IGI GENERAL INSURANCE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024

IGI GENERAL INSURANCE LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of IGI General Insurance Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **IGI General Insurance Limited** (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2024, and the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2024 and of the total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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.

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Khattab Muhammad Akhi Baig**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 7, 2025
UDIN: AR202410081JFNHkrUxM

IGI GENERAL INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024	2023
		(Rupees in '000)	
Assets			
Property and equipment	5	1,206,571	1,179,316
Intangible assets	6	68,011	3,443
Investment properties	7	417,845	416,447
Investment in subsidiary	8	5,000	5,000
Investments			
- Equity securities	9	388,836	174,721
- Government securities	10	2,995,645	2,379,102
- Debt securities	11	242,973	309,989
Loans and other receivables	12	716,236	684,931
Insurance / reinsurance receivables	13	5,577,763	4,044,829
Reinsurance recoveries against outstanding claims	25	8,026,127	6,819,523
Salvage recoveries accrued		201,107	186,737
Deferred commission expense	26	378,393	374,998
Taxation - payment less provisions		144,606	142,345
Prepayments	15	2,966,800	2,375,097
Cash and bank	16	1,089,968	973,353
		24,425,881	20,069,831
Total assets of Window Takaful Operations - operator's fund		994,089	616,843
Total assets		25,419,970	20,686,674
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised capital			
250,000,000 (2023: 250,000,000) ordinary shares of Rs 10 each		2,500,000	2,500,000
Issued, subscribed and paid-up share capital			
191,838,400 (2023: 191,838,400) ordinary shares of Rs 10 each	17	1,918,384	1,918,384
Unappropriated profit		1,313,375	924,905
Total equity		3,231,759	2,843,289
Surplus on revaluation of property and equipment - net of tax	18	387,595	369,013
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	25	11,002,509	7,377,643
Unearned premium reserves	24	4,741,085	3,944,261
Premium deficiency reserve	25.2	-	-
Unearned reinsurance commission	26	375,660	253,134
Retirement benefit obligations	14	53,862	26,805
Borrowings	19	2,731	43,825
Premium received in advance		4,584	3,961
Insurance / reinsurance payables	20	2,412,181	3,392,743
Deferred taxation	21	382,973	316,609
Other creditors and accruals	22	2,081,563	1,653,429
		21,057,148	17,012,410
Total liabilities of Window Takaful Operations - operator's fund		743,468	461,962
Total liabilities		21,800,616	17,474,372
Total equity and liabilities		25,419,970	20,686,674
Contingencies and commitments	23		

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		---------(Rupees in '000)---------	
Net insurance premium	24	4,865,841	4,482,049
Net insurance claims	25	(2,234,580)	(1,951,936)
(Charge) / reversal for premium deficiency reserve	25.2	-	3,424
Net commission expense	26	(714,020)	(907,413)
Insurance claims and acquisition expenses		(2,948,600)	(2,855,925)
Management expenses	27	(1,394,461)	(1,159,662)
Underwriting results		522,780	466,462
Investment income	28	813,450	508,705
Rental income		35,676	27,748
Other income	29	301,863	190,822
Other expenses	30	(167,824)	(108,627)
Result of operating activities		1,505,945	1,085,110
Finance costs against right-of-use assets		(10,129)	(13,751)
Profit from Window Takaful Operations - operators fund		328,887	171,936
Profit before tax		1,824,703	1,243,295
Income tax expense	31	(708,135)	(569,748)
Profit after tax		1,116,568	673,547
Other comprehensive loss			
Items that will not be subsequently reclassified to the profit or loss			
- Remeasurement loss on defined benefit obligations	14.1.4	(18,557)	(13,347)
- Related deferred tax		7,237	5,205
		(11,320)	(8,142)
Total comprehensive income		1,105,248	665,405
Earnings per share basic and dilutive - Rupees	32	5.82	3.51

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	----------	(Rupees in '000)	----------
Balance as at January 1, 2023	1,918,384	818,554	2,736,938
Profit after taxation for the year ended December 31, 2023	-	673,547	673,547
Other comprehensive loss for the year - net of tax	-	(8,142)	(8,142)
Total comprehensive income for the year ended December 31, 2023	-	665,405	665,405
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax (note 18)	-	25,946	25,946
Transactions with owners - directly recognised in equity			
Final dividend at rate of Re. 0.86 per share for year ended December 31, 2022 approved on March 15, 2023	-	(165,000)	(165,000)
Interim dividend at rate of Re. 0.63 per share for year ending December 31, 2023 declared on April 20, 2023	-	(120,000)	(120,000)
Interim dividend at rate of Re. 0.52 per share for year ending December 31, 2023 declared on August 18, 2023	-	(100,000)	(100,000)
Interim dividend at rate of Rs. 1.04 per share for year ending December 31, 2023 declared on October 23, 2023	-	(200,000)	(200,000)
	-	(585,000)	(585,000)
Balance as at December 31, 2023	1,918,384	924,905	2,843,289
Profit after taxation for the year ended December 31, 2024	-	1,116,568	1,116,568
Other comprehensive loss for the year - net of tax	-	(11,320)	(11,320)
Total comprehensive income for the year ended December 31, 2024	-	1,105,248	1,105,248
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax (note 18)	-	28,222	28,222
Transactions with owners - directly recognised in equity			
Final dividend at rate of Re. 0.886 per share for year ended December 31, 2023 approved on April 29, 2024	-	(170,000)	(170,000)
Interim dividend at rate of Re. 1.54 per share for year ending December 31, 2024 declared on April 22, 2024	-	(180,000)	(180,000)
Interim dividend at rate of Re. 1.15 per share for year ending December 31, 2024 declared on August 19, 2024	-	(220,000)	(220,000)
Interim dividend at rate of Rs. 0.91 per share for year ending December 31, 2024 declared on October 28, 2024	-	(175,000)	(175,000)
	-	(745,000)	(745,000)
Balance as at December 31, 2024	1,918,384	1,313,375	3,231,759

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		(Rupees in '000)	
OPERATING CASH FLOWS			
Underwriting activities			
Premiums received		12,954,327	12,281,480
Reinsurance premiums paid		(10,380,172)	(5,365,251)
Claims paid		(4,270,718)	(4,651,131)
Reinsurance and other recoveries received		4,454,400	1,394,812
Commissions paid		(1,716,959)	(1,699,278)
Commissions received		1,168,009	908,137
General management expenses paid		(1,289,357)	(1,161,717)
Net cash inflow from underwriting activities		919,530	1,707,052
Other operating activities			
Income tax paid		(538,453)	(499,165)
Operating receipts - net		481,666	417,718
Net cash inflow from / (outflow on) operating activities		(56,787)	(81,447)
Total cash inflow from all operating activities		862,743	1,625,605
INVESTMENT ACTIVITIES			
Profit received on government securities		598,694	433,741
Payment for investments		(1,732,238)	(5,534,193)
Proceeds from investments		1,402,524	4,934,012
Amount received from Window Takaful Operations - operator's fund		104,881	72,944
Fixed capital expenditure - owned		(236,899)	(274,429)
Proceeds from disposal of fixed assets - owned		105,249	73,919
Total cash inflow from / (outflow on) investing activities		242,211	(294,006)
FINANCING ACTIVITIES			
Dividend paid		(745,000)	(585,000)
Financial charges paid		(10,129)	(13,751)
Repayment of liability against right-of-use assets		(41,094)	(41,359)
Total cash outflow on financing activities		(796,223)	(640,110)
Net cash inflow from all activities		308,731	691,489
Cash and cash equivalents at beginning of the year		1,074,179	382,690
Cash and cash equivalents at end of the year	16.2	1,382,911	1,074,179

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		(Rupees in '000)	
Reconciliation to unconsolidated statement of comprehensive income			
Operating cash flows		862,743	1,625,605
Depreciation and amortisation expense		(148,056)	(108,434)
Depreciation on right-of-use assets	5.1	(17,272)	(30,649)
Finance cost against right-of-use assets		(10,129)	(13,751)
Gain on disposal of fixed assets	29	68,846	35,863
Unrealised fair value gain on investment properties	29	1,398	13,402
Increase in assets other than cash		3,389,705	2,320,190
Increase in liabilities other than borrowings		(4,044,738)	(3,784,160)
Other investment income		813,450	510,600
Profit from Window Takaful Operations - net of tax		200,621	104,881
Profit after tax		1,116,568	673,547

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 IGI General Insurance Limited ("the Company"), a Packages Group Company, was incorporated as a public limited company on November 18, 2016 under the Companies Ordinance, 1984 (now Companies Act 2017). The registered office of the Company is situated at 7th floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The objectives of the Company include providing general insurance services (mainly in the sphere of Fire, Marine, Motor, Health and Miscellaneous) and general takaful services (mainly in the sphere of Fire, Marine, Motor, Health and Miscellaneous).

1.2 The Company is a wholly owned subsidiary of IGI Holdings Limited ("Holding Company") and had been formed to facilitate the transfer of general insurance segment of IGI Insurance Limited to the Company under the Scheme of Arrangement filed with the Honourable High Court of Sindh (SHC). The transfer of general insurance business and related assets and liabilities from IGI Insurance Limited to the Company had been made effective from January 31, 2017, which had been sanctioned by SHC vide Order dated December 16, 2017. The insurance license was transferred to the Company from IGI Insurance Limited with effect from January 16, 2018.

1.3 The Company commenced its Window Takaful Operations with effect from July 1, 2017 after getting the approval from the Securities and Exchange Commission of Pakistan (SECP).

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the Insurance Accounting Regulations, 2017, the General Takaful Accounting Regulations, 2019 and the Takaful Rules, 2012.

In case requirements of IFRS Accounting Standards differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the General Takaful Accounting Regulations, 2019 and the Takaful Rules, 2012 shall prevail.

2.1.1 In terms of the requirements of the Takaful Rules, 2012, read with the SECP Circular 25 of 2015 dated July 9, 2015, the assets, liabilities and profit and loss of the Operator Fund of the Window Takaful Operations of the Company have been presented as a single line item in the unconsolidated statement of financial position and unconsolidated statement of comprehensive income of the Company respectively.

2.1.2 A separate set of financial statements of the Window Takaful Operations has been annexed to these unconsolidated financial statements as per the requirements of the Takaful Rules, 2012.

2.1.3 These financial statements are the separate unconsolidated financial statements of IGI General Insurance Limited. In addition to these unconsolidated financial statements, consolidated financial statements of IGI General Insurance Limited and its subsidiary company, IGI FSI (Private) Limited (the Group) have also been prepared.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for staff retirement benefits which are carried at present value of the defined benefit obligation less fair value of plan assets, property and equipment and investment properties which are carried at fair value and certain investments which are carried at market value.

2.3 Functional and presentation currency

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

2.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year:

2.4.1 There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these unconsolidated financial statements.

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not effective in the current year:

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2025:

Standards, amendments or interpretations	**Effective date (period beginning on or after)**
- IAS 21 - 'The effects of changes in foreign exchange rates' (amendments)	January 1, 2025
- IFRS 9 - 'Financial Instruments'	January 1, 2026
- IFRS 7 - 'Financial Instruments Disclosures' (amendments)	January 1, 2026
- IFRS 17 - 'Insurance contracts'	January 1, 2026
- IFRS 18 - 'Presentation and Disclosure in Financial Statements' (amendments)	January 1, 2027

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, the Securities and Exchange Commission of Pakistan through S.R.O. 1715 (1)/2023 has directed companies engaged in insurance and reinsurance business for application of IFRS 17 for periods beginning on or after January 1, 2026.

The management is currently in the process of assessing the impact of these standards and amendments on the unconsolidated financial statements of the Company.

There are certain amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these unconsolidated financial statements.

2.5.1 Temporary exemption from application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the IASB for entities whose activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities other than insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

2.5.1.1 Fair values of financial assets as at December 31, 2024 and changes in the fair values during the year ended December 31, 2024

	2024	**2023**
	---- (Rupees in '000) ----	
Financial assets that do not meet SPPI criteria		
- Equity securities-(note 9)		
Opening fair value	174,721	90,974
Additions during the year - net	90,149	45,212
Increase in fair value	123,966	38,535
Closing fair value	388,836	174,721

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3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in preparation of these unconsolidated financial statements are set out below. Accounting policies relating to Window Takaful Operations are disclosed in a separate financial statements of Window Takaful Operations which are annexed to these unconsolidated financial statements. The accounting policies have been consistently applied for all the years presented.

3.1 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Company's insurance contracts are classified into the following main categories and are issued to multiple types of clients with businesses in engineering, automobiles, cement, power, textiles, paper, agriculture, services and trading sectors etc. and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and vary accordingly:

a) Fire and property damage

Fire and property damage insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities. These contracts are generally one year contracts except some contracts that are of three months period

b) Marine, aviation and transport

Marine insurance covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination. These contracts are generally for three months period.

c) Motor

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident. These contracts are generally one year contracts.

d) Liability

Liability insurance contracts protects the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

e) Accident and health

Accident and health insurance contract mainly compensates hospitalisation and out-patient medical coverage to the insured. These contracts are generally one year contracts.

f) Miscellaneous

All other types of insurance contracts are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions, livestock and crop insurance etc. These contracts are normally one year insurance contracts except some engineering insurance contracts that are of more than one year period, whereas, normal travel insurance contracts expire within one month time.

In addition to direct insurance, the Company also participates in risks under co-insurance contracts from other companies and also accepts risks through re-insurance inward by way of facultative acceptance on a case to case basis provided such risks are within the underwriting policies of the Company. The nature of the risks undertaken under such arrangement are consistent with the risks in each class of business as stated above in direct and other lead insurance contracts.

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3.2 Revenue recognition

a) Premium

Premium received / receivable including administrative surcharge under all types of insurance contracts is recognised as written from the date of attachment of the risk to the policy to which it relates. The portion of premium written relating to the unexpired period of coverage is recognised as unearned premium by the Company. This liability is calculated by applying 1/24 method as specified in the Insurance Accounting Regulations, 2017. However, liability pertaining to BIMA (a health insurance product) policies is calculated on the basis of number of days.

b) Commission Income

Commission income from reinsurers is deferred and brought to unconsolidated statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. Profit commission, if any, which the Company may be entitled to under the terms of reinsurance, is recognised on an accrual basis.

c) Rental Income

Rental income from investment properties is recognised as a revenue on a straight line basis over the period of the lease agreement.

d) Investment income

- Unrealised gain or loss on revaluation of investments classified as at fair value through profit and loss is included in the unconsolidated statement of comprehensive income in the period to which it relates.

- Gain or loss on sale of investments is accounted for in the unconsolidated statement of comprehensive income in the period to which it relates.

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

e) Other income

- Gain or loss on sale of property and equipment, intangible assets and investment properties is recognised when the asset is derecognised.

3.3 Reinsurance contracts

Insurance contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued, are reinsurance contracts. These reinsurance contracts include both facultative and treaty arrangement contracts.

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contracts are not offset against expenses or income from related insurance assets.

Reinsurance assets or liabilities are derecognised when the contractual rights or obligations are extinguished or expired.

The Company assesses its reinsurance assets for impairment on the reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the unconsolidated statement of comprehensive income.

The deferred portion of reinsurance premium is recognised as a prepayment. The deferred portion of reinsurance premium ceded is calculated by applying 1/24 method.

3.4 Receivables and payables related to insurance contracts

Insurance / reinsurance receivable and payable including premium due but unpaid, relating to insurance contracts are recognised when due and carried at cost less provision for impairment (if any). The cost is the fair value of the consideration to be received / paid in the future for services rendered / received. These amounts also include due to and from other insurance companies and brokers.

Premium received in advance is recognised as liability till the time of issuance of insurance contract there against.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than the earning amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised, in the unconsolidated statement of comprehensive income, for the difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense, in the unconsolidated statement of comprehensive income.

3.5 Provisions for outstanding claims including Incurred But Not Reported (IBNR) claims

Insurance claims include all claims occurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

The Company recognises liability in respect of all claims incurred up to the reporting date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in the insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

SECP through its circular 9 of 2016 dated March 09, 2016 issued 'SEC guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' for non-life insurance Companies and required to comply with all provisions of these guidelines with effect from July 01, 2016. The Guidelines require that estimation for provision for claims incurred but not reported (IBNR) for each class of business, by using prescribed method, i.e 'Chain Ladder Method' and other alternate method as allowed under the provisions of the Guidelines. The Chain Ladder Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level to derive an IBNR estimate.

The actuarial valuation as at December 31, 2024 has been carried out by independent firm of actuaries for determination of IBNR for each class of business.

3.6 Reinsurance recoveries against claims

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

3.7 Deferred commission expense / acquisition cost

Commission expense / acquisition cost incurred in obtaining policies is deferred and brought to unconsolidated statement of comprehensive income as an expense in accordance with the pattern of recognition of the gross premium to which it relates. Commission expense is arrived at after taking the impact of opening and closing deferred commission.

3.8 Premium deficiency reserve

The Company is required as per the Insurance Accounting Regulations, 2017, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance from claims, and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the premium deficiency reserve is recorded as an expense in the unconsolidated statement of comprehensive income.

Ass

At each reporting date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium / contribution liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after reporting date in respect of policies inforce as at reporting date with the carrying amount of unearned premium / contribution liability. Any deficiency is recognised by establishing a provision (premium / contribution deficiency reserve) to meet the deficit. The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The movement in the premium / contribution deficiency reserve is recognised as an expense or income in the unconsolidated statement of comprehensive income.

3.9 Provisions

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

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the unconsolidated statement of comprehensive income, except to the extent that it relates to items recognised directly in equity or in the unconsolidated statement of comprehensive income, in which case it is recognised in equity or in the unconsolidated statement of comprehensive income respectively.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current period for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised 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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purposes of unconsolidated cash flow statement, cash and cash equivalents comprise cash in hand, bank balances, stamps in hand and market treasury bills with original maturity of less than three months.

3.12 Investments

3.12.1 All investments are initially recognised at cost, being the fair value of the consideration given and include transaction cost, except for investments at fair value through profit or loss in which case transaction costs are charged to the unconsolidated statement of comprehensive income. These are classified into the following categories:

- Investment at fair value through profit or loss
- Held to maturity
- Available for sale

The classification depends on the purpose for which the financial assets were acquired.

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3.12.1.1 Investments at fair value through profit or loss

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in net profit or loss for the period in which it arises.

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets at 'fair value through profit or loss' are recorded in unconsolidated statement of comprehensive income in the period in which these arise.

3.12.1.2 Held to maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost being the fair value of the consideration given and include transaction cost. At subsequent reporting dates, these are measured at amortised cost using the effective yield method.

Income from held to maturity investments including any premium or discount is recognised on a time proportion basis using the effective yield method.

3.12.1.3 Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. Subsequent to initial recognition, these are stated at market value. The unrealised gains / losses on available for sale investments are recognised in other comprehensive income and recycled to profit and loss on disposal.

Gains / (losses) on sale of available for sale investments are recognised in the unconsolidated statement of comprehensive income.

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets at 'available for sale' are recorded in other comprehensive income in the period in which these arise.

3.12.1.4 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

3.13 Impairment of assets

The management assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

3.14 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the unconsolidated statement of comprehensive income in the period in which financial instrument is derecognised.

3.15 Offsetting of financial assets and financial liabilities

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

3.16 Loans and other receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition these are measured at amortised cost.

3.17 Investment properties

Investment properties are held for earning rentals and capital appreciation. Investment properties are accounted for under the fair value model in accordance with International Accounting Standards (IAS) 40, "Investment property".

Investment properties, office buildings, are held for long-term rental yields. These are carried at fair value. The changes in fair values are presented in the unconsolidated statement of comprehensive income as part of income.

The useful lives, residual values, depreciation method and impairment losses are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the unconsolidated statement of comprehensive income in the period of derecognition.

3.18 Operating assets

Tangible

These are stated at cost less accumulated depreciation and accumulated impairment losses (if any) other than buildings and leasehold improvements. Buildings and leasehold improvements are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (if any).

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted, if appropriate. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to unconsolidated statement of comprehensive income in the period in which they are incurred.

Depreciation on all operating assets is charged to the unconsolidated statement of comprehensive income using the straight line method so as to write-off depreciable amount of an asset over its useful life. Depreciation on additions to fixed assets is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed of.

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

An increase arising on revaluation of buildings is credited to the surplus on revaluation of property and equipment. A decrease arising on revaluation of buildings is adjusted against the surplus of that asset or, if no surplus exists, is charged to the unconsolidated statement of comprehensive income as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the unconsolidated statement of comprehensive income upto the extent that the carrying amount of the asset does not exceed the carrying amount that would have been had no impairment loss has been recognised. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the unconsolidated statement of comprehensive income and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property and equipment to unappropriated profit.

Intangible

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Software development cost are only capitalised to the extent that future economic benefits are expected to flow to the entity.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Amortisation is charged to unconsolidated statement of comprehensive income using the straight line method.

3.19 Staff retirement benefits

3.19.1 Defined contribution plan

The Company operates an approved contributory provident fund for all permanent employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10 percent of basic salary.

3.19.2 Defined benefit plan

All permanent employees of the Company participate in an approved funded defined gratuity plan. Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at December 31, 2024 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the unconsolidated statement of financial position, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur. Current service cost, past service cost and net interest income / expense are recognised in the unconsolidated statement of comprehensive income.

3.19.3 Accumulating compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the unconsolidated statement of comprehensive income.

3.20 Segment reporting

A business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting provided to Board of Directors which is responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

The Company has five primary business segments for reporting purposes namely fire, marine, motor, health and miscellaneous.

Financing, investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.21 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in unconsolidated statement of comprehensive income.

3.22 Right-of-use assets and their related lease liabilities

Right-of-use assets

On initial recognition, right-of-use asset is measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of present value of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over the expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged in month in which the leases mature or are terminated.

Lease liabilities against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. The lease liabilities are also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Lease payments reduce the lease liability against right-of-use assets. Finance cost is charged to the unconsolidated statement of comprehensive income as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3.23 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.24 Expenses of management

Expenses of management allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of gross premium revenue. Expenses not allocatable to the underwriting business are charged as other expenses.

Basis for allocation of management expenses between the Company and Window Takaful Operations and its allocation amongst the various classes of business is reviewed on a regular basis and the revised basis is followed consistently in future periods.

3.25 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recorded in the period in which these are approved.

3.26 Earnings per share

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- Provision for outstanding claims including IBNR (notes 3.5 and 25);

- Provision for taxation and deferred tax (notes 3.10, 21 and 31);

- Defined benefit plan (notes 3.19.2 and 14);
- Fair valuation of buildings (notes 3.18, and 5);
- Fair valuation of investment properties (notes 3.17 and 7);
- Useful lives, residual value and depreciation method of property and equipment and intangible assets (notes 3.18, 5 and 6);
- Premium deficiency reserve (notes 3.8 and 25.2);
- Provision against reinsurance recoveries against outstanding claims (notes 3.6 and 25);
- Provision against premium due but unpaid and amount due from other insurers / reinsurers (notes 3.4, 13.3 and 13.4); and

5 PROPERTY AND EQUIPMENT

	Note	2024	2023
		------- (Rupees in '000) -------	
Operating assets	5.1	1,199,892	1,123,638
Capital work-in-progress	5.4	6,679	55,678
		1,206,571	1,179,316

5.1 Operating assets

	2024												
	Cost / revalued amounts						Accumulated depreciation					Written down value as at December 31	Depreciation rate (% per annum)
	As at January 1	Additions	Transfers	Disposals / writeoff (note 5.2)	Revaluation surplus	As at December 31	As at January 1	Charge for the year	Transfers	Disposals / writeoff (note 5.2)	As at December 31		
	(Rupees in '000)												
Tracker equipment	87,321	17,094	-	-	-	104,415	60,593	20,763	-	-	81,356	23,059	33.33%
Furniture and fixtures	36,958	1,690	-	-	-	38,648	20,660	4,006	-	-	24,666	13,982	10%
Office equipment	53,277	6,582	-	(1,248)	-	58,611	35,464	8,814	-	(738)	43,540	15,071	16.67%
Computer equipment	56,907	12,405	-	(1,337)	-	67,975	37,800	6,406	-	(1,011)	43,195	24,780	33.33%
Buildings / leasehold improvements (note 5.1.1)	932,637	-	-	-	76,728	1,009,365	233,831	62,935	-	-	296,766	712,599	5%-33%
Motor vehicles - owned	339,751	173,417	88,601	(34,579)	-	567,190	81,369	55,064	38,503	(14,229)	160,707	406,483	16.67%
Right-of-use assets - motor vehicle	142,531	-	(88,601)	(53,930)	-	-	66,135	11,082	(38,503)	(38,714)	-	-	20%
Right-of-use asset - rented premises	33,419	-	-	-	-	33,419	23,311	6,190	-	-	29,501	3,918	16.67%
	1,682,801	211,188	-	(91,094)	76,728	1,879,623	559,163	175,260	-	(54,692)	679,731	1,199,892	

	2023												
	Cost / revalued amounts						Accumulated depreciation					Written down value as at December 31	Depreciation rate (% per annum)
	As at January 1	Additions	Transfers	Disposals / writeoff (note 5.2)	Revaluation surplus	As at December 31	As at January 1	Charge for the year	Transfers	Disposals / writeoff (note 5.2)	As at December 31		
	(Rupees in '000)												
Tracker equipment	78,464	19,112	-	(10,255)	-	87,321	48,254	22,015	-	(9,676)	60,593	26,728	33.33%
Furniture and fixtures	34,934	2,198	-	(174)	-	36,958	16,888	3,946	-	(174)	20,660	16,298	10%
Office equipment	43,127	11,500	-	(1,350)	-	53,277	28,204	7,766	-	(506)	35,464	17,813	16.67%
Computer equipment	52,506	5,771	-	(1,370)	-	56,907	33,592	5,373	-	(1,165)	37,800	19,107	33.33%
Buildings / leasehold improvements (note 5.1.1)	825,823	1,475	26,357	-	78,982	932,637	176,304	57,527	-	-	233,831	698,806	5%-33%
Motor vehicles - owned	180,455	190,229	6,275	(37,208)	-	339,751	58,138	29,956	-	(6,725)	81,369	258,382	16.67%
Right-of-use assets - motor vehicle	182,500	49	(26,103)	(13,915)	-	142,531	68,573	24,782	(19,828)	(7,392)	66,135	76,396	20%
Right-of-use asset - rented premises	33,073	3,720	-	(3,374)	-	33,419	20,162	5,867	-	(2,718)	23,311	10,108	16.67%
	1,430,882	234,054	6,529	(67,646)	78,982	1,682,801	450,115	157,232	(19,828)	(28,356)	559,163	1,123,638	

5.1.1 The forced sale value of buildings and leasehold improvements as at December 31, 2024 amounted to Rs. 603.115 million (2023: Rs. 587.077 million).

5.1.2 Buildings and leasehold improvements are carried at revalued amount. The latest revaluation was carried out on December 31, 2024 by Hamid Mukhtar& Co. (Private) Limited which resulted in an additional surplus of Rs. 76.728 million (2023: Rs. 78.982 million). The revaluation was carried out based on the market value assessment being the fair value of the buildings and leasehold improvements. Had there been no revaluation, the carrying value of the revalued assets would have been as follows:

	2024	2023
	------- (Rupees in '000) -------	
Buildings and leasehold improvements	89,231	93,927

5.2 Disposal of operating assets

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Net gain / (loss)	Mode of disposal	Particulars of purchaser
	----------------------------	---(Rupees in '000)	---	----------------------------			
Disposals having book value exceeding Rs. 50,000 individually							
Computer Equipments							
HP Probook	197	(103)	94	126	32	Company Policy	Asad Ali Siddiqui*
Lenovo Ideapad L3	106	(52)	54	62	8	Company Policy	Syeda Khadija Hasan Naqvi
Lenovo Ideapad L3	102	(51)	51	57	6	Company Policy	Wahib Ur Rehman
Lenovo V15	159	(36)	123	126	3	Company Policy	Shahbano Mushtaq
	564	(242)	322	371	49		
Right-of-use assets - vehicle							
Honda Civic	4,245	(2,741)	1,504	1,575	71	Company Policy	Mohammad Amjad*
Honda Civic Oriel Prosmatic	2,992	(2,270)	722	2,970	2,248	Company Policy	Muhammad Sharif
Honda City	2,880	(1,233)	1,647	4,000	2,353	Negotiation	Alfalah Insurance
Honda Civic	2,764	(1,490)	1,274	4,500	3,226	Negotiation	Muhammad Sagheer
Toyota Corolla	2,692	(2,041)	651	2,770	2,119	Company Policy	Muhammad Sharif
Honda Civic	2,642	(1,983)	659	3,912	3,253	Negotiation	Fawwad Sarwar
Toyota Corolla	2,478	(1,878)	600	3,962	3,362	Negotiation	Adnan Khaliq
Toyota Corolla Altis	2,477	(1,882)	595	3,850	3,255	Negotiation	Asfa Anwar
Toyota Corolla	2,469	(1,874)	595	3,725	3,130	Negotiation	Abbas Akram
Toyota Corolla Altis	2,410	(1,815)	595	3,050	2,455	Negotiation	Taha Naqvi
Toyota Corolla GLI	2,331	(1,748)	583	3,765	3,182	Negotiation	Muhammad Sharif
Toyota Corolla	2,174	(1,670)	504	3,374	2,870	Negotiation	Muhammad Arshad
Toyota Corolla	2,090	(1,585)	505	3,461	2,956	Negotiation	Qasim Khan
Toyota Corolla	2,090	(1,585)	505	2,775	2,270	Company Policy	Muhammad Arshad
Honda City	2,025	(1,568)	457	2,150	1,693	Company Policy	Muhammad Arshad
Suzuki Cultus	2,001	(1,332)	669	1,900	1,231	Negotiation	Kamran Jamil
Toyota Corolla	1,958	(1,506)	452	3,350	2,898	Negotiation	Muhammad Sharif
Toyota Corolla	1,929	(1,459)	470	3,320	2,850	Negotiation	Muhammad Sharif
Honda City	1,588	(1,203)	385	2,700	2,315	Negotiation	Shahzad Butt
Suzuki Cultus	1,587	(1,151)	436	1,950	1,514	Negotiation	Muhammad Noman
Honda City	1,570	(1,188)	382	2,675	2,293	Negotiation	Muhammad Irfan
Suzuki Cultus	1,169	(887)	282	1,470	1,188	Negotiation	Muhammad Abbas Akram
Suzuki Wagon-R	1,135	(861)	274	1,600	1,326	Negotiation	Muhammad Arshad
Suzuki Wagon-R	1,134	(860)	274	1,820	1,546	Negotiation	Muhammad Saghir
Suzuki Wagon R	1,100	(904)	196	1,605	1,409	Negotiation	Altamash Farooqui
	53,930	(38,714)	15,216	72,229	57,013		
Motor Vehicle - Owned							
Hyundai Tucson	7,269	(1,468)	5,801	5,844	43	Company Policy	Tahir Masuad*
Hyundai Elantra	5,524	(1,323)	4,201	4,308	107	Company Policy	Asad Ali Siddiqui*
Hyundai Elantra	5,524	(1,093)	4,431	4,454	23	Company Policy	Nida Haider*
Honda City	3,778	(696)	3,082	3,227	145	Company Policy	Ammad Ali
Toyota Corolla Yaris	3,251	(2,093)	1,158	2,948	1,790	Negotiation	Iqra Sajjad
Suzuki Cultus	860	(728)	132	1,360	1,228	Negotiation	Abbas Akram
Honda CB150F	394	(58)	336	428	92	Company Policy	Haris Ali Khan
Honda CD 70	235	(28)	207	214	7	Company Policy	Muhammad Umar Jamil
Honda CD 70	169	(31)	138	144	6	Company Policy	Muhammad Sohail Mughal
Honda CD 70	166	(41)	125	142	17	Company Policy	Imran Ullah
Honda CD 70	155	(36)	119	132	13	Company Policy	Sumbul Arshad
Honda CG 70	130	(37)	93	96	3	Company Policy	Arif Ul Hasan
Honda CD 70	122	(18)	104	111	7	Company Policy	Hafiz Ishtiaq
Honda CD 70	122	(32)	90	103	13	Company Policy	Usama Saeed
Honda CD 70	122	(40)	82	97	15	Company Policy	Aman Ullah
Honda CD 70	124	(36)	88	103	15	Company Policy	Jawed Hanif
Honda CD 70	122	(38)	84	95	11	Company Policy	Talha Saleem
Honda CD 70	122	(45)	77	103	26	Company Policy	Muhammad Arif
	28,189	(7,841)	20,348	23,909	3,561		

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Net gain / (loss)	Mode of disposal	Particulars of purchaser
Disposals having book value not exceeding Rs. 50,000 individually							
Office equipment	1,248	(738)	510	748	238	Negotiation	Various
Computer equipment	773	(769)	5	319	314	Negotiation	Various
Motor vehicles - owned	6,390	(6,388)	2	7,673	7,671	Negotiation	Various
	8,411	(7,895)	517	8,740	8,223		
Total - December 31, 2024	91,094	(54,692)	36,403	105,249	68,846		
Total - December 31, 2023	67,646	(28,356)	39,290	73,919	35,863		

* These disposals are made to the related parties / key management personnel of the Company.

Disposals made under Company's profile are to the current and ex-employees of the Company

5.3 Cost in respect of fully depreciated property and equipment still in use at the end of the year amounted to Rs. 191.904 million (2023: Rs. 117.830 million).

5.4 Capital work-in-progress	2024	2023
	------- (Rupees in '000) -------	
Trackers	6,351	18,450
Others	328	37,228
	6,679	55,678

6 INTANGIBLE ASSETS

2024

	Cost: As at January 1	Cost: Additions	Cost: Disposals	Cost: As at December 31	Accumulated amortisation: As at January 1	Accumulated amortisation: Charge for the year	Accumulated amortisation: Disposals	Accumulated amortisation: As at December 31	Written down value as at December 31	Amortisation rate (% per annum)
	---(Rupees in '000)---									
Computer software	34,107	74,710	-	108,817	30,664	10,142	-	40,806	68,011	20%

2023

	Cost: As at January 1	Cost: Additions	Cost: Disposals	Cost: As at December 31	Accumulated amortisation: As at January 1	Accumulated amortisation: Charge for the year	Accumulated amortisation: Disposals	Accumulated amortisation: As at December 31	Written down value as at December 31	Amortisation rate (% per annum)
	---(Rupees in '000)---									
Computer software	34,107	-	-	34,107	25,116	5,548	-	30,664	3,443	20%

6.1 The cost of fully amortised intangibles still in use amounts to Rs. 16.321 million (2023: Rs. 21.843 million).

7 INVESTMENT PROPERTIES	Note	2024	2023
		------- (Rupees in '000) -------	
Opening net book value		416,447	429,402
Unrealised fair value gain during the year		1,398	13,402
Transferred to property, plant and equipment		-	(26,357)
Closing net book value	7.1	417,845	416,447

7.1 The market value and forced sale value of investment properties is Rs. 417.845 million (2023: Rs. 406.949 million) and Rs 352.942 million (2023: Rs. 351.200 million), respectively as per the valuation carried out by Hamid Mukhtar & Co. (Private) Limited as at December 31, 2024.

8 INVESTMENTS IN SUBSIDIARY

The Company's interests in its subsidiary were as follows:

Name	Country of incorporation	Number of shares held	Cost	Assets	Liabilities	Revenues	Profit before tax	Interest held
			---(Rupees in '000)---					---(%)---
IGI FSI (Private) Limited - note 8.1	Pakistan	500,000	5,000	8,549	2,212	33,638	2,754	100%
Total 2024			5,000	8,549	2,212	33,638	2,754	100%
Total 2023			5,000	6,352	1,968	44,841	3,131	100%

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8.1 The Company incorporated a wholly owned subsidiary namely IGI FSI (Private) Limited (the Subsidiary Company) on July 6, 2020 under the Companies Act, 2017. The registered office of the subsidiary company is situated at first floor, Ali Institute Ferozepur Road, Lahore. The Subsidiary Company is engaged in providing technology led business solutions including training services in the market. The break up value of these shares on the basis of audited financial statements for the year ended December 31, 2024 was Rs.12.674 (2023: Rs. 8.767) per share.

9 INVESTMENT IN EQUITY SECURITIES

	Note	2024	2023
		(Rupees in '000)	
Mutual funds	9.1	26,858	25,457
Listed shares	9.2	361,978	149,264
		388,836	174,721

9.1 Mutual funds

	2024					2023				
	Number of units	Carrying value*	(Impairment / provision)	Unrealised gain / (loss)*	Market value*	Number of units	Carrying value*	(Impairment / provision)	Unrealised gain / (loss)*	Market value
		(Rupees in '000)					(Rupees in '000)			
Fair value through profit or loss										
ABL Cash Fund (AA+(f))	2,246,212	22,924	-	2,149	25,074	2,482,315	25,398	-	59	25,457
ABL Special Saving Plan - I (CP2+)	50	1	-	-	1	-	-	-	-	-
Alfalah GHP Income Fund (AA-(f))	66	8	-	-	8	-	-	-	-	-
Alfalah GHP Stock Fund (AA(f))	300	44	-	-	44	-	-	-	-	-
Faysal Islamic Cash Fund (AA(f))	-	-	-	-	-	-	-	-	-	-
MCB Pakistan Stock Market Fund (AA+(f))	2,688	593	-	20	612	-	-	-	-	-
Pakistan Income Fund (AA-(f))	18	1	-	-	1	-	-	-	-	-
NBP Stock Fund (A+(f))	10,790	369	-	-	369	-	-	-	-	-
NBP Financial Sector Income Fund (A+(f))	9,135	106	-	-	106	-	-	-	-	-
NBP Islamic Stock Fund (A+(f))	5,151	113	-	-	114	-	-	-	-	-
UBL Stock Advantage Fund (AA+(f))	234	29	-	16	46	-	-	-	-	-
UBL Cash Fund (AA+(f))	64	7	-	-	9	-	-	-	-	-
UBL Money Market Fund (AA+(f))	4,317	470	-	3	474	-	-	-	-	-
	2,279,025	24,665	-	2,188	26,858	2,482,315	25,398	-	59	25,457

*Nil figures due to rounding off.

9.2 Listed shares

	2024					2023				
	Number of shares	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value	Number of shares	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value
		(Rupees in '000)					(Rupees in '000)			
Fair value through profit or loss										
The Hub Power Company Limited	84,545	9,877	-	1,189	11,066	119,916	7,979	-	6,062	14,041
Systems Limited	13,730	5,821	-	2,711	8,533	17,500	8,417	-	(1,004)	7,413
Interloop Limited	124,588	8,173	-	389	8,562	34,308	1,425	-	1,045	2,470
United Bank Limited	31,116	7,535	-	4,358	11,893	74,600	8,895	-	4,372	13,267
Meezan Bank Limited	15,500	3,689	-	62	3,751	48,200	4,704	-	3,073	7,777
MCB Bank Limited	70,786	14,784	-	5,128	19,912	50,586	6,578	-	2,150	8,728
Bank AL Habib Limited	88,300	8,941	-	2,664	11,605	20,500	1,393	-	258	1,651
Thal Limited	5,600	1,822	-	490	2,312	4,500	1,208	-	120	1,328
Lucky Cement Limited	16,715	14,021	-	4,373	18,395	11,355	5,368	-	3,568	8,936
Cherat Cement Company Limited	23,700	3,925	-	2,561	6,486	5,700	730	-	199	929
Pioneer Cement Limited	27,370	4,433	-	1,070	5,502	-	-	-	-	-
Century Paper & Board Mills Limited	99,700	2,887	-	399	3,286	-	-	-	-	-
Highnoon Laboratories Limited	6,930	4,834	-	1,529	6,363	3,130	1,334	-	246	1,580
Fauji Fertilizer Company Limited	77,941	16,175	-	12,376	28,551	73,300	7,310	-	987	8,297
Engro Corporation Limited	26,900	8,108	-	3,870	11,978	21,700	5,956	-	444	6,400
Balance carried forward		**115,025**	-	**43,169**	**158,195**		**61,296**	-	**21,520**	**82,816**

	2024					2023				
	Number of shares	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value	Number of shares	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value
		(Rupees in '000)					(Rupees in '000)			
Balance brought forward		**115,025**	**-**	**43,169**	**158,195**		**61,296**	**-**	**21,520**	**82,816**
Service Industries Limited	12,930	12,477	-	8,011	20,488	2,000	989	-	267	1,256
Oil & Gas Development Company Limited	173,934	24,654	-	14,875	39,528	86,334	7,244	-	2,464	9,708
Pakistan Petroleum Limited	186,300	22,373	-	15,548	37,921	98,400	6,684	-	4,635	11,319
Attock Petroleum Limited	6,350	2,484	-	1,037	3,521	4,000	1,516	-	(2)	1,514
Mughal Iron & Steel Industries Limited	38,710	2,932	-	169	3,101	-	-	-	-	-
Tariq Glass Industries Limited	83,060	9,498	-	3,655	13,153	23,500	1,833	-	510	2,343
Habib Metropolitan Bank Limited	147,055	10,742	-	2,052	12,794	36,500	1,239	-	780	2,019
Pakistan Aluminium Beverage Cans Limited	43,000	3,077	-	2,302	5,379	31,500	1,955	-	425	2,380
Haleon Pakistan Limited	9,577	2,043	-	5,692	7,735	6,500	1,066	-	32	1,098
National Bank of Pakistan	120,457	4,472	-	3,589	8,061	-	-	-	-	-
Askari Bank Limited	175,200	4,064	-	2,641	6,705	-	-	-	-	-
Image Pakistan Limited	155,400	2,223	-	1,120	3,343	-	-	-	-	-
Exide Pakistan Limited	1,500	1,300	-	(98)	1,202	-	-	-	-	-
Fatima Fertilizer Company Limited	117,500	6,179	-	3,019	9,198	-	-	-	-	-
Pakistan State Oil Company Limited	61,000	13,831	-	13,051	26,882	-	-	-	-	-
Pakistan Telecommunication Company Limited	175,000	2,830	-	1,944	4,772	-	-	-	-	-
Engro Fertilizers Limited	-	-	-	-	-	57,400	4,662	-	1,780	6,442
Habib Bank Limited	-	-	-	-	-	27,500	2,458	-	590	3,048
Maple Leaf Cement Factory Limited	-	-	-	-	-	78,700	2,303	-	760	3,063
Mari Petroleum Company Limited	-	-	-	-	-	2,655	4,140	-	1,426	5,566
Pakistan Oilfields Limited	-	-	-	-	-	2,300	923	-	47	970
Attock Cement Pakistan Limited	-	-	-	-	-	14,000	1,141	-	206	1,347
AGP Limited	-	-	-	-	-	484	26	-	8	34
Fauji Cement Company Limited	-	-	-	-	-	238,000	3,355	-	1,148	4,503
Nishat Mills Limited	-	-	-	-	-	32,000	2,448	-	7	2,455
Panther Tyres Limited	-	-	-	-	-	15,000	683	-	(3)	680
Sui Northern Gas Pipelines Limited	-	-	-	-	-	30,000	1,282	-	924	2,206
Bank Alfalah Limited	-	-	-	-	-	92,690	3,544	-	952	4,496
	2,220,394	240,204	-	121,776	361,976	1,364,758	110,788	-	38,476	149,264

10 INVESTMENTS IN GOVERNMENT SECURITIES

Particulars	Year of maturity	Effective yield % per annum	Profit payment	2024	2023
				(Rupees in '000)	
At fair value through profit or loss					
Market Treasury Bills	2024	22.87%	On maturity	-	45,118
Market Treasury Bills	2024	22.80%	On maturity	-	49,978
Market Treasury Bills	2024	22.85%	On maturity	-	53,186
Market Treasury Bills	2024	22.85%	On maturity	-	67,064
Market Treasury Bills	2024	22.75%	On maturity	-	134,370
Market Treasury Bills	2024	21.26%	On maturity	-	122,215
Market Treasury Bills	2024	21.34%	On maturity	-	50,849
Market Treasury Bills	2024	21.34%	On maturity	-	20,646
Market Treasury Bills	2025	20.79%	On maturity	204,029	-
Market Treasury Bills	2025	20.09%	On maturity	88,914	-
Market Treasury Bills	2025	20.84%	On maturity	26,886	-
Market Treasury Bills	2025	20.84%	On maturity	28,851	-
Market Treasury Bills	2025	19.98%	On maturity	66,756	-
Market Treasury Bills	2025	18.85%	On maturity	8,166	-
Market Treasury Bills	2025	18.49%	On maturity	37,061	-
Market Treasury Bills	2025	18.13%	On maturity	93,709	-
Balance carried forward				**554,372**	**543,426**

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Particulars	Year of maturity	Effective yield % per annum	Profit payment	2024	2023
				------- (Rupees in '000) -------	
Balance brought forward				**554,372**	**543,426**
At fair value through profit or loss					
Market Treasury Bills	2025	16.83%	On maturity	46,231	-
Market Treasury Bills	2025	13.50%	On maturity	84,012	-
Market Treasury Bills	2025	13.02%	On maturity	11,946	-
Market Treasury Bills	2025	12.10%	On maturity	250,087	-
Market Treasury Bills	2025	11.98%	On maturity	26,925	-
Market Treasury Bills	2025	12.19%	On maturity	31,274	-
Pakistan Investment Bonds	2024	21.35%	Semi-annual	-	230,729
Pakistan Investment Bonds	2025	18.76%	Semi-annual	169,072	146,087
Pakistan Investment Bonds	2026	17.29%	Semi-annual	249,333	224,123
Pakistan Investment Bonds	2027	16.39%	Semi-annual	108,569	93,379
Pakistan Investment Bonds	2027	15.94%	Semi-annual	1,436	49,299
Pakistan Investment Bonds	2027	14.00%	Semi-annual	1,030	-
Pakistan Investment Bonds	2030	15.37%	Semi-annual	78,074	65,703
Pakistan Investment Bonds	2027	16.40%	Semi-annual	50,795	-
Pakistan Investment Bonds	2027	15.08%	Semi-annual	96,438	-
Pakistan Investment Bonds	2026	13.52%	Semi-annual	48,917	-
Pakistan Investment Bonds (floaters)	2029	16.11%	Semi-annual	27,297	-
Pakistan Investment Bonds (floaters)	2034	14.27%	Semi-annual	48,126	-
Pakistan Investment Bonds (floaters)	2028	23.95%	Semi-annual	571,580	569,151
Pakistan Investment Bonds (floaters)	2028	22.47%	Semi-annual	123,150	122,450
Pakistan Investment Bonds (floaters)	2029	23.89%	Semi-annual	123,200	122,963
Pakistan Investment Bonds (floaters)	2029	12.84%	Semi-annual	96,658	-
Pakistan Investment Bonds (floaters)	2028	23.87%	Semi-annual	172,123	211,792
GOP Ijara Sukuk	2025	13.89%	Semi-annual	25,000	-
				2,995,645	2,379,102
Total market value				2,995,645	2,379,102
Total carrying value				2,928,037	2,391,837

10.1 These include Pakistan Investment Bonds which are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000, having market value of Rs. 221.65 million (2023: Rs. 220.796 million).

11 INVESTMENTS IN DEBT SECURITIES

	2024					2023				
	Number of certificates	Maturity year	Coupon rate	Profit payment	Market Value	Number of certificates	Maturity year	Coupon rate	Profit payment	Market Value
Fair value through profit or loss					(Rupees in '000)					(Rupees in '000)
Term finance certificate										
Habib Bank Limited	500	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000	500	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000
Bank Alfalah Limited	-	-	-	-	-	1,000,000	Perpetual	Higher of 3 year PKRV plus 0.75% or 9%	Quarterly	100,000
Bank Alfalah Limited	15,000	2030	6 months Kibor plus 2.0%	Semi-annual	75,000	15,000	2030	6 months Kibor plus 2.0%	Semi-annua	75,000
Soneri Bank Limited	250	2030	6 months Kibor plus 1.70%	Semi-annual	24,980	250	2030	6 months Kibor plus 1.70%	Semi-annual	24,990
JS Bank Limited	200	2033	3 months Kibor plus 2.0%	Quarterly	19,993	200	2033	3 months Kibor plus 2.0%	Quarterly	19,999
Kashf Foundation	400	2026	3 months Kibor plus 1.5%	Quarterly	40,000	400	2026	3 months Kibor plus 1.5%	Quarterly	40,000
Kashf Foundation	330	2026	1 month Kibor	Monthly	33,000	-	-	-	-	-
	16,680				242,973	1,016,350				309,989

11.1 The effective yields of term finance certificates and sukuk certificates range from 9.03% to 23.95% (2023 : 17.29% to 23.85%) per annum.

11.2 These term finance certificates are non-traded.

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12 LOANS AND OTHER RECEIVABLES

	Note	2024	2023
		------- (Rupees in '000) -------	
Receivable from related parties	12.1	212,496	167,084
Advances - considered good		44,722	38,791
Security deposits		56,245	51,819
Sales tax recoverable		214,841	182,448
Accrued income on investments and deposits		103,930	110,913
Loans and advances to employees		2,956	4,684
Others	12.2	81,046	129,192
		716,236	684,931

12.1 This includes receivables amounting to Rs. 0.325 million, Rs. 36.625 million, Rs. 17.181 million, Rs. 88.065 million and Rs. 11.026 million (2023: Rs. 2.973 million, Rs. 59.824 million, Rs. 16.956 million, Rs.11.631 million and Rs. 14.121 million) charged to IGI Investments (Private) Limited, IGI Life Insurance Limited, IGI Finex Securities Limited, IGI Holdings Limited and Packages Limited, respectively, under group shared services.

12.2 These include a receivable from takaful operations amounting to Rs 58.029 million (2023: Rs 58.029 million) in respect of Sindh Sales Tax as disclosed in note 23.4 to the unconsolidated financial statements.

13 INSURANCE / REINSURANCE RECEIVABLES

	Note	2024	2023
		------- (Rupees in '000) -------	
Due from insurance contract holders - unsecured			
- considered good		1,954,489	1,377,934
- considered doubtful		199,747	182,594
	13.1	2,154,236	1,560,528
Less: provision for impairment of receivables from insurance contract holders	13.2	(199,747)	(182,594)
		1,954,489	1,377,934
Due from other insurer / reinsurer - unsecured			
- considered good		3,623,274	2,666,895
- considered doubtful		51,765	51,765
		3,675,039	2,718,660
Less: provision for impairment of receivables from other insurer / reinsurer	13.3	(51,765)	(51,765)
		3,623,274	2,666,895
		5,577,763	4,044,829

13.1 This includes an amount of Rs. 56.636 million (2023: Rs. 88.433 million) receivable from related parties.

13.2 Provision for doubtful receivables - insurance contract holders

	Note	2024	2023
		------- (Rupees in '000) -------	
Balance at the beginning of the year		182,594	161,592
Charge for the year		37,933	22,162
Written off during the year		(20,780)	(1,160)
Balance at the end of the year	13.2.1	199,747	182,594

13.2.1 This includes an amount of Rs. 3.154 million (2023: Rs. 2.574 million) provided against related parties.

13.3 Provision for doubtful receivables - other insurer / reinsurer

	2024	2023
	------- (Rupees in '000) -------	
Opening	51,765	51,765
Charge for the year	-	-
Balance as at the end of the year	51,765	51,765

13.4 The Company has entered into coinsurance and reinsurance arrangements with various other insurance companies and one local reinsurance company. As at December 31, 2024, the aggregate net balance due (to) / from other local insurers and reinsurer arising from such arrangements amounts to Rs. 1,031.182 million (2023: Rs. 1,267.685 million) and Rs. 739.032 million (2023: Rs. 404.988 million) respectively.

In respect of these balances, during the year the Company has exchanged balance information with them based on the significance of the respective balances. This information corroborates the balance position of the Company in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence.

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The reconciliation process of these balances with the respective insurance companies is carried out on ongoing basis. However, as advised by the SECP, this process will be formalised as per the guidelines suggested by the Insurance Association of the Pakistan (IAP) for the entire insurance industry.

14 RETIREMENT BENEFITS OBLIGATIONS

14.1 Defined benefit plan - Gratuity Fund

The Company offers an approved gratuity fund (the Fund) for all employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The fund is governed under the Trust Act, 1882, the Trust Deed and the Rules of the Fund, the Income Tax Ordinance, 2001, the Income Tax Rules, 2002 and the applicable local regulations. An actuarial valuation is carried out every year to determine the liability of the Company in respect of the benefit. The most recent valuation in this regard has been carried out as at December 31, 2024 using the Projected Unit Credit (PUC) Actuarial Cost Method as allowed under the International Accounting Standard (IAS) 19 - 'Employee Benefits' for valuation of the Fund.

The Company faces the following risks on account of gratuity fund:

Final salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility

Most of the fund's assets are invested in risk free investments. However, investments in shares, are subject to adverse fluctuation as a result of change in market price.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the fund's current bond holdings.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investment.

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

14.1.1 Principal actuarial assumptions	2024	2023
Valuation discount rate	12.25%	15.50%
Valuation discount rate for statement of comprehensive income	15.50%	14.50%
Salary increase rate - *short term*	17.25%	15.00%
Salary increase rate - *long term*	13.25%	14.20%
Return on plan assets	12.25%	15.50%
Duration	5.34 years	6.02 years
Normal retirement age	58	58
Withdrawal rate	Moderate	Moderate
Mortality rate	SLIC 2001-05	SLIC 2001-05
Next salary increase date	1-Jan-2025	1-Jan-2024

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		Note	2024	2023
			------- (Rupees in '000) -------	
14.1.2	**Amount recognised in the unconsolidated statement of financial position**			
	Reconciliation			
	Present value of defined benefit obligation		244,435	189,165
	Less: fair value of plan assets		(190,573)	(162,360)
	Payable to defined benefit plan		53,862	26,805
	Movement in net liability recognised			
	Opening net liability		26,805	28,658
	Expense for the year	14.1.3	25,378	13,254
	Other comprehensive loss	14.1.4	18,557	13,347
	Contributions		(16,878)	(28,454)
			53,862	26,805
	Movement in present value of defined benefit obligation			
	Opening		189,165	162,820
	Current service cost	14.1.3	22,635	16,629
	Past service cost		-	(5,467)
	Interest cost		26,683	22,226
	Benefits paid		(32,699)	(19,072)
	Actuarial loss on obligation	14.1.4	38,651	12,029
	Closing		244,435	189,165
	Movement in the fair value of plan assets			
	Opening		162,360	134,162
	Expected return on plan assets		23,940	20,134
	Contributions		16,878	28,454
	Benefits paid		(32,699)	(19,072)
	Actuarial gain / (loss) on obligation	14.1.4	20,094	(1,318)
			190,573	162,360
14.1.3	**Amount recognised in unconsolidated statement of comprehensive income**			
	Current service cost		22,635	16,629
	Past service cost		-	(5,467)
	Interest cost		2,743	2,092
	Expense for the year		25,378	13,254
14.1.4	**Amount recognised in other comprehensive income**			
	Remeasurement loss / (gain) on obligation			
	- Financial assumptions		42,181	11,049
	- Demographic assumptions		(8,833)	606
	- Experience assumptions		5,303	374
			38,651	12,029
	Remeasurement (gain) / loss on plan assets		(20,094)	1,318
			18,557	13,347
14.1.5	**Actual return on plan assets**			
	Expected return on assets		23,940	20,134
	Actuarial gain / (loss) on obligation		20,094	(1,318)
			44,034	18,816
14.1.6	**Analysis of present value of defined benefit obligation**			
	Split by vested / non-vested			
	(i) Vested benefits		244,435	189,165
	(ii) Non-vested benefits		-	-
			244,435	189,165

14.1.7 Sensitivity analysis

	2024			2023		
	Change in assumption	Increase / (decrease) in present value of defined benefit obligation		Change in assumption	Increase / (decrease) in present value of defined benefit obligation	
		(%)	(Rupees in '000)		(%)	(Rupees in '000)
Discount rate	+1%	-5.72%	(13,971)	+1%	-5.71%	(10,805)
	-1%	4.90%	11,971	-1%	6.32%	11,955
Salary increase rate	+1%	5.23%	12,774	+1%	6.80%	12,854
	-1%	-6.10%	(14,921)	-1%	-6.23%	(11,784)
Life expectancy / withdrawal rate	+10%	-1.37%	(3,359)	+10%	-0.05%	(93)
	-10%	0.12%	300	-10%	0.05%	87

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions, same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

14.1.8 Plan assets comprise of the following:

	2024 (Rupees in '000)	Percentage composition	2023 (Rupees in '000)	Percentage composition
Equity investments	5,336	2.80%	19,698	12.13%
Cash and bank deposits	33,903	17.79%	111,510	68.68%
Government securities	151,334	79.41%	31,152	19.19%
Fair value of plan assets	190,573	100%	162,360	100%

14.1.9 As per the actuarial recommendations, the expected return on plan assets was taken as 12.25% (2023: 15.50%), which is representative of yields on long-term Government bonds. Due to the increased volatility of share prices in recent months, there is no clear indication of return on equity. It is therefore assumed that the yield on equity matches the return on debt.

Based on actuarial advice, the Company intends to charge an amount of Rs. 25.110 million as an expense against net liability recognised in the unconsolidated statement of comprehensive income for the year ending December 31, 2025.

The expected contribution for the next one year should take into account the maximum annual contribution limit set by the Income Tax Rules, 2002 i.e. the basic payroll of the last month of the financial year end. The expected gratuity expense is around 8.72% of annual basic salary. Therefore, the Company may contribute up to Rs. 25.110 million during 2025.

14.1.10 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
2024					
Gratuity	31,450	32,377	101,852	157,342	323,021
2023					
Gratuity	29,084	15,768	69,108	167,442	281,402

14.1.11 Historical data on the deficit / (surplus) of the plan is as follows:

	2024	2023	2022	2021
	(Rupees in '000)			
Present value of defined benefit obligation	244,435	189,165	162,820	139,257
Fair value of plan assets	(190,573)	(162,360)	(134,162)	(132,680)
Deficit	53,862	26,805	28,658	6,577

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14.2 Defined contribution plan - Provident Fund

The Company has set up a provident fund for its permanent employees and contributions were made by the Company to the Trust in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2024 was Rs. 21.577 million (2023: Rs. 23.229 million). The net assets based on unaudited financial statements of Provident Fund as at December 31, 2024 are Rs.183.929 million (2023: Rs. 137.194 million) out of which 94% were invested in different financial instruments categories as provided in Section 218 of the Companies Act, 2017 and the rules formulated therein. The carrying value of the investments of the provident fund as at December 31, 2024 (unaudited) was Rs.169.813 million (2023: Rs. 143.899 million). The above investments out of provident fund have been made in accordance with the requirements of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	December 31, 2024 (un-audited)		December 31, 2023 (un-audited)	
	(Rupees in '000)	% of the size of the fund	(Rupees in '000)	% of the size of the fund
Government securities	116,929	63.57%	91,264	66.53%
Listed securities	22,407	12.18%	6,021	4.39%
Bank deposits	44,067	23.96%	34,622	25.24%
Mutual Funds	526	0.29%	287	0.21%
Term finance certificates	-	0.00%	5,000	3.63%
Total	183,929	100%	137,194	100%

14.3 Staff strength

	2024	2023
	(Number of employees)	
Number of employees as at December 31	195	180
Average number of employees during the year	188	190

15 PREPAYMENTS

	Note	2024	2023
		------- (Rupees in '000) -------	
Prepaid reinsurance premium ceded	24	2,909,454	2,333,817
Prepaid rentals		35,718	34,451
Others		21,628	6,829
		2,966,800	2,375,097

16 CASH AND BANK

	Note	2024	2023
Cash and cash equivalents			
Cash in hand		232	106
Policy stamps in hand		17,894	2,662
Cash at bank			
Current accounts		246,970	140,594
Savings accounts	16.1	824,872	829,991
		1,071,842	970,585
		1,089,968	973,353

16.1 The balances in savings accounts carry mark-up of 13.50% (2023: 13.44% to 17.93%) per annum.

16.2 Cash and cash equivalents for the purpose of of unconsolidated statement of cash flows:

	Note	2024	2023
		------- (Rupees in '000) -------	
Cash and bank	16	1,089,968	973,353
Market Treasury Bills having original maturity of up to three months		292,943	100,826
		1,382,911	1,074,179

17 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	2024	2023	2024	2023
	(Number of Shares)		------- (Rupees in '000) -------	
At beginning of the year	191,838,400	191,838,400	1,918,384	1,918,384
Issuance of shares during the year	-	-	-	-
At end of the year	191,838,400	191,838,400	1,918,384	1,918,384

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17.1 The Company is wholly owned subsidiary of IGI Holdings Limited. All ordinary shares carry equal voting and dividend rights.

18 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF TAX	**Note**	**2024**	**2023**
		------- (Rupees in '000) -------	
Opening balance		369,013	387,613
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation		(46,266)	(42,535)
Related deferred tax		18,044	16,589
		(28,222)	(25,946)
Change in fair value - net of tax		46,804	7,346
Closing surplus on revaluation of property and equipment		387,595	369,013

19 BORROWINGS

	Note	2024	2023
Lease liability against right-of-use assets - motor vehicle	19.2	-	34,326
Lease liability against right-of-use assets - rented premises	19.3	2,731	9,499
	19.1	2,731	43,825
Current portion		2,091	22,203
Non-current portion		640	21,622
		2,731	43,825

19.1 Lease liability against right-of-use assets

	2024			2023		
	Minimum lease Payments	Financial charges for future periods	Principal outstanding	Minimum lease Payments	Financial charges for future periods	Principal outstanding
	---- (Rupees in '000) ----					
Not later than one year	2,400	309	2,091	29,146	6,943	22,203
Later than one year and not later than five years	684	44	640	25,855	4,233	21,622
	3,084	353	2,731	55,001	11,176	43,825

19.2 The Company leases motor vehicles from banks which are provided to employees as an employment benefit. During the year, the Company settled all the outstanding lease liabilities against motor vehicles.

19.3 The Company leases various offices, branches and other premises to meet its operational business.

20 INSURANCE / REINSURANCE PAYABLES	**2024**	**2023**
	------- (Rupees in '000) -------	
Due to other insurers / reinsurers	2,412,181	3,392,743

21 DEFERRED TAXATION

Deferred debits arising in respect of :		
- Provision for doubtful receivables	(98,090)	(91,400)
- Retirement benefit obligations	(21,006)	(10,454)
- Accelerated tax depreciation	(7,681)	(12,348)
- Lease liability against right-of-use assets	(1,065)	(17,092)
	(127,842)	(131,294)
Deferred credits arising due to		
- Surplus on revaluation of property and equipment	326,144	296,220
- Fair value gain on investment properties	108,430	107,885
- Unrealised gain on investments	74,713	10,062
- Right-of-use assets	1,528	33,736
	510,815	447,903
	382,973	316,609

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21.1 Movement in deferred tax liability

The movement in deferred tax liability during the year is as follows:

	Note	2024	2023
		------- (Rupees in '000) -------	
Opening		316,609	206,641
Debit to the profit and loss	31	43,677	43,537
Debit to the statement of comprehensive income		22,687	66,431
Closing		382,973	316,609

22 OTHER CREDITORS AND ACCRUALS

	2024	2023
Agent commission payable	511,273	465,334
Cash margin	345,006	284,347
Federal excise duty	249,645	110,412
Federal insurance fee	15,093	6,746
Accrued expenses	385,222	276,665
Payable to customers	272,167	263,596
Provision for Sindh Workers Welfare Fund	74,164	39,555
Others	228,993	206,774
	2,081,563	1,653,429

23 CONTINGENCIES AND COMMITMENTS

23.1 The Company is defending a suit against it by M/s Nawaz Enterprises for recovery of Rs. 9.45 million on account of insurance claim. The petition is pending for hearing before Additional District Judge, Lahore. The management, based on a advice of the legal counsel, is confident that the outcome of the case is likely to be in favour of the Company.

23.2 The Company is defending a suit filed against it and the beneficiary on account of damages by the Federation of Pakistan for the performance bond number P.B. 014/77 issued for a civil contract amounting to Rs. 4.929 million. The petition is pending for hearing before Civil Court judge. The management, based on a advice of the legal counsel, is hopeful that the outcome of the case is likely to be decided in favour of the Company.

23.3 An appeal was filed before the Commissioner - Appeals, the Sindh Revenue Board (SRB) against the order passed by the Assistant Commissioner, SRB under section 23(1) of the Sindh Sales Tax on Services Act, 2011 for tax periods July 2011 to December 2012 in respect of re-insurance accepted transactions which was decided against the Company. The department alleged that the Company provided re-insurance services to local insurance companies and demanded Sindh sales tax on services under Sindh Sales Tax on Services Act, 2011. The Commissioner Appeals had decided the matter against the Company. Against the order of the Commissioner - Appeals, further appeal had been filed before the Appellate Tribunal, SRB on January 16, 2015, which was also decided against the Company. The Company had filed an appeal in the Honourable High Court of Sindh which is pending adjudication. The management, based on advice of the legal counsel, is hopeful that the outcome of the case will be decided in favour of the Company.

23.4 During the year 2018, the Sindh Revenue Board (SRB) raised a demand of tax of Rs 430.412 million under section 23(1) of Sindh Sales Tax on Services Act (SSTA), 2011, in respect of sales tax on reinsurance obtained from foreign re-insurers by the Company. The department has also imposed a penalty of Rs 21.520 million.

The department alleged that the Company has received re-insurance services from foreign re-insurance companies for the period from July 2011 to December 2014 and it is the contention of the department that these services are liable to sales tax under SSTA, 2011. The department attached the Company's bank account and directed the Company's banker to issue pay orders to SRB. The pay orders of Rs 58.028 million from the Company's bank account were issued by the Company's banker on December 27, 2018 upon direction of SRB.

The Company had filed an appeal before the Commissioner Appeals on December 28, 2018 against the above order. The management in hearings held before the Commissioner (Appeals) SRB had submitted that:

- The payments to foreign re-insurance companies are not a service and is merely a redistribution of the insurance risk and therefore the insurance premium. There is no value addition involved since, in essence it is a sharing of the insurance risk between the insurer and re-insurers. The management believes that the gross premium charged by the insurer was already subject to sales tax on the gross amount, hence it is illogical to again subject it to sales tax upon its redistribution keeping in view the fact that neither any service is being provided to the policyholder nor any value addition is being made.

- These risk sharing arrangements have been made by the Company with the re-insurance companies incorporated outside Pakistan with no legal or physical presence therefore it is the view that the provisions of Sindh Sales Tax laws are not applicable to these type of arrangements and are outside the jurisdiction of Sindh Sales Tax laws.

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The management believes that even if it is assumed that Sindh Sales Tax on re-insurance provided to insurer / insurance companies is applicable, the law does not provide any mechanism for calculating the basis on which such tax will be imposed and its related payment and the same would have been claimed as adjustable input tax by the Company against its output tax liability.

The Company had also filed a constitutional petition before the Honourable High Court of Sindh at Karachi (the Court) on December 28, 2018 seeking protection from the above mentioned coercive action taken by the tax department. The Court had suspended the above mentioned attachment notice and also instructed the bank that the said pay orders should not be encashed.

During the year ended December 31, 2020, the Court has disposed of the constitutional petition together with the other similar petitions and has ordered SRB not to enforce recovery of impugned demand before expiry of seven days of the receipt of the final decision in appeal or stay application by the Commissioner (Appeals) SRB, whichever is earlier.

The management, based on the advice received from their tax and legal advisors, is confident that this matter is likely to be decided in favour of the Company. The Company has recorded Rs 58.028 million as 'other receivable' in these unconsolidated financial statements.

Further, during the year 2021, the Company, along with the Insurance Association of Pakistan (IAP) and other insurance companies, has also filed a constitutional petition in the Honourable High Court of Sindh challenging the levy of Sindh Sales Tax on reinsurance. The Court has abstained the respondents from passing an adverse order against notices issued to the petitioners.

23.5 During the year ended December 31, 2020, one of the policyholders lodged a claim with the Company under Export Credit Insurance Policy due to insolvency of one of their customers. The Company appointed a surveyor to verify the claim. Appointed surveyor through its survey report concluded that this claim was a 'NO LOSS' claim and was outside the scope of the insurance cover. Based on the outcome of the survey report by appointed surveyor, the policyholder filed a complaint with the SECP against the Company and the appointed surveyor. The SECP directed the Company to appoint another surveyor to conduct the verification procedures. Other surveyor after performing their due procedures (including consultation with a lawyer) also concluded this claim to be 'NO LOSS' due to the same facts that were stated by the appointed surveyor.

In the year 2021, the policyholder, through its legal counsel served a legal notice to the Company for claiming losses amounting to USD 709,356 under the aforementioned insurance policy. The Company responded to the subject legal notice after consulting its legal counsel and rejected the claim based on the grounds mentioned in the paragraph above. Subsequently, the Company received a legal notice from the Insurance Tribunal, Faisalabad summoning the representatives of the Company and seeking the written response. The Company through its legal counsel has submitted its response to the Insurance Tribunal explaining the basis of its contention.

In this connection, the proceedings of the Insurance Tribunal are under progress and there has been no correspondence on this matter after the response was submitted by the Company. The management believes that it has a strong case based on the reports of the two reputed independent surveyors and the advice of the legal counsel. Accordingly, no provision has been recognised in respect of this matter in the unconsolidated financial statements of the Company for the year ended December 31, 2024.

23.6 The contingencies relating to taxation are given in note 31.2 to the unconsolidated financial statements.

24 NET INSURANCE PREMIUM

	Note	2024	2023
		------- (Rupees in '000) -------	
Written gross premium	24.1	13,530,259	12,388,623
Add: Unearned premium reserve - opening		3,944,261	3,007,816
Less: Unearned premium reserve - closing		(4,741,085)	(3,944,261)
Premium earned	24.1	12,733,435	11,452,178
Less: Reinsurance premium ceded		(8,443,231)	(7,599,352)
Add: Prepaid reinsurance premium ceded - opening		(2,333,817)	(1,704,594)
Less: Prepaid reinsurance premium ceded - closing		2,909,454	2,333,817
Reinsurance expense		(7,867,594)	(6,970,129)
		4,865,841	4,482,049

24.1 This includes an amount of Rs. 216 million (2023: Rs. 195.812 million) and Rs. 168.274 million (2023: Rs. 161.216 million) in respect of amount written and earned on tracking services. Further, telecommunication charges with respect to tracking services amount to Rs. 15.838 million (2023: Rs. 6.906 million).

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25 NET INSURANCE CLAIMS

	2024	2023
	------- (Rupees in '000) -------	
Claims paid	4,270,718	4,651,131
Add: Outstanding claims (including IBNR) - closing	11,002,509	7,377,643
Less: Outstanding claims (including IBNR) - opening	(7,377,643)	(6,623,855)
Claims expense	7,895,584	5,404,919
Less: Reinsurance and other recoveries received	(4,454,400)	(1,394,812)
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	(8,026,127)	(6,819,523)
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	6,819,523	4,761,352
Reinsurance and other recoveries revenue	(5,661,004)	(3,452,983)
	2,234,580	1,951,936

25.1 Claims development tables

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance:

Analysis on gross basis

Accident year	2020 and prior	2021	2022	2023	2024 (including IBNR)	Total
	(Rupees in '000)					
Estimate of ultimate claims cost:						
At end of accident year	3,141,773	5,094,381	10,747,467	3,931,009	4,677,273	27,591,903
One year later	3,326,059	5,313,655	12,127,594	3,861,035	-	24,628,342
Two years later	3,348,165	5,168,432	12,130,315	-	-	20,646,912
Three years later	3,488,665	5,181,798	-	-	-	8,670,463
Four years later	3,491,339	-	-	-	-	3,491,339
Estimate of cumulative claims	3,491,339	5,181,798	12,130,315	3,861,035	4,677,273	29,341,760
Cumulative payments to date	(2,894,466)	(4,330,754)	(7,305,872)	(2,619,740)	(1,188,419)	(18,339,251)
Liability recognised in the unconsolidated statement of financial position	596,873	851,044	4,824,443	1,241,295	3,488,854	11,002,509

The above effects have been worked out on the assumption that increase / decrease in net claims expense pertains to individual segment in isolation.

25.2 Movement of IBNR / PDR

	2024		2023	
	IBNR	PDR	IBNR	PDR
	(Rupees in '000)			
IBNR / PDR - opening	154,062	-	110,917	3,424
Charge / (reversal) during the year	58,364	-	43,145	(3,424)
IBNR / PDR - closing	212,426	-	154,062	-

26 NET COMMISSION EXPENSE

	2024	2023
	------- (Rupees in '000) -------	
Commission paid or payable	1,762,898	1,853,453
Add: Deferred commission expense - opening	374,998	353,588
Less: Deferred commission expense - closing	(378,393)	(374,998)
Net commission	1,759,503	1,832,043
Less: Commission received or receivable	(1,168,009)	(908,138)
Add: Unearned reinsurance commission - opening	(253,134)	(269,626)
Less: Unearned reinsurance commission - closing	375,660	253,134
Commission from reinsurers	(1,045,483)	(924,630)
	714,020	907,413

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27 MANAGEMENT EXPENSES

	Note	2024	2023
		------- (Rupees in '000) -------	
Employee benefit cost	27.1.1	744,952	609,182
Rent, rates and taxes		72,924	60,208
Electricity and gas		28,326	28,534
Repairs and maintenance		38,414	33,074
Communication		55,055	42,037
Tracker related expenditures		9,006	15,320
Depreciation and amortisation	5.1 & 6	165,328	139,083
Bad and doubtful debts	13.2	37,933	22,162
Vehicle running expenses		106,003	101,274
Travelling expenses		48,721	39,229
Printing and stationery		9,430	8,675
Legal and professional		23,945	25,343
Inspection fee		14,901	8,221
SECP Supervision fee		16,143	13,617
Advertisement expenses		18,517	8,500
Miscellaneous		4,863	5,203
	27.1	1,394,461	1,159,662

27.1 During the year, the Company has allocated certain management expenses to Window Takaful Operations on the basis of reasonable and supportable information available for determining such allocation amounting to Rs.146.642 million (2023: Rs.152.299 million).

	2024			2023		
	Total Expense	Allocated to WTO	Net Expense	Total Expense	Allocated to WTO	Net Expense
	(Rupees in '000)					
Employee benefit cost	805,753	60,801	744,952	676,345	67,163	609,182
Rent, rates and taxes	86,395	13,471	72,924	72,136	11,928	60,208
Electricity and gas	33,469	5,143	28,326	34,187	5,653	28,534
Repairs and maintenance	44,277	5,863	38,414	39,050	5,976	33,074
Communication	61,634	6,579	55,055	46,379	4,342	42,037
Tracker related expenditures	9,006	-	9,006	15,320	-	15,320
Depreciation and amortisation	185,402	20,074	165,328	162,780	23,697	139,083
Bad and doubtful debts	37,933	-	37,933	22,162	-	22,162
Vehicle running expenses	125,550	19,547	106,003	122,298	21,024	101,274
Travelling expenses	57,774	9,053	48,721	47,259	8,030	39,229
Printing and stationery	11,181	1,751	9,430	10,444	1,769	8,675
Legal and professional	23,945	-	23,945	25,343	-	25,343
Inspection fee	14,901	-	14,901	8,221	-	8,221
SECP Supervision fee	16,143	-	16,143	13,617	-	13,617
Advertisement expenses	21,969	3,452	18,517	10,241	1,741	8,500
Miscellaneous	5,771	908	4,863	6,179	976	5,203
	1,541,103	146,642	1,394,461	1,311,961	152,299	1,159,662

27.1.1 Employee benefit cost

	Note	2024	2023
		------- (Rupees in '000) -------	
Salaries, allowance and other benefits		758,798	639,862
Charges for post employment benefit	14.1.3 & 14.2	46,955	36,483
Less: employee benefit cost allocated to Window Takaful Operations		(60,801)	(67,163)
		744,952	609,182

28 INVESTMENT INCOME

	2024	2023
Income from equity securities		
Fair value through profit or loss		
Dividend income	20,302	18,770
Income from debt securities		
Fair value through profit or loss		
Return on government securities	522,573	394,914
Return on term finance certificate	48,836	47,783
Balance carried forward	**591,711**	**461,467**

	Note	2024	2023
		------- (Rupees in '000) -------	
Balance brought forward		**591,711**	**461,467**
Net realised gain on investments			
Fair value through profit or loss			
Mutual funds		508	13,044
Listed shares		37,573	7,275
Government securities		5,667	3,014
		43,748	23,333
Net unrealised gain / (loss) on investments			
Fair value through profit or loss			
Mutual funds		2,188	59
Listed shares		121,776	38,476
Government securities		67,608	(12,735)
		191,572	25,800
less: investment related expenses		(13,581)	(1,895)
Total investment income		813,450	508,705

29 OTHER INCOME

	Note	2024	2023
Return on savings accounts		210,751	119,838
Gain on sale of operating assets	5.2	68,846	35,863
Fair value gain on investment properties	7	1,398	13,402
Rental income from tracker business		13,263	14,029
Miscellaneous		7,605	7,690
		301,863	190,822

30 OTHER EXPENSES

	Note	2024	2023
Group shared services expenses		63,394	10,736
Insurance expense		26,557	27,441
Repairs and maintenance		2,770	2,672
Exchange loss		-	254
Legal and professional		2,700	2,214
Auditors' remuneration	30.1	24,323	16,391
Provison for SWWF		34,609	39,555
Donations	30.2	13,471	9,364
		167,824	108,627

30.1 Auditors' remuneration

	2024	2023
Fee for statutory audit	3,150	2,916
Fee for audit of consolidated financial statements	750	648
Fee for interim review	1,150	1,080
Fee for audit of regulatory return	2,200	1,620
Special certifications and sundry services	5,434	5,215
Tax advisory and other consultancy services	10,475	3,286
Out of pocket expenses	1,164	1,626
	24,323	16,391

30.2 This represents a donation paid to Packages Foundation (a related party), in which Mr. Shamim Ahmed Khan and Syed Hyder Ali (directors of the Company) are Trustees, located at Shahrah-e-Roomi P.O. Amer-Sidhu, Lahore.

31 TAXATION

	2024	2023
	------- (Rupees in '000) -------	
Current tax		
- current year	664,458	486,156
- prior year	-	40,053
	664,458	526,209
Deferred tax		
- current year	43,677	43,539
	708,135	569,748

31.1 Effective tax rate reconciliation

Numerical reconciliations between the average tax rate and the applicable tax rate for the year ended December 31, 2024 and December 31, 2023 are as follows:

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	2024 (Effective tax rate) (%)	2024 Rs in '000	2023 (Effective tax rate) (%)	2023 Rs in '000
Profit before taxation		1,824,703		1,243,295
Tax at enacted tax rate	39.00	711,634	39.00	484,885
Prior year tax	-	-	3.22	40,053
Change of rate impact	-	-	3.02	37,571
Others	(0.19)	(3,499)	0.58	7,239
	38.81	708,135	45.82	569,748

31.2 Contingencies related to taxation

31.2.1 The Company has a group taxation policy with its Holding Company under section 59AA of the Income Tax Ordinance, 2001 under which payments of tax are made through the Holding Company.

31.2.2 While finalising the assessment for the year 1999-2000 the Taxation Officer (TO) had not allowed credit for tax paid under section 54 amounting to Rs. 3 million for which rectification application is filed which is pending.

The Company has also filed applications in respect of certain mistakes made in the orders passed under section 124 of the Income tax Ordinance for 2002-2003 amounting to Rs. 1.561 million on account of disallowance of provisions for dimunition in investments held for sale. The applications filed were rejected by the T.O. against which appeals had been filed with the CIR(A) which are pending.

The Additional Commissioner of Income Tax (AC) has issued notice under section 122 (5A) of the Income Tax Ordinance, 2001 in respect of the tax year 2005 whereby he has proposed to disallow exemption in respect of gain on sale of shares amounting to Rs. 2.931 million and claim of expenses against dividend income amounting to Rs. 209.875 million as a result of which tax of Rs. 74.88 million was assessed. Whereas, in respect of the tax year 2006, he has proposed to disallow claim of expenses against dividend income amounting to Rs. 230.323 million and exemption in respect of gain on sale of shares amounting to Rs. 10.903 million and taxed income from associates amounting to Rs. 19.267 million as a result of which tax of Rs. 91.173 million was assessed. Against the above notice, the Company has filed a constitutional petition before the Honourable High Court of Sindh (SHC). The regular hearing of petition is currently pending with the SHC.

During the current year, the Honourable SHC on September 24, 2024 dismissed the case as a result of which the Company subsequently filed a civil petition before the Honourable Supreme Court of Pakistan against the judgment of the Honourable SHC which is pending adjudication.

31.2.3 In respect of tax year 2007, all significant issues were decided in favour of the Company by CIR(A) and then by the ATIR. However, no appeal effect order has been passed. The Company has written a letter to the taxation officer for passing appeal effect orders. The department had filed Income Tax Reference Application before Honourable High Court of Sindh (SHC) against the deletion of the addition made on account of re-characterisation of actual realised capital gain amounting to Rs. 1,269.720 million (having a tax impact of Rs. 444.40 million). The said Income Tax Reference Application was heard by Honourable SHC and the judgment has been passed in favour of the Company.

The tax department has further filed a civil petition before the Honourable Supreme Court of Pakistan against the judgment of the Honourable High Court which is pending adjudication. The management, based on advice of the legal counsel, is hopeful that the outcome of the case will be decided in favour of the Company.

31.2.4 In respect of tax year 2008, the Additional Commissioner Audit Zone III LTU Karachi issued another notice under section 122(5A) of the Ordinance on May 14, 2014 and passed an amended assessment order under section 122(5A) by disallowing provision for IBNR and allocation of expense against capital gains and dividend income. As a result of amended assessment demand of Rs. 63.166 million was created. Against the disallowances made by the ACIR, the Company has filed an appeal before the Commissioner Inland Revenue (Appeals) and also filed an application for stay of demand. Pursuant to the stay application, the CIR(A) has granted stay of demand to the Company. Against the above disallowance, the Company filed an appeal before the learned Appellate Tribunal Inland Revenue.

Further, the Company challenged the assessment order on the ground that the assessment was barred by limitation of time. Moreover, the department filed a cross appeal before the ATIR challenging the relief granted by the CIR(A). The ATIR has decided both the appeals on the point of limitation of law as contained under section 122(2) of the Ordinance and have decided the appeal in favour of the Company. Moreover, the departmental appeal has also been rejected being treated as infructuous. The department has filed a reference application before the Honourable High Court of Sindh against the order of the ATIR which is pending adjudication.

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31.2.5 In respect of tax year 2009, the Deputy Commissioner of Inland Revenue (DCIR) has passed the amended order under section 122(5A) of the Ordinance by disallowing provisions on account of IBNR, unearned commission and allocation of expenses relating to exempt income. As a result of amended assessment, demand of Rs 141 million was created. The DCIR has made certain errors in the order for which application for rectification was filed. Rectified order under section 221 has been passed and as a result demand has been reduced to Rs. 51 million. The learned CIR(A) has granted partial relief amounting to Rs. 9.390 million in respect of certain issues and confirmed certain disallowances. The Company filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of issues on which relief was not allowed by the CIR(A). The ATIR, pursuant to the appeals filed against the order of CIR(A), has now passed the order whereby the ATIR has confirmed disallowance made on account of provision for IBNR. Further issue of allocation of expenses against investment income has been remanded back to CIR(A). In respect of the issue of addition made on account of provision of unearned commission, the ATIR has upheld the decision of CIR(A) whereby disallowance made on this score is deleted. In respect of issues decided against the Company, a reference application was filed before Honourable High Court of Sindh where the issue pertaining to IBNR has been decided in favour of the Company whereas remaining issues are pending adjudication.

The Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend income, commission income and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. As a result of the amended assessment demand of Rs. 31.420 million was created. The Company paid an amount of Rs.10 million and obtained stay from the Commissioner Inland Revenue till August 31, 2015 in respect of payment of the remaining tax demand of Rs. 21.420 million. Further, against the above treatment meted out by the ACIR, the Company has filed an appeal before the Commissioner Inland Revenue (Appeals) which is pending adjudication. The Company also filed a petition against the said order before the Honourable High Court of Sindh which was disposed off with the directions that no coercive measures taken by the tax authorities till the decision of the CIR(A) on the appeal filed which is pending adjudication.

31.2.6 In respect of tax year 2010, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, the ACIR has disallowed provision of IBNR under section 34(3) of the Ordinance. As a result of the amended assessment demand of Rs. 93.445 million has been created. The Company has filed appeal and application for stay of tax demand before the CIR(A) against the above assessment order. The Company has also filed a petition against the said order before the Honourable High Court of Sindh which is pending adjudication.

Pursuant to the appeal, the learned CIR(A) vide combined appellate order No.21 and 22/A-1 dated March 10, 2016 has decided all issues in favour of the Company. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication.

31.2.7 In respect of tax year 2011, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR, claim of brought forward loss for the tax year 2008 and refund adjustments for tax years 2004 and 2009 in the amended assessment order . Moreover, Workers' Welfare Fund @ 2% of the accounting profit for the year has also been levied. As a result of the amended assessment demand of Rs.142.414 million has been created. The Company has filed appeal and application for stay of tax demand before the CIR(A) against the above assessment order.

Pursuant to the appeal, the learned CIR(A) vide combined appellate order No. 21 & 22/A-1 dated 10 March 2016 has decided the following issues in favour of the Company:

(a) Chargeability of tax on dividend income and property income at corporate tax rate;

(b) Provision for IBNR;

(c) Levy of Workers' welfare fund for the year.

In respect of credit / adjustment of refunds available to the Company, the CIR(A) has remanded back the issue with the directions to verify the claim of refunds and allow the adjustment as per law. The Company has written a letter to the concerned taxation officer for passing appeal effect order in line with the appellate order passed by the CIR(A),which is pending. Further, the tax department has also filed further appeal before the ATIR in respect of the issues on which relief was allowed by the CIR(A), which is pending adjudication.

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31.2.8 In respect of tax year 2012, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR amounting to Rs. 33 million in the amended assessment order. As a result of the amended assessment, demand of Rs. 106.563 million was created. The Company has obtained stay from the Honourable High Court of Sindh (SHC) in respect of the above tax demand. Further, against the aforesaid order, the Company also filed an appeal before CIR(A) which is pending adjudication. The stay from the Honourable SHC has been disposed off subsequently with the directions that no coercive measures taken by the tax authorities till the decision of the CIR(A) on the appeal filed is finalised. The learned CIR(A) has passed the appellate order wherein both the aforesaid issues have been decided in favour of the Company.

The department has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by the CIR(A) which is pending adjudication.

31.2.9 The Sindh Revenue Board (SRB) vide Show Cause Notice (SCN) No. SRB-COM-I/AC-10/2012-13/IGI/2020/98/496168 dated January 30, 2020 alleged the applicability of sales tax on services for the tax periods from January 2012 to December 2013 amounting to Rs. 494.279 million on various grounds such as tax on gross premium, commission received from re-insurer, and input tax wrongly claimed. During the year ended December 31, 2021, the Company vide its legal advisor challenged the judgement dated March 30, 2021 passed by the Honourable High Court of Sindh. Subsequent to this, the Company filed an appeal in the Supreme Court of Pakistan through its legal advisor. The Supreme Court of Pakistan has granted an interim order and the said interim order is operating.

31.2.10 In respect of tax year 2013, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR, claim of brought forward loss for the tax year 2012 and has also made an addition on account of disposal of fixed assets at less than fair market value (FMV) in the amended assessment order. As a result of the amended assessment, demand of Rs. 95.008 million was created. Against the aforesaid order, the Company has filed an appeal before CIR(A). Pursuant to the appeal, the learned CIR(A) vide appellate order No. 10/A-1 dated 05 October 2016 has decided the following issues in favour of the Company:

(a) Chargeability of tax on dividend income and property income at corporate tax rate;
(b) Provision for IBNR amounting to Rs. 33 million;
(c) Addition on account of disposal of fixed assets.

Further the CIR(A) has remanded back the issues in respect of adjustment of brought forward loss for the tax year 2012 and credit of Workers' Welfare Fund paid with the return of income. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication.

31.2.11 In respect of tax year 2014, case of the Company was selected for audit under section 177 of the ordinance and subsequently, the Deputy Commissioner Inland Revenue (DCIR) has passed an amended assessment order under section 122(1) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 34% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR and has also made an addition on account of disposal of fixed assets at less than Fair Market Value (FMV) and motor car expenses paid in cash under section 21(l) in the amended assessment order. As a result of the amended assessment, demand of Rs. 148.444 million was created. The Company has obtained stay from the Honourable High Court of Sindh (SHC) in respect of the above tax demand. Further, against the aforesaid order, the Company has also filed an appeal before CIR(A). The stay from the Honourable SHC has been disposed off subsequently with the directions that no coercive measures taken by the tax authorities till the decision of the CIR(A) on the appeal filed is finalised.

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issues in respect of levy of tax on dividend income at corporate tax rates, disposal of vehicles at less than FMV and levy of WWF have been decided in favour of the Company. However, issues in respect of levy of minimum tax under section 113, provision for IBNR and motor car expenses in cash has been decided against the Company. The Company has filed further appeal before the ATIR in respect of the issues decided against the Company except issue of motor car expenses paid in cash, which is pending adjudication.

31.2.12 In respect of tax year 2015, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 33% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, the ACIR has levied Super tax under section 4B of the ordinance amounting to Rs. 27.743 million and Workers' Welfare Fund for the year. As a result of the amended assessment, demand of Rs. 234.287 million was created. The Company has obtained stay from the Honourable High Court of Sindh (SHC) in respect of the above tax demand. Further, against the aforesaid order, the Company has also filed an appeal before CIR(A). The stay from the Honourable SHC has been disposed off subsequently with the directions that no coercive measures taken by the Tax Authorities till the decision of the CIR(A) on the appeal filed which is pending adjudication.

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issue of levy of tax on dividend income at corporate tax rates has been decided in favour of the Company whereas the issue of levy of super tax under section 4B has been decided against the Company. Furthermore, the CIR(A) has remanded back the issue of levy of WWF. The Company has filed further appeal before the ATIR in respect of the issue of levy of super tax, which is pending adjudication.

The ACIR also passed an order under section 221 of the Ordinance charging super tax under section 4B amounting to Rs 27.912 million. Without prejudice to the stance in appeal, the Company made payment of Rs 20 million in respect of the super tax liability under section 4B whereas the remaining super tax demand of Rs 7.912 million was adjusted against the refund of tax year 2008. The Company filed an application with the ACIR requesting to annul the order based on various legal grounds, however, no order was passed in this regard. Moreover, the Company also filed an appeal before the CIR(A) in respect of the order passed under section 221 of the Ordinance. Pursuant to the above appeal, the CIR(A) passed the appellate order wherein the action of the ACIR in charging super tax under section 221 of the Ordinance was annulled. The Company has written a letter to the concerned taxation officer for passing appeal effect order in line with the appellate order passed by the CIR(A), which is pending. The tax department has also filed further appeal before the ATIR against the order passed by the CIR(A), which has been decided against the tax department.

31.2.13 The case for tax year 2015 was further selected for audit under section 177 of the Ordinance. The Company submitted all the information requested through the Information and Document Request (IDR) pursuant to which a show-cause notice was issued in December 2017. In tax year 2009, the Deputy Commissioner Inland Revenue (DCIR) has passed an amended assessment order under section 122(4) of the Income Tax Ordinance, 2001 wherein tax on outstanding commission payable has been imposed on account of being outstanding for more than three years and provision for IBNR has been disallowed. As a result of the amended assessment, demand of Rs. 62.032 million was created. The Company filed an appeal before the CIR(A), pursuant to which an appellate order was passed wherein the CIR(A) agreed to the Company's legal submissions that the tax year 2015 was barred by limitation since the Company follows calendar year as its financial year, however, the CIR(A) has proceeded to decide the issues on merit and has decided the following issues in favor of the Company:

(a) Disallowance in respect of cash margin under section 34(5) of the Ordinance;

(b) Disallowance in respect of agent commission paid under section 34(5) of the Ordinance;

(c) Addition on account of provision for claims Incurred but Not Reported (IBNR) under section 34(3) of the Ordinance;

(d) Disallowance of commission expense under section 21(c) of the Ordinance; and

(e) Addition on account of reversal of impairment in value of available for sale investments.

Additionally, addition on account of gain on sale of fixed assets at less than Fair Market Value (FMV), disallowance on account of certain expenses under section 174(2) read with section 21(c) of the Ordinance and levy of super tax under section 4B has been confirmed whereas the issue of credit of super tax paid during the year has been remanded back for verification.

The Company has filed further appeal before the ATIR challenging the action of the CIR(A) in deciding the issues on merits instead of annulling the order being barred by limitation as well as on the issues confirmed by the CIR(A), which is pending adjudication.

31.2.14 In respect of tax year 2016, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 32% for the year) by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, the ACIR has disallowed the claim of expense on account of health administrative services under section 21(c) of the ordinance and has also made an addition on account of disposal of fixed assets at less than Fair Market Value (FMV) in the amended assessment order. As a result of the amended assessment, demand of Rs. 105.190 million was created. The Company has filed stay application in respect of the above tax demand in the Honourable High Court of Sindh and also filed an appeal against the aforesaid order before the CIR(A).

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issues in respect of levy of tax on dividend income at corporate tax rates and disposal of vehicles at less than FMV have been decided in favour of the Company whereas the issue of non-deduction of tax on payment for health plan administrative services under section 21(c) of the Ordinance has been decided against the Company as a result of which tax demand of Rs. 2.8 million was created

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31.2.15 During the year ended December 31, 2022, the Company received a notice from Federal Board of Revenue (FBR) bearing reference No. DCIR/UNIT4/ENF-II/LTU/2021-2022/748 dated March 16, 2022 issued under section 11(2) of the Sales Act, 1990 (ST Act) highlighting certain non-compliance related to violation of section 48 of the ST Act.

Further, the Company received an assessment order dated July 07, 2022 creating a demand of Rs. 13.350 million. Subsequently, the Company filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

31.2.16 During the year ended December 31, 2022, the Company received a notice from Federal Board of Revenue (FBR) bearing reference No. DCIR/A&P/ENF-II/LTO/2022-2023/5213 dated September 16, 2022 issued under section 11(2) of the Sales Act, 1990 (ST Act) highlighting certain non-compliance related to violation of section 48 of the ST Act.

Further, the Company received an assessment order dated December 16, 2022 creating a demand of Rs. 16.301 million. During the year ended December 31, 2023, the Company filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

31.2.17 The management and tax advisor of the Company are confident that the above matters will be decided in the Company's favour. Accordingly, no provision has been recognised in these unconsolidated financial statements.

32 EARNINGS PER SHARE

	2024	2023
	------- (Rupees in '000) -------	
Profit (after tax) for the year	1,116,568	673,547
	-------(Number of shares)-------	
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	191,838,400	191,838,400
	--------------(Rupees)--------------	
Earnings (after tax) per share basic and dilutive	5.82	3.51

33 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Holding Company, subsidiary company, associates, related group companies, directors of the Company, key management personnel, post employment benefit plans and other related parties. The Company in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Amounts due to / from and other significant transactions, other than those disclosed else where in these unconsolidated financial statements, are as follows:

	Holding Company		Subsidiary Company		Post employment benefit plans		Key management personnel (including directors)		Other related parties	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in '000)									
Transactions										
Premium underwritten	-	-	-	-	-	-	1,764	236	980,163	1,145,739
Premium collected	-	-	-	-	-	-	1,954	313	1,007,290	1,174,934
Claims expense - net of recoveries	-	30	-	-	-	-	-	449	19,757	211,805
Claims paid	-	-	-	-	-	-	-	509	29,384	104,222
Rental income	-	-	-	-	-	-	-	-	35,676	28,234
Dividend paid	745,000	585,000	-	-	-	-	-	-	-	-
Key management personnel compensation	-	-	-	-	-	-	334,368	211,904	-	-
Charge in respect of gratuity fund	-	-	-	-	25,378	13,254	-	-	-	-
Charge in respect of provident fund	-	-	-	-	21,577	23,229	-	-	-	-
Contribution to gratuity fund	-	-	-	-	16,878	28,454	-	-	-	-
Contribution to provident fund	-	-	-	-	27,858	33,468	-	-	-	-
Insurance premium expense	-	-	-	-	-	-	-	-	-	11,405
Insurance premium paid	-	-	-	-	-	-	-	-	-	11,405
Education and training fee paid	-	-	-	1,433	-	-	-	-	-	4
Donation paid	-	-	-	-	-	-	-	-	13,471	9,364
Rent paid	-	-	-	-	-	-	-	-	2,340	2,327
Tracker rental income from Takaful Operations	-	-	-	-	-	-	-	-	13,263	14,029
Profit received from Window Takaful Operations	-	-	-	-	-	-	-	-	104,881	187,585
Expenses allocated to Window Takaful Operations	-	-	-	-	-	-	-	-	146,642	152,299

	Holding Company		Subsidiary Company		Post employment benefit plans		Key management personnel (including directors)		Other related parties	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in '000)									
Balances										
Premium (payable) / receivable	-	-	-	-	-	-	(216)	190	56,636	83,763
Outstanding claim	-	-	-	-	-	-	-	-	936,320	945,947
Other receivable / (payable)	2,678	11,631	540	(212)	-	-	-	-	209,278	155,665
Payable to gratuity fund	-	-	-	-	(53,862)	(26,805)	-	-	-	-
Receivable from provident fund	-	-	-	-	12,081	18,362	-	-	-	-

The maximum aggregate amount due from related parties outstanding during the year aggregated to Rs. 140.546 million (2023: Rs. 181.737 million).

33.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S.No.	Name of related party	Basis of association / relationship
1	IGI Holdings Limited	Parent Company
2	IGI FSI (Private) Limited	Subsidiary
3	IGI Investments (Private) Limited	Subsidiary of Holding Company
4	IGI Life Insurance Limited	Subsidiary of Holding Company
5	IGI Finex Securities Limited	Subsidiary of Holding Company
6	Packages Limited	Associate
7	Packages Real Estate (Private) Limited	Associate
8	Packages Convertors Limited	Subsidiary of Associate
9	Starchpack (Private) Limited	Subsidiary of Associate
10	DIC Pakistan Limited	Joint venture of Associate
11	Tri-Pack Films Limited	Subsidiary of Associate
12	Bulleh Shah Packaging (Private) Limited	Subsidiary of Associate
13	Omyapak (Private) Limited	Subsidiary of Associate
14	Hoechst Pakistan Limited	Subsidiary of Associate
15	SC Johnson & Son of Pakistan (Private) Limited	Joint venture of Associate
16	Babar Ali Foundation	Other related party
17	Industrial Technical and Educational Institute	Other related party
18	Syed Hyder Ali	Other related party

34 COMPENSATION FOR DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Fee for attending board meeting	-	-	5,525	5,750	-	-
Managerial remuneration	15,576	22,537	-	-	135,782	177,350
Bonus	5,451	7,478	-	-	25,847	31,565
Retirement benefits (including provident fund)	1,558	1,977	-	-	13,079	16,624
Housing and utilities	8,567	11,832	-	-	71,935	91,435
Technical advisory fee			2,700	2,400	-	-
Medical expenses	1,346	2,151	-	-	9,162	440
Conveyance allowance	364	-	-	-	28,714	3,138
Others	3,894	12,524	-	-	4,868	28,376
	36,756	58,499	8,225	8,150	289,387	348,928
Number of persons	1	1	4	5	49	40

* This includes fee for attending Board meeting of directors.

34.1 Chief Executive and executives of the Company are provided with Company maintained cars, mobile phones and residential telephones.

34.2 Executives mean employees, other then the chief executive and directors, whose basic salary exceed five hundred thousand rupees in a financial year.

35 SEGMENT REPORTING

The Company has five primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor, accident and health and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of the gross premium written by the segments.

Particulars	2024					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	6,778,794	1,802,722	2,649,328	1,619,669	2,717,768	15,568,281
Less: Federal Excise Duty	(902,588)	(208,887)	(355,404)	(1,469)	(349,770)	(1,818,118)
Federal Insurance Fee	(57,922)	(14,986)	(22,746)	(16,021)	(23,397)	(135,072)
Stamp Duty	(380)	(80,095)	(2,842)	(18)	(1,497)	(84,832)
Gross written premium (inclusive of administrative surcharge)	5,817,904	1,498,754	2,268,336	1,602,161	2,343,104	13,530,259
Gross direct premium	5,778,025	1,476,485	2,202,811	1,599,976	2,297,637	13,354,934
Facultative inward premium	25,289	-	-	-	1,200	26,489
Administrative surcharge	14,590	22,269	65,525	2,185	44,267	148,836
	5,817,904	1,498,754	2,268,336	1,602,161	2,343,104	13,530,259
Insurance premium earned	5,548,766	1,484,187	2,243,538	1,572,875	1,884,069	12,733,435
Insurance premium ceded to reinsurers	(4,986,310)	(1,130,858)	(273,288)	-	(1,477,138)	(7,867,594)
Net insurance premium	562,456	353,329	1,970,250	1,572,875	406,931	4,865,841
Commission income	575,306	263,318	65,025	-	141,834	1,045,483
Net underwriting income	1,137,762	616,647	2,035,275	1,572,875	548,765	5,911,324
Insurance claims	(1,912,494)	(262,679)	(1,071,481)	(922,363)	(3,726,567)	(7,895,584)
Insurance claims recovered from reinsurers	1,799,464	202,733	83,699	-	3,575,108	5,661,004
Net claims	(113,030)	(59,946)	(987,782)	(922,363)	(151,459)	(2,234,580)
Commission expense	(547,592)	(192,609)	(310,926)	(488,543)	(219,833)	(1,759,503)
Management expenses	(599,606)	(154,465)	(233,780)	(165,121)	(241,489)	(1,394,461)
Net insurance claims and expenses	(1,260,228)	(407,020)	(1,532,488)	(1,576,027)	(612,781)	(5,388,544)
Premium deficiency	-	-	-	-	-	-
Underwriting result	(122,466)	209,627	502,787	(3,152)	(64,016)	522,780
Investment income						813,450
Rental income						35,676
Other income						301,863
Other expenses						(167,824)
Result of operating activities						1,505,945
Finance cost on right-of-use assets						(10,129)
Profit from Window Takaful Operations						328,887
Profit before tax						**1,824,703**
Segment assets	7,567,575	1,107,117	1,419,406	673,256	6,124,382	16,891,736
Unallocated assets	-	-	-	-	-	7,534,145
Assets of Window Takaful Operations operator's fund	-	-	-	-	-	994,089
						25,419,970
Segment liabilities	9,666,370	846,398	1,958,680	773,593	5,290,982	18,536,023
Unallocated liabilities	-	-	-	-	-	2,521,125
Total liabilities of Window Takaful Operations operator's fund	-	-	-	-	-	743,468
						21,800,616

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Particulars	2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	6,464,465	1,351,977	2,509,820	1,720,985	2,155,125	14,202,372
Less: Federal Excise Duty	(828,503)	(154,167)	(328,544)	(73,909)	(263,432)	(1,648,555)
Federal Insurance Fee	(55,373)	(11,444)	(21,583)	(16,307)	(18,713)	(123,420)
Stamp Duty	(122)	(39,639)	(1,371)	(15)	(627)	(41,774)
Gross written premium (inclusive of Administrative Surcharge)	5,580,467	1,146,727	2,158,322	1,630,754	1,872,353	12,388,623
Gross direct premium	5,523,583	1,125,950	2,092,679	931,111	2,534,247	12,207,570
Facultative inward premium	44,430	2,378	143	-	1,176	48,127
Administrative surcharge	12,454	18,399	65,500	1,583	34,990	132,926
	5,580,467	1,146,727	2,158,322	1,630,754	1,872,353	12,388,623
Insurance premium earned	4,896,493	1,152,288	2,049,051	1,545,700	1,808,646	11,452,178
Insurance premium ceded to reinsurers	(4,453,441)	(835,263)	(251,795)	-	(1,429,630)	(6,970,129)
Net insurance premium	443,052	317,025	1,797,256	1,545,700	379,016	4,482,049
Commission income	511,390	221,118	56,876	-	135,246	924,630
Net underwriting income	954,442	538,143	1,854,132	1,545,700	514,262	5,406,679
Insurance claims	(3,185,955)	(470,200)	(923,983)	(766,917)	(57,864)	(5,404,919)
Insurance claims recovered from reinsurers	3,127,768	334,119	70,090	-	(78,994)	3,452,983
Net claims	(58,187)	(136,081)	(853,893)	(766,917)	(136,858)	(1,951,936)
Commission expense	(489,305)	(151,717)	(280,332)	(652,723)	(257,966)	(1,832,043)
Management expenses	(519,623)	(107,805)	(202,905)	(153,307)	(176,022)	(1,159,662)
Net insurance claims and expenses	(1,067,115)	(395,603)	(1,337,130)	(1,572,947)	(570,846)	(4,943,641)
Premium deficiency	-	-	-	3,424	-	3,424
Underwriting result	(112,673)	142,540	517,002	(23,823)	(56,584)	466,462
Net investment income						508,705
Rental income						27,748
Other income						190,822
Other expenses						(108,627)
Result of operating activities						1,085,110
Finance cost on right-of-use assets						(13,751)
Profit from Window Takaful Operations						171,936
Profit before tax						1,243,295
Segment assets	8,350,897	943,466	1,210,412	547,938	2,520,454	13,573,167
Unallocated assets	-	-	-	-	-	6,496,664
Assets of Window Takaful Operations operator's fund	-	-	-	-	-	616,843
						20,686,674
Segment liabilities	9,418,350	1,006,331	2,020,632	923,705	1,602,726	14,971,744
Unallocated liabilities	-	-	-	-	-	2,040,666
Total liabilities of Window Takaful Operations operator's fund	-	-	-	-	-	461,962
						17,474,372

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36 MOVEMENT IN INVESTMENTS

	2024		
	Held to maturity	Fair value through profit or loss	Total
	(Rupees in '000)		
As at January 1, 2024	-	2,863,812	2,863,812
Additions	-	1,732,238	1,732,238
Disposals (sale and redemptions) - net	-	(1,402,524)	(1,402,524)
Net fair value gains (excluding net realised gains)	-	191,572	191,572
Amortisation of premium / discount	-	242,357	242,357
As at December 31, 2024	-	3,627,454	3,627,454

	2023		
	Held to maturity	Fair value through profit or loss	Total
	(Rupees in '000)		
As at January 1, 2023	-	2,113,672	2,113,672
Additions	-	5,534,193	5,534,193
Disposals (sale and redemptions) - net	-	(4,934,012)	(4,934,012)
Net fair value gains (excluding net realised gains)	-	25,800	25,800
Amortisation of premium / discount	-	124,159	124,159
As at December 31, 2023	-	2,863,812	2,863,812

37 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

The Company issue contracts that transfer insurance risk or financial risk or both. This section summarises the insurance risks and the way the company manages them.

37.1 Insurance risk

The Company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

Concentration of insurance risk

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial businesses. The Company minimises its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

To optimise benefits from the principle of average and large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial / industrial / residential occupation of the insured. Details regarding the fire separation / segregation with respect to the manufacturing processes, storage, utilities, etc. are extracted from the layout plan of the insured facility. Such details are formed part of the reports which are made available to the underwriters / reinsurance personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan). For instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors and physical separation between the buildings within an insured's premises. It is basically the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

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

The ability to manage catastrophic risk is tied to managing the density of risk within a particular area. For catastrophic aggregates, the IT system also assigns precise geographic CRESTA (Catastrophe Risk Evaluating and Standardising Target Accumulations) codes with reference to the accumulation of sums insured in force at any particular location against natural perils. A risk management solution is implemented to help assess and plan for risk in catastrophic scenarios. It provides a way to better visualise the risk exposures so the Company determines the appropriate amount of reinsurance coverage to protect the business portfolio.

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

The voyage cards so maintained for the particular set of policies for a single vessel voyage are automatically logged into the system showing actual gross, treaty and net exposure, both in terms of sums insured and premiums.

37.1.1 Reinsurance arrangements

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

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

The Company's class wise risk exposure (based on maximum loss coverage) in a single policy is as follows:

	2024		
	Maximum sum insured	Reinsurance cover	Highest net liability
	(Rupees in '000)		
Fire and property damage	124,713,000	124,089,435	623,565
Marine, aviation and transport	86,368,554	84,641,183	1,727,371
Motor	200,000	170,000	30,000
Health	123,762	-	123,762
Miscellaneous	168,000,000	166,320,000	1,680,000
Window Takaful Operations	4,508,750	3,053,750	1,455,000
	383,914,066	378,274,368	5,639,698

	2023		
	Maximum sum insured	Reinsurance cover	Highest net liability
	(Rupees in '000)		
Fire and property damage	84,158,502	83,906,027	252,475
Marine, aviation and transport	87,258	58,758	28,500
Motor	77,356,027	76,969,247	386,780
Health	4,944,890	-	4,944,890
Miscellaneous	176,400,000	172,695,600	3,704,400
Window Takaful Operations	5,535,517	4,677,008	858,509
	348,482,194	338,306,640	10,175,554

The table below sets out the concentration of insurance contract liabilities by type of contract:

	2024		
	Gross liabilities	Gross assets	Net liabilities / (assets)
	(Rupees in '000)		
Fire and property damage	9,666,370	7,567,575	2,098,795
Marine, aviation and transport	846,398	1,107,117	(260,719)
Motor	1,958,680	1,419,406	539,274
Health	773,593	673,256	100,337
Miscellaneous	5,290,982	6,124,382	(833,400)
Window Takaful Operations	743,468	994,089	(250,621)
	19,279,491	17,885,825	1,393,666

	2023		
	Gross liabilities	Gross assets	Net liabilities / (assets)
	(Rupees in '000)		
Fire and property damage	9,418,350	8,350,897	1,067,453
Marine, aviation and transport	1,006,331	943,466	62,865
Motor	2,020,632	1,210,412	810,220
Health	923,705	547,938	375,767
Miscellaneous	1,602,726	2,520,454	(917,728)
Window Takaful Operations	461,962	616,843	(154,881)
	15,433,706	14,190,010	1,243,696

37.1.2 Uncertainty in the estimation of future claims payment

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

An estimated amount of the claim is recorded immediately on intimation to the Company. The estimation of the amount is based on the amount notified by the policyholder, management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims incurred but not reported (IBNR), the Company uses actuarial advice as more fully explained in note 3.5 to these unconsolidated financial statements.

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

37.1.3 Key assumptions

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

37.1.4 Sensitivities

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below:

	Effect of 10% increase in claims		Effect of 10% decrease in claims	
	Total comprehensive income	Equity	Total comprehensive income	Equity
	(Rupees in '000)			
Fire and property damage	(6,895)	(6,895)	6,895	6,895
Marine, aviation and transport	(3,657)	(3,657)	3,657	3,657
Motor	(60,255)	(60,255)	60,255	60,255
Health	(56,264)	(56,264)	56,264	56,264
Miscellaneous	(9,239)	(9,239)	9,239	9,239
Window Takaful Operations	(126,981)	(126,981)	126,981	126,981
	(263,291)	(263,291)	263,291	263,291

37.1.5 Statement of age-wise breakup of unclaimed insurance benefits

Particulars	Total amount	Age-wise breakup				
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	(Rupees in '000)					
Claims not encashed						
2024	156,694	-	13,458	59,988	37,798	45,450
2023	67,917	-	13,253	12,528	17,728	24,408

37.2 Financial risk

(i) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has adopted appropriate policies to minimise its exposure to this risk. The interest rate profile of the Company's significant interest bearing financial instruments and the periods in which these will mature are as follows:

	2024							
	Interest rates	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
		(Rupees in '000)						
Financial assets								
Cash and bank	13.50% to 20.50%	824,872	-	824,872	265,096	-	265,096	1,089,968
Investments	9.03% to 23.95%	1,198,919	2,039,699	3,238,618	388,836	-	388,836	3,627,454
Insurance / reinsurance receivables		-	-	-	5,577,763	-	5,577,763	5,577,763
Reinsurance recoveries against outstanding claims		-	-	-	8,026,127	-	8,026,127	8,026,127
Loans and other receivables		-	-	-	501,395	-	501,395	501,395
Salvage recoveries accrued		-	-	-	201,107	-	201,107	201,107
Window Takaful Operations - total assets		3,609	-	3,609	872,993	-	872,993	876,602
		2,027,400	2,039,699	4,067,099	15,833,317	-	15,833,317	19,900,416
Financial liabilities								
Outstanding claims including IBNR		-	-	-	11,002,509	-	11,002,509	11,002,509
Insurance / reinsurance payables		-	-	-	2,412,181	-	2,412,181	2,412,181
Other creditors and accruals		-	-	-	1,742,661	-	1,742,661	1,742,661
Borrowings	16.58% to 20.91%	2,091	640	2,731	-	-	-	2,731
Window Takaful Operations - total liabilities		-	-	-	492,722	-	492,722	492,722
		2,091	640	2,731	15,650,073	-	15,650,073	15,652,804
		2,025,309	2,039,059	4,064,368	183,244	-	183,244	4,247,612

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	Interest Rates	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
		2023						
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
		(Rupees in '000)						
Financial assets								
Cash and bank	13.44% to 17.93%	829,991	-	829,991	143,362	-	143,362	973,353
Investments	8.60% to 19.02%	774,155	1,914,936	2,689,091	174,721	-	174,721	2,863,812
Insurance / reinsurance receivables		-	-	-	4,044,829	-	4,044,829	4,044,829
Reinsurance recoveries against outstanding claims		-	-	-	6,819,523	-	6,819,523	6,819,523
Loans and other receivables		-	-	-	502,483	-	502,483	502,483
Salvage recoveries accrued		-	-	-	186,737	-	186,737	186,737
Window Takaful Operations - total assets		4,160	-	4,160	488,883	-	488,883	493,043
		1,608,306	1,914,936	3,523,242	12,360,538	-	12,360,538	15,883,780
Financial liabilities								
Outstanding claims including IBNR		-	-	-	7,377,643	-	7,377,643	7,377,643
Insurance / reinsurance payables		-	-	-	3,392,743	-	3,392,743	3,392,743
Other creditors and accruals		-	-	-	1,496,716	-	1,496,716	1,496,716
Borrowings	9.03% to 23.95%	22,203	21,622	43,825	-	-	-	43,825
Window Takaful Operations - total liabilities		-	-	-	219,294	-	219,294	219,294
		22,203	21,622	43,825	12,486,396	-	12,486,396	12,530,221
		1,586,103	1,893,314	3,479,417	(125,858)	-	(125,858)	3,353,559

Sensitivity analysis

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / markup rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes. The table below summarises Company's interest rate risk as of December 31, 2024 and 2023 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

	Profit or Loss	
	Increase	Decrease
	(Rupees in '000)	
2024		
Cash flow sensitivity - Variable rate financial liabilities	(27)	27
Cash flow sensitivity - Variable rate financial assets	29,956	(29,956)
2023		
Cash flow sensitivity - Variable rate financial liabilities	(438)	438
Cash flow sensitivity - Variable rate financial assets	(23,791)	23,791

(b) Foreign currency risk

Currency risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As of the reporting date, the Company does not have material assets or liabilities which are exposed to foreign currency risk.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity price risk because of investments held by the Company and classified on the unconsolidated statement of financial position at 'fair value through profit or loss'.

In case of 5% increase / (decrease) in Net Asset Value / Market Value on December 31, 2024, with all other variables held constant, equity for the year would increase / (decrease) by Rs 19.442 million (2023: Rs 8.736 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / (decreased) by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible change in Market Value. Accordingly, the sensitivity analysis prepared as of December 31, 2024 is not necessarily indicative of the effect on the Company's profitability.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. To guard against the risk, the Company maintains balance of cash and other equivalents and readily marketable securities. The maturity profile of assets and liabilities are also monitored to ensure adequate liquidity is maintained.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date on an undiscounted cash flow basis.

	2024			
	Carrying amount	Contractual cash flow	Up to one year	More than one year
	(Rupees in '000)			
Outstanding claims including IBNR	11,002,509	11,002,509	11,002,509	-
Insurance / reinsurance payables	2,412,181	2,412,181	2,412,181	-
Other creditors and accruals	1,742,661	1,742,661	1,742,661	-
Borrowings	2,731	3,084	2,091	993
Window Takaful Operations - total liabilities	492,722	492,722	492,722	-
	15,652,804	15,653,157	15,652,164	993

	2023			
	Carrying amount	Contractual cash flow	Up to one year	More than one year
	(Rupees in '000)			
Outstanding claims including IBNR	7,377,643	7,377,643	7,377,643	-
Insurance / reinsurance payables	3,392,743	3,392,743	3,392,743	-
Other creditors and accruals	1,496,716	1,496,716	1,496,716	-
Borrowings	43,825	55,002	22,203	32,799
Window Takaful Operations - total liabilities	219,294	219,294	219,294	-
	12,530,221	12,541,398	12,508,599	32,799

37.3 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 unconsolidated 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.

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

	2024	2023
	-------- (Rupees in '000) --------	
Financial assets		
Loans and other receivables	501,395	502,483
Insurance / reinsurance receivables	5,577,763	4,044,829
Reinsurance recoveries against outstanding claims	8,026,127	6,819,523
Salvage recoveries accrued	201,107	186,737
Cash and bank	1,071,842	970,585
Window Takaful Operations - total assets	876,602	493,043
	16,254,836	13,017,200

The Company did not hold any collateral against the above during the year. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery. The movement in the provision for doubtful debt account is shown in notes 13.2 and 13.3. The remaining past due balances were not impaired as they relate to a number of policyholders and other insurers / reinsurers for whom there is no recent history of default.

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

	Rating Agency	Rating	
		Short Term	Long Term
Bank deposits			
JS Bank Limited	PACRA	A1+	AA
BankIslami Pakistan Limited	PACRA	A1	AA-
Bank Al Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA/VIS	A1+	AAA
Standard Chartered Bank Pakistan Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA/VIS	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
The Bank of Punjab	PACRA	A1+	AA+
United Bank Limited	VIS	A1+	AAA
Samba Bank Limited	PACRA	A1	AA
Mobilink Microfinance Bank Limited	PACRA/VIS	A1	A
NRSP Microfinance Bank Limited	PACRA/VIS	A2	A-
FINCA Microfinance Bank Limited	PACRA/VIS	A3	BBB+
Habib Micro Finance Bank Limited	PACRA/VIS	A1	A+
Khushali Micro Finance Bank Limited	VIS	A2	A-
Telenor Micro Finance Bank Limited	PACRA	A1	A
U Micro Finance Bank Limited	PACRA/VIS	A1	A+
Habib Bank Limited	VIS	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Bank Alfalah Limited	PACRA	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Al Baraka Bank (Pakistan) Limited	VIS	A1	A+

The age analysis of premiums due but unpaid and amounts due from other insurers / reinsurers is as follows:

	2024	2023
	-------- (Rupees in '000) --------	
Up to 1 year	4,132,948	3,415,436
1-2 years	803,251	392,070
2-3 years	261,785	152,959
Over 3 years	631,291	318,723
	5,829,275	4,279,188

AA

	2024	2023
	--------- (Rupees in '000) --------	
Window Takaful Operations		
Up to 1 year	590,291	390,953
1-2 years	111,990	57,080
2-3 years	69,205	57,027
Over 3 years	81,136	36,896
	852,622	541,956

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets subject to credit risk is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

	2024	2023
	--------- (Rupees in '000) --------	
Sector wise analysis of premiums due but unpaid		
Foods and beverages	312,885	100,992
Financial services	283,948	325,235
Pharmaceuticals	99,731	40,632
Textile and composites	470,091	343,408
Engineering	24,342	43,280
Other manufacturing	171,679	223,566
Miscellaneous	791,560	483,415
	2,154,236	1,560,528
Window Takaful Operations		
Textile	99,641	81,867
Financial services	88,386	34,386
Engineering	34,158	28,405
Pharmaceuticals	7,299	22,086
Food	93,184	70,136
Other manufacturing	10,072	21,298
Others	219,003	84,135
	551,743	342,313

The credit quality of amount due from other insurers and reinsurers can be assessed with reference to external credit ratings as follows:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2024	2023
	(Rupees in '000)				
A- or above (including PRCL)	2,500,422	5,460,814	1,979,534	9,940,770	10,787,968
BBB and B+	395,843	864,504	313,381	1,573,728	585,652
Others	778,774	1,700,809	616,539	3,096,122	498,380
Total	3,675,039	8,026,127	2,909,454	14,610,620	11,872,000

	Due from other insurers / re-takaful operators	Re-takaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	2024	2023
	(Rupees in '000)				
Window Takaful Operations					
A- or above (including PRCL)	292,025	152,703	161,169	605,896	550,660
BBB	8,854	4,779	5,044	18,678	12,090
Others	-	-	-	-	-
	300,879	157,482	166,213	624,574	562,750

37.4 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company currently meets the paid up capital requirement as required by Securities and Exchange Commission of Pakistan.

38 FINANCIAL INSTRUMENTS BY CATEGORY

	2024	2023
	-------- (Rupees in '000) ---------	
Financial assets and financial liabilities		
Financial assets		
Amortised cost		
Cash and bank	1,089,968	973,353
Insurance / reinsurance receivables	5,577,763	4,044,829
Reinsurance recoveries against outstanding claims	8,026,127	6,819,523
Loans and other receivables	501,395	502,483
Salvage recoveries accrued	201,107	186,737
Window Takaful Operations - total assets	876,602	493,043
	16,272,962	13,019,968
Investments - fair value through profit or loss		
Equity securities	388,836	174,721
Term finance certificates and Sukuks	242,973	309,989
Government securities	2,995,645	2,379,102
	3,627,454	2,863,812
Financial liabilities		
Amortised cost		
Outstanding claims including IBNR	11,002,509	7,377,643
Insurance / reinsurance payables	2,412,181	3,392,743
Other creditors and accruals	1,742,661	1,496,716
Borrowings	2,731	43,825
Window Takaful Operations - total liabilities	492,722	219,294
	15,652,804	12,530,221

39 FAIR VALUES MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

The table below analyses financial and non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company has no items to report in this level.

The Company held the following financial instruments measured at fair value:

Financial assets - measured at fair value	2024		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Fair value through profit or loss			
Listed shares	361,978	-	-
Mutual funds	-	26,858	-
Term finance certificates	-	242,973	-
Government securities	-	2,995,645	-
Non-financial assets - measured at fair value			
Property and equipment (Buildings and leasehold improvements) *	-	-	712,599
Investment properties *	-	-	417,845

Financial assets - measured at fair value	2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Fair value through profit or loss			
Listed shares	149,264	-	-
Mutual funds	-	25,457	-
Term finance certificates	-	309,989	-
Government securities	-	2,379,102	-
Non-financial assets - measured at fair value			
Property and equipment (Buildings and leasehold improvements) *	-	-	698,806
Investment properties *	-	-	416,447

Item	Valuation approach and input used
Listed Shares	The valuation has been determined through closing rates of Pakistan Stock Exchange (PSX).
Government securities	The fair value of Government securities is derived using PKRV rates. PKRV rate is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Mutual funds	The fair value of mutual funds is derived from using rates published on Mutual Funds Association of Pakistan.
Term finance certificates	The fair value of term finance certificates is derived from using rates published on Mutual Funds Association of Pakistan.
Property and equipment (Buildings and leasehold improvements) *	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.
Investment properties *	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.

* Buildings including leasehold improvements and investment properties are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 5 and 7 to these unconsolidated financial statements. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

The carrying amounts of all other financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

40 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. There have been no significant reclassifications or rearrangements in these unconsolidated financial statements during the current year.

41 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue by the Board of Directors of the Company on **March 19, 2025**.

42 EVENTS AFTER REPORTING DATE

The Board of Directors has proposed a final dividend for the year ended December 31, 2024 of Rs. **1.69** per share, amounting to Rs. **325** million in its meeting held on **March 19**, 2025. The effect of this distribution will be incorporated in the unconsolidated financial statements of the Company for the year ending December 31, 2025.

43 GENERAL

Figures in these unconsolidated financial statements have been rounded off to the nearest thousand of rupees unless otherwise stated.

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

IGI GENERAL INSURANCE LIMITED
WINDOW TAKAFUL OPERATIONS

UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024

pwc

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INDEPENDENT AUDITOR'S REPORT

To the members of IGI General Insurance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **IGI General Insurance Limited – Window Takaful Operations** ("the Operator"), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, the statement of changes in operator's fund and participants' takaful fund and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in operator's fund and participants' takaful fund and the cash flow statement together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Operator's affairs as at December 31, 2024 and of the total comprehensive income, the changes in operator's fund and participants' takaful fund and its cash flows for the year then ended.

Basis for Opinion

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

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.

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of comprehensive income, the statement of changes in operator's fund and participants' takaful fund and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Khattab Muhammad Akhi Baig**.

AFFerguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 7, 2025
UDIN: AR202410081qpRVv87wk

IGI GENERAL INSURANCE LIMITED
WINDOW TAKAFUL OPERATIONS
STATEMENT OF FINANCIAL POSITION OF OPF AND PTF
AS AT DECEMBER 31, 2024

	Note	Operator's Fund		Participants' Takaful Fund	
		2024	2023	2024	2023
Assets		(Rupees in '000)			
Property and equipment	5	-	61	-	-
Investments					
- Mutual Funds	6	556,643	91,290	28	323,845
- Sukuks	7	-	-	936,640	322,165
- Term deposits	8	-	-	50,000	214,917
Other receivables	9	25,716	8,330	60,501	56,677
Takaful / retakaful receivables	10	52,767	44,382	814,258	519,263
Salvage recoveries accrued		-	-	73,436	64,415
Deferred wakala fee	21	-	-	246,948	196,099
Receivable from PTF / OPF (including Qard-e-Hasan)	11	268,587	394,095	-	-
Accrued investment income		-	-	2,728	25,934
Taxation - payment less provisions		-	-	68,357	36,528
Retakaful recoveries against outstanding claims	19	-	-	157,482	161,285
Deferred commission expense	20	86,767	74,325	-	-
Prepayments	12	-	200	166,213	201,822
Cash and bank	13	3,609	4,160	130,086	37,417
Total assets		994,089	616,843	2,706,677	2,160,368
Funds and liabilities					
Funds attributable to Operator and Participants					
Operator's Fund (OPF)					
Statutory fund		50,000	50,000	-	-
Unappropriated profit		200,621	104,881	-	-
		250,621	154,881	-	-
Waqf / Participants' Takaful Fund					
Ceded money		-	-	500	500
Accumulated surplus		-	-	247,030	67,893
Balance of Participants' Takaful Fund		-	-	247,530	68,393
Qard-e-Hasan	11.1	-	-	-	205,339
Liabilities					
PTF Underwriting Provisions					
Outstanding claims including IBNR	19	-	-	557,612	498,462
Unearned contribution reserve	18	-	-	877,921	679,667
Contribution deficiency reserve	19.2	-	-	-	7,297
Unearned retakaful reward	22	-	-	58,555	53,743
		-	-	1,494,088	1,239,169
Unearned wakala fee	21	246,948	196,099	-	-
Contribution received in advance		-	-	33,292	14,190
Takaful / retakaful payables	14	13,373	10,447	478,312	282,557
Other creditors and accruals	15	473,839	250,305	184,868	161,964
Accrued expenses		9,308	5,111	-	-
Payable to PTF / OPF	16	-	-	268,587	188,756
		743,468	461,962	965,059	647,467
Total funds and liabilities		994,089	616,843	2,706,677	2,160,368
Contingencies and commitments	17				

The annexed notes 1 to 40 form an integral part of these financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
WINDOW TAKAFUL OPERATIONS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		-----------(Rupees in '000)-----------	
Participants' Takaful Fund			
Contribution earned		1,724,048	1,305,577
Less: Contributions ceded to retakaful		(625,603)	(423,800)
Net contribution revenue	18	1,098,445	881,777
Re-takaful reward earned	22	154,419	109,602
Net underwriting income		1,252,864	991,379
Net claims - reported / settled		(1,233,376)	(943,023)
- IBNR		(36,430)	(10,785)
	19	(1,269,806)	(953,808)
Reversal of contribution deficiency reserve		7,297	11,145
		(9,645)	48,716
Other direct expenses	23	(30,011)	(28,471)
(Deficit) / surplus before investment income		(39,656)	20,245
Investment income	25	276,342	156,624
Other income	26	10,749	8,027
Less: Modarib's share of investment income	27	(57,418)	(32,930)
Provisions for doubtful contributions (net of Wakala fee)	10.1.1	(10,880)	(7,675)
Surplus transferred to accumulated surplus		179,137	144,291
Other comprehensive income for the year		-	-
Total comprehensive income for the year		179,137	144,291
Operator's Fund			
Wakala fee	21	600,908	463,085
Commission expense	20	(180,549)	(159,848)
General administration and management expenses	24	(163,015)	(171,804)
		257,344	131,433
Investment income	25	14,293	8,763
Other income	26	1,244	866
Modarib's share of PTF investment income	27	57,418	32,930
Less: other charges	28	(1,412)	(2,056)
Profit before taxation		328,887	171,936
Taxation	29	(128,266)	(67,055)
Profit after taxation		200,621	104,881
Other comprehensive income for the year		-	-
Total comprehensive income for the year		200,621	104,881

The annexed notes 1 to 40 form an integral part of these financial statements.

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Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
WINDOW TAKAFUL OPERATIONS
STATEMENT OF CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Attributable to Operator's Fund		
	Statutory fund*	Unappropriated profit	Total
	(Rupees in '000)		
Balance as at January 1, 2023	50,000	72,944	122,944
Transfer of profit to the Operator	-	(72,944)	(72,944)
Profit for the year	-	104,881	104,881
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2023	50,000	104,881	154,881
Transfer of profit to the Operator	-	(104,881)	(104,881)
Profit for the year	-	200,621	200,621
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2024	50,000	200,621	250,621

	Attributable to participants of the PTF		
	Ceded money**	Accumulated (deficit) / surplus	Total
	(Rupees in '000)		
Balance as at January 1, 2023	500	(76,398)	(75,898)
Surplus for the year	-	144,291	144,291
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2023	500	67,893	68,393
Surplus for the year	-	179,137	179,137
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2024	500	247,030	247,530

* This represents fund created by the Operator as per the requirement of SECP circular 8 of 2014.
** This represents money ceded by the Operator.

The annexed notes 1 to 40 form an integral part of these financial statements.

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
WINDOW TAKAFUL OPERATIONS
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	Operator's Fund		Participants' Takaful Fund	
		2024	2023	2024	2023
		------------------------(Rupees in '000)------------------------			
OPERATING CASH FLOWS					
Takaful activities					
Contributions received		-	-	2,332,882	1,916,837
Retakaful contribution paid		-	-	(490,683)	(458,914)
Claims / benefits paid		-	-	(1,310,965)	(1,200,477)
Re-takaful and other recoveries received		-	-	104,112	183,317
Retakaful reward received		-	-	159,231	130,375
Commission paid		(171,415)	(152,278)	-	-
Wakala fee received		549,791	525,044	-	-
Wakala fee paid		-	-	(549,791)	(521,543)
Other takaful payments		-	-	(99,505)	(41,839)
Net cash inflow from takaful activities		378,376	372,766	145,281	7,756
Other operating activities					
Income tax paid		-	-	(31,829)	(17,624)
Operating receipts - net		212,100	13,209	-	-
Qard-e-Hasan received from PTF		205,339	-	-	-
General and other expenses paid		(235,275)	(207,985)	-	-
Net cash inflow from / (outflow on) other operating activities		182,164	(194,776)	(31,829)	(17,624)
Total cash inflow from / (outflow on) all operating activities		560,540	177,990	113,452	(9,868)
INVESTING ACTIVITIES					
Profit received		15,537	9,658	310,297	128,737
Qard-e-Hasan paid to PTF		-	-	(205,339)	-
Net (payments) / receipts for investments		(471,747)	(111,190)	(290,658)	90,776
Total cash (outflow on) / inflow from investing activities		(456,210)	(101,532)	(185,700)	219,513
FINANCING ACTIVITIES					
Profit paid to the Operator		(104,881)	(72,944)	-	-
Total cash outflow on financing activities		(104,881)	(72,944)	-	-
Net (decrease) / increase in cash and cash equivalents during the year		(551)	3,514	(72,248)	209,645
Cash and cash equivalents at beginning of the year		4,160	646	252,334	42,689
Cash and cash equivalents at end of the year	13.2	3,609	4,160	180,086	252,334
Reconciliation to statement of comprehensive income					
Operating cash flows		560,540	177,990	113,452	(9,868)
Depreciation expense		(20,077)	(23,730)	-	-
Profit on bank balances and investments		15,537	9,629	287,091	164,651
Increase in liabilities		(261,432)	(68,384)	(572,511)	(106,790)
(Decrease) / increase in assets other than cash		(93,947)	9,376	351,105	96,298
Profit / surplus for the year		200,621	104,881	179,137	144,291

The annexed notes 1 to 40 form an integral part of these financial statements.

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Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED
WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

IGI General Insurance Limited (the Operator), a Packages Group Company, was incorporated as a public limited company on November 18, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Operator is situated at 7th floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The objective of the Operator include providing general insurance services (in spheres of fire, marine, motor, health and miscellaneous) and general takaful services.

The Operator was granted authorisation on June 20, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) by the Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on general takaful in Pakistan.

The Operator transferred statutory fund of Rs. 50 million in a separate bank account for the Window Takaful Operations as per the requirement of circular 8 of 2014. The Operator has formed a Waqf for Participants' Fund by executing the Waqf deed dated February 27, 2017 and deposited a cede money of Rs. 0.5 million. The cede money is required to be invested in Shari'ah compliant remunerative instrument which may be used to acquire immovable Waqf property if Shari'ah and law so warrants. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of Participants' Funds and investments of the Operator's funds approved by the Shari'ah advisor of the Operator. The Operator commenced activities of WTO on July 1, 2017.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan, as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

Where the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the General Takaful Accounting Regulations, 2019 and the Takaful Rules, 2012 differ with the requirements of IFRS Accounting Standards, the provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the General Takaful Accounting Regulations, 2019, the Takaful Rules, 2012 shall prevail.

2.1.2 These financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.

2.3 Functional and presentation currency

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

2.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year:

2.4.1 There are certain amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Operator's operations and therefore, have not been stated in these financial statements.

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective:

2.5.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standard, amendments or interpretation:

	Effective date (accounting periods beginning on or after)
- IAS 21 - 'The effects of changes in foreign exchange rates' (amendments)	January 1, 2025
- IFRS 9 - 'Financial Instruments'	January 1, 2026
- IFRS 7 - 'Financial Instruments Disclosures' (amendments)	January 1, 2026
- IFRS 17 - 'Insurance contracts'*	January 1, 2026
- IFRS 18 - 'Presentation and Disclosure in Financial Statements' (amendments)	January 1, 2027

The management is currently in the process of assessing the impact of these standards and amendments on the financial statements of the Operator.

* IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 however, the Securities and Exchange Commission of Pakistan through S.R.O. 1715 (1)/2023 has directed companies engaged in takaful and re-takful business for application of IFRS 17 for periods beginning on or after January 1, 2026.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

Temporary exemption from application of IFRS 9

As an insurance company / takaful operator, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Operator doesn't engage in significant activities unconnected with insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

Fair value of financial assets as at December 31, 2024 and December 31, 2023 and change in the fair values during the year:

	OPF		PTF	
	2024	**2023**	**2024**	**2023**
Financial assets that do not meet the SPPI criteria	(Rupees in '000)			
Mutual funds (note 6)				
Opening fair value	91,290	46	323,845	166,238
Additions / (disposals) during the year	458,959	85,005	(323,817)	135,573
Increase in fair value	6,394	6,239	-	22,034
Closing fair value	556,643	91,290	28	323,845
Sukuks (note 7)				
Opening fair value	-	-	322,165	-
Additions during the year	-	-	593,059	320,000
Increase in fair value	-	-	21,416	2,165
Closing fair value	-	-	936,640	322,165

	OPF		PTF	
	2024	**2023**	**2024**	**2023**
Financial assets classified as "Held to Maturity" that meet SPPI criteria	(Rupees in '000)			
Term deposits (note 8)				
Opening fair value	-	-	214,917	546,350
Disposals during the year	-	-	(164,917)	(331,433)
Increase in fair value	-	-	-	-
Closing fair value	-	-	50,000	214,917

2.5.2 There are certain other new and amended standards and interpretations that are mandatory for the Operator's accounting periods beginning on or after January 1, 2025 but are not considered to be relevant or will not have any significant effect on the Operator's operations and, therefore, not detailed in these financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are same as those applied in the preparation of financial statements of the Operator for the year ended December 31, 2023 unless otherwise stated.

3.1 Property and equipment

Tangible

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Operator and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of comprehensive income in the period in which they are incurred. Depreciation on all fixed assets is charged to statement of comprehensive income on the straight line method so as to write-off depreciable amount of an asset over its useful life. Depreciation on additions to fixed assets is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted, if impact on depreciation is significant.

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

3.2 Takaful contracts

The takaful contracts are based on the principles of wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty.

Takaful contracts are those contracts whereby the PTF has accepted significant takaful risk from the participants' by agreeing to compensate the participants' if a specified uncertain future event (the takaful event) adversely affects the participants'. Once a contract has been classified as a takaful contract, it remains a Takaful contract for the remainder of its lifetime, even if takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The PTF underwrites non-life takaful contracts that can be categorised into following main categories:

3.2.1 Fire and property

Fire and property takaful contracts mainly compensate the participants for damage suffered to their properties or for the value of property lost. Participants who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the takaful covered properties in their business activities. These contracts are generally one year contracts except some contracts that are of three months period.

3.2.2 Marine, aviation and transport

Marine takaful covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination. These contracts are generally for three months period.

3.2.3 Motor

Motor takaful provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident. These contracts are generally one year contracts.

3.2.4 Health

Health takaful provides coverage against expenses incurred during the hospitalisation due to sickness, emergency and accidents. These contracts are generally one year contracts.

3.2.5 Miscellaneous

All other various types of takaful contracts are classified in miscellaneous category. These contracts are normally one year contracts except some engineering contracts that are of more than one year period, whereas, normally travel contracts expire within one month time.

3.3 Deferred commission expense

Commission incurred in obtaining and recording takaful are deferred and recognised as an asset. These costs are charged to the statement of comprehensive income based on the pattern of recognition of contribution revenue.

3.4 Receivables and payables related to insurance contracts

Insurance / reinsurance receivable and payable including premium due but unpaid, relating to insurance contracts are recognised when due and carried at cost less provision for impairment (if any). The cost is the fair value of the consideration to be received / paid in the future for services rendered / received. These amounts also include due to and from other insurance companies and brokers.

Premium received in advance is recognised as liability till the time of issuance of insurance contract there against.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than the earning amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised, in the statement of comprehensive income, for the difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense, in the statement of comprehensive income.

3.5 Revenue recognition

a) Contribution

Contribution written under a policy is recognised as income over the period of takaful from the date of issuance of the policy to which it relates to its expiry. The portion of contribution written relating to the unexpired period of coverage is recognised as unearned contribution by the PTF. This liability is calculated by applying 1/24 method as specified in the General Takaful Accounting Regulations, 2019.

b) Re-takaful reward earned

Re-takaful reward income from re-takaful operators is deferred and brought to statement of comprehensive income as revenue in accordance with the pattern of recognition of the re-takaful contribution to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. Profit commission, if any, which the Company may be entitled to under the terms of reinsurance, is recognised on an accrual basis.

c) Investment income

- Unrealised gain or loss on revaluation of investments classified as at fair value through profit and loss is included in the statement of comprehensive income in the period to which it relates.
- Gain or loss on sale of investments is accounted for in the statement of comprehensive income in the period to which it relates.
- Dividend income is recognised when the Company's right to receive the dividend is established.

d) Other income

- Gain or loss on sale of property and equipment is recognised when the asset is derecognised.

3.6 Re-takaful ceded

These are contracts entered into by the Operator with re-takaful operators for compensation of losses suffered on takaful contracts issued. These re-takaful contracts include both facultative and treaty arrangement contracts and are classified in same categories of takaful contracts for the purpose of these financial statements. The Operator recognises the entitled benefits under the contracts as various re-takaful assets.

The deferred portion of re-takaful contribution is recognised as a prepayment in PTF. The deferred portion of re-takaful contribution ceded is calculated by using 1/24 method.

3.7 Claims expense

General takaful claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

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

The provision for Incurred But Not Reported (IBNR) claims is determined by the Operator as required under circular No. 9 of 2016 issued by the SECP. As per the SECP circular No. 9 of 2016, an Operator shall estimate IBNR claims reserve based on the prescribed method provided in the guidelines. The prescribed method for estimating IBNR claim reserve is the chain ladder method based on paid claims hereinafter called 'Incurred But Not Paid' or 'IBNP'. The Basic Chain Ladder (BCL) method uses a run off triangle to estimate the development factors for each accident period which are further used to estimate the ultimate paid claims. Data from settlement registers is used in the BCL models. Lags are determined to be the difference between the 'date of loss' and 'date of claim payment'. Monthly lags are used since it reflects the claim development pattern within a given year and the back testing supports the same. Once IBNP has been determined using BCL, the outstanding claims are deducted to arrive at IBNR on paid basis.

3.8 Re-takaful recoveries against claims

Re-takaful recoveries against outstanding claims is recognised as an asset and measured at the amount expected to be received.

3.9 Commission expense and other acquisition costs

Commission expense and other acquisition costs are charged to the OPF at the time the policies are accepted. This expense is deferred and brought to statement of comprehensive income as an expense in accordance with the pattern of recognition of the gross contribution to which it relates. Commission expense is arrived at after taking the impact of opening and closing deferred commission.

3.10 Contribution deficiency reserve

The Operator is required as per the General Takaful Accounting Regulations, 2019, to maintain a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after re-takaful from claims, and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired takaful contracts in that class of business at the reporting date. The movement in the contribution deficiency reserve is recorded as an expense / income in the statement of comprehensive income.

The Operator determines adequacy of liability of contribution deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned contribution. The liability of contribution deficiency in relation to accident and health insurance is calculated in accordance with the advice of the actuary. No provision has been made as the unearned contribution reserve for each class of business as at the year end is adequate to meet the expected future liability after re-takaful from claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at reporting date.

3.11 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after adjustment of claims paid to them during the year.

3.12 Wakala fee

The Operator of window takaful manages the general takaful operations for the participants and charges wakala fee to PTF to meet the general and administrative expenses of the Operator including commissions to agents at following rates of written gross contribution:

	Percentage	
Class	**2024**	**2023**
Fire and property	31%	31%
Marine, aviation and transport	35%	35%
Motor	32%	32%
Health	16%	16%
Miscellaneous	28%	28%

AHS

The deferred portion of wakala fee is recognised as a prepayment in PTF and unearned wakala fee in OPF. The deferred portion of wakala fee is calculated by using 1/24 method.

3.13 Mudarib's share - PTF

The Operator also manages the participants' investment as Mudarib and charges 20% (2023: 20%) of the investment income earned by the PTF as Mudarib's share. It is recognised on the same basis on which related revenue is recognised.

3.14 Qard-e-Hasan

If there is a deficit of admissible assets over liabilities in PTF, the Operator provides interest free loan 'Qard-e-Hasan' to PTF from OPF so that PTF may become solvent as per Takaful Rules, 2012.

Qard-e-Hasan from PTF can be recovered by the Operator over any period of time without charging any profit.

3.15 Creditors, accruals and provisions

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

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

3.16 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Operator's statement of comprehensive income, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively.

Current tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current period for such years.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised 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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.17 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks, stamps in hand and short term finances.

3.18 Investments

3.18.1 The Operator invests in Shariah compliant financial instruments only. All investments are initially recognised at cost, being the fair value of the consideration given and include transaction cost, except for investments classified as fair value through profit or loss in which case transaction costs are charged to the statement of comprehensive income. Investments are classified into the following categories:

- Fair value through profit or loss
- Held to maturity
- Available for sale

ABG

3.18.2 Investments at fair value through profit or loss

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in net profit or loss for the period in which it arises.

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets at 'fair value through profit or loss' are recorded in statement of comprehensive income in the period in which these arise.

3.18.3 Held to maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost. At subsequent reporting dates, these are measured at amortised cost using the effective yield method.

Any premium paid or discount availed on acquisition of held to maturity investments is deferred and amortised over the term of the investment using the effective yield method and taken to the statement of comprehensive income.

Income from held to maturity investments is recognised on a time proportion basis taking into account the effective yield on the investments.

3.18.4 Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity.

Subsequent to initial recognition, these are stated at market value.

Gains / (losses) on sale of available for sale investments are recognised in statement of comprehensive income.

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets at 'available for sale' are recorded in statement of comprehensive income in the period in which these arise.

3.18.5 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date on which the Operator commits to purchase or sell the investment.

3.19 Offsetting of financial assets and financial liabilities

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

3.20 Other receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition these are measured at amortised cost.

3.21 Segment reporting

A business segment is a distinguishable component of the Operator that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Operator accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and General Takaful Accounting Regulations, 2019. The reported operating segments are also consistent with the internal reporting provided to Board of Directors who are responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

The Operator has five primary business segments for reporting purposes namely fire, marine, motor, health and miscellaneous.

Assets, liabilities and capital expenditures that are directly attributable to segments have been allocated to them. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.22 Impairment

The carrying values of the Operator's non-financial assets are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The resulting impairment loss is taken to the statement of comprehensive income.

3.23 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in income currently.

3.24 Expenses of management

Expenses allocated to the takaful business represent directly attributable expenses. Expenses not directly attributable to takaful business are allocated between the conventional business and takaful business of the Operator on the basis of reasonable and supportable information available for determining such allocation.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The areas where various assumptions and estimates are significant to the Operator's financial statements are as follows:

i) provision for outstanding claims including IBNR (notes 3.7 and 19);
ii) provision against contribution due but unpaid and amount due from other takaful / re-takaful operators (note 10);
iii) provision for contribution deficiency reserve (notes 3.10 and 19.2);
iv) residual values, useful lives and depreciation method of property and equipment (notes 3.1 and 5);
v) allocation of management expenses (notes 3.24 and 24);
vi) provision for taxation (notes 3.16 and 29); and
vii) re-takaful recoveries against outstanding claims (notes 3.8 and 19).

5 PROPERTY AND EQUIPMENT

	Note	2024	2023
		(Rupees in '000)	
Operating assets	5.1	-	61

5.1 Following is the movement of operating assets:

	OPF 2024									
	Cost				Accumulated depreciation				WDV as at December 31	Depreciation rate (% per annum)
	As at January 1	Additions	Disposals	As at December 31	As at January 1	For the year	Disposals	As at December 31		
	(Rupees in '000)									
Computer equipment	158	-	(158)	-	97	3	(100)	-	-	33.33%

	OPF 2023									
	Cost				Accumulated depreciation				WDV as at December 31	Depreciation rate (% per annum)
	As at January 1	Additions	Disposals	As at December 31	As at January 1	For the year	Disposals	As at December 31		
	(Rupees in '000)									
Computer equipment	158	-	-	158	63	34	-	97	61	33.33%

6 INVESTMENTS IN MUTUAL FUNDS

	2024				2023		
	Cost	Impairment / provision	Net unrealised gain	Market value	Cost	Impairment / provision	Net unr ga
OPF	(Rupees in '000)						
At fair value through profit or loss							
Alfalah Islamic Money Market Fund (AA(f))	200,000	-	764	200,764	-	-	
Al-Ameen Islamic Cash Plan-1 (AA+(f))	130,000	-	567	130,567	-	-	
HBL Islamic Money Market Fund (AA+(f))	105,000	-	318	105,318	-	-	
Alhamra Cash Management Optimizer (AA+(f))	60,183	-	3,210	63,393	45,000	-	
Faysal Islamic Cash Fund (AA(f))	55,000	-	1,535	56,535	-	-	
Al-Ameen Islamic Cash Fund (AA+(f))	19	-	-	19	16	-	
Alfalah GHP Islamic Income Fund (AA-(f))	19	-	-	19	15	-	
NBP Riba Free Savings Fund (A+(f))	16	-	-	16	13	-	
Alhamra Islamic Income Fund (AA(f))	1	-	-	1	-	-	
Alhamra Islamic Money Market Fund (AA+(f))	3	-	-	3	-	-	
Faysal Islamic Saving Growth Fund (A+(f))	8	-	-	8	7	-	
Faysal Halal Amdani Fund (AA(f))	-	-	-	-	40,000	-	
	550,249	-	6,394	556,643	85,051	-	

	2024				2023		
	Cost	Impairment / provision	Net unrealised gain	Market value	Cost	Impairment / provision	Net unr ga
PTF	(Rupees in '000)						
At fair value through profit or loss							
Alfalah Islamic Money Market Fund (AA(f))	10	-	-	10	-	-	
NBP Islamic Income Fund (A+(f))	8	-	-	8	-	-	
Alhamra Islamic Income Fund (AA(f))	4			4			
Faysal Islamic Cash Fund (AA(f))	3	-	-	3	-	-	
Alhamra Islamic Money Market Fund (AA+(f))	3			3			
MCB Alhamra Wada Plan VII (AM1)	-	-	-	-	139,573	-	1
HBL Islamic Income Fund (A+(f))	-	-	-	-	92,278	-	
Alfalah IPPF-2 Islamic Capital Preservation Plan 6 (AM1)	-	-	-	-	60,027	-	
Faysal Halal Amdani Fund (AA(f))	-	-	-	-	9,933	-	
	28	-	-	28	301,811	-	2

7 INVESTMENTS IN DEBT SECURITIES

Particulars	Year of maturity	Effective yield % per annum	Profit payment	PTF 2024	PTF 2023
				(Rupees in '000)	
At fair value through profit or loss					
GOP Ijara Sukuk - Variable	2024	11.10	Half yearly	82,004	-
GOP Ijara Sukuk - Variable	2024	23.71	Half yearly	-	152,055
GOP Ijara Sukuk - Variable	2024	22.79	Half yearly	-	100,000
GOP Ijara Sukuk - Fixed	2024	22.00	Half yearly	-	50,010
GOP Ijara Sukuk - Variable	2024	20.33	Half yearly	-	20,100
GOP Ijara Sukuk - Fixed	2025	19.55	On maturity	99,400	-
GOP Ijara Sukuk - Fixed	2025	20.16	On maturity	73,620	-
GOP Ijara Sukuk - Fixed	2025	20.10	On maturity	24,350	-
GOP Ijara Sukuk - Fixed	2025	20.24	On maturity	24,222	-
GOP Ijara Sukuk - Fixed	2025	20.00	On maturity	48,530	-
GOP Ijara Sukuk - Fixed	2025	20.20	On maturity	48,380	-
GOP Ijara Sukuk - Fixed	2025	18.50	On maturity	52,140	-
GOP Ijara Sukuk - Fixed	2025	17.18	On maturity	23,588	-
GOP Ijara Sukuk - Fixed	2025	15.95	On maturity	47,165	-
GOP Ijara Sukuk - Fixed	2025	14.92	On maturity	198,856	-
GOP Ijara Sukuk - Fixed	2025	11.62	On maturity	92,760	-
				936,640	322,165
Total market value				936,640	322,165
Total carrying value				915,224	320,000

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8 INVESTMENTS IN TERM DEPOSITS

	Note	OPF 2024	OPF 2023	PTF 2024	PTF 2023
		(Rupees in '000)			
Held to maturity					
Term deposits	8.1	-	-	50,000	214,917

8.1 These deposits carry expected profit at the rate of 14% (2023: 21% to 21.5%) per annum and are due to mature in January 2025.

9 OTHER RECEIVABLES

	Note	OPF 2024	OPF 2023	PTF 2024	PTF 2023
		(Rupees in '000)			
Others	9.1	25,716	8,330	60,501	56,677

9.1 During the year ended December 31, 2018, the Sindh Revenue Board (SRB) raised a demand of tax of Rs 430.412 million under section 23(1) of Sindh Sales Tax on Services Act (SSTA), 2011, in respect of sales tax on reinsurance obtained from foreign re-insurers by the conventional business of Operator. The department had also imposed a penalty of Rs. 21.520 million.

The department alleged that the conventional business of Operator has received re-insurance services from foreign re-insurance companies for the period from July 2011 to December 2014 and it is the contention of the department that these services are liable to sales tax under SSTA, 2011. The department attached the bank accounts relating to Window Takaful Operations and directed the Operator's banker to issue pay orders from these bank accounts to SRB. The pay orders of Rs 58.028 million from the Operator's bank accounts (Rs. 50.391 million from PTF's bank account and Rs. 7.637 million from OPF's bank account) were issued by the Operator's banker on December 27, 2018 upon direction of SRB. The Operator had reimbursed the said amount withdrawn from these bank accounts to Window Takaful Operations from its conventional business since the amount withdrawn pertain to conventional business only. Accordingly, a receivable against the amount withdrawn of Rs. 58.028 million and a corresponding liability to conventional business has been recorded in these financial statements.

10 TAKAFUL / RE-TAKAFUL RECEIVABLES

	Note	OPF 2024	OPF 2023	PTF 2024	PTF 2023
		(Rupees in '000)		(Rupees in '000)	
Due from Takaful participants holders					
- considered good		-	-	513,379	319,620
- considered doubtful		-	-	38,364	22,693
		-	-	551,743	342,313
Less: provision for impairment from contract holder	10.1	-	-	(38,364)	(22,693)
		-	-	513,379	319,620
Due from other insurers / re-takaful operators		52,767	44,382	300,879	199,643
		52,767	44,382	814,258	519,263

10.1 Provision for doubtful receivables - insurance contract holders

	Note	OPF 2024	OPF 2023	PTF 2024	PTF 2023
Balance at the beginning of the year		-	-	22,693	11,517
Charge for the year	10.1.1	-	-	15,671	11,176
Written off during the year		-	-	-	-
Balance at the end of the year		-	-	38,364	22,693

10.1.1 Charge for the year

	OPF 2024	OPF 2023	PTF 2024	PTF 2023
Provision for doubtful debt	-	-	15,671	11,176
Less: related wakala fee	-	-	(4,791)	(3,501)
Provision for doubtful debt (net of wakala fee)	-	-	10,880	7,675

10.2 The Operator has entered into co-takaful and re-takaful arrangements with various other takaful companies and one local re-takaful company. As at December 31, 2024, the aggregate net balance due from / (to) other local insurers and reinsurer arising from such arrangements amounts to Rs. 266.927 million and Rs. (102.886) million respectively.

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In respect of these balances, during the year the Operator has exchanged balance information with them based on the significance of the respective balances. This information corroborates the balance position of the PTF in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence.

The reconciliation process of these balances with the respective takaful companies is carried out on ongoing basis. However, as advised by the SECP, this process will be formalised as per the guidelines suggested by the Insurance Association of the Pakistan (IAP) for the entire insurance industry.

11 RECEIVABLE FROM OPF / PTF INCLUDING QARD-E-HASAN

	Note	OPF		PTF	
		2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)	
Wakala fee		257,776	155,810	-	-
Qard-e-Hasan to Participant Takaful Fund	11.1	-	205,339	-	-
Modarib fee		7,418	32,930	-	-
Others		3,393	16	-	-
		268,587	394,095	-	-

11.1 Qard-e-Hasan

	PTF	
	2024	2023
	(Rupees in '000)	
Opening balance of Qard-e-Hasan	205,339	205,339
Qard-e-Hasan returned by PTF during the year	(205,339)	-
Closing balance of Qard-e-Hasan	-	205,339

11.1.1 The Operator fund had funded the deficit in participant takaful fund by way of an interest free loan (Qard-e-Hasan) in accordance with the Takaful Rules, 2012. Currently, the Participant Takaful Fund is in surplus, hence Qard-e-Hasan has been repaid during the year.

12 PREPAYMENTS

	Note	OPF		PTF	
		2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)	
Prepaid re-takaful contribution ceded	18	-	-	166,213	201,822
Others		-	200	-	-
		-	200	166,213	201,822

13 CASH AND BANK

	Note	OPF 2024	OPF 2023	PTF 2024	PTF 2023
Cash and cash equivalent					
-Policy stamps in hand		-	-	1,618	2,089
Cash at bank					
-Current accounts		1	1	2,552	479
-Savings accounts	13.1	3,608	4,159	125,916	34,849
		3,609	4,160	130,086	37,417

13.1 These savings accounts carry profit rates ranging from 6.85% to 7.20% (2023: 9% to 11.11%) per annum.

13.2 Cash and cash equivalents for the purpose of cash flow statement:

	Note	OPF		PTF	
		2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)	
Cash and bank	13	3,609	4,160	130,086	37,417
Term deposits having maturity of 3 months or less	8	-	-	50,000	214,917
		3,609	4,160	180,086	252,334

14 TAKAFUL / RE-TAKAFUL PAYABLES

	OPF 2024	OPF 2023	PTF 2024	PTF 2023
Due to takaful participants / re-takaful payable to re-takaful operators	13,373	10,447	478,312	282,557

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15 OTHER CREDITORS AND ACCRUALS

	OPF 2024	OPF 2023	PTF 2024	PTF 2023
	(Rupees in '000)		(Rupees in '000)	
Commission payable	120,696	99,120	-	-
Federal excise duty and sales tax	914	3,277	4,459	22,169
Federal takaful fee	-	-	6,110	5,793
Payable to IGI General Insurance Limited - Operator	350,544	147,409	96,048	125,257
Payable to customers	-	-	46,012	4,200
Others	1,685	499	32,239	4,545
	473,839	250,305	184,868	161,964

16 PAYABLE TO PTF / OPF

	OPF 2024	OPF 2023	PTF 2024	PTF 2023
Wakala fee	-	-	257,776	155,810
Modarib fee	-	-	7,418	32,930
Others	-	-	3,393	16
	-	-	268,587	188,756

17 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2024 and December 31, 2023.

18 NET CONTRIBUTION REVENUE

	Note	PTF 2024	PTF 2023
		(Rupees in '000)	
Written gross contribution		2,523,210	1,947,355
Less: Wakala fee	21	(600,908)	(463,085)
Contribution net off wakala fee		1,922,302	1,484,270
Add: Unearned contribution reserve - opening		679,667	500,974
Less: Unearned contribution reserve - closing		(877,921)	(679,667)
Contribution earned		1,724,048	1,305,577
Less: Re-takaful contribution ceded		(589,994)	(505,853)
Add: Prepaid re-takaful contribution ceded - opening		(201,822)	(119,769)
Less: Prepaid re-takaful contribution ceded - closing	12	166,213	201,822
Re-takaful expense		(625,603)	(423,800)
Net contribution		1,098,445	881,777

19 TAKAFUL BENEFITS / CLAIM EXPENSE - REPORTED / SETTLED

	PTF 2024	PTF 2023
Benefits / claims paid	1,310,965	1,200,477
Add: Outstanding claims (including IBNR) - closing	557,612	498,462
Less: Outstanding claims (including IBNR) - opening	(498,462)	(698,131)
Claims expense	1,370,115	1,000,808
Less: Re-takaful and other recoveries received	(104,112)	(183,317)
Add: Re-takaful and other recoveries in respect of outstanding claims - closing	(157,482)	(161,285)
Less: Re-takaful and other recoveries in respect of outstanding claims - opening	161,285	297,602
Re-takaful and other recoveries revenue	(100,309)	(47,000)
Net claims expense	1,269,806	953,808

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19.1 Claim / benefits development

The Operator maintains adequate reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before re-takaful.

	2020 and prior	2021	2022	2023	2024 (including IBNR)	Total
	(Rupees in '000)					
Gross estimate of ultimate claims cost:						
- At end of accident year	297,152	686,356	1,103,408	1,109,318	1,436,076	4,632,309
- One year later	312,165	710,701	1,101,813	1,124,822	-	3,249,502
- Two years later	312,405	711,648	1,100,307	-	-	2,124,360
- Three years later	312,801	711,250	-	-	-	1,024,052
- Four years later	312,815	-	-	-	-	312,815
Current estimate of cumulative claims	312,815	711,250	1,100,307	1,124,822	1,436,076	4,685,270
Cumulative payment to date	(307,524)	(654,046)	(1,070,596)	(1,063,166)	(1,032,326)	(4,127,658)
Liability recognised in the statement of financial position	5,291	57,204	29,711	61,656	403,750	557,612

19.2 Movement of IBNR / CDR

	2024		2023	
	IBNR	CDR	IBNR	CDR
	(Rupees in '000)			
IBNR / CDR - opening	61,889	7,297	51,104	18,442
Charge / (reversal) during the year	36,430	(7,297)	10,785	(11,145)
IBNR / CDR - closing	98,319	-	61,889	7,297

20 NET COMMISSION EXPENSE

	2024	2023
	(Rupees in '000)	
Commission paid or payable	192,991	177,475
Add: Deferred commission expense- opening	74,325	56,698
Less: Deferred commission expense- closing	(86,767)	(74,325)
	180,549	159,848

21 NET WAKALA FEE

	2024	2023
Gross wakala fee	651,757	511,750
Add: Deferred wakala fee - opening	196,099	147,434
Less: Deferred wakala fee - closing	(246,948)	(196,099)
	600,908	463,085

21.1 The wakala fee rates have been charged as specified in note 3.12 to the financial statements.

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	Note	2024	2023
		---- (Rupees in '000) ----	

22 RE-TAKAFUL REWARD EARNED

		2024	2023
Re-takaful reward received		159,231	130,375
Add: Unearned re-takaful reward - opening		53,743	32,970
Less: Unearned re-takaful reward - closing		(58,555)	(53,743)
		154,419	109,602

23 OTHER DIRECT EXPENSES

		2024	2023
Trackers cost		24,822	23,903
Policy printing		-	1,674
Bank charges		260	635
Inspection fees		57	306
Office stationery		2,174	450
Other expenses		2,698	1,503
		30,011	28,471

24 GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES

	Note	2024	2023
Salaries, allowances and other benefits		65,934	78,163
Shariah advisor fees		2,172	1,889
Printing and stationery		1,751	1,782
Computer running expenses		1,200	5,325
Depreciation		20,077	23,730
Legal and professional charges		2,483	1,793
Rent, rates and taxes		13,471	11,927
Electricity, gas and water		5,143	5,653
Repairs and maintenance		5,863	1,851
Education and training		-	423
Communication		6,579	4,342
Motor expenses		19,547	21,024
Tour and travelling		7,711	6,059
Bad and doubtful debts		4,791	3,500
Advertisement		4,001	1,741
Other		2,292	2,602
	24.1	163,015	171,804

24.1 Following is detail of allocation of expenses as fully explained in note 3.24 to the financial statements charged by the Operator in respect of its window takaful operations:

	2024	2023
	---- (Rupees in '000) ----	
Allocated expenses		
Salaries, allowances and other benefits	60,801	67,162
Printing and stationery	1,751	1,769
Computer running expenses	-	4,125
Depreciation	20,074	23,696
Rent, rates and taxes	13,471	11,927
Electricity, gas and water	5,143	5,653
Repairs and maintenance	5,863	1,851
Education and training	-	423
Communication	6,579	4,342
Motor expenses	19,547	21,024
Tour and travelling	7,669	5,985
Advertisement	3,452	1,741
Other	2,292	2,601
	146,642	152,299

25 INVESTMENT INCOME

	Note	OPF 2024	OPF 2023	PTF 2024	PTF 2023
		(Rupees in '000)			
Income from equity securities					
Net realised gains		7,674	155	22,686	5,822
Net unrealised gains		6,394	6,239	-	22,034
Dividend income		225	2,369	48,688	30,396
Income from debt securities					
Net realised losses		-	-	(2,215)	-
Net unrealised gains		-	-	21,416	2,165
Income from term deposits					
Return on term deposits	25.1	-	-	185,767	96,207
		14,293	8,763	276,342	156,624
- Profit on profit and loss sharing account					

25.1 This includes Rs. 0.084 million (2023: Rs. 0.068 million) profit earned on placement of ceded money in term deposit.

26 OTHER INCOME

	OPF 2024	OPF 2023	PTF 2024	PTF 2023
	(Rupees in '000)			
Profit on bank deposits	1,235	866	10,749	8,027
Gain on disposal of assets	9	-	-	-
	1,244	866	10,749	8,027

27 MODARIB'S SHARE OF INVESTMENT INCOME

The shareholders of the Operator manage the participants' investments as a modarib and charge 20% (2023: 20%) modarib's share of the investment income earned by PTF.

28 OTHER CHARGES

	Note	OPF 2024	OPF 2023
		(Rupees in '000)	
Bank charges		37	19
Auditors' remuneration	28.1	1,375	2,037
		1,412	2,056

28.1 Auditors' remuneration

	OPF 2024	OPF 2023
Audit fee	1,250	1,852
Regulatory return fees	-	-
Out-of-pocket expenses	125	185
	1,375	2,037

29 TAXATION

The current tax charge for the year is Rs.128.266 million (2023: Rs. 67.055 million) at the tax rate of 39% (2023: 39%) and the same has been recorded in these financial statements hence no tax reconciliation has been made.

30 COMPENSATION OF EXECUTIVES

	Executives * 2024	Executives * 2023
	(Rupees in '000)	
Managerial remuneration	2,323	2,580
Bonus	607	1,005
Contribution to defined benefit plan	232	450
Rent and house maintenance	1,045	1,151
Utilities	232	256
Medical	197	-
Others	1,020	128
	5,656	5,570
Number of persons	2	2

* Executive means employees, other than Chief Executive and directors, whose basic salary exceed five hundred thousand rupees in a financial year.

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31 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, Operator, directors of the Operator, key management personnel, major shareholders of the Operator, post employment benefit plans and other related parties. The Operator in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Balances and transactions with the related parties other than those disclosed in the relevant notes to the financial statements are as follows:

	OPF		PTF	
	2024	2023	2024	2023
	(Rupees in '000)			
Contribution underwritten	-	-	5,804	6,177
Contribution collected	-	-	5,995	4,488
Claims expense	-	-	1,590	361
Claims paid	-	-	1,674	789
Gross wakala fee income	600,908	463,085	-	-
Wakala fee expense	-	-	600,908	463,085
Wakala fee received	549,791	525,044	-	-
Wakala fee paid	-	-	549,791	521,543
Modarib's share on investment income - income	57,418	32,930	-	-
Modarib's share on investment income - expense	-	-	57,418	32,930
Modarib's share on investment income - received	82,930	18,802	-	-
Modarib's share on investment income - paid	-	-	82,930	18,802
Profit paid to the Operator	104,881	72,944	-	-
Allocated expenses incurred	146,642	152,299	-	-
Tracker rental charges	-	-	13,263	14,029
Allocated expenses paid	6,667	86,177	-	-
Balances with related parties				
Payable to IGI General Insurance Limited - Operator	350,544	147,409	96,048	125,257
Inter-fund receivable	268,587	188,756	-	-
Inter-fund payable	-	-	268,587	188,756
Contribution receivable / (advance)	-	-	(78)	113
Outstanding claim	-	-	276	361

31.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

1	IGI Life Insurance Limited	Associate
2	IGI General Insurance Limited	Operator
3	Tri Pack Films Limited	Associate

32 SEGMENT INFORMATION

The Operator has five primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor, accident and health and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of the gross contribution written by the segments.

32.1 Participant's takaful fund

Particulars	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Total
	2024 - PTF					
	(Rupees in '000)					
Contribution receivable (inclusive of federal excise duty, federal takaful fee and administrative surcharge)	527,530	180,572	1,060,528	964,952	68,181	2,801,763
Less: Federal Excise Duty	(70,053)	(19,291)	(139,007)	(1,384)	(6,005)	(235,740)
Federal Takaful Fee	(4,490)	(1,433)	(9,081)	(9,188)	(615)	(24,807)
Stamp duty	(103)	(16,152)	(1,683)	(8)	(60)	(18,007)
Gross written contribution (inclusive of administrative surcharge)	452,884	143,696	910,758	954,371	61,501	2,523,210
Gross direct contribution	444,432	138,238	886,354	953,799	60,358	2,483,181
Facultative inward contribution	4,628	308	55	-	-	4,991
Administrative surcharge	3,824	5,150	24,349	572	1,143	35,038
	452,884	143,696	910,758	954,371	61,501	2,523,210
Wakala fee	130,192	50,237	264,344	139,707	16,428	600,908
Takaful contribution earned	288,415	93,148	566,792	733,449	42,244	1,724,048
Takaful contribution ceded to re-takaful	(433,808)	(104,772)	(51,994)	-	(35,029)	(625,603)
Net contribution revenue	(145,393)	(11,624)	514,798	733,449	7,215	1,098,445
Re-takaful reward	119,040	17,476	8,831	-	9,072	154,419
Net underwriting income	(26,353)	5,852	523,629	733,449	16,287	1,252,864
Takaful claims	(79,345)	(16,064)	(429,745)	(813,950)	(31,011)	(1,370,115)
Takaful claims recovered from re-takaful	68,624	12,688	4,065	-	14,932	100,309
Net claims	(10,721)	(3,376)	(425,680)	(813,950)	(16,079)	(1,269,806)
Contribution deficiency reversal	-	-	-	7,297	-	7,297
Direct expenses	(932)	(296)	(26,695)	(1,963)	(126)	(30,011)
Underwriting result	(38,006)	2,180	71,254	(75,167)	82	(39,656)
Net investment income						276,342
Other income						10,749
Modarib's share on investment income						(57,418)
Provisions for doubtful contributions (net of Wakala fee)						(10,880)
Surplus for the year						179,137
Corporate segment assets	416,954	98,124	446,278	341,008	82,536	1,384,900
Corporate unallocated assets	-	-	-	-	-	1,321,777
Total assets	416,954	98,124	446,278	341,008	82,536	2,706,677
Corporate segment liabilities	463,622	139,623	811,792	515,341	75,314	2,005,692
Corporate unallocated liabilities	-	-	-	-	-	453,455
Total liabilities	463,622	139,623	811,792	515,341	75,314	2,459,147

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Particulars	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Total
	2023 - PTF					
	(Rupees in '000)					
Contribution receivable (inclusive of federal excise duty, federal takaful fee and administrative surcharge)	391,584	128,541	775,982	679,509	52,649	2,028,265
Less: Federal Excise Duty	(15,159)	(6,940)	(43,097)	-	(1,855)	(67,051)
Federal Takaful Fee	(1,002)	(557)	(2,955)	(5,064)	(311)	(9,889)
Stamp duty	(22)	(3,724)	(211)	(1)	(12)	(3,970)
Gross written contribution (inclusive of administrative surcharge)	375,401	117,320	729,719	674,444	50,471	1,947,355
Gross direct contribution	374,349	115,606	720,746	674,218	50,049	1,934,968
Facultative inward contribution	12,134	2	-	-	-	12,136
Administrative surcharge	1,052	1,714	8,973	226	422	12,387
	375,401	117,320	729,719	674,444	50,471	1,947,355
Wakala fee	94,162	41,875	212,888	100,248	13,912	463,085
Takaful contribution earned	206,317	70,477	466,066	526,514	36,203	1,305,577
Takaful contribution ceded to re-takaful	(266,178)	(97,951)	(33,163)	-	(26,508)	(423,800)
Net contribution revenue	(59,861)	(27,474)	432,903	526,514	9,695	881,777
Re-takaful reward	72,641	25,954	4,905	-	6,102	109,602
Net underwriting income	12,780	(1,520)	437,808	526,514	15,797	991,379
Takaful claims	43,395	(52,076)	(373,568)	(575,298)	(43,261)	(1,000,808)
Takaful claims recovered from re-takaful	(33,439)	43,883	5,160	-	31,396	47,000
Net claims	9,956	(8,193)	(368,408)	(575,298)	(11,865)	(953,808)
Contribution deficiency reversal	4,683	272	-	1,203	4,987	11,145
Direct expenses	(882)	(275)	(25,621)	(1,569)	(124)	(28,471)
Underwriting result	26,537	(9,716)	43,779	(49,150)	8,795	20,245
Net investment income						156,624
Other income						8,027
Modarib's share on investment income						(32,930)
Provisions for doubtful contributions (net of Wakala fee)						(7,675)
Surplus for the year						144,291
Corporate segment assets	394,129	85,870	322,132	199,875	76,463	1,078,469
Corporate unallocated assets	-	-	-	-	-	1,081,899
Total assets	394,129	85,870	322,132	199,875	76,463	2,160,368
Corporate segment liabilities	375,616	107,197	676,048	291,660	85,395	1,535,917
Corporate unallocated liabilities	-	-	-	-	-	350,719
Total liabilities	375,616	107,197	676,048	291,660	85,395	1,886,636

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32.2 Operator's fund

2024 - OPF						
Particulars	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Total
	(Rupees in '000)					
Wakala fee	130,192	50,237	264,344	139,707	16,428	600,908
Commission expense	(57,330)	(16,029)	(80,584)	(19,640)	(6,966)	(180,549)
Management expenses	(29,264)	(9,284)	(58,841)	(61,658)	(3,968)	(163,015)
	43,598	24,924	124,919	58,409	5,494	257,344
Investment Income - net						14,293
Other income						1,244
Corporate segment liabilities						-
Corporate unallocated liabilities						743,466
Total liabilities						743,466
Corporate segment assets						-
Corporate unallocated assets						
Total assets						
Corporate segment liabilities						-
Corporate unallocated liabilities						
Total liabilities						

2023 - OPF						
Particulars	**Fire and property damage**	**Marine, aviation and transport**	**Motor**	**Health**	**Miscellaneous**	**Total**
	(Rupees in '000)					
Wakala fee	94,162	41,875	212,888	100,248	13,912	463,085
Commission expense	(41,809)	(11,215)	(68,237)	(32,918)	(5,669)	(159,848)
Management expenses	(33,119)	(10,350)	(64,381)	(59,505)	(4,449)	(171,804)
	19,234	20,310	80,270	7,825	3,794	131,433
Investment income - net						8,763
Other Income						866
Modarib's share on Investment income						32,930
Other expense						(2,056)
Profit before taxation						171,936
Taxation						(67,055)
Profit after taxation						104,881
Corporate segment assets						-
Corporate unallocated assets						616,843
Total assets						616,843
Corporate segment liabilities						-
Corporate unallocated liabilities						461,962
Total liabilities						461,962

33 MOVEMENT IN INVESTMENTS

	Held to maturity		At fair value through profit or loss	
	(Rupees in '000)			
As at January 1, 2023	-	546,350	46	166,238
Additions	-	2,077,667	187,169	903,929
Disposals (sale and redemptions)	-	(2,409,100)	(102,319)	(454,178)
Net fair value gains (excluding net realised gains)	-	-	6,394	30,021
Amortisation of premium / discount	-	-	-	-
As at December 31, 2023	-	214,917	91,290	646,010
As at January 1, 2024	-	214,917	91,290	646,010
Additions	-	1,065,417	550,142	1,839,207
Disposals (sale and redemptions)	-	(1,230,333)	(91,183)	(1,644,317)
Net fair value gains (excluding net realised gains)	-	-	6,394	21,416
Amortisation of premium / discount	-	-	-	74,352
As at December 31, 2024	-	50,000	556,643	936,668

34 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

The Operator issue contracts that transfer takaful risk or financial risk or both. This section summarises the takaful risks and the way the Operator manages them.

34.1 Takaful risk management

34.1.1 Takaful risk

The risk under any one takaful contract is the possibility of the covered event occurring and the uncertainty of the amount of the resulting claim. The Operator is exposed to the uncertainty surrounding the timing, frequency and severity of claims under takaful contracts and there is a risk that actual claims exceed the carrying amount of the takaful liabilities.

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

Factors that aggravate takaful risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(a) Frequency and severity of claims / benefits

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, riot and strike, explosion, earthquake, atmospheric damage, hurricanes, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example, subsidence claims). For certain contracts, the Operator has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

Takaful contracts which are divided into direct and facultative arrangements are further subdivided into five segments: fire, marine, motor, health and miscellaneous. The takaful risk arising from these contracts is concentrated in the territories in which the Operator operates, and there is a balance between commercial and personal properties / assets in the overall portfolio of covered properties / assets. The Operator underwrites takaful contracts in Pakistan only.

The Operator manages these risks through its underwriting strategy, adequate re-takaful arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The Operator has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Takaful contracts also entitle the Operator to pursue third parties for payment of some or all costs (for example, subrogation). The claims payments are limited to the extent of sum covered on occurrence of the covered event.

The Operator has entered into re-takaful cover / arrangements, with local and foreign re-takaful operators having good credit rating by reputable rating agencies, to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional facultative re-takaful arrangements are in place to protect the net account in case of a major catastrophe. The effect of such re-takaful arrangements is that the Operator recovers the share of claims from re-takaful companies thereby reducing its exposure to risk. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional re-takaful arrangements, any loss over and above the said limit would be recovered under non-proportional treaty which is very much in line with the risk management philosophy of the Operator.

In compliance of the regulatory requirement, the re-takaful agreements are duly submitted with the Securities and Exchange Commission of Pakistan (SECP) on an annual basis.

The Operator has claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department investigates and settles all claims based on surveyor's report / assessment. The unsettled claims are reviewed individually at least semi-annually and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Operator actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

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(b) Sources of uncertainty in the estimation of future claims payment

Claims reported and the development of large losses / catastrophes is analysed separately. The shorter settlement period for claims allows the Operator to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, re-takaful and other recoveries. The Operator takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting period.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated or assessed. In calculating the estimated cost of unpaid claims (both reported and not), the Operator estimation techniques are a combination of loss-ratio based estimates (where the loss ratio is defined as the ratio between the ultimate cost of takaful claims and takaful contribution earned in prior financial years in relation to such claims) and an estimate based upon actual claims experience using predetermined basis where greater weight is given to actual claims experience as time passes.

In estimating the liability for the cost of reported claims not yet paid, the Operator considers any information available from surveyor's assessment and information on the cost of settling claims with cases having similar characteristics in previous periods. Claims are assessed on a case-by-case basis separately.

(c) Process used to decide on assumptions

The risks associated with takaful contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. This exposure is geographically concentrated in the Pakistan only.

The Operator uses internal data to measure its related estimated claim liabilities. Internal data is derived mostly from the Operator's monthly claims reports, surveyor's report for particular claim and screening of the actual takaful contracts carried out to derive data for the contracts held. The Operator has reviewed the individual contracts and in particular the industries in which the participant companies operate and the actual exposure years of claims. This information is used to develop related provision for outstanding claims (both reported and non-reported).

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

(d) Changes in assumptions

The Operator has not changed its assumptions for the takaful contracts as disclosed in paragraphs (b) and (c) above.

(e) Sensitivity analysis

The analysis of exposure described in paragraph (c) above is also used to test the sensitivity of the selected assumptions to changes in the key underlying factors. Assumptions of different levels have been used to assess the relative severity of subsidence claims given past experience. The key material factor in the Operator's exposure to subsidence claims is the risk of more permanent changes in geographical location in which Operator is exposed.

The Operator makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Operator considers that the liability for takaful claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

As the Operator enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, results of sensitivity testing assuming 10% change in the claim incidence net of recoveries showing effect on underwriting results and balance of waqf is set out below.

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	2024		2023	
	Underwriting results	Balance of Waqf	Underwriting results	Balance of Waqf
	(Rupees in '000)			
10% increase in average claim cost				
Fire and property damage	(1,072)	(1,072)	996	996
Marine, aviation and transport	(338)	(338)	(819)	(819)
Motor	(42,568)	(42,568)	(36,841)	(36,841)
Health	(81,395)	(81,395)	(57,530)	(57,530)
Miscellaneous	(1,608)	(1,608)	(1,187)	(1,187)
	(126,981)	(126,981)	(95,381)	(95,381)

	2024		2023	
	Underwriting results	Balance of Waqf	Underwriting results	Balance of Waqf
	(Rupees in '000)			
10% decrease in average claim cost				
Fire and property damage	1,072	1,072	(996)	(996)
Marine, aviation and transport	338	338	819	819
Motor	42,568	42,568	36,841	36,841
Health	81,395	81,395	57,530	57,530
Miscellaneous	1,608	1,608	1,187	1,187
	126,981	126,981	95,381	95,381

Concentration of takaful risk

A concentration of risk may also arise from a single takaful contract issued to a particular type of participant, within a geographical location or to types of commercial business. In order to minimise the financial exposure arising from large claims, the Operator, in the normal course of business, enters into agreement with other re-takaful operators, who are dispersed over several geographical regions.

The Operator has certain single takaful contracts which it considers as risk of high severity but very low frequency. The Operator cedes substantial part of these risks to the re-takaful companies on its panel and its maximum exposure on any single policy is limited to the amount of Rs. 1.455 million (2023: Rs. 0.858 million).

The maximum class wise risk exposure (in a single policy) is as follows:

	2024			2023		
	Gross sum covered	Re-takaful cover	Highest net liability	Gross sum covered	Re-takaful cover	Highest net liability
	(Rupees in'000)					
Fire and property damage	4,508,750	3,053,750	1,455,000	5,535,517	4,677,008	858,509
Marine, aviation and transport	7,397,712	6,657,941	739,771	6,000,000	5,400,000	600,000
Motor	306,000	165,240	140,760	200,000	171,500	28,500
Health	250,350	-	250,350	209,544	-	209,544
Miscellaneous	3,926,300	3,533,670	392,630	3,504,000	3,153,600	350,400
	16,389,112	13,410,601	2,978,511	15,449,061	13,402,108	2,046,953

35 FINANCIAL RISK MANAGEMENT

The Operator has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors of the Operator (the Board) has overall responsibility for the establishment and oversight of the Operator's risk management framework. The Board is also responsible for developing and monitoring the Operator's risk management policies.

Risk management framework

Every takaful operator is exposed to a wide range of risks, some discrete and some interdependent; integrated risk management entail strong governance processes; ensuring greater accountability, transparency and risk awareness in underwriting, investment and strategic decisions. The Board take ultimate responsibility for supervising the Operator's risk management framework. Risk management framework covers the need to review the strategy of a Operator and to assess the risk associated with it.

The Audit Committee oversees compliance by management with the Operator's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Operator. The Audit Committee is assisted in its oversight role by an Internal Audit Function. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

35.1 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 Operator attempts to control credit risk by mitigating credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

35.1.1 Exposure to credit risk

Credit risk of the Operator arises principally from the deposit and placement with banks, investments, contribution due but unpaid, amount due from other takaful / re-takaful operators, re-takaful and other recoveries against outstanding claims, accrued investment income and other receivables. To reduce the credit risk, Operator's management monitors exposure to credit risk through its regular review, assessing credit worthiness of counter parties and prudent estimates of provision for doubtful debts.

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

	Note	OPF		PTF	
		2024	2023	2024	2023
		(Rupees in '000)			
Cash and bank	13	3,609	4,160	128,468	111,997
Investments-equity securities	6	556,643	91,290	28	323,845
Investments-term deposits	8	-	-	50,000	214,917
Salvage recoveries accrued		-	-	73,436	64,415
Takaful / re-takaful receivables	10	52,767	44,382	814,258	519,263
Accrued investment income		-	-	2,728	25,934
		613,019	139,832	1,226,400	1,421,656

The Operator did not hold any collateral against the above during the year.

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

	2024			2023		
	Short term	Long term	Agency	Short term	Long term	Agency
MCB Bank Limited	A1+	AAA	PACRA	A1+	AAA	PACRA
Meezan Bank Limited	A1+	AAA	VIS	A-1+	AAA	VIS
Bank Al Habib Limited	A1+	AAA	PACRA	A1+	AAA	PACRA
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	A-1+	AA	VIS
Faysal Bank Limited	A1+	AA	PACRA / VIS	A-1+	AA	PACRA / VIS
Bankislami Pakistan Limited	A1	AA-	PACRA	A1	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	A1+	AAA	PACRA

Contribution due but unpaid

Contribution due but unpaid is mostly recoverable from corporate customers.

Concentration of credit risk

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. Sector-wise analysis of gross "contribution due but unpaid" (before charging of provision for impairment) at the reporting date was:

	2024		2023	
	(Rupees in '000)	%	(Rupees in '000)	%
Textile	99,641	18.1%	81,867	23.9%
Financial services	88,386	16.0%	34,386	10.0%
Engineering	34,158	6.2%	28,405	8.3%
Pharmaceuticals	7,299	1.3%	22,086	6.5%
Food	93,184	16.9%	70,136	20.5%
Other manufacturing	10,072	1.8%	21,298	6.2%
Others	219,003	39.7%	84,135	24.6%
	551,743	100%	342,313	100%

Age analysis of "contribution due but unpaid" at the reporting date was:

	2024		2023	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Upto 1 year	446,413	-	282,502	-
Upto 1 - 2 years	60,470	-	31,448	685
Upto 2 - 3 years	21,052	11,622	15,241	7,360
Over 3 years	23,808	26,742	13,122	14,648
	551,743	38,364	342,313	22,693

Re-takaful ceded does not relieve the Operator from its obligation to participants and as a result the Operator remains liable for the portion of outstanding claims covered by re-takaful to the extent that re-takaful fails to meet the obligation under the re-takaful agreements.

In common with other takaful companies, in order to minimise the financial exposure arising from large claims, the Operator, in the normal course of business, enters into agreement with other re-takaful companies.

The Operator enters into re-takaful arrangements with re-takaful companies having sound credit ratings accorded by reputed credit rating agencies. The Operator is required to comply with the requirements of circular no. 32 / 2009 dated 27 October 2009 issued by SECP which requires a takaful operator to place at least 80% of their outward treaty cessions with re-takaful companies rated 'A' or above by Standard & Poor's or equivalent rating by any other reputed international rating agency, with the balance (20%) being placed with entities rated at least 'BBB' by Standard & Poor's or equivalent rating by any other reputed international rating agency. An analysis of re-takaful and other takaful assets is as follows:

	2024				2023			
	Due from other insurers / retakaful operators	Retakaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	Total	Due from other insurers / retakaful operators	Retakaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	Total
	(Rupees in '000)				(Rupees in '000)			
A or above	292,025	152,703	161,169	605,897	195,354	157,820	197,486	550,660
BBB	8,854	4,779	5,044	18,678	4,289	3,465	4,336	12,090
Others	-	-	-	-	-	-	-	-
	300,879	157,482	166,213	624,575	199,643	161,285	201,822	562,750

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Age analysis of "amount due from other takaful companies" at the reporting date was:

	2024		2023	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Upto 1 year	143,877	-	82,972	-
1 - 2 years	51,520	-	51,111	-
2 - 3 years	48,153	-	41,786	-
Over 3 years	57,328	-	23,774	-
	300,879	-	199,643	-

In respect of the aforementioned takaful and re-takaful assets, the Operator takes into account its track record of recoveries and financial position of the counterparties while creating provision for impairment. Further, re-takaful recoveries are made when corresponding liabilities are settled.

35.2 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Operator could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Operator's reputation. The diversified funding sources and assets of the Operator are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities.

The table below analyses the Operator's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date on an undiscounted cash flow basis.

	2024				2023			
	Carrying amount	Contractual cash flows	Up to 6 months	Over 6 months to 1 year	Carrying amount	Contractual cash flows	Up to 6 months	Over 6 months to 1 year
	(Rupees in '000)							
Financial liabilities-OPF								
Takaful / retakaful payable	13,373	13,373	13,373	-	10,447	10,447	10,447	-
Other creditors and accruals	472,925	472,925	472,925	-	247,028	247,028	247,028	-
Accrued expenses	9,308	9,308	9,308	-	5,111	5,111	5,111	-
	495,606	495,606	495,606	-	262,586	262,586	262,586	-
Financial liabilities-PTF								
Outstanding claims including IBNR	557,612	557,612	557,612	-	498,462	498,462	498,462	-
Takaful / retakaful payables	478,312	478,312	478,312	-	282,557	282,557	282,557	-
Other creditors and accruals	174,299	174,299	174,299	-	134,002	134,002	134,002	-
Payable to OPF	268,587	268,587	268,587	-	188,756	188,756	188,756	-
	1,478,810	1,478,810	1,478,810	-	1,103,777	1,103,777	1,103,777	-
	1,974,416	1,974,416	1,974,416	-	1,366,363	1,366,363	1,366,363	-

35.3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at reporting date there are no financial instruments denominated in foreign currencies. Therefore, the Operator is not exposed to risk from foreign currency exchange rate fluctuations.

35.3.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Majority of the profit rate exposure arises from balances held in term deposits and banks with reputable banks.

At the reporting date, the profit rate profile of the Operator's significant profit-bearing financial instrument is:

	2024					
	Profit rate	Profit bearing			Non-profit bearing	Total
		Maturity upto one year	Maturity after one year	Sub total		
		(Rupees in '000)				
Financial assets						
OPF						
Cash and bank	6.85% to 7.20%	3,608	-	3,608	1	3,609
Investments in equity securities - mutual funds		-	-	-	556,643	556,643
Other receivables		-	-	-	17,342	17,342
Takaful / retakaful receivables		-	-	-	52,767	52,767
Receivable from PTF		-	-	-	268,587	268,587
		3,608	-	3,608	895,340	898,948
PTF						
Cash and bank	6.85% to 7.20%	125,916	-	125,916	4,170	130,086
Investments-term deposits	14%	50,000	-	50,000	-	50,000
Investments in equity securities - mutual funds		-	-	-	28	28
Investments in debt securities - sukuks	11.10%	82,004	-	82,004	854,636	936,640
Takaful / retakaful receivables		-	-	-	814,258	814,258
Retakaful recoveries against outstanding claims		-	-	-	157,482	157,482
Salvage recoveries accrued		-	-	-	73,436	73,436
Accrued investment income		-	-	-	2,728	2,728
		257,920	-	257,920	1,906,738	2,164,658
		261,528	-	261,528	2,802,078	3,063,606

	2024					
	Profit rate	Profit bearing			Non-profit bearing	Total
		Maturity upto one year	Maturity after one year	Sub total		
		(Rupees in '000)				
Financial liabilities						
OPF						
Takaful / retakaful payable		-	-	-	13,373	13,373
Other creditors and accruals		-	-	-	472,925	472,925
Accrued expenses		-	-	-	9,308	9,308
		-	-	-	495,606	495,606
PTF						
Outstanding claims including IBNR		-	-	-	557,612	557,612
Takaful / retakaful payable		-	-	-	478,312	478,312
Other creditors and accruals		-	-	-	174,299	174,299
Payable to OPF		-	-	-	268,587	268,587
		-	-	-	1,478,810	1,478,810
		-	-	-	1,974,416	1,974,416

	Profit Rate	Profit bearing: Maturity upto one year	Profit bearing: Maturity after one year	Profit bearing: Sub total	Non-profit bearing	Total
		2023				
		(Rupees in '000)				
Financial assets						
OPF						
Cash and bank	9% to 11.11%	4,159	-	4,160	1	4,161
Investments - term deposits		-	-	-	-	-
Investments in equity securities - mutual funds		-	-	-	91,290	91,290
Other receivables		-	-	-	-	-
Receivable from PTF		-	-	-	394,095	394,095
		4,159	-	4,160	485,386	489,546
PTF						
Cash and bank	9% to 11.11%	34,849	-	34,849	2,568	37,417
Investments-term deposits	21% to 21.5%	214,917	-	214,917	-	214,917
Investments in equity securities - mutual funds		-	-	-	323,845	323,845
Investments in debt securities - sukuks		-	-	-	322,165	322,165
Takaful / retakaful receivables		-	-	-	519,263	519,263
Retakaful recoveries against outstanding claims		-	-	-	161,285	161,285
Salvage recoveries accrued		-	-	-	64,415	64,415
Accrued investment income		-	-	-	25,934	25,934
		249,766	-	249,766	1,419,475	1,669,241
		253,925	-	253,926	1,904,861	2,158,787
Financial liabilities						
OPF						
Takaful / retakaful payable		-	-	-	10,447	10,447
Other creditors and accruals		-	-	-	247,028	247,028
Accrued expenses		-	-	-	5,111	5,111
		-	-	-	262,586	262,586
PTF						
Outstanding claims including IBNR		-	-	-	498,462	498,462
Takaful / retakaful payable		-	-	-	282,557	282,557
Other creditors and accruals		-	-	-	161,964	161,964
Payable to OPF		-	-	-	188,756	188,756
		-	-	-	1,131,739	1,131,739
		-	-	-	1,394,325	1,394,325

Cash flow sensitivity analysis for variable rate instruments

The Operator is exposed to cash flow profit rate risk in respect of its cash and bank balances and term deposits receipts. In case of 100 basis points (bp) increase / decrease in profit rates at year end, assuming that all other variables remain constant, the net income and accumulated profit would have been higher / lower approximately by Rs. 0.036 million (2023: Rs. 0.042 million) in Operators' fund. Similarly, in case of Participants' Takaful Fund the deficit and balance of Waqf / PTF would have been lower / higher approximately by Rs. 1.759 million (2023: Rs. 2.523 million).

35.3.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Operator is exposed to equity price risk because of investments held by the Operator in units of mutual funds and classified on the statement of financial position at 'fair value through profit and loss'.

In case of 5% increase / (decrease) in Net Asset Value / Market Value on December 31, 2024, with all other variables held constant, equity for the year would increase / (decrease) by Rs. 27.832 million (2023: Rs. 36.865 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / (decreased) by 5% with all other variables held constant and all the Operator's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible change in Market Value. Accordingly, the sensitivity analysis prepared as of December 31, 2024 is not necessarily indicative of the effect on the Operator's profitability.

35.4 Capital Management

The Operator's objective when managing capital is to safeguard the Operator's ability to continue as going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Operator manages its fund structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

36 FINANCIAL INSTRUMENTS BY CATEGORY

	Operator's Fund		Participants' Takaful	
	2024	2023	2024	2023
	(Rupees in '000)			
Financial assets and financial liabilities				
Financial assets				
Loans and receivables - amortised cost				
Cash and bank	3,609	4,160	130,086	111,997
Investments-term deposits	-	-	50,000	214,917
Receivable from OPF / PTF	268,587	394,095	-	-
Other receivables	17,342	-	-	-
Takaful / re-takaful receivables	52,767	44,382	814,258	519,263
Accrued investment income	-	-	2,728	25,934
Salvage recoveries accrued	-	-	73,436	64,415
Re-takaful recoveries against outstanding claims	-	-	157,482	161,285
	342,305	442,637	1,227,990	1,097,811
Investments - fair value through profit or loss				
Investments in equity securities - mutual funds	556,643	91,290	28	323,845
Investments in debt securities - sukuk	-	-	936,640	322,165
	556,643	91,290	936,668	646,010
Financial liabilities				
Amortised cost				
Outstanding claims including IBNR	-	-	557,612	498,462
Takaful / re-takaful payable	13,373	10,447	478,312	282,557
Other creditors and accruals	472,925	247,028	174,299	134,002
Accrued expenses	9,308	5,111	-	-
Payable to OPF / PTF	-	-	268,587	188,756
	495,606	262,586	1,478,810	1,103,777

37 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Operator is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Operator has no items to report in this level.

The Company held the following financial instruments measured at fair value:

	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)					
Assets carried at fair value						
Investment in equity securities mutual funds	-	556,671	-	-	415,135	-
Investment in debt securities sukuks	-	936,640	-	-	322,165	-

Item	Valuation approach and input used
Mutual funds	The fair value of mutual funds is derived from using rates published on Mutual Funds Association of Pakistan.
Sukuks	The fair value of Government securities is derived using PKRV rates. PKRV rate is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.

38 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There have been no significant reclassifications in these financial statements.

39 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Operator on **March 19, 2025**

40 GENERAL

Figures in these financial statements have been rounded off to the nearest thousand of rupees unless otherwise stated.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of IGI General Insurance Limited

Opinion

We have audited the annexed consolidated financial statements of **IGI General Insurance Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the 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.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditor's report is **Khattab Muhammad Akhi Baig**.

AFerguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 7, 2025
UDIN: AR202410081FA3YKsMBQ

IGI GENERAL INSURANCE LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024	2023
		(Rupees in '000)	
Assets			
Property and equipment	5	1,206,571	1,179,316
Intangible assets	6	68,011	3,443
Investment properties	7	417,845	416,447
Investments			
- Equity securities	8	388,835	174,721
- Government securities	9	2,995,645	2,379,102
- Debt securities	10	242,973	309,989
Loans and other receivables	11	718,448	688,248
Insurance / reinsurance receivables	12	5,577,763	4,044,829
Reinsurance recoveries against outstanding claims	24	8,026,127	6,819,523
Salvage recoveries accrued		201,107	186,737
Deferred commission expense	25	378,393	374,998
Taxation - payment less provisions		144,606	142,345
Prepayments	14	2,966,800	2,375,130
Cash and bank	15	1,095,765	976,142
		24,428,889	20,070,970
Total assets of Window Takaful Operations - operator's fund		994,089	616,843
Total assets		25,422,978	20,687,813
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised capital			
250,000,000 (2023: 250,000,000) ordinary shares of Rs 10 each		2,500,000	2,500,000
Issued, subscribed and paid-up share capital			
191,838,400 (2023: 191,838,400) ordinary shares of Rs 10 each	16	1,918,384	1,918,384
Unappropriated profit		1,314,710	924,287
Total equity		3,233,094	2,842,671
Surplus on revaluation of property and equipment - net of tax	17	387,595	369,013
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	24	11,002,509	7,377,643
Unearned premium reserves	23	4,741,085	3,944,261
Premium deficiency reserve	24.2	-	-
Unearned reinsurance commission	25	375,660	253,134
Retirement benefit obligations	13	53,862	26,805
Borrowings	18	2,731	43,825
Premium received in advance		4,584	3,961
Insurance / reinsurance payables	19	2,412,181	3,392,743
Deferred taxation	20	382,973	316,609
Other creditors and accruals	21	2,083,236	1,655,186
		21,058,821	17,014,167
Total liabilities of Window Takaful Operations - operator's fund		743,468	461,962
Total liabilities		21,802,289	17,476,129
Total equity and liabilities		25,422,978	20,687,813
Contingencies and commitments	22		

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		---------(Rupees in '000)---------	
Net insurance premium	23	4,865,841	4,482,049
Net insurance claims	24	(2,234,580)	(1,951,936)
(Charge) / reversal for premium deficiency reserve	24.2	-	3,424
Net commission expense	25	(714,020)	(907,413)
Insurance claims and acquisition expenses		(2,948,600)	(2,855,925)
Management expenses	26	(1,394,461)	(1,159,662)
Underwriting results		522,780	466,462
Investment income	27	813,450	508,705
Rental income		35,676	27,748
Other income	28	334,897	235,103
Other expenses	29	(198,905)	(153,056)
Result of operating activities		1,507,898	1,084,962
Finance costs against right-of-use assets		(10,129)	(13,751)
Profit from Window Takaful Operations - operators fund		328,887	171,936
Profit before tax		1,826,656	1,243,147
Income tax expense	30	(708,135)	(569,748)
Profit after tax		1,118,521	673,399
Other comprehensive loss			
Items that will not be subsequently reclassified to the profit or loss			
- Remeasurement loss on defined benefit obligations	13.1.4	(18,557)	(13,347)
- Related deferred tax		7,237	5,205
		(11,320)	(8,142)
Total comprehensive income		1,107,201	665,257
Earnings per share basic and dilutive - Rupees	31	5.83	3.51

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	(Rupees in '000)		
Balance as at January 1, 2023	1,918,384	818,084	2,736,468
Profit after taxation for the year ended December 31, 2023	-	673,399	673,399
Other comprehensive loss for the year - net of tax	-	(8,142)	(8,142)
Total comprehensive income for the year ended December 31, 2023	-	665,257	665,257
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax (note 17)	-	25,946	25,946
Transactions with owners - directly recognised in equity			
Final dividend at rate of Re. 0.86 per share for year ended December 31, 2022 approved on March 15, 2023	-	(165,000)	(165,000)
Interim dividend at rate of Re. 0.63 per share for year ending December 31, 2023 declared on April 20, 2023	-	(120,000)	(120,000)
Interim dividend at rate of Re. 0.52 per share for year ending December 31, 2023 declared on August 18, 2023	-	(100,000)	(100,000)
Interim dividend at rate of Rs. 1.04 per share for year ending December 31, 2023 declared on October 23, 2023	-	(200,000)	(200,000)
	-	(585,000)	(585,000)
Balance as at December 31, 2023	1,918,384	924,287	2,842,671
Profit after taxation for the year ended December 31, 2024	-	1,118,521	1,118,521
Other comprehensive loss for the year - net of tax	-	(11,320)	(11,320)
Total comprehensive income for the year ended December 31, 2024	-	1,107,201	1,107,201
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax (note 17)	-	28,222	28,222
Transactions with owners - directly recognised in equity			
Final dividend at rate of Re. 0.886 per share for year ended December 31, 2023 approved on April 29, 2024	-	(170,000)	(170,000)
Interim dividend at rate of Re. 1.54 per share for year ending December 31, 2024 declared on April 22, 2024	-	(180,000)	(180,000)
Interim dividend at rate of Re. 1.15 per share for year ending December 31, 2024 declared on August 19, 2024	-	(220,000)	(220,000)
Interim dividend at rate of Rs. 0.91 per share for year ending December 31, 2024 declared on October 28, 2024	-	(175,000)	(175,000)
	-	(745,000)	(745,000)
Balance as at December 31, 2024	1,918,384	1,314,710	3,233,094

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		-----------(Rupees in '000)-----------	
OPERATING CASH FLOWS			
Underwriting activities			
Premiums received		12,954,327	12,281,480
Reinsurance premiums paid		(10,380,172)	(5,365,251)
Claims paid		(4,270,718)	(4,651,131)
Reinsurance and other recoveries received		4,454,400	1,394,812
Commissions paid		(1,716,959)	(1,699,278)
Commissions received		1,168,009	908,137
General management expenses paid		(1,288,219)	(1,161,516)
Net cash inflow from underwriting activities		920,668	1,707,253
Other operating activities			
Income tax paid		(538,453)	(499,165)
Operating receipts - net		483,537	417,094
Net cash outflow on operating activities		(54,916)	(82,071)
Total cash inflow from all operating activities		865,752	1,625,182
INVESTMENT ACTIVITIES			
Profit received on government securities		598,694	433,741
Payment for investments		(1,732,238)	(5,534,193)
Proceeds from investments		1,402,524	4,934,012
Amount received from Window Takaful Operations - operator's fund		104,881	72,944
Fixed capital expenditure - owned		(236,899)	(274,429)
Proceeds from disposal of fixed assets - owned		105,249	73,919
Total cash inflow from / (outflow on) investing activities		242,211	(294,006)
FINANCING ACTIVITIES			
Dividend paid		(745,000)	(585,000)
Financial charges paid		(10,129)	(13,751)
Repayment of liability against right-of-use assets		(41,094)	(41,359)
Total cash outflow on financing activities		(796,223)	(640,110)
Net cash inflow from all activities		311,740	691,066
Cash and cash equivalents at beginning of the year		1,076,968	385,902
Cash and cash equivalents at end of the year	15.2	1,388,708	1,076,968

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI GENERAL INSURANCE LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		-----------(Rupees in '000)-----------	
Reconciliation to consolidated statement of comprehensive income			
Operating cash flows		865,752	1,625,182
Depreciation and amortisation expense		(148,056)	(108,434)
Depreciation on right-of-use assets		(17,272)	(30,649)
Finance cost against right-of-use assets		(10,129)	(13,751)
Gain on disposal of fixed assets	28	68,846	35,863
Unrealised fair value gain on investment properties	28	1,398	13,402
Increase in assets other than cash		3,388,567	2,319,989
Increase in liabilities other than borrowings		(4,044,656)	(3,783,684)
Other investment income		813,450	510,600
Profit from Window Takaful Operations - net of tax		200,621	104,881
Profit after tax		1,118,521	673,399

The annexed notes 1 to 42 form an integral part of these consolidated financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company
- IGI General Insurance Limited

Subsidiary Company	**Percentage shareholding**
- IGI FSI (Pvt.) Limited	100%

1.2 Holding Company

IGI General Insurance Limited ("the Holding Company"), a Packages Group Company, was incorporated as a public limited company on November 18, 2016 under the Companies Ordinance, 1984 (now Companies Act 2017). The registered office of the Holding Company is situated at 7th floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The objectives of the Holding Company include providing general insurance services (mainly in the sphere of Fire, Marine, Motor, Health and Miscellaneous) and general takaful services (mainly in the sphere of Fire, Marine, Motor, Health and Miscellaneous).

The Holding Company is a wholly owned subsidiary of IGI Holdings Limited ("the Ultimate Parent Company") and had been formed to facilitate the transfer of general insurance segment of IGI Insurance Limited to the Holding Company under the Scheme of Arrangement filed with the Honourable High Court of Sindh (SHC). The transfer of general insurance business and related assets and liabilities from IGI Insurance Limited to the Holding Company had been made effective from January 31, 2017, which had been sanctioned by SHC vide Order dated December 16, 2017. The insurance license was transferred to the Holding Company from IGI Insurance Limited with effect from January 16, 2018.

The Holding Company commenced its Window Takaful Operations with effect from July 1, 2017 after getting the approval from the Securities and Exchange Commission of Pakistan (SECP).

1.3 Subsidiary Company

IGI FSI (Pvt.) Limited ("the Subsidiary Company") was incorporated as a private limited company on July 6, 2020 under the Companies Act, 2017 with an authorised capital of Rs 7 million. The Subsidiary Company is engaged in providing technology led business solutions including training services in the market.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

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

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the General Takaful Accounting Regulations, 2019 and the Takaful Rules, 2012 shall prevail.

2.1.1 In terms of the requirements of the General Takaful Accounting Regulations, 2019, the assets, liabilities and profit or loss of the Operator Fund of the Window Takaful Operations of the Holding Company have been presented as a single line item in the consolidated statement of financial position and consolidated statement of comprehensive income of the Holding Company respectively.

2.1.2 A separate set of financial statements of the Window Takaful Operations has been annexed to these consolidated financial statements as per the requirements of the Takaful Accounting Regulations, 2019.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain staff retirement benefits which are carried at present value of the defined benefit obligation less fair value of plan assets, lease liabilities against right-of-use assets are initially carried at the present value of minimum lease payments, property and equipment and investment properties which are carried at fair value and certain investments which are carried at market value.

2.3 Functional and presentation currency

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

2.4 Standards, Interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year:

2.4.1 There are certain new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore, have not been stated in these consolidated financial statements.

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not effective in the current year:

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2025:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IAS 21 - 'The effects of changes in foreign exchange rates' (amendments)	January 1, 2025
- IFRS 9 - 'Financial Instruments'	January 1, 2026
- IFRS 7 - 'Financial Instruments Disclosures' (amendments)	January 1, 2026
- IFRS 17 - 'Insurance contracts'	January 1, 2026
- IFRS 18 - 'Presentation and Disclosure in Financial Statements' (amendments)	January 1, 2027

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, the Securities and Exchange Commission of Pakistan through S.R.O. 1715 (1)/2023 has directed companies engaged in insurance and reinsurance business for application of IFRS 17 for periods beginning on or after January 1, 2026.

The management is currently in the process of assessing the impact of these standards and amendments on the consolidated financial statements of the Group.

There are certain amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or will not have any significant effect on the Group's operations and are therefore not stated in these consolidated financial statements.

2.5.1 Temporary exemption from application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the IASB for entities whose activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Holding Company doesn't engage in significant activities unconnected with insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

2.5.1.1 Fair values of financial assets as at December 31, 2024 and changes in the fair values during the year ended December 31, 2024

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	**2024**	**2023**
	---- (Rupees in '000) ----	
Financial assets that do not meet SPPI criteria		
- Equity securities-(note 8)		
Opening fair value	174,721	90,974
Additions during the year - net	90,149	45,212
Increase in fair value	123,965	38,535
Closing fair value	388,835	174,721

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in preparation of these consolidated financial statements are set out below. Accounting policies relating to Window Takaful Operations are disclosed in a separate financial statements of Window Takaful Operations which have been annexed to these consolidated financial statements. The accounting policies have been consistently applied for all the years presented.

3.1 Insurance contracts

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Group's insurance contracts are classified into the following main categories and are issued to multiple types of clients with businesses in engineering, automobiles, cement, power, textiles, paper, agriculture, services and trading sectors etc. and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and vary accordingly:

a) Fire and property damage

Fire and property damage insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities. These contracts are generally one year contracts except some contracts that are of three months period.

b) Marine, aviation and transport

Marine insurance covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination. These contracts are generally for three months period.

c) Motor

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident. These contracts are generally one year contracts.

d) Liability

Liability insurance contracts protects the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

e) Accident and health

Accident and health insurance contract mainly compensates hospitalisation and out-patient medical coverage to the insured. These contracts are generally one year contracts.

f) Miscellaneous

All other types of insurance contracts are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions, livestock and crop insurance etc. These contracts are normally one year insurance contracts except some engineering insurance contracts that are of more than one year period, whereas, normal travel insurance contracts expire within one month time.

In addition to direct insurance, the Group also participates in risks under co-insurance contracts from other companies and also accepts risks through re-insurance inward by way of facultative acceptance on a case to case basis provided such risks are within the underwriting policies of the Group. The nature of the risks undertaken under such arrangement are consistent with the risks in each class of business as stated above in direct and other lead insurance contracts.

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3.2 Revenue recognition

a) Premium

Premium received / receivable including administrative surcharge under all types of insurance contracts is recognised as written from the date of attachment of the risk to the policy to which it relates. The portion of premium written relating to the unexpired period of coverage is recognised as unearned premium by the Group. This liability is calculated by applying 1/24 method as specified in the Insurance Accounting Regulations, 2017. However, liability pertaining to BIMA (a health insurance product) policies is calculated on the basis of number of days.

b) Commission Income

Commission income from reinsurers is deferred and brought to consolidated statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. Profit commission, if any, which the Group may be entitled to under the terms of reinsurance, is recognised on an accrual basis.

c) Rental Income

Rental income from investment properties is recognised as a revenue on a straight line basis over the period of the lease agreement.

d) Investment income

- Unrealised gain or loss on revaluation of investments classified as at fair value through profit and loss is included in the consolidated statement of comprehensive income in the period to which it relates.

- Gain or loss on sale of investments is accounted for in the consolidated statement of comprehensive income in the period to which it relates.

- Dividend income is recognised when the Group's right to receive the dividend is established.

e) Other income

- Gain or loss on sale of property and equipment, intangible assets and investment properties is recognised when the asset is derecognised.

3.3 Reinsurance contracts

Insurance contracts entered into by the Group with reinsurers for compensation of losses suffered on insurance contracts issued, are reinsurance contracts. These reinsurance contracts include both facultative and treaty arrangement contracts.

The Group enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contracts are not offset against expenses or income from related insurance assets.

Reinsurance assets or liabilities are derecognised when the contractual rights or obligations are extinguished or expired.

The Group assesses its reinsurance assets for impairment on the reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the consolidated statement of comprehensive income.

The deferred portion of reinsurance premium is recognised as a prepayment. The deferred portion of reinsurance premium ceded is calculated by applying 1/24 method.

3.4 Receivables and payables related to insurance contracts

Insurance / reinsurance receivable and payable including premium due but unpaid, relating to insurance contracts are recognised when due and carried at cost less provision for impairment (if any). The cost is the fair value of the consideration to be received / paid in the future for services rendered / received. These amounts also include due to and from other insurance companies and brokers.

Premium received in advance is recognised as liability till the time of issuance of insurance contract there against.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than the earning amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised, in the consolidated statement of comprehensive income, for the difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense, in the consolidated statement of comprehensive income.

3.5 Provisions for outstanding claims including Incurred But Not Reported (IBNR) claims

Insurance claims include all claims occurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

The Group recognises liability in respect of all claims incurred up to the reporting date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in the insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

SECP through its circular 9 of 2016 dated March 09, 2016 issued 'SEC guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' for non-life insurance Companies and required to comply with all provisions of these guidelines with effect from July 01, 2016. The Guidelines require that estimation for provision for claims incurred but not reported (IBNR) for each class of business, by using prescribed method, i.e. 'Chain Ladder Method' and other alternate method as allowed under the provisions of the Guidelines. The Chain Ladder Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level to derive an IBNR estimate.

The actuarial valuation as at December 31, 2024 has been carried out by independent firm of actuaries for determination of IBNR for each class of business.

3.6 Reinsurance recoveries against claims

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

3.7 Deferred commission expense / acquisition cost

Commission expense / acquisition cost incurred in obtaining policies is deferred and brought to consolidated statement of comprehensive income as an expense in accordance with the pattern of recognition of the gross premium to which it relates. Commission expense is arrived at after taking the impact of opening and closing deferred commission.

3.8 Premium deficiency reserve

The Group is required as per the Insurance Accounting Regulations, 2017, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance from claims, and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the premium deficiency reserve is recorded as an expense in the consolidated statement of comprehensive income.

At each reporting date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium / contribution liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after reporting date in respect of policies inforce as at reporting date with the carrying amount of unearned premium / contribution liability. Any deficiency is recognised by establishing a provision (premium / contribution deficiency reserve) to meet the deficit. The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The movement in the premium / contribution deficiency reserve is recognised as an expense or income in the consolidated statement of comprehensive income.

3.9 Provisions

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

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised directly in equity or in the consolidated statement of comprehensive income, in which case it is recognised in equity or in the consolidated statement of comprehensive income respectively.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current period for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised 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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of consolidated cash flow statement, cash and cash equivalents comprise cash in hand, bank balances, stamps in hand and market treasury bills with original maturity of less than three months.

3.12 Investments

3.12.1 All investments are initially recognised at cost, being the fair value of the consideration given and include transaction cost, except for investments at fair value through profit or loss in which case transaction costs are charged to the consolidated statement of comprehensive income. These are classified into the following categories:

- Investment at fair value through profit or loss
- Held to maturity
- Available for sale

The classification depends on the purpose for which the financial assets were acquired.

3.12.1.1 Investments at fair value through profit or loss

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in net profit or loss for the period in which it arises.

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets at 'fair value through profit or loss' are recorded in consolidated statement of comprehensive income in the period in which these arise.

3.12.1.2 Held to maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost being the fair value of the consideration given and include transaction cost. At subsequent reporting dates, these are measured at amortised cost using the effective yield method.

Income from held to maturity investments including any premium or discount is recognised on a time proportion basis using the effective yield method.

3.12.1.3 Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. Subsequent to initial recognition, these are stated at market value. The unrealised gains / losses on available for sale investments are recognised in other comprehensive income and recycled to profit and loss on disposal.

Gains / (losses) on sale of available for sale investments are recognised in the consolidated statement of comprehensive income.

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets at 'available for sale' are recorded in other comprehensive income in the period in which these arise.

3.12.1.4 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date on which the Group commits to purchase or sell the investment.

3.13 Impairment of assets

The management assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

3.14 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument and are derecognised when the Group loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the consolidated statement of comprehensive income in the period in which financial instrument is derecognised.

3.15 Offsetting of financial assets and financial liabilities

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

3.16 Loans and other receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition these are measured at amortised cost.

3.17 Investment properties

Investment properties are held for earning rentals and capital appreciation. Investment properties are accounted for under the fair value model in accordance with International Accounting Standards (IAS) 40, "Investment property".

Investment properties, office buildings, are held for long-term rental yields. These are carried at fair value. The changes in fair values are presented in the consolidated statement of comprehensive income as part of income.

The useful lives, residual values, depreciation method and impairment losses are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of comprehensive income in the period of derecognition.

3.18 Operating assets

Tangible

These are stated at cost less accumulated depreciation and accumulated impairment losses (if any) other than buildings and leasehold improvements. Buildings and leasehold improvements are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (if any).

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted, if appropriate. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of comprehensive income in the period in which they are incurred.

Depreciation on all operating assets is charged to the consolidated statement of comprehensive income using the straight line method so as to write-off depreciable amount of an asset over its useful life. Depreciation on additions to fixed assets is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed of.

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

An increase arising on revaluation is credited to the surplus on revaluation of property and equipment. A decrease arising on revaluation of fixed assets is adjusted against the surplus of that asset or, if no surplus exists, is charged to the consolidated statement of comprehensive income as an impairment of the asset as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the consolidated statement of comprehensive income up to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been had no impairment loss has been recognised. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated statement of comprehensive income and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property and

Intangible

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Software development cost are only capitalised to the extent that future economic benefits are expected to flow to the entity.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably.

Amortisation is charged to consolidated statement of comprehensive income using the straight line method.

3.19 Staff retirement benefits

3.19.1 Defined contribution plan

The Holding Company operates an approved contributory provident fund for all permanent employees. Equal monthly contributions are made by the Holding Company and employees to the fund at the rate of 10 percent of basic salary.

3.19.2 Defined benefit plan

All permanent employees of the Holding Company participate in an approved funded defined gratuity plan. Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at December 31, 2024 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the consolidated statement of financial position, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur. Current service cost, past service cost and net interest income / expense are recognised in the consolidated statement of comprehensive income.

3.19.3 Accumulating compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the consolidated statement of comprehensive income.

3.20 Segment reporting

A business segment is a distinguishable component of the Group that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Group accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting provided to Board of Directors which is responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

The Group has five primary business segments for reporting purposes namely fire, marine, motor, health and miscellaneous.

Financing, investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.21 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in consolidated statement of comprehensive income.

3.22 Right-of-use assets and their related lease liabilities

Right-of-use assets

On initial recognition, right-of-use asset is measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of present value of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over the expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged in month in which the leases mature or are terminated.

Lease liabilities against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Holding Company's incremental borrowing rate.

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. The lease liabilities are also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Lease payments reduce the lease liability against right-of-use assets. Finance cost is charged to the consolidated statement of comprehensive income as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3.23 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.24 Expenses of management

Expenses of management allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of gross premium revenue. Expenses not allocatable to the underwriting business are charged as other expenses.

Basis for allocation of management expenses between the Holding Company and Window Takaful Operations and its allocation amongst the various classes of business is reviewed on a regular basis and the revised basis is followed consistently in future periods.

3.25 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recorded in the period in which these are approved.

3.26 Earnings per share

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- Provision for outstanding claims including IBNR (notes 3.5 and 24);
- Provision for taxation and deferred tax (notes 3.10, 20 and 30);
- Defined benefit plan (notes 3.19.2 and 13);
- Fair valuation of buildings (notes 3.18, and 5);
- Fair valuation of investment properties (notes 3.17 and 7);
- Useful lives, residual value and depreciation method of property and equipment and intangible assets (notes 3.18, 5 and 6);
- Premium deficiency reserve (notes 3.8 and 24.2);
- Provision against reinsurance recoveries against outstanding claims (notes 3.6 and 24); and
- Provision against premium due but unpaid and amount due from other insurers / reinsurers (notes 3.4, 12.2 and 12.3).

5 PROPERTY AND EQUIPMENT

	Note	2024	2023
		------- (Rupees in '000) -------	
Operating assets	5.1	1,199,892	1,123,638
Capital work-in-progress	5.4	6,679	55,678
		1,206,571	1,179,316

5.1 Operating assets

	2024												
	Cost / revalued amounts						Accumulated depreciation					Written down value as at December 31	Deprecia-tion rate (% per annum)
	As at January 1	Additions	Transfers	Disposals / writeoff (note 5.2)	Revaluation surplus	As at December 31	As at January 1	Charge for the year	Transfers	Disposals / writeoff (note 5.2)	As at December 31		
	(Rupees in '000)												
Tracker equipment	87,321	17,094	-	-	-	104,415	60,593	20,763	-	-	81,356	23,059	33.33%
Furniture and fixtures	36,958	1,690	-	-	-	38,648	20,660	4,006	-	-	24,666	13,982	10%
Office equipment	53,277	6,582	-	(1,248)	-	58,611	35,464	8,814	-	(738)	43,540	15,071	16.87%
Computer equipment	56,907	12,405	-	(1,337)	-	87,975	37,800	6,406	-	(1,011)	43,195	24,780	33.33%
Buildings / leasehold improvements (note 5.1.1)	932,637	-	-	-	76,728	1,009,365	233,831	62,935	-	-	296,766	712,599	5%-33%
Motor vehicles - owned	339,751	173,417	88,601	(34,579)	-	567,190	81,369	55,064	38,503	(14,229)	160,707	406,483	16.67%
Right-of-use assets - motor vehicle	142,531	-	(88,601)	(53,930)	-	-	66,135	11,082	(38,503)	(38,714)	-	-	20%
Right-of-use asset - rented premises	33,419	-	-	-	-	33,419	23,311	6,190	-	-	29,501	3,918	16.67%
	1,682,801	211,188	-	(91,094)	76,728	1,879,623	559,163	175,260	-	(54,692)	679,731	1,199,892	

	2023												
	Cost / revalued amounts						Accumulated depreciation					Written down value as at December 31	Deprecia-tion rate (% per annum)
	As at January 1	Additions	Transfers	Disposals / writeoff (note 5.2)	Revaluation surplus	As at December 31	As at January 1	Charge for the year	Transfers	Disposals / writeoff (note 5.2)	As at December 31		
	(Rupees in '000)												
Tracker equipment	78,464	19,112	-	(10,255)	-	87,321	48,254	22,015	-	(9,676)	60,593	26,728	33.33%
Furniture and fixtures	34,934	2,198	-	(174)	-	36,958	16,888	3,946	-	(174)	20,660	16,298	10%
Office equipment	43,127	11,500	-	(1,350)	-	53,277	28,204	7,766	-	(506)	35,464	17,813	16.67%
Computer equipment	52,506	5,771	-	(1,370)	-	56,907	33,592	5,373	-	(1,165)	37,800	19,107	33.33%
Buildings / leasehold improvements (note 5.1.1)	825,823	1,475	26,357	-	78,982	932,637	176,304	57,527	-	-	233,831	698,806	5%-33%
Motor vehicles - owned	180,455	190,229	6,275	(37,208)	-	339,751	58,138	29,956	-	(6,725)	81,369	258,382	16.67%
Right-of-use assets - motor vehicle	182,500	49	(26,103)	(13,915)	-	142,531	68,573	24,782	(19,828)	(7,392)	66,135	76,396	20%
Right-of-use asset - rented premises	33,073	3,720	-	(3,374)	-	33,419	20,162	5,867	-	(2,718)	23,311	10,108	16.67%
	1,430,882	234,054	6,529	(67,646)	78,982	1,682,801	450,115	157,232	(19,828)	(28,356)	559,163	1,123,638	

5.1.1 The forced sale value of buildings and leasehold improvements as at December 31, 2024 amounted to Rs. 603.115 million (2023: Rs. 587.077 million).

5.1.2 Buildings and leasehold improvements are carried at revalued amount. The latest revaluation was carried out on December 31, 2024 by Hamid Mukhtar& Co. (Private) Limited which resulted in an additional surplus of Rs. 76.728 million (2023: Rs. 78.982 million). The revaluation was carried out based on the market value assessment being the fair value of the buildings and leasehold improvements. Had there been no revaluation, the carrying value of the revalued assets would have been as follows:

	2024	2023
	------- (Rupees in '000) -------	
Buildings and leasehold improvements	89,231	93,927

5.2 Disposal of operating assets

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Net gain / (loss)	Mode of disposal	Particulars of purchaser
	(Rupees in '000)						
Disposals having book value exceeding Rs. 50,000 individually							
Computer Equipments							
HP Probook	197	(103)	94	126	32	Holding Company Policy	Asad Ali Siddiqui*
Lenovo Ideapad L3	106	(52)	54	62	8	Holding Company Policy	Syeda Khadija Hasan Naqvi
Lenovo Ideapad L3	102	(51)	51	57	6	Holding Company Policy	Wahib Ur Rehman
Lenovo V15	159	(36)	123	126	3	Holding Company Policy	Shahbano Mushtaq
	564	(242)	322	371	49		

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Net gain / (loss)	Mode of disposal	Particulars of purchaser
	-----------------	--------------	(Rupees in '000)	--------------	-----------------		
Right-of-use assets - vehicle							
Honda Civic	4,245	(2,741)	1,504	1,575	71	Holding Company Policy	Mohammad Amjad*
Honda Civic Oriel Prosmatic	2,992	(2,270)	722	2,970	2,248	Holding Company Policy	Muhammad Sharif
Honda City	2,880	(1,233)	1,647	4,000	2,353	Negotiation	Alfalah Insurance
Honda Civic	2,764	(1,490)	1,274	4,500	3,226	Negotiation	Muhammad Sagheer
Toyota Corolla	2,692	(2,041)	651	2,770	2,119	Holding Company Policy	Muhammad Sharif
Honda Civic	2,642	(1,983)	659	3,912	3,253	Negotiation	Fawwad Sarwar
Toyota Corolla	2,478	(1,878)	600	3,962	3,362	Negotiation	Adnan Khaliq
Toyota Corolla Altis	2,477	(1,882)	595	3,850	3,255	Negotiation	Asfa Anwar
Toyota Corolla	2,469	(1,874)	595	3,725	3,130	Negotiation	Abbas Akram
Toyota Corolla Altis	2,410	(1,815)	595	3,050	2,455	Negotiation	Taha Naqvi
Toyota Corolla GLI	2,331	(1,748)	583	3,765	3,182	Negotiation	Muhammad Sharif
Toyota Corolla	2,174	(1,670)	504	3,374	2,870	Negotiation	Muhammad Arshad
Toyota Corolla	2,090	(1,585)	505	3,461	2,956	Negotiation	Qasim Khan
Toyota Corolla	2,090	(1,585)	505	2,775	2,270	Holding Company Policy	Muhammad Arshad
Honda City	2,025	(1,568)	457	2,150	1,693	Holding Company Policy	Muhammad Arshad
Suzuki Cultus	2,001	(1,332)	669	1,900	1,231	Negotiation	Kamran Jamil
Toyota Corolla	1,958	(1,506)	452	3,350	2,898	Negotiation	Muhammad Sharif
Toyota Corolla	1,929	(1,459)	470	3,320	2,850	Negotiation	Muhammad Sharif
Honda City	1,588	(1,203)	385	2,700	2,315	Negotiation	Shahzad Butt
Suzuki Cultus	1,587	(1,151)	436	1,950	1,514	Negotiation	Muhammad Noman
Honda City	1,570	(1,188)	382	2,675	2,293	Negotiation	Muhammad Irfan
Suzuki Cultus	1,169	(887)	282	1,470	1,188	Negotiation	Muhammad Abbas Akram
Suzuki Wagon-R	1,135	(861)	274	1,600	1,326	Negotiation	Muhammad Arshad
Suzuki Wagon-R	1,132	(860)	272	1,820	1,548	Negotiation	Muhammad Saghir
Suzuki Wagon R	1,102	(904)	198	1,605	1,407	Negotiation	Altamash Farooqui
	53,930	(38,714)	15,216	72,229	57,013		
Motor Vehicle - Owned							
Hyundai Tucson	7,269	(1,468)	5,801	5,844	43	Holding Company Policy	Tahir Masuad*
Hyundai Elantra	5,524	(1,323)	4,201	4,308	107	Holding Company Policy	Asad Ali Siddiqui*
Hyundai Elantra	5,524	(1,093)	4,431	4,454	23	Holding Company Policy	Nida Haider*
Honda City	3,778	(696)	3,082	3,227	145	Holding Company Policy	Ammad Ali
Toyota Corolla Yaris	3,251	(2,093)	1,158	2,948	1,790	Negotiation	Iqra Sajjad
Suzuki Cultus	860	(728)	132	1,360	1,228	Negotiation	Abbas Akram
Honda CB150F	394	(58)	336	428	92	Holding Company Policy	Haris Ali Khan
Honda CD 70	235	(28)	207	214	7	Holding Company Policy	Muhammad Umar Jamil
Honda CD 70	169	(31)	138	144	6	Holding Company Policy	Muhammad Sohail Mughal
Honda CD 70	166	(41)	125	142	17	Holding Company Policy	Imran Ullah
Honda CD 70	155	(36)	119	132	13	Holding Company Policy	Sumbul Arshad
Honda CG 70	130	(39)	91	96	5	Holding Company Policy	Arif Ul Hasan
Honda CD 70	122	(18)	104	111	7	Holding Company Policy	Hafiz Ishtiaq
Honda CD 70	122	(32)	90	103	13	Holding Company Policy	Usama Saeed
Honda CD 70	122	(40)	82	97	15	Holding Company Policy	Aman Ullah
Honda CD 70	122	(36)	86	103	17	Holding Company Policy	Jawed Hanif
Honda CD 70	118	(38)	80	95	15	Holding Company Policy	Talha Saleem
Honda CD 70	122	(45)	77	103	26	Holding Company Policy	Muhammad Arif
	28,183	(7,843)	20,340	23,909	3,569		
Disposals having book value not exceeding Rs. 50,000 individually							
Office equipment	1,248	(738)	510	748	238	Negotiation	Various
Computer equipment	773	(769)	5	319	314	Negotiation	Various
Motor vehicles - owned	6,396	(6,386)	10	7,673	7,663	Negotiation	Various
	8,417	(7,893)	525	8,740	8,215		
Total - December 31, 2024	91,094	(54,692)	36,403	105,249	68,846		
Total - December 31, 2023	67,646	(28,356)	39,290	73,919	35,863		

* These disposals are made to the related parties / key management personnel of the Holding Company.
Disposals made under Holding Company's profile are to the current and ex-employees of the Holding Company.

5.3 Cost in respect of fully depreciated property and equipment still in use at the end of the year amounted to Rs. 191.904 million (2023: Rs. 117.830 million).

	2024	2023
5.4 Capital work-in-progress	(Rupees in '000)	
Trackers	6,351	18,450
Others	328	37,228
	6,679	55,678

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6 INTANGIBLE ASSETS

	2024									
	Cost				Accumulated amortisation				Written down value as at December 31	Amortisation rate (% per annum)
	As at January 1	Additions	Disposals	As at December 31	As at January 1	Charge for the year	Disposals	As at December 31		
	(Rupees in '000)									
Computer software	34,107	74,710	-	108,817	30,664	10,142	-	40,806	68,011	20%

	2023									
	Cost				Accumulated amortisation				Written down value as at December 31	Amortisation rate (% per annum)
	As at January 1	Additions	Disposals	As at December 31	As at January 1	Charge for the year	Disposals	As at December 31		
	(Rupees in '000)									
Computer software	34,107	-	-	34,107	25,116	5,548	-	30,664	3,443	20%

6.1 The cost of fully amortised intangibles still in use amounts to Rs. 16.321 million (2023: Rs. 21.843 million).

7 INVESTMENT PROPERTIES

	Note	2024	2023
		(Rupees in '000)	
Opening net book value		416,447	429,402
Unrealised fair value gain during the year		1,398	13,402
Transferred to property, plant and equipment		-	(26,357)
Closing net book value	7.1	417,845	416,447

7.1 The market value and forced sale value of investment properties is Rs. 417.845 million (2023: Rs. 406.949 million) and Rs 352.942 million (2023: Rs. 351.200 million), respectively as per the valuation carried out by Hamid Mukhtar & Co. (Private) Limited as at December 31, 2024.

8 INVESTMENT IN EQUITY SECURITIES

	Note	2024	2023
		(Rupees in '000)	
Mutual funds	8.1	26,858	25,457
Listed shares	8.2	361,977	149,264
		388,835	174,721

8.1 Mutual funds

	2024					2023				
	Number of units	Carrying value*	(Impairment / provision)	Unrealised gain / (loss)*	Market value*	Number of units	Carrying value*	(Impairment / provision)	Unrealised gain / (loss)*	Market value
	(Rupees in '000)					(Rupees in '000)				
Fair value through profit or loss										
ABL Cash Fund (AA+(f))	2,246,212	22,924	-	2,149	25,074	2,482,315	25,398	-	59	25,457
ABL Special Saving Plan - I (CP2+)	50	1	-	-	1	-	-	-	-	-
Alfalah GHP Income Fund (AA-(f))	66	8	-	-	8	-	-	-	-	-
Alfalah GHP Stock Fund (AA(f))	300	44	-	-	44	-	-	-	-	-
Faysal Islamic Cash Fund (AA(f))	-	-	-	-	-	-	-	-	-	-
MCB Pakistan Stock Market Fund (AA+(f))	2,688	593	-	20	612	-	-	-	-	-
Pakistan Income Fund (AA-(f))	18	1	-	-	1	-	-	-	-	-
NBP Stock Fund (A+(f))	10,790	369	-	-	369	-	-	-	-	-
NBP Financial Sector Income Fund (A+(f))	9,135	106	-	-	106	-	-	-	-	-
NBP Islamic Stock Fund (A+(f))	5,151	113	-	-	114	-	-	-	-	-
UBL Stock Advantage Fund (AA+(f))	234	29	-	16	46	-	-	-	-	-
UBL Cash Fund (AA+(f))	64	7	-	-	9	-	-	-	-	-
ABL Cash Fund	-	-	-	-	-	-	-	-	-	-
UBL Liquidity Plus Fund		-		-	-					
UBL Money Market Fund (AA+(f))	4,317	470	-	3	474	-	-	-	-	-
	2,279,025	24,665	-	2,188	26,858	2,482,315	25,398	-	59	25,457

*Nil figures due to rounding off.

8.2 Listed shares

	2024					2023				
	Number of shares	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value	Number of shares	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value
		(Rupees in '000)					(Rupees in '000)			
Fair value through profit or loss										
The Hub Power Company Limited	84,545	9,877	-	1,189	11,066	119,916	7,979	-	6,062	14,041
Systems Limited	13,730	5,821	-	2,711	8,533	17,500	8,417	-	(1,004)	7,413
Interloop Limited	124,588	8,173	-	389	8,562	34,308	1,425	-	1,045	2,470
United Bank Limited	31,116	7,535	-	4,358	11,893	74,600	8,895	-	4,372	13,267
Meezan Bank Limited	15,500	3,689	-	62	3,751	48,200	4,704	-	3,073	7,777
MCB Bank Limited	70,786	14,784	-	5,128	19,912	50,586	6,578	-	2,150	8,728
Bank AL Habib Limited	88,300	8,941	-	2,664	11,605	20,500	1,393	-	258	1,651
Thal Limited	5,600	1,822	-	490	2,312	4,500	1,208	-	120	1,328
Lucky Cement Limited	16,715	14,021	-	4,373	18,395	11,355	5,368	-	3,568	8,936
Cherat Cement Company Limited	23,700	3,925	-	2,561	6,486	5,700	730	-	199	929
Pioneer Cement Limited	27,370	4,433	-	1,070	5,502	-	-	-	-	-
Century Paper & Board Mills Limited	99,700	2,887	-	399	3,286	-	-	-	-	-
Highnoon Laboratories Limited	6,930	4,834	-	1,529	6,363	3,130	1,334	-	246	1,580
Fauji Fertilizer Company Limited	77,941	16,175	-	12,376	28,551	73,300	7,310	-	987	8,297
Engro Corporation Limited	26,900	8,108	-	3,870	11,978	21,700	5,956	-	444	6,400
Service Industries Limited	12,930	12,477	-	8,011	20,488	2,000	989	-	267	1,256
Oil & Gas Development Company Limited	173,934	24,654	-	14,875	39,528	86,334	7,244	-	2,464	9,708
Pakistan Petroleum Limited	186,300	22,373	-	15,548	37,921	98,400	6,684	-	4,635	11,319
Attock Petroleum Limited	6,350	2,484	-	1,037	3,521	4,000	1,516	-	(2)	1,514
Mughal Iron & Steel Industries Limited	38,710	2,932	-	169	3,101	-	-	-	-	-
Tariq Glass Industries Limited	83,060	9,498	-	3,655	13,153	23,500	1,833	-	510	2,343
Habib Metropolitan Bank Limited	147,055	10,742	-	2,052	12,794	36,500	1,239	-	780	2,019
Pakistan Aluminium Beverage Cans Limited	43,000	3,077	-	2,302	5,379	31,500	1,955	-	425	2,380
Haleon Pakistan Limited	9,577	2,043	-	5,692	7,735	6,500	1,066	-	32	1,098
National Bank of Pakistan	120,457	4,472	-	3,589	8,061	-	-	-	-	-
Askari Bank Limited	175,200	4,064	-	2,641	6,705	-	-	-	-	-
Image Pakistan Limited	155,400	2,223	-	1,120	3,343	-	-	-	-	-
Exide Pakistan Limited	1,500	1,300	-	(98)	1,202	-	-	-	-	-
Fatima Fertilizer Company Limited	117,500	6,179	-	3,019	9,197	-	-	-	-	-
Pakistan State Oil Company Limited	61,000	13,831	-	13,051	26,882	-	-	-	-	-
Pakistan Telecommunication Company Limited	175,000	2,830	-	1,944	4,772	-	-	-	-	-
Engro Fertilizers Limited	-	-	-	-	-	57,400	4,662	-	1,780	6,442
Habib Bank Limited	-	-	-	-	-	27,500	2,458	-	590	3,048
Maple Leaf Cement Factory Limited	-	-	-	-	-	78,700	2,303	-	760	3,063
Mari Petroleum Company Limited	-	-	-	-	-	2,655	4,140	-	1,426	5,566
Pakistan Oilfields Limited	-	-	-	-	-	2,300	923	-	47	970
Attock Cement Pakistan Limited	-	-	-	-	-	14,000	1,141	-	206	1,347
AGP Limited	-	-	-	-	-	464	26	-	8	34
Fauji Cement Company Limited	-	-	-	-	-	238,000	3,355	-	1,148	4,503
Nishat Mills Limited	-	-	-	-	-	32,000	2,448	-	7	2,455
Panther Tyres Limited	-	-	-	-	-	15,000	683	-	(3)	680
Sui Northern Gas Pipelines Limited	-	-	-	-	-	30,000	1,282	-	924	2,206
Bank Alfalah Limited	-	-	-	-	-	92,690	3,544	-	952	4,496
	2,220,394	240,204	-	121,776	361,977	1,364,758	110,788	-	38,476	149,264

9 INVESTMENTS IN GOVERNMENT SECURITIES

Particulars	Year of maturity	Effective yield % per annum	Profit payment	2024	2023
				(Rupees in '000)	
At fair value through profit or loss					
Market Treasury Bills	2024	22.87%	On maturity	-	45,118
Market Treasury Bills	2024	22.80%	On maturity	-	49,978
Market Treasury Bills	2024	22.85%	On maturity	-	53,186
Market Treasury Bills	2024	22.85%	On maturity	-	67,064
Market Treasury Bills	2024	22.75%	On maturity	-	134,370
Market Treasury Bills	2024	21.26%	On maturity	-	122,215
Market Treasury Bills	2024	21.34%	On maturity	-	50,849
Market Treasury Bills	2024	21.34%	On maturity	-	20,646
Market Treasury Bills	2025	20.79%	On maturity	204,029	-
Market Treasury Bills	2025	20.09%	On maturity	88,914	-
Market Treasury Bills	2025	20.84%	On maturity	26,886	-
Market Treasury Bills	2025	20.84%	On maturity	28,851	-
Market Treasury Bills	2025	19.98%	On maturity	66,756	-
Market Treasury Bills	2025	18.85%	On maturity	8,166	-
Market Treasury Bills	2025	18.49%	On maturity	37,061	-
Market Treasury Bills	2025	18.13%	On maturity	93,709	-
Market Treasury Bills	2025	16.83%	On maturity	46,231	-
Market Treasury Bills	2025	13.50%	On maturity	84,012	-
Market Treasury Bills	2025	13.02%	On maturity	11,946	-
Market Treasury Bills	2025	12.10%	On maturity	250,087	-
Market Treasury Bills	2025	11.98%	On maturity	26,925	-
Market Treasury Bills	2025	12.19%	On maturity	31,274	-
Pakistan Investment Bonds	2024	21.35%	Semi-annual	-	230,729
Pakistan Investment Bonds	2025	18.76%	Semi-annual	169,072	146,087
Pakistan Investment Bonds	2026	17.29%	Semi-annual	249,333	224,123
Pakistan Investment Bonds	2027	16.39%	Semi-annual	108,569	93,379
Pakistan Investment Bonds	2027	15.94%	Semi-annual	1,436	49,299
Pakistan Investment Bonds	2027	14.00%	Semi-annual	1,030	-
Pakistan Investment Bonds	2030	15.37%	Semi-annual	78,074	65,703
Pakistan Investment Bonds	2027	16.40%	Semi-annual	50,795	-
Pakistan Investment Bonds	2027	15.08%	Semi-annual	96,438	-
Pakistan Investment Bonds	2026	13.52%	Semi-annual	48,917	-
Pakistan Investment Bonds (floaters)	2029	16.11%	Semi-annual	27,297	-
Pakistan Investment Bonds (floaters)	2034	14.27%	Semi-annual	48,126	-
Pakistan Investment Bonds (floaters)	2028	23.95%	Semi-annual	571,580	569,151
Pakistan Investment Bonds (floaters)	2028	22.47%	Semi-annual	123,150	122,450
Pakistan Investment Bonds (floaters)	2029	23.89%	Semi-annual	123,200	122,963
Pakistan Investment Bonds (floaters)	2029	12.84%	Semi-annual	96,658	-
Pakistan Investment Bonds (floaters)	2028	23.87%	Semi-annual	172,123	211,792
GOP Ijara Sukuk	2025	13.89%	Semi-annual	25,000	-
				2,995,645	2,379,102
Total market value				2,995,645	2,379,102
Total carrying value				2,928,037	2,391,837

9.1 These include Pakistan Investment Bonds which are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000, having market value of Rs. 221.65 million (2023: Rs. 220.796 million).

10 INVESTMENTS IN DEBT SECURITIES

	2024					2023				
	Number of certificates	Maturity year	Coupon rate	Profit payment	Market Value	Number of certificates	Maturity year	Coupon rate	Profit payment	Market Value
Fair value through profit or loss					(Rupees in '000)					(Rupees in '000)
Term finance certificate										
Habib Bank Limited	500	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000	500	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000
Bank Alfalah Limited	-	-	-	-	-	1,000,000	Perpetual	Higher of 3 year PKRV plus 0.75% or 9%	Quarterly	100,000
Bank Alfalah Limited	15,000	2030	6 months Kibor plus 2.0%	Semi-annual	75,000	15,000	2030	6 months Kibor plus 2.0%	Semi-annual	75,000
Soneri Bank Limited	250	2030	6 months Kibor plus 1.70%	Semi-annual	24,980	250	2030	6 months Kibor plus 1.70%	Semi-annual	24,990
JS Bank Limited	200	2033	3 months Kibor plus 2.0%	Quarterly	19,993	200	2033	3 months Kibor plus 2.0%	Quarterly	19,999
Kashf Foundation	400	2026	3 months Kibor plus 1.5%	Quarterly	40,000	400	2026	3 months Kibor plus 1.5%	Quarterly	40,000
Kashf Foundation	330	2026	1 month Kibor	Monthly	33,000	-	-	-	-	-
	16,680				242,973	1,016,350				309,989

10.1 The effective yields of term finance certificates and sukuk certificates range from 9.03% to 23.95% (2023 : 17.29% to 23.85%) per annum.

10.2 These term finance certificates are non-traded.

11 LOANS AND OTHER RECEIVABLES

	Note	2024	2023
		------- (Rupees in '000) -------	
Receivable from related parties	11.1	212,496	167,084
Advances - considered good		44,722	38,791
Security deposits		56,245	51,819
Sales tax recoverable		215,261	182,448
Accrued income on investments and deposits		103,930	110,913
Loans and advances to employees		2,956	4,684
Others	11.2	82,838	132,509
		718,448	688,248

11.1 This includes receivables amounting to Rs. 0.325 million, Rs. 36.625 million, Rs. 17.181 million, Rs. 88.065 million and Rs. 11.026 million (2023: Rs. 2.973 million, Rs. 59.824 million, Rs. 16.956 million, Rs.11.631 million and Rs. 14.121 million) charged to IGI Investments (Private) Limited, IGI Life Insurance Limited, IGI Finex Securities Limited, IGI Holdings Limited and Packages Limited, respectively, under group shared services.

11.2 These include a receivable from takaful operations amounting to Rs 58.029 million (2023: Rs 58.029 million) in respect of Sindh Sales Tax as disclosed in note 22.4 to the consolidated financial statements.

12 INSURANCE / REINSURANCE RECEIVABLES

	Note	2024	2023
		------- (Rupees in '000) -------	
Due from insurance contract holders - unsecured			
- considered good		1,954,489	1,377,934
- considered doubtful		199,747	182,594
	12.1	2,154,236	1,560,528
Less: provision for impairment of receivables from insurance contract holders	12.2	(199,747)	(182,594)
		1,954,489	1,377,934
Due from other insurer / reinsurer - unsecured			
- considered good		3,623,274	2,666,895
- considered doubtful		51,765	51,765
		3,675,039	2,718,660
Less: provision for impairment of receivables from other insurer / reinsurer	12.3	(51,765)	(51,765)
		3,623,274	2,666,895
		5,577,763	4,044,829

12.1 This includes an amount of Rs. 56.636 million (2023: Rs. 88.433 million) receivable from related parties.

12.2	Provision for doubtful receivables - insurance contract holders	Note	2024	2023
			------ (Rupees in '000) ------	
	Balance at the beginning of the year		182,594	161,592
	Charge for the year		37,933	22,162
	Written off during the year		(20,780)	(1,160)
	Balance at the end of the year	12.2.1	199,747	182,594

12.2.1 This includes an amount of Rs. 3.154 million (2023: Rs. 2.574 million) provided against related parties.

12.3	Provision for doubtful receivables - other insurer / reinsurer	2024	2023
		------ (Rupees in '000) ------	
	Opening	51,765	51,765
	Charge for the year	-	-
	Balance as at the end of the year	51,765	51,765

12.4 The Holding Company has entered into coinsurance and reinsurance arrangements with various other insurance companies and one local reinsurance company. As at December 31, 2024, the aggregate net balance due (to) / from other local insurers and reinsurer arising from such arrangements amounts to Rs. 1,031.182 million (2023: Rs. 1,267.685 million) and Rs. 739.032 million (2023: Rs. 404.988 million) respectively.

In respect of these balances, during the year the Holding Company has exchanged balance information with them based on the significance of the respective balances. This information corroborates the balance position of the Holding Company in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence.

The reconciliation process of these balances with the respective insurance companies is carried out on ongoing basis. However, as advised by the SECP, this process will be formalised as per the guidelines suggested by the Insurance Association of the Pakistan (IAP) for the entire insurance industry.

13 RETIREMENT BENEFITS OBLIGATIONS

13.1 Defined benefit plan - Gratuity Fund

The Holding Company offers an approved gratuity fund (the Fund) for all employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The fund is governed under the Trust Act, 1882, the Trust Deed and the Rules of the Fund, the Income Tax Ordinance, 2001, the Income Tax Rules, 2002 and the applicable local regulations. An actuarial valuation is carried out every year to determine the liability of the Holding Company in respect of the benefit. The most recent valuation in this regard has been carried out as at December 31, 2024 using the Projected Unit Credit (PUC) Actuarial Cost Method as allowed under the International Accounting Standard (IAS) 19 - 'Employee Benefits' for valuation of the Fund.

The Holding Company faces the following risks on account of gratuity fund:

Final salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility

Most of the Fund's assets are invested in risk free investments. However, investments in shares, are subject to adverse fluctuation as a result of change in market price.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the Fund's current bond holdings.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investment.

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Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the Fund level over the entire retiree population.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

13.1.1 Principal actuarial assumptions

	2024	2023
Valuation discount rate	12.25%	15.50%
Valuation discount rate for statement of comprehensive income	15.50%	14.50%
Salary increase rate - *short term*	17.25%	15.00%
Salary increase rate - *long term*	13.25%	14.20%
Return on plan assets	12.25%	15.50%
Duration	5.34 years	6.02 years
Normal retirement age	58	58
Withdrawal rate	Moderate	Moderate
Mortality rate	SLIC 2001-05	SLIC 2001-05
Next salary increase date	1-Jan-2025	1-Jan-2024

13.1.2 Amount recognised in the consolidated statement of financial position

	Note	2024	2023
		------- (Rupees in '000) -------	
Reconciliation			
Present value of defined benefit obligation		244,435	189,165
Less: fair value of plan assets		(190,573)	(162,360)
Payable to defined benefit plan		53,862	26,805
Movement in net liability recognised			
Opening net liability		26,805	28,658
Expense for the year	13.1.3	25,378	13,254
Other comprehensive loss	13.1.4	18,557	13,347
Contributions		(16,878)	(28,454)
		53,862	26,805
Movement in present value of defined benefit obligation			
Opening		189,165	162,820
Current service cost	13.1.3	22,635	16,629
Past service cost		-	(5,467)
Interest cost		26,683	22,226
Benefits paid		(32,699)	(19,072)
Actuarial loss on obligation	13.1.4	38,651	12,029
Closing		244,435	189,165
Movement in the fair value of plan assets			
Opening		162,360	134,162
Expected return on plan assets		23,940	20,134
Contributions		16,878	28,454
Benefits paid		(32,699)	(19,072)
Actuarial gain / (loss) on obligation	13.1.4	20,094	(1,318)
		190,573	162,360

13.1.3 Amount recognised in consolidated statement of comprehensive Income

	2024	2023
Current service cost	22,635	16,629
Past service cost	-	(5,467)
Interest cost	2,743	2,092
Expense for the year	25,378	13,254

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13.1.4 Amount recognised in other comprehensive income

	Note	2024	2023
		(Rupees in '000)	
Remeasurement loss / (gain) on obligation			
- Financial assumptions		42,181	11,049
- Demographic assumptions		(8,833)	606
- Experience assumptions		5,303	374
		38,651	12,029
Remeasurement (gain) / loss on plan assets		(20,094)	1,318
		18,557	13,347

13.1.5 Actual return on plan assets

	2024	2023
Expected return on assets	23,940	20,134
Actuarial gain / (loss) on obligation	20,094	(1,318)
	44,034	18,816

13.1.6 Analysis of present value of defined benefit obligation

	2024	2023
Split by vested / non-vested		
(i) Vested benefits	244,435	189,165
(ii) Non-vested benefits	-	-
	244,435	189,165

13.1.7 Sensitivity analysis

	2024			2023		
	Change in assumption	Increase / (decrease) in present value of defined benefit obligation		Change in assumption	Increase / (decrease) in present value of defined benefit obligation	
		(%)	(Rupees in '000)		(%)	(Rupees in '000)
Discount rate	+1%	-5.72%	(13,971)	+1%	-5.71%	(10,805)
	-1%	4.90%	11,971	-1%	6.32%	11,955
Salary increase rate	+1%	5.23%	12,774	+1%	6.80%	12,854
	-1%	-6.10%	(14,921)	-1%	-6.23%	(11,784)
Life expectancy / withdrawal rate	+10%	-1.37%	(3,359)	+10%	-0.05%	(93)
	-10%	0.12%	300	-10%	0.05%	87

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions, same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

13.1.8 Plan assets comprise of the following:

	2024 (Rupees in '000)	Percentage composition	2023 (Rupees in '000)	Percentage composition
Equity investments	5,336	2.80%	19,698	12.13%
Cash and bank deposits	33,903	17.79%	111,510	68.68%
Government securities	151,334	79.41%	31,152	19.19%
Fair value of plan assets	190,573	100%	162,360	100%

13.1.9 As per the actuarial recommendations, the expected return on plan assets was taken as 12.25% (2023: 15.50%), which is representative of yields on long-term Government bonds. Due to the increased volatility of share prices in recent months, there is no clear indication of return on equity. It is therefore assumed that the yield on equity matches the return on debt.

Based on actuarial advice, the Holding Company intends to charge an amount of Rs. 25.110 million as an expense against net liability recognised in the consolidated statement of comprehensive income for the year ending December 31, 2025.

The expected contribution for the next one year should take into account the maximum annual contribution limit set by the Income Tax Rules, 2002 i.e. the basic payroll of the last month of the financial year end. The expected gratuity expense is around 8.72% of annual basic salary. Therefore, the Holding Company may contribute up to Rs. 25.110 million during 2025.

13.1.10 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
2024					
Gratuity	31,450	32,377	101,852	157,342	323,021
2023					
Gratuity	29,084	15,768	69,108	167,442	281,402

13.1.11 Historical data on the deficit / (surplus) of the plan is as follows:

	2024	2023	2022	2021
	(Rupees in '000)			
Present value of defined benefit obligation	244,435	189,165	162,820	139,257
Fair value of plan assets	(190,573)	(162,360)	(134,162)	(132,680)
Deficit	53,862	26,805	28,658	6,577

13.2 Defined contribution plan - Provident Fund

The Holding Company has set up a provident fund for its permanent employees and contributions were made by the Holding Company to the Trust in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2024 was Rs. 21.577 million (2023: Rs. 23.229 million). The net assets based on unaudited financial statements of Provident Fund as at December 31, 2024 are Rs.183.929 million (2023: Rs. 137.194 million) out of which 94% were invested in different financial instruments categories as provided in Section 218 of the Companies Act, 2017 and the rules formulated therein. The carrying value of the investments of the provident fund as at December 31, 2024 (unaudited) was Rs.169.813 million (2023: Rs. 143.899 million). The above investments out of provident fund have been made in accordance with the requirements of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	December 31, 2024 (un-audited)		December 31, 2023 (un-audited)	
	(Rupees in '000)	% of the size of the fund	(Rupees in '000)	% of the size of the fund
Government securities	116,929	63.57%	91,264	66.53%
Listed securities	22,407	12.18%	6,021	4.39%
Bank deposits	44,067	23.96%	34,622	25.24%
Mutual Funds	526	0.29%	287	0.21%
Term finance certificates	-	-	5,000	3.63%
Total	183,929	100%	137,194	100%

13.3 Staff strength

	2024	2023
	(Number of employees)	
Number of employees as at December 31	195	180
Average number of employees during the year	188	190

14 PREPAYMENTS

	Note	2024	2023
		(Rupees in '000)	
Prepaid reinsurance premium ceded	23	2,909,454	2,333,817
Prepaid rentals		35,718	34,451
Others		21,628	6,862
		2,966,800	2,375,130

15 CASH AND BANK

	Note	2024	2023
Cash and cash equivalents			
Cash in hand		232	106
Policy stamps in hand		17,894	2,662
Cash at bank			
Current accounts		252,767	143,383
Savings accounts	15.1	824,872	829,991
		1,077,639	973,374
		1,095,765	976,142

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15.1 The balances in savings accounts carry mark-up of 13.50% (2023: 13.44% to 17.93%) per annum.

15.2 Cash and cash equivalents for the purpose of of consolidated statement of cash flows:	Note	2024	2023
		(Rupees in '000)	
Cash and bank	15	1,095,765	976,142
Market Treasury Bills having original maturity of up to three months		292,943	100,826
		1,388,708	1,076,968

16 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	2024	2023	2024	2023
	(Number of Shares)		(Rupees in '000)	
At beginning of the year	191,838,400	191,838,400	1,918,384	1,918,384
Issuance of shares during the year	-	-	-	-
At end of the year	191,838,400	191,838,400	1,918,384	1,918,384

16.1 The Holding Company is a wholly owned subsidiary of IGI Holdings Limited. All ordinary shares carry equal voting and dividend rights.

17 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF TAX	Note	2024	2023
		(Rupees in '000)	
Opening balance		369,013	387,613
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation		(46,266)	(42,535)
Related deferred tax		18,044	16,589
		(28,222)	(25,946)
Change in fair value - net of tax		46,804	7,346
Closing surplus on revaluation of property and equipment		387,595	369,013

18 BORROWINGS

	Note	2024	2023
Lease liability against right-of-use assets - motor vehicle	18.2	-	34,326
Lease liability against right-of-use assets - rented premises	18.3	2,731	9,499
	18.1	2,731	43,825
Current portion		2,091	22,203
Non-current portion		640	21,622
		2,731	43,825

18.1 Lease liability against right-of-use assets	2024			2023		
	Minimum lease Payments	Financial charges for future periods	Principal outstanding	Minimum lease Payments	Financial charges for future periods	Principal outstanding
	(Rupees in '000)					
Not later than one year	2,400	309	2,091	29,146	6,943	22,203
Later than one year and not later than five years	684	44	640	25,855	4,233	21,622
	3,084	353	2,731	55,001	11,176	43,825

18.2 The Holding Company leases motor vehicles from banks which are provided to employees as an employment benefit. During the year, the Holding Company settled all the outstanding lease liabilities against motor vehicles.

18.3 The Holding Company leases various offices, branches and other premises to meet its operational business.

19 INSURANCE / REINSURANCE PAYABLES	2024	2023
	(Rupees in '000)	
Due to other insurers / reinsurers	2,412,181	3,392,743

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20 DEFERRED TAXATION

	Note	2024	2023
		------- (Rupees in '000) -------	
Deferred debits arising in respect of :			
- Provision for doubtful receivables		(98,090)	(91,400)
- Retirement benefit obligations		(21,006)	(10,454)
- Accelerated tax depreciation		(7,681)	(12,348)
- Lease liability against right-of-use assets		(1,065)	(17,092)
		(127,842)	(131,294)
Deferred credits arising due to			
- Surplus on revaluation of property and equipment		326,144	296,220
- Fair value gain on investment properties		108,430	107,885
- Unrealised gain on investments		74,713	10,062
- Right-of-use assets		1,528	33,736
		510,815	447,903
		382,973	316,609

20.1 Movement in deferred tax liability

The movement in deferred tax liability during the year is as follows:

	Note	2024	2023
Opening		316,609	206,641
Debit to the profit and loss	30	43,677	43,537
Debit to the statement of comprehensive income		22,687	66,431
Closing		382,973	316,609

21 OTHER CREDITORS AND ACCRUALS

	2024	2023
Agent commission payable	511,273	465,334
Cash margin	345,006	284,347
Federal excise duty	249,645	110,412
Federal insurance fee	15,093	6,746
Accrued expenses	386,897	278,145
Payable to customers	272,167	263,596
Provision for Sindh Workers Welfare Fund	74,164	39,555
Others	228,991	207,051
	2,083,236	1,655,186

22 CONTINGENCIES AND COMMITMENTS

22.1 The Holding Company is defending a suit against it by M/s Nawaz Enterprises for recovery of Rs. 9.45 million on account of insurance claim. The petition is pending for hearing before Additional District Judge, Lahore. The management, based on a advice of the legal counsel, is confident that the outcome of the case is likely to be in favour of the Holding Company.

22.2 The Holding Company is defending a suit filed against it and the beneficiary on account of damages by the Federation of Pakistan for the performance bond number P.B. 014/77 issued for a civil contract amounting to Rs. 4.929 million. The petition is pending for hearing before Civil Court judge. The management, based on a advice of the legal counsel, is hopeful that the outcome of the case is likely to be decided in favour of the Holding Company.

22.3 An appeal was filed before the Commissioner - Appeals, the Sindh Revenue Board (SRB) against the order passed by the Assistant Commissioner, SRB under section 23(1) of the Sindh Sales Tax on Services Act, 2011 for tax periods July 2011 to December 2012 in respect of re-insurance accepted transactions which was decided against the Holding Company. The department alleged that the Holding Company provided re-insurance services to local insurance companies and demanded Sindh sales tax on services under Sindh Sales Tax on Services Act, 2011. The Commissioner Appeals had decided the matter against the Holding Company. Against the order of the Commissioner - Appeals, further appeal had been filed before the Appellate Tribunal, SRB on January 16, 2015, which was also decided against the Holding Company. The Holding Company had filed an appeal in the Honourable High Court of Sindh which is pending adjudication. The management, based on advice of the legal counsel, is hopeful that the outcome of the case will be decided in favour of the Holding Company.

22.4 During the year 2018, the Sindh Revenue Board (SRB) raised a demand of tax of Rs 430.412 million under section 23(1) of Sindh Sales Tax on Services Act (SSTA), 2011, in respect of sales tax on reinsurance obtained from foreign re-insurers by the Holding Company. The department has also imposed a penalty of Rs 21.520 million.

The department alleged that the Holding Company has received re-insurance services from foreign re-insurance companies for the period from July 2011 to December 2014 and it is the contention of the department that these services are liable to sales tax under SSTA, 2011. The department attached the Holding Company's bank account and directed the Holding Company's banker to issue pay orders to SRB. The pay orders of Rs 58.028 million from the Holding Company's bank account were issued by the Holding Company's banker on December 27, 2018 upon direction of SRB.

The Holding Company had filed an appeal before the Commissioner Appeals on December 28, 2018 against the above order. The management in hearings held before the Commissioner (Appeals) SRB had submitted that:

- The payments to foreign re-insurance companies are not a service and is merely a redistribution of the insurance risk and therefore the insurance premium. There is no value addition involved since, in essence it is a sharing of the insurance risk between the insurer and re-insurers. The management believes that the gross premium charged by the insurer was already subject to sales tax on the gross amount, hence it is illogical to again subject it to sales tax upon its redistribution keeping in view the fact that neither any service is being provided to the policyholder nor any value addition is being made.

- These risk sharing arrangements have been made by the Holding Company with the re-insurance companies incorporated outside Pakistan with no legal or physical presence therefore it is the view that the provisions of Sindh Sales Tax laws are not applicable to these type of arrangements and are outside the jurisdiction of Sindh Sales Tax laws.

The management believes that even if it is assumed that Sindh Sales Tax on re-insurance provided to insurer / insurance companies is applicable, the law does not provide any mechanism for calculating the basis on which such tax will be imposed and its related payment and the same would have been claimed as adjustable input tax by the Holding Company against its output tax liability.

The Holding Company had also filed a constitutional petition before the Honourable High Court of Sindh at Karachi (the Court) on December 28, 2018 seeking protection from the above mentioned coercive action taken by the tax department. The Court had suspended the above mentioned attachment notice and also instructed the bank that the said pay orders should not be encashed.

During the year ended December 31, 2020, the Court has disposed of the constitutional petition together with the other similar petitions and has ordered SRB not to enforce recovery of impugned demand before expiry of seven days of the receipt of the final decision in appeal or stay application by the Commissioner (Appeals) SRB, whichever is earlier.

The management, based on the advice received from their tax and legal advisors, is confident that this matter is likely to be decided in favour of the Holding Company. The Holding Company has recorded Rs 58.028 million as 'other receivable' in these consolidated financial statements.

Further, during the year 2021, the Holding Company, along with the Insurance Association of Pakistan (IAP) and other insurance companies, has also filed a constitutional petition in the Honourable High Court of Sindh challenging the levy of Sindh Sales Tax on reinsurance. The Court has abstained the respondents from passing an adverse order against notices issued to the petitioners.

22.5 During the year ended December 31, 2020, one of the policyholders lodged a claim with the Holding Company under Export Credit Insurance Policy due to insolvency of one of their customers. The Group appointed a surveyor to verify the claim. Appointed surveyor through its survey report concluded that this claim was a 'NO LOSS' claim and was outside the scope of the insurance cover. Based on the outcome of the survey report by appointed surveyor, the policyholder filed a complaint with the SECP against the Holding Company and the appointed surveyor. The SECP directed the Holding Company to appoint another surveyor to conduct the verification procedures. Other surveyor after performing their due procedures (including consultation with a lawyer) also concluded this claim to be 'NO LOSS' due to the same facts that were stated by the appointed surveyor.

In the year 2021, the policyholder, through its legal counsel served a legal notice to the Holding Company for claiming losses amounting to USD 709,356 under the aforementioned insurance policy. The Holding Company responded to the subject legal notice after consulting its legal counsel and rejected the claim based on the grounds mentioned in the paragraph above. Subsequently, the Holding Company received a legal notice from the Insurance Tribunal, Faisalabad summoning the representatives of the Holding Company and seeking the written response. The Holding Company through its legal counsel has submitted its response to the Insurance Tribunal explaining the basis of its contention.

In this connection, the proceedings of the Insurance Tribunal are under progress and there has been no correspondence on this matter after the response was submitted by the Holding Company. The management believes that it has a strong case based on the reports of the two reputed independent surveyors and the advice of the legal counsel. Accordingly, no provision has been recognised in respect of this matter in the consolidated financial statements of the Holding Company for the year ended December 31, 2024.

22.6 The contingencies relating to taxation are given in note 30.2 to the consolidated financial statements.

23 NET INSURANCE PREMIUM

	Note	2024	2023
		------- (Rupees in '000) -------	
Written gross premium	23.1	13,530,259	12,388,623
Add: Unearned premium reserve - opening		3,944,261	3,007,816
Less: Unearned premium reserve - closing		(4,741,085)	(3,944,261)
Premium earned	23.1	12,733,435	11,452,178
Less: Reinsurance premium ceded		(8,443,231)	(7,599,352)
Add: Prepaid reinsurance premium ceded - opening		(2,333,817)	(1,704,594)
Less: Prepaid reinsurance premium ceded - closing		2,909,454	2,333,817
Reinsurance expense		(7,867,594)	(6,970,129)
		4,865,841	4,482,049

23.1 This includes an amount of Rs. 216 million (2023: Rs. 195.812 million) and Rs. 168.274 million (2023: Rs. 161.216 million) in respect of amount written and earned on tracking services. Further, telecommunication charges with respect to tracking services amount to Rs. 15.838 million (2023: Rs. 6.906 million).

24 NET INSURANCE CLAIMS

	2024	2023
	------- (Rupees in '000) -------	
Claims paid	4,270,718	4,651,131
Add: Outstanding claims (including IBNR) - closing	11,002,509	7,377,643
Less: Outstanding claims (including IBNR) - opening	(7,377,643)	(6,623,855)
Claims expense	7,895,584	5,404,919
Less: Reinsurance and other recoveries received	(4,454,400)	(1,394,812)
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	(8,026,127)	(6,819,523)
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	6,819,523	4,761,352
Reinsurance and other recoveries revenue	(5,661,004)	(3,452,983)
	2,234,580	1,951,936

24.1 Claims development tables

The Group maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance:

Analysis on gross basis

Accident year	2020 and prior	2021	2022	2023	2024 (including IBNR)	Total
	------- (Rupees in '000) -------					
Estimate of ultimate claims cost:						
At end of accident year	3,141,773	5,094,381	10,747,467	3,931,009	4,677,273	27,591,903
One year later	3,326,059	5,313,655	12,127,594	3,861,035	-	24,628,342
Two years later	3,348,165	5,168,432	12,130,315	-	-	20,646,912
Three years later	3,488,665	5,181,798	-	-	-	8,670,463
Four years later	3,491,339	-	-	-	-	3,491,339
Estimate of cumulative claims	3,491,339	5,181,798	12,130,315	3,861,035	4,677,273	29,341,760
Cumulative payments to date	(2,894,466)	(4,330,754)	(7,305,872)	(2,619,740)	(1,188,419)	(18,339,251)
Liability recognised in the consolidated statement of financial position	596,873	851,044	4,824,443	1,241,295	3,488,854	11,002,509

The above effects have been worked out on the assumption that increase / decrease in net claims expense pertains to individual segment in isolation.

24.2 Movement of IBNR / PDR

	2024		2023	
	IBNR	PDR	IBNR	PDR
	------- (Rupees in '000) -------			
IBNR / PDR - opening	154,062	-	110,917	3,424
Charge / (reversal) during the year	58,364	-	43,145	(3,424)
IBNR / PDR - closing	212,426	-	154,062	-

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25 NET COMMISSION EXPENSE

	Note	2024	2023
		------- (Rupees in '000) -------	
Commission paid or payable		1,762,898	1,853,453
Add: Deferred commission expense - opening		374,998	353,588
Less: Deferred commission expense - closing		(378,393)	(374,998)
Net commission		1,759,503	1,832,043
Less: Commission received or receivable		(1,168,009)	(908,138)
Add: Unearned reinsurance commission - opening		(253,134)	(269,626)
Less: Unearned reinsurance commission - closing		375,660	253,134
Commission from reinsurers		(1,045,483)	(924,630)
		714,020	907,413

26 MANAGEMENT EXPENSES

	Note	2024	2023
Employee benefit cost	26.1.1	744,952	609,182
Rent, rates and taxes		72,924	60,208
Electricity and gas		28,326	28,534
Repairs and maintenance		38,414	33,074
Communication		55,055	42,037
Tracker related expenditures		9,006	15,320
Depreciation and amortisation	5.1 & 6	165,328	139,083
Bad and doubtful debts	12.2	37,933	22,162
Vehicle running expenses		106,003	101,274
Travelling expenses		48,721	39,229
Printing and stationery		9,430	8,675
Legal and professional		23,945	25,343
Inspection fee		14,901	8,221
SECP Supervision fee		16,143	13,617
Advertisement expenses		18,517	8,500
Miscellaneous		4,863	5,203
	26.1	1,394,461	1,159,662

26.1 During the year, the Holding Company has allocated certain management expenses to Window Takaful Operations on the basis of reasonable and supportable information available for determining such allocation amounting to Rs.146.642 million (2023: Rs.152.299 million).

	2024			2023		
	Total Expense	Allocated to WTO	Net Expense	Total Expense	Allocated to WTO	Net Expense
	(Rupees in '000)					
Employee benefit cost	805,753	60,801	744,952	676,345	67,163	609,182
Rent, rates and taxes	86,395	13,471	72,924	72,136	11,928	60,208
Electricity and gas	33,469	5,143	28,326	34,187	5,653	26,534
Repairs and maintenance	44,277	5,863	38,414	39,050	5,976	33,074
Communication	61,634	6,579	55,055	46,379	4,342	42,037
Tracker related expenditures	9,006	-	9,006	15,320	-	15,320
Depreciation and amortisation	185,402	20,074	165,328	162,780	23,697	139,083
Bad and doubtful debts	37,933	-	37,933	22,162	-	22,162
Vehicle running expenses	125,550	19,547	106,003	122,298	21,024	101,274
Travelling expenses	57,774	9,053	48,721	47,259	8,030	39,229
Printing and stationery	11,181	1,751	9,430	10,444	1,769	8,675
Legal and professional	23,945	-	23,945	25,343	-	25,343
Inspection fee	14,901	-	14,901	8,221	-	8,221
SECP Supervision fee	16,143	-	16,143	13,617	-	13,617
Advertisement expenses	21,969	3,452	18,517	10,241	1,741	8,500
Miscellaneous	5,771	908	4,863	6,179	976	5,203
	1,541,103	146,642	1,394,461	1,311,961	152,299	1,159,662

26.1.1 Employee benefit cost

	Note	2024	2023
		------- (Rupees in '000) -------	
Salaries, allowance and other benefits		758,798	639,862
Charges for post employment benefit	13.1.3 & 13.2	46,955	36,483
Less: employee benefit cost allocated to Window Takaful Operations		(60,801)	(67,163)
		744,952	609,182

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27 INVESTMENT INCOME

	Note	2024	2023
		------- (Rupees in '000) -------	
Income from equity securities			
Fair value through profit or loss			
Dividend income		20,302	18,770
Income from debt securities			
Fair value through profit or loss			
Return on government securities		522,573	394,914
Return on term finance certificate		48,836	47,783
Net realised gain on investments			
Fair value through profit or loss			
Mutual funds		508	13,044
Listed shares		37,573	7,275
Government securities		5,667	3,014
		43,748	23,333
Net unrealised gain / (loss) on investments			
Fair value through profit or loss			
Mutual funds		2,188	59
Listed shares		121,776	38,476
Government securities		67,608	(12,735)
		191,572	25,800
less: investment related expenses		(13,581)	(1,895)
Total investment income		813,450	508,705

28 OTHER INCOME

	Note	2024	2023
Return on savings accounts		210,751	119,838
Gain on sale of operating assets	5.2	68,846	35,863
Training income		33,034	43,408
Fair value gain on investment properties	7	1,398	13,402
Rental income from tracker business		13,263	14,029
Miscellaneous		7,605	8,563
		334,897	235,103

29 OTHER EXPENSES

	Note	2024	2023
Group shared services expenses		63,394	10,736
Insurance expense		26,557	27,441
Repairs and maintenance		2,770	2,672
Exchange loss		-	254
Legal and professional		3,604	3,158
Auditors' remuneration	29.1	24,323	16,391
Provison for SWWF		34,609	39,555
Donations	29.2	13,471	9,364
Miscellaneous		30,177	43,485
		198,905	153,056

29.1 Auditors' remuneration

	2024	2023
Fee for statutory audit	3,150	2,916
Fee for audit of consolidated financial statements	750	648
Fee for interim review	1,150	1,080
Fee for audit of regulatory return	2,200	1,620
Special certifications and sundry services	5,434	5,215
Tax advisory and other consultancy services	10,475	3,286
Out of pocket expenses	1,164	1,626
	24,323	16,391

29.2 This represents a donation paid to Packages Foundation (a related party), in which Mr. Shamim Ahmed Khan and Syed Hyder Ali (directors of the Holding Company) are Trustees, located at Shahrah-e-Roomi P.O. Amer-Sidhu, Lahore.

30 TAXATION

	2024	2023
	------- (Rupees in '000) -------	
Current tax		
- current year	664,458	486,156
- prior year	-	40,053
	664,458	526,209
Deferred tax		
- current year	43,677	43,539
	708,135	569,748

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30.1 Effective tax rate reconciliation

Numerical reconciliations between the average tax rate and the applicable tax rate for the year ended December 31, 2024 and December 31, 2023 are as follows:

	2024 (Effective tax rate) (%)	2024 Rs in '000	2023 (Effective tax rate) (%)	2023 Rs in '000
Profit before taxation		1,826,656		1,243,147
Tax at enacted tax rate	39.00	711,634	39.00	484,885
Prior year tax	-	-	3.22	40,053
Change of rate impact	-	-	3.02	37,571
Others	(0.19)	(3,499)	0.59	7,239
	38.81	708,135	45.83	569,748

30.2 Contingencies related to taxation

30.2.1 The Holding Company has a group taxation policy with its IGI Holdings Limited under section 59AA of the Income Tax Ordinance, 2001 under which payments of tax are made through the IGI Holdings Limited.

30.2.2 While finalising the assessment for the year 1999-2000 the Taxation Officer (TO) had not allowed credit for tax paid under section 54 amounting to Rs. 3 million for which rectification application is filed which is pending.

The Holding Company has also filed applications in respect of certain mistakes made in the orders passed under section 124 of the Income tax Ordinance for for 2002-2003 amounting to Rs. 1.561 million on account of disallowance of provisions for dimunition in investments held for sale. The applications filed were rejected by the T.O. against which appeals had been filed with the CIR(A) which are pending.

The Additional Commissioner of Income Tax (AC) has issued notice under section 122 (5A) of the Income Tax Ordinance, 2001 in respect of the tax year 2005 whereby he has proposed to disallow exemption in respect of gain on sale of shares amounting to Rs. 2.931 million and claim of expenses against dividend income amounting to Rs. 209.875 million as a result of which tax of Rs. 74.88 million was assessed. Whereas, in respect of the tax year 2006, he has proposed to disallow claim of expenses against dividend income amounting to Rs. 230.323 million and exemption in respect of gain on sale of shares amounting to Rs. 10.903 million and taxed income from associates amounting to Rs. 19.267 million as a result of which tax of Rs. 91.173 million was assessed. Against the above notice, the Holding Company has filed a constitutional petition before the Honourable High Court of Sindh (SHC). The regular hearing of petition is currently pending with the SHC.

During the current year, the Honourable SHC on September 24, 2024 dismissed the case as a result of which the Holding Company subsequently filed a civil petition before the Honourable Supreme Court of Pakistan against the judgment of the Honourable SHC which is pending adjudication.

30.2.3 In respect of tax year 2007, all significant issues were decided in favour of the Holding Company by CIR(A) and then by the ATIR. However, no appeal effect order has been passed. The Holding Company has written a letter to the taxation officer for passing appeal effect orders. The department had filed Income Tax Reference Application before Honourable High Court of Sindh (SHC) against the deletion of the addition made on account of re-characterisation of actual realised capital gain amounting to Rs. 1,269.720 million (having a tax impact of Rs. 444.40 million). The said Income Tax Reference Application was heard by Honourable SHC and the judgment has been passed in favour of the Holding Company.

The tax department has further filed a civil petition before the Honourable Supreme Court of Pakistan against the judgment of the Honourable High Court which is pending adjudication. The management, based on advice of the legal counsel, is hopeful that the outcome of the case will be decided in favour of the Holding Company.

30.2.4 In respect of tax year 2008, the Additional Commissioner Audit Zone III LTU Karachi issued another notice under section 122(5A) of the Ordinance on May 14, 2014 and passed an amended assessment order under section 122(5A) by disallowing provision for IBNR and allocation of expense against capital gains and dividend income. As a result of amended assessment demand of Rs. 63.166 million was created. Against the disallowances made by the ACIR, the Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals) and also filed an application for stay of demand. Pursuant to the stay application, the CIR(A) has granted stay of demand to the Holding Company. Against the above disallowance, the Holding Company filed an appeal before the learned Appellate Tribunal Inland Revenue.

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Further, the HoldingCompany challenged the assessment order on the ground that the assessment was barred by limitation of time. Moreover, the department filed a cross appeal before the ATIR challenging the relief granted by the CIR(A). The ATIR has decided both the appeals on the point of limitation of law as contained under section 122(2) of the Ordinance and have decided the appeal in favour of the Holding Company. Moreover, the departmental appeal has also been rejected being treated as infructuous. The department has filed a reference application before the Honourable High Court of Sindh against the order of the ATIR which is pending adjudication.

30.2.5 In respect of tax year 2009, the Deputy Commissioner of Inland Revenue (DCIR) has passed the amended order under section 122(5A) of the Ordinance by disallowing provisions on account of IBNR, unearned commission and allocation of expenses relating to exempt income. As a result of amended assessment, demand of Rs 141 million was created. The DCIR has made certain errors in the order for which application for rectification was filed. Rectified order under section 221 has been passed and as a result demand has been reduced to Rs. 51 million. The learned CIR(A) has granted partial relief amounting to Rs. 9.390 million in respect of certain issues and confirmed certain disallowances. The Holding Company filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of issues on which relief was not allowed by the CIR(A). The ATIR, pursuant to the appeals filed against the order of CIR(A), has now passed the order whereby the ATIR has confirmed disallowance made on account of provision for IBNR. Further issue of allocation of expenses against investment income has been remanded back to CIR(A). In respect of the issue of addition made on account of provision of unearned commission, the ATIR has upheld the decision of CIR(A) whereby disallowance made on this score is deleted. In respect of issues decided against the Holding Company, a reference application was filed before Honourable High Court of Sindh where the issue pertaining to IBNR has been decided in favour of the Holding Company whereas remaining issues are pending adjudication.

The Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend income, commission income and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. As a result of the amended assessment demand of Rs. 31.420 million was created. The Holding Company paid an amount of Rs.10 million and obtained stay from the Commissioner Inland Revenue till August 31, 2015 in respect of payment of the remaining tax demand of Rs. 21.420 million. Further, against the above treatment meted out by the ACIR, the Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals) which is pending adjudication. The Holding Company also filed a petition against the said order before the Honourable High Court of Sindh which was disposed off with the directions that no coercive measures taken by the tax authorities till the decision of the CIR(A) on the appeal filed which is pending adjudication.

30.2.6 In respect of tax year 2010, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. Further, the ACIR has disallowed provision of IBNR under section 34(3) of the Ordinance. As a result of the amended assessment demand of Rs. 93.445 million has been created. The Holding Company has filed appeal and application for stay of tax demand before the CIR(A) against the above assessment order. The Holding Company has also filed a petition against the said order before the Honourable High Court of Sindh which is pending adjudication.

Pursuant to the appeal, the learned CIR(A) vide combined appellate order No.21 and 22/A-1 dated March 10, 2016 has decided all issues in favour of the Holding Company. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication.

30.2.7 In respect of tax year 2011, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR, claim of brought forward loss for the tax year 2008 and refund adjustments for tax years 2004 and 2009 in the amended assessment order . Moreover, Workers' Welfare Fund @ 2% of the accounting profit for the year has also been levied. As a result of the amended assessment demand of Rs.142.414 million has been created. The Holding Company has filed appeal and application for stay of tax demand before the CIR(A) against the above assessment order.

Pursuant to the appeal, the learned CIR(A) vide combined appellate order No. 21 & 22/A-1 dated 10 March 2016 has decided the following issues in favour of the Holding Company:

(a) Chargeability of tax on dividend income and property income at corporate tax rate;

(b) Provision for IBNR;

(c) Levy of Workers' welfare fund for the year.

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In respect of credit / adjustment of refunds available to the Holding Company, the CIR(A) has remanded back the issue with the directions to verify the claim of refunds and allow the adjustment as per law. The Holding Company has written a letter to the concerned taxation officer for passing appeal effect order in line with the appellate order passed by the CIR(A), which is pending. Further, the tax department has also filed further appeal before the ATIR in respect of the issues on which relief was allowed by the CIR(A), which is pending adjudication.

30.2.8 In respect of tax year 2012, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR amounting to Rs. 33 million in the amended assessment order. As a result of the amended assessment, demand of Rs. 106.563 million was created. The Holding Company has obtained stay from the Honourable High Court of Sindh (SHC) in respect of the above tax demand. Further, against the aforesaid order, the Holding Company also filed an appeal before CIR(A) which is pending adjudication. The stay from the Honourable SHC has been disposed off subsequently with the directions that no coercive measures taken by the tax authorities till the decision of the CIR(A) on the appeal filed is finalised. The learned CIR(A) has passed the appellate order wherein both the aforesaid issues have been decided in favour of the Holding Company.

The department has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by the CIR(A) which is pending adjudication.

30.2.9 The Sindh Revenue Board (SRB) vide Show Cause Notice (SCN) No. SRB-COM-I/AC-10/2012-13/IGI/2020/98/496168 dated January 30, 2020 alleged the applicability of sales tax on services for the tax periods from January 2012 to December 2013 amounting to Rs. 494.279 million on various grounds such as tax on gross premium, commission received from re-insurer, and input tax wrongly claimed. During the year ended December 31, 2021, the Holding Company vide its legal advisor challenged the judgment dated March 30, 2021 passed by the Honourable High Court of Sindh. Subsequent to this, the Holding Company filed an appeal in the Supreme Court of Pakistan through its legal advisor. The Supreme Court of Pakistan has granted an interim order and the said interim order is operating.

30.2.10 In respect of tax year 2013, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR, claim of brought forward loss for the tax year 2012 and has also made an addition on account of disposal of fixed assets at less than fair market value (FMV) in the amended assessment order. As a result of the amended assessment, demand of Rs. 95.008 million was created. Against the aforesaid order, the Holding Company has filed an appeal before CIR(A). Pursuant to the appeal, the learned CIR(A) vide appellate order No. 10/A-1 dated 05 October 2016 has decided the following issues in favour of the Holding Company:

(a) Chargeability of tax on dividend income and property income at corporate tax rate;
(b) Provision for IBNR amounting to Rs. 33 million;
(c) Addition on account of disposal of fixed assets.

Further the CIR(A) has remanded back the issues in respect of adjustment of brought forward loss for the tax year 2012 and credit of Workers' Welfare Fund paid with the return of income. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication.

30.2.11 In respect of tax year 2014, case of the Holding Company was selected for audit under section 177 of the ordinance and subsequently, the Deputy Commissioner Inland Revenue (DCIR) has passed an amended assessment order under section 122(1) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 34% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR and has also made an addition on account of disposal of fixed assets at less than Fair Market Value (FMV) and motor car expenses paid in cash under section 21(l) in the amended assessment order. As a result of the amended assessment, demand of Rs. 148.444 million was created. The Holding Company has obtained stay from the Honourable High Court of Sindh (SHC) in respect of the above tax demand. Further, against the aforesaid order, the Holding Company has also filed an appeal before CIR(A). The stay from the Honourable SHC has been disposed off subsequently with the directions that no coercive measures taken by the tax authorities till the decision of the CIR(A) on the appeal filed is finalised.

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issues in respect of levy of tax on dividend income at corporate tax rates, disposal of vehicles at less than FMV and levy of WWF have been decided in favour of the Holding Company. However, issues in respect of levy of minimum tax under section 113, provision for IBNR and motor car expenses in cash has been decided against the Holding Company. The Holding Company has filed further appeal before the ATIR in respect of the issues decided against the Holding Company except issue of motor car expenses paid in cash, which is pending adjudication.

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30.2.12 In respect of tax year 2015, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 33% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. Further, the ACIR has levied Super tax under section 4B of the ordinance amounting to Rs. 27.743 million and Workers' Welfare Fund for the year. As a result of the amended assessment, demand of Rs. 234.287 million was created. The Holding Company has obtained stay from the Honourable High Court of Sindh (SHC) in respect of the above tax demand. Further, against the aforesaid order, the Holding Company has also filed an appeal before CIR(A). The stay from the Honourable SHC has been disposed off subsequently with the directions that no coercive measures taken by the Tax Authorities till the decision of the CIR(A) on the appeal filed which is pending adjudication.

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issue of levy of tax on dividend income at corporate tax rates has been decided in favour of the Holding Company whereas the issue of levy of super tax under section 4B has been decided against the Holding Company. Furthermore, the CIR(A) has remanded back the issue of levy of WWF. The Holding Company has filed further appeal before the ATIR in respect of the issue of levy of super tax, which is pending adjudication.

The ACIR also passed an order under section 221 of the Ordinance charging super tax under section 4B amounting to Rs 27.912 million. Without prejudice to the stance in appeal, the Holding Company made payment of Rs 20 million in respect of the super tax liability under section 4B whereas the remaining super tax demand of Rs 7.912 million was adjusted against the refund of tax year 2008. The Holding Company filed an application with the ACIR requesting to annul the order based on various legal grounds, however, no order was passed in this regard. Moreover, the Holding Company also filed an appeal before the CIR(A) in respect of the order passed under section 221 of the Ordinance. Pursuant to the above appeal, the CIR(A) passed the appellate order wherein the action of the ACIR in charging super tax under section 221 of the Ordinance was annulled. The Holding Company has written a letter to the concerned taxation officer for passing appeal effect order in line with the appellate order passed by the CIR(A), which is pending. The tax department has also filed further appeal before the ATIR against the order passed by the CIR(A), which has been decided against the tax department.

30.2.13 The case for tax year 2015 was further selected for audit under section 177 of the Ordinance. The Holding Company submitted all the information requested through the Information and Document Request (IDR) pursuant to which a show-cause notice was issued in December 2017. In tax year 2009, the Deputy Commissioner Inland Revenue (DCIR) has passed an amended assessment order under section 122(4) of the Income Tax Ordinance, 2001 wherein tax on outstanding commission payable has been imposed on account of being outstanding for more than three years and provision for IBNR has been disallowed. As a result of the amended assessment, demand of Rs. 62.032 million was created. The Holding Company filed an appeal before the CIR(A), pursuant to which an appellate order was passed wherein the CIR(A) agreed to the Holding Company's legal submissions that the tax year 2015 was barred by limitation since the Holding Company follows calendar year as its financial year, however, the CIR(A) has proceeded to decide the issues on merit and has decided the following issues in favor of the Holding Company:

(a) Disallowance in respect of cash margin under section 34(5) of the Ordinance;
(b) Disallowance in respect of agent commission paid under section 34(5) of the Ordinance;
(c) Addition on account of provision for claims Incurred but Not Reported (IBNR) under section 34(3) of the Ordinance;
(d) Disallowance of commission expense under section 21(c) of the Ordinance; and
(e) Addition on account of reversal of impairment in value of available for sale investments.

Additionally, addition on account of gain on sale of fixed assets at less than Fair Market Value (FMV), disallowance on account of certain expenses under section 174(2) read with section 21(c) of the Ordinance and levy of super tax under section 4B has been confirmed whereas the issue of credit of super tax paid during the year has been remanded back for verification.

The Holding Company has filed further appeal before the ATIR challenging the action of the CIR(A) in deciding the issues on merits instead of annulling the order being barred by limitation as well as on the issues confirmed by the CIR(A), which is pending adjudication.

30.2.14 In respect of tax year 2016, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 32% for the year) by treating such income as business income of the Holding Company under Fourth Schedule to the Ordinance. Further, the ACIR has disallowed the claim of expense on account of health administrative services under section 21(c) of the ordinance and has also made an addition on account of disposal of fixed assets at less than Fair Market Value (FMV) in the amended assessment order. As a result of the amended assessment, demand of Rs. 105.190 million was created. The Holding Company has filed stay application in respect of the above tax demand in the Honourable High Court of Sindh and also filed an appeal against the aforesaid order before the CIR(A).

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issues in respect of levy of tax on dividend income at corporate tax rates and disposal of vehicles at less than FMV have been decided in favour of the Holding Company whereas the issue of non-deduction of tax on payment for health plan administrative services under section 21(c) of the Ordinance has been decided against the Holding Company as a result of which tax demand of Rs. 2.8 million was created.

30.2.15 During the year ended December 31, 2022, the Holding Company received a notice from Federal Board of Revenue (FBR) bearing reference No. DCIR/UNIT4/ENF-II/LTU/2021-2022/748 dated March 16, 2022 issued under section 11(2) of the Sales Act, 1990 (ST Act) highlighting certain non-compliance related to violation of section 48 of the ST Act.

Further, the Holding Company received an assessment order dated July 07, 2022 creating a demand of Rs. 13.350 million. Subsequently, the Holding Company filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

30.2.16 During the year ended December 31, 2022, the Holding Company received a notice from Federal Board of Revenue (FBR) bearing reference No. DCIR/A&P/ENF-II/LTO/2022-2023/5213 dated September 16, 2022 issued under section 11(2) of the Sales Act, 1990 (ST Act) highlighting certain non-compliance related to violation of section 48 of the ST Act.

Further, the Holding Company received an assessment order dated December 16, 2022 creating a demand of Rs. 16.301 million. During the year ended December 31, 2023, the Holding Company filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

30.2.17 The management and tax advisor of the Holding Company are confident that the above matters will be decided in the Holding Company's favour. Accordingly, no provision has been recognised in these consolidated financial statements.

31 EARNINGS PER SHARE

	2024	2023
	------- (Rupees in '000) -------	
Profit (after tax) for the year	1,118,521	673,399
	-------(Number of shares)------	
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	191,838,400	191,838,400
	--------------(Rupees)--------------	
Earnings (after tax) per share basic and dilutive	5.83	3.51

32 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associates, related group companies, directors of the Group, key management personnel, post employment benefit plans and other related parties. The Group in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Amounts due to / from and other significant transactions, other than those disclosed else where in these consolidated financial statements, are as follows:

	Ultimate Parent Company		Post employment benefit plans		Key management personnel (including directors)		Other related parties	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in '000)							
Transactions								
Premium underwritten	-	-	-	-	1,764	236	980,163	1,145,739
Premium collected	-	-	-	-	1,954	313	1,007,290	1,174,934
Claims expense - net of recoveries	-	30	-	-	-	449	19,757	211,805
Claims paid	-	-	-	-	-	509	29,384	104,222
Rental income	-	-	-	-	-	-	35,676	28,234
Dividend paid	745,000	585,000	-	-	-	-	-	-
Key management personnel compensation	-	-	-	-	334,368	211,904	-	-
Charge in respect of gratuity fund	-	-	25,378	13,254	-	-	-	-
Charge in respect of provident fund	-	-	21,577	23,229	-	-	-	-
Contribution to gratuity fund	-	-	16,878	28,454	-	-	-	-
Contribution to provident fund	-	-	27,858	33,468	-	-	-	-
Insurance premium expense	-	-	-	-	-	-	-	11,405
Insurance premium paid	-	-	-	-	-	-	-	11,405
Education and training fee paid	-	-	-	-	-	-	-	4
Donation paid	-	-	-	-	-	-	13,471	9,364
Rent paid	-	-	-	-	-	-	2,340	2,327
Tracker rental income from Takaful Operations	-	-	-	-	-	-	13,263	14,029
Profit received from Window Takaful Operations	-	-	-	-	-	-	104,881	187,585
Expenses allocated to Window Takaful Operations	-	-	-	-	-	-	146,642	152,299

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	Ultimate Parent Company		Post employment benefit plans		Key management personnel (including directors)		Other related parties	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in '000)							
Balances								
Premium (payable) / receivable	-	-	-	-	(216)	190	56,636	83,763
Outstanding claim	-	-	-	-	-	-	936,320	945,947
Other receivable / (payable)	2,678	11,631	-	-	-	-	209,278	155,665
Payable to gratuity fund	-	-	(53,862)	(26,805)	-	-	-	-
Receivable from provident fund	-	-	12,081	18,362	-	-	-	-

The maximum aggregate amount due from related parties outstanding during the year aggregated to Rs. 140.546 million (2023: Rs. 181.737 million).

32.1 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place:

S.No.	Name of related party	Basis of association / relationship
1	IGI Investments (Private) Limited	Subsidiary of Ultimate Parent Company
2	IGI Life Insurance Limited	Subsidiary of Ultimate Parent Company
3	IGI Finex Securities Limited	Subsidiary of Ultimate Parent Company
4	Packages Limited	Associate
5	Packages Real Estate (Private) Limited	Associate
6	Packages Convertors Limited	Subsidiary of Associate
7	Starchpack (Private) Limited	Subsidiary of Associate
8	DIC Pakistan Limited	Joint venture of Associate
9	Tri-Pack Films Limited	Subsidiary of Associate
10	Bulleh Shah Packaging (Private) Limited	Subsidiary of Associate
11	Omyapak (Private) Limited	Subsidiary of Associate
12	Hoechst Pakistan Limited	Subsidiary of Associate
13	SC Johnson & Son of Pakistan (Private) Limited	Joint venture of Associate
14	Babar Ali Foundation	Other related party
15	Industrial Technical and Educational Institute	Other related party
16	Syed Hyder Ali	Other related party

33 COMPENSATION FOR DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Fee for attending board meeting	-	-	5,525	5,750	-	-
Managerial remuneration	15,576	22,537	-	-	135,782	177,350
Bonus	5,451	7,478	-	-	25,847	31,565
Retirement benefits (including provident fund)	1,558	1,977	-	-	13,079	16,624
Housing and utilities	8,567	11,832	-	-	71,935	91,435
Technical advisory fee			2,700	2,400	-	-
Medical expenses	1,346	2,151	-	-	9,162	440
Conveyance allowance	364	-	-	-	28,714	3,138
Others	3,894	12,524	-	-	4,868	28,376
	36,756	58,499	8,225	8,150	289,387	348,928
Number of persons	1	1	4	5	49	40

* This includes fee for attending Board meeting of directors.

33.1 Chief Executive and executives of the Holding Company are provided with Holding Company's maintained cars, mobile phones and residential telephones.

34 SEGMENT REPORTING

The Group has five primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor, accident and health and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of the gross premium written by the segments.

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Particulars	2024					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	6,778,794	1,802,722	2,649,328	1,619,669	2,717,768	15,568,281
Less: Federal Excise Duty	(902,588)	(208,887)	(355,404)	(1,469)	(349,770)	(1,818,118)
Federal Insurance Fee	(57,922)	(14,986)	(22,746)	(16,021)	(23,397)	(135,072)
Stamp Duty	(380)	(80,095)	(2,842)	(18)	(1,497)	(84,832)
Gross written premium (inclusive of administrative surcharge)	5,817,904	1,498,754	2,268,336	1,602,161	2,343,104	13,530,259
Gross direct premium	5,778,025	1,476,485	2,202,811	1,599,976	2,297,637	13,354,934
Facultative inward premium	25,289	-	-	-	1,200	26,489
Administrative surcharge	14,590	22,269	65,525	2,185	44,267	148,836
	5,817,904	1,498,754	2,268,336	1,602,161	2,343,104	13,530,259
Insurance premium earned	5,548,766	1,484,187	2,243,538	1,572,875	1,884,069	12,733,435
Insurance premium ceded to reinsurers	(4,986,310)	(1,130,858)	(273,288)	-	(1,477,138)	(7,867,594)
Net insurance premium	562,456	353,329	1,970,250	1,572,875	406,931	4,865,841
Commission income	575,306	263,318	65,025	-	141,834	1,045,483
Net underwriting income	1,137,762	616,647	2,035,275	1,572,875	548,765	5,911,324
Insurance claims	(1,912,494)	(262,679)	(1,071,481)	(922,363)	(3,726,567)	(7,895,584)
Insurance claims recovered from reinsurers	1,799,464	202,733	83,699	-	3,575,108	5,661,004
Net claims	(113,030)	(59,946)	(987,782)	(922,363)	(151,459)	(2,234,580)
Commission expense	(547,592)	(192,609)	(310,926)	(488,543)	(219,833)	(1,759,503)
Management expenses	(599,606)	(154,465)	(233,780)	(165,121)	(241,489)	(1,394,461)
Net insurance claims and expenses	(1,260,228)	(407,020)	(1,532,488)	(1,576,027)	(612,781)	(5,388,544)
Premium deficiency	-	-	-	-	-	-
Underwriting result	(122,466)	209,627	502,787	(3,152)	(84,016)	522,780
Investment income						813,450
Rental income						35,676
Other income						334,897
Other expenses						(198,905)
Result of operating activities						1,507,898
Finance cost on right-of-use assets						(10,129)
Profit from Window Takaful Operations						328,887
Profit before tax						**1,826,656**
Segment assets	7,567,575	1,107,117	1,419,406	673,256	6,124,382	16,891,736
Unallocated assets	-	-	-	-	-	7,537,153
Assets of Window Takaful Operations operator's fund	-	-	-	-	-	994,089
						25,422,978
Segment liabilities	9,666,370	846,398	1,958,680	773,593	5,290,982	18,536,023
Unallocated liabilities	-	-	-	-	-	2,522,798
Total liabilities of Window Takaful Operations operator's fund	-	-	-	-	-	743,468
						21,602,289

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Particulars	2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	6,464,465	1,351,977	2,509,820	1,720,985	2,155,125	14,202,372
Less: Federal Excise Duty	(828,503)	(154,167)	(328,544)	(73,909)	(263,432)	(1,648,555)
Federal Insurance Fee	(55,373)	(11,444)	(21,583)	(16,307)	(18,713)	(123,420)
Stamp Duty	(122)	(39,639)	(1,371)	(15)	(627)	(41,774)
Gross written premium (inclusive of Administrative Surcharge)	5,580,467	1,146,727	2,158,322	1,630,754	1,872,353	12,388,623
Gross direct premium	5,523,583	1,125,950	2,092,679	931,111	2,534,247	12,207,570
Facultative inward premium	44,430	2,378	143	-	1,176	48,127
Administrative surcharge	12,454	18,399	65,500	1,583	34,990	132,926
	5,580,467	1,146,727	2,158,322	1,630,754	1,872,353	12,388,623
Insurance premium earned	4,896,493	1,152,288	2,049,051	1,545,700	1,808,646	11,452,178
Insurance premium ceded to reinsurers	(4,453,441)	(835,263)	(251,795)	-	(1,429,630)	(6,970,129)
Net insurance premium	443,052	317,025	1,797,256	1,545,700	379,016	4,482,049
Commission income	511,390	221,118	56,876	-	135,246	924,630
Net underwriting income	954,442	538,143	1,854,132	1,545,700	514,262	5,406,679
Insurance claims	(3,185,955)	(470,200)	(923,983)	(766,917)	(57,864)	(5,404,919)
Insurance claims recovered from reinsurers	3,127,768	334,119	70,090	-	(78,994)	3,452,983
Net claims	(58,187)	(136,081)	(853,893)	(766,917)	(136,858)	(1,951,936)
Commission expense	(489,305)	(151,717)	(280,332)	(652,723)	(257,966)	(1,832,043)
Management expenses	(519,623)	(107,805)	(202,905)	(153,307)	(176,022)	(1,159,662)
Net insurance claims and expenses	(1,067,115)	(395,603)	(1,337,130)	(1,572,947)	(570,846)	(4,943,641)
Premium deficiency	-	-	-	3,424	-	3,424
Underwriting result	(112,673)	142,540	517,002	(23,823)	(56,584)	466,462
Net investment income						508,705
Rental income						27,746
Other income						235,103
Other expenses						(153,056)
Result of operating activities						1,084,962
Finance cost on right-of-use assets						(13,751)
Profit from Window Takaful Operations						171,936
Profit before tax						**1,243,147**
Segment assets	8,350,897	943,466	1,210,412	547,938	2,520,454	13,573,167
Unallocated assets	-	-	-	-	-	6,496,664
Assets of Window Takaful Operations operator's fund	-	-	-	-	-	617,982
						20,687,813
Segment liabilities	9,418,350	1,006,331	2,020,632	923,705	1,602,726	14,971,744
Unallocated liabilities	-	-	-	-	-	2,040,666
Total liabilities of Window Takaful Operations operator's fund	-	-	-	-	-	463,719
						17,476,129

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35 MOVEMENT IN INVESTMENTS

	2024		
	Held to maturity	Fair value through profit or loss	Total
	(Rupees in '000)		
As at January 1, 2024	-	2,863,812	2,863,812
Additions	-	1,732,238	1,732,238
Disposals (sale and redemptions) - net	-	(1,402,524)	(1,402,524)
Net fair value gains (excluding net realised gains)	-	191,572	191,572
Amortisation of premium / discount	-	242,355	242,355
As at December 31, 2024	-	3,627,453	3,627,453

	2023		
	Held to maturity	Fair value through profit or loss	Total
	(Rupees in '000)		
As at January 1, 2023	-	2,113,672	2,113,672
Additions	-	5,534,193	5,534,193
Disposals (sale and redemptions) - net	-	(4,934,012)	(4,934,012)
Net fair value gains (excluding net realised gains)	-	25,800	25,800
Amortisation of premium / discount	-	124,159	124,159
As at December 31, 2023	-	2,863,812	2,863,812

36 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

The Group issue contracts that transfer insurance risk or financial risk or both. This section summarises the insurance risks and the way the Group manages them.

36.1 Insurance risk

The Group accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Group is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Group manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Further, the Group adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

Concentration of insurance risk

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial businesses. The Group minimises its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

To optimise benefits from the principle of average and large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial / industrial / residential occupation of the insured. Details regarding the fire separation / segregation with respect to the manufacturing processes, storage, utilities, etc. are extracted from the layout plan of the insured facility. Such details are formed part of the reports which are made available to the underwriters / reinsurance personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan). For instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors and physical separation between the buildings within an insured's premises. It is basically the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

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

The ability to manage catastrophic risk is tied to managing the density of risk within a particular area. For catastrophic aggregates, the IT system also assigns precise geographic CRESTA (Catastrophe Risk Evaluating and Standardising Target Accumulations) codes with reference to the accumulation of sums insured in force at any particular location against natural perils. A risk management solution is implemented to help assess and plan for risk in catastrophic scenarios. It provides a way to better visualise the risk exposures so the Group determines the appropriate amount of reinsurance coverage to protect the business portfolio.

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

The voyage cards so maintained for the particular set of policies for a single vessel voyage are automatically logged into the system showing actual gross, treaty and net exposure, both in terms of sums insured and premiums.

36.1.1 Reinsurance arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, accumulated losses on net account can also be recovered from the non-proportional treaty which is very much in line with the risk management philosophy of the Group.

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

The Group's class wise risk exposure (based on maximum loss coverage) in a single policy is as follows:

	2024		
	Maximum sum insured	Reinsurance cover	Highest net liability
	(Rupees in '000)		
Fire and property damage	124,713,000	124,089,435	623,565
Marine, aviation and transport	86,368,554	84,641,183	1,727,371
Motor	200,000	170,000	30,000
Health	123,762	-	123,762
Miscellaneous	168,000,000	166,320,000	1,680,000
Window Takaful Operations	4,508,750	3,053,750	1,455,000
	383,914,066	378,274,368	5,639,698

	2023		
	Maximum sum insured	Reinsurance cover	Highest net liability
	(Rupees in '000)		
Fire and property damage	84,158,502	83,906,027	252,475
Marine, aviation and transport	87,258	58,758	28,500
Motor	77,356,027	76,969,247	386,780
Health	4,944,890	-	4,944,890
Miscellaneous	176,400,000	172,695,600	3,704,400
Window Takaful Operations	5,535,517	4,677,008	858,509
	348,482,194	338,306,640	10,175,554

The table below sets out the concentration of insurance contract liabilities by type of contract:

	2024		
	Gross liabilities	Gross assets	Net liabilities / (assets)
	(Rupees in '000)		
Fire and property damage	9,666,370	7,567,575	2,098,795
Marine, aviation and transport	846,398	1,107,117	(260,719)
Motor	1,958,680	1,419,406	539,274
Health	773,593	673,256	100,337
Miscellaneous	5,290,982	6,124,382	(833,400)
Window Takaful Operations	743,468	994,089	(250,621)
	19,279,491	17,885,825	1,393,666

	2023		
	Gross liabilities	Gross assets	Net liabilities / (assets)
	(Rupees in '000)		
Fire and property damage	9,418,350	8,350,897	1,067,453
Marine, aviation and transport	1,006,331	943,466	62,865
Motor	2,020,632	1,210,412	810,220
Health	923,705	547,938	375,767
Miscellaneous	1,602,726	2,520,454	(917,728)
Window Takaful Operations	461,962	616,843	(154,881)
	15,433,706	14,190,010	1,243,696

36.1.2 Uncertainty in the estimation of future claims payment

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

An estimated amount of the claim is recorded immediately on intimation to the Group. The estimation of the amount is based on the amount notified by the policyholder, management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims incurred but not reported (IBNR), the Group uses actuarial advice as more fully explained in note 3.5 to these consolidated financial statements.

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

36.1.3 Key assumptions

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

36.1.4 Sensitivities

As the Group enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below:

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	Effect of 10% increase in claims		Effect of 10% decrease in claims	
	Total comprehensive income	Equity	Total comprehensive income	Equity
	(Rupees in '000)			
Fire and property damage	(6,895)	(6,895)	6,895	6,895
Marine, aviation and transport	(3,657)	(3,657)	3,657	3,657
Motor	(60,255)	(60,255)	60,255	60,255
Health	(56,264)	(56,264)	56,264	56,264
Miscellaneous	(9,239)	(9,239)	9,239	9,239
Window Takaful Operations	(126,981)	(126,981)	126,981	126,981
	(263,291)	(263,291)	263,291	263,291

36.1.5 Statement of age-wise breakup of unclaimed insurance benefits

Particulars	Total amount	Age-wise breakup				
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	(Rupees in '000)					
Claims not encashed						
2024	156,694	-	13,458	59,988	37,798	45,450
2023	67,917	-	13,253	12,528	17,728	24,408

36.2 Financial risk

(i) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has adopted appropriate policies to minimise its exposure to this risk. The interest rate profile of the Group's significant interest bearing financial instruments and the periods in which these will mature are as follows:

	2024							
	Interest rates	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
		(Rupees in '000)						
Financial assets								
Cash and bank	13.50% to 20.50%	824,872	-	824,872	270,893	-	270,893	1,095,765
Investments	9.03% to 23.95%	1,198,919	2,039,699	3,238,618	388,835	-	388,835	3,627,453
Insurance / reinsurance receivables		-	-	-	5,577,763	-	5,577,763	5,577,763
Reinsurance recoveries against outstanding claims		-	-	-	8,026,127	-	8,026,127	8,026,127
Loans and other receivables		-	-	-	503,187	-	503,187	503,187
Salvage recoveries accrued		-	-	-	201,107	-	201,107	201,107
Window Takaful Operations - total assets		3,609	-	3,609	872,993	-	872,993	876,602
		2,027,400	2,039,699	4,067,099	15,840,905	-	15,840,905	19,908,004
Financial liabilities								
Outstanding claims including IBNR		-	-	-	11,002,509	-	11,002,509	11,002,509
Insurance / reinsurance payables		-	-	-	2,412,181	-	2,412,181	2,412,181
Other creditors and accruals		-	-	-	1,744,334	-	1,744,334	1,744,334
Borrowings	16.58% to 20.91%	2,091	640	2,731	-	-	-	2,731
Window Takaful Operations - total liabilities		-	-	-	492,722	-	492,722	492,722
		2,091	640	2,731	15,651,746	-	15,651,746	15,654,477
		2,025,309	2,039,059	4,064,368	189,159	-	189,159	4,253,527

	Interest Rates	Interest / mark-up bearing: Maturity upto one year	Interest / mark-up bearing: Maturity after one year	Interest / mark-up bearing: Sub total	Non-interest / mark-up bearing: Maturity upto one year	Non-interest / mark-up bearing: Maturity after one year	Non-interest / mark-up bearing: Sub total	Total
		2023						
		(Rupees in '000)						
Financial assets								
Cash and bank	13.44% to 17.93%	829,991	-	829,991	146,151	-	146,151	976,142
Investments	8.60% to 19.02%	774,155	1,914,936	2,689,091	174,721	-	174,721	2,863,812
Insurance / reinsurance receivables		-	-	-	4,044,829	-	4,044,829	4,044,829
Reinsurance recoveries against outstanding claims		-	-	-	6,819,523	-	6,819,523	6,819,523
Loans and other receivables		-	-	-	505,800	-	505,800	505,800
Salvage recoveries accrued		-	-	-	186,737	-	186,737	186,737
Window Takaful Operations - total assets		4,160	-	4,160	488,883	-	488,883	493,043
		1,608,306	1,914,936	3,523,242	12,366,644	-	12,366,644	15,889,886
Financial liabilities								
Outstanding claims including IBNR		-	-	-	7,377,643	-	7,377,643	7,377,643
Insurance / reinsurance payables		-	-	-	3,392,743	-	3,392,743	3,392,743
Other creditors and accruals		-	-	-	1,496,716	-	1,496,716	1,496,716
Borrowings	9.03% to 23.95%	22,203	21,622	43,825	-	-	-	43,825
Window Takaful Operations - total liabilities		-	-	-	219,294	-	219,294	219,294
		22,203	21,622	43,825	12,486,396	-	12,486,396	12,530,221
		1,586,103	1,893,314	3,479,417	(119,752)	-	(119,752)	3,359,665

Sensitivity analysis

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / markup rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes. The table below summarises Group's interest rate risk as of December 31, 2024 and 2023 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

	Profit or Loss: Increase	Profit or Loss: Decrease
	(Rupees in '000)	
2024		
Cash flow sensitivity - Variable rate financial liabilities	(27)	27
Cash flow sensitivity - Variable rate financial assets	29,956	(29,956)
2023		
Cash flow sensitivity - Variable rate financial liabilities	(438)	438
Cash flow sensitivity - Variable rate financial assets	(23,791)	23,791

(b) Foreign currency risk

Currency risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As of the reporting date, the Group does not have material assets or liabilities which are exposed to foreign currency risk.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity price risk because of investments held by the Group and classified on the consolidated statement of financial position at 'fair value through profit or loss'.

In case of 5% increase / (decrease) in Net Asset Value / Market Value on December 31, 2024, with all other variables held constant, equity for the year would increase / (decrease) by Rs 19.442 million (2023: Rs 8.736 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / (decreased) by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible change in Market Value. Accordingly, the sensitivity analysis prepared as of December 31, 2024 is not necessarily indicative of the effect on the Group's profitability.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. To guard against the risk, the Group maintains balance of cash and other equivalents and readily marketable securities. The maturity profile of assets and liabilities are also monitored to ensure adequate liquidity is maintained.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date on an undiscounted cash flow basis.

	2024			
	Carrying amount	Contractual cash flow	Up to one year	More than one year
	(Rupees in '000)			
Outstanding claims including IBNR	11,002,509	11,002,509	11,002,509	-
Insurance / reinsurance payables	2,412,181	2,412,181	2,412,181	-
Other creditors and accruals	1,744,334	1,744,334	1,744,334	-
Borrowings	2,731	3,084	2,091	993
Window Takaful Operations - total liabilities	492,722	492,722	492,722	-
	15,654,477	15,654,830	15,653,837	993

	2023			
	Carrying amount	Contractual cash flow	Up to one year	More than one year
	(Rupees in '000)			
Outstanding claims including IBNR	7,377,643	7,377,643	7,377,643	-
Insurance / reinsurance payables	3,392,743	3,392,743	3,392,743	-
Other creditors and accruals	1,496,716	1,496,716	1,496,716	-
Borrowings	43,825	55,002	22,203	32,799
Window Takaful Operations - total liabilities	219,294	219,294	219,294	-
	12,530,221	12,541,398	12,508,599	32,799

36.3 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 Group 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 Group's credit risk exposure is not significantly different from that reflected in the consolidated financial statements. The management monitors and limits the Group'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.

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

ABR

	2024	2023
	--------- (Rupees in '000) --------	
Financial assets		
Loans and other receivables	503,187	502,483
Insurance / reinsurance receivables	5,577,763	4,044,829
Reinsurance recoveries against outstanding claims	8,026,127	6,819,523
Salvage recoveries accrued	201,107	186,737
Cash and bank	1,077,639	970,585
Window Takaful Operations - total assets	876,602	493,043
	16,262,425	13,017,200

The Group did not hold any collateral against the above during the year. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery. The movement in the provision for doubtful debt account is shown in notes 12.2 and 12.3. The remaining past due balances were not impaired as they relate to a number of policyholders and other insurers / reinsurers for whom there is no recent history of default.

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

	Rating Agency	Rating	
		Short Term	Long Term
Bank deposits			
JS Bank Limited	PACRA	A1+	AA
BankIslami Pakistan Limited	PACRA	A1	AA-
Bank Al Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA/VIS	A1+	AAA
Standard Chartered Bank Pakistan Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA/VIS	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
The Bank of Punjab	PACRA	A1+	AA+
United Bank Limited	VIS	A1+	AAA
Samba Bank Limited	PACRA	A1	AA
Mobilink Microfinance Bank Limited	PACRA/VIS	A1	A
NRSP Microfinance Bank Limited	PACRA/VIS	A2	A-
FINCA Microfinance Bank Limited	PACRA/VIS	A3	BBB+
Habib Micro Finance Bank Limited	PACRA/VIS	A1	A+
Khushali Micro Finance Bank Limited	VIS	A2	A-
Telenor Micro Finance Bank Limited	PACRA	A1	A
U Micro Finance Bank Limited	PACRA/VIS	A1	A+
Habib Bank Limited	VIS	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Bank Alfalah Limited	PACRA	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Dubai Islamic Bank Limited	VIS	A1+	AA
Al Baraka Bank (Pakistan) Limited	VIS	A1	A+

The age analysis of premiums due but unpaid and amounts due from other insurers / reinsurers is as follows:

	2024	2023
	--------- (Rupees in '000) --------	
Up to 1 year	4,132,948	3,415,436
1-2 years	803,251	392,070
2-3 years	261,785	152,959
Over 3 years	631,291	318,723
	5,829,275	4,279,188

	2024	2023
	------- (Rupees in '000) -------	
Window Takaful Operations		
Up to 1 year	590,291	390,953
1-2 years	111,990	57,080
2-3 years	69,205	57,027
Over 3 years	81,136	36,896
	852,622	541,956

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial assets subject to credit risk is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

	2024	2023
	-------- (Rupees in '000) -------	
Sector wise analysis of premiums due but unpaid		
Foods and beverages	312,885	100,992
Financial services	283,948	325,235
Pharmaceuticals	99,731	40,632
Textile and composites	470,091	343,408
Engineering	24,342	43,280
Other manufacturing	171,679	223,566
Miscellaneous	791,560	483,415
	2,154,236	1,560,528
Window Takaful Operations		
Textile	99,641	81,867
Financial services	88,386	34,386
Engineering	34,158	28,405
Pharmaceuticals	7,299	22,086
Food	93,184	70,136
Other manufacturing	10,072	21,298
Others	219,003	84,135
	551,743	342,313

The credit quality of amount due from other insurers and reinsurers can be assessed with reference to external credit ratings as follows:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2024	2023
	------------ (Rupees in '000) ------------				
A- or above (including PRCL)	2,500,422	5,460,814	1,979,534	9,940,770	10,787,968
BBB and B+	395,843	864,504	313,381	1,573,728	585,652
Others	778,774	1,700,809	616,539	3,096,122	498,380
Total	3,675,039	8,026,127	2,909,454	14,610,620	11,872,000

	Due from other insurers / re-takaful operators	Re-takaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	2024	2023
	------------ (Rupees in '000) ------------				
Window Takaful Operations					
A- or above (including PRCL)	292,025	152,703	161,169	605,896	550,660
BBB	8,854	4,779	5,044	18,678	12,090
Others	-	-	-	-	-
	300,879	157,482	166,213	624,574	562,750

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36.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Holding Company currently meets the paid up capital requirement as required by Securities and Exchange Commission of Pakistan.

37 FINANCIAL INSTRUMENTS BY CATEGORY

	2024	2023
	(Rupees in '000)	
Financial assets and financial liabilities		
Financial assets		
Amortised cost		
Cash and bank	1,095,765	973,353
Insurance / reinsurance receivables	5,577,763	4,044,829
Reinsurance recoveries against outstanding claims	8,026,127	6,819,523
Loans and other receivables	503,187	502,483
Salvage recoveries accrued	201,107	186,737
Window Takaful Operations - total assets	876,602	493,043
	16,280,551	13,019,968
Investments - fair value through profit or loss		
Equity securities	388,835	174,721
Term finance certificates and Sukuks	242,973	309,989
Government securities	2,995,645	2,379,102
	3,627,453	2,863,812
Financial liabilities		
Amortised cost		
Outstanding claims including IBNR	11,002,509	7,377,643
Insurance / reinsurance payables	2,412,181	3,392,743
Other creditors and accruals	1,744,334	1,496,716
Borrowings	2,731	43,825
Window Takaful Operations - total liabilities	492,722	219,294
	15,654,477	12,530,221

38 FAIR VALUES MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

The table below analyses financial and non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Group has no items to report in this level.

The Group held the following financial instruments measured at fair value:

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Financial assets - measured at fair value	2024		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Fair value through profit or loss			
Listed shares	361,977	-	-
Mutual funds	-	26,858	-
Term finance certificates	-	242,973	-
Government securities	-	2,995,645	-
Non-financial assets - measured at fair value			
Property and equipment (Buildings and leasehold improvements) *	-	-	712,599
Investment properties *	-	-	417,845

Financial assets - measured at fair value	2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Fair value through profit or loss			
Listed shares	149,264	-	-
Mutual funds	-	25,457	-
Term finance certificates	-	309,989	-
Government securities	-	2,379,102	-
Non-financial assets - measured at fair value			
Property and equipment (Buildings and leasehold improvements) *	-	-	698,806
Investment properties *	-	-	416,447

Item	Valuation approach and input used
Listed Shares	The valuation has been determined through closing rates of Pakistan Stock Exchange (PSX).
Government securities	The fair value of Government securities is derived using PKRV rates. PKRV rate is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Mutual funds	The fair value of mutual funds is derived from using rates published on Mutual Funds Association of Pakistan.
Term finance certificates	The fair value of term finance certificates is derived from using rates published on Mutual Funds Association of Pakistan.
Property and equipment (Buildings and leasehold improvements) *	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.
Investment properties *	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.

* Buildings including leasehold improvements and investment properties are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 5 and 7 to these consolidated financial statements. The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these consolidated financial statements.

The carrying amounts of all other financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

39 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. There have been no significant reclassifications or rearrangements in these consolidated financial statements during the current year.

40 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company on March 19, 2025.

41 EVENTS AFTER REPORTING DATE

The Board of Directors of the Holding Company has proposed a final dividend for the year ended December 31, 2024 of Rs. 1.69 per share, amounting to Rs. 325 million in its meeting held on March 19, 2025. The effect of this distribution will be incorporated in the consolidated financial statements of the Group for the year ending December 31, 2025.

42 GENERAL

Figures in these consolidated financial statements have been rounded off to the nearest thousand of rupees unless otherwise stated.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer