

IGI

Holdings

IGI Holdings Limited



CARE AND PROTECT

ANNUAL REPORT 2023

IGI

Holdings

IGI Holdings Limited

Registered & Head Office
7th Floor, The Forum, Suite 701-713, G-20, Block 9,
Khayaban-e-Jami, Clifton, Karachi - 75600, Pakistan.
Phone: 111-308-308

www.igiholdings.com.pk



Introduction

Being a leader in insurance and financial industry, IGI follows “Care and Protect” model which encapsulates the idea of going beyond mere financial transactions to genuinely safeguard and support customers in various aspects of their lives be it insurance or financial advisory. IGI differentiates itself in the market by fostering deeper connections with customers/policyholders and ultimately, fulfill its mission of safeguarding the well-being and prosperity of its customers.





Products and offerings



IGI offers a wide range of insurance products that provide comprehensive coverage tailored to the diverse needs of its customers, including life, health, property, and liability insurance.



Proactive Risk Management



IGI offers proactive risk management services to help its customers identify and mitigate potential risks to their health, safety, and property. This can include conducting risk assessments, providing safety tips, and recommending preventive measures.



Transparency and Trust



IGI builds trust with its customers by maintaining transparency in all interactions, ensuring that policyholders feel confident and secure in their relationship with IGI.



Financial Stability



IGI and its subsidiaries maintain strong financial stability and solvency to ensure they can fulfill its obligations even in challenging economic conditions or unforeseen circumstances.



Contents

13	Vision & Mission	48	Directors' Report to the Shareholders	65	Notes to and Forming Part of the Unconsolidated Financial Statements	209	Form of Proxy
14	Organizational Structure	53	Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	92	Directors' Report to the Shareholders on Consolidated Financial Statements	211	Request for Annual Report and Notices Through Post
15	Group Structure	54	Review Report to the Members on Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	95	Auditor's Report on the Consolidated Financial Statements	213	Electronic Credit Mandate Form
20	Credit Rating	56	Auditor's Report to the Members	100	Consolidated Statement of Financial Position	215	Electronic Credit Mandate Form (Urdu)
21	Company Information	60	Unconsolidated Statement of Financial Position	101	Consolidated Statement of Profit or Loss	217	Request for Annual Report and Notices Through Post (Urdu)
23	Code of Conduct	61	Unconsolidated Statement of Profit or Loss	102	Consolidated Statement of Profit or Loss and Other Comprehensive Income	219	Form of Proxy (Urdu)
27	Corporate Sustainability at IGI	62	Unconsolidated Statement of Profit or Loss and Other Comprehensive Income	103	Consolidated Statement of Changes in Equity	223	Notice of Annual General Meeting (Urdu)
28	Board of Directors	63	Unconsolidated Statement of Changes in Equity	104	Consolidated Statement of Cash Flows	224	Consolidated Director's Report (Urdu)
30	Key Financial Data	64	Unconsolidated Statement of Cash Flows	105	Notes to and Forming Part of the Consolidated Financial Statements	227	Directors' Report to the Shareholders (Urdu)
33	Risk Management Policy			206	Notice of Annual General Meeting	228	Chairman's Review (Urdu)



Vision

IGI Holdings Limited is a Company built on a culture of ethics, transparency and professionalism.

Mission

Shareholders:

Consistently delivering above market average return on capital.

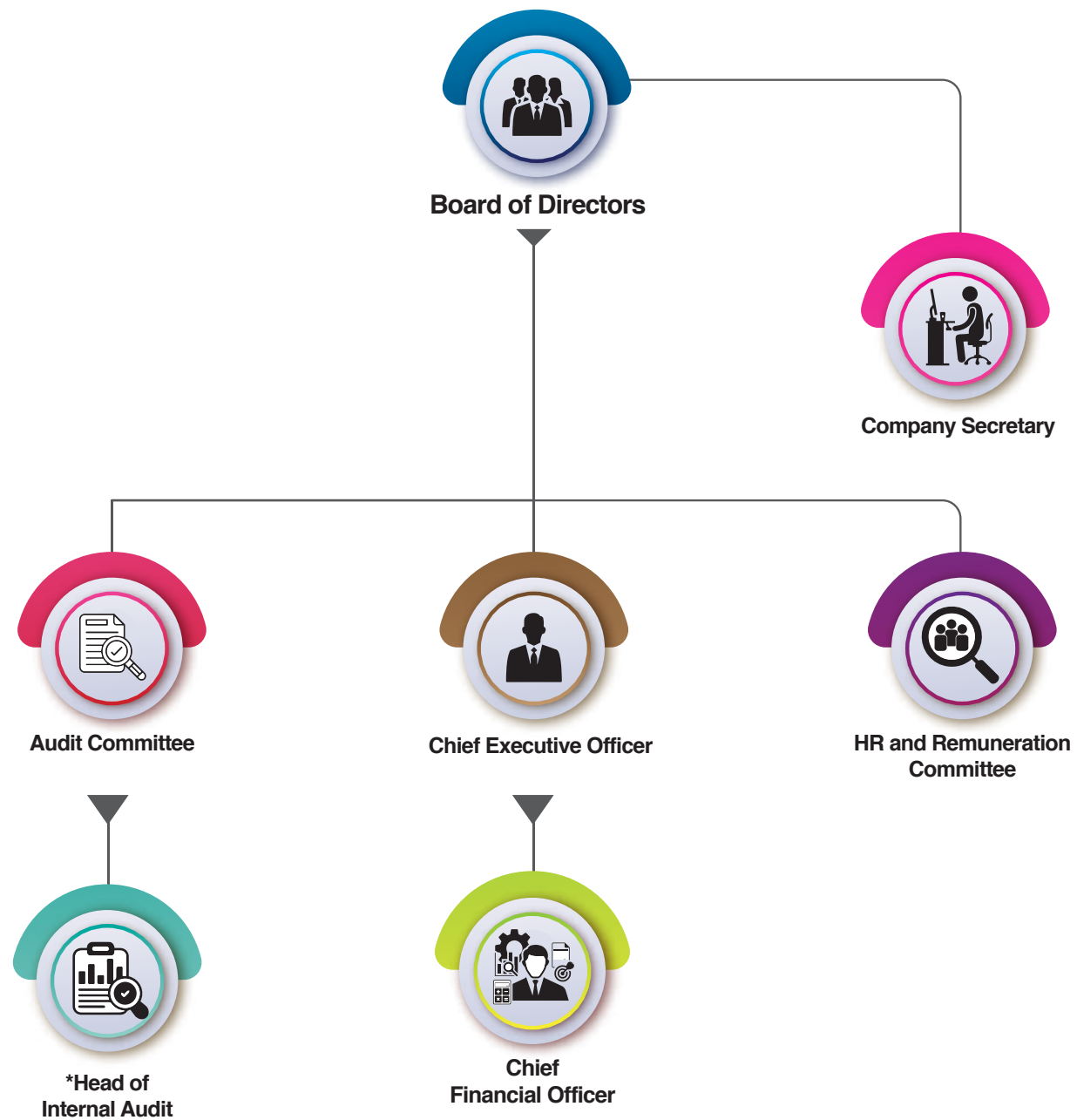
Employees:

Providing the environment necessary to be employer of choice.

Community:

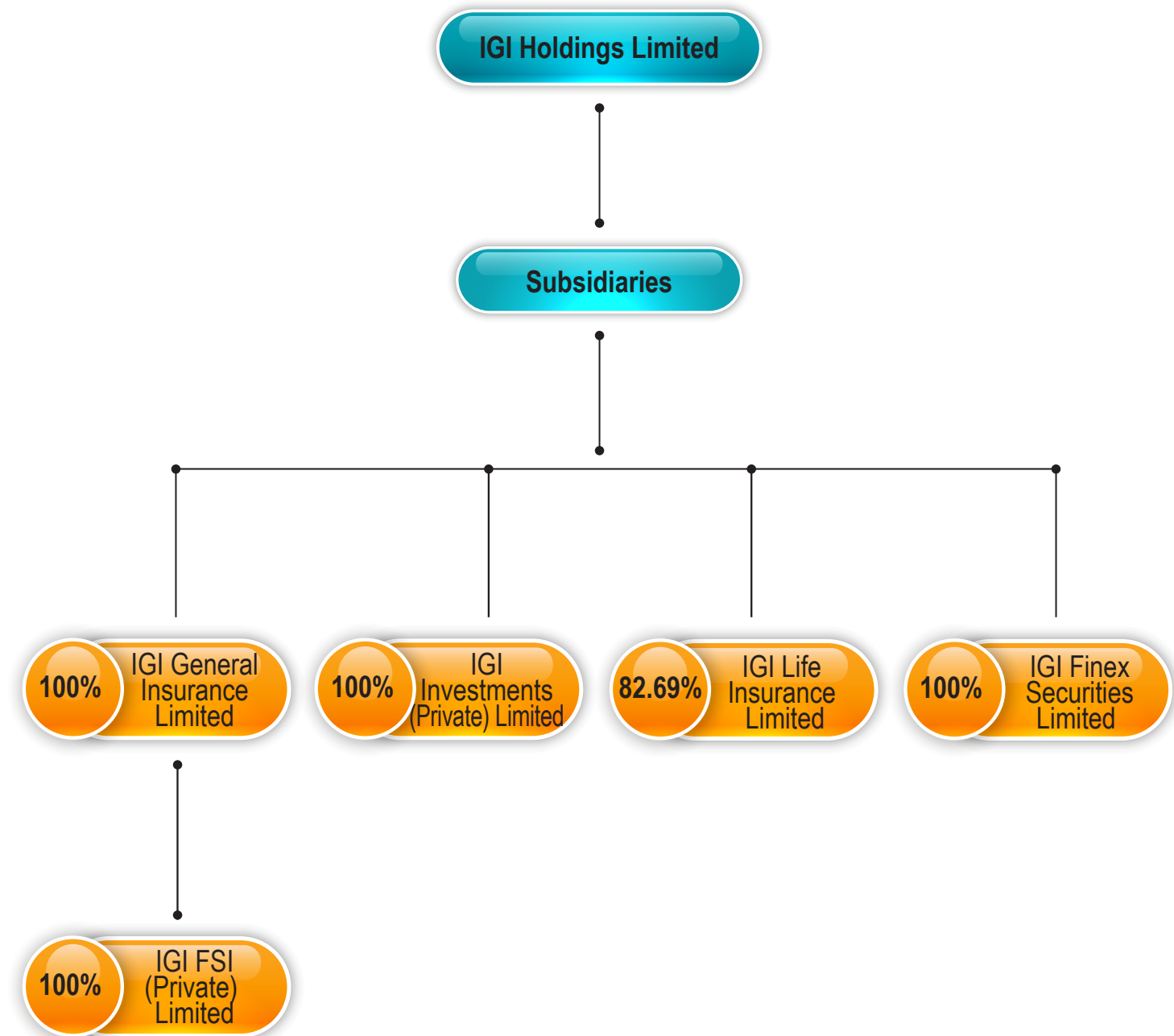
Compliance with the highest ethical and moral standards.

Organizational Structure



*Internal Audit is managed by Group Internal Audit team

Group Structure



IGI

Holdings | Insurance | Investments
Securities | Life *Vitality*

Insurance, Protection and Financial Planning all under one reep



IGI
General | Takaful

IGI
General | Takaful

WE HAVE GOT YOU
COVERED
FROM ACCIDENTS TO
BREAKDOWNS

MORE INFO

+ (92)-111-308-308 | contactcenter@igi.com.pk

A Packages Group Company

IGI
General | Takaful

+ (92)-111-308-308
contactcenter@igi.com.pk

**Your Home,
Our Priority**
IGI General
Home Insurance

Your Insurance Partner

A Packages Group Company

IGI
General | Takaful

+ (92)-111-308-308
contactcenter@igi.com.pk

**Covering Your
Shipments,
Protecting
Your Trade**
IGI General
Marine Insurance

Your Insurance Partner

A Packages Group Company

IGI
General | Takaful

WhatsApp
IGI General Insurance
Now!

- ✓ Product Information
- ✓ Claim Intimation
- ✓ Renew Policy
- ✓ Buy Insurance

Say Hi to
IGI General Insurance at
042 111 308 308

IGI Vitality
Life

Experience the Power of Active Living with
Pakistan's First Active Life Insurance

(021) 111-111-711 or visit www.igilife.com.pk

IGI Vitality
Life

How are you preparing for your *retirement?*

Retirement Plans

IGI Vitality
Life

Navigating Life *together!*

Marriage Plans

IGI Vitality
Life

IGI Life Vitality,
Sehatmand Azaad Zindagi Ki Zamanat

(021) 111-111-711 or visit www.igilife.com.pk

INVEST TODAY AND LOCK YOUR FUTURE WITH IGI SECURITIES

Trusted by Investors for **30** years

- Equity Brokerage
- Investment Banking
- iTrade
- Research
- Commodity Brokerage



www.igisecurities.com.pk

[in/company/igi](https://www.linkedin.com/company/igi)

[X/igisec](https://twitter.com/igisec)

A Packages Group Company

Credit Rating (PACRA)

AA
Long Term

A1+
Short Term

Rating Type	Rating	Rating Comments
Long Term	AA (Double A)	Very high credit rating. AA Rating denotes a very low expectation of credit risk. This indicates very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
Short Term	A1+ (A One Plus)	Obligations supported by the highest capacity for timely repayment.

Company Information

Board of Directors

Syed Babar Ali (Chairman)
Syed Hyder Ali (Chief Executive Officer)
Mr. Shamim Ahmad Khan
Syed Yawar Ali
Syed Shahid Ali
Mr. Ali Ahsan
Ms. Saima Amin Khawaja

Chief Executive Officer

Syed Hyder Ali

Chief Financial Officer

Syed Awais Amjad

Company Secretary

Ms. Nadia Hussain

Head of Internal Audit

Mr. Feroze Polani

Audit Committee

Mr. Ali Ahsan (Chairman)
Mr. Shamim Ahmad Khan
Syed Yawar Ali
Ms. Nadia Hussain (Secretary)

Human Resources & Remuneration Committee

Ms. Saima Amin Khawaja (Chairperson)
Mr. Shamim Ahmad Khan
Syed Shahid Ali
Syed Hyder Ali
Ms. Hadia Tariq (Secretary)

Bankers

Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
State Bank of Pakistan
United Bank Limited

Auditors and Tax Advisor

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Access World Law Company
Altaf and Altaf Advocates.
Fazleghani Advocates
Haidermota & Co.
Hassan & Hassan Advocates
Jurists & Arbitrators Advocates & Consultants
Lexicon Law Firm
Mohsin Tayebaly & Co.
Mughees Law Associates
Orr, Dignam & Co.
RMA & Co

Share Registrar

FAMCO Share Registration Services (Pvt.) Limited
8-F, Next to Hotel Faran,
Nursery, Block-6, P.E.C.H.S
Shahrah-e-Faisal, Karachi.

Registered & Head Office

7th Floor, The Forum,
Suite Nos.701-713,
G-20, Block 9,
Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan
www.igiholdings.com.pk

Contact

UAN: 111-308-308
Fax: 92-21-35301706

Code of Conduct

IGI has built a reputation for conducting its business with integrity, in accordance with highest standards of ethical behavior and in compliance with the laws and regulations that govern our business. This reputation is among our most valuable assets and ultimately depends upon the individual actions of each of our employees.

IGI's Code of Conduct has been prepared to assist each of us in our efforts to not only maintain but enhance this reputation. It provides guidance for business conduct in number of areas and refers to more detailed corporate policies for further direction. The adherence of all employees to highest standards of integrity and ethical behavior is mandatory and benefits all stakeholders which includes customers, communities, shareholders and ourselves.

Care (Fairness and Consideration are integral to our culture)

Environment, health and safety

We continually improve our environmental performance. To achieve continual improvements in our environmental performance, we need to understand the potential environmental impacts of all our operations and activities, set improvement targets, take the necessary steps to reach these targets and monitor our progress. It is important that everyone should understand their own roles and responsibilities with respect to environmental issues, in order to make the right decisions. All employees should promote resource conservation and minimize waste of paper and other resources.

Honesty (Truthfulness, integrity and trust form the backbone of all our activities)

Responsible business

- We comply with all applicable local, national and international laws, regulations and voluntary commitments wherever we do business.
- We conduct business transactions with the best interests of IGI and community in mind.
- We show zero tolerance for corrupt activities of any kind, either in our own operations or when we work with partners.
- We support free and fair competition by never becoming involved in price-fixing, market sharing or other anti-competitive practices.
- We take care of the Company's valuable property and safeguard confidential information.
- We communicate with our stakeholders in a clear manner.
- We listen to all our stakeholders and seek to engage with them constructively.

Ethics, transparency, fairness and professionalism

In conducting business, IGI is inspired by and complies with the principles of loyalty, fairness, transparency and

efficiency. Any action, transaction and negotiation performed and generally, the conduct of all employees in the performance of their duties is inspired by the highest principles of fairness, completeness and transparency of information, clarity and truthfulness of all accounting documents, in compliance with the applicable laws in force and internal regulations. Bribes, illegitimate favors, request for personal benefits of oneself or others, either directly or through third parties, are prohibited without any exception.

Conflict of interest

IGI expects all employees to be free from actual or potential conflicts of interest. A conflict of interest occurs whenever the prospect of direct or indirect personal gain may influence or appear to influence an employee judgment or actions while conducting the business in which employee has a prime responsibility towards the Company and is expected to avoid activities or transactions that clash directly with the interest of the Company.

Confidentiality

Employees shall not keep or make copies of correspondence, documents, records, list of clients or customers without prior approval of the Head of Department. An employee shall not disclose or reveal any information on behalf of the Company to print or electronic media as well as any other information medium, unless he/she is authorized to do so.

Unpublished information may be disclosed to external organization or individual only on "need-to-know" basis upon explicit management approval.

Corruption

Taking or giving bribes is strictly prohibited in our Group Companies. We comply vigorously, with the relevant anti-bribery laws. It is also our policy to require all our stake holders working for, or representing, any of the IGI Group Companies, in any capacity, including business partner, suppliers, vendors, consultants, financial advisers, agents, to comply with these laws and practices. It is also important to remember that offering or accepting gifts, hospitality, or expense payments is prohibited if they are of unreasonably high value more than Rs. 5,000/- (this amount to be reviewed every year) or could inappropriately affect business transactions. Any gift or hospitality which is of greater value and can potentially impact the business dealings, should be immediately reported to supervisor, Head of internal audit and surrendered to HR for appropriate action.

Professional relationships

Every employee of IGI needs to maintain a professional relationship with suppliers, customers and other stakeholders. They need to ensure that IGI inculcates the value of professionalism among its employees. So, all employees working in IGI dealing directly with suppliers and customers need to make sure that professional relationship is prior to any personal interest of employee.



Being in business everyone has to ensure their professional commitment and reputation of the group.

Anti-Fraud policy

IGI is committed to the highest possible standards of openness, transparency and accountability in all its affairs. The intent is to promote a culture of honesty and opposition to fraud in all its forms. Fraud in all its forms is wrong and is unacceptable to the Group. All stakeholders must carry out their activities/business in such a way that it prevents fraud from occurring. All reported instances of fraud including the identity of those providing information will be kept confidential in order to conduct an appropriate, fair and thorough investigation. Group Internal Audit department is authorized to blacklist any vendor, service provider, customer, contractor, agency, distributor etc. who are convicted of fraud under this policy.

Responsibility for prevention and detection

All employees are responsible for prevention and detection of fraud, misappropriation and other irregularities.

Dealings in securities/shares and insider trading

IGI's employees shall not trade or pass on inside information at any time to any other person, inside or outside IGI. Inside information refers to the information about IGI, its business, or other companies with which IGI is doing business or negotiating, that is not generally known to the public, but would likely, if known generally, affect the price of a company's shares or influence a person's investment decisions.

IGI's employees shall not pass on inside information at any time to any other person or encourage another person to deal in shares of its listed group companies on the basis of such information, even if the employee does not gain directly from the arrangement.

IGI's employees should be aware of and comply with any local laws and regulations governing share dealings

Courage (We stand up for what we believe in)

IGI expects its employees to show courage in all their dealings and conduct by working with the highest professional and ethical standards.

Whistle blow

IGI is committed to highest standards of ethical, moral and legal business conduct. In line with this commitment and the Company's commitment to open communication, this policy aims to provide an avenue for employees to raise concerns with reassurance that they will be protected from reprisals or victimization for whistle blowing.

The types of issues which can be reported under this policy include but are not limited to:

- Breach of the Code of Conduct
- Corruption and bribery
- Harassment
- Misappropriation of financial data/reports
- Misuse of Company's assets

- Violation of applicable laws and regulations
- Actions raising safety, security, and environmental concerns
- Damage to Company's reputation or business and
- Disrespect and/or discrimination of employees on the basis of race, color, gender, ethnicity, age, nationality, ancestry, religion, physical/ mental disability or marital status.

Note: Complainants have the right to raise complaint anonymously but they are encouraged to include contact information which would be useful during investigation. Confidentiality and protection of complainant's identity would be ensured. Internal Audit Department may involve/ consult relevant departments for investigation of the complaint.

Complaint reporting and Investigation procedure

- Any employee, contractor or stakeholder who believes that he/ she has been a victim of discrimination, harassment, or becomes aware of any activity which is not in the best interests of the Company or breaches the Code of Conduct or law should immediately report the issue. Confidentiality of all complaints would be ensured and appropriate remedial action would be taken after thorough verification/ investigation of underlying facts and details.
- All personnel reporting must ensure confidentiality of the information and must not share or spread any unsubstantiated/ false claims. Spreading false claims could result in disciplinary action against such personnel.
- Whistle blowing complaints can be raised through communication means mentioned in the respective whistle blowing policy or by directly approaching the Head of Internal Audit of respective company or send email to respective company whistle blowing email address.

Respect (We treat people with respect and dignity)

Equal opportunity employer

IGI recognizes the value of striving for a balanced work force and is committed to the principles of equal opportunity, equality of treatment and creating a dynamic environment where diversity is valued as a source of enrichment and opportunity. All phases of the employment relationship – including recruitment, hiring, training, promotion, compensation, benefits, transfers, layoffs and leaves of absence will be carried out by all managers without regard to any race, color, religion, gender, age, ethnicity, national origin or disability.

Workplace harassment

We believe that it is the right of every employee at IGI to work in a dignified environment. To achieve this and to promote a harmonized work culture, we will provide equal opportunities for development and growth regardless of gender, race, color, creed or religion.

Email, computers and network security

All employees must follow the Group's policy to limit internet access to official business during work.

Activities that compromise network security are strictly forbidden. The disclosure of system IDs, passwords or information which can cause penetration into our network and security framework, is also not allowed. Employees shall not place Company's material (copyrighted software, internal correspondence, etc.) on any publicly accessible Internet computer without proper permission.

Protection of Company's assets and proprietary information

IGI physical and intangible assets, as well as its proprietary information are the key to the IGI success. They should be used only to achieve business goals and should be protected to preserve their value. Any use of Group Company's assets or proprietary information by any employee in other business or personal activities is forbidden.

All Group employees are responsible for the security and proper use of the Company's physical and intangible assets under their control and of third-party assets in their care.

Lead (We aspire to lead in everything)

Public activities and relationships with stakeholders

Agreements with all our stake holders working for IGI in any capacity including business partner, suppliers, vendors, financial adviser, agents or consultants shall clearly specify the services to be performed for the Company, the amount to be paid, and all other relevant terms and conditions. All payments and transactions shall be supported by documents.

Relationships and dealings with Government officials, external agencies, parties and individuals at all times should be such that the Company's integrity and its reputation shall not be damaged, if details of the relationships or dealings were to become public knowledge. Payment of any nature to government officials for any reason whatsoever is strictly prohibited. Furthermore, no employee of IGI shall support any political party or contribute to the funds of the groups whose activities are intended to promote any party interests.

Due care should be taken while discussing the Company's performances or plans with outsiders. Any employee having questions on how to comply with this requirement should seek guidance and advice from the respective supervisor.

Corporate Sustainability at IGI

IGI is conscious of its responsibility towards the society and the environment.

Since Corporate Social Responsibility (CSR) is a continuous process, we have strived to ensure sustainability for our stakeholders through numerous initiatives encompassing:

- Corporate Social Responsibility;
- Compliance; and
- Optimization of Resources.

Corporate Social Responsibility

IGI believes in giving the youth of Pakistan confidence, opportunities for learning and success. Our subsidiaries offer paid internships all around the year to students from diverse colleges and universities to apply their knowledge practically and gain hands on experience which can enable them to secure rewarding opportunities not only at IGI but in the external job market as well.

We take our contribution towards national economy seriously and always discharge our obligations in a transparent, accurate and timely manner.

Environmental Sustainability

Pollution reduction and waste management measures have been defined and are implemented to ensure that they have a minimal impact on our environment. Our waste management process is based on reduce, reuse, recycle and disposal philosophy.

IGI gives due care to energy conservation. All departments and employees of subsidiaries are conscious and implement power conservation measures, not only during, but after business hours as well.

IGI has been awarded diploma for compliance with the Green Office criteria by the World Wide Fund For Nature (WWF) and has substantially implemented Environmental Management Plan devised by WWF.

Business Sustainability

IGI has built a reputation for conducting business with integrity, in accordance with high standards of ethical behavior and in compliance with laws and regulations that govern our businesses. IGI carefully checks for compliance with the Code of Conduct by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking creative measures as required.

Board of Directors



Syed Babar Ali
(Chairman) Director since 1954

Other Engagements

Ali Institute of Education
Babar Ali Foundation
Coca Cola Beverages Pakistan Limited
Gurmani Foundation
Industrial Technical & Educational Institute
National Management Foundation
Nestle Pakistan Limited
Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)
Syed Maratib Ali Religious & Charitable Trust Society
Tetra Pak Pakistan Limited
Tri-Pack Films Limited
The Layton Rahmatulla Benevolent Trust (LRBT)

Pro Chancellor

Lahore University of Management Sciences (LUMS)

Honours

American Academy of Arts & Sciences (Class of 2020)



Mr. Shamim Ahmad Khan
Director since 2000

Other Engagements

Attock Refinery Limited
Attock Cement
IGI General Insurance Limited
IGI Life Insurance Limited
Karandaaz (Pvt.) Limited
Packages Foundation
Pakistan Oilfields Limited
National Refinery Limited
Sustainable Development Policy Institute (Member Board of Governors, SDPI)



Syed Yawar Ali
Director since 1999

Other Engagements

Dairy & Rural Development Foundation (NGO)
H.Y Enterprises
IGI Investments (Pvt.) Limited
IGI Life Insurance Limited
Nestle Pakistan Limited
Pak Afghan Joint Business Council
Pakistan Business Council
Pakistan Dairy Association
Pakistan India Joint Business Forum
Prime Genetics (Pvt.) Limited
Wazir Ali Industries Limited



Syed Shahid Ali
Director since 1980

Other Engagements

First Treet Manufacturing Modaraba
Global Assets (Pvt.) Limited
Gulab Devi Hospital
Hi- Tech Alloy Wheels Limited
Liaquat National Hospital Loads Limited
Multiple Autoparts Industries (Pvt.) Limited
Packages Limited
Renacon Pharma Limited
Specialized Autoparts Industries (Pvt.) Limited
Specialized Motorcycles (Pvt.) Limited
Treet Battery Limited
Treet Corporation Limited
Treet Holdings Limited
Treet Power Limited



Syed Hyder Ali
Director since 1989

Other Engagements

Ali Institute of Education
Babar Ali Foundation
Bulleh Shah Packaging (Pvt.) Limited
Flexible Packages Convertors (Pty) Limited
IGI General Insurance Limited
IGI Investments (Pvt.) Limited
IGI Life Insurance Limited
International Chamber of Commerce Pakistan
Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)
Lahore University of Management Sciences (LUMS)
National Management Foundation
Nestle Pakistan Limited
Packages Convertors Limited
Packages Foundation
Packages Lanka (Pvt.) Limited
Packages Limited
Packages Real Estate (Pvt.) Limited
Packages Trading FZCO
Pakistan Centre for Philanthropy
Syed Maratib Ali Religious & Charitable Trust Society
Tri-Pack Films Limited
World Wide Fund for Nature



Mr. Ali Ahsan
Director since 2023

Other Engagements

Reraissance Advisors



Ms. Saima Amin Khawaja
Director since 2023

Other Engagements

The Citizen Foundation
Gurmani Foundation
National Management Foundation
Lahore University of Management Sciences (LUMS)
Bali Memorial Trust

Key Financial Data (Ten Years at a Glance)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	(Rupees in '000)									
Dividend Income	1,586,378	1,380,790	1,260,000	1,110,000	1,107,950	2,180,501	82,385	1,898,895	1,041,828	882,904
Gross Premium *	-	-	-	-	-	-	530,782	2,820,043	2,343,705	2,139,673
BALANCE SHEET										
Paid up Capital	1,426,305	1,426,305	1,426,305	1,426,305	1,426,305	1,426,305	1,226,895	1,226,895	1,226,895	1,226,895
General & Capital Reserves	7,764,863	7,764,863	7,764,863	7,764,863	7,764,863	7,764,863	7,366,574	7,366,574	8,102,711	8,470,780
Shareholders Equity	15,291,048	14,511,595	14,381,609	14,291,633	13,774,006	13,305,805	13,366,157	13,612,551	12,260,735	11,579,146
Investments-at Book Value	15,795,656	15,696,545	15,860,122	15,847,249	15,744,638	14,820,667	14,977,048	15,658,683	12,325,078	12,196,544
Investments-at Market Value	15,867,905	15,345,650	19,543,207	22,244,103	17,859,267	16,686,398	19,388,017	72,865,651	54,774,293	57,483,450
Fixed Assets	147	514	902	947	1,384	2,044	2,981	262,298	220,743	240,178
Total Assets-at Book Value	16,179,259	16,041,814	16,274,543	16,327,633	16,091,770	15,186,697	15,468,504	19,449,039	14,650,626	14,490,090
Underwriting Provisions *	-	-	-	-	-	-	-	1,990,067	1,464,778	1,361,433
PROFIT AND LOSS ACCOUNT										
underwriting Profit *	-	-	-	-	-	-	22,923	323,137	256,411	208,195
Investment Income	1,586,378	1,380,790	1,260,000	1,110,000	1,107,950	2,180,501	83,803	2,128,713	1,445,480	940,878
Profit / (Loss) Before Tax	1,253,080	932,565	1,098,812	974,845	911,542	1,839,889	(248,776)	2,067,126	1,531,753	942,101
Taxation	(64,529)	20,773	8,636	30,517	14,813	39,842	(2,382)	633,251	238,707	119,300
Profit / (Loss) After Tax	1,317,609	911,792	1,090,176	944,328	896,729	1,800,047	(246,394)	1,433,875	1,293,046	822,801
CASH FLOW SUMMARY										
Operating Activities	(263,758)	18,748	(84,994)	(42,724)	(63,563)	(141,518)	78,043	(186,179)	34,479	232
Investing Activities	1,597,381	1,386,752	1,411,638	961,508	279,735	2,254,779	(914,846)	(1,048,288)	1,277,366	(134,210)
Financing Activities	(797,608)	(1,244,456)	(1,440,522)	(934,298)	(923,339)	(2,538,206)	1,480,620	393,808	(1,328,060)	444,856
Cash & Cash Equivalents at the Year End	(542,133)	(1,078,148)	(1,239,192)	(1,125,314)	(1,109,800)	(402,633)	22,312	(621,505)	219,154	235,369

* This represents numbers pertaining to insurance business previously carried out by the Company which has been transferred to IGI General Insurance Limited (its wholly owned subsidiary) through court sanctioned Scheme of Arrangement w.e.f. January 31, 2017.

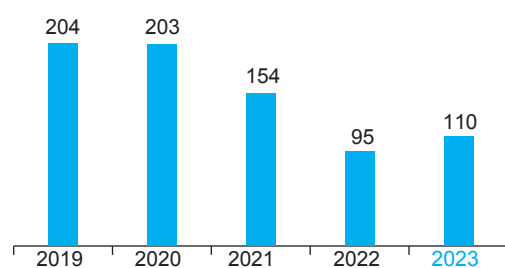
Key Financial Data (Ten Years at a Glance)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	(Rupees in '000)									
INVESTMENT / MARKET RATIOS										
Earnings Per Share (Rs.)	9.24	6.39	7.64	6.62	6.29	12.63	(2.01)	11.69	10.54	6.71
Market Value Per Share (Rs.)	110.35	95.00	153.63	203.44	204.00	201.18	292.89	307.89	236.57	270.58
Break Up Value Per Share (Rs.)	107.21	101.74	100.83	100.20	96.57	93.29	108.94	110.95	99.93	94.38
Price Earning Ratio (Times)	11.94	14.87	20.11	30.73	32.43	15.93	(145.84)	26.34	22.45	40.35
Price To Book Ratio (Times)	1.03	0.93	1.52	2.03	2.11	2.16	2.69	2.78	2.37	2.87
Dividend Yield (%)	5.44	4.47	3.58	2.46	1.47	2.98	1.37	2.60	2.54	1.11
Dividend Payout (%)	64.94	66.51	71.99	75.53	47.69	47.51	-	68.45	56.93	44.73
Dividend Cover (Times)	1.54	1.50	1.39	1.32	2.10	2.11	-	1.46	1.76	2.24
Investment Yield (%)	10.00	9.00	6.45	4.99	6.20	13.07	0.43	2.92	2.64	1.64
Market Capitalization (Rs. M)	15,739	13,549.90	21,912	29,017	29,097	28,694	35,935	37,775	29,025	33,197
Cash Dividend Per Share (Rs.)	6.00	4.25	5.50	5.00	3.00	6.00	4.00	8.00	6.00	3.00
Cash Dividend (%)	60.00	42.50	55.00	50.00	30.00	60.00	40.00	80.00	60.00	30.00
Stock Dividend Per Share (Rs.)	-	-	-	-	-	1.5	-	-	-	-
Stock Dividend (%)	-	-	-	-	-	15	-	-	-	-
Profitability Ratios										
return On Equity (%)	8.19	6.43	7.64	6.82	6.62	13.83	(1.86)	15.19	12.49	8.14
Return On Assets (%)	8.14	5.68	6.70	5.78	5.57	11.85	(1.59)	7.37	8.83	5.66
Ebitda To Gross Premium (Times) *	-	-	-	-	-	-	-	0.77	0.69	0.50
Underwriting Profit To Gross Premium (%) *	-	-	-	-	-	-	4.32	11.46	10.94	9.73
Profit Before Tax To Gross Premium (%) *	-	-	-	-	-	-	-	73.30	65.36	44.03
Profit After Tax To Gross Premium (%) *	-	-	-	-	-	-	-	50.85	55.17	38.45
Cost / Income Ratios (Times)	0.22	0.21	0.16	0.23	0.27	0.09	0.85	0.41	0.36	0.56
Liquidity / Performance Ratios										
Equity / Total Assets (%)	94.51	90.46	88.37	87.53	85.60	87.61	86.41	69.99	83.69	79.69
Financial Leverage	0.04	0.08	0.11	0.12	0.15	0.12	0.13	0.20	0.01	0.07
Paid Up Capital / Total Assets (%)	8.82	8.89	8.76	8.74	8.86	9.39	7.93	6.31	8.37	8.44
Incurred Loss Ratio (%)	-	-	-	-	-	-	-	50.54	52.27	56.84
Total Liabilities / Equity (Times)	0.06	0.11	0.13	0.14	0.17	0.14	0.16	0.43	0.19	0.25
Cash Flow From Operations to Gross Premium (Times) *	-	-	-	-	-	-	-	(0.07)	0.01	0.00
Total Assets Turnover (Times)	-	-	-	-	-	-	-	0.14	0.16	0.15
Fixed Assets Turnover (Times)	-	-	-	-	-	-	-	10.75	10.62	8.91

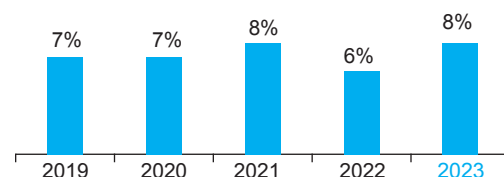
* This represents numbers pertaining to insurance business previously carried out by the Company which has been transferred to IGI General Insurance Limited (its wholly owned subsidiary) through court sanctioned Scheme of Arrangement w.e.f. January 31, 2017.

Key Financial Data

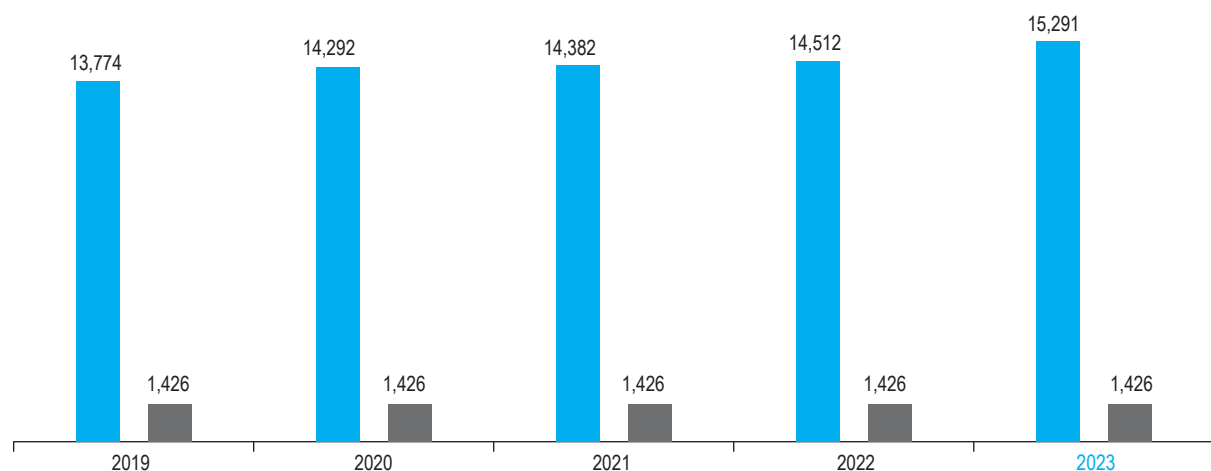
Market Price Per Share
(Rupees)



Return on Equity
(Percentage)



Shareholder's Equity at Book Value
(Rupees in Million)



Risk Management Policy



As a holding company, IGI Holdings Limited enhances the corporate value of the Group by aligning risk management with Group wide strategic objectives and management policies, while tailoring operating subsidiaries' risk management to the types of risk inherent in their respective lines of business.

IGI Holdings adopts all necessary supplemental measures to ensure effective risk management, after confirming that each operating subsidiary has independently and responsibly established its own risk management structure to achieve its own management objectives.

IGI Holdings has control over IGI General Insurance Limited, IGI Investments (Pvt.) Limited, IGI Life Insurance Limited, IGI Finex Securities Limited and IGI FSI (Pvt.) Limited, while IGI Investments oversee its affiliates in which itself has investment positions.

Board Committees

The Board has formed the following sub-committees to comply with the relevant provisions of the applicable Listed Companies (Code of Corporate Governance) Regulations, 2019.

- Audit Committee
- Human Resources and Remuneration Committee (HR&RC)

Audit Committee

The Committee meets at least four times a year.

The names of current members are:

1. Mr. Ali Ahsan (Independent Director and Chairman)
2. Mr. Shamim Ahmad Khan (Member)
3. Syed Yawar Ali (Member)
4. Ms. Nadia Hussain (Secretary to the Committee)

The terms of reference of the Audit Committee include the following:

- a) Determination of appropriate measures to safeguard the Company's assets;
- b) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - Going-concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with regulations and other statutory and regulatory requirements; and
 - All related party transactions.
- c) Review of preliminary announcements of results prior to external communication and publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management's response thereto;
- f) Ensuring coordination between the internal and external auditors of the Company;
- g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) Consideration of major findings of internal investigations of activities characterised by fraud, corruption and abuse of power and management's response thereto;
- i) Ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- n) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential remedial and mitigating measures;

- o) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Code of Corporate Governance. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise, it shall record the reasons thereof;
- p) Ensuring that risk mitigation measures are robust;
- q) Ensuring that appropriate extent of disclosure of company's risk framework and internal control system is given in the Directors Report; and
- r) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resources & Remuneration Committee (HR&RC)

The HR&RC assists the Board in fulfilling its obligations relating to human resources, establishing succession planning and to develop the senior management of the Company.

HR&RC meets at least once a year.

The names of current members are:

1. Ms. Saima Amin Khawaja (Independent Director and Chairperson)
2. Shamim Ahmad Khan (Member)
3. Syed Shahid Ali (Member)
4. Syed Hyder Ali (Member)
5. Ms. Hadia Tariq (Secretary to the Committee)

The terms of reference of the HR&RC include the following:

- a) Recommendation to the Board for consideration and approval a policy framework for determining remuneration of Directors (both Executive and Non-Executive Directors and members of senior management).
The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer level;
- b) Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' Report disclosing therein name and qualifications of such consultant and major terms of his/its appointment;
- c) Recommending Human Resource Management Policies to the Board;
- d) Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- e) Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer;
- f) Where human resource and remuneration consultants are appointed, they shall disclose to the Committee their credentials as to whether they have any other connection with the Company;
- g) Considering and making recommendations to the Board in respect of the Board's Committees and the chairmanship of the Board Committees; and
- h) Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

Shareholders Information

Registered Office

7th Floor, The Forum,
Suite No. 701-713, G-20,
Block-9, Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan.
Tel : 111-308-308, Fax : 92-21-35301772
Website: www.igiholdings.com.pk

Share Registrar Office:

FAMCO Share Registration
Services (Pvt.) Ltd.
Block-6, P.E.C.H.S,
Near Hotel Faran, Nursery,
Shahrah-e-Faisal, Karachi.
Tel : 92-21-34380101-5
Fax : 92-21-34380106

Listing on Stock Exchanges

The equity shares of IGI Holdings Limited are listed on Pakistan Stock Exchange (PSX).

Stock Code

The stock code for dealing in equity shares of shares of IGI Holdings Limited is IGIHL.

Investor Service Centre

The shares department of IGI Holdings Limited is operated by FAMCO Share Registration Services (Pvt.) Ltd. It also functions as an Investor Service Centre and has been servicing nearly 3,148 shareholders. The Investor Service Centre is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function. The team is headed by Mr. Pervez Usman Khan at the Share Registrar Office and Ms. Nadia Hussain, Company Secretary at the Registered Office of the Company.

The shares department of IGI Holdings Limited has online connectivity with Central Depository Company of Pakistan Limited. The shares department undertakes activities pertaining to dematerialization of shares, shares transfer and transmission, issue of duplicate/ re-validated dividend warrants, issue of duplicate / replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Share Registrar Office.

Contact Persons:

Mr. M. Nasir Iqbal
Phone: 111-308-308
Email: nasir.iqbal@igi.com.pk

Mr. Salman Rauf
Phone: 92-21-34380101-5
Email: salman.rauf@famcosrs.com.pk

Services Standards

IGI Holdings Limited has always endeavored to provide investors with prompt services. Listed below are various investor services and the maximum time limits set for their execution, subject to receipt of the complete set of required documents:

For request received either through post or over the counter	
Transfer of shares	15 days after receipt
Transmission of shares	15 days after receipt
Issue of duplicate share certificates	30 days after receipt
Updation of IBAN No	2 working days after receipt
Change of address	2 working days after receipt

Well reputed and experienced firm of the share registrar services has been entrusted with the responsibility of ensuring that services are rendered within the specified time limits.

Statutory Compliance

During the year the Company has complied with all applicable provisions, filed all returns/ forms and furnished all the relevant and prescribed information.

Dematerialization of Shares

The equity shares of the Company are under the compulsory dematerialized category. As at December 31, 2023, 52.47% of the equity shares of the Company have been dematerialized by the shareholders.

Members holding shares in physical form are encouraged to convert their physical shares into Book-Entry-Form (CDC) pursuant to the requirements of Section 72 of the Act.

Dividend Announcement

The Board of Directors of the Company has proposed final cash dividend of 40% (Rs. 4/- per share) for the financial year ended December 31, 2023, subject to approval by the shareholders of the Company at the Annual General Meeting (AGM). This is in addition to the interim cash dividend of 20% (Rs. 2/- per share) already paid during the year making total of 60% cash dividend (Rs. 6/- per share). (2022: a total of 42.5% cash dividend i.e. Rs. 4.25/- per share)

Book Closure Dates

The register of Members and share transfer books of the Company will remain closed from April 23, 2024 to April 29, 2024 (both days inclusive).

Dividend Remittance

Dividend declared and approved at the Annual General Meeting will be paid on or after April 29, 2024, but within the statutory time limit of 10 working days:

- For shares held in physical form: to the shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.
- For shares held in electronic form: to the shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of the business on book closure date.

Withholding of Tax & Zakat on Dividend:

As per the provisions of Section 150 of the Income Tax Ordinance, 2001, Income Tax is deductible at source on dividend payable by the company at the rate of 15% for the persons appearing in Active Tax Payers list (ATL), wherever applicable, and at the rate of 30% for the persons not appearing in ATL.

Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

Investors' Grievances

To date, none of the investor or shareholder has filed any letter of complaints against any service provided by the Company to its shareholders which is unresolved.

Legal Proceedings

No case has ever been filed by shareholders against the Company for non-receipt of share(s) / refund.

General Meetings & Voting Rights

In accordance with the Section 132 of the Companies Act, 2017, IGI Holdings Limited holds a General Meeting of Shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having nation-wide circulation in the Country.

Shareholder having a holding of at least 10% or more above of voting right may also apply to the Board of Directors to call for a meeting of shareholders, and if Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

Proxies

Please refer notes to the Notice of Annual General Meeting for details related to proxies.

Web Presence

Updated information regarding the Company can be accessed at the Company's website, www.igiholdings.com.pk.

The website contains the latest financial results of the Company together with Company's profile and information regarding its subsidiaries.

Circulation of annual report through email

The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated 8th September, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditors report and directors report along with notice of annual general meeting to its members through e mail. Members who wish to avail this facility can give their consent to Company Secretary at his email address.

Further, in accordance with SRO 389(I)/2023 dated March 21, 2023 and subsequent approval of the Shareholders in the Annual General Meeting dated April 28, 2023, annual report and audited financial statements can be accessed from website and QR enabled code.

Moreover, if a shareholder requests for hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Audited Accounts" have also been made available on the Company's website www.igiholdings.com.pk.

Categories of Shareholding

As at December 31, 2023

S. No.	Shareholders Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	22	34,908,361	24.47
2	Associated Companies, Undertakings and related Parties	7	54,544,218	38.24
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	12	7,507,277	5.26
5	Insurance Companies	7	2,310,859	1.62
6	Modarabas and Mutual Funds	9	821,860	0.58
7	Share holders holding 10%	5	96,479,794	67.64
8	General Public :			
	a. local	2,978	34,302,844	24.05
	b .Foreign			
9	Others	113	8,235,131	5.77
	Total (excluding : share holders holding 10%)	3,148	142,630,550	100.00

Key Shareholding Information

Shareholding information as at December 31, 2022 required under reporting framework is as follows:

Shareholder's category	Number of shareholders	Number of shares held
Associated Companies, Undertaking and Related Parties (name wise details)		
BABAR ALI FOUNDATION		15,529,116
INDUSTRIAL TECHNICAL AND EDUCATIONAL INSTITUTE		23,982,060
PACKAGES LIMITED		15,033,041
IGI FINEX SECURITIES LIMITED		1
TOTAL		54,544,218
Mutual Funds (name wise details)		
UNICAP MODARABA		1
GUARDIAN LEASING MODARABA		3
CDC - TRUSTEE ATLAS STOCK MARKET FUND		328,200
CDC - TRUSTEE NBP STOCK FUND		283,400
CDC - TRUSTEE APF-EQUITY SUB FUND		28,000
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		62,556
CDC - TRUSTEE AWT STOCK FUND		6,000
CDC - TRUSTEE NBP FINANCIAL SECTOR FUND		59,900
CDC - TRUSTEE UBL FINANCIAL SECTOR FUND		53,800
TOTAL		821,860
Directors and their spouse		
SYED BABAR ALI		100
SYED HYDER ALI		27,193,451
MRS. PERWIN BABAR ALI		3,980,438
SYED SHAHID ALI		1,534,974
SYED YAWAR ALI		1,440,057
MRS. AMINA HYDER ALI		340,325
SHAMIM AHMAD KHAN		7,251
ALI AHSAN		100
SAIMA AMIN KHAWAJA		100
SYEDA NIGHAT ALI		411,565
TOTAL		34,908,361
Public Sector Companies and Corporations	1	1,409,902
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds	28	10,639,996
Shareholder Holding ten percent or more voting Rights in the Listed Company (name wise details)		
BABAR ALI FOUNDATION		15,529,116
INDUSTRIAL TECHNICAL AND EDUCATIONAL INSTITUTE		23,982,060
PACKAGES LIMITED		15,033,041
SYED HYDER ALI		27,193,451
SYEDA HENNA BABAR ALI		14,742,126
TOTAL		96,479,794

Pattern of Shareholding (CDC)

As at December 31, 2023

No. of Shareholder	Shareholdings		Total Number of Shareholders
	From	To	
1,019	1	100	29,652
366	101	500	94,919
168	501	1,000	126,800
329	1,001	5,000	833,050
128	5,001	10,000	949,443
46	10,001	15,000	555,325
19	15,001	20,000	336,029
27	20,001	25,000	630,600
19	25,001	30,000	525,924
12	30,001	35,000	404,447
14	35,001	40,000	532,325
8	40,001	45,000	339,411
5	45,001	50,000	237,803
10	50,001	55,000	524,073
4	55,001	60,000	230,045
2	60,001	65,000	123,566
3	65,001	70,000	202,292
2	70,001	75,000	147,700
2	75,001	80,000	157,376
4	80,001	85,000	333,935
2	85,001	90,000	178,700
1	90,001	95,000	92,525
7	95,001	100,000	696,300
2	110,001	115,000	220,300
1	115,001	120,000	119,830
1	120,001	125,000	121,400
1	125,001	130,000	125,331
5	135,001	140,000	689,284
2	150,001	155,000	304,470
2	155,001	160,000	317,300
3	185,001	190,000	564,370
1	190,001	195,000	191,874
1	195,001	200,000	196,600
1	200,001	205,000	202,974
2	250,001	255,000	503,000
1	255,001	260,000	258,750
2	280,001	285,000	566,185
1	325,001	330,000	328,200
1	330,001	335,000	330,912
1	345,001	350,000	347,402
1	370,001	375,000	373,000
1	400,001	405,000	400,000
1	410,001	415,000	411,565
1	440,001	445,000	440,900
1	460,001	465,000	460,000
1	480,001	485,000	481,807
1	490,001	495,000	493,655
1	625,001	630,000	625,200
1	665,001	670,000	667,202
1	765,001	770,000	767,383
1	870,001	875,000	872,850
1	940,001	945,000	940,000
1	1,175,001	1,180,000	1,178,746
1	1,265,001	1,270,000	1,265,848
1	1,340,001	1,345,000	1,343,103
1	1,405,001	1,410,000	1,409,902
1	1,530,001	1,535,000	1,534,946
1	2,000,001	2,005,000	2,004,099
1	2,380,001	2,385,000	2,381,275
1	5,000,001	5,005,000	5,000,000
1	8,690,001	8,695,000	8,694,164
1	9,415,001	9,420,000	9,419,494
1	20,000,001	20,005,000	20,001,577
2,248			74,837,138

Pattern of Shareholding (Total)

As at December 31, 2023

Shareholdings			
No. of Shareholder	From	To	Total Number of Shareholders
1,590	1	100	39,179
471	101	500	120,444
220	501	1,000	163,568
408	1,001	5,000	1,011,054
156	5,001	10,000	1,151,848
67	10,001	15,000	785,090
22	15,001	20,000	390,170
27	20,001	25,000	630,600
24	25,001	30,000	660,187
15	30,001	35,000	501,120
14	35,001	40,000	532,325
9	40,001	45,000	381,009
5	45,001	50,000	237,803
12	50,001	55,000	627,476
6	55,001	60,000	342,806
2	60,001	65,000	123,566
4	65,001	70,000	270,806
2	70,001	75,000	147,700
2	75,001	80,000	157,376
5	80,001	85,000	417,858
3	85,001	90,000	264,147
1	90,001	95,000	92,525
8	95,001	100,000	793,548
1	100,001	105,000	101,890
1	105,001	110,000	110,000
2	110,001	115,000	225,300
1	115,001	120,000	119,830
1	120,001	125,000	121,400
1	125,001	130,000	125,331
5	135,001	140,000	689,284
1	145,001	150,000	150,000
2	150,001	155,000	307,470
3	155,001	160,000	475,569
2	170,001	175,000	344,669
3	185,001	190,000	564,370
1	190,001	195,000	191,874
3	195,001	200,000	587,854
1	200,001	205,000	202,974
1	245,001	250,000	250,000
1	250,001	255,000	253,000
2	255,001	260,000	517,006
1	260,001	265,000	260,170
2	280,001	285,000	566,185
1	290,001	295,000	292,425
2	325,001	330,000	656,512
1	330,001	335,000	330,912
1	335,001	340,000	339,455
1	345,001	350,000	347,402
1	370,001	375,000	373,000
1	395,001	400,000	400,000

Pattern of Shareholding (Total)

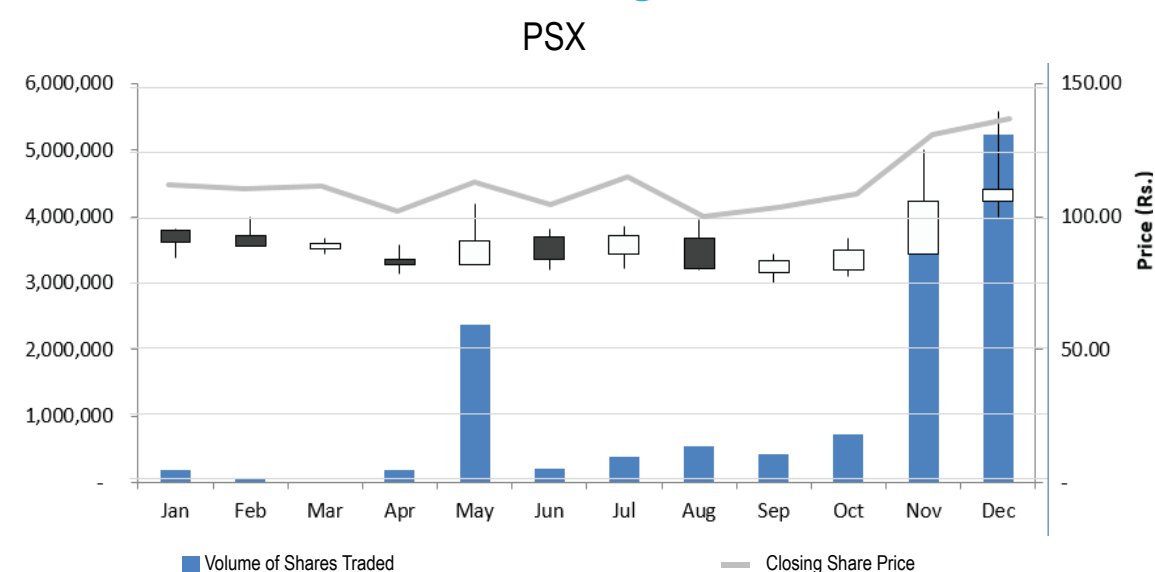
As at December 31, 2023

Shareholdings			
No. of Shareholder	From	To	Total Number of Shareholders
1	410,001	415,000	411,565
1	440,001	445,000	440,900
1	455,001	460,000	460,000
1	480,001	485,000	481,807
1	490,001	495,000	493,655
1	625,001	630,000	625,200
1	665,001	670,000	667,202
2	715,001	720,000	1,437,495
1	765,001	770,000	767,383
1	825,001	830,000	826,505
1	850,001	855,000	854,375
1	870,001	875,000	872,850
1	935,001	940,000	940,000
1	995,001	1,000,000	996,593
1	1,175,001	1,180,000	1,178,746
1	1,265,001	1,270,000	1,265,848
1	1,340,001	1,345,000	1,343,103
1	1,405,001	1,410,000	1,409,902
1	1,530,001	1,535,000	1,534,946
1	2,000,001	2,005,000	2,004,099
1	2,380,001	2,385,000	2,381,275
1	2,420,001	2,425,000	2,424,693
1	4,995,001	5,000,000	5,000,000
1	5,255,001	5,260,000	5,255,247
1	5,570,001	5,575,000	5,573,737
1	7,160,001	7,165,000	7,164,636
1	8,690,001	8,695,000	8,694,164
1	9,415,001	9,420,000	9,419,494
1	14,975,001	14,980,000	14,975,406
1	20,000,001	20,005,000	20,001,577
1	23,980,001	23,985,000	23,982,060
	<u>3,148</u>		<u>142,630,550</u>

Share Price / Volume

Month	Volume of shares traded	Share price on PSX (Rs.)			
		Opening	Highest	Lowest	Closing
Jan	194,100	95.00	95.50	84.50	90.17
Feb	63,700	92.90	100.00	89.00	89.10
Mar	23,900	87.99	92.00	86.00	89.90
Apr	193,800	84.10	89.50	78.31	82.00
May	2,369,900	82.00	105.00	82.00	91.01
Jun	216,600	92.50	95.50	80.00	84.02
Jul	397,200	86.00	96.39	80.60	92.88
Aug	545,600	91.99	99.00	80.00	80.50
Sep	421,600	79.00	85.99	75.00	83.29
Oct	723,200	80.00	91.97	77.50	87.34
Nov	3,808,800	86.00	125.25	86.00	105.62
Dec	5,228,100	106.00	139.69	100.05	110.35

Pakistan Stock Exchange



Corporate Calendar 2023

March

21st
Audit Committee and Board of Directors meetings to consider annual accounts of the Company for the year ended December 31, 2022.

April

27th
Audit Committee and Board of Directors meetings to consider quarterly accounts for the three months' period ended March 31, 2023.

28th
Annual General Meeting of shareholders to consider and approve annual accounts of the Company for the year ended December 31, 2022 and dividend announcement.

May

8th
E-Credit of 22.5% cash dividend to the shareholders for the year ended December 31, 2022.

23rd
Corporate Briefing Session to brief the investors and analysts about the Company's current financial performance and outlook.

23rd
Extraordinary General Meeting (Election of Directors)

August

23rd
Audit Committee and Board of Directors meetings to consider half yearly accounts of the Company for the six months' period ended June 30, 2023 and approval of 20% interim cash dividend.

September

8th
E-Credit of 20% interim cash dividend to the shareholders for the year ending December 31, 2023.

October

25th
Audit Committee and Board of Directors meetings to consider quarterly accounts for the nine months' period ended September 30, 2023.



Chairman's Review Report

I am happy over the performance of all the subsidiaries of IGI Holdings Limited which has led to a better performance of the Company in year 2023. The Company is operating as a holding company and derives value for its shareholders from its subsidiaries namely; IGI Investments (Private) Limited, IGI General Insurance Limited, IGI Life Insurance Limited and IGI Finex Securities Limited.

Dividend income constitutes major source of income of the Company and as a result, its income pattern follows the dividend distribution pattern of its subsidiaries.

The composition of the Board of Directors is a mix of varied backgrounds and rich experience in the fields of business, finance, insurance and legal. The Board provides strategic direction as well as guidance to the Management. The Board also ensures compliance of regulatory requirements by the Management. As required under the Regulations of Code of Corporate Governance, the Board evaluates its own performance through a mechanism developed by it, while the Chairman evaluates the performance of each director.

The Board is assisted by its Committees. The Audit Committee reviews the financial statements and ensures that these fairly represent the financial position of the Company. It also ensures effectiveness of internal controls. The Board has also constituted a Human Resource and Remuneration Committee which handles matters pertaining to planning and development of human resource and remuneration. Each subsidiary has its own board of directors and respective committees.

I pray to Allah that the Company and its subsidiaries continue momentum of growth in the future.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Syed Babar Ali', with a horizontal line underneath.

Syed Babar Ali

Chairman

Lahore: March 21, 2024

Directors' Report to the Shareholders

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

IGI Holdings is operating as a holding company and derives value for its shareholders from its subsidiaries namely IGI Investments (Private) Limited, IGI General Insurance Limited, IGI Life Insurance Limited and IGI Finex Securities Limited. Dividend income constitutes major source of income of the Company and as a result, its income pattern follows dividend distribution pattern of its subsidiaries.

COMPANY PERFORMANCE REVIEW

	2023	2022
	(Rupees in '000)	
Operating revenue	1,586,378	1,380,790
Operating income	1,247,284	1,089,654
Profit before taxation	1,253,080	932,565
Taxation	64,529	(20,773)
Profit after taxation	1,317,609	911,792
Earnings per share (in rupees) – basic / diluted	9.24	6.39

Operating income has grown by 14% to Rs. 1,247 million during the year as compared to Rs. 1,090 million earned during 2022 with profit after taxation of Rs. 1,318 million against profit after tax of Rs. 912 million during 2022.

APPROPRIATIONS

The Company has generated a profit of Rs. 1,318 million during the year, accordingly, the Directors have recommended final cash dividend of 40% (i.e. Rs. 4/- per share) (2022: 22.5%, Rs. 2.25 per share). Therefore, the Company has appropriated Rs. 570.5 million (2022: Rs. 320.9 million) for the payment of final cash dividend. This is in addition to interim dividend of 20% (Rs. 2 per share) (2022: 20%, Rs 2 per share) already disbursed during the year.

RISK MITIGATION

The Board of Directors and the Audit Committee of the Board regularly review risks faced by the Company in terms of impact and probability of occurrence. The senior management team, led by the Chief Executive Officer is responsible for risk mitigation measures. The Company's ability to continually assess market conditions and its timely response enables the Company to manage risks effectively.

CAPITAL MANAGEMENT AND LIQUIDITY

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

Being a holding company, dividend income is its major source of income. It will be utilized for creation of value for shareholders through investments and maintaining reasonable payouts to shareholders after meeting financial commitments.

RELATED PARTY TRANSACTIONS

In accordance with provisions of section 208 of the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations 2018, your Company has:

- 1) established a policy of related party transactions duly approved by the Board;
- 2) set up conditions for the transactions with related parties to be categorized as "arm's length transactions"; and
- 3) submitted details of related party transactions to the Directors for approval.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Listed Companies (Code of Corporate Governance) Regulations, 2019 issued (CCG Regulations) by the Securities and Exchange Commission of Pakistan (SECP) is applicable to the Company and its provisions have been fully complied with. A statement to this effect is annexed.

MATERIAL CHANGES

There has been no material change since December 31, 2022 and the Company has not entered into any commitment, which would affect its financial position at the date except for those mentioned in the audited financial statements of the Company for the year ended December 31, 2023.

BOARD OF DIRECTORS

The Board of Directors of IGI Holdings comprises seven directors including the Chairman and CEO:

Category	Total number of directors
Male	6
Female	1
Composition	
Independent directors	2
Non-executive directors	4
Executive director/CEO	1
Female directors (included in independent directors)	1

The names of the directors as at December 31, 2023 are as follows:

Syed Babar Ali	Chairman, Non-executive director
Mr. Shamim Ahmad Khan	Non-executive director
Syed Yawar Ali	Non-executive director
Syed Shahid Ali	Non-executive director
Syed Hyder Ali	Executive Director/CEO
Mr. Ali Ahsan	Independent director
Ms. Saima Amin Khawaja	Independent director

The Board has formed an Audit and a Human Resource and Remuneration Committee (HR&RC) with the following composition:

Audit Committee	Human Resource and Remuneration Committee
Mr. Ali Ahsan, Chairman	Ms. Saima Amin Khawaja, Chairperson
Mr. Shamim Ahmad Khan, Member	Mr. Shamim Ahmad Khan, Member
Syed Yawar Ali, Member	Syed Shahid Ali, Member
Ms. Nadia Hussain	Syed Hyder Ali, Member
	Ms. Hadia Tariq

DIRECTORS' REMUNERATION

The Board has approved a Directors' remuneration policy. The objective of this policy is to have a transparent procedure for fixing the remuneration of the Directors including remuneration for extra / technical services provided by non-executive Directors. Revision in the remuneration shall, from time to time be determined by the Board of Directors on recommendation by the HR&R Committee.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of your Company state that:

- The financial statements prepared by the management of the Company fairly present the state of affairs of the Company, the results of its operations, cash flows and changes in equity;
- Proper books of account 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 financial statements have been prepared in accordance with the requirement of the Companies Act 2017 and International Financial Reporting Standards, as applicable in Pakistan. Any departures therefrom have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There is no doubt about the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the PSX Rule Book;
- Summary of key operational and financial data for the last six years is annexed in this annual report;
- Where any statutory payment on account of taxes, duties, levies and charges is outstanding, the amount together with a brief description and reasons for the same is disclosed in the financial statements;
- Significant plans and decisions, such as corporate restructuring, business expansion and discontinuance of operations, has been disclosed along with future prospects, risks and uncertainties, if any;
- IGI Holdings and its subsidiaries strive for implementation of measures to improve health, safety and a better and safe workplace environment for their employees and surrounded community.
- IGI Holdings and its subsidiaries are committed to the causes facilitating provision of education and health to the under-privileged members of the society. The donations to such causes are made in accordance with the approvals by the respective Boards;
- The Board of Directors of the Company has an approved mechanism for the annual evaluation of the Board's performance as well as that of its Committees, as required by the CCG Regulations. The Board of Directors and the Board Committees carry out such evaluation exercises on an annual basis.
- The Board is in compliance with the requirements of the directors training program as stipulated in the CCG Regulations.

- Trades in the shares of the Company carried out by the Directors and their spouses are mentioned below:

Syed Babar Ali Gift out 27,048,513 shares
 Mrs. Perwin Babar Ali purchased 385,000 shares
 Syed Hyder Ali, Director Gift in 18,354,349 shares
 Mrs. Syeda Nighat Ali, Director purchased 20,000 shares
 Mr. Ali Ahsan, Director purchased 100 shares
 Ms. Saima Amin Khawaja, Director purchased 100 shares

The CFO, Company Secretary and Executives have not traded in the shares of the Company during the year.

- Information about taxes and levies is given in the notes to the financial statements.
- The Board held four meetings during the year, attendance by each director therein was as follows:

Director Name	Attendance
Syed Babar Ali	4
Mr. Shamim Ahmad Khan	4
Syed Yawar Ali	4
Syed Shahid Ali	4
Syed Hyder Ali (CEO)	4
Mr. Ali Ahsan	2
Ms. Saima Amin Khawaja	2
Ms. Faryal Jooma*	2
Ms. Faryal Sadiq *	1
Mr. Tahir Masaud*	2

* Resigned during the year

The Board granted leave of absence to those directors who could not attend the Board meetings.

The Audit Committee held four meetings during the year and attendance by each member was as follows:

Director Name	Attendance
Mr. Shamim Ahmad Khan	4
Syed Yawar Ali	4
Syed Hyder Ali	4
Mr. Ali Ahsan	2
Ms. Faryal Jooma*	2

The HR&R Committee held one meeting during the year. Attendance by each member was as follows:

Director Name	Attendance
Syed Yawar Ali	1
Syed Shahid Ali	1
Syed Hyder Ali	1
Ms. Faryal Jooma*	1
Mr. Tahir Masaud (CEO)*	1

* Resigned during the year.

The Committee granted leave of absence to those members who could not attend the meeting.

AUDITORS

The Auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire at the conclusion of the 70th Annual General Meeting. Being eligible, they have offered themselves for re-appointment and the Board based on the recommendation of Audit Committee has endorsed their re-appointment.

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2023, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information.

FUTURE OUTLOOK

The country is going through difficult economic situation, the Board has taken risk management measures at the Holding company level and across its subsidiaries to protect shareholders value. We expect that our subsidiaries will deliver consistent and profitable growth in the future.

ACKNOWLEDGEMENT

We would like to thank all of our stakeholders for their faith in us, which has helped us to achieve progress.

For and on behalf of the Board

Syed Babar Ali
Chairman
Lahore: March 21, 2024

Syed Hyder Ali
Chief Executive Officer
Lahore: March 21, 2024

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

IGI Holdings Limited
For the year ended December 31, 2023

IGI Holdings Limited (the Company) has complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors [including Chief Executive Officer] are seven (7) as per the following:

- a) Male Six (6)
b) Female One (1)

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Ms. Saima Amin Khawaja Mr. Ali Ahsan
Non-Executive Directors	Syed Babar Ali Syed Yawar Ali Syed Shahid Ali Mr. Shamim Ahmad Khan
Executive Director (CEO)	Syed Hyder Ali
Female Director	Ms. Saima Amin Khawaja

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. 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. The Board has complied with the requirements of the Act and these Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
9. At present, out of seven (7) Directors on the Board, three (3) Directors have acquired the Directors' Training Program Certifications whilst the other four (4) directors are exempt from the requirement of Directors' Training Program;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee:

Name of the Member	Category
Mr. Ali Ahsan	Chairperson / Independent Director
Mr. Shamim Ahmad Khan	Member / Non-executive Director
Syed Yawar Ali	Member / Non-executive Director

b) HR and Remuneration Committee:

Name of the Member	Category
Ms. Saima Amin Khawaja	Chairperson/ Independent Director
Syed Yawar Ali	Member/ Non-executive Director
Syed Shahid Ali	Member/ Non-executive Director
Syed Hyder Ali	Member/ Non-executive Director

Since there are no Nomination and Risk Management Committees in place (required under non-mandatory provisions of Regulations 29 & 30), their respective terms of reference, as enumerated in the Regulations, have been incorporated in the terms of reference of Human Resource and Remuneration Committee and Audit Committee respectively.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:-

Audit Committee	Quarterly
HR and Remuneration Committee (HR&RC)	Yearly

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), and registered with Audit Oversight Board of Pakistan, that they and all their 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 and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and, the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation under Regulation 6: The Board of the Company comprises of seven (7) Directors and the computation for the determination of the under Regulation 6 based on the one-third of the elected directors works out to be 2.33. The Company, currently, has two (2) Independent Directors on its Board duly elected by the shareholders in terms of Section 166 of the Act, who possess requisite competencies, skills, knowledge, and experience to hold office as independent directors, therefore, does not warrant the appointment of a third independent director.

By order of the Board

Syed Babar Ali
Chairman
Lahore: March 21, 2024

Syed Hyder Ali
Chief Executive Officer
Lahore: March 21, 2024



A.F. FERGUSON & Co.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IGI Holdings Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of IGI Holdings Limited (the Company) for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

A.F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: April 5, 2024

UDIN: CR202310068WQ6SgDPHx

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

Unconsolidated Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the members of IGI Holdings Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of IGI Holdings Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Assessment of recoverable amount of investment in IGI Finex Securities Limited (Refer note 6.1.5 to the annexed unconsolidated financial statements)	
	In respect of the Company's investment in IGI Finex Securities Limited, a wholly owned subsidiary of the Company, during the current year, the management has determined the recoverable amount of its investment in IGI Finex Securities Limited and	Our audit procedures included the following: <ul style="list-style-type: none"> Understood and reviewed the management's process for assessment of recoverable amount of investment in IGI Finex Securities Limited.

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

KARACHI LAHORE ISLAMABAD

S.No.	Key Audit Matter	How the matter was addressed in our audit
	reversed an impairment loss of Rs. 5.769 million recognised in the previous years. In determining the recoverable amount, the management has used certain key assumptions. Key assumptions include trading volumes handled by IGI Finex Securities Limited, average commission rate, growth in trading volumes, cost to income ratios, returns on funds deployed, discount rate, terminal growth rate etc. A significant change in the assumptions used may impact the value of investment. The determination of recoverable amount of investment in IGI Finex Securities Limited remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations, we considered the area of assessment of recoverable amount of investment as a key audit matter.	<ul style="list-style-type: none"> Involved our valuation specialists to assist us in performing our audit procedures in this area. Assessed whether the impairment testing process is appropriately designed and captured the relevant valuation inputs. Tested the completeness and accuracy of the data used in the valuation model. Assessed the reasonableness of the key assumptions used by the management such as trading volumes handled by IGI Finex Securities Limited, average commission rate, growth in trading volumes, cost to income ratios, returns on funds deployed, discount rate, terminal growth rate etc. Checked that the disclosures relating to the assessment of recoverable amount of investment in IGI Finex Securities Limited were in accordance with the applicable financial reporting framework.

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

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

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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



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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.



A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 5, 2024
UDIN: AR202310068D3p6uEsov

Unconsolidated Statement of Financial Position

As at December 31, 2023

Note	2023	2022	
	(Rupees in '000)		
ASSETS			
Non-current assets			
Fixed assets			
- Property and equipment	4	147	514
- Intangible asset	5	-	-
Investments - net	6	15,795,656	15,696,545
Long-term deposits		1,878	1,838
Deferred taxation - net	7	45,985	2,624
		15,843,666	15,701,521
Current assets			
Loans and advances	8	10,200	10,200
Deposits and prepayments		8,114	7,374
Other receivables	9	247,262	246,703
Taxation recoverable		39,162	42,140
Bank balances	10	30,855	33,876
		335,593	340,293
TOTAL ASSETS		16,179,259	16,041,814
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
200,000,000 ordinary shares of Rs. 10 each (2022: 200,000,000 ordinary shares of Rs. 10 each)		2,000,000	2,000,000
Issued, subscribed and paid up share capital	11	1,426,305	1,426,305
Reserves		7,764,863	7,764,863
Surplus / (deficit) on remeasurement of financial assets at fair value through other comprehensive income - net of tax		58,659	(9,365)
Unappropriated profit		6,041,221	5,329,792
Total equity		15,291,048	14,511,595
Current liabilities			
Short term loan	12	572,988	1,112,024
Unclaimed dividend		32,327	29,731
Trade and other payables	13	282,896	388,464
Total liabilities		888,211	1,530,219
TOTAL EQUITY AND LIABILITIES		16,179,259	16,041,814
CONTINGENCIES AND COMMITMENTS			
14			

The annexed notes from 1 to 29 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer

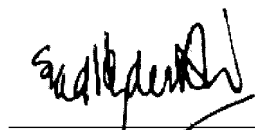

Director

Unconsolidated Statement of Profit or Loss

For The Year Ended December 31, 2023

Note	2023	2022	
	(Rupees in '000)		
Dividend income	15	1,586,378	1,380,790
Other income	16	10,641	5,612
Total income		1,597,019	1,386,402
General and administrative expenses	17	(131,577)	(101,804)
Finance costs	18	(218,158)	(194,944)
Total expenses		(349,735)	(296,748)
		1,247,284	1,089,654
Reversal / (charge) of provision against investments - net	6.1.1	5,796	(164,389)
Recoveries against bad and doubtful loans and advances / lease losses - net		-	7,300
Profit before taxation		1,253,080	932,565
Taxation - net	19	64,529	(20,773)
Profit after taxation		1,317,609	911,792
		(Rupees)	
Earnings per share - basic and diluted	20	9.24	6.39

The annexed notes from 1 to 29 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended December 31, 2023

Note	2023	2022
	(Rupees in '000)	
Profit after taxation	1,317,609	911,792
Other comprehensive income		
Items that will not be subsequently reclassified to the unconsolidated statement of profit or loss		
Surplus on remeasurement of financial assets at fair value through other comprehensive income	93,315	812
Related deferred tax	(25,291)	1,851
	68,024	2,663
Total comprehensive income for the year	1,385,633	914,455

The annexed notes from 1 to 29 form an integral part of these unconsolidated financial statements.

Unconsolidated Statement of Changes in Equity

For The Year Ended December 31, 2023

	Issued, subscribed and paid-up share capital	Capital Reserves			Revenue reserves		Total
		Premium on issue of shares	Other capital reserves*	Net (deficit) / surplus on remeasurement of financial assets at fair value through other comprehensive income	General reserves*	Unappropriated profit	
	(Rupees in '000)						
Balance as at January 1, 2022	1,426,305	434,051	33,267	(12,028)	7,297,545	5,202,469	14,381,609
Profit after taxation for the year ended ended December 31, 2022	-	-	-	-	-	911,792	911,792
Other comprehensive income for the year	-	-	-	2,663	-	-	2,663
Total comprehensive income for the year ended December 31, 2022	-	-	-	2,663	-	911,792	914,455
Transactions with owners directly recorded in equity							
Final dividend for the year ended December 31, 2021 - Rs. 3.5 per share approved on March 29, 2022	-	-	-	-	-	(499,208)	(499,208)
Interim dividend for the year ended December 31, 2022 - Rs. 2 per share approved on August 26, 2022	-	-	-	-	-	(285,261)	(285,261)
	-	-	-	-	-	(784,469)	(784,469)
Balance as at December 31, 2022	1,426,305	434,051	33,267	(9,365)	7,297,545	5,329,792	14,511,595
Balance as at January 1, 2023	1,426,305	434,051	33,267	(9,365)	7,297,545	5,329,792	14,511,595
Profit after taxation for the year ended ended December 31, 2023	-	-	-	-	-	1,317,609	1,317,609
Other comprehensive income for the year	-	-	-	68,024	-	-	68,024
Total comprehensive income for the year ended December 31, 2023	-	-	-	68,024	-	1,317,609	1,385,633
Transactions with owners directly recorded in equity							
Final dividend for the year ended December 31, 2022 - Rs. 2.25 per share approved on April 28, 2023	-	-	-	-	-	(320,919)	(320,919)
Interim dividend for the year ended December 31, 2023 - Rs. 2 per share approved on August 23, 2023	-	-	-	-	-	(285,261)	(285,261)
	-	-	-	-	-	(606,180)	(606,180)
Balance as at December 31, 2023	1,426,305	434,051	33,267	58,659	7,297,545	6,041,221	15,291,048

* These reserves have been created by the Directors of the Company under the requirement of the Companies Act, 2017.

The annexed notes from 1 to 29 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Cash Flows

For The Year Ended December 31, 2023

	Note	2023	2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,253,080	932,565
Adjustments for:			
Depreciation	4	5	38
Finance costs	18	218,158	194,944
Gain on disposal of property and equipment	16	(1,659)	(1,165)
(Reversal of provision) / provision against investments - net	6.1.1	(5,796)	164,389
Recovery against bad and doubtful loans and advances / lease losses - net		-	(7,300)
Profit on savings accounts and term finance certificates	16	(8,982)	(4,447)
Dividend income	15	(1,586,378)	(1,380,790)
		(1,384,652)	(1,034,331)
Changes in working capital		(131,572)	(101,766)
Increase in current assets			
Long term deposits, deposits, prepayments and other receivables		(1,339)	(1,273)
(Decrease) / increase in current liabilities			
Trade and other payables other than certificate of deposits		(129,702)	115,269
		(262,613)	12,230
Net recovery from long term loans and advances		-	7,300
Tax paid - net		(1,145)	(782)
Net cash (used in) / generated from operating activities		(263,758)	18,748
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property and equipment		2,021	1,515
Dividend received		1,586,378	1,380,790
Profit / return received		8,982	4,447
Net cash generated from investing activities		1,597,381	1,386,752
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(603,584)	(780,638)
Loan repayments		-	(300,000)
Financial charges paid		(194,024)	(163,818)
Net cash used in financing activities		(797,608)	(1,244,456)
Net increase in cash and cash equivalents		536,015	161,044
Cash and cash equivalent at beginning of the year		(1,078,148)	(1,239,192)
Cash and cash equivalents at end of the year	10.2	(542,133)	(1,078,148)

The annexed notes from 1 to 29 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2023

1 STATUS AND NATURE OF BUSINESS

1.1 IGI Holdings Limited ("the Company"), a Packages Group Company, was incorporated as a public limited company in 1953 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 7th floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The objects of the Company include to act as an investment holding company and for that purpose invest, acquire, sell and hold the securities and financial instruments subject to compliance by the relevant laws prevailing in Pakistan from time to time.

1.2 These unconsolidated financial statements are the separate financial statements of IGI Holdings Limited. In addition to these unconsolidated financial statements, a consolidated financial statements of IGI Holdings Limited and its subsidiary companies, IGI Finex Securities Limited, IGI General Insurance Limited, IGI FSI (Pvt.) Limited, IGI Life Insurance Limited and IGI Investments (Pvt.) Limited (the Group) have also been prepared. As allowed by the International Financial Reporting Standards (IFRSs), the Company opted to present the segment information only in the consolidated financial statements of the Group.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been detailed in these unconsolidated financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

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

2.4 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value and an investment in a subsidiary company which has been carried at cost less accumulated impairment.

Notes to and Forming Part of the Unconsolidated Financial Statements

2.5 Functional and presentation currency

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

2.6 Critical accounting estimates and judgments

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are material to the Company's unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Classification, valuation and impairment of investments (notes 3.5 and 6);
- ii) Impairment of non-financial assets (notes 3.17 and 6.1.1);
- iii) Provision for taxation and deferred tax (notes 3.13, 7 and 19); and
- iv) Contingencies (notes 3.16 and 14).

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Business combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the unconsolidated statement of profit or loss.

3.2 Goodwill

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or the groups of CGU, that is expected to benefit from the synergies of the combination. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

For The Year Ended December 31, 2023

3.3 Fixed assets

3.3.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less accumulated impairment losses, if any. The cost of an item of property and equipment comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the unconsolidated statement of profit or loss.

Depreciation on all fixed assets is calculated using the straight line method in accordance with the rates specified in note 4 to these unconsolidated financial statements after taking into account residual values, if material. The assets' residual values, useful lives and depreciation method are reviewed and adjusted, if material, at each reporting date.

Depreciation on additions is charged from the date the asset is available for use. For any disposal, depreciation is charged till the date of disposal.

Normal repairs and maintenance are charged to unconsolidated statement of profit or loss as and when incurred.

Gains or losses arising from derecognition of property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the unconsolidated statement of profit or loss when the asset is derecognised.

3.3.2 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised using the straight-line method taking into account residual value, if material, at the rates specified in note 5 to these unconsolidated financial statements. Amortisation is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives, assets residual value and amortisation method are reviewed and adjusted, if material, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortised. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the unconsolidated statement of profit or loss when the asset is derecognised.

3.4 Investments

3.4.1 Investment in associates

Investment in associates are presented in the unconsolidated statement of financial position on the basis of historical cost less accumulated impairment losses. In addition dividend income is accounted for when the Company's right to receive such dividend is established.

Notes to and Forming Part of the Unconsolidated Financial Statements

3.4.2 Investment in subsidiaries

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

3.5 Financial instruments

3.5.1 Financial assets

3.5.1.1 Classification and subsequent measurement

The Company applies IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL)

The classification requirements for debt and equity instruments are described below:

(I) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3.5.1.2.

b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, recognised and measured as described in note 3.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in unconsolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income (OCI) is reclassified from surplus / (deficit) on remeasurement of financial assets at fair value through other comprehensive income to the unconsolidated statement of profit or loss.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the unconsolidated profit or loss in the period in which it arises.

For The Year Ended December 31, 2023

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the unconsolidated statement of financial position at fair value, with gains and losses recognised in the unconsolidated statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are to be recognised in the unconsolidated statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the unconsolidated statement of profit or loss on derecognition. Furthermore, on derecognition of a financial asset in its entirety, the difference between:

- (a) the carrying amount (measured at the date of derecognition) and;
- (b) the consideration received (including any new asset obtained less any new liability assumed).

shall be recognised in the unconsolidated profit or loss.

3.5.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.5.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Company transfers substantially all the risks and rewards of ownership; or
- (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

3.5.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

Notes to and Forming Part of the Unconsolidated Financial Statements

3.5.2 Initial recognition

Financial assets and financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the unconsolidated statement of profit or loss.

3.5.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

3.5.3.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the unconsolidated statement of profit or loss.

3.5.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.6 Cash and cash equivalents

Cash and cash equivalents are measured in the unconsolidated statement of financial position at amortised cost. Cash and cash equivalents include cash in hand, bank balances, short term loan and highly liquid investments having original maturity of three months or less.

3.7 Foreign currency transactions and translations

Foreign currency transactions are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees using the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Exchange gains or losses are included in the unconsolidated statement of profit or loss currently.

3.8 Share capital

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

3.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the unconsolidated statement of profit or loss over the period of the borrowings using the effective interest method.

3.10 Provisions

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

For The Year Ended December 31, 2023

3.11 Taxation

Income tax expense comprises current and deferred tax. The Commissioner vide its letter dated June 20, 2018 has designated the Company and its wholly-owned subsidiaries IGI Investments (Pvt.) Limited, IGI General Insurance Limited (together the 'Group') as a Group for the purpose of group taxation under Section 59AA of the Income tax Ordinance, 2001.

Current

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

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to the unconsolidated statement of profit and loss, except in the case of items credited or charged to equity in which case it is included in equity.

Current and deferred taxes based on the consolidated results of the Group are allocated within the Group on the basis of separate return method, modified for determining realisability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to the unconsolidated statement of profit or loss in the year in which they arise.

3.12 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recorded in the period in which dividends and transfers are made.

3.13 Earnings per share (EPS)

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

3.14 Contingent liabilities

A contingent liability is disclosed when a Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present legal or constructive obligation that arise from past events but it is not probable that an outflow of resources embodying benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Notes to and Forming Part of the Unconsolidated Financial Statements

3.15 Impairment of non-financial assets

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

4 PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer equipment	Leasehold improvements	Motor vehicle owned	Total
(Rupees in '000)						
As at January 1, 2022						
Cost	3,091	3,420	4,314	9,377	4,311	24,513
Accumulated depreciation	(3,087)	(3,420)	(4,302)	(9,346)	(3,456)	(23,611)
Net book value	4	-	12	31	855	902
Year ended December 31, 2022						
Opening net book value	4	-	12	31	855	902
Disposals						
- Cost	-	-	-	-	1,750	1,750
- Accumulated depreciation	-	-	-	-	(1,400)	(1,400)
	-	-	-	-	350	350
Depreciation charge for the year	(3)	-	(4)	(31)	-	(38)
Closing net book value	1	-	8	-	505	514
As at December 31, 2022						
Cost	3,091	3,420	4,314	9,377	2,561	22,763
Accumulated depreciation	(3,090)	(3,420)	(4,306)	(9,377)	(2,056)	(22,249)
Net book value	1	-	8	-	505	514
As at January 1, 2023						
Cost	3,091	3,420	4,314	9,377	2,561	22,763
Accumulated depreciation	(3,090)	(3,420)	(4,306)	(9,377)	(2,056)	(22,249)
Opening net book value	1	-	8	-	505	514
Disposals						
- Cost	-	-	-	-	1,807	1,807
- Accumulated depreciation	-	-	-	-	(1,445)	(1,445)
	-	-	-	-	362	362
Depreciation charge for the year	(1)	-	(4)	-	-	(5)
Closing net book value	-	-	4	-	143	147
As at December 31, 2023						
Cost	3,091	3,420	4,314	9,377	754	20,956
Accumulated depreciation	(3,091)	(3,420)	(4,310)	(9,377)	(611)	(20,809)
Net book value	-	-	4	-	143	147
Depreciation rate % per annum - 2023	10%	20%	20%	10%	20%	
Depreciation rate % per annum - 2022	10%	20%	20%	10%	20%	

4.1 The cost and accumulated depreciation of fully depreciated property and equipment still in use at the end of the year amounts to Rs. 20.813 million (2022: Rs. 22.258 million).

For The Year Ended December 31, 2023

5 INTANGIBLE ASSET

Note	2023	2022
(Rupees in '000)		
Cost	4	4
Accumulated amortisation	(4)	(4)
Written down value	-	-
Additions during the year	-	-
Disposals during the year	-	-
Cost	-	-
Accumulated amortisation	-	-
Depreciation charge during the year	-	-
Written down value - closing	-	-
Cost	4	4
Accumulated amortisation	(4)	(4)
Written down value	-	-

5.1 Cost and accumulated amortisation of fully amortised intangible asset still in use at the end of the year amounts to Rs. 0.004 million (2022: Rs. 0.004 million).

6 INVESTMENTS - NET

Note	2023	2022
(Rupees in '000)		
Investments in subsidiaries	15,693,819	15,688,023
Equity instruments		
- Financial assets at 'fair value through other comprehensive income'	101,837	8,522
Debt instruments - term finance certificates		
- Financial assets at 'fair value through other comprehensive income'	-	-
	15,795,656	15,696,545

6.1 Investments in subsidiaries

	2023			2022				
	Number of shares	Cost	Impairment (note 6.1.1)	Carrying Amount	Number of shares	Cost	Impairment (note 6.1.1)	Carrying Amount
(Rupees in '000)								
Quoted								
IGI Life Insurance Limited (notes 6.1.2 and 6.1.3)	141,048,278	1,690,854	-	1,690,854	141,048,278	1,690,854	-	1,690,854
Unquoted								
IGI Finex Securities Limited (notes 6.1.4 and 6.1.5)	52,000,000	441,883	(239,397)	202,486	52,000,000	441,883	(245,193)	196,690
IGI General Insurance Limited (note 6.1.6)	191,838,400	1,918,384	-	1,918,384	191,838,400	1,918,384	-	1,918,384
IGI Investments (Pvt.) Limited (note 6.1.7)	118,820,950	11,882,095	-	11,882,095	118,820,950	11,882,095	-	11,882,095
Total		15,933,216	(239,397)	15,693,819		15,933,216	(245,193)	15,688,023

Notes to and Forming Part of the Unconsolidated Financial Statements

6.1.1 Movement in impairment

	2023	2022
	(Rupees in '000)	
Opening balance	245,193	80,804
(Reversal) / charge during the year	6.1.4 (5,796)	164,389
Closing balance	239,397	245,193

6.1.2 This represents 82.694% (2022: 82.694%) holding in IGI Life Insurance Limited (IGI Life) having market value of Rs. 12.50 (2022: Rs. 9.50) per share. IGI Life is engaged in life insurance, carrying on both participating and non-participating business. IGI Life is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator. The Company assessed the recoverable amount of investment in IGI Life based on value-in-use calculation. Based on the valuation, the recoverable amount exceeds the carrying amount and accordingly, no impairment has been recognised in respect of IGI Life for the year ended December 31, 2023 (2022: Nil).

6.1.3 During the year ended December 31, 2017, 824,910 shares were withheld by IGI Life in respect of issuance of bonus as issuance of bonus shares had been made taxable through Finance Act, 2014. The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies were liable to withheld bonus shares at the rate of 5 percent. In accordance with the requirements of the Ordinance these shares shall only be released if the Company deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure. In this regard, a suit was filed by the Company in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by the Company and a stay order was granted by the High Court of Sindh in favour of the Company. During the year ended December 31, 2019, the above suit was dismissed by the single bench of the Honourable High Court of Sindh on account of decisions made by the single bench in similar cases earlier and vacated the stay order earlier granted by the Court. The Company had filed an appeal on June 27, 2019 before division bench of the Honourable High Court of Sindh against the above judgment issued by the single bench and has also obtained a stay order against initiation of any recovery proceedings on the basis of judgment made by the single bench of the Honourable High Court of Sindh. The Company has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the Company.

6.1.4 This represents 100% (2022: 100%) holding in IGI Finex Securities Limited (IGI Finex) having break - up value of Rs. 12.09 (2022: Rs. 6.29) per share on the basis of the audited financial statements for the year ended December 31, 2023. The principal activities of this Company include shares and commodities brokerage, money market and foreign exchange brokerage and advisory and consulting services.

6.1.5 The management on an ongoing basis assesses the future profitability / recoverable amount of the Company's investment in IGI Finex. As a result of this exercise, the management has recognised a reversal of impairment amounting to Rs. 5.796 million against the Company's investment in IGI Finex for the year ended December 31, 2023. In determining the recoverable amount, the management has used certain key assumptions regarding the future business, economic and market conditions. Key assumptions include market share of IGI Finex Securities Limited, average commission rate, growth in market volumes, cost to income ratios, returns on funds deployed, timing of write-offs, discount rate, terminal growth rate etc. A significant change in the assumptions used may impact the value of investment. The growth rates and margins used to estimate the future profitability are based on past performance, market trends and the management experience of growth rates and margins achievable. The management believes that the assumptions used in estimating the future profitability are consistent with past performance and trends. The discount rates and growth rates used in the valuation and impairment exercise are as follows:

	2023	2022
Discount rate	23.3%	23.5%
Terminal growth rate	7.7%	10.5%

For The Year Ended December 31, 2023

6.1.6 This represents 100% (2022: 100%) holding in IGI General Insurance Limited (IGI General) having break - up value of Rs 17.58 (2022: Rs 15.39) per share on the basis of the audited financial statements for the year ended December 31, 2023. The Company incorporated a wholly owned subsidiary namely IGI General Insurance Limited on November 18, 2016. The objective of IGI General is to carry on general insurance business (excluding life insurance) and General Takaful (Islamic Insurance) as Window Takaful Operator.

6.1.7 This represents 100% (2022: 100%) holding in IGI Investments (Pvt.) Ltd (IGI Investments) having break - up value of Rs 449.27 (2022: Rs 333.55) per share on the basis of the audited financial statements for the year ended December 31, 2023. The Company incorporated a wholly owned subsidiary namely IGI Investments (Pvt.) Limited on October 31, 2016. The objective of IGI Investments is to act as an investment holding Company and to invest, acquire, sell and hold investments.

6.2 Equity instruments

	Financial assets at fair value through other comprehensive income				Financial assets at fair value through other comprehensive income			
	2023				2022			
	Number of shares	Cost	Surplus on remeasurement	Market value	Number of shares	Cost	Deficit on remeasurement	Market value
	(Rupees in '000)				(Rupees in '000)			
Quoted								
AgriTech Limited	1,352,992	17,156	1,272	18,428	1,352,992	17,156	(11,216)	5,940
Unquoted								
DHA Cogen Limited	7,600,000	-	-	-	7,600,000	-	-	-
Techlogix International Limited (note 6.2.1)	1,067,152	2,582	80,827	83,409	1,067,152	2,582	-	2,582
		2,582	80,827	83,409		2,582	-	2,582
		19,738	82,099	101,837		19,738	(11,216)	8,522

6.2.1 Techlogix International Limited is a company registered in Bermuda. This investment has been made since 2005. Return on investment is in the form of dividend. Based on the information available, there are no litigations against the investee company in foreign jurisdictions.

6.3 Debt instruments - term finance certificates

Number of certificates	Particulars	Issue date	Note	2023	2022
				(Rupees in '000)	
	Listed term finance certificates				
5,000	Azgard Nine Limited II	September 20, 2005	6.3.2	-	-
	Unlisted term finance certificates				
4,000	AgriTech Limited I	November 30, 2007	6.3.2	-	-
861	AgriTech Limited IV	July 01, 2011	6.3.2	-	-
13,000	Azgard Nine Limited IV	December 04, 2007	6.3.2	-	-
10,000	Eden Housing Limited	December 31, 2007	6.3.2	-	-
10,000	New Allied Electronics Industries (Private) Limited	December 03, 2007	6.3.2	-	-
				-	-
				-	-
	Less: provision for impairment			-	-
				-	-

Notes to and Forming Part of the Unconsolidated Financial Statements

6.3.1 These term finance certificates have been fully impaired.

6.3.2 Significant terms and conditions relating to term finance certificates are as follows:

Particulars	Certificates denomination	Profit rate per annum	Profit payment	Maturity date	Redemption
Listed Term Finance Certificates					
Azgard Nine Limited II	5,000	Zero coupon	-	April 29, 2028	20 quarterly installments of Rs.0.302 million.
Unlisted Term Finance Certificates					
Agriotech Limited I	5,000	Average ask rate of six months KIBOR plus 1.75%	Semi-annually	November 29, 2019	12 semi-annual installments with stepped up repayment plan, 2012-2014: 35% (Rs.524,580,000), 2015-2017: 65% (Rs.974,220,000).
Agriotech Limited IV	5,000	Zero coupon	-	January 01, 2015	Principal to be repaid in 6 semi-annual installments as per the schedule, commencing from July 01, 2012.
Azgard Nine Limited IV	5,000	Zero coupon	-	April 29, 2028	20 quarterly installments of Rs.1.046 million.
Eden Housing Limited	5,000	Average ask rate of three months KIBOR plus 2.5% per annum from December 31, 2007 to June 29, 2013 (floor 7% and cap 20%) Average ask rate of three months KIBOR plus 3% per annum from June 30, 2013 to June 29, 2014 (floor 7% and cap 20%)	Quarterly	June 29, 2014	Principal to be redeemed in unequal quarterly installments as per schedule.
New Allied Electronics Industries (Private) Limited	5,000	Average ask rate of three months KIBOR plus 2.2% (floor 7% and cap 20%)	Semi-annually	December 03, 2012	Principal redemption will take place in six equal semi annual installments. This will commence from the 30th month of the date of public subscription after a grace period of 24 months.

7 DEFERRED TAXATION - NET

Deferred tax (liability) / asset arising on (taxable) / deductible temporary difference:

- Accelerated tax depreciation*
- Impairment of investment in IGI Finex Securities Limited
- Surplus / deficit on remeasurement of financial assets at fair value

* Nil due to rounding off.

8 LOANS AND ADVANCES

Considered good

Loans and advances
Others

8.1 These loans pertain to Ex. IGI Investment Bank Limited which had been transferred to the Company under the scheme of amalgamation.

For The Year Ended December 31, 2023

8.2 This represents loan converted from term finance certificates, which is fully provided.

9 OTHER RECEIVABLES

Note	2023	2022
(Rupees in '000)		
Net investment in finance lease - considered good	207,031	207,031
Withholding tax on bonus shares	6,530	6,530
Receivable from related parties	559	-
Others	33,142	33,142
	<u>247,262</u>	<u>246,703</u>

9.1 This balance represents outstanding amount of old lease portfolio acquired by the Company as part of amalgamation of Ex. IGI Investment Bank Limited w.e.f December 31, 2016 that has been retained by the Company as part of scheme of arrangement and carried at fair value at the time of acquisition against which an equivalent amount of security deposit are payable. This also includes fair value of collaterals amounting to Rs. 14.590 million (2022: Rs 14.590 million) and residual values relating to net investment in finance lease.

9.2 This represents 50% of the amount paid by the Company to revenue authority in relation to the charge and collection of income tax on issuance of bonus shares by IGI Life Insurance Limited (as more fully explained in note 6.1.3 to these unconsolidated financial statements). The matter is already pending adjudication in the Honourable High Court of Sindh and the management, based on advice from legal advisors, is confident of a favourable outcome of the proceedings.

9.3 This represents 50% of the amount paid by the Company to revenue authority in relation to the levy of super tax under the Income Tax Ordinance, 2001 for the tax years 2017 and 2018 (as more fully explained in note 14 to these unconsolidated financial statements). The matter is already pending adjudication in the Honourable Supreme Court of Pakistan and the management, based on an advice from the legal advisors, is confident of a favourable outcome of the proceedings.

10 BANK BALANCES

Note	2023	2022
(Rupees in '000)		
Cash at bank		
Savings accounts	30,645	27,269
Current accounts	210	6,607
	<u>30,855</u>	<u>33,876</u>

10.1 These savings accounts carry profit at 20.5% (2022: 13.5%) per annum.

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

Note	2023	2022
(Rupees in '000)		
Bank balances	30,855	33,876
Short term loan	(572,988)	(1,112,024)
	<u>(542,133)</u>	<u>(1,078,148)</u>

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
1,942,187	1,942,187	Ordinary shares of Rs. 10 each issued as fully paid in cash	19,422	19,422
139,351,330	139,351,330	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	1,393,513	1,393,513
1,337,033	1,337,033	Issued for consideration other than cash under scheme of amalgamation	13,370	13,370
<u>142,630,550</u>	<u>142,630,550</u>		<u>1,426,305</u>	<u>1,426,305</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

11.1 All ordinary shares carry equal voting and dividend rights.

11.2 Reconciliation between ordinary shares in issue at beginning and end of the year is as follows:

	2023	2022
	(Number of shares)	
At beginning of the year	142,630,550	142,630,550
Issuance of shares during the year	-	-
Redemption of shares during the year	-	-
At end of the year	142,630,550	142,630,550

11.3 Shares in the entity held by associated companies / related parties / undertakings:

	Basis of relationship	2023	2022
		(Percentage of shareholding)	
Babar Ali Foundation	Associate	10.89%	10.89%
Industrial Technical and Educational Institute Packages Limited	Associate	16.81%	16.81%
Syed Hyder Ali	Director	19.07%	6.20%
Syed Shahid Ali	Director	1.08%	1.08%
Syed Yawar Ali	Director	1.01%	1.01%
Syed Babar Ali	Director	0.00%	18.96%
Shamim Ahmed Khan	Director	0.01%	0.00%
Ali Ahsan	Director	0.00%	0.00%
Saima Amin Khawaja	Director	0.00%	0.00%

12 SHORT TERM LOAN

This represents short term credit facility available from Habib Bank Limited under a mark-up arrangement amounting to Rs. 1,500 million. The unutilised amount as at December 31, 2023 amounts to Rs. 927.012 million (2022: Rs. 387.976 million). The rate of mark-up on this facility is 1-month KIBOR + 0.25% per annum (2022: 1-month KIBOR + 0.25% per annum). The facility is secured against pledge of shares held by its wholly owned subsidiary IGI Investments against a commission which has been disclosed in note 17.3.

13 TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Certificates of deposit	13.1	594	594
Security deposits under lease contracts	13.2	192,441	192,441
Accrued expenses		34,660	32,270
Accrued interest		40,838	47,830
Payable to related parties		-	102,917
Others		14,363	12,412
		282,896	388,464

13.1 This represents certificates of deposit acquired by the Company as part of the amalgamation of Ex. IGI Investment Bank Limited (the Investment Bank) with and into IGI Insurance Limited as at December 31, 2016 that has been retained by the Company as part of the Scheme of Arrangement. The outstanding amount relates to two depositors with aggregate deposits amounting to Rs 0.594 million (2022: Rs. 0.594 million) as they are untraceable. These certificates of deposits have already matured and mark-up payable on these till maturity is Rs. 0.034 million (2022: Rs. 0.034 million). In order to secure the amount for repayment of such deposits till the time parties are traced or lien matter is settled, the Company has placed this amount in a money market fund of NBP Fund Management Limited with authority to Central Depository Company (CDC) to operate the said account on its behalf and to pay the depositors as and when traced in accordance with the directions of the Securities and Exchange Commission of Pakistan (SECP).

For The Year Ended December 31, 2023

13.2 This represents security deposits under lease contracts acquired as part of the amalgamation of Ex. IGI Investment Bank Limited with effect from December 31, 2016 that has subsequently been retained by the Company as part of the Scheme of Arrangement, against which an equivalent amount of residual value is receivable.

14 CONTINGENCIES AND COMMITMENTS

The contingencies disclosed in notes 14.1, 14.2 and 14.3 were acquired by the Company as part of the amalgamation of Ex. IGI Investment Bank Limited (Investment Bank) with effect from December 31, 2016 that has been retained by the Company as part of the scheme of arrangement.

14.1 Income tax returns for the tax years 2011, 2012, 2013, 2014, 2015, 2016 and 2017 have been filed by the Ex. IGI Investment Bank Limited / IGI Holdings Limited on due dates that are deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001.

Matters that are being contested mainly include the following:

- The rate of tax applied in computing the tax liability of the Investment Bank was the one applicable to a banking company instead of the rate applicable for a public company (Assessment years 1991-92 to 2000-01). The Lahore High Court vide orders in CTR No.04 of 2005 and CTR No. 02 of 2008 for the assessment years 1993-1994 to 1997-98 had decided this issue in favour of the Company by rejecting the reference application filed by the tax department.
- The tax payer company is a non banking finance company in accordance with the provisions of section 2(10) of Income Tax Ordinance, 1979 read with Section 5(b) & 5(c) of the Banking Companies Ordinance, 1962. In light of said provisions the taxpayer company is an investment finance company, so its dividend income should be taxed as a separate block of income at the reduced rate. The above mentioned issue is decided in favour of the taxpayer Company by the Lahore High Court, Lahore vide orders in CTR No.04 of 2005 and CTR No. 02 of 2008 for the assessment years 1993-1994 to 1997-98.
- An addition on account of accounting depreciation as a result of restricting the claim of accounting depreciation up to net income from leased assets (Tax year 2003). The Appellate Tribunal Inland Revenue, Lahore (ATIR) vide order No. ITA No. 1074/LB/2008 dated November 07, 2018 decided the appeal on the said point in favour of the Investment Bank.
- Disallowance of certain expenses and additions to taxable income on account of lease key money, lease rentals, excess perquisites and miscellaneous expenses relating to various assessment years (assessment years 1995-96 to 2000-01).
- Charging minimum tax under section 113 of the Ordinance without allowing adjustment of tax paid under final tax regime (Tax years 2008 and 2010). The ATIR vide consolidated order No. ITA No. 1716/LB/2013 & ITA No. 1717/LB/2013 dated January 09, 2019 decided the appeals on the said point in favour of the Investment Bank.
- Disallowance of initial depreciation on leased commercial vehicles (tax years 2004, 2005, 2006 and 2007). For Tax years 2004 & 2005, the ATIR vide orders No. ITA No. MA(AG) No. 48/LB/2019 / ITA No. 1581/LB/2011 and ITA No. 1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being time barred. For tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for read judicating.
- Addition as a result of proration of expenses between exempt income (capital gains), dividend income and business income (assessment / tax years 2003, 2004, 2005, 2006 and 2007). For assessment year 2002-03, appeal is pending before ATIR. For Tax years 2004 & 2005, the ATIR vide orders No. ITA No. MA(AG) No. 48/LB/2019 / ITA No. 1581/LB/2011 and ITA No.

Notes to and Forming Part of the Unconsolidated Financial Statements

1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being time barred. For Tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for read judicating.

(h) Addition on account of allocation of finance cost to brokerage and commission income amounting to Rs.18.445 million (Tax Year 2009).

(i) Addition on account of specific provisions of Rs. 117.639 million (Tax Year 2009).

The management and its tax advisor are confident that all above matters will eventually be decided in favour of the Company.

14.2 A suit had been filed against the Investment Bank before the High Court of Sindh (the Court) for declaration, damages for Rs. 81.570 million and recovery of Rs. 1 million along with interest & mark-up in connection with the transaction of asset backed securitisation between the parties. Issues had been framed for determination by the Court and the matter is at the stage of the evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of the Company.

14.3 A suit had been filed against the Investment Bank impleaded as defendant No. 6 before the High Court of Sindh for declaration, permanent injunctions, specific performance, settlement and / or rendition of accounts and / or cancellation of cheques and damages of Rs.100 million. The Investment Bank arranged lease finance for buses which were given on lease to a customer. The Court granted leave to defend the suit to all the defendants and the matter is at the stage of evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of the Company.

14.4 Income tax return for the tax year 2017 was filed by the Company that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. The Company, during year ended December 31, 2018, received a notice from the Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001.

The principal observations raised by ACIR were related to levy of tax on undistributed profits, super tax, admissibility of tax losses of formerly IGI Investment Bank Limited and deductions claimed on account of write-offs. The Company filed constitutional petitions for the matters pertaining to the levy of tax on undistributed profits and super tax and obtained a stay order against any adverse action in relation thereto and also submitted its response / explanations to ACIR.

During the year ended December 31, 2019, ACIR passed an order against the response submitted by the Company and raised a tax demand of Rs. 435.869 million on matters raised in the notice except for the admissibility of deductions on account of write-offs. The Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA). The learned CIRA, on the merits of the case, decided appeal in favour of the Company on account of admissibility of tax losses of formerly IGI Investment Bank Limited, while upheld decision of ACIR on the matters pertaining to levy of tax on undistributed profits and super tax which is already pending adjudication at the Honourable High Court of Sindh. As a result of an order passed by CIRA, the tax demand has been reduced by Rs. 223.221 million. However, an appeal effect order is pending in this regard.

During the year ended December 31, 2020, the Company had filed an appeal with Appellate Tribunal Inland Revenue (ATIR) on the matters decided in favour of ACIR by the learned CIRA, while ACIR has also filed an appeal with ATIR on the matter of admissibility of tax losses decided in favour of the Company, both of which are currently pending adjudication.

For The Year Ended December 31, 2023

During the year ended December 31, 2021, the Honourable High Court of Sindh decided the matter of tax on undistributed profits in favour of the Company. The tax department has filed a Civil Petition for Leave to Appeal in the Honourable Supreme Court of Pakistan against the order which is pending adjudication.

During the year ended December 31, 2022, the Company received a notice from ACIR to explain the position in the matters remanded by CIRA. The Company submitted the response explaining that no issues were remanded by CIRA in its order. However, the ACIR passed an amended assessment order creating a demand of Rs. 435.869 million. The Company submitted application for rectification with the Commissioner Inland Revenue (CIR) against ACIR order creating the demand erroneously. The concerned ADCIR found the Company's contention correct and issued rectification order whereby the tax demand earlier created for the Tax Year 2017 through an appeal effect order amounting to Rs 435.869 million is now reduced to Rs 29.670 million (i.e. 3 percent of the taxable income as declared in the submitted income tax return for the Tax Year 2017) which is not recoverable considering the directions of the Honourable Supreme Court of Pakistan (SCP) through judgement dated November 26, 2020 and the fact that 50 percent of the tax demand of Rs. 28.607 million (relating to super tax created of Rs 57.214 million through the assessment order dated September 17, 2019) has already been paid as per the directions of the SCP.

The management, based on the advice of its tax advisor, is confident of favourable outcome of the above proceedings.

14.5 Income tax return for the tax year 2018 was filed by the Company that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. During the year, the Company received a notice to amend assessment under section 122 (5A) from the Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001. The principal observations raised by ACIR were related to taxation of dividend and commission income at the corporate tax rate, levy of super tax, inadmissible deductions of provision against investments and doubtful debts and impairment of goodwill. The Company filed a constitutional petition for the matter pertaining to the levy of super tax and obtained a stay order against any adverse action in relation thereto and also submitted its response / explanations to ACIR.

The ACIR passed an order against the response submitted by the Company and raised a tax demand of Rs. 475.538 million on matters raised in the notice except for the matters related to admissibility of deductions of provision against investments and doubtful debts. The Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) and the learned CIRA, on the merits of the case, remanded back the matters related to taxation of dividend and commission income at corporate tax rate and impairment of goodwill while confirming decision of ACIR on account of levy of super tax which is already pending adjudication at the Honourable High Court of Sindh.

The Company filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of the learned CIRA in the matters remanded back. The Company also received notice from ACIR to explain the position in the matters remanded back by CIRA. The Company, accordingly, filed a response along with the documentary evidences to ACIR on these matters.

During the year ended December 31, 2020, the Honourable High Court of Sindh has passed its judgment in the various constitutional petitions filed by various parties including the Company on the matter of levy of super tax. The Honourable High Court, while dismissing the petitions has held that the Super Tax has been validly levied under the constitution. The Company has challenged the decision of Honourable Sindh High Court in the Supreme Court of Pakistan jointly with the other petitioners. The learned Supreme Court has restrained tax department from any coercive action against petitioners subject to deposit of 50% amount of levy of super tax. During the year ended December 31, 2022, the Company has deposited the said amount pertaining to levy of super tax as directed by the Supreme Court.

Notes to and Forming Part of the Unconsolidated Financial Statements

During the year ended December 31, 2022, the Company, again, received a notice from ACIR to explain the position in the matters remanded by CIRA. The Company submitted the response along with the documentary evidences and requested to keep proceedings in abeyance until the decision of ATIR on these matters. However, the ACIR passed an amended assessment order creating a demand of Rs. 475.537 million. The Company submitted application for rectification with the Commissioner Inland Revenue (CIR) against ACIR order creating demand erroneously in light of appeal pending with the ATIR. The concerned ADCIR found the Company's contention correct and issued rectification order whereby the tax demand earlier created for the Tax Year 2018 through an appeal effect order amounting to Rs 475.537 million is now reduced to nil.

The management, based on the advice of its tax advisor, is confident of favourable outcome of the above proceedings.

- 14.6** Income tax return for the tax year 2019 was filed by the Company that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. During the year 2020, the Company received a notice to amend assessment under section 122 (5A) from Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001.

The principal observations raised by ACIR are related to levy of super tax, disallowance of expenses and apportionment of expenses. The Company filed constitutional petition for the matter pertaining to the levy of super tax and obtained stay order against any adverse action in relation thereto. The Company also submitted its responses / explanations to ACIR. During the year, the ACIR passed its order creating a tax demand of Rs. 278.750 million on account of apportionment of expenses and disallowance of certain expenses against which the Company filed and appeal with the Commissioner Inland Revenue (Appeals) (CIRA). The Honourable High Court also dismissed petition for the matter pertaining to the levy of super tax which has been challenged in the Honourable Supreme Court of Pakistan.

During the year ended December 31, 2022, the CIRA has passed the order whereby the matters pertaining to disallowance of expenses and apportionment of expenses have been remanded back whereas the levy of super tax has been upheld. The Company has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order.

The management, based on the advice of its tax advisor, is confident of favourable outcome of the above proceedings.

- 14.7** There are no material commitments as at December 31, 2023 and December 31, 2022.

15 DIVIDEND INCOME

Subsidiary Companies

- IGI General Insurance Limited
- IGI Investments (Pvt.) Limited

Others

- Techlogix International Limited

16 OTHER INCOME

From financial assets

- Profit on saving accounts
- Income from term finance certificates

From non - financial assets

- Gain on disposal of property and equipment

Note	2023	2022
	(Rupees in '000)	
	585,000	280,000
	1,000,000	1,100,000
	1,378	790
	<u>1,586,378</u>	<u>1,380,790</u>
	5,504	2,423
	3,478	2,024
	<u>8,982</u>	<u>4,447</u>
	1,659	1,165
	<u>10,641</u>	<u>5,612</u>

For The Year Ended December 31, 2023

17 GENERAL AND ADMINISTRATIVE EXPENSES

Note	2023	2022
	(Rupees in '000)	
	78,682	43,938
4	5	38
17.2	19,616	24,993
	1,267	1,139
	247	320
	255	244
	1,551	1,574
	1,719	1,798
	696	647
17.3	7,213	5,709
	7,312	7,480
	6,268	5,963
	2,821	3,894
	3,850	4,025
	75	42
	<u>131,577</u>	<u>101,804</u>

- 17.1** Certain common expenses (including salaries, allowances and other benefits, staff training, rentals, utilities, repair and maintenance and IT related expenses) are charged to the Company, which are shown under respective administrative and operating expenses accounts, in accordance with the Group Shared Services (GSS) Cost Allocation Review Memorandum, between the Company and the Group companies. During the year, an amount of Rs. 55.874 million (2022: Rs. 42.574 million) was charged in respect of common expenses.

17.2 Auditors' remuneration

	2023	2022
	(Rupees in '000)	
Fee for statutory audit	1,404	1,075
Fee for interim review	648	424
Fee for the audit of the consolidated financial statements	1,782	1,392
Special certifications and sundry services	13,651	20,351
Out of pocket expenses	2,131	1,751
	<u>19,616</u>	<u>24,993</u>

- 17.3** This represents commission paid to IGI Investments at the rate of 0.2% of the market value of pledged shares which have been kept in order to obtain short term loan as disclosed in note 12 respectively.

18 FINANCE COSTS

	2023	2022
	(Rupees in '000)	
Mark-up on long term loan	-	25,138
Mark-up on short term loan	218,143	169,777
Bank charges	15	29
	<u>218,158</u>	<u>194,944</u>

19 TAXATION

For the year		
- Current tax	399,836	265,704
- Group tax adjustment	(395,713)	(263,206)
- Prior year	-	1,497
	4,123	3,995
- Deferred tax	(68,652)	16,778
	<u>(64,529)</u>	<u>20,773</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

19.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate for the year ended December 31, 2023 is as follows.

	2023	2023	2022	2022
	(Effective tax rate) (%)	(Rupees in '000)	(Effective tax rate) (%)	(Rupees in '000)
Profit before tax		1,253,080		932,565
Tax calculation at the rate of 29%	29.00	363,393	29.00	270,444
Effect of items taxable under lower rates	(17.72)	(222,093)	(20.73)	(193,311)
Effect of group taxation	(31.58)	(395,713)	(28.22)	(263,206)
Effect of permanent differences	8.04	100,746	9.14	85,260
Effect of super tax	12.73	159,469	5.97	55,638
Effect of rate change	(5.61)	(70,333)	6.91	64,449
Other adjustments	0.00	-	0.16	1,499
	(5.14)	(64,529)	2.23	20,773

20 EARNINGS PER SHARE

Basic / diluted earnings per share

	2023	2022
	(Rupees in '000)	
Profit for the year	1,317,609	911,792
	Number of shares	
Weighted average number of ordinary shares	142,630,550	142,630,550
	Rupees	
Earnings per share	9.24	6.39

21 REMUNERATION OF DIRECTORS

	2023		2022	
	Chief Executive	Executive Directors	Chief Executive	Executive Directors
Managerial Remuneration	19,509	-	16,178	-
Bonus	8,044	-	-	-
Fee for attending board meeting	-	3,850	-	4,025
	27,553	3,850	16,178	4,025
Number of persons	1	7	1	8

22 NUMBER OF EMPLOYEES

All the employees are on the payroll of the group companies and their cost is charged to the Company under group shared services agreement.

23 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, associates, related group companies, directors of the Company, key management personnel, major shareholders, post employment benefit plans and other related parties. The Company in the normal course of business carries out transactions with

For The Year Ended December 31, 2023

various related parties at agreed / commercial terms and conditions. Amounts due to / from and other significant transactions, other than those disclosed else where in these unconsolidated financial statements, are as follows:

	Subsidiaries		Associates		Key management personnel (including directors)		Other related parties	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)							
Transactions								
Commission expense / paid	7,213	5,709	-	-	-	-	-	-
Dividend income	1,585,000	1,380,000	-	-	-	-	-	-
Dividend received	1,585,000	1,380,000	-	-	-	-	-	-
Dividend paid	-	-	231,813	359,260	147,809	213,465	-	-
Key management personnel compensation	-	-	-	-	3,850	4,025	-	-
Insurance premium paid	29	38	-	-	-	-	-	-
* Expenses incurred under Group								
Shared Services	30,715	25,477	18,989	17,050	-	-	6,170	1,272
Expenses paid by the Company on behalf of other companies under Group Shared Services	9,533	5,910	-	-	-	-	-	-
Receipts against Group Shared Services	-	5,910	-	-	-	-	-	-
Payments against Group Shared Services	19,530	24,502	19,172	15,435	-	-	5,356	-
Balances								
Investment in shares	15,693,819	15,688,023	-	-	-	-	-	-
Dividend receivable	-	-	-	-	-	-	-	-
Group shared service (receivable) / payable	(559)	(1,064)	1,432	1,615	-	-	814	-
Payable to related parties	-	102,917	-	-	-	-	-	-

23.1 Maximum amount payable to IGI General Insurance Limited (subsidiary), IGI Finex Securities Limited (subsidiary) and IGI Life Insurance Limited (subsidiary) at the end of any month during the year was Rs. 5.887 million, Rs. 7.771 million and Rs. 1.672 million (2022: Rs. 11.90 million, Rs. 11.40 million and Rs. 0.141 million) respectively.

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

S. No.	Name of related party	Basis of association / relationship	Aggregate % of shareholding
1	IGI Life Insurance Limited	Subsidiary	82.694%
2	IGI General Insurance Limited	Subsidiary	100%
3	IGI Investments (Pvt.) Limited	Subsidiary	100%
4	IGI Finex Securities Limited	Subsidiary	100%
5	Industrial Technical and Educational Institute	Associate/Shareholder	16.81%
6	Babar Ali Foundation	Associate/Shareholder	10.89%
7	Packages Limited	Associate/Shareholder	10.54%
8	Syed Babar Ali	Chairman	N/A
9	Packages Convertors Limited	Subsidiary of Associate	N/A

Notes to and Forming Part of the Unconsolidated Financial Statements

24 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Non-current assets

Investments - net
Long-term deposits

Current assets

Loans and advances
Deposits
Other receivables
Bank balances

2023		
At amortised cost	At fair value through other comprehensive income	Total
(Rupees in '000)		
-	101,837	101,837
1,878	-	1,878
1,878	101,837	103,715
10,200	-	10,200
3,344	-	3,344
207,031	-	207,031
30,855	-	30,855
251,430	-	251,430
253,308	101,837	355,145

Financial liabilities

Short term loan
Unclaimed dividend
Trade and other payables

2023		
At amortised cost	Total	
(Rupees in '000)		
572,988	572,988	572,988
32,327	32,327	32,327
282,896	282,896	282,896
888,211	888,211	888,211

Financial assets

Non-current assets

Investments
Long-term deposits

Current assets

Loans and advances
Deposits
Other receivables
Bank balances

2022		
At amortised cost	At fair value through other comprehensive income	Total
(Rupees in '000)		
-	8,522	8,522
1,838	-	1,838
1,838	8,522	10,360
10,200	-	10,200
3,159	-	3,159
207,031	-	207,031
33,876	-	33,876
254,266	-	254,266
256,104	8,522	264,626

Financial liabilities

Current portion of long term loan - secured
Short term loan
Unclaimed dividend
Trade and other payables

2022		
At amortised cost	Total	
(Rupees in '000)		
1,112,024	1,112,024	1,112,024
29,731	29,731	29,731
388,464	388,464	388,464
1,530,219	1,530,219	1,530,219

For The Year Ended December 31, 2023

25 RISK MANAGEMENT

Risk management framework

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

25.1 Financial risk

(i) Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest / mark-up rate risk in respect of the following:

Interest Rates		2023						Total
		Interest / mark-up bearing			Non-interest / mark-up bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)								
Financial assets		-	-	-	-	101,837	101,837	101,837
Investments		-	-	-	-	1,878	1,878	1,878
Long term deposits		-	-	-	10,200	-	10,200	10,200
Loans and advances		-	-	-	3,344	-	3,344	3,344
Deposits		-	-	-	207,031	-	207,031	207,031
Other receivables		30,645	-	30,645	210	-	210	30,855
Bank balances		30,645	-	30,645	220,785	103,715	324,500	355,145
20.50%								
Financial liabilities		572,988	-	572,988	-	-	-	572,988
Short term loan		-	-	-	32,327	-	32,327	32,327
Unclaimed dividend		-	-	-	282,896	-	282,896	282,896
Trade and other payables		572,988	-	572,988	315,223	-	315,223	888,211
22.52%								
		(542,343)	-	(542,343)	(94,438)	103,715	9,277	(533,066)

Notes to and Forming Part of the Unconsolidated Financial Statements

2022							
Interest Rates	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)							
Financial assets							
Investments	-	-	-	-	8,522	8,522	8,522
Long term deposits	-	-	-	-	1,838	1,838	1,838
Loans and advances	-	-	-	10,200	-	10,200	10,200
Deposits	-	-	-	3,159	-	3,159	3,159
Other receivables	-	-	-	207,031	-	207,031	207,031
Bank balances	13.50%	27,269	-	27,269	6,067	-	33,876
		27,269	-	27,269	226,457	10,360	237,357
Financial liabilities							
Short term loan	16.86%	1,112,024	-	1,112,024	-	-	1,112,024
Unclaimed dividend		-	-	-	29,731	29,731	29,731
Trade and other payables		-	-	-	388,464	388,464	388,464
		1,112,024	-	1,112,024	-	418,195	1,530,219
		(1,084,755)	-	(1,084,755)	226,457	(407,835)	(180,838)
							(1,265,593)

Sensitivity analysis

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in the respective notes. The table below summarises Company's interest rate risk as of December 31, 2023 and December 31, 2022 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

	Impact on the unconsolidated statement of profit or loss	
	Increase	Decrease
(Rupees in '000)		
As at December 31, 2023		
Cash flow sensitivity - variable rate financial instruments	5,423	(5,423)
As at December 31, 2022		
Cash flow sensitivity - variable rate financial instruments	10,848	(10,848)

(b) Foreign currency risk

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

(c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or

For The Year Ended December 31, 2023

its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 18.428 million (2022: Rs. 5.940 million) at the reporting date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, the Company's management does not consider short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. The Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Company manages price risk by monitoring exposure in equity securities and implementing strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are based on market prices as of the reporting date.

Market prices are subject to fluctuation and consequently the amount realised in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realised in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarises the Company's equity price risk as of December 31, 2023 and December 31, 2022 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in the Company's equity investment portfolio because of the nature of equity markets. The impact of hypothetical change would be as follows:

	Fair value (Rupees in '000)	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in total comprehensive income
			(Rupees in '000)		
2023	18,428	10% increase 10% decrease	20,271 16,585	1,843 (1,843)	1,843 (1,843)
2022	5,940	10% increase 10% decrease	6,534 5,346	594 (594)	594 (594)

(ii) Liquidity risk

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

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

	2023			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
(Rupees in '000)				
Short term loan	572,988	572,988	572,988	-
Unclaimed dividend	32,327	32,327	32,327	-
Trade and other payables	282,896	282,896	282,896	-
	888,211	888,211	888,211	-

Notes to and Forming Part of the Unconsolidated Financial Statements

	2022			
	Carrying amount	Contractual cash flow	Up to one year	More than one year
	(Rupees in '000)			
Short term loan	1,112,024	1,112,024	1,112,024	-
Unclaimed dividend	29,731	29,731	29,731	-
Trade and other payables	388,464	388,464	388,464	-
	1,530,219	1,530,219	1,530,219	-

(iii) Credit risk

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

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors and investment in finance lease is secured against deposits under lease contracts.

	2023	2022
	(Rupees in '000)	
Bank balances	30,855	33,876
Other receivables	207,031	207,031
Long-term deposits	1,878	1,838
Deposits	3,344	3,159
Loans and advances	10,200	10,200

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

Bank balances	Rating Agency	Rating	
		Short Term	Long Term
MCB Bank Limited	PACRA	A1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Habib Bank Limited	VIS	A-1+	AAA
Bank Al-Habib Limited	PACRA	A1+	AAA
United Bank Limited	VIS	A-1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Bank Alfalah Limited	PACRA	A1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
Summit Bank Limited	N/A	Not rated	
National Bank of Pakistan	PACRA	A1+	AAA

26 FAIR VALUE MEASUREMENT

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

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

For The Year Ended December 31, 2023

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets 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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and December 31, 2022, the Company held the following financial instruments measured at fair values:

Financial assets

- Investments - at fair value through other comprehensive income

2023		
Level 1	Level 2	Level 3
(Rupees in '000)		
18,428	-	83,409

Financial assets

- Investments - at fair value through other comprehensive income

2022		
Level 1	Level 2	Level 3
(Rupees in '000)		
5,940	2,582	-

27 GENERAL

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

27.2 Comparative information has been reclassified, rearranged or additionally incorporated in these unconsolidated financial statements for the purpose of better presentation. There were no material reclassifications during the year.

28 DATE OF AUTHORISATION FOR ISSUE


These unconsolidated financial statements were authorised for issue on 21 March 2024 by the Board of Directors of the Company.

29 EVENTS AFTER REPORTING DATE

The Board of Directors has proposed a final dividend for the year ended December 31, 2023 of Rs. 4/- per share (2022: Rs. 2.25 per share), amounting to Rs 570.522 million (2022: Rs 320.919 million) in its meeting held on 21 March 2024 for the approval of the members at the annual general meeting to be held on 29 April, 2024. The unconsolidated financial statements for the year ended December 31, 2023 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2024.


Chief Executive Officer


Chief Financial Officer


Director

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

On behalf of the Board, I am pleased to present the consolidated financial statements of IGI Holdings Limited ("IGI Holdings") and its subsidiaries namely; IGI Life Insurance Limited (IGI Life), IGI General Insurance Limited (IGI General Insurance), IGI Investments (Private) Limited (IGI Investments) and IGI Finex Securities Limited (IGI Finex) ("the Subsidiaries") (collectively referred to as 'the Group') for the year ended December 31, 2023.

GROUP PERFORMANCE REVIEW

	2023	2022
	(Rupees in '000)	
Profit before tax	5,753,735	3,987,013
Taxation	(1,842,095)	(1,107,562)
Profit after tax	3,911,640	2,879,451
Profit / (loss) attributable to:		
Equity holders of the parent	3,886,944	2,872,177
Attributable to non-controlling interest	24,696	7,274
	3,911,640	2,879,451
	(Rupees)	
Earnings per share	27.25	20.14

During the current year, the Group recorded profit after tax of Rs. 3,912 million compared to Rs. 2,879 million earned in 2022 representing growth of 36%.

The Group achieved earnings per share of Rs. 27.25 compared to Rs. 20.14 during 2022.

Financial Highlights of the subsidiaries are hereunder:

IGI GENERAL

During the current year, IGI General has written gross premium of Rs. 14,336 million (including Takaful contributions) as compared to Rs. 10,089 million during the previous year. IGI General has written net premium of Rs. 4,482 million as compared to Rs. 3,414 million during the previous year. IGI General has incurred net claims of Rs. 1,952 million compared to Rs. 2,029 million during 2022. IGI General also earned investment income of Rs 511 million as compared to Rs 291 million during 2022.

As a result, the Company has generated profit after tax of Rs. 674 million as compared to that of Rs. 468 million for the year 2022.

IGI INVESTMENTS

IGI Investments has earned profit before tax Rs. 4,238 million as compared to Rs 3,375 million in previous year (restated) and has posted profit after tax of Rs. 2,788 million compared to Rs. 2,469 million during 2022 (restated).

IGI FINEX

During the current year, IGI Finex has generated operating income of Rs. 621 million as compared to Rs. 187 million during 2022. The Company has posted a profit after tax of Rs. 307 million compared to Rs. 10 million for the year 2022.

IGI LIFE

During the year, Gross Premium written (including Takaful Contributions) by IGI Life stood at Rs. 7,992 million as compared to Rs. 6,072 million in 2022, posting an increase of 32%.

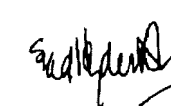
IGI Life has recorded profit after tax of Rs. 143 million in current year against Rs. 42 million in 2022 (including surplus/deficit of statutory funds).

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

For and on behalf of the Board



Syed Babar Ali
Chairman
Lahore: March 21, 2024



Syed Hyder Ali
Chief Executive Officer
Lahore: March 21, 2024

Consolidated Financial Statements



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of IGI Holdings Limited

Opinion

We have audited the annexed consolidated financial statements of **IGI Holdings Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 22.4 to the consolidated financial statements describing the matter related to the provincial sales tax liability on premium charged to the policyholders in respect of health and life insurance. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matters were addressed in our audit
1	Insurance liabilities (Refer notes 4.10 and 17 of the annexed consolidated financial statements)	Our audit procedures to assess the determination of actuarial reserve for the policyholders' liabilities, amongst others, included the following: <ul style="list-style-type: none"> Obtained an understanding from the management of the actuarial assumptions and methodologies used for estimating the policyholders' liabilities as at December 31, 2023.

Affirm

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

S.No.	Key Audit Matters	How the matters were addressed in our audit
	<p>method to be used in determination of the actuarial reserves for the policyholders' liabilities with respect to unit linked, universal life and other segments and certain valuation parameters (such as mortality rates, morbidity rates, valuation rates of interest etc.) to be taken into account.</p> <p>The appointed actuary of the Group carries out an investigation as at the end of each year about the financial condition of the life insurance business carried on by the Group, including a valuation of its policyholders' liabilities at December 31, 2023 and issues a report thereon.</p> <p>The determination of the policyholders' liabilities is a significant area of judgment and estimation. Because of the significance of the impacts of these judgments / estimations, we considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> Inquired from the management about the consistency of the method used for calculation of the policyholders' liabilities and assumptions for the valuation parameters at December 31, 2023 to establish whether they had been subject to any arbitrary discontinuities from those used at December 31, 2022. Obtained the report submitted by the appointed actuary expressing his satisfaction over the valuation of the policyholders' liabilities in accordance with Annexure 5 to Rule 23 of the Insurance Rules, 2017 and performed an independent assessment of the assumption and conclusion. Engaged an independent actuarial expert to assess whether the reserving methodology used with respect to all statutory funds maintained by the Group was in line with the Minimum Valuation Basis given in Annexure 5 to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles. Independently verified, on a test basis, the data used by the appointed actuary in the determination of the policyholders' liabilities. Recomputed, on a test basis, the account / cash values of the policyholders at December 31, 2023 by applying the relevant parameters (such as management fee charged, cost of insurance charged, return credited etc.) of the respective products. Recomputed, on a test basis, the element of unearned premium with respect to the policies issued under group health and group life business. Assessed the relevant disclosures made in the consolidated financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.
2	<p>Valuation of investments (Refer notes 4.15, 4.16, 4.17 and 7 of the annexed consolidated financial statements)</p>	
	<p>The investments of Rs 93,926.463 million as at December 31, 2023 held by the Group constitute the most significant component of total assets of the Group.</p> <p>The proper valuation of the investments portfolio of the Group as at December 31, 2023 was considered a significant area of estimation and therefore, a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Tested the design and operating effectiveness of the key controls for valuation of investments. Checked that investments were valued appropriately in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan. Checked that net unrealised gains / losses arising on the subsequent measurement of investments were appropriately accounted for in the consolidated financial statements.



S.No.	Key Audit Matters	How the matters were addressed in our audit
		<ul style="list-style-type: none"> Evaluated the Group's assessment of available-for-sale investments for any additional impairment in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions. Checked the appropriate recognition of related adjustments to insurance liabilities in other comprehensive income where net unrealised gains / losses on available for sale investments were recognised in other comprehensive income. Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2023 and reconciled them with the books and records of the Group. Checked the relevant presentation and disclosures made in the consolidated financial statements to determine whether these comply with the accounting and reporting standards as applicable in Pakistan.
3	<p>Valuation of Incurred But Not Reported (IBNR) claims reserves (Refer notes 4.6.1 and 24 of the annexed consolidated financial statements)</p>	
	<p>As at December 31, 2023, provision for IBNR amounted to Rs 262.089 million.</p> <p>The provision for IBNR claims is calculated by the Group as required under Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). As per the SECP Circular No. 9 of 2016, an insurer shall estimate and maintain the provision for IBNR for each class of business by using the prescribed method which is "Chain Ladder Method" or any other alternate method as allowed under the provisions of the Guidelines.</p> <p>The determination of provision for IBNR claims involves estimation and judgment. Because of the significance of the impact of these judgments / estimations, we considered the area of IBNR as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the design and operating effectiveness of key controls over the measurement and calculation of IBNR reserves and evaluated the appropriateness of the methodologies and the assumptions used. Evaluated the completeness, accuracy and reliability of the underlying data utilised by the management to support the actuarial valuation. Engaged an independent actuarial expert to test the assumptions and assess the reasonableness of the assumptions used therein. Checked the adequacy of IBNR reserves and assessed an internal consistency and a reasonableness of basic actuarial figures with the prior year. Considered whether the disclosures in relation to the valuation of IBNR reserves are compliant with the relevant accounting and reporting standards applicable in Pakistan.

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

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

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



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: April 5, 2024

UDIN: AR202310068cFC3Vi5fj

Consolidated Statement of Financial Position


As at December 31, 2023

	Note	2023	2022
		(Rupees in '000)	
ASSETS			
Non-current assets			
Fixed assets			
- Property and equipment	5	896,672	795,237
- Intangible assets	6	397,916	387,187
Investments	7	80,995,932	64,672,406
Long-term deposits		23,008	22,968
		82,313,528	65,877,798
Current assets			
Insurance / takaful / reinsurance / retakaful receivables	8	4,393,820	4,878,715
Reinsurance recoveries against outstanding claims		6,819,523	4,761,352
Current maturity of investments	7	12,930,531	7,279,828
Loans secured against life insurance policies		195,945	175,139
Deferred commission expense		449,323	410,286
Accrued income		401,707	298,001
Deposits, prepayments, loans, advances and other receivables	9	4,196,464	3,137,838
Wakalah fees receivable		155,810	169,104
Taxation recoverable		798,414	702,460
Cash and bank balances	10	4,437,112	1,168,139
Non-current asset held for sale	11	9,110	9,110
		34,787,759	22,989,972
Total assets		117,101,287	88,867,770
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
200,000,000 (2022: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	15	1,426,305	1,426,305
Surplus on remeasurement of investments			
Reserves		46,410,681	36,604,781
Unappropriated profit		18,012,666	12,781,680
Equity attributable to the equity holders of the parent		65,849,652	50,812,766
Non-controlling interest	16	312,680	277,013
Total equity		66,162,332	51,089,779
Non-current liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	17	22,916,047	17,991,372
Lease liabilities against right-of-use assets	18	38,147	97,202
Retirement benefit obligation	12	55,634	83,161
Deferred taxation - net	19	3,218,221	-
		1,589,273	1,589,273
		26,228,049	19,761,008
Current liabilities			
Provision for outstanding claims (including IBNR)		8,099,160	7,379,812
Provision for unearned premium		3,944,261	3,007,816
Premium deficiency reserve		-	3,424
Commission income unearned		253,134	269,625
Amounts due to other insurers / reinsurers		3,574,887	1,976,722
Unearned wakalah fee		196,099	147,434
Premium received in advance		99,494	117,305
Short term loans	20	2,616,765	2,491,697
Current portion of lease liabilities against right-of-use assets	18	45,182	71,537
Unclaimed dividend		34,456	31,860
Trade and other payables	21	5,847,468	2,519,751
		24,710,906	18,016,983
TOTAL LIABILITIES		50,938,955	37,777,991
TOTAL EQUITY AND LIABILITIES		117,101,287	88,867,770
CONTINGENCIES AND COMMITMENTS			
	22		

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


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Profit or Loss

For The Year Ended December 31, 2023

	Note	2023	2022
		(Rupees in '000)	
Operating revenue	23	17,492,304	13,216,228
Operating expenses	24	(11,231,834)	(11,066,032)
		6,260,470	2,150,196
Other income	25	902,859	375,123
General and administrative expenses	26	(497,387)	(403,531)
Other expenses	27	(620,311)	(495,781)
		6,045,631	1,626,007
Change in insurance liabilities (other than outstanding claims)		(3,639,945)	263,078
Surplus appropriated to shareholders' fund from Ledger B to C		26,272	16,098
Share of profit from the associates and the joint venture under equity accounting - net	28	3,321,777	2,081,830
Profit before taxation		5,753,735	3,987,013
Taxation	29	(1,842,095)	(1,107,562)
Profit after taxation		3,911,640	2,879,451
Profit attributable to:			
Equity holders of the parent		3,886,944	2,872,177
Non-controlling interest		24,696	7,274
		3,911,640	2,879,451
Earnings per share - basic and diluted			
	30	27.25	20.14

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


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended December 31, 2023

	Note	2023	2022
		(Rupees in '000)	
Profit after taxation		3,911,640	2,879,451
Other comprehensive income / (loss) - reclassifiable to the consolidated statement of profit or loss			
Surplus / (deficit) on revaluation of available for sale investments		1,372,548	(324,185)
Tax on deficit on revaluation of available for sale investments		(14,438)	13,619
Surplus / (deficit) on revaluation of available for sale investments - net of tax		1,358,110	(310,566)
Change in insurance liabilities - net		(1,294,522)	262,366
Share of other comprehensive income of associate	28	2,614,028	133,902
Tax on share of other comprehensive income of associate		(653,507)	(25,441)
Share of other comprehensive income of associate - net of tax		1,960,521	108,461
		2,024,109	60,261
Other comprehensive income / (loss) - not reclassifiable to the consolidated statement of profit or loss			
Unrealised gain on remeasurement of financial assets classified as 'fair value through other comprehensive income'		10,219,702	1,383,841
Tax on unrealised gain on remeasurement of financial assets		(466,385)	(379,762)
Unrealised gain on remeasurement of financial assets classified as 'fair value through other comprehensive income' - net of tax		9,753,317	1,004,079
Remeasurement loss on retirement benefits liability		(12,025)	(19,417)
Tax on remeasurement loss on retirement benefits liability		4,767	7,174
Remeasurement loss on retirement benefits liability - net of tax		(7,258)	(12,243)
Share of other comprehensive income / (loss) of associate related to retirement benefits liability	28	9,234	(48,539)
Tax on share of other comprehensive income / (loss) of associate related to retirement benefits liability		(2,309)	9,222
Share of other comprehensive income / (loss) of associate - net of tax		6,925	(39,317)
		11,777,093	1,012,780
Total comprehensive income		15,688,733	3,892,231
Total comprehensive income attributable to:			
Equity holders of the parent		15,653,066	3,892,887
Non-controlling interest		35,667	(656)
		15,688,733	3,892,231

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

Chief Executive Officer

Chief Financial Officer

Director

Consolidated Statement of Changes in Equity

For The Year Ended December 31, 2023

	Issued, subscribed and paid-up share capital	Reserves				Equity Attributable to equity holders of the parent	Non-controlling interest	Total		
		Premium on issue of shares	Other capital reserves (note 4.33)	Surplus / (deficit) on revaluation of available-for-sale investments - net	Surplus on remeasurement of financial assets at fair value through other comprehensive income				General reserve (note 4.33)	Unappropriated profit
	(Rupees in '000)									
Balance as at January 1, 2022	1,426,305	434,051	33,267	36,079	27,839,619	7,297,545	10,637,482	47,704,348	277,669	47,982,017
Profit after taxation for the year ended December 31, 2022	-	-	-	-	-	-	2,872,177	2,872,177	7,274	2,879,451
Other comprehensive income / (loss) - reclassifiable to the consolidated statement of profit or loss										
- Deficit on revaluation of available for sale investments - net of tax	-	-	-	(256,819)	-	-	-	(256,819)	(53,747)	(310,566)
- Change in insurance liabilities	-	-	-	216,960	-	-	-	216,960	45,406	262,366
- Share of other comprehensive income of associate - net of tax	-	-	-	-	-	-	108,461	108,461	-	108,461
Other comprehensive income / (loss) - not reclassifiable to the consolidated statement of profit or loss										
- Surplus on remeasurement of financial assets at fair value through other comprehensive income - net of tax	-	-	-	-	1,004,079	-	-	1,004,079	-	1,004,079
- Remeasurement (loss) / gain on retirement benefits liability - net of tax	-	-	-	-	-	-	(51,971)	(51,971)	411	(51,560)
Total comprehensive (loss) / income for the year ended December 31, 2022	-	-	-	(39,859)	1,004,079	-	2,928,667	3,892,887	(656)	3,892,231
Transactions with owners, recorded directly in equity										
- Final dividend for the year ended December 31, 2021 at the rate of Rs. 3.5 per share approved on April 29, 2022	-	-	-	-	-	-	(499,208)	(499,208)	-	(499,208)
- Interim dividend for the year ended December 31, 2022 at the rate of Rs. 2 per share approved on August 25, 2022	-	-	-	-	-	-	(285,261)	(285,261)	-	(285,261)
	-	-	-	-	-	-	(784,469)	(784,469)	-	(784,469)
Balance as at December 31, 2022	1,426,305	434,051	33,267	(3,780)	28,843,698	7,297,545	12,781,680	50,812,766	277,013	51,089,779
Balance as at January 1, 2023	1,426,305	434,051	33,267	(3,780)	28,843,698	7,297,545	12,781,680	50,812,766	277,013	51,089,779
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	3,886,944	3,886,944	24,696	3,911,640
Other comprehensive income / (loss) - reclassifiable to the consolidated statement of profit or loss										
- Surplus on revaluation of available for sale investments - net of tax	-	-	-	1,123,072	-	-	-	1,123,072	235,038	1,358,110
- Change in insurance liabilities	-	-	-	(1,070,489)	-	-	-	(1,070,489)	(224,033)	(1,294,522)
- Share of other comprehensive income of associate - net of tax	-	-	-	-	-	-	1,960,521	1,960,521	-	1,960,521
Other comprehensive income / (loss) - not reclassifiable to the consolidated statement of profit or loss										
- Surplus on remeasurement of financial assets at fair value through other comprehensive income - net of tax	-	-	-	-	9,753,317	-	-	9,753,317	-	9,753,317
- Remeasurement loss on retirement benefits liability - net of tax	-	-	-	-	-	-	(299)	(299)	(34)	(333)
Total comprehensive income for the year ended December 31, 2023	-	-	-	52,583	9,753,317	-	5,847,166	15,653,066	35,667	15,688,733
Transactions with owners, recorded directly in equity										
- Transaction cost on issuance of preference shares	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
- Final dividend for the year ended December 31, 2022 at the rate of Rs. 2.25 per share approved on April 28, 2023	-	-	-	-	-	-	(320,919)	(320,919)	-	(320,919)
- Interim dividend for the year ended December 31, 2023 at the rate of Rs. 2 per share approved on August 23, 2023	-	-	-	-	-	-	(285,261)	(285,261)	-	(285,261)
	-	-	-	-	-	-	(616,180)	(616,180)	-	(616,180)
Balance as at December 31, 2023	1,426,305	434,051	33,267	48,803	38,597,015	7,297,545	18,012,666	65,849,652	312,680	66,162,332

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

Chief Executive Officer

Chief Financial Officer

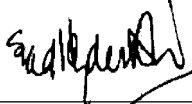
Director

Consolidated Statement of Cash Flows

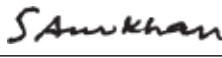
For The Year Ended December 31, 2023

	Note	2023	2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		5,753,735	3,987,013
Adjustments for :			
Depreciation and amortisation	24 & 26	269,025	270,165
Financial charges	27	563,314	435,841
Gain on disposal of assets	25	(61,996)	(57,273)
Profit on savings accounts and term deposits		(668,185)	(189,798)
Return on government and debt securities		(2,924,591)	(1,800,832)
Change in insurance liabilities		3,639,945	(263,078)
Surplus appropriated to shareholders' fund from Ledger B to C		(26,272)	(16,098)
Share of profit from the associates and the joint venture under equity accounting - net		(3,321,777)	(2,081,830)
(Gain) / loss on sale of available for sale investments - net		(449,917)	10,808
Unrealised (gain) / loss on investments		(10,868)	17,557
Dividend income	23	(1,333,037)	(1,762,057)
		<u>(4,324,359)</u>	<u>(5,436,595)</u>
		1,429,376	(1,449,582)
Changes in working capital			
Increase in current assets			
Deposit, loans, advances and other receivables		(2,678,451)	(5,373,322)
Increase in current liabilities			
Trade and other payables		6,559,544	4,323,943
		5,310,469	(2,498,961)
Income tax paid		(1,440,973)	(389,202)
Net cash generated from / (used in) operating activities		<u>3,869,496</u>	<u>(2,888,163)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(418,970)	(217,847)
Proceeds on disposal of assets		115,620	122,071
Profit received on government and debt securities		2,924,591	1,800,832
Long-term deposits		(40)	463
Investments - net		(2,137,315)	848,461
Dividend received		2,104,985	1,762,057
Profits / return received		564,479	54,732
Net cash generated from investing activities		<u>3,153,350</u>	<u>4,370,769</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(603,584)	(788,300)
Loan repayments		-	(300,000)
Financial charges paid		(563,314)	(614,994)
Repayment of liability against right-of-use assets		(101,254)	(126,941)
Net cash used in financing activities		<u>(1,268,152)</u>	<u>(1,830,235)</u>
Cash and cash equivalent at beginning of the year		<u>(1,323,558)</u>	<u>(975,929)</u>
Cash and cash equivalents at end of the year	10.3	<u>4,431,136</u>	<u>(1,323,558)</u>

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


Chief Executive Officer


Chief Financial Officer


Director

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2023

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding company

- IGI Holdings Limited

Subsidiary companies:

- IGI Life Insurance Limited
- IGI Finex Securities Limited
- IGI General Insurance Limited
- IGI Investments (Pvt.) Limited
- IGI FSI (Pvt.) Limited

Percentage shareholding

- 82.69%
- 100%
- 100%
- 100%
- 100%

1.2 Holding company

IGI Holdings Limited ("Holding Company or IGI Holdings"), a Packages Group Company, was incorporated as a public limited company in 1953 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 7th floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The objects of the Holding Company include to act as an investment holding company and to invest, acquire, sell and hold the securities and financial instruments subject to compliance by relevant laws prevailing in Pakistan from time to time.

1.3 Subsidiary companies

1.3.1 IGI Life Insurance Limited ("IGI Life") was incorporated in Pakistan on October 9, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. IGI Life commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. IGI Life is engaged in life insurance, carrying on both participating and non-participating business. IGI Life is also engaged in providing Shariah Compliant family takaful products as an approved Window Takaful Operator.

1.3.2 IGI Finex Securities Limited ("IGI Finex") was incorporated in Pakistan on June 28, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). IGI Finex has a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited and is a corporate member of Pakistan Mercantile Exchange Limited. The principal activities of IGI Finex include shares and commodities brokerage, money market and foreign exchange brokerage and advisory and consulting services.

1.3.3 IGI General Insurance Limited ("IGI General"), was incorporated as a public limited company on November 18, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The objects of IGI General include providing general insurance services (mainly Fire, Marine, Motor, Health and Miscellaneous) and general takaful services (mainly Fire, Marine, Motor, Health and Miscellaneous).

1.3.4 IGI Investments (Pvt.) Limited ("IGI Investments"), was incorporated as a private limited company on October 31, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The objects of IGI Investments include investing, acquiring, selling and holding of debt / equity securities.

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

1.4 The Holding Company has four associates and a joint venture namely Packages Limited, Hoechst Pakistan Limited (formerly known as Sanofi-Aventis Pakistan Limited), Dane Foods Limited, Packages Real Estate (Private) Limited and S.C. Johnson & Son of Pakistan (Private) Limited respectively. The details of these companies are disclosed in notes 7.1 and 7.2 to these consolidated financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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.

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

There are certain new and amended standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and are therefore not detailed in these consolidated financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

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

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

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

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

* Effective from January 1, 2019, the Group had adopted IFRS 9, 'Financial instruments' which has replaced IAS 39, 'Financial instruments: recognition and measurement'. However, the Securities and Exchange Commission of Pakistan (SECP), on application of the Holding Company, has allowed the Group to defer application of IFRS 9 till December 31, 2025 to the extent of recognition and disclosure of assets and liabilities of IGI Life and IGI General in the consolidated financial statements of the Group. Accordingly, IFRS 9 has been applied in these consolidated financial statements on assets and liabilities of the Group other than relating to IGI Life and IGI General.

For The Year Ended December 31, 2023

Temporary exemption from the application of IFRS 9 for insurance business

Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

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

	2023	2022
	(Rupees in '000)	
Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading		
<i>Pakistan Investment Bonds - available for sale (refer note 7.13)</i>		
Opening fair value	4,775,838	4,966,851
(Disposals) / additions during the year - net	(236,394)	40,442
Increase / (decrease) in fair value	14,144	(231,455)
Closing fair value	4,553,588	4,775,838
<i>Market Treasury Bills - available for sale (refer note 7.13)</i>		
Opening fair value	6,808,483	6,869,422
Additions / (disposals) during the year - net	3,178,293	(49,049)
Increase / (decrease) in fair value	36,840	(11,890)
Closing fair value	10,023,616	6,808,483
<i>GOP Ijara Sukuk Certificate- available for sale (refer note 7.13)</i>		
Opening fair value	278,074	277,409
Additions / (disposals) during the year - net	125,162	(5,484)
Increase in fair value	8,058	6,149
Closing fair value	411,294	278,074
<i>Debt Securities - available for sale (refer note 7.14)</i>		
Opening fair value	600,000	225,000
Disposal during the year - net	(300,010)	-
Increase in fair value	-	375,000
Closing fair value	299,990	600,000
Financial assets that do not meet SPPI criteria		
<i>Mutual funds - fair value through profit or loss (refer note 7.3)</i>		
Opening fair value	4,868	994,004
Additions / (disposals) during the year	105,640	(989,138)
Increase in fair value	6,239	2
Closing fair value	116,747	4,868
<i>Mutual funds - available for sale (refer note 7.12)</i>		
Opening fair value	6,039,945	6,095,600
Additions during the year - net	775,071	118,231
Increase / (decrease) in fair value	1,374,628	(173,886)
Closing fair value	8,189,644	6,039,945

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

2.4 Basis of consolidation

Subsidiary company is the entity in which the holding company directly or indirectly controls or beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the subsidiary company are included in the consolidated financial statements from the date the control commences until the control ceases.

Notes to and Forming Part of the Consolidated Financial Statements

The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the holding company is eliminated against the Holding Company's share in paid up capital of the subsidiary companies.

Intergroup balances and transactions have been eliminated.

Non-controlling interests are the part of net results of the operations and of net assets of the subsidiary companies attributable to interest which are not owned by the holding company. Non-controlling interests are presented as a separate item in the consolidated financial statements.

2.5 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

3 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Business combination (note 4.1);
- Provision for outstanding claims including IBNR (note 4.6);
- Reinsurance / retakaful recoveries against outstanding claims (note 4.7);
- Premium deficiency reserve (note 4.9);
- Provision for taxation and deferred tax (notes 4.13, 19 and 29);
- Classification of investments and its impairment (notes 4.16, 4.17 and 7);
- Useful lives and residual values of fixed assets and intangible assets (notes 4.20, 5 and 6);
- Staff retirement benefits (notes 4.24 and 12);
- Policyholders' liabilities (note 4.10); and
- Lease liability and right-of-use assets (note 4.21 and 18).

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computation adopted in the preparation of these consolidated financial statements are set out below. These policies are consistently applied in all preceding years presented.

4.1 Business combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired as in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

For The Year Ended December 31, 2023

4.2 Goodwill

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4.3 Insurance contracts

4.3.1 Conventional business

Insurance contracts represent contracts with policyholders and reinsurers.

Those contracts including riders where the Group (the insurer) accepts significant insurance risk from another party i.e. group and individual policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders are insurance policy contracts.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts. The Group enters into reinsurance contracts with foreign reinsurers in the normal course of business in order to limit the potential for losses arising from certain exposures.

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

4.3.1.1 Non-life business

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

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

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

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

4.3.1.2 Life business

The Group enters into insurance contracts with policyholders which are divided into following two major categories:

Group Insurance contracts

The Group offers group life, group accident & health and pension business to its clients. The Group also underwrites business for consumer banking related schemes. The risk underwritten is mainly death, hospitalisation and disability. The Group insurance contracts are issued typically on

Notes to and Forming Part of the Consolidated Financial Statements

Yearly Renewable Term basis (YRT). This business is written through direct sales force as well as bancassurance.

Individual Insurance Contracts

The Group offers Individual Life (Participating), Individual Life (Non-Participating), Individual Accident & Health and Investment Unit Linked Plans which provide financial protection, i.e., protection against the financial consequences of death, disease and disability caused by accidents, sickness or old age and a substantial return at maturity. Investment Unit Linked policies are regular life policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Income Benefit, etc.) are also offered along with the basic policies. Some of these riders are charged through deduction from policyholders' fund value, while others are conventional i.e., additional premium is charged there against. This business is written through direct sales force as well as bancassurance.

4.3.2 Takaful business

4.3.2.1 Non-life business

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

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

The PTF underwrites non-life takaful contracts relating to fire and property, marine and transport, motor, health and miscellaneous lines of businesses.

4.3.2.2 Life business

The takaful contracts are based on the principles of Wakalah Waqf Model. Takaful is a programme based on Shariah compliant, approved concept funded on the principles of mutual cooperation, solidarity and brotherhood. The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there are insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasan) from the operators' sub fund to the statutory fund (Takaful Business Statutory Funds). The amount of Qard-e-Hasan is refundable to the operators' sub fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each reporting date, in accordance with section 50 of the Insurance Ordinance, 2000.

Group takaful contracts

The Group offers group family, group accident and health takaful policies to its clients. The Group takaful contracts are issued typically on yearly renewable term basis.

Individual family takaful contracts - unit linked

The Group offers Unit Linked Takaful Plans which provide Shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value which is determined as

For The Year Ended December 31, 2023

per the underlying assets' value. The death benefit design is based on Constant Sum Risk approach i.e. the sum cover is paid in addition to the cash value. The plans offer investment choices to the customer to direct their investment related contribution based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants. Various type of supplemental benefits (accidental death, disability, income benefit, etc.) are also offered along with basic policies.

4.4 Premiums / contributions

4.4.1 Conventional business

4.4.1.1 Non-life business

Premium received / receivable under a policy is recognised as written from the date of attachment of the risk to the policy to which it relates. Where the pattern of incidence of risk varies over the period of the policy, premium is recognised as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognised as unearned premium by the Group. This liability is calculated by applying 1/24 method as specified in the Insurance Rules, 2017. However liability pertaining to BIMA policies is calculated on the basis of number of days.

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

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

4.4.1.2 Life business

- First year individual life premium is recognised when the policy is issued after receipt of that premium. Subsequent premiums falling due under the policy are recognised if received before expiry of the grace period, or if advanced by the Group under the Automatic Premium Loan (APL). Single premiums and top-up premiums are recognised once the related policies are issued against the receipt of premium.
- Group premiums are recognised when due.

Receivables under insurance contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Group reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

4.4.2 Takaful business

4.4.2.1 Non-life business

Contribution written under a policy is recognised as income over the period of takaful from the date of attachment of the risk to the policy to which it relates. Where the pattern of incidence of risk varies over the period of the policy, contribution is recognised as revenue in PTF in accordance with the pattern of the incidence of risk. The portion of contribution written relating to the unexpired period of coverage is recognised as unearned contribution by the PTF. This liability is calculated by applying 1/24 method as specified in the Takaful Accounting Regulations, 2019.

4.4.2.2 Life business

- First year individual life contribution is recognised when the policy is issued after receipt of that contribution. Subsequent contributions falling due under the policy are recognised if received before expiry of the grace period, or if advanced by the Group under the Automatic Contribution Loan (ACL). Single contributions and top-up contributions are recognised once the related policies are issued against the receipt of contribution.
- Group contributions are recognised when due.

Receivables under takaful contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Group reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

4.5 Reinsurance / retakaful ceded

4.5.1 Conventional business

4.5.1.1 Non-life business

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

The Group enters into reinsurance contracts in its 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 terms of 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 terms of the related reinsurance contract.

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

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

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

4.5.1.2 Life business

Reinsurance premiums are recognised in accordance with pattern of recognition of related premium. It is measured in line with the terms and conditions of the reinsurance arrangements.

Reinsurance liabilities represent balances due to reinsurance companies. Balances 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 terms of 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 as required by Insurance Ordinance, 2000.

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

4.5.2 Takaful business

4.5.2.1 Non-life business

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

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

4.5.2.2 Life business

These contracts are entered into by the Group with retakaful operators under which the "Waqf Fund" cedes the takaful risk assumed during normal course of its business and according to which Waqf is compensated for losses on contracts issued by it are classified as retakaful contracts held.

Retakaful contribution

Retakaful contribution is recorded at the time the contribution is ceded. Surplus from retakaful operator is recognised in the consolidated statement of profit or loss.

Retakaful expenses

Retakaful expenses are recognised as a liability in accordance with the pattern of recognition of related contribution.

Retakaful assets and liabilities

Retakaful assets represent balances due from retakaful operators. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful liabilities represent balances due to retakaful operators. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related retakaful contracts as required by Insurance Ordinance, 2000.

4.6 Claims expense

4.6.1 Conventional business

4.6.1.1 Non-life business

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

Notes to and Forming Part of the Consolidated Financial Statements

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

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

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

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

4.6.1.2 Life business

Claim expense

Insurance claims include all claims occurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims and any adjustments to claims outstanding from previous years. Claims are recognised at the earlier of when the policy ceases to participate in the earnings of the fund or insured event occurs.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the date of the consolidated statement of financial position. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in policyholders' liabilities.

4.6.1.2.1 Claims provision

- a) Reserves have been made in respect of all intimated claims. Most claims require lump sum payments, and reserves have been maintained in each Statutory Fund, where applicable. In certain cases, claims are payable in installments over a period of more than twelve months after the valuation date. In respect of all such claims, reserves have been calculated using the minimum valuation basis.
- b) Adequate reserves have also been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain and Ladder Method.

For The Year Ended December 31, 2023

Experience refund of premium

Experience refund of premium payable / receivable to / from Group policyholders is presented in these consolidated financial statements.

4.6.2 Takaful business

4.6.2.1 Non-life business

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

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

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

Under alternative method IBNR is determined on reported basis. IBNR (reported basis) is much similar to IBNR (paid basis) but is calculated using a different methodology. It does not use neither IBNP nor outstanding claims to estimate IBNR rather, is determined using BCL method. Development factors are determined for each accident period to estimate the ultimately reported claims directly. Intimation registers are used in the BCL model where lags are calculated as the difference between the 'date of loss' and 'date of intimation'.

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

4.6.2.2 Life business

Claims expense include all claims occurred during the year, whether reported or not, internal and external claim handling costs that are directly related to the processing and settlement of claims and other recoveries, and any adjustments to claims outstanding from previous years.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the reporting date. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in technical reserves.

4.7 Reinsurance / retakaful recoveries against claims

4.7.1 Non-life business

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

4.7.2 Life business

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

4.8 Commission and other acquisition costs

4.8.1 Non-life and life Conventional

Commission expense and other acquisition costs are charged to the consolidated statement of profit or loss at the time the policies are accepted. This expense is deferred and brought to the consolidated statement of profit or loss as expense in accordance with the pattern of recognition of the gross premium to which it relates. Commission expense is arrived at after taking the impact of opening and closing deferred commission.

Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy by the Group. This income is deferred and brought to the consolidated statement of profit or loss as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. Profit commission, if any, which the Group may be entitled to under the terms of reinsurance arrangement, is recognised on accrual basis.

4.8.2 Takaful business

Commission expense and other acquisition costs are charged to OPF at the time the policies are accepted. Retakaful reward from retakaful operator is recognised at the time of issuance of the underlying takaful policy by the PTF. This income is deferred and brought to the consolidated statement of profit or loss as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates. Retakaful reward from retakaful operator is arrived at after taking the impact of opening and closing unearned retakaful rebate. Profit on retakaful contracts, if any, which the PTF may be entitled to under the terms of retakaful arrangement, is recognised on accrual basis.

4.9 Premium / contribution deficiency reserve

Non-life conventional business and takaful business

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

At each reporting date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium / contribution liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including

reinsurance expense, commissions and other underwriting expenses, expected to be incurred after reporting date in respect of policies in force as at reporting date with the carrying amount of unearned premium / contribution liability. Any deficiency is recognised by establishing a provision (premium / contribution deficiency reserve) to meet the deficit. The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The movement in the premium / contribution deficiency reserve is recognised as an expense or income in the consolidated statement of profit or loss for the year. The expected ultimate net claim ratios for the unexpired periods of policies in force at reporting date for each class of business are as follows:

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

The Group has reversed premium / contribution deficiency reserve on the recommendation of actuary for health business during the current year.

Life conventional and takaful business

No provision has been made as the unearned premium / contribution reserve for each class of business as at the year end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at reporting date as per the advice of appointed actuary.

4.10 Policyholders' liabilities

Policyholders' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each reporting date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value, both acquired policy values as well as estimated values which will be payable against risks which the Group underwrites are considered. The basis used are applied consistently from year to year.

4.10.1 Policyholders' liabilities

Mortality, morbidity and interest bases adopted

SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC(2001-05) Individual Life Mortality Table published by Pakistan Society of Actuaries be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. A test was previously conducted to compare the existing valuation basis i.e. EFU (1961-66) mortality table with the minimum valuation basis SLIC (2001-05) for the relevant reserves. The test revealed that the existing valuation basis was comparatively more prudent than the minimum valuation basis and therefore it was considered to be more appropriate to continue with the existing valuation basis.

The rate of discount was taken as 3.75%, in line with the requirements under the SECP's notification S.R.O 16(1)/2012, for determining reserves of traditional products and supplementary coverage. Any differential between the assumed rate and the actual rate is intended to be available to the Group for meeting its administrative expenses.

General principles adopted for valuation

The general principles adopted in the actuarial valuation to estimate policyholders' liabilities as at December 31, 2023 in accordance with the Annexure 5 to Rule 23 of Insurance Rules, 2017 are as follows:

- a) Reserves for Endowment Policies with term not less than 20 years have been calculated using Full Preliminary Term Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.
- b) Reserves for Endowment Policies with term less than 20 years have been calculated using combination of Full Preliminary Term Method and Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- c) Term Policies are calculated using Net Level Premium Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.
- d) Reduced Paid-ups and Extended Term insurances have been valued by Net Single Premium Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.
- e) Bonus Reserves have been valued by Net Single Premium Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.
- f) Loyalty Bonus Reserves have been valued by Net Single Premium Method at 3.75% for active policies.
- g) In respect of Unit Linked policies, the reserve for bid value of allocated units is calculated using the latest bid value of units and the total number of units belonging to policyholders' accounts as at the valuation date. The amount is held as a reserve since it represents the current value of amounts that will be payable to policyholders at the time when a maturity, death or surrender claim is filed. The latest bid value is the last "announced" bid price before the valuation date.
- h) Universal Life business has been valued using full account values. No deduction has been made for surrender charges.
- i) An 'Asset Liability mismatch reserve' has been kept in the Individual Life Non - Participating Fund as a result of the ALM exercise carried out to assess the interest rate risk, credit risk and equity risk.
- j) Group Life Insurance, Individual Accident & Health Insurance and Group Accident & Health have been valued using Unearned Gross Premium.
- k) Pension business has been valued using full account values.
- l) Unearned premium reserves have been maintained for all riders except Level Term rider reserve which is calculated using Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- m) Reinsurance premium reserves have been maintained on an unearned premium basis.
- n) Reserves have been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain-Ladder method based on the claims lag pattern experienced over the past few years.
- o) Reserves for claims payable in installments have been kept at 3.75%.

- p) Unearned Premium Reserve is kept as half month of Cost of Insurance (COI) for Cost of Insurance (COI) of Universal Life and Unit Linked Policies.
- q) No policy is treated as an asset and in the system if the reserve is negative, the negative value is excluded and the reserves for the policies is set equal to zero
- r) The Group does not have any insurance policy which is denominated in foreign currency.
- s) Reinstatement reserve have been maintained on universal life and ordinary life policies.

The principles adopted in this valuation were same as those followed in previous valuation as at December 31, 2022.

Surrenders

For the purpose of conventional and annuity business, no provision has been made for lapses and surrenders. This gives prudence to the value placed on the liability by not taking any credits for the profits made on surrenders.

4.11 Loans secured against life insurance policies

Interest bearing loans are available to policyholders of the Group to the extent of ninety percent of cash values built in their policies. These are recognised on disbursement.

4.12 Creditors, accruals and provisions

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

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

4.13 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years. The Holding Company, IGI General and IGI Investments are taxed as one fiscal unit under section 59AA of Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except in the case of items credited or charged to equity in which case it is included in equity.

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, deposits with banks, stamps in hand and short term finances and highly liquid short term investments having original maturity of 3 months or less.

4.15 Investment in associates and joint venture

Investment in associates and joint venture, where the Group has significant influence but not control, are accounted for by using the equity method of accounting. These investments are initially recognised at cost, thereafter the Group's share of the changes in the net assets of the associates and joint venture are accounted for at the end of each reporting period. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associates and joint venture by comparing the entire carrying amount with its recoverable amount. Share of profit and loss of associates and joint venture is accounted for in the Group's consolidated statement of profit or loss. Associates and joint venture's accounting policies are adjusted where necessary to ensure consistency with the policies adopted by the Group.

4.16 Financial instruments under IAS 39 (For determining classification and measurement of assets and liabilities of IGI Life and IGI General)

4.16.1 Financial assets

4.16.1.1 Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase / initial recognition of financial assets and re-evaluates this classification on a regular basis. The financial assets of the Group are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified in 'financial assets at fair value through profit or loss' category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group assets under the loans and receivables category comprise of trade receivables, advances, deposits, bank balances and other receivables in the consolidated statement of financial position.

c) Held-to-maturity

These are financial assets with fixed or determinable payments and fixed maturity which the Group has the positive intent and ability to hold till maturity.

d) Available-for-sale financial assets

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available-for-sale'. Available-for-sale financial instruments are those non-derivative financial assets that are designated as 'available-for-sale' or are not classified as (a) loans and receivables; (b) held-to-maturity; or (c) financial assets at fair value through profit or loss. The Group's certain investments have been classified as available-for-sale.

4.16.1.2 Initial recognition and measurement

All financial assets are recognised at the time the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the consolidated statement of profit or loss.

4.16.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss' and 'available-for-sale'

Financial assets at fair value through profit or loss' are marked to market using the closing market rates and are carried in the consolidated statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the consolidated statement of profit or loss in the period in which these arise.

Available-for-sale financial assets are marked to market using the closing market rates and are carried in the consolidated statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognised in "other comprehensive income" till the time these are sold. At that time, the cumulative gain / loss previously recognised in the "other comprehensive income" is taken to the consolidated statement of profit or loss.

b) 'Loans and receivables' and 'held to maturity'

Loans and receivables and held to maturity financial assets are carried at amortised cost.

4.16.1.4 Impairment

The Group assesses at each reporting date whether there is an objective evidence that a financial asset is impaired. A significant or prolonged decline in the fair value of an equity instrument below its cost is also an objective evidence of impairment. Provision for impairment in the value of financial assets, if any, is taken to the consolidated statement of profit or loss.

4.16.1.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the resulting net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.16.1.6 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument

4.16.1.7 Derecognition

Financial assets are derecognised at the time when the Group loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the consolidated statement of profit or loss.

4.16.1.8 Advances and deposits

These are stated at cost less estimates made for any doubtful receivables based on a review of all outstanding amounts as at the date of consolidated statement of financial position. Balances considered bad and irrecoverable are written off when identified.

4.16.1.9 Other receivables

Other receivables are carried at original invoice amount less an estimate for doubtful balances which is determined based on review of outstanding amounts and previous repayment pattern. Balances considered bad and irrecoverable are written off when identified.

4.17 Financial instruments under IFRS 9**4.17.1 Financial assets**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the consolidated statement of profit or loss.

4.17.1.1 Classification and subsequent measurement

The Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.17.1.2.

b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, recognised and measured as described in note 4.17.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income (OCI) is reclassified from surplus on remeasurement of financial assets at fair value through other comprehensive income to consolidated statement of profit or loss.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the consolidated profit or loss in the period in which it arises.

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the consolidated statement of financial position at fair value, with gains and losses recognised in the consolidated statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are recognised in the consolidated statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is recognised in other comprehensive income and is not recycled to the consolidated statement of profit or loss on derecognition. Furthermore, on derecognition of a financial asset in its entirety, the difference between:

- (a) the carrying amount (measured at the date of derecognition) and
- (b) the consideration received (including any new asset obtained less any new liability assumed)

shall be recognised in the consolidated statement of profit or loss.

4.17.1.2 Impairment

The Group assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and

- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.17.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- the Group transfers substantially all the risks and rewards of ownership; or
- the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

4.17.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Group commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the Stock Exchange Regulations.

4.17.2 Financial liabilities

Financial liabilities are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost except for financial liabilities at fair value through profit and loss.

4.17.3 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the consolidated statement of profit or loss.

4.17.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the resulting net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.17.5 Investment income

- Income from held to maturity / available for sale investments is recognised using effective interest method. The difference between the redemption value and the purchase price of the held to maturity investments is amortised over the term of the investment and is taken to the consolidated statement of profit or loss.
- Dividend income on investments is recognised when the Group's right to receive the payment is established.
- Gain or loss on sale of investments is included in the consolidated statement of profit or loss.
- Unrealised gain / (loss) on remeasurement of investments is recorded in statement of profit or loss and other comprehensive income on mark to market basis at each reporting date.
- Return on bank deposits, loans to employees and loans to policyholders are recognised on a time proportionate basis taking into account the effective yield.

4.18 Securities under repurchase / resale agreement

Transactions of sale under repurchase (repo) of securities are entered into at contracted rates for specified periods of time. These securities are not derecognised from the consolidated financial statements and are continued to be recognised as investments and measured in accordance with the accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as interest / mark-up expense and accrued over the life of the repo agreement.

Transactions of purchase under resale (reverse-repo) of securities are entered into at contracted rates for specified periods of time. These securities are not recognised in the consolidated statement of financial position as investments, as the Group does not obtain control over the assets. Amounts paid under these arrangements are included in the consolidated statement of financial position as receivable against reverse repurchase transactions. The difference between purchase and resale price is treated as income from the date of reverse repurchase transaction and accrued over the life of the reverse-repo agreement.

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

4.19 Fee, commission and brokerage

Fee, commission and brokerage is recognised to the extent that is probable that the economic benefits will flow to the Group and fee, commission and brokerage can be measured reliably. Fee, commission and brokerage is measured at the fair value of the consideration received or receivable on the following basis:

- Brokerage, consultancy and advisory fee and commission income are recognised as and when such services are rendered;
- Dividend income is recorded when the right to receive the dividend is established;
- Gains / (losses) arising on sale of investments are included in the consolidated statement of profit or loss on the date at which transactions take place; and
- Unrealised gains / (losses) arising from mark to market of investments classified as 'at financial assets at fair value through other comprehensive income' are included in the consolidated statement of profit or loss and other comprehensive income in the period in which these arise.

4.20 Fixed assets

Tangible

These are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation on all fixed assets is charged to consolidated statement of profit or loss on the straight line basis so as to write-off depreciable amount of an asset over its useful life at the rates stated in note 5.1 to the consolidated financial statements. Depreciation on additions to fixed assets is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed of.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted, where impact on depreciation is significant. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be

Notes to and Forming Part of the Consolidated Financial Statements

measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss in the year in which they are incurred.

Disposal of asset is recognised when significant risks and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the consolidated statement of profit or loss.

Intangible

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only where it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. Amortisation on intangible assets is charged to consolidated statement of profit or loss using the straight line method after taking into account residual amount, if any. The residual values and useful lives are reviewed and adjusted prospectively, if appropriate at each reporting date.

Amortisation on all additions to intangible assets having a finite useful life is charged from the month in which the asset is available for use, while in case of assets disposed of, no amortisation is charged in the month of disposal.

Intangible assets having an indefinite useful life are carried at cost less any impairment in value and are not amortised. Intangible assets having an indefinite useful life are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

4.21 Right-of-use assets and their related lease liability

Right-of-use assets

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

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

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

Lease liability against right-of-use assets

The lease liabilities for lease contracts (other than short term or low value contracts) are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These

For The Year Ended December 31, 2023

remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the consolidated statement of profit or loss as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.22 Capital work in progress

Capital work in progress is stated at cost less any impairment in its value.

4.23 Asset classified as held for sale

Assets and groups of assets and liabilities which comprise disposal groups are classified as 'held for sale' when all of the following criteria are met:

- a decision has been made to sell;
- the assets are available for sale immediately;
- the assets are being actively marketed; and
- a sale has been or is expected to be concluded within twelve months of the reporting date.

Assets and disposal groups 'held for sale' are valued at lower of the carrying amount and fair value less disposal costs.

4.24 Staff retirement benefits

4.24.1 Non-Life Business

4.24.1.1 Defined contribution plan

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

4.24.1.2 Defined benefit plan

All permanent employees of IGI General participate in an approved funded defined gratuity plan. Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at December 31, 2023 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur.

4.24.1.3 Accumulated compensated absences

Provisions are made annually to cover the obligation for accumulated compensated absences and are charged to the consolidated statement of profit or loss.

4.24.2 Life Business

4.24.2.1 Defined benefit plan

IGI Life operates an approved defined benefit gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. Contributions to the Fund are made based on actuarial valuation provided by management's expert.

Notes to and Forming Part of the Consolidated Financial Statements

Actuarial gains and losses, past service costs, gains or losses on settlements, and net interest income (expense) are recognised in consolidated statement of profit or loss in the period in which they occur. The measurement differences representing actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost / income are recognised immediately with a charge or credit to other comprehensive income.

In case the benefits paid under the scheme are reduced, it is treated as past service cost in the period in which change takes place.

4.24.2.2 Defined contribution plan

IGI Life operates an approved contributory provident fund which covers all permanent employees. Equal monthly contributions are made both by IGI Life and the employees to the Fund at the rate of 10 percent of basic salary.

4.24.2.3 Employees' compensated absences

IGI Life accounts for the liability in respect of employees' compensated absences in the period in which employees become entitled.

4.24.3 IGI Finex

4.24.3.1 Funded gratuity scheme

IGI Finex operates an approved funded gratuity fund for all permanent employees who have completed the minimum qualifying period which is 5 years. The liability / asset recognised in the consolidated statement of financial position is the present value of defined benefit obligation at the reporting date less fair value of plan assets. Contributions to the fund are made in accordance with an independent actuarial valuation using the Projected Unit Credit Method. Amounts arising as a result of remeasurements, representing actuarial gains and losses are recognised directly in equity through 'other comprehensive income' as they occur. IGI Finex determines the net interest expense / income on the net defined benefit liability / asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period taking into account any changes in the liability / asset due to contribution / benefit payments. Net interest expense and current service costs are recognised in the consolidated statement of profit or loss

4.24.3.2 Defined contribution plan

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

4.25 Earnings per share

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

4.26 Segment reporting

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

For The Year Ended December 31, 2023

of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

4.26.1 Conventional Business

Non-Life Business

The Group has seven primary business segments for reporting purposes namely fire, marine, motor, health, miscellaneous, brokerage and investment.

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

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

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

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

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

Brokerage and Investment Business

Brokerage business covers the brokerage operations as carried on by IGI Finex.

Investment segment includes the investments that are held and managed by IGI Investments.

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

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

4.26.2 Takaful Business

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

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

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

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

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

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

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

4.26.3 Life Business

The Group presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Takaful Rules, 2012. The Group has 11 Operating segments for reporting purposes namely; a) Individual Life participating business, b) Individual Life non-participating business, c) Investment linked d) Accidental & health e) Group Life, f) Group health, g) Pension business h) Individual family takaful, i) Group family takaful and j) Accident & health family takaful k) Group Life non-participating.

- The Life (participating) segment provides life insurance coverage to individuals under individual life policies that are entitled to share in the surplus earnings of the statutory fund to which they are referable.
- The Life (non-participating) segment provides life insurance coverage to individuals under individual life policies that are not entitled to share in the surplus earnings of the statutory fund to which they are referable.
- The Life (non-participating) Group segment provides life insurance coverage to employer-employee (and similar) groups of employees / members under a single life policy issued to the employer. The Group policy is not entitled to share in the surplus earnings of the statutory fund to which it is referable.
- The Investment Linked business segment provides life insurance coverage to individuals, whereby the benefits are expressed in terms of units, the value of which is related to the market value of specified assets.
- The Accident and Health - Individual segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals.
- The Accident and Health - Group segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.
- The Pension Fund segment provides coverage for the purposes of a pension or a retirement scheme with or without the payments being guaranteed for a minimum period.

Family Takaful

- The individual family takaful business segment provides family takaful coverage to individuals under unit-linked policies issued by the Group.
- The Group Family Takaful business segments provides family takaful coverage to members of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Group.
- The Group Health Takaful provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.

The Group maintains Statutory Funds in respect of each class of its life insurance business. Assets, liabilities, revenues and expenses of the Group are referable to respective Statutory Funds, however, wherever, these are not referable to Statutory Funds, they are allocated to the Shareholders' Fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between the funds are made on a fair and equitable basis and in accordance with the written advice of the Appointed Actuary.

Actuarial valuation of life insurance business is required to be carried out annually at the reporting date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2023.

The Group reviews the basis of estimation used in respect of allocation of assets, liabilities, income and expenses not referable to specific fund with the consultation of Group's appointed actuary.

4.27 Impairment

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

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

4.28 Foreign currency transactions and translations

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

4.29 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

4.30 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which costs such costs are capitalised as part of the cost of that asset. Currently, the Group does not have any borrowing costs directly attributable to the acquisition of or construction of qualifying assets.

4.31 Share capital

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

Notes to and Forming Part of the Consolidated Financial Statements

4.32 Management expenses

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

4.33 Dividends and appropriations to reserves

Dividend and appropriation to reserve except appropriations required by the law or determined by the appointed actuary or allowed by the Insurance Ordinance, 2000, are recognised in the year in which these are approved. Other capital reserve and general reserve have been created by the directors of the Holding Company under the requirement of Companies Act, 2017.

5 PROPERTY AND EQUIPMENT

	Note	2023	2022
		(Rupees in '000)	
Operating assets	5.1	827,236	777,708
Capital work in progress	5.4	69,436	17,529
		<u>896,672</u>	<u>795,237</u>

5.1 Movement of operating assets

	2023									
	Furniture, fixtures and office equipment					Buildings / Leasehold improvements	Motor vehicles - owned	Right of use asset - vehicles	Right of use asset - premises	Total
Furniture and fixtures	Tracker equipment	Office equipment	Computer/communication equipment	Sub total						
	(Rupees in '000)									
As at Jan 1, 2023										
Cost	97,647	78,464	104,888	151,553	432,552	531,755	169,829	405,966	116,844	1,656,946
Accumulated depreciation	(44,511)	(48,254)	(66,430)	(129,397)	(288,592)	(294,924)	(56,905)	(189,648)	(49,169)	(879,238)
Net book value	<u>53,136</u>	<u>30,210</u>	<u>38,458</u>	<u>22,156</u>	<u>143,960</u>	<u>236,831</u>	<u>112,924</u>	<u>216,318</u>	<u>67,675</u>	<u>777,708</u>
Year ended December 31, 2023										
Opening net book value	53,136	30,210	38,458	22,156	143,960	236,831	112,924	216,318	67,675	777,708
Additions	2,537	19,112	13,364	14,346	49,359	3,844	237,104	3,327	15,844	309,478
Less: Disposals / write-offs - note 5.3										
Cost	21,901	10,255	15,550	10,418	58,124	1,608	43,025	35,211	33,053	171,021
Accumulated depreciation	(19,502)	(9,677)	(12,667)	(10,197)	(52,043)	(697)	(11,334)	(20,926)	(32,397)	(117,397)
	2,399	578	2,883	221	6,081	911	31,691	14,285	656	53,624
Depreciation charge for the year	(9,588)	(22,015)	(12,195)	(21,243)	(65,041)	(33,873)	(32,727)	(54,484)	(20,201)	(206,326)
Closing net book value	<u>43,686</u>	<u>26,729</u>	<u>36,744</u>	<u>15,038</u>	<u>123,205</u>	<u>205,891</u>	<u>285,610</u>	<u>150,876</u>	<u>62,662</u>	<u>827,236</u>
As at December 31, 2023										
Cost	78,283	87,321	102,702	155,481	423,787	533,991	363,908	374,082	99,635	1,795,403
Accumulated depreciation	(34,597)	(60,592)	(65,958)	(140,443)	(301,590)	(328,100)	(78,298)	(223,206)	(36,973)	(968,167)
Net book value	<u>43,686</u>	<u>26,729</u>	<u>36,744</u>	<u>15,038</u>	<u>122,197</u>	<u>205,891</u>	<u>285,610</u>	<u>150,876</u>	<u>62,662</u>	<u>827,236</u>
Depreciation rate % per annum	10%	33.33%	10-20%	20-33.33%		5-10%	16.67-33%	20-33%	5-80%	

For The Year Ended December 31, 2023

	2022									
	Furniture, fixtures and office equipment					Buildings / Leasehold improvements	Motor vehicles - owned	Right of use asset - vehicles	Right of use asset - premises	Total
Furniture and fixtures	Tracker equipment	Office equipment	Computer/communication equipment	Sub total						
	(Rupees in '000)									
As at Jan 1, 2022										
Cost	111,126	62,075	100,575	140,219	413,995	569,591	81,087	460,047	133,432	1,658,152
Accumulated depreciation	(41,768)	(24,786)	(59,327)	(106,239)	(232,120)	(290,996)	(51,924)	(181,623)	(38,780)	(795,443)
Net book value	<u>69,358</u>	<u>37,289</u>	<u>41,248</u>	<u>33,980</u>	<u>181,875</u>	<u>278,595</u>	<u>29,163</u>	<u>278,424</u>	<u>94,652</u>	<u>862,709</u>
Year ended December 31, 2022										
Opening net book value	69,358	37,289	41,248	33,980	181,875	278,595	29,163	278,424	94,652	862,709
Additions	2,791	16,389	8,981	13,206	41,367	3,430	114,913	29,363	-	189,073
Disposals - note 5.3										
Cost	16,270	-	4,668	1,872	22,810	41,266	26,171	83,444	16,588	190,279
Accumulated depreciation	(7,192)	-	(3,128)	(1,720)	(12,040)	(29,596)	(24,315)	(48,671)	(10,859)	(125,481)
	9,078	-	1,540	152	10,770	11,670	1,856	34,773	5,729	64,798
Depreciation charge for the year	(9,935)	(23,468)	(10,231)	(24,878)	(68,512)	(33,524)	(29,296)	(56,696)	(21,248)	(209,276)
Closing net book value	<u>53,136</u>	<u>30,210</u>	<u>38,458</u>	<u>22,156</u>	<u>143,960</u>	<u>236,831</u>	<u>112,924</u>	<u>216,318</u>	<u>67,675</u>	<u>777,708</u>
As at December 31, 2022										
Cost	97,647	78,464	104,888	151,553	432,552	531,755	169,829	405,966	116,844	1,656,946
Accumulated depreciation	(44,511)	(48,254)	(66,430)	(129,397)	(288,592)	(294,924)	(56,905)	(189,648)	(49,169)	(879,238)
Net book value	<u>53,136</u>	<u>30,210</u>	<u>38,458</u>	<u>22,156</u>	<u>143,960</u>	<u>236,831</u>	<u>112,924</u>	<u>216,318</u>	<u>67,675</u>	<u>777,708</u>
Depreciation rate % per annum	10%	33.33%	10-20%	20-33.33%		5-10%	16.67-33%	20-33%	5-80%	

5.2 The cost and accumulated depreciation of fully depreciated operating assets still in use amounts to Rs. 353.761 million (2022: Rs. 302.433 million).

5.3 Disposal of operating fixed assets

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sales proceeds	Mode of disposal	Particulars of purchaser
	(Rupees in '000)					
Furniture and fixtures						
Various furniture and fixtures	21,384	19,275	2,109	581	Negotiation	Various persons
Workstation	517	227	290	-	Written off	Not Applicable
	21,901	19,502	2,399	581		
Building / leasehold improvements						
Various leasehold improvements	1,608	697	911	-	Written off	Not Applicable
	1,608	697	911	-		
Office equipment						
Air conditioner	2,245	1,131	1,114	587	Negotiation	Farhan Traders
Various office equipment	13,305	11,536	1,769	4,060	Negotiation	Various persons
	15,550	12,667	2,883	4,647		

Notes to and Forming Part of the Consolidated Financial Statements

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sales proceeds	Mode of disposal	Particulars of purchaser
(Rupees in '000)						
Computer / Communication equipment						
Various computer equipments	10,418	10,197	221	836	Negotiation	Various persons
	10,418	10,197	221	836		
Motor vehicles - owned						
Various Motor vehicles - owned	4,241	2,735	1,506	7,178	Negotiation	Various persons
Honda City	1,243	726	517	2,917	Group Policy	Muhammad Imran*
Honda City	1,072	587	485	2,950	Negotiation	Mohammad Ashraf
Honda City	1,213	696	517	2,990	Negotiation	Hammad Rizvi
Honda City 1.2	3,727	200	3,527	4,089	Group Policy	Waqas Mehmood Danish*
Honda City	3,656	229	3,427	4,137	Group Policy	Imran Aslam*
Hyundai Tucson	5,914	487	5,427	6,431	Group Policy	Bilal Liaqat*
Hyundai Tucson	5,413	408	5,005	5,931	Group Policy	Madiha Ahmad*
Kia Sorento	6,485	452	6,033	6,686	Group Policy	Jamshaid Hussain*
Suzuki Cultus	1,076	696	380	1,621	Group Policy	Taha Naqvi*
Suzuki Swift	3,130	165	2,965	3,312	Group Policy	Mansoor Amjad*
Toyota Corolla Altis	939	167	772	4,800	Group Policy	Awais Amjad*
Toyota Passo	1,147	772	375	2,351	Negotiation	Muhammad Adnan
Various Motor vehicles - owned	3,769	3,014	755	5,319	Group Policy	Various customers
	43,025	11,334	31,691	60,712		
Right-of-use asset - vehicle						
Honda Civic	3,067	2,346	721	4,050	Group Policy	Athar Chaudhry*
Suzuki Cultus	1,776	445	1,331	2,200	Negotiation	Muhammad Nadeem
Toyota Fortuner	9,072	4,601	4,471	13,550	Negotiation	Haroon Shafiq
Various vehicles	17,000	9,238	7,762	23,916	Negotiation	*Ali Dhanji/ Raja Arshad Mahmood*/ Saima Nadeem* / various persons*
Various vehicles	4,296	4,296	-	5,128	Negotiation	Various persons
	35,211	20,926	14,285	48,844		
Right-of-use asset - property						
	33,053	32,397	656	-	Negotiation	Lease termination
	33,053	32,397	656	-		
Tracker equipment						
	10,255	9,677	578	-	Asset Scrapped	Not Applicable
	10,255	9,677	578	-		
2023	171,021	117,397	53,624	115,620		
2022	190,279	125,481	64,798	122,071		

* These represent persons in employment of the Group.

5.5 Capital work in progress

Advance to suppliers

Note	2023	2022
	69,436	17,529

6 INTANGIBLES ASSETS

Intangible assets
Capital work-in-progress *

Intangible assets	392,668	373,835
Capital work-in-progress *	5,249	13,352
	397,917	387,187

* This represents payment made to acquire software by IGI Life.

Following are the intangible assets:

Software	349,010	326,115
Membership card	250	250
Trading right entitlement certificates	10,999	10,999
Distribution channel	21,105	24,209
Value of inforce contracts	-	958
Pooling arrangements	11,304	11,304
	392,668	373,835

6.1

For The Year Ended December 31, 2023

6.1 Movement of intangible assets

	Software	Mem-ber-ship card (note 6.1.1)	TREC (note 6.1.2)	Goodwill	Licence	Customer relationships				Distribution channel	Value of inforce contracts		Pooling arrangement	Total
						IGI Finex	Life (Non-participating Group)	Accident and Health Group	Accident and Health Individual		Investment Linked	Life (Non-participating Individual)		
(Rupees in '000)														
As at January 1, 2022														
Cost	619,722	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	962,320
Accumulated amortisation / impairment	(255,783)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(37,983)	(27,352)	(34,382)	-	(543,624)
Net book value	363,939	250	10,999	-	-	-	-	-	-	27,313	4,497	394	11,304	418,696
Year ended December 31, 2022														
Opening net book value	363,939	250	10,999	-	-	-	-	-	-	27,313	4,497	394	11,304	418,696
Additions	16,028	-	-	-	-	-	-	-	-	-	-	-	-	16,028
Amortisation	(53,852)	-	-	-	-	-	-	-	-	(3,104)	(3,539)	(394)	-	(60,889)
Net book value	326,115	250	10,999	-	-	-	-	-	-	24,209	958	-	11,304	373,835
As at December 31, 2022														
Cost	635,750	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	978,348
Accumulated amortisation / impairment	(309,635)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(41,087)	(30,891)	(34,776)	-	(604,513)
Net book value as at December 31, 2022	326,115	250	10,999	-	-	-	-	-	-	24,209	958	-	11,304	373,835
As at January 1, 2023														
Cost	635,750	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	978,348
Accumulated amortisation / impairment	(309,635)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(41,087)	(30,891)	(34,776)	-	(604,513)
Net book value	326,115	250	10,999	-	-	-	-	-	-	24,209	958	-	11,304	373,835
Year ended December 31, 2023														
Opening net book value	326,115	250	10,999	-	-	-	-	-	-	24,209	958	-	11,304	373,835
Additions	81,532	-	-	-	-	-	-	-	-	-	-	-	-	81,532
Amortisation	(58,637)	-	-	-	-	-	-	-	-	(3,104)	(958)	-	-	(62,699)
Net book value	349,010	250	10,999	-	-	-	-	-	-	21,105	-	-	11,304	392,668
As at December 31, 2023														
Cost	717,282	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	1,059,880
Accumulated amortisation / impairment	(368,272)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(44,191)	(31,849)	(34,776)	-	(667,212)
Net book value	349,010	250	10,999	-	-	-	-	-	-	21,105	-	-	11,304	392,668
Amortisation rate per annum 2023 and 2022	8 - 33.33%	-	-	-	33%	20%	16%	16%	50%	5%	11%	11 - 12.5%	Indefinite	

6.1.1 This represents membership card of Pakistan Mercantile Exchange Limited as IGI Finex is a member of Pakistan Mercantile Exchange Limited.

6.1.2 This represent Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited pursuant to the promulgation of Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012.

6.1.3 During the year, the management carried out impairment testing of intangible assets recognised on business combination under the requirements of IAS 36 ' Impairment of assets'. The management has determined the recoverable amounts for comparison with the carrying values of each intangible asset. Based on the assessment carried out by the management, no impairment has been recognised during the year.

6.1.4 An analysis of product life cycle studies and market and competitive trends provides evidence that the product will generate net cash inflows for the Group for an indefinite period. Therefore, the pooling arrangement is carried at cost without amortisation, but is tested for impairment in accordance with note 6.1.3.

6.2 The cost and accumulated amortisation of fully amortised intangibles still in use amounts to Rs. 102.834 million (2022: Rs. 88.296 million).

Notes to and Forming Part of the Consolidated Financial Statements

7 INVESTMENTS

The investments comprise of the following:

Note	2023	2022
	(Rupees in '000)	
Investments in associates	24,574,170	17,460,165
Investment in joint venture	-	-
Fair value through profit or loss		
- Mutual funds	116,747	4,868
- Equity securities	321,766	279,825
- Government securities	2,379,102	1,622,698
- Debt securities	309,989	400,000
	3,127,604	2,307,391
Fair value through other comprehensive income		
- Quoted equity securities	41,368,567	33,323,722
- Unquoted equity securities	1,122,925	294,231
- Seed preference shares	62,030	64,384
- Preference shares	98,501	-
	42,652,023	33,682,337
Amortised cost		
- Government securities	94,533	-
Available for sale		
- Mutual funds	8,189,645	6,039,945
- Government securities	14,988,498	11,862,396
- Debt securities	299,990	600,000
	23,478,133	18,502,341
	93,926,463	71,952,234
Less: current maturity of investments	(12,930,531)	(7,279,828)
	80,995,932	64,672,406

7.1 Investments in associates

- Quoted

Packages Limited

26,707,201 (2022: 26,707,201) fully paid ordinary shares of Rs. 10 each
Equity held 29.88% (2022: 29.88%)
Market value at December 31, 2023: Rs. 530.09 per share (2022: Rs. 370.16 per share)

- Unquoted

Dane Foods Limited

2,643,161 (2022: 2,643,161) fully paid ordinary shares of Rs. 10 each
Equity held 30.62% (2022: 30.62%)

Cost

Provision for diminution in value of investment

Packages Real Estate (Private) Limited

100,000,000 (2022: 100,000,000) fully paid ordinary shares of Rs. 10 each
Equity held 24.84% (2022: 24.84%) having break-up value of Rs 9.17 per share (2022: Rs 8.98 per share)

Note	2023	2022
	(Rupees in '000)	
7.1.1	21,639,041	16,618,949
	-	-
	26,432	26,432
	(26,432)	(26,432)
	-	-
7.1.3	859,763	841,216

For The Year Ended December 31, 2023

Hoechst Pakistan Limited

(formerly known as Sanofi-Aventis Pakistan Limited)

9,644,760 (2022: 9,644,760) fully paid ordinary shares of Rs. 10 each

Equity held 24.97% (2022: 19.10%) having break-up value of

Market value at December 31, 2023: Rs. 1,200 per share

Note	2023	2022
	(Rupees in '000)	
7.1.4	2,075,366	-
	24,574,170	17,460,165

7.1.1 Packages Limited is a public listed company and holds investments in companies engaged in various businesses. During the year ended December 31, 2020, Packages Limited completed its internal restructuring which included transfer of its manufacturing business including folding cartons, flexible packaging, consumer products and mechanical fabrication and roll covers to a newly formed wholly owned subsidiary i.e. Packages Convertors Limited.

7.1.2 Investments in unquoted associates do not include any goodwill as the investments were made when these associates were incorporated.

7.1.3 Packages Real Estate (Private) Limited is principally engaged in carrying on the business of all types of construction activities and development of real estate.

7.1.4 Hoechst Pakistan Limited (formerly known as Sanofi-Aventis Pakistan Limited) is principally engaged in carrying on the business manufacturing and selling of pharmaceutical products.

7.1.5 During the year, the Group has purchased 566,432 shares of Hoechst Pakistan Limited formerly known as Sanofi Aventis Pakistan Limited (Sanofi) as part of the transaction under Investor Consortium led by Packages Limited resulting in an increase in the holding of Sanofi from 19.1% to 24.97%. This transaction resulted in Sanofi becoming an Associate of the Group due to significant influence and accordingly, the shares of Sanofi have been reclassified from investment classified as at fair value through other comprehensive income to investment in associates. In accordance with the available approaches in IFRS 9, the management has opted not to transfer the existing revaluation surplus in Surplus on Remeasurement of Financial Assets at Fair Value through Other Comprehensive Income reserve to retained earnings.

7.1.6 The summarised financial information and other details of Packages Limited, Packages Real Estate (Private) Limited and Hoechst Pakistan Limited based on the audited financial statements, for the year ended December 31, 2023 are as follows:

	Country of incorporation	2023			
		Assets	Liabilities	Revenues	Profit / (Loss)
(Rupees in '000)					
Packages Limited	Pakistan	234,820,161	138,432,489	156,972,082	10,489,265
Packages Real Estate (Private) Limited	Pakistan	13,448,641	9,758,107	5,310,551	224,046
Hoechst Pakistan Limited (formerly known as Sanofi-Aventis Pakistan Limited)	Pakistan	9,870,362	4,398,924	21,368,949	360,807
	Country of incorporation	2022			
(Rupees in '000)					
Packages Limited	Pakistan	172,489,283	66,709,422	121,893,589	6,979,829
Packages Real Estate (Private) Limited	Pakistan	13,552,064	9,916,178	4,568,673	284,533

Notes to and Forming Part of the Consolidated Financial Statements

7.1.5 Movement in associates

	2023				2022			
	Packages Limited	Dane Foods Limited	Packages Real Estate (Private) Limited	Hoescht Pakistan (Limited)	Total	Packages Limited	Dane Foods Limited	Packages Real Estate (Private) Limited
	(Rupees in '000)							
Balance as at January 1	16,618,949	- 841,216	-	17,460,165	15,155,229	-	795,941	15,951,170
Transfer from long-term investments upon further acquisition	-	-	1,289,217	1,289,217	-	-	-	-
Investment in associates	-	-	532,447	532,447	-	-	-	-
Dividend income	(734,448)	(37,500)	-	(771,948)	(734,448)	-	(25,000)	(759,448)
Share of profit - net	3,149,748	- 55,664	235,615	3,441,027	2,112,389	-	70,691	2,183,080
Share of other comprehensive income / (loss)	2,604,792	- 383	18,087	2,623,262	85,779	-	(416)	85,363
Balance as at December 31	21,639,041	- 859,763	2,075,366	24,574,170	16,618,949	-	841,216	17,460,165

7.2 Investment in joint venture

- Unquoted

S.C Johnson & Son of Pakistan (Private) Limited

18,500,670 (2022: 18,500,670) fully paid ordinary shares of Rs. 10 each
Equity held 45% (2022: 45%) having par value of Rs. 10
per share (2022: having par value of Rs. 10)

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

7.2.1 S.C. Johnson & Son of Pakistan (Private) Limited (Joint Venture) (S.C. Johnson) was incorporated in Pakistan as a private limited company on July 10, 1999 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activities of the S.C. Johnson include manufacturing and marketing of consumer household products.

It was a wholly owned subsidiary of S.C. Johnson Netherlands II Cooperatief U.A. During the year ended December 31, 2019, the Company entered into a Joint Venture agreement (the Agreement) with S.C. Johnson Netherlands II Cooperatief U.A. whereby the Company subscribed 45% of the shares on completion of certain conditions as specified in the Agreement. The Company acquired 45% of the shareholding in S.C. Johnson on October 3, 2020.

During the year ended December 31, 2021, the Board of Directors of S.C. Johnson decided to increase the paid-up share capital by way of rights issue. Accordingly, S.C. Johnson offered 10.125 million ordinary shares at par value amounting to Rs. 101.250 million as per the entitlement to the Group. During the year ended December 31, 2022, the Group has subscribed to the rights shares after completion of the corporate and regulatory approvals.

7.2.2 The summarised financial information and other details of S.C Johnson & Son of Pakistan (Private) Limited, based on the reviewed financial statements, for the period ended December 31, 2023 are as follows:

	Country of incorporation	2023			
		Assets	Liabilities	Revenues	Profit / (Loss)
(Rupees in '000)					
S.C Johnson & Son of Pakistan (Private) Limited	Pakistan	715,855	1,162,729	1,290,622	(421,777)
	Country of incorporation	2022			
		Assets	Liabilities	Revenues	Profit / (Loss)
(Rupees in '000)					
S.C Johnson & Son of Pakistan (Private) Limited	Pakistan	715,855	1,162,729	1,290,622	(421,777)

For The Year Ended December 31, 2023

7.2.3 Movement in joint venture

Balance as at January 1
Further investment during the year
Share of loss - net
Balance as at December 31

2023	2022
(Rupees in '000)	
-	-
119,250	101,250
(119,250)	(101,250)
-	-

7.3 Mutual funds - fair value through profit or loss

	2023				2022					
	Number of units	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value	Number of units	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value
(Rupees in '000)										
ABL Cash Fund	2,482	25,398	-	59	25,457	-	-	-	-	-
UBL Liquidity Plus Fund	-	-	-	-	-	23,942	2,430	-	-	2,430
UBL Cash Fund	-	-	-	-	-	22,167	2,392	-	-	2,392
Alhamra Cash Management Optimizer	45,000	45,000	-	3,265	48,265	-	-	-	-	-
Faysal Halal Amdani Fund	40,000	40,000	-	2,971	42,971	-	-	-	-	-
Alfalah GHP Islamic Income Fund	15	15	-	1	16	123	13	-	1	14
Al-Ameen Islamic Cash Fund	16	16	-	1	17	124	13	-	1	14
NBP Riba Free Savings Fund	13	13	-	1	14	1,013	12	-	-	12
Faysal Islamic Saving Growth Fund	7	7	-	-	7	51	6	-	-	6
	87,533	110,449	-	6,298	116,747	47,420	4,866	-	2	4,868

7.4 Equity securities - fair value through profit or loss

Company name	Number of shares				Percentage of equity held	Carrying amount	Market value	Unrealised (loss) / gain on re-measurement
	As at January 1, 2023	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2023				
(Rupees in '000)								
Engineering								
Engro Corporation Limited	33,800	14,300	26,400	21,700	0.00%	5,956	6,400	444
Engro Fertilizers Limited	78,500	41,200	62,300	57,400	0.00%	4,662	6,442	1,780
Fatima Fertilizer Company Limited	24,400	-	24,400	-	-	-	-	-
Fauji Fertilizer Company Limited	61,000	37,300	25,000	73,300	0.01%	7,310	8,297	987
Technology & Communication								
Avanceon Limited	31,250	29,687	25,000	35,937	0.01%	2,063	2,061	(2)
Systems Limited	394,500	8,200	3,000	399,700	0.14%	193,374	169,298	(24,076)
Octopus Digital Limited	65,359	9,803	-	75,162	0.05%	3,703	3,587	(116)
Automobile Parts & Accessories								
Panther Tyres Limited	-	15,000	-	15,000	0.01%	683	680	(3)
Thal Limited	-	4,500	-	4,500	0.01%	1,208	1,328	120
Leather & Tanneries								
Service Industries Limited	-	2,000	-	2,000	0.00%	989	1,256	267
Commercial Banks								
Bank Alfalah Limited	-	92,690	-	92,690	0.01%	3,544	4,496	952
Bank AL Habib Limited	8,500	48,500	36,500	20,500	0.00%	1,393	1,651	258
Faysal Bank Limited	65,500	-	65,500	-	-	-	-	-
Habib Bank Limited	59,300	86,000	117,800	27,500	0.00%	2,458	3,048	590
Habib Metropolitan Bank Limited	36,500	-	-	36,500	0.00%	1,239	2,019	780
MCB Bank Limited	12,215	56,871	18,500	50,586	0.00%	6,578	8,728	2,150
Meezan Bank Limited	57,870	22,000	15,500	64,370	0.00%	6,314	10,386	4,072
United Bank Limited	67,300	55,300	48,000	74,600	0.01%	8,895	13,267	4,372
Oil and gas exploration companies								
Oil & Gas Development Company Limited	73,000	30,800	17,466	86,334	0.00%	7,244	9,708	2,464
Pakistan Petroleum Limited	85,000	50,300	36,900	98,400	0.00%	6,684	11,319	4,635
Mari Petroleum Company Limited	3,215	980	1,540	2,655	0.00%	4,140	5,566	1,426
Pakistan Oilfields Limited	8,700	7,900	14,300	2,300	0.00%	923	970	47
Cement								
Attock Cement Pakistan Limited	-	20,000	6,000	14,000	0.01%	1,141	1,347	206
Cherat Cement Company Limited	-	18,200	12,500	5,700	0.00%	730	929	199
Lucky Cement Limited	13,500	3,985	3,130	14,355	0.00%	6,708	11,297	4,589
Fauji Cement Company Limited	-	238,000	-	238,000	0.01%	3,355	4,503	1,148
Maple Leaf Cement Factory Limited	38,000	133,700	93,000	78,700	0.01%	2,303	3,063	760
Power Generation and Distribution								
The Hub Power Company Limited	101,366	45,850	27,300	119,916	0.01%	7,979	14,041	6,062

Notes to and Forming Part of the Consolidated Financial Statements

Company name	Number of shares				Percentage of equity held	Carrying amount	Market value	Unrealised (loss) / gain on remeasurement
	As at January 1, 2023	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2023				
Engineering								
International Steels Limited	-	21,841	21,841	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	18,500	18,500	-	-	-	-	-
Textile Composite								
Interloop Limited	27,872	75,436	69,000	34,308	0.00%	1,425	2,470	1,045
Kohinoor Textile Mills Limited	18,000	-	18,000	-	-	-	-	-
Nishat Mills Limited	-	52,000	20,000	32,000	0.01%	2,448	2,455	7
Glass & Ceramics								
Tariq Glass Industries Limited	-	23,500	-	23,500	0.01%	1,833	2,343	510
Oil and gas marketing companies								
Attock Petroleum Limited	-	4,000	-	4,000	0.00%	1,516	1,514	(2)
Pakistan State Oil Company Limited	20,000	-	20,000	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	30,000	-	30,000	0.00%	1,282	2,206	924
Chemicals								
Engro Polymer & Chemicals Limited	-	21,374	21,374	-	-	-	-	-
Pharmaceuticals								
Abbott Laboratories (Pakistan) Limited	-	3,300	3,300	-	-	-	-	-
AGP Limited	-	19,000	18,516	484	0.00%	26	33	7
Haleon Pakistan Limited	3,700	2,800	-	6,500	0.01%	1,066	1,098	32
Highnoon Laboratories Limited	2,000	1,130	-	3,130	0.01%	1,334	1,580	246
Miscellaneous								
Pakistan Aluminium Beverage Cans Limited	-	31,500	-	31,500	0.00%	1,955	2,380	425
Total as at December 31, 2023						304,461	321,766	17,305
Total as at December 31, 2022						241,898	279,825	37,927

*Nil due to rounding off

7.5 Government securities - fair value through profit or loss

Particulars *	Maturity year	Effective yield % per annum	Profit payment	2023		2022	
				(Rupees in '000)		(Rupees in '000)	
Market Treasury Bills	2024	22.87%	On maturity	45,118	-	-	-
Market Treasury Bills	2024	22.80%	On maturity	49,978	-	-	-
Market Treasury Bills	2024	22.85%	On maturity	53,186	-	-	-
Market Treasury Bills	2024	22.85%	On maturity	67,064	-	-	-
Market Treasury Bills	2024	22.75%	On maturity	134,370	-	-	-
Market Treasury Bills	2024	21.26%	On maturity	122,215	-	-	-
Market Treasury Bills	2024	21.34%	On maturity	50,849	-	-	-
Market Treasury Bills	2024	21.34%	On maturity	20,646	-	-	-
Pakistan Investment Bonds	2023	-	-	-	94,153	-	-
Pakistan Investment Bonds	2023	-	-	-	-	188,306	-
Pakistan Investment Bonds	2024	21.35%	Semi-annual	230,729	217,382	-	-
Pakistan Investment Bonds	2025	18.76%	Semi-annual	146,087	143,202	-	-
Pakistan Investment Bonds	2026	17.29%	Semi-annual	224,123	-	-	-
Pakistan Investment Bonds	2027	16.39%	Semi-annual	93,379	93,314	-	-
Pakistan Investment Bonds	2027	15.94%	Semi-annual	49,299	-	-	-
Pakistan Investment Bonds	2030	15.37%	Semi-annual	65,703	68,647	-	-
Pakistan Investment Bonds (floaters)	2028	23.95%	Semi-annual	569,151	571,898	-	-
Pakistan Investment Bonds (floaters)	2028	22.47%	Semi-annual	122,450	122,619	-	-
Pakistan Investment Bonds (floaters)	2029	23.89%	Semi-annual	122,963	123,177	-	-
GOP Ijara Sukuk	2028	23.87%	Semi-annual	211,792	-	-	-
				2,379,102	1,622,698		

*These include Pakistan Investment Bonds which are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000, having market value of Rs 220.796 million (2022: Rs 221.772 million).

For The Year Ended December 31, 2023

7.6 Debt securities- fair value through profit or loss

	2023					2022				
	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount
(Rupees in '000)										
Term finance certificate										
Habib Bank Limited	500,000	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000	500,000	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000
Bank Alfalah Limited	1,000,000	Perpetual	Higher of 3 years PKRV plus 0.75% or 9%	Quarterly	100,000	1,000,000	Perpetual	Higher of 3 years PKRV plus 0.75% or 9%	Quarterly	100,000
Bank Alfalah Limited	750,000	2030	6 months Kibor plus 2.0%	Semi-annual	75,000	750,000	2,030	6 months Kibor plus 2.0%	Semi-annual	75,000
Soneri Bank Limited	250,000	2030	6 months Kibor plus 1.70%	Semi-annual	24,990	250,000	2,030	6 months Kibor plus 1.70%	Semi-annual	25,000
JS Bank Limited	20,000	2033	3 months Kibor plus 2.0%	Quarterly	19,999	-	-	-	-	-
Kashif Foundation	40,000	2026	3 months Kibor plus 1.5%	Quarterly	40,000	-	-	-	-	-
Sukuk										
China Power Hub Generation Company (Private) Limited	-	-	-	-	-	500,000	2,023	6 months Kibor plus 1.35%	Semi-annual	50,000
Lucky Electric Power Company Limited	-	-	-	-	-	1,000,000	2,023	6 months Kibor plus 1.20%	Semi-annual	100,000
	2,560,000				309,989	4,000,000				400,000

7.7 Quoted equity securities- fair value through other comprehensive income

Company name	Number of shares				Percentage of equity held	Carrying amount	Market value	Unrealised (loss) / gain on remeasurement
	As at January 1, 2023	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2023				
(Rupees in '000)								
Food & Personal Care Products								
Nestle Pakistan Limited	4,423,666	-	-	4,423,666	9.75%	6,770,601	36,287,332	29,516,731
Mitchell's Fruit Farms Limited	850,334	-	-	850,334	3.72%	49,317	108,154	58,837
ZIL Limited	199,169	-	199,169	-	-	-	-	-
Engineering								
Siemens Pakistan Engineering Company Limited	70,031	-	-	70,031	0.85%	68,529	46,831	(21,698)
International Industries Limited	504,472	-	-	504,472	0.38%	37,395	70,056	32,661
Investment Banks								
Pakistan Stock Exchange Limited	1,602,953	-	-	1,602,953	0.20%	12,952	16,174	3,222
LSE Ventures Limited	-	842,810	-	842,810	0.47%	8,686	4,020	(4,666)
LSE Proptech Limited	-	295,536	-	295,536	0.33%	3,046	1,067	(1,979)
Technology & Communication								
Systems Limited	5,067,520	5,067,520	-	10,135,040	3.49%	45,532	4,292,797	4,247,265
Pharmaceuticals								
Sanofi Aventis Pakistan Limited	1,841,739	-	1,841,739	-	-	-	-	-
Automobile Parts & Accessories								
AgriTech Limited	1,352,992	-	-	1,352,992	0.34%	17,156	18,428	1,272
Miscellaneous								
Tri-Pack Films Limited (related party)	3,750,417	-	-	3,750,417	9.67%	564,610	523,708	(40,902)
Total as at December 31, 2022						7,577,824	41,368,567	33,790,743
Total as at December 31, 2023						7,986,089	33,323,722	25,337,633

Notes to and Forming Part of the Consolidated Financial Statements

7.8 Unquoted equity securities- fair value through other comprehensive income

Company name	Number of shares			Percentage of equity held	Carrying amount	Market value
	As at January 1, 2023	Purchased / bonus issued during the year	Sold during the year			
Coca Cola Beverages Pakistan Limited	12,433,934	-	-	0.46%	119,940	272,303
LSE Financial Services Limited	843,975	-	(843,975)	-	-	-
Kissan Fruit Growers (Private) Limited	44	-	-	4.87%	4	4
Punjab Fruit Growers (Private) Limited	32	-	-	4.83%	3	3
Haider Fruit Growers (Private) Limited	1,705	-	-	4.87%	16	16
Petroleum Development Pakistan Limited	350	-	-	-	1	1
National Steel of Pakistan Limited	500	-	-	-	1	1
DHA Cogen Limited	1,900,000	-	-	3.35%	-	-
Techlogix International Limited *	1,422,870	-	-	0.37%	3,504	112,133
Visionet Systems Inc. **	464,827	-	-	4.55%	5,423	738,464
Total as at December 31, 2023					128,892	1,122,925
Total as at December 31, 2022					140,624	294,231

* Techlogix International Limited is a company registered in Bermuda. This investment has been made since 2005. Return on investment is in the form of dividend. Based on the information available there are no litigations against the investee company in foreign jurisdictions.

** Visionet Systems Inc. is located in New Jersey, USA. This investment has been made since 2013. Return on investment is in the form of dividend received. The investee company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. The management of investee company believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the investee company.

7.9 Seed preference shares

Company name	Place of business	No. of preference shares		Percentage of equity held		Carrying amount	
		2023	2022	2023	2022	2023	2022
Mahaana Wealth Pte. Ltd	Singapore	846,501	846,501	6.25%	6.25%	62,030	64,384
Total						62,030	64,384

7.9.1 During the year ended December 31, 2022, the Group invested in series seed preference shares of Mahaana Wealth Pte. Ltd, a private limited company registered in the Republic of Singapore. There are no litigations against the investee company in foreign jurisdictions.

7.10 Preference shares

Company name	Place of business	No. of preference shares		Percentage of equity held		Carrying amount	
		2023	2022	2023	2022	2023	2022
Milvik Mobile Pakistan (Private) Limited	Pakistan	10,000,000	-	2.40%	-	98,501	-
Total						98,501	-

During the year, the Group has invested in preference shares of Milvik Mobile Pakistan (Private) Limited, a private limited company registered in the Islamic Republic of Pakistan. These preference shares carry coupon income at the rate of 13% per annum payable on quarterly basis.

7.11 Investments in term deposits receipts - held to maturity

	Note	2023	2022
		(Rupees in '000)	
At amortised cost	7.11.1	94,533	-

For The Year Ended December 31, 2023

7.11.1 These represent T-bills that carry mark-up at the rate of Nil per annum.

Tenor	Issue date	Maturity date	As at January 1, 2023	Purchased during the year	Disposed / matured during the year	As at December 31, 2023	Carrying value as at December 31, 2023
12 Months	19-Oct-23	17-Oct-24	-	110,400	-	110,400	94,533
(Face value)							
Total - December 31, 2023							94,533
Total - December 31, 2022							-

7.12 Mutual funds - available for sale

	2023	2022
Market value		
(Rupees in '000)		
Al Ameen Islamic Cash Fund	222,504	85,526
Al Ameen Islamic Sovereign Fund	205,636	56,732
Al Ameen Shariah Stock Fund	258,871	365,020
Alfalah GHP Alpha Fund	-	17,292
Alfalah GHP Income Fund	15,173	-
Alfalah GHP Islamic Income Fund	251,521	-
Alfalah GHP Islamic Stock Fund	120,622	73,308
Alfalah GHP Money Market Fund	68,410	21,349
Alfalah GHP Stock Fund	118,369	41,511
ABL Stock Fund	82,383	9,796
ABL Islamic Stock Fund	141,179	88,429
ABL Islamic Income Fund	81,643	-
Atlas Islamic Income Fund	66,932	26,161
Atlas Islamic Stock Fund	198,103	99,075
Atlas Stock Market Fund	125,571	108,966
Atlas Income Fund	10,372	-
First Habib Islamic Income Fund	-	-
HBL Islamic Income Fund	518,163	305,285
HBL Islamic Equity Fund	-	2,694
HBL Islamic Stock Fund	12,775	962
HBL Stock Fund	37,835	-
HBL Islamic Money Market Fund	103,962	341,612
HBL Income Fund	68,918	-
MCB Islamic Income Fund	3,567	-
MCB Pakistan Income Fund	29,236	-
MCB Pakistan Islamic Stock Fund	72,732	-
MCB Pakistan Stock Market Fund	203,443	184,565
HBL Equity Fund	7,946	34,170
Meezan Islamic Fund	91,971	34,262
Meezan Cash Fund	238,699	120,618
Meezan Islamic Income Fund	-	289,804
Meezan Sovereign Fund	391,198	49,345
NBP Islamic Income Fund	79,691	233,206
NBP Islamic Stock Fund	118,077	93,597
NBP Stock Fund	151,735	145,342
NBP Financial Sector Income Fund	-	207,818
UBL Income Opportunity Fund	26,715	-
UBL Money Market Fund	4,527	5,026
UBL Stock Advantage Fund	230,434	225,718
ABL Cash Fund	19,459	147,378
ABL Income Fund	-	25,513
ABL Islamic Cash Fund	-	3,406
AL Habib Cash Fund (Formerly: First Habib Cash Fund)	-	47,661
AL Habib Islamic Income Fund (Formerly: First Habib Islamic Income Fund)	278,583	212,991
AL Habib Islamic Savings Fund	515,230	178,587
AL Habib Islamic Stock Fund	39,890	15,285

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2023

	2023	2022
	Market value	
	(Rupees in '000)	
AL Habib Income Fund	71,760	-
AL Habib Islamic Munafa Fund Plan II	123,086	-
AL Habib Stock Fund	14,897	-
Alfalah GHP Cash Fund	6,250	97,604
Alfalah GHP Islamic Income Fund	76,831	168,284
Alfalah Islamic Rozana Amdani Fund Class A	-	120,082
Alhamra Islamic Income Fund	131,730	317,717
Alhamra Islamic Money Market Fund	-	131,250
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)130,085	92,404	-
Alhamra Cash Management Optimizer	214,869	-
Alhamra Wada Plan (Alhamra Wada Plan VII)	354,023	-
Alhamra Wada Plan (Alhamra Wada Plan XI)	52,915	-
Alhamra Wada Plan (Alhamra Wada Plan VIII)	29,938	-
Atlas Islamic Money Market Fund	222,773	65,030
Atlas Money Market Fund	11,729	41,029
Faysal Cash Fund	-	11,504
Faysal Halal Amdani Fund	247,770	242,049
Faysal Islamic Savings Growth Fund	-	17,978
Faysal Money Market Fund	-	15,128
Faysal Stock Fund	-	14,296
Faysal Islamic Sovereign Fund (Faysal Islamic Sovereign Plan I)	206,882	-
Faysal Islamic Stock Fund	30,222	-
JS Islamic Daily Dividend Fund	6,007	-
JS Islamic Income Fund	73,957	-
JS Large Capital Fund	7,615	-
HBL Cash Fund	66,755	97,075
HBL Financial Sector Income Fund Plan I	-	101,782
MCB Cash Management Optimizer	4,796	170,896
Meezan Paaidar Munafa Plan IV	172,314	-
NBP Government Securities Liquid Fund	47,618	-
NBP Islamic Daily Dividend Fund	75,649	-
NBP Islamic Energy Fund	59,618	-
NBP Financial Sector Fund	11,010	17,391
NBP Islamic Mahana Amdani Fund	181,371	85,169
NBP Islamic Money Market Fund	254,129	135,478
NBP Mahana Amdani Fund	105,171	15,006
Pakistan Income Fund	3,125	2,611
UBL Cash Fund	-	21,561
UBL Financial Sector Fund	46,262	45,395
UBL Liquidity Plus Fund	2,005	49,626
	8,189,645	6,039,945

7.13 Government Securities - available for sale

Particulars	Tenure	Maturity year	Rate of return (%) per annum	Profit payment	2023	2022
					Market value	
					(Rupees in '000)	
Pakistan Investment Bonds	3 years	2023	7.00%	Semi-annual	-	188,884
Pakistan Investment Bonds	10 years	2024	12.00%	Semi-annual	34,812	34,260
Pakistan Investment Bonds	5 years	2025	7.5%**	Semi-annual	2,038,227	1,998,022
Pakistan Investment Bonds	3 years	2026	12.00%**	Semi-annual	268,682	-
Pakistan Investment Bonds*	10 years	2028	15.20%**	Semi-annual	-	160,999
Pakistan Investment Bonds*	10 years	2028	16.38%**	Semi-annual	-	1,814,786
Pakistan Investment Bonds*	10 years	2028	17.35%**	Semi-annual	-	455,283
Pakistan Investment Bonds*	10 years	2029	7.80%**	Semi-annual	-	123,604
Pakistan Investment Bonds*	10 years	2029	23.48%**	Semi-annual	122,963	-
Pakistan Investment Bonds*	10 years	2029	23.57%**	Semi-annual	1,794,794	-
Pakistan Investment Bonds*	10 years	2029	21.86%**	Semi-annual	294,110	-
					4,553,588	4,775,838

Particulars	Tenure	Maturity year	Rate of return (%) per annum	Profit payment	2023	2022
					Market value	
					(Rupees in '000)	
Market Treasury Bills	3 months	2024	21.49%	On maturity	424,727	-
Market Treasury Bills	3 months	2024	21.37%	On maturity	593,971	-
Market Treasury Bills	3 months	2024	21.35%	On maturity	608,759	-
Market Treasury Bills	3 months	2024	21.33%	On maturity	764,426	-
Market Treasury Bills	3 months	2024	21.30%	On maturity	168,057	-
Market Treasury Bills	6 months	2024	21.29%	On maturity	473,750	-
Market Treasury Bills	6 months	2024	21.31%	On maturity	680,090	-
Market Treasury Bills	6 months	2024	21.33%	On maturity	184,423	-
Market Treasury Bills	6 months	2024	21.34%	On maturity	462,919	-
Market Treasury Bills	6 months	2024	21.35%	On maturity	669,825	-
Market Treasury Bills	6 months	2024	21.36%	On maturity	455,971	-
Market Treasury Bills	6 months	2024	21.37%	On maturity	507,286	-
Market Treasury Bills	12 months	2024	21.37%	On maturity	1,465,146	-
Market Treasury Bills	12 months	2024	21.34%	On maturity	153,339	-
Market Treasury Bills	12 months	2024	21.34%	On maturity	427,314	-
Market Treasury Bills	12 months	2024	21.33%	On maturity	424,355	-
Market Treasury Bills	12 months	2024	21.33%	On maturity	417,447	-
Market Treasury Bills	12 months	2024	21.33%	On maturity	164,076	-
Market Treasury Bills	12 months	2024	21.32%	On maturity	87,726	-
Market Treasury Bills	12 months	2024	21.32%	On maturity	890,009	-
Market Treasury Bills	3 months	2023	15.63%	On maturity	-	264,295
Market Treasury Bills	3 months	2023	15.64%	On maturity	-	350,218
Market Treasury Bills	3 months	2023	15.65%	On maturity	-	332,410
Market Treasury Bills	3 months	2023	15.66%	On maturity	-	314,602
Market Treasury Bills	3 months	2023	15.67%	On maturity	-	230,451
Market Treasury Bills	3 months	2023	15.68%	On maturity	-	296,795
Market Treasury Bills	3 months	2023	15.69%	On maturity	-	64,276
Market Treasury Bills	3 months	2023	15.70%	On maturity	-	493,412
Market Treasury Bills	3 months	2023	16.63%	On maturity	-	9,703
Market Treasury Bills	3 months	2023	16.87%	On maturity	-	3,697
Market Treasury Bills	3 months	2023	16.88%	On maturity	-	174,500
Market Treasury Bills	3 months	2023	16.91%	On maturity	-	50,480
Market Treasury Bills	3 months	2023	16.96%	On maturity	-	477,977
Market Treasury Bills	3 months	2023	16.97%	On maturity	-	486,579
Market Treasury Bills	6 months	2023	15.60%	On maturity	-	1,533
Market Treasury Bills	6 months	2023	15.62%	On maturity	-	507,793
Market Treasury Bills	6 months	2023	15.65%	On maturity	-	73,349
Market Treasury Bills	6 months	2023	15.68%	On maturity	-	59,102
Market Treasury Bills	6 months	2023	15.69%	On maturity	-	475,668
Market Treasury Bills	6 months	2023	15.73%	On maturity	-	24,457
Market Treasury Bills	1 year	2023	11.90%	On maturity	-	105,345
Market Treasury Bills	1 year	2023	11.94%	On maturity	-	1,965,402
Market Treasury Bills	1 year	2023	12.27%	On maturity	-	46,439
					10,023,616	6,808,483
GOP Ijara Sukuk certificate	5 year	2025	21.14%**	Semi-annual	286,032	278,074
GOP Ijara Sukuk certificate	1 year	2024	22.79%**	Semi-annual	90,000	-
GOP Ijara Sukuk certificate	1 year	2024	20.33%**	Semi-annual	25,125	-
GOP Ijara Sukuk certificate	1 year	2024	23.71%**	Semi-annual	10,137	-
					411,294	278,074
					14,988,498	11,862,395

7.14 Debt securities - available for sale

*These represent Pakistan Investment Bonds which are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000, amounting to Rs 193 million (2022: Rs 193 million).

** These represent current year rate of return.

Notes to and Forming Part of the Consolidated Financial Statements

	2023				2022					
	Number of certificates	Maturity year	Coupon	Profit payment	Market value	Number of certificates	Maturity year	Coupon	Profit payment	Market value
	(Rupees in '000)				(Rupees in '000)					
Term Financ Certificates										
Bank Alfalah Limited	10,000	5 years	6 months	Semi annual Kibor plus 1.50%	50,000	10,000	5 years	6 months	Semi annual Kibor plus 1.50%	50,000
Soneri Bank Limited	10,000	5 years	6 months	Semi annual Kibor plus 2%	50,000	10,000	5 years	6 months	Semi annual Kibor plus 2%	50,000
UBL Bank Limited	15,000	5 years	3 months	Quarterly Kibor plus 1.55%	75,000	15,000	5 years	3 months	Quarterly Kibor plus 1.55%	75,000
Habib Bank Limited	500	Perpetual	3 months	Quarterly Kibor plus 1.60%	50,000	500	Perpetual	3 months	Quarterly Kibor plus 1.60%	50,000
Bank Alfalah Limited	10,000	Perpetual	6 months	Semi annual Kibor plus 2%	49,990	10,000	Perpetual	6 months	Semi annual Kibor plus 2%	50,000
Soneri Bank Limited	6,250	10 Years	6 months	Semi annual Kibor plus 1.7%	25,000	6,250	10 Years	6 months	Semi annual Kibor plus 1.7%	25,000
	51,750				299,990	51,750				300,000
Corporate Sukuks										
China Power Gen Hub-Sukuk	-	-	-	-	-	200	6 months	17.06%	at maturity	200,000
The Lucky Electric Power Co Ltd	-	-	-	-	-	75	6 months	18.45%	at maturity	75,000
The Lucky Electric Power Co Ltd	-	-	-	-	-	25	6 months	18.31%	at maturity	25,000
	-	-	-	-	-	300				300,000
	51,750				299,990	52,050				600,000

7.15 Current maturity of investments

Note	2023	2022
	(Rupees in '000)	

Government securities

7.5, 7.11 & 7.13	12,930,531	7,279,828
	12,930,531	7,279,828

8 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES

Amount due from policyholder - unsecured

- Considered good

- Considered doubtful

8.1	1,628,918	1,477,941
8.2	182,594	161,592
	1,811,512	1,639,533
	(182,594)	(161,592)
	1,628,918	1,477,941

Provision for doubtful receivables

Amount due from reinsurer / retakaful - unsecured

- Considered good

- Considered doubtful

8.3	2,764,902	3,400,774
	51,765	51,765
	2,816,667	3,452,539
	(51,765)	(51,765)
	2,764,902	3,400,774

Provision for doubtful receivables

Total

	4,393,820	4,878,715
--	-----------	-----------

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

For The Year Ended December 31, 2023

8.2 Provision for doubtful receivables - insurance contract holders

Note	2023	2022
	(Rupees in '000)	
	161,592	152,028
	22,162	27,217
	(1,160)	(17,653)
8.2.1	182,594	161,592

Balance as at January 1
Provision made during the year
Written off during the year
Balance as at December 31

8.2.1 This includes an amount of Rs. 2.574 million (2022: Rs. 1.112 million) receivable from related parties.

8.3 Provision for doubtful receivables - other insurer / reinsurer

	2023	2022
	(Rupees in '000)	
	51,765	41,303
	-	10,462
	51,765	51,765

Balance as at January 1
Provision during the year
Balance as at December 31

This includes a receivable balance amounting to Rs 304 million in respect of reinsurance recovery against an outstanding claim. The management of the Group is in the process of commercial negotiations for amicable settlement of this balance. In case of any adverse outcome of the negotiations, the Group, based on legal opinion, is confident that the balance will be recovered in full on account of strong legal merits.

9 DEPOSITS, PREPAYMENTS, LOANS, ADVANCES AND OTHER RECEIVABLES

Advances

Advances - unsecured considered good
Advances / loans to agents - unsecured considered good
Advances to employees against expenses
- unsecured considered good - executives

Other receivables

Sales tax recoverable
Salvage recoverable
Receivable against claim administration services - unsecured considered good- net
Net investment in finance lease - secured considered good
Receivable from clients against purchase of marketable securities and commodity contracts - secured considered good
Qard-e-hasan
Mudarib fee
Experience refund receivable - unsecured considered good

Deposits and prepayments

Security deposits and prepayments
Prepaid reinsurance premium ceded
Exposure deposit with National Clearing Company of Pakistan Limited / Pakistan Stock Exchange Limited
Others

9.1 This includes provision against receivable from claim administration services amounting to Rs. 44 million (2022: Rs. 44 million).

Notes to and Forming Part of the Consolidated Financial Statements

9.2 This balance represents outstanding amount of old lease portfolio acquired by the Holding Company as part of amalgamation of Ex. IGI Investment Bank Limited w.e.f December 31, 2016 that has been retained by the Holding Company as part of scheme of arrangement and carried at fair value at the time of acquisition.

This includes fair value of collaterals amounting to Rs. 14.590 million (2022: Rs. 14.590 million) and residual values relating to net investment in finance lease.

9.3 This includes amounts due from related parties amounting to Rs. 0.164 million (2022: Rs. 9.269 million).

10 CASH AND BANK BALANCES

	Note	2023	2022
(Rupees in '000)			
Cash and other equivalents	10.1	3,303	9,647
Current and other accounts	10.2	4,433,809	1,158,492
		<u>4,437,112</u>	<u>1,168,139</u>
10.1 Cash and other equivalents			
Cash in hand		641	698
Policy stamps in hand		2,662	8,949
		<u>3,303</u>	<u>9,647</u>
10.2 Current and other accounts			
Current accounts		153,882	43,039
Savings accounts	10.2.1	4,279,927	1,115,453
		<u>4,433,809</u>	<u>1,158,492</u>

10.2.1 The balances in savings accounts carry mark-up ranging between 9% to 21.25% (2022: 7% to 15.5%) per annum.

10.3 Cash and cash equivalent

	Note	2023	2022
(Rupees in '000)			
Cash and bank balances	10	4,437,112	1,168,139
Market Treasury bills	7.11	2,610,789	-
Short term loans	20	(2,616,765)	(2,491,697)
		<u>4,431,136</u>	<u>(1,323,558)</u>

11 NON-CURRENT ASSET HELD FOR SALE

- Unquoted equity securities

Company's name	Number of shares				Carrying amount as at December 31 (Rupees in '000)
	As at January 1, 2023	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2023	
Central Depository Company of Pakistan (note 11.1)	1,624,995	-	-	1,624,995	9,110
Total as at December 31, 2023					<u>9,110</u>
Total as at December 31, 2022					<u>9,110</u>

11.1 As per Section 8 of the Central Depositories (Licensing and Operations) Regulations, 2016, IGI Investments is not eligible to hold shares of Central Depository Company (CDC) transferred from Holding Company (formerly IGI Insurance Limited) under the sanctioned scheme of arrangement.

During the year ended December 31, 2021, IGI Investments had entered into a shares purchase agreement with Pakistan Stock Exchange Limited (PSX) to sell 1,949,995 shares of CDC to PSX at the agreed rate of Rs. 25 per share. During the current year, the SECP has declined to grant approval to PSX for acquisition of the shares of CDC. The management is currently in the process of finding another buyer to dispose of the shares of CDC.

12 RETIREMENT BENEFIT OBLIGATION

	Note	2023	2022
(Rupees in '000)			
Funded gratuity schemes	12.1.3	<u>55,634</u>	<u>83,161</u>

For The Year Ended December 31, 2023

12.1 Funded gratuity schemes

12.1.1 Salient features

The Group offers separate approved gratuity funds for eligible employees of IGI General, IGI Life and IGI Finex. Annual contributions are made to the funds on the basis of actuarial recommendations. The gratuity schemes are governed under the Trust Act, 1882, Trust Deeds and Rules of Funds, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002.

The Group faces the following risks on account of these gratuity schemes:

Final salary risks

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

Asset volatility

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

Discount rate fluctuation

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

Investment risks

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

Mortality risks

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

Longevity risks

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

Withdrawal risks

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

The Group manages such risks by making regular contributions in the defined benefit plan and investing such contributions in investment avenues that are low risk. This aims to reduce the volatility in the schemes' funding position and identifying any funding gaps which are met by way of contribution.

12.1.2 Valuation results

Actuarial valuations are carried out every year and the latest valuations were carried out as at December 31, 2023. The information provided in notes 12.1.3 to 12.1.15 has been obtained from the actuarial valuations carried out as at December 31, 2023. The following significant assumptions have been used for valuation of these schemes:

	2023			2022		
	IGI General	IGI Life	IGI Finex	IGI General	IGI Life	IGI Finex
(Per annum)						
a) Expected rate of increase in salary level	15.00%	14.75%	14.50%	15.00%	14.50%	12.25%
b) Discount rate	15.50%	14.75%	15.50%	14.50%	14.50%	13.25%
c) Expected return on plan assets	15.50%	14.75%	N/A	14.50%	14.50%	N/A
d) Normal retirement age	58 years	65 years	N/A	58 years	65 years	N/A
e) Assumptions regarding future mortality experience are based on actuarial recommendations and published statistics.						

Notes to and Forming Part of the Consolidated Financial Statements

12.1.3 Amounts recognised in the consolidated statement of financial position:

	Note	2023	2022
(Rupees in '000)			
Present value of defined benefit obligation	12.1.5	308,686	260,870
Less: fair value of plan assets	12.1.5	(253,052)	(177,709)
Payable to defined benefit plans		55,634	83,161

12.1.4 Movement in net liability during the year

Obligation at the beginning of the year	83,161	61,060
Charge to consolidated statement of profit or loss	41,938	33,074
Other comprehensive gain	12,025	18,077
Benefit payments made by the Company	-	(895)
Past service cost	(5,467)	-
Contribution to the fund during the year	(76,023)	(28,155)
Obligation at the end of the year	55,634	83,161

12.1.5 Movement in defined benefit obligation

	2023		
	Present value of obligation	Fair value of plan assets	Total
(Rupees in '000)			
As at January 1	260,870	(177,709)	83,161
Current service cost	32,502	-	32,502
Past service cost	(5,467)	-	(5,467)
Interest expense / (income)	36,963	(27,527)	9,436
	324,868	(205,236)	119,632
Remeasurement loss / (gain) on obligation			
- Financial assumptions	11,367	(873)	10,494
- Demographic assumptions	606	-	606
- Return on plan assets other than interest income	-	(3,910)	(3,910)
- Experience assumptions	4,835	-	4,835
	16,808	(4,783)	12,025
Contributions during the year	-	(76,023)	(76,023)
Benefit payments made by the Company	(21,615)	21,615	-
Benefit payments made by the Fund	(11,375)	11,375	-
As at December 31	308,686	(253,052)	55,634
2022			
	Present value of obligation	Fair value of plan assets	Total
(Rupees in '000)			
As at January 1	224,093	(168,740)	55,353
Current service cost	31,972	-	31,972
Interest expense / (income)	28,101	(22,364)	5,737
	284,166	(191,104)	93,062
Remeasurements:			
- Gain from change in financial assumptions	(5,924)	-	(5,924)
- Loss on actual salary increase	1,115	24,173	25,288
	(4,809)	24,173	19,364
Contributions during the year	-	(28,155)	(28,155)
Benefit payments made by the Company	(895)	-	(895)
Benefit payments made by the Fund	(17,592)	17,377	(215)
As at December 31	260,870	(177,709)	83,161

For The Year Ended December 31, 2023

12.1.6 Amounts recognised in the consolidated statement of profit or loss:

	2023	2022
(Rupees in '000)		
Current service cost	32,502	31,972
Past service cost	(5,467)	-
Interest cost	9,436	5,737
Expense for the year	36,471	37,709

12.1.7 Remeasurement loss recognised in the consolidated statement of profit or loss and other comprehensive income:

	2023	2022
(Rupees in '000)		
Remeasurement loss / (gain) on obligation		
- Financial assumptions	10,494	(5,924)
- Demographic assumptions	606	25,288
- Return on plan assets other than interest	(3,910)	-
- Experience assumptions	4,835	-
	12,025	19,364

12.1.8 Actual return on plan assets

Expected return on assets	27,527	22,364
Actuarial loss	873	(24,173)
	28,400	(1,809)

12.1.9 Analysis of present value of defined benefit obligation

Split by vested / non-vested		
(i) Vested benefits	308,457	259,750
(ii) Non-vested benefits	229	1,120
	308,686	260,870

12.1.10 Sensitivity analysis

Particulars	2023			2022		
	Change in assumptions	Increase / (decrease) in present value of defined benefit obligation		Change in assumptions	Increase / (decrease) in present value of defined benefit obligation	
		(%)	(Rupees in '000)		(%)	(Rupees in '000)
Discount rate	+1%	-31.80%	(98,170)	+1%	-36.22%	(85,341)
	-1%	37.08%	114,461	-1%	41.77%	98,422
Salary increase rate	+1%	-29.13%	(89,931)	+1%	-30.08%	(70,877)
	-1%	24.36%	75,204	-1%	25.57%	60,243

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

12.1.11 Plan assets comprise of the following:

	2023	Percentage composition	2022	Percentage composition
	(Rupees '000)		(Rupees '000)	
Equity investments	19,698	7.78%	21,938	12.34%
Cash and bank deposits	207,703	82.08%	123,777	69.65%
Government Securities	25,651	10.14%	31,994	
Fair value of plan assets	253,052	100.00%	177,709	81.99%

Notes to and Forming Part of the Consolidated Financial Statements

12.1.12 As per the actuarial recommendations, the expected return on plan assets was taken as 15.5% (2021: 14.75%), which is representative of yields on long-term Government bonds. Due to the increased volatility of share prices in recent months, there is no clear indication of return on equity. It is therefore assumed that the yield on equity matches the return on debt.

12.1.13 Based on actuarial advice, the Group intends to charge an amount of Rs 37.846 million in the consolidated financial statements in respect of approved gratuity funds for the year ending December 31, 2023.

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

At December 31, 2023	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
(Rupees in '000)					
2023					
Gratuity	29,251	23,166	99,373	5,018,948	5,170,738
2022					
Gratuity	44,479	21,247	79,958	4,379,001	4,524,685

12.1.15 5 year data on the deficit / (surplus) of the plan is as follows:

	2023	2022	2021	2020	2019
(Rupees in '000)					
Present value of defined benefit obligation	308,686	260,870	204,558	186,144	158,845
Fair value of plan assets	(253,052)	(177,709)	(168,740)	(144,011)	(115,374)
Deficit	55,634	83,161	35,818	42,133	43,471

13 DEFINED CONTRIBUTION PLAN - PROVIDENT FUND

IGI General has set up a provident fund for its permanent employees and contributions were made by IGI General to the Trust in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2023 was Rs. 23.229 million (2022: Rs. 20.666 million). The net assets based on unaudited financial statements of Provident Fund as at December 31, 2023 are Rs. 137.195 million (2022: 149.081 million) out of which 94% were invested in different financial instruments categories as provided in Section 218 of the Companies Act, 2017 and the rules formulated therein. The carrying value of the investments of the provident fund as at December 31, 2023 (unaudited) was Rs. 143.899 million (2022: 155.431 million). The above investments out of provident fund have been made in accordance with the requirements of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

IGI Life has also has set up a provident fund for its permanent employees and contributions were made by the Company to the Fund in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2023 was Rs. 15.334 million (2022: Rs. 17.161 million).

For The Year Ended December 31, 2023

Break up of investments	IGI General		IGI Life	
	Rupees in '000	% of the size of the fund	Rupees in '000	% of the size of the fund
Government securities	91,264	1	66.52%	-
Listed securities	6,021	4.39%	-	-
Bank deposits	34,623	25.24%	50,365	87.92%
Mutual Funds	287	0.21%	-	-
Other assets	-	-	6,919	12.08%
Term finance certificates	5,000	3.64%	-	-
Total	137,195	100.00%	57,284	100.00%

14 STAFF STRENGTH

	Holding Company		Subsidiary Companies	
	2023	2022	2023	2022
(Number of employees)				
Number of employees as at December 31	1	-	358	396
Average number of employees during the year	1	-	377	406

14.1 All the employees are on the payroll of the group and their cost is charged to the Holding Company under the group shared services arrangement.

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023		2022		2023		2022	
(Number of shares)		(Number of shares)		(Rupees in '000)		(Rupees in '000)	
1,942,187	1,942,187	19,422	19,422	19,422	19,422	19,422	19,422
139,351,330	139,351,330	1,393,513	1,393,513	1,393,513	1,393,513	1,393,513	1,393,513
1,337,033	1,337,033	13,370	13,370	13,370	13,370	13,370	13,370
142,630,550	142,630,550	1,426,305	1,426,305	1,426,305	1,426,305	1,426,305	1,426,305

15.1 Reconciliation between ordinary shares in issue at beginning and end of the year is as follows:

	2023	2022
(Rupees in '000)		
At beginning of the year	142,630,550	142,630,550
Issuance of shares during the year	-	-
Redemption of shares during the year	-	-
At end of the year	142,630,550	142,630,550

Notes to and Forming Part of the Consolidated Financial Statements

15.2 Shares in the entity held by associated companies / related parties / undertakings:

	Basis of relationship	2023 (Percentage of shareholding)	2022
Babar Ali Foundation	Associate	10.89%	10.89%
Industrial Technical And Educational Institute Packages Limited	Associate	16.81%	16.81%
Syed Hyder Ali	Director	19.07%	6.20%
Syed Shahid Ali	Director	1.08%	1.08%
Syed Yawar Ali	Director	1.01%	1.01%
Syed Babar Ali	Director	-	18.96%

15.3 During the financial year ended June 30, 2012, IGI Finex received Rs. 650,000,000 in the form of interest free subordinated loan from Syed Babar Ali, Chairman – IGI Holdings, the Holding Company, and a key sponsor of the Group (the preference shareholder). On June 29, 2012, IGI Finex and Syed Babar Ali entered into an irrevocable Subscription Agreement to convert the subordinated loan into preference shares to be issued by IGI Finex to Syed Babar Ali.

The Subscription Agreement provides for issue of 65,000,000 preference shares at the rate of Rs. 10 per share and these shares will be non-voting, non-redeemable, non-convertible and non-cumulative. Further, under the Subscription Agreement, IGI Finex is to take steps for issuance and allotment of preference shares to Syed Babar Ali and to complete all requisite formalities in that connection.

On April 18, 2014 and June 30, 2016, IGI Finex had signed Addendums to the aforesaid Subscription Agreement to amend the terms for payment of dividend to the preference shareholder (as may be declared by IGI Finex out of its distributable profits) and the entitlement of preference shareholder in case of liquidation / change of management control of IGI Finex.

Consequent to the above, in case of change in management control of IGI Finex, the preference shareholder shall be first paid dividend up to 10% of par value until the aggregate amount of preferential dividend paid equals Rs. 650 million and thereafter, 0.1% of par value. Further, in case of liquidation of IGI Finex, preference shareholder shall have priority over ordinary shareholder to the extent of par value of preference shares held, less dividends paid on preference shares.

During the year ended December 31, 2018, IGI Finex had repaid an amount of Rs. 100 million in respect of the advance against preference shares.

During the year ended December 31, 2019, another addendum was again signed to reflect that the amount of advance against preference shares is reduced to Rs. 550,000,000 and preference shares were reduced to 55,000,000 at the rate of Rs. 10 per share. Further, IGI Finex may at its option or discretion refund the entire subscription amount (or any part thereof) at any time during the term of this Subscription Agreement subject to a fifteen days notice to the sponsor, provided that the sponsor shall not be entitled to demand claim / refund of the Subscription amount (or any part thereof) in term of this clause of the Subscription Agreement.

During the year ended December 31, 2021, IGI Finex has repaid an amount of Rs. 55 million in respect of the advance against preference shares.

During the year revised Subscription Agreement of Preference Shares has been signed on February 24, 2023 which supersedes all previously signed Subscription Agreements and related Addendums. The IGI Finex has also completed the allotment of preference shares to Syed Babar Ali after completing the regulatory formalities and preference shares against an advance amounting to Rs. 485,000,000 have been issued. Under the terms of the revised subscription agreement, the preference shares are non-redeemable, non-voting, non-cumulative and are convertible into ordinary shares of the Company in the ratio of 1:1 at par value at the option of Syed Babar Ali. Further, the rate of dividend is 3% as and when declared by the IGI Finex up to the amount of Rs. 495,000,000 and thereafter at the rate of 0.1% in excess of Rs. 495,000,000. In case there is a change in management control the rate of dividend shall be 10% instead of 3% on amount of par value less dividends paid to preference shareholder upto the date of change in management control and thereafter 0.1% of amount of par value. Further in case of liquidation / winding up the preference shareholder shall have priority over ordinary shareholders to the extent of par value of preference shares held less dividends paid on preference shares or 3% of net assets which ever is lower, whereas in case of

For The Year Ended December 31, 2023

change of management control the preference shareholder shall have priority over ordinary shareholders to the extent of par value of preference shares held less dividends paid on such shares up to the date of management control changes or 10% of net assets which ever is lower.

During the year, the IGI Finex issued preference shares to Syed Babar Ali after completion of all formalities. Syed Babar Ali transferred these shares to Babar Ali Foundation as a donation through the Donation Agreement dated August 29, 2023.

16	NON CONTROLLING INTEREST	Note	2023	2022
			(Rupees in '000)	
			277,013	277,669
			24,696	7,274
			10,971	(7,930)
			<u>312,680</u>	<u>277,013</u>
17	INSURANCE LIABILITIES			
	Investment component of unit-linked and account value policies	17.1	14,210,116	10,040,826
	Liabilities under individual conventional insurance contracts	17.1	6,518,733	6,447,583
	Liabilities under group insurance contracts	17.2	438,498	365,750
	Other insurance liabilities	17.3	1,086,316	621,438
	Ledger account A and B	17.4	662,384	515,775
			<u>22,916,047</u>	<u>17,991,372</u>
17.1	Investment component of unit-linked and account value policies			
	Investment component of unit-linked policies		14,210,116	10,040,826
	Investment component of account value policies		6,518,733	6,447,583
			<u>20,728,849</u>	<u>16,488,409</u>
17.2	Liabilities under group insurance contracts			
	Gross of reinsurance		515,174	432,828
	Reinsurance credit		(76,676)	(67,078)
	Net of reinsurance		<u>438,498</u>	<u>365,750</u>
17.3	Other insurance liabilities			
	Gross of reinsurance		1,401,523	938,796
	Reinsurance		(315,207)	(317,358)
	Net of reinsurance		<u>1,086,316</u>	<u>621,438</u>
17.4	Ledger account A and B			
	Opening balance		515,775	456,777
	Surplus of life participating fund		160,984	122,755
	Unrealised income / (loss) for the year		11,897	(47,659)
	Surplus appropriated to Shareholders' Fund		(26,272)	(16,098)
	Closing balance		<u>662,384</u>	<u>515,775</u>
18	LEASE LIABILITIES AGAINST RIGHT-OF-USE ASSETS			
	Lease liabilities against right-of-use assets			
	- Motor vehicles		37,263	28,118
	- Premises		46,066	140,621
			<u>83,329</u>	<u>168,739</u>
	Current portion		45,182	71,537
	Non-current portion		38,147	97,202
			<u>83,329</u>	<u>168,739</u>

Notes to and Forming Part of the Consolidated Financial Statements

	2023			2022		
	Minimum Lease Payments	Financial charges	Principal outstanding	Minimum Lease Payments	Financial charges	Principal outstanding
	Rupees in '000)					
Not later than one year	56,461	11,279	45,182	90,427	18,890	71,537
Later than one year and not later than five years	45,157	7,010	38,147	109,083	11,881	97,202
	101,618	8,289	83,329	199,510	30,771	168,739

19 DEFERRED TAXATION - NET

	Note	2023	2022
(Rupees in '000)			
Deferred tax credits / (debits) have arisen in respect of:			
Accelerated tax depreciation and amortisation		11,043	27,592
Investment in associates and joint venture		2,932,748	1,639,475
Investment classified as available for sale		934,437	465,730
Provision for doubtful receivables		(111,467)	(119,382)
Provision for leave encashment		(2,012)	(2,180)
Defined benefit plan		(10,210)	(16,336)
Lease liabilities against right-of-use assets		(17,092)	(26,867)
Right-of-use-assets		33,737	41,857
Deficit of statutory funds		(540,881)	(420,616)
Provision in respect of Alternate Corporate Tax		(12,082)	-
		<u>3,218,221</u>	<u>1,589,273</u>

19.1 Movement in deferred taxation

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

		2023	2022
Opening		1,589,273	933,333
Charge to the consolidated statement of profit or loss	29	497,076	280,629
Reversal to the consolidated statement of profit or loss and comprehensive income		1,131,872	375,311
Closing		<u>3,218,221</u>	<u>1,589,273</u>

20 SHORT TERM LOAN

		2023	2022
Short term loan	20.1 & 20.2	<u>2,616,765</u>	<u>2,491,697</u>

20.1 This includes short term credit facilities available from various commercial banks under mark-up arrangements amounting to Rs. 2,750 million (2022: Rs. 2,750 million). Unutilised amount as at December 31, 2023 amounts to Rs. 848.844 million (2022: Rs. 1,424 million). These facilities carry mark-up at the rates ranging from 16.65% to 23.10% per annum (2022: 15.92% to 16.86% per annum). These facilities are secured against pledge of shares held by IGI Investments.

20.2 This represents short term credit facility available from Habib Bank Limited under a mark-up arrangement amounting to Rs. 1,500 million. An unutilised amount as at December 31, 2023 amounts to Rs. 927.012 million (2022: Rs. 387.976 million). The rate of mark-up on this facility is 1-month KIBOR + 0.25% per annum (2022: 1-month KIBOR + 0.25% per annum). The facility is secured against pledge of shares held by IGI Investments.

For The Year Ended December 31, 2023

21 TRADE AND OTHER PAYABLES

	Note	2023	2022
(Rupees in '000)			
Federal excise duty		113,689	112,403
Federal insurance fee		6,746	6,796
Agent commission payable		649,987	489,267
Cash margin		284,347	287,982
Certificates of deposit	21.1	594	594
Deposit under lease contracts	21.2	192,441	192,441
Payable against sale of marketable securities		2,830,482	420,286
Payable against profit on unutilised funds		138,123	3,091
Accrued expenses		548,037	304,638
Experience refund payable		129,747	65,925
Payable to customers		195,413	172,546
Others		757,862	463,782
		<u>5,847,468</u>	<u>2,519,751</u>

21.1 This represents certificates of deposit acquired by the Holding Company as part of the amalgamation of IGI Investment Bank Limited (the Investment Bank) with and into IGI Insurance Limited as at December 31, 2016 that has been retained by the Holding Company as part of the Scheme of Arrangement.

The outstanding amount relates to two depositors with aggregate deposits amounting to Rs 0.594 million (2022: Rs. 0.594 million) as they are untraceable. These certificates of deposits have already matured and mark-up payable on these till maturity is Rs. 0.034 million (2022: Rs. 0.034 million). In order to secure the amount for repayment of such deposits till the time parties are traced or lien matter is settled, the Holding Company has placed this amount in a money market fund of NBP fund management limited with authority to Central Depository Company (CDC) to operate the said account on its behalf and to pay the depositors as and when traced in accordance with the directions of the Securities and Exchange Commission of Pakistan (SECP).

21.2 This represents security deposits under lease contracts acquired as part of the amalgamation of IGI Investment Bank Limited with and into IGI Insurance Limited (now IGI Holdings) with effect from December 31, 2016 that has subsequently been retained by the Holding Company as part of the Scheme of Arrangement, against which an equivalent amount of residual value is receivable.

22 CONTINGENCIES AND COMMITMENTS

22.1 Holding Company

- A suit had been filed against the Investment Bank before the High Court of Sindh (the Court) for declaration, damages for Rs. 81.570 million and recovery of Rs. 1 million along with interest & mark-up in connection with the transaction of asset backed securitisation between the parties. Issues had been framed for determination by the Court and the matter is at the stage of the evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of IGI Holding.
- A suit had been filed against the Investment Bank impleaded as defendant No. 6 before the High Court of Sindh for declaration, permanent injunctions, specific performance, settlement and / or rendition of accounts and / or cancellation of cheques and damages of Rs.100 million. The Investment Bank arranged lease finance for buses which were given on lease to a customer. The Court granted leave to defend the suit to all the defendants and the matter is at the stage of evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of IGI Holding.
- There are no material commitments as at December 31, 2023 and December 31, 2022.

22.2 IGI General

22.2.1 The following contingencies were transferred to and vested into IGI General Insurance Limited (IGI General) with effect from close of business on January 31, 2017 that have been retained by IGI General as part of the scheme of arrangement

- IGI General is defending a suit against it by M/s Nawaz Enterprises for recovery of Rs. 9.45 million on account of insurance claim. The management, based on the advice of the legal counsel, is confident that the outcome of the case is likely to be in favor of IGI General.
- IGI General is defending a suit filed against it and the beneficiary on account of damages by the Federation of Pakistan amounting to Rs. 4.929 million. The petition is pending for hearing before Civil Court judge. The management, based on the advice of the legal counsel, is hopeful that the outcome of the case is likely to be decided in favor of IGI General.
- An appeal was filed before the Commissioner - Appeals, the Sindh Revenue Board (SRB) against the order passed by the Assistant Commissioner, SRB under section 23(1) of the Sindh Sales Tax on Services Act, 2011 for tax periods July 2011 to December 2012 in respect of re-insurance accepted transactions which was decided against IGI General. The department alleged that IGI General provided re-insurance services to local insurance companies and demanded Sindh Sales Tax on services under Sindh Sales Tax on Services Act, 2011. The Commissioner Appeals had decided the matter against IGI General. Against the order of the Commissioner - Appeals, further appeal had been filed before the Appellate Tribunal, SRB on January 16, 2015, which was also decided against IGI General. IGI General had filed an appeal in the Honorable High Court of Sindh which is pending adjudication. The management, based on the advice of the legal counsel, is hopeful that the outcome of the case will be decided in favor of IGI General.
- During the year 2018, the Sindh Revenue Board (SRB) raised a demand of tax of Rs 430.412 million under section 23(1) of Sindh Sales Tax on Services Act (SSTA), 2011, in respect of sales tax on reinsurance obtained from foreign re-insurers by IGI General. The department has also imposed a penalty of Rs 21.520 million.

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

IGI General has filed an appeal before the Commissioner Appeals on December 28, 2018 against the above order. The management in hearings held, during the year, before the Commissioner (Appeals) SRB has submitted that:

- The payments to foreign re-insurance companies are not a service and is merely a re-distribution of the insurance risk and therefore the insurance premium. There is no value addition involved since in essence it is a sharing of the insurance risk between the insurer and re-insurers. The management believes that the gross premium charged by the insurer was already subject to Sales Tax on the gross amount, hence it is illogical to again subject it to sales tax upon its re-distribution keeping in view the fact that neither any service is being provided to the policyholder nor any value addition is being made.
- These risk sharing arrangements have been made by IGI General with the re-insurance companies incorporated outside Pakistan with no legal or physical presence therefore it is of the view that the provisions of Sindh Sales Tax laws are not applicable to these type of arrangements and are outside the jurisdiction of Sindh Sales Tax laws.

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

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

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

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

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

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

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

In this connection, the proceedings of the Insurance Tribunal are under progress and there has been no correspondence on this matter after the response was submitted by IGI General. The management of IGI General believes that it has a strong case based on the reports of the two reputed independent surveyors and the advice of the legal counsel. Accordingly, no provision has been recognised in respect of this matter in the consolidated financial statements of the Group for the year ended December 31, 2023.

- There has been no major change, during the year ended December 31, 2023, in contingencies and commitments other than described above.

22.3 IGI Investments

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

22.4 IGI Life

- With effect from November 1, 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on both, life and health insurance, and subjected the same to the levy of Punjab Sales Tax (PST). Previously, the Sindh Revenue Board (SRB) had withdrawn similar exemptions granted in Sindh. However, during 2019, the Sindh Revenue Board, vide notification no. SRB 3-4/5/2019 dated May 8, 2019, restored the exemption on both, life and health insurance business upto June 30, 2019.

Further, the SRB, vide its notifications SRB-3-4/16/2019, SRB-3-4/14/2020, SRB-3-4/17/2021 and SRB-3-4/19/2022 extended the exemption to health insurance upto June 30, 2023. For individual life insurance, the SRB prescribed a reduced rate of 3% on gross premium written. The exemption to Group Life insurance lapsed on June 30, 2019. Hence, Group Life Insurance was made taxable at the full rate of 13%. The SRB, however, vide its notification SRB-3-4/13/2020 dated June 22, 2020, provided exemptions to Individual Life and Group Life Insurance subject to e-deposit of sales tax payable thereon, as were provided or rendered during the period from July 1, 2019 till June 30, 2020. IGI Life, however, has not availed this exemption.

With effect from April 2, 2020, in Punjab, the Government of the Punjab (Finance department), as part of COVID relief, amended Second Schedule to the Punjab Sales Tax on Services Act, 2012 and changed sales tax rates on health and life insurance to 0% without input tax adjustment for the period from notification's effective date till June 30, 2020. This tax exemption is however retained only in case of Individual Health Insurance through Punjab Finance Act, 2020 which is effective from July 1, 2020.

The Insurance Association of Pakistan (IAP) had taken up the matter extensively with PRA and SRB for restoration of the exemptions that were withdrawn, besides seeking legal advice. The legal advisors of the IAP/IGI Life have confirmed the contention of IGI Life that insurance is not a service, but infact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

The legal advisors have also raised the important question of constitutionality of the levy of provincial sales tax on life insurance, which is a Federal subject, and have expressed the view that under Article 142 of the Constitution of Pakistan, only those matters which are not enumerated in the Federal Legislative List, may be legislated upon by the provinces. In their view, since the Federation has retained a legislative mandate over all laws relating to insurance, therefore, only the Federation is entitled to levy any tax in relation to insurance business.

Without prejudice to the main contentions as stated above, even otherwise, the legal advisors have expressed in their opinions a further flaw in the context of the manner in which the entire premium payment, i.e. Gross Written Premium (GWP) is being charged to the levy of provincial sales tax. This is despite the fact that there are two distinct elements of GWP (i) the amount allocated towards the policy holders' investment, which belongs to them and (ii) the difference between the GWP charged and the investment amount allocated. Thus, in their view, if the entire GWP is subjected to provincial sales tax, then this is akin to a direct tax on policyholders, in the nature of income tax, wealth tax, or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

Based on the above contentions, IGI Life and other life insurance / health insurance companies challenged the levy of PST on life and health insurance in the Punjab through a writ petition in the Honorable Lahore High Court (LHC) in September 2019. Subsequent to the filing of the petition, in October 2019, the PRA issued a show cause notice to IGI Life and other life insurance companies, attempting to levy PST on the Pan Pakistan GWP, i.e. beyond their jurisdiction, and for the entire calendar year 2018, besides other inaccuracies. IGI Life and other life insurance companies have filed further writ petitions in the Honorable Lahore High Court against the same. The petition is pending adjudication.

In Sindh, extensive discussions were held at the collective level of IAP with the SRB for the restoration of exemption on life insurance, which remained inconclusive. In November 2019, IGI Life, and other life insurance companies received show cause notices from the SRB, requiring the companies to deposit the SST on life insurance. Based on the same contentions as PST, IGI Life and other life insurance companies, have filed a Petition in the Honorable Sindh High Court (SHC) in November 2019, challenging the levy of SST. The Honorable SHC, in their interim order dated December 2, 2019, directed that the request of the petitioners, seeking exemption in terms of Section 10 of the SST Act, 2011, shall be considered by the SRB in accordance with the law. The Petition is pending adjudication. Further, the Company along with other life Insurance companies has filed a writ petition in the honorable Sindh High Court challenging the vires of the applicability of sales tax on health insurance.

In January 2020, the SRB, PRA and BRA invited the IAP and insurance industry to hold a dialogue for an amicable settlement of the matter. IGI Life, along with the IAP and other insurance companies participated in the meeting convened by Chairman SRB, and will continue its efforts to convince the provincial revenue authorities about the merits of the case.

During the hearing conducted in December, 2020, the Honorable Sindh High Court observed that one of the grounds in the petition is that "insurance" is a federal subject. On this basis, the Honourable Court was of the view that the Federation of Pakistan ought to be made a party. The Honourable Court therefore directed to amend the title of the petition, impleading the Federation as a Party, which has been duly done.

The legal advisors, in their opinion, have expressed the view that IGI Life has a reasonably strong case on the merits of the Petitions filed in both, the Honorable LHC and Honorable SHC, against the imposition of the provincial sales taxes on life and health insurance in the Punjab and on life insurance in Sindh.

Had the sales tax liability on life insurance and health insurance premium been recorded, the profit after tax would have been higher by Rs. 224.614 million while sales tax liability as at December 31, 2020 would have been higher by Rs. 316.357 million.

- There has been no major change, during the year ended December 31, 2023, in contingencies and commitments other than described above.

22.4 IGI Finex

- During the financial year ended June 30, 2012, a brokerage house filed a lawsuit against IGI Finex in the High Court of Sindh for recovery of Rs. 18.433 million together with mark-up on debit balances outstanding in its books and records on account of various transactions. Initially, IGI Finex had filed a counter affidavit against the application filed by the Complainant to seek an interim order. During the financial year ended June 30, 2013, IGI Finex filed a written Statement in this lawsuit, while the Plaintiff has filed a rejoinder to the counter affidavit filed by IGI Finex. IGI Finex has also filed a lawsuit against the same brokerage house and an ex-official of IGI Finex in the High Court of Sindh to recover the outstanding balance appearing in IGI Finex's books of account before provision. The court has issued notices to the defendants. Both the management and the legal counsel are of the view that there is a reasonable probability of IGI Finex's success in both lawsuits.
- During the financial year ended June 30, 2010, one of the customers of IGI Finex filed a lawsuit against IGI Finex before the High Court of Sindh for the recovery of Rs. 3.5 million along with damages of Rs. 100 million. The aforementioned lawsuit is counterblast to IGI Finex's suit for recovery of Rs. 0.97 million along with liquidated damages at the rate of 24%, filed during the financial year ended June 30, 2010 before the Senior Civil Judge Karachi, South, which was subsequently transferred to the Honorable High Court of Sindh at Karachi, on IGI Finex's civil transfer application, moved under section 24 read with section 151 of Civil Procedure Code. Both the management and the legal counsel are of the view that there is a reasonable probability of IGI Finex's success in both lawsuits.
- During the financial year ended June 30, 2010, one of the customers of IGI Finex had filed a lawsuit against IGI Finex in the Court of Senior Civil Judge Karachi, South for the recovery of Rs. 12.6 million along with mark-up thereon. The said lawsuit is counterblast to IGI Finex's suit for recovery of money, declaration and permanent injunction for recovery of Rs. 3.3 million along with liquidated damages at the rate of 24%, filed during the financial year ended June 30, 2009 before the Honorable High Court of Sindh. Both the management and the legal counsel are of the view that there is a reasonable probability of IGI Finex's success in both lawsuits.
- During the year ended June 30, 2009, a brokerage house filed suit before the Honorable Civil Judge, Lahore for declaration and permanent injunction against IGI Finex. The brokerage house filed a contempt petition and a petition under section 33 of the Arbitration Act against IGI Finex before the Honorable Civil Judge, Lahore. Furthermore the brokerage house also filed a civil revision before the Honorable Lahore High Court, Lahore Bench against an order passed by the learned Civil Judge wherein the learned Civil Judge was pleased to dismiss the temporary injunction granted to the brokerage house, the said order was also affirmed in appeal. Further, IGI Finex has filed a suit for recovery for Rs. 53.062 million along with liquidated damages and a petition before National Accountability Bureau (NAB) against the brokerage house. Both the management and legal counsel are of the view that there is a reasonable probability of Company's success in the lawsuit.
- There were no material commitments as at December 31, 2023 and December 31, 2022.

Notes to and Forming Part of the Consolidated Financial Statements

The Group's share in contingencies of associates and joint venture accounted for under equity method is Rs. 3,810.26 million (2022: Rs. 3,810.26 million).

23 OPERATING REVENUE	Note	2023	2022
		(Rupees in '000)	
Net premium income		12,151,358	9,199,571
Dividend income		1,333,037	1,762,057
Return on government and debt securities		2,924,591	1,800,832
Fee, commission and brokerage		159,448	121,955
Wakalah fee income		463,085	360,178
Unrealised gain / (loss) on investments - net		10,868	(17,557)
Gain / (loss) on sale of investments - net		449,917	(10,808)
		<u>17,492,304</u>	<u>13,216,228</u>
24 OPERATING EXPENSES			
Net claims		6,299,611	7,328,721
(Reversal) / charge of premium deficiency		(3,424)	2,079
Commission expense - net		2,475,781	1,880,340
Management expenses	24.1	2,459,866	1,854,892
		<u>11,231,834</u>	<u>11,066,032</u>
24.1 Management expenses			
Salaries, wages and benefits		1,230,975	953,749
Rent, rates and taxes		121,189	76,981
Utilities		71,309	41,425
System maintenance		141,540	97,528
Education and training		6,045	3,513
Computer expenses		5,325	3,504
Communication		80,560	42,076
Security expenses		15,320	18,697
Consultancy fee		6,914	7,692
Directors' fee		10,390	10,003
Actuary's fees		10,036	10,772
Shariah advisor fees		1,889	1,677
Legal and professional charges		50,129	35,724
Advertisement expenses		29,979	10,986
Stationery and printing		37,455	27,499
Depreciation and amortisation		260,577	263,273
Vehicle running expenses		122,298	72,863
Travelling		62,489	51,540
Miscellaneous		86,935	40,516
		<u>2,459,866</u>	<u>1,854,892</u>
25 OTHER INCOME			
From financial assets			
Profit on savings accounts and term deposits		668,185	189,798
Recoveries against bad and doubtful loans and advances / lease losses - net		-	7,300
		<u>668,185</u>	<u>197,098</u>
From non-financial assets			
Rental income		(486)	-
Gain on disposal of assets		61,996	57,273
Fee for claim administration services		19,929	21,500
Return on loan to policyholders		19,523	14,937
Others		133,712	84,315
		<u>234,674</u>	<u>178,025</u>
		<u>902,859</u>	<u>375,123</u>

For The Year Ended December 31, 2023

26 GENERAL AND ADMINISTRATIVE EXPENSES	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and benefits		271,395	188,615
Brokerage commission expense		17,944	-
Rent, rates and taxes		9,941	8,944
Repairs and maintenance		5,991	5,114
Insurance expenses		21,217	16,162
Motor car expenses		-	14,688
Tour and travelling		817	605
Stationery and printing		2,544	2,495
Depreciation and amortisation		8,448	6,892
Advertisement expenses		5,229	14,684
Legal and professional		22,820	32,813
Regulators fee		15,735	18,566
Fee and subscription		18,164	31,516
Education and training		43,617	479
Others		53,525	61,958
		<u>497,387</u>	<u>403,531</u>
27 OTHER EXPENSES			
Auditors' remuneration	27.1	47,633	50,742
Donations	27.2	9,364	9,198
Financial charges		563,314	435,841
		<u>620,311</u>	<u>495,781</u>
27.1 Auditors' remuneration			
Fee for statutory audit		10,001	6,959
Fee for interim review		2,422	1,783
Fee for audit of consolidated financial statements		2,430	1,755
Fee for audit of regulatory returns, special certifications and sundry services		22,595	27,498
Other advisory services		4,987	8,919
Out of pocket expenses		5,198	3,828
		<u>47,633</u>	<u>50,742</u>
27.2			

This represents donation paid to Packages Foundation (a related party), in which Mr. Shamim Ahmed Khan and Syed Hyder Ali (directors of the Holding Company) are Trustees.

28 SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND JOINT VENTURE UNDER EQUITY ACCOUNTING - NET

Name of associates / joint venture	2023				2022			
	Profit / (loss) after tax	Other comprehensive loss after tax	Share of profit / (loss) after tax	Share of other comprehensive loss after tax	Profit / (loss) after tax	Other comprehensive loss after tax	Share of profit / (loss) after tax	Share of other comprehensive loss after tax
	(Rupees in '000)							
Packages Limited	10,541,088	8,717,315	3,149,748	2,604,792	6,979,829	412,626	2,112,389	85,779
Dane Foods Limited	-	-	-	-	-	-	-	-
Packages Real Estate (Private) Limited	224,046	1,540	55,664	383	284,531	-	70,691	(416)
S.C Johnson & Son of Pakistan (Private) Limited	(421,777)	-	(119,250)	-	(421,777)	-	(101,250)	-
Hoescht Pakistan Limited	943,593	72,433	235,615	18,087	-	-	-	-
	<u>11,286,950</u>	<u>8,791,288</u>	<u>3,321,777</u>	<u>2,623,262</u>	<u>6,842,583</u>	<u>412,626</u>	<u>2,081,830</u>	<u>85,363</u>

Notes to and Forming Part of the Consolidated Financial Statements

29 TAXATION

	2023	2022
	(Rupees in '000)	
For the year		
- Current	1,700,758	1,060,850
- Prior year	39,974	29,289
- Group tax adjustments	(395,713)	(263,206)
- Deferred	497,076	280,629
	<u>1,842,095</u>	<u>1,107,562</u>
29.1 Tax charge reconciliation		
Profit before tax	<u>5,753,735</u>	<u>3,987,013</u>
Tax calculation at the rate of 29% (2022: 29%)	1,668,583	1,156,234
Effect of items taxable under lower rates	(133,861)	(11,143)
Effect of permanent differences	100,746	61,064
Prior year	39,974	29,289
Group tax adjustments	(395,713)	(263,206)
Effect of Super tax	533,711	131,602
Effect of change in tax rate	(61,938)	-
Adjustment in respect of income under final tax regime	111,053	-
Tax effect of reversal of provision in respect of doubtful debts	(26,282)	-
Others	5,822	3,722
	<u>1,842,095</u>	<u>1,107,562</u>
29.2 Contingencies related to tax matters:		
29.2.1 Holding Company		

- The contingencies were acquired by the Holding Company as part of the amalgamation of Ex. IGI Investment Bank Limited (Investment Bank) with effect from December 31, 2016 that has been retained by the Company as part of the scheme of arrangement.

Income tax returns for the tax years 2011, 2012, 2013, 2014, 2015, 2016 and 2017 have been filed by the Ex. IGI Investment Bank Limited / IGI Holdings Limited on due dates that are deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001.

Matters that are being contested mainly include the following:

- The rate of tax applied in computing the tax liability of the Investment Bank was the one applicable to a banking company instead of the rate applicable for a public company (Assessment years 1991-92 to 2000-01). The Lahore High Court vide orders in CTR No.04 of 2005 and CTR No. 02 of 2008 for the assessment years 1993-1994 to 1997-98 had decided this issue in favour of the Investment Bank by rejecting the reference application filed by the tax department.
- The Investment Bank is a non banking finance company in accordance with the provisions of section 2(10) of Income Tax Ordinance, 1979 read with Section 5(b) & 5(c) of the Banking Companies Ordinance, 1962. In light of said provisions the Investment Bank is an investment finance company, so its dividend income should be taxed as a separate block of income at the reduced rate. The above mentioned issue is decided in favour of the Investment Bank by The Lahore High Court, Lahore vide orders in CTR No.04 of 2005 and CTR No. 02 of 2008 for the assessment years 1993-1994 to 1997-98.
- Addition on account of accounting depreciation as a result of restricting the claim of accounting depreciation upto net income from leased assets (Tax year 2003). The Appellate Tribunal Inland Revenue, Lahore (ATIR) vide order No. ITA No. 1074/LB/2008 dated November 07, 2018 decided the appeal on the said point in favour of the Investment Bank.
- Disallowance of certain expenses and additions to taxable income on account of lease key money, lease rentals, excess perquisites and miscellaneous expenses relating to various assessment years (assessment years 1995-96 to 2000-01).

For The Year Ended December 31, 2023

- Charging minimum tax under section 113 of the Ordinance without allowing adjustment of tax paid under final tax regime (Tax years 2008 and 2010). The ATIR vide consolidated order No. ITA No. 1716/LB/2013 & ITA No. 1717/LB/2013 dated January 09, 2019 decided the appeals on the said point in favour of the Investment Bank.
- Disallowance of initial depreciation on leased commercial vehicles (Tax years 2004, 2005, 2006 and 2007). For Tax years 2004 & 2005, the ATIR vide orders No. ITA No. MA(AG) No. 48/LB/2019 / ITA No. 1581/LB/2011 and ITA No. 1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being Time Barred. For tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for readjudicating.
- Addition as a result of proration of expenses between exempt income (capital gains), dividend income and business income (Assessment / Tax years 2003, 2004, 2005, 2006 and 2007). For assessment year 2002-03, appeal is pending before ATIR. For Tax years 2004 & 2005, the ATIR vide orders No. ITA No. MA(AG) No. 48/LB/2019 / ITA No. 1581/LB/2011 and ITA No. 1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being time barred. For Tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for readjudicating.
- Addition on account of allocation of finance cost to brokerage and commission income amounting to Rs.18.445 million (Tax Year 2009).
- Addition on account of specific provisions of Rs. 117.639 million (Tax Year 2009).

The management and its tax advisor are confident that all above matters will eventually be decided in favor of IGI Holdings.

- Income tax return for the tax year 2017 was filed by IGI Holdings that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. IGI Holdings, during year ended December 31, 2018, received notice from Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001.

The principal observations raised by ACIR were related to levy of tax on undistributed profits and super tax, admissibility of tax losses of formerly IGI Investment Bank Limited and deductions claimed on account of write-offs. IGI Holdings filed constitutional petitions for the matters pertaining to the levy of tax on undistributed profits and super tax and obtained stay order against any adverse action in relation thereto and also submitted its response / explanations to ACIR.

During the year ended December 31, 2019, ACIR passed order against the response submitted by the Holding Company and raised tax demand of Rs. 435.869 million on matters raised in the notice except for the admissibility of deductions on account of write-offs. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) and the learned CIRA, on the merits of the case, decided appeal in favor of the Holding Company on account of admissibility of tax losses of formerly IGI Investment Bank Limited, while upheld decision of ACIR on the matters pertaining to levy of tax on undistributed profits and super tax which is already pending adjudication at the Honorable High Court of Sindh. As a result of order passed by CIRA, the management estimates that tax demand has been reduced by Rs. 223.221 million. However, an appeal effect order is pending in this regard.

During the year ended December 31, 2020, the Holding Company has filed an appeal with Appellate Tribunal Inland Revenue (ATIR) on the matters decided in favor of ACIR by the learned CIRA, while ACIR has also filed an appeal with ATIR on the matter of admissibility of tax losses decided in favor of the Holding Company, both of which are currently pending adjudication.

During the year ended December 31, 2021, the Honorable High Court of Sindh decided the matter of tax on undistributed profits in favor of the Company. The tax department has filed Civil Petition for Leave to Appeal in the Honorable Supreme Court of Pakistan against the order which is pending adjudication.

During the year ended December 31, 2022, the Holding Company received a notice from ACIR to explain the position in the matters remanded by CIRA. The Holding Company submitted the response explaining that no issues were remanded by CIRA in its order. However, the ACIR passed an amended assessment order creating a demand of Rs. 435.869 million. The Holding Company submitted application for rectification with the Commissioner Inland Revenue (CIR) against ACIR order creating demand erroneously. The concerned ADCIR found the Company's contention correct and issued rectification order whereby the tax demand earlier created for the Tax Year 2017 through an appeal effect order amounting to Rs 435.869 million is now reduced to Rs 29.670 million (i.e. 3 percent of the taxable income as declared in the submitted income tax return for the Tax Year 2017) which is not recoverable considering the directions of the Honorable Supreme Court of Pakistan (SCP) through judgement dated November 26, 2020 and the fact that 50 percent of the tax demand of Rs . 28.607 million (relating to super tax created of Rs 57.214 million through the assessment order dated September 17, 2019) has already been paid as per the directions of the SCP.

The management, based on the advice of its tax advisor, is confident of favorable outcome of the above proceedings.

- Income tax return for the tax year 2018 was filed the Holding Company that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. The Holding Company received a notice to amend assessment under section 122 (5A) from Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001.

The principal observations raised by ACIR were related to taxation of dividend and commission income at corporate tax rate, levy of super tax and inadmissible deductions of provision against investments and doubtful debts and impairment of goodwill. The Holding Company filed constitutional petition for the matter pertaining to the levy of super tax and obtained stay order against any adverse action in relation thereto and also submitted its response / explanations to ACIR.

The ACIR passed order against the response submitted by the Holding Company and raised tax demand of Rs. 475.538 million on matters raised in the notice except for the matters related to admissibility of deductions of provision against investments and doubtful debts. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) and the learned CIRA, on the merits of the case, remanded back matters related to taxation of dividend and commission income at corporate tax rate and impairment of goodwill while confirming decision of ACIR on account of levy of super tax which is already pending adjudication at the Honorable High Court of Sindh.

The Holding Company has filed response to ACIR on the issues remanded back by the learned CIRA and has also filed an appeal with Appellate Tribunal Inland Revenue (ATIR) against order of the learned CIRA in the matters related to taxation of dividend and commission income at corporate tax rate, impairment of goodwill and levy of super tax.

During the year ended December 31, 2020, the Honorable High Court of Sindh has passed its judgment in the various constitutional petitions filed by various parties including IGI Holdings on the matter of levy of super tax. The Honorable High Court, while dismissing the petitions has held that the Super Tax has been validly levied under the constitution. IGI Holdings has challenged the decision of Honorable Sindh High Court in the Supreme Court of Pakistan jointly with the other petitioners. The learned Supreme Court has restrained tax department from any coercive action against petitioners subject to deposit of 50% amount of levy of super tax. IGI Holdings has deposited the said amount pertaining to levy of super tax as directed by the Supreme Court.

During the year ended December 31, 2022, the Holding Company, again, received notice from ACIR to explain the position in the matters remanded by CIRA. The Holding Company submitted the response along with the documentary evidences and requested to keep proceedings in abeyance until the decision of ATIR on these matters. However, the ACIR passed an amended assessment order creating a demand of Rs. 475.537 million. The Holding Company submitted application for rectification with the Commissioner Inland Revenue (CIR) against ACIR order creating demand erroneously in light of appeal pending with the ATIR. The concerned ADCIR found the Holding Company's contention correct and issued rectification order whereby the tax demand earlier created for the Tax Year 2018 through an appeal effect order amounting to Rs 475.537 million is now reduced to nil.

The management, based on the advice of its tax advisor, is confident of favorable outcome of the above proceedings.

- Income tax return for the tax year 2019 was filed by the Holding Company that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. During the year 2020, the Holding Company received a notice to amend assessment under section 122 (5A) from Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001.

The principal observations raised by ACIR are related to levy of super tax and apportionment of expenses. The Holding Company filed constitutional petition for the matter pertaining to the levy of super tax and obtained stay order against any adverse action in relation thereto. Subsequent to the year end, the Holding Company has also submitted its responses / explanations to ACIR.

During the year ended December 31, 2022, the ACIR has passed its order creating a tax demand of Rs. 278.750 million on account of apportionment of expenses and disallowance of certain expenses. The management is in process of filing an appeal before Commissioner Inland Revenue (Appeals) against the order passed by ACIR. The Honourable High Court also dismissed petition for the matter pertaining to the levy of super tax which has been challenged in the Honourable Supreme Court of Pakistan. The CIRA has passed the order whereby the matters pertaining to disallowance of expenses and apportionment of expenses have been remanded back whereas the levy of super tax has been upheld. The Holding Company has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order.

The management, based on the advice of its tax advisor, is confident of favourable outcome of the above proceedings.

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

29.2.2 IGI General

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

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

IGI General has also filed applications in respect of certain mistakes made in the orders passed under section 124 of the Income tax Ordinance for 2001-2002 and 2002-2003. The applications filed were rejected by the Tax Officer against which appeals had been filed with the CIT (A) which are pending.

The Additional Commissioner of Income Tax (AC) has issued notice under section 122 (5A) of the Income Tax Ordinance, 2001 in respect of the tax year 2005 and 2006 whereby he has proposed to disallow claim of expenses and exemption in respect of gain on sale of shares and taxed income from associates. Against the above notice, IGI General has filed a constitutional petition before the Honorable High Court. The regular hearing of petition is currently pending with the High Court.

- In respect of tax year 2007, all significant issues involved amounting to Rs. 7 billion were decided in favor of IGI General by CIR(A) and then by the ATIR. However, no appeal effect order has been passed. Further, certain matters amounting to Rs. 82 million that were remanded back to DCIR by the CIR(A) were not decided upon by the High Court. IGI General has written a letter to the taxation officer for passing appeal effect orders. The department had filed Income Tax Reference Application before Honorable High Court of Sindh against the deletion of the addition made on account of re-characterisation of actual realised capital gain. The said Income Tax Reference Application was heard by Honorable High Court and the judgment has been passed in favour of IGI General.

The tax department has further filed a civil petition before the Honorable Supreme Court of Pakistan against the judgement of the Honorable High Court which is pending adjudication.

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

The additional Commissioner Audit zone III LTU Karachi issued another notice under section 122(5A) of the Ordinance in May 14, 2014 and passed an amended assessment order under section 122(5A) by disallowing provision for IBNR and allocation of expense against capital gains and dividend income. As a result of amended assessment demand of Rs. 63.166 million was created. Against the disallowances made by the ACIR, IGI General has filed an appeal before the Commissioner Inland Revenue (Appeals) and also filed an application for stay of demand. Pursuant to the stay application, the CIR(A) has granted stay of demand to IGI General. Against the above disallowance, IGI General filed an appeal before the learned Appellate Tribunal Inland Revenue. Further, IGI General challenged the assessment order on the ground that the assessment was barred by limitation of time. Moreover, the department filed a cross appeal before the ATIR challenging the relief granted by the CIR(A). The ATIR has decided both the appeals on the point of limitation of law as contained under section 122(2) of the Ordinance and have decided the appeal in favor of IGI General. Moreover, the departmental appeal has also been rejected being treated as infructuous. The department has filed a reference application before the Sindh High Court against the order of the ATIR which is pending adjudication.

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

- In case of tax year 2009, the Deputy Commissioner of Inland Revenue (DCIR) has passed the amended order under section 122(5A) of the Ordinance by disallowing provisions on account of IBNR, unearned commission and allocation of expenses relating to exempt income. As a result of amended assessment demand of Rs 141 million was created. The DCIR has made certain errors in the order for which application for rectification was filed. Rectified order under Section 221 has been passed and as a result demand has been reduced to Rs. 51 million. The learned

CIR(A) has granted partial relief in respect of certain issue and confirmed certain disallowances. IGI General filed further appeal before the appellate tribunal inland revenue (ATIR) in respect of issues on which relief was not allowed by the CIR(A). The ATIR, pursuant to the appeals filed against the order of CIR(A), has now passed the order whereby the ATIR has confirmed disallowance made on account of provision for IBNR. Further issue of allocation of expenses against investment income has been remanded back to CIR(A). As regards, the issue of addition made on account of provision of unearned commission, the ATIR has upheld the decision of CIR(A) whereby disallowance made on this score is deleted. In respect of issues decided against IGI General, a reference application was filed before Honorable Sindh High Court where the IBNR issue has been decided in favor of IGI General whereas remaining issues are pending adjudication.

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

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

Pursuant to the appeal, the learned CIR(A) vide combined appellate order No.21 and 22/A-1 dated 10 March 2016 has decided all issues in favor of IGI General. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication. Further, the tax department has also filed further appeal before the ATIR in respect of the issues on which relief was allowed by the CIR(A). Pursuant to the above appeal, the ATIR passed the order dated June 8, 2023 wherein all issues contested in appeals have been decided in favour of IGI General.

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

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

- (a) Chargeability of tax on dividend income and property income at corporate tax rate;
- (b) Provision for IBNR;
- (c) Levy of Workers' welfare fund for the year.

As regards, credit / adjustment of refunds available to IGI General, the CIR(A) has remanded back the issue with the directions to verify the claim of refunds and allow the adjustment as per law. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication. Further, the tax department has also filed further appeal before the ATIR in respect of the issues on which relief was allowed by the CIR(A). Pursuant to the above appeal, the ATIR passed the order dated June 8, 2023 wherein all issues contested in appeals have been decided in favour of IGI General.

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

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

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

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

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

- In case of tax year 2014, case of IGI General was selected for audit under section 177 of the ordinance and subsequently, the Deputy Commissioner Inland Revenue (DCIR) has passed an amended assessment order under section 122(1) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 34% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR and has also made an addition on account of disposal of fixed

assets at less than Fair Market Value (FMV) and motor car expenses paid in cash under section 21(l) in the amended assessment order. As a result of the amended assessment, demand of Rs. 148.444 million was created. IGI General has obtained stay from the Honorable Sindh High court in respect of the above tax demand. Further, against the aforesaid order, IGI General has also filed an appeal before CIR(A) . The stay from the Honorable Sindh High Court has been disposed off subsequently with the directions that no coercive measures taken by the Tax Authorities till the decision of the CIR(A) on the appeal filed is finalised.

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

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

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

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

The ACIR also passed an order under section 221 of the Ordinance charging Super tax under section 4B amounting to Rs. 27.912 million. Without prejudice to the stance in appeal, IGI General made payment of Rs 20 million in respect of the Super tax liability under section 4B whereas the remaining Super tax demand of Rs. 7.912 million was adjusted against the refund of tax year 2008. IGI General filed an application with the ACIR requesting to annul the order based on various legal grounds, however, no order was passed in this regard. Moreover, IGI General also filed an appeal before the CIR(A) in respect of the order passed under section 221 of the Ordinance. Pursuant to the above appeal, the CIR(A) passed the appellate order wherein the action of the ACIR in charging super tax under section 221 of the Ordinance was annulled. IGI General has written a letter to the concerned taxation officer for passing appeal effect order in line with the appellate order passed by the CIR(A), which is pending. The tax department has also filed further appeal before the ATIR against the order passed by the CIR(A), which is pending adjudication. During the year, the ATIR has dismissed the appeal filed by the tax department by mentioning that the tax department did not press the above appeal.

Notes to and Forming Part of the Consolidated Financial Statements

- The case for tax year 2015 was further selected for audit under section 177 of the Ordinance. IGI General submitted all the information requested through the Information and Document Request (IDR) pursuant to which a show-cause notice was issued in December 2017. IGI General has submitted its response in respect of the issues raised in the show-cause notice, however, no assessment order has yet been passed. In previous year, the Deputy Commissioner Inland Revenue (DCIR) has passed an amended assessment order under section 122(4) of the Income Tax Ordinance, 2001 wherein tax on outstanding commission payable has been imposed on account of being outstanding for more than three years and provision for IBNR has been disallowed. As a result of the amended assessment, demand of Rs. 62.032 million was created. IGI General has filed an appeal and stay application before the Commissioner Inland Revenue (Appeals) (CIRA) against the order. While the appeal is pending adjudication, the CIRA has granted stay against the order.
- In case of tax year 2016, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 32% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has disallowed the claim of expense on account of health administrative services under section 21(c) of the ordinance and has also made an addition on account of disposal of fixed assets at less than Fair Market Value (FMV) in the amended assessment order. As a result of the amended assessment, demand of Rs. 105.190 million was created. IGI General has filed stay application in respect of the above tax demand in the Honorable High Court of Sindh and also filed an appeal against the aforesaid order before the CIR(A).

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issues in respect of levy of tax on dividend income at corporate tax rates and disposal of vehicles at less than FMV have been decided in favor of IGI General whereas the issue of non-deduction of tax on payment for health plan administrative services under section 21(c) of the Ordinance has been decided against IGI General.

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

Further, IGI General received an assessment order dated July 07, 2022 demanding of Rs. 13.350 million. Subsequent to the year end, IGI General filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

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

Further, IGI General received an assessment order dated December 16, 2022 demanding of Rs. 16.301 million. Subsequent to the year end, IGI General filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

The management and tax advisor of IGI General are confident that the above matters will be decided in IGI General's favor. Accordingly, no provision has been recognised in these consolidated financial statements.

29.2.3 IGI Finex

- During financial year 2013, audit proceedings under section 177 of the Income Tax Ordinance, 2001 in relation to the Tax Year 2010 were concluded by the Deputy Commissioner Inland Revenue (DCIR) which led to an eventual tax demand of Rs. 6.672 million. The DCIR disallowed certain expenses claimed by IGI Finex as well as claim of exempt capital gain on sale of listed securities, treated certain trade debtors as trade creditors and treated the difference between the amount of salaries as per the annual statement filed under section 165 of the Income Tax Ordinance, 2001 and that disclosed in the financial statements as unexplained expenditure. IGI Finex had filed an appeal with the Commissioner Inland Revenue (Appeals) against the said demand which was heard by the Commissioner.

For The Year Ended December 31, 2023

- During the year ended June 30, 2014, the Commissioner passed an order under which IGI Finex had been allowed certain expenses which were disallowed by DCIR in earlier assessment. DCIR had filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the said order. The management also filed a second appeal before ATIR. During the year ended June 30, 2017, ATIR in its Order dated May 31, 2017 had remanded back the matter to DCIR, with a direction to ascertain the true facts of the disallowed matters, rejected the appeal of the tax department and upheld the findings of CIR(A). The findings of CIR(A) included remanding back the matter to DCIR of treating certain trade debtors as trade creditors and of treating the difference in the amount of salaries as unexplained expenditure and allowing appeal of IGI Finex that it was not heard by the DCIR before disallowment of the expenses. IGI Finex has submitted an application to the Deputy Commissioner Inland Revenue to give the appeal effect of these matters at the earliest.

The management and tax advisor of IGI Finex are confident that the above matters will be decided in IGI Finex's favor. Accordingly, no provision has been recognised in these consolidated financial statements.

30 EARNINGS PER SHARE

30.1 Basic earnings per share

Profit for the year attributable to equity holders of the parent

2023	2022
(Rupees in '000)	
3,886,944	2,872,177

(Number of shares)

Weighted average number of ordinary shares

142,630,550	142,630,550
-------------	-------------

(Rupees)

Earnings per share

27.25	20.14
-------	-------

30.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at December 31, 2023 and December 31, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES OF HOLDING COMPANY

The aggregate amounts charged in these consolidated financial statements for remuneration, including certain benefits, to the Chief Executive, Director and Executives of the Group during the year are as follows:

31.1 Holding Company

	Chief Executive		Directors	
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
Managerial Remuneration				
Bonus	19,509	-	16,178	-
Fee for attending board meeting	8,044	-	-	-
	-	3,850	-	4,025
	27,553	3,850	16,178	4,025
Number of persons	1	7	1	8

Notes to and Forming Part of the Consolidated Financial Statements

31.2 Subsidiary companies

	Chief Executive*		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Fee for attending board meeting	-	-	16,575	13,600	-	-
Managerial remuneration	65,972	49,578	4,550	4,136	339,927	255,251
Bonus	13,559	10,955	-	-	48,188	66,934
Retirement benefits (including provident fund)	3,583	3,966	455	414	25,472	15,927
Housing and utilities	18,117	16,231	2,957	2,688	103,108	58,504
Medical expenses	2,151	1,912	-	-	440	5,805
Conveyance allowance	-	1,099	-	-	3,138	16,531
Others	13,905	6,421	3,131	2,936	34,910	14,362
	117,557	90,162	27,668	23,774	555,183	433,314
Number of persons	3	3	15	15	147	67

*Salary expense of the Chief Executive of IGI Investments is charged through group shared services agreement.

32 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, other related group companies, directors of the Group, key management personnel, major shareholders and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Remuneration of key management personnel is disclosed in note 31. Amounts due to / from and other significant transactions, other than those disclosed else where in these consolidated financial statements, are as follows:

	Associates / joint venture		Post employment benefit plans		Directors		Key Management personnel		Other related parties	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)									
Transactions										
Premium underwritten	-	-	-	-	-	-	5,265	2,664	-	-
Premium collected	-	-	-	-	-	-	5,265	1,850	-	-
Claims expense	-	-	-	-	-	-	1,078	833	-	-
Dividend received	-	-	-	-	-	-	-	-	18,752	48,755
Dividend paid	231,813	82,682	-	-	147,550	213,465	-	-	217,311	276,578
Charge for group shared services	-	-	-	-	-	-	-	-	6,207	10,334
Wakala Fee income	-	-	-	-	-	-	-	-	463,085	360,178
Mudarib's share on investment income - income	-	-	-	-	-	-	-	32,930	18,802	-
Charge in respect of gratuity fund	-	-	-	30,443	33,074	-	-	-	-	-
Charge in respect of provident fund	-	-	-	31,662	34,424	-	-	-	-	-
Contribution to gratuity fund	-	-	-	28,454	15,400	-	-	-	-	-
Contribution to provident fund	-	-	-	33,468	7,636	-	-	-	-	-
Key Management Personnel compensation	-	-	-	-	-27,668	23,774	672,740	523,475	-	-
Purchase of marketable securities for and on behalf of	-	-	-	-	-	164,125	144,693	-	-	-
Sale of marketable securities for and on behalf of	-	-	-	-	-	185,096	146,077	-	-	-
Brokerage income earned	-	-	-	-	-	-	740	415	-	-
Donation	-	-	-	-	-	-	-	-	9,364	8,558
Balances										
Investment in shares	24,574,170	17,460,165	-	-	-	-	-	-	523,708	655,309
Other receivable	-	-	-	-	-	-	-	-	238,269	224,141
Retirement benefit obligation (Payable to) / receivable from provident fund	-	-	(55,634)	(83,161)	-	-	-	-	-	-
	-	-	21,509	29,414	-	-	-	-	-	-

For The Year Ended December 31, 2023

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

S. No.	Name of related party	Basis of association / relationship	Aggregate % of shareholding
1	Packages Limited	Associate	10.54%
2	Syed Babar Ali	Chairman	N/A
3	Babar Ali Foundation	Other related party	10.89%
4	Industrial Technical and Educational Institute	Other related party	16.81%
5	DIC Pakistan Limited	Other related party	N/A
6	Packages Real Estate (Private) Limited	Associate	N/A
7	Syed Maratib Ali Trust	Other related party	N/A
8	Tri-Pack Films Limited	Other related party	N/A
9	Bulleh Shah Packaging Limited	Other related party	N/A
10	Omypack Private Limited	Other related party	N/A
11	Packages Lanka	Other related party	N/A
12	Syed Hyder Ali	Key management personnel	19.07%
13	Chaudhry Tahir Masaud	Key management personnel	N/A
14	S.C.Johsons & Son of Pakistan Private Limited	Associate	45%

33 OPERATING SEGMENT

33.1 The Group's business is organised and managed separately according to the nature of services provided with the following segments:

Non-Life Insurance (Conventional and Takaful)

- Fire and property insurance provides coverage against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and other related perils
- Marine, aviation and transport insurance provides coverage against cargo risk, war risk, damages occurring in inland transit and other related perils.
- Motor insurance provides comprehensive car coverage, indemnity against third party loss and other related coverage.
- Accident and health insurance provides coverage against personal accident, hospitalisation and other medical benefits.
- Miscellaneous insurance provides coverage against burglary, loss of cash in safe and cash in transit, engineering losses, travel and other coverage.

Life Insurance

- The Life (participating) segment provides life insurance coverage to individuals under individual life policies that are entitled to share in the surplus earnings of the statutory fund to which they are referable.
- The Life (non-participating) segment provides life insurance coverage to individuals under individual life policies that are not entitled to share in the surplus earnings of the statutory fund to which they are referable.

Notes to and Forming Part of the Consolidated Financial Statements

- The Life (non-participating) Group segment provides life insurance coverage to employer-employee (and similar) groups of employees / members under a single life policy issued to the employer. The Group policy is not entitled to share in the surplus earnings of the statutory fund to which it is referable.
- The Investment Linked business segment provides life insurance coverage to individuals, whereby the benefits are expressed in terms of units, the value of which is related to the market value of specified assets.
- The Accident and Health - Individual segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals.
- The Accident and Health - Group segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.
- The Pension Fund segment provides coverage for the purposes of a pension or a retirement scheme with or without the payments being guaranteed for a minimum period.

Family Takaful

- The individual family takaful business segment provides family takaful coverage to individuals under unit-linked policies issued by the Group.
- The Group Family Takaful business segments provides family takaful coverage to members of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Group.
- The Group Health Takaful provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.

Brokerage business

- The brokerage business segment deals in shares and commodities brokerage, money market and foreign exchange brokerage and advisory and consulting services.

For The Year Ended December 31, 2023

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

	2023													Aggregate Total					
	Non-life Insurance						Life Insurance						Investment business		Brokerage business				
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Life (Participating)	Life (Non-Participating)	Investment Linked Business	Accident and Health Individual	Accident and Health Group	Pension Business Fund	Takaful Window Individual				Takaful Window Group family	Takaful Window Group health		
Segment assets	8,350,897	943,466	1,210,412	547,938	2,520,454	2,309,371	6,163,467	920,243	7,725,754	26,987	512,479	435,777	6,782,568	13,910	44,846	81,495	55,551,939	3,703,078	97,845,041
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,256,246
Consolidated total assets	8,350,897	943,466	1,210,412	547,938	2,520,454	2,309,371	6,163,467	920,243	7,725,754	26,987	512,479	435,777	6,782,568	13,910	44,846	81,495	55,551,939	3,703,078	117,101,287
Segment liabilities	9,418,350	1,006,331	2,020,632	923,705	1,602,724	1,646,987	5,678,606	659,980	7,851,078	40,776	388,303	421,777	7,033,338	8,815	(4,161)	3,742	3,911,286	3,074,561	45,666,810
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,272,145
Consolidated total liabilities	9,418,350	1,006,331	2,020,632	923,705	1,602,724	1,646,987	5,678,606	659,980	7,851,078	40,776	388,303	421,777	7,033,338	8,815	(4,161)	3,742	3,911,286	3,074,561	50,938,955

	2022													Aggregate Total					
	Non-life Insurance						Life Insurance						Investment business		Brokerage business				
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Life (Participating)	Life (Non-Participating)	Investment Linked Business	Accident and Health Individual	Accident and Health Group	Pension Business Fund	Takaful Window Individual				Takaful Window Group family	Takaful Window Group health		
Segment assets	5,388,415	1,148,530	1,460,502	382,351	3,057,164	2,105,401	5,808,761	668,745	5,301,861	26,399	192,264	367,662	4,604,426	11,818	50,879	35,792	41,846,777	870,085	73,327,632
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,940,138
Consolidated total assets	5,388,415	1,148,530	1,460,502	382,351	3,057,164	2,105,401	5,808,761	668,745	5,301,861	26,399	192,264	367,662	4,604,426	11,818	50,879	35,792	41,846,777	870,085	89,267,770
Segment liabilities	5,602,185	1,179,748	1,676,446	530,599	2,758,090	1,594,632	5,281,417	636,380	5,731,286	46,724	331,811	355,837	4,903,844	8,156	12,497	(16,787)	2,214,506	538,842	33,386,213
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,391,778
Consolidated total liabilities	5,602,185	1,179,748	1,676,446	530,599	2,758,090	1,594,632	5,281,417	636,380	5,731,286	46,724	331,811	355,837	4,903,844	8,156	12,497	(16,787)	2,214,506	538,842	37,777,991

Notes to and Forming Part of the Consolidated Financial Statements

33.3 Segment-wise operating results of the Group are presented below:

	2023																										
	Non-life Insurance						Life Insurance						Total														
	Window Takaful Operations			Life (Participating)			Investment Linked Business			Takaful Window				Investment business	Brokerage business												
	Marine, aviation and transport	Motor	Health	Miscellaneous	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Life (Non-Participating)	Accident and Health	Pension Business Fund				Individual	Group family	Group health									
Fire and property damage	Motor	Health	Miscellaneous	Life (Participating)	Life (Non-Participating)	Investment Linked Business	Accident and Health	Pension Business Fund	Individual	Group family	Group health	Individual	Group family	Group health													
Premium	443,062	317,025	1,797,266	1,545,700	379,016	-	-	-	-	18,639	901,028	591,579	2,313,527	8,394	1,107,902	43,227	2,490,607	1,164	31,208	105,956	-	-	12,065,280				
Net claims	(58,187)	(136,081)	(853,883)	(766,917)	(136,868)	-	-	-	-	(189,847)	(817,849)	(321,191)	(1,180,440)	2,666	(794,950)	(26,887)	(949,263)	-	(16,225)	(53,689)	-	-	(6,299,611)				
Fee, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159,448	-	-	159,448		
Net commission	22,085	69,401	(223,457)	(632,723)	(122,720)	(41,309)	(11,215)	(68,237)	(32,918)	(5,668)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,067,261)		
Wakalah fee income	-	-	-	-	-	94,162	41,875	212,888	100,248	13,912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	463,085	
Net investment income	-	-	-	-	-	-	-	-	-	417,381	987,070	39,234	1,437,969	64	-	49,600	1,258,333	-	8,109	19,450	2,040,399	4,048	-	-	6,261,667		
Expenses	(525,476)	(107,980)	(203,235)	(153,559)	(176,308)	(33,119)	(10,350)	(64,381)	(59,535)	(4,449)	(23,041)	(385,666)	(675,657)	(17,239)	(298,391)	-	(879,829)	(1,708)	(22,155)	(46,927)	(69,995)	(200,165)	-	-	(4,115,596)		
Other income - net	-	-	-	-	-	-	-	-	-	11,159	17,800	8,027	77,190	163	30,674	3,390	24,809	27	269	814	(12,480)	2,906	-	-	164,838		
Reversal of premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,424	
Share of profit from associates and joint venture under equity accounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Policyholders' liabilities at the beginning of year	-	-	-	-	-	-	-	-	-	2,078,224	5,092,807	165,940	5,472,909	17,861	302,137	355,811	4,719,947	3,291	(80,717)	(19,185)	-	-	-	-	-	18,159,025	
Less: Policyholders' liabilities at the end of year	-	-	-	-	-	-	-	-	-	(2,276,243)	(6,440,758)	(182,213)	(7,660,369)	(19,947)	(322,881)	(421,751)	(6,776,244)	(2,259)	35,244	201	-	-	-	-	-	(23,067,220)	
(Surplus) / deficit taken to shareholders' fund	-	-	-	-	-	-	-	-	-	26,272	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,272
Unallocated operating income	(115,102)	142,365	516,671	(27,498)	(56,870)	19,234	20,310	80,270	7,825	3,795	52,544	354,522	(214,841)	(8,038)	34,491	3,390	(111,640)	515	5,733	6,620	5,279,701	(53,763)	-	-	-	6,105,146	
Financial charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	211,903
Profit before taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(663,314)
																											5,753,735

For The Year Ended December 31, 2023

	2022																											
	Non-life Insurance						Life Insurance						Total															
	Window Takaful Operations			Life (Participating)			Investment Linked Business			Takaful Window				Investment business	Brokerage business													
	Marine, aviation and transport	Motor	Health	Miscellaneous	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Life (Non-Participating)	Accident and Health	Pension Business Fund				Individual	Group family	Group health										
Fire and property damage	Motor	Health	Miscellaneous	Life (Participating)	Life (Non-Participating)	Investment Linked Business	Accident and Health	Pension Business Fund	Individual	Group family	Group health	Individual	Group family	Group health														
Premium	247,362	368,990	1,636,479	873,147	287,755	-	-	-	-	16,241	716,263	565,940	1,289,444	11,173	944,659	75,443	2,046,493	3,322	59,171	57,589	-	-	-	-	9,195,571			
Net claims	(200,265)	(172,516)	(851,445)	(704,615)	(120,540)	-	-	-	-	(218,217)	(889,380)	(425,530)	(1,963,650)	(3,842)	(772,198)	(8,542)	(912,524)	(1,515)	(38,510)	(44,992)	-	-	-	-	-	(7,328,721)		
Fee, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121,955	-	-	-	121,955	
Net commission	(13,416)	94,119	(189,788)	(37,700)	(357)	(24,169)	(6718)	(61,193)	(34,107)	(4,380)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(276,689)	
Wakalah fee income	-	-	-	-	-	55,445	23,901	166,851	102,227	11,254	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	360,178	
Net investment income	-	-	-	-	-	-	-	-	-	212,749	453,107	25,130	325,886	(61)	-	21,788	188,717	-	1,287	2,377	478,349	65,208	-	-	-	1,774,467		
Expenses	(220,290)	(87,413)	(66,044)	(69,970)	(80,004)	(20,473)	(6,288)	(45,556)	(46,503)	(4,034)	(140,080)	(82,002)	(503,143)	(25,363)	(124,739)	-	(455,320)	(3,452)	(23,524)	(51,968)	(117,095)	(27,537)	-	-	-	(2,318,363)		
Other income - net	-	-	-	-	-	-	-	-	-	7,672	26,344	9,701	27,791	190	33,794	3,328	18,318	31	551	393	247,010	-	-	-	-	375,123		
Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,079)	
Share of profit from associates and joint venture under equity accounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Policyholders' liabilities at the beginning of year	-	-	-	-	-	-	-	-	-	1,627,464	5,373,432	120,654	6,603,938	20,256	325,979	267,072	4,184,891	5,763	(15,479)	(2,546)	-	-	-	-	-	-	18,511,424	
Less: Policyholders' liabilities at the end of year	-	-	-	-	-	-	-	-	-	(1,582,454)	(5,092,597)	(165,940)	(5,472,852)	(17,861)	(302,137)	(355,811)	(5,086,331)	(3,291)	30,717	19,185	-	-	-	-	-	-	(17,991,372)	
(Surplus) / deficit taken to shareholders' fund	-	-	-	-	-	-	-	-	-	(16,098)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,098)	
Unallocated operating income	(190,033)	203,190	549,222	62,207	76,854	10,803	10,914	61,102	22,117	2,840	58,999	447,089	47,853	287,294	(15,488)	105,558	3,278	244	889	43,813	(19,192)	2,690,094	59,626	-	-	-	4,489,226	
Financial charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,372)	
Profit before taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(465,841)	
																											3,987,013	

34 FINANCIAL INSTRUMENTS BY CATEGORY**Financial assets and financial liabilities****Financial assets****Loans and receivables - amortised cost****Cash and bank balances and term deposits**

Cash and other equivalents
Current and other accounts

Insurance / takaful / reinsurance / retakaful receivables

Accrued income

Reinsurance recoveries against outstanding claims

Wakalah fees receivable

Loans secured against life insurance policies

Deposits, loans, advances and other receivables

Long-term deposits

Investments - fair value through profit or loss

Investments - fair value through other comprehensive income

Investments - at amortised cost

Investments - available for sale

Financial liabilities**Amortised cost**

Provision for outstanding claims (including IBNR)

Amounts due to other insurers / reinsurers

Current portion of long term loans and liabilities against right-of-use assets

Trade and other payables

Short term loans

Unclaimed dividend

Lease liabilities against right-of-use assets

	2023	2022
	(Rupees in '000)	
	641	9,647
	4,433,809	1,158,492
	4,434,450	1,168,139
	4,393,820	4,878,715
	401,707	298,001
	6,819,523	4,761,352
	155,810	169,104
	195,945	175,139
	2,711,961	1,703,439
	14,678,766	11,985,750
	23,008	22,968
	3,127,604	2,307,391
	42,652,023	33,682,337
	94,533	-
	23,478,133	18,502,341
	8,099,160	7,379,812
	3,574,887	1,976,722
	45,182	71,537
	5,727,033	2,400,552
	2,616,765	2,491,697
	34,456	31,860
	38,147	97,202
	20,135,630	14,449,382

35 RISK MANAGEMENT**35.1 Risk management framework**

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

35.1.1 Insurance risk - General Insurance

The Group accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Group is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Group manages its risk via its underwriting and reinsurance strategy within an overall risk management framework.

Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

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

35.1.2 Concentration of insurance risk - General Insurance

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

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

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

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

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

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

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

35.1.3 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, accumulated losses on net account can also be recovered from the non-proportional treaty which is very much in line with the risk management philosophy of the Group.

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

35.2 Risk management framework - Life Insurance

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Group manages them.

35.2.1 Life Insurance risk**35.2.1.1 Individual Life (Unit Linked Policies, Universal Life Policies and Traditional Policies)**

This section discusses the exposure of insurance risk to the Group under Life Participating, Life Non-participating and Investment Linked statutory funds and the process adopted by the Group to manage these risks.

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Group may get exposed to poor risks due to:

- Unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency.
- Additionally, the risk of poor persistency may result in the Group being unable to recover expenses incurred at policy acquisition.

The Group manages these risks through its:

- Pricing:

All products of this nature are designed by the Actuarial Department along with input from relevant sales team members. Profit testing is conducted for all new products and it is also reviewed by the Appointed Actuary. Embedded value analysis is conducted on a quarterly basis to ensure reasonableness of premiums charged. Additionally, the Group reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

- Underwriting:

Adequate underwriting policies and controls have been put in place which cover various aspects like health, location, nature of work of the insured etc. before issuance of policy. Appropriate underwriting authority limits have been assigned to individual underwriters by the underwriting committee. Furthermore, Underwriting & Reinsurance Committee reviews the underwriting performance of the Group on a quarterly basis.

- Reinsurance:

The Group has entered into both excess of loss and quota share reinsurance agreements covering its individual life products and supplementary riders. Since the Group has liaison with the reputed reinsurers in the world, it does not only limit the insurance risks but also the credit risk associated with them. Underwriting & Reinsurance Committee reviews, every quarter, the performance of the treaties to ensure that sound reinsurance arrangements are in place.

- Claims handling policy:

The Group through its claims-handling policies has procedures and controls in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims departments' performance and ensures that adequate claims controls are in place.

- Persistency:

The Group applies controls to curb mis-selling to customers. Persistency for each product, branch and partner bank is closely monitored by the Group and remedial actions are taken immediately upon identifying when persistency level for a distribution channel drops below a certain threshold. Continuous efforts are made to increase and/or maintain the persistency levels for all distribution channels.

- Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification of geographical risks.

a) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk as a result of geographical area is not a factor of concern due to spread of risks across different parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Group maintains a catastrophe reinsurance cover which ensures that the Group's liability in respect of catastrophic events remains within reasonable limits.

In order to cover its mortality risk, the Group makes adequate deductions from the insurance contracts. The Group manages these risks through its systematic underwriting processes and adequate reinsurance arrangements.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Group including exposure in respect of riders attached to the main policies.

Notes to and Forming Part of the Consolidated Financial Statements

Individual Life Participating

Benefits assured per life

Rupees	Assured at the end of 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	52,860	1.56%	52,672	2.17%
200,001 - 400,000	134,742	3.98%	133,967	5.51%
400,001 - 800,000	390,160	11.51%	363,129	14.94%
800,001 - 1,000,000	234,814	6.93%	208,473	8.57%
More than 1,000,000	2,576,044	76.02%	1,673,017	68.81%
Total	3,388,620	100.00%	2,431,258	100.00%

Benefits assured per life

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	59,748	1.68%	59,110	2.23%
200,001 - 400,000	150,825	4.25%	150,200	5.67%
400,001 - 800,000	455,847	12.83%	433,510	16.38%
800,001 - 1,000,000	247,879	6.98%	223,600	8.45%
More than 1,000,000	2,638,477	74.27%	1,780,808	67.27%
Total	3,552,776	100.00%	2,647,229	100.00%

Individual Life Non - Participating

Benefits assured per life

Rupees	Assured at the end of 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	186,365	0.89%	181,923	1.68%
200,001 - 400,000	1,046,454	5.00%	1,028,444	7.20%
400,001 - 800,000	2,783,682	13.26%	2,616,635	24.16%
800,001 - 1,000,000	1,805,283	8.60%	1,332,338	12.30%
More than 1,000,000	15,168,979	72.27%	5,668,997	54.65%
Total	20,990,763	100.00%	10,828,337	100%

Benefits assured per life

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	177,463	0.82%	172,729	1.46%
200,001 - 400,000	1,015,855	4.68%	1,001,492	7.20%
400,001 - 800,000	2,734,026	12.58%	2,617,549	22.13%
800,001 - 1,000,000	1,839,300	8.46%	1,438,683	12.16%
More than 1,000,000	15,967,287	73.47%	6,597,118	57.04%
Total	21,733,931	100.00%	11,827,571	100%

For The Year Ended December 31, 2023

Investment Linked

Benefits assured per life

Rupees	Assured at the end of 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	471,581	2.61%	459,016	6.18%
200,001 - 400,000	721,784	3.99%	697,874	8.03%
400,001 - 800,000	1,665,096	9.20%	1,502,976	20.23%
800,001 - 1,000,000	1,004,175	5.55%	752,665	10.13%
More than 1,000,000	14,226,596	78.65%	4,015,245	55.42%
Total	18,089,232	100.00%	7,427,776	100.00%

Benefits assured per life

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	451,071	2.46%	442,322	5.62%
200,001 - 400,000	758,384	4.14%	732,640	8.03%
400,001 - 800,000	1,815,100	9.91%	1,641,150	20.84%
800,001 - 1,000,000	1,221,073	6.66%	838,505	10.65%
More than 1,000,000	14,078,084	76.83%	4,218,776	54.86%
Total	18,323,712	100.00%	7,873,393	100.00%

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long term unit linked and universal life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behaviour (this primarily impacts persistency).

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975-80 US SOA Select and Ultimate Mortality Table.
- **Persistency:** A periodic analysis of the Group's recent and historic experience is performed and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Group's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns assumptions are based on assets backing the portfolio.

d) Change in assumptions

There has been no change in assumptions.

35.2.1.2 Group Life

The main risk written by the Group under the Group Life business is mortality. The Group is exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, and difficulty of verification of claims, fraudulent claims or a catastrophe. The Group also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time.

The Group manages these risks through its:

- Pricing and Underwriting:

All products of this nature are prepared by the Group's Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Group. The premium charged takes into account the actual historical experience as well as the future expected mortality, considering various characteristics of the client.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Also, Underwriting and Reinsurance Committee reviews the underwriting performance on a quarterly basis and tracks the adequacy of premium charged.

- Reinsurance:

Reinsurance agreements are in place to limit the mortality risk exposure. The Group also has a catastrophe cover reinsurance agreement covering group life business. Underwriting and Reinsurance Committee reviews every quarter the performance of the treaties.

- Claims handling policy:

The Group through its claims-handling policies has procedures and controls in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims departments' performance and ensures that adequate claims controls are in place.

- Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification of geographical risks.

a) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Group maintains a catastrophe excess of loss reinsurance cover which ensures that the Group's liability in respect of catastrophic events remains within reasonable limits.

The following table presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the Group.

The amounts presented are showing total exposure of the Group including exposure in respect of riders attached to the main policies.

Group Life

Benefits assured per life

	Assured at the end of 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	37,450,620	5.82%	18,018,956	7.10%
500,001-1,000,000	47,424,582	7.37%	22,815,551	8.99%
1,000,001-1,500,000	78,697,780	12.23%	37,865,185	14.92%
1,500,001-2,000,000	48,325,456	7.51%	23,246,990	9.16%
2,000,001-2,500,000	39,895,849	6.20%	19,186,381	7.56%
More than 2,500,000	391,687,153	60.87%	132,655,043	52.27%
Total	643,481,440	100.00%	253,788,106	100.00%

Benefits assured per life

	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	42,996,785	5.82%	42,996,785	7.77%
500,001-1,000,000	54,447,819	7.37%	54,447,819	9.84%
1,000,001-1,500,000	90,352,351	12.23%	90,352,351	16.33%
1,500,001-2,000,000	55,482,106	7.51%	55,482,106	10.03%
2,000,001-2,500,000	45,804,135	6.20%	45,804,135	8.28%
More than 2,500,000	449,693,180	60.87%	264,058,569	47.74%
Total	738,776,376	100.00%	553,141,765	100.00%

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for unearned premium reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the Group's experience.

d) Changes in assumptions

There has been no material change in assumptions.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

	Change in variable	Increase in Liability 2023 (Rupees in '000)
--	--------------------	--

Worsening of mortality rates for risk policies	10%	2,482,628
Increase in reporting lag	10%	2,482,628

35.2.1.3 Accident & Health

The products in this fund provide cover against accidental death, disability, sickness and critical illness and are mainly offered as yearly renewable plans. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of fraudulent claims and catastrophic event.

The Group manages these risks through its:

- Pricing and Underwriting:

Products of this nature are prepared by the Actuarial department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done after analysing the actual experience of the group as well as future expectations. The rates are certified by the Appointed Actuary.

Also, Underwriting Committee reviews the underwriting performance of the Group on a quarterly basis.

- Claims handling policy:

The Group has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted.

- Reinsurance:

The Group has reinsurance arrangement in place covering Accidental & Health business; the treaty's results are reviewed by the Underwriting and Reinsurance Committee on a quarterly basis.

- Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification of geographical risks.

a) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

The following table presents the concentration of insured benefits across five bands of insured benefits. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Group including exposure in respect of riders attached to the main policies.

Individual Accident and Health

Benefits assured per life

Rupees	Assured at the end of 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	992	0.02%	992	0.03%
200,001 - 400,000	9,408	0.17%	9,408	0.28%
400,001 - 800,000	1,646,757	29.25%	1,646,757	49.65%
800,001 - 1,000,000	596,855	10.60%	596,855	18.00%
More than 1,000,000	3,375,402	59.96%	1,062,526	32.04%
Total	5,629,414	100.00%	3,316,538	100.00%

Benefits assured per life

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	1,042	0.02%	1,042	0.03%
200,001 - 400,000	10,510	0.17%	10,510	0.28%
400,001 - 800,000	1,924,792	31.36%	1,924,792	51.88%
800,001 - 1,000,000	678,855	11.06%	678,855	18.30%
More than 1,000,000	3,523,247	57.40%	1,094,870	29.51%
Total	6,138,446	100.00%	3,710,069	100.00%

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

The assumptions are set using the data available.

d) Changes in assumptions

There has been no material change in the assumptions.

35.2.1.4 Management of takaful risk and financial risk

The Group is responsible for managing contracts that result in the transfer of Takaful and Financial Risk from the Participant to the respective Participant Takaful Fund. This section summarizes the risks and the way the Group manages them, as part of the Group's Window Takaful Operations.

Takaful Risk

The PTF issues Takaful contracts that are classified in the following segments:

- Individual Family Takaful
- Group Family Takaful
- Group Health Takaful
- Individual A&H Non-Participating Takaful

35.2.1.4.1 Individual Family Takaful

These risks are managed along similar lines as explained for individual life unit linked and universal life policies.

a) Frequency and severity of claims

Concentration of risk is not a factor of concern due to spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. However, a risk of concentration of risk on any one Participant of the PTF still exists. The Group caters to this risk by entering into suitable Retakaful arrangements. The Group charges for mortality risk (credited to the PTF) on a monthly basis for all Takaful contracts without fixed term.

Moreover, the Group manages these risks through its underwriting strategy and the results are revised quarterly by the Underwriting and Reinsurance Committee.

The table below presents the concentration of covered benefits across five bands of benefits covered. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits assured per life	Assured at the end of 2023			
	Total benefits assured			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	302,069	0.41%	301,392	1.25%
200,001 - 400,000	1,620,911	2.18%	1,610,767	6.67%
400,001 - 800,000	3,680,069	4.94%	3,366,790	13.94%
800,001 - 1,000,000	3,072,625	4.13%	1,748,623	7.24%
More than 1,000,000	65,790,107	88.35%	17,116,628	70.89%
Total	74,465,781	100.00%	24,144,200	100.00%

Benefits assured per life	Assured at the end of 2022			
	Total benefits assured			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	424,290	1.00%	424,111	2.56%
200,001 - 400,000	1,991,359	6.12%	1,979,149	15.67%
400,001 - 800,000	3,861,771	11.92%	3,597,706	28.89%
800,001 - 1,000,000	3,665,729	9.49%	2,091,545	14.28%
More than 1,000,000	66,966,929	71.47%	18,304,270	38.60%
Total	76,910,078	100.00%	26,396,781	100.00%

b) Source of uncertainty in the estimate of future benefits payments and contributions receipts

Uncertainty in the estimation of future benefit payments and contribution receipts for long term takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participants' behaviour (this primarily impacts persistency).

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975-80 US SOA Select and Ultimate Mortality Table.
- **Persistency:** A periodic analysis of the Group's recent and historic experience is performed and

persistency is calculated every month. Persistency rates vary by products and more importantly the sales distribution channel.

- **Expense levels and inflation:** A periodic study is conducted on the Group's current business expenses and future projections to calculate per membership expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns assumptions are based on the assets backing the portfolio.

d) Changes in assumptions

There has been no change in assumptions.

e) Sensitivity analysis

The size of the fund is not material enough to enable a credible sensitivity analysis due to this immateriality, sensitivity analysis is not conducted.

35.2.1.4.2 Group Life Family Takaful

The main risk written by the Group is mortality. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, and difficulty of verification of claims, fraudulent claims or a catastrophe. The Group also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of contribution in due time.

The Group manages these risks through its:

a) Pricing and Underwriting:

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Group. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Furthermore, the Group also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance on a quarterly basis.

b) Retakaful:

Retakaful agreements are in place to limit the mortality exposure. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties to ensure that adequate retakaful coverage is in place.

c) Claims handling policy:

The Group has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and to make sure that adequate claims controls are in place.

d) Frequency and severity of claims:

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Group maintains a catastrophe excess of loss retakaful agreement which protects the waqf fund from exposure to the catastrophic events.

Rupees	Covered at the end of 2023			
	Total benefits assured			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	3,561,093	35.21%	3,760,683	51.27%
500,001-1,000,000	2,809,632	27.78%	2,039,841	27.81%
1,000,001-1,500,000	921,373	9.11%	528,802	7.21%
1,500,001-2,000,000	1,198,493	11.85%	474,539	6.47%
2,000,001-2,500,000	599,752	5.93%	296,525	4.04%
More than 2,500,000	1,023,523	10.12%	235,018	3.20%
	10,113,866	100.00%	7,335,408	100.00%

Rupees	Covered at the end of 2022			
	Total benefits assured			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	7,195,209	35.21%	6,593,010	51.27%
500,001-1,000,000	5,674,889	27.78%	3,576,130	27.81%
1,000,001-1,500,000	1,861,945	9.11%	927,064	7.21%
1,500,001-2,000,000	2,420,667	11.85%	831,934	6.47%
2,000,001-2,500,000	1,210,696	5.93%	519,850	4.04%
More than 2,500,000	2,067,061	10.12%	412,019	3.20%
	20,430,467	100.00%	12,860,007	100.00%

e) Sources of uncertainty in the estimation of future benefits payments and contribution receipts:

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

g) Changes in assumptions

There has been no material change in assumptions.

h) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

	Change in variable	Increase in Liability 2023
		(Rupees in '000)
Worsening of mortality rates	10%	114,143
Increase in reporting lag	10%	114,143

36.2.1.4.3 Group Health Takaful

The main risk written by the Group is morbidity. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of high exposure in a particular geographical region, medical expense inflation, fraudulent claims and catastrophic event. The Group potentially faces the risk of lack of adequate claims control (such as for very large groups). The Group also faces a risk of under-pricing to acquire business in a competitive environment and of non-receipt of contribution in due time.

The Group manages these risks through its:

a) Pricing and Underwriting:

Products of this nature are prepared by Group Underwriting Department along with input from relevant sales team members and Actuarial Department which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Group. The contribution charged takes into account the actual experience of the client and the nature of mortality and morbidity exposure the group faces. The rates are certified by the Appointed Actuary for large groups.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Furthermore, the Group also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Group on a quarterly basis.

b) Claims handling policy:

The Group has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Also, the claims are reviewed and managed by technical staff and doctors while an on-site monitoring and checking is performed.

The Group has pre-determined charges for certain illnesses with its panel hospitals, and to keep a check on medical inflation, it continues to negotiate these rates. The portfolio has a spread across various geographical regions. On the claims handling side, the Group ensures that payment of any fraudulent claims is avoided.

Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and make sure that adequate claims controls are in place.

c) Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification across geographical regions.

d) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

Increase in claims severity due to medical inflation is a risk which is being strictly monitored by the Group through annual claims studies and trend analysis. Such trend analysis is also incorporated in Group Health takaful pricing.

Notes to and Forming Part of the Consolidated Financial Statements

e) Sources of uncertainty in the estimation of future benefits payments and contribution receipts

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

An investigation into group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. Where data is sufficient to be statistically credible, the statistics generated by the data are assigned appropriate credibility factors to account for the Group's experience.

g) Changes in assumptions

There has been no material change in assumptions.

35.2.1.4.4 Concentration of insurance risk

A concentration of risk may arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Group minimises its exposure to significant losses by obtaining reinsurance from foreign reinsurers.

To optimise 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 e.g. financial underwriting ensuring a reasonable relationship between the income and insurance amount of insured, determination of insurance amount through some mechanism which precludes individual choices and anti-selection.

The concentration of risk by type of contracts is summarised below by reference to liabilities.

	Gross sum insured		Reinsurance / Retakaful		Net	
	2023	2022	2023	2022	2023	2022
	(Rupees in million)					
Life (participating)	3,389	3,553	958	906	2,431	2,647
Life (non-participating) – Individual	20,991	21,734	10,163	9,906	10,828	11,828
Life (non-participating) – Group	643,481	738,776	389,693	185,634	253,788	553,142
Investment Linked	18,089	18,324	10,661	10,451	7,428	7,873
Accident & Health – Individual	5,629	6,138	2,312	2,428	3,317	3,710
Family Takaful - Individual	74,466	76,910	50,322	50,513	24,144	26,397
Family Takaful - Group	10,114	20,430	2,779	7,570	7,335	12,860
Fire and property damage	84,159	42,406	83,906	42,106	253	300
Marine, aviation and transport	87	51,250	59	51,154	28	96
Motor	77,356	992	76,969	397	387	595
Health	4,945	3,661	-	-	4,945	3,661
Miscellaneous	176,400	139,440	172,696	139,156	3,704	284
Window Takaful Operations - Fire and property damage	5,536	4,786	4,677	4,736	859	50
Window Takaful Operations - Marine, aviation and transport	6,000	12,000	5,400	10,800	600	1,200
Window Takaful Operations - Motor	200	93	172	64	28	29
Window Takaful Operations - Health	210	199	-	-	210	199
Window Takaful Operations - Miscellaneous	3,504	3,504	3,154	3,154	350	350
	<u>1,134,556</u>	<u>1,144,196</u>	<u>813,921</u>	<u>518,975</u>	<u>320,635</u>	<u>625,221</u>

For The Year Ended December 31, 2023

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

	Gross liabilities		Gross assets		Net liabilities / (assets)	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Fire and property damage	9,418,350	5,602,185	8,350,897	5,388,415	1,067,453	213,770
Marine, aviation and transport	1,006,331	1,179,748	943,466	1,148,530	62,865	31,218
Motor	2,020,632	1,676,446	1,210,412	1,460,502	810,220	215,944
Health	923,705	530,599	547,938	382,351	375,767	148,248
Miscellaneous	1,602,724	2,758,090	2,520,454	3,057,164	(917,730)	(299,074)
Life participating	1,646,987	1,594,632	2,309,371	2,105,401	(662,384)	(510,769)
Life non-participating (individual)	5,678,606	5,281,417	6,163,457	5,808,761	(484,851)	(527,344)
Life non-participating (group)	659,980	636,380	920,243	668,745	(260,263)	(32,365)
Investment linked business	7,851,078	5,731,286	7,725,754	5,301,661	125,324	429,625
Accident and health business (individual)	40,776	46,724	26,957	26,399	13,819	20,325
Accident and health business (group)	368,303	331,811	512,479	192,264	(144,176)	139,547
Pension business fund	421,777	355,837	435,777	367,662	(14,000)	(11,825)
Family Takaful - individual	7,033,338	4,903,844	6,782,568	4,604,426	250,770	299,418
Family Takaful - accident & health individual	8,815	8,156	13,910	11,818	(5,095)	(3,662)
Family Takaful - group	(4,161)	12,497	44,846	50,879	(49,007)	(38,382)
Family Takaful - health	3,742	(16,787)	81,495	35,792	(77,753)	(52,579)
	<u>38,680,983</u>	<u>30,632,865</u>	<u>38,590,024</u>	<u>30,610,770</u>	<u>90,959</u>	<u>22,095</u>

35.2.1.4.6 Unclaimed insurance benefit

Circular 11 of 2014 dated May 19, 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age wise break up of unclaimed insurance benefits in accordance with format prescribed in the annexure to the said circular.

The unclaimed benefits is described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Such unclaimed amounts may fall into the following categories:

	Age-wise Breakup					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	(Rupees in '000)					
Unclaimed maturity benefits	9,473	959	1,041	3,601	1,714	2,158
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	26,804	-	382	12,995	4,203	9,224
Other unclaimed benefits	-	-	-	-	-	-
Total	<u>36,277</u>	<u>959</u>	<u>1,423</u>	<u>16,596</u>	<u>5,917</u>	<u>11,382</u>

35.2.2 Uncertainty in the estimation of future claims payment

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

An estimated amount of the claim is recorded immediately on intimation to the Group. The estimation of the amount is based on the amount notified by the policyholder, management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims incurred but not reported (IBNR), the Group uses historical experience factor based on analysis of the past years claim reporting pattern.

Notes to and Forming Part of the Consolidated Financial Statements

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

35.2.3 Key assumptions

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

35.2.4 Sensitivities

Non-life insurance

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

	Effect of 10% increase in claims		Effect of 10% decrease in claims	
	Consolidated statement of profit or loss	Equity	Consolidated statement of profit or loss	Equity
	(Rupees in '000)			
Fire and property damage	(4,131)	(4,131)	4,131	4,131
Marine, aviation and transport	(9,662)	(9,662)	9,662	9,662
Motor	(60,626)	(60,626)	60,626	60,626
Health	(54,451)	(54,451)	54,451	54,451
Miscellaneous	(9,717)	(9,717)	9,717	9,717
Window Takaful Operations	(95,381)	(95,381)	95,381	95,381
	<u>(233,968)</u>	<u>(233,968)</u>	<u>233,968</u>	<u>233,968</u>

Life insurance

The liabilities under Universal Life, Unit Linked, Group Life, Group Accident and Health, Individual Accident and Health and Pension business are not dependent on assumptions related to mortality, persistency, expense or interest rates because the liabilities under these lines of business are either based on actual account values or unearned premium reserve. For the traditional endowment plans, no sensitivity testing is carried out because the liability basis prescribed by the regulations are too conservative and the liability under these plans are less than 5% of total liabilities.

Claims development tables

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

For The Year Ended December 31, 2023

Analysis on gross basis

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

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

The following table shows the development of claims over a period of time on gross basis for group life and individual life business:

Accident Year	2019	2020	2021	2022	2023
	(Rupees in '000)				
Group Life					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	82,689	372,636	393,092	429,332	365,139
1 year later	178,077	409,049	454,464	501,026	-
2 years later	178,369	409,549	455,564	-	-
3 years later	178,869	409,549	-	-	-
4 years later	178,869	-	-	-	-
Current estimates of cumulative claim	178,869	409,549	454,464	501,026	365,139
Cumulative payments to date	(175,700)	(381,931)	(436,153)	(426,867)	(182,198)
Liability recognised in statement of financial position	<u>3,169</u>	<u>27,618</u>	<u>18,311</u>	<u>74,159</u>	<u>182,941</u>
Individual Life					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	94,724	129,477	175,630	133,514	181,430
1 year later	104,703	180,825	229,663	187,257	-
2 years later	104,953	188,675	232,958	-	-
3 years later	105,203	190,117	-	-	-
4 years later	106,055	-	-	-	-
Current estimates of cumulative claim	105,203	188,675	229,663	187,257	181,430
Cumulative payments to date	(91,299)	(184,182)	(181,962)	(123,154)	(54,175)
Liability recognised in statement of financial position	<u>13,904</u>	<u>4,493</u>	<u>47,701</u>	<u>64,103</u>	<u>127,255</u>

Notes to and Forming Part of the Consolidated Financial Statements

35.3 Financial risk

(i) Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest / mark-up rate risk in respect of the following:

	2023							Total
	Interest Rates	Interest / mark-up bearing			Non-interest/mark-up bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)								
Financial assets								
Cash and bank balances	9% to 21.25%	4,279,927	-	4,279,927	154,523	-	154,523	4,434,450
Investments	7.5% to 24.47%	13,025,064	4,737,059	17,762,123	42,652,023	8,938,147	51,590,171	69,352,293
Loans secured against life insurance policies	9.00% to 11.00%	195,945	-	195,945	-	-	-	195,945
Long-term deposits		-	-	-	-	23,008	23,008	23,008
Insurance / takaful / reinsurance / retakaful receivables		-	-	-	4,393,820	-	4,393,820	4,393,820
Accrued income on investments and deposits		-	-	-	401,707	-	401,707	401,707
Reinsurance recoveries against outstanding claims		-	-	-	6,819,523	-	6,819,523	6,819,523
Wakalah fees receivable		-	-	-	155,810	-	155,810	155,810
Loans, advances and other receivables		-	-	-	2,711,961	-	2,711,961	2,711,961
		17,500,936	4,737,059	22,237,995	57,289,367	8,961,155	66,250,523	88,488,517
Financial liabilities								
Provision for outstanding claims (including IBNR)		-	-	-	8,099,160	-	8,099,160	8,099,160
Amounts due to other insurers / reinsurers		-	-	-	3,574,887	-	3,574,887	3,574,887
Trade and other payables		-	-	-	5,727,033	-	5,727,033	5,727,033
Short term loans	7.3% to 7.65%	2,616,765	-	2,616,765	-	-	-	2,616,765
Current portion of long term loan and lease liabilities against right-of-use assets		45,182	-	45,182	-	-	-	45,182
Unclaimed dividend		-	-	-	34,456	-	34,456	34,456
Lease liabilities against right-of-use assets	7.85% to 8.00%	-	38,147	38,147	-	-	-	38,147
		2,661,947	38,147	2,700,094	17,435,536	-	17,435,536	20,135,630
		14,838,989	4,698,912	19,537,901	39,853,831	8,961,155	48,814,987	68,352,887

For The Year Ended December 31, 2023

	Interest Rates	2022					Total	
		Interest / mark-up bearing			Non-interest/mark-up bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year		Sub total
(Rupees in '000)								
Financial assets								
Cash and bank balances	7% to 15.5%	721,134	-	721,134	447,005	-	447,005	1,168,139
Investments	Nil	7,279,828	6,805,266	14,085,094	33,682,337	40,406,975	74,089,311	54,492,069
Loans secured against life insurance policies	9.00% to 11.00%	175,139	-	175,139	-	-	-	175,139
Long-term deposits		-	-	-	-	22,968	22,968	22,968
Insurance / takaful / reinsurance / retakaful receivables		-	-	-	4,878,715	-	4,878,715	4,878,715
Accrued income on investments and deposits		-	-	-	298,001	-	298,001	298,001
Reinsurance recoveries against outstanding claims		-	-	-	4,761,352	-	4,761,352	4,761,352
Wakalah fees receivable		-	-	-	169,104	-	169,104	169,104
Loans, advances and other receivables		-	-	-	1,703,439	-	1,703,439	1,703,439
		8,176,101	6,805,266	14,981,367	45,939,953	40,429,943	86,369,895	67,668,926
Financial liabilities								
Provision for outstanding claims (including IBNR)		-	-	-	7,379,812	-	7,379,812	7,379,812
Amounts due to other insurers / reinsurers		-	-	-	1,976,722	-	1,976,722	1,976,722
Trade and other payables		-	-	-	2,400,552	-	2,400,552	2,400,552
Short term loans	7.3% to 7.65%	2,491,697	-	2,491,697	-	-	-	2,491,697
Long term loan	7.28% to 7.67%	-	-	-	-	-	-	-
Current portion of long term loan and lease liabilities against right-of-use assets		71,537	-	71,537	-	-	-	71,537
Unclaimed dividend		-	-	-	31,860	-	31,860	31,860
Lease liabilities against right-of-use assets	7.85% to 8.00%	-	97,202	97,202	-	-	-	97,202
		2,563,234	97,202	2,660,436	11,788,946	-	11,788,946	14,449,382
		5,612,867	6,708,064	12,320,931	34,151,007	40,429,943	74,580,949	53,219,544

Sensitivity analysis

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes. The table below summarises the Group's interest rate risk as of December 31, 2023 and 2022 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

As at December 31, 2023

Cash flow sensitivity - variable rate financial liabilities

Cash flow sensitivity - variable rate financial assets

As at December 31, 2022

Cash flow sensitivity - variable rate financial liabilities

Cash flow sensitivity - variable rate financial assets

	Impact on consolidated statement of profit or loss	
	Increase	Decrease
	(Rupees in '000)	
Cash flow sensitivity - variable rate financial liabilities	(27,001)	27,001
Cash flow sensitivity - variable rate financial assets	222,380	(222,380)
Cash flow sensitivity - variable rate financial liabilities	(26,604)	26,604
Cash flow sensitivity - variable rate financial assets	153,757	(153,757)

(b) Foreign currency risk

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

(c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Group is exposed to price risk since it has investments in quoted equity securities and mutual funds amounting to Rs. 49,997 million (2022: Rs. 39,648 million) at the reporting date.

The Group's strategy is to hold its strategic investments for long period of time. Thus, Group's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. The Group strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term price volatility. The Group manages price risk by monitoring exposure in quoted equity and debt securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to price risk are based on quoted market prices as of the reporting date except for investments in associates which are carried under equity method of accounting.

Market prices are subject to fluctuation and consequently the amount realised in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realised in the sale of a particular security may be affected by the relative quantity of the security being sold. The Group has no significant concentration of price risk.

Sensitivity analysis

The table below summarises the Group's price risk as of December 31, 2023 and 2022 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in Group's investment portfolio because of the nature of markets. The impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/(decrease) in profit / (loss) before tax
	(Rupees in '000)				
2023	69,257,760	10% increase	76,183,536	6,925,776	6,925,776
		10% decrease	62,331,984	(6,925,776)	(6,925,776)
2022	54,492,069	10% increase	59,941,276	5,449,207	5,449,207
		10% decrease	49,042,862	(5,449,207)	(5,449,207)

(ii) Liquidity risk

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

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

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

	2023			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	(Rupees in '000)			
Provision for outstanding claims [including IBNR]	8,099,160	8,099,160	8,099,160	-
Amount due to other insurers / reinsurers	3,574,887	3,574,887	3,574,887	-
Trade and other payables	5,727,033	5,727,033	5,727,033	-
Short term loans	2,616,765	2,616,765	2,616,765	-
Current portion of long term loan and lease liabilities against right-of-use assets	45,182	95,182	95,182	-
Unclaimed dividend	34,456	34,456	34,456	-
Lease liabilities against right-of-use assets	38,147	40,147	-	40,147
	20,135,630	20,187,630	20,147,483	40,147
	2022			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	(Rupees in '000)			
Provision for outstanding claims [including IBNR]	7,379,812	7,379,812	7,379,812	-
Amount due to other insurers / reinsurers	1,976,722	1,976,722	1,976,722	-
Trade and other payables	2,400,552	2,400,552	2,400,552	-
Short term loans	2,491,697	2,491,697	2,491,697	-
Current portion of long term loan and lease liabilities against right-of-use assets	71,537	121,537	121,537	-
Unclaimed dividend	31,860	31,860	31,860	-
Lease liabilities against right-of-use assets	97,202	99,202	-	99,202
	14,449,382	14,501,382	14,402,180	99,202

(iii) Credit risk

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

Notes to and Forming Part of the Consolidated Financial Statements

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Group's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the Group's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

	2023	2022
	(Rupees in '000)	
Cash and bank balances	4,434,450	1,168,139
Investments	8,799,624	7,039,945
Loans secured against life insurance policies	195,945	175,139
Long-term deposits	23,008	22,968
Amounts due from other insurers / reinsurers - unsecured	4,393,820	4,878,715
Accrued income on investments and deposits	401,707	298,001
Reinsurance recoveries against outstanding claims	6,819,523	4,761,352
Wakala fees receivable	155,810	169,104
Loans, advances and other receivables	2,711,961	1,703,439
	<u>27,935,848</u>	<u>20,216,802</u>

The Group did not hold any collateral against the above during the year. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery. The movement in the provision for doubtful receivables account is shown in notes 8.2 and 8.3. 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 recent history of default.

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

Bank deposits	Rating Agency	Rating	
		Short Term	Long Term
Albaraka Bank (Pakistan) Limited	VIS	A-1	A+
Bank Al-Habib Limited	PACRA	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA+
BankIslami Pakistan Limited	PACRA	A-1	AA-
Bank of Punjab	PACRA	A-1+	AA+
HBL Microfinance Bank Limited	VIS	A-1	A+
Khushali Microfinance Bank Limited	VIS	A-2	A-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Faysal Bank Limited	PACRA	A-1+	AA
FINCA Microfinance Bank Limited	PACRA	A-2	A-
Habib Bank Limited	VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
JS Bank Limited	PACRA	A-1+	AA-
Meezan Bank Limited	VIS	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
Mobilink Microfinance Bank Limited	PACRA	A-1	A
NRSP Microfinance Bank Limited	PACRA	A-2	A-
National Bank of Pakistan	PACRA	A-1+	AAA
Samba Bank Limited	PACRA	A-1	AA
SilkBank Limited	VIS	A-2	A-
Soneri Bank Limited	PACRA	A-1+	AA-
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Bank Makramah Limited (formerly "Summit Bank Limited")	Not rated	Not rated	Not rated
Telenor Microfinance Bank Limited	PACRA	A-1	A
U Microfinance Bank Limited	PACRA	A-1	A+
United Bank Limited	VIS	A-1+	AAA
Industrial and Commercial Bank of China Limited	S&P	Not rated	A
Askari Bank Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A-1+	AAA

**The age analysis of premiums / contributions due but unpaid, amounts due from other insurers / reinsurers / other takaful companies / re-takaful operators and receivable from clients securities and commodity contracts against purchase of marketable is as follows:

For The Year Ended December 31, 2023

	2023	2022
	(Rupees in '000)	
Upto 1 year	4,209,838	4,410,546
1-2 years	449,150	366,376
2-3 years	209,986	486,081
Over 3 years	355,619	114,832
	<u>5,224,593</u>	<u>5,377,835</u>

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

	2023	2022
	(Rupees in '000)	
Sector wise analysis of premiums due but unpaid		
Foods and beverages	191,137	108,430
Financial services	374,363	107,420
Pharmaceuticals	40,632	26,444
Textile and composites	345,975	372,935
Plastic industries	-	18,171
Engineering, Technology and Communication	73,983	72,479
Other manufacturing	223,566	247,545
Miscellaneous	561,856	686,109
	<u>1,811,512</u>	<u>1,639,533</u>

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

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2023	2022
	(Rupees in '000)				
A- or above					
(including PRCL)	2,568,426	6,196,832	2,120,717	10,885,975	9,176,558
BBB and B+	134,113	336,411	115,128	585,652	443,259
Others	114,128	286,280	97,972	498,380	298,668
Total	<u>2,816,667</u>	<u>6,819,523</u>	<u>2,333,817</u>	<u>11,970,007</u>	<u>9,918,485</u>

36 FAIR VALUE MEASUREMENT

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Group to classify assets 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:

- Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Notes to and Forming Part of the Consolidated Financial Statements

As at December 31, 2023, the Group held the following financial instruments measured at fair value:

	2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Assets carried at fair value			
Available-for-sale	-	23,478,133	-
Fair value through other comprehensive income	41,368,567	370,804	912,652
Fair value through profit or loss	321,766	2,805,838	-
	2022		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Assets carried at fair value			
Available-for-sale	-	18,502,341	-
Fair value through other comprehensive income	33,323,722	358,615	-
Fair value through profit or loss	279,825	2,027,566	-

Valuation technique used in determination of fair values within level 2 is as follows:

Item	Valuation approach and input used
Government securities	The fair value of Government securities is derived using PKRV rates. PKRV rate is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Mutual funds	The fair value of mutual funds is derived from using rates published on Mutual Funds Association of Pakistan.
Unquoted equity securities	The fair value of unlisted investments has been determined based on the 'Market Approach' where market multiples derived from comparable securities are used.
Preference shares	The fair value of preference shares has been derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters.

Valuation technique used in determination of fair values within level 3 is as follows:

Item	Valuation approach and input used
Unquoted equity securities	The fair value of unlisted investments has been determined based on the sale offer received from an investor.
Seed preference shares	The fair value of seed preference shares has been determined based on the net asset value of the investee.

For The Year Ended December 31, 2023

37 CAPITAL MANAGEMENT

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

38 CORRESPONDING FIGURES

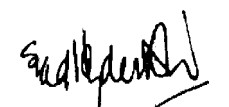
Corresponding figures has been rearranged or reclassified, wherever necessary. There has been no significant reclassification during the year.

39 DATE OF AUTHORISATION FOR ISSUE

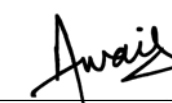
These consolidated financial statements were authorised for issue on 21 March 2024 by the Board of Directors of the Holding Company.

40 EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Holding Company has proposed a final dividend out of its profits for the year ended December 31, 2023 of Rs. 4/- per share (2022: Rs. 2.25 per share), amounting to Rs 570.522 million (2022: Rs 320.919 million) in its meeting held on 21 March 2024 for the approval of the members at the annual general meeting to be held on 29 April 2024. The consolidated financial statements for the year ended December 31, 2023 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2024.



Chief Executive Officer



Chief Financial Officer



Director

Notice of the Annual General Meeting of IGI Holdings Limited

Notice is hereby given that the 70th Annual General Meeting (AGM) of IGI Holdings Limited (the Company) will be held on Monday, the 29th day of April, 2024 at 3:00 p.m. at the Auditorium of The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and virtually via Zoom to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting (EoGM) of the Company held on March 29, 2024.
2. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2023 together with the Chairman's Review Report and Directors' and Auditors' Report thereon.

The annual report including Audited Financial Statements and related Reports has been uploaded on the website of the Company. Pursuant to SRO 389(I)/2023 dated March 21, 2023 and subsequent approval of the Shareholders in the Annual General Meeting dated April 28, 2023, the Annual Report and Audited Financial Statements can be accessed using the following web-link and QR enabled code:



<https://igiholdings.com.pk/annual-reports/>

3. To consider and approve the payment of final cash dividend of 40% (Rs. 4/- per share) for the financial year ended December 31, 2023 as recommended by the Board of Directors of the Company. This is in addition to the interim cash dividend of 20% (Rs.2/- per share) already paid during the year bringing the cash dividend for the financial year 2023 to 60% (Rs 6/- per share).
4. To appoint statutory auditors for the year 2024 and fix their remuneration. The current auditors, M/s. A.F. Ferguson & Co. (Chartered Accountants), being eligible for reappointment, have consented to be appointed as auditors and the Board of Directors has recommended their re-appointment.

ANY OTHER BUSINESS

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

Karachi
April 08, 2024

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company shall remain closed from April 23, 2024 to April 29, 2024 (both days inclusive). Only person whose names appear in the register of members of the Company as at April 22, 2024 will be treated in time for the purpose of attending the meeting.

2. Participation in the 70th AGM Proceedings via Video-Link Facility:

The Securities and Exchange Commission of Pakistan ("SECP") has vide its Circulars issued from time to time directed the listed companies to hold general meetings virtually in addition to the requirements of holding physical meeting. The following arrangements have been made by the Company to further facilitate the participation of the shareholders in the AGM:

The shareholders interested in attending the AGM virtually are requested to register themselves by sending their particulars at the designated email address agm.igiholdings@igi.com.pk mentioning their Name, Folio Number, CNIC Number and email address by the close of business hours on April 27, 2024. Upon receipt of the above information from the shareholders/proxies, the Company will share the login details to their email address, which will enable them to join the said AGM through video-link. To attend through video-link, members should download the application/software through <https://zoom.us/download>. Members will be able to participate in the AGM proceedings by logging into this application/ software using the login details provided

3. Attendance in the Meeting:

A Member entitled to attend and vote at the Annual General Meeting and is entitled to appoint another person as a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. The proxy forms duly completed and signed by the member appointing the proxy must be deposited with the Company's Share Registrar, FAMCO Share Registration Services (Pvt) Limited, 8F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S., Sharah-e-Faisal, Karachi, not later than forty-eight (48) hours before the time appointed for the Meeting.

Shareholders having physical shares are requested to promptly notify any change in their particulars to Company's Share Registrar, in writing whereas CDC account holders are requested to update their addresses with their CDC Participant/CDC Investor Account Services on immediate basis of any change occurring in the particulars.

4. Guidelines for CDC Account Holders / Non-CDC Members:

a) For attending the meeting.

- i. In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his/her 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 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 detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

5. Circulation of Audited Financial Statements through E-mail and by QR CODE:

The Audited Financial Statements of the Company for the year ended December 31, 2023, have been made available on the Company's website (<https://igiholdings.com.pk/annual-reports/>) in addition to the Annual and Quarterly financial statements for the previous years.

The Securities and Exchange Commission of Pakistan ("SECP") through its Notification No. S.R.O 389(I)/2023 dated March 21, 2023, has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web-link.

Accordingly, Annual Report of the Company for the year ended December 31, 2023 is dispatched to the shareholders through email and QR Code. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/web-link to download the Annual Report 2023 (containing the financial statements), have been dispatched. If a shareholder, in addition, requests for hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven days of receipt of such request. In this regard, the Company's designated email address / Share Registrar email address will be placed on website of the Company. A shareholder may also prefer to receive hard copies for all future Annual Audited Accounts. For convenience of shareholders, a "Standard Request Form for provision of Annual Audited Accounts" have also been made available on the Company's [website http://igiholdings.com.pk/](http://igiholdings.com.pk/).

6. Conversion of Physical Shares into the Book Entry Form:

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. The Company has reached out to its shareholders through newspaper notices requesting those who have physical shareholding. The shareholders are hereby again encouraged to open a CDC sub-account with any broker or Investor Account directly with CDC to convert their physical shares into scripless form. This is beneficial in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

7. Payment of Cash Dividend Through Electronic Mode (Mandatory)

Under the Section 242 of the Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to its shareholders through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive dividend directly into their bank account. Furthermore, in accordance with the Companies (Distribution of Dividend) Regulations, 2017, shareholders are advised to provide their CNIC Number and International Bank Account Number (IBAN) details, if they have not already done so, to our Share Registrar (if shares are held in physical form) at their above-referred office address or to the respective Participants/Broker (if shares are held through CDS Account). In case of non-receipt of information, the Company will be constrained to withhold payments of dividend.

8. Unclaimed Shares/Unpaid Dividend:

Shareholders who could not collect their dividend /physical/bonus shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of three (3) years or more from the date due and payable shall be deposited to the credit of the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

9. Submission of Copy of Valid CNIC and/or NTN (Mandatory)

Further to SECP's directives, including SRO 831(1)/2012 and other relevant rules, for processing of electronic dividend the shareholder should provide CNIC number, except in the case of minor(s) and corporate shareholders.

Accordingly, individual members who have not yet submitted a copy of their valid CNIC to the Company's Share Registrar are once again requested to send their CNIC copy at the earliest directly to the Company's Share Registrar. Corporate members are requested to provide their NTN and Folio Number along with the authorized representative's CNIC copy.

As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017 and Section 243(3) of the Companies Act, 2017, the Company will be constrained to withhold payment of dividend to shareholders in case of non-availability of CNIC and/or NTN of the shareholder or authorized person, as the case may be.

10. Conversion of Physical Shares into the Book Entry Form:

- a. Pursuant to Section 150 of the Income Tax Ordinance, 2001, withholding tax on dividend paid will be deducted for 'Filer' and 'Non-Filer' shareholders at 15% and 30% respectively. All members/shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names along with their valid CNICs/NTNs (National Tax Numbers) are entered into ATL, before April 22, 2024; enabling the Company to make required tax deduction on the amount of cash dividend. Accordingly, shareholders are also advised to check and ensure their respective status as appearing in the ATL available at FBR's website <http://www.fbr.gov.pk/> as well as to ensure that their CNIC/Passport number has been recorded by the Participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate bodies (non-individual shareholders) should ensure that their names and NTN are available in the ATL maintained on FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company's Share Registrar.
- b. According to the FBR, withholding tax in case of joint shareholders accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) as per their shareholding proportions. Members that hold shares jointly with other shareholders are requested to provide, in writing, the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to the Company's Share Registrar, M/s FAMCO Shares Registration Services (Pvt.) Limited. In case the required information is not provided to the Company's Registrar by April 22, 2024 it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).
- c. Withholding tax exemption from dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar by April 22, 2024.
- d. Non-resident shareholder(s) shall submit declaration of such undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of their residential status for the purposes of tax deduction on dividend to the Company Share Registrar latest by April 22, 2024. Member may send a declaration using a standard format as placed on Registrar and Company's websites as mentioned below:

www.famcosrs.com & www.igiholdings.com.pk

11. Zakat Deduction

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs. 50/- to the Share Registrar. In case shares are held in scrip less form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their participant/ Investor Account Services.

For any query/problem/information, the members/investors may contact the Company and/or the Share Registrar at the following phone numbers and email addresses:

Contact Persons:

M. Nasir Iqbal (Corporate Affairs)

Phone: 111-308-308

nasir.iqbal@igi.com.pk

Salman Rauf (Share Registrar)

Phone : 92-21-34380101-4

92-21-34384621-3

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

Form of Proxy

70th Annual General Meeting

I/We _____

of _____ being member(s) of

IGI Holdings Limited and holder of _____

Ordinary Shares as per Share Register Folio _____ and/or CDC Participant I.D. No. and

Sub Account No. _____ hereby appoint _____ of _____

_____ or failing him / her _____

of _____ as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Seventieth Annual General Meeting of the Company to be held on Monday, the 29th day of April 2024, at 3:00 p.m. at the Auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and at any adjournment thereof.

Signed _____ this day of _____ 2024.

1. Witness

Signature: _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

Signature

Please affix
Rupees five
revenue
stamp

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

2. Witness

Signature: _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

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

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

The shareholders having shares deposited with the Central Depository Company (CDC) are requested to bring their original Computerized National Identity Cards and CDC account number for verification.



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

AFFIX
CORRECT
POSTAGE

Request for Annual Report and Notices Through Post

The Registrar
FAMCO Share Registration
Services (Pvt.) Limited,
8-F, Next to Hotel Faran
Block-6, Nursery, P.E.C.H.S.
Shahrah-e-Faisal
Karachi-74000

Dear Sir,

I hereby request you to send me the Annual Report of IGI Holdings Limited for the year ended December 31, 2023 and all notices under the Companies Act, 2017 at my postal address given below:

(Postal address of the shareholder)

The above address will be recorded in the members register maintained under Section 119 of the Companies Act, 2017. I will inform the Company and its Share Registrar about any change in my postal address immediately.

Regards,

(Signature)
Name of the Shareholders

Folio No:
(In case of physical shareholding)

CDC Account No.: _____

Note: Individual CDC Account holders should submit copy of their Computerized National Identity Card (CNIC) alongwith this request form.

The Company Secretary

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

AFFIX
CORRECT
POSTAGE

Electronic Credit Mandate Form

Dear Shareholder,

We wish to inform you that in accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your dividends directly into your bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your Computerized / Smart National Identity Card (CNIC/SNIC) to the Share Registrar of the Company, M/s FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

CDC shareholders are requested to submit their Dividend Mandate Form and CNIC/SNIC directly to their broker (participant)/CDC

Yours faithfully
For IGI Holdings Limited

(Nadia Hussain)
Company Secretary

SHAREHOLDERS'S SECTION:

I hereby communicate to receive my future dividends directly in my Bank account as per details given below:

Name of shareholder:

Folio Number / CDC Account No.:

Contact number of shareholder:

Title of bank account of shareholder:

IBAN Number (see below Note No.1):

Name of Bank:

Bank branch & full mailing address:

CNIC/SNIC No. (Copy attached) :

NTN (in case of corporate entity):

It is stated that the above particulars given by me are correct and to the best of my knowledge. I shall keep the Company/broker (participant)/CDC informed in case of any changes in the said particulars in future.

Shareholder's Signature

CNIC/SNIC No.
(Copy attached)

Date: _____

Note:

1. Please provide complete International Bank Account Number (IBAN), after checking with your concerned branch to enable electronic credit directly into your bank account.
2. Please provide declaration for non-deduction of Zakat, if applicable.
3. The payment of cash dividend will be processed based on the bank account number alone. The Company is entitled to rely on the account number as per your instructions. The Company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the Company.

الیکٹرونک کریڈٹ مینڈیٹ فارم

معزز شیئر ہولڈرز

آپ کو مطلع کیا جاتا ہے کہ کمپنی ایکٹ 2017 کے سیکشن 242 کی شقوں کے مطابق ایک لٹریٹری کے لئے یہ ضروری ہے کہ وہ اپنے شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار براہ راست شیئر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں کرے۔

اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصولی کی غرض سے برائے مہربانی ذیل میں درج کوائف کو مکمل کریں اور اس خط کو باقاعدہ دستخط کر کے اپنے کمپیوٹرائزڈ/اسمارٹ شناختی کارڈ کی کاپی کے ہمراہ کمپنی کے رجسٹرار میسرز فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، 8-ایف، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو جمع کرا دیں۔ سی ڈی سی شیئر ہولڈرز سے درخواست ہے کہ اپنے منافع منقسمہ کے مینڈیٹ اور کمپیوٹرائزڈ شناختی کارڈ کی کاپی کو براہ راست اپنے بروکر (پارٹنیشن) / سی ڈی سی کو جمع کرا دیں۔

آپ کی مخلص
برائے آئی جی آئی ہولڈنگز لمیٹڈ

ناوید حسین
کمپنی سیکریٹری

AFFIX
CORRECT
POSTAGE

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

شیئر ہولڈرز پر کریں:

میں بذریعہ اطلاع دیتا ہوں کہ آئندہ میں اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں درج ذیل تفصیل کے مطابق وصول کروں گا۔

شیئر ہولڈر کا نام :
فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر :
شیئر ہولڈر کا رابطہ نمبر :
شیئر ہولڈر کا بینک اکاؤنٹ کا نام :
آئی بی اے این نمبر (نیچے درج نوٹ نمبر 1 ملاحظہ فرمائیں) :
بینک کا نام :
بینک برانچ اور ڈاک کا مکمل پتہ :
کمپیوٹرائزڈ شناختی کارڈ نمبر (کاپی منسلک کریں) :
این ٹی این (کارپوریٹ ادارے کی صورت میں) :

آگاہ کیا جاتا ہے کہ میری جانب سے فراہم کردہ مذکورہ بالا کوائف درست اور میری معلومات کے عین مطابق ہیں اور میں آئندہ ان کوائف میں کسی بھی تبدیلی کی صورت میں کمپنی / پارٹنیشن / سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کرتا رہوں گا۔

کمپیوٹرائزڈ/اسمارٹ شناختی کارڈ نمبر (کاپی منسلک)

شیئر ہولڈر کے دستخط

مورخہ: -----

نوٹ:

- برائے مہربانی اپنا مکمل آئی بی اے این اپنی متعلقہ برانچ سے چیک کرنے کے بعد فراہم کریں تاکہ الیکٹرونک کریڈٹ براہ راست آپ کے بینک اکاؤنٹ میں ممکن ہو سکے۔
- نقد منافع منقسمہ کی ادائیگی صرف بینک اکاؤنٹ نمبر کی بنیاد پر عمل میں لائی جائے گی۔ کمپنی آپ کی ہدایات کے مطابق اکاؤنٹ نمبر پر انحصار کرنے کا استحقاق رکھتی ہے۔ کمپنی ایسے کسی بھی نقصان، ضیاع، مالی ذمے داری یا دعویٰ کے لئے بلا واسطہ یا بلا واسطہ قطعی ذمے دار نہ ہوگی جو کسی غلطی، تاخیر ایسی کسی مالی ادائیگی کی پر فارمنس میں ناکامی کی صورت میں سامنے آئے جو ادائیگی کی غلط اور نامناسب ہدایات کی وجہ سے ہوا اور/یا کسی ایسے واقعے کے باعث پیش آئے جس پر کمپنی کا کوئی اختیار نہ ہو۔

درخواست برائے سالانہ رپورٹ اور نوٹسز بذریعہ ڈاک

دی شیئر رجسٹرار
فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ
ایف-8، نزد ہوٹل فاران
نرسری بلاک-6، پی ای سی ایچ ایس
شاہراہ فیصل، کراچی

عزیز محترم

میں بذریعہ ہذا آپ سے درخواست کرتی/کرتا ہوں کہ آئی جی آئی ہولڈنگز لمیٹڈ کی سالانہ رپورٹ اور نوٹسز برائے 2023 کمپنیز ایکٹ 2017 کے تحت میرے درج ذیل ڈاک ایڈریس پر ارسال کئے جائیں۔

(شیئر ہولڈر کا ڈاک ایڈریس)

مذکورہ بالا ڈاک ایڈریس کمپنیز ایکٹ 2017 کے سیکشن 119 کے تحت تیار کردہ مہران کے رجسٹر میں ریکارڈ کر لیا جائے۔ میں کہتی اور اس کے شیئر رجسٹرار کو اپنے ڈاک ایڈریس میں کسی بھی تبدیلی کے بارے میں فوری طور پر اطلاع کر دوں گا/گی۔

منجانب

(دستخط)

شیئر ہولڈر کا نام

فولیو نمبر:

(فزیکل شیئر ہولڈنگ کی صورت میں)

سی ڈی سی اکاؤنٹ نمبر:

نوٹ: انفرادی سی ڈی سی اکاؤنٹ ہولڈرز کو اس درخواست فارم کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی جمع کرانی ہوگی۔

AFFIX
CORRECT
POSTAGE

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

تشکیل نیابت داری

70 واں سالانہ اجلاس عام

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

AFFIX
CORRECT
POSTAGE

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

میں / ہم باہت بحیثیت ممبر (ممبران) برائے آئی جی آئی ہولڈنگز لمیٹڈ اور ہولڈر باہت
..... عموماً شیئرز برطانیق شیئرز رجسٹر فوئیو نمبر اور / یا سی ڈی سی پارٹنیشن اور سمسکریشن نمبر
..... بذریعہ ہذا باہت یا ان کی عدم حاضر پیر
کو اپنا / ہمارا پر کسی مقرر کر رہا ہوں / کر رہے ہیں جو کمپنی کے 70 ویں سالانہ اجلاس عام بروز پیر 29 اپریل 2024 بوقت 3:00 بجے سپر بہتمام دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان چارٹرڈ اکاؤنٹنٹس
ایونیورسٹی، کراچی میں منعقد ہو گا۔ کسی زیر التوا تاریخ پر منعقد ہونے والے اجلاس میں میری / ہماری غیر موجودگی کی صورت میں میری / ہماری جگہ شرکت کرنے اور ووٹ دینے کے لئے بطور نیابت داری شریک ہوں گے۔

دستخط مورخہ 2024

1- گواہ:

دستخط:

نام:

پتہ:

سی این آئی سی نمبر:

پاسپورٹ نمبر:

پاسپورٹ نمبر:

2- گواہ:

دستخط:

نام:

پتہ:

سی این آئی سی نمبر:

پاسپورٹ نمبر:

پاسپورٹ نمبر:

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

سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ کمپنی کو نیابت داری فارم جمع کرانے سے قبل اپنے کمپیوٹر انز ڈیجیٹل شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی اس نیابت داری فارم کے ساتھ لازماً منسلک کر دیں۔

سینٹرل ڈیپازٹری کمپنی (سی ڈی سی) کے پاس شیئرز جمع کرانے والے شیئرز ہولڈرز سے درخواست ہے کہ وہ تصدیق کیلئے اپنے اصل کمپیوٹر انز ڈیجیٹل شناختی کارڈ اور سی ڈی سی اکاؤنٹ نمبر ہمراہ لائیں۔

ریونیوٹ چسپال کریں۔

(دستخط کمپنی میں پہلے سے موجود نمونہ

کے مطابق ہونے چاہئے)

11. زکوٰۃ کی کٹوتی

زکوٰۃ کی لازمی کٹوتی سے استثنیٰ کا دعویٰ کرنے کے لیے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ NJSP کے 50 روپے کے زکوٰۃ ڈیکلیریشن فارم CZ-50 کی ایک نوٹرائزڈ کاپی شیئر رجسٹرار کو جمع کرائیں۔ اگر حصص اسکرپ سے کم شکل میں رکھے گئے ہوں تو اس طرح کے زکوٰۃ ڈیکلیریشن فارم (CZ-50) کو شیئر ہولڈر کے سی ڈی سی اکاؤنٹ میں ان کے شریک/سرمایہ کار کے ذریعے اکاؤنٹ سرورسز اپ لوڈ کیا جانا چاہیے۔

مندرجہ بالا تمام دستاویزات مکمل طور پر اوپر دستیاب ہیں۔
کسی بھی سوال/مسئلہ/معلومات کے لیے اراکین/سرمایہ کار، مینی اور/یا شیئر رجسٹرار سے درج ذیل فون نمبر ز اور ای میل پتوں پر رابطہ کر سکتے ہیں:

رابطہ کار:

ایم ناصر اقبال (کارپوریٹ افیئرز)

فون: 308-308-111

nasir.iqbal@igi.com.pk

سلمان رؤف (رجسٹرار)

فون: 92-21-34380101-4

92-21-34384621-3

AFFIX
CORRECT
POSTAGE

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

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

آئی جی آئی ہولڈنگز لمیٹڈ ("آئی جی آئی ہولڈنگز") کے ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشوارے بشمول، آپ کی کمپنی کی سالانہ رپورٹ پیش کرنے میں انتہائی مسرت محسوس کرتے ہیں۔

آئی جی آئی ہولڈنگز بحیثیت ایک ہولڈنگ کمپنی کام کر رہی ہے اور اپنے حصص یافتگان کے لئے اپنے ذیلی اداروں بنام آئی جی آئی انویسٹمنٹ (پرائیوٹ) لمیٹڈ، آئی جی آئی جنرل انشورنس لمیٹڈ، آئی جی آئی لائف انشورنس لمیٹڈ اور، آئی جی آئی فائیننس سیکورٹیز لمیٹڈ سے منافع حاصل کرتی ہے۔ منافع منقسم آمدنی کمپنی کی آمدنی کا ایک اہم ذریعہ ہے اور اس کے تحت اس کی آمدنی کا طریقہ ذیلی اداروں کے منافع کی تقسیم کے طریقہ کار کی پیروی کرتا ہے۔

سال مختصر		2022	2023
		(روپے - ہزاروں میں)	
انتظامی محصول		1,586,378	1,380,790
انتظامی آمدنی		1,247,284	1,089,654
قبل از ٹیکس منافع		1,253,080	932,565
ٹیکس کاری		64,529	(20,773)
بعد از ٹیکس منافع		1,317,609	911,792
فی شیئر آمدنی (روپے میں) - بنیادی/تخلیل شدہ		9.24	6.39

آپریٹنگ آمدنی 2022 کے دوران 1,090 ملین روپے کے مقابلے میں 14 فیصد اضافے کے ساتھ 1,247 ملین روپے ہو گئی ہے اور 2022 کے دوران 912 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں 1,318 ملین روپے کے بعد ٹیکس کے منافع ہوا۔

اختصاصات

کمپنی نے سال کے دوران 1,318 ملین روپے کا منافع حاصل کیا ہے، جس کے مطابق، ڈائریکٹرز نے 40 فیصد نقد منافع منقسم کی تجویز پیش کی ہے (یعنی 45 روپے فی حصص) (2022: 22.5 فیصد، 2.25 روپے فی حصص)۔ لہذا، کمپنی نے حتمی نقد منافع منقسم کی ادا کی ہے (2022: 570.5 ملین روپے (2022: 320.9 ملین روپے) مختص کیے ہیں۔ مذکورہ 20 فیصد (2 روپے فی حصص) عبوری منافع منقسم کے علاوہ ہے (2022: 20 فیصد، 2 روپے فی حصص) جو کہ سال کے دوران پہلے ہی تقسیم کیا جا چکا ہے۔

خطرات کی تحقیق اور ادراک

بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی باقاعدگی سے کمپنی کو درپیش خطرات کا جائزہ لیتی ہے جس میں ان کے وقوع پذیر ہونے کے امکانات اور ذیلی ممکنات شامل ہیں۔ چھٹ ایزیکوٹو آفیسر کی سربراہی میں سینئر مینجمنٹ ٹیم، خطرات محدود کرنے کے اقدامات کے ذمہ دار ہے۔ مارکیٹ کے حالات کا باقاعدگی سے جائزہ لینے کیلئے کمپنی کی قابلیت اور ان پر بروقت عمل درآمد کمپنی کو موثر طریقے سے خطرات سے حفاظت کا انتظام کرنے میں مدد دیتی ہے۔

کیپیٹل مینجمنٹ اور لیکویڈیٹی

کمپنی اپنے معاہدوں کے برخلاف اپنے اثاثوں کے مماثلت کے ساتھ اپنے سرمایہ کاری میں تنوع اور کریڈٹ کی کوالٹی کی فعال طور پر منظم نگرانی کرتی ہے۔ بحیثیت ایک ہولڈنگ کمپنی اس کی آمدنی کا سب سے بڑا ذریعہ منافع منقسم ہے، جس کا استعمال مستقبل میں ہونے والی سرمایہ کاری کے ذریعے حصص یافتگان کے لئے منافع کے حصول اور مالی معاہدوں کی تکمیل کے بعد حصص یافتگان کو معقول ادائیگی کو برقرار رکھنے کے لئے استعمال کیا جاتا ہے۔

متعلقہ فریقوں سے لین دین

کمپنیز ایکٹ 2017ء کی دفعہ 208 اور کمپنیز (متعلقہ پارٹی ٹرانزیکشنز اور متعلقہ ریکارڈوں کی برقراری) ریگولیشنز 2018ء کے تحت، آپ کی کمپنی نے مندرجہ ذیل نکات پر عمل کیا ہے

- بورڈ نے باضابطہ طور پر منظور شدہ متعلقہ فریقوں سے لین دین کی پالیسی مرتب کی ہے۔
- متعلقہ فریقوں سے لین دین کے لئے بطور "آرم لیسٹھ لین دین" درج بندی کے لئے شرائط مرتب کی ہیں۔
- متعلقہ فریقوں سے لین دین کی تفصیلات ڈائریکٹرز کی منظوری کے لئے پیش کی گئیں۔

کوڈ آف کارپوریٹ گورننس (ریگولیشنز 2019)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء (ریگولیشنز CCG) ریگولیشنز) کا اطلاق کمپنی پر ہوتا ہے اور اس کی دفعات کی مکمل طور پر پیروی کی گئی ہے۔ اس سلسلے میں ایک بنیاد یہ اس سالانہ رپورٹ کے ہمراہ منسلک ہے۔

خسوس تبدیلیاں

دسمبر 2022ء کے بعد کوئی اہم یا ضروری تبدیلی نہیں آئی ہے اور کمپنی نے کسی معاہدے کو منظور نہیں کیا ہے، جو مذکورہ تاریخ پر اس کی مالیاتی حیثیت کو متاثر کرے ماسوائے وہ مزید معلومات جو مورخہ 31 دسمبر 2023ء کو ختم ہونے والے سال کے کمپنی کے آڈٹ شدہ مالی گوشواروں میں درج ہیں۔

بورڈ آف ڈائریکٹرز

آئی جی آئی ہولڈنگز کے بورڈ آف ڈائریکٹرز میں چیئرمین اور سی ای او سمیت 8 ڈائریکٹرز شامل ہیں

ڈائریکٹرز کی کل تعداد

مرد	6
خواتین	1
ترتیب	
خود مختار ڈائریکٹرز	2
نان ایگزیکٹو ڈائریکٹرز	4
ایگزیکٹو ڈائریکٹر / سی ای او	1
خاتون ڈائریکٹرز (بشمول خود مختار ڈائریکٹرز میں شامل ہیں)	1

مورخہ 31 دسمبر 2023ء تک ڈائریکٹرز کے نام درج ذیل ہیں۔

31 دسمبر 2022 تک موجود ڈائریکٹرز کے نام درج ذیل ہیں:

سید بابر علی	چیئرمین - نان ایگزیکٹو ڈائریکٹر
جناب شمیم احمد خان	نان ایگزیکٹو ڈائریکٹر
سید یاور علی	نان ایگزیکٹو ڈائریکٹر
سید شاہد علی	نان ایگزیکٹو ڈائریکٹر
سید حیدر علی	ایگزیکٹو ڈائریکٹر / چیف ایگزیکٹو آفیسر
جناب علی احسن	خود مختار ڈائریکٹر
محترمہ صائمہ امین خواجہ	خود مختار ڈائریکٹر

بورڈ نے ایک آڈٹ کمیٹی اور ایک ہیومن ریسورس اینڈ ریوٹیشن (ایچ آر اینڈ آر) کمیٹی تشکیل دی ہے جس کی ترتیب درج ذیل ہے:

آڈٹ کمیٹی:

جناب علی احسن	چیئرمین
جناب شمیم احمد خان	ممبر
سید یاور علی	ممبر
محترمہ نادیہ حسین	ممبر

ہیومن ریسورس اینڈ ریوٹیشن کمیٹی

محترمہ صائمہ امین خواجہ	چیئرمین
جناب شمیم احمد خان	ممبر
سید شاہد علی	ممبر
سید حیدر علی	ممبر
محترمہ ہادیہ طارق	ممبر

ڈائریکٹرز کے مشاہرے

بورڈ نے ڈائریکٹرز کی معاوضہ پالیسی کی باضابطہ منظوری دی ہے۔ اس پالیسی کا مقصد غیر ایگزیکٹو ڈائریکٹرز کی جانب سے فراہم کردہ اضافی / تکنیکی خدمات کے معاوضے کے تعین کے ساتھ ڈائریکٹرز کے معاوضے کو مقرر کرنے کے لئے ایک شفاف طریقہ کار کو مرتب کرنا ہے۔ طے شدہ معاوضے پر نظر ثانی کا فیصلہ وقتاً فوقتاً بورڈ آف ڈائریکٹرز کے ذریعہ HR&RC کمیٹی کی سفارش پر کیا جائے گا۔

کارپوریٹ اور فنانشل رپورٹنگ کا فریم ورک

آپ کی کمپنی کے ڈائریکٹرز کی رائے میں:

- کمپنی کی انتظامیہ جانب سے تیار کردہ مالی گوشواروں میں کمپنی کے معاملات، آپریٹرز کے نتائج، نقد رقوم کے بہاؤ اور لیکویٹی میں تبدیلی کو شفاف طور پر پیش کیا گیا ہے۔
- کمپنی کے کھاتے کی کتابوں کو مناسب طریقے سے برقرار رکھا گیا ہے۔
- مالیاتی اسٹیٹمنٹ کی تیاری میں درست اکاؤنٹنگ پالیسیز اطلاق کیا گیا ہے اور مالیاتی تخمینے موزوں اور محتاط فیصلوں پر مبنی ہیں۔
- ان مالیاتی گوشواروں کو کمپنیز ایکٹ 2017 اور پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی بنیاد پر تیار کیا گیا ہے اور ان سے کوئی انحراف ہے تو اس کو باقاعدہ ظاہر اور واضح کیا گیا ہے۔
- ان مالیاتی گوشواروں کو پاکستان میں لاگو ہونے والے کمپنیز ایکٹ 2017ء اور انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے اصولوں کے مطابق تیار کیا گیا ہے اور کسی قسم کی کوئی روگردانی نہیں کی گئی ہے۔

- انٹرنل کنٹرول سسٹم نظام کے لحاظ سے مرتب، متوازن اور موثر انداز میں نافذ العمل ہے اس کی نگرانی بھی کی گئی ہے۔

- کمپنی کے اذیت کو مستقبل میں بھی جاری رکھنے کیلئے کمپنی کی صلاحیتوں میں کوئی شک نہیں ہے۔

- کارپوریٹ گورننس کی ہیڈ پرٹیکٹس سے انحراف یا روگردانی نہیں کی گئی، جیسا کہ PSX رول بک میں واضح کیا گیا ہے۔

- گزشتہ چھ سالوں کی کلیدی انتظامی اور مالیاتی اعداد و شمار کی اختصاری رپورٹ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

- جہاں ٹیکس، ڈیوٹیز، چارجز اور محصولات کی مد میں کسی قسم کی قانونی ادائیگیاں واجب الادا ہیں، ان کی رقم بشمول مختصر وضاحت کو ان مالیاتی گوشواروں کا حصہ بنایا گیا ہے۔

- اہم منصوبے اور احکامات، جیسے کارپوریٹ کی تنظیم نو، کاروبار میں توسیع اور آپریٹرز کی بندش بشمول مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال، اگر کوئی ہے تو انہیں سالانہ رپورٹ میں شامل کیا گیا ہے۔

- آئی جی آئی ہولڈنگز اور اس کے ذیلی ادارے اپنے ملازمین اور قریبی کمیونٹی کی صحت، حفاظت اور دفتری ماحول کی بہتری کے لئے اقدامات پر عمل درآمد کے لئے کوشاں ہیں۔

- آئی جی آئی ہولڈنگز اور اس کے ذیلی ادارے معاشرے کے غیر مراعات یافتہ طبقات کو تعلیم اور صحت کی سہولت فراہم کرنے کے سبب پر عمل پیرا ہیں۔ ایسی سہولیات فراہم کرنے والے اداروں کو، متعلقہ بورڈز کی منظوری کے تحت عطیات کی فراہمی کی جاتی ہے۔

- کمپنی کے بورڈ آف ڈائریکٹرز کے پاس بورڈ اور کمیٹیوں کی کارکردگی کی سالانہ تفصیلات کے لئے ایک منظور شدہ طریقہ کار موجود ہے، جو کہ CCG ضوابط میں موجود طریقہ کار کے مطابق مطلوب ہے۔ بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیاں سالانہ بنیاد پر مذکورہ تفصیلات پیش انجام دیتی ہیں۔

- CCG ضوابط میں موجود قواعد و ضوابط کے مطابق، بورڈ ڈائریکٹرز کے ترقیتی پروگرام کے تقاضوں کی تعمیل کر رہا ہے۔

ڈائریکٹرز اور ان کی شریک حیات کے ذریعہ کمپنی کے حصص میں کی گئی تجارت کا ذکر مندرجہ ذیل ہے:

ڈائریکٹر اور ان کی شریک حیات:

سید بابر علی نے 27,048,513 شیئرز گفٹ کئے۔

محترمہ پروین بابر علی نے 385,000 شیئرز خریدے۔

سید حیدر علی، ڈائریکٹر نے 18,354,349 شیئرز گفٹ کئے۔

محترمہ سیدہ گہمت علی، ڈائریکٹر نے 20,000 شیئرز خریدے۔

ڈائریکٹر جناب علی احسن نے 100 شیئرز خریدے۔

محترمہ صائمہ امین خواجہ، ڈائریکٹر نے 100 شیئرز خریدے۔

رواں سال کے دوران سی ای او، سی ایف او، کمپنی سیکریٹری اور ایگزیکٹوز نے کمپنی کے حصص میں تجارت نہیں کی۔

ٹیکسوں اور محصولات کے بارے میں معلومات مالیاتی رپورٹ میں درج ہیں۔

بورڈ نے رواں سال کے دوران چار اجلاس منعقد کیے اور ہر ممبر کی حاضری درج ذیل کے مطابق رہی

ڈائریکٹر کا نام	حاضری کی تعداد
سید بابر علی	4
جناب شمیم احمد خان	4
سید یاور علی	4
سید شاہد علی	4
سید حیدر علی (سی ای او)	4
جناب علی احسن	2
محترمہ صائمہ امین خواجہ	2
محترمہ فریال جوما*	2
محترمہ فریال صادق*	1
جناب طاہر مسعود*	2

* سال کے دوران استعفیٰ دیا۔

بورڈ نے اجلاس میں شرکت نہ کر سکنے والے ممبرز کی غیر حاضری کی رخصت کی منظوری دی۔

آڈٹ کمیٹی نے رواں سال کے دوران چار اجلاس منعقد کیے اور ہر ممبر کی حاضری درج ذیل کے مطابق رہی:

ڈائریکٹر کا نام	حاضری کی تعداد
جناب شمیم احمد خان	4
سید یاور علی	4
سید حیدر علی	4
جناب علی احسن	2
محترمہ فریال جوما*	2

HR&RC نے رواں سال کے دوران ایک اجلاس منعقد کیا۔ ہر ممبر کی حاضری درج ذیل کے مطابق رہی:

ڈائریکٹر کا نام	حاضری کی تعداد
سید یاور علی	1
سید شاہد علی	1
سید حیدر علی	1
محترمہ فریال جوما*	1
*جناب طاہر مسعود (سی ای او)	1

چیسر مین کی جائزہ رپورٹ

میں بسمرت 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے آئی جی آئی ہولڈنگز لمیٹڈ ذیلی اداروں کی کارکردگی پیش کر رہا ہوں۔ آئی جی آئی ہولڈنگز بحیثیت ایک ہولڈنگ کمپنی کام کر رہی ہے اور اپنے حصص یافتگان کے لئے اپنے ذیلی اداروں بنام آئی جی آئی انویسٹمنٹ (پرائیوٹ) لمیٹڈ، آئی جی آئی جزل انشورنس لمیٹڈ، آئی جی آئی لائف انشورنس لمیٹڈ اور، آئی جی آئی فائیننس سیکورٹیز لمیٹڈ سے منافع فراہم کرتی ہے۔

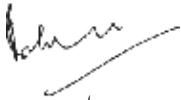
منافع منقسمہ آمدنی کمپنی کی آمدنی کا ایک اہم ذریعہ ہے اور اس کے تحت اس کی آمدنی کا طریقہ ذیلی اداروں کے منافع کی تقسیم کے طریقہ کار کی پیروی کرتا ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل مختلف پس منظر اور کاروبار، مالیات، انشورنس اور قانونی کے شعبوں میں بھرپور تجربے کا مرکب ہے۔ بورڈ انتظامیہ کو حکمت عملی کے ساتھ رہنمائی بھی فراہم کرتا ہے۔ بورڈ انتظامیہ کی جانب سے ریگولیٹری تقاضوں کی تعمیل کو بھی یقینی بناتا ہے۔ جیسا کہ ضابطہ کارپوریٹ گورننس کے ضوابط کے تحت ضروری ہے، بورڈ اپنے تیار کردہ میکانزم کے ذریعے اپنی کارکردگی کا خود جائزہ لیتا ہے، جبکہ چیسر مین ہر ڈائریکٹر کی کارکردگی کا جائزہ لیتے ہیں۔

بورڈ کو اس کی کمیٹیوں کی معاونت حاصل ہے۔ آڈٹ کمیٹی مالیاتی گوشواروں کا جائزہ لیتی ہے اور اس بات کو یقینی بناتی ہے کہ یہ کمپنی کی مالی حالت کی منصفانہ نمائندگی کرتے ہیں۔ یہ اندرونی کنٹرول کی تاثیر کو بھی یقینی بناتا ہے۔ بورڈ نے انسانی وسائل اور معاوضے کی کمیٹی بھی تشکیل دی ہے جو انسانی وسائل اور معاوضے کی منصوبہ بندی اور ترقی سے متعلق معاملات کو سنبھالتی ہے۔ ہر ذیلی ادارے کا اپنا بورڈ آف ڈائریکٹرز اور متعلقہ کمیٹیاں ہیں۔

میں اللہ سے دعا گو ہوں کہ کمپنی اور اس کے ذیلی ادارے مستقبل میں ترقی اور تنظیم کی بہتری کے لیے ہماری رہنمائی فرمائے۔

منجانب بورڈ آف ڈائریکٹرز



سید باقر علی

چیسر مین

لاہور: 21 مارچ 2024