IGI GENERAL INSURANCE LIMITED

ANNUAL REPORT 2023

Contents

DIRECTORS REPORT TO THE SHAREHOLDERS

The Directors of IGI General Insurance Limited ("the Company") take pleasure in presenting the annual report of your Company, together with the audited financial statements for the year ended December 31, 2023.

PRINCIPAL ACTIVITES OF THE COMPANY

The Company was incorporated as a public limited company on November 18, 2016 under the Companies Ordinance 1984 (now Companies Act, 2017). The objects of the Company include general insurance services in spheres of Fire, Marine, Motor, Health and Miscellaneous including engineering and travel as well as general takaful services, which the Company commenced in July 2017.

PERFORMANCE OF THE COMPANY

During the year, the Company has achieved Gross premium/contribution of Rs 14.335 billion reflecting growth of 42% as compared to 2022.

On conventional business side, the Company has written gross premium of Rs 12,388 million compared with Rs 8,538 million during 2022 i.e. 45% higher than last year.

The net premium revenue stood at Rs 4,482 million compared to Rs 3,414 million during 2022 i.e. 31% higher than last year.

The Company incurred net claims of Rs 1,952 million during the year as compared to Rs 2,029 million during 2022.

Net commission expense stood at Rs 907 million compared to Rs 153 million during last year. The increase is due to higher acquisition cost in a new product and lower commission income earned from reinsurance contracts.

Investment income increased to Rs 511 million compared to Rs 291 million in the comparable year, the increase is mainly due to increase in interest rates and investment base.

On the window takaful business side, the Company has written gross contribution of Rs 1,944 million compared to Rs 1,550 million in the corresponding period. The participants incurred surplus of Rs 144 million compared to Rs 27 million in the prior year, the increase is due to better underwriting and higher investment income.

The operator fund earned Rs 172 million from its Takaful operations compared to that of Rs 109 million in the corresponding period.

As a result, the Company generated profit before tax of Rs 1,236 million with profit after tax of Rs 669 million during the year compared to Rs 741 million and Rs 468 million respectively in the corresponding period.

Earnings per share (EPS) of the Company stood at Rs 3.51 per share as compared to Rs 2.44 per share in corresponding period.

SEGMENTS AT A GLANCE

FIRE

Gross Premium written was Rs 5,580 million compared to Rs 3,292 million during 2022. Net Premium Earned and Net claims were Rs 443 million and Rs 58 million respectively compared to Rs 247 million and Rs 200 million respectively during 2022. This resulted in underwriting loss of Rs 119 million compared to that of Rs 353 million during 2022.

MARINE, AVIATION AND TRANSPORT

Marine business gross written premium was Rs 1,147 million in 2023 compared to Rs 1,203 million during 2022. Net Premium Earned and Net claims were Rs 317 million and Rs 136 respectively compared to Rs 369 million and Rs 173 million respectively during 2022. This resulted in underwriting profit of Rs 142 million compared to Rs 153 million during 2022.

MOTOR

Motor business gross Premium was Rs 2,158 million compared to Rs 1,942 million during 2022. Net Premium Earned and Net claims were Rs 1,797 million and Rs 854 million respectively. This resulted in underwriting profit of Rs 517 million compared to Rs 393 million during 2022.

HEALTH

Gross Premium was Rs 1,721 million compared to Rs 700 million during 2022. Net Premium Earned and Net claims were Rs 1,546 million and Rs 767 million respectively. This resulted in underwriting loss of Rs 24 million compared to underwriting profit of Rs 52 million in 2022.

MISCELLANEOUS

Miscellaneous segment includes Engineering and Contractor’s All Risk Insurance, Trade credit, Travel, Bond and Pecuniary lines of business. During the year, this business line has written gross premium of Rs 1,782 million compared to Rs 1,401 million during 2022. Net premium earned and net claims amounted to Rs 379 million and Rs 137 million respectively with underwriting loss of Rs 57 million compared to that of Rs 1 million in 2022.

CLAIMS

Our focus is on swift settlement of claims. For this purpose, the Company has taken a number of initiatives to further reduce the claims settlement turnaround time.

Incurred loss ratio increased to 44% during the year compared to 59% during 2022.

RE-INSURANCE AND RISK MANAGEMENT

The Company follows a policy of risk optimization through a carefully designed program of re-insurance. The Company believe in building partnerships with our clients to provide them a long term risk management solution by using our insurance expertise, a state of the art technology platform and a focused risk management service that helps our clients understand the hazards that may threaten their businesses and determine cost-effective loss prevention solutions.

APPROPRIATIONS

The Board of Directors has proposed final dividend for the year ended December 31, 2023 of Rs 0.89 per share (2022: Rs 0.86 per share), amounting to Rs 170 million (2022: Rs 165 million). This is in addition to accumulated interim dividend of Rs 2.19 per share (2022: Rs 1.19 per share) amounting to Rs 420 million (2022: Rs 230 million) declared and disbursed during the year.

BOARD OF DIRECTORS MEETINGS

During the year 2023, meetings of the board of directors were held on timely basis. Attendance by each director in the meetings held was as follows:

	Attendance
Syed Hyder Ali	4
Mr. Shamim Ahmad Khan	4
Syed Hasnain Ali	4
Mr. Tahir Masaud (CEO)	4
Mr. Sajjad Iftikhar	4
Ms. Arjumand Ahmed Shah	4

RELATED PARTY TRANSACTIONS

The Board of Directors approved Company's transactions made with Associated Companies / Related parties. All the transactions executed with related parties were on commercial terms and conditions.

CAPITAL MANAGEMENT AND LIQUIDITY

The Company actively manages and monitors the matching of its asset positions against its commitments, together with diversification and credit quality of its investments against established targets.

The Company's primary source of funds is cash provided by operating activities i.e. insurance business. Net operating cash flows have also been invested to generate investment income for the Company. Net cash flows of the Company are utilized for business commitments, expansions and for dividend payout to the shareholder.

INSURER'S FINANCIAL STRENGTH RATING

Pakistan Credit Rating Agency (Private) Limited (PACRA) and VIS Credit Rating Company Limited (JCR) has assigned your Company an “Insurer Financial Strength” (IFS) Rating of “AA+” (Double A plus). IFS rating of “AA+” (Double A plus) denotes a very strong capacity to meet policy holders and contract obligations. Risk factors are very low, and the impact of any adverse business and economic factors is expected to be very small.

RISK MITIGATION

The senior management team, led by the Chief Executive Officer is responsible for risk mitigation measures. The Company’s proactive risk management program helps in identifying and responding to changing business and regulatory requirements on timely basis.

MATERIAL CHANGES

There have been no material changes during the year which would affect financial position of Company.

CODE OF CONDUCT

The Board has adopted a statement of ethics and business practices. The Code of Conduct is signed by all the employees undertaking that they subscribed to high ethical values. All our operational activities are carried out in a transparent manner in accordance with the code of ethics.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is aware of its corporate social responsibilities and is supporting social sector organizations in the fields of education, health and environment. The Company also offers internships all around the year to students from colleges and universities.

ISO CERTIFICATION AND ITS VALUE TO OUR CUSTOMERS

Your Company continues to focus on improving productivity and efficiency in its operations and is Quality Management Certification to ISO 9001:2015.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

- The financial statements prepared by the management of the Company present the state of its affairs, the results of its operations, cash flows and changes in equity, fairly.

- Proper books of accounts have been maintained by the Company.

- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- The financial statements have been prepared in conformity with the Companies Act 2017 and International Financial Reporting Standards, as applicable in Pakistan. Any departures therefrom have been adequately disclosed and explained;

- The system of internal control is sound in design and has been effectively implemented and monitored;

- There are no doubts on the Company's ability to continue as a going concern;

- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;

- Key operating and financial data is separately annexed with the report.

- Outstanding taxes and duties are given in the financial statements.

- The value of investments of based on audited accounts of the respective finds were as follows:

  Provident fund as at June 30, 2023 - Rs 55.07 million
  Gratuity fund as at December 31, 2022 - Rs 43.78 million

- The statement of pattern of shareholding in the Company as on December 31, 2023 is as follows:

<u>**Holding Co**</u>	
IGI Holdings Limited	191,838,394
<u>**Directors**</u>	
Syed Hyder Ali	1
Mr Tahir Masaud (Chief Executive Officer)	1
Mr Sajjad Iftikhar	1
Syed Hasnain Ali	1
Mr Shamim Ahmed Khan	1
Ms Arjumand Ahmed Shah	1
Total	**191,838,400**

The directors are holding one share each of the Company as nominee of IGI Holdings.

STATEMENT OF COMPLIANCE UNDER SECTION 46(6) OF THE INSURANCE ORDINANCE 2000

The directors hereby certify that in their opinion:

- the annual statutory accounts of the company annexed hereto have been drawn up in accordance with the Ordinance and any Rules made thereunder;
- the company has during the period complied with the provisions of the Ordinance and the Rules made thereunder relating to paid up capital, solvency and reinsurance arrangements; and
- as at the date of the statement, the company continues to be in compliance with the provisions of the Ordinance and the Rules made thereunder relating to paid up capital, solvency and reinsurance arrangements.

FUTURE OUTLOOK

The insurance industry is likely to observe a modest growth due to prevailing challenging economic environment, inflation and depreciation of rupee. Increase in interest rates have positive effect on the investment income of the company. However, by continuing to invest in risk management and innovations, the insurance industry can continue to provide valuable protection to customers.

AUDITORS

The present auditors M/s A.F Ferguson & Co., Chartered Accountants have retire and offer themselves for reappointment. They have confirmed achieving satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP.

The Board of Directors have recommended their reappointment as Auditors of the Company for the year ending December 31, 2024, at a fee to be mutually agreed.

ACKNOWLEDGEMENT

We would like to thank our customers for their loyalty and trust. We also value the support and patronage extended by our business partners and all stakeholders. We appreciate the dedicated and sincere efforts of our employees.

We would also like to thank the Securities and Exchange Commission of Pakistan for their continued guidance.

For and on behalf of the Board

Shamim Ahmad Khan	Faisal Khan
Chairman	**Chief Executive Officer**
Lahore: March 18, 2024	Lahore: March 18, 2024

IGI GENERAL INSURANCE LIMITED
KEY OPERATIONAL AND FINANCIAL DATA
Rupees in '000

	2023	2022	2021	2020	2019	2018	2017	2016 *
Gross premium	12,388,623	8,537,522	7,388,824	5,476,591	5,177,105	4,417,930	2,901,560	-
Gross contribution	1,947,355	1,551,607	1,121,994	537,318	435,435	190,078	36,366	-
Total premium/contribution	14,335,978	10,089,129	8,510,818	6,013,909	5,612,540	4,608,008	2,937,926	-
BALANCE SHEET								
Paid up share capital	1,918,384	1,918,384	1,918,384	1,918,384	1,918,384	1,918,384	1,501,000	1,000
Shareholders equity	2,843,289	2,736,938	2,541,995	2,446,797	2,462,112	2,250,039	2,091,006	1,000
Surplus on revaluation of property and equipment	369,013	387,613	368,414	333,025	313,309	-	-	-
Investments	2,868,812	2,118,672	2,973,027	2,908,657	3,151,476	2,564,963	321,211	-
Fixed assets	1,182,759	1,001,292	889,082	881,032	858,910	319,313	279,820	-
Total assets	20,686,674	16,705,425	11,656,901	10,458,234	8,928,619	6,858,395	5,744,538	1,000
Underwriting provisions	11,575,038	9,904,720	5,479,219	4,751,965	3,568,308	2,959,309	2,513,410	-
Total liabilities	17,474,372	13,580,874	8,746,492	7,678,412	6,153,198	4,537,136	5,744,538	-
PROFIT AND LOSS ACCOUNT								
Underwriting result	459,568	254,314	308,649	299,684	233,123	242,000	388,999	-
Investment income	510,600	290,972	144,434	344,294	465,848	134,816	64,037	-
Profit / (loss) from Window Takaful Operations	171,936	108,872	86,756	37,573	70,818	23,677	(2,539)	-
Profit before tax	1,243,295	741,495	603,063	685,556	806,897	467,599	248,798	-
Taxation	(569,748)	(273,304)	(175,153)	(199,096)	(233,740)	(140,213)	(74,919)	-
Profit after tax	673,547	468,191	427,910	486,460	573,157	327,386	173,879	-
CASH FLOW SUMMARY								
Operating activities	1,625,605	(496,535)	298,031	(22,090)	452,031	263,180	473,635	-
Investing activities	(294,006)	449,771	(87,835)	1,165,935	(454,590)	(1,545,264)	(222,397)	-
Financing activities	(640,110)	(375,345)	(414,455)	(567,897)	(566,492)	(183,497)	2,215,504	1,000
Cash & cash equivalents	1,074,179	382,690	804,799	1,009,058	433,110	1,002,161	2,467,742	1,000
PROFITABILITY RATIOS								
Earnings per share (Rs.)	3.51	2.44	2.23	2.54	2.99	1.71	1.16	-
Cash dividend per share (Rs.)	3.08	2.05	1.56	2.50	2.39	1.06	0.85	-
Break up value per share (Rs.)	16.74	16.29	15.17	14.49	14.47	11.73	13.93	10.00
Return on equity (%)	23.69	17.11	16.83	19.88	23.28	14.55	8.32	-
Return on assets (%)	3.26	2.80	3.67	4.65	6.42	4.77	3.03	-
Underwriting profit to gross premium (%)	3.71	2.98	4.18	5.47	4.50	5.48	13.41	-
Profit before tax to total gross premium (%)	8.67	7.35	7.09	11.40	14.38	10.15	8.47	-
Profit after tax to total gross premium (%)	4.70	4.64	5.03	8.09	10.21	7.10	5.92	-

** IGI General Insurance Limited was incorporated on November 18, 2016 and the insurance business of IGI Insurance Limited (now IGI Holdings Limited) was transferred to the Company w.e.f. January 31, 2017 through the Court sanctioned Scheme of Arrangement.*

IGI GENERAL INSURANCE LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023

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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, 2023, 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, 2023 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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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 **Shahbaz Akbar**.

Afferguson&Co

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 5, 2024
UDIN: AR202310068iKS3HLZJR

IGI GENERAL INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023	2022
		--------------(Rupees in '000)--------------	
Assets			
Property and equipment	5	1,179,316	992,301
Intangible assets	6	3,443	8,991
Investment properties	7	416,447	429,402
Investment in subsidiary	8	5,000	5,000
Investments			
- Equity securities	9	174,721	90,974
- Government securities	10	2,379,102	1,622,698
- Debt securities	11	309,989	400,000
Loans and other receivables	12	684,931	596,012
Insurance / reinsurance receivables	13	4,044,829	4,617,429
Reinsurance recoveries against outstanding claims	25	6,819,523	4,761,352
Salvage recoveries accrued		186,737	106,324
Deferred commission expense	26	374,998	353,588
Taxation - payment less provisions		142,345	102,334
Prepayments	15	2,375,097	1,743,505
Cash and bank	16	973,353	382,690
		20,069,831	16,212,600
Total assets of Window Takaful Operations - operator's fund		616,843	492,825
Total assets		20,686,674	16,705,425
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised capital			
250,000,000 (2022: 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 (2022: 191,838,400) ordinary shares of Rs 10 each	17	1,918,384	1,918,384
Unappropriated profit		924,905	818,554
Total equity		2,843,289	2,736,938
Surplus on revaluation of property and equipment - net of tax	18	369,013	387,613
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	25	7,377,643	6,623,855
Unearned premium reserves	24	3,944,261	3,007,816
Premium deficiency reserve	25.2	-	3,424
Unearned reinsurance commission	26	253,134	269,625
Retirement benefit obligations	14	26,805	28,658
Borrowings	19	43,825	81,415
Premium received in advance		3,961	4,119
Insurance / reinsurance payables	20	3,392,743	1,838,227
Deferred taxation	21	316,609	206,641
Other creditors and accruals	22	1,653,429	1,147,213
		17,012,410	13,210,993
Total liabilities of Window Takaful Operations - operator's fund		461,962	369,881
Total liabilities		17,474,372	13,580,874
Total equity and liabilities		20,686,674	16,705,425
Contingencies and commitments	23		

The annexed notes 1 to 42 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, 2023

	Note	2023	2022
		---------(Rupees in '000)---------	
Net insurance premium	24	4,482,049	3,413,733
Net insurance claims	25	(1,951,936)	(2,029,381)
(Reversal) / charge for premium deficiency reserve	25	3,424	(2,079)
Net commission expense	26	(907,413)	(152,831)
Insurance claims and acquisition expenses		(2,855,925)	(2,184,291)
Management expenses	27	(1,166,556)	(975,128)
Underwriting results		459,568	254,314
Investment income	28	510,600	290,972
Rental income		27,748	31,078
Other income	29	190,822	131,824
Other expenses	30	(103,628)	(58,853)
Result of operating activities		1,085,110	649,335
Finance costs against right-of-use assets		(13,751)	(16,712)
Profit from Window Takaful Operations - operators fund		171,936	108,872
Profit before tax		1,243,295	741,495
Income tax expense	31	(569,748)	(273,304)
Profit after tax		673,547	468,191
Other comprehensive loss			
Items that will not be subsequently reclassified to the profit or loss			
- Remeasurement loss on defined benefit obligations	14.1.4	(13,347)	(20,453)
- Related deferred tax		5,205	6,749
		(8,142)	(13,704)
Total comprehensive income		665,405	454,487
Earnings per share basic and dilutive - Rupees	32	3.51	2.44

The annexed notes 1 to 42 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, 2023

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	(Rupees in '000)		
Balance as at January 1, 2022	1,918,384	623,611	2,541,995
Profit after taxation for the year ended December 31, 2022	-	468,191	468,191
Other comprehensive loss for the year - net of tax	-	(13,704)	(13,704)
Total comprehensive income for the year ended December 31, 2022	-	454,487	454,487
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax (note 18)	-	20,456	20,456
Transactions with owners - directly recognised in equity			
Final dividend at rate of Re. 0.26 per share for year ended December 31, 2021 approved on April 26, 2022	-	(50,000)	(50,000)
Interim dividend at rate of Re. 0.57 per share for year ending December 31, 2022 declared on August 22, 2022	-	(110,000)	(110,000)
Interim dividend at rate of Re. 0.62 per share for year ending December 31, 2022 declared on October 25, 2022	-	(120,000)	(120,000)
	-	(280,000)	(280,000)
Balance as at December 31, 2022	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

The annexed notes 1 to 42 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, 2023

	Note	2023	2022
		-----------(Rupees in '000)-----------	
OPERATING CASH FLOWS			
Underwriting activities			
Premiums received		12,281,480	8,366,108
Reinsurance premiums paid		(5,365,251)	(6,816,853)
Claims paid		(4,651,131)	(5,884,018)
Reinsurance and other recoveries received		1,394,812	5,046,975
Commissions paid		(1,699,278)	(943,373)
Commissions received		908,137	803,185
Management expenses paid		(1,161,717)	(923,846)
Net cash inflow from / (outflow on) underwriting activities		1,707,052	(351,822)
Other operating activities			
Income tax paid		(499,165)	(256,755)
Operating receipts payments		(248,413)	(444)
Operating receipts receipts		666,131	112,486
Net cash inflow from / (outflow on) operating activities		(81,447)	(144,713)
Total cash inflow from / (outflow on) from all operating activities		1,625,605	(496,535)
INVESTMENT ACTIVITIES			
Profit received		433,741	288,883
Payment for investments		(5,534,193)	(4,359,870)
Proceeds from investments		4,934,012	4,581,165
Amount received from Window Takaful Operations - operator's fund		72,944	61,598
Fixed capital expenditure - owned		(274,429)	(151,189)
Proceeds from sale of property and equipment - owned		73,919	29,184
Total cash (outflow on) / inflow from investing activities		(294,006)	449,771
FINANCING ACTIVITIES			
Dividend paid		(585,000)	(280,000)
Interest paid		(13,751)	(16,712)
Repayment of liability against right-of-use assets		(41,359)	(78,633)
Total cash outflow on financing activities		(640,110)	(375,345)
Net cash inflow from / (outflow on) all activities		691,489	(422,109)
Cash and cash equivalents at beginning of the year		382,690	804,799
Cash and cash equivalents at end of the year	16.2	1,074,179	382,690

The annexed notes 1 to 42 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, 2023

	2023	2022
	---- (Rupees in '000) ----	
Reconciliation to unconsolidated statement of comprehensive income		
Operating cash flows	1,625,605	(496,535)
Depreciation and amortisation expense	(108,434)	(101,822)
Depreciation on right-of-use assets	(30,649)	(21,607)
Finance cost against right-of-use assets	(13,751)	(16,712)
Profit on disposal of property and equipment	35,863	20,589
Other investment income	510,600	290,972
Unrealised fair value gain on investment properties	13,402	29,827
Increase in assets other than cash	2,320,190	5,545,602
Increase in liabilities other than borrowings	(3,784,160)	(4,859,422)
Profit from Window Takaful Operations - net of tax	104,881	77,299
Profit after tax	673,547	468,191

The annexed notes 1 to 42 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 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, 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 Accounting Regulations, 2019.

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 certain 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, 2023 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, 2024:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IAS 7 - 'Statement of Cash Flows' (amendments)	January 1, 2024
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IFRS 9 - 'Financial Instruments'	January 1, 2026
- IFRS 7 - 'Financial Instruments: Disclosures'	January 1, 2024
- IAS 21 - 'The effects of changes in foreign exchange rates' (amendments)	January 1, 2025
- IFRS 17 - 'Insurance contracts'	January 1, 2026
- IFRS 16 - 'Leases' (amendments)	January 1, 2024

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.

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 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, 2023 and changes in the fair values during the year ended December 31, 2023

	2023	2022
	---- (Rupees in '000) ----	
Financial assets that do not meet SPPI criteria		
- Equity securities-(note 9)		
Opening fair value	90,974	952,722
Additions / (disposals) during the year - net	45,212	(854,846)
Increase / (decrease) in fair value	38,535	(6,902)
Closing fair value	174,721	90,974

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, 2024 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.

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 have been 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.

The Company enters into fire and property damage, marine, motor, health, burglary, loss of cash in transit, travel, personal accident, engineering losses and other insurance contracts with corporate clients and individuals residing or located in Pakistan.

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 neither issues investment contracts nor does it issue insurance contracts with Discretionary Participation Features (DPF).

3.2 Premium

Premium received / receivable under a policy is recognised as written from the date of attachment of the risk to the policy to which it relates. Where the pattern of incidence of risk varies over the period of the policy, premium is recognised as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is 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 policies is calculated on the basis of number of days.

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from policyholders in respect of policies issued, at the rate of 5% (2022: 5%) of the premium written restricted to a maximum of Rs. 8,750 (2022: Rs. 7,990) per policy and Rs. 6,250 in case of motor (2022: Rs. 6,000).

Receivables under insurance contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is an objective evidence that the receivables are impaired, the Company reduces the carrying amount of the receivables and recognises that impairment loss in the unconsolidated statement of comprehensive income.

3.3 Reinsurance ceded

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.

3.4 Claims expense

General insurance 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 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 an insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

The provision for Incurred But Not Reported (IBNR) claims is determined by the Company as required under circular No. 9 of 2016 SECP guidelines for estimation of Incurred But Not Reported (IBNR) issued by the SECP. As per the Guidelines an insurer shall estimate IBNR claims reserve based on the prescribed method provided in the Guidelines. The guidelines also allow the use of any other alternative method of determining IBNR, if found more suitable for the risk class, provided that the amount estimated under the alternative method shall not be less than the amount calculated under prescribed method. 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 are 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.

Under alternative method, IBNR is determined on reported basis. IBNR (reported basis) is much similar to IBNR (paid basis) but is calculated using a different methodology. It does not use either IBNP or outstanding claims to estimate IBNR rather, is determined using BCL method. Development factors are determined for each accident period to estimate the ultimately reported claims directly. Intimation registers are used in the BCL model where lags are calculated as the difference between the 'date of loss' and 'date of intimation'.

The analysis is carried out separately for each class of business and results determined through this alternative method are compared to the results of prescribed method and higher of the two are set as the final reserve.

3.5 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.

3.6 Commission and other acquisition costs

Commission expense and other acquisition costs incurred in obtaining and recording 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.

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 accrual basis.

3.7 Premium deficiency reserve

The Company is required as per Insurance Accounting Regulations, 2017 to maintain a provision in respect of premium deficiency for the class of business where the unearned premium liability 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 / income in the unconsolidated statement of comprehensive income for the year.

At each reporting date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium 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 in force at reporting date with the carrying amount of unearned premium liability. Any deficiency is recognised by establishing a provision (premium 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 expected ultimate net claim ratios for the unexpired periods of policies in force at reporting date for each class of business is as follows:

	2023	2022
Fire and property damage	13%	81%
Marine, aviation and transport	43%	47%
Motor	48%	51%
Health	50%	81%
Miscellaneous	36%	42%

3.8 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 Company.

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

3.9 Taxation

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 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. Deferred tax is charged or credited to the unconsolidated statement of comprehensive income.

3.10 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, deposits with banks, stamps in hand, term deposits with original maturity of less than three months and short term finances.

3.11 Investments

3.11.1 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

3.11.1.1 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 statement of comprehensive income in the period in which these arise.

3.11.1.2 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.

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 unconsolidated statement of comprehensive income.

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

3.11.1.3 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.

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

Dividend income and entitlement of bonus shares are recognised when the Company's right to receive such dividend and bonus shares is established.

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.

3.11.1.4 Investment in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses, if any.

3.11.1.4 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.

3.11.1.5 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 Company commits to purchase or sell the investment.

3.12 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, principally 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 other income.

3.13 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).

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 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.

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

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.

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

3.14 Staff retirement benefits

3.14.1 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.

3.14.2 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, 2023 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 profit or loss.

3.14.3 Accumulating compensated absences

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

3.15 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.

3.16 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.

3.17 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.

3.18 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.

The perils covered under fire insurance include damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and terrorism.

Marine insurance provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive car coverage and indemnity against third party loss.

Health insurance provides coverage against expenses incurred during the hospitalisation due to sickness, emergency and accidents.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, travel, personal accident, money, engineering losses, live stocks, crops and other covers.

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.

3.19 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.

3.20 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.

The Company has elected to apply the practical expedient of not to recognise right-of-use-assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

3.21 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.

3.22 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 allocable to the underwriting business are charged as administrative 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 regular basis and the revised basis is followed consistently in future periods.

3.23 Dividends and appropriations to reserves

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

3.24 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 3.4 and 25);
- Provision for taxation and deferred tax (notes 3.9, 21 and 31);
- Defined benefit plan (notes 3.14.2 and 14);
- Fair valuation of buildings and leasehold improvements (notes 3.13, and 5);
- Fair valuation of investment properties (notes 3.12 and 7);
- Useful lives, residual value and depreciation method of property and equipment and intangible assets (notes 3.13, 5 and 6);
- Premium deficiency reserve (notes 3.7 and 25.2);
- Classification of investments and its impairment (notes 3.11, 9, 10 and 11);
- Provision against reinsurance recoveries against outstanding claims (notes 3.5 and 25);
- Provision against premium due but unpaid and amount due from other insurers / reinsurers (notes 3.2, 13.3 and 13.4);
- Allocation of management expenses (note 3.22); and
- Right-of use assets and lease liabilities (note 3.20).

5 PROPERTY AND EQUIPMENT

	Note	2023	2022
		---- (Rupees in '000) ----	
Operating assets	5.1	1,123,638	980,767
Capital work-in-progress	5.4	55,678	11,534
		1,179,316	992,301

5.1 Operating assets

	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)	Revalua-tion	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 - 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	

	2022												
	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)	Revalua-tion	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	62,075	16,389	-	-	-	78,464	24,786	23,468	-	-	48,254	30,210	33.33%
Furniture and fixtures	34,613	1,884	-	(1,563)	-	34,934	13,969	3,841	-	(922)	16,888	18,046	10%
Office equipment	36,071	8,488	-	(1,432)	-	43,127	23,480	5,907	-	(1,183)	28,204	14,923	16.67%
Computer equipment	45,790	6,775	-	(59)	-	52,506	29,657	3,970	-	(35)	33,592	18,914	33.33%
Buildings / leasehold improvements (note 5.1.1)	733,895	319	-	(2,585)	94,194	825,823	133,756	45,133	-	(2,585)	176,304	649,519	5%-33%
Motor vehicles - owned	68,041	114,678	2,492	(4,756)	-	180,455	34,062	27,220	1,524	(4,668)	58,138	122,317	16.67%
Right-of-use assets - vehicle	195,136	12,273	(2,492)	(22,417)	-	182,500	69,384	15,537	(1,524)	(14,824)	68,573	113,927	20%
Right-of-use asset - rented premises	33,073	-	-	-	-	33,073	14,092	6,070	-	-	20,162	12,911	16.67%
	1,208,694	160,806	-	(32,812)	94,194	1,430,882	343,186	131,146	-	(24,217)	450,115	980,767	

5.1.1 Movement in written down value of buildings / leasehold improvements:

	2023	2022
	---- (Rupees in '000) ----	
Cost / revalued amount	825,823	733,895
Accumulated depreciation	(176,304)	(133,756)
Written down value - opening	649,519	600,139
Additions during the year	1,475	319
Transfer from investment property	26,357	-
Disposals during the year		
Cost	-	(2,585)
Accumulated depreciation	-	2,585
	-	-
Depreciation charge during the year	(57,527)	(45,133)
Revaluation during the year	78,982	94,194
Written down value - closing	698,806	649,519
Cost / revalued amount	932,637	825,823
Accumulated depreciation	(233,831)	(176,304)
Written down value	698,806	649,519

5.1.2 The forced sale value of buildings and leasehold improvements as at December 31, 2023 amounted to Rs. 587.077 million (2022: Rs. 544.627 million).

5.1.3 Buildings and leasehold improvements are carried at revalued amount. The latest revaluation was carried out on December 31, 2023 by Hamid Mukhtar & Co. (Pvt) Limited which resulted in a surplus of Rs. 78.982 million (2022: Rs. 94.194 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:

	2023	2022
	------- (Rupees in '000) -------	
Buildings and leasehold improvements	93,927	69,485

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							
Lenovo Thinkbook 15	187	(62)	125	140	15	Company Policy	Ahsan Ejaz*
Lenovo Ideapad L3	102	(42)	60	60	-	Negotiation	Saleem Ahmed
	289	(104)	185	200	15		
Right-of-use assets - vehicle							
Honda Civic	3,067	(2,346)	721	4,050	3,329	Company Policy	Athar Chaudhry*
Suzuki Cultus	1,776	(445)	1,331	2,200	869	Negotiation	Muhammad Nadeem
Toyota Fortuner	9,072	(4,601)	4,471	13,550	9,079	Negotiation	Haroon Shafiq
	13,915	(7,392)	6,523	19,800	13,277		
Motor Vehicle - Owned							
HONDA CD 70	122	(24)	98	105	7	Company Policy	Adeel Ahmed*
HONDA CD 70	122	(20)	102	107	5	Company Policy	Hafiz Shehereyar*
HONDA CG-125	186	(34)	152	186	34	Company Policy	Adnan Ahmed Khan*
HONDA CG-125	186	(22)	164	187	23	Negotiation	Afshan Arif
Honda CG-125	220	(33)	187	192	5	Company Policy	Adnan Shah*
Honda CG-125	186	(28)	158	158	-	Company Policy	Tanveer Ahmed Khan*
HONDA CITY	1,243	(726)	517	2,917	2,400	Company Policy	Muhammad Imran*
HONDA CITY	1,072	(587)	485	2,950	2,465	Negotiation	Mohammad Ashraf
HONDA CITY	1,213	(696)	517	2,990	2,473	Negotiation	Hammad Rizvi
HONDA CITY 1.2	3,727	(200)	3,527	4,089	562	Company Policy	Waqas Mehmood Danish*
HONDA CITY	3,656	(229)	3,427	4,137	710	Company Policy	Imran Aslam*
HYUNDAI TUCSON	5,914	(487)	5,427	6,431	1,004	Company Policy	Bilal Liaqat*
HYUNDAI TUCSON	5,413	(408)	5,005	5,931	926	Company Policy	Madiha Ahmad*
KIA SORENTO	6,485	(452)	6,033	6,686	653	Company Policy	Jamshaid Hussain*
SUZUKI CULTUS	1,076	(696)	380	1,621	1,241	Company Policy	Taha Naqvi*
SUZUKI SWIFT	3,130	(165)	2,965	3,312	347	Company Policy	Mansoor Amjad*
Toyota Corolla Altis	939	(167)	772	4,800	4,028	Company Policy	Awais Amjad*
TOYOTA PASSO	1,147	(772)	375	2,351	1,976	Negotiation	Muhammad Adnan
	36,037	(5,746)	30,291	49,150	18,859		
Disposals having book value not exceeding Rs. 50,000 individually							
Furniture and fixtures	174	(174)	-	24	24	Negotiation	Various
Office equipment	1,350	(506)	844	934	90	Negotiation	Various
Computer equipment	1,081	(1,061)	20	450	430	Negotiation	Various
Tracker equipment	10,255	(9,677)	578	-	-	Asset Scrapped	Not Applicable
Right-of-use asset - rented premises	3,374	(2,718)	656	-	-	Agreement Expired	Not Applicable
Motor vehicles - owned	1,171	(978)	193	3,361	3,168	Negotiation	Various
	17,405	(15,114)	2,291	4,769	3,712		
Total - December 31, 2023	67,646	(28,356)	39,290	73,919	35,863		
Total - December 31, 2022	32,812	(24,217)	8,595	29,184	20,589		

* These represent persons in the employment of the Company.

5.3 The cost and accumulated depreciation of fully depreciated property and equipment still in use amounts to Rs.145.196 (2022: Rs. 105.943 million).

5.4 Capital work-in-progress

	2023	2022
	------- (Rupees in '000)	-------
Trackers	18,450	11,206
Others	37,228	328
	55,678	11,534

6 INTANGIBLE ASSETS

	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%

	2022									
	Cost				Accumulated amortisation				Written down value as at December 31	Amortisa-tion 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	19,411	5,705	-	25,116	8,991	20%

6.1 The cost of fully amortised intangibles still in use amounts to Rs. 21.843 million (2022: Rs. 18.458 million).

7 INVESTMENT PROPERTIES

	Note	2023	2022
		(Rupees in '000)	
Opening net book value		429,402	399,575
Unrealised fair value gain during the year		13,402	29,827
Transferred to property, plant and equipment		(26,357)	-
Closing net book value	7.1	416,447	429,402

7.1 The market value and forced sale value of investment properties is Rs. 406.949 million (2022: Rs. 429.402 million) and Rs 351.200 million (2022: Rs. 383.490 million), respectively as per the valuation carried out by the independent professional valuer as at December 31, 2023.

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	6,352	1,968	44,841	3,131	100%
Total			5,000	6,352	1,968	44,841	3,131	100%

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 Rd, 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, 2023 was Rs.8.767 (2022: Rs. 6.663) per share.

9 INVESTMENT IN EQUITY SECURITIES

	Note	2023	2022
		(Rupees in '000)	
Mutual funds	9.1	25,457	4,822
Listed shares	9.2	149,264	86,152
		174,721	90,974

9.1 Mutual funds

	2023					2022				
	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										
UBL Liquidity Plus Fund	-	-	-	-	-	23,942	2,414	-	15	2,429
UBL Cash Fund	-	-	-	-	-	22,167	2,289	-	104	2,393
ABL Cash Fund	2,482	25,398	-	59	25,457	-	-	-	-	-
	2,482	25,398	-	59	25,457	46,109	4,703	-	119	4,822

9.2 Listed shares

	2023					2022				
	Number of shares	Carrying value	(Impair-ment / provision)	Unrealised gain / (loss)	Market value	Number of shares	Carrying value	(Impair-ment / provision)	Unrealised gain / (loss)	Market value
		(Rupees in '000)					(Rupees in '000)			
Fair value through profit or loss										
AGP Limited	484	26	-	8	34	-	-	-	-	-
Attock Cement Pakistan Limited	14,000	1,141	-	206	1,347	-	-	-	-	-
Bank AL Habib Limited	20,500	1,393	-	258	1,651	8,500	515	-	(45)	470
Bank Alfalah Limited	92,690	3,544	-	952	4,496	-	-	-	-	-
Cherat Cement Company Limited	5,700	730	-	199	929	-	-	-	-	-
Engro Corporation Limited	21,700	5,956	-	444	6,400	33,800	9,145	-	(289)	8,856
Engro Fertilizers Limited	57,400	4,662	-	1,780	6,442	78,500	6,864	-	(828)	6,036
Fatima Fertilizer Company Limited	-	-	-	-	-	24,400	895	-	(75)	820
Fauji Cement Company Limited	238,000	3,355	-	1,148	4,503	-	-	-	-	-
Fauji Fertilizer Company Limited	73,300	7,310	-	987	8,297	61,000	7,135	-	(1,114)	6,021
Faysal Bank Limited	-	-	-	-	-	65,500	1,706	-	(14)	1,692
Habib Bank Limited	27,500	2,458	-	590	3,048	59,300	4,429	-	(650)	3,779
Habib Metropolitan Bank Limited	36,500	1,239	-	780	2,019	36,500	1,577	-	(338)	1,239
Highnoon Laboratories Limited	3,130	1,334	-	246	1,580	2,000	1,081	-	(1)	1,080
Interloop Limited	34,308	1,425	-	1,045	2,470	27,872	1,751	-	(172)	1,579
Kohinoor Textile Mills Limited	-	-	-	-	-	18,000	923	-	(71)	852
Lucky Cement Limited	11,355	5,368	-	3,568	8,936	10,500	5,249	-	(560)	4,689
Maple Leaf Cement Factory Limited	78,700	2,303	-	760	3,063	38,000	1,111	-	(253)	858
Mari Petroleum Company Limited	2,655	4,140	-	1,426	5,566	3,215	5,371	-	(398)	4,973
MCB Bank Limited	50,586	6,578	-	2,150	8,728	12,215	1,563	-	(144)	1,419
Meezan Bank Limited	48,200	4,704	-	3,073	7,777	41,700	4,770	-	(618)	4,152
Oil & Gas Development Company Limited	86,334	7,244	-	2,464	9,708	73,000	5,870	-	(55)	5,815
Pakistan Oilfields Limited	2,300	923	-	47	970	8,700	3,253	-	165	3,418
Pakistan Petroleum Limited	98,400	6,684	-	4,635	11,319	85,000	5,535	-	257	5,792
Pakistan State Oil Company Limited	-	-	-	-	-	20,000	3,545	-	(666)	2,879
Service Industries Limited	2,000	989	-	267	1,256	-	-	-	-	-
Sui Northern Gas Pipelines Limited	30,000	1,282	-	924	2,206	-	-	-	-	-
Systems Limited	17,500	8,417	-	(1,004)	7,413	12,300	5,067	-	885	5,952
Tariq Glass Industries Limited	23,500	1,833	-	510	2,343	-	-	-	-	-
The Hub Power Company Limited	119,916	7,979	-	6,062	14,041	101,366	6,641	-	(247)	6,394
Attock Petroleum Limited	4,000	1,516	-	(2)	1,514	-	-	-	-	-
Haleon Pakistan Limited (Formerly GSK)	6,500	1,066	-	32	1,098	3,700	860	-	(253)	607
Nishat Mills Limited	32,000	2,448	-	7	2,455	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limite	31,500	1,955	-	425	2,380	-	-	-	-	-
Panther Tyres Limited	15,000	683	-	(3)	680	-	-	-	-	-
Thal Limited	4,500	1,208	-	120	1,328	-	-	-	-	-
United Bank Limited	74,600	8,895	-	4,372	13,267	67,300	8,317	-	(1,537)	6,780
	1,364,758	110,788	-	38,476	149,264	892,368	93,173	-	(7,021)	86,152

10 INVESTMENTS IN GOVERNMENT SECURITIES

Particulars	Year of maturity	Effective yield % per annum	Profit payment	2023	2022
				------- (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	-
Pakistan Investment Bonds	2023	-	-	-	94,153
Pakistan Investment Bonds	2023	-	-	-	188,306
Pakistan Investment Bonds	2024	21.35%	Semi-annual	230,729	217,382
Pakistan Investment Bonds	2025	18.76%	Semi-annual	146,087	143,202
Pakistan Investment Bonds	2026	17.29%	Semi-annual	224,123	-
Pakistan Investment Bonds	2027	16.39%	Semi-annual	93,379	93,314
Pakistan Investment Bonds	2027	15.94%	Semi-annual	49,299	-
Pakistan Investment Bonds	2030	15.37%	Semi-annual	65,703	68,647
Pakistan Investment Bonds (floaters)	2028	23.95%	Semi-annual	569,151	571,898
Pakistan Investment Bonds (floaters)	2028	22.47%	Semi-annual	122,450	122,619
Pakistan Investment Bonds (floaters)	2029	23.89%	Semi-annual	122,963	123,177
GOP Ijara Sukuk	2028	23.87%	Semi-annual	211,792	-
				2,379,102	1,622,698
Total market value				2,379,102	1,622,698
Total carrying value				1,678,303	1,678,303

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. 220.796 million (2022: Rs. 221.772 million).

11 INVESTMENTS IN DEBT SECURITIES

	2023					2022				
	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount
					(Rupees in '000)					(Rupees in '000)
Fair value through profit or loss										
Term finance certificate										
Habib Bank Limited	500,000	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000	500,000	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	1,000,000	Perpetual	Higher of 3 year PKRV plus 0.75% or 9%	Quarterly	100,000
Bank Alfalah Limited	750,000	2030	6 months Kibor plus 2.0%	Semi-annual	75,000	750,000	2030	6 months Kibor plus 2.0%	Semi-annua	75,000
Soneri Bank Limited	250,000	2030	6 months Kibor plus 1.70%	Semi-annual	24,990	250,000	2030	6 months Kibor plus 1.70%	Semi-annual	25,000
JS Bank Limited	20,000	2033	3 months Kibor plus 2.0%	Quarterly	19,999					
Kashf Foundation	40,000	2026	3 months Kibor plus 1.5%	Quarterly	40,000					
Sukuk										
China Power Hub Generation Company (Pvt.) Ltd	-	-	-	-	-	500,000	2023	6 months Kibor plus 1.35%	Semi-annual	50,000
Lucky Electric Power Company Limited	-	-	-	-	-	1,000,000	2023	6 months Kibor plus 1.20%	Semi-annual	100,000
	2,560,000				309,989	4,000,000				400,000

11.1 The effective yields of term finance certificates and sukuk certificates range from 17.29% to 23.85% (2022 : 17.06% to 19.02%) per annum.

12 LOANS AND OTHER RECEIVABLES	Note	2023	2022
		------- (Rupees in '000) -------	
Receivable from related parties	12.1	167,084	192,250
Advances - considered good		38,791	23,253
Security deposits		51,819	48,715
Sales tax recoverable		182,448	155,948
Accrued income on investments and deposits		110,913	83,187
Loans and advances to employees		4,684	7,163
Receivable from takaful operations	12.3	58,029	58,029
Others		71,163	27,467
		684,931	596,012

12.1 This includes receivables amounting to Rs. 2.973 million, Rs. 59.824 million, Rs. 16.956 million, Rs.11.631 million and Rs. 14.121 million (2022: Rs. 0.403 million, Rs. 99.844 million, Rs. 15.578 million, Rs. 2.863 million and Rs. 11.884 million) charged to IGI Investments (Pvt.) Limited, IGI Life Insurance Limited, IGI Finex Securities Limited, IGI Holdings Limited and Packages Limited, respectively, under group shared services.

12.2.1 Movement in loans to key management personnel	2023	2022
	------- (Rupees in '000) -------	
Opening balance	2,225	-
Disbursements	6,400	2,225
Repayments	(8,625)	-
Closing balance	-	2,225

12.3 These represents receivable from takaful operations amounting to Rs 58.029 million (2022: 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	2023	2022
		------- (Rupees in '000) -------	
Due from insurance contract holders - unsecured			
- considered good		1,377,934	1,270,949
- considered doubtful		182,594	161,592
	13.1	1,560,528	1,432,541
Less: provision for impairment of receivables from insurance contract holders	13.2	(182,594)	(161,592)
		1,377,934	1,270,949
Due from other insurer / reinsurer - unsecured			
- considered good		2,666,895	3,346,480
- considered doubtful		51,765	51,765
		2,718,660	3,398,245
Less: provision for impairment of receivables from other insurer / reinsurer	13.3	(51,765)	(51,765)
		2,666,895	3,346,480
		4,044,829	4,617,429

13.1 This includes an amount of Rs. 88.433 million (2022: Rs. 57.462 million) receivable from related parties.

13.2 Provision for doubtful receivables - insurance contract holders	Note	2023	2022
		------- (Rupees in '000) -------	
Balance at the beginning of the year		161,592	152,028
Charge for the year		22,162	27,217
Written off during the year		(1,160)	(17,653)
Balance at the end of the year	13.2.1	182,594	161,592

13.2.1 This includes an amount of Rs. 2.574 million (2022: Rs. 1.112 million) provided against related parties.

13.3 Provision for doubtful receivables - other insurer / reinsurer	2023	2022
	------- (Rupees in '000) -------	
Opening	51,765	41,303
Charge for the year	-	10,462
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, 2023, the aggregate net balance due (to) / from other local insurers and reinsurer arising from such arrangements amounts to Rs 1,267.685 million (2022: Rs. 1,343 million) and Rs 404.988 million (2022: Rs. 927.170 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.

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 for all employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The gratuity 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, 2023 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 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 current plan's 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

	2023	2022
Valuation discount rate	15.50%	14.50%
Valuation discount rate for statement of comprehensive income	14.50%	12.25%
Salary increase rate - *short term*	15.00%	15.00%
Salary increase rate - *long term*	14.20%	12.60%
Return on plan assets	15.50%	14.50%
Duration	6.02 years	7.80 years
Normal retirement age	58	58
Withdrawal rate	Moderate	Moderate
Mortality rate	SLIC 2001-05	SLIC 2001-05
Next salary increase date	1-Jan-2024	1-Jan-2023

14.1.2 Amount recognised in the unconsolidated statement of financial position

	Note	2023	2022
		------- (Rupees in '000) -------	
Reconciliation			
Present value of defined benefit obligation		189,165	162,820
Less: fair value of plan assets		(162,360)	(134,162)
Payable to defined benefit plan		26,805	28,658
Movement in net liability recognised			
Opening net liability		28,658	6,577
Expense for the year	14.1.3	13,254	17,028
Other comprehensive loss	14.1.4	13,347	20,453
Contributions		(28,454)	(15,400)
		26,805	28,658
Movement in present value of defined benefit obligation			
Opening		162,820	139,257
Current service cost	14.1.3	16,629	17,137
Past service cost		(5,467)	-
Interest cost		22,226	16,641
Benefits paid		(19,072)	(7,289)
Actuarial loss / (gain) on obligation	14.1.4	12,029	(2,926)
Closing		189,165	162,820
Movement in the fair value of plan assets			
Opening		134,162	132,680
Expected return on plan assets		20,134	16,750
Contributions		28,454	15,400
Benefits paid		(19,072)	(7,289)
Actuarial loss on obligation	14.1.4	(1,318)	(23,379)
		162,360	134,162

14.1.3 Amount recognised in unconsolidated statement of comprehensive income

	2023	2022
Current service cost	16,629	17,137
Past service cost	(5,467)	-
Interest (income) / cost	2,092	(109)
Expense for the year	13,254	17,028

14.1.4 Amount recognised in other comprehensive income

	2023	2022
Remeasurement loss / (gain) on obligation		
- Financial assumptions	11,049	(4,902)
- Demographic assumptions	606	656
- Experience assumptions	374	1,320
	12,029	(2,926)
Remeasurement loss on plan assets	1,318	23,379
	13,347	20,453

14.1.5 Actual return on plan assets

	2023	2022
Expected return on assets	20,134	16,750
Actuarial loss	(1,318)	(23,379)
	18,816	(6,629)

14.1.6 Analysis of present value of defined benefit obligation

	2023	2022
	------- (Rupees in '000) -------	
Split by vested / non-vested		
(i) Vested benefits	189,165	162,820
(ii) Non-vested benefits	-	-
	189,165	162,820

14.1.7 Sensitivity analysis

	2023			2022		
	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%	-5.71%	(10,805)	+1%	-7.33%	(11,939)
	-1%	6.32%	11,955	-1%	8.26%	13,457
Salary increase rate	+1%	6.80%	12,854	+1%	8.79%	14,320
	-1%	-6.23%	(11,784)	-1%	-7.91%	(12,873)
Life expectancy / withdrawal rate	+10%	-0.05%	(93)	+10%	0.04%	71
	-10%	0.05%	87	-10%	-0.05%	(78)

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:

	2023 (Rupees in '000)	Percentage composition	2022 (Rupees in '000)	Percentage composition
Equity investments	19,698	12.13%	21,938	16.35%
Cash and bank deposits	111,510	68.68%	80,625	60.10%
Government securities	31,152	19.19%	31,599	23.55%
Fair value of plan assets	162,360	100%	134,162	100%

14.1.9 As per the actuarial recommendations, the expected return on plan assets was taken as 15.50% (2022: 14.50%), 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. 20.657 million in the unconsolidated financial statements for the year ending December 31, 2024.

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. 20.657 million during 2024.

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)				
2023					
Gratuity	29,084	15,768	69,108	167,442	281,402
2022					
Gratuity	23,653	7,141	34,045	120,511	185,350

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

	2023	2022	2021	2020
	(Rupees in '000)			
Present value of defined benefit obligation	189,165	162,820	139,257	132,484
Fair value of plan assets	(162,360)	(134,162)	(132,680)	(114,807)
Deficit	26,805	28,658	6,577	17,677

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, 2023 was Rs. 23.229 million (2022: Rs, 20.666 million). The net assets based on unaudited financial statements of Provident Fund as at December 31, 2023 are Rs. 137.195 million (2022: 149.081 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, 2023 (unaudited) was Rs. 143.899 million (2022: 155.431 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, 2023 (un-audited)		December 31, 2022 (un-audited)	
	(Rupees in '000)	% of the size of the fund	(Rupees in '000)	% of the size of the fund
Government securities	91,264	66.53%	30,336	20.35%
Listed securities	6,021	4.39%	6,037	4.05%
Bank deposits	34,622	25.24%	92,719	62.20%
Mutual Funds	287	0.21%	14,989	10.06%
Term finance certificates	5,000	3.63%	5,000	3.34%
Total	137,194	100%	149,081	100%

14.3 Staff strength

	2023	2022
	(Number of employees)	
Number of employees as at December 31	180	199
Average number of employees during the year	190	199

15 PREPAYMENTS

	Note	2023	2022
		(Rupees in '000)	
Prepaid reinsurance premium ceded	24	2,333,817	1,704,594
Prepaid rentals		34,451	36,992
Others		6,829	1,919
		2,375,097	1,743,505

16 CASH AND BANK

	Note	2023	2022
Cash and cash equivalents			
Cash in hand		106	544
Policy stamps in hand		2,662	8,949
Cash at bank			
Current accounts		140,594	2,398
Savings accounts	16.1	829,991	370,799
		970,585	373,197
		973,353	382,690

16.1 The balances in savings accounts carry mark-up ranging from 13.44% to 17.93% (2022: 14.5% to 15.5%) per annum.

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

	Note	2023	2022
		------- (Rupees in '000) -------	
Cash and bank	16	973,353	382,690
Market Treasury Bills having original maturity of up to three months		100,826	-
		1,074,179	382,690

17 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	2023	2022	2023	2022
	(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

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	2023	2022
		------- (Rupees in '000) -------	
Opening balance		387,613	368,414
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation		(42,535)	(30,532)
Related deferred tax		16,589	10,076
		(25,946)	(20,456)
Change in fair value - net of tax		7,346	39,655
Closing surplus on revaluation of property and equipment		369,013	387,613

19 BORROWINGS

	Note	2023	2022
Lease liability against right-of-use assets - motor vehicle	19.2	34,326	67,457
Lease liability against right-of-use assets - rented premises	19.3	9,499	13,958
	19.1	43,825	81,415
Current portion		22,203	33,182
Non-current portion		21,622	48,233
		43,825	81,415

19.1 Lease liability against right-of-use assets

	2023			2022		
	Minimum lease Payments	Financial charges	Principal outstanding	Minimum lease Payments	Financial charges	Principal outstanding
	(Rupees in '000)					
Not later than one year	29,146	6,943	22,203	44,364	11,182	33,182
Later than one year and not later than five years	25,855	4,233	21,622	57,283	9,050	48,233
	55,001	11,176	43,825	101,647	20,232	81,415

19.2 The Company leases motor vehicles from banks which are provided to employees as an employment benefit.

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

20 INSURANCE / REINSURANCE PAYABLES

	2023	2022
	------- (Rupees in '000) -------	
Due to other insurers / reinsurers	3,392,743	1,838,227

21 DEFERRED TAXATION

	2023	2022
	------- (Rupees in '000) -------	
Deferred debits arising in respect of :		
- Provision for doubtful receivables	(91,400)	(70,408)
- Retirement benefit obligations	(10,454)	(9,457)
- Unrealised loss on investments	10,062	(48,610)
- Lease liability against right-of-use assets	(17,092)	(26,867)
	(108,884)	(155,342)
Deferred credits arising due to		
- Accelerated tax depreciation	(12,348)	9,858
- Surplus on revaluation of property and equipment	296,220	224,584
- Fair value gain on investment properties	107,885	85,684
- Right-of-use assets	33,736	41,857
	425,493	361,983
	316,609	206,641

21.1 Movement in deferred tax liability

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

	2023	2022
Opening	206,641	168,929
Credit / (debit) to the profit and loss account	43,537	(10,078)
Credit to the statement of comprehensive income	66,431	47,790
Closing	316,609	206,641

22 OTHER CREDITORS AND ACCRUALS

	2023	2022
Agent commission payable	465,334	311,159
Cash margin	284,347	287,982
Federal excise duty	110,412	109,250
Federal insurance fee	6,746	6,796
Accrued expenses	276,665	146,023
Payable to customers	263,596	223,550
Provision for Sindh Workers Welfare Fund	39,555	-
Salvage payable	127,759	-
Others	79,015	62,453
	1,653,429	1,147,213

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 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 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 re-distribution 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 re-distribution 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.

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 of Sindh 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.

During 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 afore-mentioned 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, 2023.

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

		Note	2023	2022
			------- (Rupees in '000) -------	
24	**NET INSURANCE PREMIUM**			
	Written gross premium	24.1	12,388,623	8,537,522
	Add: Unearned premium reserve - opening		3,007,816	2,674,247
	Less: Unearned premium reserve - closing		(3,944,261)	(3,007,816)
	Premium earned	24.1	11,452,178	8,203,953
	Less: Reinsurance premium ceded		(7,599,352)	(5,167,145)
	Add: Prepaid reinsurance premium ceded - opening		(1,704,594)	(1,327,669)
	Less: Prepaid reinsurance premium ceded - closing		2,333,817	1,704,594
	Reinsurance expense		(6,970,129)	(4,790,220)
			4,482,049	3,413,733

24.1 This includes an amount of Rs. 195.812 million (2022: Rs. 133.382 million) and Rs. 161.216 million (2022: Rs. 122.807 million) in respect of amount written and earned on tracking services.

		2023	2022
		------- (Rupees in '000) -------	
25	**NET INSURANCE CLAIMS**		
	Claims paid	4,651,131	5,884,018
	Add: Outstanding claims (including IBNR) - closing	7,377,643	6,623,855
	Less: Outstanding claims (including IBNR) - opening	(6,623,855)	(2,584,937)
	Claims expense	5,404,919	9,922,936
	Less: Reinsurance and other recoveries received	(1,394,812)	(5,046,975)
	Add: Reinsurance and other recoveries in respect of outstanding claims - closing	(6,819,523)	(4,761,352)
	Less: Reinsurance and other recoveries in respect of outstanding claims - opening	4,761,352	1,914,772
	Reinsurance and other recoveries revenue	(3,452,983)	(7,893,555)
		1,951,936	2,029,381

25.1 Claims development tables

The following table shows the development of fire claims over a period of time. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For other classes of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

Analysis on gross basis

Accident year	2019 and prior	2020	2021	2022	2023 (including IBNR)	Total
	(Rupees in '000)					
Estimate of ultimate claims cost:						
At end of accident year	825,786	1,593,639	947,831	6,011,615	3,185,955	12,564,826
One year later	1,374,432	1,574,803	935,532	6,032,874	-	9,917,641
Two years later	1,380,485	1,541,164	2,788,446	-	-	5,710,095
Three years later	1,483,793	1,534,546	-	-	-	3,018,339
Four years later	1,486,262	-	-	-	-	1,486,262
Estimate of cumulative claims	1,486,262	1,534,546	2,788,446	6,032,874	3,185,955	15,028,083
Cumulative payments to date	(1,313,903)	(1,381,990)	(1,981,964)	(4,338,423)	(284,081)	(9,300,361)
Liability recognised in the unconsolidated statement of financial position	172,359	152,556	806,482	1,694,451	2,901,874	5,727,722

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	2023 IBNR	2023 PDR	2022 IBNR	2022 PDR
	(Rupees in '000)			
IBNR / PDR - opening	110,917	3,424	93,962	1,345
Charge / (reversal) during the year	43,145	(3,424)	16,955	2,079
IBNR / PDR - closing	154,062	-	110,917	3,424

26 NET COMMISSION EXPENSE

	Note	2023	2022
		(Rupees in '000)	
Commission paid or payable		1,853,453	994,448
Add: Deferred commission expense - opening		353,588	264,221
Less: Deferred commission expense - closing		(374,998)	(353,588)
Net commission		1,832,043	905,081
Less: Commission received or receivable		(908,138)	(803,185)
Add: Unearned reinsurance commission - opening		(269,626)	(218,690)
Less: Unearned reinsurance commission - closing		253,134	269,625
Commission from reinsurers		(924,630)	(752,250)
		907,413	152,831

27 MANAGEMENT EXPENSES

	Note	2023	2022
Employee benefit cost	27.1.1	609,182	502,222
Rent, rates and taxes		60,208	50,215
Electricity and gas		28,534	22,500
Repairs and maintenance		33,074	22,317
Communication		42,037	29,638
Tracker related expenditures		15,320	17,649
Depreciation and amortisation		139,083	123,429
Bad and doubtful debts	13.2 & 13.3	22,162	37,679
Vehicle running expenses		101,274	72,863
Travelling expenses		31,312	29,264
Representation expenses		7,917	6,403
Printing and stationery		8,675	8,121
Legal and professional		38,563	30,911
SECP Supervision fee		13,617	8,763
Advertisement expenses		8,500	9,118
Miscellaneous		7,098	4,036
	27.1	1,166,556	975,128

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. 104.429 million (2022: Rs. 128.828 million).

	Note	2023 Total Expense	2023 Allocated to WTO	2023 Net Expense	2022 Total Expense	2022 Allocated to WTO	2022 Net Expense
		(Rupees in '000)					
Employee benefit cost	27.1.1	676,345	67,163	609,182	571,881	69,659	502,222
Rent, rates and taxes		72,136	11,928	60,208	60,096	9,881	50,215
Electricity and gas		34,187	5,653	28,534	26,927	4,427	22,500
Repairs and maintenance		39,050	5,976	33,074	25,455	3,138	22,317
Communication		46,379	4,342	42,037	31,660	2,022	29,638
Tracker related expenditures		15,320	-	15,320	17,649	-	17,649
Depreciation and amortisation		162,780	23,697	139,083	136,851	13,422	123,429
Bad and doubtful debts		22,162	-	22,162	37,679	-	37,679
Vehicle running expenses		122,298	21,024	101,274	87,551	14,688	72,863
Travelling expenses		37,720	6,408	31,312	35,253	5,989	29,264
Representation expenses		9,539	1,622	7,917	7,714	1,311	6,403
Printing and stationery		10,444	1,769	8,675	9,776	1,655	8,121
Legal and professional		52,180	-	52,180	39,674	-	39,674
Advertisement expenses		10,241	1,741	8,500	10,986	1,868	9,118
Miscellaneous		8,074	976	7,098	4,804	768	4,036
		1,318,855	152,299	1,166,556	1,103,956	128,828	975,128

		Note	2023	2022
27.1.1	**Employee benefit cost**		**------- (Rupees in '000) -------**	
	Salaries, allowance and other benefits		639,862	534,187
	Charges for post employment benefit	14.1.3 & 14.2	36,483	37,694
	Less: employee benefit cost allocated to Window Takaful Operations		(67,163)	(69,659)
			609,182	502,222

28 INVESTMENT INCOME

	2023	2022
Income from equity securities		
Fair value through profit or loss		
Dividend income	18,770	67,955
Income from debt securities		
Fair value through profit or loss		
Return on government securities	394,914	236,216
Return on term finance certificate	47,783	29,043
Net realised gain / (loss) on investments		
Fair value through profit or loss		
Mutual funds	13,044	25,438
Listed shares	7,275	(3,217)
Government securities	3,014	(1,956)
	23,333	20,265
Net unrealised gain / (loss) on investments		
Fair value through profit or loss		
Mutual funds	59	119
Listed shares	38,476	(7,021)
Government securities	(12,735)	(55,605)
	25,800	(62,507)
Total investment income	510,600	290,972

29 OTHER INCOME

	Note	2023	2022
Return on savings accounts		119,838	69,803
Gain on sale of operating assets	5.2	35,863	20,589
Fair value gain on investment properties	7	13,402	29,827
Rental income from tracker business		14,029	10,758
Miscellaneous		7,690	847
		190,822	131,824

30 OTHER EXPENSES

	Note	2023	2022
Group shared services expenses		10,736	10,939
Insurance expense		27,441	21,444
Repairs and maintenance		2,672	1,944
Exchange loss		254	320
Legal and professional		2,214	2,428
Auditors' remuneration	30.1	11,392	13,220
Provison for SWWF		39,555	-
Donations	30.2	9,364	8,558
		103,628	58,853

30.1 Auditors' remuneration

	2023	2022
Fee for statutory audit	2,916	1,581
Fee for audit of consolidated financial statements	648	380
Fee for interim review	1,080	696
Fee for audit of regulatory return	1,620	1,043
Special certifications and sundry services	216	190
Tax advisory and other consultancy services	3,286	8,792
Out of pocket expenses	1,626	538
	11,392	13,220

30.2 This represents donation paid to Packages Foundation (a related party), in which Mr Shamim Ahmed Khan and Syed Hyder Ali (directors of the Company) are Trustees. Office of the donee is located at Walton Rd, Lahore 54760 or Shahrah-e-Roomi P.O. Amer-sidhu, Lahore.

31 TAXATION

	2023	2022
	------- (Rupees in '000) -------	
Current tax		
- current year	486,156	253,736
- prior year	40,053	29,646
	526,209	283,382
Deferred tax		
- current year	43,539	(10,078)
	569,748	273,304

31.1 Effective tax rate reconciliation

Numerical reconciliations between the average tax rate and the applicable tax rate for the year ended December 31, 2023 and December 31, 2022 are as follows:

	2023 (Effective tax rate) (%)	2023 '000	2022 (Effective tax rate) (%)	2022 '000
Profit before taxation		1,243,295		741,495
Tax at enacted tax rate	39.00	484,885	33.00	244,693
Prior year tax	3.22	40,053	4.00	29,646
Change of rate impact	3.02	37,571	-	-
Others	0.58	7,239	(0.14)	(1,035)
	45.82	569,748	36.86	273,304

31.2 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.

The income tax assessments of the Company have been finalised up to and including the tax year 2017. However, the Company has filed appeals in respect of certain assessment years which mainly relate to the following:

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 2001-2002 and 2002-2003. The applications filed were rejected by the T.O. against which appeals had been filed with the CIT (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 and 2006 whereby he has proposed to disallow claim of expenses and exemption in respect of gain on sale of shares and taxed income from associates. Against the above notice, the Company has filed a constitutional petition before the Honourable High Court. The regular hearing of petition is currently pending with the High Court.

31.2.3 In respect of tax year 2007, all significant issues involved amounting to Rs. 7 billion were decided in favour of the Company by CIR(A) and then by the ATIR. However, no appeal effect order has been passed. Further, certain matters amounting to Rs. 82 million that were remanded back to DCIR by the CIR(A) were not decided upon by the High Court. 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 against the deletion of the addition made on account of re-characterisation of actual realized capital gain. The said Income Tax Reference Application was heard by Honourable High Court 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.

31.2.4 In case of tax year 2008, the Additional Commissioner Audit Division-II had issued notice under section 122 (5A) of the Income Tax Ordinance, 2001 for passing an amended order on certain issues. The Company filed a writ petition before the Honourable High Court of Sindh which dismissed the petition by directing the Company to submit its responses to the assessing authority. Moreover, the Honourable High Court had directed the assessing authority to pass the order, preferably within two months of the service of the Court's order, strictly in accordance with law keeping in view the provisions relating to insurance business and the decisions of the High Court and the Supreme Court on the subject issues. However, to-date no notice has been received from the taxation authorities.

The additional Commissioner Audit zone III LTU Karachi issued another notice under section 122(5A) of the Ordinance in 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 Sindh High Court against the order of the ATIR which is pending adjudication.

Moreover, pursuant to the decision of the CIR(A), the ACIR has passed an appeal effect order duly incorporating the relief granted by the CIR(A) in respect of allocation of expenses and tax refundable of Rs. 18.030 million has been determined.

31.2.5 In case 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 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). As regards, 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 Sindh High Court where the IBNR issue 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 Sindh High Court 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 case 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 Sindh High Court 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. 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). Pursuant to the above appeal, the ATIR passed the order dated June 8, 2023 wherein all issues contested in appeals have been decided in favour of the Company.

31.2.7 In case 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.

As regards, 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. We have 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). Pursuant to the above appeal, the ATIR passed the order dated June 8, 2023 wherein all issues contested in appeals have been decided in favour of the Company.

31.2.8 In case 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 Sindh High court 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 Sindh High Court 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 In case 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.

31.2.10 In case 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 Sindh High court 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 Sindh High Court 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.

31.2.11 In case 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 Sindh High court 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 Sindh High Court 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 appeal effect order whereby a tax demand of Rs.2.776 million was created. While passing the aforesaid order, the ACIR did not consider the impact of payment of WWF for the year amounting to Rs. 3.635 million. Accordingly, a rectification application was duly filed pursuant to which the ACIR has now passed a rectified order whereby a refund of Rs. 0.859 million has been created.

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 is pending adjudication. During the year, the ATIR has dismissed the appeal filed by the tax department by mentioning that the tax department did not press the above appeal.

31.2.12 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 previous year, 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 has filed an appeal and stay application before the Commissioner Inland Revenue (Appeals) (CIRA) against the order. While the appeal is pending adjudication, the CIRA has granted stay against the order.

31.2.13 In case 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.

31.2.14 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, IGI General 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.

31.2.15 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, IGI General 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.

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

	2023	2022
	------- (Rupees in '000) -------	
Profit (after tax) for the year	673,547	468,191
	-------(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	3.51	2.44

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)									
Transactions										
Premium underwritten	-	67	-	-	-	-	236	1,988	1,145,739	468,964
Premium collected	-	67	-	-	-	-	313	2,241	1,174,934	392,096
Claims expense - net of recoveries	30		-	-	-	-	449	2,752	211,805	4,492,396
Claims paid	-	-	-	-	-	-	509	1,487	104,222	3,662,496
Rental income	-	-	-	-	-	-	-	-	28,234	31,078
Dividend paid	585,000	280,000	-	-	-	-	-	-	-	-
Key management personnel compensation	-	-	-	-	-	-	211,904	192,692	-	-
Charge in respect of gratuity fund	-	-	-	-	13,254	17,028	-	-	-	-
Charge in respect of provident fund	-	-	-	-	23,229	20,666	-	-	-	-
Contribution to gratuity fund	-	-	-	-	28,454	15,400	-	-	-	-
Contribution to provident fund	-	-	-	-	33,468	7,636	-	-	-	-
Insurance premium expense	-	-	-	-	-	-	-	-	11,405	10,009
Insurance premium paid	-	-	-	-	-	-	-	-	11,405	10,009
Education and training fee paid	-	-	1,433	745	-	-	-	-	4	-
Donation paid	-	-	-	-	-	-	-	-	9,364	8,558
Rent paid	-	-	-	-	-	-	-	-	2,327	1,919
Tracker rental income from Takaful Operations	-	-	-	-	-	-	-	-	14,029	10,257
Profit received from Window Takaful Operations	-	-	-	-	-	-	-	-	187,585	61,597
Expenses allocated to Window Takaful Operations	-	-	-	-	-	-	-	-	152,299	128,828

	Holding Company		Subsidiary Company		Post employment benefit plans		Key management personnel (including directors)		Other related parties	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)									
Balances										
Premium receivable	-	-	-	-	-	-	190	267	83,763	112,958
Outstanding claim	-	-	-	-	-	-	-	61	945,947	838,363
Other receivable / (payable)	11,631	2,863	(212)	(445)	-	-	-	-	155,665	189,832
Payable to gratuity fund	-	-	-	-	(26,805)	(28,658)	-	-	-	-
Receivable from / (payable) to provident fund	-	-	-	-	18,362	28,601	-	-	-	-

The maximum aggregate amount due from related parties outstanding during the year aggregated to Rs. 181.737 million (2022: 169.657 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 Life Insurance Limited	Subsidiary of Holding Company
2	IGI Finex Securities Limited	Subsidiary of Holding Company
3	IGI Investment (Pvt.) Limited	Subsidiary of Holding Company
4	DIC Pakistan Limited	Associate
5	Bulleh Shah Packaging (Private) Limited	Associate
6	Tri Pack Films Limited	Associate
7	Packages Real Estate (Private) Limited	Associate
8	Packages Limited	Associate
9	Omypack (Pvt.) Limited	Associate
10	Packages Convertors Limited	Associate
11	IGI FSI (Private) Limited	Subsidiary
12	Syed Babar Ali	Other related party
13	Syed Hyder Ali	Other related party
14	Shamim Ahmed Khan	Other related party
15	Packages Foundation	Associate

34 COMPENSATION FOR DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Fee for attending board meeting	-	-	5,750 *	5,675 *	-	-
Managerial remuneration	22,537	17,384	-	-	177,350	170,815
Bonus	7,478	2,884	-		31,565	48,398
Retirement benefits						
(including provident fund)	1,977	1,912	-		16,624	16,397
Housing and utilities	11,832	10,278	-		91,435	89,247
Technical advisory fee		-	2,400	2,160	-	-
Medical expenses	2,151	1,709	-		440	95
Conveyance allowance	-	-	-		3,138	1,900
Others	12,524	14,331	-		28,376	37,780
	58,499	48,498	8,150	7,835	348,928	364,632
Number of persons	1	1	5	5	109	106

* 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.

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	2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Premium receivable (inclusive of Sindh Sales Tax, 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	(525,476)	(107,980)	(203,235)	(153,557)	(176,308)	(1,166,556)
Net insurance claims and expenses	(1,072,968)	(395,778)	(1,337,460)	(1,573,197)	(571,132)	(4,950,535)
Premium deficiency	-	-	-	3,424	-	3,424
Underwriting result	(118,526)	142,365	516,672	(24,073)	(56,870)	459,568
Investment income						510,600
Rental income						27,748
Other income						190,822
Other expenses						(103,628)
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

Particulars	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	2022					
	(Rupees in '000)					
Premium receivable (inclusive of Sindh Sales Tax, federal insurance fee and administrative surcharge)	3,792,719	1,414,783	2,258,803	722,808	1,608,978	9,798,091
Less: Federal Excise Duty	(468,293)	(153,629)	(295,854)	(15,766)	(193,421)	(1,126,963)
Federal Insurance Fee	(32,203)	(11,928)	(19,415)	(7,000)	(925)	(71,471)
Stamp duty	(125)	(46,340)	(1,674)	(10)	(13,986)	(62,135)
Gross written premium (inclusive of Administrative Surcharge)	3,292,098	1,202,886	1,941,860	700,032	1,400,646	8,537,522
Gross direct premium	3,213,618	1,177,809	1,887,592	698,980	1,362,433	8,340,432
Facultative inward premium	69,836	9,998	536	-	5,140	85,510
Administrative surcharge	8,644	15,079	53,732	1,052	33,073	111,580
	3,292,098	1,202,886	1,941,860	700,032	1,400,646	8,537,522
Insurance premium earned	2,923,441	1,179,074	1,840,749	873,147	1,387,542	8,203,953
Insurance premium ceded to reinsurers	(2,676,079)	(810,084)	(204,270)	-	(1,099,787)	(4,790,220)
Net insurance premium	247,362	368,990	1,636,479	873,147	287,755	3,413,733
Commission income	370,196	231,594	44,653	-	105,807	752,250
Net underwriting income	617,558	600,584	1,681,132	873,147	393,562	4,165,983
Insurance claims	(6,065,673)	(669,687)	(939,082)	(704,615)	(1,543,879)	(9,922,936)
Insurance claims recovered from reinsurers	5,865,408	497,171	107,637	-	1,423,339	7,893,555
Net claims	(200,265)	(172,516)	(831,445)	(704,615)	(120,540)	(2,029,381)
Commission expense	(383,612)	(137,475)	(234,421)	(37,700)	(111,873)	(905,081)
Management expenses	(376,013)	(137,390)	(221,793)	(79,956)	(159,976)	(975,128)
Net insurance claims and expenses	(959,890)	(447,381)	(1,287,659)	(822,271)	(392,389)	(3,909,590)
Premium deficiency	(3,424)	-	-	1,345	-	(2,079)
Underwriting result	(345,756)	153,203	393,473	52,221	1,173	254,314
Net investment income						290,972
Rental income						31,078
Other income						131,824
Other expenses						(58,853)
Result of operating activities						649,335
Finance cost on right-of-use assets						(16,712)
Profit from WTO						108,872
Profit before tax						741,495
Segment assets	5,388,415	1,148,530	1,460,502	382,351	3,057,164	11,436,962
Unallocated assets	-	-	-	-	-	4,775,638
Assets of Window Takaful Operations - operator's fund	-	-	-	-	-	492,825
						16,705,425
Segment liabilities	5,602,185	1,179,748	1,676,446	530,599	2,758,090	11,747,068
Unallocated liabilities	-	-	-	-	-	1,463,925
Total liabilities of Window Takaful Operations - operator's fund	-	-	-	-	-	369,881
						13,580,874

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36 MOVEMENT IN INVESTMENTS

	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

	2022		
	Held to maturity	Fair value through profit or loss	Total
	(Rupees in '000)		
As at January 1, 2022	-	2,968,027	2,968,027
Additions	-	4,359,870	4,359,870
Disposals (sale and redemptions) - net	-	(5,231,263)	(5,231,263)
Net fair value gains (excluding net realised gains)	-	(62,507)	(62,507)
Amortisation of premium / discount	-	79,545	79,545
As at December 31, 2022	-	2,113,672	2,113,672

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:

	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	15,449,061	13,402,108	2,046,953
	358,395,738	347,031,740	11,363,998

	2022		
	Maximum sum insured	Reinsurance cover	Highest net liability
	(Rupees in '000)		
Fire and property damage	42,405,661	42,105,661	300,000
Marine, aviation and transport	51,250,000	51,154,675	95,325
Motor	992,460	396,984	595,476
Health	3,660,515	-	3,660,515
Miscellaneous	139,440,000	139,156,937	283,063
Window Takaful Operations	9,781,423	9,034,356	747,067
	247,530,059	241,848,613	5,681,446

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

	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

	2022		
	Gross liabilities	Gross assets	Net liabilities / (assets)
	(Rupees in '000)		
Fire and property damage	5,602,185	5,388,415	213,770
Marine, aviation and transport	1,179,748	1,148,530	31,218
Motor	1,676,446	1,460,502	215,944
Health	530,599	382,351	148,248
Miscellaneous	2,758,090	3,057,164	(299,074)
Window Takaful Operations	369,881	492,825	(122,944)
	12,116,949	11,929,787	187,162

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 3.4 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	(4,131)	(4,131)	4,131	4,131
Marine, aviation and transport	(9,662)	(9,662)	9,662	9,662
Motor	(60,626)	(60,626)	60,626	60,626
Health	(54,451)	(54,451)	54,451	54,451
Miscellaneous	(9,717)	(9,717)	9,717	9,717
Window Takaful Operations	(95,381)	(95,381)	95,381	95,381
	(233,968)	(233,968)	233,968	233,968

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						
2023	67,917	-	13,253	12,528	17,728	24,408
2022	135,120	-	72,563	20,445	14,627	27,485

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:

	2023							
	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	13.44% to 17.93%	829,991	-	829,991	143,362	-	143,362	973,353
Investments	8.60% to 19.02%	-	2,689,091	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
		834,151	2,689,091	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
		811,948	2,667,469	3,479,417	(125,858)	-	(125,858)	3,353,559

	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
	2022							
		(Rupees in '000)						
Financial assets								
Cash and bank	14.5% to 15.5%	2,398	-	2,398	380,292	-	380,292	382,690
Investments	8.60% to 19.02%	-	2,022,698	2,022,698	90,974	-	90,974	2,113,672
Insurance / reinsurance receivables		-	-	-	4,617,429	-	4,617,429	4,617,429
Reinsurance recoveries against outstanding claims		-	-	-	4,761,352	-	4,761,352	4,761,352
Loans and other receivables		-	-	-	440,064	-	440,064	440,064
Salvage recoveries accrued		-	-	-	106,324	-	106,324	106,324
Window Takaful Operations - total assets		21,571	-	21,571	471,254	-	471,254	492,825
		23,969	2,022,698	2,046,667	10,867,689	-	10,867,689	12,914,356
Financial liabilities								
Outstanding claims including IBNR		-	-	-	6,623,855	-	6,623,855	6,623,855
Insurance / reinsurance payables		-	-	-	1,838,227	-	1,838,227	1,838,227
Other creditors and accruals		-	-	-	1,031,167	-	1,031,167	1,031,167
Borrowings	5.36% - 14.92%	33,182	48,233	81,415	-	-	-	81,415
Window Takaful Operations - total liabilities		-	-	-	219,294	-	219,294	219,294
		33,182	48,233	81,415	9,712,543	-	9,712,543	9,793,958
		(9,213)	1,974,465	1,965,252	1,155,146	-	1,155,146	3,120,398

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, 2023 and 2022 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) -------	
2023		
Cash flow sensitivity - Variable rate financial liabilities	(438)	438
Cash flow sensitivity - Variable rate financial assets	23,791	(23,791)
2022		
Cash flow sensitivity - Variable rate financial liabilities	(814)	814
Cash flow sensitivity - Variable rate financial assets	(16,227)	16,227

(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, 2023, with all other variables held constant, equity for the year would increase / (decrease) by Rs 8.736 million (2022: Rs 4.549 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, 2023 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.

	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

	2022			
	Carrying amount	Contractual cash flow	Up to one year	More than one year
	(Rupees in '000)			
Outstanding claims including IBNR	6,623,855	6,623,855	6,623,855	-
Insurance / reinsurance payables	1,838,227	1,838,227	1,838,227	-
Other creditors and accruals	1,031,167	1,031,167	1,031,167	-
Borrowings	81,415	101,647	44,364	57,283
Window Takaful Operations - total liabilities	219,294	219,294	219,294	-
	9,793,958	9,814,190	9,756,907	57,283

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:

	2023	2022
	-------- (Rupees in '000) --------	
Investments		
- Equity	174,721	90,974
- Debt securities	309,989	400,000
- Loans and other receivables	502,483	440,064
Insurance / reinsurance receivables		
- Insurance / reinsurance receivables	4,044,829	4,617,429
- Reinsurance recoveries against outstanding claims	6,819,523	4,761,352
- Salvage recoveries accrued	186,737	106,324
- Cash and bank	970,585	373,197
- Window Takaful Operations - total assets	493,043	492,825
	13,501,910	11,282,165

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 13.3 and 13.4. 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 and term deposit receipts			
Faysal Bank Limited	PACRA / VIS	A1+	AA
JS Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Bank Al-Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Bank of Punjab	PACRA	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA-
United Bank Limited	VIS	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
National Bank of Pakistan	PACRA / VIS	A1+	AAA
Samba Bank Limited	PACRA / VIS	A1	AA
Mobilink Microfinance Bank Limited	PACRA / VIS	A1	A
Khushali Microfinance Bank Limited	VIS	A2	A-
Telenor Microfinance Bank	PACRA	A1	A
Finca Microfinance Bank Limited	PACRA / VIS	A2	A-
NRSP Microfinance Bank Limited	VIS	A2	BBB+
Habib Bank Limited	VIS	A1+	AAA
Summit Bank Limited	VIS	Not rated	Not rated
Allied Bank Limited	PACRA	A1+	AAA
First Microfinance Bank Limited	PACRA	A1	A+
Industrial and Commercial Bank of China Limited	S&P	Not rated	A
Askari Bank Limited	PACRA	A1+	AA+
U Microfinance Bank Limited	PACRA / VIS	A1	A+

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

	2023	2022
	-------- (Rupees in '000) --------	
Up to 1 year	3,415,436	4,210,415
1-2 years	392,070	293,983
2-3 years	152,959	95,297
Over 3 years	318,723	231,091
	4,279,188	4,830,786

	2023	2022
	--------- (Rupees in '000) --------	
Window Takaful Operations		
Up to 1 year	390,953	346,745
1-2 years	57,080	78,892
2-3 years	57,027	32,733
Over 3 years	36,896	7,730
	541,956	466,100

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.

	2023	2022
	--------- (Rupees in '000) --------	
Sector wise analysis of premiums due but unpaid		
Foods and beverages	100,992	71,107
Financial services	325,235	99,256
Pharmaceuticals	40,632	26,444
Textile and composites	343,408	373,254
Engineering	43,280	53,605
Other manufacturing	223,566	247,545
Miscellaneous	483,415	561,330
	1,560,528	1,432,541
Window Takaful Operations		
Textile	81,867	72,162
Financial services	34,386	46,390
Engineering	28,405	4,083
Pharmaceuticals	22,086	1,223
Food	70,136	76,041
Other manufacturing	21,298	14,667
Others	84,135	85,215
	342,313	299,781

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	2023	2022
	(Rupees in '000)				
A- or above (including PRCL)	2,470,419	6,196,832	2,120,717	10,787,968	9,122,264
BBB and B+	134,113	336,411	115,128	585,652	443,259
Others	114,128	286,280	97,972	498,380	298,668
Total	2,718,660	6,819,523	2,333,817	11,872,000	9,864,191

	Due from other insurers / re-takaful operators	Re-takaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	2023	2022
	(Rupees in '000)				
Window Takaful Operations					
A- or above (including PRCL)	195,354	157,820	197,486	550,660	339,057
BBB	4,289	3,465	4,336	12,090	217,067
Others	-	-	-	-	16,049
	199,643	161,285	201,822	562,750	572,173

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

	2023	2022
	(Rupees in '000)	
Financial assets and financial liabilities		
Financial assets		
Loans and receivables		
Cash and bank	973,353	382,690
Insurance / reinsurance receivables	4,044,829	4,617,429
Reinsurance recoveries against outstanding claims	6,819,523	4,761,352
Loans and other receivables	502,483	440,064
Salvage recoveries accrued	186,737	106,324
Window Takaful Operations - total assets	493,043	492,825
	13,019,968	10,800,684
Investments - fair value through profit or loss		
Equity securities	174,721	90,974
Term finance certificates and Sukuks	309,989	400,000
Government securities	2,379,102	1,622,698
	2,863,812	2,113,672
Financial liabilities		
Amortised cost		
Outstanding claims including IBNR	7,377,643	6,623,855
Insurance / reinsurance payables	3,392,743	1,838,227
Other creditors and accruals	1,496,716	1,031,167
Borrowings	43,825	81,415
Window Takaful Operations - total liabilities	219,294	219,294
	12,530,221	9,793,958

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:

	2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets - measured at fair value			
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

	2022		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets - measured at fair value			
Fair value through profit or loss			
Listed shares	86,152	-	-
Mutual funds	-	4,822	-
Term finance certificates and Sukuks	-	400,000	-
Government securities	-	1,622,698	-
Non - financial assets - measured at fair value			
Property and equipment (Buildings and leasehold improvements) *	-	-	649,519
Investment properties *	-	-	429,402
	-	-	

Item	Valuation approach and input used
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.
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 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue by the Board of Directors of the Company on **March 18, 2024**.

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41 EVENTS AFTER REPORTING DATE

The Board of Directors has proposed a final dividend for the year ended December 31, 2023 of Re. 0.89 per share, amounting to Rs 170 million in its meeting held on Mar 18, 2024. The effect of this distribution will be incorporated in the unconsolidated financial statements of the Company for the year ending December 31, 2024.

42 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, 2023

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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, 2023, 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, 2023 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 **Shahbaz Akbar**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 5, 2024
UDIN: AR202310068ZNO0kwhBd

IGI GENERAL INSURANCE LIMITED
WINDOW TAKAFUL OPERATIONS
STATEMENT OF FINANCIAL POSITION OF OPF AND PTF
AS AT DECEMBER 31, 2023

	Note	Operator's Fund		Participants' Takaful Fund	
		2023	2022	2023	2022
		(Rupees in '000)			
Assets					
Property and equipment	5	61	95	-	-
Investments					
- Mutual Funds	6	91,290	46	323,846	166,238
- Sukuks	7	-	-	322,165	-
- Term deposits	8	-	-	214,917	546,350
Other receivables	9	8,330	8,382	56,677	54,077
Takaful / retakaful receivables	10	44,382	24,402	519,263	454,583
Salvage recoveries accrued		-	-	64,415	47,422
Deferred wakala fee	21	-	-	196,099	147,434
Receivable from PTF / OPF (including Qard-e-Hasan)	11	394,095	402,327	-	-
Accrued investment income		-	29	25,934	14,219
Taxation - payment less provisions		-	-	36,528	18,904
Retakaful recoveries against outstanding claims	19	-	-	161,285	297,602
Deferred reward expense	20	74,325	56,698	-	-
Prepayments	12	200	200	201,822	119,769
Cash and bank	13	4,160	646	37,417	42,689
Total assets		616,843	492,825	2,160,368	1,909,287
Funds and liabilities					
Funds attributable to Operator and Participants					
Operator's Fund (OPF)					
Statutory fund		50,000	50,000	-	-
Unappropriated profit		104,881	72,944	-	-
		154,881	122,944	-	-
Waqf / Participants' Takaful Fund					
Ceded money		-	-	500	500
Accumulated surplus / (deficit)		-	-	67,893	(76,398)
Balance of Participants' Takaful Fund		-	-	68,393	(75,898)
Qard-e-Hasan	11.1	-	-	205,339	205,339
Liabilities					
PTF Underwriting Provisions					
Outstanding claims including IBNR	19	-	-	498,462	698,131
Unearned contribution reserve	18	-	-	679,667	500,974
Contribution deficiency reserve	19.2	-	-	7,297	18,442
Unearned retakaful reward	22	-	-	53,743	32,970
		-	-	1,239,169	1,250,517
Unearned wakala fee	21	196,099	147,434	-	-
Contribution received in advance		-	-	14,190	13,693
Takaful / retakaful payables	14	10,447	8,581	282,557	190,777
Other payable and accruals	15	250,305	213,076	161,964	127,871
Accrued expenses		5,111	790	-	-
Payable to PTF / OPF	16	-	-	188,756	196,988
		461,962	369,881	647,467	529,329
Total funds and liabilities		616,843	492,825	2,160,368	1,909,287
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, 2023

	Note	2023	2022
		-----------(Rupees in '000)-----------	
Participants' Takaful Fund			
Contribution earned		1,305,577	1,080,706
Less: Contributions ceded to retakaful		(423,800)	(252,656)
Net contribution revenue	18	881,777	828,050
Retakaful reward earned	22	109,602	66,964
Net underwriting income		991,379	895,014
Net claims - reported / settled		(943,023)	(889,998)
- IBNR		(10,785)	(15,582)
	19	(953,808)	(905,580)
Charge of contribution deficiency reserve		11,145	(1,047)
		48,716	(11,613)
Other direct expenses	23	(28,471)	(29,001)
Surplus / (deficit) before investment income		20,245	(40,614)
Investment income	25	156,624	88,067
Other income	26	8,027	5,942
Less: Modarib's share of investment income	27	(32,930)	(18,802)
Provisions for doubtful contributions (net of Wakala fee)	10.1.1	(7,675)	(7,979)
Surplus transferred to accumulated surplus / (deficit)		144,291	26,614
Other comprehensive income for the year		-	-
Total comprehensive income for the year		144,291	26,614
Operator's Fund			
Wakala fee	21	463,085	360,178
Reward expense	20	(159,848)	(129,567)
General administration and management expenses	24	(171,804)	(142,835)
		131,433	87,776
Investment income	25	8,763	1,697
Other income	26	866	1,355
Modarib's share of PTF investment income	27	32,930	18,802
Less: other charges	28	(2,056)	(758)
Profit before taxation		171,936	108,872
Taxation	29	(67,055)	(35,928)
Profit after taxation		104,881	72,944
Other comprehensive income for the year		-	-
Total comprehensive income for the year		104,881	72,944

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 CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Attributable to Operator's Fund		
	Statutory fund*	Unappropriated profit	Total
	(Rupees in '000)		
Balance as at January 1, 2022	50,000	61,597	111,597
Transfer of profit to the Operator	-	(61,597)	(61,597)
Profit for the year	-	72,944	72,944
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2022	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

	Attributable to participants of the PTF		
	Ceded money**	Accumulated (deficit) / surplus	Total
	(Rupees in '000)		
Balance as at January 1, 2022	500	(103,012)	(102,512)
Surplus for the year	-	26,614	26,614
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2022	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

* This represents fund created by the Operator as per the requirement of 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, 2023

	Note	Operator's Fund 2023	Operator's Fund 2022	Participants' Takaful Fund 2023	Participants' Takaful Fund 2022
		----------(Rupees in '000)----------			
OPERATING CASH FLOWS					
Takaful activities					
Contributions received		-	-	1,916,837	1,453,618
Retakaful contribution paid		-	-	(458,914)	(291,995)
Claims / benefits paid		-	-	(1,200,477)	(831,242)
Re-takaful and other recoveries received		-	-	183,317	103,436
Retakaful reward received		-	-	130,375	77,451
Reward paid		(152,278)	(127,205)	-	-
Wakala fee received		525,044	335,567	-	-
Wakala fee paid		-	-	(521,543)	(332,029)
Other takaful payments		-	-	(41,839)	110,871
Net cash inflow from / (outflow on) takaful activities		372,766	208,362	7,756	290,110
Other operating activities					
Income tax paid		-	-	(17,624)	(11,061)
General and other expenses paid		(194,776)	(212,938)	-	-
Net cash outflow on other operating activities		(194,776)	(212,938)	(17,624)	(11,061)
Total cash inflow from / (outflow on) all operating activities		177,990	(4,576)	(9,868)	279,049
INVESTING ACTIVITIES					
Profit received		9,658	2,995	128,737	71,857
Qard-e-Hasan paid to PTF		-	(47)	-	-
Net (payments) / receipts for investments		(111,190)	41,236	90,776	(686,844)
Total cash (outflow on) / inflow from investing activities		(101,532)	44,184	219,513	(614,987)
FINANCING ACTIVITIES					
Profit paid to the Operator		(72,944)	(61,597)	-	-
Total cash outflow on financing activities		(72,944)	(61,597)	-	-
Net increase / (decrease) in cash and cash equivalents during the year		3,514	(21,989)	209,645	(335,938)
Cash and cash equivalents at beginning of the year		646	22,635	42,689	378,627
Cash and cash equivalents at end of the year	13.2	4,160	646	252,334	42,689
Reconciliation to statement of comprehensive income					
Operating cash flows		177,990	(4,576)	(9,868)	279,049
Depreciation expense		(23,730)	(13,436)	-	-
Profit on bank balances and investments		9,629	3,052	164,651	94,009
Increase in liabilities		(68,384)	(19,501)	(106,790)	(712,701)
Decrease in assets other than cash		9,376	107,405	96,298	366,257
Profit / surplus for the year		104,881	72,944	144,291	26,614

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

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 (IFRSs) 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 Insurance Accounting Regulations, 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, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 differ with the requirements of IFRSs, 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 new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after January 1, 2023 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)
- IFRS 9 - 'Financial Instruments'	January 1, 2024**
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 7 - 'Statement of Cash Flows' (amendments)	January 1, 2024
- IFRS 7 - 'Financial Instruments: Disclosures' (amendments)	January 1, 2024
- IFRS 17 - 'Insurance contracts'	January 1, 2026*

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.

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

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Operator has adopted the temporary exemption which allows the Operator to defer the application of IFRS 9 until application of IFRS 17. For the companies adopting the temporary exemption, IFRS 4 requires certain disclosures which have been disclosed as follows:

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, 2023 and December 31, 2022 and change in the fair values during the year:

	OPF		PTF	
	2023	2022	2023	2022
Financial assets that do not meet the SPPI criteria	---------- (Rupees in '000) ----------			
Mutual funds (note 6)				
Opening fair value	46	41,282	166,238	15,088
Additions / (disposals) during the year	85,005	(41,238)	135,573	140,494
Increase in fair value	6,239	2	22,034	10,656
Closing fair value	91,290	46	323,845	166,238
Sukuks (note 7)				
Opening fair value	-	-	-	-
Additions / (disposals) during the year	-	-	320,000	-
Increase in fair value	-	-	2,165	-
Closing fair value	-	-	322,165	-

	OPF		PTF	
	2023	2022	2023	2022
Financial assets classified as "Held to Maturity" that meet SPPI criteria	---------- (Rupees in '000) ----------			
Term deposits (note 8)				
Opening fair value	-	-	546,350	365,200
(Disposals) / additions during the year	-	-	(331,433)	181,150
Increase in fair value	-	-	-	-
Closing fair value	-	-	214,917	546,350

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, 2024 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, 2022 unless otherwise stated.

3.1 Property and equipment

Tangible

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

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. 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.

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.

Contracts under which the Participants' Takaful Fund (PTF) accepts significant takaful risk from another party (the participant) by agreeing to compensate the participant if a specified uncertain future event (the takaful event) adversely affects the participant are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non-happening. Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The PTF underwrites non-life takaful contracts that can be 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 reward expense

Reward 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 Contribution revenue / reserve for unearned 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. Where the pattern of incidence of risk varies over the period of the policy, contribution is recognised as revenue in PTF in accordance with the pattern of the incidence of risk. 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.

3.5 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.

3.6 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. Guidelines also allows the use of any other alternative method of determining IBNR, if found more suitable for the risk class, provided that the amount estimated under the alternative method shall not be less than the amount calculated under prescribed method. 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.

Under alternative method IBNR is determined on reported basis. IBNR (reported basis) is much similar to IBNR (paid basis) but is calculated using a different methodology. It does not use either IBNP or outstanding claims to estimate IBNR rather, is determined using BCL method. Development factors are determined for each accident period to estimate the ultimately reported claims directly. Intimation registers are used in the BCL model where lags are calculated as the difference between the 'date of loss' and 'date of intimation'.

The analysis is carried out separately for each class of business and results determined through this alternative method are compared to the results of prescribed method and higher of the two are set as the final reserve.

3.7 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.

3.8 Reward, other acquisition costs and re-takaful reward

Reward 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. Reward expense is arrived at after taking the impact of opening and closing deferred reward. Re-takaful reward from re-takaful operator is recognised at the time of issuance of the underlying takaful policy by the PTF. This income is deferred and brought to the statement of comprehensive income as revenue in accordance with the pattern of recognition of the re-takaful contribution to which it relates. Retakaful reward from re-takaful operator is arrived at after taking the impact of opening and closing unearned re-takaful reward. Profit on re-takaful contracts, if any, which the PTF may be entitled to under the terms of re-takaful, is recognised on accrual basis.

3.9 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 Company has recorded contribution deficiency reserve on the recommendation of actuary for marine, health and miscellaneous business.

3.10 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.

3.11 Wakala fee

The Operator of window takaful manages the general takaful operations for the participants and charge wakala fee to PTF to meet the general and administrative expenses of the Operator including reward to agents at following rates:

	Percentage	
Class	**2023**	**2022**
Fire and property	31%	31%
Marine, aviation and transport	35%	35%
Motor	32%	32%
Health	16%	16%
Miscellaneous	28%	28%

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.

3.12 Mudarib's share - PTF

The Operator also manages the participants' investment as Mudarib and charges 20% (2022: 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.

3.13 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.

3.14 Payables, accruals and provisions

Liabilities for payables 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.

3.15 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.

3.16 Cash and cash equivalents

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

3.17 Investments

3.17.1 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. The Operator follows trade date accounting for 'regular way purchase and sale' of investment. Investments are classified into the following categories:

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

3.17.2 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 'available for sale' are recorded in statement of comprehensive income in the period in which these arise.

3.17.3 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.

3.17.4 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.

Dividend income and entitlement of bonus shares are recognised when the Operator's right to receive such dividend and bonus shares is established.

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.

3.17.5 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.

3.17.6 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.

3.17.7 Sale and repurchase agreements

Securities purchased under an agreement to resell (reverse repo) are not recognised in the financial statements as investments and the amount extended to the counter party is included in other receivables. The difference between the sale and repurchase price is recognised as income and included in other income.

3.18 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.

3.19 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.

3.20 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.

3.21 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 income currently.

3.22 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 3.6 and 19);
ii) provision for unearned contribution (notes 3.4 and 18);
iii) provision against contribution due but unpaid and amount due from other takaful / re-takaful operators (note 10);
iv) provision for contribution deficiency reserve (notes 3.9 and 19.2);
v) provision for unearned wakala fee (notes 3.11 and 21);
vi) classification of investments and its impairment (notes 3.17, 6, 7, 8 and 25);
vii) residual values, useful lives and depreciation method of property and equipment (notes 3.1 and 5);
viii) allocation of management expenses (notes 3.22 and 24);
ix) provision for taxation (notes 3.15 and 29); and
x) retakaful recoveries against outstanding claims (notes 3.7 and 19).

	Note	2023	2022
5 PROPERTY AND EQUIPMENT		--------(Rupees in '000)--------	
Operating assets	5.1	61	95

5.1 Following is the movement of operating assets:

	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%

	OPF 2022									
	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	133	102	(77)	158	126	14	(77)	63	95	33.33%

6 INVESTMENTS IN MUTUAL FUNDS

	2023				2022			
	Cost	Impair-ment / provision	Net unrealised gain	Market value	Cost	Impair-ment / provision	Net unrealised gain	Market value
OPF	(Rupees in '000)							
At fair value through profit or loss								
Alhamra Cash Management Optimizer	45,000	-	3,265	48,265	-	-	-	-
Faysal Halal Amdani Fund	40,000	-	2,971	42,971	-	-	-	-
Alfalah GHP Islamic Income Fund	15	-	1	16	13	-	1	14
Al-Ameen Islamic Cash Fund	16	-	1	17	13	-	1	14
NBP Riba Free Savings Fund	13	-	1	14	12	-	-	12
Faysal Islamic Saving Growth Fund	7	-	-	7	6	-	-	6
	85,051	-	6,239	91,290	44	-	2	46

	2023				2022			
	Cost	Impair-ment / provision	Net unrealised gain	Market value	Cost	Impair-ment / provision	Net unrealised gain	Market value
PTF	(Rupees in '000)							
At fair value through profit or loss								
MCB Alhamra Wada Plan VII	139,573	-	13,751	153,324	-		-	-
HBL Islamic Income Fund	92,278	-	1,855	94,133	45,983	-	3,601	49,584
Alfalah IPPF-2 Islamic Capital Preservation Plan 6	60,027	-	5,317	65,344	51,275	-	2,963	54,238
Faysal Halal Amdani Fund	9,933	-	1,111	11,044	-	-	-	-
MCB Alhamra Islamic Income Fund	-	-	-	-	30,541	-	2,152	32,693
NBP Riba Free Savings Fund	-	-	-	-	12	-	-	12
NBP Islamic Income Fund	-	-	-	-	26,704	-	1,917	28,621
Faysal Islamic Saving Growth Fund	-	-	-	-	5	-	-	5
Al-Ameen Islamic Sovereign Fund	-	-	-	-	1,062	-	23	1,085
	301,811	-	22,034	323,846	155,582	-	10,656	166,238

7 INVESTMENTS IN GOVERNMENT SECURITIES

Particulars	Year of maturity	Effective yield % per annum	Profit payment	PTF 2023	PTF 2022
				(Rupees in '000)	
At fair value through profit or loss					
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	-
				322,165	-
Total market value				322,165	-
Total carrying value				320,000	-

8 INVESTMENTS IN TERM DEPOSITS

	Note	OPF 2023	OPF 2022	PTF 2023	PTF 2022
		(Rupees in '000)			
Held to maturity					
Term deposits	8.1	-	-	214,917	546,350

8.1 These deposits carry expected profit at the rate of 21% to 21.5% (2022: 15% to 15.5%) per annum and are due to mature in March 2024.

9 OTHER RECEIVABLES

	Note	OPF 2023	OPF 2022	PTF 2023	PTF 2022
		(Rupees in '000)			
Others	9.1	8,330	8,382	56,677	54,077

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.

The Operator filed an appeal before the Commissioner (Appeals) SRB on December 28, 2018 against the above order and submitted that:

- The payments to foreign re-insurance companies are not a service and is merely a re-distribution of the insurance risk and therefore the contribution. 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 re-distribution keeping in view the fact that neither any service is being provided to the policy holder nor any value addition is being made.

- These risk sharing arrangements have been made by the Operator from the re-insurance companies incorporated outside Pakistan with no legal or physical presence therefore it is a 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 Operator against its output tax liability.

The Operator also filed a constitutional petition before the Honourable High Court (the Court) of Sindh at Karachi on December 28, 2018 seeking protection from the above mentioned coercive action taken by the tax department. The Court has 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 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 Operator. The Operator shall repay the amount withdrawn from Window Takaful Operations to conventional business once the matter is decided in favour of the Operator and the pay orders are cancelled accordingly.

10 TAKAFUL / RETAKAFUL RECEIVABLES

	Note	OPF		PTF	
		2023	2022	2023	2022
		(Rupees in '000)		(Rupees in '000)	
Due from Takaful participants holders					
- considered good		-	-	319,620	299,781
- considered doubtful		-	-	22,693	11,517
		-	-	342,313	311,298
Less: provision for impairment	10.1	-	-	(22,693)	(11,517)
		-	-	319,620	299,781
Due from other takaful / retakaful operators		44,382	24,402	199,643	154,802
		44,382	24,402	519,263	454,583

10.1 Provision for impairment

	Note	OPF 2023	OPF 2022	PTF 2023	PTF 2022
Balance at the beginning of the year		-	-	11,517	-
Charge for the year	10.1.1	-	-	11,176	11,517
Written off during the year		-	-	-	-
Balance at the end of the year		-	-	22,693	11,517

10.1.1 Charge for the year	OPF 2023	OPF 2022	PTF 2023	PTF 2022
	------- (Rupees in '000) -------		------- (Rupees in '000) -------	
Provision for impairment	-	-	11,176	11,517
Less: related wakala fee	-	-	(3,501)	(3,538)
Provision for impairment (net of wakala fee)	-	-	7,675	7,979

10.2 The Company has entered into takaful and retakaful arrangements with various other takaful companies and one local retakaful company. As at December 31, 2023, the aggregate net balance due from / (to) other local takaful and retakaful arising from such arrangements amounts to Rs. 150.441 million and Rs. (175.860) 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.

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.

	Note	OPF 2023	OPF 2022	PTF 2023	PTF 2022
		------- (Rupees in '000) -------		------- (Rupees in '000) -------	
11 RECEIVABLE FROM OPF / PTF INCLUDING QARD-E-HASAN					
Wakala fee		155,810	169,104	-	-
Qard-e-Hasan to Participant Takaful Fund	11.1	205,339	205,339	-	-
Modarib fee		32,930	18,802	-	-
Others		16	9,082	-	-
		394,095	402,327	-	-

11.1 Qard-e-Hasan	PTF 2023	PTF 2022
	------- (Rupees in '000) -------	
Opening balance of Qard-e-Hasan	205,339	205,339
Qard-e-Hasan from OPF during the year	-	-
Closing balance of Qard-e-Hasan	205,339	205,339

11.1.1 The Operator fund has funded the deficit in participant takaful fund by way of an interest free loan (Qard-e-Hasan) in accordance with the Takaful Rules, 2012. In the event of future surplus in the Participant Takaful Fund to which a Qard-e-Hasan has been made, the Qard-e-Hasan shall be repaid prior to distribution of surplus to participants.

	Note	OPF 2023	OPF 2022	PTF 2023	PTF 2022
		------- (Rupees in '000) -------		------- (Rupees in '000) -------	
12 PREPAYMENTS					
Prepaid retakaful contribution ceded	18	-	-	201,822	119,769
Others		200	200	-	-
		200	200	201,822	119,769
13 CASH AND BANK					
Cash and cash equivalent					
-Policy stamps in hand		-	-	2,089	914
Cash at bank					
-Savings accounts	13.1	4,160	646	35,328	41,775
		4,160	646	37,417	42,689

13.1 These savings accounts carry profit rates ranging from 9% to 11.11% (2022: 8.5% to 12.65%) per annum.

13.2	Cash and cash equivalents for the purpose of statement of cash flows:	Note	OPF 2023	OPF 2022	PTF 2023	PTF 2022
			------- (Rupees in '000) -------		------- (Rupees in '000) -------	
	Cash and bank	13	4,160	646	37,417	42,689
	Term deposits having maturity of 3 months or less	8	-	-	214,917	-
			4,160	646	252,334	42,689

14 TAKAFUL / RETAKAFUL PAYABLES

	OPF 2023	OPF 2022	PTF 2023	PTF 2022
Due to takaful participants / re-takaful payable to re-takaful operators	10,447	8,581	282,557	190,777

15 OTHER PAYABLE AND ACCRUALS

	OPF 2023	OPF 2022	PTF 2023	PTF 2022
Rewards payable	99,120	73,923	-	-
Federal excise duty and sales tax	3,277	3,153	22,169	31,058
Federal takaful fee	-	-	5,793	1,953
Payable to IGI General Insurance Limited - Operator	147,409	134,505	125,257	77,229
Payable to customers	-	-	-	9,891
Others	499	1,495	8,745	7,740
	250,305	213,076	161,964	127,871

16 PAYABLE TO OPF / PTF

	OPF 2023	OPF 2022	PTF 2023	PTF 2022
Wakala fee	-	-	155,810	169,104
Modarib's fee	-	-	32,930	18,802
Others	-	-	16	9,082
	-	-	188,756	196,988

17 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2023 and December 31, 2022.

18 NET CONTRIBUTION REVENUE

	Note	PTF 2023	PTF 2022
		---- (Rupees in '000) ----	
Written gross contribution		1,947,355	1,551,607
Less: Wakala fee	21	(463,085)	(360,178)
Contribution net off wakala fee		1,484,270	1,191,429
Add: Unearned contribution reserve - opening		500,974	390,251
Less: Unearned contribution reserve - closing		(679,667)	(500,974)
Contribution earned		1,305,577	1,080,706
Less: Re-takaful contribution ceded		(505,853)	(287,607)
Add: Prepaid re-takaful contribution ceded - opening		(119,769)	(84,818)
Less: Prepaid re-takaful contribution ceded - closing	12	201,822	119,769
Re-takaful expense		(423,800)	(252,656)
Net contribution		881,777	828,050

19 TAKAFUL BENEFITS / CLAIM EXPENSE - REPORTED / SETTLED

	PTF 2023	PTF 2022
Benefits / claims paid	1,200,477	831,242
Add: Outstanding claims (including IBNR) - closing	498,462	698,131
Less: Outstanding claims (including IBNR) - opening	(698,131)	(318,805)
Claims expense	1,000,808	1,210,568
Less: Re-takaful and other recoveries received	(183,317)	(103,436)
Add: Re-takaful and other recoveries in respect of outstanding claims - closing	(161,285)	(297,602)
Less: Re-takaful and other recoveries in respect of outstanding claims - opening	297,602	96,050
Re-takaful and other recoveries revenue	(47,000)	(304,988)
Net claims expense	953,808	905,580

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 fire claims over a period of time. All amounts are presented in gross numbers before re-takaful.

	2019 and prior	2020	2021	2022	2023 (including IBNR)	Total
	(Rupees in '000)					
Gross estimate of ultimate claims cost:						
- At end of accident year	17,953	32,699	65,228	323,681	76,044	515,605
- One year later	17,953	32,699	61,802	225,099	-	337,553
- Two years later	16,361	32,669	60,066	-	-	109,096
- Three years later	16,304	33,178	-	-	-	49,482
- Four years later	16,312	-	-	-	-	16,312
Current estimate of cumulative claims	16,312	33,178	60,066	225,099	76,044	410,699
Cumulative payment to date	14,347	29,630	52,077	201,074	29,605	326,733
Liability recognised in the statement of financial position	1,965	3,548	7,989	24,025	46,439	83,966

19.2 Movement of IBNR / CDR

	2023 IBNR	2023 CDR	2022 IBNR	2022 CDR
	(Rupees in '000)			
IBNR / CDR - opening	51,104	18,442	35,522	17,395
Charge / (reversal) during the year	10,785	(11,145)	15,582	1,047
IBNR / CDR - closing	61,889	7,297	51,104	18,442

20 NET REWARD EXPENSE

	2023	2022
	(Rupees in '000)	
Reward paid or payable	177,475	145,651
Add: Deferred reward expense- opening	56,698	40,614
Less: Deferred reward expense- closing	(74,325)	(56,698)
	159,848	129,567

21 NET WAKALA FEE

Gross wakala fee	511,750	399,245
Add: Deferred wakala fee - opening	147,434	108,367
Less: Deferred wakala fee - closing	(196,099)	(147,434)
	463,085	360,178

21.1 The wakala fee rates have been charged as specified in note 3.11 to the financial statements.

22 RETAKAFUL REWARD EARNED

Re-takaful reward received	130,375	77,451
Add: Unearned re-takaful reward - opening	32,970	22,483
Less: Unearned re-takaful reward - closing	(53,743)	(32,970)
	109,602	66,964

	Note	2023	2022
		---- (Rupees in '000) ----	

23 OTHER DIRECT EXPENSES

Trackers cost		23,903	27,631
Policy printing		1,674	-
Bank charges		635	442
Inspection fees		306	21
Office stationery		450	-
Other expenses		1,503	907
		28,471	29,001

24 GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES

Salaries, allowances and other benefits		78,163	75,697
Shariah advisor fees		1,889	1,677
Printing and stationery		1,782	1,669
Computer running expenses		5,325	3,504
Depreciation		23,730	13,436
Legal and professional charges		1,793	1,102
Rent, rates and taxes		11,927	9,881
Electricity, gas and water		5,653	4,427
Repairs and maintenance		1,851	1,254
Education and training		423	621
Communication		4,342	2,022
Motor expenses		21,024	18,231
Tour and travelling		9,559	5,367
Advertisement		1,741	1,868
Other		2,602	2,079
	24.1	171,804	142,835

24.1 Following is detail of allocation of expenses as fully explained in note 3.22 to the financial statements charged by the Operator in respect of its window takaful operations:

	2023	2022
	---- (Rupees in '000) ----	
Allocated expenses		
Salaries, allowances and other benefits	67,162	69,659
Printing and stationery	1,769	1,656
Computer running expenses	4,125	1,884
Depreciation	23,696	13,422
Rent, rates and taxes	11,927	9,881
Electricity, gas and water	5,653	4,427
Repairs and maintenance	1,851	1,254
Education and training	423	621
Communication	4,342	2,022
Motor expenses	21,024	14,688
Tour and travelling	5,985	5,367
Advertisement	1,741	1,868
Other	2,601	2,079
	152,299	128,828

25 INVESTMENT INCOME

	Note	OPF 2023	OPF 2022	PTF 2023	PTF 2022
		(Rupees in '000)			
Income from equity securities					
Net realised gains		155	1,692	5,822	207
Net unrealised gains		6,239	2	24,199	10,656
Dividend income		2,369	3	30,396	3,867
Income from term deposits					
Return on term deposits	25.1	-	-	96,207	73,337
		8,763	1,697	156,624	88,067

25.1 This includes Rs. 0.068 million (2022: Rs. 0.064 million) profit earned on placement of ceded money in term deposit.

26 OTHER INCOME

	OPF 2023	OPF 2022	PTF 2023	PTF 2022
	(Rupees in '000)			
Profit on bank deposits	866	1,300	8,027	5,942
Gain on disposal of assets	-	55	-	-
	866	1,355	8,027	5,942

27 MODARIB'S FEE

The shareholders of the Operator manage the participants' investments as a modarib and charge 20% (2022: 20%) modarib's share of the investment income earned by PTF.

28 OTHER CHARGES

	Note	OPF 2023	OPF 2022
		(Rupees in '000)	
Bank charges		19	17
Auditors' remuneration	28.1	2,037	741
		2,056	758

28.1 Auditors' remuneration

	2023	2022
Audit fee	1,852	690
Out-of-pocket expenses	185	51
	2,037	741

29 TAXATION

The current tax charge for the year is Rs. 67.055 million (2022: Rs. 35.928 million) at the tax rate of 39% (2022: 33%) and the same has been recorded in these financial statements hence no tax reconciliation has been made.

30 COMPENSATION OF EXECUTIVES

	Executives * 2023	Executives * 2022
	(Rupees in '000)	
Managerial remuneration	2,580	3,030
Bonus	1,005	326
Contribution to defined benefit plan	450	286
Rent and house maintenance	1,151	1,352
Utilities	256	301
Medical	-	111
Others	128	290
	5,570	5,696
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.

31 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, directors of the Operator, key management personnel, major shareholders, 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	
	2023	2022	2023	2022
	(Rupees in '000)			
Contribution underwritten	-	-	6,177	5,231
Contribution collected	-	-	4,488	8,114
Claims expense	-	-	361	3,031
Claims paid	-	-	789	2,860
Gross wakala fee income	463,085	360,178	-	-
Wakala fee expense	-	-	463,085	360,178
Wakala fee received	525,044	335,567	-	-
Wakala fee paid	-	-	280,626	335,567
Modarib's share on investment income - income	32,930	18,802	-	-
Modarib's share on investment income - expense	-	-	32,930	18,802
Modarib's share on investment income - received	18,802	6,728	-	-
Modarib's share on investment income - paid	-	-	18,802	6,728
Profit paid to the Operator	72,944	61,597	-	-
Allocated expenses incurred	152,299	128,829	-	-
Tracker rental charges	-	-	14,029	10,758
Allocated expenses paid	86,177	63,979	-	-
Balances with related parties				
Payable to IGI General Insurance Limited - Operator	147,409	134,505	125,257	77,229
Inter-fund receivable	188,756	196,988	-	-
Inter-fund payable	-	-	188,756	196,988
Contribution receivable / (advance)	-	-	113	(1,576)
Outstanding claim	-	-	361	789

31.1 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 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
	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	116,530	40,926	232,255	107,911	14,128	511,750
Takaful contribution earned	206,317	70,477	466,066	526,514	36,203	1,305,577
Takaful contribution ceded to retakaful	(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
Retakaful 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 retakaful	(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 expense	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	-	-	-	-	-	1,156,478
Total assets	394,129	85,870	322,132	199,875	76,463	2,234,947
Corporate segment liabilities	375,616	107,197	676,048	291,660	85,395	1,535,917
Corporate unallocated liabilities	-	-	-	-	-	425,298
Total liabilities	375,616	107,197	676,048	291,660	85,395	1,961,215

Particulars	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Total
	2022 - PTF					
	(Rupees in '000)					
Contribution receivable (inclusive of federal excise duty, federal takaful fee and administrative surcharge)	264,194	84,905	714,207	595,876	49,149	1,708,331
Less: Federal Excise Duty	(33,869)	(8,928)	(88,708)	-	(3,748)	(135,253)
Federal Takaful Fee	(2,247)	(698)	(6,166)	(5,900)	(452)	(15,463)
Stamp duty	(40)	(5,451)	(502)	(3)	(12)	(6,008)
Gross written contribution (inclusive of administrative surcharge)	228,038	69,828	618,831	589,973	44,937	1,551,607
Gross direct contribution	223,089	68,510	609,188	589,826	44,629	1,535,242
Facultative inward contribution	3,358	-	267	-	-	3,625
Administrative surcharge	1,591	1,318	9,376	147	308	12,740
	228,038	69,828	618,831	589,973	44,937	1,551,607
Wakala fee	70,175	24,362	192,769	99,528	12,411	399,245
Takaful contribution earned	132,413	44,611	384,313	487,774	31,595	1,080,706
Takaful contribution ceded to retakaful	(158,976)	(60,471)	(17,325)	-	(15,884)	(252,656)
Net contribution revenue	(26,563)	(15,860)	366,988	487,774	15,711	828,050
Retakaful reward	45,429	15,915	1,469	-	4,151	66,964
Net underwriting income	18,866	55	368,457	487,774	19,862	895,014
Takaful claims	(303,314)	(29,235)	(329,521)	(522,733)	(25,765)	(1,210,568)
Takaful claims recovered from retakaful	272,536	24,571	2,382	-	5,499	304,988
Net claims	(30,778)	(4,664)	(327,139)	(522,733)	(20,266)	(905,580)
Contribution deficiency expense	(4,683)	(231)	-	5,874	(2,007)	(1,047)
Direct expenses	(202)	(62)	(28,177)	(521)	(39)	(29,001)
Underwriting result	(16,797)	(4,902)	13,141	(29,606)	(2,450)	(40,614)
Net investment income						88,067
Other income						5,942
Modarib's share on investment income						(18,802)
Provisions for doubtful contributions (net of Wakala fee)						(7,979)
Surplus for the year						26,614
Corporate segment assets	445,636	64,289	279,060	185,219	45,184	1,019,388
Corporate unallocated assets	-	-	-	-	-	889,899
Total assets	445,636	64,289	279,060	185,219	45,184	1,909,287
Corporate segment liabilities	495,759	58,510	587,017	251,714	61,987	1,454,987
Corporate unallocated liabilities	-	-	-	-	-	324,859
Total liabilities	495,759	58,510	587,017	251,714	61,987	1,779,846

32.2 Operator's fund

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
Reward 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

2022 - OPF						
Particulars	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Total
	(Rupees in '000)					
Wakala fee	55,445	23,901	166,851	102,727	11,254	360,178
Reward expense	(24,169)	(6,718)	(60,193)	(34,107)	(4,380)	(129,567)
Management expenses	(20,473)	(6,269)	(55,556)	(56,503)	(4,034)	(142,835)
	10,803	10,914	51,102	12,117	2,840	87,776
Investment income - net						1,697
Other income						1,355
Modarib's share on investment income						18,802
Other expense						(758)
Profit before taxation						108,872
Taxation						(35,928)
Profit after taxation						72,944
Corporate segment assets						-
Corporate unallocated assets						492,825
Total assets						492,825
Corporate segment liabilities						-
Corporate unallocated liabilities						369,881
Total liabilities						369,881

33 MOVEMENT IN INVESTMENTS	Held to maturity		At fair value through profit or loss	
	OPF	PTF	OPF	PTF
	(Rupees in '000)			
As at January 1, 2022	-	365,200	41,282	15,088
Additions	-	5,788,978	45,003	153,468
Disposals (sale and redemptions)	-	(5,607,828)	(86,241)	(12,974)
Net fair value gains (excluding net realised gains)	-	-	2	10,656
As at December 31, 2022	-	546,350	46	166,238
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
As at December 31, 2023	-	214,917	91,290	646,010

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.

Experience shows that the larger the portfolio of similar takaful contracts, the smaller will be the relative variability about the expected outcome. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Operator has developed its takaful underwriting strategy to diversify the type of takaful risks accepted and within each of these categories the Operator's takaful contract are for a maximum period of one year.

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.

(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's claim are for shorter settlement period generally and 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.

	2023		2022	
	Underwriting results	Balance of Waqf	Underwriting results	Balance of Waqf
	(Rupees in '000)			
10% increase in average claim cost				
Fire and property damage	996	996	(3,078)	(3,078)
Marine, aviation and transport	(819)	(819)	(466)	(466)
Motor	(36,841)	(36,841)	(32,714)	(32,714)
Health	(57,530)	(57,530)	(52,273)	(52,273)
Miscellaneous	(1,187)	(1,187)	(2,027)	(2,027)
	(95,381)	(95,381)	(90,558)	(90,558)

	2023		2022	
	Underwriting results	Balance of Waqf	Underwriting results	Balance of Waqf
	(Rupees in '000)			
10% decrease in average claim cost				
Fire and property damage	(996)	(996)	3,078	3,078
Marine, aviation and transport	819	819	466	466
Motor	36,841	36,841	32,714	32,714
Health	57,530	57,530	52,273	52,273
Miscellaneous	1,187	1,187	2,027	2,027
	95,381	95,381	90,558	90,558

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. 2.047 million (2021: Rs. 0.747 million).

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

	2023			2022		
	Gross sum covered	Retakaful cover	Highest net liability	Gross sum covered	Retakaful cover	Highest net liability
	(Rupees in'000)					
Fire and property damage	5,535,517	4,677,008	858,509	4,786,356	4,736,356	50,000
Marine, aviation and transport	6,000,000	5,400,000	600,000	1,200,000	1,080,000	120,000
Motor	200,000	171,500	28,500	92,000	64,400	27,600
Health	209,544	-	209,544	199,067	-	199,067
Miscellaneous	3,504,000	3,153,600	350,400	3,504,000	3,153,600	350,400
	15,449,061	13,402,108	2,046,953	9,781,423	9,034,356	747,067

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, retakaful 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	
		2023	2022	2023	2022
		(Rupees in '000)			
Cash and bank	13	4,160	646	111,997	42,689
Investments-equity securities	6	91,290	46	323,845	166,238
Investments-term deposits	8	-	-	214,917	546,350
Salvage recoveries accrued		-	-	64,415	47,422
Takaful / retakaful receivables	10	44,382	24,402	519,263	454,583
Accrued investment income		-	29	25,934	14,219
Retakaful recoveries against outstanding claims	19	-	-	161,285	297,602
		139,832	25,123	1,421,656	1,569,103

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:

	2023			2022		
	Short term	Long term	Agency	Short term	Long term	Agency
MCB Bank Limited	A1+	AAA	PACRA	A1+	AAA	PACRA
Meezan Bank Limited	A-1+	AAA	VIS	A-1+	AAA	VIS
Bank Al Habib Limited	A1+	AAA	PACRA	A1+	AAA	PACRA
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	A-1+	AA	VIS
Faysal Bank Limited	A-1+	AA	PACRA / VIS	A-1+	AA	PACRA / VIS
Bankislami Pakistan Limited	A1	AA-	PACRA	A1	A+	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	A1+	AAA	PACRA

The ratings of mutual funds in which the Operator held investments as at the reporting dates are as follows:

	2023	2022	Rating agency
Alfalah GHP Islamic Income Fund	AA-(f)	AA-(f)	PACRA
Al-Ameen Islamic Cash Fund	AA+(f)	AA+(f)	VIS
MCB Al- Hamra Islamic Income Fund	AA-(f)	AA-(f)	PACRA
NBP Riba Free Savings Fund	A+(f)	A+(f)	PACRA
Faysal Islamic Saving Growth Fund	A+(f)	A+(f)	VIS
HBL Islamic Income Fund	A+(f)	A+(f)	VIS
Al-Ameen Islamic Sovereign Fund	AA(f)	AA(f)	VIS
NBP Islamic Income Fund	A+(f)	A+(f)	PACRA
Alhamra Cash Management Optimizer	AA+(f)	-	PACRA
MCB Alhamra Wada Plan VII	AA(f)	-	PACRA
Faysal Halal Amdani Fund	AA(f)	-	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:

	2023		2022	
	(Rupees in '000)	%	(Rupees in '000)	%
Textile	81,867	23.9%	72,162	24.1%
Financial services	34,386	10.0%	46,390	15.5%
Engineering	28,405	8.3%	4,083	1.5%
Pharmaceuticals	22,086	6.5%	1,223	0.5%
Food	70,136	20.5%	76,041	25.4%
Other manufacturing	21,298	6.2%	14,667	4.9%
Others	84,135	24.6%	85,215	28.4%
	342,313	100%	299,781	100%

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

	2023		2022	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Upto 1 year	307,981	-	255,132	-
Upto 1 - 2 years	5,969	685	38,520	348
Upto 2 - 3 years	15,241	7,360	10,212	3,735
Over 3 years	13,122	14,648	7,434	7,434
	342,313	22,693	311,298	11,517

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:

	2023				2022			
	Due from other takaful / retakaful operators	Retakaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	Total	Due from other takaful / retakaful operators	Retakaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	Total
	(Rupees in '000)							
A or above	195,354	157,820	197,486	550,660	89,174	171,434	68,993	329,601
BBB	4,289	3,465	4,336	12,090	61,110	117,482	47,280	225,872
Others	-	-	-	-	4,518	8,686	3,496	16,700
	199,643	161,285	201,822	562,750	154,802	297,602	119,769	572,173

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

	2023		2022	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Upto 1 year	390,953	-	338,422	-
1 - 2 years	57,080	685	74,525	348
2 - 3 years	57,027	7,360	34,057	3,735
Over 3 years	36,896	14,648	19,096	7,434
	541,956	22,693	466,100	11,517

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.

	2023				2022			
	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	10,447	10,447	10,447	-	8,581	8,581	8,581	-
Other creditors and accruals	247,028	247,028	247,028	-	209,923	209,923	209,923	-
Accrued expenses	5,111	5,111	5,111	-	790	790	790	-
	262,586	262,586	262,586	-	219,294	219,294	219,294	-
Financial liabilities-PTF								
Outstanding claims including IBNR	498,462	498,462	498,462	-	698,131	698,131	698,131	-
Takaful / retakaful payables	282,557	282,557	282,557	-	190,777	190,777	190,777	-
Other creditors and accruals	134,002	134,002	134,002	-	94,860	94,860	94,860	-
Payable to OPF	188,756	188,756	188,756	-	196,988	196,988	196,988	-
	1,103,777	1,103,777	1,103,777	-	1,180,756	1,180,756	1,180,756	-
	1,366,363	1,366,363	1,366,363	-	1,400,050	1,400,050	1,400,050	-

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:

	2023					
	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	9% to 11.11%	4,160	-	4,160	-	4,160
Investments in equity securities - mutual funds		-	-	-	91,290	91,290
Receivable from PTF		-	-	-	394,095	394,095
		4,160	-	4,160	485,385	489,545
PTF						
Cash and bank	9% to 11.11%	109,908	-	109,908	2,089	111,997
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
		324,825	-	324,825	1,418,996	1,743,821

	2023					
	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		-	-	-	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		-	-	-	208,581	208,581
Payable to OPF		-	-	-	188,756	188,756
		-	-	-	1,178,356	1,178,356

	Profit Rate	Maturity upto one year	Maturity after one year	Sub total	Non-profit bearing	Total
	2022					
		Profit bearing				
		--(Rupees in '000)------------------------------------				
Financial assets						
OPF						
Cash and bank	8.5% to 12.65%	646	-	646	-	646
Investments in equity securities - mutual funds		-	-	-	46	46
Receivable from PTF		-	-	-	402,327	402,327
Accrued investment income		-	-	-	29	29
		646	-	646	402,402	403,048
PTF						
Cash and bank	8.5% to 12.65%	41,775	-	41,775	914	42,689
Investments-term deposits	15% to 15.5%	546,350	-	546,350	-	546,350
Investments in equity securities - mutual funds		-	-	-	166,238	166,238
Takaful / retakaful receivables		-	-	-	454,583	454,583
Retakaful recoveries against outstanding claims		-	-	-	297,602	297,602
Salvage recoveries accrued		-	-		47,422	47,422
Accrued investment income		-	-	-	14,219	14,219
		588,125	-	588,125	980,978	1,569,103
Financial liabilities						
OPF						
Takaful / retakaful payable		-	-	-	8,581	8,581
Other creditors and accruals		-	-	-	209,923	209,923
Accrued expenses		-	-	-	790	790
		-	-	-	219,294	219,294
PTF						
Outstanding claims including IBNR		-	-	-	698,131	698,131
Takaful / retakaful payable		-	-	-	190,777	190,777
Other creditors and accruals		-	-	-	94,860	94,860
Payable to OPF		-	-	-	196,988	196,988
		-	-	-	1,180,756	1,180,756

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. 0.042 million (2022: Rs. 0.006 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. 2.523 million (2022: Rs. 5.89 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 KSE 100 index on 31 December 2023, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 36.865 million (2022: Rs. 8.314 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit and 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 equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 index.

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 Fund	
	2023	2022	2023	2022
	(Rupees in '000)			
Financial assets and financial liabilities				
Financial assets				
Loans and receivables - amortised cost				
Cash and bank	4,160	646	111,997	42,689
Investments-term deposits	-	-	214,917	546,350
Receivable from OPF / PTF	394,095	402,327	-	-
Takaful / retakaful receivables	44,382	24,402	519,263	454,583
Accrued investment income	-	29	25,934	14,219
Salvage recoveries accrued	-	-	64,415	47,422
Retakaful recoveries against outstanding claims	-	-	161,285	297,602
	442,637	427,404	1,097,811	1,402,865
Investments - fair value through profit or loss				
Investments in equity securities - mutual funds	91,290	46	323,845	166,238
Investments in debt securities - sukuk	-	-	322,165	-
	91,290	46	646,010	166,238
Financial liabilities				
Amortised cost				
Outstanding claims including IBNR	-	-	498,462	698,131
Takaful / retakaful payable	10,447	8,581	282,557	190,777
Other creditors and accruals	247,028	209,923	208,581	94,860
Accrued expenses	5,111	790	-	-
Payable to OPF / PTF	-	-	188,756	196,988
	262,586	219,294	1,178,356	1,180,756

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:

	2023			2022		
	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	-	415,135	-	-	166,284	-
Investment in debt securities sukuks	-	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 18, 2024.**

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

Directors' Report to the Shareholders on Consolidated Financial Statements for the year ended December 31, 2023

On behalf of the Board, I am pleased to present the consolidated financial statements of IGI General Insurance Limited ("IGI General") and its subsidiary IGI FSI (Private) Limited (IGI FSI). (collectively referred to as 'the Group') for the year ended December 31, 2023.

GROUP PERFORMANCE REVIEW

	2023	2022
	Rupees in 000	
Profit before tax	1,243,147	741,227
Taxation	(569,748)	(273,304)
Profit after tax	**673,399**	**467,923**
Earnings per share (Rupees)	**3.51**	**2.44**

During the current year, the Group recorded profit after tax of Rs 673 million compared to Rs 468 million earned in 2022.

The Group achieved earnings per share of Rs 3.51 compared to Rs 2.44 during 2022.

Financial Highlights of IGI FSI is hereunder:

IGI FSI was incorporated as private limited company on July 6, 2020. IGI FSI is engaged in providing technology led business solutions including training services in the market.

During 2023, IGI FSI earned revenue of Rs 44.9 million and made a profit before tax of Rs 2.3 million compared to Rs 40 million and Rs 1.4 million during 2022.

We value the support and patronage extended by our business partners and all stakeholders and appreciate the dedicated and sincere efforts of our employees.

For and on behalf of the Board

Shamim Ahmad Khan
Chairman
Lahore: March 18, 2023

Faisal Khan
Chief Executive Officer
Lahore: March 18, 2023

IGI GENERAL INSURANCE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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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, 2023, 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, 2023, 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
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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.

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- 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 **Shahbaz Akbar**.

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A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 5, 2024
UDIN: AR202310068H2SbaAhG8

IGI GENERAL INSURANCE LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023	2022
		(Rupees in '000)	
Assets			
Property and equipment	5	1,179,316	992,301
Intangible assets	6	3,443	8,991
Investment properties	7	416,447	429,402
Investments			
- Equity securities	8	174,721	90,974
- Government securities	9	2,379,102	1,622,698
- Debt securities	10	309,989	400,000
Loans and other receivables	11	688,248	599,563
Insurance / reinsurance receivables	12	4,044,829	4,617,429
Reinsurance recoveries against outstanding claims	24	6,819,523	4,761,352
Salvage recoveries accrued		186,737	106,324
Deferred commission expense	25	374,998	353,588
Taxation - payment less provisions		142,345	102,334
Prepayments	14	2,375,130	1,743,505
Cash and bank	15	976,142	385,902
		20,070,970	16,214,363
Total assets of Window Takaful Operations - operator's fund		616,843	492,825
Total assets		20,687,813	16,707,188
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised capital			
250,000,000 (2022: 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 (2022: 191,838,400) ordinary shares of Rs 10 each	16	1,918,384	1,918,384
Unappropriated profit		924,287	818,084
Total equity		2,842,671	2,736,468
Surplus on revaluation of property and equipment - net of tax	17	369,013	387,613
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	24	7,377,643	6,623,855
Unearned premium reserves	23	3,944,261	3,007,816
Premium deficiency reserve	24.2	-	3,424
Unearned reinsurance commission	25	253,134	269,625
Retirement benefit obligations	13	26,805	28,658
Borrowings	18	43,825	81,415
Premium received in advance		3,961	4,119
Insurance / reinsurance payables	19	3,392,743	1,838,227
Deferred taxation	20	316,609	206,641
Other creditors and accruals	21	1,655,186	1,149,446
		17,014,167	13,213,226
Total liabilities of Window Takaful Operations - operator's fund		461,962	369,881
Total liabilities		17,476,129	13,583,107
Total equity and liabilities		20,687,813	16,707,188
Contingencies and commitments	22		

The annexed notes 1 to 41 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, 2023

	Note	2023	2022
		---------(Rupees in '000)---------	
Net insurance premium	23	4,482,049	3,413,733
Net insurance claims	24	(1,951,936)	(2,029,381)
Reversal / (charge) for premium deficiency reserve	24.2	3,424	(2,079)
Net commission expense	25	(907,413)	(152,831)
Insurance claims and acquisition expenses		(2,855,925)	(2,184,291)
Management expenses	26	(1,166,556)	(975,128)
Underwriting results		459,568	254,314
Investment income	27	510,600	290,972
Rental income		27,748	31,078
Other income	28	235,103	171,013
Other expenses	29	(148,057)	(98,310)
Result of operating activities		1,084,962	649,067
Finance costs against right-of-use assets		(13,751)	(16,712)
Profit from Window Takaful Operations - operator's fund		171,936	108,872
Profit before tax		1,243,147	741,227
Income tax expense	30	(569,748)	(273,304)
Profit after tax		673,399	467,923
Other comprehensive loss			
Items that will not be subsequently reclassified to the profit or loss			
- Remeasurement loss on defined benefit obligations	13.1.4	(13,347)	(20,453)
- Related deferred tax		5,205	6,749
		(8,142)	(13,704)
Total comprehensive income		665,257	454,219
Earnings per share basic and dilutive - Rupees	31	3.51	2.44

The annexed notes 1 to 41 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, 2023

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
		(Rupees in '000)	
Balance as at January 1, 2022	1,918,384	623,409	2,541,793
Profit after taxation for the year ended December 31, 2022	-	467,923	467,923
Other comprehensive loss for the year - net of tax	-	(13,704)	(13,704)
Total comprehensive income for the year ended December 31, 2022	-	454,219	454,219
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax (note 17)	-	20,456	20,456
Transactions with owners - directly recognised in equity			
Final dividend at rate of Re. 0.26 per share for year ended December 31, 2021 approved on April 26, 2022	-	(50,000)	(50,000)
Interim dividend at rate of Re. 0.57 per share for year ending December 31, 2022 declared on August 22, 2022	-	(110,000)	(110,000)
Interim dividend at rate of Re. 0.62 per share for year ending December 31, 2022 declared on October 25, 2022	-	(120,000)	(120,000)
	-	(280,000)	(280,000)
Balance as at December 31, 2022	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

The annexed notes 1 to 41 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, 2023

	Note	2023	2022
		-----------(Rupees in '000)-----------	
OPERATING CASH FLOWS			
Underwriting activities			
Premiums received		12,281,480	8,366,108
Reinsurance premiums paid		(5,365,251)	(6,816,853)
Claims paid		(4,651,131)	(5,884,018)
Reinsurance and other recoveries received		1,394,812	5,046,975
Commissions paid		(1,699,278)	(943,373)
Commissions received		908,137	803,185
Management expenses paid		(1,161,516)	(922,787)
Net cash inflow from / (outflow on) underwriting activities		1,707,253	(350,763)
Other operating activities			
Income tax paid		(499,165)	(259,512)
Operating receipts payments		(203,508)	(39,106)
Operating receipts receipts		620,602	151,675
Net cash outflow on operating activities		(82,071)	(146,943)
Total cash inflow from / (outflow on) from all operating activities		1,625,182	(497,706)
INVESTMENT ACTIVITIES			
Profit received		433,741	288,883
Payment for investments		(5,534,193)	(4,359,870)
Proceeds from investments		4,934,012	4,581,165
Amount received from Window Takaful Operations - operator's fund		72,944	61,598
Fixed capital expenditure - owned		(274,429)	(151,189)
Proceeds from sale of property and equipment - owned		73,919	29,184
Total cash (outflow on) / inflow from investing activities		(294,006)	449,771
FINANCING ACTIVITIES			
Dividend paid		(585,000)	(280,000)
Interest paid		(13,751)	(16,712)
Repayment of liability against right-of-use assets		(41,359)	(78,634)
Total cash outflow on financing activities		(640,110)	(375,346)
Net cash inflow from / (outflow on) all activities		691,066	(423,281)
Cash and cash equivalents at beginning of the year		385,902	809,183
Cash and cash equivalents at end of the year	15.2	1,076,968	385,902

The annexed notes 1 to 41 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, 2023

	2023	2022
	---- (Rupees in '000) ----	
Reconciliation to consolidated statement of comprehensive income		
Operating cash flows	1,625,182	(497,706)
Depreciation and amortisation expense	(108,434)	(101,822)
Depreciation on right-of-use assets	(30,649)	(21,607)
Finance cost against right-of-use assets	(13,751)	(16,712)
Profit on disposal of property and equipment	35,863	20,589
Other investment income	510,600	290,972
Unrealised fair value gain on investment properties	13,402	29,827
Increase in assets other than cash	2,319,989	5,526,847
Increase in liabilities other than borrowings	(3,783,684)	(4,839,764)
Profit from Window Takaful Operations - net of tax	104,881	77,299
Profit after tax	673,399	467,923

The annexed notes 1 to 41 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 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, 2023 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, 2024:

Standards, amendments or interpretations	**Effective date (period beginning on or after)**
- IAS 7 - 'Statement of Cash Flows' (amendments)	January 1, 2024
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IFRS 9 - 'Financial Instruments'	January 1, 2026
- IFRS 7 - 'Financial Instruments: Disclosures'	January 1, 2024
- IAS 21 - 'The effects of changes in foreign exchange rates' (amendments)	January 1, 2025
- IFRS 17 - 'Insurance contracts'	January 1, 2026
- IFRS 16 - 'Leases' (amendments)	January 1, 2024

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.

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, 2023 and changes in the fair values during the year ended December 31, 2023

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	**2023**	**2022**
	---- (Rupees in '000) ----	
Financial assets that do not meet SPPI criteria		
- Equity securities-(note 9)		
Opening fair value	90,974	952,722
Additions / (disposals) during the year - net	45,212	(854,846)
Increase / (decrease) in fair value	38,535	(6,902)
Closing fair value	174,721	90,974

There are certain other 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 will not have any significant effect on the Group's operations and are therefore not stated in these consolidated financial statements.

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.

The Group enters into fire and property damage, marine, motor, health, burglary, loss of cash in transit, travel, personal accident, engineering losses and other insurance contracts with corporate clients and individuals residing or located in Pakistan.

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 neither issues investment contracts nor does it issue insurance contracts with Discretionary Participation Features (DPF).

3.2 Premium

Premium received / receivable under a policy is recognised as written from the date of attachment of the risk to the policy to which it relates. Where the pattern of incidence of risk varies over the period of the policy, premium is recognised as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is 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 policies is calculated on the basis of number of days.

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Holding Company from policyholders in respect of policies issued, at the rate of 5% (2022: 5%) of the premium written restricted to a maximum of Rs. 8,750 (2022: Rs. 7,990) per policy and Rs. 6,250 in case of motor (2022: Rs. 6,000).

Receivables under insurance contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is an objective evidence that the receivables are impaired, the Group reduces the carrying amount of the receivables and recognises that impairment loss in the consolidated statement of comprehensive income.

3.3 Reinsurance ceded

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.

3.4 Claims expense

General insurance 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 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 an insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

The provision for Incurred But Not Reported (IBNR) claims is determined by the Group as required under circular No. 9 of 2016 SECP guidelines for estimation of Incurred But Not Reported (IBNR) issued by the SECP. As per the Guidelines an insurer shall estimate IBNR claims reserve based on the prescribed method provided in the Guidelines. The guidelines also allow the use of any other alternative method of determining IBNR, if found more suitable for the risk class, provided that the amount estimated under the alternative method shall not be less than the amount calculated under prescribed method. 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 are 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.

Under alternative method, IBNR is determined on reported basis. IBNR (reported basis) is much similar to IBNR (paid basis) but is calculated using a different methodology. It does not use either IBNP or outstanding claims to estimate IBNR rather, is determined using BCL method. Development factors are determined for each accident period to estimate the ultimately reported claims directly. Intimation registers are used in the BCL model where lags are calculated as the difference between the 'date of loss' and 'date of intimation'.

The analysis is carried out separately for each class of business and results determined through this alternative method are compared to the results of prescribed method and higher of the two are set as the final reserve.

3.5 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.

3.6 Commission and other acquisition costs

Commission expense and other acquisition costs incurred in obtaining and recording 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.

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 accrual basis.

3.7 Premium deficiency reserve

The Group is required as per Insurance Accounting Regulations, 2017 to maintain a provision in respect of premium deficiency for the class of business where the unearned premium liability 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 / income in the consolidated statement of comprehensive income for the year.

At each reporting date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium 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 in force at reporting date with the carrying amount of unearned premium liability. Any deficiency is recognised by establishing a provision (premium 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 expected ultimate net claim ratios for the unexpired periods of policies in force at reporting date for each class of business is as follows:

	2023	2022
Fire and property damage	13%	81%
Marine, aviation and transport	43%	47%
Motor	48%	51%
Health	50%	81%
Miscellaneous	36%	42%

3.8 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 Group.

Provisions are recognised when the Group 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.

3.9 Taxation

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 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. Deferred tax is charged or credited to the consolidated statement of comprehensive income.

3.10 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, deposits with banks, stamps in hand, term deposits with original maturity of less than three months and short term finances.

3.11 Investments

3.11.1 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

3.11.1.1 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

3.11.1.2 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.

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 consolidated statement of comprehensive income.

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

3.11.1.3 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.

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

Dividend income and entitlement of bonus shares are recognised when the Group's right to receive such dividend and bonus shares is established.

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.

3.11.1.4 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.

3.11.1.5 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 Group commits to purchase or sell the investment.

3.12 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, principally 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 other income.

3.13 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).

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 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.

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. 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 equipment to unappropriated profit.

Intangible

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

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 Holding Company and the cost of the item can be measured reliably.

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

3.14 Staff retirement benefits

3.14.1 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.

3.14.2 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, 2023 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 profit or loss.

3.14.3 Accumulating compensated absences

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

3.15 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.

3.16 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.

3.17 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.

3.18 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.

The perils covered under fire insurance include damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and terrorism.

Marine insurance provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive car coverage and indemnity against third party loss.

Health insurance provides coverage against expenses incurred during the hospitalisation due to sickness, emergency and accidents.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, travel, personal accident, money, engineering losses, live stocks, crops and other covers.

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.

3.19 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.

3.20 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 Group'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.

The Group has elected to apply the practical expedient of not to recognise right-of-use-assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

3.21 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.

3.22 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 allocable to the underwriting business are charged as administrative 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 regular basis and the revised basis is followed consistently in future periods.

3.23 Dividends and appropriations to reserves

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

3.24 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 3.4 and 24);
- Provision for taxation and deferred tax (notes 3.9, 20 and 30);
- Defined benefit plan (notes 3.14.2 and 13);
- Fair valuation of buildings and leasehold improvements (notes 3.13, and 5);

- Fair valuation of investment properties (notes 3.12 and 7);
- Useful lives, residual value and depreciation method of property and equipment and intangible assets (notes 3.13, 5 and 6);
- Premium deficiency reserve (notes 3.7 and 24.2);
- Classification of investments and its impairment (notes 3.11, 8, 9 and 10);
- Provision against reinsurance recoveries against outstanding claims (notes 3.5 and 24);
- Provision against premium due but unpaid and amount due from other insurers / reinsurers (notes 3.2, 12.3 and 12.4);
- Allocation of management expenses (note 3.22); and
- Right-of use assets and lease liabilities (note 3.20).

5 PROPERTY AND EQUIPMENT

	Note	2023	2022
		---- (Rupees in '000) ----	
Operating assets	5.1	1,123,638	980,767
Capital work-in-progress	5.4	55,678	11,534
		1,179,316	992,301

5.1 Operating assets

	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)	Revalua-tion	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 - 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	

	2022												
	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)	Revalua-tion	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	62,075	16,389	-	-	-	78,464	24,786	23,468	-	-	48,254	30,210	33.33%
Furniture and fixtures	34,613	1,884	-	(1,563)	-	34,934	13,969	3,841	-	(922)	16,888	18,046	10%
Office equipment	36,071	8,488	-	(1,432)	-	43,127	23,480	5,907	-	(1,183)	28,204	14,923	16.67%
Computer equipment	45,790	6,775	-	(59)	-	52,506	29,657	3,970	-	(35)	33,592	18,914	33.33%
Buildings / leasehold improvements (note 5.1.1)	733,895	319	-	(2,585)	94,194	825,823	133,756	45,133	-	(2,585)	176,304	649,519	5%-33%
Motor vehicles - owned	68,041	114,678	2,492	(4,756)	-	180,455	34,062	27,220	1,524	(4,668)	58,138	122,317	16.67%
Right-of-use assets - vehicle	195,136	12,273	(2,492)	(22,417)	-	182,500	69,384	15,537	(1,524)	(14,824)	68,573	113,927	20%
Right-of-use asset - rented premises	33,073	-	-	-	-	33,073	14,092	6,070	-	-	20,162	12,911	16.67%
	1,208,694	160,806	-	(32,812)	94,194	1,430,882	343,186	131,146	-	(24,217)	450,115	980,767	

5.1.1 Movement in written down value of buildings / leasehold improvements:	2023	2022
	---- (Rupees in '000) ----	
Cost / revalued amount	825,823	733,895
Accumulated depreciation	(176,304)	(133,756)
Written down value - opening	649,519	600,139
Additions during the year	1,475	319
Transfer from investment property	26,357	-
Disposals during the year		
Cost	-	(2,585)
Accumulated depreciation	-	2,585
	-	-
Depreciation charge during the year	(57,527)	(45,133)
Revaluation during the year	78,982	94,194
Written down value - closing	698,806	649,519
Cost / revalued amount	932,637	825,823
Accumulated depreciation	(233,831)	(176,304)
Written down value	698,806	649,519

5.1.2 The forced sale value of buildings and leasehold improvements as at December 31, 2023 amounted to Rs. 587.077 million (2022: Rs. 544.627 million).

5.1.3 Buildings and leasehold improvements are carried at revalued amount. The latest revaluation was carried out on December 31, 2023 by Hamid Mukhtar & Co. (Pvt) Limited which resulted in a surplus of Rs. 78.982 million (2022: Rs. 94.194 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:

	2023	2022
	------ (Rupees in '000) -------	
Buildings and leasehold improvements	93,927	69,485

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							
Lenovo Thinkbook 15	187	(62)	125	140	15	Company Policy	Ahsan Ejaz*
Lenovo Ideapad L3	102	(42)	60	60	-	Negotiation	Saleem Ahmed
	289	(104)	185	200	15		
Right-of-use assets - vehicle							
Honda Civic	3,067	(2,346)	721	4,050	3,329	Company Policy	Athar Chaudhry*
Suzuki Cultus	1,776	(445)	1,331	2,200	869	Negotiation	Muhammad Nadeem
Toyota Fortuner	9,072	(4,601)	4,471	13,550	9,079	Negotiation	Haroon Shafiq
	13,915	(7,392)	6,523	19,800	13,277		
Motor Vehicle - Owned							
HONDA CD 70	122	(24)	98	105	7	Company Policy	Adeel Ahmed*
HONDA CD 70	122	(20)	102	107	5	Company Policy	Hafiz Shehereyar*
HONDA CG-125	186	(34)	152	186	34	Company Policy	Adnan Ahmed Khan*
HONDA CG-125	186	(22)	164	187	23	Negotiation	Afshan Arif
Honda CG-125	220	(33)	187	192	5	Company Policy	Adnan Shah*
Honda CG-125	186	(28)	158	158	-	Company Policy	Tanveer Ahmed Khan*
HONDA CITY	1,243	(726)	517	2,917	2,400	Company Policy	Muhammad Imran*
HONDA CITY	1,072	(587)	485	2,950	2,465	Negotiation	Mohammad Ashraf
HONDA CITY	1,213	(696)	517	2,990	2,473	Negotiation	Hammad Rizvi
HONDA CITY 1.2	3,727	(200)	3,527	4,089	562	Company Policy	Waqas Mehmood Danish*
HONDA CITY	3,656	(229)	3,427	4,137	710	Company Policy	Imran Aslam*
HYUNDAI TUCSON	5,914	(487)	5,427	6,431	1,004	Company Policy	Bilal Liaqat*
HYUNDAI TUCSON	5,413	(408)	5,005	5,931	926	Company Policy	Madiha Ahmad*
KIA SORENTO	6,485	(452)	6,033	6,686	653	Company Policy	Jamshaid Hussain*
SUZUKI CULTUS	1,076	(696)	380	1,621	1,241	Company Policy	Taha Naqvi*
SUZUKI SWIFT	3,130	(165)	2,965	3,312	347	Company Policy	Mansoor Amjad*
Toyota Corolla Altis	939	(167)	772	4,800	4,028	Company Policy	Awais Amjad*
TOYOTA PASSO	1,147	(772)	375	2,351	1,976	Negotiation	Muhammad Adnan
	36,037	(5,746)	30,291	49,150	18,859		

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 not exceeding Rs. 50,000 individually							
Furniture and fixtures	174	(174)	-	24	24	Negotiation	Various
Office equipment	1,350	(506)	844	934	90	Negotiation	Various
Computer equipment	1,081	(1,061)	20	450	430	Negotiation	Various
Tracker equipment	10,255	(9,677)	578	-	-	Asset Scrapped	Not Applicable
Right-of-use asset - rented premises	3,374	(2,718)	656	-	-	Agreement Expired	Not Applicable
Motor vehicles - owned	1,171	(978)	193	3,361	3,168	Negotiation	Various
	17,405	(15,114)	2,291	4,769	3,712		
Total - December 31, 2023	67,646	(28,356)	39,290	73,919	35,863		
Total - December 31, 2022	32,812	(24,217)	8,595	29,184	20,589		

* These represent persons in the employment of the Company.

5.3 The cost and accumulated depreciation of fully depreciated property and equipment still in use amounts to Rs.145.196 (2022: 105.943 million).

	2023	2022
5.4 Capital work-in-progress	------- (Rupees in '000) -------	
Trackers	18,450	11,206
Others	37,228	328
	55,678	11,534

* These represents advances related to purchase of vehicles.

6 INTANGIBLE ASSETS

	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%

	2022									
	Cost				Accumulated amortisation				Written down value as at December 31	Amortisa-tion 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	19,411	5,705	-	25,116	8,991	20%

6.1 The cost of fully amortised intangibles still in use amounts to Rs. 21.843 million (2022: Rs. 18.458 million).

	Note	2023	2022
7 INVESTMENT PROPERTIES		------- (Rupees in '000) -------	
Opening net book value		429,402	399,575
Unrealised fair value gain during the year		13,402	29,827
Transferred to property, plant and equipment		(26,357)	-
Closing net book value	7.1	416,447	429,402

7.1 The market value and forced sale value of investment properties is Rs. 406.949 million (2022: Rs. 429.402 million) and Rs 351.200 million (2022: Rs. 383.490 million), respectively as per the valuation carried out by the independent professional valuer as at December 31, 2023.

	Note	2023	2022
8 INVESTMENT IN EQUITY SECURITIES		------- (Rupees in '000) -------	
Mutual funds	8.1	25,457	4,822
Listed shares	8.2	149,264	86,152
		174,721	90,974

8.1 Mutual funds

	2023					2022				
	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										
UBL Liquidity Plus Fund	-	-	-	-	-	23,942	2,414	-	15	2,429
UBL Cash Fund	-	-	-	-	-	22,167	2,289	-	104	2,393
ABL Cash Fund	2,482	25,398	-	59	25,457	-	-	-	-	-
	2,482	25,398	-	59	25,457	46,109	4,703	-	119	4,822

8.2 Listed shares

	2023					2022				
	Number of shares	Carrying value	(Impair-ment / provision)	Unrealised gain / (loss)	Market value	Number of shares	Carrying value	(Impair-ment / provision)	Unrealised gain / (loss)	Market value
		-----------(Rupees in '000)	-----------				-----------(Rupees in '000)	-----------		
Fair value through profit or loss										
AGP Limited	484	26	-	8	34	-	-	-	-	-
Attock Cement Pakistan Limited	14,000	1,141	-	206	1,347	-	-	-	-	-
Bank AL Habib Limited	20,500	1,393	-	258	1,651	8,500	515	-	(45)	470
Bank Alfalah Limited	92,690	3,544	-	952	4,496	-	-	-	-	-
Cherat Cement Company Limited	5,700	730	-	199	929	-	-	-	-	-
Engro Corporation Limited	21,700	5,956	-	444	6,400	33,800	9,145	-	(289)	8,856
Engro Fertilizers Limited	57,400	4,662	-	1,780	6,442	78,500	6,864	-	(828)	6,036
Fatima Fertilizer Company Limited	-	-	-	-	-	24,400	895	-	(75)	820
Fauji Cement Company Limited	238,000	3,355	-	1,148	4,503	-	-	-	-	-
Fauji Fertilizer Company Limited	73,300	7,310	-	987	8,297	61,000	7,135	-	(1,114)	6,021
Faysal Bank Limited	-	-	-	-	-	65,500	1,706	-	(14)	1,692
Habib Bank Limited	27,500	2,458	-	590	3,048	59,300	4,429	-	(650)	3,779
Habib Metropolitan Bank Limited	36,500	1,239	-	780	2,019	36,500	1,577	-	(338)	1,239
Highnoon Laboratories Limited	3,130	1,334	-	246	1,580	2,000	1,081	-	(1)	1,080
Interloop Limited	34,308	1,425	-	1,045	2,470	27,872	1,751	-	(172)	1,579
Kohinoor Textile Mills Limited	-	-	-	-	-	18,000	923	-	(71)	852
Lucky Cement Limited	11,355	5,368	-	3,568	8,936	10,500	5,249	-	(560)	4,689
Maple Leaf Cement Factory Limited	78,700	2,303	-	760	3,063	38,000	1,111	-	(253)	858
Mari Petroleum Company Limited	2,655	4,140	-	1,426	5,566	3,215	5,371	-	(398)	4,973
MCB Bank Limited	50,586	6,578	-	2,150	8,728	12,215	1,563	-	(144)	1,419
Meezan Bank Limited	48,200	4,704	-	3,073	7,777	41,700	4,770	-	(618)	4,152
Oil & Gas Development Company Limited	86,334	7,244	-	2,464	9,708	73,000	5,870	-	(55)	5,815
Pakistan Oilfields Limited	2,300	923	-	47	970	8,700	3,253	-	165	3,418
Pakistan Petroleum Limited	98,400	6,684	-	4,635	11,319	85,000	5,535	-	257	5,792
Pakistan State Oil Company Limited	-	-	-	-	-	20,000	3,545	-	(666)	2,879
Service Industries Limited	2,000	989	-	267	1,256	-	-	-	-	-
Sui Northern Gas Pipelines Limited	30,000	1,282	-	924	2,206	-	-	-	-	-
Systems Limited	17,500	8,417	-	(1,004)	7,413	12,300	5,067	-	885	5,952
Tariq Glass Industries Limited	23,500	1,833	-	510	2,343	-	-	-	-	-
The Hub Power Company Limited	119,916	7,979	-	6,062	14,041	101,366	6,641	-	(247)	6,394
Attock Petroleum Limited	4,000	1,516	-	(2)	1,514	-	-	-	-	-
Haleon Pakistan Limited (Formerly GSK)	6,500	1,066	-	32	1,098	3,700	860	-	(253)	607
Nishat Mills Limited	32,000	2,448	-	7	2,455	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limited	31,500	1,955	-	425	2,380	-	-	-	-	-
Panther Tyres Limited	15,000	683	-	(3)	680	-	-	-	-	-
Thal Limited	4,500	1,208	-	120	1,328	-	-	-	-	-
United Bank Limited	74,600	8,895	-	4,372	13,267	67,300	8,317	-	(1,537)	6,780
	1,364,758	110,788	-	38,476	149,264	892,368	93,173	-	(7,021)	86,152

9 INVESTMENTS IN GOVERNMENT SECURITIES

Particulars	Year of maturity	Effective yield % per annum	Profit payment	2023	2022
				------- (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	-
Pakistan Investment Bonds	2023	-	-	-	94,153
Pakistan Investment Bonds	2023	-	-	-	188,306
Pakistan Investment Bonds	2024	21.35%	Semi-annual	230,729	217,382
Pakistan Investment Bonds	2025	18.76%	Semi-annual	146,087	143,202
Pakistan Investment Bonds	2026	17.29%	Semi-annual	224,123	-
Pakistan Investment Bonds	2027	16.39%	Semi-annual	93,379	93,314
Pakistan Investment Bonds	2027	15.94%	Semi-annual	49,299	-
Pakistan Investment Bonds	2030	15.37%	Semi-annual	65,703	68,647
Pakistan Investment Bonds (floaters)	2028	23.95%	Semi-annual	569,151	571,898
Pakistan Investment Bonds (floaters)	2028	22.47%	Semi-annual	122,450	122,619
Pakistan Investment Bonds (floaters)	2029	23.89%	Semi-annual	122,963	123,177
GOP Ijara Sukuk	2028	23.87%	Semi-annual	211,792	-
				2,379,102	1,622,698
Total market value				2,379,102	1,622,698
Total carrying value				1,678,303	1,678,303

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. 220.796 million (2022: Rs. 221.772 million).

10 INVESTMENTS IN DEBT SECURITIES

	2023					2022				
	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount
					(Rupees in '000)					(Rupees in '000)
Fair value through profit or loss										
Term finance certificate										
Habib Bank Limited	500,000	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000	500,000	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	1,000,000	Perpetual	Higher of 3 year PKRV plus 0.75% or 9%	Quarterly	100,000
Bank Alfalah Limited	750,000	2030	6 months Kibor plus 2.0%	Semi-annual	75,000	750,000	2030	6 months Kibor plus 2.0%	Semi-annua	75,000
Soneri Bank Limited	250,000	2030	6 months Kibor plus 1.70%	Semi-annual	24,990	250,000	2030	6 months Kibor plus 1.70%	Semi-annual	25,000
JS Bank Limited	20,000	2033	3 months Kibor plus 2.0%	Quarterly	19,999					
Kashf Foundation	40,000	2026	3 months Kibor plus 1.5%	Quarterly	40,000					
Sukuk										
China Power Hub Generation Company (Pvt.) Ltd	-	-	-	-	-	500,000	2023	6 months Kibor plus 1.35%	Semi-annual	50,000
Lucky Electric Power Company Limited	-	-	-	-	-	1,000,000	2023	6 months Kibor plus 1.20%	Semi-annual	100,000
	2,560,000				309,989	4,000,000				400,000

10.1 The effective yields of term finance certificates and sukuk certificates range from 17.29% to 23.85% (2022 : 17.06% to 19.02%) per annum.

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11 LOANS AND OTHER RECEIVABLES

	Note	2023	2022
		------- (Rupees in '000) -------	
Receivable from related parties	11.1	167,084	192,250
Advances - considered good		38,791	23,253
Security deposits		51,819	48,715
Sales tax recoverable		182,448	157,396
Accrued income on investments and deposits		110,913	83,187
Loans and advances to employees		4,684	7,163
Receivable from takaful operations	11.3	58,029	58,029
Others		74,480	29,570
		688,248	599,563

11.1 This includes receivables amounting to Rs. 2.973 million, Rs. 59.824 million, Rs. 16.956 million, Rs.11.631 million and Rs. 14.121 million (2022: Rs. 0.403 million, Rs. 99.844 million, Rs. 15.578 million, Rs. 2.863 million and Rs. 11.884 million) charged to IGI Investments (Pvt.) Limited, IGI Life Insurance Limited, IGI Finex Securities Limited, IGI Holdings Limited and Packages Limited, respectively, under group shared services.

11.2.1 Movement in loans to key management personnel

	2023	2022
	------- (Rupees in '000) -------	
Opening balance	2,225	-
Disbursements	6,400	2,225
Repayments	(8,625)	-
Closing balance	-	2,225

11.3 These include a receivable from takaful operations amounting to Rs 58.029 million (2022: 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	2023	2022
		------- (Rupees in '000) -------	
Due from insurance contract holders - unsecured			
- considered good		1,377,934	1,270,949
- considered doubtful		182,594	161,592
	12.1	1,560,528	1,432,541
Less: provision for impairment of receivables from insurance contract holders	12.2	(182,594)	(161,592)
		1,377,934	1,270,949
Due from other insurer / reinsurer - unsecured			
- considered good		2,666,895	3,346,480
- considered doubtful		51,765	51,765
		2,718,660	3,398,245
Less: provision for impairment of receivables from other insurer / reinsurer	12.3	(51,765)	(51,765)
		2,666,895	3,346,480
		4,044,829	4,617,429

12.1 This includes an amount of Rs. 88.433 million (2022: Rs. 57.462 million) receivable from related parties.

12.2 Provision for doubtful receivables - insurance contract holders

	Note	2023	2022
		------- (Rupees in '000) -------	
Balance at the beginning of the year		161,592	152,028
Charge for the year		22,162	27,217
Written off during the year		(1,160)	(17,653)
Balance at the end of the year	12.2.1	182,594	161,592

12.2.1 This includes an amount of Rs. 2.574 million (2022: Rs. 1.112 million) provided against related parties.

12.3 Provision for doubtful receivables - other insurer / reinsurer

	2023	2022
	------- (Rupees in '000) -------	
Opening	51,765	41,303
Charge for the year	-	10,462
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, 2023, the aggregate net balance due (to) / from other local insurers and reinsurer arising from such arrangements amounts to Rs 1,267.685 million (2022: Rs. 1,343 million) and Rs 404.988 million (2022: Rs. 927.170 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 for all employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The gratuity 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, 2023 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 Group 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 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 current plan's 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.

13.1.1	**Principal actuarial assumptions**	**2023**	**2022**
	Valuation discount rate	15.50%	14.50%
	Valuation discount rate for statement of comprehensive income	14.50%	12.25%
	Salary increase rate - *short term*	15.00%	15.00%
	Salary increase rate - *long term*	14.20%	12.60%
	Return on plan assets	15.50%	14.50%
	Duration	6.02 years	7.80 years
	Normal retirement age	58	58
	Withdrawal rate	Moderate	Moderate
	Mortality rate	SLIC 2001-05	SLIC 2001-05
	Next salary increase date	1-Jan-2024	1-Jan-2023

13.1.2	**Amount recognised in the consolidated statement of financial position**	**Note**	**2023**	**2022**
			------- (Rupees in '000) -------	
	Reconciliation			
	Present value of defined benefit obligation		189,165	162,820
	Less: fair value of plan assets		(162,360)	(134,162)
	Payable to defined benefit plan		26,805	28,658
	Movement in net liability recognised			
	Opening net liability		28,658	6,577
	Expense for the year	13.1.3	13,254	17,028
	Other comprehensive loss	13.1.4	13,347	20,453
	Contributions		(28,454)	(15,400)
			26,805	28,658
	Movement in present value of defined benefit obligation			
	Opening		162,820	139,257
	Current service cost	13.1.3	16,629	17,137
	Past service cost		(5,467)	-
	Interest cost		22,226	16,641
	Benefits paid		(19,072)	(7,289)
	Actuarial loss / (gain) on obligation	13.1.4	12,029	(2,926)
	Closing		189,165	162,820
	Movement in the fair value of plan assets			
	Opening		134,162	132,680
	Expected return on plan assets		20,134	16,750
	Contributions		28,454	15,400
	Benefits paid		(19,072)	(7,289)
	Actuarial loss on obligation	13.1.4	(1,318)	(23,379)
			162,360	134,162

13.1.3	**Amount recognised in consolidated statement of**		
	Current service cost	16,629	17,137
	Past service cost	(5,467)	-
	Interest (income) / cost	2,092	(109)
	Expense for the year	13,254	17,028

13.1.4	**Amount recognised in other comprehensive income**		
	Remeasurement loss / (gain) on obligation		
	- Financial assumptions	11,049	(4,902)
	- Demographic assumptions	606	656
	- Experience assumptions	374	1,320
		12,029	(2,926)
	Remeasurement loss on plan assets	1,318	23,379
		13,347	20,453

13.1.5	**Actual return on plan assets**		
	Expected return on assets	20,134	16,750
	Actuarial loss	(1,318)	(23,379)
		18,816	(6,629)

13.1.6 Analysis of present value of defined benefit obligation

	2023	2022
	------- (Rupees in '000) -------	
Split by vested / non-vested		
(i) Vested benefits	189,165	162,820
(ii) Non-vested benefits	-	-
	189,165	162,820

13.1.7 Sensitivity analysis

	2023			2022		
	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%	-5.71%	(10,805)	+1%	-7.33%	(11,939)
	-1%	6.32%	11,955	-1%	8.26%	13,457
Salary increase rate	+1%	6.80%	12,854	+1%	8.79%	14,320
	-1%	-6.23%	(11,784)	-1%	-7.91%	(12,873)
Life expectancy / withdrawal rate	+10%	-0.05%	(93)	+10%	0.04%	71
	-10%	0.05%	87	-10%	-0.05%	(78)

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:

	2023 (Rupees in '000)	Percentage composition	2022 (Rupees in '000)	Percentage composition
Equity investments	19,698	12.13%	21,938	16.35%
Cash and bank deposits	111,510	68.68%	80,625	60.10%
Government securities	31,152	19.19%	31,599	23.55%
Fair value of plan assets	162,360	100%	134,162	100%

13.1.9 As per the actuarial recommendations, the expected return on plan assets was taken as 15.50% (2022: 14.50%), 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. 20.657 million in the consolidated financial statements for the year ending December 31, 2024.

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. 20.657 million during 2024.

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) -------				
2023					
Gratuity	29,084	15,768	69,108	167,442	281,402
2022					
Gratuity	23,653	7,141	34,045	120,511	185,350

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

	2023	2022	2021	2020
	(Rupees in '000)			
Present value of defined benefit obligation	189,165	162,820	139,257	132,484
Fair value of plan assets	(162,360)	(134,162)	(132,680)	(114,807)
Deficit	26,805	28,658	6,577	17,677

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, 2023 was Rs. 23.229 million (2022: Rs, 20.666 million). The net assets based on unaudited financial statements of Provident Fund as at December 31, 2023 are Rs. 137.195 million (2022: 149.081 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, 2023 (unaudited) was Rs. 143.899 million (2022: 155.431 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, 2023 (un-audited)		December 31, 2022 (un-audited)	
	(Rupees in '000)	% of the size of the fund	(Rupees in '000)	% of the size of the fund
Government securities	91,264	66.53%	30,336	20.35%
Listed securities	6,021	4.39%	6,037	4.05%
Bank deposits	34,622	25.24%	92,719	62.20%
Mutual Funds	287	0.21%	14,989	10.06%
Term finance certificates	5,000	3.63%	5,000	3.34%
Total	137,194	100%	149,081	100%

13.3 Staff strength

	2023	2022
	(Number of employees)	
Number of employees as at December 31	180	199
Average number of employees during the year	190	199

14 PREPAYMENTS

	Note	2023	2022
		(Rupees in '000)	
Prepaid reinsurance premium ceded	23	2,333,817	1,704,594
Prepaid rentals		34,451	36,992
Others		6,862	1,919
		2,375,130	1,743,505

15 CASH AND BANK

	Note	2023	2022
Cash and cash equivalents			
Cash in hand		106	604
Policy stamps in hand		2,662	8,949
Cash at bank			
Current accounts		143,383	5,550
Savings accounts	15.1	829,991	370,799
		973,374	376,349
		976,142	385,902

15.1 The balances in savings accounts carry mark-up ranging from 13.44% to 17.93% (2022: 14.5% to 15.5%) per annum.

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15.2 Cash and cash equivalents for the purpose of of consolidated statement of cash flows:

	Note	2023	2022
		------- (Rupees in '000) -------	
Cash and bank	15	976,142	385,902
Market Treasury Bills having original maturity of up to three months		100,826	-
		1,076,968	385,902

16 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	2023	2022	2023	2022
	(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 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

	Note	2023	2022
		------- (Rupees in '000) -------	
Opening balance		387,613	368,414
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation		(42,535)	(30,532)
Related deferred tax		16,589	10,076
		(25,946)	(20,456)
Change in fair value - net of tax		7,346	39,655
Closing surplus on revaluation of property and equipment		369,013	387,613

18 BORROWINGS

	Note	2023	2022
Lease liability against right-of-use assets - motor vehicle	18.2	34,326	67,457
Lease liability against right-of-use assets - rented premises	18.3	9,499	13,958
	18.1	43,825	81,415
Current portion		22,203	33,182
Non-current portion		21,622	48,233
		43,825	81,415

18.1 Lease liability against right-of-use assets

	2023			2022		
	Minimum lease Payments	Financial charges	Principal outstanding	Minimum lease Payments	Financial charges	Principal outstanding
	------- (Rupees in '000) -------					
Not later than one year	29,146	6,943	22,203	44,364	11,182	33,182
Later than one year and not later than five years	25,855	4,233	21,622	57,283	9,050	48,233
	55,001	11,176	43,825	101,647	20,232	81,415

18.2 The Holding Company leases motor vehicles from banks which are provided to employees as an employment benefit.

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

19 INSURANCE / REINSURANCE PAYABLES

	2023	2022
	------- (Rupees in '000) -------	
Due to other insurers / reinsurers	3,392,743	1,838,227

20 DEFERRED TAXATION

	2023	2022
	------- (Rupees in '000) -------	
Deferred debits arising in respect of :		
- Provision for doubtful receivables	(91,400)	(70,408)
- Retirement benefit obligations	(10,454)	(9,457)
- Unrealised loss on investments	10,062	(48,610)
- Lease liability against right-of-use assets	(17,092)	(26,867)
	(108,884)	(155,342)
Deferred credits arising due to :		
- Accelerated tax depreciation	(12,348)	9,858
- Surplus on revaluation of property and equipment	296,220	224,584
- Fair value gain on investment properties	107,885	85,684
- Right-of-use assets	33,736	41,857
	425,493	361,983
	316,609	206,641

20.1 Movement in deferred tax liability

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

	2023	2022
Opening	206,641	168,929
Credit / (debit) to the profit and loss account	43,537	(10,078)
Credit to the statement of comprehensive income	66,431	47,790
Closing	316,609	206,641

21 OTHER CREDITORS AND ACCRUALS

	2023	2022
Agent commission payable	465,334	311,159
Cash margin	284,347	287,982
Federal excise duty	110,412	109,250
Federal insurance fee	6,746	6,796
Accrued expenses	278,145	148,267
Payable to customers	263,596	223,550
Provision for Sindh Workers Welfare Fund	39,555	-
Salvage payable	127,759	-
Others	79,292	62,442
	1,655,186	1,149,446

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 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 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 re-distribution 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 re-distribution 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 of Sindh 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 Holding 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 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.

During 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 afore-mentioned 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, 2023.

22.6 The contingencies relating to taxation are given in note 30.2 to the consolidated financial statements.

		Note	2023	2022
			------- (Rupees in '000) -------	
23	**NET INSURANCE PREMIUM**			
	Written gross premium	23.1	12,388,623	8,537,522
	Add: Unearned premium reserve - opening		3,007,816	2,674,247
	Less: Unearned premium reserve - closing		(3,944,261)	(3,007,816)
	Premium earned	23.1	11,452,178	8,203,953
	Less: Reinsurance premium ceded		(7,599,352)	(5,167,145)
	Add: Prepaid reinsurance premium ceded - opening		(1,704,594)	(1,327,669)
	Less: Prepaid reinsurance premium ceded - closing		2,333,817	1,704,594
	Reinsurance expense		(6,970,129)	(4,790,220)
			4,482,049	3,413,733

23.1 This includes an amount of Rs. 195.812 million (2022: Rs. 133.382 million) and Rs. 161.216 million (2022: Rs. 122.807 million) in respect of amount written and earned on tracking services.

		2023	2022
24	**NET INSURANCE CLAIMS**	------- (Rupees in '000) -------	
	Claims paid	4,651,131	5,884,018
	Add: Outstanding claims (including IBNR) - closing	7,377,643	6,623,855
	Less: Outstanding claims (including IBNR) - opening	(6,623,855)	(2,584,937)
	Claims expense	5,404,919	9,922,936
	Less: Reinsurance and other recoveries received	(1,394,812)	(5,046,975)
	Add: Reinsurance and other recoveries in respect of outstanding claims - closing	(6,819,523)	(4,761,352)
	Less: Reinsurance and other recoveries in respect of outstanding claims - opening	4,761,352	1,914,772
	Reinsurance and other recoveries revenue	(3,452,983)	(7,893,555)
		1,951,936	2,029,381

24.1 Claims development tables

The following table shows the development of fire claims over a period of time. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For other classes of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

Analysis on gross basis

Accident year	2019 and prior	2020	2021	2022	2023 (including IBNR)	Total
	(Rupees in '000)					
Estimate of ultimate claims cost:						
At end of accident year	825,786	1,593,639	947,831	6,011,615	3,185,955	12,564,826
One year later	1,374,432	1,574,803	935,532	6,032,874	-	9,917,641
Two years later	1,380,485	1,541,164	2,788,446	-	-	5,710,095
Three years later	1,483,793	1,534,546	-	-	-	3,018,339
Four years later	1,486,262	-	-	-	-	1,486,262
Estimate of cumulative claims	1,486,262	1,534,546	2,788,446	6,032,874	3,185,955	15,028,083
Cumulative payments to date	(1,313,903)	(1,381,990)	(1,181,964)	(3,938,423)	(1,484,081)	(9,300,361)
Liability recognised in the consolidated statement of financial position	172,359	152,556	1,606,482	2,094,451	1,701,874	5,727,722

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

		2023		2022	
		IBNR	PDR	IBNR	PDR
24.2	**Movement of IBNR / PDR**	(Rupees in '000)			
	IBNR / PDR - opening	110,917	3,424	93,962	1,345
	Charge / (reversal) during the year	43,145	(3,424)	16,955	2,079
	IBNR / PDR - closing	154,062	-	110,917	3,424

		Note	2023	2022
25	**NET COMMISSION EXPENSE**		(Rupees in '000)	
	Commission paid or payable		1,853,453	994,448
	Add: Deferred commission expense - opening		353,588	264,221
	Less: Deferred commission expense - closing		(374,998)	(353,588)
	Net commission		1,832,043	905,081
	Less: Commission received or receivable		(908,138)	(803,185)
	Add: Unearned reinsurance commission - opening		(269,626)	(218,690)
	Less: Unearned reinsurance commission - closing		253,134	269,625
	Commission from reinsurers		(924,630)	(752,250)
			907,413	152,831
26	**MANAGEMENT EXPENSES**			
	Employee benefit cost	26.1.1	609,182	502,222
	Rent, rates and taxes		60,208	50,215
	Electricity and gas		28,534	22,500
	Repairs and maintenance		33,074	22,317
	Communication		42,037	29,638
	Tracker related expenditures		15,320	17,649
	Depreciation and amortisation		139,083	123,429
	Bad and doubtful debts	12.2 & 12.3	22,162	37,679
	Vehicle running expenses		101,274	72,863
	Travelling expenses		31,312	29,264
	Representation expenses		7,917	6,403
	Printing and stationery		8,675	8,121
	Legal and professional		38,563	30,911
	SECP Supervision fee		13,617	8,763
	Advertisement expenses		8,500	9,118
	Miscellaneous		7,098	4,036
		26.1	1,166,556	975,128

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. 104.429 million (2022: Rs. 128.828 million).

	Note	2023			2022		
		Total Expense	Allocated to WTO	Net Expense	Total Expense	Allocated to WTO	Net Expense
		(Rupees in '000)					
Employee benefit cost	26.1.1	676,345	67,163	609,182	571,881	69,659	502,222
Rent, rates and taxes		72,136	11,928	60,208	60,096	9,881	50,215
Electricity and gas		34,187	5,653	28,534	26,927	4,427	22,500
Repairs and maintenance		39,050	5,976	33,074	25,455	3,138	22,317
Communication		46,379	4,342	42,037	31,660	2,022	29,638
Tracker related expenditures		15,320	-	15,320	17,649	-	17,649
Depreciation and amortisation		162,780	23,697	139,083	136,851	13,422	123,429
Bad and doubtful debts		22,162	-	22,162	37,679	-	37,679
Travelling expenses		37,720	6,408	31,312	35,253	5,989	29,264
Representation expenses		9,539	1,622	7,917	7,714	1,311	6,403
Printing and stationery		10,444	1,769	8,675	9,776	1,655	8,121
Legal and professional		52,180	-	52,180	39,674	-	39,674
Advertisement expenses		10,241	1,741	8,500	10,986	1,868	9,118
Miscellaneous		8,074	976	7,098	4,804	768	4,036
		1,318,855	152,299	1,166,556	1,103,956	128,828	975,128

		Note	2023	2022
26.1.1	**Employee benefit cost**		------- (Rupees in '000) -------	
	Salaries, allowance and other benefits		639,862	534,187
	Charges for post employment benefit	13.1.3 & 13.2	36,483	37,694
	Less: employee benefit cost allocated to Window Takaful Operations		(67,163)	(69,659)
			609,182	502,222

27 INVESTMENT INCOME

	2023	2022
Income from equity securities		
Fair value through profit or loss		
Dividend income	18,770	67,955
Income from debt securities		
Fair value through profit or loss		
Return on government securities	394,914	236,216
Return on term finance certificate	47,783	29,043
Net realised gain / (loss) on investments		
Fair value through profit or loss		
Mutual funds	13,044	25,438
Listed shares	7,275	(3,217)
Government securities	3,014	(1,956)
	23,333	20,265
Net unrealised gain / (loss) on investments		
Mutual funds	59	119
Listed shares	38,476	(7,021)
Government securities	(12,735)	(55,605)
	25,800	(62,507)
Total investment income	510,600	290,972

28 OTHER INCOME

	Note	2023	2022
Return on savings accounts		119,838	69,803
Gain on sale of operating assets	5.2	35,863	20,589
Fair value gain on investment properties	7	13,402	29,827
Training income		43,408	34,007
Rental income from tracker business		14,029	10,758
Miscellaneous		8,563	6,029
		235,103	171,013

29 OTHER EXPENSES

	Note	2023	2022
Group shared services expenses		10,736	10,939
Insurance expense		27,441	21,444
Repairs and maintenance		2,672	1,944
Exchange loss		254	320
Legal and professional		3,158	3,097
Auditors' remuneration	29.1	11,392	13,220
Provison for SWWF		39,555	-
Donations	29.2	9,364	9,198
Miscellaneous		43,485	38,148
		148,057	98,310

29.1 Auditors' remuneration

	2023	2022
Fee for statutory audit	2,916	1,581
Fee for audit of consolidated financial statements	648	380
Fee for interim review	1,080	696
Special certifications and sundry services	216	190
Tax advisory and other consultancy services	3,286	8,792
Out of pocket expenses	1,626	538
	11,392	13,220

29.2 This represents donation paid to Packages Foundation (a related party), in which Mr Shamim Ahmed Khan and Syed Hyder Ali (directors of the Group) are Trustees. Office of the donee is located at Walton Rd, Lahore 54760 or Shahrah-e-Roomi P.O. Amer-sidhu, Lahore.

30 TAXATION

	2023	2022
	------- (Rupees in '000) -------	
Current tax		
- current year	486,156	253,736
- prior year	40,053	29,646
	526,209	283,382
Deferred tax		
- current year	43,539	(10,078)
	569,748	273,304

30.1 Effective tax rate reconciliation

Numerical reconciliations between the average tax rate and the applicable tax rate for the year ended December 31, 2023 and December 31, 2022 are as follows:

	2023 (Effective tax rate) (%)	2023 '000	2022 (Effective tax rate) (%)	2022 '000
Profit before taxation		1,243,147		741,495
Tax at enacted tax rate	39.00	484,827	33.00	244,693
Prior year tax	3.22	40,053	4.00	29,646
Change of rate impact	3.02	37,571	-	-
Others	0.59	7,297	(0.14)	(1,035)
	45.83	569,748	36.86	273,304

30.2 Taxation

30.2.1 The Holding 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.

The income tax assessments of the Holding Company have been finalised up to and including the tax year 2017. However, the Holding Company has filed appeals in respect of certain assessment years which mainly relate to the following:

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 2001-2002 and 2002-2003. The applications filed were rejected by the T.O. against which appeals had been filed with the CIT (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 and 2006 whereby he has proposed to disallow claim of expenses and exemption in respect of gain on sale of shares and taxed income from associates. Against the above notice, the Holding Company has filed a constitutional petition before the Honourable High Court. The regular hearing of petition is currently pending with the High Court.

30.2.3 In respect of tax year 2007, all significant issues involved amounting to Rs. 7 billion were decided in favour of the Holding Company by CIR(A) and then by the ATIR. However, no appeal effect order has been passed. Further, certain matters amounting to Rs. 82 million that were remanded back to DCIR by the CIR(A) were not decided upon by the High Court. 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 against the deletion of the addition made on account of re-characterisation of actual realized capital gain. The said Income Tax Reference Application was heard by Honourable High Court 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.

30.2.4 In case of tax year 2008, the Additional Commissioner Audit Division-II had issued notice under section 122 (5A) of the Income Tax Ordinance, 2001 for passing an amended order on certain issues. The Holding Company filed a writ petition before the Honourable High Court of Sindh which dismissed the petition by directing the Holding Company to submit its responses to the assessing authority. Moreover, the Honourable High Court had directed the assessing authority to pass the order, preferably within two months of the service of the Court's order, strictly in accordance with law keeping in view the provisions relating to insurance business and the decisions of the High Court and the Supreme Court on the subject issues. However, to-date no notice has been received from the taxation authorities.

The additional Commissioner Audit zone III LTU Karachi issued another notice under section 122(5A) of the Ordinance in 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. Further, the Holding 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 Holding Company. Moreover, the departmental appeal has also been rejected being treated as infructuous. The department has filed a reference application before the Sindh High Court against the order of the ATIR which is pending adjudication.

Moreover, pursuant to the decision of the CIR(A), the ACIR has passed an appeal effect order duly incorporating the relief granted by the CIR(A) in respect of allocation of expenses and tax refundable of Rs. 18.030 million has been determined.

30.2.5 In case 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 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). As regards, 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 Sindh High Court where the IBNR issue 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 Sindh High Court 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 case 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 Sindh High Court 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. 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). Pursuant to the above appeal, the ATIR passed the order dated June 8, 2023 wherein all issues contested in appeals have been decided in favour of the Holding Company.

30.2.7 In case 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 March 10, 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.

As regards, 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. We have 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). Pursuant to the above appeal, the ATIR passed the order dated June 8, 2023 wherein all issues contested in appeals have been decided in favour of the Holding Company.

30.2.8 In case 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 Sindh High court 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 Sindh High Court 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 In case 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.

30.2.10 In case 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 Sindh High court 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 Sindh High Court 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.

30.2.11 In case 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 Sindh High court 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 Sindh High Court 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 appeal effect order whereby a tax demand of Rs. 2.776 million was created. While passing the aforesaid order, the ACIR did not consider the impact of payment of WWF for the year amounting to Rs. 3.635 million. Accordingly, a rectification application was duly filed pursuant to which the ACIR has now passed a rectified order whereby a refund of Rs. 0.859 million has been created.

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 is pending adjudication. During the year, the ATIR has dismissed the appeal filed by the tax department by mentioning that the tax department did not press the above appeal.

30.2.12 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 previous year, 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 has filed an appeal and stay application before the Commissioner Inland Revenue (Appeals) (CIRA) against the order. While the appeal is pending adjudication, the CIRA has granted stay against the order.

30.2.13 In case 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.

30.2.14 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

Further, IGI General 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.

30.2.15 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, IGI General 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.

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

	2023	2022
	------- (Rupees in '000) -------	
Profit (after tax) for the year	673,399	467,923
	------(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	3.51	2.44

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	
	2023	2022	2023	2022	2023	2022	2023	2022
	---------- (Rupees in '000) ----------							
Transactions								
Premium underwritten	-	67	-	-	236	1,988	1,145,739	468,964
Premium collected	-	67	-	-	313	2,241	1,174,934	392,096
Claims expense - net of recoveries	30		-	-	449	2,752	211,805	4,492,396
Claims paid	-	-	-	-	509	1,487	104,222	3,662,496
Rental income	-	-	-	-	-	-	28,234	31,078
Dividend paid	585,000	280,000	-	-	-	-	-	-
Key management personnel compensation	-	-	-	-	211,904	192,692	-	-
Charge in respect of gratuity fund	-	-	13,254	17,028	-	-	-	-
Charge in respect of provident fund	-	-	23,229	20,666	-	-	-	-
Contribution to gratuity fund	-	-	28,454	15,400	-	-	-	-
Contribution to provident fund	-	-	33,468	7,636	-	-	-	-
Insurance premium expense	-	-	-	-	-	-	11,405	10,009
Insurance premium paid	-	-	-	-	-	-	11,405	10,009
Education and training fee paid	-	-	-	-	-	-	4	-
Donation paid	-	-	-	-	-	-	9,364	8,558
Rent paid	-	-	-	-	-	-	2,327	1,919
Tracker rental income from Takaful Operations	-	-	-	-	-	-	14,029	10,257
Profit received from Window Takaful Operations	-	-	-	-	-	-	187,585	61,597
Expenses allocated to Window Takaful Operations	-	-	-	-	-	-	152,299	128,828

	Ultimate Parent Company		Post employment benefit plans		Key management personnel (including directors)		Other related parties	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)							
Balances								
Premium receivable	-	-	-	-	190	267	83,763	112,958
Outstanding claim	-	-	-	-	-	61	945,947	838,363
Other receivable	11,631	2,863	-	-	-	-	155,665	189,832
Payable to gratuity fund	-	-	(26,805)	(28,658)	-	-	-	-
Receivable from provident fund	-	-	18,362	28,601	-	-	-	-

The maximum aggregate amount due from related parties outstanding during the year aggregated to Rs. 181.737 million (2022: 169.657 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 Life Insurance Limited	Subsidiary of Holding Company
2	IGI Finex Securities Limited	Subsidiary of Holding Company
3	IGI Investment (Pvt.) Limited	Subsidiary of Holding Company
4	DIC Pakistan Limited	Associate
5	Bulleh Shah Packaging (Private) Limited	Associate
6	Tri Pack Films Limited	Associate
7	Packages Real Estate (Private) Limited	Associate
8	Packages Limited	Associate
9	Omypack (Pvt.) Limited	Associate
10	Packages Convertors Limited	Associate
11	IGI FSI (Private) Limited	Subsidiary
12	Syed Babar Ali	Other related party
13	Syed Hyder Ali	Other related party
14	Shamim Ahmed Khan	Other related party
15	Packages Foundation	Associate

33 COMPENSATION FOR DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Fee for attending board meeting	-	-	5,750 *	5,675 *		
Managerial remuneration	22,537	17,384	-	-	177,350	170,815
Bonus	7,478	2,884	-		31,565	48,398
Retirement benefits (including provident fund)	1,977	1,912	-		16,624	16,397
Housing and utilities	11,832	10,278	-		91,435	89,247
Technical advisory fee		-	2,400	2,160	-	-
Medical expenses	2,151	1,709	-		440	95
Conveyance allowance	-	-	-		3,138	1,900
Others	12,524	14,331	-		28,376	37,780
	58,499	48,498	8,150	7,835	348,928	364,632
Number of persons	1	1	5	5	109	106

* 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 Holding 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	2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Premium receivable (inclusive of Sindh Sales Tax, 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	(525,476)	(107,980)	(203,235)	(153,557)	(176,308)	(1,166,556)
Net insurance claims and expenses	(1,072,968)	(395,778)	(1,337,460)	(1,573,197)	(571,132)	(4,950,535)
Premium deficiency	-	-	-	3,424	-	3,424
Underwriting result	(118,526)	142,365	516,672	(24,073)	(56,870)	459,568
Investment income						510,600
Rental income						27,748
Other income						235,103
Other expenses						(148,057)
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	943,468	1,210,412	547,938	2,520,454	13,573,167
Unallocated assets	-	-	-	-	-	6,497,803
Assets of Window Takaful Operations - operator's fund	-	-	-	-	-	616,843
						20,687,813
Segment liabilities	9,418,350	1,006,331	2,020,632	923,705	1,602,726	14,971,744
Unallocated liabilities	-	-	-	-	-	2,042,423
Total liabilities of Window Takaful Operations - operator's fund	-	-	-	-	-	461,962
						17,476,129

Particulars	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	2022					
	(Rupees in '000)					
Premium receivable (inclusive of Sindh Sales Tax, federal insurance fee and administrative surcharge)	3,792,719	1,414,783	2,258,803	722,808	1,608,978	9,798,091
Less: Federal Excise Duty	(468,293)	(153,629)	(295,854)	(15,766)	(193,421)	(1,126,963)
Federal Insurance Fee	(32,203)	(11,928)	(19,415)	(7,000)	(925)	(71,471)
Stamp duty	(125)	(46,340)	(1,674)	(10)	(13,986)	(62,135)
Gross written premium (inclusive of Administrative Surcharge)	3,292,098	1,202,886	1,941,860	700,032	1,400,646	8,537,522
Gross direct premium	3,213,618	1,177,809	1,887,592	698,980	1,362,433	8,340,432
Facultative inward premium	69,836	9,998	536	-	5,140	85,510
Administrative surcharge	8,644	15,079	53,732	1,052	33,073	111,580
	3,292,098	1,202,886	1,941,860	700,032	1,400,646	8,537,522
Insurance premium earned	2,923,441	1,179,074	1,840,749	873,147	1,387,542	8,203,953
Insurance premium ceded to reinsurers	(2,676,079)	(810,084)	(204,270)	-	(1,099,787)	(4,790,220)
Net insurance premium	247,362	368,990	1,636,479	873,147	287,755	3,413,733
Commission income	370,196	231,594	44,653	-	105,807	752,250
Net underwriting income	617,558	600,584	1,681,132	873,147	393,562	4,165,983
Insurance claims	(6,065,673)	(669,687)	(939,082)	(704,615)	(1,543,879)	(9,922,936)
Insurance claims recovered from reinsurers	5,865,408	497,171	107,637	-	1,423,339	7,893,555
Net claims	(200,265)	(172,516)	(831,445)	(704,615)	(120,540)	(2,029,381)
Commission expense	(383,612)	(137,475)	(234,421)	(37,700)	(111,873)	(905,081)
Management expenses	(376,013)	(137,390)	(221,793)	(79,956)	(159,976)	(975,128)
Net insurance claims and expenses	(959,890)	(447,381)	(1,287,659)	(822,271)	(392,389)	(3,909,590)
Premium deficiency	(3,424)	-	-	1,345	-	(2,079)
Underwriting result	(345,756)	153,203	393,473	52,221	1,173	254,314
Rental income						31,078
Other income						171,013
Other expenses						(98,310)
Finance Costs						
Share of (loss) / profit of associates						649,335
Result of operating activities						649,067
Finance cost on right-of-use assets						(16,712)
Profit from WTO						108,872
Profit before tax						741,227
Segment assets	5,388,415	1,148,530	1,460,502	382,351	3,057,164	11,436,962
Unallocated assets	-	-	-	-	-	4,777,401
Assets of Window Takaful Operations - operator's fund	-	-	-	-	-	492,825
						16,707,188
Segment liabilities	5,602,185	1,179,748	1,676,446	530,599	2,758,090	11,747,068
Unallocated liabilities	-	-	-	-	-	1,466,158
Total liabilities of Window Takaful Operations - operator's fund	-	-	-	-	-	369,881
						13,583,107

35 MOVEMENT IN INVESTMENTS

	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

	2022		
	Held to maturity	Fair value through profit or loss	Total
	(Rupees in '000)		
As at January 1, 2022	-	2,968,027	2,968,027
Additions	-	4,359,870	4,359,870
Disposals (sale and redemptions) - net	-	(5,231,263)	(5,231,263)
Net fair value gains (excluding net realised gains)	-	(62,507)	(62,507)
Amortisation of premium / discount	-	79,545	79,545
As at December 31, 2022	-	2,113,672	2,113,672

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:

	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	15,449,061	13,402,108	2,046,953
	358,395,738	347,031,740	11,363,998

	2022		
	Maximum sum insured	Reinsurance cover	Highest net liability
	(Rupees in '000)		
Fire and property damage	42,405,661	42,105,661	300,000
Marine, aviation and transport	51,250,000	51,154,675	95,325
Motor	992,460	396,984	595,476
Health	3,660,515	-	3,660,515
Miscellaneous	139,440,000	139,156,937	283,063
Window Takaful Operations	9,781,423	9,034,356	747,067
	247,530,059	241,848,613	5,681,446

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

	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

	2022		
	Gross liabilities	Gross assets	Net liabilities / (assets)
	(Rupees in '000)		
Fire and property damage	5,602,185	5,388,415	213,770
Marine, aviation and transport	1,179,748	1,148,530	31,218
Motor	1,676,446	1,460,502	215,944
Health	530,599	382,351	148,248
Miscellaneous	2,758,090	3,057,164	(299,074)
Window Takaful Operations	369,881	492,825	(122,944)
	12,116,949	11,929,787	187,162

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 3.4 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:

	Effect of 10% increase in		Effect of 10% decrease in claims	
	Total comprehensive income	Equity	Total comprehensive income	Equity
	(Rupees in '000)			
Fire and property damage	(4,131)	(4,131)	4,131	4,131
Marine, aviation and transport	(9,662)	(9,662)	9,662	9,662
Motor	(60,626)	(60,626)	60,626	60,626
Health	(54,451)	(54,451)	54,451	54,451
Miscellaneous	(9,717)	(9,717)	9,717	9,717
Window Takaful Operations	(95,381)	(95,381)	95,381	95,381
	(233,968)	(233,968)	233,968	233,968

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						
2023	67,917	-	13,253	12,528	17,728	24,408
2022	135,120	-	72,563	20,445	14,627	27,485

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:

	2023							
	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	13.44% to 17.93%	829,991	-	829,991	146,151	-	146,151	976,142
Investments	8.60% to 19.02%	-	2,689,091	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
		834,151	2,689,091	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		-	-	-	1,498,473	-	1,498,473	1,498,473
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	12,488,153	-	12,488,153	12,531,978
		811,948	2,667,469	3,479,417	(121,509)	-	(121,509)	3,357,908

	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
	----------2022----------							
		----------(Rupees In '000)----------						
Financial assets								
Cash and bank	14.5% to 15.5%	2,398	-	2,398	383,504	-	383,504	385,902
Investments	8.60% to 19.02%	-	2,022,698	2,022,698	90,974	-	90,974	2,113,672
Insurance / reinsurance receivables		-	-	-	4,617,429	-	4,617,429	4,617,429
Reinsurance recoveries against outstanding claims		-	-	-	4,761,352	-	4,761,352	4,761,352
Loans and other receivables		-	-	-	442,167	-	442,167	442,167
Salvage recoveries accrued		-	-	-	106,324	-	106,324	106,324
Window Takaful Operations - total assets		21,571	-	21,571	471,254	-	471,254	492,825
		23,969	2,022,698	2,046,667	10,873,004	-	10,873,004	12,919,671
Financial liabilities								
Outstanding claims including IBNR		-	-	-	6,623,855	-	6,623,855	6,623,855
Insurance / reinsurance payables		-	-	-	1,838,227	-	1,838,227	1,838,227
Other creditors and accruals		-	-	-	1,031,167	-	1,031,167	1,031,167
Borrowings	5.36% - 14.92%	33,182	48,233	81,415	-	-	-	81,415
Window Takaful Operations - total liabilities		-	-	-	219,294	-	219,294	219,294
		33,182	48,233	81,415	9,712,543	-	9,712,543	9,793,958
		(9,213)	1,974,465	1,965,252	1,160,461	-	1,160,461	3,125,713

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, 2023 and 2022 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) -------	
2023		
Cash flow sensitivity - Variable rate financial liabilities	(438)	438
Cash flow sensitivity - Variable rate financial assets	23,791	(23,791)
2022		
Cash flow sensitivity - Variable rate financial liabilities	(814)	814
Cash flow sensitivity - Variable rate financial assets	(16,227)	16,227

(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, 2023, with all other variables held constant, equity for the year would increase / (decrease) by Rs 8.736 million (2022: Rs 4.549 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, 2023 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.

	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	1,498,473	1,498,473	1,498,473	-
Borrowings	43,825	55,001	22,203	32,798
Window Takaful Operations - total liabilities	219,294	219,294	219,294	-
	12,531,978	12,543,154	12,510,356	32,798

	2022			
	Carrying amount	Contractual cash flow	Up to one year	More than one year
	(Rupees in '000)			
Outstanding claims including IBNR	6,623,855	6,623,855	6,623,855	-
Insurance / reinsurance payables	1,838,227	1,838,227	1,838,227	-
Other creditors and accruals	1,031,167	1,031,167	1,031,167	-
Borrowings	81,415	101,647	44,364	57,283
Window Takaful Operations - total liabilities	219,294	219,294	219,294	-
	9,793,958	9,814,190	9,756,907	57,283

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:

		2023	2022
		------- (Rupees in '000) -------	
	Investments		
-	Equity	174,721	90,974
-	Debt securities	309,989	400,000
-	Loans and other receivables	505,800	442,167
	Insurance / reinsurance receivables		
-	Insurance / reinsurance receivables	4,044,829	4,617,429
-	Reinsurance recoveries against outstanding claims	6,819,523	4,761,352
-	Salvage recoveries accrued	186,737	106,324
-	Cash and bank	973,374	376,349
-	Window Takaful Operations - total assets	493,043	492,825
		13,508,016	11,287,420

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 12.3 and 12.4. 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 and term deposit receipts			
Faysal Bank Limited	PACRA / VIS	A1+	AA
JS Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Bank Al-Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Bank of Punjab	PACRA	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA-
United Bank Limited	VIS	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
National Bank of Pakistan	PACRA / VIS	A1+	AAA
Samba Bank Limited	PACRA / VIS	A1	AA
Mobilink Microfinance Bank Limited	PACRA / VIS	A1	A
Khushali Microfinance Bank Limited	VIS	A2	A-
Telenor Microfinance Bank	PACRA	A1	A
Finca Microfinance Bank Limited	PACRA / VIS	A2	A-
NRSP Microfinance Bank Limited	VIS	A2	A-
Habib Bank Limited	VIS	A1+	AAA
Bank Makramah Limited	VIS	Not rated	Not rated
Allied Bank Limited	PACRA	A1+	AAA
Industrial and Commercial Bank of China Limited	S&P	Not rated	A
Askari Bank Limited	PACRA	A1+	AA+
U Microfinance Bank Limited	PACRA / VIS	A1	A+

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

	2023	2022
	------- (Rupees in '000) -------	
Up to 1 year	3,415,436	4,210,415
1-2 years	392,070	293,983
2-3 years	152,959	95,297
Over 3 years	318,723	231,091
	4,279,188	4,830,786

	2023	2022
	------- (Rupees in '000) -------	
Window Takaful Operations		
Up to 1 year	390,953	346,745
1-2 years	57,080	78,892
2-3 years	57,027	32,733
Over 3 years	36,896	7,730
	541,956	466,100

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.

	2023	2022
	------- (Rupees in '000) -------	
Sector wise analysis of premiums due but unpaid		
Foods and beverages	100,992	71,107
Financial services	325,235	99,256
Pharmaceuticals	40,632	26,444
Textile and composites	343,408	373,254
Engineering	43,280	53,605
Other manufacturing	223,566	247,545
Miscellaneous	483,415	561,330
	1,560,528	1,432,541
Window Takaful Operations		
Textile	81,867	72,162
Financial services	34,386	46,390
Engineering	28,405	4,083
Pharmaceuticals	22,086	1,223
Food	70,136	76,041
Other manufacturing	21,298	14,667
Others	84,135	85,215
	342,313	299,781

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	2023	2022
	---------- (Rupees in '000) ----------				
A- or above (including PRCL)	2,470,419	6,196,832	2,120,717	10,787,968	9,122,264
BBB and B+	134,113	336,411	115,128	585,652	443,259
Others	114,128	286,280	97,972	498,380	298,668
Total	2,718,660	6,819,523	2,333,817	11,872,000	9,864,191

	Due from other insurers / re-takaful operators	Re-takaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	2023	2022
	---------- (Rupees in '000) ----------				
Window Takaful Operations					
A- or above (including PRCL)	195,354	157,820	197,486	550,660	339,057
BBB	4,289	3,465	4,336	12,090	217,067
Others	-	-	-	-	16,049
	199,643	161,285	201,822	562,750	572,173

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

37 FINANCIAL INSTRUMENTS BY CATEGORY

	2023	2022
	------- (Rupees in '000) --------	
Financial assets and financial liabilities		
Financial assets		
Loans and receivables		
Cash and bank	976,142	382,690
Insurance / reinsurance receivables	4,044,829	4,617,429
Reinsurance recoveries against outstanding claims	6,819,523	4,761,352
Loans and other receivables	505,800	440,064
Salvage recoveries accrued	186,737	106,324
Window Takaful Operations - total assets	493,043	492,825
	13,026,074	10,800,684
Investments - fair value through profit or loss		
Equity securities	174,721	90,974
Term finance certificates and Sukuks	309,989	400,000
Government securities	2,379,102	1,622,698
	2,863,812	2,113,672
Financial liabilities		
Amortised cost		
Outstanding claims including IBNR	7,377,643	6,623,855
Insurance / reinsurance payables	3,392,743	1,838,227
Other creditors and accruals	1,498,473	1,031,167
Borrowings	43,825	81,415
Window Takaful Operations - total liabilities	219,294	219,294
	12,531,978	9,793,958

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:

	2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets - measured at fair value			
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

	2022		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets - measured at fair value			
Fair value through profit or loss			
Listed shares	86,152	-	-
Mutual funds	-	4,822	-
Term finance certificates and Sukuks	-	400,000	-
Government securities	-	1,622,698	-
Non - financial assets - measured at fair value			
Property and equipment (Buildings and leasehold improvements) *	-	-	649,519
Investment properties *	-	-	429,402
	-	-	

Item	Valuation approach and input used
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.
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 unconsolidated financial statements approximate their fair values.

39 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company on ____________________.

40 EVENTS AFTER REPORTING DATE

The Board of Directors of the Holding Company has proposed a final dividend for the year ended December 31, 2023 of Rs. 0.89 per share, amounting to Rs. 170 million in its meeting held on Mar 18, 2024. The effect of this distribution will be incorporated in the consolidated financial statements of the Group for the year ending December 31, 2024.

41 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

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IGI General Insurance Limited

Review Report on the Statement of Compliance contained in the Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) prepared by the Board of Directors of **IGI General Insurance Limited** ('the Company') for the year ended December 31, 2023 in accordance with the requirements of provision lxxvi of the Code of Corporate Governance for Insurers, 2016 applicable to insurance companies as issued by the Securities and Exchange Commission of Pakistan (SECP).

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended December 31, 2023.

Further, we highlight below an instance of non-compliance with the requirements of the Codes as stated in point (1) of the Statement of Compliance:

S. No	Reference	Description
i	Regulation (iii)	The Board shall include preferably one third of the total members of the Board as independent directors. However, there was no independent director holding the office of directors during the current year.

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A.F. Ferguson & Co.
Chartered Accountants
Dated: April 5, 2024
Karachi
UDIN: CR202310068CQ1MtLo0y

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
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KARACHI ▪ LAHORE ▪ ISLAMABAD

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

IGI GENERAL INSURANCE LIMITED
for the year ended 31st December 2023

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance, whereby IGI General Insurance Company (the Company), an unlisted insurer is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company ensures representation of independent, non-executive directors and facilitates directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Executive Directors	Mr. Tahir Masaud*
Non-Executive Directors	Mr. Shamim Ahmad Khan Mr. Syed Hyder Ali Mr. Sajjad Iftikhar Mr. Syed Hasnain Ali Ms. Arjumand Ahmed Shah
Indendent Directors**	
Female Directors	Ms. Arjumand Ahmed Shah

* Mr. Tahir Masaud resigned from the office of the Chief Executive Officer on December 18, 2023 w.e.f. February 15, 2024 and Mr. Faisal Khan was appointed in his place as an executive director / Chief Executive Officer w.e.f. February 16, 2024.

** The Company is in the process of appointing independent directors on the Board and has submitted an application with the SECP for approval.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies in which each one of them is a director).

3. All the resident directors of the insurer are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI, or being a member of stock exchange, has been declared as a defaulter by a stock exchange.

4. No casual vacancy occurred during the year.

5. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the insurer.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the insurer. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meeting The minutes of all the meetings were appropriately recorded and circulated.

9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.

10. At present, the Board is in compliance with the requirements of the time frame related to directors' training program as stipulated in the Regulations.

11. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms & conditions of employment.

12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.

13. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

14. The directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.

15. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.

16. The Board had formed the following Management Committees in 2023:

UNDERWRITING, RE-INSURANCE & CO-INSURANCE COMMITTEE	
Name of the Member	**Category**
Mr. Syed Hyder Ali	Chairman
Mr. Syed Hasnain Ali	Member
Mr. Tahir Masaud	Member
Mr. Faisal Khan	Member
Mr. Sajjad Iftikhar	Member

CLAIM SETTLEMENT COMMITTEE	
Name of the Member	**Category**
Mr. Shamim Ahmad khan	Chairman
Mr. Tahir Masaud	Member
Mr. Syed Awais Amjad	Member

RISK MANAGEMENT & COMPLIANCE COMMITTEE	
Name of the Member	**Category**
Mr. Shamim Ahmad khan	Chairman
Mr. Sajjad Iftikhar	Member
Mr. Tahir Masaud	Member
Mr. Faisal Khan	Member
Mr. Syed Awais Amjad	Member

17. The Board has formed the following Board Committees:

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE	
Name of the Member	**Category**
Mr. Syed Hyder Ali	Chairman
Mr. Syed Hasnain Ali	Member
Mr. Tahir Masaud	Member

INVESTMENT COMMITTEE	
Name of the Member	**Category**
Mr. Syed Hasnain Ali	Chairman
Mr. Tahir Masaud	Member
Mr. Sajjad Iftikhar	Member
Mr. Syed Awais Amjad	Member

18. The Board has formed an Audit Committee. It comprises of three (3) members, all of whom are non-executive directors. The chairman of the Committee is a non-executive director. The composition of the Audit Committee is as follows:

AUDIT COMMITTEE	
Name of the Member	**Category**
Mr. Syed Hasnain Ali	Chairman
Ms. Arjumand Ahmed Shah	Member
Mr. Sajjad Iftikhar	Member

19. The terms of references of the Committees have been formed and advised to the Committees for compliance. The frequency of meetings (quarterly / halfyearly / yearly) of the Committees were as follows:

BOARD COMMITTEES	
Name of the Committee	**Frequency**
Ethics, Human Resource & Remuneration Committee & Nominations Committee	Half yearly
Investment Committee	Quarterly
Audit Committee	Quarterly
Underwriting, Reinsurance & Cooinsurance committee	Quarterly
Claim Settlement Committee	Quarterly
Risk Management & Compliance Committee	Quarterly

20. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the insurer and they are involved in the internal audit function on a regular basis.

21. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code of Corporate Governance for Insurers, 2016. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Person	Designation
Mr. Tahir Masaud*	Chief Executive Officer
Mr. Syed Awais Amjad	Chief Financial Officer
Ms. Saira Shaikh	Compliance Officer & Head of Grievance Department
Ms. Nadia Hussain	Company Secretary
Mr. Feroze Polani	Head of Internal Audit
Mr. Muhammad Hisham	Head of Underwriting
Mr. Kashif Qayyum	Head of Claims
Mr. Faisal Khan*	Head of Risk Management & Reinsurance

* Mr. Tahir Masaud resigned from the office of the Chief Executive Officer on December 18, 2023 w.e.f. February 15, 2024 and Mr. Faisal Khan was appointed in his place as an executive director / Chief Executive Officer w.e.f. February 16, 2024.

22. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the insurer and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.

24. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.

25. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code of Corporate Governance for Insurers, 2016.

26. The insurer has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

27. The Board ensures that as part of the risk management system, the Company gets itself rated from VIS Credit Rating Company Limited and PACRA which is being used by its risk management function and the respective Committee as a risk monitoring tool. The ratings assigned by the said rating agencies on December 12, 2023 and February 23, 2024 are “AA+” & “AA+” respectively.

28. The Board has set up a grievance department / function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.

29. The insurer has obtained exemption(s) from the Securities and Exchange Commission of Pakistan in respect of the following requirement(s) of the Code of Corporate Governance for Insurers, 2016: Details of all the requirements which the insurer has obtained including the date at which such exemption(s) was/were obtained and till the date such exemption(s) shall remain valid.

30. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied with.

By Order of the Board

SAmkhan

Shamim Ahmad Khan
Chairman
Lahore: March 18, 2023

Faisal Khan
Chief Executive Officer
Lahore: March 18, 2023

IGI GENERAL INSURANCE LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 8th Annual General Meeting of IGI General Insurance Limited (**the "Company"**) will be held on Monday, April 29, 2024, at 11:00 am. at the Registered Office of the Company/video link located at 7th Floor, The Forum, G-20, Block 9, Khyaban-e-Jami, Clifton, Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Extraordinary General Meeting of the Company held on November 30, 2023.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2023 together with the Directors' and Auditors report thereon.
3. To consider and approve the payment of final cash dividend of Rs.170 million @ Rs.0.886 per share for the financial year ended December 31, 2023 as recommended by the Board.
4. To appoint auditors for the ensuing year and to fix their remuneration. The current Auditors, M/s A.F. Ferguson & Co., Chartered Accountants have consented to be re-appointed as Auditors for the financial year 2024 and the Board of Directors has recommended their appointment.

ANY OTHER BUSINESS:

5. To consider any other business with the permission of the Chairman.

By Order of the Board

IGI GENERAL INSURANCE

Nadia Hussain
Company Secretary
Karachi: April 8, 2024

Distribution:

1. All Directors
2. A.F. Ferguson & Co., (Ext. Auditor)

IGI General Insurance Limited
Head Office
7th Floor, The Forum, Suite No. 701 - 713, G-20, Block-9, Khayaban-e-jami, Clifton, Karachi-75600, Pakistan.
UAN: +92(21) 111-234-234 I Fax: +92(21) 111-567-567

IGI

General

Notes:

1. The Share Transfer Books of the Company will remain closed from **April 23, 2024 to April 29, 2024**, both days inclusive.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote instead of him/her.

3. Every proxy shall be appointed in writing under the hand of the appointer or by an agent duly authorized under a Power of Attorney or if such appointer is a company or corporation under the Common Seal of the company or corporation or the hand of its Attorney who may be the appointer.

4. The instrument of proxy in order to be effective must reach the Company's registered address at 7th Floor, The Forum, G-20, Block 9, Khyaban-e-Jami, Clifton, Karachi not less than 48 hours before the time for holding of the Meeting.

5. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

6. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company.

7. The proxy shall produce his/her original NIC or original passport at the time of the Meeting.

8. Shareholders are requested to notify change in their address, if any, to the Company Secretary.

9. SECP vide SRO No. 787(1)2014 dated 8th September, 2014 has allowed companies to circulate the audited financial statements and notice of Annual General Meeting to shareholders through their email address subject to their written consent. Desiring shareholders are requested to provide their complete email address through a duly signed letter along with copy of valid CNIC or passport. Shareholders are also required to notify immediately any change in email address in writing to the Company Secretary.

IGI GENERAL INSURANCE
IGI GENERAL

IGI General Insurance Limited
Head Office
7th Floor, The Forum, Suite No. 701 - 713, G-20, Block-9, Khayaban-e-jami, Clifton, Karachi-75600, Pakistan.
UAN: +92(21) 111-234-234 | Fax: +92(21) 111-567-567

IGI GENERAL INSURANCE LIMITED

7th Floor, The Forum, Suite No. 701-713, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi-75600, Pakistan

FORM OF PROXY
Annual General Meeting

The Company Secretary
IGI General Insurance Ltd
7th Floor, The Forum,
Suite Nos. 701-713, G-20, Block 9,
Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan.

I/We ______________________ of ______________________ being member (s) of **IGI General Insurance Limited** and holder of__________Ordinary Shares as per Share Register Folio No __________ hereby appoint ______________ of ______________ or failing him / her ______________ of ______________ as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on **Monday,** the **29th** day of **April 2024,** at **11:00 am.** at the Registered Office of the Company/video link and at any adjournment thereof.

Signed this__________ day of __________ 2024

1) Witness:

Signature ______________

Name ______________

Address ______________

____

CNIC or ______________

Passport No. ______________

Signature:

Please affix Rupees five revenue stamp

2) Witness:

Signature ______________

Name ______________

Address ______________

____

CNIC or ______________

Passport No. ______________

(Signature should agree with the specimen signature registered with the Company)

Note: Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.

تشکیل نیابت داری

برائے سالانہ اجلاس عام

دی کمپنی سیکریٹری
آئی جی آئی جنرل انشورنس لمیٹڈ
7ویں منزل، دی فورم
سوئٹ نمبر 713-701، جی-20، بلاک 9
خیابان جامی، کلفٹن، کراچی- 75600، پاکستان

میں / ہم ــــــــــــــــــــــ بابت ــــــــــــــــــــــ بحیثیت ممبر (ممبران) برائے آئی جی آئی جنرل انشورنس لمیٹڈ اور ہولڈر بابت ــــــــــــــــــــــ عمومی شیئرز بمطابق شیئر رجسٹر فولیو نمبر ــــــــــــــــــــــ

بذریعہ ہٰذا ــــــــــــــــــــــ بابت ــــــــــــــــــــــ یا ان کی عدم حاضری پر ــــــــــــــــــــــ

کو اپنا/ ہمارا پراکسی مقرر کررہا ہوں/کررہے ہیں جو کمپنی کے سالانہ اجلاس عام منعقد بروز پیر 29 اپریل 2024 بوقت 11:00 بجے صبح بمقام کمپنی کے ہیڈ آفس یا کسی زیر التوا تاریخ پر منعقد ہونے والے اجلاس میں میری/ ہماری غیر موجودگی کی صورت میں میری/ ہماری جگہ شرکت کرنے اور ووٹ دینے کے لئے بطور نیابت داری شریک ہوں گے۔

دستخط مورخہ ــــــــــــــــــ 2024

-1 گواہ:

دستخط: ــــــــــــــــــــــ

نام: ــــــــــــــــــــــ

پتہ: ــــــــــــــــــــــ

ــــــــــــــــــــــ

سی این آئی سی یا ــــــــــــــــــــــ

پاسپورٹ نمبر ــــــــــــــــــــــ

-2 گواہ:

دستخط: ــــــــــــــــــــــ

نام: ــــــــــــــــــــــ

پتہ: ــــــــــــــــــــــ

ــــــــــــــــــــــ

سی این آئی سی یا ــــــــــــــــــــــ

پاسپورٹ نمبر ــــــــــــــــــــــ

ریونیو ٹکٹ چسپاں کریں۔

(دستخط کمپنی میں پہلے سے موجود نمونہ کے مطابق ہونے چاہئے)

نوٹ: نیابت داری کے موثر ہونے کے لئے لازمی ہے کہ وہ اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جائیں۔

گزارشات :

1. کمپنی کی حصص کی منتقلی کی کتابیں 23 اپریل 2024 سے 29 اپریل 2024 تک، دونوں دنوں سمیت بند رہیں گی۔
2. سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا حقدار رکن اس کے بجائے کسی دوسرے شخص کو شرکت کرنے اور ووٹ دینے کے لیے بطور پراکسی مقرر کرنے کا حقدار ہے۔
3. ہر پراکسی کا تقرر تحریری طور پر تقرر کنندہ کے ہاتھ یا کسی پاور آف اٹارنی کے تحت بااختیار کسی ایجنٹ کے ذریعے کیا جائے گا یا اگر ایسا تقرر کرنے والا کمپنی یا کارپوریشن کی مشترکہ مہر کے تحت کمپنی یا کارپوریشن ہے یا اس کے اٹارنی کے ہاتھ سے جو تقرر کرنے والا ہو سکتا ہے۔
4. پراکسی کا آلہ کارآمد ہونے کے لیے کمپنی کے رجسٹرڈ ایڈریس 7ویں منزل، دی فورم، جی-20، بلاک 9، خیابانِ جامی، کلفٹن، کراچی پہنچنا چاہیے انعقاد کے وقت سے کم از کم 48 گھنٹے اجلاس سے پہلے۔
5. کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی ریزولیوشن/پاور آف اٹارنی جس میں نامزد شخص کے نمونے کے دستخط ہوں گے (جب تک کہ اسے پہلے فراہم نہ کیا گیا ہو) پیش کیا جائے گا۔
6. اکسی کے آلے پر دستخط کمپنی کے ساتھ ریکارڈ کردہ نمونہ دستخط کے مطابق ہونے چاہئیں۔
7. پراکسی میٹنگ کے وقت اپنا اصل NIC یا اصل پاسپورٹ پیش کرے گا۔
8. شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے ایڈریس میں تبدیلی، اگر کوئی ہو، تو کمپنی سیکرٹری کو مطلع کریں۔
9. ایس ای سی پی نے ایس آر او نمبر 787(1)2014 مورخہ 8 ستمبر 2014 کے ذریعے کمپنیوں کو اجازت دی ہے کہ آڈٹ شدہ مالیاتی گوشواروں اور سالانہ جنرل میٹنگ کے نوٹس شیئر ہولڈرز کو ان کے ای میل ایڈریس کے ذریعے ان کی تحریری رضامندی سے مشروط کریں۔ خواہشمند حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنا مکمل ای میل پتہ ایک درست دستخط شدہ خط کے ساتھ ساتھ درست CNIC یا پاسپورٹ کی کاپی فراہم کریں۔ شیئر ہولڈرز سے یہ بھی ضروری ہے کہ وہ ای میل ایڈریس میں ہونے والی کسی بھی تبدیلی کو فوری طور پر کمپنی سیکرٹری کو تحریری طور پر مطلع کریں۔

اطلاع برائے سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ آئی جی آئی جنرل انشورنس لمیٹڈ ("کمپنی") کا 8واں سالانہ اجلاس پیر 29 اپریل 2024 کو صبح 11:00 بجے منعقد ہوگا۔ کمپنی کے رجسٹرڈ آفس/ ویڈیو لنک پر جو 7ویں منزل، دی فورم، جی-20، بلاک 9، خیابانِ جامی، کلفٹن، کراچی میں واقع ہے، درج ذیل کاروبار کے لیے:

عمومی کاروائی

1. 30 نومبر 2023 کو ہونے والی کمپنی کے غیر معمولی اجلاس عام کی کاروائی کی توثیق۔
2. ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کی وصولی، غوروخوص اور منظوری۔
3. 31 دسمبر 2023 کو ختم ہونے والے مالی سال کے لیے 170 ملین روپے (0.89روپے فی شیئر) حتمی نقد منافع منقسمہ کی ادائیگی پر غور کرنا اور اسے منظور کرنا جیسا کہ بورڈ نے تجویز کیا ہے۔ یہ 420 ملین روپے (2.19 روپے فی شیئر) کے عبوری نقد منافع منقسمہ کے علاوہ ہے جو پہلے ہی سال کے دوران ممبران کو ادا کیا جاچکا ہے۔
4. آنے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹرز، اے ایف فرگوسن اینڈ کمپنی نے مالی سال 2024 کے لیے بطور آڈیٹر مقرر کیے جانے پر رضامندی دی ہے اور بورڈ آف ڈائریکٹرز نے ان کی تقرری کی سفارش کی ہے۔

دیگر امور

5. چیئرمین کی اجازت سے کسی بھی دیگر امور کی انجام دہی۔

بحکم بورڈ

Nadia Hussain

نادیہ حسین

کمپنی سیکرٹری

مورخہ 8 اپریل 2024

کراچی

تقسیم

تمام ڈائریکٹرز

اے ایف فرگوسن اینڈ کمپنی

بورڈ آف ڈائریکٹرز نے باہمی رضامندی سے طے کردہ معاوضے پر 31 دسمبر 2024ءکو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کی حیثیت سے ان کی دوبارہ تقرری کی سفارش کی ہے۔

اعتراف

ہم اپنے صارفین کی وفاداری اور اعتماد کے لئے ان کا شکریہ ادا کرنا چاہتے ہیں۔ ہم اپنے کاروباری شراکت داروں اور تمام اسٹیک ہولڈرز کی طرف سے توسیع کی حمایت اور سرپرستی کی بھی قدر کرتے ہیں۔ ہم اپنے ملازمین کی سرشار اور مخلصانہ کوششوں کو سراہتے ہیں۔

ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ان کی مسلسل رہنمائی کے لئے بھی شکریہ ادا کرنا چاہیں گے۔

منجانب بورڈ

فیصل خان	شمیم احمدخان
چیف ایگزیکٹو آفیسر	چیئرمین
لاہور: 18مارچ 2024ء	لاہور: 18مارچ 2024ء

کلیدی آپریٹنگ اور مالی اعداد و شمار کو الگ الگ رپورٹ کے ساتھ منسلک کیا گیا ہے۔

مالیاتی بیانات میں بقایا ٹیکس اور ڈیوٹی دی جاتی ہے۔

متعلقہ فنڈز کے آڈٹ شدہ کھاتوں پر مبنی سرمایہ کاری کی مالیت مندرجہ ذیل کے مطابق ہے۔

پرووڈنٹ فنڈ 30جون2023ء تک	55.07 ملین روپے
گریچیوٹی فنڈ 31 دسمبر 2022ء تک	43.78 ملین روپے

کمپنی میں حصص یافتگی کے انداز کا بیانیہ 31 دسمبر 2023ءکو مندرجہ ذیل ہے۔

ہولڈنگ کمپنی	
آئی جی آئی ہولڈنگز لمیٹڈ	191,838,394
ڈائریکٹرز	
سید حیدر علی	**1**
جناب طاہر مسعود (چیف ایگزیکٹو آفیسر)	**1**
جناب سجاد افتخار	**1**
سید حسنین علی	**1**
جناب شمیم احمد خان	**1**
محترمہ ارجمند احمد شاہ	**1**
کل	191,838,400

آئی جی آئی ہولڈنگز کے نامزد کردہ ڈائریکٹرز کمپنی میں ایک شیئر رکھتے ہیں۔

انشورنس آرڈیننس 2000 کے سیکشن 46(6) کے تحت مطابقت کا بیانیہ

ڈائریکٹرز تصدیق کرتے ہیں کہ ان کے مطابق

اس رپورٹ سے منسلک کمپنی کے سالانہ قانونی اکاونٹس آرڈیننس اور اس کے تحت بنائے گئے کسی بھی قواعد کے مطابق تیار کیے گئے ہیں۔

کمپنی نے اس مدت کے دوران آرڈیننس کی دفعات اور اس کے تحت ادائیگی شدہ سرمایہ ، سالوینسی اور دوبارہ انشورنس انتظامات سے متعلق قوانین کی تعمیل کی ہے۔ اور

بیان کی تاریخ تک ، کمپنی آرڈیننس کی دفعات اور اس کے تحت ادائیگی شدہ سرمایہ ، سالوینسی اور دوبارہ انشورنس انتظامات سے متعلق قوانین کی تعمیل کرتی رہتی ہے۔

مستقبل کے امکانات

بیمہ کی صنعت میں ایک معمولی نمو کا امکان ہے جو موجودہ چیلنجنگ معاشی ماحول، افراط زر اور روپے کی قدر میں کمی آئے گی۔ شرح سود میں اضافے کا کمپنی کی سرمایہ کاری کی آمدنی پر مثبت اثر پڑتا ہے۔ تاہم، رسک مینجمنٹ اور اختراعات میں سرمایہ کاری جاری رکھ کر، انشورنس انڈسٹری صارفین کو قیمتی تحفظ فراہم کرنا جاری رکھ سکتی ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی ، چارٹرڈ اکاونٹنٹ سبکدوش ہو رہے ہیں اور انہوں نے خود کو دوبارہ تقرری کےلئے پیش کیا ہے۔
انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاونٹنٹس آف پاکستان اور بین الاقوامی فیڈریشن آف اکاونٹنٹس کے ضابطہ اخلاق کے رہنما اصولوں کی تعمیل کی تصدیق کی ہے۔

کمپنی اپنے وعدوں کے خلاف اپنے اثاثوں کی پوزیشن کے مماثلت کے ساتھ ، اہداف کے خلاف متنوع اور کریڈٹ معیار کے ساتھ فعال طور پر انتظام اور نگرانی کرتی ہے۔

کمپنی کے فنڈز کا بنیادی ذریعہ آپریٹنگ سرگرمیوں یعنی انشورنس بزنس کے ذریعہ فراہم کردہ نقد رقم ہے۔ کمپنی کی سرمایہ کاری کی آمدنی پیدا کرنے کے لئے خالص آپریٹنگ کیش فلو پر بھی سرمایہ کاری کی گئی ہے۔ کمپنی کے نیٹ کیش فلو کا استعمال کاروباری وعدوں ، توسیع اور حصص یافتگان کو منافع کی ادائیگی کے لئے کیا جاتا ہے۔

انشورر کی مالی مضبوطی کی درجہ بندی

آپ کی کمپنی **(VIS)** اور وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ **(PACRA)** پاکستان کریڈٹ ریٹنگ ایجنسی (پرائیوٹ) لمیٹڈ کی آئی ایف ایس کی درجہ **(AA+)** تفویض کی ہے۔ **(AA+)** " کی درجہ بندی "ڈبل اے پلس **(IFS)** "کوانشورنس مالیاتی طاقت بندی(پالیسی ہولڈر اور معاہدہ کی ذمہ داریوں ، معمولی رسک عوامل ہیں، اور کسی بھی منفی کاروبار اور اقتصادی عوامل کے اثرات بہت کم ہونے کی توقع ہے۔

خطرات کی تخفیف

چیف ایگزیکٹو آفیسر کی سربراہی میں سینئر مینجمنٹ ٹیم ، خطرات کم کرنے کے اقدامات کی ذمہ دار ہے۔ کمپنی کا فعال رسک مینجمنٹ پروگرام بروقت بنیاد پر کاروباری اور ریگولیٹری تقاضوں میں بدلاؤ اور ان کے جواب دینے میں مدد کرتا ہے۔

اہم تبدیلیاں

سال کے دوران کوئی اہم تبدیلیاں نہیں ہوئی ہیں جس سے کمپنی کی مالی حیثیت متاثر ہو۔

ضابطہ اخلاق

بورڈ نے اخلاقیات اور کاروباری طریقہ کار کا ایک ضابطہ اخلاق رائج کیا ہے۔ ضابطہ اخلاق پر تمام ملازمین نے دستخط کیے ہیں اور یقین دہانی کی ہے کہ وہ اعلیٰ اخلاقی اقدار کو برقرار رکھیں گے۔ ہماری تمام کاروباری سرگرمیاں اخلاقیات کے ضابطہ اخلاق کے مطابق شفاف انداز میں انجام دی جاتی ہیں۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی اپنی کارپوریٹ سماجی ذمہ داریوں سے واقف ہے اور تعلیم ، صحت اور ماحولیات کے شعبوں میں سماجی شعبے کی تنظیموں کی حمایت کررہی ہے۔ کمپنی کالجوں اور یونیورسٹیوں کے طلبا کو سال بھر انٹرن شپ بھی پیش کرتی ہے۔

ISO سرٹیفیکیشن اور ہمارے صارفین کیلئے اسکی اہمیت

آپ کی کمپنی مستقل بنیادوں پر اپنی صلاحیتیں اور کارکردگی کو بہتر بنانے پر توجہ مرکوز کرتی رہتی ہے اور ISO 9001:2015 آئی ایس او کوالٹی مینیجمنٹ کی سرٹیفیکیشن اس بات کا ثبوت ہے۔

کارپوریٹ گورننس کے ضوابط کے ساتھ تعمیل

کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے امور ،آپریشنز کے نتائج ، نقد بہاواور ایکویٹی میں تبدیلی کو شفاف انداز میں پیش کرتے ہیں۔

کمپنی کی جانب سے مالیاتی کھاتوں کا باقاعدہ ریکارڈ رکھا جاتا ہے۔

مالی گوشواروں کی تیاری کے لئے مناسب اکاونٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

مالیاتی گوشوارے کمپنیز ایکٹ مجریہ 2017ء اور بین الاقوامی مالیاتی رپورٹنگ معیارات ، جیسا کہ پاکستان میں لاگو ہیں، کے مطابق تیار کیے گئے ہیں اور ان سے کسی بھی روگردانی کی مناسب طور پر وضاحت کی گئی ہے۔

اندرونی کنٹرول کا نظام ڈیزائن مستحکم ہے اور اسے موثر انداز میں نافذکرکے اس کی اور نگرانی کی گئی ہے۔

کمپنی کی کاروبار جاری رکھنے کی صلاحیت پرکوئی شک نہیں ہے۔

کارپوریٹ گورننس کے بہترین طریقہ کار سے کسی قسم کی روگردانی نہیں ہوئی ہے ، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

موٹر

مجموعی موٹر بزنس پریمیم 2022ء کے دوران 1,942 ملین روپے کے مقابلے میں 2,158 ملین روپے حاصل ہوا۔ نیٹ حاصل شدہ پریمیم اورنیٹ کلیمز بالترتیب 1,797 ملین اور 854 ملین روپے رہے۔ اس کے نتیجے میں 2022ء کے دوران 393 ملین روپے کے مقابلے میں 517 ملین روپے کا انڈرورائٹنگ منافع حاصل کیا۔

صحت

2022ء کے دوران 700 ملین روپے کے مقابلے میں مجموعی پریمیم 1,721 ملین روپے رہا۔ خالص حاصل شدہ پریمیم اورخالص کلیمز بالترتیب 1,546 ملین روپے اور 767 ملین روپے رہے۔ اس کے نتیجے میں 2022ءکے دوران 52 ملین روپے انڈررائٹنگ نقصان کے مقابلے میں 24 ملین روپے کا انڈررائٹنگ خسارہ ہوا۔

متف

متفرق شعبے میں انجینئرنگ اور کنٹریکٹرز آل رسک انشورنس ، تجارتی ساکھ ، ٹریول ، بانڈ اور کاروبار کی خصوصی پیشے شامل ہیں۔ رواں سال کے دوران ، اس کاروباری لائن میں 2022ءکے دوران 1,401 ملین روپے کے مقابلے میں 1,782 ملین روپے کا مجموعی پریمیم حاصل ہوا۔ نیٹ حاصل شدہ پریمیم اور نیٹ کلیمز بالترتیب 379 ملین روپے اور 137 ملین روپے بشمول 2022ءکے 1ملین روپے کے انڈررائٹنگ خسارہ کے مقابلے میں 57 ملین روپے انڈررائٹنگ خسارہ ہوا۔

کلیم

ہماری توجہ کلیمز کی تیزی سے ادائیگی کرنے پر مرکوز ہے۔ اس مقصد کے لئے ، کمپنی نے کلیمز کے تصفیے کے وقت کو مزید کم کرنے کے لئے متعدد اقدامات اٹھائے ہیں۔ 2022ءکے دوران 59 فیصد کے مقابلے میں رواں سال میں خسارہ کا تناسب 44 فیصد رہا۔

ری انشورنس اور رسک مینجمنٹ

احتیاطی تدابیر اختیار کرتے ہوئے کمپنی ری انشورنس پروگرام کے تحت خطرات سے نمٹنے کی پالیسی پر عمل پیرا ہے۔ کمپنی انشورنس کی مہارت ، آرٹ ٹیکنالوجی کے پلیٹ فارم اور ایک مرکوز رسک مینجمنٹ سروس کا استعمال کرکے اپنے کلائنٹس کے ساتھ طویل مدتی رسک مینجمنٹ حل فراہم کرنے کے لئے شراکت قائم کرنے میں یقین رکھتی ہے جو ہمارے کلائنٹس کو ان خطرات کو سمجھنے میں مدد دیتی ہے جن سے ان کے کاروبار کو خطرہ لاحق ہو سکتا ہے اور یہ نظام اس کے ساتھ خسارے سے بچنے کے با کفایت حل کا تعین بھی کرتی ہے۔

اختصاصات

بورڈ آف ڈائریکٹر نے 31 دسمبر 2023ءکو ختم ہونے والے سال کے لئے 0.89 روپے فی شیئر (2022ء : 0.86 روپے فی شیئر) کے حتمی منافع منقسمہ کی تجویز پیش کی ہے ، جوکہ رقم کے طور پر170ملین روپے (2022ء : 165 ملین روپے) ہے۔ یہ 2.19 روپے فی شیئر(2022: روپے 1.19 فی شیئر) جمع شدہ عبوری منافع کے علاوہ ہے جو کہ 420 ملین روپے (2022: 230 ملین روپے) سال کے دوران اعلان اور تقسیم کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2023ءکے دوران ، بورڈ آف ڈائریکٹرز کے اجلاس بروقت بنیاد پر کیے گئے۔ منعقدہ اجلاس میں ہر ڈائریکٹر کی حاضری کچھ یوں تھی۔

	حاضری
سید حیدر علی	4
جناب شمیم احمد خان	4
سید حسنین علی	4
جناب طاہر مسعود (سی ای او)	4
جناب سجاد افتخار	4
محترمہ ارجمند احمد شاہ	4

متعلقہ پارٹی سے لین دین

بورڈ آف ڈائریکٹرز نے ایسوسی ایٹڈ کمپنیوں / متعلقہ فریقوں کے ساتھ کمپنی کے لین دین کی منظوری دی ہے۔ متعلقہ فریقوں کے ساتھ انجام پانے والے سارے لین دین تجارتی شرائط و ضوابط پر تھے۔

کیپٹل مینجمنٹ اور لیکویڈیٹی

ڈائریکٹرزرپورٹ برائےحصص یافتگان

آئی جی آئی جنرل انشورنس لمیٹڈ ("دی کمپنی") کے ڈائریکٹرز 31 دسمبر 2023 ء کو مکمل ہونے والے سال کے لئے آڈٹ شدہ مالیاتی گوشوارے بشمول ، آپ کی کمپنی کی سالانہ رپورٹ پیش کرنے میں خوشی محسوس کررہے ہیں۔

کمپنی کی بنیادی سرگرمیاں

کمپنی کو کمپنیز آرڈیننس مجریہ 1984ء(موجودہ کمپنیز ایکٹ مجریہ 2017ء) کے تحت 18 نومبر ، 2016 ءکو پبلک لمیٹڈ کمپنی کے طور پروجود میں لایا گیا تھا۔ کمپنی کے مقاصد میں فائر ، میرین ، موٹر ، صحت اور متنوع شعبوں میں عمومی انشورنس خدمات کی فراہمی شامل ہیں جن میں انجینئرنگ اور سفر کے ساتھ ساتھ ونڈوتکافل خدمات بھی شامل ہیں ، جس کا آغاز جولائی 2017 ءمیں ہوا تھا۔

کمپنی کی کا ک گی

رواں سال کے دوران، کمپنی نے 14.335 بلین روپے پریمیم/ تعاون کا سنگ میل حاصل کیا ہے جو 2022 ءکے مقابلے میں 42 فیصد کی نمو کی عکاسی کرتا ہے۔

روایتی کاروباری لحاظ سے ،کمپنی نے 2022 ءکے دوران 8,538 ملین روپے کے مقابلے میں 12,388 ملین روپے کا مجموعی پریمیم حاصل کیاہے جو کہ گزشتہ سال کے مقابلے میں 45 فیصد زیادہ ہے۔

نیٹ پریمیم آمدنی 2022 ءکے دوران 3,414 ملین روپے کے مقابلے میں 4,482 ملین روپے برقراررہی یعنی گزشتہ سال کے مقابلے میں 31 فیصد زیادہ رہی۔

کمپنی نے 2022 ء کے دوران 2,029 ملین روپے کے مقابلے میں سال کے دوران 1,952 ملین روپے کے نیٹ کلیم کیے ہیں۔

گزشتہ سال کے 153 ملین روپے کے مقابلے میں خالص کمیشن کا خرچ 907 ملین روپے رہا۔ یہ اضافہ نئی پروڈکٹ میں زیادہ حصولی لاگت اور ری بیمہ کے معاہدوں سے کمیشن آمدنی کی کمی کی وجہ سے ہوا ہے۔

سرمایہ کاری کی آمدنی تقابلی سال میں 291 ملین روپے کے مقابلے میں 511 ملین روپے تک بڑھ گئی، یہ اضافہ بنیادی طور پر شرح سود اور سرمایہ کاری میں اضافہکی وجہ سے ہوا۔

ونڈو تکافل کے کاروبار کے سلسلے میں ، کمپنی نے اسی مدت میں 1,550 ملین روپے کے مقابلے میں 1,944 ملین روپے کا مجموعی تعاون حاصل کیا۔ شرکاء نے گزشتہ سال کے 27 ملین روپے کے مقابلے میں 144 ملین روپے کا سرپلس خرچ کیا، یہ اضافہ بہتر انڈر رائٹنگ اور زیادہ سرمایہ کاری کی آمدنی کی وجہ سے ہوا ہے۔

آپریٹر فنڈ نے اپنے تکافل آپریشنز سے 172 ملین روپے کمائے جو کہ گزشتہ سال اسی مدت میں 109 ملین روپے تھے۔

نتیجتاً، کمپنی نےگزشتہ سال کے اسی عرصے میں بالترتیب 741 ملین روپے قبل ازٹیکس منافع اور 468 ملین روپے بعد از ٹیکس منافع کے مقابلے میں سال کے دوران 1236 ملین روپے قبل ازٹیکس منافع اور 669 ملین روپے بعد از ٹیکس منافع حاصل کیا۔

کمپنی کی فی حصص **(EPS)** گزشتہ سال کی اسی مدت میں 2.44 روپے کے مقابلے میں 3.51 روپے فی حصص برقراررہی۔ آمدنی

شعبہ جات پرایک نظر

آگ

2022ء کے دوران 3,292 ملین روپے کے مقابلے میں 5,580 ملین روپے مجموعی پریمیم حاصل کیاگیا ۔ 2022 ءکے دوران نیٹ پریمیم آمدنی اور نیٹ کلیمز بالترتیب 247 ملین روپے اور 200 ملین روپے کے مقابلے میں بالترتیب 443 ملین روپے اور 58 ملین روپے رہے۔ اس کے نتیجے میں 2022 ءکے دوران 353 ملین روپے کے مقابلے میں 119 ملین روپے کا انڈر رائٹنگ خسارہ ہوا۔

میرین ، ایوی ایشن اور ٹرانسپورٹ

میرین بزنس کا مجموعی تحریری پریمیم 2022ء میں 1,203 ملین روپےکے مقابلے میں2023ء میں 1,147 ملین روپے ریکارڈ کیا گیا۔ نیٹ حاصل شدہ پریمیم اور نیٹ کلیمز 2022 ءکے دوران بالترتیب 369 ملین روپے اور 173 ملین روپے کے مقابلے میں بالترتیب 317 ملین روپے اور 136 ملین روپے حاصل ہوئے۔ اس کے نتیجے میں 2022 ءکے دوران 153 ملین روپے کے مقابلے میں 142 ملین روپے کا انڈررٹنگ منافع حاصل کیا۔

31 دسمبر 2023ءکو ختم ہونے والے سال کےلئے مشترکہ مالیاتی گوشوارے پر ڈائریکٹرز کی رپورٹ بنام حصص یافتگان

بورڈ کی جانب سے ، ہم آئی جی آئی جنرل انشورنس لمیٹڈ (آئی جی آئی جنرل) اور اس کا ذیلی ادارہ آئی جی آئی ایف ایس آئی(پرائیوٹ) لمیٹڈ (آئی جی آئی ایف ایس آئی) (اجتماعی طور پر "گروپ" کہا جاتا ہے) کی 31 دسمبر 2023 ءکو ختم ہوئے سال کے لئے مشترکہ مالی گوشوارے پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

گروپ کارکردگی جائزہ

	2023	2022
	----(روپے ہزار میں)-----	
منافع قبل ازٹیکس	1,243,147	741,227
ٹیکس کاری	(569,748)	(273,304)
منافع بعدازٹیکس	**673,399**	**467,923**
آمدنی فی حصص (روپے)	**3.51**	**2.44**

رواں سال کے دوران ، گروپ نے 2022ء میں حاصل ہونے والے 468 ملین روپے کے مقابلے میں 673 ملین روپے بعد ازٹیکس منافع ریکارڈ کیا۔

گروپ نے 2023ء کے دوران 2.44 روپے کے مقابلے میں رواں سال 3.51روپے فی حصص کی آمدنی حاصل کی۔

آئی جی آئی ایف ایس آئی کی مالیاتی جھلکیاں حسب ذیل ہیں

آئی جی آئی ایف ایس آئی 6 جولائی 2020 ء کو پرائیوٹ لمیٹڈ کمپنی کی حیثیت سے تشکیل دیا گیا۔ آئی جی آئی ایف ایس آئی مارکیٹ میں تربیت کی خدمات سمیت ٹیکنالوجی سے چلنے والے کاروباری حل فراہم کرنے میں مصروف عمل ہے۔

سال 2023ء کے دوران آئی جی آئی ایف ایس آئی نے 2022ء کے دوران 40 ملین روپے اور 1.4 ملین روپے کے مقابلے میں 44.9 ملین روپے کی آمدنی حاصل کی اور 2.3 ملین روپے قبل ازٹیکس منافع حاصل ہوا۔

ہم اپنے کاروباری شراکت داروں اور تمام اسٹیک ہولڈرز کی طرف سے توسیع کی حمایت اور سرپرستی کی قدر کرتے ہیں اور اپنے ملازمین کی سرشار اور مخلصانہ کوششوں کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

فیصل خان
چیف ایگزیکٹو آفیسر
لاہور ، 18 مارچ 2024

شمیم احمد خان
چیئرمین
لاہور ، 18 مارچ 2024