complete tax year that has yet to be started.

or

b. To pay off the complete amount demanded by FBR as reduced by the payment of admitted income tax of Rs. 3.1 million and further wait till FBR concludes their further demands in result of 5 years' audits of withholding tax statements and one audit of one complete tax year (whenever FBR will choose, start and concludes it).

After discussion with the tax consultant, the Liquidator understands that even if the Company pays off the existing demand of FBR at this stage, still the winding up cannot be concluded until the 5 years' audits of withholding tax statements have been concluded and one audit of one new complete year has also been conducted by FBR.

Hence, the Liquidator understands that in the meantime the Company should continue the efforts for conclusion of appeals for the tax years 2015 and 2020 in its favour.



National Assets Insurance Ltd.

This will not increase the aggregate time of concluding the winding up as the completion of winding up is linked to the completion of tax audits as mentioned above.

The existing status of distribution of capital amounts to the shareholders as on the date of this document is as following;

Description	Amount in PKR
Individuals (11867 in 1st batch)	118,670,000
Individuals (208 in 2nd batch)	2,080,000
Individuals (736 in 3rd batch)	7,554,990
Individuals (84 in 4th batch)	840,000
Individuals (12 individuals through cheques)	120,000
Individuals (53 in 5th batch & 2 through individual cheques)	550,000
NBP	44,815,000
NBP Staff Welfare Foundation	90,000,000
NBP Employees Benevolent Funds	50,000,000
NBP Employees Pension Funds	160,000,000
Total Distributed Capital	474,629,990

2. Yousuf Adil, Chartered Accountants have conducted the external audit of financial statements of the Company for the period from 29 March 2023 to 28 September 2023 and the same financial statements along with the notice of Extra Ordinary General Meeting (EOGM) are being dispatched to the shareholders at their latest available addresses. This report shall be presented before the shareholders in the EOGM and after its approval; the same shall be submitted with SECP.
3. Due to unforeseen delays in the liquidation process, specially, regarding matters related to FBR, this report has been issued in compliance of Section 415 of the Companies Act 2017.
4. No other matter is material in conclusion of the winding up so far.

Muhammad Umair Bhaur
Liquidator

Date: 15 December 2023



National Assets Insurance Ltd.

“Annexure A”

LIQUIDATOR'S REPORT REGARDING LIQUIDATION PROCEEDINGS (MEMBERS' VOLUNTARY WINDINGUP)

1. In order to initiate the winding up of the Company, Special Resolution was passed by the members of the Company in the AGM held on 29 March 2022 in which they decided to windup the Company by way of "Members' Voluntary Winding Up" and the undersigned was appointed as the liquidator to conduct the liquidation proceedings.
2. The notice of the winding up was sent to Printing Corporation of Pakistan on 04 April 2022 for printing in the Gazette of Pakistan and was also published in two newspapers on 05 April 2022, having nationwide circulation. The same was sent to SECP as well. This also serves the purpose of intimating creditors etc. to lodge the claims (if any).
3. Forms 109 and 110 were submitted with Securities & Exchange Commission of Pakistan (SECP) under Section 374 of the Companies Act 2017 and under Rule 271 of Companies Court Rules 1997.
4. The preliminary report of liquidator, containing statement of assets and liabilities as on 08 April 2022 was duly filed with SECP well in time.
5. Paid the gratuity to all employees entitled to it. The Actuary calculated the disbursement amounts.
6. Notices addressing to shareholders were published in two newspapers on 25 November 2022, having nationwide circulation, advising them to contact the liquidator to collect the liquidated funds.
7. No claims were received from any creditor except the claims from Company's employees for encashment of earned leave as per approved HR policy manual. After obtaining legal opinion, the Company paid the same.
8. As per Section 141 of the Income Tax Ordinance 2001, a clearance from FBR is required before distribution of liquidated funds. Due to some procedural and technical flaws at FBR's end, neither manual nor online facility is available to apply for permission under the above-mentioned section.
9. In the interest of the shareholders, the undersigned wrote a letter and then two well-spaced reminders to FBR, finally stating that since we understand that FBR is not in a position to issue the required permission, the undersigned is going to distribute the capital amount only, as there is no involvement of withholding tax in the distribution of capital. However, if still FBR feels any reservations, it can communicate the same to the undersigned.



National Assets Insurance Ltd.

10. Since no reply was received, 100% of capital amount was distributed to all major shareholders and the distribution of capital amount to individual shareholders was also started, based on the availability of their whereabouts and bank account numbers.

Following is the picture of distribution of capital amount;

Description	Amount in PKR
Individuals (11867)	118,670,000
Individuals (208)	2,080,000
Individuals (736)	7,554,990
Individuals (84)	840,000
NBP	44,815,000
NBP Staff Welfare Foundation	90,000,000
NBP Employees Benevolent Fund	50,000,000
NBP Employees Pension Fund	160,000,000
Total Distributed	<u>473,959,990</u>

Thus out of total capital of Rs. 500 million, Rs. 473.959 million has been distributed as on the date of this document which becomes 94.79% of total capital.

11. In case of individual shareholders, the basic data, based on CNIC# criteria, was provided by NBP to the Company in the year 2011 (when the shares were issued to the individuals). But now we found some such cases where the actual CNIC# did not match with the CNIC# provided to the Company in 2011.

The undersigned can release funds in favour of only those shareholders whose CNIC# provided in 2011 and provided now by the shareholders are same.

In case, there is any difference in CNIC#, the undersigned is dependent on NBP's verification.

Now the HR of NBP has been cooperating and they have provided us an initial list advising us that who are the real shareholders as per their updated record.

12. We have received claims against approximately 30 such shareholders who have expired. Under the advice of the lawyer, we have asked their successors to provide the succession certificates and meet some other requirements so that the funds may be released.

However, in case some successors cannot meet such requirements, the lawyers have advised to deposit the funds in a special account as per the requirements of the Companies Act 2017.



National Assets Insurance Ltd.

13. Since the liquidation process is at advanced stage now, and the distribution of retained earnings / dividends involve deduction of withholding tax, while FBR is still not in a position to issue permission under section 141 of the Income Tax Ordinance 2001 as discussed above, the undersigned has approached Federal Tax Ombudsman.

During the hearing, the Ombudsman advised the representative of FBR (Deputy Commissioner) that the taxpayer must be facilitated. If there is any problem with FBR's online system, accept the manual / physical application, complete the process and submit the report in 40 days.

In view of above, it is expected that the relevant clearance from FBR will be obtained shortly and the undersigned shall be in a position to distribute the retained earnings.

14. In the meantime, the undersigned has also obtained legal opinion regarding distribution of retained earnings to individual shareholders without the permission of FBR (however under the intimation of FBR) in case this matter is stretched beyond reasonable time.

For this purpose, the major shareholders need to give in writing consent to the undersigned that they have no objection in case the undersigned holds their share of retained earnings and releases the share of retained earnings to the individual shareholders on priority basis.

Thus, major shareholders' retained earnings shall be held to settle the tax liability (if any arises).

This option, together with the relevant required corporate formalities, has been communicated to the major shareholders.

15. Yousuf Adil, Chartered Accountants have conducted the external audit of financial statements of the Company for the period from 01 January 2022 to 28 March 2023 and the same financial statements along with the notice of Annual General Meeting (AGM) are being dispatched to the shareholders at their latest available addresses. Liquidator's report has also been included into to the above mentioned documents. The same report shall be presented before the shareholders in the AGM and then shall be submitted with SECP.
16. Due to the unforeseen delay in the liquidation process, due to the technical and legal limitation of FBR, the liquidator's term may be extended till the completion of the assignment. Accordingly, the payments (as adjusted with inflation factor) to the liquidator, beyond 28 March 2023 needs to be approved by the coming AGM.

Muhammad Umair Bhaur
Liquidator



National Assets Insurance Ltd.

“Annexure B”

NATIONAL ASSETS INSURANCE LIMITED
SUMMARY OF FBR RELATED MATTERS RELATED TO LIQUIDATION
AS ON 28 NOVEMBER 2023

Document Date	Discription	Tax Year	Comments	Demand	Status
25 August 2023	Order U/S 141 (2) of Income Tax Ordinance 2001 (In result of application to FTO)	2015	Quick take up of appeal requested	6,695,211	Appeal filed
		2020	Quick take up of appeal requested	5,557,867	Appeal filed
		WHT Audit 2018	Strong possibility of demand as communicated by FBR in the order	No demand decided yet by FBR	Documents submitted
		WHT Audit 2019	Strong possibility of demand as communicated by FBR in the order	No demand decided yet by FBR	Documents submitted
		WHT Audit 2020	Strong possibility of demand as communicated by FBR in the order	No demand decided yet by FBR	Documents submitted
		WHT Audit 2021	Strong possibility of demand as communicated by FBR in the order	No demand decided yet by FBR	Documents submitted
		WHT Audit 2022	Strong possibility of demand as communicated by FBR in the order	No demand decided yet by FBR	Documents submitted
			U/S 177 one more year for tax audit shall be selected and further demand is expected from there	Not yet decided	Year yet to be selected by FBR
		Tax for the period from 01 January 2022 to 28 March 2023	Accrued income of Rs. 8,945,145/- considered to be taxable resulting in tentative demand	2,594,092	
		Tax for the period from 01 January 2022 to 28 March 2023	Company declared tax payable of Rs. 2,832,046/-	2,832,046	
		Tax for the period from 01 January 2022 to 28 March 2023	Company declared tax liability of Rs. 16,354,298/-	16,354,298	

Total Liability pointed out by FBR so far 34,033,514



National Assets Insurance Ltd.

“Annexure C”



GOVERNMENT OF PAKISTAN
OFFICE OF THE COMMISSIONER INLAND REVENUE
ZONE-IV, CORPORATE TAX OFFICE,
KARACHI.

C.NO CIR/ZONE-IV/CTO/KHI/2022-23/131

DATED: 25/08/2023

Subject: ORDER U/S. 141(2) OF THE INCOME TAX ODINANCE, 2001

With reference to the application of the AR of the taxpayer M/s *Grant Thornton Anjum Rahman* dated 31-08-2022, received on 01-09-2022 regarding 'Notice u/s 141(1) the Income Tax Ordinance, 2001' in respect of **National Assets Insurance Limited, NTN. 3396851** (hereinafter referred as **the Company**) it is stated that the Company is in process of winding-up and notice for winding-up of company was sent to the Pakistan Printing Corporation of Pakistan on 4th April, 2022 for Printing in the Gazette of Pakistan and which was also published in two newspapers on 5th April, 2022. It is informed that the liquidation process of the Company is at an advance stage now and the liquidator filed the application u/s. 141(1) the Income Tax Ordinance, 2001. In order to notify the liquidator of the amount which appears to the undersigned to be sufficient to provide for any tax which is or will become payable by subject taxpayer, is given as under:

2. As per available record, tax demands of Rs. 6,695,211/- and Rs. 5,557,867/- are payable by National Assets Insurance Limited for tax years 2015 & 2020 respectively after passing of orders u/s 124/129 dated 10-07-2023.

3. Currently, the proceedings of withholding tax monitoring are underway. Notices under Rule 44(4) of the Income Tax Rule 2002 have been issued for tax years 2018, 2019, 2020, 2021 & 2022. Further, for selection u/s 177, the case has already been recommended to the FBR Headquarter for permission. Accordingly, in near future there is strong possibility that further tax demands may be raised on account of withholding tax/audits for which necessary arrangements should be made for the payment.

4. The Company has not filed Return of Income for Tax Year 2023 however they have provided Audited Financial Statements with accompanying information for the period 01-01-2022 to 28-03-2023. As per Financial Statements, the following areas show incidence of tax payable on part of the Company:

(i) Under the head of current assets in the Financial Statements, as on 28th March, 2023, the Company has declared accrued profit on bank deposits at Rs.8,945,145/-. This amount attracts withholding of tax at the given rate and accordingly to be paid.

(ii) Under the head of current liabilities, as on 28th March, 2023, the Company has declared Income Tax Payable at Rs.2,832,046/-, which needs to be paid.

(iii) The Company, in the statement of profit and loss account for the period from 01-01-2022 to 28-03-2023, has declared tax liability at Rs. 16,354,298/-, which needs to be paid.

(iv) The Company has, in the statement of changes in equity for the period from 01-01-2022 to 28-03-2023, declared un-appropriated profit of Rs. 254,405,365/-. Upon liquidation this amount of un-appropriated profit has to be distributed amongst the shareholders of the company. The Company is required to deduct tax upon payments of these un-appropriated profits to respective shareholders u/s 150 of the Income Tax Ordinance, 2001 as these payments would constitute as dividends u/s 2(19)(c) of the Income Tax Ordinance, 2001. Note 12.2 of the Financial Statements for the period 01-01-2022 to 28-03-2023 provides the share holding structure of the company, according to which share percentage of the shareholders appears/works as under:-

S. No.	Name of Share Holders	Percentage of share holding
1	National Bank of Pakistan	8.963%
2	NBP Staff Welfare Foundation	18%




National Assets Insurance Ltd.

3	NBP Employees Benevolent Fund	10%
4	NBP Employees Pension Fund	32%
5	Others (Individual Share Holders)	31.04%

(v) In the light of the above share holding structure of the company, the Company is required to deduct tax u/s. 150 of the Income Tax Ordinance, 2001 on the prescribed rates while making payments on account of un-appropriated profits/Dividends to the shareholders.

5. Accordingly, necessary funds are required to be earmarked for the above mentioned amount for tax year 2023, or any incidental amount payable for any of tax years, given at the foregoing paras, may be kept into consideration in the liquidation process.


(DR. MUHAMMAD ASLAM MARI)
COMMISSIONER-IR

Mr. M. Umair Bhaur
Liquidator,
National Assets Insurance Limited
House No B-25, Sector S-I
Gulshan -e- Maymar
Karachi

Mr. Arshad Rizwan Siddique
Senior Manager Tax, Grant Thornton Anjum Rahman,
1st & 3rd Floor, Modern Motors House,
Beaumont Road,
Karachi



National Assets Insurance Ltd.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL ASSETS INSURANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **National Assets Insurance Limited** (the Company), which comprise the statement of financial position as at September 28, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, the statement of receipts and payments for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the statement of receipts and payments 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 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 September 28, 2023 and of the profit and other comprehensive income, the changes in equity, its cash flows and its receipts and payments for the period 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.

Emphasis of Matter

We draw attention to note 1.3 to the financial statements, which states that the Company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realisable / settlement values of the assets and liabilities respectively.

Our opinion is not qualified in respect of this matter.



National Assets Insurance Ltd.

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 Liquidator 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 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.

Liquidator is 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:



National Assets Insurance Ltd.

- 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 Liquidator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the statement of receipts and payments together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



National Assets Insurance Ltd.

- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Yousuf Adil
Chartered Accountants

Place: Karachi

Date: December 20, 2023

UDIN: AR202310091EeYMU76IZ



National Assets Insurance Ltd.

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Rupees -----			
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	4	-	-
Intangible asset	5	-	-
Long term loan	6	-	-
CURRENT ASSETS			
Investments	7	-	-
Accrued profit on bank deposits		13,101,130	8,945,145
Advance, deposit and other receivable	8	2,498,249	2,799,984
Bank balances	10	282,199,868	282,603,137
		<u>297,799,247</u>	<u>294,348,266</u>
TOTAL ASSETS		<u>297,799,247</u>	<u>294,348,266</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Authorized share capital	11	1,250,000,000	1,250,000,000
Issued, subscribed and paid-up capital	12	25,920,010	36,515,000
Unappropriated profit		266,725,308	254,405,365
TOTAL EQUITY		<u>292,645,318</u>	<u>290,920,365</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Retirement benefit obligations	13	-	-
CURRENT LIABILITY			
Other creditors and accruals	14	298,855	595,855
Income tax payable		4,855,074	2,832,046
		<u>5,153,929</u>	<u>3,427,901</u>
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL EQUITY AND LIABILITIES		<u>297,799,247</u>	<u>294,348,266</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

Liquidator



National Assets Insurance Ltd.

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
		----- Rupees -----	
Return on debt securities - market treasury bills		-	1,737,677
Profit on bank deposits		25,149,353	83,463,178
Other income	16	177,275	7,250,371
		<u>25,326,628</u>	<u>92,451,226</u>
Liquidation Expenses	17	(7,834,660)	(23,251,945)
Profit before tax		17,491,968	69,199,281
Taxation	18	(5,172,025)	(16,354,298)
Profit for the period / year		<u>12,319,943</u>	<u>52,844,983</u>
Earnings per share	19	<u>4.724</u>	<u>1.368</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

Liquidator



National Assets Insurance Ltd.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
		----- Rupees -----	
Profit for the period / year		12,319,943	52,844,983
Other comprehensive income		-	-
Total comprehensive income for the period / year		<u>12,319,943</u>	<u>52,844,983</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

Liquidator



National Assets Insurance Ltd.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Issued, subscribed and paidup capital	Unappropriated profit	Total
	----- Rupees -----		
Balance as at December 31, 2021	500,000,000	201,560,382	701,560,382
Comprehensive income for the period ended from January 01, 2022 to March 28, 2023			
Profit for the year	-	52,844,983	52,844,983
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	52,844,983	52,844,983
Repayment of share capital to shareholders	(463,485,000)	-	(463,485,000)
Balance as at March 28, 2023	36,515,000	254,405,365	290,920,365
Comprehensive income for the period ended from March 29, 2023 to September 28, 2023			
Profit for the period	-	12,319,943	12,319,943
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	12,319,943	12,319,943
Repayment of share capital to shareholders	(10,594,990)	-	(10,594,990)
Balance as at September 28, 2023	25,920,010	266,725,308	292,645,318

The annexed notes from 1 to 24 form an integral part of these financial statements.



 Liquidator



National Assets Insurance Ltd.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income tax paid	(3,149,012)	(13,714,223)
General and administration expenses paid	(8,131,653)	(21,730,356)
Gratuity paid	-	(921,806)
Other receipts	20,993,376	76,708,428
Loan to employee - net	479,010	1,197,525
Net cash generated from / (used in) other operating activities	10,191,721	41,539,568
Total cash generated from / (used in) all operating activities	10,191,721	41,539,568
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of disposal of property and equipment	-	808,075
Security deposit	-	255,000
Proceeds of disposal of investments	-	376,000,000
Net cash flow generated from investing activities	-	377,063,075
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of share capital	(10,594,990)	(463,485,000)
Net cash flow from all activities	(403,269)	(44,882,357)
Cash and cash equivalents at the beginning of the period / year	282,603,137	327,485,494
Cash and cash equivalents at the end of the period / year	282,199,868	282,603,137

The annexed notes from 1 to 24 form an integral part of these financial statements.

Liquidator



National Assets Insurance Ltd.

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Rupees -----			
RECEIPTS			
Profit on bank deposits		20,993,376	76,708,428
Loan to employee - net		479,010	1,197,525
Proceeds of disposal of property and equipment	4	-	808,075
Security deposit		-	255,000
Proceeds of disposal of investments	7	-	376,000,000
Total receipts		21,472,386	454,969,028
PAYMENTS			
General and administration expenses		(8,131,653)	(21,730,356)
Gratuity paid		-	(921,806)
Income tax paid		(3,149,012)	(13,714,223)
Distribution of share capital	12	(10,594,990)	(463,485,000)
Total Payments		(21,875,655)	(499,851,385)
Deficit of receipts over payments		(403,269)	(44,882,357)

The annexed notes from 1 to 24 form an integral part of these financial statements.

Liquidator



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 National Assets Insurance Limited ("the Company") was incorporated on June 26, 2009 as a public limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 69-2 Abid Majeed Road, Lahore Cantt, Lahore.
- 1.2 The principal activity of the Company as per its Memorandum of Associations was to carry on any or all classes of non-life insurance business specified in the Insurance Ordinance, 2000 (as amended, modified and / or reenacted from time to time) including re-insurance of any or all classes of business.

1.3 NON-GOING CONCERN BASIS OF ACCOUNTING

The Company could not start its underwriting operations because despite continued efforts it could not obtain insurance license from Securities and Exchange Commission of Pakistan (SECP) since its incorporation. In the year 2018, SECP issued letter No. SECP/ID/PRDD/7/2018/NAIL/V/13441 dated 29 January 2018 to the Company, based on its communications with State Bank of Pakistan (SBP), stating that the Company appears to be a subsidiary of National Bank of Pakistan (NBP) under Section 2(1)(68) of the Companies Act, 2017 whereas a banking company cannot establish a subsidiary to carry out insurance business. As per letter, majority of directors on the Company's board are NBP's executives and powers are also vested with NBP through NBP's directors on the boards of other shareholders of the Company i.e., NBP Employees Pension Fund, NBP Employees Benevolent Fund and NBP Staff Welfare Foundation. SECP, therefore, regretted the Company's application for insurance license.

In view of the above letter received from SECP, the Company initiated legal consultation process. The Company's legal advisers were of the opinion that NBP does not have a control over the Company. NBP employees' funds are separate entities from NBP, and their shareholding in the Company does not create NBP's indirect control over the Company resulting in a parent-subsiary relationship. However, besides providing this opinion, the Company's legal advisers also advised the management a roadmap for repositioning the Company's shareholding and governance structure to resolve the regulatory objections regarding NBP's presumed control over the Company. In the light of this consultation, the Company was contemplating to change its shareholding structure by seeking approval from shareholders through divestment by NBP employee funds to a strategic equity investor, and to reduce the number of directors from NBP's executives below 50% of total directorship on the Company's board, thereby reducing NBP's shareholding and directors in the Company. However, the majority shareholders did not give consent for the said arrangement, rather they advised for the winding up of the Company. Later on, the Board of Directors initiated the prescribed procedures to wind up the Company adopting "Members' Voluntary Winding Up" under the Companies Act, 2017.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

Furthermore, members of the Company passed a special resolution in their Annual General Meeting held on March 29, 2022, in which they showed their consent to wind up the affairs of the Company as the members' voluntary winding up. Accordingly, a formal process of winding up in accordance with the provisions of Companies Act, 2017 was initiated and the Liquidator was duly appointed as per section 353 of the Companies Act, 2017.

Considering compliance of the provision of Companies Act, 2017 and the facts mentioned above, these financial statements are prepared for the special period instead of normal financial year. However since the company is unable to complete the winding up process in due time, therefore these financial statements have been prepared for a period of 180 days i.e. from March 29, 2023 to September 28, 2023 as per section 415 of the Companies Act, 2017.

In view of the aforesaid reasons, the Company is not considered to be a going concern. Hence, these financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Until the financial year 2020, the Company was complying with the Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 while preparing its financial statements on basis of legal advice due to the reason that it was contemplating to obtain insurance license and to start insurance activities. However, during the prior year, the majority of shareholders of the Company have communicated their intention to the management that they are going to initiate the winding up process and do not want the Company to put further effort to obtain insurance license any more. The Company has started winding up process as disclosed in note 1.3 to the financial statement. Accordingly, the compliance with Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 now appear to be unwarranted and foregone. There is no impact of this change on the financial position, financial performance and cash flows of the Company.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

2.2 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.3 Accounting convention

These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively. In realizable / settlement value basis, assets are earned at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements or judgments were exercised in application of accounting policies are as follows:

- Realizable / settlement value of assets and liabilities respectively
- Useful lives, patterns of economic benefits and impairments - Property, equipment and intangibles 3.1 & 3.2
- Impairment of financial assets 3.5
- Staff retirement benefits 3.10
- Provision 3.12
- Taxation 3.15

The Company started preparing its financial statements using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively from the year ended December 31, 2021 and recorded adjustments to the account for differences between the Company's recognized assets and the measurements of its assets and liabilities (including measurement changes resulting from changes in assumption).

Analysis of upside not recognized in the statement of profit or loss of the Company on the assets, if any.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

2.5 Application of new standards, amendments and interpretations to the published approved accounting standards

2.5.1 Amendments and interpretations to published accounting approved accounting standards which became effective during the current period / year.

There were certain amendments and interpretations to approved accounting standards which became effective for the Company's annual financial statements for the current period / year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.5.2 Amendments to IFRS that are not yet effective

The following amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments 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 reporting periods beginning on or after)
Amendments to IFRS 16 'Leases' -Clarification on how 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 IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

3.1 Property and equipment

Property and equipment are stated at cost signifying historical cost less accumulated depreciation and any accumulated impairment loss. The useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate, at each statement of financial position date. Depreciation is charged to statement of profit or loss by applying reducing balance method except for vehicles which are depreciated using the straight line method at the rates specified for calculation of depreciation in note 4 to these financial statements.

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 benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to statement of profit or loss as and when incurred.

Depreciation on additions is charged from the month the assets are available for use while on disposals, depreciation is charged up to the month in which the assets are disposed off.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets disposed off. These are included in the statement of profit or loss.

3.2 Intangibles

Intangibles are stated initially at cost. After initial recognition, an intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss.

Amortization is based on its useful life. The Company assesses whether the useful life of the intangible asset is finite or infinite. In case of finite life, amortization is charged to income on a systematic basis over its useful life. Amortization shall begin when the asset is available for use. Amortization shall cease at the earlier of the date asset is classified as held for sale and the date the asset is derecognized. Method for amortization shall reflect the pattern in which asset's future economic benefits are expected to be consumed. If pattern is not determinable, then straight line method is used.

Intangible asset arising from development phase are recognized separately. Moreover, expenditure on research phase is recognized as expense when it is incurred.

Amortization is charged to statement of profit or loss by applying straight line method with the useful life of seven years.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

3.3 Financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), if any, and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments, if any:



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

a) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

b) Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in statement of profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments, if any, at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

a) Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments, if any, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

b) Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments, if any, at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments will continue to be recognised in statement of profit or loss as other income when the Company's right to receive payments is established.

3.4 Financial liabilities Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on de-recognition is also included in statement of profit or loss.

3.5 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

3.6 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

3.7 Offsetting of financial instruments

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

3.8 Cash and cash equivalents

Cash and cash equivalents for the purposes of statement of cash flows includes cash deposited in Company's bank accounts.

3.9 Share capital

Ordinary shares are classified as equity and recognised at their face value.

3.10 Staff retirement benefits

Actuarial gains and losses are recognized in other comprehensive income (OCI) in the periods in which they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit obligation are recognized directly in other comprehensive income with no subsequent recycling through the profit and loss account.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

3.11 Creditors and accrued liabilities

Accrued liabilities and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

3.12 Provisions

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

3.13 Leases

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less. Lease payments on these assets are charged to the statement of profit or loss as incurred.

3.14 Revenue recognitions

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies. The details are as follows:

a) Return on fixed income investments

Income on Market Treasury Bills, is accrued using the effective interest rate method.

b) Dividend

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

c) Return on bank deposits

Return on bank deposits is recognized on accrual basis in accordance with the contractual terms.

3.15 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

Deferred

Deferred tax is accounted for by using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in these financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets 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 apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the profit and loss account, except to the case that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.16 Foreign currencies

Transactions in foreign currencies are accounted for in Pak Rupees at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange differences are taken to the statement of profit or loss currently.

3.17 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the board of directors.

3.18 Transaction with Related Party

All transactions involving related Parties arising in the normal course of business are conducted at agreed or commercial terms and condition.

	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
4 OPERATING FIXED ASSETS	----- Rupees -----	
Operating fixed assets	-	-
	-----	-----
	=	=



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

Description	September 28, 2023				
	Computer equipment	Motor vehicles	Furniture and fittings	Office equipment	Total
Rupees.....				
As at March 28, 2023					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Net book value	-	-	-	-	-
Period ended September 28, 2023					
Opening net book value	-	-	-	-	-
Additions - at cost	-	-	-	-	-
Disposal:					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Write-off					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Depreciation charge	-	-	-	-	-
Closing net book value	-	-	-	-	-
As at September 28, 2023					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Closing net book value	-	-	-	-	-
Depreciation rate (%)	30%	20%	20%	10%	



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

Description	March 28, 2023				
	Computer equipment	Motor vehicles	Furniture and fittings	Office equipment	Total
Rupees.....				
As at January 01, 2022					
Cost	678,251	2,265,500	486,950	749,818	4,180,519
Accumulated depreciation	(588,084)	(1,706,136)	(434,528)	(358,795)	(3,087,543)
Net book value	90,167	559,364	52,422	391,023	1,092,976
Period ended March 28, 2023					
Opening net book value	90,167	559,364	52,422	391,023	1,092,976
Additions - at cost	-	-	-	-	-
Disposal:					
Cost	535,346	2,265,500	486,950	749,818	4,037,614
Accumulated depreciation	(492,440)	(1,817,711)	(437,149)	(368,571)	(3,115,871)
	42,906	447,789	49,801	381,247	921,743
Write-off					
Cost	142,905	-	-	-	142,905
Accumulated depreciation	(102,407)	-	-	-	(102,407)
	40,498	40,498	-	-	-
Depreciation charge	(6,763)	(111,575)	(2,621)	(9,776)	(130,735)
Closing net book value	-	-	-	-	-
As at March 28, 2023					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Closing net book value	-	-	-	-	-
Depreciation rate (%)	30%	20%	20%	10%	



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Rupees -----			
5 INTANGIBLE ASSET - SOFTWARE			
Cost		-	3,810,000
Less: Accumulated amortization			
Balance as 01 January		-	(2,824,238)
Charge for the period / year		-	(136,071)
Write off during the period		-	(849,691)
		-	(3,810,000)
Net book value		-	-
6 LONG TERM LOAN			
Considered good - secured			
- Employee - house loan		-	2,799,984
- Less: current portion of long term loan		-	(2,799,984)
	8.1	-	-
7 INVESTMENTS			
At amortized cost			
Market Treasury Bills - MTBs			
Opening balance		-	374,262,323
Add: Purchased during the period / year		-	-
Add: Amortization of discount for the period / year		-	1,737,677
Less: Matured during the period / year		-	(376,000,000)
Closing balance		-	-

7.1 Market Treasury Bills carry yield at nil% (March 28, 2023: nil%).



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
		----- Rupees -----	
8 ADVANCE, DEPOSIT AND OTHER RECEIVABLE			
Current portion of long term loan	8.1	<u>2,498,249</u>	<u>2,799,984</u>
<p>8.1 This represents house loan of Rupees 10 million to then Company Secretary @ 3% per annum which is secured against 1% (of loan amount) equitable registered mortgage. The market rate of interest at the time of disbursement was estimated to 13.25% per annum which was used as discount rate for present value adjustment. Loan was to be adjusted from monthly salary in 145 equal installments. However considering the liquidation process, repayment schedule has been revised whereby the remaining outstanding payment will be received on conclusion of the winding up process.</p>			
9 DEFERRED TAXATION			
Deferred tax asset has not been recognized in these financial statements as the Company is non going concern basis, more fully disclosed in note 1.3 of these financial statements.			
10 BANK BALANCES			
Current account		<u>25,919,961</u>	36,514,951
National Income Daily Account (NIDA)		<u>256,279,907</u>	246,088,186
	10.1	<u>282,199,868</u>	<u>282,603,137</u>
<p>10.1 These bank accounts are maintained with National Bank of Pakistan (a related party). The mark-up on NIDA is calculated on daily basis on the previous day's account balance at the rate ranging from 15.5% to 20.5% (March 28, 2023: 8.25% to 15.5%) and credited on a semi-annual basis.</p>			
11 AUTHORIZED SHARE CAPITAL			
September 28, 2023 (Number of shares)	March 28, 2023	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
		----- Rupees -----	
<u>125,000,000</u>	<u>125,000,000</u>	Ordinary shares of Rupees 10 each fully paid in cash	<u>1,250,000,000</u>
			<u>1,250,000,000</u>



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

March 29, 2023 to September 28, 2023 (Number of shares)	March 28, 2023		March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
			----- Rupees -----	
<u>2,592,001</u>	<u>3,651,500</u>		<u>25,920,010</u>	<u>36,515,000</u>
50,000,000	50,000,000	As at beginning of the period / year	36,515,000	500,000,000
(47,407,999)	(46,348,500)	Repayment of share capital to shareholders	(10,594,990)	(463,485,000)
<u>2,592,001</u>	<u>3,651,500</u>	As at end of the period / year	<u>25,920,010</u>	<u>36,515,000</u>

12.1 Repayment of share capital to shareholders

	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
	----- Rupees -----	
Distribution of capital to major shareholders	-	344,815,000
Distribution of capital to individual shareholders	<u>10,594,990</u>	<u>118,670,000</u>
	<u>10,594,990</u>	<u>463,485,000</u>

March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Numbers -----	

12.2 The shareholding structure of the Company is as under:

Others (Individual Shareholders)	<u>2,592,001</u>	<u>3,651,500</u>
----------------------------------	------------------	------------------

Section 141 of the Income Tax Ordinance, 2001 requires a certain permission from Federal Board of Revenue (FBR) before distribution of liquidated funds to the shareholders. When the Company accessed FBR seeking the required permission, it was informed that now FBR entertains online applications only through their IRIS system. However, the required Form is not yet available on FBR's website. Further, certain tax demands have been raised on account of issues mentioned in note 15 of the financial statements.

Due to this situation, the liquidator decided, under the advice of consultants, to distribute only the share capital amount at initial phase (under intimation to FBR) as no withholding tax is involved in distribution of share capital.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

As a result, Rs. 344,815,000/- were distributed to all major shareholders on December 07, 2022, being 100% of their share capital amount and Rs. 118,670,000/- were distributed to individual shareholders during the last week of December, 2022.

Later on, the liquidator also distributed Rs. 2,080,000/-, Rs. 7,554,990/-, Rs. 840,000/- and Rs. 120,000/- in 2nd, 3rd, 4th and 5th tranche respectively to individual shareholders after the March 28, 2023.

The shareholders have been invited through newspapers advertisements and through sending letters to their last available addresses to lodge claims against their shares.

The process is going on in this respect."

13 RETIREMENT BENEFIT OBLIGATIONS

The Company operated an unfunded gratuity scheme, a defined benefit scheme, for all employees up to the age of 60 years. The latest valuation was carried out as at 31 December 2021 by an independent actuary - M/S Akhtar & Hassan (Private) Limited.

The employees who had completed one year of service with the company were eligible for the scheme. Provision was made in the financial statements for the year ended December 31, 2021, based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. Since the company has been involved in the liquidation process, the entire benefit has already been adjusted/paid to the employees during the last period ending March 28, 2023, as per the workings provided by the actuary. Therefore, no retirement benefit obligation exists in the current period.

The defined benefit plans exposed the Authority to various risks including actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Rupees -----			
Present value of defined benefit obligation	13.1	-	-
13.1 Net recognised liability			
Net liability at beginning of the period / year		-	6,206,472
Expense recognised in the profit or loss		-	-
Benefits paid during the period / year		-	(5,663,852)
Remeasurement gain recognized in other comprehensive income		-	-
		-	542,620
Adjustment for the remeasurement due to non going concern recognized in profit or loss		-	(542,620)
Net liability at end of the period / year		-	-



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Rupees -----			
14 OTHER CREDITORS AND ACCRUALS			
Provision for Sindh Workers Welfare Fund	14.1	-	-
Accrued liabilities		297,000	594,000
Other payable		1,855	1,855
		<u>298,855</u>	<u>595,855</u>

- 14.1** As per 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers Welfare Fund Act, 2014 (the Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rupees 0.50 million, is required to pay Sindh Workers Welfare Fund in respect of that year a sum equal to two percent of such income.

The Company does not actually fall under the scope of the Act and neither has been registered under the Insurance Ordinance, 2000 nor has commenced business. However, the Company has obtained opinion in 2017 and 2022 with this respect from well reputed Lawyers, and upon receiving convincing opinion, reversed the entire provision which was created earlier.

15 CONTINGENCIES AND COMMITMENTS

The income tax assessments of the Company have been completed up to and including tax year 2022 (i.e. year ended on December 31, 2021). The tax returns for the tax years from 2010 to 2022 are treated as assessment orders under section 120 of the Income Tax Ordinance, 2001 on the date returns were filed, unless amended otherwise.

In respect of assessment years 2015 and 2020, the Deputy Commissioner Inland Revenue (DCIR) made certain additions / disallowances which resulted in additional tax liability amounting to Rs. 12.56 million and Rs. 5.43 million respectively. The Company then filed appeal before the Commissioner Inland Revenue (Appeals) where CIR (Appeals) set aside the addition made by the DCIR with the direction to re-examination, re-consideration, re-verification and re-adjustment.

In result of above, the revised order showed demand of Rs. 6.69 million for the Tax Year 2015 and Rs. 5.56 million for the Tax Year 2020. However the Company has again opted for Appeal and considering this demand not legitimate, did not book the provision.

Further in the order, demand for the accounting period from 01 January 2022 to 28 March 2023 has been mentioned as Rs. 21.7 million and again considering it incorrect and intending to contest it, the provision has not been booked.

Is respect of the above, no provision has been made in these financial statements as the liquidator anticipates based on the advice of its tax advisor that the case would be decided in favour of the Company.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Rupees -----			
16 OTHER INCOME			
Interest income on house loan	8.1	177,275	3,044,888
Reversal of provision for Sindh Workers Welfare Fund	14.1	-	3,662,863
Adjustment due to non-going concern of defined benefit obligation		-	542,620
		<u>177,275</u>	<u>7,250,371</u>
17 LIQUIDATION EXPENSES			
Salaries, allowances and other benefits / payments to liquidator	17.1	5,039,868	15,151,760
Legal and professional charges		1,072,117	1,719,379
Advertisement		-	1,194,539
Auditors' remuneration	17.2	297,000	594,000
Depreciation	4	-	130,735
Amortization		-	136,071
Rent, rates and taxes		-	807,515
Printing & stationery		858,215	928,153
Utilities		108,679	291,508
Repair and maintenance		-	81,996
Entertainment		57,679	57,050
Postage and periodicals		260,395	515,809
Travelling expense		140,050	299,135
Vehicle running expense		-	40,739
Property and equipment written-off		-	40,498
Loss on disposal of property and equipment		-	113,667
Bank charges		-	1,423
Intangible asset written-off		-	849,691
Other liquidation expense		657	298,277
		<u>7,834,660</u>	<u>23,251,945</u>

17.1 This includes earned leave encashment to employees amounting to Rs.nil (March 28, 2023 : 4.12 million)



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
----- Rupees -----			
17.2 Auditors' remuneration			
Annual audit fee		250,000	500,000
Out of pocket expenses		25,000	50,000
Sales tax		22,000	44,000
		<u>297,000</u>	<u>594,000</u>
18 TAXATION			
Current tax		5,030,101	16,231,415
Prior year tax		141,924	122,883
		<u>5,172,025</u>	<u>16,354,298</u>
Deferred tax		-	-
		<u>5,172,025</u>	<u>16,354,298</u>
19 EARNINGS PER SHARE			
There is no dilutive effect on basic earnings per share which is based on:			
Profit after tax - Rupees		12,319,943	52,844,983
Weighted average number of ordinary shares - Numbers		2,608,194	38,617,957
Earnings per share - Rupees		4.724	1.368

20 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors and their close family members, key management personnel and major shareholders of the Company. The associated companies are associated either based on holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Balances, including investments in associates, are disclosed in relevant notes to these financial statements. Details of transactions with related parties during the year, other than remuneration paid to chief executive officer and other executives as disclosed in Note 21 to the financial statements, are as follows:



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

Note	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023			
	----- Rupees -----				
National Bank of Pakistan - associated company					
Transactions					
Profit on bank deposits	25,149,353	83,463,178			
Bank charges	-	(1,423)			
Balances					
Accrued profit on bank deposits	13,101,130	8,945,145			
Bank balances	282,199,868	282,603,137			
21 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND OTHER EXECUTIVE					
Chief Executive Officer					
Managerial remuneration	-	662,220			
Allowances and other benefits	-	541,815			
Gratuity	-	4,742,046			
	-	5,946,082			
Number of person	-	1			
Executive					
Managerial remuneration	-	351,141			
Allowances and other benefits	-	287,298			
	-	638,439			
Number of person	-	1			
<table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;">March 29, 2023 to September 28, 2023</td> <td style="text-align: center;">January 01, 2022 to March 28, 2023</td> </tr> </table>				March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023			
----- Number -----					
22 NUMBER OF EMPLOYEES					
At period / year end	2	3			
Average	2	3			



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

23 FINANCIAL RISK MANAGEMENT

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

(a) 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. Market risk comprise of interest rate risk, foreign currency risk and other price risk. The Company manages the market risk exposures by following internal risk management policies:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company believes that it is not exposed to foreign exchange risk as all contractual assets and contractual liabilities are in Pakistani Rupees.

Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by the factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk.

Interest rate risk

The Company invests in securities and has deposits that are subject to interest / mark-up rate risk. Interest / mark-up rate risk to the company is the risk of changes in market interest / mark-up rates reducing the overall return on its interest bearing securities. The Company limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
	----- Rupees -----	
Fixed rate of financial instruments		
Financial assets		
Loans and other receivables	2,498,249	2,799,984
Floating rate of financial instruments		
Bank balance	256,279,907	246,088,186
Financial liability	-	-

Fair value sensitivity analysis for fixed rate instruments:

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

(b) Credit risk and concentration of credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect 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 client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors and backed by government of Pakistan.

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



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
	----- Rupees -----	
Advance, deposit and other receivable	2,498,249	2,799,984
Bank balances	<u>282,199,868</u>	<u>282,603,137</u>
	<u>284,698,117</u>	<u>285,403,121</u>

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

	Rating			March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
	Short term	Long term	Rating agency	----- Rupees -----	
National Bank of Pakistan	A1+	AAA	PACRA	<u>282,199,868</u>	<u>282,603,137</u>

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company is not subject to significant liquidity risk as it has sufficient bank balances to meet its working capital requirements. At 28 September 2023, the Company had bank balances of Rupees 282.199 million (2021: Rupees 282.603 million).

d) Recognized fair value measurements - Financial Assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.



National Assets Insurance Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED FROM MARCH 29, 2023 TO SEPTEMBER 28, 2023

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no financial asset and financial liability to be reported under above levels as the carrying amounts of all financial assets and financial liabilities presented in these financial statements are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

(e) Recognized fair value measurements - Non-Financial Assets

The carrying value of all non-financial assets reflected in these financial statements are approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

23.2 Financial instruments by categories

As per statement of financial position	Amortised cost	
	March 29, 2023 to September 28, 2023	January 01, 2022 to March 28, 2023
Financial assets	----- Rupees -----	
Investments	-	-
Advances, deposits and other receivables	2,498,249	2,799,984
Bank balances	282,199,868	282,603,137
	<u>284,698,117</u>	<u>285,403,121</u>
Non - Financial liabilities		
Other creditors and accruals	<u>298,855</u>	<u>595,855</u>

24 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Liquidator of the Company on December 20, 2023.

Liquidator



National Assets Insurance Ltd.

PATTERN OF SHAREHOLDING

No. of shareholders	From	To	Total Shares Held	% of Capital
2486	1	1000	2,486,000	100.00%
3	1001	2000	-	0.00%
1	2001	4500000	-	0.00%
1	4500001	5000000	-	0.00%
1	5000001	9000000	-	0.00%
1	9000001	16000000	-	0.00%
			2,486,000	100%

Categories of Shareholders

Description	No. of Shareholders	Shares Held	% of Capital
Individuals	2,486	2,486,000	100.00%
NBP	-	-	0.00%
NBP Staff Welfare Foundation	-	-	0.00%
NBP Employees Benevolent Fund	-	-	0.00%
NBP Employees Pension Fund	-	-	0.00%
		2,486	2,486,000
			100%



National Assets Insurance Ltd.

NOTICE REGARDING LIQUIDATED FUNDS TO SHAREHOLDERS

To
The Individual Shareholders

This is to inform you that the company has already distributed an aggregate capital amount of Rs. 474,629,990/- out of total capital of Rs. 500,000,000/- which becomes 94.93% of the total capital, either directly into the bank accounts of major and individual shareholders or through pay orders and cheques..

This transfer has been executed with the help of NBP.

Capital amount has been distributed to 12895 individual shareholders out of 15491 (approximately), hence the capital amount to 2596 (approximately) individual shareholders is pending for distribution.

We hereby once again mention that all those shareholders who did not receive their capital amount yet, may contact us.

In cases of deceased shareholders, the succession certificates mentioning about shares of the Company is the primary requirement for such distribution as per our lawyer.

In case, there are any issues related to CNIC#, NBP will be the authority for confirmation as the primary data was provided by NBP in the year 2011.

In all other cases, after receiving the following information and completion of our due diligence, the amount shall be distributed;

1. Name & Father's name
2. CNIC # & copy of CNIC
3. Copy of share certificate & Folio number of share certificate
4. Current postal address
5. Bank account details preferably IBAN number
6. Contact details

You may send the above information on the following e-mail addresses:

E-mail addresses: m.u.bhaur@nail.com.pk
jehanzaib@nail.com.pk

Contact No. 021-99330105
0334-3781065

Address: NATIONAL ASSETS INSURANCE LIMITED
2nd Floor, National Bank of Pakistan
P.E.C.H.S., Block-2, Tariq Road, Karachi

Note: Sections 417 read with section 244 of the Companies Act 2017 shall remain applicable.

Lists of shareholders are uploaded on website <https://nail.com.pk>

Liquidator
National Assets Insurance Limited



National Assets Insurance Ltd.

Proxy Form

I/We, _____ of _____ being member of “National Assets Insurance Limited” and holder of _____ ordinary shares as per Share Register Folio No. _____ hereby appoint _____ of _____ at my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 5th Extra Ordinary General Meeting of the Company to be held at 2nd Floor, NBP, Aitemaad Islamic Banking, PECHS, Block-2, Tariq Road Karachi, on 11 January 2024 at 10:30 a.m., to transact the business as mentioned in the notice of this EOGM on page no. 3.

Signed this _____ day of _____, 2024.

Witness:

1. Signature _____
Name _____
Address _____
CNIC No. _____
2. Signature _____
Name _____
Address _____
CNIC No. _____

Signature
on Revenue
Stamp of Rs.5/-

Notes:

1. The proxy form in order to be valid must be signed across five rupees revenue stamp and should be deposited with the company not later than 48 hours before the time of holding the meeting.
2. The proxy must be a member of the company.
3. Signature should agree with the specimen signature, registered with the company.
4. The share transfer books of the company is already closed due to winding up proceedings.

BOOK POST

Address:

To,
National Bank of Pakistan

If undelivered, please return to:

NATIONAL ASSETS INSURANCE LIMITED

2nd Floor, NBP, Aitemaad Islamic Banking,
PECHS, Block-2, Tariq Road Karachi

Tel: (92-21) 9933 0105

E-mail: jehanzaib@nail.com.pk Web: www.nail.com.pk