PAK QATAR GENERAL TAKAFUL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

DRAFT INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAK-QATAR GENERAL TAKAFUL LIMITED

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and 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, 2024 and of the profit and 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 *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided with such other information therefore we cannot report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the Statement of Cash flow together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, 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) No zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.

Chartered Accountants

Place: Karachi
Date:
UDIN:

PAK-QATAR GENERAL TAKAFUL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		December 31, 2024			December 31, 2023		
	Note	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
		(Rupees)					
ASSETS							
Property and equipment	9	61,220,099	-	61,220,099	68,305,419	-	68,305,419
Intangible assets	10	10,895,042	-	10,895,042	15,861,094	-	15,861,094
		72,115,141	-	72,115,141	84,166,513	-	84,166,513
Investments							
Equity securities	11	592,646,638	-	592,646,638	384,022,388	254,445	384,276,833
Debt securities	11	201,300,000	187,095,000	388,395,000	85,552,500	167,970,000	253,522,500
		793,946,638	187,095,000	981,041,638	469,574,888	168,224,445	637,799,333
Loans, advances and other receivables	13	17,883,121	7,084,293	24,967,414	20,792,793	14,015,264	34,808,057
Takaful / Re-takaful receivables	14	-	281,847,782	281,847,782	-	250,378,801	250,378,801
Deferred tax asset	12	-	-	-	1,444,534	-	1,444,534
Re-takaful recoveries against outstanding claims	24	-	324,808,973	324,808,973	-	402,634,528	402,634,528
Deferred commission expense	25	52,107,104	-	52,107,104	49,633,837	-	49,633,837
Taxation - payments less provisions		-	4,239,797	4,239,797	-	4,239,797	4,239,797
Prepayments	15	-	100,200,809	100,200,809	-	93,444,837	93,444,837
Receivable from Participants' Takaful Fund	16	50,215,494	-	50,215,494	198,813,952	-	198,813,952
Deferred wakala fee	30	-	208,266,246	208,266,246	-	212,142,943	212,142,943
Cash, stamp and bank	17	184,838,022	103,647,280	288,485,302	232,561,173	261,511,752	494,072,925
Total Assets		1,171,105,620	1,217,189,880	2,388,295,400	1,056,987,690	1,406,592,367	2,463,580,057
EQUITY AND LIABILITIES							
Shareholders' Equity (SHF)							
Capital and Reserves							
Share capital	18	509,226,010	-	509,226,010	509,226,010	-	509,226,010
Accumulated surplus		207,172,909	-	207,172,909	144,308,740	-	144,308,740
Revaluation reserve		13,006,781	-	13,006,781	1,368,850	-	1,368,850
Total Shareholders' Equity		729,405,700	-	729,405,700	654,903,600	-	654,903,600
Waqf / Participants' Takaful Fund (PTF)							
Participants' Equity							
Cede money		-	500,000	500,000	-	500,000	500,000
Accumulated surplus		-	155,678,958	155,678,958	-	108,361,925	108,361,925
Revaluation reserve		-	187,500	187,500	-	625	625
		-	156,366,458	156,366,458	-	108,862,550	108,862,550
Liabilities							
Underwriting Provisions - PTF							
Outstanding claims including IBNR	24	-	409,807,876	409,807,876	-	587,242,456	587,242,456
Unearned contribution reserve	22	-	334,480,594	334,480,594	-	242,583,127	242,583,127
Contribution deficiency reserve		-	16,000,000	16,000,000	-	15,100,000	15,100,000
Unearned Re-takaful rebate reserve	23	-	26,167,837	26,167,837	-	25,830,129	25,830,129
		-	786,456,307	786,456,307	-	870,755,712	870,755,712
Deferred tax liability	12	1,610,771	-	1,610,771	-	-	-
Takaful / Re-takaful payables		-	200,432,560	200,432,560	-	197,783,297	197,783,297
Other creditors and accruals	19	173,909,472	23,719,061	197,628,533	134,723,300	30,376,856	165,100,156
Lease liabilities	20	33,427,514	-	33,427,514	43,590,791	-	43,590,791
Taxation - provisions less payments		24,485,817	-	24,485,817	11,627,056	-	11,627,056
Payable to Shareholders' Fund	16	-	50,215,494	50,215,494	-	198,813,952	198,813,952
Unearned wakala income	30	208,266,246	-	208,266,246	212,142,943	-	212,142,943
Total Liabilities		441,699,820	1,060,823,422	1,502,523,242	402,084,090	1,297,729,817	1,699,813,907
Total Equity and Liabilities		1,171,105,620	1,217,189,880	2,388,295,400	1,056,987,690	1,406,592,367	2,463,580,057
Contingencies and commitments	21						

The annexed notes from 1 to 46 form an integral part of these financial statements.

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

PAK-QATAR GENERAL TAKAFUL LIMITED
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2023
		---------- (Rupees) ----------	
PARTICIPANTS' TAKAFUL FUND (PTF)			
Contribution earned		670,804,835	870,247,590
Contribution ceded to Re-takaful		(317,164,287)	(275,577,967)
Net contribution earned	22	353,640,548	594,669,623
Re-takaful rebate earned / commission	23	77,823,085	62,673,467
Net underwriting income		431,463,633	657,343,090
Net takaful claims	24	(401,229,731)	(666,711,694)
Contribution deficiency expense		(900,000)	(1,311,213)
Direct expenses	26	(5,505,649)	(1,287,409)
Underwriting result before investment income		23,828,253	(11,967,226)
Investment income	27	22,409,073	18,899,591
Other income	28	24,568,487	33,643,095
Modarib's share	29	(23,488,780)	-
Surplus for the year		47,317,033	40,575,460
SHAREHOLDERS' FUND (SHF)			
Wakala income earned	30	511,789,459	506,108,542
Commission expense	25	(137,217,528)	(135,248,028)
Management expenses	31	(361,169,757)	(335,959,202)
		13,402,174	34,901,312
Direct expenses	32	(10,365,906)	(9,662,677)
Investment income	27	118,815,033	108,119,953
Other income	28	18,593,770	11,083,015
Modarib share from Participants' takaful fund	29	23,488,780	-
Profit before taxation		163,933,851	142,441,603
Provision for taxation	33	(50,147,086)	(41,234,271)
Profit after taxation		113,786,765	101,207,332
Earnings per share - basic and diluted	34	2.23	1.99

The annexed notes from 1 to 46 form an integral part of these financial statements.

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

PAK-QATAR GENERAL TAKAFUL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2023
		---------------- (Rupees) ----------------	
PARTICIPANTS' TAKAFUL FUND (PTF)			
Surplus for the year		**47,317,033**	40,575,460
Other comprehensive income			
- Change in unrealised gain / (loss) on available for sale investments	11.2.1	**186,875**	(3,522)
Total comprehensive income for the year		**47,503,908**	40,571,938
SHAREHOLDERS' FUND (SHF)			
Profit after taxation		**113,786,765**	101,207,332
Other comprehensive income			
- Change in unrealised gain on available for sale investments	11.2.1	**16,391,455**	19,224,764
- Related tax effect thereon	12.1	**(4,753,524)**	(5,575,171)
Total other comprehensive income for the year		**11,637,931**	13,649,593
Total comprehensive income for the year		**125,424,696**	114,856,925

The annexed notes from 1 to 46 form an integral part of these financial statements.

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

PAK-QATAR GENERAL TAKAFUL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Attributable to Shareholders' Fund of the Company			
		Revenue reserve		
	Issued, subscribed and paid-up capital	Unappropriated profit	Revaluation reserve on available-for-sale investments	Total
	(Rupees)			
Balance as at December 31, 2022	509,226,010	43,101,408	(12,280,743)	540,046,675
Total comprehensive income for the year ended December 31, 2023				
Profit after taxation	-	101,207,332	-	101,207,332
Other comprehensive income	-	-	13,649,593	13,649,593
	-	101,207,332	13,649,593	114,856,925
Balance as at December 31, 2023	509,226,010	144,308,740	1,368,850	654,903,600
Total comprehensive income for the year ended December 31, 2024				
Profit after taxation	-	113,786,765	-	113,786,765
Other comprehensive income	-	-	11,637,931	11,637,931
	-	113,786,765	11,637,931	125,424,696
Transaction with the owners of the Company				
Final cash dividend Dividend @ Rs. 1 per share	-	(50,922,596)	-	(50,922,596)
Balance as at December 31, 2024	**509,226,010**	**207,172,909**	**13,006,781**	**729,405,700**

	Attributable to Participants' Takaful Fund of the Company			
		Revenue reserve		
	Cede money	Accumulated surplus	Revaluation reserve on available-for-sale investments	Total
	(Rupees)			
Balance as at December 31, 2022	500,000	67,786,465	4,147	68,290,612
Total comprehensive income for the year ended December 31, 2023				
Surplus for the year	-	40,575,460	-	40,575,460
Other comprehensive income	-	-	(3,522)	(3,522)
	-	40,575,460	(3,522)	40,571,938
Balance as at December 31, 2023	500,000	108,361,925	625	108,862,550
Total comprehensive income for the year ended December 31, 2024				
Surplus for the year	-	47,317,033	-	47,317,033
Other comprehensive income	-	-	186,875	186,875
	-	47,317,033	186,875	47,503,908
Balance as at December 31, 2024	**500,000**	**155,678,958**	**187,500**	**156,366,458**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Chairman

PAK-QATAR GENERAL TAKAFUL LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2024

		Aggregate			
		December 31, 2024			December 31, 2023
	Note	Shareholders' Fund	Participants' Takaful Fund	Total	
		---------- (Rupees) ----------			
Operating cash flows					
(a) Takaful activities					
Contributions received		-	1,143,022,780	1,143,022,780	1,318,935,941
Claims paid		-	(625,637,418)	(625,637,418)	(843,021,306)
Payment to takaful / re-takaful operators		-	(96,472,034)	(96,472,034)	(84,465,754)
Commission net-off re-takaful rebate received / (paid)		(113,549,317)	78,160,793	(35,388,524)	(76,910,852)
Other takaful payments		-	(12,163,444)	(12,163,444)	(5,590,202)
Wakala and modarib fee (paid) / received		680,000,000	(680,000,000)	-	-
Net cash flow from takaful activities		566,450,683	(193,089,323)	373,361,360	308,947,827
(b) Other Operating activities					
Income tax paid		(38,986,541)	-	(38,986,541)	(33,940,757)
Management and other expenses paid		(348,547,805)	-	(348,547,805)	(329,549,852)
Loans, advances and other recievables		245,006	5,686,477	5,931,483	738,530
Net cash flow in other operating activities		(387,289,340)	5,686,477	(381,602,863)	(362,752,079)
Total cash (outflow) / inflow from all operating activities		179,161,343	(187,402,846)	(8,241,503)	(53,804,252)
Investment activities					
Profit / return received		134,908,642	48,222,054	183,130,696	173,137,266
Payment for investments		(2,450,383,484)	(137,370,487)	(2,587,753,971)	(1,540,190,770)
Proceeds from investments		2,142,403,189	118,686,807	2,261,089,996	1,613,751,429
Receipt on disposal of operating fixed assets		4,664,700	-	4,664,700	560,000
Fixed capital expenditure		(13,705,296)	-	(13,705,296)	(11,886,010)
Total cash flow from all investing activities		(182,112,249)	29,538,374	(152,573,875)	235,371,915
Financing Activity					
Dividends paid		(44,772,245)	-	(44,772,245)	-
Total cash inflow from financing activities		(44,772,245)	-	(44,772,245)	-
Net cash (outflow) / inflow from all activities		(47,723,151)	(157,864,472)	(205,587,623)	181,567,663
Cash at beginning of the year		232,561,173	261,511,752	494,072,925	312,505,262
Cash at end of the year	17	184,838,022	103,647,280	288,485,302	494,072,925
Reconciliation to profit or loss account					
Operating cash flows		179,161,343	(187,402,846)	(8,241,503)	(53,804,252)
Depreciation and amortisation expenses		(13,006,692)	-	(13,006,692)	(24,141,879)
Investment income including bank profits		132,243,976	46,977,560	179,221,536	168,419,209
Decrease / (Increase) in liabilities		(31,093,389)	236,906,396	205,813,007	186,818,318
(Decrease) / increase in assets		(146,861,388)	(49,164,077)	(196,025,465)	(170,254,007)
Unrealised exchange gain		(57,140)	-	(57,140)	290,197
Gain on disposal of operating fixed assets		4,560,600	-	4,560,600	514,449
Income tax paid		38,986,541	-	38,986,541	33,940,757
Profit before taxation in SHF / Surplus in PTF		163,933,851	47,317,033	211,250,884	141,782,792

The annexed notes from 1 to 46 form an integral part of these financial statements.

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Pak-Qatar General Takaful Limited (the Company) was incorporated in Pakistan as an unquoted public company limited by shares on March 15, 2006 under the repealed Companies Ordinance, 1984, (now the Company Act, 2017). The Company received Certificate of Registration on August 16, 2007 under Section 6 of the Insurance Ordinance, 2000. The main activity of the Company is to undertake general takaful business. The Company operates with 08 (2023: 08) branches in Pakistan. The major shareholder of the Company is Pak-Qatar Investment (Private) Limited and its holding is 42.5%.

For the purpose of carrying on the takaful business, the Company has formed a Waqf for Participants' Equity. The Waqf namely Pak-Qatar General Takaful Limited Waqf [hereafter referred to as the Participant Takaful Fund (PTF)] was formed on August 17, 2007 under a trust deed executed by the Company with a cede money of Rs. 500,000. Waqf deed also governs the relationship of Shareholders' Fund (SHF) and participants of PTF for management of takaful operations and investment of funds approved by Shariah Advisor. The accounts of the Waqf are maintained by the Shareholders' Fund in a manner that the assets and liabilities of PTF remain separately identifiable. The financial statements of the Shareholders' Fund are prepared in such a manner that the financial position and results from the operations of PTF and the Shareholders' Fund are shown separately.

Following are the geographical location and addresses of all the business units of the Company:

Head office - Registered Office

Suite # 402-403, Business Arcade, Block 6, P.E.C.H.S., Sharah-e-Faisal, Karachi.

Branches - Registered addresses

Karachi	Office 306, Business Arcade, Plot # 27/A, Block 6, Shahrah-e-Faisal ,P.E.C.H.S, Karachi.
Lahore	15-Ilyas Street, Noon Avenue, Near Admission Office Punjab Group of Colleges, Main Upper Canal Road, Old Muslim Town, Lahore.
Multan	1st Floor, Zakariya Arcade, Opp.Khana-e-Farhang-e-Iran, Near Chungi No.9,Multan.
Sailkot	Shop # 312,AL Khalil Centre,2nd Floor, Kashmir Road, Sailkot.
Faisalabad	2nd Floor, P-14, Usman Plaza,Opposite Shell Petrol Pump, Kotwali Road, Faisalabad.
Islamabad	4th Floor, Chenab Center 104-E, Jinnah Avenue, Blue Area, Islamabad.
Peshawar	Office No. 406-410, 4th Floor, City Towers, Block-C, Plot No. 18-E University Road, Peshawar.
Sukkur	Mezzanine Floor, Chamber Avenue Building, Near Chamber of Commerce, Bunder Road, Sukkur.

2. BASIS OF PREPARATION

These financial statements have been prepared in line with the requirement and format issued by the Securities and Exchange Commission of Pakistan (Commission) through Insurance Rules, 2017 (the Rules) vide SRO 89(I)/2017 dated 09 February 2017, and the General Takaful Accounting Regulations, 2019 (the Regulations) vide SRO 1416/(I)/2019 dated 20 November 2019. As required by the Takaful Rules, 2012 these financial statements reflect the financial position and results of operations of both SHF and PTF in a manner that the assets, liabilities, income and expenses of the SHF and the PTF remain separately identifiable.

3. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017 (the Act), Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

- Provision of and directives issued under the Act and Insurance Ordinance, 2000, Insurance Rules, 2017, Takaful Rules, 2012 and Insurance Accounting Regulations, 2017.

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountant of Pakistan (ICAP) as or notified under Companies Act, 2017.

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

4. BASIS OF MEASUREMENT

The financial statements are prepared on new format as prescribed by Insurance Accounting Regulations 2017 except for the necessary modifications in the light of Takaful Rules 2012 and based on the advice of Shariah Advisor of the Company.

These financial statements are prepared under historical cost convention, except as disclosed in accounting policies relating to financial instruments, investments, lease liabilities and insurance liabilities etc.

5. FUNCTIONAL AND PRESENTATION CURRENCY

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

6. STANDARDS, AMENDMENTS AND INTERPRETATIONS OF APPROVED ACCOUNTING STANDARDS

6.1 Amendments to IFRS that are effective for the year ended December 31, 2024

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

- Amendments to IFRS 16 ' Leases' - Clarification on how seller - lessee subsequently measures sale and leaseback transactions;

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants;

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments : Disclosures' - Supplier Finance Arrangements.

6.2 Standard and amendments to IFRS that are not yet effective

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

	Effective date (accounting periods beginning on or after
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025

	Effective date (accounting periods beginning on or after
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments : Disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments : Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

6.3 Temporary exemption from application of IFRS 9 and IFRS 17

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 Financial Instruments as given in para 20A of IFRS 4 Insurance Contracts is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress.

In Phase 4 SECP requires parallel run of IFRS 17 for the year ended 31 December 2024 to be submitted to SECP by 30 June 2025 and dry run on the financial statement of the first quarter of 2025 to be submitted by 30 November 2025.

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

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

b) all other financial assets.

Fair value of financial assets as at 31 December 2024 and the change in the fair values during the year ended 31 December 2024.

Financial assets	December 31, 2024			
	Financial Assets that will fail the SPPI test		Financial Assets that will pass the SPPI test	
	Fair Value	Change in unrealized gain or loss during the year	Fair Value	Change in unrealized gain or loss during the year
	(Rupees)			
Equity securities	592,646,638	17,021,910	-	-
Debt securities	-	-	388,395,000	1,485,000
Re-takaful recoveries against outstanding claims	-	-	324,808,973	-
Takaful / Re-takaful receivables	-	-	281,847,782	-
Loans, advances and other receivables	-	-	24,967,414	-
Cash and bank	-	-	288,485,302	-
	592,646,638	17,021,910	1,308,504,471	1,485,000

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

	December 31, 2023			
	Financial Assets that will fail the SPPI test		Financial Assets that will pass the SPPI test	
	Fair Value	Change in unrealized gain or loss during the year	Fair Value	Change in unrealized gain or loss during the year
	(Rupees)			
Equity securities	384,276,833	1,628,580	-	-
Debt securities	-	-	253,522,500	300,000
Re-takaful recoveries against outstanding claims	-	-	402,634,528	-
Takaful / Re-takaful receivables	-	-	250,378,801	-
Loans, advances and other receivables	-	-	34,808,057	-
Cash and bank	-	-	494,072,925	-
	384,276,833	1,628,580	1,435,416,811	300,000

7. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

	Note
- Useful lives of assets, residual value and method of depreciation / amortisation	8.1
- Classification of investments	8.4
- Determination of lease term for lease contracts with renewal and termination options	8.7.2

	Note
- Estimation of incremental borrowing rate	8.7.3
- Classification of takaful contracts	8.8
- Provision for doubtful contribution receivable	8.9
- Contribution deficiency reserve	8.11
- Provision for outstanding claims including IBNR	8.14
- Provision for re-takaful recoveries against outstanding claims	8.18
- Segment reporting	8.23
- Impairment of non-financial assets	8.24
- Taxation	8.28

8. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2024.

8.1 Property and equipment

8.1.1 operating fixed assets

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged using reducing balance method at the rates specified in note 9.1 to the financial statements. Depreciation on additions is charged from the date when the asset is available for use and the depreciation ceases on the date of disposal.

Residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end.

An item of operating fixed assets is derecognised upon disposal or when no future economic benefit is expected from its use or disposal.

Maintenance and normal repairs are charged to income as and when incurred, whereas major renewals or replacement are capitalised.

Gain or loss on disposal of the operating fixed assets is recognised in the statement of profit and loss account in the year of disposal.

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

8.1.2 Capital work in progress

Capital work in progress is stated at cost less impairment losses, if any and consist of capital expenditure incurred and advances made in course of capital work in progress. Trasfers are made to relevant asset category as and when assets are available for intended use.

8.2 Right-of-use assets

At the commencement date of the lease, the right-of-use asset is initially measured at the present value of lease liability. Subsequently, right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as mentioned in note 9.2.

8.3 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation on intangible assets is charged applying the reducing balance method except for ERP which is straight line method, at the rates specified in note 10 to the financial statements after taking into account residual value, if any.

Amortisation is calculated from the date when the assets are available for use, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life, residual value and amortisation method is reviewed, and adjusted if appropriate, at each financial year.

8.4 Investments

It includes investments in equity securities (shares and mutual funds), in debt securities (sukuks) and in term deposits.

8.4.1 Classification

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as held to maturity. Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity or change in mark-up / interest rates are classified as available for sale. Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading.

8.4.2 Investment categories and subsequent measurement

Date of recognition

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

Initial recognition

All investments are initially recognised at cost being the fair value of the consideration given and include transaction costs, except for held for trading investments in which case transaction costs are charged to statement of profit or loss account.

Subsequent measurement

Held to maturity

Subsequently, these are measured at amortised cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is amortised uniformly over the date of acquisition and date of maturity.

Available for sale

Subsequently, these are measured at fair value. Any unrealised gain or loss arising on re-measurement of available-for-sale investments are taken to revaluation reserve through statement of other comprehensive income. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to statement of profit or loss account for the year.

Held for trading

Subsequently, these are measured at fair value. Any unrealised gain or loss arising on re-measurement of held-for-trading investments are taken directly to statement of profit or loss account.

Fair / market value measurement

For investment in sukuks, fair / market value is determined by reference to quotations obtained from brokers. The fair / market value of mutual fund units is determined as per the Net Asset Values (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP). The fair value of listed equities are determined by reference to quoted market prices of Pakistan Stock Exchange (PSX).

Impairment

Impairment loss in respect of investments categorised as available-for-sale is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. When such impairment arises, the cumulative loss that has been recognised directly in equity is transferred to statement of profit and loss account. For listed securities, a significant or prolonged decline in fair value below cost is also considered to be an objective evidence of impairment.

8.5 Qard-e-Hasna

Qard-e-Hasna is provided by SHF to PTF, if there is deficit in admissible assets of PTF over its liabilities. SHF is allowed to recover this qard without charging profit in the event of surplus of admissible assets over liabilities in PTF.

8.6 Cash and cash equivalents

For the purpose of statement of cas hflows, cash and cash equivalents comprises of cash, stamps in hand and cash at bank.

8.7 **Leases**

8.7.1 The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee - The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities - At the commencement date of the lease, the Company recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

8.7.2 **Determination of the lease term for lease contracts with renewal and termination options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation of the leased asset).

8.7.3 **Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as stand-alone credit rating, or to reflect the terms and conditions of the lease).

8.8 **Takaful contracts**

In all takaful models, the takaful contracts so agreed 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, and the model adopted by the company is Wakala Waqf model.

Contracts under which the Participants' Takaful Fund (PTF) accepts significant Takaful risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the takaful event) adversely affects the policyholder 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 period of takaful, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The non-life takaful contracts are underwritten in PTF, that can be categorised into Fire and Property, Marine, Aviation and Transport, Motor and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, and in some cases for less than one year or for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the PTF under which the contract holder is another takaful operator (inward re-takaful of a facultative nature) are included within the individual category of takaful contracts, other than those which fall under the Treaty. Takaful contracts issued by PTF do not include investment contracts or Discretionary Participation Features.

Fire and property takaful provides coverage against damages suffered to property caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and other related perils. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

Marine, aviation and transport takaful provides coverage against cargo risk, terminals, damages occurred in between the points of origin and final destination and other related perils.

Motor takaful provides comprehensive car coverage, indemnity against third party loss and other related covers.

Accident and health takaful contract mainly compensates hospitalisation and in-patient medical coverage.

Miscellaneous takaful provides cover against all other risk like burglary, loss of cash in safe and cash in transit, engineering losses, travel, health, crop, live stock, professional indemnity, workers compensation and other coverage.

8.9 Contributions

Contributions including administrative surcharge received / receivable under a takaful policy are recognised as written from date of attachment of risk to the policy / cover note. Where contributions for a policy are payable in installments, full contribution for the duration of policy is recognised as written from date of attachment of risk to the policy. Contributions are stated gross of commission or wakala payable to intermediaries and exclusive of taxes and duties levied on contributions. For contribution earned, contribution written after deducting wakala and admin surcharge is spread over the period of takaful contract and earned contribution amount is calculated according to the ratio of the expired period of the policy and the total period, both measured to the nearest day. Administrative surcharge and wakala is recognised on upfront basis.

Contribution Receivables (contribution due but unpaid) represents the amount due from participants on account of takaful contracts. These are recognised at cost, which is the fair value of the consideration to be received less provision for doubtful debts, if any. Provision for doubtful debts in contribution receivable is estimated on a systematic basis after analysing the receivables as per their ageing. Provision for impairment in contribution receivable is established when there is an objective evidence that company will not be able to collect all amounts due according to original terms of the takaful contracts.

Significant financial difficulties of the debtor, probability that debtor will enter financial reorganisation, and default of delinquency in payments is considered indicators that contribution receivbable is doubtful. The provision for doubtful debts is charged to profit & loss for the year. When the contribution receivable is uncollectable, it is written-off against the provision. Wakala associated with provision for doubtful balances on contribution due but unpaid, is also set aside as provision for doubtful wakala balances.

8.10 Provision for unearned contribution

The unearned portion of contribution written net-off wakala and admin surcharge is set aside as a reserve and is recognised as a liability. This relates to the business in force at reporting date. Unearned contribution is calculated according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

8.11 Contribution deficiency reserve

According to the requirements of the Insurance Rules 2017, a contribution deficiency reserve (liability adequacy) needs to be created for each class of business, where the unearned contribution and related income for any class of business is not adequate to meet the expected liability (after re-takaful recovery) from claims, and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. Any deficiency is recognised by establising a provision for contribution deficiency to meet the deficit. Movement in the reserve is to be charged to the statement of profit and loss account of Participants' Takaful Fund. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off significant claims which are not expected to recur.

For this purpose, loss ratios for each class are estimated based on historical claim development, and the expected future liability is estimated with reference to the experience during the expired periods of contracts, adjusted for one-off & significant individual losses. The expected net-off re-takaful claim ratios against net contrinution earned gross up of wakala for the unexpired periods of policies in force at reporting date for each class of business is disclosed in note 40.7.

8.12 Deferred commission expense

Commission expense incurred in obtaining and recording takaful business are deferred and recognised as an expense in accordance with the pattern of recognition of contribution revenue.

8.13 Claims

Claims expense include all claims incurred during the year, whether reported or not, based on estimated liability for compensation under takaful contract, related claim 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.

8.14 Provision for outstanding claims

PTF maintains provision in respect of outstanding claims against losses incurred up to the reporting date which is measured at the undiscounted value of expected future claim settlement cost. 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 provision for outstanding claims also includes amounts in relation to claims reported but not settled and claims incurred but not reported (IBNR). For health class, provision for outstanding claim, IBNR, unearned contribution and contribution deficiency are based on advice of actuary.

- **Provision for claims reported but not settled**

  Provision for liability in respect of claims reported but not settled at the reporting date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognised outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

- **Provision for claims incurred but not reported (IBNR)**

  The provision for claims incurred but not reported (IBNR) is estimated annually at the reporting date. Estimation may be effected by past reporting trends, expected future pattern of reporting of claims and the claims actually reported subsequent to the reporting date. In accordance with the SECP Circular no. 9 of 2016, the Company has changed its method of estimation of IBNR. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the expected extent of future development of claims to reach their ultimate level.

8.15 Re-takaful contracts

Re-takaful contract are classified as contracts entered into by the PTF with re-takaful operators under which the PTF cedes takaful risk assumed during the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks, and accordingly the PTF is compensated for losses on takaful contracts issued by it. Assets, liabilities and income and expense arising from ceded retakaful contracts are presented separately from the assets, liabilities, income and expense from the related takaful contracts because the re-takaful arrangements do not relieve the PTF from its direct obligations to its policyholders. These re-takaful contracts include both facultative and treaty arrangements contracts and are classified in same categories of takaful contracts for the purpose of these financial statements.

8.16 Prepaid re-takaful

Re-takaful contribution ceded is recognised as expense evenly in the period of indemnity of policy to which it relates. The portion of re-takaful contribution not recognised as an expense is shown as a prepayment.

8.17 Rebate from re-takaful

At the time of re-takaful contribution ceding, rebate from re-takaful operators under the terms of re-takaful arrangements is recognised when the PTF's right to receive the same is established. Rebate commission from re-takaful is deferred and recognised as an income in accordance with the pattern of recognition of re-takaful contribution ceded to which it relates.

8.18 Re-takaful recoveries against outstanding claims

Re-takaful recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the re-takaful contracts. Receivable against claims from the re-takaful operators are recognised as an asset at the same time as the claims which gives rise to the right of recovery are recognised as a liability and are measured at the amount expected to be recovered.

8.19 Receivable and payables related to takaful contracts

Amounts due to / from other takaful and re-takaful operators are recognised when due at cost less provision for impairment, if any. Cost represents the fair value of the consideration to be received / paid in the future for services rendered. Re-takaful assets or liabilities are derecognised when the contractual rights are extinguished or expired.

Receivable and payable related to takaful contracts pertains to customers, agents, brokers, other takaful operators, and re-takaful operators. Retakaful assets primarily represent re-takaful recoveries against claims and rebate commission, and re-takaful liabilities primarliy represent retakaful contribution ceded. Amount due to and due from other takaful operators is primarily on account of co-takaful business, whereby receivable and payable are recognised against claims, rebate commission, and contribution. Provision for doubtful balance in contribution receivable is estimated on a systematic basis after analysing the receivables as per their ageing.

An impairment review of re-takaful assets is performed at each reporting date. If there is objective evidence that the asset is impaired as a result of one or more events having negative effects, occured after the initial recognition, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the statement of profit and loss of Participants' Takaful Fund.

8.20 Takaful surplus

Takaful surplus attributable to the participants is assessed after charging all direct cost, setting aside various provisions, reserves, charity, qard-e-hasna, and evaluating the assets and liabilities of PTF alongside need to retain the surplus to strengthen the PTF. Distribution of surplus to participants, if applicable, is made with the approval of the Operator and is recognised in the period in which it is approved.

8.21 Revenue recognition

Participant's takaful fund

- The revenue recognition of Contribution is given under note 8.9.

- The revenue recognition of Rebate from re-takaful operators is given under note 8.17.

Shareholder's fund

- The Takaful operator (SHF) manages the general takaful operations for the participants' takaful fund (PTF). Wakala fee is charged from PTF as a percentage of the gross contribution written net of administrative surcharge at the time of issuance of policy. It is amortised over the takaful contract terms in accordance with the pattern of takaful contribution earned. Administrative surcharge is recognised on upfront basis.

- The Takaful operator (SHF) also manages the PTF's bank balances and investments as Modarib. Modarib fee is charged as percentage on aggregate of income on bank balances and investment income earned by the PTF. It is recognised on the same basis on which related revenue is recognised.

Participants' takaful fund and Shareholders' fund

- Profit on sukuks and bank deposits are recognised on accrual basis.
- Administrative income are recognised on accural basis.
- Dividend income and entitlement of bonus shares is recognised when the right to receive such dividend or bonus shares is established.
- Gain / loss on re-measurement of available-for-sale investments are recognised in the statement of comprehensive income whereas gain / loss on sale of available-for-sale investments are recognised in the statement of profit or loss in the year of disposal.

8.22 Expenses

Participants' takaful fund

- Direct expenses allocated to PTF represents directly attributable expenses and these are allocated to various classes of business on the basis of gross contribution written during the year. Expenses not directly allocable to PTF are charged to SHF.

Shareholders' fund

- Expenses not directly allocable to PTF are charged to SHF. Allocation between management expenses and other expenses are performed by management as deemed equitable. For segment reporting, management expenses are allocated to class of business on the basis of gross contribution written during the year.

8.23 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expense that relate to transaction with any of the Company's other component. The Company accounts for segment reporting using the classes of business as specified under the Insurance Ordinance, 2000 and Insurance Rules, 2017.

The Company's operating businesses are recognised and managed separately according to the nature of services provided with each segment representing a strategic business unit that serves different market needs. All the company's business segment operate in Pakistan only. The Company has four primary business segments for reporting purposes namely fire & property, marine, avaiation & transport, motor and miscellaneous. The nature and business activities of these segments are disclosed in note 8.8.

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

8.24 Impairment of non-financial assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are charged to profit and loss account of Shareholders' Fund.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

8.25 Financial instruments

Financial assets and financial liabilities other than those arising out of takaful contracts are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. At the time of initial recognition, financial assets and liabilities are measured at fair values which is the cost of consideration given or received for it. Financial assets are derecognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are derecognised when obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on derecognition of the financial assets and liabilities are recognised in the statement of profit and loss account of the current period.

Financial instruments include cash and bank balances, loans to employees, investments, contribution due but unpaid, amount due from other takaful / re-takaful operators, accrued investment income, re-takaful recoveries against outstanding claims, security deposits, other receivables, outstanding claim liabilities, amount due to other takaful / re-takaful, accrued expenses, agents balances, other creditors, and deposits.

8.26 Offsetting

A financial asset and financial liability is offset and the net amount is reported in the financial statements when the Company has a legally enforceable right to set-off the recognised amounts and it intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

8.27 Creditors, accruals and provisions

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

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, 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 are adjusted to reflect the current best estimate.

8.28 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account of Shareholders' Fund, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity. For this purpose, the profit of shareholders' fund is taxed as part of total profit of the Company.

Current

Provision for current taxation is based on taxability of certain income streams of the company under final tax regime at the applicable tax rates and the remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability on turnover, whichever is applicable, after taking into account tax credits and rebates available. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalised during the year or required by any other reason.

Deferred

Deferred tax is recognised using the reporting liability method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

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

8.29 Ijarah arrangements

Ijarah rentals are recognised as an expense on accrual basis as and when the rentals become due.

8.30 Appropriations

Appropriations of profit, if any, are recognised in the year in which these are approved.

8.31 Staff retirement benefits

8.31.1 Defined contribution plan

The Company operates an approved contributory provident fund for all its permanent employees. Contributions are made by both the Company and the employees to the fund at the rate of 10% of basic salary. Contribution made by the Company is recognised as an expense.

8.32 Foreign currency transaction and translation

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account of Shareholders' Fund.

8.33 Earnings per share

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

8.34 Dividend and bonus shares

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

			December 31, 2024	December 31, 2023
9.	**PROPERTY AND EQUIPMENT**	Note	----------(Rupees)----------	
	Operating fixed assets	9.1	32,191,949	29,398,239
	Right-of-use assets	9.2	26,261,304	38,907,180
	Capital work in progress	9.3	2,766,846	-
			61,220,099	68,305,419

9.1 OPERATING FIXED ASSETS

December 31, 2024

Particulars	Cost			Accumulated depreciation			Carrying value as at December 31, 2024	Depreciation rate
	As at January 01, 2024	Additions / (disposals)	As at December 31, 2024	As at January 01, 2024	Depreciation for the year (note 30)	As at December 31, 2024		
	(Rupees)							(%)
Office improvements	20,436,786	-	20,436,786	13,708,821	1,009,195	14,718,016	5,718,770	15
Furniture and fixtures	16,797,062	107,000	16,904,062	10,552,389	948,739	11,501,128	5,402,934	15
Office equipment	16,485,381	41,950	16,527,331	12,393,279	620,920	13,014,199	3,513,132	15
Motor vehicles	4,978,255	10,234,000 (310,350)	14,901,905	1,340,706	2,768,188 (206,250)	3,902,644	10,999,261	20
Computer equipment	50,097,118	555,500	50,652,618	41,401,168	2,693,598	44,094,766	6,557,852	30
	108,794,602	10,938,450 (310,350)	119,422,702	79,396,362	8,040,640 (206,250)	87,230,753	32,191,949	

December 31, 2023

Particulars	Cost			Accumulated depreciation			Carrying value as at December 31, 2023	Depreciation rate
	As at January 01, 2023	Additions / (disposals)	As at December 31, 2023	As at January 01, 2023	Depreciation for the year (note 30)	As at December 31, 2023		
	(Rupees)							(%)
Office improvements	17,042,358	3,394,428	20,436,786	12,870,959	837,862	13,708,821	6,727,965	15
Furniture and fixtures	16,797,062	-	16,797,062	9,450,388	1,102,001	10,552,389	6,244,673	15
Office equipment	16,123,664	402,065 (40,348)	16,485,381	11,720,531	706,115 (33,368)	12,393,279	4,092,102	15
Motor vehicles	1,528,316	4,273,193 (823,254)	4,978,255	1,299,087	826,298 (784,680)	1,340,706	3,637,549	20
Computer equipment	46,280,794	3,816,324	50,097,118	38,740,460	2,660,708	41,401,168	8,695,950	30
	97,772,194	11,886,010 (863,602)	108,794,602	74,081,425	6,132,984 (818,047)	79,396,362	29,398,239	

	Note	December 31, 2024	December 31, 2023
		(Rupees)	
9.2 Right-of-use assets			
Building			
Opening balance		**38,907,180**	787,403
Additions during the year		**-**	50,583,505
Depreciation expense	31	**(12,645,876)**	(12,463,728)
Closing balance		**26,261,304**	38,907,180
Cost		**50,583,505**	50,583,505
Accumulated depreciation		**(24,322,201)**	(11,676,325)
Net book value		**26,261,304**	38,907,180
		(Years)	
Depriciation rate		**25%**	25%

	Note	December 31, 2024	December 31, 2023
		(Rupees)	
9.3 Capital work in progress	9.3.1	**2,766,846**	-

9.3.1 This represent advances paid to vendors for IT equipment, which are yet to be capitalised upon installation of the respective assets.

10. INTANGIBLE ASSETS

December 31, 2024

Particulars	Cost			Accumulated amortisation			Carrying value	
	As at January 01, 2024	Additions	As at December 31, 2024	As at January 01, 2024	For the year (note 30)	As at December 31, 2024	As at December 31, 2024	Amortisation rate
	(Rupees)							(%)
Computer softwares	**76,474,089**	**-**	**76,474,089**	**60,612,995**	**4,966,052**	**65,579,047**	**10,895,042**	**10-20**

December 31, 2023

Particulars	Cost			Accumulated amortisation			Carrying value	
	As at January 01, 2023	Additions	As at December 31, 2023	As at January 01, 2023	For the year (note 30)	As at December 31, 2023	As at December 31, 2023	Amortisation rate
	(Rupees)							(%)
Computer softwares	76,474,089	-	76,474,089	55,067,828	5,545,167	60,612,995	15,861,094	10-20

10.1 Cost and accumulated amortisation in respect of fully amortised intangible assets still in use at the end of the year amounting to Rs. 11.434 million (December 31, 2023: Rs. 7.012 million).

11. INVESTMENTS

11.1 Available for sale

	Note	Carrying value December 31, 2024 Shareholders' Fund	Participants' Takaful Fund	Total	December 31, 2023 Shareholders' Fund	Participants' Takaful Fund	Total
		(Rupees)					
Investment in:							
Equity securities - mutual funds	11.2	**592,646,638**	**-**	**592,646,638**	384,022,388	254,445	384,276,833
Debt securities - sukuks	11.2 & 11.2.6	**201,300,000**	**187,095,000**	**388,395,000**	85,552,500	167,970,000	253,522,500
Total		**793,946,638**	**187,095,000**	**981,041,638**	469,574,888	168,224,445	637,799,333

11.2 Investments Available-for-sale (AFS)

	Note	December 31, 2024 Cost	Impairment / provision	Revaluation surplus / (deficit) (Note 11.2.1)	Carrying value	December 31, 2023 Cost	Impairment / provision	Revaluation surplus / (deficit) (Note 11.2.1)	Carrying value
		(Rupees)				(Rupees)			
Equity securities (Mutual fund units)									
- Shareholders' Fund		**575,624,728**	**-**	**17,021,910**	**592,646,638**	382,394,433	-	1,627,955	384,022,388
- Participants' Takaful Fund		**-**	**-**	**-**	**-**	253,820	-	625	254,445
	11.2.2	**575,624,728**	**-**	**17,021,910**	**592,646,638**	382,648,253	-	1,628,580	384,276,833
Debt securities (Sukuk certificates)									
- Shareholders' Fund		**200,002,500**	**-**	**1,297,500**	**201,300,000**	85,252,500	-	300,000	85,552,500
- Participants' Takaful Fund		**186,907,500**	**-**	**187,500**	**187,095,000**	167,970,000	-	-	167,970,000
	11.2.4	**386,910,000**	**-**	**1,485,000**	**388,395,000**	253,222,500	-	300,000	253,522,500
TOTAL		**962,534,728**	**-**	**18,506,910**	**981,041,638**	635,870,753	-	1,928,580	637,799,333

	December 31, 2024			December 31, 2023		
	Shareholders' Fund	Participants' Takaful Fund	Total	Shareholders' Fund	Participants' Takaful Fund	Total
	(Rupees)					
11.2.1 Movement of unrealised gain / (loss)						
Opening balance	1,927,955	625	1,928,580	(17,296,807)	4,147	(17,292,660)
During the year	16,391,455	186,875	16,578,330	19,224,762	(3,522)	19,221,240
Closing balance	18,319,410	187,500	18,506,910	1,927,955	625	1,928,580

11.2.2 Carrying value of investments in equity securities (Mutual funds)

Name of Investment	Face value per unit	December 31, 2024 (Number of units)	December 31, 2023 (Number of units)	December 31, 2024 Shareholders' Fund	December 31, 2024 Participants' Takaful Fund	December 31, 2024 Total	December 31, 2023 Shareholders' Fund	December 31, 2023 Participants' Takaful Fund	December 31, 2023 Total
				(Rupees)					
Pak Qatar Islamic Stock Fund	100	-	69,963	-	-	-	10,291,348	-	10,291,348
Faysal Islamic Asset Allocation Fund	100	1,081,870	1,011,020	108,695,370	-	108,695,370	100,214,741	-	100,214,741
ABL Islamic Stock Fund	10	16,789	-	450,571	-	450,571	-	-	-
NBP Islamic Money Market Fund	10	5,706,254	5,520,670	62,890,337	-	62,890,337	61,729,373	-	61,729,373
HBL Islamic Asset Allocation Fund - Plan I	100	-	863,651	-	-	-	97,282,754	254,444	97,537,198
Pak Qatar Daily Dividend Plan	100	-	293,382	-	-	-	29,338,197	-	29,338,197
NBP Islamic Stock Fund	10	6,554	-	144,478	-	144,478	-	-	-
AlFalah GHP Islamic Stock Fund	10	2,052	1,175	118,287	-	118,287	67,521	-	67,521
Pak Qatar Islamic Cash Plan	100	460,522	767,121	50,307,331	-	50,307,331	85,098,454	-	85,098,454
ABL Islamic Sovereign Plan I	10	5,000,000	-	54,697,000	-	54,697,000	-	-	-
Pak Qatar Income Plan	100	1,015,650	-	113,237,154	-	113,237,154	-	-	-
NBP Islamic Income Fund	10	4,711,788	-	51,922,019	-	51,922,019	-	-	-
Alfalah GHP Islamic Income Fund	100	577,152	-	65,066,661	-	65,066,661	-	-	-
Alfalah Islamic Money Market Fund	100	782,489	-	85,117,430	-	85,117,430	-	-	-
				592,646,638	-	592,646,638	384,022,388	254,444	384,276,832

11.2.3 Mutual funds (equity securities) includes an amount of Rs. 163.5 million (December 31, 2023: Rs. 124.7 million) investments in Pak Qatar Funds managed by Pak Qatar Asset Management Company, which is a related party of company by virtue of common directorship.

11.2.4 Carrying value of investments in debt securities (Sukuks)

						December 31, 2024			December 31, 2023		
						Shareholders' Fund	Participants' Takaful Fund	Total	Shareholders' Fund	Participants' Takaful Fund	Total
Name of Investment	**Profit rate**	**Maturity year**	**Face value per certificate (Rupee)**	**December 31, 2024**	December 31, 2023	(Rupees)					
				(Number of certificates)							
GoP Ijarah Sukuk - XX	6 month Kibor plus 1.25%	2025	100,000	-	750	-	-	-	-	75,000,000	75,000,000
GOP Ijarah sukuk 26-6-23	6 month Kibor plus 1.25%	2028	100,000	750	-	-	79,125,000	79,125,000	-	-	-
Al Baraka Sukuk - Tier 2	6 month Kibor plus 0.75%	2024	1,000,000	-	25	-	-	-	10,057,500	15,000,000	25,057,500
Meezan Bank Limited Tier 1 sukuk	3 month Kibor plus 1.75%	Perpetual	1,000,000	65	45	55,000,000	10,000,000	65,000,000	20,010,000	25,000,000	45,010,000
Dubai Islamic Bank Limited Tier I sukuk	3 month Kibor plus 1.75%	Perpetual	5,000	6,000	6,000	30,000,000	-	30,000,000	15,000,000	15,000,000	30,000,000
HUBCO sukuk	1 year Kibor plus 1.9%	2024	25,000	-	650	-	-	-	1,250,000	15,000,000	16,250,000
BankIslami Pakistan Limited sukuk	3 month Kibor plus 2.75%	Perpetual	5,000	6,381	6,381	23,935,000	7,970,000	31,905,000	8,935,000	22,970,000	31,905,000
K-Electric sukuk 2020	3 month Kibor plus 1.7%	2027	5,000	4,000	3,000	11,302,500	-	11,302,500	15,150,000	-	15,150,000
K-Electric sukuk 23	3 month Kibor plus 1.7%	2029	100,000	350	150	35,962,500	-	35,962,500	15,150,000	-	15,150,000
Al Baraka Sukuk -2021	6 month Kibor plus 1.5%	2031	1,000,000	20	-	20,100,000	-	20,100,000	-	-	-
Alkaram Textile Sukuk	3 month Kibor plus 1.5%	2027	1,000,000	25	-	25,000,000	-	25,000,000	-	-	-
PTCL Sukuk	6 month Kibor plus 0.15%	2025	1,000,000	30	-	-	30,000,000	30,000,000	-	-	-
Masood Textile Sukuk	3 month Kibor plus 1.25%	2029	100,000	250	-	-	25,000,000	25,000,000	-	-	-
GCIL Sukuk	3 month Kibor plus 1.25%	2030	100,000	200	-	-	20,000,000	20,000,000	-	-	-
PAEL Sukuk	6 month Kibor plus 1%	2025	1,000,000	15	-	-	15,000,000	15,000,000	-	-	-
						201,300,000	187,095,000	388,395,000	85,552,500	167,970,000	253,522,500

11.2.5 GoP Ijarah sukuk amounting to Rs. 65 million face value (December 31, 2023: GoP Ijarah sukuk: Rs. 65 million) are held under lien with the State Bank of Pakistan in compliance with the requirements of Section 29 of the Insurance Ordinance, 2000.

11.2.6 The expected rate of return on sukuk certificates ranges from 12.8% to 24.9% per annum (2023: 17% to 26%) depending on tenure and size of deposits.

	Shareholders' Fund	
	December 31, 2024	December 31, 2023
	(Rupees)	
12. DEFERRED TAX LIABILITY/ ASSET		
Deductible temporary difference arising in respect of		
Provision for doubtful wakala refund	**6,305,768**	6,305,768
Right-of-use assets - net of lease liability	**2,078,201**	1,358,247
Taxable temporary difference arising in respect of		
Accelerated depreciation	**(4,682,109)**	(5,660,374)
Unrealised gain on AFS (available for sale) investments	**(5,312,631)**	(559,107)
	(1,610,771)	1,444,534

12.1 Reconciliation of deferred tax	**Balance at December 31, 2023**	**Recognised in profit or loss account (Note 33)**	**Recognised in other comprehensive income**	**Balance at December 31, 2024**
	(Rupees)			
Deductible temporary difference				
Provision for doubtful wakala refund	**6,305,768**	**-**	**-**	**6,305,768**
Right-of-use assets - net of lease liability	**1,358,247**	**719,954**		**2,078,201**
Taxable temporary difference				
Accelerated depreciation allowance	**(5,660,374)**	**978,265**	**-**	**(4,682,109)**
Unrealised loss on AFS investment	**(559,107)**	**-**	**(4,753,524)**	**(5,312,631)**
	1,444,534	**1,698,219**	**(4,753,524)**	**(1,610,771)**

	Balance at December 31, 2022	Recognised in profit or loss account (Note 33)	Recognised in other comprehensive income	Balance at December 31, 2023
	(Rupees)			
Deductible temporary difference				
Provision for doubtful wakala refund	8,700,038	(2,394,270)	-	6,305,768
Unrealised loss on AFS investment	5,016,064	-	(5,575,171)	(559,107)
Right-of-use assets - net of lease liability	-	1,358,247		1,358,247
Taxable temporary difference				
Accelerated depreciation allowance	(6,489,116)	828,742	-	(5,660,374)
	7,226,986	(207,281)	(5,575,171)	1,444,534

13. LOANS, ADVANCES AND OTHER RECEIVABLES (considered good)

	Shareholders' Fund	Participants' Takaful Fund	Aggregate December 31, 2024	Shareholders' Fund	Participants' Takaful Fund	Aggregate December 31, 2023
	(Rupees)					
Accrued income on:						
- sukuks and term deposits	**4,088,068**	**3,691,420**	**7,779,488**	6,009,119	3,105,220	9,114,339
- bank balances	**829,665**	**1,357,518**	**2,187,183**	1,573,280	3,188,212	4,761,492
	4,917,733	**5,048,938**	**9,966,671**	7,582,399	6,293,432	13,875,831
Sundry receivable						
Security deposits	**6,719,498**	**254,523**	**6,974,021**	7,085,157	254,523	7,339,680
Advance to employees - unsecured	**3,550,544**	-	**3,550,544**	3,124,191	-	3,124,191
Tender deposit	**1,607,297**	-	**1,607,297**	1,351,745	-	1,351,745
Sales tax	-	-	-	1,508,927	-	1,508,927
Advance to vendors	**1,088,049**	-	**1,088,049**	140,374	-	140,374
Excess recovery against claim	-	**1,780,832**	**1,780,832**	-	7,467,309	7,467,309
	12,965,388	**2,035,355**	**15,000,743**	13,210,394	7,721,832	20,932,226
	17,883,121	**7,084,293**	**24,967,414**	20,792,793	14,015,264	34,808,057

14. TAKAFUL AND RE-TAKAFUL RECEIVABLES - unsecured

14.1 Due from takaful contract holders and other takaful operator

	Note	Participants' Fund December 31, 2024	Participants' Fund December 31, 2023
		(Rupees)	
Due from takaful contract holders		**343,645,344**	348,773,593
Amount written-off against provision	14.2	-	(36,597,230)
		343,645,344	312,176,363
Provision for doubtful balances	14.2	**(61,797,562)**	(61,797,562)
Considered good		**281,847,782**	250,378,801

14.2 Provision for doubtful balances

	Note	December 31, 2024	December 31, 2023
Opening balance		**61,797,562**	98,394,792
Provision during the year		-	-
Written-off against receivable during the year	14.3	-	(36,597,230)
Closing balance		**61,797,562**	61,797,562

14.3 The Company maintains provision for doubtful balance on prudent basis after considering ageing and indicators that contribution receivable is doubtful. However, based on analysis of contribution receivable, uncollectable receivable is written-off against the provision for doubtful balance, and wakala associated with those uncollectable receivable is written-off against provision for refund of wakala.

15. PREPAYMENTS

	Shareholders' Fund	Participants' Takaful Fund	Aggregate December 31, 2024	Shareholders' Fund	Participants' Takaful Fund	Aggregate December 31, 2023
	(Rupees)					
Prepaid Re-takaful ceded	-	**100,200,509**	**100,200,509**	-	93,444,837	93,444,837
	-	**100,200,509**	**100,200,509**	-	93,444,837	93,444,837

	Note	December 31, 2024 Shareholders' Fund	December 31, 2024 Participants' Fund	December 31, 2023 Shareholders' Fund	December 31, 2023 Participants' Fund
		------- (Rupees) -------			
16. RECEIVABLE / PAYABLE FROM / TO PTF / SHF					
Wakala fee receivable / payable		**70,999,067**	**70,999,067**	213,086,305	213,086,305
Modarib fee receivable / payable		**12,853,194**	**12,853,194**	19,364,414	19,364,414
		83,852,261	**83,852,261**	232,450,719	232,450,719
Provision for refund of wakala against doubtful	16.1	**(21,744,026)**	**(21,744,026)**	(21,744,026)	(21,744,026)
		62,108,235	**62,108,235**	210,706,693	210,706,693
Other payable to PTF from SHF	16.2	**(11,892,741)**	**(11,892,741)**	(11,892,741)	(11,892,741)
		50,215,494	**50,215,494**	198,813,952	198,813,952

16.1 Provision for refund of wakala against doubtful balances

	Note	Shareholders' Fund 2024	Participants' Fund 2024	Shareholders' Fund 2023	Participants' Fund 2023
Opening balance		**21,744,026**	**21,744,026**	30,000,130	30,000,130
Provision during the year	26.1	**-**	**-**	3,636,637	3,636,637
Written off during the year	14.2	**-**	**-**	(11,892,741)	(11,892,741)
Closing balance		**21,744,026**	**21,744,026**	21,744,026	21,744,026

16.2 Wakala payable against written-off doubtful wakala

	Shareholders' Fund 2024	Participants' Fund 2024	Shareholders' Fund 2023	Participants' Fund 2023
Other payable to PTF from SHF	**11,892,741**	**11,892,741**	11,892,741	11,892,741

17. CASH, STAMP AND BANK

	Note	December 31, 2024 Shareholders' Fund	December 31, 2024 Participants' Takaful Fund	December 31, 2024 Aggregate	December 31, 2023 Shareholders' Fund	December 31, 2023 Participants' Takaful Fund	December 31, 2023 Aggregate
		------- (Rupees) -------					
Cash and other equivalents							
- Cash in hand		**2,219,836**	**-**	**2,219,836**	1,470,064	-	1,470,064
- Stamps in hand		**-**	**11,065**	**11,065**	-	15,539	15,539
		2,219,836	**11,065**	**2,230,901**	1,470,064	15,539	1,485,603
Cash at bank							
- Current accounts		**904,678**	**540,179**	**1,444,857**	231,924	540,179	772,103
- Savings accounts	17.1	**181,713,508**	**103,096,036**	**284,809,544**	230,859,185	260,956,034	491,815,219
		182,618,186	**103,636,215**	**286,254,401**	231,091,109	261,496,213	492,587,322
		184,838,022	**103,647,280**	**288,485,302**	232,561,173	261,511,752	494,072,925

17.1 This represent cash at bank maintained with Islamic commercial banks under profit or loss sharing bank carrying profit rate ranging from 9.01% to 19.50% (December 31, 2023: 11.85% to 19.50%) per annum.

17.2 Cash and cash equivalents include the following for the pupose of the cash flow statement:

	December 31, 2024 Shareholders' Fund	December 31, 2024 Participants' Takaful Fund	December 31, 2024 Aggregate	December 31, 2023 Shareholders' Fund	December 31, 2023 Participants' Takaful Fund	December 31, 2023 Aggregate
	------- (Rupees) -------					
Cash and Bank Balances	**184,838,022**	**103,647,280**	**288,485,302**	232,561,173	261,511,752	494,072,925
	184,838,022	**103,647,280**	**288,485,302**	232,561,173	261,511,752	494,072,925

18. SHARE CAPITAL

December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
(Number of shares)			(Rupees)	
		Authorised share capital		
60,000,000	60,000,000	Ordinary share of Rs. 10 /- each	**600,000,000**	600,000,000
		Issued, subscribed and paid-up share capital		
50,922,601	50,922,601	Ordinary shares of Rs. 10 each, fully paid in cash	**509,226,010**	509,226,010

18.1 **Major share holders of the Company are:**

	Percentage of (%)	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		(Number of shares)		(Rupees)	
Fawad Yousuf Securities (Private) Limited	**6.0**	**3,077,999**	3,077,999	**30,779,990**	30,779,990
Qatar Islamic Insurance Company	**11.6**	**5,923,946**	5,923,946	**59,239,460**	59,239,460
H.E. Sheikh Ali Bin Abdullah	**15.7**	**7,969,556**	7,969,556	**79,695,560**	79,695,560
Qatar International Islamic Bank	**14.5**	**7,370,474**	7,370,474	**73,704,740**	73,704,740
Pak-Qatar Investment (Private) Limited	**42.5**	**21,633,944**	21,633,944	**216,339,440**	216,339,440
Other shareholders	**9.7**	**4,946,682**	4,946,682	**49,466,820**	49,466,820
	100	**50,922,601**	50,922,601	**509,226,010**	509,226,010

18.2 The company has only one class of shares which carry no right to fixed income. The holders are entitled to receive dividends as decleared from time to time and are entitled to one vote per share at general meetings of the company. All shares rank equally with regard to the Company's residual assets.

19. OTHER CREDITORS AND ACCRUALS

	Note	December 31, 2024 Shareholders' Fund	December 31, 2024 Participants' Takaful Fund	December 31, 2024 Aggregate	December 31, 2023 Shareholders' Fund	December 31, 2023 Participants' Takaful Fund	December 31, 2023 Aggregate
		(Rupees)					
Other Creditors							
Agent commission payable		**129,180,779**	**-**	**129,180,779**	103,039,301	-	103,039,301
Trakker charges		**-**	**5,735,216**	**5,735,216**	-	7,495,250	7,495,250
FED and sales tax		**5,677,937**	**14,497,486**	**20,175,423**	-	19,486,076	19,486,076
Stale cheques	19.1	**418,007**	**1,613,502**	**2,031,509**	418,007	1,613,502	2,031,509
Car ijarah		**673,908**	**-**	**673,908**	673,908	-	673,908
Charity		**4,074**	**-**	**4,074**	3,666	-	3,666
Employees' old-age benefits institution		**1,731,557**	**-**	**1,731,557**	1,673,833	-	1,673,833
Tax deducted at source		**3,859,057**	**1,872,857**	**5,731,914**	4,315,403	1,782,028	6,097,431
Payable to vendors		**628,604**	**-**	**628,604**	628,604	-	628,604
Dividend payable	19.2	**10,870,478**	**-**	**10,870,478**	4,720,122	-	4,720,122
Accrued salaries		**10,781,267**	**-**	**10,781,267**	9,479,691	-	9,479,691
Staff retirement contribution		**1,118,218**	**-**	**1,118,218**	974,080	-	974,080
Staff pay continuity		**2,137,049**	**-**	**2,137,049**	1,200,000	-	1,200,000
Administrative surcharge payable		**1,516,768**	**-**	**1,516,768**	3,762,715	-	3,762,715
Others		**1,078,164**	**-**	**1,078,164**	1,395,078	-	1,395,078
		169,675,867	**23,719,061**	**193,394,928**	132,284,408	30,376,856	162,661,264
Accrued expenses							
Rent, rates and electricity		**2,294,714**	**-**	**2,294,714**	500,000	-	500,000
Communication and vehicle running		**240,000**	**-**	**240,000**	200,000	-	200,000
Auditors' remuneration		**1,413,732**	**-**	**1,413,732**	1,379,092	-	1,379,092
Others		**285,159**	**-**	**285,159**	359,800	-	359,800
		4,233,605	**-**	**4,233,605**	2,438,892	-	2,438,892
		173,909,472	**23,719,061**	**197,628,533**	134,723,300	30,376,856	165,100,156

19.1 This includes cheques issued by PTF aggregating to Rs 1.36 million (December 31, 2023: Rs 1.36 million) against claims settlement, which have not been encashed by claimants and have become over due for six months. The following is the ageing as required by Commission Circular 11 of 2014 dated 19 May 2014.

Participants' Takaful Fund	Total	Age wise breakup (in months)				
		1 to 6	7 to 12	13 to 24	25 to 36	over 36
	(Rupees)					
Claims not encashed	1,363,879	-	-	-	-	1,363,879

19.2 This balance includes unpaid dividend of Rs. 10.8 million (December 31, 2023: Rs. 4.7 million).

	Note	December 31 2024	December 31 2023
		(Rupees)	
20. LEASE LIABILITIES			
Buildings	20.1	**33,427,514**	43,590,791
20.1 Buildings			
Opening balance		**43,590,791**	756,685
Additions during the year		**-**	50,583,505
Unwinding of interest	31	**6,270,997**	7,247,584
Payments		**(16,434,274)**	(14,996,983)
Closing balance	20.2	**33,427,514**	43,590,791
20.2 Tenure analysis			
Current portion		**13,869,518**	10,163,276
Non-current portion		**19,557,997**	33,427,515
	20.4	**33,427,515**	43,590,791

20.3 The lease liabilities are discounted using incremental borrowing rate ranges from 17.5% to 23.5% (December 31, 2023: 17.5% to 23.5%).

20.4 The future minimum lease payments to which the Company is committed under the lease agreements and the periods in which they will become due are as follows:

	December 31, 2024		December 31, 2023	
	Lease payments of right of use assets	Present value of minimum lease payments	Lease payments of right of use assets	Present value of minimum lease payments
	(Rupees)			
Not later than one year	**18,007,210**	**13,869,518**	16,434,273	19,770,863
Later than one year but not later than five year	**20,861,190**	**19,557,997**	38,868,400	23,819,928
Total lease liability	**38,868,400**	**33,427,515**	55,302,673	43,590,791
Financial charges allocable to the future periods	**(5,440,885)**	**-**	(11,711,882)	-
	33,427,515	**33,427,515**	43,590,791	43,590,791
Current portion	**(13,869,518)**	**(13,869,518)**	(10,163,276)	(10,163,276)
Non- current portion	**19,557,997**	**19,557,997**	33,427,515	33,427,515

21. CONTINGENCIES AND COMMITMENTS

21.1 The Assistant Commissioner, Sindh Revenue Board (SRB) issued a show cause notice (SCN) in 2022, whereby intending to recover Sindh Sales Tax (SST) of Rs. 282,407,049 on the entire General Takaful Contribution and input adjustments for the years 2014 and 2015. The company, on the ground that it has already discharged its liability on Sindh related contribution collected, has challenged the SCN before the Sindh High Court where the case is pending adjudication.

Further, SRB did not extend the exemption on health insurance which was available till June 30, 2023, hence making it taxable with effect from July 01, 2023 at the full rate of 13%. The company with other 7 health insurance/takaful providers challenged the levy of Sindh Sales Tax on Health Insurance/takaful in Hon'ble Sindh High Court (SHC).

21.2 The Assistant Commissioner, Sindh Revenue Board (SRB) issued a (SCN) dated June 30, 2020, for the short payment of Sindh Sales Tax (SST) of Rs. 57,556,406 on takaful premium and rebate from re-takaul operator in FY 2012 and 2013. The company has challenged the SCN being time barred before Sindh High Court (SHC), however SHC has dismissed the case further the company has challenged the SCN before the Higher Appellate Forum where the case is pending adjudication.

21.3 The Assistant Commissioner (AC) of the Sindh Revenue Board (SRB) issued an Order-in-Original in 2018 charging Sindh Sales Tax amounting to Rs. 34,781,597 on Re-takaful services procured from foreign Re-takaful operators for the period from July 2011 to May 2015. The company filed an appeal with the Commissioner (Appeals), SRB, who upheld the Original Order of AC. Subsequently, the Company preferred an appeal before the Appellate Tribunal, SRB, where the contention of the company was accepted and it was allowed to claim input tax adjustment on the foreign Re-Takaful contributions simultaneously declaring output tax in the monthly Sindh Sales Tax returns. The company, on the advice of its legal counsel, also filed a reference application before the Sindh High Court, which remains pending adjudication.

21.4 Commitments under ijarah arrangements and the year in which these payments will become due are:

	December 31, 2024	December 31, 2023
	(Rupees)	
Not later than one year	**7,812,067**	8,852,582
Later than one year but not later than five years	**4,095,005**	9,642,601
	11,907,072	18,495,183

22. CONTRIBUTION EARNED

	Note	Participants' Fund December 31, 2024	December 31, 2023
		(Rupees)	
Written gross contribution		**1,174,491,761**	1,267,547,764
Wakala fee	30	**(511,789,459)**	(506,108,542)
Net written contribution		**662,702,302**	761,439,222
Unearned contribution reserve - opening		**242,583,127**	351,391,495
Unearned contribution reserve - closing		**(234,480,594)**	(242,583,127)
Contribution earned		**670,804,835**	870,247,590
Less:			
Re-takaful contribution ceded		**323,919,959**	282,564,394
Prepaid Re-takaful ceded - opening		**93,444,837**	86,458,410
Prepaid Re-takaful ceded - closing	15	**(100,200,509)**	(93,444,837)
Re-takaful expense		**(317,164,287)**	(275,577,967)
Net contribution earned		**353,640,548**	594,669,623

	Note	Participants' Fund December 31, 2024	Participants' Fund December 31, 2023
		---------- (Rupees) ----------	

23. RE-TAKAFUL REBATE EARNED

		December 31, 2024	December 31, 2023
Rebate / commission received or recoverable		**78,160,793**	70,015,502
Unearned re-takaful rebate / commission - opening		**25,830,129**	18,488,094
Unearned re-takaful rebate / commission - closing		**(26,167,837)**	(25,830,129)
Rebate / commission from re-takaful		**77,823,085**	62,673,467

24. NET TAKAFUL CLAIMS

	Note	December 31, 2024	December 31, 2023
Claims paid		**625,637,418**	843,021,306
Outstanding claims including IBNR - opening		**(587,242,456)**	(687,716,023)
Outstanding claims including IBNR - closing	24.1	**509,807,876**	587,242,456
Claims expense		**548,202,838**	742,547,739
Re-takaful and other recoveries received		**224,798,662**	154,093,550
Re-takaful and other recoveries in respect of outstanding claims - opening		**(402,634,528)**	(480,892,033)
Re-takaful and other recoveries in respect of outstanding claims - closing		**324,808,973**	402,634,528
Re-takaful and other recoveries revenue		**(146,973,107)**	(75,836,045)
		401,229,731	666,711,694

24.1 The Claim Development table is included in note 40.7 to the financial statements. It includes claims payable to related party amounting to Rs.0.165 million (December 31, 2023: Rs. 1.26 million).

25. COMMISSION EXPENSE

	Shareholders' Fund December 31, 2024	Shareholders' Fund December 31, 2023
	---------- (Rupees) ----------	
Commission expense paid or payable	**139,690,795**	131,030,495
Deferred commission expense - opening	**49,633,837**	53,851,370
Deferred commission expense - closing	**(52,107,104)**	(49,633,837)
Commission expense	**137,217,528**	135,248,028

26. DIRECT EXPENSE

	Note	Participants' Fund December 31, 2024	Participants' Fund December 31, 2023
		---------- (Rupees) ----------	
Bank charges		**343,032**	218,824
Policy related expense and service charges		**3,524,461**	2,253,035
Re-takaful brokerage and third party service fee		**1,638,156**	2,452,187
Provision for doubtful balances net-off wakala refund	26.1	**-**	(3,636,637)
		5,505,649	1,287,409

26.1 Provision for doubtful balances net-off wakala

	Note	December 31, 2024	December 31, 2023
Provision for refund of wakala fee	16.1	-	(3,636,637)
		-	(3,636,637)

	December 31, 2024		December 31, 2023	
	Shareholders' Fund	Participants' Takaful Fund	Shareholders' Fund	Participants' Takaful Fund
	(Rupees)		(Rupees)	
27. INVESTMENT INCOME				
Profit from bank placements				
- on term deposits	-	-	25,822,045	651,107
Profit from debt securities - available for sale				
- on sukuks	48,824,748	20,713,468	39,201,393	18,204,507
Net Realised gain - available for sale				
Realised gains on:				
- equity securities (mutual funds)	69,990,285	1,695,605	41,096,515	43,977
	69,990,285	1,695,605	41,096,515	43,977
Total investment income	118,815,033	22,409,073	106,119,953	18,899,591
28. OTHER INCOME				
Profit from bank placements				
- on bank balances	13,428,943	24,568,487	9,756,570	33,643,095
Miscellaneous Income				
- gain on disposal of operating fixed assets	4,560,600	-	514,449	-
- exchange (loss) / gain	(57,140)	-	290,197	-
- administrative income	645,224	-	521,799	-
- others	16,143	-	-	-
	5,164,827	-	1,326,445	-
	18,593,770	24,568,487	11,083,015	33,643,095

29. MODARIB'S FEE

	December 31, 2024		December 31, 2023	
	Shareholders' Fund	Participants' Takaful Fund	Shareholders' Fund	Participants' Takaful Fund
	(Rupees)		(Rupees)	
Modarib fee income / (expense)	23,488,780	(23,488,780)	-	-

29.1 The takaful operator (SHF) also manages the PTF's bank balances and investments as Modarib. Modarib fee is charged at 50% (2023: Nil) on aggregate of income on bank balances and investment income earned by the PTF.

30. WAKALA FEE EXPENSE

	December 31, 2024			
	Wakala fee charged	Deferred wakala fee - Opening	Deferred wakala fee - Closing	Wakala expense
Note	(Rupees)			
30.1	507,912,762	212,142,943	208,266,246	511,789,459

December 31, 2023			
Wakala fee charged	Deferred wakala fee - Opening	Deferred wakala fee - Closing	Wakala expense
(Rupees)			
488,720,521	229,530,964	212,142,943	506,108,542

30.1 The Takaful operator (SHF) manages the general takaful operations for the PTF and charge 35% (2023: 35%) for fire and property, 35% (2023: 15.5%) for marine, aviation and transport, 55% (2023: 55%) for motor, 50% (2023: 50%) for engineering, 50% (2023: 50%) for other miscellaneous, and 15% (2023: 15%) for health of 'the gross contribution written net of administrative surcharge' as wakala fee against the services.

	Note	Shareholders' Fund December 31, 2024	Shareholders' Fund December 31, 2023
		(Rupees)	
31. MANAGEMENT EXPENSES			
Employees salaries and benefits cost	31.1	**223,990,359**	209,421,631
Shariah advisors' fee		**926,160**	926,160
Consultancy fee and actuarial services		**2,887,025**	1,766,996
Rent, rates and taxes		**6,623,093**	6,012,089
Utilities - electricity, gas and water		**15,552,290**	11,661,122
Communication - postage and telephone		**4,581,615**	4,369,511
Printing and stationery		**2,531,688**	4,196,771
Travelling, conference and seminar		**4,300,764**	3,692,247
Depreciation on operating fixed asset	9.1	**8,040,640**	6,132,984
Amortisation on intangible asset	10	**4,966,052**	5,545,167
Repairs and maintenance		**2,617,125**	1,597,034
Vehicles running		**15,309,440**	14,244,249
Car ijarah		**5,999,836**	5,615,513
Advertisement and sales promotion		**5,967,094**	5,625,767
Takaful contribution		**5,946,702**	6,683,771
Staff training and development		**674,578**	1,043,534
Commission supervision and related fee		**2,028,498**	1,701,975
Investment management and bank charges		**3,119,074**	2,093,702
Office expenses		**3,754,425**	3,159,362
Staff welfare and entertainment		**4,100,119**	4,855,916
IT and computer expenses		**15,374,559**	13,427,623
Inspection fee		**2,860,669**	2,400,324
Depreciation of right of use assets	9.2	**12,645,876**	12,463,728
Finance cost on lease liability	20	**6,270,997**	7,247,584
Others		**101,079**	74,442
		361,169,767	335,959,202

31.1 Employee salaries and benefits cost

Salaries allowances and other benefits		**217,364,119**	203,093,359
Contribution to employee provident fund		**6,626,240**	6,328,272
		223,990,359	209,421,631

32. DIRECT EXPENSES

Legal and professional		**6,855,010**	2,863,425
Fees and subscription		**2,014,004**	1,863,883
Auditors' remuneration	32.1	**1,496,892**	1,298,732
Provision for wakala refund	26.1	**-**	3,636,637
		10,365,906	9,662,677

		Note	Shareholders' Fund December 31, 2024	December 31, 2023
			---------- (Rupees) ----------	
32.1	**Auditors' remuneration**			
	Audit and related services			
	Audit fee		**600,000**	600,000
	Shariah audit fee		**200,000**	200,000
	Regulatory returns		**133,000**	133,000
	Code of corporate governance		**133,000**	133,000
	Other certification		**83,160**	-
	Out of pocket expense		**347,732**	232,732
			1,496,892	1,298,732
33.	**TAXATION**			
	Current			
	- for the year		**52,743,106**	41,421,774
	- prior year income		**(897,804)**	(394,784)
			51,845,302	41,026,990
	Deferred	33.1	**(1,698,216)**	207,281
			50,147,086	41,234,271

33.1 The Company has filed returns upto and including tax year 2024 which are deemed to have been assessed under Section 120 of the Income Tax Ordinance, 2001, unless selected for audit.

33.2 Relationship between tax expense and accounting profit:

	December 31, 2024 (%)	December 31, 2024 (Rupees)	December 31, 2023 (%)	December 31, 2023 (Rupees)
Accounting profit before taxation		**163,933,851**		142,441,603
Tax at the applicable tax rate	**29%**	**47,540,817**	29%	41,308,065
Prior year tax (income) / charge	**-0.55%**	**(897,804)**	-0.28%	(394,784)
Super Tax	**1.05%**	**1,728,177**	0%	-
Others	**1.08%**	**1,775,896**	0.23%	320,990
	31%	**50,147,086**	27%	41,234,271

		Note	Shareholders' Fund December 31, 2024	December 31, 2023
34.	**EARNINGS PER SHARE - BASIC AND DILLUTED**			
	Profit after tax - Shareholders' Fund (Rupees)		**113,786,765**	101,207,332
	Weighted average number of ordinary shares (Number)	18	**50,922,601**	50,922,601
	Earnings per share (Rupees)		**2.23**	1.99

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

35. REMUNERATION OF EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits, to the CEO and executives of the Company are as follows:

	December 31, 2024		December 31, 2023	
	CEO	Executives	CEO	Executives
	(Rupees)			
Managerial remuneration	8,073,000	31,672,816	1,950,000	35,703,028
House rent	3,632,850	14,252,767	877,500	16,066,363
Utilities	714,150	2,801,826	172,500	3,158,345
Medical expenses	649,999	835,354	125,617	759,950
Conveyance and vehicle allowance	1,050,000	5,979,125	-	5,837,965
Staff retirement benefit (contribution plan)	780,000	2,613,136	281,457	2,020,835
Others	240,000	9,439,290	120,000	5,144,904
	15,139,999	67,594,314	3,527,074	68,691,390
	(Number)			
Persons	1	18	1	19

35.1 Chief Executive Officer and some executives are provided free use of Company maintained cars, takaful cover and certain benefits in accordance with their entitlements.

35.2 Executive mean employees other than Chief Executive and Directors, whose basic salary exceeds Rs. 1.20 million in a financial year.

36. PROVIDENT FUND

The Company operates approved contributory provident fund (the Fund) for its permanent employees. Following information is based on un-audited financial statements of the fund.

	(Un-audited) December 31, 2024	(Audited) December 31, 2023
Size of the fund - Total assets (Rupees)	6,355,614	5,561,977
Cost of the investments made (Rupees)	6,355,614	5,561,977
Percentage of the investments made (%)	100%	100%
Fair value of the investments (Rupees)	6,355,614	5,561,977

The break up of fair value of the investments is :

	December 31, 2024		December 31, 2023	
	(Rupees)	(%)	(Rupees)	(%)
Bank balances	6,355,614	100	5,561,977	100

The investments have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

37. RELATED PARTIES DISCLOSURES

Related parties comprise of related group companies, companies with common directorship, associated companies, directors, key management personnel and staff retirement benefit fund. The Company carries out transactions with various related parties in the normal course of business. Details of transactions and balances with related parties, except as disclosed elsewhere in the financial statements, are as follows:

Name of related party	Relationship	Shareholding (%)
Pak Qatar Family Takaful Limited	Common directorship	Nil
Pak Qatar Asset Management Company Limited	Common directorship	Nil
Pak Qatar General Takaful Limted - Employees' Provident Fund	Provident fund	Nil
Pak-Qatar Investment (Private) Limited	Associate undertaking	42.48
Qatar International Islamic Bank	Associate undertaking	14.47
Qatar Islamic Insurance Company	Associate undertaking	11.63
Fawad Yusuf Securities (Private) Limited	Associate undertaking	6.04

Transactions for the year

Name of related party	Relationship with the related party	Fund	Nature of transaction	Note	December 31 2024 (Rupees)	December 31 2023 (Rupees)
Pak Qatar Family Takaful Limited	Entity with common directorship	SHF	Shared staff and branch expenses		**55,128,884**	48,156,595
		PTF	Claims paid against general takaful		**690,850**	74,000
		PTF	Contribution received against general takaful		**1,159,327**	350,640
		PTF	Claims received against group takaful		**4,621,508**	-
		PTF	Contribution paid against group takaful		**1,337,786**	1,811,581
Pak Qatar Asset Management Company Limited	Entity with common directorship	SHF	Investment advisory fee		**2,934,721**	2,023,248
	Key management personnels	PTF	Claims paid		**211,576**	190,969
Pak Qatar General Takaful Limted -	Employees provident fund	SHF	Contribution paid		**6,482,102**	6,325,275

Balances

Name of related party	Relationship with the related party	Fund	Nature of balances	Note	December 31 2024 (Rupees)	December 31 2023 (Rupees)
Pak Qatar General Participant Takaful Fund	Fund under common management	SHF	Wakala and Modarib fee receivable from PTF	16	**50,215,494**	198,813,952

38. SEGMENT INFORMATION

38.1

Description	Fire and Property	Marine, Aviation and Transport	Motor	Health	Miscellaneous	Total
	December 31, 2024					
	(Rupees)					
PARTICIPANTS' TAKAFUL FUND (PTF)						
Contribution receivable (inclusive of FED, FIF & admin surcharge)	287,801,622	159,454,743	652,052,769	140,525,956	80,555,110	1,320,350,200
Less: Federal excise duty - FED	(31,324,542)	(18,850,886)	(74,612,125)	-	(9,366,969)	(134,153,521)
Federal insurance fee - FIF	(2,539,377)	(1,392,117)	(5,717,234)	(1,391,346)	(704,843)	(11,744,918)
Gross written Contribution (inclusive of admin surcharge)	253,937,703	139,211,740	571,723,410	139,134,610	70,484,298	1,174,491,761
Gross direct contribution	219,895,640	138,424,895	561,881,856	139,134,610	70,239,688	1,129,576,679
Facultative inward contribution	33,773,143	513,489	9,818,798	-	149,710	44,255,140
Administrative surcharge	268,920	273,366	22,756	-	94,900	659,942
Gross written Contribution (inclusive of admin surcharge)	253,937,703	139,211,740	571,723,410	139,134,610	70,484,298	1,174,491,761
Wakala fee	(89,389,857)	(50,394,490)	(318,127,711)	(21,489,547)	(32,387,854)	(511,789,459)
Contribution net-off wakala	164,547,846	88,817,250	253,595,699	117,645,063	38,096,444	662,702,302
Unearned contribution - opening	55,098,306	6,514,790	126,462,706	30,958,315	13,549,010	242,583,127
Unearned contribution - closing	(53,973,285)	(3,234,968)	(123,441,692)	(27,474,791)	(16,355,858)	(234,480,594)
Contribution earned	165,672,867	92,097,072	256,616,713	121,128,587	35,289,596	670,804,835
Re-takaful expense	(179,286,070)	(69,869,767)	(30,930,551)	-	(37,077,899)	(317,164,287)
Net Contribution earned	(13,613,203)	22,227,305	225,686,162	121,128,587	(1,788,303)	353,640,548
Re-takaful rebate/income	46,522,600	20,873,315	459,857	-	9,967,313	77,823,085
Net Underwriting income	32,909,397	43,100,620	226,146,019	121,128,587	8,179,010	431,463,633
Takaful claims expense	(63,776,772)	(89,520,052)	(256,900,150)	(124,832,528)	(13,173,336)	(548,202,838)
Re-takaful recovery on claims	49,875,298	50,895,474	32,034,099	-	14,168,236	146,973,107
Net claims expense	(13,901,474)	(38,624,578)	(224,866,051)	(124,832,528)	994,900	(401,229,731)
Contribution deficiency expense	(1,500,000)	-	-	3,000,000	(2,400,000)	(900,000)
Direct expenses	(1,190,381)	(652,582)	(2,680,062)	(652,220)	(330,404)	(5,505,649)
Net takaful claims and expense	(16,591,855)	(39,277,160)	(227,546,113)	(122,484,748)	(1,735,504)	(407,635,380)
Underwriting result	16,317,542	3,823,460	(1,400,094)	(1,356,161)	6,443,506	23,828,253
Investment income						22,409,073
Other income						24,568,487
Modarib's Share						(23,488,790)
Net investment income						23,488,780
Surplus for the year						47,317,033
Segment assets	432,069,974	104,316,934	275,696,149	37,017,199	66,023,254	915,123,510
Unallocated assets	-	-	-	-	-	302,066,370
						1,217,189,880
Segment liabilities	339,674,119	96,268,697	249,898,330	50,718,933	49,896,235	786,456,314
Unallocated liabilities	-	-	-	-	-	274,367,108
						1,060,823,422
SHAREHOLDERS' FUND (SHF)						
Wakala income	89,389,857	50,394,490	318,127,711	21,489,547	32,387,854	511,789,459
Commission expense	(47,463,198)	(22,738,256)	(55,955,559)	(2,093,403.7)	(8,977,111)	(137,217,528)
Management expenses	(78,088,771)	(42,809,215)	(175,811,540)	(42,785,497)	(21,674,735)	(361,169,758)
	(36,162,112)	(15,152,981)	86,360,612	(25,482,757)	1,736,008	13,402,174
Other expenses						(10,365,906)
Investment income						118,815,033
Modarib share of PTF investment income						23,488,780
Other income						18,593,770
Profit before tax						163,933,851
Provision for Taxation						(50,147,086)
Profit after tax						113,786,765
Segment assets	18,207,683	810,454	28,054,959	516,821	4,517,187	52,107,104
Unallocated assets	-	-	-	-	-	1,118,998,416
						1,171,105,520
Segment liabilities	48,423,909	3,429,433	158,475,468	11,173,793	20,400,409	241,903,012
Unallocated liabilities	-	-	-	-	-	159,796,808
						441,699,820

38.2

Description	Fire and Property	Marine, Aviation and Transport	Motor	Health	Miscellaneous	Total
	December 31, 2023					
	(Rupees)					
PARTICIPANTS' TAKAFUL FUND (PTF)						
Contribution receivable (inclusive of FED, FIF & admin surcharge)	270,290,425	129,030,272	648,838,070	283,188,095	74,143,106	1,405,489,968
Less: Federal excise duty - FED	(29,105,331)	(13,992,413)	(74,573,442)	-	(8,077,094)	(125,748,280)
Federal insurance fee - FIF	(2,057,516)	(1,132,763)	(5,592,006)	(2,803,843)	(607,796)	(12,193,924)
Gross written Contribution (inclusive of admin surcharge)	239,127,578	113,905,096	568,672,622	280,384,252	65,458,216	1,267,547,764
Gross direct contribution	205,751,622	113,276,339	559,200,602	280,384,252	60,779,564	1,219,392,379
Facultative inward contribution	33,100,472	425,411	9,438,832	-	4,583,085	47,547,800
Administrative surcharge	275,484	203,346	33,188	-	95,567	607,585
Gross written Contribution (inclusive of admin surcharge)	239,127,578	113,905,096	568,672,622	280,384,252	65,458,216	1,267,547,764
Wakala fee	(81,220,840)	(14,187,054)	(316,980,709)	(60,574,271)	(33,145,668)	(506,108,542)
Contribution net-off wakala	157,906,738	99,718,042	251,691,913	219,809,981	32,312,548	761,439,222
Contribution earned	156,981,494	99,478,204	255,152,020	324,762,074	33,873,798	870,247,590
Re-takaful expense	(155,403,531)	(54,805,418)	(31,393,959)	-	(33,975,059)	(275,577,967)
Net Contribution earned	1,577,963	44,672,786	223,758,061	324,762,074	(101,261)	594,669,623
Re-takaful rebate/income	36,249,118	16,161,260	428,379	-	9,834,711	62,673,467
Net Underwriting income	37,827,081	60,834,046	224,186,440	324,762,074	9,733,450	657,343,090
Takaful claims expense	(25,923,365)	(33,085,665)	(255,269,213)	(419,817,218)	(8,452,278)	(742,547,739)
Re-takaful recovery on claims	23,649,249	30,191,255	13,226,563	-	8,768,978	75,836,045
Net claims expense	(2,274,116)	(2,894,410)	(242,042,650)	(419,817,218)	316,700	(666,711,694)
Contribution deficiency expense	-	-	-	288,787	(1,600,000)	(1,311,213)
Direct expenses	(242,874)	(115,690)	(577,583)	(284,778)	(66,484)	(1,287,409)
Net takaful claims and expense	(2,516,990)	(3,010,100)	(242,620,233)	(419,813,209)	(1,349,784)	(669,310,316)
Underwriting result	35,310,091	57,823,946	(18,433,793)	(95,051,135)	8,383,666	(11,967,226)
Investment income and other income						52,542,686
Less: Modarib's Share						-
Net investment income						52,542,686
Surplus for the year						40,575,460
Segment assets	525,215,541	111,798,551	227,191,981	37,936,667	56,458,369	958,601,109
Unallocated assets	-	-	-	-	-	447,991,258
						1,406,592,367
Segment liabilities	460,573,872	59,558,366	219,616,504	78,720,980	52,285,983	870,755,705
Unallocated liabilities	-	-	-	-	-	426,974,112
						1,297,729,817
SHAREHOLDERS' FUND (SHF)						
Wakala income	81,220,840	14,187,054	316,980,709	60,574,271	33,145,668	506,108,542
Commission expense	(46,861,404)	(17,304,483)	(56,535,490)	(4,751,627)	(9,795,024)	(135,248,028)
Management expenses	(63,379,947)	(30,190,156)	(150,724,735)	(74,314,888)	(17,349,476)	(335,959,202)
	(29,020,511)	(33,307,585)	109,720,484	(18,492,244)	6,001,168	34,901,312
Other expenses						(9,662,677)
Investment income						106,119,953
Modarib share of PTF investment income						-
Other income						11,083,015
Profit before tax						142,441,603
Provision for Taxation						(41,234,271)
Profit after tax						101,207,332
Segment assets	17,943,305	1,543,446	25,886,538	385,426	3,875,122	49,633,837
Unallocated assets	-	-	-	-	-	1,007,353,853
						1,056,987,690
Segment liabilities	49,029,600	5,195,491	162,167,819	11,793,148	17,593,562	245,779,710
Unallocated liabilities	-	-	-	-	-	156,304,380
						402,084,090

39. MOVEMENT IN INVESTMENTS	Held to maturity	Available for sale	Total
	-----------	(Rupees)	-----------
Cost as on Jan 01, 2023	215,000,000	494,431,412	709,431,412
Addition	-	1,540,190,770	1,540,190,770
Disposal (sale and redemption)	(215,000,000)	(1,398,751,429)	(1,613,751,429)
At end of previous year - cost	-	635,870,753	635,870,753
Fair value gain	-	1,928,580	1,928,580
Carrying value as on Dec 31, 2023	-	637,799,333	637,799,333
Cost as on Jan 01, 2024	-	**635,870,753**	**635,870,753**
Addition	-	**2,587,753,971**	**2,587,753,971**
Disposal (sale and redemption)	-	**(2,261,089,996)**	**(2,261,089,996)**
At end of current year - cost	-	**962,534,728**	**962,534,728**
Fair value gain	-	**18,506,910**	**18,506,910**
Carrying value as on Dec 31, 2024	-	**981,041,638**	**981,041,638**

40. TAKAFUL RISK MANAGEMENT

40.1 Takaful risk

The Participants' Takaful Fund (PTF) issues general takaful contracts which can be classified in following segments:

- Fire and property;
- Marine, aviation and transport;
- Motor;
- Health; and
- Miscellaneous.

The risk under any takaful contract is the possibility of occurrence of takaful event and there is an uncertainty of the amount of claim resulting from occurrence of the event. PTF also faces a risk under takaful contracts that the actual claims payments or timing thereof differs from expectations. This is influenced by frequency of claims, severity of claims, actual claim paid, litigation and subsequent adverse development of long-term claims. In general takaful contracts, the most significant risks arise from climate changes, natural disasters, terrorism and other catastrophes. By the vary nature of a takaful contract, this risk is random and therefore unpredictable. The objective is to ensure that sufficient reserves are available to cover these liabilities.

The Board recognises the critical importance of having efficient and effective risk management systems in place. For this, underwriting, claim, re-takaful, cotakaful, and risk management and compliance committees are formed to monitor the core business activities. This is further supplemented with a clear organisational structure which has delegated authorities and responsibilities from the Board to executive management. The Audit Committee is assisted in its oversight role by an Internal Audit function. Internal Audit undertakes review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The PTF manages these risks through its underwriting strategy, adequate re-takaful arrangements and proactive claims handling. The underwriting strategy aims to minimise takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. Factors that aggravate takaful risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered. The PTF underwrites mainly property, motor, marine cargo and transportation, health and other miscellaneous business. These classes of takaful are generally regarded as short- term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

The Participants' Takaful Fund (PTF) risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage, diversify, and monitoring of risk. PTF has limited its exposure by imposing limits to the maximum risk exposure in a single takaful contract in each class of business and also by limiting maximum risk exposure for particular segment / industry. This framework includes implementation of underwriting strategies which aim to ensure the careful selection of takaful contracts and the diversification in terms of portfolio, type and amount of the risk. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level. Adequate re-takaful is arranged to mitigate the effect of the potential loss from individual and large or catastrophic events covered under takaful contracts.

Re-takaful arrangements in place include facultative and treaty arrangements, on proportional and non-proportional basis and also include catastrophe & terrorism cover. The effect of such re-takaful arrangements is that the Company may not suffer ultimate net takaful losses beyond the Company's risk appetite in any one year. The Company's arrangement of re-takaful is diversified such that it is neither dependent on a single retakaful operator nor the operations of the Company are substantially dependent upon any single re-takaful contract. The Company obtains re-takaful cover from companies with good financial health. Further, in order to reduce the risk exposure of the PTF, the Company adopts proactive claim handling procedures and strict claim review policies including active management and prompt pursuing of the claims, periodic detailed review of claim handling procedures and frequent investigation of possible false claims.

The company amortises the re-takaful ceded and rebate as disclosed in respective statements and notes. However, the gross result of re-takaful buying is summarised as follows:

	December 31, 2024	December 31, 2023
	(Rupees)	
Gross re-takaful ceded	**(323,919,959)**	(282,564,394)
Re-takaful recovery in claims	**146,973,107**	75,836,045
Gross rebate on ceding	**77,823,085**	62,673,467
Gross loss	**(99,123,767)**	(144,054,882)

40.2 Concentration of takaful risk

Concentration of risk may arise from a significant single takaful risk coverage of a particular participant within a same geographical location or may arise from multiple risk covered in same geographical locations or may also arise from multiple risk coverage of significant amount pertaining to same industry. In order to minimize the financial exposure arising from large claims, the Company, in the normal course of business, enters into agreement with other re-takaful operators, who are dispersed over several geographical regions.

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk, a particular building and neighboring buildings, which could be affected by a single claim incident may create concentration due to single location. For earthquake risk, a complete city may be classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage may be considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its re-takaful cover to reduce such exposures to levels acceptable to the

The table below sets out the concentration and severity of the outstanding claims liabilities (in percentage terms) by class of business at reporting date:

	2024		2023	
	Gross claim liability	**Net claim liability**	Gross claim liability	Net claim liability
	(%)		(%)	
Class				
Fire and property	**48**	**15.2**	62	22.9
Marine	**18**	**15.8**	9	4.8
Motor	**25**	**53.7**	16	41.1
Health	**5**	**12.6**	8	24.2
Miscellaneous	**5**	**2.7**	6	6.9
	100	**100**	100	100

40.3 Frequency and severity of claims

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, steal, riot, violence, strike, explosion, earthquake, atmospheric damage, hurricanes / cyclone, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example, subsidence claims). The tables in above para prescribe severity and concentration with respect to class of business and the Company risk management measures have also been described above.

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

The PTF's class wise major risk exposure within a single policy is as follows:

	December 31, 2024			December 31, 2023		
	Maximum Gross Risk Exposure	**Maximum Re-takaful Cover**	**Highest Net Risk Retention**	Maximum Gross Risk Exposure	Maximum Re-takaful Cover	Highest Net Risk Retention
	---------------- (Rupees) ---------------			---------------- (Rupees) ---------------		
Class						
Fire and property	**1,000,000,000**	**970,000,000**	**30,000,000**	797,125,310	772,125,310	25,000,000
Marine	**638,134,746**	**629,134,746**	**9,000,000**	330,000,000	321,000,000	9,000,000
Motor	**45,000,000**	**43,000,000**	**2,000,000**	25,000,000	23,500,000	1,500,000
Miscellaneous	**60,548,024**	**56,915,143**	**3,632,881**	219,800,000	208,810,000	10,990,000

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

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

The Company has a claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department examines and settles all claims based on survey report / assessment. The unsettled claims are reviewed individually and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Company manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

40.4 Sources of uncertainty in the estimation of future claims payment

The key source of estimation uncertainty at the reporting date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under takaful contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. In particular, estimates have to be made for the expected ultimate cost of claims reported and claims incurred but not enough reported (IBNR) at the reporting date, and for the expected ultimate cost of claims incurred but not reported (IBNR) at the reporting date.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated. In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are based on management professional judgements, preliminary survey assessments, loss-ratio-based estimates and information of claims with similar characteristics related to previous periods. Reported claims and development of large losses / catastrophes and disputed claims are analyzed separately. The shorter settlement period for claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, re-takaful and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting period.

40.5 Process used to decide on assumptions

The risks associated with takaful contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. This risk exposure is geographically concentrated in Pakistan only. The Company uses assumptions based on a mixture of internal and market data to measure its related claims liabilities. Internal data is derived mostly from the Company's claims reports, surveyor's report for particular claim and screening of the actual takaful contracts carried out to derive data for the contracts held.

The principal assumptions underlying the liability estimation of IBNR and deficiency reserve is that the PTF's future claim developments will follow current pattern for occurrence and reporting. This includes assumptions in respect of loss ratio, expense of claim settlement and provision for IBNR. The management uses judgements to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgements includes external factor for example treatment of one off claim, changes in market factor and economic condition. The internal factor such as portfolio mix, policy conditions and claim handling procedure are also considered in this regard. However, uncertainty prevails with estimated deficiency reserve, claim liability including IBNR and it is likely that final settlement of these liabilities may be different from initial recognized amount. As the PTF enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. The Company does not assume significant change in assumptions for the takaful contracts. For health class, provision for outstanding claim, IBNR, unearned contribution and contribution deficiency are based on advice of actuary.

The expected net claim (to net contribution gross up of wakala) ratio, for unexpired period of policy at reporting date for each class of business is as follows:

Class	**December 31, 2024**	December 31, 2023
	---- (%) ----	
Fire and property	**18**	3
Marine	**53**	5
Motor	**41**	45
Miscellaneous	**3**	1

40.6 **Sensitivity analysis**

The analysis of risk exposure, concentration and severity of outstanding claim liability described in supra paras is also used to test the sensitivity of the selected assumptions to changes in the key underlying factors. Assumptions of different levels have been used to assess the relative severity of subsidence claims given past experience. The key material factor in the Company's exposure to subsidence claims is the risk of more permanent changes in geographical location in which Company is exposed.

The risks associated with the takaful contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company considers that the liability for takaful claims recognised in the statement of financial position is adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements.

The estimated results of sensitivity testing, assuming 10% change in the gross outstanding claim liability as at balance sheet date, on gross underwriting results is set out below:

	December 31, 2024	December 31, 2023
Effect on Underwriting Results	(Rupees)	
10% increase in gross outstanding claims liability	**50,980,788**	58,724,246
10% decrease in gross outstanding claims liability	**(50,980,788)**	(58,724,246)

40.7 **Claim development table - 2024**

The Company maintains adequate reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. Claims which involve litigation and, in the case of marine, general average adjustments take longer for the final amounts to be determined which may exceed one year. All amounts are presented in gross numbers before re-takaful.

The following table shows the development of gross claims over a period of time. The disclosure goes back to the period when the outstanding claim arose for which there was uncertainty about the amount and timing of the claims payments.

Accident year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
	(Rupees)					
Estimate of ultimate claim cost						
At the end of :						
Accident year	396,674,059	322,557,343	391,859,331	962,940,286	795,454,487	593,515,156
One year later	359,394,171	321,371,961	358,487,819	936,298,064	793,110,155	
Two years later	377,793,863	311,937,243	358,729,533	900,954,078	-	
Three years later	370,115,756	303,440,890	351,592,102	-	-	
Four years later	361,558,515	303,019,893	-	-	-	
Five years later	361,173,075	-	-	-	-	
Six years later	-	-	-	-	-	
Seven year later						
Current estimate of cumulative claims	**361,173,075**	**303,019,893**	**351,592,102**	**900,954,078**	**793,110,155**	**593,515,156**
Cumulative payments to date	**(357,807,241)**	**(294,301,289)**	**(342,210,682)**	**(732,224,194)**	**(767,091,164)**	**(348,007,744)**
Liability recognised in SOFP	**3,365,834**	**8,718,604**	**9,381,420**	**168,729,884**	**26,018,991**	**245,507,412**

Claim development table - 2023

Accident year	2018	2019	2020	2021	2022	2023
	(Rupees)					
Estimate of ultimate claim cost						
At the end of :						
Accident year	448,263,297	396,674,059	322,557,343	391,859,331	962,940,286	795,454,487
One year later	414,840,252	359,394,171	321,371,961	358,487,819	936,298,064	-
Two years later	408,811,998	377,793,863	311,937,243	358,729,533	-	-
Three years later	419,346,634	370,115,756	303,440,890	-	-	-
Four years later	417,002,468	361,558,515	-	-	-	-
Five years later	409,743,513	-	-	-	-	-
Six years later	-	-	-	-	-	-
Current estimate of cumulative claims	409,743,513	361,558,515	303,440,890	358,729,533	936,298,064	795,454,487
Cumulative payments to date	(408,737,326)	(353,699,645)	(293,711,170)	(338,679,659)	(639,414,669)	(590,590,962)
Liability recognised in SOFP	1,006,187	7,858,870	9,729,720	20,049,874	296,883,395	204,863,525

40.8 **Re-takaful risk**

In order to minimise the financial exposure arising from claims, the Company, in the normal course of business, enters into agreement with other parties for re-takaful purposes. Re-takaful ceded does not relieve the PTF from its obligation to takaful contract holders and as a result the PTF remains liable for the portion of outstanding claims covered under re-takaful to the extent that re-takaful company fails to meet the obligation under the re-takaful agreements.

The credit quality of amount due from other takaful and re-takaful including recovery from re-takaful against outstanding claims is presented in credit risk note 41.5.

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk

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

- Liquidity risk
- Credit risk
- Market risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, interest rate risk and other price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Board has overall responsibility for establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

41.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out flows and expected reinsurance recoveries. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis. The diversified funding sources and assets of the Company are managed, maintaining a sufficient balance of cash and cash equivalents, readily marketable securities and financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

	December 31, 2024		December 31, 2023	
	Carrying amount	Contractual cash flows upto one year	Carrying amount	Contractual cash flows upto one year
	(Rupees)			
Non-derivative financial liabilities				
Outstanding claims including IBNR	**509,807,876**	**509,807,876**	587,242,456	587,242,456
Takaful / re-takaful payables	**200,432,560**	**200,432,560**	197,783,297	197,783,297
Other creditors and accruals	**169,989,639**	**169,989,639**	137,842,816	137,842,816
Lease Liability	**33,427,515**	**13,869,518**	43,590,791	19,770,863
	913,657,590	**894,099,593**	966,459,360	942,639,432

41.3 **Profit / mark-up / yield rate risk**

Profit / mark-up / yield rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Majority of the profit rate exposure arises from balances held in profit and loss sharing accounts, term deposits with reputable banks and investment in Sukuks. The Company limits interest rate risk by monitoring changes in interest rates .

At the reporting date, the profit rate profile of the Company's significant profit-bearing financial instruments are as follows:

	Cost		Tentative profit rate	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
	(Rupees)		(%)	
Variable rate financial assets				
- Savings accounts	**284,809,544**	491,815,219	**8 - 10**	11.8 - 19.5
- Sukuk certificates	**388,395,000**	253,222,500	**10 - 13**	17 - 26
	673,204,544	745,037,719		

Sensitivity to a reasonable change in interest rates (with all other variables held constant) on the Company's profit before tax based upon above mentioned closing balances of profit bearing financial assets, if balance maintained for whole year, is presented below:

	December 31, 2024	December 31, 2023
	(Rupees)	
1 % increase in profit rate	**6,732,045**	7,450,377
1 % decrease in profit rate	**(6,732,045)**	(7,450,377)

The information about Company's exposure to profit rate risk based on contractual repricing or maturity dates whichever is earlier is as follows:

Maturity profile and profit sensitivity of financial assets and liabilities

	Tentative profit %	December 31, 2024 Profit bearing Maturity up to one year	Profit bearing Maturity after one year	Profit bearing Sub Total	Non-profit bearing Maturity up to one year	Non-profit bearing Maturity after one year	Non-profit bearing Sub Total	Total
		(Rupees)						
FINANCIAL ASSETS								
Cash, stamp and bank	8 - 10	284,809,544	-	284,809,544	3,675,758	-	3,675,758	288,485,302
Investments	10 - 13	-	388,395,000	388,395,000	592,646,638	-	592,646,638	981,041,638
Takaful / re-takaful receivables		-	-	-	281,847,782	-	281,847,782	281,847,782
Re-takaful recoveries against outstanding claims		-	-	-	324,808,973	-	324,808,973	324,808,973
Loans and other receivables		-	-	-	20,328,821	-	20,328,821	20,328,821
		284,809,544	388,395,000	673,204,544	1,223,307,972	-	1,223,307,972	1,896,512,516
FINANCIAL LIABLTIES								
Outstanding claims including IBNR		-	-	-	509,807,876	-	509,807,876	509,807,876
Takaful / re-takaful payables		-	-	-	200,432,560	-	200,432,560	200,432,560
Other creditors and accruals		-	-	-	169,989,639	-	169,989,639	169,989,639
Lease liabilities		-	-	-	13,869,518	19,557,997	33,427,515	33,427,515
		-	-	-	894,099,593	19,557,997	913,657,590	913,657,590

	Tentative profit %	December 31, 2023 Profit bearing Maturity up to one year	Profit bearing Maturity after one year	Profit bearing Sub Total	Non-profit bearing Maturity up to one year	Non-profit bearing Maturity after one year	Non-profit bearing Sub Total	Total
		(Rupees)						
FINANCIAL ASSETS								
Cash, stamp and bank	11.85 - 19.5	491,815,219	-	491,815,219	2,257,706	-	2,257,706	494,072,925
Investments	14 - 26	-	253,522,500	253,522,500	384,276,833	-	384,276,833	637,799,333
Takaful / re-takaful receivables		-	-	-	250,378,801	-	250,378,801	250,378,801
Re-takaful recoveries against outstanding claims		-	-	-	402,634,528	-	402,634,528	402,634,528
Loans and other receivables		-	-	-	30,034,565	-	30,034,565	30,034,565
		491,815,219	253,522,500	745,337,719	1,069,582,433	-	1,069,582,433	1,814,920,152
FINANCIAL LIABILTIES								
Outstanding claims including IBNR		-	-	-	587,242,456	-	587,242,456	587,242,456
Takaful / re-takaful receivables		-	-	-	197,783,297	-	197,783,297	197,783,297
Other creditors and accruals		-	-	-	137,842,816	-	137,842,816	137,842,816
Lease liabilities		-	-	-	10,163,276	33,427,515	43,590,791	43,590,791
		-	-	-	933,031,845	33,427,515	966,459,360	966,459,360

41.4 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company manages its exposure to such risks by maintaining a diversified portfolio comprising of sukuk and Islamic mutual funds.

41.5 Credit risk and concentration of credit risk

Credit risk is the risk, which 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 and investments. The Company is mainly exposed to credit risk on contribution due but unpaid, amount due from other takaful / re-takaful and bank balances. The Company attempts to control credit risk by monitoring credit exposures with counterparties and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Company believes it is not exposed to any major concentration of credit risk.

Exposure to credit risk

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counter party, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk in investments and bank deposits are approved by the Investment Committee.

Re-takaful is used to manage takaful risk. This does not, however, discharge the Company's liability as primary takaful operator. If a Re-takaful operator fails to pay a claim for any reason, the Company remains liable for the payment to the participant. The creditworthiness of re-takaful operators is considered on an annual basis by reviewing their financial strength.

Exposures to individual participants and groups of participants are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual participants, or homogenous groups of participants, a financial analysis is similar to that conducted for Re-takaful operators is carried out by the Company's risk department.

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

	December 31, 2024	December 31, 2023
	---------------- **(Rupees)**	-------------
Financial assets		
Bank balances	**286,254,401**	492,587,322
Investments	**981,041,638**	637,799,333
Takaful / re-takaful receivable	**281,847,782**	250,378,801
Re-takaful recoveries against outstanding claims	**324,808,973**	402,634,528
Loans and other receivables	**20,328,821**	30,034,565
	1,894,281,615	1,813,434,549

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at December 31, 2023, the takaful contribution receivable (net-off provision for doubtful debts) includes amount receivable within one year and above one year amounting to Rs. 274 million (2023: Rs. 241.7 million) and Rs. 7.8 million (2023: Rs. 8.6) respectively.

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

Rating	December 31, 2024	December 31, 2023
	(Rupees)	
A1+	**35,129,962**	103,510,293
A1	**2,975,972**	18,860,987
A2	**391,107**	3,502,605
A-1+	**247,410,653**	366,663,523
A-1	**-**	49,914
A-2	**317,825**	-
A-	**28,881**	-
	286,254,401	492,587,322

The credit quality of amounts due from other takaful / re-takaful and claim recoveries from re-takaful against outstanding claims can be assessed with reference to external credit ratings as follows:

	December 31, 2024			December 31, 2023		
	Re-takaful recoveries against outstanding claims	Amount due from other takaful / re-takaful operators	Prepaid re-takaful	Re-takaful recoveries against outstanding claims	Amount due from other takaful / re-takaful operators	Prepaid re-takaful
	(Rupees)					
Rating						
A or above	**251,726,954**	**-**	**77,655,394**	322,107,622	-	67,005,268
B+	**73,082,019**	**-**	**22,545,115**	80,526,906	-	19,453,142
	324,808,973	**-**	**100,200,509**	402,634,528	-	86,458,410

As at December 31, 2024, the aaggregate of amounts due from other takaful / re-takaful, prepaid re-takaful and re-takaful recoveries against outstanding claims include amount receivable within one year and above one year amounting to Rs. 205 million (2023: Rs. 162 million) and Rs. 220 million (2023: Rs. 327 million) respectively.

41.6 Foreign exchange risk / 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 the Company had no material assets or liabilities in foreign currencies at the year end, the Company is not materially exposed to foreign exchange risk.

41.7 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for stake holders.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced and the adequacy of controls and procedures to address the risk identified;
- ethical and business standards;
- risk mitigation, including takaful where this is effective.

Management ensures that the company's staff have adequate training and experience and fosters effective communication related to operational risk management.

41.8 Fair value of financial instruments

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The fair values of all the financial instruments are estimated to be not significantly different from their carrying values except for available for sale investments whose fair values have been disclosed in note 11.1 to the financial statements.

Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 :	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3:	Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Assets which are not measured at fair values hierarchy are as follows:

Following are the assets measured at fair value

	December 31, 2024								
	Carrying amount					Fair value			
	Available for sale	Loans and other receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)								
Financial assets - measured at fair value									
Investments - Sukuks	388,395,000	-	-	-	388,395,000	388,395,000		-	388,395,000
Investments - Open-end mutual fund units	592,646,638	-	-	-	592,646,638	592,646,638	-	-	592,646,638
Financial assets - not measured at fair value*									
Cash and bank balances	-	-	288,485,302	-	288,485,302	-	-	-	-
Takaful / re-takaful receivables	-	281,847,782	-	-	281,847,782	-	-	-	-
Re-takaful recoveries against outstanding claims	-	324,808,973	-	-	324,808,973	-	-	-	-
Loans and other receivables	-	20,328,821	-	-	20,328,821	-	-	-	-
	981,041,638	626,985,576	288,485,302	-	1,896,512,516	981,041,638	-	-	981,041,638
Financial liabilities - not measured at fair value*									
Provision for outstanding claims including IBNR	-	-	-	509,807,876	509,807,876	-	-	-	-
Takaful / re-takaful payables	-	-	-	200,432,560	200,432,560	-	-	-	-
Other creditors and accruals	-	-	-	169,989,639	169,989,639	-	-	-	-
Lease Liabilities	-	-	-	33,427,515	33,427,515	-	-	-	-
	-	-	-	913,657,590	913,657,590	-	-	-	-

	December 31, 2023								
	Carrying amount					Fair value			
	Available for sale	Loans and other receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)								
Financial assets - measured at fair value									
Investments - Sukuks	253,522,500	-	-	-	253,522,500	253,522,500		-	253,522,500
Investments - Open-end mutual fund units	384,276,833	-	-	-	384,276,833	384,276,833	-	-	384,276,833
Financial assets - not measured at fair value*									
Investments - TDRs	-	-	-	-	-	-	-	-	-
Cash and bank balances	-	-	494,072,925	-	494,072,925	-	-	-	-
Takaful / re-takaful receivables	-	250,378,801	-	-	250,378,801	-	-	-	-
Re-takaful recoveries against outstanding claims	-	402,634,528	-	-	402,634,528	-	-	-	-
Loans and other receivables	-	30,034,565	-	-	30,034,565	-	-	-	-
	637,799,333	683,047,894	494,072,925	-	1,814,920,152	637,799,333	-	-	637,799,333
Financial liabilities - not measured at fair value*									
Provision for outstanding claims including IBNR	-	-	-	587,242,456	587,242,456	-	-	-	-
Takaful / re-takaful payables	-	-	-	197,783,297	197,783,297	-	-	-	-
Other creditors & accruals	-	-	-	137,842,816	137,842,816	-	-	-	-
Lease Liabilities	-	-	-	43,590,791	43,590,791	-	-	-	-
	-	-	-	966,459,360	966,459,360	-	-	-	-

* The Company has not disclosed the fair value of these items because their carrying amounts are at reasonable approximation of their fair values.

41.9 Capital Management

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently, Company has a paid-up capital of Rs. 509.23 million against the minimum required paid-up capital of Rs. 500 million set by the commission for the insurance companies / takaful operators for the year ended December 31, 2024.

42. SUBSEQUENT EVENTS

There are no adjusting events subsequent to year end.

43. NUMBER OF EMPLOYEES	December 31, 2024	December 31, 2023
	(Number)	
At year end	**123**	125
Average during the year	**124**	124

44. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified wherever necessary for better presentation and disclosure.

45. GENERAL

Figures in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on _______________ by the Board of Directors of the Company.

Chief Executive Officer	Director	Director	Chairman