

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



# ANNUAL REPORT

2024

# Contents








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-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event  
notifications, corporate and  
regulatory actions)
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mobile device
-  Online Quizzes



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\*Mobile application also available for download for android and ios devices

## COMPANY INFORMATION

### Board of Directors

Saleem Zamindar (Chairman)  
Fayaz Ahmed Jatoi  
Farhan Ashraf Khan  
Hina Marvi  
Muhammad Omar Arshid  
Sidra Ishaq

### Chief Executive Officer

Muhammad Faisal Siddiqui

### Chief Financial Officer & Company Secretary

Nadeem Akhter

### BOARD COMMITTEES

#### Audit Committee

Ms. Sidra Ishaq (Chairperson)  
Mr. Muhammad Omar Arshid  
Mr. Farhan Ashraf Khan

#### Risk Management Committee

Mr. Farhan Ashraf Khan (Chairman)  
Mr. Muhammad Omar Arshid  
Ms. Hina Marvi

#### Human Resources Committee

Mr. Saleem Zamindar (Chairman)  
Mr. Muhammad Omar Arshid  
Mr. Farhan Ashraf Khan

#### Procurement & Information Technology Committee

Ms. Hina Marvi (Chairperson)  
Ms. Sidra Ishaq  
Mr. Farhan Ashraf Khan

#### Nomination Committee

Mr. Saleem Zamindar (Chairman)  
Finance Secretary  
Ms. Sidra Ishaq  
Ms. Hina Marvi

#### Investment Committee

Mr. Saleem Zamindar (Chairman)  
Mr. Muhammad Omar Arshid  
Mr. Muhammad Faisal Siddiqui

#### Underwriting Committee

Mr. Farhan Ashraf Khan (Chairman)  
Mr. Muhammad Faisal Siddiqui  
Mr. Nadeem Akhter

### Claim Committee

Ms. Sidra Ishaq (Chairperson)  
Mr. Muhammad Faisal Siddiqui  
Mr. Muhammad Sarfaraz Awan

### Reinsurance Committee

Mr. Saleem Zamindar (Chairman)  
Mr. Muhammad Faisal Siddiqui  
Mr. Nadeem Akhter

### Risk Management & Compliance Committee

Mr. Saleem Zaminidar (Chairman)  
Muhammad Faisal Siddiqui  
Mr. Nadeem Akhter

### Auditors

M/s. Crowe Hussain Chaudury & Company  
Chartered Accountants

### Legal Advisor

Muhammad Nadeem Khan

### Bankers

Sindh Bank Limited  
NRSP Microfinance Bank Limited  
Telenor Microfinance Bank Limited  
Khushali Microfinance Bank Limited  
Bank Al Habib Limited

### IFS Credit Rating

A++(Double A Plus) by Rating  
Agency (PACRA)

### Company Incorporate Number

0086229

### National Tax Number

4231500-0

### Membership

The Insurance Association of Pakistan (IAP)

### Registered Office/Head Office

1st Floor, Imperial Court,  
Dr. Ziauddin Ahmed Road,  
Karachi, Pakistan

### Contact

Tel : (92-21) 35640715-17  
Fax : (92-21) 35640714  
Email : info@sindhinsuranceltd.com  
Website : www.sindhinsuranceltd.com

## *Our Vision*

“ Reaching everyone for insurance and to meet expectations of our customers and shareholders. ”



## *Our Mission*



**“ To provide best returns to our shareholders, job opportunities to the people and premium service at competitive price to our customers. ”**

## Product Portfolio

### Property Insurance

Fire & Explosion  
Riot Strike Damage  
Malicious Damage  
Atmospheric Disturbances  
Earthquake  
Air Craft Damage  
External Explosion  
Burglary  
Terrorism

### Marine Insurance

Cargo Export  
Cargo Import  
Cargo Inland

### Motor Insurance

Comprehensive Private Car  
Comprehensive Commercial Vehicle  
Comprehensive Motorcycles  
Motor Third Party Insurance

### Engineering Insurance

All Risk Contractors  
Machinery Breakdown (MBD)  
Computer Equipment  
Electronic Equipment  
Boiler & Pressure Vessels  
Erection All Risk  
Third Party Liability  
Machinery Breakdown  
Contractors' Plant & Machinery  
Comprehensive Machinery Insurance

### Miscellaneous Insurance

Cash in Transit  
Cash in Safe  
Fidelity Guarantee  
Mobile Phone  
All Risk  
Bankers Blanket  
Burglary  
Product Liability  
Public Liability  
Workman Compensation  
Commercial General Liability

### Accident & Health

Health Insurance  
Personal Accident Insurance

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



**SINDH INSURANCE**

Power To The People

IFS Rating By  
**PACRA**

**A++**



# FIRE

*Fire Insurance*



# MARINE

## *Marine Insurance*



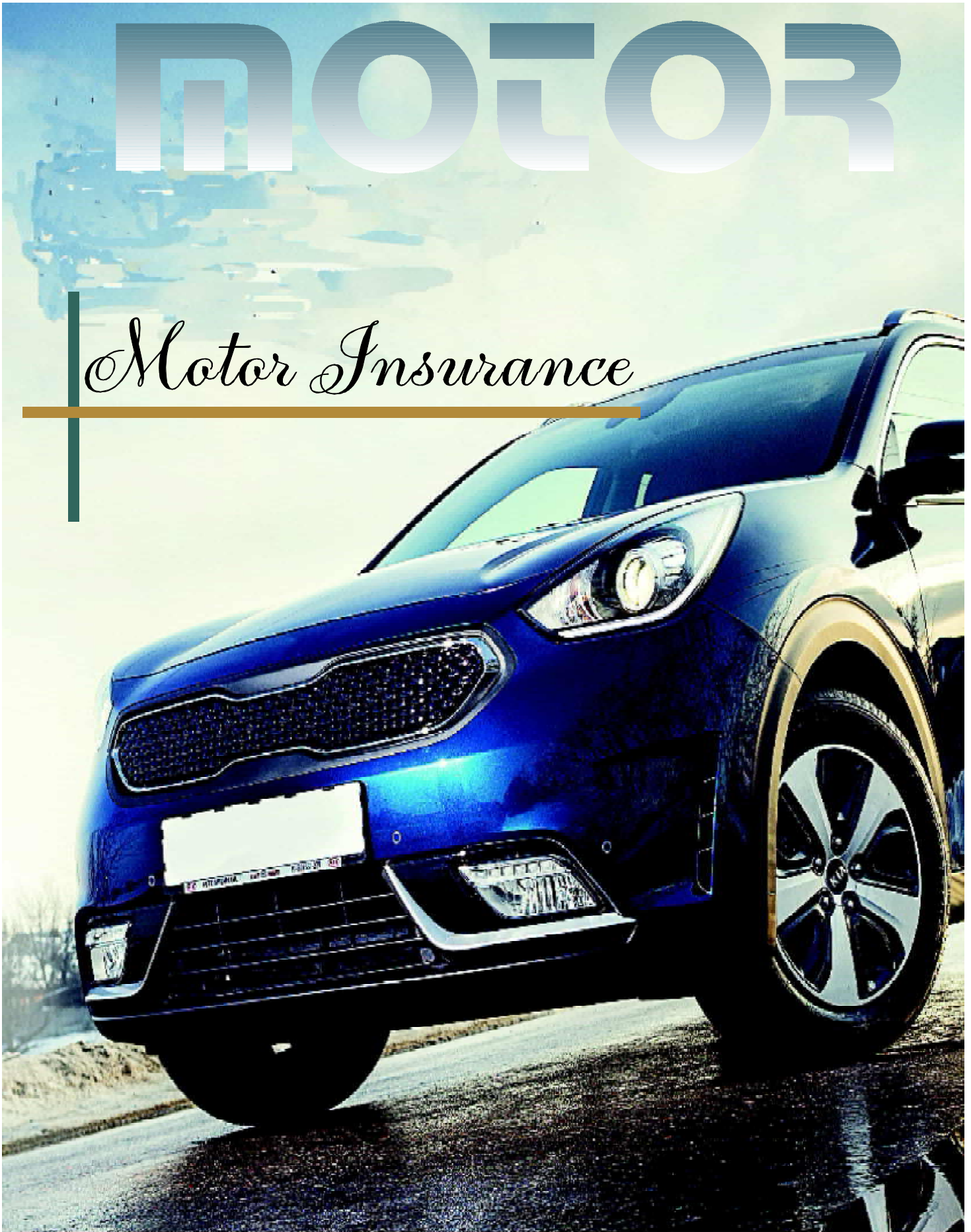
# BURGLARY

## *Burglary Insurance*



# motor

## *Motor Insurance*



# HEALTH

Protection

*Health Insurance*



HEALTH  
INSURANCE

Coverage

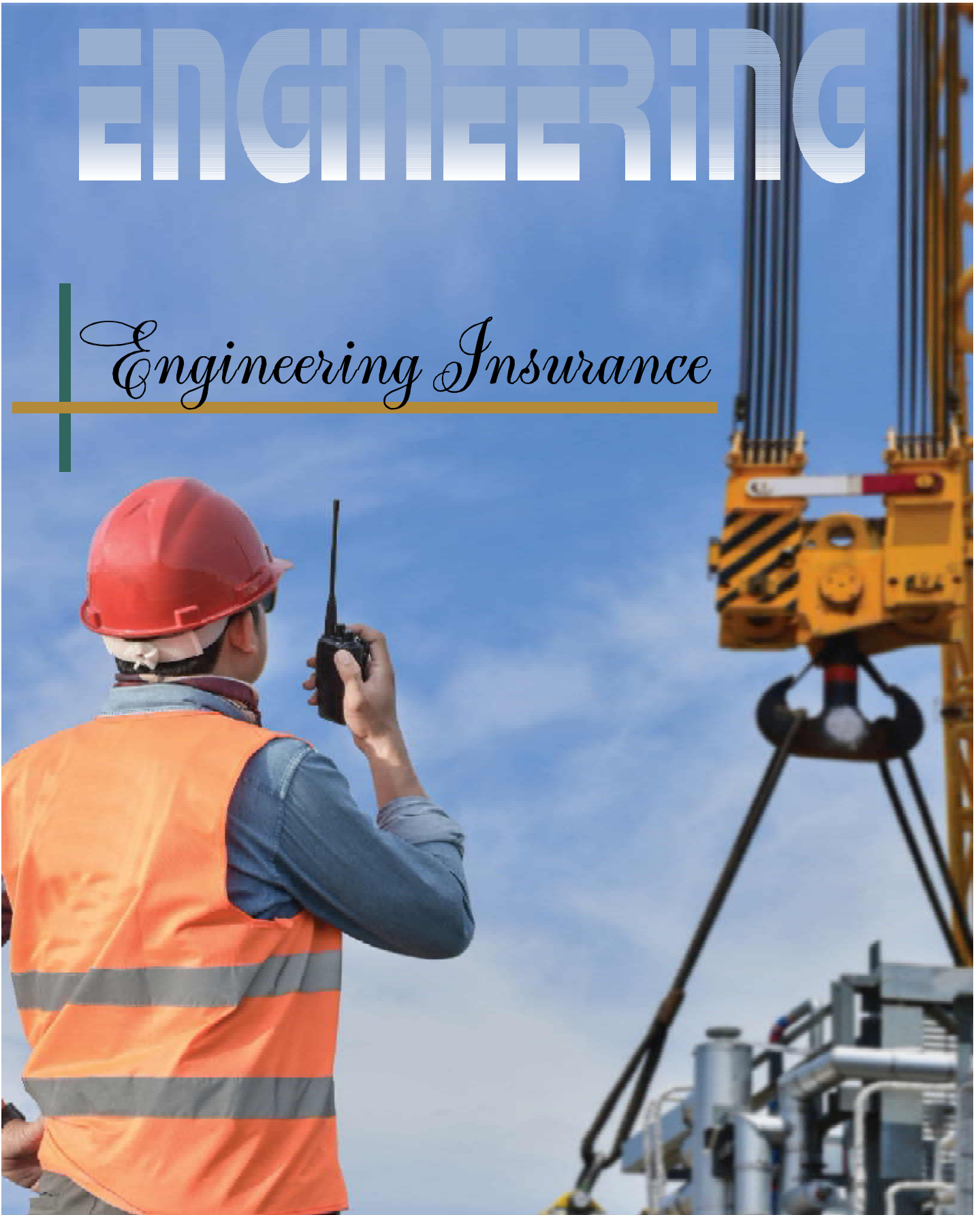
Risk

# PROPERTY

## *Property Insurance*

# ENGINEERING

## *Engineering Insurance*



# CROP

*Crop Insurance*



# *Miscellaneous Insurance*

# THIRD PARTY

## *Third Party Liability Motor Insurance*





IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

POWER TO THE PEOPLE

## ANOTHER IMPORTANT STEP OF GOVERNMENT OF SINDH UNIVERSAL ACCIDENT INSURANCE SCHEME

GOVERNMENT OF SINDH IS PAYING AMOUNT OF

# Rs. 100,000/-

THROUGH SINDH INSURANCE TO THE  
BENEFICIARY AGAINST ACCIDENTAL DEATH

(Terms &amp; Conditions Apply)

### CAUSES OF ACCIDENTAL DEATH

- |                     |                           |
|---------------------|---------------------------|
| n TERRORISM         | n FALL FROM ROOF          |
| n BURNING           | n RIOT & CIVIL COMMOTION  |
| n TARGET KILLING    | n DROWNING                |
| n ELECTRIC SHOCK    | n INDUSTRIAL ACCIDENT     |
| n BOMB BLAST        | n ROAD/TRAIN/AIR ACCIDENT |
| n STAMPEDE          | n MURDER                  |
| n FIRING            | n SNAKE BITE              |
| n FLOOD             | n TOXICATION              |
| n BUILDING COLLAPSE | n WILD ANIMAL ATTACK      |
| n HURRICANE         | n BY POISONED GAS         |

## SCHEME IS EFFECTIVE FROM 01ST OCTOBER, 2016

021-35640715 - 7 021-111-745-110

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IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



# SINDH INSURANCE

POWER TO THE PEOPLE

## حکومت سندھ کا ایک اور اہم قدم

### UNIVERSAL ACCIDENT INSURANCE SCHEME

حکومت سندھ حادثاتی موت کی صورت میں  
"سندھ انشورنس" کے توسط سے لواحقین کو

# مبلغ ایک لاکھ روپے - Rs. 100,000/-

ادا کر رہی ہے۔ (شرائط و ضوابط لاکو ہیں)

### حادثاتی موت کی وجوہات

جلنے / جھلنے سے	n	دہشت گردی	n
کرنت لگنے سے	n	ٹارگٹ کلنگ	n
بھگدڑ	n	بم دھماکہ	n
سیلاب	n	فائرنگ	n
طوفان	n	عمارت گرنے سے	n
دنگا فساد سے	n	اونچائی سے گر کر	n
صنعتی حادثہ	n	ڈوبنے سے	n
قتل	n	روڈ ٹرین یا ہوائی حادثہ	n
زہر سے	n	سانپ کے کاٹنے سے	n
زہریلی گیس سے	n	جنگلی جانور کے حملے سے	n

اسکیم کا اطلاق یکم اکتوبر 2016 سے ہے۔

## Board of Directors

### **SALEEM ZAMINDAR** Chairman / Director

Mr. Saleem Zamindar has a Bachelor of Arts (BA) degree in Economics from Boston University, USA and a Master of Business Administration (MBA) from Durham University Business School, UK. He has over 29 years of experience across several countries in investment management, board level general management in public & private sector, international banking, think tanks, private country clubs & international organizations like English Speaking Union & Rotary International. He is a Certified company Director by the Pakistan Institute of Corporate Governance and additionally also holds the globally prestigious Certificate in Company Direction from the Institute of Directors (IoD) UK. He is an IFC Certified Trainer on Corporate Governance and is a member of the faculty of Pakistan Institute of Corporate Governance (PICG). He serves as Chairman & Member, Board of Directors of several public & private limited companies. He is the past President of the Rotary Club of Karachi, the largest and oldest Rotary Club in District 3271 and also a Paul Harris Fellow. He is a former member of the Managing Committee of the Karachi Boat Club, and Life Member of the Karachi Council on Foreign Relations & Life Member / National Council Executive Committee of English-Speaking Union. Mr. Zamindar attended the World Economic Forum at Davos, Switzerland as part of the Pakistan private sector delegation.

### **FAYAZ AHMED JATOI** GOS Nominated Director

Mr. Fayaz Ahmed Jatoi is an accomplished civil servant with over 18 years of experience in various capacities within the Government of Sindh and the Government of Punjab. Currently, he serves as the Finance Secretary for the Government of Sindh (GoS), bringing a wealth of knowledge and seasoned expertise to his role.

Throughout his career, Mr. Jatoi has held numerous pivotal positions. He has served as Principal Secretary and Additional Secretary at the Chief Minister's Secretariat in Sindh, and as Secretary for the Services, General Administration, and Coordination Department (SGA&CD). His work has extended to coordinating the Emergency Operations Center (EOC) within the Health Department. Mr. Jatoi has also served as Deputy Commissioner in the districts of Khairpur, Hyderabad, and Jacobabad, where he managed various administrative and developmental responsibilities.

Mr. Jatoi's career also includes notable experience in the Government of Punjab, where he served as Deputy Director of Food in Bahawalpur and as Deputy District Officer in the regions of Shahpur, Chakwal, and Malkwal. He has held Secretary-level roles in several GoS departments, demonstrating his commitment to public service across various fields and sectors.

An officer of the Pakistan Administrative Service (BS-20), Mr. Jatoi holds a Master's degree in Political Science, achieving first-class honors from Shah Abdul Latif University, Khairpur, Sindh, in 2006. His extensive experience and educational background continue to serve as an asset in his current role as Finance Secretary for the Government of Sindh.

### **FARHAN ASHRAF KHAN** Director

Mr. Farhan holds a Master's degree in Mathematics. He started his career in year 1990 and has more than 32 years of impressive experience in Banking Industry having served in PICIC Ltd., MyBank Limited and Sindh Bank Limited at different positions. He retired from Sindh Bank Limited, in the year 2023, as SEVP/ Group Business Head – Central Region having 101 branches, both Conventional and Islamic, being controlled by 7 Area Offices under his supervision. His major skills includes managing liabilities and assets portfolios of the Bank, credit risk review management, supervision of concerned branches business / activities and managing all human resources matters of concerned branches.

### **HINA MARVI** Director

Hina Marvi is a Government officer (BPS-20) in Pakistan. With the academic research background and professional experience, she has established herself as a knowledgeable figure in the professional field. Hina is currently a PhD Scholar and holds a Master's degree in the same discipline. Her academic journey began with a Bachelor of Architecture (B.Arch.). Over the years, Hina has developed a deep interest in sustainable development, integrating principles of economic, social, and environmental sustainability practices. Her work and research focus on creating sustainable, resilient, and inclusive urban environments that address contemporary challenges. Her professional career reflects her dedication to advancing the built environment. She serves as an Executive Board Director, contributing strategic leadership in corporate settings. Additionally, she holds a position as a Senate Member at Shaheed Allah Buksh Soomro University of Art, Design, and Heritage (SABSU) in Jamshoro. Her role as a Senate Member ensures the university's policies align with SDGs. She is a key contributor to academia and the professional community. As a member of the Board of Faculty and Board of Studies at SABSU and MUET, shapes policies and, emphasizes sustainability and addressing contemporary challenges in planning and resilience. Her professional engagement extends to serving as an Executive Committee Member at IAP-KC.

Hina Marvi's career is a testament to her multifaceted expertise and leadership. As a corporate strategist, accomplished researcher, and academic leader, bridges the gap between business, academia, and professional practice. Her work inspires innovative solutions that harmonize the built environment with social, environmental, and economic sustainability. With a vigorous publication record, she continues to influence both academic discourse and practical implementation, leaving an enduring impact on her fields of expertise.

### **MUHAMMAD OMAR ARSHID** Director

Mr. Omar Arshid, a graduate from American Intercontinental University (United Kingdom). He has rich experience in business management, corporate strategies, Commercial insights and project management. He served in various family run companies as a director of Sukkur Beverages (Private Limited), Sukkur Grains Flour Mill (Private Limited). He is a certified director from the Institute of Chartered Accountant of Pakistan.

### **SIDRA ISHAQ** Director

Ms. Sidra, the Managing Director of The Suits Law Firm, is a dynamic and accomplished leader recognized for her strategic and results-driven approach. Her educational foundation in law, accountancy, and business offers a distinct advantage in navigating the complex interplay between legal and business strategy. This multifaceted expertise is central to her directorial role, enabling her to drive impactful solutions and informed decision-making across all facets of the firm's operations.

Ms. Sidra's extensive legal experience spans a broad spectrum, including Corporate Law, Services Law, Cooperatives, and Taxation. Over the years, she has honed her skills as a legal advisor within the government administration of Islamabad's capital city, demonstrating exceptional capability in managing intricate regulatory and compliance matters. Her professional career is further distinguished by key roles in the legal departments of notable institutions such as the Securities and Exchange Commission of Pakistan (SECP), Oil and Gas Development Company Limited (OGDCL), and the Election Commission of Pakistan (ECP).

Ms. Sidra's unique combination of legal expertise, business acumen, and strategic foresight solidifies her standing as a leading figure in the legal industry. Her leadership and dedication continue to elevate the standards and performance of The Suits Law Firm, ensuring exceptional service and results for clients across diverse sectors.

## Directors' Report to the Shareholders

The Directors of your company are pleased to present the Annual Report along with the Audited Accounts and Auditors' Report for the year ended December 31, 2024.

### Country Review

The current government was determined to make growth sustainable by implementing coordinated monetary-fiscal policy. Revival of IMF program also improved the foreign exchange inflows while maintaining fiscal discipline. The monetary policy measures taken by the government are aimed at sustained growth and countering inflationary pressure. Significant uncertainty around the outlook for international commodity prices and global financial conditions.

The current account remained in surplus for the third consecutive month in October 2024, which, amidst weak financial inflows and substantial official debt repayments, helped increase the FX reserves to around \$12 billion, global commodity prices remained generally favourable, with positive spillovers on domestic inflation and the import bill, credit to the private sector recorded a noticeable increase, broadly reflecting the impact of ease in financial conditions and banks' efforts to meet the advances-to-deposit ratio (ADR) thresholds and the shortfall in tax revenues from the target has widened.

Headline inflation eased further to 4.9 percent y/y in November from 7.2 percent in the previous month. This sharp decline was mainly driven by a favourable base effect from gas prices, along with the continued moderation in food inflation and benign global commodity prices. The Committee noted that these factors are likely to continue in the near term and may bring headline inflation even lower in the coming months. It was assessed FY25 inflation to average substantially below its earlier forecast range of 11.5 – 13.5 percent. Meanwhile, it was observed that core inflation declined marginally in November, while consumers' inflation expectations inched up further.

### Company Performance

During the year under review, it is notable to state that Sindh Insurance's gross premium written maintained above Rs. One & half Billion and attained Rs. 1,628.52 million as compared to the last year gross premium written of Rs. 1,784.62 million. The profit before tax was Rs. 891.60 million in 2024 as compared to Rs. 998.84 million in 2023. The earning per share was 5.12, wherein, last year earning per share was 6.10.

The underwriting results were Rs. 94.08 million in year 2024 as compared to Rs. 24.59 million in comparative year 2023. The investment income decreased to Rs. 769.29 million in year 2024 as compared to Rs. 923.03 million in year 2023. This is result of decreasing rate of returns are prevailing on investment in country as whole. The equity of the company reached to Rs. 3,913.94 million compared to Rs. 3,254.56 million in last year. The investment crossed Rs. 4,542.25 million as compared to last year investment of Rs. 4,508.57 million.

Below are key financial figures for last two year:

Rs. In Million

	2024	2023
Gross Premium	1,628.52	1,784.62
Net Premium Revenue	425.35	271.12
Underwriting Results	94.08	24.59
Investment Income	769.29	923.03
Profit before tax	891.60	998.84
Profit after tax	512.32	610.00
Earning per share	5.12	6.10

### Insurance Sector Review

Insurance premium growth is set to accelerate in the immediate term, supported by a recovering economy and easing inflation, which will help drive real term gains in 2024. Premiums will continue to grow over the remainder of the medium term, but at a slowing pace as demand for products grows more slowly over time. The Pakistan life and non-life insurance markets will both remain small due to the persistently low income levels across the market. However, the regulator is committed to working towards an increased role of digital and micro-insurance in Pakistan. Combined with the expansion of takaful insurance, this will result in an increase of insurance coverage across a growing portion of the population.

### **Window Takaful Operations**

The Securities and Exchange Commission of Pakistan (SECP) granted the Company a license to operate as a Window Takaful Operator on September 22, 2016, in accordance with the Takaful Rules, 2012. The Company began its Window Takaful operations in the same year, 2016.

The contribution written for the year 2024 amounted to Rs. 34.16 million, compared to Rs. 19.16 million in the previous year. During the review period, the Participant Takaful Fund surplus stood at Rs. 12.55 million, while the Operator's Fund profit was Rs. 9.39 million. The total investment portfolio for the window takaful operations reached Rs. 131.60 million, an increase from the previous portfolio value of Rs. 114.31 million. The steady, albeit gradual, growth in takaful business profitability is expected to strengthen the foundation of the Company's takaful operations.

### **Reinsurance**

During the year, Hannover Re – Malaysia, PRCL –Pakistan, Labuan Re – Malaysia, Tunis Re – Tunisia, Kenya Re – Kenya and CICA Re – Lome participated in the Re-insurance Conventional Treaty for the year 2024. The panel of Reinsurers led by Hanover Re.

For the Window Takaful Operations, PRCL –Pakistan, Labuan Re- Malaysia, Kenya Re – Kenya and Tunis Re – Tunisia participated in the Re-Takaful Treaty for the year 2024.

### **Corporate and Financial Reporting Framework**

The Board is aware of its responsibility under the Company law and the Public Sector Companies (Corporate Governance) Rules, 2013, and Code of Corporate Governance for Insurers 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Board is pleased to state as follows:

- | The Board has complied with the relevant principles of corporate governance, and has also identified the rules that have not been complied with and reasons for such non-compliance.
- | The financial statements prepared by the management of the Company, presented fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- | Proper books of accounts of the Company have been maintained.
- | Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- | The Directors recognize their responsibility to establish and maintained a sound system of internal control, which is regularly reviewed and monitored.
- | International Financial Reporting Standards and International Accounting Standards, or any other regulation or law including Shariah guidelines and principles, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- | There is no material departure from the best practices of corporate governance.
- | There are no doubts upon the company's ability to continue as a going concern.
- | Key operating and financial data is included in the Report.
- | The appointment of Chairman and other members of Board and the terms of their appointment along with the remuneration policy are in the best interest of the Public Sector Company as well as in line with the best practices.
- | The statement of shareholding in the Company as on December 31, 2024, is included in the Report.
- | The value of investment in the Provident Fund as on December 31, 2024, was Rs. 30,832,790/- and the value of investment in the Gratuity Fund as on December 31, 2024, was Rs. 15,519,320/-

**Board Meetings**

During the year, Nine (9) meetings of the Board of Directors were held and attendance position was as under:

Serial No.	Name of Director	Number of Meetings Attended
01	Mr. Saleem Zamindar	09
02	Mr. Fayaz Ahmed Jatoi	01
03	Mr. Kazim Hussain Jatoi	02
04	Mr. Mushtaq Malik	06
05	Mr. Raja Muhammad Abbas	06
06	Mr. Khawaja Tajammul Hussain	06
07	Mr. Farhan Ashraf Khan	09
08	Ms. Hina Marvi	09
09	Mr. Muhammad Omar Arshid	03
10	Ms. Sidra Ishaq	03

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

**Achievements**

Our team of dedicated professionals has worked relentlessly to achieve this record-breaking milestone. This achievement is a true reflection of their hard work, determination, and unwavering commitment to excellence. We are confident that by maintaining our focus on delivering exceptional customer service and innovative products, we will continue to achieve even greater success in the future. We believe that our sustained growth will result in increasingly significant returns for our valued shareholders.

On behalf of the Board of Directors, we extend our sincere gratitude for your continued support and trust in our company. We remain steadfast in our commitment to delivering outstanding results and creating long-term value for our shareholders. Additionally, the Company continued to offer accidental insurance coverage of Rs. 100,000/- to all adult residents of Sindh Province under the "Universal Accident Insurance and Social Benefit Scheme.

This initiative provides crucial social protection in the event of the accidental death of a family member or breadwinner. To further enhance the program, the Company appointed representatives in each district of Sindh, which significantly improved the product's performance and led to a threefold increase in reported incidents. By the end of the year, since the scheme's inception, more than 10,900 families affected by accidents had approached Sindh Insurance to claim the Rs. 100,000/- accidental insurance coverage. Since its launch, the scheme has provided benefits to over 8,600 families, amounting to more than Rs. 860 million.

**Insurer Financial Strength (IFS) Rating**

Pakistan Credit Rating Company Limited (PACRA) has reaffirmed the Company's Insurer Financial Strength (IFS) rating at 'A++' (A Double Plus). This rating signifies the Company's strong capacity to meet its policyholder and contractual obligations.

**Performance Evaluation**

The Board has conducted a performance evaluation of its members, including the Chairman and the Chief Executive Officer, based on a process developed by the Board itself. Additionally, the Board has consistently monitored and assessed the performance of senior management on an annual basis."

**Corporate Social Responsibility**

Sindh Insurance ensures its role of a Responsible Corporate citizen by conducting business in a socially responsible and ethical manner, protecting the environment, and supporting the communities and cultures with which it works. To fulfill its commitment, Sindh Insurance has developed a policy offering scholarships to financially challenged yet talented students. In addition, the company has also implemented an educational assistance policy for its employees.

**Statement of Code of Conduct**

The Board has adopted a Code of Conduct, which has been communicated to all employees and directors. They have all signed the code and are required to adhere to the rules of conduct in relation to business practices and regulations.

**Material Changes**

There have been no material changes since December 31, 2024, and the Company has not entered into any commitments that would impact its financial position as of that date.

**Dividend**

The Company has not declared or paid any dividend to its ordinary shareholders for the year ended December 31, 2024.

**Auditors**

M/s. Crowe Hussain & Company, Chartered Accountants, have audited the accounts for the year 2024. The Audit Committee has recommended the appointment of the external auditors and the fixation of their audit fee in accordance with the prevailing regulations.

**Future Outlook**

The company is strategically pursuing captive insurance opportunities related to uninsured properties and funds of the Government of Sindh (GOS), leveraging the legal framework of 'The Sindh Insurance of Public Property Act, 2015.' In addition to providing health insurance coverage to all GOS department employees, these untapped opportunities are set to significantly strengthen the company's financial position. Following the Board's advice, the company is expanding its private business portfolio and increasing its risk exposure capacity, signaling a proactive response to market dynamics.

Pakistan's agricultural sector is a cornerstone of the economy, contributing over 27% to the GDP and employing more than 70% of the population. Recognizing its importance, the Sindh Cabinet, in a pivotal meeting on June 5, 2023, directed Sindh Insurance to lead the development and launch of a comprehensive crop insurance program in the province. Under the guidance of the Chief Secretary Sindh, a series of productive meetings with stakeholders have laid the foundation for the successful implementation of the program.

These strategic moves not only reinforce our dedication to meeting the evolving needs of the agricultural community but also contribute to the economic growth of Sindh. Through initiatives like the crop insurance program and life insurance, we are enhancing our market presence and aligning with broader socioeconomic objectives, further solidifying our role as a responsible corporate citizen.

**Acknowledgement**

The directors would like to take this opportunity to express their sincere gratitude to the Government of Sindh, the Ministry of Commerce of the Government of Pakistan, the Securities and Exchange Commission of Pakistan (SECP), and the Insurance Association of Pakistan (IAP) for their continued guidance and support.

Additionally, the Board wishes to convey its appreciation to the staff and policyholders for their unwavering dedication and support.

For and on behalf of the Board of Directors



**Saleem Zamindar**  
Chairman



**Muhammad Faisal Siddiqui**  
Chief Executive Officer

April 07, 2025

## ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

31 دسمبر 2024 کو اختتام پذیر سال پر آپ کی کمپنی کے ڈائریکٹرز سالانہ رپورٹ مع پڑھنا شدہ گوشوارے اور آڈیٹ کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### ملکی جائزہ

موجودہ حکومت ایک مربوط مالیاتی اور اقتصادی پالیسی کے نفاذ کے ذریعے معاشی نمو کے تسلسل کو یقینی بنانے کے لیے پرعزم ہے۔ بین الاقوامی مالیاتی فنڈ کے پروگرام کی بحالی سے بھی غیر ملکی زرمبادلہ کی ترسیل میں اضافہ ہونے کے ساتھ اقتصادی نظم و ضبط کو بھی برقرار رکھنے میں بہتری آئی۔ حکومت کی جانب سے لیے گئے مالیاتی پالیسی کے اقدامات کا مقصد تسلسل سے جاری رہنے والی نمو کو برقرار رکھنا اور مہنگائی کے دباؤ کا مقابلہ کرنا تھا۔ اجناس کی بین الاقوامی قیمتوں اور عالمی مالیاتی حالات کے بارے میں غیر یقینی صورتحال نمایاں رہی۔

جاری اکاؤنٹ کا موجودہ توازن اکتوبر 2024 میں مسلسل تیسرے ماہ کے لیے سرپلس رہا، جو کمزور مالیاتی آمد اور بڑے سرکاری قرضوں کی واپسی کے باوجود زرمبادلہ کے ذخائر کو تقریباً 12 بلین ڈالر تک بڑھانے میں مددگار ثابت ہوا، عالمی اجناس کی قیمتیں عام طور پر معاون رہیں، جس کے مثبت اثرات ملکی افراط زر اور درآمدی بل پر پڑے، نجی شعبے کو قرضوں کی فراہمی میں نمایاں اضافہ ریکارڈ کیا گیا، جو مالیاتی حالات میں آسانی اور بینکوں کی جانب سے ایڈوانسز ٹوڈ پازٹ ریشو (ADR) کے اہداف کو پورا کرنے کی کوششوں کو ظاہر کرتا ہے۔ تاہم ٹیکس آمدنی کی ہدف سے کمی بڑھ گئی۔

مہنگائی نومبر میں مزید کم ہو کر 4.9 فیصد سالانہ پر آگئی، جو پچھلے مہینے کے 7.2 فیصد سے کم تھی۔ اس زبردست کمی کی بنیادی وجہ گیس کی قیمتوں کے موافق اثرات، غذائی مہنگائی میں مسلسل کمی، اور عالمی اجناس کی سازگار قیمتیں تھیں۔ کمیٹی نے نوٹ کیا کہ یہ عوامل قریبی مدت میں جاری رہنے کا امکان ہے اور آنے والے مہینوں میں مہنگائی کو مزید کم کر سکتے ہیں۔ مالی سال 2025 کے لیے افراط زر کا اندازہ لگایا گیا کہ یہ 11.5-13.5 فیصد کی سابقہ پیش گوئی کی حدود سے کافی کم ہوگی۔ اس دوران، یہ مشاہدہ کیا گیا کہ نومبر میں بنیادی مہنگائی معمولی طور پر کم ہوئی، جبکہ صارفین کی مہنگائی کی توقعات مزید بڑھ گئی ہیں۔

### کمپنی کی کارکردگی

یہ بات قابل ذکر ہے کہ زیر جائزہ سال کے دوران سندھ انشورنس کا مجموعی تحریری پریمیم ڈیڑھ ارب روپے سے زیادہ کا سنگ میل عبور کر کے 1,628.52 ملین روپے تک پہنچ گیا جبکہ اس کے مقابلے میں گذشتہ سال مجموعی تحریری پریمیم 1,784.62 ملین روپے رہا۔ سال 2024 میں قبل از محصول منافع 891.60 ملین روپے تک پہنچ گیا جو کہ سال 2023 میں 998.84 ملین روپے تھا۔ آمدنی فی حصص 5.12 روپے رہی جبکہ گذشتہ سال آمدنی فی حصص 6.10 روپے تھی۔

انڈر رائٹنگ کے نتائج سال 2024 میں 94.08 ملین روپے رہے، جبکہ تقابلی سال 2023 میں یہ 24.59 ملین روپے تھے۔ سرمایہ کاری سے حاصل آمدنی سال 2024 میں کم ہو کر 769.29 ملین روپے ہو گئی، جبکہ سال 2023 میں یہ 923.03 ملین روپے تھی۔ یہ ملک میں مجموعی طور پر سرمایہ کاری پر دستیاب شرح منافع میں کمی کے نتیجے میں ہوا۔ کمپنی کی ایکوٹی 3,913.94 ملین روپے تک پہنچ گئی، جو پچھلے سال کے 3,254.56

ملین روپے کے مقابلے میں زیادہ ہے۔ سرمایہ کاری 4,542.25 ملین روپے سے تجاوز کر گئی، جبکہ پچھلے سال کی سرمایہ کاری 4,508.57 ملین روپے تھی۔ گزشتہ دو سالوں کے اہم مالیاتی اعداد و شمار درج ذیل ہیں:

2023	2024
1,784.62	1,628.52
271.12	425.35
24.59	94.08
923.03	769.29
998.84	891.60
610.00	512.32
6.10	5.12

#### انشورنس شعبے کا جائزہ

انشورنس پر بیمہ میں اضافے کی رفتار فوری مدت میں تیز ہونے والی ہے، بحال ہوتی ہوئی معیشت اور کم ہوتی ہوئی مہنگائی اس میں معاون ہوگی، جس سے 2024 میں حقیقی فوائد حاصل کرنے میں مدد ملے گی۔ درمیانی مدت کے باقی حصے میں پر بیمہ میں اضافہ کارجان جاری رہے گا، لیکن آہستہ رفتار سے، کیونکہ وقت کے ساتھ مصنوعات کی طلب کم ہو جائے گی۔ پاکستان کی لائف اور عمومی انشورنس مارکیٹ کا حجم کم شرح آمدن کے باعث چھوٹا رہے گا۔ تاہم، ریگولیٹر پاکستان میں ڈیجیٹل اور مائیکرو انشورنس کے کردار کو بڑھانے کے لیے کام کرنے کے لیے پر عزم ہے۔ تکافل انشورنس کے پھیلاؤ کے ساتھ مل کر، اس سے بڑھتی ہوئی آبادی کے ایک بڑے حصے میں انشورنس کو ترجیح میں اضافہ ہوگا۔

#### ونڈو تکافل آپریشنز

ری تکافل کے قواعد 2012 کے تحت، سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے 22 ستمبر 2016 کو کمپنی کو ونڈو تکافل آپریٹر کے طور پر کام کرنے کا اجازت نامہ جاری کیا۔ کمپنی نے ونڈو تکافل آپریشن کا آغاز بھی دسمبر 2016 سے کیا۔ سال 2024 کا تحریر کردہ (written) حصہ 34.16 ملین روپے رہا جبکہ اس کے مقابل گزشتہ سال 19.16 ملین روپے تھا۔ زیر جائزہ مدت کے دوران شراکت داروں کا تکافل فنڈ 12.55 ملین روپے تھا اور آپریٹر فنڈ کا منافع 9.39 ملین روپے تھا۔ ونڈو تکافل آپریشن کی کل سرمایہ کاری کے پورٹ فولیو 131.60 ملین روپے جبکہ گزشتہ سال ونڈو تکافل آپریشن کی کل سرمایہ کاری پورٹ فولیو 114.31 ملین روپے رہا تھا۔ تکافل کاروبار کی منافع بخشی میں سست لیکن تسلسل سے ہونے والی نمو، کمپنی کے تکافل آپریشن کو استحکام دے گی۔

**بیمہ کابیمہ (Reinsurance)**

سال کے دوران پی آر سی ایل - پاکستان، لیسوان ری - ملائیشیا، اور تیونس ری - تنو سیاء کیناری - کینیا، CICA ری - لوم نے سال 2024 کے ری انشورنس کنٹریپنٹل ٹریٹی میں شرکت کی۔ پینل کی قیادت ہنووری کر رہا تھا۔

ونڈونکافل آپریشنز کے لیے، پی آر سی ایل - پاکستان، لیسوان ری - ملائیشیا، کینیا ری - کینیا اور تیونس ری - تنو سیاء نے سال 2024 میں ری انشورنس ٹریٹی میں شرکت کی۔

**ادارہ جاتی اور مالیاتی رپورٹنگ ڈھانچہ**

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ کمپنی لاء اور پبلک سیلٹر کمپنیز (اداراتی نظم و ضبط) رولز 2013 اور اداراتی نظم و ضبط کے ضوابط 2016 برائے بیمہ ساز کمپنی کے تحت بورڈ اپنی ذمہ داریوں سے بخوبی آگاہ ہے۔ بورڈ درج ذیل بیان کرتے ہوئے خوشی محسوس کرتا ہے:

- بورڈ نے اداراتی نظم و ضبط کے متعلقہ اصولوں کی پیروی کی ہے اور جہاں کسی قسم کی عدم پیروی ہوئی ہے اس کی نشاندہی وجوہات سمیت بیان کی ہیں۔
- کمپنی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اسکے موجودہ جاری حالات، آپریشن کے نتائج، نقد بہاؤ (cash flows) اور ملکیتی اثاثہ جات (equity) میں تبدیلی کو تفصیلی طور پر پیش کرتے ہیں۔
- کمپنی کے حسابات کے کھاتے باضابطہ طور پر مرتب کئے گئے ہیں۔
- سالانہ حسابات کی تیاری کے لیے مناسب حکمت عملیاں تسلسل کے ساتھ اپنائی گئی ہیں اور مالیاتی اندازے مناسب ہیں اور محتاط روی سے کئے گئے ہیں۔
- ڈائریکٹرز ایک مضبوط داخلی نگرانی کے نظام کے قیام اور اسے برقرار رکھنے کے حوالے سے اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہیں اور ان کا باقاعدگی سے جائزہ لیا جاتا ہے اور نگرانی کی جاتی ہے۔
- مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ اور حساب کتاب کے معیارات، یادگیر ضوابط اور قوانین بشمول شریعہ کے رہنما اصول جو پاکستان میں مروج ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی قسم کا احتراز مناسب انداز میں وجوہات سمیت ظاہر اور بیان کیا گیا ہے۔
- اداراتی حسن کارکردگی کی درج شدہ ضوابط برائے بہترین طریقہ کار پر عملدرآمد سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- کمپنی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے۔
- اس رپورٹ کے ساتھ اہم آپریٹنگ اور مالیاتی اعداد و شمار منسلک ہے۔
- بورڈ کے چیرمین اور دیگر ارکان کا انتخاب، مدت انتخاب اور اس کے ساتھ ان کے مشاہرہ کی پالیسی پبلک سیلٹر کمپنی کے بہترین مفاد میں ہیں اور بہترین مشقوں (practices) کے عین مطابق ہیں۔
- اس رپورٹ میں 31 دسمبر 2024 کے مطابق شیئر ہولڈنگ کا گوشوارہ شامل ہے۔
- 31 دسمبر 2024 کو پراویڈینٹ فنڈ میں سرمایہ کاری کی مالیت -/30,832,790 روپے تھی اور 31 دسمبر 2024 گریجویٹی میں سرمایہ کاری کی مالیت -/15,519,320 روپے تھی۔

## بورڈ اجلاس

1 سال کے دوران بورڈ آف ڈائریکٹرز کے نو (9) اجلاس منعقد ہوئے اور ان میں شرکت کی تفصیلات درج ذیل ہیں؛

نمبر شمار	ڈائریکٹر کے نام	اجلاس میں شرکت کی تعداد
01	جناب سلیم زمیندار	09
02	جناب فیاض احمد جتوئی	01
03	جناب کاظم حسین جتوئی	02
04	جناب مشتاق ملک	06
05	جناب راجہ محمد عباس	06
06	جناب خواجہ نجم حسین	06
07	جناب فرحان اشرف خان	09
08	آنسہ حنا ماروی	09
09	جناب محمد عمر ارشد	03
10	آنسہ سدرہ اسحاق	03

اجلاس سے غیر حاضر بورڈ ارکان کی حاضری سے رخصت کی منظوری حاصل کی گئی۔

## کارِ نمایاں

ہماری ٹیم کے پیشہ ور لوگوں نے ان تھک (tirelessly) طور پر محنت سے ریکارڈ توڑ سنگ میل حاصل کیا ہے۔ اس حاصل کردہ نمایاں کارنامہ میں برتری کے حصول کے لیے یہ ان کی سخت محنت، عزم اور لگن بات کا ثبوت ہے۔ ہم پر اعتماد ہیں ہماری صارفین کو بے مثل خدمات اور جدید مصنوعات کی فراہمی پر مسلسل توجہ سے ہمیں اس بات کے قابل بنائے گا کہ مستقبل میں ہم اس سے بڑی کامیابی حاصل کریں۔ ہم یقین رکھتے ہیں کہ جاری ترقی کا نتیجہ ہمارے قابل قدر حصص کنندگان کی زیادہ آمدنی میں ظاہر ہوگا۔

ہم بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی مسلسل حمایت اور اس پر اعتماد کرنے پر شکریہ ادا کرنا چاہتے ہیں۔ ہم، اپنے حصص کنندگان کے لیے غیر معمولی نتائج اور طویل المدت قدر پیدا کرنے کے سلسلے میں پر عزم ہیں۔

اس کے علاوہ، آپ کی کمپنی "یونیورسل ایکسیڈینٹ انشورنس اینڈ شوئل بینیفٹ اسکیم" کے تحت صوبہ سندھ کے تمام بالغ رہائشی افراد کے لیے 100,000/- روپے کے حادثاتی بیمہ کوریج کی سہولت جاری رکھے ہوئے ہے۔

یہ اسکیم خاندان کے کسی رکن یا کمانے والے کی حادثاتی موت پر سماجی تحفظ فراہم کرتی ہے۔ کمپنی نے صوبہ سندھ کے ہر ضلع میں اپنے نمائندوں کا انتخاب کیا ہے، جس کی وجہ سے مصنوع کی کارکردگی میں بہتری آئی ہے اور نتیجتاً تین گنا حادثات کے کیسز میں اضافہ ہوا ہے۔ اس اسکیم کے آغاز سے سال کے آخر تک 10,900 حادثات سے متاثرہ افراد کی فیملیز نے سندھ انشورنس کمپنی سے حادثہ کے 100,000 روپے کا بیمہ کی رقم کی وصولی کی ہے۔ اس اسکیم کے آغاز سے اب تک 8,600 فیملیز 860 ملین روپے کا فائدہ حاصل کر چکی ہے۔

### کمپنی کی درجہ بندی برائے مالیاتی استحکام (IFS)

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی "مالیاتی مضبوطی (IFS) کی درجہ بندی کو "A++" (دو مثبت A) برقرار رکھا ہے۔ درجہ بندی میں یہ استحکام انشورنس کنندگان کے اعتماد اور معاہداتی ذمہ داریوں کو پورا کرنے کی مضبوط استعداد کو ظاہر کرتا ہے۔

### کارکردگی کی قدر پیمائی

بورڈ اپنے وضع کردہ طریقہ کار کے تحت اپنے ارکان بشمول چیئرمین اور چیف ایگزیکٹو آفیسر کی قدر پذیری (evaluation) کر چکا ہے۔ اس کے علاوہ، بورڈ نے انتظامیہ کے اعلیٰ عہدے داروں کی کارکردگی کا سالانہ بنیاد پر جائزہ لینے کے بعد تعین کیا۔

### اداراتی سماجی ذمہ داری

سندھ انشورنس لمیٹڈ تمام کاروباری سرگرمیوں کی انجام دہی کے دوران اخلاقی اقدار اور سماجی ذمہ داریوں، تحفظ ماحول اور دائرہ عمل میں آنے والے طبقات اور ثقافتوں کی معاونت پر عمل پیرا ہو کر ایک ذمہ دار ادارہ ہونے کا کردار یقینی بناتا ہے۔ اپنا وعدہ پورا کرنے کے لیے، سندھ انشورنس نے ایک پالیسی تشکیل دی ہے جس میں مالی طور پر کمزور لیکن باصلاحیت طلباء کو وظیفے دیئے جائیں گے۔ اس کے علاوہ، کمپنی نے اپنے ملازمین کے لیے تعلیمی معاونت کی پالیسی کا نفاذ بھی کیا ہے۔

### ضابطہ اخلاق کا بیان

بورڈ ایک ضابطہ اخلاق پر عمل پیرا ہے۔ جس کے بارے میں تمام ڈائریکٹرز اور ملازمین کو مطلع کر کے دستخط حاصل کیے گئے ہیں اور ان سے کاروباری اور قانونی معاملات میں مذکورہ ضابطہ اخلاق کی مکمل پاسداری مطلوب ہے۔

### مادی تبدیلیاں

31 دسمبر 2024 کے بعد کسی قسم کی مادی تبدیلیاں وقوع پذیر نہیں ہوئیں ہیں اور کمپنی ایسے کسی انتظام یا معاہدے میں ملوث نہیں ہوئی جو اس تاریخ پر مالی صورت حال کو متاثر کرے۔

### منتقسم منافع

31 دسمبر 2024 کو اختتام پذیر سال پر کمپنی نے اپنے حصص کنندگان کے لیے نہ کسی منتقسم منافع کا اعلان کیا ہے اور نہ ہی ادائیگی کی گئی ہے۔

### محاسب (Auditors)

میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے سال 2024 کے اکاؤنٹس کا آڈٹ کیا ہے۔ کمپنیز ایکٹ 2017ء کے مطابق آڈٹ کمیٹی نے موجودہ قواعد و ضوابط کے مطابق موجودہ آڈیٹر کی بطور بیرونی آڈیٹر تقرری اور آڈٹ فیس کے تعین کی سفارش کی ہے۔

### مستقبل کا منظر نامہ

کمپنی، حکومت سندھ کا غیر بیمہ شدہ جائیداد اور مالی اثاثہ جات سے متعلق تفویض شدہ انشورنس (captive) کاروبار حاصل کرنے کی بھرپور کوشش کر رہی ہے۔ اس کے لیے کمپنی کو سندھ انشورنس آف پبلک ایکٹ، 2015 کے تحت بیمہ خدمات فراہم کرنے کا ترجیحی حق حاصل ہے۔ ہم پہلے ہی حکومت سندھ کے تمام شعبوں کے ملازمین کو صحت کے لیے بیمہ خدمات فراہم کرنے پر کام کر رہے ہیں۔ اور ان غیر استعمال شدہ مواقع سے فائدہ اٹھا کر، کمپنی بہتر مالیاتی استحکام کا سنگ میل حاصل کر پائے گی۔ بورڈ کے مشورے کے مطابق کمپنی نجی کاروبار کے پورٹ فولیو میں توسیع اور مارکیٹ میں خطرہ لینے کی استعداد میں پر کام کر رہی ہے۔

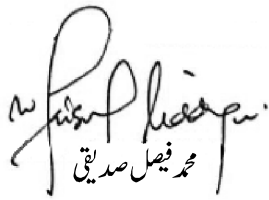
پاکستان کا زرعی شعبہ معیشت کا ایک ستون ہے، جو جی ڈی پی میں 27 فیصد سے زیادہ حصہ ڈالتا ہے اور 70 فیصد سے زائد آبادی کو روزگار فراہم کرتا ہے۔ اس کی اہمیت کو تسلیم کرتے ہوئے، سندھ کابینہ نے 5 جون 2023 کو منعقدہ ایک اہم اجلاس میں سندھ انشورنس کو صوبے میں ایک جامع زرعی انشورنس پروگرام کی تیاری اور آغاز کی قیادت کرنے کی ہدایت دی۔ چیف سیکرٹری سندھ کی رہنمائی میں، شراکت داروں کے ساتھ متعدد نتیجہ خیز ملاقاتوں نے پروگرام کے کامیاب نفاذ کے لیے بنیاد رکھی ہے۔

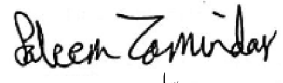
یہ تزویراتی اقدامات نہ صرف زرعی طبقہ کی بدلتی ضروریات پورا کرنے کے لیے ہمارے پختہ عزم کا اظہار کرتے ہیں بلکہ سندھ کی اقتصادی ترقی میں مددگار ہیں۔ زرعی اور زندگی کے بیمہ جیسی مصنوعات مارکیٹ میں اپنی موجودگی بڑھانے کے ساتھ وسیع تر سماجی-معاشی مقاصد سے ہم آہنگ ہونے کا باعث ہے اور ہمارے کردار کو بطور ذمہ دار اداراتی شہری کے مضبوط کر رہا ہے۔

### اظہار تشکر

اس موقع پر ڈائریکٹرز حکومت سندھ، وزارت تجارت، حکومت پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، انشورنس ایسوسی ایشن آف پاکستان (IAP) کے مسلسل تعاون اور سرپرستی پر سب کے لیے اپنے مخلصانہ جذبات ممنونیت کا اظہار کرنا چاہتے ہیں۔ مزید یہ کہ بورڈ اپنے ملازمین اور پالیس کنندگان کی وابستگی اور حمایت کا تہہ دل سے شکر گزار ہیں۔

برائے و منجانب بورڈ آف ڈائریکٹرز

  
محمد فیصل صدیقی  
چیف ایگزیکٹو آفیسر

  
سلیم زامیندار  
چیرمین

07 اپریل 2025

## KEY FINANCIAL DATA

	2024	2023	2022	2021	2020
Written Premium	1,628,523,880	1,784,624,099	1,055,482,041	714,554,286	488,545,805
Earned Premium	1,658,477,519	1,500,478,510	877,072,978	640,363,202	668,114,144
Net Premium Revenue	425,352,636	271,124,104	202,620,618	85,966,268	254,168,143
Underwriting Result	94,080,122	24,595,078	34,325,458	30,030,774	54,306,365
Investment & Other Income	826,882,301	980,069,253	548,262,997	384,650,302	399,173,043
Profit / (Loss) before tax	892,078,021	998,843,350	572,370,417	404,611,128	451,164,562
Profit / (Loss) after tax	512,326,034	610,004,226	364,810,587	288,703,182	320,395,390
Paid-up Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Shareholders' Equity	3,913,940,475	3,254,564,935	2,778,494,306	2,414,214,450	2,202,310,190
Breakup Value per Share (RS.)	39.14	32.55	27.78	24.14	22.02
Investment & properties	4,342,254,434	4,308,573,666	3,980,289,076	3,486,434,708	3,366,363,486
Cash & Bank Balances	363,950,520	294,210,196	356,457,127	258,880,331	310,727,509
Total Assets Book Value	6,426,538,310	6,397,686,224	5,477,923,257	4,720,023,939	4,737,621,445

## NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of the shareholders of **Sindh Insurance Limited** will be held on **Monday, April 28, 2025 at 10:00 am** at the registered office of the Company at 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi, to transact the following business:

### ORDINARY BUSINESS

1. To confirm minutes of the Extraordinary General Meeting held on August 09, 2024.
2. To receive, consider and adopt the Audited Annual Accounts for the year ended December 31, 2024 along with Directors' and Auditors' Report thereon.
3. To appoint Auditors for the year 2025 and fix their remuneration.
4. To transact any other business that may be placed before the meeting with the permission of the Chair.



Karachi  
April 07, 2025

**By Order of the Board**  
**Nadeem Akhter**  
**Company Secretary**

### NOTES:

- 1) A member entitled to attend and vote is entitled to appoint another member/any other person as his/her proxy to attend and vote.
- 2) Duly completed instrument of proxy, and the other authority under which it is signed, must be lodged with the Company Secretary at the company's registered office on 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi, at least 48 hours before the time of the meeting.
- 3) Share Transfer Books of the Company will remain closed from April 22, 2025 to April 28, 2025 (both days inclusive).
- 4) Any change of address of Member should be immediately notified to the company's registered office at 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.
- 5) The CDC account holder will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
  - A. For attending the meeting
    - i. In Case of individuals, the account holder or sub-accounts holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
    - ii. In case of corporate entity the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
  - B. For appointing proxies:
    - i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per account and their registration details are uploaded as per the regulations, shall submit the proxy form accordingly.
    - ii. The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.
    - iii. Attested copies of CNIC or the passport
    - iv. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
    - v. In Case of Corporate entity, the board of Director's resolution / power of attorney with specimen signature shall be submitted along with proxy form to the company.

## Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and Code of Corporate Governance for Insurers, 2016

Name of Company: **SINDH INSURANCE LIMITED**

Name of the line ministry: **Ministry of Finance, Government of Sindh**

For the year ended: **31 December 2024**

- I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 and Code of Corporate Governance for Insurers, 2016 (hereinafter collectively called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.
- II. The Company has complied with the provisions of the Public Sector Companies (Corporate Governance) Rules, 2013 in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N																
			Tick the relevant box																	
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	3																	
2.	<div>The Board has at least one-third of its total members as independent directors. At present Board includes:</div> <table><tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr><tr><td rowspan="3">Independent Directors</td><td>Saleem Zamindar</td><td>08-08-2024</td></tr><tr><td>Muhammad Omar Arshid</td><td>08-08-2024</td></tr><tr><td>Sidra Ishaq</td><td>08-08-2024</td></tr><tr><td>Non-Executive Director</td><td>Farhan Ashraf Khan Fayaz Ahmed Jatoi Hina Marvi</td><td>08-08-2024 08-08-2024 08-08-2024</td></tr><tr><td>Executive Director</td><td>Muhammad Faisal Siddiqui</td><td>19-04-2021</td></tr></table>	Category	Names	Date of Appointment	Independent Directors	Saleem Zamindar	08-08-2024	Muhammad Omar Arshid	08-08-2024	Sidra Ishaq	08-08-2024	Non-Executive Director	Farhan Ashraf Khan Fayaz Ahmed Jatoi Hina Marvi	08-08-2024 08-08-2024 08-08-2024	Executive Director	Muhammad Faisal Siddiqui	19-04-2021	3(2)	3	
Category	Names	Date of Appointment																		
Independent Directors	Saleem Zamindar	08-08-2024																		
	Muhammad Omar Arshid	08-08-2024																		
	Sidra Ishaq	08-08-2024																		
Non-Executive Director	Farhan Ashraf Khan Fayaz Ahmed Jatoi Hina Marvi	08-08-2024 08-08-2024 08-08-2024																		
Executive Director	Muhammad Faisal Siddiqui	19-04-2021																		
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	3																	
4.	All resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company. A DFI or an NBFI or, being a member of stock exchange, has been declared a defaulter by a stock exchange.		3																	
5.	Casual vacancy occurring on the Board were filled up by the directors within 90 days thereof.		3																	
6.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	3																	
7.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	3																	
8.	The chairman has been elected by the Board of Directors except where chairman of the Board has been appointed by the Government.	4(4)	3																	
9.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	3																	

S. No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant box	
10.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.  (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website. ( <a href="http://www.sindhinsuranceltd.com">www.sindhinsuranceltd.com</a> )  (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	3	
11.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	3	
12.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interest, and the procedure for disclosing such interest.	5(5)(b)(ii)	3	
13.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b)(vi)	3	
14.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service	5(5)(c)(ii)	3	
15.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	3	
16.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	3	
17.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates, on which they were approved or amended, has been maintained.	5(7)	3	
18.	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and have submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
19.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	3	
20.	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:  a) The Board has met at least four times during the year.  b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings,  c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	3	
21.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	3	
22.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	3	
23.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as financial year end.	10(a)	3	

S. No.	Provision of the Rules	Rule No.	Y	N																		
			Tick the relevant box																			
24.	(b) In case if listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.	10(b)	N/A																			
25.	(c) The Board has placed the annual financial statements on the Company's website.	10(c)	3																			
26.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	3																			
27.	<p>(a) The Board has formed the requisite committees, as specified in the Rules.</p> <p>(b) The Committees were provided with written term of reference defining their duties, authorities and composition.</p> <p>(c) The minutes of the meetings of the committees were circulated to all the Board members.</p> <p>(d) The committees were chaired by the following non-executive directors:</p> <table><tr><th>Committee</th><th>Number of members</th><th>Name of Chair</th></tr><tr><td>Audit Committee</td><td>3</td><td>Sidra Ishaq</td></tr><tr><td>Risk Management Committee</td><td>3</td><td>Farhan Ashraf Khan</td></tr><tr><td>Human Resources Committee</td><td>3</td><td>Saleem Zamindar</td></tr><tr><td>Procurement Committee</td><td>3</td><td>Hina Marvi</td></tr><tr><td>Nomination Committee</td><td>4</td><td>Saleem Zamindar</td></tr></table>	Committee	Number of members	Name of Chair	Audit Committee	3	Sidra Ishaq	Risk Management Committee	3	Farhan Ashraf Khan	Human Resources Committee	3	Saleem Zamindar	Procurement Committee	3	Hina Marvi	Nomination Committee	4	Saleem Zamindar	12	3	
Committee	Number of members	Name of Chair																				
Audit Committee	3	Sidra Ishaq																				
Risk Management Committee	3	Farhan Ashraf Khan																				
Human Resources Committee	3	Saleem Zamindar																				
Procurement Committee	3	Hina Marvi																				
Nomination Committee	4	Saleem Zamindar																				
28.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	3																			
29.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rule.	14	3																			
30.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	3																			
31.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes salient matters required to be disclosed.	17	3																			
32.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	3																			
33.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.	19	3																			
34.	(b) The annual report of the Company contains criteria and details of remuneration of each director		3																			
35.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	3																			


S. No.	Provision of the Rules	Rule No.	Y	N														
			Tick the relevant box															
36.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members:	21(1) and 21(2)	3															
	<table><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Sidra Ishaq</td><td>Independent</td><td>Lawyer &amp; Accountant</td></tr><tr><td>Farhan Ashraf Khan</td><td>Independent</td><td>Retired Banker</td></tr><tr><td>Muhammad Omar Arshid</td><td>Independent</td><td>Business Man</td></tr></table>				Name of Member	Category	Professional Background	Sidra Ishaq	Independent	Lawyer & Accountant	Farhan Ashraf Khan	Independent	Retired Banker	Muhammad Omar Arshid	Independent	Business Man		
	Name of Member				Category	Professional Background												
	Sidra Ishaq				Independent	Lawyer & Accountant												
	Farhan Ashraf Khan				Independent	Retired Banker												
Muhammad Omar Arshid	Independent	Business Man																
The chief executive and chairman of the Board are not members of the audit committee.																		
37.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.	21(3)	3															
38.	(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.		3															
39.	(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.		3															
40.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	3															
	(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.																	
	(c) The internal audit reports have been provided to the external auditors for their review.																	
41.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	3															
42.	The Auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	3															

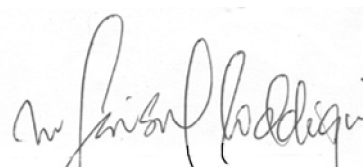
III. The Company has complied with the additional provisions of Code of Corporate Governance for Insurers, 2016 in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant box	
43.	The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.		3	
44.	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 programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.		3	
45.	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.		3	
46.	The Board ensures that the risk management system of the Company is in place as per the requirements of the Code of Corporate Governance for Insurers, 2016.		3	

S. No.	Provision of the Rules	Rule No.	Y	N																																		
			Tick the relevant box																																			
47.	The Company has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.		3																																			
48.	The Board ensures that as part of the risk management system, the Company gets itself rated from PACRA (credit rating agency) which is being used by its risk management function and the respective Committee as risk monitoring tool. The rating assigned by the said rating agency dated January 31, 2023 is A++ (A Double Plus) with strong capacity to meet policyholder and contractual obligations.		3																																			
49.	<p>The Board has formed the following management committees:</p> <p><b>Underwriting Committee:</b></p> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Farhan Ashraf Khan</td><td>Independent Director</td></tr><tr><td>Muhammad Faisal Siddiqui</td><td>Executive Director</td></tr><tr><td>Nadeem Akhter</td><td>Management</td></tr></table> <p><b>Claim Committee:</b></p> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Sidra Ishaq</td><td>Independent Director</td></tr><tr><td>Muhammad Faisal Siddiqui</td><td>Executive Director</td></tr><tr><td>Muhammad Sarfraz Awan</td><td>Management</td></tr></table> <p><b>Reinsurance &amp; Co-insurance Committee:</b></p> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Saleem Zamindar</td><td>Independent Director</td></tr><tr><td>Muhammad Faisal Siddiqui</td><td>Executive Director</td></tr><tr><td>Nadeem Akhter</td><td>Management</td></tr></table> <p><b>Risk Management &amp; Compliance Committee:</b></p> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Saleem Zamindar</td><td>Independent Director</td></tr><tr><td>Muhammad Omar Arshid</td><td>Independent Director</td></tr><tr><td>Muhammad Faisal Siddiqui</td><td>Executive Director</td></tr><tr><td>Nadeem Akhter</td><td>Management</td></tr></table>	Name of the member	Category	Farhan Ashraf Khan	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Nadeem Akhter	Management	Name of the member	Category	Sidra Ishaq	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Muhammad Sarfraz Awan	Management	Name of the member	Category	Saleem Zamindar	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Nadeem Akhter	Management	Name of the member	Category	Saleem Zamindar	Independent Director	Muhammad Omar Arshid	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Nadeem Akhter	Management	<p>xxxvi</p> <p>xxxvii</p> <p>xxxviii</p> <p>xxxix</p>	<p>3</p> <p>3</p> <p>3</p> <p>3</p>	
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	<p><b>Human Resource Committee:</b></p> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Saleem Zamindar</td><td>Independent Director</td></tr><tr><td>Farhan Ashraf Khan</td><td>Non-Executive Director</td></tr><tr><td>Muhammad Omar Arshid</td><td>Independent Director</td></tr></table>	Name of the member	Category	Saleem Zamindar	Independent Director	Farhan Ashraf Khan	Non-Executive Director	Muhammad Omar Arshid	Independent Director	xli	3																											
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	<p><b>Procurement &amp; Information Technology Committee:</b></p> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Hina Marvi</td><td>Non-Executive Director</td></tr><tr><td>Farhan Ashraf Khan</td><td>Non-Executive Director</td></tr><tr><td>Sidra Ishaq</td><td>Independent Director</td></tr></table>	Name of the member	Category	Hina Marvi	Non-Executive Director	Farhan Ashraf Khan	Non-Executive Director	Sidra Ishaq	Independent Director		3																											
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S. No.	Provision of the Rules	Rule No.	Y	N																		
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	<b>Nomination Committee:</b> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Saleem Zamindar</td><td>Independent Director</td></tr><tr><td>Finance Secretary</td><td>Non-Executive Director</td></tr><tr><td>Sidra Ishaq</td><td>Independent Director</td></tr><tr><td>Hina Marvi</td><td>Non-Executive Director</td></tr></table>	Name of the member	Category	Saleem Zamindar	Independent Director	Finance Secretary	Non-Executive Director	Sidra Ishaq	Independent Director	Hina Marvi	Non-Executive Director	xli	3									
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Muhammad Faisal Siddiqui	Chief Executive Officer																					
Nadeem Akhter	Chief Financial Officer																					
51.	<p>The Chief Executive Officer, Chief Finance Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the code of Corporate Governance for Insurer, 2016. The Appointed Actuary of the Company (if any) also meets the conditions as laid down in the said code. Moreover, the person heading the underwriter, claim, reinsurance, risk management, and grievance function / departments possess qualification and experience of direct relevance to their respective function, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No XXXIX of 2000).</p> <table><tr><th>Name of the member</th><th>Category</th></tr><tr><td>Muhammad Faisal Siddiqui</td><td>Chief Executive Officer</td></tr><tr><td>Nadeem Akhter</td><td>Chief Financial Officer / Company Secretary</td></tr><tr><td>Imtiaz Ali</td><td>Compliance Officer</td></tr><tr><td>Yasir Malik</td><td>Chief Internal Auditor</td></tr><tr><td>Irfan Ali</td><td>Head of Underwriting &amp; Reinsurance Operations</td></tr><tr><td>Muhammad Sarfraz Awan</td><td>Head of Claim</td></tr><tr><td>Muhammad Faisal Siddiqui</td><td>Head of Risk Management</td></tr><tr><td>Nadeem Akhter</td><td>Head of Grievance Department</td></tr></table>	Name of the member	Category	Muhammad Faisal Siddiqui	Chief Executive Officer	Nadeem Akhter	Chief Financial Officer / Company Secretary	Imtiaz Ali	Compliance Officer	Yasir Malik	Chief Internal Auditor	Irfan Ali	Head of Underwriting & Reinsurance Operations	Muhammad Sarfraz Awan	Head of Claim	Muhammad Faisal Siddiqui	Head of Risk Management	Nadeem Akhter	Head of Grievance Department	xxi, xxiii, xxxii, lxxiii	3	
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Nadeem Akhter	Head of Grievance Department																					
52.	<p>The Board has set up a grievance department/ function, which fully complies with the requirement of the Code of Corporate Governance for Insurers, 2016.</p>	lxxiv	3																			

  
**Saleem Zamindar**  
 Chairman


  
**Muhammad Faisal Siddiqui**  
 Chief Executive Officer


**SCHEDULE II**  
**SEE Paragraph 2(3)**

Explanation for Non-Compliance with the  
Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.

Sr. No.	Rule/sub-rule no.	Reasons for non-compliance	Future course of action
NIL			

  
Saleem Zamindar  
Chairman

  
Muhammad Faisal Siddiqui  
Chief Executive Officer

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF SINDH INSURANCE LIMITED  
REVIEW REPORT ON STATEMENT OF COMPLIANCE WITH THE  
PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES 2013  
AND THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016**

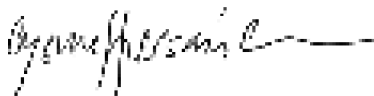
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 and the Code of Corporate Governance for Insurers, 2016 (referred to as 'the Codes') prepared by the Board of Directors of Sindh Insurance Limited for the year ended December 31, 2024 to comply with the requirements of provisions of Public Sector Companies (Corporate Governance) Rules, 2013 and the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. 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 Codes.

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 Codes require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm length transaction and transactions which are not executed at arm lengths price and recording proper justification for using such alternative pricing mechanism. 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 Audit Committee. We have not carried out procedures to assess and determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Codes as applicable to the Company for the year ended December 31, 2024.



**Crowe Hussain Chaudhury & Co.**  
**Chartered Accountants**

**Karachi**  
**Date: 19 Apr 2025**

**UDIN: RR202410207cNF4pUGrQ**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINDH INSURANCE LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

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

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

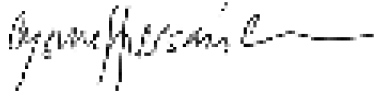
Based on our audit, we further report that in our opinion:

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

**Other Matter**

The financial statements of the Company for the year ended 31 December 2023 were audited by another firm of chartered accountants who expressed unmodified opinion dated 11 March 2024.

The engagement partner on the audit resulting in this independent auditors' report is Imran Shaikh.



**Crowe Hussain Chaudhury & Co.**  
**Chartered Accountants**

**Karachi**

**Date: 19 Apr 2025**

**UDIN: AR202410207dqy0nvMQO**

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	Note	2024	2023
		Rupees	
<b>Assets</b>			
Property and equipment	6	61,943,135	20,880,134
Intangible assets	7	609,737	1,111,003
Investments			
Debt securities	8	4,342,254,434	4,308,573,666
Term deposit receipts	9	200,000,000	200,000,000
		4,542,254,434	4,508,573,666
Loans and other receivables	10	296,190,938	258,008,096
Insurance / reinsurance receivables	11	506,819,296	580,295,833
Reinsurance recoveries against outstanding claims	23	37,762,676	34,229,942
Deferred commission expense	24	1,254,831	3,611,185
Deferred taxation	12	-	16,673,147
Taxation - net	20	20,610,371	-
Prepayments	13	690,082,331	788,463,900
Cash and bank	14	163,950,520	94,210,196
		6,321,478,269	6,306,057,102
Total assets of takaful operations		105,060,041	91,629,122
<b>Total Assets</b>		<b>6,426,538,310</b>	<b>6,397,686,224</b>
<b>Equity and Liabilities</b>			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	15	1,000,000,000	1,000,000,000
Surplus / (deficit) revaluation reserve on available for sale investments		112,771,331	(33,788,498)
Unappropriated profit		2,801,169,144	2,288,353,433
<b>Total Equity</b>		<b>3,913,940,475</b>	<b>3,254,564,935</b>
<b>Liabilities</b>			
Underwriting provisions			
Outstanding claims including IBNR	23	1,065,463,708	1,279,187,790
Unearned premium reserves	22	835,797,362	865,751,001
Premium deficiency reserves		29,731,996	27,809,629
Unearned reinsurance commission	24	46,024,544	33,472,452
		1,977,017,610	2,206,220,872
Premium received in advance	16	18,959,356	33,561,367
Insurance / reinsurance payables	17	363,324,742	796,964,124
Other creditors and accruals	18	50,907,687	33,148,659
Lease liabilities	19	17,544,198	1,241,299
Deferred taxation	12	69,824,263	-
Taxation - net	20	-	59,236,558
<b>Total Liabilities</b>		<b>2,497,577,856</b>	<b>3,130,372,879</b>
Total liabilities of takaful operations		15,019,979	12,748,410
<b>Total Equity and Liabilities</b>		<b>6,426,538,310</b>	<b>6,397,686,224</b>
<b>Contingencies and Commitments</b>			
	21		

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



Chairman



Director



Director



Chief Executive Officer

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- Rupees -----	
Net insurance premium	22	<b>425,352,636</b>	271,124,104
Net insurance claims	23	<b>(192,710,558)</b>	(111,570,931)
Reversal / (provision) of premium		<b>(1,922,366)</b>	(2,226,321)
Net commission	24	<b>80,533,046</b>	24,501,465
Insurance claims and acquisition expenses		<b>(114,099,878)</b>	(89,295,787)
Management expenses	25	<b>(217,172,636)</b>	(157,233,239)
Underwriting results		<b>94,080,122</b>	24,595,078
Investment income	26	<b>769,287,429</b>	923,031,441
Other income	27	<b>57,594,872</b>	57,037,812
Other expenses	28	<b>(39,270,957)</b>	(14,566,697)
Results of operating activities		<b>881,691,466</b>	990,097,634
Finance cost	29	<b>(2,921,423)</b>	(668,064)
Profit before taxation from window takaful operations - Operator's Fund		<b>13,307,978</b>	9,413,780
Profit before tax		<b>892,078,021</b>	998,843,350
Taxation	30	<b>(379,751,987)</b>	(388,839,124)
Profit after tax		<b>512,326,034</b>	610,004,226
Earnings per share - basic and diluted	31	<b>5.12</b>	6.10

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



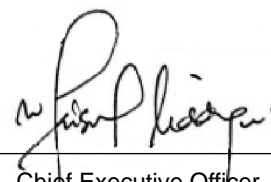
Chairman



Director



Director



Chief Executive Officer

## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

Note	2024	2023
	----- Rupees -----	
Profit after tax	512,326,034	610,004,226
<b>Other comprehensive income/(loss):</b>		
<b>Items that will be reclassified subsequently to profit and loss account</b>		
- Fair value adjustment on remeasurement of available for sale investments - net of deferred tax	146,611,597	(34,392,396)
- Remeasurement gratuity	489,677	61,069
- Other comprehensive income from Window Takaful Operations	(51,768)	397,730
	147,049,506	(33,933,597)
<b>Total comprehensive income for the period</b>	<b>659,375,540</b>	<b>576,070,629</b>

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



Chairman



Director



Director



Chief Executive Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	Revaluation reserve on available for sale investments	Unappropriated profit	Total
	Issued, subscribed and paid-up capital			
	-----Rupees-----			
Balance as at December 31, 2022	1,000,000,000	206,168	1,778,288,138	2,778,494,306
Total comprehensive income for the year				
Profit after taxation	-	-	610,004,226	610,004,226
Interim dividend paid	-	-	(100,000,000)	(100,000,000)
Fair value adjustment of available for sale investment	-	(34,392,396)	-	(34,392,396)
Gain on remeasurement of defined benefit obligation	-	-	61,069	61,069
Takaful operation - Operator fund - net of tax	-	397,730	-	397,730
	-	(33,994,666)	510,065,295	476,070,629
Balance as at December 31, 2023	1,000,000,000	(33,788,498)	2,288,353,433	3,254,564,935
<b>Balance as at December 31, 2023</b>	<b>1,000,000,000</b>	<b>(33,788,498)</b>	<b>2,288,353,433</b>	<b>3,254,564,935</b>
Total comprehensive income for the year				
Profit after taxation	-	-	512,326,034	512,326,034
Interim dividend paid	-	-	-	-
Fair value adjustment of available for sale investment	-	146,611,597	-	146,611,597
Gain on remeasurement of defined benefit obligation	-	-	489,677	489,677
Takaful operation - Operator fund - net of tax	-	(51,768)	-	(51,768)
	-	146,559,829	512,815,711	659,375,540
<b>Balance as at December 31, 2024</b>	<b>1,000,000,000</b>	<b>112,771,331</b>	<b>2,801,169,144</b>	<b>3,913,940,475</b>


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



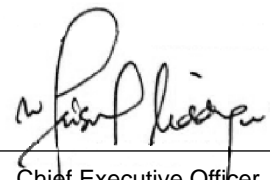
Chairman



Director



Director



Chief Executive Officer

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- Rupees -----	
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>a) Underwriting activities</b>			
Insurance premiums received		1,637,289,340	1,706,780,676
Reinsurance premium paid		(1,527,546,342)	(1,289,501,720)
Claim paid		(468,751,408)	(499,351,389)
Reinsurance and other recoveries received		58,784,034	181,505,751
Commission paid		(5,864,313)	(8,887,994)
Commission received		88,635,306	78,768,577
Other underwriting payments		(39,270,957)	(14,566,697)
Net cash flow from underwriting activities		(256,724,340)	154,747,204
<b>b) Other operating activities</b>			
Income tax paid		(444,686,724)	(342,527,337)
Management and administrative expenses paid		(177,187,987)	(153,500,610)
Compensated absences paid		(80,244)	(264,690)
Other operating payments		(31,816,379)	(18,420,992)
Net cash flow from other operating activities		(653,771,334)	(514,713,629)
<b>Total cash flow from all operating activities</b>		<b>(910,495,674)</b>	<b>(359,966,425)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Profit / return received		657,473,547	700,357,402
Other income received		57,594,872	57,037,812
Payments for investments		(1,792,172,950)	(5,697,084,835)
Proceeds from disposal of investments		2,098,442,360	5,350,175,616
Proceeds from disposal of fixed assets		538,254	-
Fixed capital expenditure		(36,385,439)	(9,728,388)
<b>Total cash flow from investing activities</b>		<b>985,490,643</b>	<b>400,757,607</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Principal repayment of lease liabilities		(5,254,645)	(3,038,113)
Dividends paid		-	(100,000,000)
<b>Total cash flow from financing activities</b>		<b>(5,254,645)</b>	<b>(103,038,113)</b>
<b>Net cash flow from all activities</b>		<b>69,740,324</b>	<b>(62,246,931)</b>
Cash and cash equivalents at beginning of the year		294,210,196	356,457,127
<b>Cash and cash equivalents at end of the year</b>		<b>363,950,520</b>	<b>294,210,196</b>
<b>Reconciliation to Profit and Loss Account</b>			
Operating cash flows		(910,495,674)	(359,966,425)
Depreciation on fixed assets		(15,639,011)	(11,920,954)
Amortization of intangibles		(971,425)	(777,270)
Decrease in assets other than cash		(134,237,424)	438,983,005
Decrease in liabilities		733,479,289	(445,797,163)
Investment income		769,287,429	923,031,441
Profit from Window Takaful Operations		13,307,978	9,413,780
Other income		57,594,872	57,037,812
<b>Profit after tax</b>		<b>512,326,034</b>	<b>610,004,226</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and other equivalents		1,319,445	549,641
Saving accounts		162,631,075	93,660,555
Deposits maturing within 12 months		200,000,000	200,000,000
		<b>363,950,520</b>	<b>294,210,196</b>


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



Chairman



Director



Director



Chief Executive Officer

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc.
- 1.2** The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi. The Company was granted authorisation on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3** SECP carried out an onsite inspection in 2018 of the Company under Section 59A of the Insurance Ordinance, 2000. Based on the inspection, SECP highlighted various non-compliances with the insurance Ordinance, 2000 and various SROs of SECP in its letter of findings of the Company dated January 4, 2019. These non-compliances among other compliances, risk management and internal control issues mainly pertain to accounting treatment of Universal Accident Insurance and Social Benefit Scheme (the Scheme) of the Government of Sindh (GoS). Whereby, the recognition and measurement of premium, claims and commission relating to the Scheme under the Insurance Contract has been challenged on account of the immunity given by GoS to the Company where the Company will not suffer any loss under the Scheme if claims and other related expenditures exceed the revenue of the Company from the Scheme. The management of the Company vide its letter to SECP dated February 4, 2019 conveyed that the said accounting treatment was adopted based on a legal opinion and strongly believes that the adopted treatment is in line with the Insurance Ordinance, 2000. SECP issued inspection report, ref. ID/SD/IW/SIL/332 dated July 5, 2019, in which the aforementioned non compliances are reported. Many of such non compliances were already complied with, and the Company is committed to ensure the compliance with the rest of non compliances in due course.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements are prepared in accordance with 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, as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017.

In case the above requirements differ, the provisions and directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

In accordance with the requirement of Circular 25 of 2015, total assets, total liabilities and profit of Window Takaful Operations of the Company referred to as the Operator's Fund have been presented in these financial statements. A separate set of financial statements of General Window Takaful Operations has been reported which is annexed to these financial statements as per the requirements of the SECP Takaful Rules, 2012 and General Takaful Accounting Regulation 2019.

#### 2.2 Functional and presentation currency

These financial statements have been prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.

#### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of staff retirement benefits at present value and the investments available for sale measured at their fair value. The financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

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

#### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

#### 3.1.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 with IFRS 4'

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year 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, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts - Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendments address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

##### Temporary Exemption from Application of IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition, and the interest as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The table below sets out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis.

**b) all other financial assets**

December 31, 2024			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
-----Rupees-----			

**Financial assets**

Investments				
Debt securities	4,219,847,838	-	122,406,596	-
Term deposit receipts	-	-	200,000,000	-
Loans and other receivable	-	-	296,190,938	-
Re-insurance recoveries against outstanding claims	-	-	37,762,676	-
Insurance / reinsurance receivables	-	-	506,819,296	-
Cash at bank	-	-	163,950,520	-
Window takaful operations- Operator's fund	20,535,631	-	84,524,410	-
	<u>4,240,383,469</u>	<u>-</u>	<u>1,411,654,436</u>	<u>-</u>

December 31, 2023			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
-----Rupees-----			

**Financial assets**

Investments				
Debt securities	4,189,372,559	-	119,201,107	-
Term deposit receipts	-	-	200,000,000	-
Loans and other receivable	-	-	258,008,096	-
Re-insurance recoveries against outstanding claims	-	-	34,229,942	-
Insurance / reinsurance receivables	-	-	580,295,833	-
Cash at bank	-	-	94,210,196	-
Window takaful operations- Operator's fund	13,936,670	-	77,692,452	-
	<u>4,203,309,229</u>	<u>-</u>	<u>1,363,637,626</u>	<u>-</u>

**3.2 New accounting standards, amendments and interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

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

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

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

The Company's expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

#### 4 USE OF JUDGMENTS AND ESTIMATES

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the revision and future periods, if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the financial statements or judgment was exercised in application of accounting policies, are as follows:

	Note
- Provision for unearned premiums	5.5.2
- Premium due but unpaid - net	5.5.3
- Premium deficiency reserve	5.5.4
- Prepaid reinsurance premium ceded	5.5.8
- Provision for outstanding claims (including IBNR)	5.6.1
- Reinsurance recoveries against outstanding claims	5.6.2
- Deferred commission expense	5.7.1
- Commission income unearned	5.7.2
- Taxation (current, deferred and levies)	5.17
- Impairment in the value of investment	5.20

#### 5 MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in preparation of these financial statements are set out below. These policies have been applied consistently to all years presented except otherwise stated.

##### Accounting Guidance Issued By Icap On Accounting For Minimum Taxes And Final Taxes

Institute of Chartered Accountants of Pakistan (ICAP) issued a guidance "Application Guidance on Accounting for Minimum and Final Taxes" through circular No. 07/2024 date May 15, 2024. In light of the said guidance, as minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS - 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/ IFRIC 21 as levies (though these are charged under tax law) and not under IAS - 12 as income taxes. Based on the guidance, the minimum taxes under ITO, 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies) and final taxes fall under levy within the scope of IAS 37/IFRIC 21.

##### 5.1 Property and equipment

###### a) Owned assets

Owned fixed assets are stated at cost, signifying historical cost, less accumulated depreciation and any provision for accumulated impairment. Cost of an item of fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying asset directly attributable cost of bringing the asset to working condition.

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 benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit and loss account.

Depreciation is calculated on straight line method at the rates specified in note 6 to the financial statements. Depreciation on additions is charged from the month the assets are available for use while on disposals, depreciation is charged up to the month in which the assets are disposed off.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indications exist and where the carrying value exceed the estimated recoverable amounts, the assets are written down to their recoverable amount. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets disposed of. There are taken to profit and loss account.

#### **b) Right-of-use-asset**

The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

### **5.2 Intangible assets**

These are stated at cost less accumulated amortisation and provision for accumulated impairment, if any.

Amortisation is calculated from the month the assets are available for use using the straight-line method, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortisation methods are reviewed and adjusted if appropriate, at each reporting date.

Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the Company.

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

### **5.3 Lease liability**

Lease liability is initially measured at the present value of the future 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.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### **5.4 Insurance contracts**

Insurance contracts are those contracts under which the Company as insurer has accepted insurance risk from the insurance contract holder (insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affects the insured. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed:

- Fire and property damage
- Marine, aviation and transport
- Motor
- Accidental and health
- Engineering
- Miscellaneous

**a) Fire and property damage**

Fire and property insurance contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

**b) Marine, aviation and transport**

Marine, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and against liabilities to third parties and passengers arising from their use.

**c) Motor**

Motor insurance contracts cover physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

**d) Accident and health**

Accident and health insurance contracts mainly compensate hospitalisation and patient medical coverage to the insured and indemnity for the death as result of an accident. These contracts are generally one year contracts.

**e) Engineering**

Engineering insurance covers contractor's all risk, and compensate against damage of machinery, electronic equipment etc.

**f) Miscellaneous**

All other insurance contracts like machinery breakdown, bonds, cash in hand, cash in transit, personal accident, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under miscellaneous insurance cover.

**5.5 Premium**

**5.5.1 Premium income earned**

Premium written (direct or facultative) under a policy is recognised as income over the period of insurance from the date of issue of the policy to which it relates to its expiry as follows:

- a) for direct business, evenly over the period of the policy;
- b) for proportional reinsurance business, evenly over the period of underlying reinsurance policies; and
- c) for non-proportional reinsurance business, on inception of the reinsurance contract in accordance with the pattern of reinsurance service.

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 incidence of risk.

Where premiums for a policy are payable in installments, full premium for the duration of the policy is recognised as income at the inception of the policy and a related asset is set up in respect of the premium receivable at a later date. Premium is stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premium.

### 5.5.2 Provision for unearned premiums

Provision for unearned premiums represents the portion of premium written relating to the unexpired period of coverage, and is recognised as a liability. The liability is calculated as a proportionate of the gross premium of each policy, as specified in the Insurance Accounting Regulations, 2017.

### 5.5.3 Premiums due but unpaid - net

Premiums due but unpaid is recorded as receivable when it is due, at the fair value of consideration receivable less provision for doubtful debts, if any. If there is objective evidence that receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises that impairment loss in profit and loss account.

### 5.5.4 Premium deficiency reserve - (liability adequacy test)

"At each reporting date, liability adequacy tests are performed separately for each class of business under the Insurance Accounting Regulations, 2017 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.

The movement in the premium deficiency reserve is recorded as an expense / income in profit and loss account for the year.

The requirement for additional provision for unexpired risks is determined on the basis of an actuarial valuation. The latest valuation was carried out as of December 31, 2024. The actuary determines adequacy of liability of premium deficiency by multiplying unearned premium with the difference between excess of combined ratio over 100%. PDR is required if Loss Ratio exceeds 100% i.e. unearned premium reserve is not enough to cover for future claims and other expenses.

The loss ratios estimated on these basis for the unexpired portion are as follows:

	2024	2023
Fire and property damage	64%	59%
Marine, aviation and transport	60%	60%
Motor	102%	99%
Accidental and health	112%	108%
Engineering	65%	64%
Miscellaneous	65%	64%

### 5.5.5 Reinsurance contracts held

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

### 5.5.6 Reinsurance ceded

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 contract 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 reporting date. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises the impairment loss in the profit and loss account.

The portion of reinsurance premium not recognised as an expense is shown as a prepayment.

#### **5.5.7 Receivables and payables related to insurance contracts**

Receivables and payables, other than claim payables, relating to insurance contracts are recognised when due. The claim payable is recorded when intimation is received. These include premiums due but unpaid, premium received in advance, premiums due and claims payable to insurance contract holders. These are recognised at cost, which is the fair value of the consideration given less provision for impairment, if any. If there is an objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognises the loss in statement of comprehensive income.

#### **5.5.8 Prepaid reinsurance premium ceded**

The portion of reinsurance premium ceded not recognised as an expense as at year end is recognised as prepaid reinsurance premium ceded. Unrecognised portion is determined in the same manner as for provision for unearned premiums.

### **5.6 Claims expense**

General insurance claims include all claims occurring during the year, whether reported or not, including external claims handling costs that are directly related to the processing and settlement of claims, reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims are charged to profit and loss account as incurred based on estimated liability for compensation owed under the insurance contracts.

#### **5.6.1 Provision for outstanding claims including IBNR**

A liability for outstanding claims is recognised in respect of all claims incurred as at the reporting date which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provision for liability relating to unpaid reported claims is made on basis of individual case estimates.

The Company takes advice from actuary for the determination of IBNR claims. Provision for IBNR claims have been estimated based on Expected Loss Ratio (ELR) method except for health business, where a mix of ELR and Chain Ladder (CL) method is used. CL method is not completely used since portfolio experience of the Company in health business is small due to long period of claims development, volatility and credibility of experience. Accordingly, provision has been made based on IBNR factors applied on incurred claims determined by the actuary.

Reinsurance recoveries against outstanding claims and salvage recoveries are recognised as an asset and measured at the amount expected to be received.

#### **5.6.2 Reinsurance recoveries against outstanding claims**

Reinsurance recoveries receivable from reinsurers are recognised as an asset at the same time as and when 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.

### **5.7 Commission**

#### **5.7.1 Deferred commission expense**

Commission expense incurred in obtaining and recording policies is deferred and is recognised in the profit and loss account as an expense in accordance with the pattern of recognition of premium revenue.

### 5.7.2 Commission income

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognised as liability and recognised in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates.

### 5.8 Investments

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs, except for held for trading, in which case transaction costs are charged to profit and loss account. Subsequently, these are recognised and classified into the following categories:

#### 5.8.1 Held to maturity

Investments with fixed maturity and fixed income investments, where management has both the intent and the ability to hold to maturity, are classified as held to maturity. After initial recognition, these are carried at amortised cost.

#### 5.8.2 Available for sale

The financial assets that are intended to be held for an indefinite period of time and may be sold in response to the need for liquidity are classified as available for sale.

Subsequent to the initial recognition at cost, these are valued at market values and any unrealised gains / (losses) are taken to other comprehensive income.

#### 5.8.3 Held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognised directly in the profit and loss account, for the period in which it arises. Subsequent to initial recognition these are measured at fair value by reference to quoted market prices.

##### a) Trade and settlement date accounting

All 'regular way' purchases and sales of financial assets are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

##### b) Derecognition

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

##### c) Impairment

##### Available for sale

The Company considers that available for sale investments is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

### 5.9 Employee benefits

#### a) Defined contribution plan

The Company operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 10% of basic salary of the employees.

#### b) Defined benefit plan

The Company operates an approved gratuity fund for all its permanent employees whose period of service is three years. Actuarial valuation is carried out on yearly basis by using the projected unit credit method and contribution to the plans are made accordingly. Actuarial gains and losses are recognized in other comprehensive income in the year in which they arise.

**c) Employees' compensated absence**

The Company accounts for the liability in respect of eligible employees' compensated absences in the period in which they are earned.

**5.10 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash and bank deposits and exclude bank balances held under lien.

**5.11 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 future for the goods and / or 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 and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

**5.12 Investment and other income****5.12.1 Dividend income and bonus shares**

Dividend income is recognised when the right to receive the same is established.

Entitlement of bonus shares is recognised when the right to receive the same is established.

**5.12.2 Interest income**

Interest income is recognised on time proportion basis that takes into account effective yield on the assets.

**5.13 Segment reporting**

The Company's operating business is organized and managed separately according to the nature of the services provided with each segment representing a strategic business unit that serves different markets.

The Company has seven major segments namely fire and property damage, marine, aviation and transport, motor, accident and health, engineering and miscellaneous.

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

**5.14 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and 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 the derecognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

Financial instruments carried in the statement of financial position include investments, loan and other receivables, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims, cash and bank, provision for outstanding claims, insurance / reinsurance payables, other creditors and accruals.

**5.15 Off setting of financial asset and financial liabilities**

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

**5.16 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

**5.17 Taxation**

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

**5.17.1 Current**

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalised during the year or required by any other reason.

**5.17.2 Deferred**

Deferred tax is recognised using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the date of statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**5.17.3 Levies**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

**5.18 Foreign currencies**

Transactions in foreign currency, if any, are converted into Pakistani Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the reporting date. Exchange difference are taken to profit and loss account.

**5.19 Management expenses**

Management expenses are allocated to all classes of business in proportion to the net premium income of the year. Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Provision for bad debts is based on review of outstanding amounts as at reporting date. Bad debts are written off to the profit and loss account when identified. Expenses not allowable to the underwriting business are charged to other expenses.

**5.20 Impairment**

The carrying amounts of the Company's assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognised in the profit and loss account.

**5.21 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 shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**5.22 Dividend and bonus shares**

Dividend to shareholders is recognised as liability in the year in which it is approved. Similarly, reserve for issue of bonus shares is recognised in the year in which such issue is approved.

**5.23 Fair value**

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

**5.24 Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

**5.25 Window Takaful Operations**

The accounting policies adopted for Window Takaful Operations are stated in the annexed financial statements of Window Takaful Operations for the year ended December 31, 2024.



### 6.1 Disposal of fixed asset

As of December 2024

Disposal of fixed assets during the year having written down value of more than Rs. 50,000/- is Rs. \_\_\_\_\_ are as follows:

Description	Cost	Written down value	Sales proceeds	Gain / (Loss)	Particulars of Purchaser	Mode of disposal	Relation with Company
Samsung 43 Inches Smart LED	99,275	57,910	68,000	10,090	M.A Enterprises	Tender	Third Party
Samsung 50 Inches Smart LED	135,850	76,982	78,000	1,018	M.A Enterprises	Tender	Third Party
Honda Civic	3,705,000	185,250	185,250	-	Muhammad Faisal Siddiqui	As per HR Policy	CEO
Toyota Corolla	3,242,810	162,141	162,141	-	Nadeem Akhter	As per HR Policy	CFO & CS
Leasehold Improvement	2,936,200	1,457,353	-	(1,457,353)	N/A	Scrap	N/A
	<b>10,119,135</b>	<b>1,939,635</b>	<b>493,391</b>	<b>(1,446,245)</b>			

### 7 INTANGIBLE ASSETS

Description	2024							Amortization rate (%) per annum)	
	Cost			Amortisation			Written down value as at December 31, 2024		
	As at January 01, 2024	Additions	Adjustments	As at December 31, 2024	As at January 01, 2024	For the year			As at December 31, 2024
-----Rupees-----									
Computer softwares	10,141,103	470,159	-	10,611,262	9,030,100	971,425	10,001,525	609,737	33.33%
	10,141,103	470,159	-	10,611,262	9,030,100	971,425	10,001,525	609,737	
Particulars	2023							Amortization rate (%) per annum)	
	Cost			Amortisation			Written down value as at December 31, 2023		
	As at January 01, 2023	Additions	Adjustments	As at December 31, 2023	As at January 01, 2023	For the year			As at December 31, 2023
-----Rupees-----									
Computer softwares	9,973,133	167,970	-	10,141,103	8,252,830	777,270	9,030,100	1,111,003	33.33%
	9,973,133	167,970	-	10,141,103	8,252,830	777,270	9,030,100	1,111,003	

## 8 INVESTMENTS IN DEBT SECURITIES

	2024				2023			
	Cost	Impairment / provision	Change in fairvalue	Carrying value	Cost	Impairment / provision	Change in fairvalue	Carrying value
	-----Rupees-----				-----Rupees-----			
<b>Held to maturity (note 8.1)</b>								
Government securities								
Pakistan Investment Bonds (note 8.2)	122,406,596	-	-	122,406,596	119,201,107	-	-	119,201,107
	122,406,596	-	-	122,406,596	119,201,107	-	-	119,201,107
<b>Available for sale (note 8.1)</b>								
Government securities								
Pakistan Investment Bonds	3,363,885,434	-	186,539,153	3,550,424,587	3,000,238,893	-	(44,590,260)	2,955,648,633
Treasury Bills	96,996,501	-	-	96,996,501	662,573,660	-	(564,734)	662,008,926
<b>Term Finance Certificate - Unquoted (note 8.3)</b>								
Meezan Bank Limited	143,000,000	-	-	143,000,000	143,000,000	-	-	143,000,000
Bank Al Habib Limited	132,000,000	-	-	132,000,000	132,000,000	-	-	132,000,000
Soneri Bank Limited	150,000,000	-	150,000	150,150,000	150,000,000	-	150,000	150,150,000
United Bank Limited	150,000,000	-	(2,723,250)	147,276,750	150,000,000	-	(3,435,000)	146,565,000
	575,000,000	-	(2,573,250)	572,426,750	575,000,000	-	(3,285,000)	571,715,000
	4,035,881,935	-	183,965,903	4,219,847,838	4,237,812,553	-	(48,439,994)	4,189,372,559
	4,158,288,531	-	183,965,903	4,342,254,434	4,357,013,660	-	(48,439,994)	4,308,573,666

### 8.1 Investments in debt securities - held to maturity and available for sale

Name of investment	2024				
	Maturity year	Effective yield %	Profit Payment	Face Value	Total
	-----Rupees-----				
<b>Held To Maturity</b>					
Pakistan Investment Bonds					
10 Years Pakistan Investment Bond	2028	13.10%	Half yearly	37,500,000	32,996,749
10 Years Pakistan Investment Bond	2028	12.55%	Half yearly	100,000,000	89,409,847
					122,406,596
<b>Available for sale</b>					
Government securities					
Treasury Bills					
3 Months Treasury Bill	2025	13.46%	On maturity	100,000,000	96,996,500
Pakistan Investment Bonds-Fixed rate					
3 Years Pakistan Investment Bond	2026	19.22%	Half yearly	600,000,000	598,393,033
3 Years Pakistan Investment Bond	2026	16.00%	Half yearly	2,700,000,000	2,692,768,647
3 Years Pakistan Investment Bond	2027	12.43%	Half yearly	250,000,000	259,262,908
					3,550,424,588
<b>Term Finance Certificates</b>					
Meezan Bank Limited	Perpetuity	(KIBOR+1.75%)	Monthly	143,000,000	143,000,000
Bank Al Habib Limited	Perpetuity	(KIBOR+1.50%)	Half yearly	132,000,000	132,000,000
Soneri Bank Limited	2038	(KIBOR+2.00%)	Half yearly	150,000,000	150,150,000
United Bank Limited	Perpetuity	(KIBOR+1.55%)	Quarterly	150,000,000	147,276,750
					572,426,750
					4,219,847,838
					4,342,254,434

2023					
Name of investment	Maturity year	Effective yield %	Profit Payment	Face Value	Total
-----Rupees -----					
<b>Held To Maturity</b>					
Pakistan Investment Bonds					
10 Years Pakistan Investment Bond	2028	13.10%	Half yearly	37,500,000	32,048,597
10 Years Pakistan Investment Bond	2028	12.55%	Half yearly	100,000,000	87,152,510
					119,201,107
<b>Available for sale</b>					
Government securities					
Treasury Bills					
3 Months Treasury Bill	2024	21.29%	On maturity	200,000,000	190,675,344
3 Months Treasury Bill	2024	21.36%	On maturity	495,000,000	471,333,581
					662,008,926
Pakistan Investment Bonds-Fixed rate					
2 Years Pakistan Investment Bond	2026	19.22%	Half yearly	600,000,000	537,390,661
2 Years Pakistan Investment Bond	2026	16.00%	Half yearly	2,700,000,000	2,418,257,972
					2,955,648,633
<b>Term Finance Certificates</b>					
Meezan Bank Limited	Perpetuity	(KIBOR+1.75%)	Monthly	143,000,000	143,000,000
Bank Al Habib Limited	Perpetuity	(KIBOR+1.50%)	Half yearly	132,000,000	132,000,000
Soneri Bank Limited	2038	(KIBOR+2.00%)	Half yearly	150,000,000	150,150,000
United Bank Limited	Perpetuity	(KIBOR+1.55%)	Quarterly	150,000,000	146,565,000
					571,715,000
					4,189,372,559
					4,308,573,666

**8.2** These include PIB's amounting to Rs. 122.406 million (2023: Rs. 119.201 million), which are pledged with State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

### 8.3 Term Finance Certificate and Corporate Sukuk

	No. of certificates		Face value	Value of certificate	
	2024	2023		2024	2023
Meezan Bank Limited	143	143	1,000,000	143,000,000	143,000,000
Bank Al Habib Limited	26,400	26,400	5,000	132,000,000	132,000,000
Soneri Bank Limited	30,000	30,000	5,000	150,000,000	150,000,000
United Bank Limited	30,000	30,000	5,000	150,000,000	150,000,000
	86,543	86,543		575,000,000	575,000,000

	Note	2024	2023
		----- Rupees -----	
<b>9 INVESTMENT IN TERM DEPOSIT RECEIPTS</b>			
Deposits maturing within 12 months - local currency	9.1	200,000,000	200,000,000

**9.1** These represents Term Deposit Receipts (TDRs) with Sindh Microfinance Bank Limited, a related party carrying markup ranging from 20% to 21.1% (2023: 16.00% to 20.50%) per annum.

#### 10 LOANS AND OTHER RECEIVABLES

Unsecured - considered good			
Accrued investment income		241,681,977	224,156,164
Loans to employees	10.1	2,466,775	739,734
Other receivables	10.2	50,884,977	32,686,836
Defined benefit asset	33.3	1,157,209	425,362
		<u>296,190,938</u>	<u>258,008,096</u>

**10.1** This represents loans provided to employees for domestic purposes which carry 5% interest / markup.

**10.2** The maximum amount due from Sindh Modaraba Management Limited at the end of any month during the year was Rs. 0.270 million (2023: 0.270 million).

	Note	2024	2023
		----- Rupees -----	
<b>11 INSURANCE / REINSURANCE RECEIVABLES</b>			
(Unsecured - considered good)			
Due from insurance contract holders	11.1	318,966,720	342,334,191
Due from other insurers / reinsurers		187,852,576	237,961,642
		<u>506,819,296</u>	<u>580,295,833</u>

**11.1** Due from insurance contract holders includes Rs. 277.089 million due from related parties (2023: 278.274 million).

**11.2** The Company has the policy of recovery of due from insurance contract holders within a period of 12 month, therefore, no provision for impairment of receivable from insurance contract holders has been recorded.

	Note	2024	2023
		----- Rupees -----	
<b>12 DEFERRED TAXATION</b>			
Deferred tax liability / (asset) arising in respect of:			
Provision for compensated leave absences		(1,688,498)	(1,714,892)
Provision for gratuity		289,826	(179,820)
Accelerated tax depreciation		6,318,469	(370,860)
Lease liabilities		(6,842,237)	(359,977)
Unrealised loss / gain on available for sale investments		71,746,703	(14,047,598)
		<u>69,824,263</u>	<u>(16,673,147)</u>

#### 13 PREPAYMENTS

Prepaid reinsurance premium ceded	683,910,554	773,019,411
Prepaid insurance expense	5,212,164	12,242,310
Others	959,613	3,202,179
	<u>690,082,331</u>	<u>788,463,900</u>

#### 14 CASH AND BANK

Cash and cash equivalents		
Cash in hand	84,290	48,225
Policy stamps	1,235,155	501,416
Cash at bank		
Saving accounts	14.1 & 14.2	162,631,075
		<u>163,950,520</u>

**14.1** This represents interest bearing accounts carrying interest rates ranging from 13.5% to 20.5% (2023: 14.5% to 20.5%) per annum.

**14.2** This includes balance amounting to 155.704 million Rs. (2023: 92.874 million) with Sindh Bank Limited, a related party.

**15 ORDINARY SHARE CAPITAL**
**15.1 Authorized share capital**

2024	2023		2024	2023
-----Number of shares-----			----- Rupees -----	
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary shares of Rupees 10 each	<u>1,500,000,000</u>	<u>1,500,000,000</u>

**15.2 Issued, subscribed and paid up share capital**

2024	2023		2024	2023
-----Number of shares-----			----- Rupees -----	
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rupees 10 each fully paid in cash	<u>1,000,000,000</u>	<u>1,000,000,000</u>

**15.3** As at December 31, 2024, all the shares are beneficially held by Government of Sindh directly and through nominee directors.

	Note	2024	2023
		----- Rupees -----	
<b>16 PREMIUM RECEIVED IN ADVANCE</b>			
Premium received in advance	16.1	<u>18,959,356</u>	<u>33,561,367</u>

**16.1** This includes premium received in advance amounting to 14.502 million (2023: 14.502 million million) from Sindh Bar Council against which the policy has not been issued.

	Note	2024	2023
		----- Rupees -----	
<b>17 INSURANCE / REINSURANCE PAYABLES</b>			
Due to other insurers / reinsurers			
Local		<u>208,412,452</u>	113,293,031
Foreign		<u>154,912,290</u>	<u>683,671,093</u>
		<u>363,324,742</u>	<u>796,964,124</u>

**18 OTHER CREDITORS AND ACCRUALS**

Agent commission payable		<u>1,003,338</u>	1,121,745
Federal excise duty / sales tax		<u>15,341,819</u>	3,023,205
Federal insurance fee		<u>1,022,071</u>	267,793
Accrued expenses		<u>24,666,800</u>	15,061,267
Withholding tax payable		<u>3,026,997</u>	1,985,508
Provision for compensated leave absences	18.1	<u>4,329,481</u>	5,913,419
Auditors' remuneration		<u>1,517,181</u>	1,305,197
Rent payable		<u>-</u>	4,470,525
		<u>50,907,687</u>	<u>33,148,659</u>

**18.1 Provision for compensated leave absences**

Opening balance		<u>5,913,419</u>	4,785,036
Provision for the year		<u>(1,503,694)</u>	1,393,073
Payments made during the year		<u>(80,244)</u>	(264,690)
Closing balance		<u>4,329,481</u>	<u>5,913,419</u>

**19 LEASE LIABILITIES**

Lease liabilities recongnized as on January 1		<u>1,241,299</u>	1,407,248
Add: Additions during the year		<u>21,557,544</u>	4,382,328
Interest accrued		<u>(2,989,481)</u>	(668,064)
Less: repayment of lease liabilities		<u>(2,265,164)</u>	(3,880,213)
		<u>17,544,198</u>	<u>1,241,299</u>

	Note	2024	2023
		----- Rupees -----	
<b>19.1 Break up of lease liabilities</b>			
Lease liabilities		17,544,198	1,241,299
Less: current portion		(9,575,687)	(535,120)
		<u>7,968,511</u>	<u>706,179</u>
Maturity analysis - contractual undiscounted cash flows:			
Less than one year		9,575,687	535,120
One to five years		7,968,511	706,179
Total undiscounted lease liability		<u>17,544,198</u>	<u>1,241,299</u>
<b>19.2</b> When measuring lease liabilities, the Company discounted lease payments using incremental borrowing rates ranging from 19.35% to 24.24% (2023: 10.51% to 25.31%) per annum.			
<b>20 TAXATION - NET</b>			
Provision for income tax		352,954,591	975,241,460
Less: Advance tax		(373,564,961)	(916,004,902)
		<u>(20,610,371)</u>	<u>59,236,558</u>
<b>21 CONTINGENCIES AND COMMITMENTS</b>			
There are no contingencies and commitments as at the reporting date (2023: Nil).			
<b>22 NET INSURANCE PREMIUM</b>			
Written gross premium		1,628,523,880	1,784,624,099
Unearned premium reserve - opening		865,751,001	581,605,412
Unearned premium reserve - closing		(835,797,362)	(865,751,001)
Premium earned		<u>1,658,477,519</u>	<u>1,500,478,510</u>
Less: Reinsurance premium ceded		<u>1,144,016,026</u>	<u>1,555,592,594</u>
Prepaid reinsurance premium ceded - opening		773,019,411	446,781,223
Less: Prepaid reinsurance premium ceded - closing		(683,910,554)	(773,019,411)
Reinsurance expense		<u>1,233,124,883</u>	<u>1,229,354,406</u>
		<u>425,352,636</u>	<u>271,124,104</u>
<b>23 NET INSURANCE CLAIMS</b>			
Claim paid		468,751,408	499,351,389
Outstanding claims including IBNR - opening		(1,279,187,790)	(1,499,364,156)
Outstanding claims including IBNR - closing	23.1	<u>1,065,463,708</u>	<u>1,279,187,790</u>
Claim expense		<u>255,027,326</u>	<u>279,175,023</u>
Less: Reinsurance and other recoveries received		<u>58,784,034</u>	<u>180,780,591</u>
Reinsurance and other recoveries in respect of outstanding claims - opening		(34,229,942)	(47,406,441)
Reinsurance and other recoveries in respect of outstanding claims - closing		<u>37,762,676</u>	<u>34,229,942</u>
Reinsurance and other recoveries revenue		<u>62,316,768</u>	<u>167,604,092</u>
		<u>192,710,558</u>	<u>111,570,931</u>

**23.1** This includes provision for incurred but not reported (IBNR) amounting to Rs. 766.596 million (2023: Rs. 1,042.981 million).

### 23.2 Claim development

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

Accident year	2020	2021	2022	2023	2024	Total
	-----Rupees-----					
Estimate of ultimate claims cost:						
At the end of accident year	151,371,769	205,646,561	309,458,170	662,116,531	<b>579,020,575</b>	1,907,613,606
One year later	149,943,931	206,450,009	272,690,424	489,051,022	-	1,118,135,386
Two years later	135,759,961	196,532,274	370,049,281	-	-	702,341,516
Three years later	121,950,732	187,326,578	-	-	-	309,277,310
Four years later	128,368,011	-	-	-	-	128,368,011
Current estimate of cumulative claims	128,368,011	187,326,578	370,049,281	489,051,022	<b>579,020,575</b>	1,753,815,467
Cumulative payment to date	(123,814,311)	(185,823,028)	(354,359,971)	(424,970,089)	<b>(365,977,185)</b>	(1,454,944,584)
Liability recognized in statement of financial position	<u>4,553,700</u>	<u>1,503,550</u>	<u>15,689,310</u>	<u>64,080,933</u>	<u><b>213,043,390</b></u>	<u>298,870,883</u>

	<b>2024</b>	<b>2023</b>
	----- Rupees -----	
<b>24 NET COMMISSION</b>		
Commission paid or payable	<b>5,745,906</b>	44,913,968
Deferred commission expense - opening	<b>3,611,185</b>	1,034,587
Deferred commission expense - closing	<b>(1,254,831)</b>	(3,611,185)
Net commission	<b>8,102,260</b>	42,337,370
Less: Reinsurance commission received or recoverable	<b>(101,187,398)</b>	(78,768,577)
Unearned reinsurance commission - opening	<b>(33,472,452)</b>	(21,542,710)
Unearned reinsurance commission - closing	<b>46,024,544</b>	33,472,452
Commission from reinsurers	<b>(88,635,306)</b>	(66,838,835)
	<b>(80,533,046)</b>	(24,501,465)

### 25 MANAGEMENT EXPENSES

Employee benefits cost	25.1	<b>111,149,451</b>	85,178,170
Travelling expense		<b>15,617,037</b>	12,325,027
Advertisement and sales promotion		<b>3,004,483</b>	1,428,816
Printing and stationery		<b>4,734,584</b>	3,262,820
Service charges (Health Econnex)		<b>15,766,284</b>	9,027,423
Insurance expense		<b>13,691,683</b>	8,967,477
Depreciation	6	<b>15,639,011</b>	11,920,954
Amortisation	7	<b>971,425</b>	777,270
Rent, rates and taxes		<b>142,025</b>	399,750
Legal and professional charges		<b>4,119,404</b>	3,885,671
Electricity, gas and water		<b>5,780,242</b>	3,885,403
Entertainment		<b>4,529,074</b>	2,688,272
Vehicle running expense		<b>296,650</b>	82,072
Office repairs and maintenance		<b>5,827,141</b>	3,916,568
Office expense		<b>3,055,802</b>	1,832,752
Bank charges		<b>1,984,263</b>	962,298
Postage, telegrams and telephones		<b>1,899,823</b>	1,671,973
Annual supervision fee SECP		<b>2,828,780</b>	1,689,971
Miscellaneous		<b>6,135,474</b>	3,330,552
		<b>217,172,636</b>	157,233,239

#### 25.1 Employee benefits cost

Salaries, allowance and other benefits		<b>108,437,608</b>	82,925,779
Charges for post employment benefits	33.7	<b>2,711,843</b>	2,252,391
		<b>111,149,451</b>	85,178,170

	Note	2024 Unaudited	2023 Audited
		----- Rupees -----	
<b>25.2 Employees' provident fund</b>			
Size of the fund		44,223,035	33,466,131
Number of members		18	18
Cost of investment made		40,276,948	30,832,790
Percentage of investment made		91%	92%
Fair value / amortised cost of the investments		40,276,948	30,832,790
<b>Break up of the investments is as follows:</b>			
Government securities		40,276,948	30,832,790
Pakistan Investment bonds		40,276,948	30,832,790

**25.3** The Company has contributory provident fund scheme of all its permanent employees. The fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees. The investments by the fund have been made in accordance with the conditions specified in section 218 of the Companies Act 2017 and rules specified thereunder.

	Note	2024	2023
		----- Rupees -----	
<b>26 INVESTMENT INCOME</b>			
Gain on sale of investment		156,453	1,329
Income from debt securities - Available for sale		713,935,078	870,858,226
Held to maturity		15,236,739	14,865,037
Income from term deposits		39,959,159	37,306,849
		<u>769,287,429</u>	<u>923,031,441</u>
<b>27 OTHER INCOME</b>			
Profit on bank deposit		41,935,082	53,018,075
Income on generator sharing		1,080,000	1,260,000
Other		14,579,790	2,759,737
		<u>57,594,872</u>	<u>57,037,812</u>
<b>28 OTHER EXPENSES</b>			
Auditors' remuneration	28.1	1,420,957	1,011,697
Directors' remuneration	32	37,850,000	13,555,000
		<u>39,270,957</u>	<u>14,566,697</u>
<b>28.1 Auditors' remuneration</b>			
Audit fee		494,640	586,040
Half yearly review fee		229,553	149,239
Special certifications and sundry advisory services		161,762	166,981
Out-of-pocket expenses		36,210	109,437
Other		498,793	-
		<u>1,420,957</u>	<u>1,011,697</u>
<b>29 FINANCE COST</b>			
Finance cost on lease liability	19	2,921,423	668,064
<b>30 TAXATION</b>			
For the year			
Current	30.1	346,069,147	389,872,743
Prior		33,121,420	-
Deferred		561,420	(1,033,619)
		<u>379,751,987</u>	<u>388,839,124</u>

	Note	2024	2023
		----- Rupees -----	-----
30.1 Relationship between accounting profit and tax expense is as follows			
Accounting profit before tax		892,078,021	989,429,570
Tax at the applicable rate of 39% (2023: 39%)		347,910,428	385,877,532
Prior year		33,121,420	-
Others		(1,279,861)	2,961,592
		379,751,987	388,839,124
31 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after tax		512,326,034	610,004,226
Weighted average number of ordinary shares outstanding (Numbers)		100,000,000	100,000,000
Earnings per share (Rupees)	31.1	5.12	6.10

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

## **32 REMUNERATION OF DIRECTORS AND EXECUTIVES**

	Chief Executive Officer		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	-----Rupees-----					
Meeting fee	-	-	<b>37,850,000</b>	13,555,000	-	-
Managerial remuneration	<b>10,142,978</b>	8,693,988	-	-	<b>9,419,520</b>	7,675,404
Rent and house maintenance	<b>4,057,200</b>	3,477,600	-	-	<b>3,767,773</b>	3,070,152
Utilities	<b>1,014,300</b>	869,400	-	-	<b>978,785</b>	767,532
Medical	<b>1,014,300</b>	869,400	-	-	<b>978,785</b>	767,532
Bonus	<b>2,825,545</b>	1,448,998	-	-	<b>2,529,346</b>	1,279,234
Others	<b>1,965,512</b>	1,304,075	-	-	<b>2,238,490</b>	1,379,982
	<b>21,019,835</b>	16,663,461	<b>37,850,000</b>	13,555,000	<b>19,912,699</b>	14,939,836
Number of persons	1	1	7	7	2	2

**32.1** In addition to the above, the Chief Executive and Executives of the Company are provided with company maintained cars and medical reimbursement as per company policy.

## **33 DEFINED BENEFIT PLAN**

### **33.1 General description**

The scheme provides to employees on cessation of employment to all of its permanent employees who attain the minimum qualifying period (3 years) at 100% of last drawn basic salary. Annual charge is based on actuarial valuation carried out as at December 31, 2024 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

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

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Asset volatility - Most assets are invested in risk free investments i.e. Government Bonds / Treasury bills. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the 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 plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the Actuary.

### 33.2 Principal actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

	2024 %age	2023 %age
Discount rate	12.25%	16.00%
Expected rate of return on plan assets	12.25%	16.00%
Expected rate of increase in salary	12.25%	16.00%

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
<b>33.3 Reconciliation of balance due to defined benefit plan</b>			
Present value of defined benefit obligation	33.5	22,748,314	17,022,483
Fair value of plan assets	33.6	(23,905,524)	(17,447,846)
Closing net (assets) / liability		<u>(1,157,210)</u>	<u>(425,363)</u>
<b>33.4 Movement of the liability recognized in the statement of financial position</b>			
Opening net liability		(425,363)	(382,764)
Charge for the year		2,643,785	2,191,148
Remeasurement chargeable to other comprehensive (income) / loss		(631,367)	(86,011)
Contribution made during the year	33.6	<u>(2,744,265)</u>	<u>(2,147,736)</u>
Closing net (assets) / liability		<u>(1,157,210)</u>	<u>(425,363)</u>
<b>33.5 Movement in present value of defined benefit obligations</b>			
Opening present value of defined benefit obligations		17,022,483	12,451,277
Current service cost for the year		2,711,843	2,252,391
Interest cost for the year		2,723,597	1,992,204
Remeasurement loss on obligation		487,608	547,411
Benefits paid during the year		<u>(197,217)</u>	<u>(220,800)</u>
Closing present value of defined benefit obligations		<u>22,748,314</u>	<u>17,022,483</u>
<b>33.6 Movement in fair value of plan assets</b>			
Opening fair value of plan assets		17,447,846	12,834,041
Contributions during the year		2,744,265	2,147,736
Interest income for the year		2,791,655	2,053,447
Remeasurement on plan assets		1,118,975	633,422
Benefits paid during the year		<u>(197,217)</u>	<u>(220,800)</u>
Closing fair value of plan assets		<u>23,905,524</u>	<u>17,447,846</u>

	2024	2023
	----- Rupees -----	
<b>33.7 Charge for the year</b>		
Current service cost	2,711,843	2,252,391
Interest income	(68,058)	(61,243)
Charge for the year	<u>2,643,785</u>	<u>2,191,148</u>

**33.8 Remeasurement chargeable to other comprehensive income**

Remeasurement loss on defined benefit obligation	487,608	547,411
Remeasurement gain on plan assets	(1,118,975)	(633,422)
	<u>(631,367)</u>	<u>(86,011)</u>

**33.9 Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation is as follows:

**33.10 Maturity Profile**

	2024	2023
	----- Rupees -----	
Time in year		
1	577,000	594,000
2	573,000	534,000
3	571,000	463,000
4	3,125,000	481,000
5-10	59,188,000	81,529,000

**34 TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of associated companies, entities under common control, entities with common directors, major shareholders and key management personnel of the Company. Transactions and balances with related parties have been disclosed in relevant notes to the financial statements. Other transactions and balances not elsewhere disclosed are summarised as follows:

Name of related party	Nature of relationship	Nature of transaction	2024	2023
			-----Rupees-----	

**Transaction during the year**

Sindh Bank Limited	Companies having common directorship	Income on savings accounts	41,868,110	52,958,218
		Term deposit receipts	19,016,693	37,306,849
		Premium written	193,914,304	67,526,901
		Claims paid	76,896,109	67,311,173
Sindh Modaraba Management Limited	Companies having common directorship	Income on sharing of generator	1,080,000	1,260,000

**Transaction during the year**

Sindh Microfinance Bank Limited	Companies having common directorship	Premium written	14,622,975	3,614,338
		Claims paid	3,056,709	731,272
		Income on term deposits	20,942,466	-
Directors	Directors	Premium written	114,807	629,635
		Claims paid	11,940	158,252
		Remuneration paid	37,850,000	13,555,000
		Liability Insurance	1,872,750	-
		Health Insurance & OPD		
		Reimbursement	4,578,472	-

Name of related party	Nature of relationship	Nature of transaction	2024	2023
			-----Rupees-----	
Provident fund	Employees' fund	Contribution to provident fund	3,051,818	2,548,274
Government of Sindh	Shareholder	Premium written	1	1
		Claims paid	258,358,300	204,058,840
		Commission expense	-	35,057,137
Balances outstanding				
Sindh Bank Limited	Companies having common directorship	Bank accounts	155,704,778	92,874,012
		Investment	-	200,000,000
		Term Deposit Receipts		
		Due from insurance contract holder	1,983,016	3,029,238
		Claims payable	13,608,871	15,271,720
		Lease liability	-	683,328
Sindh Modarba Management Limited	Companies having common directorship	Amount receivable for sharing of generator	(10,900)	-
Sindh Microfinance Bank Limited	Companies having common directorship	Due from insurance contract holder	(139,370)	-
		Claims payable	10,547,625	84,432
		Term Deposit Receipts	200,000,000	-
Directors	Directors	Due from insurance contract holder	-	-
		Claims payable	-	53,548
		Receivable - Window Takaful Operations	15,022,882	15,860,779

### 35 SEGMENT REPORTING

Following are the segment assets, liabilities, revenue and expenses of the Company:

Segment current year	2024						Treaty	Total
	Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Engineering	Miscellaneous		
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	247,066,634	65,739,070	209,412,690	172,086,702	1,105,601,390	82,377,421	-	1,882,283,907
Less: Federal exercise duty	29,456,969	7,369,593	24,937,320	21,093,054	144,330,905	10,381,913	-	237,569,754
Federal insurance fee	2,110,401	558,434	1,788,496	1,513,393	9,506,542	713,007	-	16,190,273
Written gross premium including administrative surcharge	215,499,264	57,811,043	182,686,874	149,480,255	951,763,943	71,282,501	-	1,628,523,880
Gross direct premium	171,267,255	62,065,500	164,655,567	140,762,732	1,032,416,045	70,168,675	-	1,641,335,774
Facultative inward premium	5,145,099	1,243,549	8,249,947	-	722,274	-	-	15,360,869
Administrative surcharge	199,772	449,379	894,262	34,238	82,819	120,406	-	1,780,876
	176,612,126	63,758,428	173,799,776	140,796,970	1,033,221,138	70,289,081	-	1,658,477,519
Premium earned	176,612,126	63,758,428	173,799,776	140,796,970	1,033,221,138	70,289,081	-	1,658,477,519
Reinsurance expense	(151,004,794)	(42,098,513)	(88,671,815)	-	(904,746,387)	(46,603,374)	-	(1,233,124,883)
Net insurance premium	25,607,332	21,659,915	85,127,961	140,796,970	128,474,751	23,685,707	-	425,352,636
Commission income	22,035,601	4,291,282	27,337,251	-	34,583,744	387,428	-	88,635,306
Net underwriting income	47,642,933	25,951,197	112,465,212	140,796,970	163,058,495	24,073,135	-	513,987,942
Insurance claims	(13,282,741)	10,038,896	97,130,919	121,014,843	14,706,588	25,418,822	-	255,027,326
Insurance claims recovered from reinsurers	(14,769,873)	1,333,598	46,108,965	-	13,878,265	15,765,814	-	62,316,769
Net claims	1,487,131	8,705,298	51,021,954	121,014,843	828,323	9,653,008	-	192,710,558
Commission expense	2,341,218	316,229	1,847,807	3,185,536	297,694	113,776	-	8,102,260
Management expense	24,596,270	6,598,334	20,851,188	48,360,197	108,630,732	8,135,915	-	217,172,636
Premium deficiency (expense) / income	1,153,805	-	899,304	296,119	-	(426,863)	-	1,922,366
Net insurance claims and expenses	29,578,425	15,619,860	74,620,253	172,856,696	109,756,750	17,475,836	-	419,907,820
Underwriting result	18,064,508	10,331,337	37,844,959	(32,059,726)	53,301,745	6,597,299	-	94,080,122
Net investment income							-	769,287,429
Other income							-	57,594,872
Other expenses							-	(39,270,957)
Finance costs							-	(2,921,423)
Profit from Window Takaful Operation							-	13,307,978
Profit before tax							-	892,078,021
Segment assets							-	1,473,896,109
Un-allocated assets							-	4,952,642,201
Total assets							-	6,426,538,310
Segment liabilities							-	2,360,305,046
Un-allocated liabilities							-	152,292,789
Total liabilities							-	2,512,597,835

Segment current year	2023					Treaty	Total
	Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Engineering	Miscellaneous	
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	176,222,971	61,881,836	193,085,284	100,631,669	1,404,121,181	88,087,302	2,024,010,243
Less: Federal exercise duty	20,009,263	7,015,121	21,497,138	2,979,614	160,040,864	10,045,844	221,587,844
Federal insurance fee	1,538,163	539,257	1,652,491	985,220	12,310,712	772,457	17,798,300
Written gross premium including administrative surcharge	154,675,545	54,327,458	169,935,655	96,666,835	1,231,769,605	77,249,001	1,784,624,099
Gross direct premium	126,068,024	42,013,663	137,225,684	92,503,805	1,021,142,960	68,575,903	1,487,530,039
Facultative inward premium	1,268,878	395,661	9,222,620	-	734,272	-	11,621,431
Administrative surcharge	148,324	197,410	785,796	27,847	60,327	107,335	1,327,039
	127,485,226	42,606,734	147,234,100	92,531,652	1,021,937,559	68,683,238	1,500,478,509
Premium earned	127,485,226	42,606,734	147,234,100	92,531,652	1,021,937,559	68,683,238	1,500,478,509
Reinsurance expense	(117,998,496)	(32,276,864)	(66,974,736)	-	(961,252,509)	(50,851,800)	(1,229,354,405)
Net insurance premium	9,486,730	10,329,870	80,259,364	92,531,652	60,685,050	17,831,438	271,124,104
Commission income	16,945,935	3,462,236	22,562,958	-	23,363,641	504,065	66,838,835
Net underwriting income	26,432,665	13,792,106	102,822,322	92,531,652	84,048,691	18,335,503	337,962,939
Insurance claims	38,309,704	5,075,663	69,326,394	29,405,320	117,612,201	19,445,742	279,175,023
Insurance claims recovered from reinsurers	32,609,354	4,150,592	32,271,701	-	107,431,840	(8,859,394)	167,604,093
Net claims	5,700,350	925,071	37,054,693	29,405,320	10,180,361	28,305,136	111,570,930
Commission expense	1,921,995	82,132	1,712,380	38,255,674	294,240	70,949	42,337,370
Management expense	11,643,615	4,089,645	12,792,361	30,167,742	92,724,752	5,815,125	157,233,240
Premium deficiency (expense) / income	3,545,425	(1,808,051)	(3,930,689)	4,750,986	-	(331,350)	2,226,321
Net insurance claims and expenses	22,811,385	3,288,797	47,628,745	102,579,722	103,199,353	33,859,860	313,367,861
Underwriting result	3,621,281	10,503,309	55,193,577	(10,048,070)	(19,150,662)	(15,524,357)	24,595,078
Net investment income							923,031,441
Other income							57,037,812
Other expenses							(14,566,697)
Finance costs							(668,064)
Profit from Window Takaful Operation							9,413,780
Profit before tax							998,843,350
Segment assets							1,616,777,429
Un-allocated assets							4,780,908,795
Total assets	140,128,070	49,217,876	153,952,943	87,575,169	1,115,919,759	69,983,612	6,397,686,224
Segment liabilities							3,097,104,666
Un-allocated liabilities							46,016,623
Total liabilities	268,429,835	94,281,941	294,912,811	167,759,309	2,137,659,910	134,060,860	3,143,121,289

### 36. MOVEMENT IN INVESTMENT

	Held to maturity	Available for sale	Total
	-----Rupees-----		
As at January 01, 2023	116,367,319	3,863,921,757	3,980,289,076
Additions	2,833,788	5,724,066,410	5,726,900,198
Disposals (sale and redemptions)	-	(5,350,175,614)	(5,350,175,614)
Fair value net loss (excluding net realised loss)	-	(48,439,994)	(48,439,994)
	2,833,788	325,450,802	328,284,590
<b>As at December 31, 2023</b>	<b>119,201,107</b>	<b>4,189,372,559</b>	<b>4,308,573,666</b>
Additions	3,205,489	1,896,511,741	1,899,717,229
Disposals (sale and redemptions)	-	(2,098,442,360)	(2,098,442,360)
Fair value net loss (excluding net realised loss)	-	232,405,899	232,405,899
	3,205,489	30,475,280	33,680,768
<b>As at December 31, 2024</b>	<b>122,406,596</b>	<b>4,219,847,839</b>	<b>4,342,254,434</b>

### 37. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

The Company's activities expose it to a variety of insurance and financial risks: credit risk, liquidity risk and market risk (including interest / mark-up rate risk, price risk and currency risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to insurance and financial risk without any material change from previous year in the manner described in notes below. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

#### 37.1 Insurance risk

The principal risk that the Company faces under insurance contracts is the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims and similar procedures are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. Reinsurance policies are written with approved reinsurers on either a proportionate basis or non-proportionate basis. The reinsurers are carefully selected and approved and are dispersed over several geographical regions.

Experience shows that larger the portfolio is in similar insurance contracts, smaller will be the relative variability about the expected outcome. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Company principally issues the general insurance contracts. Risks under these policies usually cover twelve month or lesser duration. For general insurance contracts, the most significant risks arise from accidental fire, atmospheric disaster and terrorist activities.

##### 37.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical factors, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Company manages these risk through the measures described above.

The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business as at the reporting date:

Class of business	2024				2023			
	Gross claims liability	Net claims liability	Gross premium liability	Net premium liability	Gross claims liability	Net claims liability	Gross premium liability	Net premium liability
	%	%	%	%	%	%	%	%
Fire and property damage	0.86%	0.76%	12%	10%	2.16%	0.55%	7%	4.57%
Marine, aviation and transport	0.64%	0.66%	1%	3%	0.03%	0.03%	2%	0.70%
Motor	4.21%	2.84%	9%	22%	2.14%	1.61%	8%	38.57%
Accident and health	88.14%	91.38%	6%	33%	92.17%	94.70%	5%	43.92%
Engineering	0.48%	0.09%	67%	27%	0.48%	0.09%	74%	1.60%
Miscellaneous	5.68%	4.27%	4%	6%	3.02%	3.02%	4%	10.65%
Total	100%	100%	100%	100%	100%	100%	100%	100%

### 37.1.2 Geographical concentration of insurance risk

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

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated primarily with the commercial / industrial 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 / reinsurers for their evaluation. Reference is made to the standard construction specifications laid down by Insurance Association of Pakistan (IAP). For fire and property risk, a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

A risk management solution is implemented to help assess and plan for risk in catastrophic scenarios. It provides a way to better visualize the risk exposure of the Company and to determine the appropriate amount of reinsurance coverage to protect the business portfolio.

### 37.1.3 Reinsurance arrangements

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

In compliance with regulatory requirements, the reinsurance agreements are duly submitted to the SECP on an annual basis.

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

Class	Gross sum insured	Reinsurance	Net exposure of risk	Net exposure of risk
			2024	2023
	-----Rupees-----			
Fire and property damage	42,000,000,000	41,979,000,000	21,000,000	3,504,750
Marine, aviation and transport	8,250,000,000	8,226,443,182	23,556,818	4,125,000
Motor	173,485,000	164,897,492	8,587,508	16,617,254
Accident and health	2,000,000	-	2,000,000	2,000,000
Engineering	44,800,000,000	44,777,600,000	22,400,000	54,661,421
Miscellaneous	7,000,000,000	6,996,500,000	3,500,000	3,937,500
	102,225,485,000	102,144,440,674	81,044,326	84,845,925

### 37.1.4 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 including the event reported after the expiry of the insurance contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on 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 IBNR, the Company follows the recommendation of actuary.

There are several variable factors which affect the amount and timing of recognized claim liabilities. 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 significantly different from initial recognized amount. Similarly, the provision for IBNR is based on historic reporting pattern of the claims other than exceptional losses. Hence, actual amount of IBNR may differ from the amount estimated.

### 37.1.5 Key assumptions

The principal assumption underlying the liability estimation of IBNR is that the Company's future claim development will follow similar market pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which reporting pattern will not apply in future. The judgment includes external factors such as treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

### 37.1.6 Sensitivity analysis

The insurance claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact on the before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analyzed below, the sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all the other assumptions constant.

	Pre-tax profit		Shareholders' equity	
	2024	2023	2024	2023
	-----Rupees-----		-----Rupees-----	
<b>10% increase in loss</b>				
Fire and property damage	148,713	570,035	105,586	404,725
Marine, aviation and transport	870,530	92,507	618,076	65,680
Motor	5,102,195	3,705,469	3,622,558	2,630,883
Accident and health	12,101,484	2,940,532	8,592,054	2,087,778
Engineering	82,832	1,018,036	58,811	722,806
Miscellaneous	965,301	2,830,514	685,364	2,009,665
	<b>19,271,055</b>	<b>11,157,093</b>	<b>13,682,449</b>	<b>7,921,537</b>

	Pre-tax profit		Shareholders' equity	
	2024	2023	2024	2023
	-----Rupees-----		-----Rupees-----	
<b>10% decrease in loss</b>				
Fire and property damage	(148,713)	(570,035)	(105,586)	(404,725)
Marine, aviation and transport	(870,530)	(92,507)	(618,076)	(65,680)
Motor	(5,102,195)	(3,705,469)	(3,622,558)	(2,630,883)
Accident and health	(12,101,484)	(2,940,532)	(8,592,054)	(2,087,778)
Engineering	(82,832)	(1,018,036)	(58,811)	(722,806)
Miscellaneous	(965,301)	(2,830,514)	(685,364)	(2,009,665)
	<b>(19,271,055)</b>	<b>(11,157,093)</b>	<b>(13,682,449)</b>	<b>(7,921,537)</b>

## 37.2 Financial risk

### 37.2.1 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management follows an effective cash management program to mitigate the liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments on an undiscounted cash flow basis:

2024				
Carrying amount	Contractual cash flows	Upto one year	More than one year	
-----Rupees-----				
<b>Financial liabilities</b>				
Premium received in advance	18,959,356	18,959,356	18,959,356	-
Outstanding claims including IBNR	1,065,463,708	1,065,463,708	1,065,463,708	-
Insurance / reinsurance payables	363,324,742	363,324,742	363,324,742	-
Other creditors and accruals	50,907,687	50,907,687	50,907,687	-
Lease liability	17,544,198	17,544,198	9,575,687	7,968,511
Liabilities of Window Takaful Operations - Operator's Fund	15,019,979	15,019,979	15,019,979	-
	1,531,219,670	1,531,219,670	1,523,251,159	7,968,511

2023				
Carrying amount	Contractual cash flows	Upto one year	More than one year	
-----Rupees-----				
<b>Financial liabilities</b>				
Premium received in advance	33,561,367	33,561,367	33,561,367	-
Outstanding claims including IBNR	1,279,187,790	1,279,187,790	1,279,187,790	-
Insurance / reinsurance payables	796,964,124	796,964,124	796,964,124	-
Other creditors and accruals	33,148,659	33,148,659	33,148,659	-
Lease liability	1,241,299	1,241,299	535,120	706,179
Liabilities of Window Takaful Operations - Operator's Fund	12,748,410	12,748,410	12,748,410	-
	2,156,851,649	2,156,851,649	2,156,145,470	706,179

### 37.2.2 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are interest / mark-up rate risk, price risk and currency risk.

#### a) Interest / mark-up rate risk

"Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatching of financial assets and liabilities that mature or repaid in a given year. The Company manages this mismatchment through risk management strategies where significant changes in gap position can be adjusted. At the reporting date, the interest / mark-up rate profile of the Company's significant interest / mark-up bearing financial instruments was as follows:

2024						
Effective yield / interest rate	Interest / mark-up bearing			Non-interest bearing		
	Maturity upto one year	Maturity after one year	Sub total	Maturity within one year	Maturity after one year	Total
Rupees						
<b>Financial assets</b>						
Investments						
Debt securities	96,996,501	4,245,257,933	4,342,254,434	-	-	4,342,254,434
Term deposits	200,000,000	-	200,000,000	-	-	200,000,000
	296,996,501	4,245,257,933	4,542,254,434	-	-	4,542,254,434
Loan and other receivables	-	-	-	296,190,938	296,190,938	296,190,938
Insurance / reinsurance receivables	-	-	-	506,819,296	506,819,296	506,819,296
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-
Cash and bank	162,631,075	-	162,631,075	37,762,676	37,762,676	37,762,676
	459,627,576	4,245,257,933	4,704,885,509	1,319,445	1,319,445	163,950,520
				842,092,355	842,092,355	5,546,977,864
<b>Financial liabilities</b>						
Outstanding claims including IBNR	-	-	-	1,065,463,708	-	1,065,463,708
Insurance / reinsurance payables	-	-	-	363,324,742	-	363,324,742
Other creditors and accruals	-	-	-	50,907,687	-	50,907,687
Lease liability	9,575,687	7,968,511	17,544,198	-	-	17,544,198
	9,575,687	7,968,511	17,544,198	1,479,696,137	-	1,497,240,335
On balance sheet gap (a)	469,203,263	4,253,226,444	4,722,429,707	2,321,788,492	-	7,044,218,199
Off balance sheet financial instrument	-	-	-	-	-	-
Off balance sheet gap (b)	-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)	469,203,263	4,253,226,444	4,722,429,707			
Cumulative interest rate sensitivity gap	469,203,263	4,253,226,444				

2023						
	Interest / mark-up bearing			Non-interest bearing		
	Effective yield / interest rate	Maturity upto one year	Maturity after one year	Sub total	Maturity within one year	Maturity after one year
-----Rupees-----						
<b>Financial assets</b>						
<b>Investments</b>						
Debt securities	12.55% to 21.36%	662,008,926	3,646,564,740	4,308,573,666	-	-
Term deposits	20.00%	200,000,000	-	200,000,000	-	-
		862,008,926	3,646,564,740	4,508,573,666	-	-
Loan and other receivables		-	-	-	258,008,096	258,008,096
Insurance / reinsurance receivables		-	-	-	579,570,672	579,570,672
Reinsurance recoveries against outstanding claims		-	-	-	-	-
Cash and bank	14.5% to 20.5%	93,660,555	-	93,660,555	34,955,102	34,955,102
		955,669,481	3,646,564,740	4,602,234,221	549,641	94,210,196
					873,083,511	5,475,317,731
<b>Financial liabilities</b>						
Outstanding claims including IBNR	-	-	-	-	1,279,187,791	1,279,187,791
Insurance / reinsurance payables	-	-	-	-	796,964,124	796,964,124
Other creditors and accruals	-	-	-	-	33,148,658	33,148,658
Lease liability	10.51% to 25.31%	535,120	706,179	1,241,299	-	1,241,299
		535,120	706,179	1,241,299	2,109,300,572	2,110,541,871
On balance sheet gap (a)		956,204,601	3,647,270,919	4,603,475,520	2,982,384,084	7,585,859,603
Off balance sheet financial instrument		-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		956,204,601	3,647,270,919	4,603,475,520		
Cumulative interest rate sensitivity gap		956,204,601	3,647,270,919			

The financial instruments of the Company can be classified into fixed rate instruments and variable rate instruments as shown below:

	Carrying amount	
	2024	2023
	----- Rupees -----	
Fixed rate instruments		
Financial assets	3,872,831,182	3,274,849,740
Variable rate instruments		
Financial assets	832,054,326	1,327,384,481

#### Sensitivity analysis for fixed rate instruments

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

#### Sensitivity analysis of variable rate instruments

An increase of 100 basis points in interest rates would have increased the profit and loss account by the amounts shown below. Reduction in interest rates by 100 basis points would have an opposite impact. This analysis assumes that all variables remain constant. The analysis has been performed on the same basis for the comparative period.

	Profit before tax		Total equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	-----Rupees-----			
As at December 31, 2024				
Sensitivity	12,612,915	(12,612,915)	8,955,170	(8,955,170)
As at December 31, 2023				
Sensitivity	12,654,454	(12,654,454)	8,984,662	(8,984,662)

Above sensitivities are calculated on the assumption that all factors remain constant except interest rates and resulting variation in fair values of the investments and impact on the profit and loss.

The Company monitors the interest rate environment on a regular basis and alters the portfolio mix of fixed and floating rate securities. The Company's policy requires the management to manage the risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Company's portfolio is a measure of the sensitivity of the fair value of the Company's fixed interest securities to the changes in market interest rates.

#### b) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark-up rate risk or currency risk), whether those changes are caused by factor specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instrument traded in the market. The Company is not exposed to price risk as the Company has no equity investments.

#### c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign currency risk as the Company has no financial assets and financial liabilities in foreign currencies.

### 37.2.3 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 sectors and by continually assessing the credit worthiness of counterparties.

#### Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at December 31, 2024 is the carrying amount of the financial assets as set out below:

	2024	2023
	----- Rupees -----	
<b>Nature of financial assets</b>		
Bank balances	162,631,075	93,660,555
Investments		
Debt securities	4,342,254,434	4,308,573,666
Term deposits	200,000,000	200,000,000
	4,542,254,434	4,508,573,666
Due from insurance contract holders	318,966,720	342,334,191
Due from other insurers / reinsurers	187,852,576	237,961,642
Loans and other receivables	296,190,938	258,008,096
Reinsurance recoveries against outstanding claims	37,762,676	34,229,942
	5,545,658,419	5,474,768,092

Provision for impairment is made for doubtful receivables according to the Company's policy. The impairment provision is written off when the Company expects that it cannot recover the balance due.

The age analysis of due from insurance contract holders from other than related parties is as follows:

Upto 3 months	31,465,359	60,468,046
3 to 6 months	10,412,706	2,035,171
6 to 12 months	-	1,472,473
More than 12 months	-	3
	41,878,065	63,975,693

The age analysis of due from insurance contract holders with respect to related parties is as follows:

Upto 3 months	-	36,687
3 to 6 months	1,843,650	-
6 to 12 months	-	3,076,806
More than 12 months	275,245,005	275,245,005
	277,088,655	278,358,498

#### Concentration of credit risk

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties, thereby mitigating any significant concentration of credit risk. Provision for impairment is made for doubtful receivables according to the Company's policy. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no history of default. The credit quality of the banks with which Company has balances including TDR's can be assessed with reference to external credit ratings as follows:

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

Name of banks	Rating		Rating Agency	2024	2023
	Long term	Short term		----- Rupees -----	
<b>Cash at bank</b>					
Sindh Bank Limited	AA-	A1+	JCR-VIS	155,704,779	92,874,012
NRSP Microfinance Bank Limited	A-	A2	JCR-VIS	299,353	269,329
Khushali Microfinance Bank Limited	A-	A2	JCR-VIS	146,167	137,722
Telenor Microfinance Bank Limited	A1	A	JCR-VIS	397,925	379,493
Bank Al Habib Limited	AAA	A1+	PACRA	6,082,851	-
				162,631,075	93,660,556
<b>Term deposit certificates</b>					
Sindh Bank Limited	AA-	A1+	JCR-VIS	200,000,000	200,000,000
				200,000,000	200,000,000
<b>Investments</b>					
Term finance certificates					
Meezan Bank Limited	AA+		JCR-VIS	143,000,000	143,000,000
Bank Al Habib Limited	AA+		PACRA	132,000,000	132,000,000
Soneri Bank Limited	AA-		PACRA	150,150,000	150,150,000
United Bank Limited	AA+		JCR-VIS	147,276,750	146,565,000
				572,426,750	571,715,000

**38 CAPITAL RISK MANAGEMENT**

The Company's goals and objectives when managing capital are:

To be an appropriately capitalized institution in compliance with the paid-up capital requirement set by the SECP. The minimum paid-up capital requirement for non-life insurers is Rs. 500 million. The Company's current paid-up capital is well in excess of the limit prescribed by the SECP;

To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for the other stakeholders;

To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;

To maintain strong ratings and to protect the Company against unexpected events / losses; and

To ensure a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

**39 FAIR VALUE OF FINANCIAL INSTRUMENTS**

IFRS 13 defines fair value as an exit price. 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input for which the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input for which the fair value measurement is unobservable.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

2024						
Carrying amount					Fair value	
Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	
Rupees						

2023						
Carrying amount					Fair value	
Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	
Rupees						

\* The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences may arise between the carrying values and the fair value estimates.

2024	2023
----- Number -----	

**40 NUMBER OF EMPLOYEES**

Number of employees at the end of the year  
Average number of employees

<b>18</b>	18
<b>19</b>	19

**41 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and re-classified, where ever necessary for the purpose of comparison, the effect of which is not material.

**42 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 07 April 2025 by the Board of Directors of the Company.

**43 GENERAL**

Figures have been rounded off to the nearest rupee unless otherwise stated.



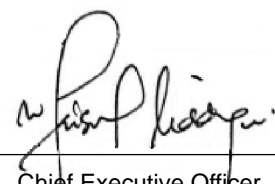
Chairman



Director



Director



Chief Executive Officer

# KAFUL

## *Window Takaful*

**Financial Statements With  
Accompanying Information**

**For the Year Ended  
31 December 2024**

## Sharia Advisor's Profile

Mufti Muhammad Adnan is a prominent Shariah Scholar in the field of Islamic Finance and Takaful. He has completed his shariah graduation (Masters in Quran and Sunnah) and "Takhassus Fil Ifta" (Specialisation in Islamic Jurisprudence and fatwa) from Jamia Darul Uloom Karachi under the supervision of Mufti Muhammad Taqi Usmani. He is also a member of Darul Ifta, Jamiah Darul Uloom Karachi since year 2006, He has written more than Two thousand Fatawa's on different topics.

He is also working as teacher in Darul Uloom Karachi and Faculty member of Centre for Islamic Economics

Mufti Muhammad Adnan is serving as the Shariah Advisor of "Sindh Insurance Limited-Window Takaful Operations" since year 2016. He has special interest in the promotion of Islamic Finance particularly in the facilitation of conversion of conventional set-ups into Shariah-based organizations. He has recently completed his doctorate(PhD) in Islamic Finance from Federal Urdu University.

## SHARIAH ADVISOR'S REPORT TO THE BOARD OF DIRECTORS FOR THE YEAR ENDED DECEMBER 31, 2024

By the Grace of Almighty Allah, Sindh Insurance Limited has continued Window Takaful Operations in year 2024.

Shariah Advisor's report is prepared with aim to provide information about Window Takaful Operation transitions undertaken during the period are in compliance with Shariah Guidelines, includes to provide opinion of Shariah Advisor about transactions with consideration of their tactically and operational nature.

In my opinion and to the best of my understanding based on the provided information and explanation:

1. Transactions made by the Takaful Operator were in accordance with shariah guidelines issued by Shariah Advisor and requirements under Takaful Rules 2012.
2. The transactions and activities of Window Takaful Operations are in accordance with Shariah principles in respect of the Participants Takaful Fund (Waqf Fund) and Operator's Fund.
3. The investments have been made into Shariah Compliant avenues with shariah approval. All bank accounts related to Window Takaful Operations have been opened in Islamic banking Institutions with prior Shariah approval and these are separate from the conventional insurance business.
4. The Company has adopted treatments and formats provided in the General Takaful Accounting Regulations, 2019.

I pray that Window Takaful Operations of the Company be blessed by the Allah Almighty and takaful operations will flow with great success for achievement of the goals of the Company.



**Mufti Muhammad Adnan**

**Shariah Advisor**

Sindh Insurance Limited – Window Takaful Operation

April 07, 2025

Karachi

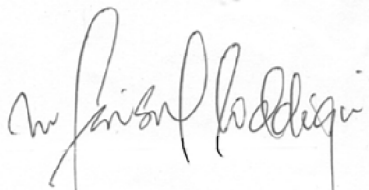
## Statement of Compliance of Window Takaful Operations

The Sindh Insurance Limited – Window Takaful Operations entered in financial engagements and transactions for the year ended December 31, 2024 are in compliance with the Takaful Rules, 2012.

We affirm the following statements:

1. The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and guidelines of the Shariah Advisor. The company has also implemented governance arrangements including the reporting to the Audit Committee/ Shariah Advisor and the Board of Directors;
2. All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions entered into by Window Takaful Operations are in compliance with the policies approved by Shariah Advisor;
3. The assets and liabilities of Window Takaful Operations of Participant Takaful Fund and Operator's fund are separated from each other, at all times in accordance with the provisions of the Takaful Rules, 2012;
4. The Company has adopted treatments and formats provided in the General Takaful Accounting Regulations, 2019.

Above statements have been duly endorsed by the Shariah Advisor of the Company.



Muhammad Faisal Siddiqui  
Chief Executive Officer

April 07, 2025

Karachi

## INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

### Introduction

We were engaged by the Board of Directors of Sindh Insurance Limited ("the Company") to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2024, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

### Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the provisions of Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

### Responsibilities of the Management For Shariah Compliance

The management of the Company is responsible for preparation of the annexed statement that is free from material misstatement.

The Board of Directors / management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

### Our Independence & Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. The firm applies International Standards on Quality Management (ISQM) 1 "Quality Management for the Firm's that Perform Audits or Reviews of Historical Information, or other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our Responsibilities & Summary of the Work Performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain limited assurance about whether the annexed statements reflect the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations' compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012.

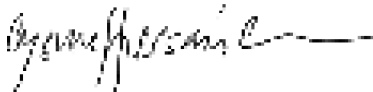
A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail. The procedures performed include:

- i) Evaluated the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- ii) Evaluated the governance agreements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit committee/ Sahirah Advisor and board of directors;
- iii) Tested for sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- iv) Reviewed the statement of management's assessment of compliance of the Takaful transactions during the year ended December 31, 2024 with Takaful Rules, 2012.

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the annexed statement does not reflect the Company's status of compliance, in all material respects, with the Takaful Rules, 2012 for the year ended December 31, 2024.



**Crowe Hussain Chaudhury & Co**  
**Chartered Accountants**  
**Engagement partner: Imran Shaikh**

Karachi  
 Date: 19 Apr 2025

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINDH INSURANCE LIMITED (WINDOW TAKAFUL OPERATIONS) REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the annexed financial statements of **Sindh Insurance Limited – Window Takaful Operations** (the Operator), which comprise of the statement of financial position as at December 31, 2024 and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in fund and the statement of cashflows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in funds and the statement of cashflows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Operator's affairs as at December 31, 2024 and of the profit, total comprehensive income, the changes in 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 *Auditors' 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 Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

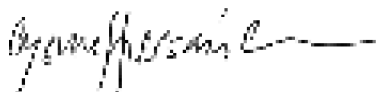
Based on our audit, we further report that in our opinion:

- 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);
- the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in fund and the cashflows 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### **Other Matter**

The financial statements of the Company for the year ended 31 December 2023 were audited by another firm of chartered accountants who expressed unmodified opinion dated 11 March 2024.

The engagement partner on the audit resulting in this independent auditors' report is Imran Shaikh.



**Crowe Hussain Chaudhury & Co.**  
Chartered Accountants

Place: Karachi

Date: 19 Apr 2025

UDIN: AR202410207LJH6CTWf

# WINDOW TAKAFUL OPERATIONS STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

		Operator's Fund		Participant's Takaful Fund	
		2024	2023	2024	2023
Note		----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
ASSETS					
Property and equipment	6	2,403,166	3,087,214	-	-
Intangible assets	7	-	-	-	-
Investments					
Equity securities	8	20,535,631	17,517,656	2,940,613	2,522,076
Debt Securities	9	-	-	18,620,557	-
Term Deposits	10	35,815,476	30,940,000	53,684,524	63,330,000
		56,351,107	48,457,656	75,245,694	65,852,076
Qard-e-Hasna to Participants' Takaful Fund	11	10,000,000	13,500,000	-	-
Loan and other receivables	12	6,097,572	3,367,550	13,925,649	6,949,904
Takaful / re-takaful receivables	13	-	-	5,782,052	1,359,900
Receivable from PTF	14	28,563,777	18,512,706	-	-
Deferred wakala fee expense	25	-	-	2,694,504	2,441,657
Deferred commission expense	26	95,896	195,895	-	-
Prepayments	15	380,994	454,057	605,672	826,247
Taxation - payment less provision		-	-	1,760,171	4,079,203
Cash and bank	16	1,167,529	4,054,044	11,820,883	6,431,501
TOTAL ASSETS		105,060,041	91,629,122	111,834,625	87,940,488

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



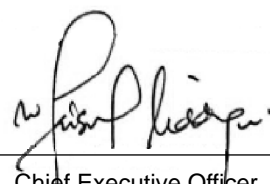
Chairman



Director



Director



Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

		Operator's Fund		Participant's Takaful Fund	
		2024	2023	2024	2023
Note		----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
<b>EQUITY AND LIABILITIES</b>					
<b>OPERATOR'S FUND</b>					
Statutory fund	17	50,000,000	50,000,000	-	
Revaluation reserve on available for sale investment		1,218,222	977,896	-	-
Accumulated profit		34,595,533	25,202,059	-	-
		85,813,755	76,179,955	-	-
<b>WAQF / PARTICIPANTS' TAKAFUL FUND</b>					
Ceded money		-	-	500,000	500,000
Investment revaluation reserve		-	-	294,388	287,898
Accumulated surplus		-	-	41,434,393	28,878,861
		-	-	42,228,781	29,666,759
Qard-e-Hasna from Operator's Fund	11	-	-	10,000,000	13,500,000
<b>LIABILITIES</b>					
<b>PTF Underwriting provisions</b>					
Outstanding claims including IBNR	24	-	-	2,650,596	2,041,744
Unearned contribution reserve	22	-	-	10,040,093	8,793,598
Unearned re-takaful rebate	23	-	-	117,295	130,101
		-	-	12,807,984	10,965,443
Unearned wakala fee	25	2,694,504	2,441,657	-	-
Deferred taxation		293,313	259,397	-	-
Contribution received in advance		-	-	404,718	262,391
Takaful / re-takaful payables	18	-	-	4,301,225	2,265,994
Payable to OPF	14	-	-	28,563,778	18,512,707
Other creditors and accruals	19	13,056,728	5,028,924	13,528,139	12,767,194
Taxation - provision less payment	20	3,201,741	7,719,189	-	-
<b>TOTAL LIABILITIES</b>		<b>19,246,286</b>	<b>15,449,167</b>	<b>59,605,844</b>	<b>44,773,729</b>
<b>TOTAL FUND AND LIABILITIES</b>		<b>105,060,041</b>	<b>91,629,122</b>	<b>111,834,625</b>	<b>87,940,488</b>
<b>CONTINGENCIES AND COMMITMENTS</b>					
	21				

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



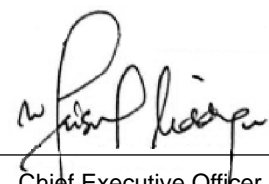
Chairman



Director



Director



Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
-----Rupees-----			
<b>Participants' Takaful Fund</b>			
Contributions earned	22	23,354,425	12,376,410
Less: Contributions ceded to retakaful	22	(5,469,005)	(5,194,045)
Net contributions revenue		17,885,420	7,182,365
re-takaful rebate earned	23	372,062	483,612
Net underwriting income		18,257,482	7,665,977
Net claims - reported / settled - IBNR	24	(15,490,027)	(5,849,889)
Other direct expenses		(36,308)	(6,534)
Surplus		2,731,147	1,809,554
Investment income	28	11,569,496	10,313,257
Other income	29	679,328	844,910
Less: Modarib's share of investment income	30	(2,424,439)	(2,182,999)
Surplus transferred to accumulated surplus		12,555,532	10,784,722
<b>Operator's Fund</b>			
Wakala fee		9,504,649	5,285,284
Commission expense	26	(1,059,438)	(321,479)
General administrative and management expenses	27	(6,488,365)	(4,596,603)
		1,956,846	367,202
Modarib's share of PTF investment income		2,424,439	2,182,999
Investment income	28	9,171,035	6,917,144
Direct expenses	31	(371,107)	(400,202)
Other income	29	126,765	346,637
Profit before tax		13,307,978	9,413,780
Taxation	32	(3,914,504)	(2,700,757)
Profit after tax		9,393,474	6,713,023

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



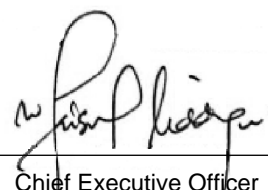
Chairman



Director



Director



Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	-----Rupees-----	
<b>Participants' Takaful Fund</b>		
Surplus for the year	12,555,532	10,784,722
Other comprehensive income	-	-
<b>Items that may be reclassified subsequently to profit and loss account</b>		
Unrealised gain on 'available for sale' investments (net of deferred tax)	6,490	151,724
Total comprehensive income for the year	12,562,022	10,936,446
<b>Operator's Fund</b>		
Profit after taxation	9,393,474	6,713,023
Other comprehensive income	-	-
<b>Items that may be reclassified subsequently to profit and loss account</b>		
Unrealised gain on 'available for sale' investments (net of deferred tax)	240,326	603,897
Total comprehensive income for the year	9,633,800	7,316,920

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



Chairman



Director



Director



Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

Operator's Funds				
Statutory fund	Unrealised gain / (loss) on available for sale investment	Accumulated profit	Total	
-----Rupees-----				
Balance as at January 01, 2023	50,000,000	373,999	18,489,036	68,863,035
Total comprehensive income for the year				
Profit for the year	-	-	6,713,023	6,713,023
Other comprehensive income	-	603,897	-	603,897
	-	603,897	6,713,023	7,316,920
Balance as at January 01, 2024	50,000,000	977,896	25,202,059	76,179,955
Total comprehensive income				
Profit for the period	-	-	9,393,474	9,393,474
Other comprehensive income	-	240,326	-	240,326
	-	240,326	9,393,474	9,633,800
Balance as at December 31, 2024	50,000,000	1,218,222	34,595,533	85,813,755

Participants' Takaful Fund				
Ceded Money	Unrealised gain / loss on available for sale investment-net	Accumulated surplus	Total	
-----Rupees-----				
Balance as at January 01, 2023	500,000	136,174	18,094,139	18,730,313
Total comprehensive income				
Surplus for the year	-	-	10,784,722	10,784,722
Other comprehensive income	-	151,724	-	151,724
	-	151,724	10,784,722	10,936,446
Balance as at January 01, 2024	500,000	287,898	28,878,861	29,666,759
Total comprehensive income				
Surplus for the period	-	-	12,555,532	12,555,532
Other comprehensive income	-	6,490	-	6,490
	-	6,490	12,555,532	12,562,022
Balance as at December 31, 2024	500,000	294,388	41,434,393	42,228,781

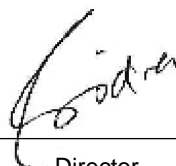
The annexed notes from 1 to 43 form an integral part of these financial statements.



Chairman



Director



Director



Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
<b>OPERATING CASH FLOWS</b>				
<b>a) Takaful activities</b>				
Contribution received	-	-	33,156,478	18,800,131
Re-takaful contribution paid	-	-	(6,578,633)	(6,923,989)
Wakala fee received / (paid)	-	-	-	-
Claims paid	-	-	(18,144,679)	(8,797,557)
Re- takaful and other recoveries received	-	-	3,181,285	242,490
Commissions paid	(773,786)	(246,451)	-	-
Modarib share received / (paid)	1,500,000	-	(1,500,000)	-
Rebate received	-	-	359,256	267,653
Net cash flow from takaful activities	726,214	(246,451)	10,473,707	3,588,728
<b>b) Other operating activities</b>				
Income tax paid	(8,668,584)	(427,034)	2,319,032	(1,080,778)
General and other expenses paid	1,839,111	171,656	-	-
Other operating payment	(1,742,232)	(650,938)	(6,190,027)	(836,846)
Other operating receipts	-	-	130,081	2,645,908
Net cash (used in) / generated from other operating activities	(8,571,705)	(906,316)	(3,740,914)	728,284
<b>Total cash flow (used in) / generated from all operating activities</b>	<b>(7,845,491)</b>	<b>(1,152,767)</b>	<b>6,732,793</b>	<b>4,317,012</b>
<b>INVESTMENT ACTIVITIES</b>				
Profit / return received on investment	8,887,171	3,782,694	10,863,257	5,602,685
Other income	126,765	346,637	679,328	844,910
Payment for investment	(38,494,961)	(62,232,405)	(72,715,996)	(124,573,341)
Purchase of fixed assets	-	(3,600,250)	-	-
Proceeds from disposal of Fixed assets	-	11,022	-	-
Proceeds from disposal of investments	30,940,000	58,800,000	63,330,000	115,766,000
<b>Total cash flow generated / (used in) from investing activities</b>	<b>1,458,976</b>	<b>(2,892,302)</b>	<b>2,156,589</b>	<b>(2,359,746)</b>
<b>FINANCING ACTIVITIES</b>				
Inter fund Qard-e-Hasna Transfer	3,500,000	5,000,000	(3,500,000)	(5,000,000)
<b>Total cash flow from financing activities</b>	<b>3,500,000</b>	<b>5,000,000</b>	<b>(3,500,000)</b>	<b>(5,000,000)</b>
<b>Net cash (used in) / generated from all activities</b>	<b>(2,886,515)</b>	<b>954,931</b>	<b>5,389,382</b>	<b>(3,042,734)</b>
Cash and cash equivalents at the beginning of year	4,054,044	3,099,113	6,431,501	9,474,235
<b>Cash and cash equivalents at end of the year</b>	<b>1,167,529</b>	<b>4,054,044</b>	<b>11,820,883</b>	<b>6,431,501</b>
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	(7,845,491)	(1,152,767)	6,732,793	4,317,012
Depreciation	(684,048)	(516,785)	-	-
Amortization	-	-	-	-
Income tax paid	8,668,584	427,034	(2,319,032)	1,080,778
Other income	2,551,205	2,529,636	679,328	844,910
Increase/(decrease) in assets other than cash	9,761,260	6,313,917	10,725,062	3,310,549
(Increase) / decrease in liabilities	(8,314,567)	(5,104,399)	(14,832,115)	(6,898,785)
Investment income	9,171,035	6,917,144	11,569,496	8,130,258
<b>Profit before tax</b>	<b>13,307,978</b>	<b>9,413,780</b>	<b>12,555,532</b>	<b>10,784,722</b>

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



Chairman



Director



Director



Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc.
- 1.2 The Company was granted authorization on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3 For the purpose of carrying on the takaful business, the Operator has formed a Participants' Takaful Fund (PTF) under the Waqf deed with the ceded money of Rs. 500,000. The Waqf deed and PTF policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund are approved by the Shari'ah Advisor of the Operator.
- 1.4 The registered office and principal place of business of the Operator is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

#### 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements has been prepared in accordance with the accounting and reporting standard 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 notified under the Companies Act, 2017; and

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

In case requirements differ, the provision of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting regulation, 2019 shall prevail.

These financial statements have been prepared in line with the format issued by SECP through the General Takaful Accounting Regulation 2019, vide SRO 1416(I)/2019 dated November 20, 2019.

These financial statements reflect the financial position and results of operations of both the Operator's Fund and Participant takaful Fund in a manner that the assets, liabilities, income and expenses of the Operator's Fund and Participant Takaful Fund remain separately identifiable.

##### 2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except available for sale investments that have been measured at fair values.

These financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

##### 2.2 Functional and presentation currency

These financial statements have been prepared and presented in Pakistani "Rupees", which is also the Operator's functional and presentational currency.

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

##### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure	January 01, 2024
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2024
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2024

### 3.1.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year 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, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts - Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendments address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Operator has determined that it is eligible for the temporary exemption option since the Operator has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance 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. Under the temporary exemption option, the Operator can defer the application of IFRS 9 until the application of IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms 'principal' as being the fair value of the financial asset at initial recognition, and the 'interest' as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

b) all other financial assets

As at December 31, 2024			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
Rupees			

#### Financial assets - Operator's Fund

Qard-e-Hasna to Participants' Takaful Fund	-	-	10,000,000	-
Investments				
Equity securities *	20,535,631	1,721,585	-	-
Term deposit receipts*	-	-	35,815,476	-
Loans and other receivable *	-	-	6,097,572	-
Receivable from PTF *	-	-	28,563,777	-
Cash at bank *	-	-	1,167,529	-
	<b>20,535,631</b>	<b>1,721,585</b>	<b>81,644,354</b>	<b>-</b>

#### Financial assets - Participant's Takaful Fund

Investments				
Equity securities*	2,940,613	295,519	-	-
Term deposit receipts*	-	-	53,684,524	-
Loan and other receivable *	-	-	13,925,649	-
Takaful / retakaful receivables *	-	-	5,782,052	-
Cash at bank *	-	-	11,819,553	-
	<b>2,940,613</b>	<b>295,519</b>	<b>85,211,778</b>	<b>-</b>

\* The carrying amounts of these financial assets measured applying IAS 39 are a reasonable approximation of their fair value.

As at December 31, 2024			
Gross carrying amount of financial assets that pass SPPI test			
AAA	A+	A	Not rated
Rupees			

#### Operator's fund

Qard-e-Hasna to Participants' Takaful Fund	-	-	-	10,000,000
Loans and other receivable	-	-	-	6,097,572
Receivable from PTF	-	-	-	28,563,777
Cash at bank	-	995,802	57,441	-
Term deposit receipts within maturing 12 months	35,815,476	-	-	-
	<b>35,815,476</b>	<b>995,802</b>	<b>57,441</b>	<b>44,661,349</b>

#### Participant's Takaful Fund

Loan and other receivable	-	-	-	13,925,649
Takaful / retakaful receivables	-	-	-	5,782,052
Cash at bank	50,787	11,381,954	-	-
Term deposit receipts within maturing 12 months	53,684,524	-	-	-
	<b>53,735,311</b>	<b>11,381,954</b>	<b>-</b>	<b>19,707,701</b>

### 3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective date  
(annual periods  
beginning on or after)**

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)

January 01, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'  
- Clarification on how entity accounts when there is long term lack of Exchangeability

January 01, 2025

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

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

The Company's expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

#### 4 USE OF JUDGEMENTS AND ESTIMATES

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

##### Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

The areas where assumptions and estimates are significant to the financial statements or judgment was exercised in application of accounting policies, are as follows:

	Note
- Contribution due but unpaid - net	5.4.3
- Provision for outstanding claims (including IBNR)	5.5.1
- Re-takaful recoveries against outstanding claims	5.6.3
- Taxation (current and deferred)	5.20

#### 5 MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in preparation of these financial statements are set out below. These policies have been applied consistently to all years presented except otherwise stated.

##### 5.1 Property and equipment

Owned fixed assets are stated at cost, signifying historical cost, less accumulated depreciation and any provision for accumulated impairment. Cost of an item of fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying asset directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Operator and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit and loss account as and when incurred.

Depreciation is calculated on straight line basis at the rates specified in note 6 to the financial statements. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the asset is disposed off.

The carrying value of assets are reviewed for impairment when events or changes in circumstances indicate that carrying value may not be recoverable. If any such indication exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing process with the carrying amount of the assets disposed of, these are taken to statement of profit or loss.

## 5.2 Intangible assets

These are stated at cost less accumulated amortization and provision for accumulated impairment, if any.

Amortization is calculated from the month the assets are available for use using the straight-line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Operator. The useful life and amortization methods are reviewed and adjusted if appropriate, at each reporting date.

Software development costs are only capitalized to the extent that future economic benefits are expected to be derived by the Operator.

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

## 5.3 Takaful contracts

Takaful contracts are based on the principles of Wakala. 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.

A separate Participants Takaful Fund (PTF) is created in which all contribution received under general takaful contribution net off any government levies and administrative surcharge are credited. The role of Takaful Operator is of the management of the PTF. At the initial stage of the setup of the PTF, the Takaful Operator makes payment as ceded money to the PTF. The terms of the takaful contracts are in accordance with the generally accepted principles and norms of insurance business suitably modified with guidance by the Shariah Advisor of the Takaful Operator.

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 Operator underwrites non-life takaful contracts that can be categorized into:

- Fire and property damage
- Marine, aviation and transport
- Motor
- Accidental and health
- Miscellaneous

Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another takaful operator (inwards re-takaful) of a facultative nature are included within the individual category of takaful contracts, other than those which fall under treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as Takaful Operator.

### a) Fire and property damage

"Fire and property takaful contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

### b) Marine, aviation and transport

Marine, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and against liabilities to third parties and passengers arising from their use.

### c) Motor

Motor takaful contracts cover physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

### d) Accident and health

Accident and health takaful contracts mainly compensate hospitalization and patient medical coverage to the insured and indemnity for the death as result of an accident. These contracts are generally one year contracts.

**e) Miscellaneous**

All other takaful contracts like machinery breakdown, bonds, cash in hand, cash in transit, personal accident, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under Miscellaneous takaful cover.

**5.4 Contribution****5.4.1 Contribution income earned**

Contribution written under a policy is recognized as income over the period of takaful from the date of issue of the policy to which it relates to its expiry as follows:

- a) for takaful business, evenly over the period of the policy;
- b) for proportional re-takaful business, evenly over the period of underlying re-takaful policies; and
- c) for non-proportional re-takaful business, on inception of the re-takaful contract in accordance with the pattern of re-takaful service.

Where the pattern of incidence of risk varies over the period of the policy, contribution is recognized as revenue in accordance with the pattern of incidence of risk.

Where contribution for a policy is payable in instalments, full contribution for the duration of the policy is recognized as written at the inception of the policy and a related asset is set up in respect of the contribution receivable at a later date. Contribution is stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on contributions.

**5.4.2 Unearned contribution reserve**

The unearned contribution reserve is the unexpired portion of the contribution including administrative surcharge which relates to business in force at the reporting date. Unearned contribution has been calculated by applying 1/24th method and proportionate method for policies covering a period of one year and other policies respectively as specified in the General Takaful Accounting Regulations, 2019.

**5.4.3 Contribution due but unpaid - net**

Contribution due but unpaid under takaful contracts is recorded as receivable when it is due, at the fair value of consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Operator reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss in profit and loss account.

**5.4.4 Contributory deficiency reserve**

At each reporting date, liability adequacy tests are performed separately for each class of business under the Insurance Accounting Regulations, 2019 to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after re-takaful, from claims and other expenses, including re-takaful expense, wakala 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 contribution liability.

The movement in the contribution deficiency reserve is recorded as an expense / income in profit and loss account for the year.

The requirement for additional provision for unexpired risks is determined on the basis of an actuarial valuation. The latest valuation was carried out as of 31 December 2024. No contribution reserve is required as at 31 December 2024 as determined by actuary.

**5.5 Claims expense**

Takaful claims are charged to PTF and include all claims occurring during the year, whether reported or not, including external claims handling costs that are directly related to the processing and settlement of claims, reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims are charged to profit and loss account as incurred based on estimated liability for compensation owed under the takaful contracts.

**5.5.1 Provision for outstanding claims (including IBNR)**

The PTF recognizes 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 a Takaful contract.

The Operator takes advice from actuary for the determination of IBNR claims. Provision for IBNR claims have been estimated based on Expected Loss Ratio (ELR) method except for health business, where a mix of ELR and Chain Ladder (CL) method is used. CL method is not completely used since portfolio experience of the Operator in health business is small due to long period of claims development, volatility and credibility of experience. Accordingly, provision has been made based on IBNR factors applied on incurred claims determined by the actuary.

## **5.6 Re-takaful contracts**

### **5.6.1 Re-takaful expense**

Contribution ceded is recognized as an expense over the period of re-takaful from inception to which it relates to its expiry as follows:

- a) for proportional re-takaful business, evenly over the period of the underlying policies;
- b) for non-proportional re-takaful business, evenly over the period of indemnity.

Where the pattern of incidence of risk varies over the period of the policy, re-takaful contribution is recognized as expense in accordance with the pattern of incidence of risk.

### **5.6.2 Prepaid re-takaful contribution ceded**

The portion of re-takaful contribution ceded not recognized as an expense as at year end is recognized as prepaid re-takaful contribution ceded. Unrecognized portion is determined in the same manner as for unearned contribution reserve.

### **5.6.3 Re-takaful recoveries against outstanding claims**

Claims recoveries receivable from re-takaful operator are recognized as an asset at the same time as the claims, which give rise to the right of recovery, are recognized as a liability and are measured at the amount expected to be received.

## **5.7 Deferred commission**

### **5.7.1 Commission expense**

Commission expense incurred in obtaining and recording policies is deferred and is recognized in the profit and loss account as an expense in accordance with the pattern of recognition of takaful contribution revenue.

### **5.7.2 Rebate from re-takaful operators**

Rebate income from re-takaful is recognized at the time of issuance of the underlying takaful policy. These are deferred and recognized as liability and recognized in the profit and loss account as revenue in accordance with the pattern of recognition of re-takaful contribution.

## **5.8 Wakala fee**

The Operator manages the general takaful operations for the participants and charges 25% for fire and property damage, 25% for marine, aviation and transport, 35% for motor, 22.5% for miscellaneous and 25% for accident and health, on gross contribution written including administrative surcharge as wakala fee against the services.

Wakala fee is recognized on the same basis as the related contribution is recognized. Unexpired portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

## **5.9 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.

### **5.10 Mudarib's fee**

The Operator also manage the participant's investment as Mudarib and charges 20% of the investment income earned by the PTF as Mudarib's fee. It is recognized on the same basis on which related revenue is recognized.

### **5.11 Qard-e-Hasna**

Qard-e-Hasna is provided by Operator's Fund to PTF in case of deficit in PTF. Qard-e-Hasna is recognized at the amount provided to PTF less impairment, if any. In the event of future surplus in the PTF, to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to Participants.

**5.12 Investments**

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for held for trading, in which case transaction costs are charged to profit and loss account. Subsequently, these are recognized and classified into the following category:

**5.12.1 Available-for-sale**

The financial assets that are intended to be held for an indefinite period of time and may be sold in response to the need for liquidity are classified as available-for-sale.

Subsequent to the initial recognition at cost, these are valued at market values and any unrealized gains / (losses) are taken to other comprehensive income.

**a) Trade and settlement date accounting**

All 'regular way' purchases and sales of financial assets are recognized on the trade date, i.e. the date on which commitment to purchase / sale is made by the Operator. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

**b) Derecognition**

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Operator has transferred substantially all risks and rewards of ownership.

**c) Impairment****Available-for-sale**

The Operator considers that available-for-sale investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

**5.13 Employee benefits****a) Defined contribution plan**

The Operator has an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Operator and its employees, to the fund at the rate of 10% of basic salary of the employees.

**b) Defined benefit plan**

The Operator operates an unfunded gratuity scheme for its permanent employees whose period of service is three years. Provision is made annually to cover obligations under the scheme. Gratuity accruing to staff is equal to one - month gross salary for each completed year of service.

**c) Employees' compensated absence**

The Operator accounts for the liability in respect of eligible employees' compensated absences in the period in which they are earned.

**5.14 Investment income**

Interest income is recognized on time proportion basis that takes into account effective yield on the assets.

**5.15 Dividend**

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

**5.16 Segment reporting**

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses. The Operator presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017 as the primary reporting format.

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. The nature and business activities of these segments are disclosed in note 33.

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

#### **5.17 Financial instruments**

Financial assets and financial liabilities are recognized when the Operator becomes a party to the contractual provisions of the instrument and derecognised when the Operator loses control of contractual rights that comprise the financial assets and, in the case of financial liabilities, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the derecognition of the financial assets and liabilities is included on net basis in the profit and loss account for the period in which it arises.

Financial instruments carried in the statement of financial position include investments, loan and other receivables, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims, cash and bank, provision for outstanding claims, insurance / reinsurance payables, other creditors and accruals.

#### **5.18 Off setting of financial asset and financial liabilities**

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

#### **5.19 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Operator to do so.

#### **5.20 Income tax expense**

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

The profit of the Operator is taxed as part of total profit of the Company, as the Operator is not separately registered for tax purposes.

##### **a) Current**

Provision for current tax and levy 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. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss and other comprehensive income. The charge for current tax also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

##### **b) Deferred**

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the date of statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **5.21 Foreign currencies**

Transactions in foreign currency, if any, are converted into Pakistan Rupees at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange prevailing at the reporting date. Exchange difference are taken to the profit and loss account.

#### **5.22 General administrative and management expenses**

Expenses allocated to the PTF represent directly attributable expenses and these are allocated to various revenue accounts on equitable basis. Expenses not directly allocable to PTF are charged to OPF.

**5.23 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 future for the goods and / or services received, whether or not billed to the Operator.

Provisions are recognized when the Operator / PTF has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions will be reviewed at each reporting date and will be adjusted to reflect the current estimate.

**5.24 Receivables and payables related to Takaful contracts**

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each reporting date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

**5.25 Impairment**

The carrying amounts of the assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the assets are estimated and impairment losses are recognized in the profit and loss account.

**5.26 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash at bank in current and savings account, cash in hand, stamps in hand and bank deposits.

**6. PROPERTY AND EQUIPMENT - OPERATOR'S FUND**

Participants Takaful Fund	
2024	2023
-----Rupees-----	
<u>2,403,166</u>	<u>3,087,214</u>

## Operating assets

Particulars	2024						Depreciation rate (% per annum)
	Cost		Depreciation			Written down value as at December 31, 2024	
	As at January 01, 2024	Additions / (disposals)	As at December 31, 2024	As at January 01, 2024	For the Period/ (disposals)		
	Rupees						
Furniture & Fixture	56,062	(56,062)	-	-	-	-	10%
Computer equipments	39,500	-	39,500	39,500	-	-	33.33%
Vehicles	3,600,250	-	3,600,250	513,036	684,048	2,403,166	20.00%
Total	3,695,812	(56,062)	3,639,750	552,536	684,048	2,403,166	

Particulars	2023						Depreciation rate (% per annum)
	Cost		Depreciation			Written down value as at December 31, 2023	
	As at January 01, 2023	Additions / (disposals)	As at December 31, 2023	As at January 01, 2023	For the Period/ (disposals)		
	Rupees						
Furniture & Fixture	56,062	(56,062)	-	34,980	(34,980)	-	10%
Computer equipments	39,500	-	39,500	39,500	-	-	33.33%
Vehicles	-	3,600,250	3,600,250	-	513,036	3,087,214	20.00%
Total	95,562	3,544,188	3,639,750	74,480	478,056	3,087,214	

6.1. The operator has fully amortized computer equipment having cost amounting to Rs. 39,500 (2023: 39,500) which is still in use as at the reporting date.

**7.1** The operator has fully amortized computer software having cost amounting to Rs. 1,867,000 (2023: 1,867,000) which is still in use as at the reporting date.

## 8 INVESTMENTS IN EQUITY SECURITIES

2024				2023			
Cost	Impairment / provision	Surplus on revaluation	Carrying value	Cost	Impairment / provision	Surplus on revaluation	Carrying value
-----Rupees-----				-----Rupees-----			

### Operator's Fund

Available for sale

Others - Mutual fund

ABL Islamic Income Fund	18,814,046	-	1,721,585	20,535,631	16,140,335	-	1,377,321	17,517,656
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### Participants' Takaful Fund

Available for sale

Others - mutual fund

Meezan Sovereign Fund	2,645,094	-	295,519	2,940,613	2,116,586	-	405,490	2,522,076
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## 9. INVESTMENTS IN DEBT SECURITIES

No. of Certificates		Face Value	Value of Certificates	
2024	2023		2024	2023
-----Rupees-----				

GOP Ijara Sukuks	1,805,000	-	18,500,000	18,620,557	-
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Name of investments	Maturity year	Effective yield %	Profit Payment	Face Value	31 December 2024
-----Rupees-----					

### Ijara Sukuk

5 Years Ijara Sukuk	2025	17.52%	Half yearly	18,500,000	18,620,557
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Note	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	

## 10. INVESTMENTS IN TERM DEPOSITS

Deposits maturing within 12 months

Term deposits receipts	10.1	35,815,476	30,940,000	53,684,524	63,330,000
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10.1 These represent Islamic term deposit receipts (TDRs) in local currency, issued by local banks, that carried profit 17.5% to 18.5% per annum (2023 9.25% to 18.5%).

Operator's Fund	
2024	2023
-----Rupees-----	

## 11. QARD-E-HASNA

Opening balance as at January 01

Qard-e-hasna transferred from OPF during the year

Qard-e-hasna returned by PTF during the year

Closing balance

13,500,000	18,500,000
-	-
(3,500,000)	(5,000,000)
10,000,000	13,500,000

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
<b>12. LOANS AND OTHER RECEIVABLES</b>				
(Unsecured - considered good)				
Advance salary	364,872	162,064	-	-
Accrued investment income	3,090,927	2,807,063	6,115,371	5,409,132
Sales tax on services refund	375,140	292,992	679,100	569,191
Receivable from Sindh Insurance Limited	2,263,117	105,430	6,429,338	476,468
Other receivable	3,517	-	701,840	495,113
	<u>6,097,573</u>	<u>3,367,550</u>	<u>13,925,649</u>	<u>6,949,904</u>

	Note	Participants Takaful Fund	
		2024	2023
		----- Rupees -----	
<b>13. TAKAFUL / RE-TAKAFUL RECEIVABLES</b>			
Due from takaful participant holders	13.1	1,591,314	499,896
Less: provision for impairment of receivables from Takaful participant holders		(34,701)	-
		<u>1,556,613</u>	<u>499,896</u>
Due from other takaful / re-takaful operators		<u>4,225,439</u>	<u>860,004</u>
		<u>5,782,052</u>	<u>1,359,900</u>

**13.1** Due from takaful contract holders includes Rs 214,949 due from related parties (2023: Rs 247,484).

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
<b>14. RECEIVABLE FROM PTF / PAYABLE TO OPF</b>				
Wakala fee receivable / (payable)	25,615,157	15,857,661	(25,615,157)	(15,857,661)
Modarib share receivable / (payable)	4,107,544	3,183,105	(4,107,544)	(3,183,105)
Other receivable / (payable)	(1,158,924)	(528,060)	1,158,923	528,059
	<u>28,563,777</u>	<u>18,512,706</u>	<u>(28,563,778)</u>	<u>(18,512,707)</u>

#### 15. PREPAYMENTS

Prepaid re-takaful contribution ceded	-	-	605,671	826,247
Prepaid expenses	380,998	454,061	-	-
	<u>380,998</u>	<u>454,061</u>	<u>605,671</u>	<u>826,247</u>

#### 16. CASH AND BANK

Cash and cash equivalent				
Policy and revenue stamps	-	-	-	-
Cash at bank				
Saving accounts	16.1 & 16.2	1,167,529	4,054,044	11,820,883
		<u>1,167,529</u>	<u>4,054,044</u>	<u>11,820,883</u>
				<u>6,431,501</u>

**16.1** These saving accounts carry profit ranging from 3.4% to 5.23% per annum (2023: 2.73% to 5.23%) per annum.

**16.2** This include balance with Sindh Bank Limited, a related party amounting to Rs. 995,802 at operator's fund and Rs. 11,381,954 at participant's fund.

#### 17. STATUTORY FUND

Amount of Rs. 50 million is deposited as statutory fund to comply with provisions of paragraph 4 of circular no. 8 of 2014 read with section 11(1)(c) of Takaful Rules, 2012 issued by SECP, which states that 'every insurer who is interested to commence Window Takaful business shall transfer an amount of not less than Rs. 50 million to be deposited in a separate bank account for Window Takaful business duly maintained in a scheduled bank'.

	2024	2023
	-----Rupees-----	
<b>18. TAKAFUL / RE-TAKAFUL PAYABLE</b>		
Due to takaful participants / re-takaful payable		
Local	851,937	1,692,529
Foreign	3,449,288	573,465
	<u>4,301,225</u>	<u>2,265,994</u>

		Operator's Fund	Participant's Takaful Fund
		2024	2023
		----- Rupees -----	
Note			
<b>19 OTHER CREDITORS AND ACCRUALS</b>			
Provincial sales tax on services		-	7,566
Federal insurance fee		-	-
Tax deducted / collected at source		13,887	65,705
Commission payable		216,817	31,164
Payable to Sindh Insurance Limited	19.1	12,160,414	4,277,233
Sundry creditors		8,427	8,427
Gratuity payable		246,320	100,500
Provision for compensated leave absences	19.2	145,283	118,719
Accrued expenses		265,580	419,610
		<u>13,056,728</u>	<u>5,028,924</u>
			<u>13,528,139</u>
			<u>12,767,194</u>

**19.1** This amount includes expenses paid by Sindh Insurance Limited on behalf of Window Takaful Operations related to regular expenses of electricity, telephone, water, fuel charges and taxes including FED, FTF.

	Operator's Fund	
	2024	2023
	----- Rupees -----	
<b>19.2 Provision for compensated leave absences</b>		
Opening balance	118,719	97,620
Provision for the year	26,564	21,099
Payment made during the year	-	-
Closing balance	145,283	118,719

## 20. TAXATION - PROVISION LESS PAYMENTS

Provision for income tax	4,745,225	9,948,413
Less: Advance tax	(1,543,484)	(2,229,224)
	<u>3,201,741</u>	<u>7,719,189</u>

## 21. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2024 (December 31, 2023: Nil).

	Operator's Fund	
	2024	2023
	----- Rupees -----	
22. NET TAKAFUL CONTRIBUTION		
Written gross contribution	34,105,569	19,163,475
Less: wakala fee	(9,504,649)	(5,285,284)
Contribution net of wakala fee	24,600,920	13,878,191
Add: unearned contribution reserve - opening	8,793,598	7,291,817
Less: unearned contribution reserve - closing	(10,040,093)	(8,793,598)
Contribution earned	23,354,425	12,376,410
Less: Re-takaful contribution ceded	(5,248,429)	(4,515,686)
Prepaid re-takaful contribution ceded - opening	(826,247)	(1,504,606)
Prepaid re-takaful contribution ceded - closing	605,671	826,247
Re-takaful contribution expense	(5,469,005)	(5,194,045)
	17,885,420	7,182,365

	Note	Participant's Takaful Fund	
		2024	2023
		----- Rupees -----	
<b>23. RE-TAKAFUL REBATE</b>			
re-takafulrebate received or recoverable		359,256	267,653
Unearned re-takafulrebate - opening		130,101	346,060
Unearned re-takafulrebate - closing		(117,295)	(130,101)
Rebate from takaful operator		372,062	483,612
<b>24. NET TAKAFUL CLAIMS EXPENSE</b>			
Claim paid		18,144,679	8,797,557
Add: Outstanding claims including IBNR - closing	24.1	2,650,596	2,041,744
Less: Outstanding claims including IBNR - opening		(2,041,744)	(8,741,085)
Claim expense		18,753,531	2,098,216
Less: Re-takaful and other recoveries received		3,181,285	242,490
Re-takaful and other recoveries in respect of outstanding claims (opening)		(377,964)	(4,372,127)
Re-takaful and other recoveries in respect of outstanding claims (closing)		460,183	377,964
Re-takaful and other recoveries revenue		3,263,504	(3,751,673)
Net claim expense		15,490,027	5,849,889

**24.1** This includes provision for incurred but not reported (IBNR) amounting to Rs. 0.69 million (2023: Rs. 0.31 million)

#### 24.2 Claim Development

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

Accident year	2020	2021	2022	2023	2024	Total
	-----Rupees-----					
Estimate of ultimate claims cost:						
At the end of accident year	4,481,443	8,727,395	10,020,007	9,592,989	15,129,766	47,951,600
One year later	3,621,211	4,374,540	4,274,540	4,274,540	-	16,544,831
Two years later	3,713,121	3,277,125	4,724,478	-	-	11,714,724
Three years later	3,567,066	6,396,961	-	-	-	9,964,027
Four years later	8,193,882	-	-	-	-	8,193,882
Current estimate of Cumulative claims	8,193,882	6,396,961	4,724,478	4,274,540	15,129,766	38,719,627
Cumulative payment to date	(8,155,533)	(6,396,961)	(4,724,478)	(9,070,793)	(13,404,225)	(41,751,990)
Liability recognized in balance sheet	38,349	-	-	200,000	1,725,541	1,963,892

	2024	2023
	-----Rupees-----	
<b>25. WAKALA FEE EXPENSE/INCOME</b>		
Gross wakala fee	9,757,496	5,758,943
Add: Deferred/unearned wakala fee - opening	2,441,657	1,967,998
Add: Deferred/unearned wakala fee - closing	(2,694,504)	(2,441,657)
Net Wakala Expense/ Income	9,504,649	5,285,284

**25.1.** The Operators manage the general takaful operations of the participants and charges 35% for the motor, 25% for the fire and property damage, 25% for the marine, aviation and transport, 22.5% for the miscellaneous and 25% for accident and health of the gross contribution written net off administrative surcharge on co - takaful inward as wakala fee against the services.

	2024	2023
	-----Rupees-----	
<b>26. COMMISSION EXPENSE</b>		
Commission paid or payable	<b>959,439</b>	270,016
Add: Deferred commission expense - opening	<b>195,895</b>	247,358
Less: Deferred commission expense - closing	<b>(95,896)</b>	(195,895)
	<b><u>1,059,438</u></b>	<u>321,479</u>

## 27. GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES

Employee benefit cost	2,255,091	1,719,097
Printing and stationary expenses	25,000	57,500
Depreciation	684,048	516,785
Legal and professional charges	1,514,820	1,262,364
Miscellaneous	2,009,406	1,040,857
	<u>6,488,365</u>	<u>4,596,603</u>

### 27.1 Employee Benefit cost

Salaries, allowance and other benefits	2,163,387	1,648,219
Charges for post employment benefit	91,704	70,878
	<u>2,255,091</u>	<u>1,719,097</u>

## 28. INVESTMENT INCOME

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
<b>INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
Available for sale				
Dividend income	3,151,318	1,755,771	484,562	286,283
Capital gain on sale of investment	-	-		
<b>Income from debt securities</b>				
Held to maturity				
Ijarah Sukuk	-	-	1,163,194	-
<b>Income from term deposits</b>				
Return on term deposits	6,019,717	5,161,373	9,921,740	10,026,974
	<b>9,171,035</b>	<b>6,917,144</b>	<b>11,569,496</b>	<b>10,313,257</b>

## 29. OTHER INCOME

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
Profit on bank deposits	92,296	346,637	552,699	601,740
Others	34,469	-	126,629	243,170
	<u>126,765</u>	<u>346,637</u>	<u>679,328</u>	<u>844,910</u>

	2024	2023
	Rupees	
<b>30. MODARIB'S FEE</b>		
Modarib's share of investment income	2,424,439	2,182,999

The operator manages the participants' investments as a Modarib and charge 20% Modarib's share of the investment income and profit on bank deposits earned by PTF.

	Note	Operator's Fund	
		2024	2023
		----- Rupees -----	
<b>31. DIRECT EXPENSES</b>			
Auditors' remuneration	31.1	<u>371,107</u>	<u>400,202</u>
		<u>371,107</u>	<u>400,202</u>
<b>31.1 Auditor's remuneration</b>			
Annual audit fee		173,124	231,277
Half yearly review		80,343	69,878
Other certification		84,968	42,350
Out of pocket		17,233	56,697
		<u>355,669</u>	<u>400,202</u>
<b>32. INCOME TAX EXPENSE</b>			
For the year			
Current		3,978,750	2,811,755
Deferred		(64,246)	(110,998)
		<u>3,914,504</u>	<u>2,700,757</u>
<b>32.1 Relationship between accounting profit and tax expense is as follows</b>			
The relationship between accounting tax expense and accounting profit is as follows:			
Accounting profit before tax		<u>13,307,978</u>	<u>9,413,780</u>
Tax @ 29%		3,859,314	2,729,996
Others		55,190	(29,239)
Provision for taxation		<u>3,914,504</u>	<u>2,700,757</u>

**33. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprises, associated companies, companies under common control, companies with common directors, shareholder, employees' retirement benefit plans, directors and key management personnel of the management. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Balances and transaction with related party are disclosed in relevant notes to the financial statements.

Name of related party	Nature of relationship	Nature of transaction	Operator's Fund		Participant's Takaful Fund	
			2024	2023	2024	2023
			----- Rupees -----		----- Rupees -----	
Transactions during the year						
Sindh Bank Limited (SBL)	Common directorship	Income on saving accounts	86,688	330,470	-	-
Sindh Bank Limited (SBL)	Common directorship	Income on saving accounts	-	-	548,916	562,657
		Net Contribution	-	-	9,317,829	1,164,173
		Gross Contribution	-	-	7,512,153	1,130,903
		Claim paid	-	-	4,430,162	2,730,388
Sindh Modarba Management Limited	Common directorship	Net Contribution	-	-	10,148,390	2,149,700
		Gross Contribution	-	-	8,775,368	1,867,976
		Claim paid	-	-	2,155,630	542,542
Balances outstanding as at						
Sindh Bank Limited (SBL)	Common directorship	Bank accounts	995,802	3,885,728	11,381,954	6,034,261
		Due from takaful contract holder	-	-	182,180	245,102
		Claim payable	-	-	613,044	494,800
Sindh Modarba Management Limited	Common directorship	Due from takaful contract holder	-	-	32,769	2,382
		Claim payable	-	-	274,972	120,100

34 SEGMENT REPORTING

34.1 Operator's Fund

	2024					Treaty	Total
	Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Miscellaneous		
Wakala fee	243,255	4,125	4,706,635	4,411,956	138,678	-	9,504,649
Management expenses	(198,297)	(5,251)	(2,477,300)	(3,682,770)	(124,748)	-	(6,488,365)
Commission expenses	(32,378)	(857)	(404,500)	(601,333)	(20,369)	-	(1,059,438)
Net commission and expenses	(230,675)	(6,108)	(2,881,800)	(4,284,102)	(145,117)	-	(7,547,803)
	12,580	(1,983)	1,824,835	127,854	(6,439)	-	1,956,846
Modarib's share of PTF investment income	-	-	-	-	-	-	2,424,439
Net investment income	-	-	-	-	-	-	9,171,035
Other income	-	-	-	-	-	-	126,765
Other expenses	-	-	-	-	-	-	(371,107)
Profit before tax	-	-	-	-	-	-	13,307,978
Corporate segment assets	1,452,956	38,473	18,151,616	26,984,309	914,051	-	47,541,405
Corporate un-allocated assets	-	-	-	-	-	-	57,518,636
<b>Total assets</b>	-	-	-	-	-	-	105,060,041
Corporate segment liabilities	189,165	5,009	2,363,213	3,513,168	119,003	-	6,189,558
Corporate un-allocated liabilities	-	-	-	-	-	-	13,056,728
<b>Total liabilities</b>	-	-	-	-	-	-	19,246,286

2023							
	Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Treaty	Total
Rupees							
Wakala fee	144,003	4,771	3,293,544	1,355,543	487,423	-	5,285,284
Management expenses	(136,388)	-	(2,461,986)	(1,836,335)	(161,895)	-	(4,596,603)
Commission expenses	(9,539)	-	(172,187)	(128,430)	(11,323)	-	(321,479)
Net commission and expenses	(145,926)	-	(2,634,173)	(1,964,765)	(173,217)	-	(4,918,082)
	(1,923)	4,771	659,371	(609,222)	314,206	-	367,202
Modarib's share of PTF investment income	-	-	-	-	-	-	2,182,999
Net investment income	-	-	-	-	-	-	6,917,144
Other income	-	-	-	-	-	-	346,637
Other expenses	-	-	-	-	-	-	(400,202)
Profit before tax	-	-	-	-	-	-	9,413,780
Corporate segment assets	1,160,668	-	20,951,679	15,627,340	1,377,735	-	39,117,422
Corporate un-allocated assets	-	-	-	-	-	-	52,511,700
Total assets							91,629,122
Corporate segment liabilities	309,183	-	5,581,185	4,162,868	367,006	-	10,420,243
Corporate un-allocated liabilities							5,028,924
Total liabilities							15,449,167

## 34.2 Participants' Takaful Fund

	2024					
	Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Treaty
						Total
<b>Segment results</b>						
Contribution receivable	1,124,181	29,616	14,371,745	22,374,477	758,067	-
Less: Federal exercise duty	(76,637)	(1,890)	(1,255,841)	(2,821,178)	(95,784)	-
Federal insurance fee	(5,213)	(126)	(94,177)	(195,116)	(6,555)	-
Gross written contribution	1,042,331	27,600	13,021,727	19,358,183	655,728	-
Direct contribution earned	447,154	12,000	9,267,277	19,333,182	639,817	-
Facultative inward contribution earned	576,893	15,000	3,630,622	-	-	-
Administrative surcharge earned	18,284	600	123,828	25,001	15,911	-
Wakala expense	1,042,331	27,600	13,021,727	19,358,183	655,728	-
Takaful contribution earned	(243,255)	(4,125)	(4,706,635)	(4,411,956)	(138,678)	-
Re-takaful expense	746,253	12,450	8,859,871	13,257,120	478,731	-
Net takaful contribution	(813,817)	(14,850)	(4,169,798)	-	(470,540)	-
Rebate from re-takaful operators	(67,564)	(2,400)	4,690,073	13,257,120	8,191	-
Net underwriting income	187,178	3,416	76,829	-	104,639	-
Takaful claims	119,614	1,016	4,766,902	13,257,120	112,830	-
Re-takaful and other recoveries	(294,680)	1,312	(2,535,930)	(11,844,233)	(4,080,000)	-
Net claims	232,431	-	(115,213)	-	3,146,286	-
Direct expenses	(62,249)	1,312	(2,651,143)	(11,844,233)	(933,714)	-
Surplus before investment income	(36,308)	2,328	2,115,759	1,412,887	(820,884)	-
Investment Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Less: Modarib's share of investment income	-	-	-	-	-	-
<b>Surplus for the period</b>						
Corporate segment assets	756,959	20,044	9,456,601	14,058,243	476,201	-
Corporate un-allocated assets	-	-	-	-	-	-
Total assets						
Corporate segment liabilities	1,408,222	37,288	17,592,766	26,153,519	885,909	-
Corporate un-allocated liabilities	-	-	-	-	-	-
Total liabilities						

	2023						
	Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Treaty	Total
	Rupees						
Segment results							
Contribution receivable	653,444	-	11,693,212	8,705,298	757,365	-	21,809,319
Less: Federal exercise duty	(79,154)	-	(1,326,997)	(971,851)	(5,887)	-	(2,383,889)
Federal insurance fee	(5,683)	-	(102,068)	(77,673)	(76,531)	-	(261,955)
Gross written contribution	568,607	-	10,264,147	7,655,774	674,947	-	19,163,475
Direct contribution earned	(380,036)	-	10,020,130	7,645,774	574,328	-	18,620,268
Facultative inward contribution earned	(173,256)	-	137,997	-	86,257	-	397,510
Administrative surcharge earned	(15,315)	-	106,020	10,000	14,362	-	145,697
Wakala expense	(568,607)	-	10,264,147	7,655,774	674,947	-	19,163,475
	(144,003)	(4,771)	(3,293,544)	(1,355,543)	(487,423)	-	(5,285,284)
Takaful contribution earned	440,829	14,310	6,187,772	4,069,537	1,663,962		12,376,410
Re-takaful expense	(449,212)	(17,173)	(3,182,861)	-	(1,544,799)	-	(5,194,045)
Net takaful contribution	(8,383)	(2,863)	3,004,911	4,069,537	119,163	-	7,182,365
Rebate from re-takaful operators	103,318	3,950	22,987	-	353,357	-	483,612
Net underwriting income	94,935	1,087	3,027,898	4,069,537	472,520	-	7,665,977
Takaful claims	(69,031)	855	(3,983,624)	(3,393,172)	5,346,756	-	(2,098,216)
Re-takaful and other recoveries	26,992	-	281,000	-	(4,059,665)	-	(3,751,673)
Net claims	(42,039)	855	(3,702,624)	(3,393,172)	1,287,091	-	(5,849,889)
Direct expenses							(6,534)
Surplus before investment income	52,896	1,942	(674,726)	676,365	1,759,611	-	1,809,554
Investment Income							
Other Income	-	-	-	-	-	-	10,313,257
	-	-	-	-	-	-	844,910
Less: Modarib's share of investment income	-	-	-	-	-	-	(2,182,999)
Surplus for the period							10,784,722
Corporate segment assets	464,562	-	8,385,997	6,254,907	551,444	-	15,656,910
Corporate un-allocated assets	-	-	-	-	-	-	72,283,578
Total assets							87,940,488
Corporate segment liabilities	1,350,242	-	24,373,751	18,179,779	1,602,763	-	45,506,535
Corporate un-allocated liabilities	-	-	-	-	-	-	12,767,194
Total liabilities							58,273,729

### 35. MOVEMENT IN INVESTMENT

	Held to maturity	Available for sale	Total
	-----Rupees-----		
<b>Operator's Fund</b>			
As at January 01, 2023	-	15,174,692	15,174,692
Additions	-	1,492,405	1,492,405
Fair Value net gain	-	850,559	850,559
	-	2,342,964	2,342,964
As at December 31, 2023	-	17,517,656	17,517,656
Additions	-	2,673,711	2,673,711
Deletion	-	-	-
Fair value net gains (excluding net realized gains)	-	344,264	344,264
	-	3,017,975	3,017,975
<b>As at December 31, 2024</b>	-	20,535,631	20,535,631
<b>Participants' Takaful fund</b>			
As at January 01, 2023	-	2,127,011	2,127,011
Additions	-	243,341	243,341
Fair Value net loss	-	151,724	151,724
	-	395,065	395,065
As at December 31, 2023	-	2,522,076	2,522,076
Additions	-	410,916	410,916
Fair value net gains (excluding net realized gains)	-	7,622	7,622
	-	418,537	418,537
<b>As at December 31, 2024</b>	-	2,940,613	2,940,613

### 36 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants at a measurement date. Consequently, differences can arise between carrying amounts and the fair value estimates.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Operator is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Operator to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 (that is, unobservable inputs).

### 37 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

The risks involved with financial instruments and the Operator's approach to managing such risks are discussed below.

#### 37.1 Takaful risk

The risk under a takaful contract is the possibility that the covered event occurs and the uncertainty of the amount of the resulting claim. By the very nature of a takaful contract, this risk is random and therefore unpredictable. The principal risk faced under such contracts is the occurrence of the covered events and the severity of reported claims. The Operator's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subset.

The Operator principally issues the general takaful cover. Risks under these policies usually cover a twelve month duration. For general takaful contracts, the most significant risks arise from motor.

Underwriting limits and retention policies and procedures precisely regulate who is authorized and accountable for concluding takaful and re-takaful contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting where necessary with appropriate measures that are translated without delay into underwriting guidelines, if required.

The primary risk control measure in respect of the takaful risk is the transfer of the risks to third parties via re-takaful. The re-takaful business ceded is placed on a proportional and non proportional basis with retention limits varying by lines of business.

### 37.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical factors, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risk through the measures described.

The Operator monitors concentration of takaful risks primarily by class of business. The table below sets out the concentration of the claims and takaful liabilities (in percentage terms) by class of business as at the reporting date:

Class of business	2024				2023			
	Gross claims liability	Net claims liability	Gross contribution liability	Net contribution liability	Gross claims liability	Net claims liability	Gross contribution liability	Net contribution liability
	%				%			
Fire and property damage	12.27%	5.15%	2.91%	0.71%	4.05%	3.35%	2.72%	0.75%
Marine, aviation and transport	0.02%	0.02%	0.11%	0.02%	0.08%	0.10%	0.00%	0.00%
Motor	35.29%	42.70%	20.96%	20.75%	51.82%	56.02%	30.13%	27.60%
Accident and Health	38.22%	46.25%	73.10%	77.80%	21.45%	26.33%	64.26%	70.92%
Miscellaneous	14.20%	5.88%	2.91%	0.72%	22.60%	14.21%	2.89%	0.73%

### 37.1.2 Re-takaful arrangements

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

In compliance with regulatory requirements, the reinsurance agreements are duly submitted to the SECP on an annual basis.

The Operator's class wise major risk exposure is as follows:

	Gross sum insured	Reinsurance	Net exposure of risk	Net exposure of risk
	2024			2023
	-----Rupees-----			
Fire and property	64,800,000	59,800,000	5,000,000	3,500,000
Marine, aviation and transport	50,000,000	45,000,000	5,000,000	-
Motor	13,372,300	4,814,028	8,558,272	9,190,000
Accident and health	2,000,000	-	2,000,000	1,000,000
Miscellaneous	9,000,000	6,750,000	2,250,000	6,750,000
	139,172,300	116,364,028	22,808,272	20,440,000

The primary risk control measure in respect of the takaful risk is the transfer of the risks to third parties via re-takaful. The re-takaful business ceded is placed on a proportional and non proportional basis with retention limits varying by lines of business.

Re-takaful is used to manage takaful risk. Although the Operator has re-takaful arrangements, it does not, however, discharge the Operator's liability and thus a credit risk exposure remains with respect to re-takaful ceded to the extent that any re-takaful operator may be unable to meet its obligations under such re-takaful arrangements. The Operator minimizes such credit risk by entering into re-takaful arrangements with re-takaful operators having good credit ratings, which are reviewed on a regular basis. The creditworthiness of re-takaful operators is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

### 37.1.3 Uncertainty in the estimation of future claims payment

Claims on general takaful contracts are payable on a claim occurrence basis. The PTF is liable for all covered events that occur during the term of the takaful contract including the event reported after the expiry of the takaful contract term.

An estimated amount of the claim is recorded immediately on the intimation to the operator. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The operator takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount.

### 37.1.4 Key assumptions

The principal assumption underlying the liability estimation of IBNR is that the Operator's future claim development will follow similar market pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which reporting pattern will not apply in future. The judgment includes external factors such as treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

### 37.1.5 Sensitivity analysis

The Operator believes that the claim liabilities under takaful contracts outstanding at the period end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the PTF surplus of the changes in the claim liabilities net of re-takafulis analysed below. The sensitivity to changes in claim liabilities net of re-takafulis determined separately for each class of business while keeping all other assumptions constant.

	Pre-tax profit		Shareholders' equity	
	2024	2023	2024	2023
	-----Rupees-----		-----Rupees-----	
<b>10% increase in loss</b>				
Fire and property damage	(6,225)	(4,204)	(4,420)	(2,985)
Marine, aviation and transport	131	86	93	61
Motor	(265,114)	(370,262)	(188,231)	(262,886)
Accident and health	(1,184,423)	(339,317)	(840,941)	(240,915)
Miscellaneous	(93,371)	128,709	(66,294)	91,383
	(1,549,003)	(584,988)	(1,099,792)	(415,342)

	Pre-tax profit		Shareholders' equity	
	2024	2023	2024	2023
	-----Rupees-----		-----Rupees-----	
<b>10% decrease in loss</b>				
Fire and property damage	6,225	4,204	4,420	2,985
Marine, aviation and transport	(131)	(86)	(93)	(61)
Motor	265,114	370,262	188,231	262,886
Accident and health	1,184,423	339,317	840,941	240,915
Miscellaneous	93,371	(128,709)	66,294	(91,383)
	1,549,003	584,988	1,099,792	415,342

### 37.2 Financial risk

The operator has exposure to the following risks from its use of financial instruments:

#### 37.2.1 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 stress conditions, without incurring unacceptable losses or risking damage to the Operator's reputation. In the case of the Operator, the liquidity level remained on satisfactory level during the year and Operator did not face any difficulty in generation of liquidity.

The following are the contractual maturities of financial liabilities on an undiscounted cashflow basis:

	Carrying amount	Contractual cash flows	Upto one year	Greater than one year
	<b>2024</b>			
	-----Rupees-----			
<b>Operator's Fund</b>				
<b>Financial liabilities</b>				
Other creditors and accruals	12,897,559	12,897,559	12,897,559	-
<b>Participants' Takaful Fund</b>				
<b>Financial Liabilities</b>				
Qard e Hasna	10,000,000	10,000,000	10,000,000	-
Outstanding claims	1,963,892	1,963,892	1,963,892	-
Takaful / re-takaful payables	4,301,225	4,301,225	4,301,225	-
Payable to OPF	28,563,778	28,563,778	28,563,778	-
Other creditors	12,823,986	12,823,986	12,823,986	-
	57,652,881	57,652,881	57,652,881	-

	Carrying amount	Contractual cash flows	Upto one year	Greater than one year
	<b>2023</b>			
	-----Rupees-----			
<b>Operator's Fund</b>				
<b>Financial liabilities</b>				
Other creditors and accruals	4,844,500	4,844,500	4,844,500	-
<b>Participants' Takaful Fund</b>				
<b>Financial Liabilities</b>				
Qard e Hasna	13,500,000	13,500,000	13,500,000	-
Outstanding claims including IBNR	1,731,225	1,731,225	1,731,225	-
Takaful / re-takaful payables	2,265,994	2,265,994	2,265,994	-
Payable to OPF	18,512,707	18,512,707	18,512,707	-
Other creditors	12,498,860	12,498,860	12,498,860	-
	48,508,786	48,508,786	48,508,786	-

### 37.2.2 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. The Operator manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the investment committee. Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

#### a) Profit rate risk

Profit 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 profit rates. Sensitivity to profit rate risk arises from mismatching of financial assets and liabilities that mature or repaid in a given year. The Operator manages this mismatch through risk management strategies where significant changes in gap position can be adjusted. At the reporting date, the profit rate profile of the Operator's significant profit bearing financial instruments was as follows:



Operator's Fund	2023						
	Effective yield / profit rate	Profit bearing		Non-profit bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total
-----Rupees-----							
<b>Financial assets</b>							
Investments							
Equity securities		-	-	-	17,517,656	-	17,517,656
Debt securities	9.25%-14.5%	30,940,000	-	30,940,000	-	-	30,940,000
		30,940,000	-	30,940,000	17,517,656	-	48,457,656
Qard-e-Hasna to Participant's Takaful Fund							
Loans and other receivable		-	-	-	-	13,500,000	13,500,000
Receivable from PTF		-	-	-	3,074,559	-	3,074,559
		-	-	-	18,512,706	-	18,512,706
Cash and bank	3.4%-6.75%	4,054,044	-	4,054,044	-	-	4,054,044
		34,994,044	-	34,994,044	39,104,921	13,500,000	87,598,965
<b>Financial liabilities</b>							
Other creditors and accruals		-	-	-	4,844,500	-	4,844,500
		-	-	-	4,844,500	-	4,844,500
On balance sheet gap (a)		34,994,044	-	34,994,044	34,260,421	13,500,000	82,754,465
Off balance sheet financial instrument		-	-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		34,994,044	-	34,994,044			
Cumulative interest rate sensitivity gap		34,994,044	-				

Participants' Fund	2024					
	Effective yield / profit rate	Profit bearing		Non-profit bearing		Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	
-----Rupees-----						
<b>Financial assets</b>						
Investments						
Equity securities	17.5%-18.5%	-	-	2,940,613	-	2,940,613
Term deposits		53,684,524	-	53,684,524	-	-
Takaful / re-takafulreceivables		-	-	5,782,052	-	5,782,052
Loan and other receivable		-	-	13,246,549	-	13,246,549
Cash and bank	2.73%-5.23%	11,820,883	-	11,820,883	-	-
		65,505,407	-	65,505,407	-	21,969,214
<b>Financial liabilities</b>						
Qard e Hasna		-	-	10,000,000	-	10,000,000
Outstanding claims including IBNR		-	-	2,650,596	-	2,650,596
Payable to OPF		-	-	28,563,778	-	28,563,778
Takaful / re-takaful payables		-	-	4,301,225	-	4,301,225
Other creditors and accruals		-	-	12,823,986	-	12,823,986
		-	-	58,339,585	-	58,339,585
On balance sheet gap (a)		65,505,407	-	65,505,407	-	(36,370,371)
<b>Off balance sheet financial instrument</b>						
Off balance sheet gap (b)		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		65,505,407	-	65,505,407		
Cumulative interest rate sensitivity gap		65,505,407	-			

Participants' Fund	2023					Total	
	Effective yield / profit rate	Profit bearing		Non-profit bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year		Maturity after one year
Rupees							
Financial assets							
Investments							
Equity securities		-	-	-	2,522,076	-	2,522,076
Term deposits	9.25%-14.5%	63,330,000	-	63,330,000	-	-	63,330,000
Takaful / re-takafulreceivables		-	-	-	1,359,900	-	1,359,900
Loan and other receivable		-	-	-	6,380,713	-	6,380,713
Cash and bank	3.4%-5.25%	6,431,501	-	6,431,501	-	-	6,431,501
		69,761,501	-	69,761,501	10,262,689	-	80,024,190
Financial liabilities							
Qard e Hasna		-	-	-	13,500,000	-	13,500,000
Outstanding claims including IBNR		-	-	-	2,041,744	-	2,041,744
Payable to OPF		-	-	-	18,512,707	-	18,512,707
Takaful / re-takaful payables		-	-	-	2,265,994	-	2,265,994
Other creditors and accruals		-	-	-	12,498,860	-	12,498,860
		-	-	-	48,819,305	-	48,819,305
On balance sheet gap (a)		69,761,501	-	69,761,501	(38,556,616)	-	31,204,885
Off balance sheet financial instrument		-	-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		69,761,501	-	69,761,501			
Cumulative interest rate sensitivity gap		69,761,501	-				

The financial instruments of the Operator can be classified into fixed rate instruments and variable rate instruments as shown below:

	2024			2023
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
	-----Rupees-----			
<b>Fixed rate instruments</b>				
Financial assets	-	-	-	-
	-	-	-	-
<b>Variable rate instruments</b>				
Financial assets	36,983,005	65,505,407	102,488,412	104,755,545
	36,983,005	65,505,407	102,488,412	104,755,545

#### Sensitivity analysis for fixed rate instruments

The Operator does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in profit rates at reporting date would not affect statement of profit or loss.

#### Sensitivity analysis of variable rate instruments

Presently, the Operator does not hold any variable rate instrument and is not exposed to profit rate risk except for balances in certain profit and loss sharing accounts and term deposits, the profit rate on which range between 2.73% to 18.5% per annum.

An increase of 100 basis points in interest rates would have increased the profit and loss by the amounts shown below. Reduction in interest rates by 100 basis points would have an opposite impact. This analysis assumes that all variables remain constant. The analysis has been performed on the same basis for the comparative period.

Operator's Fund	Profit for the period		Total equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	-----Rupees-----			
<b>As at December 31, 2024</b>				
Sensitivity	369,830	(369,830)	262,579	(262,579)
<b>As at December 31, 2023</b>				
Sensitivity	349,940	(349,940)	248,458	(248,458)

Participant's Takaful Fund	Surplus for the period		Total equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	-----Rupees-----			
<b>As at December 31, 2024</b>				
Sensitivity	655,054	(655,054)	465,088	(465,088)
<b>As at December 31, 2023</b>				
Sensitivity	697,615	(697,615)	495,307	(495,307)

Above sensitivities are calculated on the assumption that all factors remain constant except interest rates and resulting variation in fair values of the investments and impact on the profit or loss.

Above sensitivities are calculated on the assumption that all factors remain constant except profit rates and resulting variation in fair values of the investments and impact on the statement of profit or loss.

The Operator monitors the profit rate environment on a regular basis and alters the portfolio mix of fixed and floating rate securities.

The Operator's policy requires the management to manage this risk by measuring the mismatch of the profit rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed profit securities.

The average effective duration of the Operator's portfolio is a measure of the sensitivity of the fair value of the Operator's fixed profit securities to changes in market profit rates.

The Operator's policy refrains from holding profit bearing instruments that induce the average effective duration of the fixed profit portfolio to pass the benchmark of the average duration.

**b) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit 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 Operators and Participants equity investments amounting to Rs. 20.536 million and Rs. 2.941 million respectively are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Operator limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarizes Operators market price risk as of December 31, 2024 and 2023 . It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Operators' profit and equity. Had all equity investments been measured at fair values as required by IAS 39, Financial Instrument: Recognition and measurement, the impact of hypothetical change would be as follow:

Operators' Fund	Fair value	Estimated Fair value		Effect of Fair value	
		10% increase	10% decrease	10% increase	10% decrease
		-----Rupees-----			
As at December 31, 2024					
Sensitivity	20,535,631	22,589,194	18,482,068	2,053,563	(2,053,563)

Participants' Takaful Fund	Fair value	Estimated Fair value		Effect of Fair value	
		10% increase	10% decrease	10% increase	10% decrease
		-----Rupees-----			
As at December 31, 2024					
Sensitivity	2,940,613	3,234,674	2,646,552	294,061	(294,061)

**c) Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Operators, at present, is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.

**37.2.3 Credit risk**

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the Operator by failing to discharge an obligation. The Operator's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

**Exposure to credit risk**

The maximum exposure to credit risk before any credit enhancements at December 31, 2024 is the carrying amount of the financial assets as set out below:

	2024			2023
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
	-----Rupees-----			
<b>Nature of financial assets</b>				
Bank balances	1,167,529	11,820,883	12,988,412	10,485,545
Investments				
Equity securities	20,535,631	2,940,613	23,476,244	20,039,732
Debt securities	35,815,476	72,305,081	108,120,557	94,270,000
	56,351,107	75,245,694	131,596,801	114,309,732
Qard-e-Hasna to Participants' Takaful Fund	10,000,000	-	10,000,000	13,500,000
Loans and other receivable	5,722,433	13,246,549	18,968,982	8,960,159
Receivable from PTF	28,563,777	-	28,563,777	18,512,706
Takaful / re-takafulreceivables	-	5,782,052	5,782,052	1,359,900
	<u>101,804,846</u>	<u>106,095,178</u>	<u>207,900,024</u>	<u>167,128,042</u>

Provision for impairment is made for doubtful receivables according to the Operator's policy. The impairment provision is written off when the Operator expects that it cannot recover the balance due.

The age analysis of due from insurance contract holders from other than related parties is as follows:

	2024	2023
	-----Rupee-----	
Upto 3 months	1,376,367	2,106,587
4 to 6 months	-	-
7 to 12 months	-	-
More than 12 months	-	-
	<u>1,376,367</u>	<u>2,106,587</u>

The age analysis of due from insurance contract holders with respect to related parties is as follows:

	2024	2023
Upto 3 months	214,947	70,827
4 to 6 months	-	-
7 to 12 months	-	176,655
More than 12 months	-	-
	<u>214,947</u>	<u>247,482</u>

#### Concentration of credit risk

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Operator's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. Provision for impairment is made for doubtful receivables according to the Operator's policy. The remaining past due balances were not impaired as they relate to a number of policy holders and other takaful / re-takafuloperators for whom there is no history of default. The credit quality of the financial assets can be assessed with reference to external credit ratings as follows:

Name of the company	Rating		Rating agency	2024			2023
	Long term	Short term		Operator's Fund	Participants' Fund	Aggregate	
-----Rupees-----							
<b>Cash at bank</b>							
Sindh Bank Limited	AA-	A1+	JCR-VIS	995,802	11,381,954	12,377,756	9,919,989
Meezan Bank Limited	AAA	A1+	JCR-VIS	35,844	52,515	88,359	83,678
NRSP Microfinance Bank Limited	A-	A2	JCR-VIS	57,441	-	57,441	54,573
National Bank of Pakistan	AAA	A1+	JCR-VIS	-	50,787	50,787	11,855
Habib Metropolitan Bank	AA+	A1+	PACRA	78,442	334,298	412,740	415,452
				1,167,529	11,819,554	12,987,083	10,485,547
<b>Term deposit certificates</b>							
National Bank of Pakistan	AAA	A1+	JCR-VIS	35,815,476	53,684,524	89,500,000	63,330,000
Habib Metro Bank Limited	AA+	A1+	PACRA	-	-	-	30,940,000
				35,815,476	53,684,524	89,500,000	94,270,000
<b>Investments</b>							
Mutual funds							
ABL Islamic Income Fund	A+( f )	-	JCR-VIS	20,535,631	-	20,535,631	17,517,656
Meezan Sovereign Fund	AA( f )	-	JCR-VIS	-	2,940,613	2,940,613	2,522,076
GOP Ijara	A( f )	PACRA		-	18,620,557	18,620,557	-
				20,535,631	21,561,170	42,096,801	20,039,732

The provision for impairment is written-off when the Operator expects that it cannot recover the balance due. During the year, receivables of Rs. Nil were provided for or impaired.

**38 CAPITAL RISK MANAGEMENT**

The objectives, policies and processes for managing capital of the Operator are as follows:

- to be an appropriately capitalized institution, as defined by regulatory authorities and comparable to the peers;
- maintain strong rating and to protect the Operator against unexpected events;
- availability of adequate capital at reasonable cost so as to enable the Operator to expand; and
- achieve low cost of capital with appropriate mix of capital elements.

**39 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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 and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Operator is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Operator to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input for which the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input for which the fair value measurement is unobservable.

Operator's Fund	2024									
	Carrying amount					Fair value				
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)										
<b>Financial assets measured at fair value</b>										
Investments										
Equity securities	-	20,535,631	-	-	-	20,535,631	20,535,631	-	-	20,535,631
<b>Financial assets not measured at fair value</b>										
Investments										
Term deposits	35,815,476	-	-	-	-	35,815,476	-	-	-	-
Loans and other receivable*	-	-	5,722,433	-	-	5,722,433	-	-	-	-
Qard-e-Hasna to Participants'										
Takaful Fund (PTF)	-	-	-	10,000,000	-	10,000,000	-	-	-	-
Takaful / re-takaful receivable*	-	-	-	-	-	-	-	-	-	-
Prepayments										
Receivable from PTF	-	-	28,563,777	-	-	28,563,777	-	-	-	-
Cash and bank balance*	-	-	-	1,167,529	-	1,167,529	-	-	-	-
	35,815,476	20,535,631	34,286,210	11,167,529	-	101,804,846	20,535,631	-	-	20,535,631
<b>Financial liabilities not measured at fair value</b>										
Other creditors and accruals*	-	-	-	-	12,897,559	12,897,559				
	35,815,476	20,535,631	34,286,210	11,167,529	12,897,559	114,702,405	20,535,631	-	-	20,535,631

Operator's Fund	2023									
	Carrying amount						Fair value			
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees----- (Rupees) -----										
Financial assets measured at fair value										
Investments										
Equity securities	-	17,517,656	-	-	-	17,517,656	17,517,656	-	-	17,517,656
Financial assets not measured at fair value										
Investments										
Term deposits	30,940,000	-	-	-	-	-	30,940,000	-	-	-
Loans and other receivable*	-	-	3,074,559	-	-	-	3,074,559	-	-	-
Qard-e-Hasna to Participants'										
Takaful Fund (PTF)	-	-	-	13,500,000	-	-	13,500,000	-	-	-
Takaful / re-takaful receivable*	-	-	-	-	-	-	-	-	-	-
Prepayments										
Receivable from PTF	-	-	18,512,706	-	-	-	18,512,706	-	-	-
Cash and bank balance*	-	-	-	4,054,044	-	-	4,054,044	-	-	-
	30,940,000	17,517,656	21,587,265	17,554,044	-	-	87,598,965	17,517,656	-	17,517,656
Financial liabilities not measured at fair value										
Other creditors and accruals*	-	-	-	-	4,844,500	4,844,500	4,844,500	-	-	17,517,656
	30,940,000	17,517,656	21,587,265	17,554,044	4,844,500	92,443,465	17,517,656	-	-	17,517,656

Participants' Takaful Fund	2024									
	Carrying amount						Fair value			
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments										
Equity securities	-	2,940,613	-	-	-	2,940,613	2,940,613	-	-	2,940,613
Financial assets not measured at fair value										
Investments										
Term deposits	53,684,524	-	-	-	-	53,684,524	-	-	-	-
Debt securities	18,620,557	-	-	-	-	18,620,557	-	-	-	-
Loans and other receivable*	-	-	12,544,709	-	-	12,544,709	-	-	-	-
Takaful / re-takaful receivable*	-	-	5,782,052	-	-	5,782,052	-	-	-	-
Cash and bank balance*	-	-	-	11,820,883	-	11,820,883	-	-	-	-
	72,305,081	2,940,613	18,326,761	11,820,883	-	105,393,338	2,940,613	-	-	2,940,613
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	-	-	-	-	(2,650,596)	(2,650,596)				
Unearned contribution reserve					-	-				
Qard-e-Hasna to Participants'										
Takaful Fund (PTF)					(10,000,000)	(10,000,000)				
Payable to OPF	-	-	-	-	(28,563,778)	(28,563,778)				
Takaful / re-takaful payable	-	-	-	-	(4,301,225)	(4,301,225)				
Other creditors and accruals*	-	-	-	-	(12,823,986)	(12,823,986)				
	72,305,081	2,940,613	18,326,761	11,820,883	(58,339,585)	47,053,753	2,940,613	-	-	2,940,613



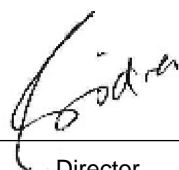
	2024	2023
<b>40 NUMBER OF EMPLOYEES</b>		
Number of employees at the end of the year	1	1
Average number of employees	1	1
<b>41 CORRESPONDING FIGURES</b>		
Corresponding figures might be rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.		
<b>42 DATE OF AUTHORIZATION FOR ISSUE</b>		
This condensed interim financial information was authorized for issue on 07 April 2025 by the Board of Directors of the Company.		
<b>43 GENERAL</b>		
Figures have been rounded to the nearest Rupees.		



Chairman



Director



Director



Chief Executive Officer

# BRANCHES

## Our Branches

**North Region Branch:**

Al Din Chambers  
Venus Plaza,  
Egerton Road, Lahore.  
Ph: 042-36297709

**Hyderabad Region:**

Block - D, Unit No. 07  
Latifabad, Hyderabad.  
Ph: 022-3821758



**PATTERN OF SHAREHOLDINGS**  
**HELD BY THE SHAREHOLDERS OF SINDH INSURANCE LIMITED**  
**AS AT DECEMBER 31, 2024**

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
1	From 1	To 49,999,992	49,999,992	49.999992
8	From 49,999,992	To 50,000,000	8	0.000008
1	From 50,000,001	To 100,000,000	50,000,000	50.000000
9			<b>100,000,000</b>	<b>100.0000</b>

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Associated Company</b>	-	-	-
<b>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas</b>	-	-	-
<b>Mutual Funds</b>	-	-	-
<b>Other Companies</b>	-	-	-
<b>Shareholding Above 5%</b>			
Governamet of Sindh	1	99,999,992	99.999992
<b>Directors, CEO, Executives and their Spouses and Minor Childrens</b>			
Saleem Zamindar	1	1	0.000001
Fayaz Ahmed Jatoi	1	1	0.000001
Farhan Ashraf Khan	1	1	0.000001
Hina Marvi	1	1	0.000001
Muhammad Omar Arshid	1	1	0.000001
Nadeem Akhter	3	3	0.000003
Individuals	-	-	-
<b>Total</b>	<b>9</b>	<b>100,000,000</b>	<b>100.000000</b>

## FORM OF PROXY

## Eleventh Annual General Meeting

I/We \_\_\_\_\_ of \_\_\_\_\_  
 being a member of **Sindh Insurance Limited** and holder of \_\_\_\_\_ ordinary  
 shares, hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
 or failing him \_\_\_\_\_ of \_\_\_\_\_  
 who are also members of Sindh Insurance Limited as my/our proxy in my/our absence to attend and  
 vote for me/us and on my/our behalf at the Eleventh Annual General Meeting to be held on Monday,  
 April 28, 2025 at 10:00 pm at 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi and at any  
 adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

1) Witness:

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 NIC No. \_\_\_\_\_  
 Passport No. \_\_\_\_\_

Please affix  
 Rupees Five  
 Revenue  
 Stamp

2) Witness:

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 NIC No. \_\_\_\_\_  
 Passport No. \_\_\_\_\_

Signature of Member

**Importants:** This instrument appointing a proxy, duly completed, must be received by the Company Secretary at the Company's Head Office/Registered Office, 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Amed Road, Karachi., not later than 48 hours before the time of holding the meeting.

## سندھ انشورنس لمیٹڈ

فولیو نمبر حوالہ.....

### نمائندگی (Proxy) فارم گیارواں سالانہ اجلاس عام

میں/ہم..... ساکن..... بحیثیت رکن سندھ انشورنس لمیٹڈ اور حامل

عام حصص، اس دستاویز کے ذریعے

..... ساکن.....

یا ان کی غیر حاضری کی صورت میں..... ساکن.....

جو کہ خود بھی سندھ انشورنس لمیٹڈ کے رکن ہیں، کو میری/ہماری غیر موجودگی کی صورت میں بطور میرے/ہمارے مجاز نمائندہ، گیارواں سالانہ عام اجلاس، منعقدہ جمعرات، 28 اپریل 2025، بمطابق 10:00 pm بجے، بمقام پہلی منزل امپیریل کورٹ، ڈاکٹر ضیاء الدین احمد روڈ، کراچی یا کسی بھی دیگر تجویز کردہ مقام پر شرکت کرنے اور میرے/ہماری طرف سے حق رائے دہی استعمال کرنے کے لیے مقرر کرتے ہیں۔

دستخط..... مورخہ..... 2025

1- گواہ

..... دستخط:

..... نام:

..... پتہ:

..... قومی شناختی کارڈ نمبر:

..... پاسپورٹ نمبر:

برائے مہربانی پانچ روپے  
کے رسیدی ٹکٹ چسپاں  
کریں۔

2- گواہ

..... دستخط:

..... نام:

..... پتہ:

..... قومی شناختی کارڈ نمبر:

..... پاسپورٹ نمبر:

..... دستخط رکن:

اہم ترین:

تقرر نمائندہ (Proxy) کی یہ دستاویز مکمل پر شدہ صورت میں کمپنی سیکریٹری کو کمپنی کے صدر دفتر/ رجسٹرڈ دفتر پہلی منزل امپیریل کورٹ، ڈاکٹر ضیاء الدین احمد روڈ، کراچی پر اجلاس کے آغاز سے کم از کم اڑتالیس گھنٹے قبل موصول ہونا ضروری ہے۔

## Statement of Directors

(As per the requirement of Section 46(6) of the Insurance Ordinance, 2000)

### Section 46(6)

- (a) In our opinion the annual statutory accounts of Sindh Insurance Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made there under;
- (b) Sindh Insurance Limited has at all times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements; and
- (c) As at December 31, 2024 Sindh Insurance Limited continues to be in Compliance with provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.



Chairman



Director



Director



Chief Executive Officer

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



# SINDH INSURANCE

POWER TO THE PEOPLE

Another revolutionary step  
by the Government of Sindh for  
the betterment of the masses  
in case of accidental  
death a payout of

**Rs. 100,000**  
FOR NEXT OF KIN

**Universal Accident  
Insurance Scheme**

\*Permanent or Temporary address of Sindh on CNIC

\*Minimum Age 18 years or above

\*Accidental death happens in Sindh



\*Terms and conditions apply

[www.sindhinsuranceltd.com](http://www.sindhinsuranceltd.com)