

ANNUAL REPORT 2024



Reliance Insurance
Company Limited



Window Takaful



RELIANCE
INSURANCE
COMPANY LIMITED

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COMPANY INFORMATION

Board Of Directors

Chairman
Irfan Zakaria Bawany

Directors

Muhammad Omar Bawany
Ahmed Ali Bawany
Noor M. Zakaria
Zia Zakaria
Muhammad Patel
Naeem Ahmed Shafi
Tasneem Yusuf
Jahangir Adam

Chief Executive & Managing Director

A. Razak Ahmed

Chief Financial Officer

Ghulam Haider

Company Secretary & Compliance Officer

Faraz Abdul Razak

Audit Committee

Tasneem Yusuf	Chairperson
Irfan Zakaria Bawany	Member
Muhammad Omar Bawany	Member

Investment Committee

Irfan Zakaria Bawany	Chairman
Ahmed Ali Bawany	Member
Tasneem Yusuf	Member
Muhammad Patel	Member
A. Razak Ahmed	Member
Muhammad Salim Memon	Secretary

Ethics, Human Resource & Remuneration Committee

Naeem Ahmed Shafi	Chairman
Irfan Zakaria Bawany	Member
Noor M. Zakaria	Member
A. Razak Ahmed	Member

Credit Rating

A+ (Single A+) By VIS & Pacra
Outlook "Stable"

Auditors

BDO Ebrahim & Co.
Chartered Accountants

Legal Advisor

Irfan Advocate

Shari'ah Advisor

Mufti Muhammad Farhan Farooq

Bankers

Habib Bank Limited
Mcb Bank Limited
Allied Bank Limited
Soneri Bank Limited
Bank Alfalah Limited
National Bank Of Pakistan
Meezan Bank Limited
Dubai Islamic Bank
Mcb Islamic Bank Limited
United Bank Limited
The Bank Of Punjab
Faysal Bank Limited
Habib Metropolitan Bank Limited
Js Bank Limited
The Bank Of Khyber

Registered Office

96-a, Sindhi Muslim Co-operative
Housing Society, Karachi.

Head Office

Reliance Insurance House, 181-A,
Sindhi Muslim Co-operative Housing
Society, P. O. Box No. 13356,
Karachi-74400.
Phone : 34539415-17
Fax : 92-21-34539412
E-mail : reli-ins@cyber.net.pk
ric-re@cyber.net.pk
Website: www.relianceins.com



Shares Registrar

M/s. C&k Management
Associates (Pvt.) Ltd.
M-13, Progressive Plaza
Civil Lines Quarter,
Beaumont Road, Karachi-75530.
Tel: (021) 35687839 & 35685930

VISION

To be recognized as a professional and dependable business entity committed to play a meaningful role in the development of insurance industry in Pakistan and to safeguard the legitimate interests of all stakeholders, namely policy-holders, share-holders, reinsurers, employees and all other business associates / partners.

MISSION

To provide quality service and protection to its clients aiming at achieving a respectable volume of business and become a prominent player through good governance and sound professionalism focusing to become a well-known and respected Corporate entity in the eyes of Society and Government.





CODE OF CONDUCT

Reliance Insurance Company Limited (RICL) is engaged in general insurance business with the objective to achieve sustainable productivity, profitability and high standards of service. The Company solemnly believes in the application of business ethics as have been embodied in this document.

- The credibility, goodwill and repute earned over the years can be maintained through continued conviction in our corporate values of honesty, justice, integrity and respect for people. The Company strongly promotes trust, openness, teamwork and professionalism in its entire business activities.
- The Company conducts its business in accordance with all applicable laws and Regulations.
- RICL recognizes following obligations, which need to be discharged with best efforts, commitment and efficiency:
 - Safeguarding of shareholders' interest and a suitable return on equity.
 - Service to customers / policyholders by providing products, which offer value in terms of price, quality, safety and honest and fair dealing with people and organization.
 - Respect human right, provide congenial working environment, offer competitive terms of employment, develop human resource and be an equal opportunity employer.
 - Seek mutually beneficial business relationship with policyholders, business development staff / officers, investment partners and Banks.
 - The Company believes that profit is essential for business survival. It is a measure of efficiency and the value that the customer place on services provided by the Company.
 - The Company requires honesty and fairness in all aspect of its business and in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting and accepting of bribe in any form are undesirable.
- The Company requires all its employees to essentially avoid conflict of interest between private financial activities and their professional role in the conduct of Company business.
- The Company does not support any political party or contributes funds to group having political interests. The Company will however, promote its legitimate business interests through trade associations.
- The Company, consistent with its priority, has the approach for protecting the health and safety of employees at the work-place.
- All employees are duty-bound to make business decisions in the best interest of the Company and not based on their personal interest and are obliged to protect all the assets including software and use all such properties for the exclusive benefit of the Company only.
- The Company is committed to observe laws of Pakistan and is fully aware of its social responsibility. It would assist the community in activities such as training programs, skills development and employment within the parameters of its commercial objectives.
- The Company supports free market system. It seeks to compete fairly and ethically within the framework of applicable competition laws in the country. The Company will not stop others from competing freely with it.
- In view of the critical importance of its business and impact on national economy, the Company provides all relevant information about its activities to legitimate interested parties, subject to any overriding constraints of confidentiality and cost. The members of RICL are forbidden to pass on inside information at any time or to any other person inside or outside the Company.

COMPANY PROFILE



Reliance Insurance Company Limited (RICL) was incorporated in 1981 with a Share Capital of Rs.2.5 Million by two prominent industrialist groups in Pakistan. Al-Noor Group and Amin Bawany Group. Al-Noor Group, was led by (Late) Mr. Ismail H. Zakaria and Amin Bawany Group, founded by (Late) Mr. Mohammed Amin Ahmed Bawany, were known for their successful implementation of numerous industrial and commercial projects.

RICL has earned a strong reputation and is recognized as one of the most reputable and distinguished names in the sector. Its Head Office is in Karachi, Pakistan, and boasts an extensive and dynamic branch network covering major cities and towns throughout the country. This widespread presence ensures that the company can provide prompt service to its customers, no matter where they are located.

Reliance Insurance underwrites all classes of General Insurance / Takaful and enjoys reputation second to none. Apart from the traditional covers such as Fire, Marine (Import & Exports), Motor Vehicles, Personal & Group Accident, Workmen's Compensation, Burglary, Cash-in-Safe or in Transit etc., it also transacts non-traditional covers such as Machinery Breakdown, Terrorism &

Sabotage, Contractors All Risks, Erection All Risks, Bonds, Products liability, Director's & Officer's Liability, Aviation and the like.

The Company's results are consistently improving and yielding profits. The Present Authorised Capital of the Company is Rs.1,000 Million while Paid-up Capital increased to Rs.665.379 million. General Reserve to Rs.400 million & the Shareholders' equity to Rs.1,572.431 million.

Since its establishment Reliance has progressed smoothly and steadily. Its Gross Premium Income has increased from Rs. One Million in 1983 to Rs.1,217.148 million (inclusive of Takaful Contribution) at the end of the year 2024 and the Technical Reserves increased to Rs.866.699 million.

RICL has an excellent Treaty Reinsurance arrangements under the lead of world's renowned reinsurer namely Swiss Re.

VIS Credit Rating Company Ltd & Pakistan Credit Rating Agency Ltd - both the rating agencies have assigned Financial Strength Rating (IFSR) of the Company at "A+" (Single A+) and outlook on the assigned Rating is "Stable".

PROFILE OF THE BOARD OF DIRECTORS



Irfan Zakaria Bawany
Chairman

Mr. Irfan Zakaria Bawany was unanimously elected Chairman of Reliance Insurance Co. Ltd. In the Board of Directors meeting held on 28th July 2020. Mr. Bawany is associated with Reliance Insurance since 1991. He is CEO of Anam Fabrics (Pvt.) Ltd. and Director of Faran Sugar Mills Ltd. Since August-2023, he is also serving as an independent Director on the Board of Pakistan Aluminium Beverage Cans Limited. He has been on the Board of Pioneer Cables Ltd. from 1983 to 1991. Mr. Bawany has diversified experience in Electrical Cable Manufacturing and Textile made ups business. After receiving a B.B.A. (accounting) from The University of Houston, USA, he was certified as a Fellow Member of the Texas Society of Certified Public Accountants. He is also a certified Director from Pakistan Institute of Corporate Governance (P.I.C.G.).



Muhammad Omar Bawany
Director

Mr. Muhammad Omar Bawany is a Non-Executive Director of Reliance Insurance Company Limited since 1995. He acquired his early education from Karachi American School and then went to American College of Switzerland and obtained Associate Degree in Business Administration. He has extensive experience in textile and sugar Industry and under his wise management, Annoor Textile Mills operated successfully. He is on the Board of Directors of Faran Sugar Mills Limited since 1984. Became Vice Chairman in 2000 and is Chairman of the Company from 2016. He is also Chief Executive of B.F. Modaraba managed by E.A Management and also Director in Unicol Ltd. He is a managing and trustee in Aisha Bawany Talimul Quran Trust and Chairman of World Memon Foundation.



Ahmed Ali Bawany
Director

Mr. Ahmed Ali Bawany is a Non-Executive Director of Reliance Insurance Company Limited since 2001. He got his schooling from CAS, Karachi. He pursued his higher education from USC (University of Southern California) USA and got his Bachelor of Science degree in the field of business entrepreneurship. He is serving as CEO of Faran Sugar Mills since 2007. He has also served as Chairman of Pakistan Sugar Mills Association, Sindh Zone in the year 2014 and again elected as Chairman, PSMA-SZ for the term of 2020-21. He is also the Chairman of B.F. Modaraba. He is actively involved in Unicol Ltd in the capacity of director, which is a Joint Venture company between Faran, Mehran and MirpurKhas Sugar Mills engaged in the production and marketing of Sugar, Ethanol, Anhydrous Ethanol and food grade Co2. He also serves as Director on the board of UniEnergy. He is a Certified Director from Pakistan Institute of Corporate Governance (P.I.C.G.).

PROFILE OF THE BOARD OF DIRECTORS



Noor Mohammad Zakaria
Director

Mr. Noor Mohammad Zakaria is a Non-Executive Director of Reliance Insurance Co. Ltd since 2003. He has over 44 Years of diversified industrial and commercial experience. He is B.A.(Hons) from University of Karachi. He is Chairman of the Board of Directors of Shahmurad Sugar Mills Limited and Managing Director / CEO of Al Noor Sugar Mills Limited.



Zia Zakaria
Director

Mr. Zia Zakaria is Chairman of Alnoor Sugar Mills Ltd. and First Alnoor Modaraba and Managing Director / CEO of Shahmurad Sugar Mills Ltd. He has over 30 years of diversified experience including operations and projects. He joined the group after completing his Bachelors in Science with Major in Finance & Marketing from Syracuse University, N.Y, and since then has been actively involved in the affairs of the Alnoor group with complete commitment & dedication. Mr. Zia Zakaria was Director of Reliance Insurance previously from 1986 to 1998.



Muhammad Patel
Director

Mr. Muhammad Patel is the Managing Director of Patel Group, a legacy real estate development firm operating for over four decades with a successful track record of delivering dozens of residential, commercial, and industrial projects. He also serves as the Managing Trustee of Patel Hospital, a 300-bed fully charitable tertiary care institution located in Gulshan-e-Iqbal, Karachi. In addition to his roles at Patel Group and Patel Hospital, Mr. Muhammad Patel is a member of the Boards of the Trust for Malnutrition and Stunted Growth (TMSG), the Association of Builders & Developers of Pakistan (ABAD), and the Karachi Chapter of the Entrepreneurs' Organisation (EO). He holds a Bachelor's degree in Business Administration from the Schulich School of Business, Toronto, Canada, and is a Certified Director from the Institute of Chartered Accountants of Pakistan (ICAP).



Naeem Ahmed Shafi
Director

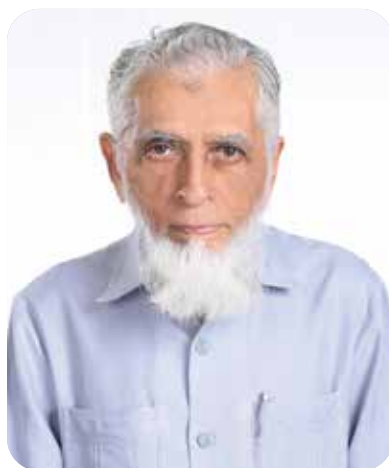
Mr. Naeem Ahmed Shafi has more than 25 years of rich experience in textiles industry. He is a Bachelor of Commerce from University of Karachi. He is Managing Director and CEO of International Knitwear Limited.

PROFILE OF THE BOARD OF DIRECTORS



Tasneem Yusuf
Director

Ms. Tasneem Yusuf is a chartered accountant from ICAP and a fellow member of ACCA and a CPA. She has worked for Unilever Pakistan, Deloitte M.E and Nasdaq Dubai. Since 2009, she has been associated with her family practice where she now heads the audit and assurance services department. She sits on the board of Ismail Industries (Pvt.) Limited, B.F. Modaraba, Faran Sugar Mills Limited, Trading Corporation of Pakistan (Private) Limited and Pakistan Industrial Development Corporation. She is also a member of the Auditing Standards & Ethics Board of ICAP. She is a certified director from the Pakistan Institute of Corporate Governance (PICG).



Jahangir Adam
Director

Mr. Jahangir Adam is M.Com & LLB. He has professional qualification of FITM Chartered Secretary. Presently he is serving as the Chief Financial Officer and Company Secretary at Sind Particle Board Mills Limited. He has diversified experience of portfolio of CFO/Company Secretary in Annoor Textile Mill Ltd and B.F. Modaraba.

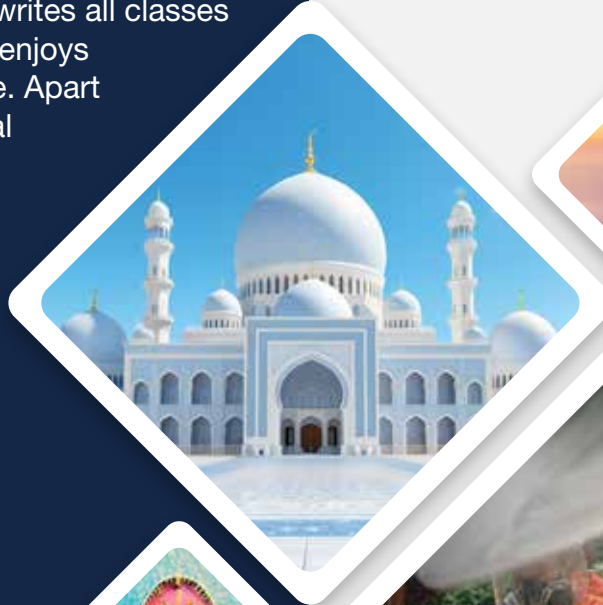


A. Razak Ahmed
Chief Executive & M.D.

Mr. A. Razak Ahmed is the Chief Executive Officer / Managing Director of the Company since 1st November 1995. He has over 46 years of extensive and varied experience-both in public & private sectors. Prior to joining Reliance he had worked with Adamjee Insurance, Pakistan Insurance Corporation (now PRCL) National Insurance Corporation & Premier Insurance Company. He has been on the Executive Committee of the Insurance Association of Pakistan (IAP) several times and had also been the Chairman of Accident & Fire Committees for several terms, beside being Council Member of the Karachi Insurance Institute and member standing committee on Banking and Insurance of the Federation of Pakistan Chamber of Commerce & Industry. He is a Commerce Graduate and a fellow of the Chartered Insurance Institute (FCII) London. He is a Chartered Insurer.

OUR SERVICES

Reliance Insurance underwrites all classes of General Insurance and enjoys reputation second to none. Apart from Conventional General Insurance RIC has also commenced its General Takaful operations in the year 2016.



**General Insurance
(Conventional)**

Reliance Insurance commenced its general insurance business in 1981 and it underwrites all classes of traditional and non-traditional lines.

Reliance Insurance is offering a wide range of covers such as Fire & Property, Marine Cargo, Motor Vehicles (Commercial & Private), Personal Accident, Money Insurance, Burglary & Liability (Public & Product) and Workmen Compensation while non-traditional covers such as Engineering Risks (MBD, CAR, EAR), Aviation Insurance, Terrorism & Sabotage and Bonds are also being offered.



**General Takaful
(Islamic)**

Takaful is an Islamic alternate of Insurance and is growing steadily. Reliance Insurance commenced its Window Takaful Operations in June 2016 under the guidance of renowned, qualified and certified Sharia Scholars.

Reliance Takaful is offering a wide range of Sharia Compliant General Takaful Products such as Fire & Property Takaful, Marine Cargo Takaful, Motor Takaful (Private / Commercial Vehicles), Engineering Takaful, (MBD, CAR, EAR), Money Takaful, Liability (Public & Private) Takaful and Personal & Group Accident Takaful, etc.

FIRE & PROPERTY INSURANCE

Fire and Allied Perils Insurance

Reliance Insurance provides comprehensive Fire and allied perils insurance at most competitive rates. The standard Fire policy covers loss and/or damage to the property caused by Fire &/or Lightning. The basic Fire policy can be extended to cover a number of additional risks commonly known as 'allied perils' like Riot and Strike Damage, Malicious Damage, Explosion, Atmospheric Disturbances, Earthquake Fire and Shock, Impact Damage, Aircraft Damage, and Burglary.

The property insured under fire policy normally includes Buildings (Industrial, Commercial, Residential, Offices, Factories & Warehouses), Plant & Machinery of all kind, Stocks of all kind (stocks-under-process, raw materials, and finished goods).

Consequential Loss Due to Fire and Allied Perils

Reliance Insurance also provides this coverage in conjunction with Fire Policy. It provides protection against Loss of Profit incurred as a result of business interruption or interference in business caused by an event indemnifiable under Fire policy.



MARINE CARGO INSURANCE

Reliance Insurance provides most comprehensive Marine Cargo insurance at most competitive rates.

Marine insurance provides coverage for losses to cargo during transit as per Institute Cargo Clauses 'A', 'B' or 'C'. Marine Cargo insurance provides protection to Imports & Exports of goods by any mode of transport i.e. by Sea, by Air or by Road/Rail.

Marine Inland Transit insurance policy provides comprehensive coverage to protect goods in transit within the territory of Pakistan by any mode of transport i.e., by Air or by Road/Rail.



MOTOR INSURANCE

Reliance Insurance provides most comprehensive coverage against accidental damage to the motor cars, motorcycles, commercial vehicles and other special purpose vehicles. Following are major types of Motor insurance:

Comprehensive Motor Policy (Private Vehicles)

Our Motor insurance provides protection against losses incurred as a result of theft, accidents, riots, malicious damage and against liability that could be incurred in an accident. This policy can be extended to include accidental personal injuries and death of Driver and Passengers.

Commercial Vehicles

We also insure Motor vehicles used for trade / commercial purposes and classified as Commercial Vehicles such as Trucks, Trailers, Buses, and Wagons / Vans and providing protection against losses incurred as a result of theft, accidents, riots, malicious damage and against liability that could be incurred in an accident.

Third Party Liabilities Insurance

To meet requirement by law under Motor Vehicle Act 1939 in respect of legal liability to pay damages to any third party(ies) arising out of accidents, the following policies are also available under this category:

Act Liability Only: it provides coverage in respect of liability incurred through death or injury to a third party. This is minimum legal cover available under the law.

Third Party Liability Only: it provides coverage as above plus damage to third party property.



AVIATION INSURANCE

Reliance Insurance is amongst the few Pakistani insurance companies who offer aviation insurance to the commercial airlines as well as private jets. Our aviation insurance plan provides comprehensive cover to insured against accidental damage to Aircraft Hull & Spares, Hull War & Allied Perils, Aviation Legal Liabilities, Loss of License to pilots, Aircraft's Ferry Flight insurance, Crew Legal Liabilities, Airport Operators Legal Liability insurance.

Reliance Insurance is privileged to have excellent relations with globally renowned and reputed professional aviation reinsurers and brokers who extend most comprehensive and competitive terms and best services.



ENGINEERING INSURANCE

Engineering risk usually provides coverage for Machinery Break-Down insurance, Contractor's All Risks insurance, Contractor's Plant & Machinery insurance, Erection All Risks insurance, and Comprehensive Machinery insurance.

Engineering policies mainly cover operational losses of plant & machinery and projects of various kinds. It covers damage or breakdown of plant & machinery or its specific items. Engineering policies also cover the contractor against the risks of the projects own damages and legal third party(ies) liabilities.

Extended cover for loss of profits and standing charges following machinery breakdown is also available.



BONDS & SURETY INSURANCE

Contractor undertaking the construction of public works like buildings, roads, bridges, dams, civil works etc. usually require to furnish guarantees / bonds for the fulfillment of their contractual obligations to the principals.

Traditionally Bid Bonds, Advance Payment / Mobilization Bonds, Performance Bonds, Maintenance Bonds and Customs & Excise Bonds are available.



MISCELLANEOUS & OTHERS

A wide range of products are available under Miscellaneous & Others insurance which includes, but not limited to, Products Liability Insurance, Professional Indemnity Insurance, Group / Personal Accident Insurance, Employer's Legal Liability Insurance, Workmen Compensation Insurance, Fidelity Guarantee Insurance, Public Liability Insurance, Third Party Liability Insurance, Directors & Officers Liability Insurance, Travel Insurance, All Risks Insurance, House-breaking & Burglary Insurance, Money Insurance (Cash in Safe & Cash in transit), Plate Glass Insurance and Baggage Insurance etc. are available.





WINDOW TAKAFUL OPERATIONS

The Company commenced its Window Takaful Operations in June 2016 which has been widely appreciated by the business fraternity, Islamic banks and financial institutions. Its operations are being managed by a team of well experienced, dedicated & competent professionals.

“Reliance Takaful” is operating under the guidance of renowned, qualified and certified Shariah Scholars. Our Takaful model is WAQF based; the concept of brotherhood and mutual solidarity in Islam.

Reliance Takaful is offering a wide range of Shariah Compliant General Takaful products such as Fire & Property Takaful, Marine Cargo Takaful, Motor Vehicles Takaful, Engineering Takaful and Miscellaneous Accident Takaful. A brief of major takaful products is as under:-

Fire Takaful provides loss or damage to the property caused by Fire &/or allied perils. The basic Fire takaful is extendable to cover allied perils such as Riots & Strikes Damage, Malicious Damage, Atmospheric Disturbances, Earthquake Fire & Shock, Explosions, Aircraft Damages, Impact Damages and Burglary.

Marine Takaful covers losses to cargo during transit as per Institute Cargo Clauses ‘A’, ‘B’ or ‘C’ by all means of transport like by Sea, by Air or by Road/Rail.

Motor Takaful provides coverage against any loss / damage to motor vehicles (private & commercial) due to road accidents, theft & burglary, snatching by violent means, riot & strike damage and third party liability (Bodily Injury and property damage). This cover can be extended to include accidental injuries and death of Driver and Passenger(s).

Engineering Takaful mainly covers plant & machinery and projects and provides coverage for Contractor's All Risks, Contractor's Plant & Machinery, Erection All Risks, Machinery Breakdown Insurance and Comprehensive Machinery Insurance etc.

Miscellaneous & Others: A wide range of products available under Miscellaneous Takaful which includes, but not limited to, Money takaful (Cash in Safe & Cash in transit), Plate Glass takaful, Group / Personal Accident takaful, Workmen Compensation, Public Liability, Third Party Liability, House-breaking & Burglary and All Risks Takaful.

NOTICE OF THE FORTY-THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the **43rd Annual General Meeting** of the Shareholders of **RELIANCE INSURANCE COMPANY LIMITED** will be held on Wednesday the 30th April, 2025 at 12.30 p.m. at the Head Office of the Company at **RELIANCE INSURANCE HOUSE 181-A Sindhi Muslim Housing Society near Mehdi Tower, off: Sharah-e-Faisal, Karachi**, through in-person and video link facility to transact the following business:

ORDINARY BUSINESS:

1. To confirm the Minutes of the 42nd Annual General Meeting of the Company held on 29th April, 2024.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st December, 2024 together with Chairman's Review, Directors' and Auditors' Reports thereon.
3. To appoint Auditors of the Company and fix their remuneration for the year ending December 31, 2025. The Board of Directors and Audit Committee have recommended the appointment of M/s. BDO Ebrahim & Co., Chartered Accountants for re-appointment as Auditors.
4. To elect Ten (10) Directors of the Company as fixed by the Board in the meeting held on March 27, 2025 in accordance with the provision of Section 159(1) of the Companies Act, 2017 for a period of three (3) years commencing from April 30, 2025. All the retiring directors are eligible to offer themselves for re-election. The retiring directors are:

Mr. Irfan Zakaria Bawany
Mr. Ahmed Ali Bawany
Mr. Zia Zakaria
Mr. Naeem Ahmed Shafi
Mr. Jahangir Adam

Mr. Muhammad Omar Bawany
Mr. Noor M. Zakaria
Mr. Muhammad Patel
Ms. Tasneem Yusuf

SPECIAL BUSINESS:

5. To consider and, if thought fit, pass with or without modification, the following resolutions as special resolutions:

Resolved:

- 5.1. "that the authorized capital of the Company be and is hereby increased from Rs.1,000,000,000/- (Rupees One Billion only) to Rs.1,500,000,000 (Rupees One billion and five hundred million only) by creation of 50,000,000 (Fifty million) new ordinary shares of Rs.10/- each."

Further Resolved:

- 5.2. "that the Memorandum and Articles of Association of the Company be and are hereby altered by substituting the figures and words of Rs.1,000,000,000 (Rupees One Billion only) divided into 100,000,000 (One Hundred million) ordinary shares of Rs.10/- each appearing in Clause V of the Memorandum of Association and Article 4 of the Articles of Association with the words and figures of Rs.1,500,000,000 (Rupees one billion and five hundred million only) divided into 150,000,000 (one hundred and fifty million) ordinary shares of Rs.10/- each."

Further Resolved:

- 5.3. "that the ordinary shares when issued shall carry equal voting rights and rank pari passu with the existing ordinary shares of the Company in all respect / matters in conformity with the provisions of the Companies Act, 2017."

Further Resolved:

- 5.4. "that the Chief Executive Officer, Chief Financial Officer and Company Secretary be and are hereby authorized singly to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and to file requisite documents with the Registrar to effectuate and implement the aforesaid resolutions."
6. To consider and approve the issuance of bonus shares @ 51% i.e. 51 ordinary shares for every 100 ordinary shares held, out of Company's profit for the year ended December 31, 2024 as recommended by the Board of Directors by passing the following Ordinary Resolutions:

To consider and if thought fit to pass with or without modification the following resolutions:

Resolved

"that a sum of Rs.339,343,540/- out of Company's profit be capitalized and applied for issue of 33,934,354 ordinary shares of Rs.10 each and allotted as fully paid up shares to those members whose name appear in the members register of the Company at the close of business on 07th May, 2025 in the ratio of 51 shares for every hundred shares held."

Further Resolved

“that Bonus shares forming part of such fraction holding which is not in exact multiple of 51:100 shares will be sold in the Stock Market and to pay the proceeds of sale thereof, when realized, to a Charitable Institution.

That for the purpose of giving effect to the foregoing, the Chief Executive, Chief Financial Officer and Company Secretary be and is hereby authorized to give such directions as may be necessary and as they deem fit to settle any questions or any difficulties that may arise in the distribution of the said new shares or in the payment of sale proceeds of the fractional shares”.

7. To transact any other business with the permission of the Chair.

The Share Transfer Books of the Company to attend, speak and vote at the annual general meeting will remain Closed from 21st April, 2025 to 30th April, 2025 (both days inclusive). Those members whose name appear in the members register of the Company at the close of business on 18th April 2025 will entitle to attend the meeting.

The Share Transfer Books of the Company for the entitlement of Bonus Shares, will remain Closed from 08th May 2025 to 15th May 2025 (both days inclusive). Those members whose name appear in the members register of the Company at the close of business on 07th May 2025 will entitle to bonus shares.

By order of the Board



FARAZ ABDUL RAZZAK
Company Secretary

Karachi: 27th March, 2025

NOTES:

1. Participating in the AGM proceedings via physical presence or through video link facility:
 - a) AGM will be held through Zoom application – a video link facility.
 - b) The notice will also be uploaded on the website of the Company.
 - c) Shareholders interested in attending the AGM through Video Link (Zoom) will be requested to get themselves registered with the Company Secretary office at least two working days before the AGM at faraz.ahmed@relianceins.com by providing the following details:

Name of Shareholder:	CNIC No. :	Folio No. /CDS folio No:	Cell No:	Email address:

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

- d) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary office at least two working days before the AGM, at above given email address, WhatsApp or SMS on 0333-2661981. Shareholders are required to mention their full name, CNIC No and Folio/CDS No. for this purpose.
 - e) Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participate through proxies.
2. A member of the Company entitled to attend and vote may appoint any other member as his/her proxy to attend and vote on his/her behalf. PROXIES MUST BE RECEIVED AT THE HEAD OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or person whose securities are in group account and their registration details are up-loaded as per the Regulations, shall authenticate his identity by showing his Original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his original CNIC or Original Passport at the time of the meeting.
 - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.
4. The shareholders of the Company have approved in the 41st Annual General Meeting of the Company held on April 27, 2023 to circulate the Annual Report of the Company to the members through QR enabled code and weblink. The Annual Report – 2024 can be accessed through the following weblink or QR Code.
Weblink : <https://relianceins.com/public/assets/downloads/financial-reports/2024/RIC-BS-2024-04.pdf>



ELECTION OF DIRECTORS

5. Any person who seeks to contest election of Directors shall, whether he/she is retiring Director or otherwise shall file the following documents and information with the Company at its Head Office located at 181-A, Sindhi Muslim Co-operative Housing Society Karachi not later than fourteen (14) days before the date of Annual General Meeting of the Company for a period of three years.
- I. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Companies Act, 2017, selecting anyone category stated below in which he/she intends to contest for the election of director as required under Regulation 7A of the listed Companies Code of Corporate Governance Regulations, 2019:
 - a. Female Director
 - b. Independent Director
 - c. Other Director
 - II. Consent to act as a director on Appendix in Form 9 in term of Section 167(1) of the Companies Act, 2017 along with an attested copies of CNIC, NTN or passport.
 - III. Independent Director(s) will be elected through the process underlined in terms of section 159 of the Act and must meet the criteria laid down in Section 166 of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Directors) Regulations 2018. Accordingly, the following additional documents should be submitted by the candidates intending to contest election of directors as an independent director:
 - (a) Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulation 2019; and
 - (b) Undertaking on non-judicial stamp paper that he/she meet the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.
 - IV. Detailed profile along with his/her office address for placement of Company's website seven days prior to the date of election as required under SRO 1196(1)/2019 dated October 3, 2019 of the Securities and Exchange Commission of Pakistan (SECP).
 - V. An attested copy of valid Computerized National Identity Card, NTN and his/her folio No./CDC Investor Account No./CDC Participate ID No./Sub-Account No.
 - VI. Declaration in respect of being complaint with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria, as set out in Section 153 of the Companies Act, 2017 to act as director of a listed company;
 - VII. Information on Annexure A and affidavits on Annexure B & C required under the Insurance Companies (Sound and Prudent Management) Regulations 2012.
- No director have direct or indirect interest in the above said business except that they may consent for election of directors accordingly.

6. ELECTRONIC TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS AND NOTICES

Pursuant to Notification vide SRO. 787(1)/2014 of September 8, 2014, the SECP has directed to facilitate the members of the Company receiving annual financial statements and notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive annual financial statements and notices of the Company through email in future. In this respect members are hereby requested to convey their consent via email on a standard request form

which is available at the Company website www.relianceins.com. Please ensure that your email has sufficient rights and space available to receive such email which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the share registrar of any change in their registered email address.

Financial Statements and relevant reports have been placed on the website of the company which can be seen on www.relianceins.com.

7. TRANSMISSION OF ANNUAL AUDITED ACCOUNTS AND NOTICE THROUGH CD/DVD/USB.

In compliance with the SECP Notification No.SRO 470(1)2016, dated May 31, 2016. The Company in the 35th Annual General Meeting held on April 29, 2017, obtained the approval of the shareholders to circulate Annual Accounts through CD/DVD/USB at their registered address instead of transmitting the Annual Accounts in hard copies. However, shareholder may request the Company Secretary or Share Registrar of the Company for hard copy of Annual Audited Accounts instead of CD / DVD / USB and the same will be provided at his / her registered address, free of cost, within one week on the demand. In this regard, a 'Standard Request Form, has also been placed at the website of the Company for communicating the need of hard copies of the Annual Audited Accounts instead of sending the same through CD / DVD / USB.

8. VOTING PROCEDURE FOR SPECIAL BUSINESS

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification vide SRO 2192(I)/2022 dated December 05, 2022, the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business and in case of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed i.e. Ten (10) under sub-section (1) of Section 159 of the Companies Act, 2017.

Accordingly, members of the Company will be allowed to exercise their right to vote through e-voting facility or voting by post for the election of directors in the forthcoming Annual General Meeting to be held on Wednesday, April 30, 2025, at 12:30 p.m. at 181-A S.M.C.H.S., Karachi. In accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

I. E – VOTING PROCEDURE

- a. Detail of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course.
- b. The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited, (being the e-voting service provider).
- c. Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- d. E-Voting lines will start from April 26, 2025, 09:00 a.m. and shall close on April 29, 2025, 05:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently

II. PROCEDURE FOR VOTING THROUGH POSTAL BALLOT

The members shall ensure that duly filled and signed ballot paper along with copy of Computerised National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, 181-A, S.M.C.H.S, Karachi or email at faraz.ahmed@relianceins.com one day before the Annual General Meeting i.e. on April 29, 2025, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

9. APPOINTMENT OF SCRUTINISER

Securities and Exchange Commission of Pakistan (SECP) to the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Companies (Postal Ballot) Regulations, 2018 through S.R.O. 454(I)/2025 and S.R.O. 453(I)/2025 In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Kreston Hyder Bhimji & Co. Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the Special Businesses to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

10. RESTRICTION ON DISTRIBUTION OF GIFTS

In accordance with the directive issued by the SECP vide its SRO 452(I)/2025 dated March 17, 2025 the company would like to inform all the shareholders that no gifts will be distributed at the AGM.

11. UNCLAIMED DIVIDEND

As per the provision of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years was sent to shareholders. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall after giving notice in newspaper proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

12. CONVERSATION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

The shareholders having physical shares may open CDC Sub-account with any of the broker or Investor Account directly by with the Central Depository Company (CDC) of Pakistan Limited to have their physical shares converted into electronic form. This will facilitate then in many way including safe custody. Further with the requirement of Section 72 of Companies Act, 2017, every existing company having share capital required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commence of the Act.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misce/2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book entry form.

13. CHANGE OF ADDRESS

Shareholders are requested to inform the Company's Share Registrar of any change in their address, if any immediately.

14. SUBMISSION OF COPIES CNIC (MANDATORY)

The shareholders having physical shareholding are, therefore, advised to submit a photo copy of their valid CNICs and Corporate entities are requested to provide NTN immediately, if already not provided, to the Company's Share Registrar at the address, C & K Management Associates (Pvt) Limited, M-13, Progressive Plaza, Civil Lines Quarter, Beaumont Road Karachi – 75530 without any further delay.

15. TAX ON ISSUANCE OF BONUS SHARES UNDER FINANCE ACT, 2023

Effectively July 01, 2023, companies are required to collect 10% tax from the shareholders at the time of issuance of bonus shares, which shall be final tax on such income of the shareholders. The rate of tax for inactive taxpayer is 20%.

The value of bonus shares shall be taken as equivalent to day-end price on the first day of book closure.

In case of non-payment of tax by the shareholders, the company is required to dispose of shares to the extent of the tax liability, to recover and deposit the tax.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 PERTAINING TO THE SPECIAL BUSINESS

The statement set out the material facts pertaining to the "Special Business" to be transacted at the 43rd Annual General Meeting of the Company to be held on April 30, 2025.

Capitalization out of company's appropriated Profit/Reserve

That a sum of Rs.339,343,540/- out of the Company's profit be capitalized for issuing of 33,934,354 fully paid ordinary shares of Rs.10 each and allotted as fully paid up Bonus Shares to the Members who are registered in the Book of the Company at the close of business on 18th April, 2025 in the proportion of 51 new shares for every 100 existing ordinary shares held and that such new shares shall rank pari passu with existing ordinary shares of the Company as regards future dividends, and in all other respects.

That Bonus Shares forming part of such fraction holding which is not in exact multiple of 51:100 shares will be sold in the Stock Market and to pay the proceeds of sale thereof, when realized, to a Charitable Institution.

That for the purpose of giving effect to the foregoing, the Chief Executive, Chief Financial Officer and Company Secretary be and is hereby authorized to give such directions as may be necessary and as they deem fit to settle any questions or any difficulties that may arise in the distribution of the said new shares or in the payment of sale proceeds of the fractional shares.

None of the Directors of the Company are interested in this business except to the extent of their entitlement to bonus shares as shareholder.

Increase of Authorized Share Capital

The current authorized share capital of the Company is Rs.1,000,000,000/- (Rupees One Billion only) divided into 100,000,000 (One Hundred million) ordinary shares of Rs.10/- each.

In order to facilitate increase in the paid-up share capital as and when required to do so, the Board of Directors has recommended that the authorized capital be increased from Rs.1,000,000,000/- to Rs.1,500,000,000/- by creation of additional 50,000,000 ordinary shares of Rs.10/- each. The proposed increase in the authorized share capital of the Company will also necessitate amendments in Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company to reflect the increase in authorized share capital of the Company. For this purpose, a special resolution is required to be considered and approved in this meeting.

The Directors are not interested in this business except as shareholders of the Company.

HORIZONTAL ANALYSIS

Statement of Financial Position & Profit & Loss Account

STATEMENT OF FINANCIAL POSITION	Rupees in million				% Increase / (Decrease) over preceeding year			
	2024	2023	2022	2021	2024	2023	2022	2021
Property and equipment	104.760	87.159	72.739	73.398	20.19	19.82	(0.90)	(15.44)
Investments								
Equity securities	1,200.098	839.874	681.276	729.258	42.89	23.28	(6.58)	4.11
Debt securities	70.081	70.093	70.104	70.114	(0.02)	(0.02)	(0.01)	(0.06)
Term deposits	43.508	42.629	42.591	38.570	2.06	0.09	10.43	26.45
Loan and others receivables	4.576	5.135	4.163	14.747	(10.89)	23.35	(71.77)	96.88
Insurance / Reinsurance receivables	642.362	537.187	386.729	304.283	19.58	38.91	27.10	16.54
Reinsurance recoveries against outstanding claims	271.630	176.420	152.488	178.690	53.97	15.69	(14.66)	61.49
Deferred Commission Expenses	94.843	95.313	74.412	64.560	(0.49)	28.09	15.26	(11.10)
Deferred Taxation	-	-	20.409	6.961	-	(100.00)	193.19	100.00
Prepayment	228.208	194.269	155.143	165.211	17.47	25.22	(6.09)	3.72
Taxation-Provision less payment	-	-	-	-				
Cash & Bank	102.206	108.555	101.815	93.709	(5.85)	6.62	8.65	(15.18)
Total Assets from General Takaful operation OPF	182.748	155.882	126.995	108.194	17.23	22.75	17.38	9.76
Total Assets	2,945.020	2,312.516	1888.864	1847.695	27.35	22.43	2.23	7.43
Ordinary share capital	665.379	665.379	633.695	603.519	-	5.00	5.00	-
Reserves	400.000	310.000	290.000	270.000	29.03	6.90	7.41	-
Unappropriated profit /(loss)	370.364	225.050	136.521	172.764	(64.57)	(64.85)	(20.98)	60.42
Surplus/(deficit)on revaluation of available for sale	136.688	21.992	0.049	1.778	(521.54)	(44,781.63)	(97.24)	(50.16)
Total Equity	1,572.431	1,222.421	1060.265	1048.061	28.63	15.29	1.16	6.87
Outstanding claims including IBNR	343.523	230.153	188.533	212.979	49.26	22.08	(11.48)	45.77
Unearned premium reserves	489.493	440.171	339.217	306.513	11.21	29.76	10.67	(7.82)
Unearned Reinsurance Commission	33.683	39.285	31.621	30.638	(14.26)	24.24	3.21	(10.68)
Deferred taxation	126.464	30.144	-	-				
Insurance/ Reinsurance Payable	192.165	216.604	186.785	195.477	(11.28)	15.96	(4.45)	19.84
Other Creditors and Accruals	86.709	76.108	48.268	32.419	13.93	57.68	48.89	1.73
Taxation-Provision less payment	59.124	22.637	7.317	0.335	100.00	100.00	100.00	(100.00)
Total Liabilities from General Takaful Operation OPF	41.428	34.993	26.858	21.273	18.39	30.29	26.25	(15.20)
Total Equity and Liabilities	2,945.020	2,312.516	1888.864	1847.695	27.35	22.43	2.23	7.43
PROFIT AND LOSS ACCOUNT								
Net insurance premium	546.495	460.686	360.467	303.130	18.63	27.80	18.91	(8.14)
Net insurance claims	(152.815)	(139.119)	(93.638)	(64.168)	9.84	48.57	45.93	(12.36)
Net Commission and acquisition expenses	(111.170)	(96.383)	(77.236)	(54.981)	15.34	24.79	40.48	(5.18)
Management Expenses	(198.462)	(176.318)	(150.167)	(152.112)	12.56	17.41	(1.28)	(1.52)
Underwriting Results	84.048	48.866	39.426	31.869	72.00	23.94	23.71	(28.94)
Investment Income/(loss)	408.883	246.032	67.385	74.747	(66.19)	(265.11)	(9.85)	(9.90)
Other Income	4.501	5.564	0.549	3.257	(19.10)	913.48	(83.14)	(55.67)
Financial Charges	-	-	-	-				
Others expenses	(91.334)	(72.645)	(59.084)	(50.048)	25.73	22.95	18.05	(5.77)
Profit before tax from takaful operations-Operators fund	30.071	29.171	19.324	10.682	3.09	50.96	(80.90)	(51.52)
Profit / (Loss) before Tax	436.169	256.988	67.600	70.507	(69.72)	(280.16)	(4.12)	(13.31)
Income tax expenses	(134.316)	(85.091)	(23.491)	(17.497)	57.85	262.23	34.26	(40.14)
Profit / (Loss) after Tax	301.853	171.897	44.109	53.010	(75.60)	(289.71)	(16.79)	(3.81)

VERTICAL ANALYSIS

Statement of Financial Position & Profit & Loss Account

Rupees in million

STATEMENT OF FINANCIAL POSITION	2024		2023		2022		2021	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Property and equipment	104.760	3.56	87.159	3.77	72.739	3.85	73.398	3.97
Investments	-	-	-	-	-	-	-	-
Equity securities	1,200.098	40.75	839.874	36.32	681.276	36.07	729.258	39.47
Debt securities	70.081	2.38	70.093	3.03	70.104	3.71	70.114	3.79
Term deposits	43.508	1.48	42.629	1.84	42.591	2.25	38.570	2.09
Loan and others receivables	4.576	0.16	5.135	0.22	4.163	0.22	14.747	0.80
Insurance / Reinsurance receivables	642.362	21.81	537.187	23.23	386.729	20.47	304.283	16.47
Reinsurance recoveries against outstanding claims	271.630	9.22	176.420	7.63	152.488	8.07	178.690	9.67
Deferred Commission Expenses	94.843	3.22	95.313	4.12	74.412	3.94	64.560	3.49
Deferred Taxation	-	-	-	-	20.409	1.08	6.961	0.38
Prepayment	228.208	7.75	194.269	8.40	155.143	8.21	165.211	8.94
Taxation-Provision less payment	-	-	-	-	-	-	-	-
Cash & Bank	102.206	3.47	108.555	4.69	101.815	5.39	93.709	5.07
Total Assets from General Takaful operation OPF	182.748	6.21	155.882	6.74	126.995	6.72	108.194	5.86
	-	-	-	-	-	-	-	-
Total Assets	2,945.020	100.00	2,312.516	100.00	1888.864	100.00	1847.695	100.00
Ordinary share capital	665.379	22.59	665.379	28.77	633.695	33.55	603.519	32.66
Reserves	400.000	13.58	310.000	13.41	290.000	15.35	270.000	14.61
Unappropriated profit /(loss)	370.364	12.58	225.050	9.73	136.521	7.23	172.764	9.35
Surplus/(deficit)on revaluation of available for sale	136.688	4.64	21.992	0.95	0.049	0.00	1.778	0.10
Total Equity	1,572.431	53.39	1,222.421	52.86	1060.265	56.13	1048.061	56.72
Outstanding claims including IBNR	343.523	11.66	230.153	9.95	188.533	9.98	212.979	11.53
Unearned premium reserves	489.493	16.62	440.171	19.03	339.217	17.96	306.513	16.59
Unearned Reinsurance Commission	33.683	1.14	39.285	1.70	31.621	1.67	30.638	1.66
Deferred taxation	126.464	4.29	30.144	-	-	-	-	-
Insurance/ Reinsurance Payable	192.165	6.53	216.604	9.37	186.785	9.89	195.477	10.58
Other Creditors and Accruals	86.709	2.94	76.108	3.29	48.268	2.56	32.419	1.75
Taxation-Provision less payment	59.124	2.01	22.637	0.98	7.317	0.39	0.335	0.02
Total Liabilities from General Takaful Operation OPF	41.428	1.41	34.993	1.51	26.858	1.42	21.273	1.15
	-	-	-	-	-	-	-	-
Total Equity and Liabilities	2,945.020	100.00	2,312.516	100.00	1888.864	100.00	1847.695	100.00
PROFIT AND LOSS ACCOUNT								
Net insurance premium	546.495	100.00	460.686	100.00	360.467	100.00	303.130	100.00
Net insurance claims	(152.815)	(27.96)	(139.119)	(30.20)	(93.638)	(25.98)	(64.168)	(21.17)
Net Commission and acquisition expenses	(111.170)	(20.34)	(96.383)	(20.92)	(77.236)	(21.43)	(54.981)	(18.14)
Management Expenses	(198.462)	(36.32)	(176.318)	(38.27)	(150.167)	(41.66)	(152.112)	(50.18)
Underwriting Results	84.048	15.38	48.866	10.61	39.426	10.94	31.869	10.51
Investment Income	408.883	74.82	246.032	53.41	67.385	18.69	74.747	24.66
Other Income	4.501	0.82	5.564	1.21	0.549	0.15	3.257	1.07
Financial Charges	-	0.00	-	0.00	-	0.00	-	0.00
Others expenses	(91.334)	(16.71)	(72.645)	(15.77)	(59.084)	(16.39)	(50.048)	(16.51)
Profit before tax from takaful operations-Operators fund	30.071	5.50	29.171	6.33	19.324	5.36	10.682	3.52
Profitbefore Tax	436.169	79.81	256.988	55.78	67.600	18.75	70.507	23.26
Income tax expenses	(134.316)	(24.58)	(85.091)	(18.47)	(23.491)	(6.52)	(17.497)	(5.77)
Profit after Tax	301.853	55.23	171.897	37.31	44.109	12.24	53.010	17.49

KEY FINANCIAL DATA

10 Years Growth At A Glance

Rupees in million

	2024	2023	2022	2021	2020	2019	2018	2017 Restated	2016 Restated	2015
Ordinary Share Capital	665.38	665.38	633.69	603.52	561.41	561.41	561.41	561.41	510.37	463.98
Share Holder's Equity	1572.43	1222.42	1060.26	1048.06	997.63	933.53	855.92	798.93	876.96	786.03
Reserves	400.00	310.00	290.00	270.00	250.00	250.00	250.00	250.00	220.00	200.00
Cash & Bank	102.20	108.56	101.81	93.71	111.31	131.22	144.37	160.18	120.24	133.93
Investment	1313.68	952.60	793.97	837.94	813.51	777.31	711.11	704.22	795.29	653.67
Underwriting Provisions	866.70	709.61	559.371	550.13	523.73	480.11	588.06	739.39	782.59	868.20
Total Assets	2945.02	2312.52	1888.864	1847.695	1713.973	1595.486	1658.65	1791.12	1828.38	1766.56
Return on Assets %	10.25%	7.43%	2.34%	2.87%	4.00%	4.46%	2.95%	(2.16)	5.80%	4.58%
Return on Equity %	19.20%	14.06%	4.16%	5.06%	6.86%	7.63%	5.72%	(4.85)	12.09%	10.34%
Ordinary Share Capital to Assets %	22.59%	28.77%	33.55%	32.66%	32.76%	35.19%	33.85%	31.35%	27.91%	26.26%
Total Equity / Total Assets %	53.39%	52.86%	56.13%	56.72%	58.20%	58.51%	51.60%	44.60%	47.96%	44.50%
Written Gross Premium	1060.07	980.28	761.88	651.20	569.07	622.40	878.68	1155.40	1201.84	1114.40
Net Insurance Premium	546.495	460.69	360.46	303.13	319.48	347.80	348.24	357.65	359.41	316.42
Ratio to written Gross Premium %	51.55%	47.00%	47.31%	46.55%	56.14%	55.88%	39.63%	30.95%	29.90%	28.39%
Net Insurance Claims	152.81	139.12	93.63	64.16	76.42	87.21	87.17	88.16	101.72	89.86
Ratio to Net Insurance Premium %	27.34%	30.30%	25.97%	21.17%	23.92%	25.07%	25.03%	24.65%	28.30%	28.40%
Management Expenses	289.79	248.96	209.25	202.16	199.80	205.06	197.66	188.99	179.66	174.36
Ratio to Written Gross Premium %	27.33%	25.40%	27.46%	31.04%	35.11%	32.94%	22.49%	16.36%	14.95%	15.65%
Ratio to Net Insurance Premium %	53.02%	54.04%	58.05%	66.69%	62.54%	58.96%	56.76%	52.84%	49.98%	55.10%
Investment Income/(Loss)	408.88	246.03	67.38	74.75	83.54	92.72	46.67	(40.07)	104.36	86.69
Return of Investment %	31.12%	25.83%	8.49%	8.92%	10.27%	11.93%	6.56%	(5.69)	13.12%	13.26%
Underwriting Results	84.05	48.87	39.75	31.87	29.01	40.82	48.62	67.08	64.29	49.22
Profit /(loss) Before Tax	436.17	225.82	67.60	70.51	83.57	96.40	60.12	(17.59)	120.89	90.79
Percentage to Written Gross Premium %	41.14%	23.04%	8.87%	10.83%	14.69%	15.49%	6.84%	(1.52)	10.06%	8.15%
Profit /(loss) After Tax	301.85	171.90	44.11	53.01	68.49	71.21	48.99	(38.79)	106.04	80.99
Percentage to Net Insurance Premium	55.23%	37.31%	12.23%	17.49%	21.43	20.47	14.07%	(10.85)	29.50%	25.60%
Earnings/(loss) After Tax Per Share-Rupees	4.54	2.58	0.70	0.88	1.22	1.27	0.87	(0.69)	2.08	1.75
Dividend /Bonus %	51%(B)	10%(C)	5%(B)5%(C)	5%(B)5%(C)	7.5%(B)	-	-	-	10%(B) 5%(C)	10%(B) 5%(C)
Break up Value Per Share	23.63	18.37	16.73	17.36	17.77	16.63	15.24	14.23	17.18	16.94

Summary of Cashflow

Total Cash Flow from all Operating Activities	(123.51)	(66.34)	(55.52)	(54.277)	(62.242)	(44.956)	(44.425)	38.113	102.288	40.013
Total Cash Flow from Investment Activities	181.22	99.65	92.557	36.675	42.325	31.811	28.663	26.796	(66.426)	9.450
Total Cash Flow from Financing Activities	(64.22)	(30.57)	(28.93)	-	-	-	(0.050)	(24.963)	(22.831)	(20.035)
Net Cash Flow From all Activities	(6.34)	6.74	8.106	(17.601)	(19.917)	(13.145)	(15.812)	39.975	13.031	29.428
Cash and Cash Equivalent at the end of the year	102.20	108.56	101.815	93.709	111.310	131.227	144.372	160.185	120.239	133.927

SHAREHOLDERS' INFORMATION

Registered Office

96-A, Sindhi Muslim Co-operative Housing Society
Karachi.

Head Office

Reliance Insurance House,
181-A, Sindhi Muslim Co-operative Housing Society,
Karachi

Share Registrar Office

C&K Management Associates (Pvt.) Ltd.
M-13, Progressive Plaza Civil Lines Quarter,
Beaumont Road, Karachi-75530.
Phone 35687839, 35685930

Listing on Stock Exchanges

RICL equity shares are listed on Pakistan Stock
Exchange (PSX).

Listing Fees

The annual listing fee for the financial year
2024-2025 was paid to the Pakistan Stock Exchange
and Central Depository Company (CDC) within the
prescribed time.

Stock Symbol

The stock symbol for Reliance Insurance Company
Limited at the PSX is RICL.

Statutory Compliance

During the year, the Company complied with all
applicable provisions of the Companies Act, 2017,
the Insurance Ordinance 2000, Insurance Rules
2017, Listed Companies (Code of Corporate
Governance) Regulations, 2019, the Code of
Corporate Governance, for insurers 2016 and others
regulations prescribed by SECP.

Book Closure Dates

The register of Member and share transfer books of
the Company will remain closed from 21st April,
2025 to 30th April, 2025 (both days inclusive).

43rd Annual General Meeting

Date	:	30th April, 2025
Time	:	12:30 pm
Venue	:	Reliance Insurance House, 181-A, SMCHS, Karachi Physical & (Via Vedio Link)

Website of the Company

A comprehensive and user-friendly website has been
developed for Reliance Insurance Limited, providing
seamless access to vital corporate information. The
platform serves as a central repository for details
regarding the Company's financial standing, historical
background and available insurance products.

To enhance operational efficiency and ensure prompt
resolution of concerns, an online complaint
management system has been integrated, enabling
investors and policyholders to register and track their
grievances with ease.

The Company's annual, half-yearly, and quarterly
financial statements are readily accessible at:
www.relianceins.com, ensuring transparency and
compliance with regulatory requirements.

Furthermore, disclosures concerning strategic
corporate events are communicated to the Pakistan
Stock Exchange as and when required, reinforcing the
Company's commitment to timely and accurate
information dissemination.

For further details, please visit our official website:
www.relianceins.com.

Change of Address

Members are requested to immediately notify the
change of address, if any, to the Company's Registrar.

Investors' Grievances Policy

Reliance Insurance Limited acknowledges the
paramount significance of maintaining robust
relations with its investors, recognizing such
engagement as a fundamental pillar for the financial
sustainability and progressive growth of the
organization. Furthermore, the strength of investor
relations directly contributes to the goodwill and
corporate standing of the Company. In light of this, it
is imperative to establish a structured, efficient, and
legally compliant mechanism within the organization
to facilitate investor services and address grievances
in a systematic and transparent manner.

Accordingly, the Company has ensured the
availability of all pertinent information on its official
website, including details of the Board of Directors,
auditors, share registrars, financial statements for the
current period as well as for the preceding six years,
and daily stock market updates reflecting the
Company's share prices as quoted on the Pakistan

SHAREHOLDERS' INFORMATION

Stock Exchange. The Company Secretary serves as the designated point of contact for investors, entrusted with the responsibility of addressing their concerns and facilitating appropriate resolutions.

The management remains steadfast in its commitment to investigating and resolving all investor complaints and queries in a manner that ensures their utmost satisfaction. In the event that an investor remains dissatisfied with the resolution provided, they may escalate their concerns to the Securities & Exchange Commission of Pakistan (SECP) through the dedicated interactive link available on the Company's website.

The Company's investor grievance redressal policy is predicated upon the following fundamental principles:

- All investor communications—whether made in person, via telephone, fax, or email—are received with due diligence and addressed in a timely and systematic manner.
- Every investor is accorded equitable and respectful treatment at all times.
- Complaints and queries are handled with promptness, efficiency, and fairness, ensuring a professional and impartial resolution process.

Reliance Insurance Limited remains unwavering in its dedication to fostering a transparent and investor-friendly environment, upholding the highest standards of corporate governance and regulatory compliance.

M/s. C&K Management Associates (Pvt.) Ltd., being the Registrars is primarily responsible to resolve the investor's grievance. Shareholders' enquiries about their holding, dividend or share certificate etc. can be directed to the Share Registrar at the following address:

M/s. C&K Management Associates (Pvt.) Limited,
M-13, Progressive Plaza Civil Lines Quarter,
Beaumont Road, Karachi-75530. Phone 35687839,
35685930

In case investor's grievance is not addressed up to his/her satisfaction or within reasonable time. Investors may also directly write to the Company their query/complaint at,

Company Secretary

Reliance Insurance Company Limited
181-A, SMCHS Karachi.
Company has designated email id
faraz.ahmed@relianceins.com for handling investor
grievance on which investor can make a complaint.

SUBMISSION OF CNIC COPIES (MANDATORY)

As per SECP directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are, therefore, advised to submit a photo copy of their valid CNICs and Corporate entities are requested to provide NTN immediately, if already not provided, to the Company's Share Registrar at the following address, M/s. C & K Management Associates (Pvt.) Ltd., M-13, Progressive Plaza Civil Lines Quarter, Beaumont Road, Karachi-75530. Phone 35687839, 35685930 without any further delay.

ELECTRONIC DIVIDEND MANDATE

Under section 242 of Companies Act, 2017 it is mandatory for all listed Companies to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available on the Company's website www.relianceins.com and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, M/s. C & K Management Associates (Pvt.) Ltd., M-13, Progressive Plaza Civil Lines Quarter, Beaumont Road, Karachi-75530. Phone 35687839, 35685930 in case of physical shares.

In case shares are held in CDC, electronic dividend mandate form must be directly submitted to shareholder's brokers/ participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

ELECTRONIC TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS AND NOTICES

Pursuant to the Securities and Exchange Commission of Pakistan (SECP) Notification S.R.O. 787(I)/2014 dated September 8, 2014, the Company is pleased to extend to its members the facility of receiving the Annual Financial Statements and other statutory notices through electronic mail (email).

Members who wish to avail themselves of this facility are requested to provide their consent by submitting a duly completed Consent Form available on the Company's website at www.relianceins.com. The completed form should be sent to the Company via email at the address specified therein.

SHAREHOLDERS' INFORMATION

Members availing this facility are advised to ensure that their designated email address is active, has adequate rights and sufficient storage capacity to receive email communications from the Company, which may include attachments exceeding 1 MB in size. It shall be the sole responsibility of the member to promptly notify the Share Registrar of any change in their registered email address to ensure uninterrupted receipt of communications.

The Company's Annual Financial Statements along with other relevant reports and notices are also available on the Company's website and may be accessed at www.relianceins.com.

Should you require any further information or assistance, please contact the Share Registrar or the Company Secretary's Office.

CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

The shareholders heaving physical shares may open CDC sub-account with any of the brokers or Investor Account directly by with the Central Depository Company (CDC) of Pakistan Limited to have their physical shares converted into electronic form. This will facilitate then in many ways including safe custody. Further with the requirement of Section 72 of Companies Act, 2017, every existing company having share capital required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commence of the Act.

UNCLAIMED DIVIDEND

As per the provision of section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years was sent to shareholders. Shareholders are requested to ensure that their claims for unclaimed dividend and

shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall after give notice in newspaper proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

CONSENT FOR VIDEO CONFERENCE FACILITY

Pursuant to the provision to the Companies Act, 2017 the members can also avail the video Conferencing facility. In this regard, please fill the following and submit to Head Office of the Company at least 7 days before the holding of annual general meeting. If the Company receives consent from members holding aggregate 10% or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city. I / We, _____ of _____, being a member of Reliance Insurance Co., Ltd. holder of _____ ordinary share(s) as per registered folio no. _____ hereby opt for video conferencing facility at _____.

DECISIONS TAKEN AT THE LAST ANNUAL GENERAL MEETING

In accordance with the agenda of last Annual General Meeting, the following matters were duly approved by the members at the Annual General Meeting, and the respective decisions have been implemented accordingly:

- Confirmation of the minutes of the Extraordinary General Meeting held on June 26, 2023.
- Approval of the audited financial statements for the year ended December 31, 2023, together with the Directors' and Auditors' Reports.
- Approval of the declaration of a cash dividend at the rate of 10%.
- Appointment of M/s. BDO Ebrahim & Co., Chartered Accountants, as the auditors of the Company for the year 2024, along with the approval of their remuneration.

FINANCIAL CALENDAR

RESULTS

Year ended
31 December
2023

Announcement
Date

MARCH
28, 2024

First
quarter ended
31 March 2024

Announcement
Date

APRIL
29, 2024

Half
year ended
30 June 2024

Announcement
Date

AUGUST
29, 2024

Third
quarter ended
30 Sep 2024

Announcement
Date

OCTOBER
30, 2024

CASH DIVIDEND

Cash Dividend
@ 10%

MARCH
28, 2024

Entitlement Date

APRIL
19, 2024

OTHERS

Annual
General Meeting

APRIL
29, 2024

Corporate Briefing
Session

DECEMBER
28, 2024

VIS & Pacra
Credit Rating

RICL at 'A+' (Single A+)
Outlook 'Stable'

DECEMBER
31, 2024

CATEGORIES OF SHAREHOLDING

AS AT DECEMBER 31, 2024

Categories of share holders	Number of share holders	Number of shares held	Percentage of shares held %
ASSOCIATE COMPANIES UNDERTAKINGS AND RELATED PARTIES			
Anam Fabrics	1	86,396	0.13
NIT / ICP/ IDBP			
Investment Corporation of Pakistan, IDBP ICP Units	5	572	0.00
DIRECTORS, CEO & OTHER SPOUSES AND MINOR CHILDREN			
The detail are as under:			
MR. IRFAN ZAKARIA BAWANY	1	4,114,256	
MR. MUHAMMAD OMER BAWANY	1	1,545,427	
MR. ZIA ZAKARIA	1	418,875	
MR. AHMED ALI BAWANY	1	3,782,235	
MR. NOOR M. ZAKARIA	1	1,759,561	
MR. MUHAMMAD PATEL	1	5,925	
MR. NAEEM AHMED SHAFI	1	5,925	
MS. TASNEEM YUSUF	1	5,925	
MR. JAHANGIR ADAM	1	5,925	
MRS. SHEHLA IRFAN	1	3,980,391	
MRS. RUKHSANA BAI OMER	1	1,416,342	
MRS. SHAHNAZ SATTAR ZAKARIA	1	1,759,562	
EXECUTIVE			
	-	-	-
PUBLIC SECTOR COMPANIES AND CORP.			
	-	-	-
BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTION, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS			
	3	792	0.00
JOINT STOCK COMPANIES			
	13	17,167,017	25.80
GOVERNMENT DEPARTMENT			
Federal Board of Revenue	2	932,290	1.40
INDIVIDUALS			
	1,113	28,743,218	43.20
ISE Tower REIT Management Co. Ltd.			
	1	2,397	0.00
WELFARE SOCIETY			
Pakistan Memon Educational & Welfare Society	1	252,527	0.38
CHARITABLE TRUSTS			
Begum Aisha Ahmed & Latif Foundation	2	551,600	0.83
Trustee Begum Asia Bawany			
TRADE			
Rafum Corporation (pvt.) Ltd.	1	791	0.00
TOTAL :-			
	1,154	66,537,949	100.00
SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST.			
M/s.Sharmeen Food (Pvt.) Ltd.	1	7,891,520	11.86
M/s.Irfan Ashfaq & Company (Pvt.) Ltd.,	1	7,308,864	10.98
Mr. Irfan Zakaria Bawany	1	4,114,256	6.18
Mrs.Shehla Irfan	1	3,980,391	5.98
Mr. Ahmed Ali Bawany	1	3,782,235	5.68

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2024

Number of Shareholders	Shareholdings			Total shares held
	From		To	
427	1	-	100	7,338
134	101	-	500	34,670
106	501	-	1000	76,771
235	1001	-	5000	535,696
81	5001	-	10000	573,008
33	10001	-	15000	400,116
15	15001	-	20000	266,331
14	20001	-	25000	306,957
14	25001	-	30000	387,719
8	30001	-	35000	256,739
4	35001	-	40000	151,377
5	40001	-	45000	211,858
6	45001	-	50000	286,137
3	50001	-	55000	158,272
2	55001	-	60000	116,011
1	65001	-	70000	65,250
1	75001	-	80000	78,936
3	85001	-	90000	262,632
2	90001	-	95000	185,760
1	95001	-	100000	97,284
1	125001	-	130000	127,076
2	130001	-	135000	264,670
1	135001	-	140000	138,101
1	145001	-	150000	148,080
1	150001	-	155000	151,094
1	160001	-	165000	162,355
1	165001	-	170000	169,026
2	175001	-	180000	353,000
1	180001	-	185000	182,559
1	190001	-	195000	193,181
1	220001	-	225000	220,992
3	235001	-	240000	710,124
1	245001	-	250000	248,850
1	250001	-	255000	252,527
1	255001	-	260000	259,555
1	275001	-	280000	275,348
1	280001	-	285000	280,754
2	295001	-	300000	594,201
1	310001	-	315000	311,206
1	350001	-	355000	351,910
1	380001	-	385000	382,314
1	415001	-	420000	418,875
2	440001	-	445000	885,373
1	490001	-	495000	491,889
1	525001	-	530000	526,651
1	540001	-	545000	543,538
1	585001	-	590000	587,171
1	720001	-	725000	723,182
1	750001	-	755000	751,329
2	760001	-	765000	1,524,962
1	805001	-	810000	808,890
1	850001	-	855000	854,406
1	880001	-	885000	881,764
1	935001	-	940000	935,102
1	940001	-	945000	941,473
1	1000001	-	1005000	1,000,112
1	1275001	-	1280000	1,275,294
1	1395001	-	1400000	1,399,229
1	1415001	-	1420000	1,416,342
1	1545001	-	1550000	1,545,427
2	1755001	-	1760000	3,519,123
1	1810001	-	1815000	1,810,102
3	1890001	-	1895000	5,673,354
1	2300001	-	2305000	2,304,154
1	2520001	-	2525000	2,523,486
1	3780001	-	3785000	3,782,235
1	3975001	-	3980000	3,978,317
1	7305001	-	7310000	7,308,864
1	7890001	-	7895000	7,891,520
1154				66,537,949

Sr. No.	Categories of share holders	Number of share holders	Total shares hold	Percentage %
1	INDIVIDUALS	1125	47,543,567	71.45
2	INVESTMENT COMPANIES	5	572	0.00
3	INSURANCE COMPANIES	1	766	0.00
4	JOINT STOCK COMPANIES	14	17,253,413	25.93
5	FINANCIAL INSTITUTIONS	1	25	0.00
6	WELFARE SOCIETY	1	252,527	0.38
7	CHARITABLE TRUSTS	2	551,600	0.83
8	MODARABA MANAGEMENT COMPANIES	1	1	0.00
9	TRADE	1	791	0.00
10	GOVERNMENT DEPARTMENT	2	932,290	1.40
11	REIT MANAGEMENT	1	2,397	0.00
		1154	66,537,949	100.00

CHAIRMAN'S REVIEW

I am pleased to present the Forty-third Annual Report and Performance Review of your Company on behalf of the Board of Directors for the year ended 31st December 2024.

Pakistan's economy navigated formidable challenges in 2024, delivering a measured yet significant 2.4% GDP growth, despite structural inefficiencies, political uncertainty, and fiscal constraints. Global economic headwinds and geopolitical uncertainties added complexity to the landscape; however, key sectors exhibited resilience and adaptability.

As FY2025 unfolds, Pakistan's economic recovery continues to gain traction, fuelled by supportive monetary policies, international financial assistance, and targeted structural reforms. The State Bank of Pakistan (SBP) projects GDP growth in the range of 2.5% to 3.5%, reflecting cautious optimism.

Inflation witnessed a historic decline, the SBP initiated an aggressive monetary easing cycle, slashing the key interest rate from 22% in mid-2023 to 12% by March 2025.

Agriculture remains the bedrock of economic resilience, with exceptional yields in wheat, rice, and cotton supporting rural incomes and food security. Meanwhile, large-scale manufacturing has begun to show signs of revival, in the automobile, textile, food & beverage, and petroleum sectors.

Pakistan's external sector has shown extraordinary resilience, achieving a current account surplus of \$1.21 billion in the first half of FY25, a sharp reversal from the \$1.4 billion deficit recorded previously. Exports surged 9% year-over-year to \$20.28 billion, while remittances skyrocketed by 33% to \$17.85 billion, significantly strengthening foreign exchange reserves and reinforcing economic stability. However, fiscal revenue shortfalls of Rs. 386 billion underscore persistent vulnerabilities, highlighting the urgent need for enhanced revenue mobilization, fiscal discipline, and sustainable public finance management.

The insurance industry in Pakistan has exhibited remarkable resilience, bolstered by a surge in fire and property insurance premiums amid increasing economic activity and evolving risk dynamics. The sector's growth has been further supported by regulatory initiatives led by the Securities & Exchange Commission of Pakistan (SECP), which remains committed to driving market expansion.

Under its ambitious five-year strategic roadmap, the SECP has introduced policy reforms aimed at enhancing transparency, improving risk-based capital frameworks, and fostering digital transformation. Notably, advancements in Insurtech have played a pivotal role in reshaping the industry, with digital platforms streamlining underwriting processes, enhancing customer accessibility, and promoting financial inclusion.

Aligned with our strategic objective to boost the company's revenue, your Company underwrote a gross premium of Rs.1,217.148 million (inclusive of Rs.157.074 million of Takaful Contribution) compared to Rs.1,105.781 million (inclusive of Rs.125.505 million of Takaful Contribution) in the previous year, marking an increase of 10%.

Your Company achieved a profit after tax of Rs.301.852 million, a significant improvement from Rs.171.898 million reported in the previous year. The Operator's Fund recorded a profit after tax of Rs.20.449 million, compared to Rs.20.712 million in 2023.

In the first half of the year, volatility gripped capital markets, largely attributable to the delayed resumption of the IMF Program and the fragile economic environment. However, the latter half witnessed a turnaround with the implementation of the IMF's Stand-By Agreement and a stabilized currency, reflecting positive momentum into the market. The Pakistan Stock Exchange (PSX) experienced significant growth, with the benchmark KSE-100 Index reaching new heights. The index began the year at approximately 62,052 points and concluded at 115,127 points, marking an impressive increase of 85%. This substantial growth was driven by factors such as robust remittance inflows, declining inflation, and expectations of monetary policy easing by the State Bank of Pakistan.

Amid this favourable market environment, your company's strategic investment approach yielded outstanding results. Investment income surged by 66% to Rs.408.883 million, up from Rs.246.032 million in the previous year. This robust growth underscores the efficacy of our investment strategies and our ability to capitalize on market opportunities, reinforcing our commitment to delivering superior shareholder value.

As we conclude, I wish to extend my heartfelt thanks and appreciation to the esteemed members of the Board of Directors for their unwavering commitment and guidance in supporting the management. I am also deeply grateful to our shareholders for their trust and steadfast support in our Company.

Furthermore, I would like to express my sincere gratitude for the invaluable support provided by the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited, State Bank of Pakistan, and all our valued reinsurers. Their continued backing and support has been instrumental in our successful journey.

Lastly, but certainly not least, I would like to commend the Chief Executive and his dedicated team for their tireless efforts, unwavering commitment, and sincere dedication. Their contributions have been indispensable to the success of the Company.



Irfan Zakaria Bawany
Chairman
Karachi. 27th March 2025.

چیرمین کی جائزہ رپورٹ:

فیصد اضافہ کے ساتھ 1,217.148 ملین روپے (بشمول 157.074 ملین تکافل کسٹریوشن) کا مجموعی پریمیم کیا ہے۔

آپ کی کمپنی نے 301.852 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جو پچھلے سال کی رپورٹ کردہ 171.898 ملین روپے سے نمایاں بہتر ہے۔ آپریٹنگ فنڈ نے 2023 کے 20.712 ملین روپے کے مقابلے میں 20.449 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا

سال کی پہلی ششماہی میں، اتار چڑھاؤ نے کمپنیل مارکیٹوں کو اپنی پیٹ میں لیے رکھا، جس کی بڑی وجہ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں تاخیر اور کمزور معاشی ماحول ہے۔ تاہم، آخری ششماہی میں آئی ایم ایف کے اسٹیڈی بائی ایگریمنٹ اور مستحکم کرنسی کے نفاذ کے ساتھ تبدیلی دیکھنے میں آئی، جو مارکیٹ میں مثبت رفتار کی عکاسی کرتی ہے۔

پاکستان اسٹاک ایکسچینج (PSX) میں نمایاں اضافہ ہوا، اینڈیکس مارک KSE-100 انڈیکس نئی بلندیوں پر پہنچ گیا۔ انڈیکس نے سال کا آغاز تقریباً 62,052 پوائنٹس سے کیا اور 115,127 پوائنٹس پر اختتام پذیر ہوا، جس میں 85 فیصد کا شاندار اضافہ ہوا۔ یہ خاطر خواہ اضافہ مضبوط ترسیلات زر کی آمد، گرتی ہوئی افراط زر، اور اسٹیٹ بینک آف پاکستان کی جانب سے مائیکری پالیسی میں نرمی کی توقعات جیسے عوامل سے کارفرما تھا۔

مارکیٹ کے اس سازگار ماحول کے درمیان، آپ کی کمپنی کے اسٹرٹجک سرمایہ کاری کے نقطہ نظر نے شاندار نتائج حاصل کیے ہیں۔ سرمایہ کاری کی آمدنی 66 فیصد اضافے کے ساتھ 408.883 ملین روپے ہو گئی، جو پچھلے سال کے مقابلے میں 246.032 ملین سے زیادہ ہے۔ یہ مضبوط ترقی ہماری سرمایہ کاری کی حکمت عملیوں کی افادیت اور مارکیٹ کے مواقع سے فائدہ اٹھانے کی ہماری صلاحیت کو واضح کرتی ہے، جس سے اعلیٰ حصص یافتگان کی قدر کی فراہمی کے ہمارے عزم کو تقویت ملتی ہے۔

اختتام پر میں انتظامیہ کی حمایت میں ان کی غیر متزلزل عزم اور رہنمائی کے لیے بورڈ آف ڈائریکٹرز کے معزز ممبران کا تہہ دل سے شکریہ ادا کرنا چاہتا ہوں۔ میں اپنے شیئر ہولڈرز کے اعتماد اور ہماری کمپنی میں ثابت قدم تعاون کے لیے بھی ان کا تہہ دل سے مشکور ہوں۔

مزید برآں، میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ، اسٹیٹ بینک آف پاکستان، اور ہمارے تمام قابل قدر ری بیم کنندگان کی جانب سے فراہم کردہ انمول تعاون کے لیے تہہ دل سے شکریہ ادا کرنا چاہتا ہوں۔ ان کی مسلسل تائید اور حمایت ہمارے کامیاب سفر میں اہم کردار ادا کرتی ہے

کمپنی کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ، اسٹیٹ بینک آف پاکستان اور ہمارے تمام ری انشورنس کنندگان کی جانب سے ان کا مسلسل حمایت اور تعاون قابل ستائش رہا جو تحریف کے قابل ہے۔

آخر میں، لیکن یقینی طور پر کم از کم، میں چیف ایگزیکٹو اور ان کی مخلص ٹیم کو ان کی انتھک کوششوں، غیر متزلزل عزم اور مخلصانہ لگن کے لیے سراہنا چاہتا ہوں۔ ان کی شراکت کمپنی کی کامیابی کے لیے ناگزیر رہی ہے۔



عرفان ذکر یابووانی

چیرمین

کراچی 27 مارچ 2025

31 دسمبر 2024 کو ختم ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کے چیرمین کی حیثیت سے آپ کی کمپنی کی 43 ویں سالانہ رپورٹ اور کارکردگی کا جائزہ پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

پاکستان کی معیشت نے 2024 میں زبردست چیلنجز سے گزرتے ہوئے، ساختی نا اہلی، سیاسی غیر یقینی صورتحال اور مالیاتی رکاوٹوں کے باوجود، جی ڈی پی میں 2.4 فیصد کی قابل قدر اضافہ کیا۔ عالمی اقتصادی سرگرمیوں اور جغرافیائی سیاسی غیر یقینی صورتحال نے علاقائی ترقی میں پیچیدگی کا اضافہ کیا۔ تاہم، اہم شعبوں نے قابل ذکر پلک اور موافقت کا مظاہرہ کیا۔

مالی سال 2025 کے آغاز سے ہی، پاکستان کی معاشی بحالی میں مسلسل اضافہ ہوتا جا رہا ہے، جو معاون مالیاتی پالیسیوں، بین الاقوامی مالیاتی امداد، اور ہدفی ساختی اصلاحات کے ذریعے ہوا ہے۔ اسٹیٹ بینک آف پاکستان (SBP) نے جی ڈی پی کی شرح نمو 2.5% سے 3.5% کی حد کی امید کی ہے، جو محتاط امید کی عکاسی کرتا ہے۔

مہنگائی میں تاریخی کمی دیکھنے میں آئی، فروری 2025 میں کمزور پرائس انڈیکس (سی پی آئی) دہائی کی 1.5 فیصد کی کم ترین سطح تک کم ہو گیا۔

گندم، چاول، اور کپاس کی غیر معمولی پیداوار کے ساتھ، زراعت اقتصادی پلک کی بنیاد بنی ہوئی ہے، جو دیہی آمدنی اور خوراک کی حفاظت میں معاون ہے۔ دریں اثنا، آٹوموبائل، ٹیکسٹائل، فوڈ اینڈ بوریج، اور پیٹرولیم کے شعبوں میں زبردست کارکردگی کے ساتھ، بڑے پیمانے پر مینوفیکچرنگ نے بحالی کے ابتدائی آثار دکھانا شروع کر دیے ہیں۔

پاکستان کے بیرونی شعبے نے غیر معمولی پلک کا مظاہرہ کرتے ہوئے مالی سال 25 کی پہلی ششماہی میں 1.21 بلین ڈالر کا کرنٹ اکاؤنٹ سرپلس حاصل کیا، جو کہ پہلے ریکارڈ کیے گئے 1.4 بلین ڈالر کے خسارے کے برعکس ہے۔ برآمدات سال بہ سال 9 فیصد بڑھ کر 20.28 بلین ڈالر تک پہنچ گئیں، جب کہ ترسیلات زر 33 فیصد اضافے سے 17.85 بلین ڈالر تک پہنچ گئیں، جس سے زرمبادلہ کے ذخائر کو نمایاں طور پر تقویت ملی اور معاشی استحکام کو تقویت ملی۔ تاہم، 386 بلین روپے کے مالیاتی شارٹ فال، مسلسل کمزوریوں کی نشاندہی کرتا ہے، جو کہ ریونیو کو بڑھانے، مالیاتی نظم و ضبط اور پائیدار عوامی مالیاتی انتظام کی فوری ضرورت کو اجاگر کرتا ہے۔

پاکستان میں انشورنس انڈسٹری نے قابل ذکر پلک کا مظاہرہ کیا ہے، جس کو فائز اور جائیداد کے انشورنس پریمیم میں اضافے سے معاشی سرگرمیوں میں اضافے اور خطرے کے عوامل کو فروغ دیا ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے زیر قیادت ریگولیٹری اقدامات سے اس شعبے کی ترقی کو مزید سہارا ملا ہے، جو مارکیٹ کی توسیع کے لیے پرعزم ہے۔

اپنے پانچ سالہ سٹرٹجک روڈ میپ کے تحت، ایس ای سی پی نے پالیسی اصلاحات متعارف کرائی ہیں جن کا مقصد شفافیت کو بڑھانا، رسک پر مبنی سرمائے کو فریم ورک کو بہتر بنانا اور ڈیجیٹل تبدیلی کو فروغ دینا ہے۔ خاص طور پر، Insurtech میں پیشرفت نے صنعت کو از سر نو تشکیل دینے، ڈیجیٹل پلٹ فارمرز انڈر رائٹنگ کے عمل کو ہموار کرنے، صارفین کی رسائی کو بڑھانے اور مالی شمولیت کو فروغ دینے میں ایک اہم کردار ادا کیا ہے۔

کمپنی کی آمدنی کو بڑھانے کے لیے ہمارے اسٹرٹجک پلان کے مطابق، آپ کی کمپنی نے 1,105.781 ملین روپے (بشمول 125.505 ملین روپے کی شراکت) کے مقابلے میں 10

DIRECTORS' REPORT

The Directors of the Company are pleased to present their report, along with the audited financial statements and Auditor's report for the year ended December 31, 2024.

Despite the challenges encountered throughout the year 2024, we are pleased to announce the following results achieved by your Company:

OPERATIONAL RESULTS FOR THE YEAR 2024

The comparative financial highlights of your Company for the years ended December 31, 2024, are as follows:

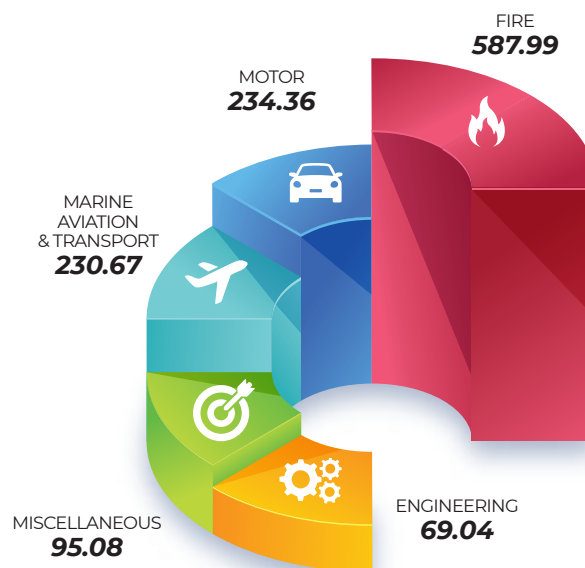
	2024	2023
	Rs. in Million	
Gross Premium		
(Including Takaful Contribution)	1,217.148	1,105.781
Net Premium	546.496	460.686
Net Incurred Claims		
(including IBNR)	152.815	139.119
Management Expenses	198.462	176.318
Underwriting Profit	84.048	48.866
Investment Income	408.883	246.032
Profit before Taxation	436.169	256.988
Profit after Taxation	301.852	171.898
Earnings per Share (EPS) - Rupees	4.54	2.58

Your Company continues to achieve a remarkable milestone by surpassing the gross premium threshold of one billion rupees. During the year under review, the Company recorded a gross premium of Rs.1,217.148 million, including Rs.157.074 million in Takaful contributions, reflecting a 10% year-on-year growth compared to Rs.1,105.781 million in the previous year (inclusive of Rs.125.505 million in Takaful contributions).

Similarly, net premium income witnessed a substantial increase of Rs.85.81 million, enhancing from Rs.460.686 million in 2023 to Rs.546.496 million in 2024, reinforcing the Company's growing market presence and sustainable underwriting strategies.

While the Company incurred net claims amounting to Rs.152.815 million during the year—an increase of Rs.13.696 million from Rs.139.119 million in 2023—the overall underwriting performance remained strong. The underwriting profit grew significantly by 72%, reaching Rs.84.048 million compared to Rs.48.866 million in the previous year. This improvement underscores the robustness of the Company's risk management framework and prudent underwriting practices.

Investment income contributed significantly to overall profitability, surging from Rs.246.032 million in 2023 to Rs.408.883 million in 2024. As a result, profit before tax surged by 70%, reaching Rs.436.170 million, while profit after tax recorded an exceptional 76% growth, rising



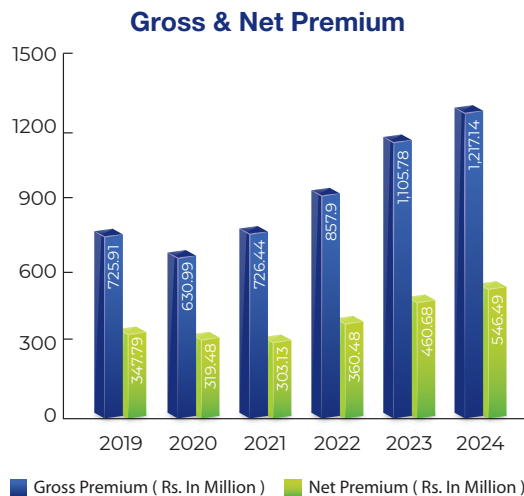
from Rs.171.898 million to Rs.301.853 million. Despite macroeconomic uncertainties, your Company has demonstrated operational resilience, prudent financial management, and a commitment to sustainable growth. These achievements are a testament to the strength of our core business strategies, efficient claims management, and a disciplined approach to cost control.

The earnings per share (EPS) also reflected this strong financial performance, improving from Rs.2.58 in 2023 to Rs.4.54 in 2024, further enhancing shareholder value.

Over the years, we have consistently raised concerns regarding the unilateral and arbitrary fixation of so-called 'Bank Limits' and the delisting / non-listing / prequalifying practices adopted by some Banks, DFIs (Development Financial Institutions), Financial Institutions, and various Authorities/Organizations. These practices have led to an unequal playing field for market participants within the insurance industry.

It is imperative that these discriminatory practices be addressed by the relevant authorities for the larger and best interests of the insurance industry. Fair and transparent regulations are essential to foster healthy competition and ensure equal opportunities for all stakeholders. We urge for concerted efforts to rectify these issues and establish a level playing field conducive to the growth and sustainability of the insurance sector.

Appropriation would increase Paid up Capital to Rs. 1004.723 million and General Reserve for Rs. 400 million with the total Assets Surge to Rs. 2,945.020 million



INVESTMENT

Your Company's investment policy remains steadfast in its dedication to Shariah-compliant Islamic funds, aiming to secure returns while seizing market opportunities. The investment portfolio is judiciously structured, balancing fixed-income securities with equity investments, with a focus on blue-chip stocks that offer high dividend yields, consistent bonus payouts, and long-term capital appreciation. This prudent diversification is actively overseen by the Investment Committee to optimize returns while mitigating risks.

The Pakistan Stock Exchange (PSX) exhibited exceptional performance in 2024, reflecting robust investor confidence and improved macroeconomic conditions. The benchmark KSE-100 Index surged by an unprecedented 84.35% during the year, escalating from 62,451.04 points on December 31, 2023, to an all-time high of 115,126.50 points by December 31, 2024, marking an increase of 52,675.86 points. This remarkable bull run was largely driven by the revival of the International Monetary Fund (IMF) Stand-By Agreement, effective currency stabilization measures, and positive investor sentiment, particularly in the latter half of the year.

The capital markets faced significant volatility in the first half due to delays in the IMF program resumption and broader economic challenges, including high inflationary pressures. However, the turnaround in the second half was supported by monetary and fiscal measures aimed at restoring investor confidence. Sectors such as energy, and technology witnessed substantial growth, contributing to the overall surge in market capitalization.

The State Bank of Pakistan (SBP) implemented a series of monetary policy adjustments throughout 2024 to address prevailing economic conditions. The policy rate experienced a cumulative decrease of 900 basis points,

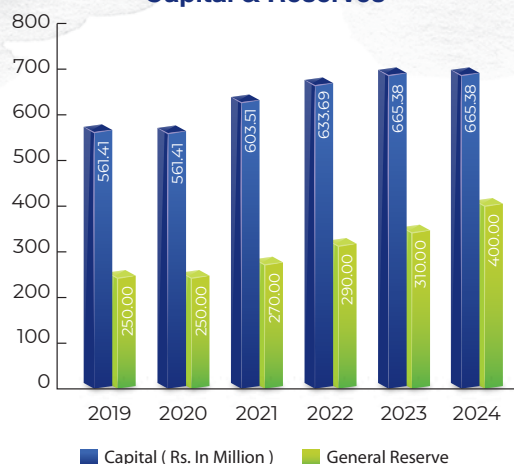
descending from a peak of 22% in June 2024 to 13% by December 2024. This monetary easing aimed to stimulate economic growth amid easing inflationary pressures. The reduction in policy rates resulted in attractive returns for risk-averse investors in fixed-income securities, while also exerting upward pressure on equity valuations due to lower discount rates applied in valuation models. Despite these dynamics, strong corporate earnings growth and an improved economic outlook offset potential negative effects, bolstering equity market performance.

Amid this dynamic economic landscape, your Company's well-calibrated investment strategy delivered exceptional results. Investment income recorded an impressive growth of 66.19%, reaching Rs. 408.883 million in 2024, compared to Rs. 246.032 million in 2023. This performance underscores the effectiveness of our structured approach in capitalizing on market fluctuations and emerging opportunities.

Dividend income rose to Rs. 115.447 million, reflecting a 6.59% increase from Rs. 108.313 million in the previous year. The Company also realized capital gains of Rs. 73.695 million, a substantial increase from Rs. 14.090 million in the previous year, demonstrating strategic acumen in equity trading. Unrealized gains also saw a notable rise, standing at Rs. 193.333 million, compared to Rs. 95.145 million in the prior year, indicating strong valuation gains across key holdings.

Your Company maintains a robust and liquid investment portfolio to ensure sustained income generation and financial resilience. As of December 31, 2024, the total investment portfolio stood at Rs. 1,313.687 million, compared to Rs. 952.596 million in the previous year, reflecting a substantial expansion in asset allocation. Sukuk holdings amounted to Rs. 70.08 million, and Term Deposits totaled Rs. 43.509 million, reinforcing a stable yield component. Cash and Bank Deposit Accounts were recorded at Rs. 102.206 million, marginally lower than Rs. 108.555 million in the previous year.

Capital & Reserves



Your Company's disciplined investment approach, combined with strategic allocation across diverse asset classes, has positioned it to navigate market volatility effectively while maximizing shareholder value. Looking ahead, a continued focus on risk-adjusted returns, macroeconomic trends, and monetary policy shifts will remain central to optimizing investment performance.

CLAIMS

The Company acknowledges its liability for all claims incurred up to the Statement of Financial Position date, recognizing them at the undiscounted value of expected future payments.

To account for claims that have been incurred but not yet reported (IBNR), a provision is established as of the balance sheet date. In compliance with SECP Circular No. 9 of 2016, the Company engages actuarial professionals to determine the IBNR claims. The estimation process follows the Chain Ladder (CL) methodology, which involves identifying development factors or link ratios for each period. These factors are then aggregated to derive the Cumulative Development Factor (CDF), which represents the projected progression of claims towards their ultimate settlement.

REINSURANCE

We are pleased to report that the Company has successfully finalized its reinsurance program for the year 2025. Swiss Re, a globally renowned and prestigious reinsurer, continues to lead RIC's reinsurance program for 2025. Additionally, underwriting capacity for Fire, Engineering, Marine, and Motor lines of business has been further strengthened in 2025. This enhancement allows the Company to underwrite larger risks with greater efficiency. We extend our sincere appreciation to all our reinsurers for their unwavering trust, collaboration, and continued support. Their partnership remains a cornerstone of our operational success and financial stability.

WINDOW TAKAFUL OPERATIONS

The Securities and Exchange Commission of Pakistan (SECP), Insurance Division, granted license to the

Company to undertake Window Takaful Operations on May 25, 2016. Reliance Takaful operates under the guidance of a renowned, qualified, and certified Shariah Scholar.

Reliance Takaful offers a comprehensive range of Shariah-compliant General Takaful products, including Fire and Property Takaful, Marine Cargo Takaful, Private/Commercial Vehicles Takaful, Engineering Takaful, and Miscellaneous and Accident Takaful.

We are committed to providing ethical and transparent Takaful solutions that align with Islamic principles and cater to the diverse needs of our customers.

The summarized comparative financial results of Window Takaful operations for the years 2024 and 2023 are as follows:

	2024	2023
	Rs. in Million	
Gross Contribution	157.074	125.505
Net Contribution	34.264	14.180
Wakala Expense	49.981	44.561
Surplus for the year – PTF	2.189	0.245
Operator's Fund		
Revenue Account	11.432	9.203
Operator's before tax Profit	30.072	29.171

APPROPRIATION OF PROFIT

	2024
	Rs. in Million
Amount brought forward from previous years	68.511
Profit after tax for the year ended 31st December, 2024	301.853
Amount available for appropriation	370.364

Your Directors recommend appropriation in the following manner: -

APPROPRIATION OF PROFIT

	2024
	Rs. in Million
Proposed Cash Dividend Nil (2023:10%)	-
Proposed issue of Bonus Shares 51% (2023: Nil)	339.344
Transfer to General Reserve Nil (2023: Rs.90 million)	-
Un-appropriated balance carried forward	31.020

ENHANCED AUTHORISED CAPITAL

The Board of Directors remains steadfast in their commitment to strengthening the Company's financial position by augmenting enhanced capital in alignment with its long-term strategic vision. Given the promising growth trajectory and future expansion prospects, the Board has approved and proposed to an increase in the Authorised Capital from Rs.1,000 million to Rs.1,500 million.

ENHANCED PAID UP CAPITAL

In line with the Company's growth trajectory and long-term strategic objectives, your Directors remain firmly committed to strengthening the capital base. As part of this proactive approach, the Board has approved appropriations, resulting in an increase in the Company's Paid-up Capital from Rs.665.379 million to Rs.1,004.73 million. This prudent financial management strategy ensures sustainable growth and fortifies the Company's ability to meet the evolving needs of its stakeholders.

INFORMATION TECHNOLOGY

In today's rapidly evolving digital landscape, the significance of Information Technology (IT) cannot be overstated. Uninterrupted IT services are fundamental to seamless business operations, ensuring efficiency, security, and innovation. Your Company remains committed to continuous investment in the expansion and enhancement of its technological infrastructure to drive operational excellence and sustain competitive advantage.

A cornerstone of our IT ecosystem is the advanced General Insurance Software, 'iGIAS,' which has been successfully deployed across branch operations. This robust platform is distinguished by its fully integrated architecture, seamlessly interconnecting core business functions such as Underwriting, Claims, Accounts, and Reinsurance. Developed with cutting-edge Java scripting and powered by a secure Oracle database, 'iGIAS' ensures streamlined data management while prioritizing security, scalability, and compliance.

Recognizing the evolving needs of the industry, 'iGIAS' has also been strategically adapted to facilitate General Takaful services. This adaptation has been successfully implemented at the branch level, significantly enhancing operational efficiencies, strengthening internal controls, and optimizing the Management Information System (MIS) for superior decision-making capabilities.

In adherence to international best practices, the Securities and Exchange Commission of Pakistan (SECP) introduced Cyber Security Framework guidelines for the Insurance Sector in 2020. This initiative aligns cybersecurity measures with enterprise risk management strategies, paving the way for ISO 27001 certification. By implementing these stringent security protocols, our Company proactively mitigates risks associated with internal vulnerabilities and external threats, fortifying our digital ecosystem against potential breaches.

Our IT strategy is meticulously aligned with the Company's operational imperatives, ensuring agility, resilience, and an enhanced customer experience. By leveraging state-of-the-art technologies and industry-leading security frameworks, we remain steadfast in our commitment to delivering superior services, fostering trust, and achieving the highest levels of customer satisfaction.

CREDIT RATING

PACRA and VIS both credit rating agencies of Pakistan have assigned Insurer Financial Strength (IFS) rating of Reliance Insurance Company Limited (RICL) at 'A+' (Single A Plus). Outlook on the assigned Rating is 'Stable'. The assigned rating reflects sound capitalization level and liquidity profile of the company. Reinsurance panel is considered strong with Swiss Re as the lead reinsurer. Retention level and treaty capacities have witnessed steady increase given anticipated growth in business volume.

RELATED PARTY TRANSACTIONS

All related party transactions have been reviewed & recommended by the Audit Committee and approved by the Board of Directors in their respective meetings. All transactions executed with related parties are on arm's length basis.

LIQUIDITY MANAGEMENT

The company maintains a prudent and strategic approach to liquidity management, ensuring seamless fulfillment of financial obligations through strong cash flows from core operations, strategic investments, and other income sources. This disciplined approach enhances financial stability, strengthens resilience, and enables the company to effectively navigate market dynamics while capitalizing on growth opportunities.

As of December 31, 2024, the company's solvency stood at Rs. 480.428 million, substantially exceeding the statutory requirement of Rs. 150 million by Rs. 330.428 million. This strong surplus underscores the company's solid financial foundation, reinforcing its ability to meet obligations with confidence and efficiency.

DEFERRED TAXATION

Deferred tax, if any, is provided using the liability method on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax assets and liabilities, if any, are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted, or substantially enacted of the statement of financial position date.

Deferred tax assets, if any, are recognized only to the extent that it is probable that future taxable profit will be available against which the assets can be utilized.

ANTI-MONEY LAUNDERING AND COUNTERING FINANCING TERRORISM

SECP has issued guidelines/regulations on anti-money laundering policies and procedures and also various circulars for the implementation of Know Your Customer (KYC) Guidelines applicable on insurance companies.

SECP has also issued Anti Money Laundering, (Combating the Financing of Terrorism and Countering Proliferation Financing) Regulations, 2020 which are very comprehensive guidelines for AML and KYC. RICL has implemented these guidelines to cater the relevant risk and exposure.

ROLE OF COMPLIANCE

Role of Compliance Function is imperative to evaluate the efficiency and effectiveness of internal control against risks and threats, particularly with respect to regulatory compliance. The Compliance Officer is responsible to improve the control environment and ensure compliance of various applicable laws, regulatory requirements, internal policies and procedures with specific emphasis on compliance with SECP's Regulations.

CORPORATE GOVERNANCE LEADERSHIP SKILL PROGRAM

Following directors have successfully completed Corporate Governance Leadership skills (CGLS) program of Pakistan Institute of Corporate Governance (PICG)/The Institute of Chartered Accountants of Pakistan.

1. Mr. Irfan Zakaria Bawany
2. Mr. Ahmed Ali Bawany
3. Ms. Tasneem Yusuf
4. Mr. Muhammad Patel

Five Directors meet the criteria of eligibility as directors having 15 years' experience on the Board of listed companies and 14 years of Education as stipulated under Listed Companies (Code of Corporate Governance) Regulations, 2019.

CORPORATE BRIEFING

A Corporate Briefing session was conducted for Shareholders and Analysts on December 28, 2024, in compliance with the regulations of the Pakistan Stock Exchange. The session was conducted via video link and/or physical attendance, facilitating participation from both remote and in-person attendees. Senior Management and Shareholders were present during the briefing, providing valuable insights and updates on the company's performance, strategic initiatives, and future outlook. This session served as an important platform for transparent communication, fostering engagement and collaboration between the company's management and its stakeholders.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the regulatory authority have been duly complied with. A statement to this effect is annexed with the report.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company has been in compliance with the provisions set out by the Securities and Exchange Commission of Pakistan. There has been no material departure from best practices of the Corporate Governance, as detailed therein.

- a) The financial statements prepared by the management of the company fairly present its state of affairs, the results of the operations, cash flow and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statement and accounting estimates are based on reasonable and prudent judgments.
- d) The International Accounting Standard, International Financial Reporting Standards (IFRS), or any other regulation or law as applicable in Pakistan have been followed in preparation of financial statements and any departure from there has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The pattern of shareholding in the Company as at 31st December, 2024 is annexed to the accounts.
- g) There are no significant doubts upon the Company's ability to continue as a going concern.
- h) There has been no material departure from the best practices of Corporate Governance.
- i) Key operating and financial data for the last Ten years in summarized form is annexed.
- j) The Value of investments based on the unaudited accounts as at 31st December 2024, in respect of the Provident Fund stood at Rs.118.258 million.

BOARD OF DIRECTORS

The total number of Directors are nine (9) as per following:-

(a) Male	08
(b) Female	01

The composition of board is as follows:-

• Independent Directors	(3)
• Non-Executive Directors	(6)
• Executive Director	(1)

Mr. A. Razak Ahmed is the Chief Executive and Managing Director of the company. Being the CEO & MD of the company he is deemed to be a director.

The Board was actively involved during the year in performing its duties including those to be performed under various relevant Laws and Memorandum and Articles of Association of the Company, with the ultimate objectives of self-guarding the interest of the Shareholders, increase in profitability of the Company and promoting market confidence.

All the directors possess rich exposure of diverse field of business and professions and also requisite skills and understanding to deal with various business and corporate issues and have ability to review, analyze and challenge the management performance. They have contributed immensely in terms of their experience and practical advice.

DIRECTOR'S REMUNARATION

In accordance with the provisions of Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and Articles of Association of the Company, the policy concerning remuneration for non-executive directors including Independent directors, is that no remuneration is paid except meeting fee for attending the Board meetings as per the requirements of Article 137 of the Company's Articles of Association.

ROLE OF CHAIRMAN & MANAGING DIRECTOR /CEO

Chairman of the Board is responsible to ensure that the Board is working properly and all the matters relevant to the governance of the company are considered in the Board Meetings. The Chairman presides and conducts the Board meetings and is responsible to lead the Board and ensure its effective functioning and continuous development. The Chairman has no involvement in day-to-day operations of the Company.

MANAGING DIRECTOR/CEO

The Board of Directors appoint The Managing Director / Chief Executive Officer of the Company for the tenure of three years. Chief Executive Officer is responsible for the operations of the Company and conduct of its business in accordance with all statutory obligations and subject to the direction of the Board and power vested in him by law. His responsibilities include implementation of strategies and policies of the Board. He is responsible for exercising the overall control, direction, administration and supervision for sound and efficient management and conduct of the business of the Company. The Chairman and Managing Director meet regularly to discuss / review issues, opportunities and challenges.

MD's PERFORMANCE REVIEW

The performance of the Managing Director is evaluated by the Board on annual basis based on the business activities performed during the year.

BOARD COMMITTEES

The Board has constituted Audit, Investment, Human Resource & Remuneration and Nomination Committees comprising of the following Non-Executive Directors:

AUDIT COMMITTEE

The following are the members of audit committee.

1.	Ms. Tasneem Yusuf	Chairperson (Independent Director)
2.	Mr. Irfan Zakaria Bawany	Member (Non-Executive Director)
3.	Mr. Muhammad Omar Bawany	Member (Non-Executive Director)
4.	Mr. Faraz Abdul Razzak	Secretary

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

- Recommending to the Board of Directors the appointment of External Auditors and consider any questions of audit fee; taking into consideration a number of factors including satisfactory rating under ICAPS quality control review program;
- Consideration of questions regarding resignation or removal of External Auditors;
- Determination of appropriate measures to safeguard the company's assets;
- Review of quarterly, half yearly and annual financial statements of the Company, prior to the approval by the Board of Directors;
- Major judgmental areas;
- Review of adjustments resulting from audit;
- Going concern assumption;
- Any changes in auditing policies and practices;
- Review of preliminary announcement of results prior to publication;
- Review and recommend all related party transactions;
- Compliance with applicable accounting standards;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with the best practices of corporate governance and regulations and identification of any significant violations thereof;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Consideration of any other issue or matter as may be assigned by the board of directors;

- xvi. facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- xvii. review of arrangement for staff and management to report to audit committee in confidence, concerns, if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- xviii. review of management letter issued by external auditors and management's response thereto;
- xix. ensuring coordination between the internal and external auditors of the company;
- xx. review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- xxi. ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- xxii. review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- xxiii. instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;

INVESTMENT COMMITTEE

Investment Committee consists of six members:

1.	Mr. Irfan Zakaria Bawany	Chairman (Non-Executive Director)
2.	Mr. Ahmed Ali Bawany	Member (Non-Executive Director)
3.	Ms. Tasneem Yusuf	Member (Independent Director)
4.	Mr. Muhammad Patel	Member (Non-Executive Director)
5.	Mr. A. Razak Ahmed	Member (Executive Director)
6.	Mr. Ghulam Haider	Member (Chief Financial Officer)
7.	Mr. Muhammad Salim Memon	Secretary

EATHICS, HUMAN RESOURCES & REMUNERATION COMMITTEE

The committee comprises of four members:

1.	Mr. Naeem Ahmed Shafi	Chairman (Independent Director)
2.	Mr. Irfan Zakaria Bawany	Member (Non-Executive Director)
3.	Mr. Noor Mohammad Zakaria	Member (Non-Executive Director)
4.	Mr. A. Razak Ahmed	Member (Executive Director)
5.	Mr. Masood Alam	Secretary

MANAGEMENT COMMITTEES

The Board has also constituted three Management Committees – namely Underwriting, Reinsurance & Co-insurance, Claims Settlement and Takaful committees. These committees meet on regular basis and are headed by the Chief Executive Officer. The functions and composition of the committees are given below:-

UNDERWRITING, REINURANCE & CO-INSURANCE COMITTEE

The functions of the Underwriting Committee includes:-

- The Underwriting Committee formulates the underwriting policy of the Company.
- It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers.
- It regularly reviews the underwriting and premium policies of the Company with due regards to relevant factors such as the business portfolio and the market scenario.

The functions of the Reinsurance & Co-Insurance Committee includes:-

- This committee ensures that adequate reinsurance arrangements are made for company's business.
- The Committee pursues the proposed reinsurance arrangements prior to their execution, review the arrangements from time to time and subject to the consent of the participating reinsurers suggest appropriate adjustments from time to time.
- The Committee also assesses the effectiveness of the reinsurance programme for future reference.

The Committee consists of the following members:-

1.	Mr. A. Razak Ahmed	Chairman
2.	Mr. M. Hanan Shahdani	Member
3.	Mr. Abdul Rahim	Member
4.	Mr. Abbas Baghat	Secretary

CLAIMS SETTLEMENT COMMITTEE

The functions of the Committee includes:-

- It reviews the class wise aging of outstanding claims.
- The Committee determines the circumstances under which claims disputes shall be brought to its attention and decide how to deal with such claims disputes.
- The Committee shall review matters relating to management of claims. It oversees the claim position of the company and ensures adequate claims reserves are made.
- The Committee pays attention to significant claims cases or event which give rise to a series of claims and oversees the implementation of measures for combating claims.

The Committee comprises of the following members:-

1. Mr. A. Razak Ahmed	Chairman
2. Mr. Ghulam Haider	Member
3. Mr. Shaikh Muhammad Siddiq	Member
4. Mr. Muhammad Ebrahim	Secretary

RISK MANAGEMENT & COMPLIANCE COMMITTEE

The functions of the committee includes:

- Monitoring and review of all material controls (financial, operational, compliance).
- Risk mitigation measures are robust and integrity of financial information is ensured.
- Appropriate extent of disclosure of company's risk framework and internal control system in Director's Report.

The Committee consists of the following members:-

1. Mr. A. Razak Ahmed	Chairman
2. Mr. Ghulam Haider	Member
3. Mr. Faraz Abdul Razzak	Member
4. Mr. Najmullah Khan	Member
5. Mr. M. Hanan Shahdani	Member
6. Mr. Ghulam Mujaddid	Member
7. Mr. Abdul Rahim	Member
8. Mr. Mohammad Masood Ali	Member
9. Mr. M. Naveed Jan	Secretary

NOMINATION COMMITTEE

The functions of the Committee includes:-

- (i) Considering and making recommendations to the board in respect of the members of Board committees.
- (ii) Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

The Committee consists of the following members:-

1. Mr. A. Razak Ahmed	Chairman
2. Mr. Ghulam Haider	Member
3. Mr. Faraz Abdul Razzak	Member
4. Mr. M. Hanan Shahdani	Member
5. Mr. Muhammad Salim Memon	Member & Secretary

TAKAFUL COMMITTEE

The function of Takaful Committee is to review performance of the Takaful Operations and advise the Board on quarterly basis. The Committee endorse the policies and procedures to be implemented in the Takaful Operations. It recommends the appointment of key personnel related to Takaful Operations. The Committee also monitors the adherence to the Takaful Rules and Shariah principles.

The following are the members of Takaful committee:

1. Mr. A. Razak Ahmed	Chairman
2. Mr. Najmullah Khan	Member
3. Mr. Kashif Wadiwala	Secretary

Board of Director's Meetings

During the year Four (4) meetings of the Board of Directors were held and the number of meetings attended by each Director is given hereunder:

S.No.	Name of Directors	Attendance
1	Mr. Irfan Zakaria Bawany	4
2	Mr. Muhammad Omer Bawany	4
3	Mr. Ahmed Ali Bawany	3
4	Mr. Noor M. Zakaria	4
5	Mr. Zia Zakaria	4
6	Mr. Muhammad Patel	3
7	Mr. Naeem Ahmed Shafi	4
8	Ms. Tasneem Yusuf	4
9	Mr. Jahangir Adam	4

TRADING OF COMPANY'S SHARES

No trading in the shares of the Company was carried-out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children except the following:

Name	Designation	No. of Share	Status
Mr. M. Omar Bawany	Director	1,150,937	Gift In
Mr. Ahmed Ali Bawany	Director	540,605	Gift In
Mr. Ahmed Ali Bawany	Director	420,027	Buy
Mr. Zia Zakaria	Director	412,950	Other-in

PATTERN / CATEGORIES OF SHAREHOLDING

The pattern of shareholding of the company is annexed.

STATEMENT OF THE ETHICS AND BUSINESS PRACTICES

The Board has adopted the statement of Ethics and Business Practices. All employees are informed and are required to observe these rules of conduct.

TRAINING PROGRAM

Our commitment to staff development is upheld through continuous training initiatives conducted throughout the year. In line with this commitment, both staff members and senior officers were nominated to participate in various seminars and training courses, as recommended by the nomination committee. These training programs aim to enhance the knowledge, skills, and competencies of our workforce, ensuring they remain abreast of industry best practices and developments. By investing in ongoing training opportunities, we strive to empower our employees to perform at their best and contribute effectively to the company's success.

AUDITORS

M/s. BDO Ebrahim & Co. Chartered Accountants retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment for the financial year ending 31st December 2025 at a fee to be mutually agreed.

The Audit Committee has recommended and the Board has endorsed the appointment of M/s. BDO Ebrahim & Co., Chartered Accountants, as auditors for the year ending 31st December 2025.

FUTURE OUTLOOK

Pakistan's economy is exhibiting signs of cautious stabilization, with the International Monetary Fund (IMF) projecting a Gross Domestic Product (GDP) growth rate of 3.0% for FY2025, an improvement from 2.4% in FY2024. This recovery trajectory underscores the nation's resilience amid structural and external vulnerabilities. The finance ministry projects that inflation will remain on a downward trend for the year, with a slight increase to a 3.0-4.0% range anticipated by March 2025.

In response to moderating inflation, the State Bank of Pakistan (SBP) has initiated a series of monetary policy adjustments. The policy rate, which was maintained at a historic high of 22% since June 2023, has been progressively reduced, reaching 12% by March 2025. This measured approach aims to reinvigorate economic activity while preserving exchange rate stability. However, external financing constraints remain significant.

The insurance industry in Pakistan is positioned for substantial expansion, driven by regulatory reforms and digital innovation. The Securities and Exchange Commission of Pakistan (SECP) has introduced a comprehensive five-year strategic plan. The initiative addresses Pakistan's low insurance penetration rate, which currently stands below 1%, by fostering accessibility,

financial literacy, and innovation within the sector.

A key enabler of this transformation is technology. The SECP underscores the significance of Insurtech solutions in enhancing customer experiences, optimizing operational efficiencies, and expanding market outreach. Given Pakistan's rapidly growing digital ecosystem—comprising over 190 million mobile users and 130 million internet users—the insurance industry is well-positioned to harness digital platforms to meet evolving consumer needs.

Your Company remains steadfast in its commitment to navigating this dynamic economic environment with strategic foresight and agility. We recognize the pivotal role of technological advancements in redefining the insurance landscape and are actively integrating digital solutions to enhance our service offerings and operational capabilities. By aligning with the SECP's strategic vision, we endeavour to contribute meaningfully to increasing insurance penetration and fostering industry-wide growth.

Furthermore, we are strategically exploring avenues within the Takaful segment to diversify our portfolio and cater to the diverse financial protection needs of our clientele. This focus on Islamic insurance is poised to strengthen our market positioning and reinforce sustainable growth in the coming years.

ACKNOWLEDGMENT

We express our heartfelt gratitude to our esteemed customers for their unwavering patronage and support. We also extend our sincere thanks to all our Reinsurers, including Pakistan Reinsurance Company Limited, and Brokers for their invaluable guidance and support.

We deeply appreciate the ongoing cooperation and assistance provided by the Securities & Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Their professional guidance and support have been instrumental in our journey over the years.

Directors also acknowledge and commend the tireless efforts of our Officers, Field Force, and Staff. Their dedication, sincerity, and hard work have significantly contributed to the growth of the Company.

Last but not the least, we are grateful to our shareholders for their confidence, support, and understanding. Your unwavering belief in our vision and mission is highly appreciated.

By Order of the Board



Irfan Zakaria Bawany
Chairman

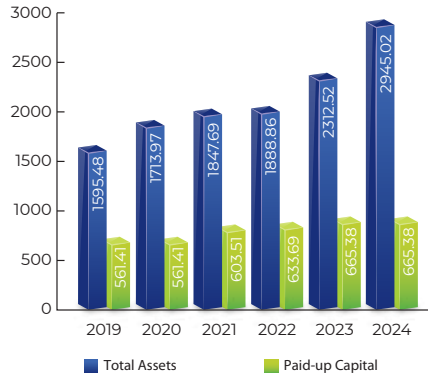


A. Razak Ahmed
Chief Executive &
Managing Director

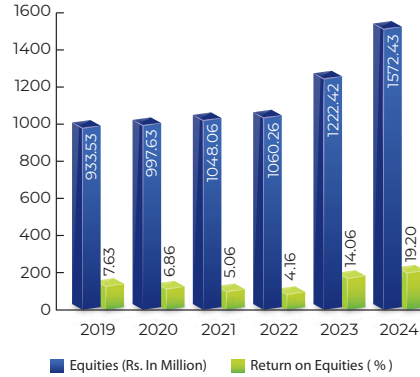
Karachi: 27th March, 2025

GRAPHICAL PRESENTATION

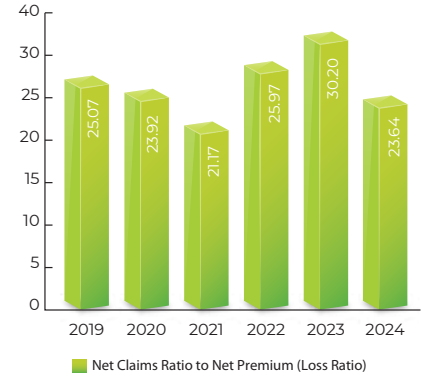
**Total Assets & Paid-up Capital
(Rs. In Million)**



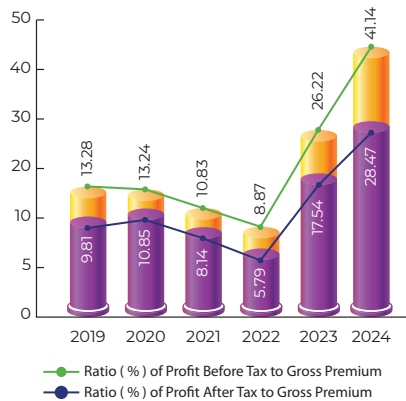
Equities & Return on Equities



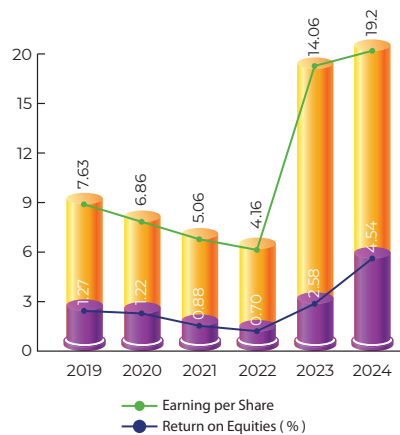
**Net Claims Ratio to Net Premium
(Loss Ratio)**



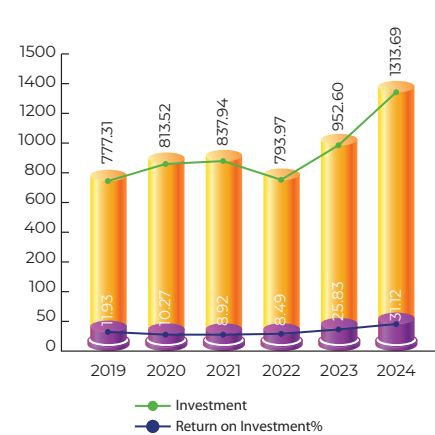
Ratio of Profit Before & After Tax to Gross Premium



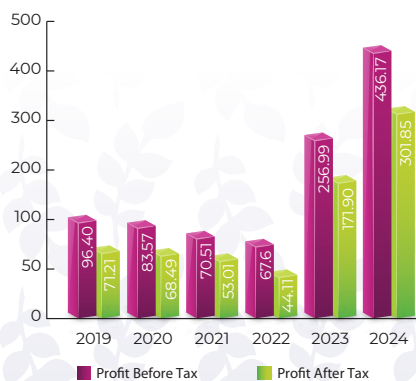
Return on Equity & Earning per Share



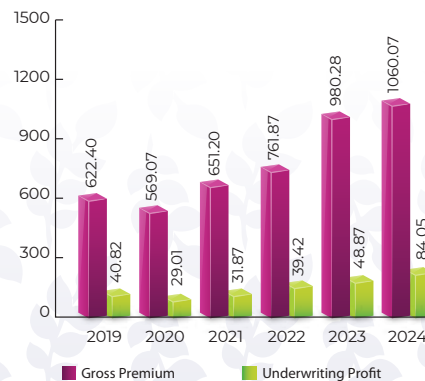
Return on Investment



Profit Before Tax & After Tax



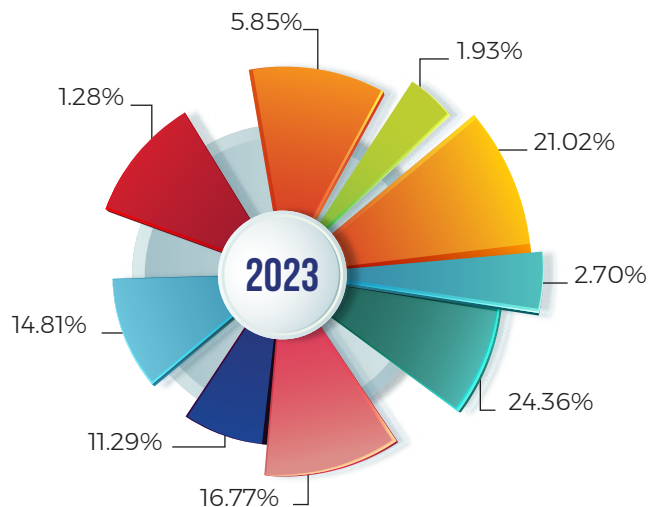
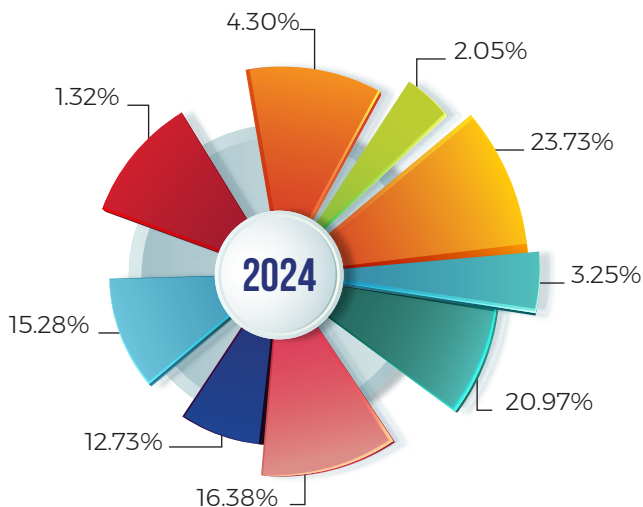
Gross Premium & Underwriting Profit



Gross Claims Ratio to Gross Premium



ASSETS, LIABILITIES & EQUITIES

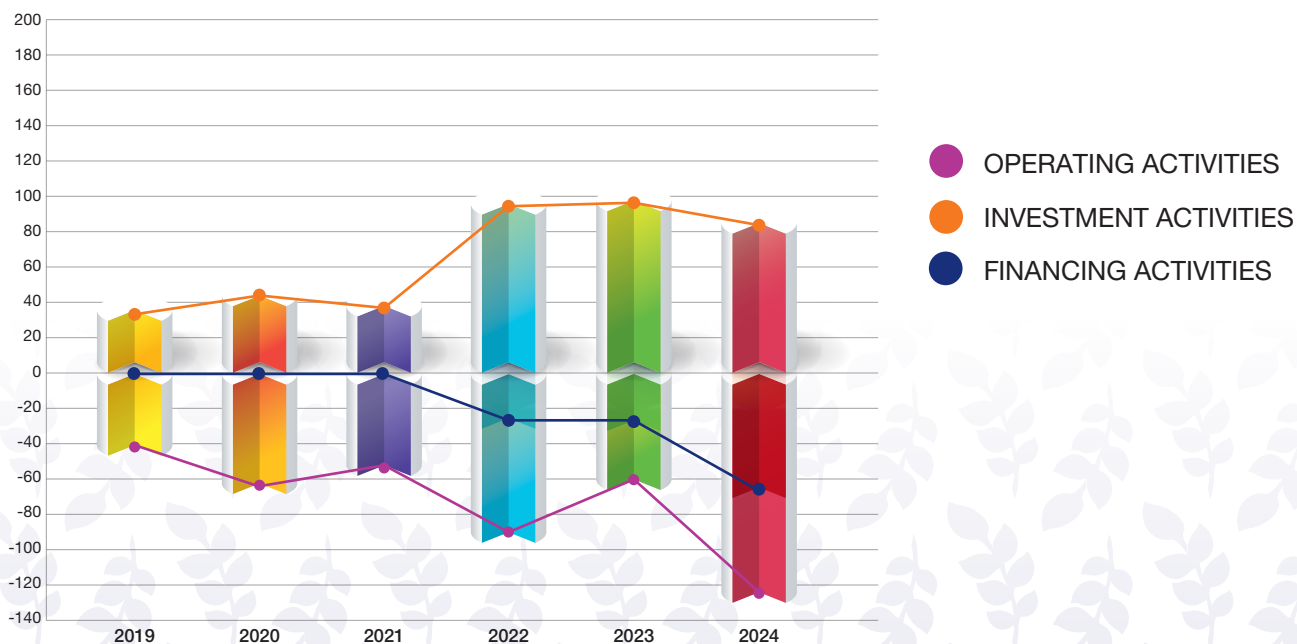


SUMMARY OF CASH FLOW

Cash Flow Statement

NET CASH FLOW FROM OPERATING ACTIVITIES
NET CASH FLOW FROM INVESTING ACTIVITIES
NET CASH FLOW FROM FINANCING ACTIVITIES

2024	2023	2022	2021	2020	2019
(123.35)	(62.34)	(55.520)	(54.277)	(62.242)	(44.956)
181.22	99.65	92.55	36.67	42.325	31.811
(64.22)	(30.57)	(28.92)	-	-	-



ان چیلنجز کا سامنا کرنے کے لیے جرات مندانہ اور تخلیقی سوچ ضروری ہے۔ ہمیں یقین ہے کہ ہماری ٹیم مثبت نتائج کے لیے کوشش کرنے میں کوئی کسر نہیں چھوڑے گی۔

مزید برآں، تکافل کے آپریشنز ہماری کمپنی کے کاروبار کو بڑھانے کے لیے مزید مواقع فراہم کریں گے، جو مستقبل میں ہماری ترقی اور کامیابی کے لئے مزید مواقع اور نئی راہیں فراہم کرے گا۔

اظہارِ تشکر:

ہم اپنے معزز صارفین کا ان کی مستقل سرپرستی اور تعاون کے لئے شکریہ ادا کرنا چاہتے ہیں۔ ہم اس موقع کا فائدہ اٹھاتے ہوئے اپنے تمام ری انشوررز بشمول پاکستان ری انشورنس کمپنی لمیٹڈ اور بروکرز کا بھی ان کی رہنمائی اور قابل قدر سپورٹ کے لئے شکریہ ادا کرتے ہیں۔

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور اسٹیٹ بینک آف پاکستان (SBP) کے سالہا سال سے مستقل تعاون اور رہنمائی کے لئے ان کی پیشہ ورانہ رہنمائی، معاونت اور سپورٹ پر شکرگزار ہیں۔

ڈائریکٹرز افسران، فیلڈ فورس اور اسٹاف کی جانب سے کمپنی کی ترقی کے ضمن میں ان کی شراکت کے لئے ان کی انتھک محنت، عزم، دیانتداری کو بھی خراج تحسین پیش کرتے ہیں۔

آخر میں، ہم اپنے شیئرز، ہولڈرز کے اعتماد، تعاون اور سمجھ بوجھ کے لیے ان کے مشکور ہیں ہمارے وٹن اور مشن پر آپ کا غیر متزلزل یقین انتہائی قابل تعریف ہے۔

حسب الحکم بورڈ



اے رزاق احمد

چیف ایگزیکٹو و نیجنگ ڈائریکٹر



عرفان ذکریا باوانی

چیئر مین

کراچی 27 مارچ 2025

ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ

بورڈ نے ضابطہ اخلاق اور کاروباری طریقہ کار کے لئے ایک اسٹیٹمنٹ رائج کیا ہے۔ تمام ملازمین کو اس سے آگاہ کر دیا گیا ہے اور ضروری ہے کہ وہ ان ضابطہ اخلاق کی پابندی کریں۔

اسٹاف ٹریننگ پروگرام:

سال کے دوران نامزدگی کمیٹی کی طرف سے تجویز کیے گئے اسٹاف اور سینیئر آفیسرز کو مختلف سیمینار اور ٹریننگ کورس کے لیے نامزد کیا گیا۔

آڈیٹرز:

بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی سالانہ جنرل اجلاس کے اختتام پر مدت ختم ہو رہی ہے اور 31 دسمبر 2025 کو ختم ہونے والے مالی سال کے لئے اپنے آپ کو متفقہ معاوضہ پر پیش کرتے ہیں۔ اس لیے بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے بطور آڈیٹر مقرر کرنے کے لیے آڈٹ کمیٹی نے سفارش کی ہے اور بورڈ نے اس کی تقرری کی توثیق کی ہے

مستقبل پر ایک نگاہ:

2023 میں پاکستان کا معاشی منظر نامہ مختلف عوامل سے پیدا ہونے والی غیر یقینی صورتحال سے دوچار تھا جس میں غیر ملکی زرمبادلہ کے ذخائر میں کمی، بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے، حیران کن افراط زر، اور پاکستانی روپے کی شدید قدر میں کمی شامل ہیں۔

مستقبل کا نقطہ نظر ایک ملی جلی تصویر پیش کرتا ہے جس میں کچھ اشارے معمولی بہتری کو ظاہر کرتے ہیں جبکہ دیگر اسی طرح رہے گا۔ تخمینوں کے مطابق 2024 میں جی ڈی پی میں 2 سے 3 فیصد کی معمولی نمو ہوگی۔ اسٹیٹ بینک آف پاکستان (SBP) کو بھی توقع ہے کہ مالی سال 24 میں حقیقی GDP نمو 2 سے 3 فیصد رہے گی۔

دسمبر 2023 میں افراط زر کی شرح 43 فیصد تک پہنچنا کا ایک بڑا مسئلہ ہے۔ اسٹیٹ بینک کو توقع ہے کہ مالی سال 2024 میں اوسط افراط زر 23 سے 25 فیصد کی حد میں رہے گا اور مالی سال 2025 میں نمایاں کمی کا رجحان رہے گا۔ جغرافیائی سیاسی تناؤ کی وجہ سے عالمی مال برداری کے اخراجات میں اضافہ ہوا ہے، جس سے عالمی تجارت اور اجناس کی قیمتوں کو خطرات لاحق ہو گئے ہیں۔ اسٹیٹ بینک نے افراط زر کے دباؤ کو روکنے اور کرنسی کو مستحکم کرنے کے لیے جون 2023 سے اب تک 22 فیصد کی ریکارڈ بلند شرح پالیسی برقرار رکھی ہے۔

چیلنجوں کے باوجود زراعت میں مثبت امکانات ہیں اور صنعتی شعبے میں ممکنہ بحالی کے آثار ہیں۔ تاہم، بجٹ خسارہ، بڑھتے ہوئے قرضوں کی ذمہ داریاں، اور بڑھتی ہوئی افراط زر جیسے خطرات معاشی استحکام کے لیے تشویش کا باعث بنے ہوئے ہیں۔ پائیدار مالیاتی حل کے حصول کے لیے ایک نئے آئی ایم ایف پروگرام پر گفت و شنید انتہائی اہم ہے۔

تکافل کمیٹی

اس کمیٹی کا تکافل آپریشنز کی کارکردگی کا جائزہ لینا اور سہ ماہی بنیاد پر بورڈ کو مشورہ دینا ہے۔ کمیشن تکافل آپریشنز میں پالیسیوں کے نافذ کرنے اور طریقہ کار کی توثیق کرتی ہے۔ یہ تکافل آپریشنز سے متعلق اہم شخص کی تقرری کی سفارش کرتی ہے۔ یہ کمیٹی تکافل آپریشنز کی طرف سے تکافل قواعد و شرعی پرنسپل کی بھی نگرانی کرتا ہے

کمیٹی درج ذیل ممبران پر مشتمل ہے۔

- 1- جناب اے رزاق احمد چیئرمین
- 2- جناب نجم اللہ خان ممبر
- 3- جناب کاشف واڈی والا سیکریٹری

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے اور ہر ایک ڈائریکٹر کی جانب سے اجلاسوں میں شرکت کی تعداد ذیل میں درج ہے۔

ڈائریکٹرز کے نام	اجلاس میں حاضری
1- جناب عرفان ذکریا باوانی	4
2- جناب محمد عمر باوانی	4
3- جناب احمد علی باوانی	3
4- جناب نور ایم ذکریا	4
5- جناب ضیاء ذکریا	4
6- جناب محمد ثبیل	3
7- جناب نعیم احمد شفیع	4
8- محترمہ تسنیم یوسف	4
9- جناب جہانگیر آدم	4

کمپنی کے شیئرز کی ٹریڈنگ

کمپنی کے شیئرز میں کسی ڈائریکٹر، ای او، ایف او/کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے کسی بھی قسم کی ٹریڈنگ نہیں کی گئی۔

پیٹرن/کیٹیگریز آف شیئرز ہولڈنگ

کمپنی کے شیئرز ہولڈنگ منسلک ہے۔

رسک مینجمنٹ و کمپلائنس کمیٹی

کمیٹی کے فرائض میں شامل ہے:

- o تمام معاملات (فائنیشیل، آپریشنل، کمپلائنس) کے کنٹرول کی نگرانی اور جائزہ
 - o خطرات کے خاتمے کے اقدامات مضبوط ہیں اور مالی معلومات کی سلیبٹ کو یقینی بنایا گیا ہے
 - o ڈائریکٹر کی رپورٹ میں کمپنی کے رسک فریم ورک اور اندرونی کنٹرول سسٹم کے مناسب حد کو ظاہر کرنا
- کمیٹی درج ذیل ممبران پر مشتمل ہے:

1-	جناب اے رزاق احمد	چیئر مین
2-	جناب غلام حیدر	ممبر
3-	جناب فراز عبدالرزاق	ممبر
4-	جناب نجم اللہ خان	ممبر
5-	جناب محمد حنان شادانی	ممبر
6-	جناب غلام مجدد	ممبر
7-	جناب عبدالرحیم	ممبر
8-	جناب محمد مسعود علی	ممبر
9-	جناب محمد نوید جان	سیکرٹری

نومینیشن کمیٹی

نومینیشن کمیٹی کے نکات کا تعین بورڈ کرے گا، اس بات کو یقینی بنانا کہ ہیومن ریسورس و ری میونریشن کمیٹی (HR&R) کمیٹی کے شرائط کے تحت طے شدہ معاملات سے کوئی نقل یا تنازعہ نہ ہو۔

نومینیشن کمیٹی کی ذمہ داریاں:

- o بورڈ کمیٹیوں کی چیئر مین شپ میں، بورڈ کمیٹیوں کے سلسلے میں بورڈ پر سفارشات پر تیار کرنا اور غور کرنا
- o بورڈ کے ڈھانچے، سائز اور تشکیل کو باقاعدہ جائزہ کے تحت رکھنا اور بورڈ کو ضروری تبدیلیوں کے سلسلے میں سفارشات کرنا

کمیٹی درج ذیل ممبران پر مشتمل ہے:

1-	جناب اے رزاق احمد	چیئر مین
2-	جناب غلام حیدر	ممبر
3-	جناب فراز عبدالرزاق	ممبر
4-	جناب محمد حنان شادانی	ممبر
5-	جناب محمد سلیم میمن	ممبر اور سیکریٹری

ری انشورنس اور کوانشورنس کمیٹی کے فرائض میں شامل ہے:

- o یہ کمیٹی کمپنی کے کاروبار کے لئے کئے جانے والے موزوں ری انشورنس انتظامات کو یقینی بناتی ہے۔
- o کمیٹی مجوزہ ری انشورنس انتظامات کی ان کی تکمیل سے قبل نگرانی کرتی ہے، وقتاً فوقتاً انتظامات کا جائزہ لیتی ہے اور شرکت کرنے والے ری۔ انشوررز کی اجازت سے مشروط وقتاً فوقتاً مناسب موزوں انتظامات تجویز کرتی ہے۔
- o کمیٹی مستقبل کے حوالے کے لئے ری انشورنس پروگرام کے موثر ہونے کا جائزہ بھی لیتی ہے۔

کمیٹی درج ذیل ممبران پر مشتمل ہے۔

- | | | |
|----|-----------------------|----------|
| 1- | جناب اے رزاق احمد | چیئر مین |
| 2- | جناب محمد حنان شادانی | ممبر |
| 3- | جناب عبدالرحیم | ممبر |
| 4- | جناب عباس بھگت | سیکرٹری |

کلیمز کمیٹی

کمیٹی کے فرائض میں شامل ہے:

- o یہ واجب الادا کلیمز کی درجہ بندی کے ساتھ مدت کا جائزہ لیتی ہے۔
- o یہ کمیٹی ان حالات کا تعین کرتی ہے جس کے تحت کلیمز کے تنازعات اس کی توجہ کے لئے سامنے لائے گئے اور یہ فیصلہ کرتی ہے کہ ایسے تنازعہ کلیمز کے ساتھ کیسے نمٹا جائے۔
- o کمیٹی کلیمز کے انتظامات سے متعلق امور کا جائزہ لیتی ہے۔ یہ کمپنی کے کلیم پوزیشن کی نگرانی کے ساتھ مناسب کلیم اثاثہ جات کی موجودگی کو یقینی بناتی ہے۔
- o کمیٹی کلیمز کے نمایاں کیسز یا واقعات پر توجہ دیتی ہے جو کلیمز کی سیریز کے لئے اٹھائے جاتے ہیں اور کلیمز سے نمٹنے کے لئے اقدامات پر عملدرآمد کی نگرانی کرتی ہے۔

کمیٹی درج ذیل ممبران پر مشتمل ہے:

- | | | |
|----|--------------------|----------|
| 1- | جناب اے رزاق احمد | چیئر مین |
| 2- | جناب غلام حیدر | ممبر |
| 3- | جناب شیخ محمد صدیق | ممبر |
| 4- | جناب محمد ابراہیم | سیکرٹری |

انویسٹمنٹ کمیٹی

انویسٹمنٹ کمیٹی چھ ممبران بشمول چیف ایگزیکٹو آفیسر پر مشتمل ہے۔

- | | | |
|----|-------------------------|----------------------------------|
| 1- | جناب عرفان ذکریا باوانی | چیئر مین (نان ایگزیکٹو ڈائریکٹر) |
| 2- | جناب احمد علی باوانی | ممبر (نان ایگزیکٹو ڈائریکٹر) |
| 3- | محترمہ تسنیم یوسف | ممبر (انڈپنڈنٹ ڈائریکٹر) |
| 4- | محمد ٹیل | ممبر (نان ایگزیکٹو ڈائریکٹر) |
| 5- | جناب اے رزاق احمد | ممبر (ایگزیکٹو ڈائریکٹر) |
| 6- | جناب غلام حیدر | ممبر (چیف فنانسٹیل آفیسر) |
| 7- | جناب محمد سلیم مین | (سیکرٹری) |

ہیومن ریسورس و ری میونریشن کمیٹی:

کمیٹی چار ممبران بشمول اس کمیٹی کے چیئر مین پر مشتمل ہے

- | | | |
|----|-------------------------|------------------------------|
| 1- | جناب نعیم احمد شفیع | چیئر مین (انڈپنڈنٹ ڈائریکٹر) |
| 2- | جناب عرفان ذکریا باوانی | ممبر (نان ایگزیکٹو ڈائریکٹر) |
| 3- | جناب نور محمد زکریا | ممبر (نان ایگزیکٹو ڈائریکٹر) |
| 4- | جناب اے رزاق احمد | ممبر (ایگزیکٹو ڈائریکٹر) |
| 5- | جناب مسعود عالم | (سیکرٹری) |

مینیجمنٹ کمیٹیاں

بورڈ نے تین انتظامی کمیٹیاں بنام انڈر رائٹنگ، ری انشورنس اور کو-انشورنس، کلیمز اور ٹکافل کمیٹیاں بھی تشکیل دی ہیں۔ یہ کمیٹیاں باقاعدگی کے ساتھ اجلاس منعقد کرتی ہیں اور چیف ایگزیکٹو آفیسر کی سربراہی میں کام کر رہی ہیں۔ کمیٹیوں کی تشکیل اور امور و فرائض ذیل میں درج کئے گئے ہیں۔

انڈر رائٹنگ، ری انشورنس اور کو انشورنس کمیٹی

انڈر رائٹنگ کمیٹی کے فرائض میں شامل ہے:

- انڈر رائٹنگ کمیٹی کمپنی کی انڈر رائٹنگ پالیسی تشکیل دیتی ہے۔
- یہ بیمہ خطرات کی مختلف اقسام کا تعین کرنے کے لئے معیار طے کرتی ہے اور مختلف انشورنس کورز کی پریمیم پالیسی کا تعین کرتی ہے۔
- یہ باقاعدگی کے ساتھ کمپنی کی انڈر رائٹنگ اور پریمیم پالیسیوں کا جائزہ لینے کے ساتھ متعلقہ عناصر مثلاً بزنس پورٹ فولیو اور مارکیٹ کی صورتحال پر بھی نگاہ رکھتی ہے۔

آڈٹ کمیٹی کے ٹرمز آف ریفرنس میں مندرجہ ذیل نکات شامل ہیں۔

- (i) بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کے تقرر کی سفارش کی جاتی ہے اور آڈٹ کے علاوہ بیرونی آڈیٹرز کی جانب سے کسی سروس کے حصول کے لئے آڈٹ فیس کے بارے میں غور و خوض۔ کوالٹی کنٹرول کا جائزہ لینے کے ICAPS پروگرام کے تحت تسلی بخش درجہ بندی سمیت عوامل پر غور۔
- (ii) بیرونی آڈیٹرز کے استعفیے یا برطرفی سے متعلق سوالات پر غور و خوض۔
- (iii) کمپنی کے اثاثہ جات کو محفوظ رکھنے کے لئے مناسب و موزوں اقدامات کا تعین۔
- (iv) بورڈ آف ڈائریکٹرز کی منظوری سے قبل کمپنی کے سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا جائزہ۔
- (v) اہم فیصلہ کن معاملات
- (vi) آڈٹ سے حاصل نتائج پر ایڈجسٹمنٹس کا جائزہ۔
- (vii) کمپنی کی اس صلاحیت پر کسی قسم کے شکوک و شبہات نہیں کہ یہ چلتے رہنے والا ادارہ ہے
- (viii) آڈٹ کی پالیسیوں اور طریقوں میں کوئی تبدیلی۔
- (ix) اشاعت سے قبل نتائج کے ابتدائی اعلان کا جائزہ۔
- (x) اہم متعلقہ پارٹی ٹرانزیکشنز کا جائزہ اور سفارش۔
- (xi) نافذ العمل اکاؤنٹنگ اسٹینڈرڈز پر عمل درآمد۔
- (xii) لسٹنگ ریگولیشنز اور دیگر بنیادی اور ریگولیٹری شرائط پر عمل درآمد۔
- (xiii) کارپوریٹ گورننس کے بہترین طریقہ کار پر عمل درآمد کی نگرانی اور کسی نمایاں خلاف ورزی کی شناخت اور وضاحت۔
- (xiv) فراڈ، بدعنوانی اور اختیارات کے ناجائز استعمال کے ذریعے سامنے آنے والی سرگرمیوں کی بنیادی چھان بین اور اندرونی تحقیقات پر غور و خوض۔
- (xv) کسی دیگر مسئلے یا امور پر غور و خوض جو کہ بورڈ آف ڈائریکٹرز کی جانب سے پیش کیا جائے۔
- (xvi) بیرونی آڈیٹر کے ساتھ بیرونی آڈٹ اور گفتگو کو آسان بنانا، عبوری اور حتمی آڈٹ سے پیدا ہونے والے بڑے مشاہدات اور جو بھی معاملہ آڈیٹر اجاگر کرنا چاہتے ہیں (مینجمنٹ کی غیر موجودگی میں، جہاں ضروری ہو)
- (xvii) عملے اور انتظامیہ کے اعتماد کا خدشہ، اعتماد میں آڈٹ کمیٹی کو رپورٹ کرنے کے انتظامات کا جائزہ، اگر مالی اور دیگر معاملات میں اصل یا مکمل غلطیوں کے بارے میں کوئی بھی ہے اور تدارک اور تخفیف اقدامات کو قائم کرنے کی سفارش کرتے ہیں
- (xviii) بیرونی آڈیٹرز کے جاری کردہ انتظامی خط اور انتظامیہ کے جوابات کا جائزہ
- (xix) کمپنی کے اندرونی اور بیرونی آڈیٹرز کے مابین ہم آہنگی کو یقینی بنانا
- (xx) داخلی آڈٹ کے دائرہ کار اور وسعت کا جائزہ، آڈٹ پلان، فریم ورک اور طریقہ کار کی رپورٹنگ اور اس بات کو یقینی بنانا کہ اندرونی آڈٹ فنکشن کے پاس مناسب وسائل موجود ہیں اور مناسب طریقے سے کمپنی میں رکھے گئے ہیں۔
- (xxi) داخلی کنٹرول سسٹم بشمول مالی اور آپریشنل کنٹرولز، خریداری اور فروخت کی بروقت اور مناسب ریکارڈنگ کے لئے اکاؤنٹنگ سسٹم، رسیدیں اور ادائیگیاں، اثاثے اور واجبات اور رپورٹنگ ڈھانچہ مناسب اور موثر ہونے کے بارے میں معلومات
- (xxii) بورڈ آف ڈائریکٹرز اور داخلی آڈٹ رپورٹس کی توثیق سے قبل داخلی کنٹرول سسٹم کے بارے میں کمپنی کے بیان کا جائزہ
- (xxiii) چیف ایگزیکٹو آفیسر کے مشورے سے، بورڈ آف ڈائریکٹرز کے ذریعہ متعین کسی بھی معاملے پر خصوصی منصوبوں، value of money studies یا دیگر کسی بھی معاملہ کی تفتیش کرنا اور بیرونی آڈیٹرز یا کسی بھی بیرونی ادارہ کو کسی بھی معاملے کی ترسیل پر غور کرنا۔

ڈائریکٹر کا مشاہرہ:

کمپنیز ایکٹ، 2017 کی ضرورت کے مطابق، لسٹڈ کمپنیز (کارپوریٹ گورننس) کے قوانین 2019 کے مطابق کمپنی غیر انتظامی ڈائریکٹروں بشمول آزاد ڈائریکٹر کو آرٹیکل 137 کے مطابق بورڈ کے اجلاسوں میں شرکت کیلئے میٹنگ فیس کے علاوہ کوئی مشاہرہ ادا نہیں کرتی

چیئرمین و ایم ڈی سی ای او کا کردار:

بورڈ کا چیئرمین اس امر کو یقینی بنانے کے ذمہ دار ہے کہ بورڈ مناسب اور صحیح طریقے سے کام کر رہا ہے اور کمپنی کے گورننس سے متعلقہ تمام معاملات بورڈ کے اجلاس میں زیر غور لانا ہے۔ چیئرمین بورڈ کے اجلاس کا انعقاد اور صدارت کرتا ہے اور بورڈ کی قیادت اور اس کی مؤثر کام کاج اور مسلسل ترقی کو یقینی بنانے کی ذمہ دار ہے کمپنی کے روزمرہ کی کارروائیوں چیئرمین میں کی کوئی شمولیت نہیں ہے

ایم ڈی / سی ای او:

بورڈ آف ڈائریکٹر کمپنی کے ایم ڈی / چیف ایگزیکٹو آفیسر کو تین سال کے لیے مقرر کرتا ہے۔ چیف ایگزیکٹو آفیسر بورڈ کی رہنمائی اور قانون میں دیئے گئے اختیار کے مطابق کمپنی کے آپریشنز اور اس کے کاروبار کے انعقاد کی کارروائیوں کے لئے ذمہ دار ہے۔ ان کی ذمہ داریوں میں بورڈ کی حکمت عملی اور پالیسیوں کا نفاذ شامل ہیں۔ یہ کمپنی کے کاروبار کی مضبوط اور موثر انتظام اور انعقاد کے لیے مجموعی طور پر کنٹرول، سمت، انتظامیہ اور نگرانی کے لئے ذمہ دار ہے۔ کمپنی کے جائزے اور مسائل پر بات چیت کے لئے چیئرمین اور ایم ڈی کے مابین باقاعدہ ملاقاتیں ہوتی رہتی ہیں۔

ایم ڈی کی کارکردگی کا جائزہ:

ایم ڈی کی کارکردگی سال کے دوران کمپنی کی کاروباری سرگرمیوں کی بنیاد پر بورڈ کی طرف سالانہ بنیاد پر تعین کی جاتی ہے

بورڈ کمیٹی:

بورڈ نے درج ذیل نان ایگزیکٹو ڈائریکٹرز پر مشتمل آڈٹ، انویسٹمنٹ اور ہیومن ریسورس و ری میونریشن کمیٹیاں تشکیل دی ہیں۔ آڈٹ کمپنی کے ممبران درج ذیل ہیں:

آڈٹ کمیٹی

- | | | |
|----|--------------------------|-------------------------------|
| 1- | محترمہ تسنیم یوسف | چیئرسپرسن (انڈپنڈنٹ ڈائریکٹر) |
| 2- | جناب عمر باوانی | ممبر (نان-ایگزیکٹو ڈائریکٹر) |
| 3- | جناب عرفان ذکر یا باوانی | ممبر (نان-ایگزیکٹو ڈائریکٹر) |
| 4- | جناب فراز عبدالرزاق | سیکرٹری |

- بہتر طریقہ کار سے انحراف ممکن نہیں جیسا کہ لسٹنگ ریگولیشنز میں تفصیلی طور پر درج ہے۔
- اے۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی حسابات شفاف انداز میں امور کار، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں میں واضح کر دیئے گئے ہیں
- بی۔ کمپنی کے اکاؤنٹس کی کتابیں قواعد و ضوابط کے مطابق تیار کی گئی ہیں
- سی۔ مالی تفصیلات اور بھی تخمینوں کو مرتب کرنے کے لئے مناسب حساب داری پالیسیوں کا تسلسل سے اطلاق کیا جاتا ہے جو کہ مناسب اور محتاط فیصلوں پر منحصر ہیں۔
- ڈی۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) جیسا کہ پاکستان میں نافذ العمل ہیں، مالیاتی گوشواروں کی تیاری میں لاگو کئے جاتے ہیں اور مستحکم فیصلوں پر منحصر ہوتی ہیں۔
- ای۔ داخلی کنٹرول کا نظام مستحکم طور پر ڈیزائن کیا گیا ہے اور موثر طور پر نافذ العمل ہونے کے ساتھ اسکی باقاعدگی سے نگرانی کی جاتی ہے۔
- ایف۔ 31 دسمبر 2022 کے مطابق کمپنی میں پیٹرن آف شیئرز ہولڈنگ کھاتوں کے ساتھ منسلک ہے۔
- جی۔ اس امر میں کوئی شبہات نہیں کہ کمپنی میں آگے بڑھنے کی صلاحیت موجود ہے۔
- ایچ۔ کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی قابل اثر انحراف نہیں کیا گیا ہے جیسا کہ لسٹنگ ریگولیشنز میں درج ہے۔
- آئی۔ گزشتہ دس سالوں کے لئے اہم آپریٹنگ اور مالیاتی مواد مختصر شکل میں منسلک ہے۔
- جے۔ 31 دسمبر 2022 کے مطابق پراویڈنٹ فنڈ کی رقومات کے سلسلے میں غیر آڈٹ شدہ اکاؤنٹس پر منحصر سرمایہ کاریوں کی ویلیو 93.496 ملین روپے پر برقرار ہے۔

بورڈ آف ڈائریکٹرز:

ڈائریکٹرز کی کل تعداد درج ذیل کے مطابق 9 ہے

اے۔ مرد 8

بی۔ خواتین 1

بورڈ کی تشکیل مندرجہ ذیل ہے:

- انڈپنڈنٹ ڈائریکٹر 3

- نان ایکزیکٹیو ڈائریکٹر 6

- ایکزیکٹیو ڈائریکٹر 1

جناب اے رزاق احمد کمپنی کے چیف ایکزیکٹیو اور مینجنگ ڈائریکٹر ہیں۔ کمپنی کے چیف ایکزیکٹیو ہونے کی وجہ سے انہیں ڈائریکٹر تصور کیا جاتا ہے

بورڈ پورے سال کے دوران اپنے فرائض کو انجام دینے میں موثر طور پر مصروف عمل رہا بشمول ان امور کے جو متعلقہ قوانین اور کمپنی کے میمورنڈم اور آرٹیکل آف ایسوسی ایشن کے تحت انجام دیئے گئے اور ان سب کا بنیادی مقصد حصص یافتگان کے مفادات کا تحفظ کرنا، کمپنی کے منافع جات میں اضافہ کرنا تھا اور بنیادی ہدف شیئرز ہولڈرز کے اثاثہ جات میں اضافہ اور مارکیٹ میں اعتماد کو فروغ دینا تھا۔

تمام ڈائریکٹرز کاروبار اور اپنے پیشے کے مختلف شعبوں کی بھرپور مہارت کے حامل ہیں اور مختلف کاروباری اور کارپوریٹ امور کے ساتھ نمٹنے کے لئے ضروری مہارت اور اسے سمجھنے کی صلاحیت رکھنے کے ساتھ متاثرہ معاملات پر عبور رکھنے، ان کا جائزہ لینے اور انتظامی کارکردگی کے چیلنج کو پورا کرنے کا اہل ہیں۔ وہ اپنے تجربے اور عملی مشاورت کے ضمن میں بھی بھرپور شراکت رکھتے ہیں۔

رقم کی غیر قانونی ترسیل اور دہشت گردی کی مالی معاونت کا مقابلہ:

ایس ای سی پی نے اینٹی منی لانڈرنگ کی پالیسیوں اور طریقہ کار سے متعلق قواعد و ضوابط جاری کر دیئے ہیں۔ ایس ای سی پی نے انٹرنس کمپنیوں پر اپنے صارفین کے جائے (کے) والی سی (رہنما اصولوں کے نفاذ کے لئے مختلف سرکلر بھی جاری کیے ہیں۔ حال ہی میں ایس ای سی پی نے انسداد منی لانڈرنگ اور انسداد دہشت گردی کے قواعد و ضوابط 2020 جاری کیے ہیں۔ جو کہ AML اور KYC کے لئے بہت جامع رہنمائی ہے۔ متعلقہ خطرہ اور تشہیر کو روکنے کے لئے آ آتی سی ایل نے ایک حد تک ان رہنما اصولوں پر عمل درآمد کیا ہے۔

کمپلائنس کا کردار:

اندرونی کنٹرول کی کارکردگی اور تاثیر کا اندازہ کرنے کے لئے تعمیری کام کا کردار لازمی ہے جس کے بغیر کمپنی خطرات اور خطرات کے خلاف مزاحمت حاصل نہیں کر سکتی ہے، خاص طور پر ریگولیٹری تعمیل کے سلسلے میں۔ کمپلائنس آفیسر ماحول کو بہتر بنانے اور کنٹرول کرنا کا ذمہ دار ہے اور مختلف لاگو قوانین، انضباطی تقاضوں، داخلی پالیسیاں اور طریقہ کار کی تعمیل کو یقینی بناتا ہے اور ساتھ ہی ایس ای سی پی کے ضابطوں کی تعمیل پر خصوصی توجہ دیتا ہے۔

کارپوریٹ گورننس لیڈرشپ اسکل پروگرام

پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس سے درج ذیل ڈائریکٹرز نے کارپوریٹ گورننس لیڈرشپ اسکل پروگرام مکمل کر لیا ہے۔

۱۔ جناب عرفان ذکریا باوانی

۲۔ جناب احمد علی باوانی

۳۔ محترمہ تنسیم یوسف

۴۔ جناب محمد پٹیل

پانچ ڈائریکٹرز کارپوریٹ گورننس 2019 کے تحت اہلیت کے معیار کے مطابق، کمپنیوں کے بورڈ پر 15 سال ڈائریکٹر کے تجربے کے اور 14 سال کی تعلیم رکھتے ہیں۔

کارپوریٹ بریفنگ:

پاکستان اسٹاک ایکسچینج کی ضرورت کے مطابق شیئر ہولڈرز اور تجزیہ کاروں کے لئے 28 دسمبر، 2024 کو فزیکل اور ویڈیولنک کے ذریعے کارپوریٹ بریفنگ سیشن کا انعقاد کیا گیا۔ یہ سیشن ویڈیولنک اور/یا ذاتی حاضری کے ذریعے منعقد کیا گیا، بریفنگ کے دوران سینئر مینجمنٹ اور شیئر ہولڈرز موجود تھے، جنہوں نے کمپنی کی کارکردگی، اسٹریٹجک اقدامات اور مستقبل کے نقطہ نظر کے بارے میں قیمتی بصیرت اور اپ ڈیٹس فراہم کیں۔ اس سیشن نے کمپنی کی انتظامیہ اور اس کے اسٹیک ہولڈرز کے درمیان شفاف رابطے، مشغولیت کو فروغ دینے اور تعاون کے لیے ایک اہم پلیٹ فارم کے طور پر کام کیا۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد کا اسٹیٹمنٹ:

کوڈ آف کارپوریٹ گورننس کی شرائط جو کہ ریگولیٹری اتھارٹی کی جانب سے طے کردہ ہیں ان پر عملدرآمد کیا جا رہا ہے۔ اس سلسلے میں ایک اسٹیٹمنٹ رپورٹ ساتھ منسلک ہے۔

کارپوریٹ اور فنانشل رپورٹنگ کا فریم ورک:

کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے طے کردہ شیئوں اور پاکستان اسٹاک ایکسچینج کے لسٹنگ قواعد پر عمل درآمد کر رہی ہے۔ اس میں کارپوریٹ گورننس کے

کریڈٹ ریٹنگ:

PACRA اور VIS کریڈٹ ریٹنگ کمپنی نے ریلیئنس انشورنس کمپنی لمیٹڈ کی "Single A Plus" پر انشورر فنانشل اسٹریٹج (IFS) کی تفویض کی ہے اور آؤٹ لک مستحکم "Stable Outlook" ہے۔ ریٹنگ میں مستحکم لیکویڈیٹی پروفائل، موزوں و مناسب سرمایہ کار اشاریے اور ری انشورنس پروگرام سمیت بہتر ہوتی ہوئی انڈر رائٹنگ کارکردگی شامل ہے۔ Swiss Re کی موجودگی کمپنی کے ری۔ انشورنس پینل کو مضبوط بناتی ہے۔ کاروباری حجم متوقع اضافہ کے پیش نظر Retentional کی سطح اور Treaty کی گنجائش میں اضافہ ہوا ہے

متعلقہ پارٹی ٹرانسکشنز:

تمام متعلقہ پارٹی ٹرانسکشنز کو آڈٹ کمیٹی اور بورڈ کے روبرو ان کے جائزے اور منظوری کے لئے رکھا جا رہا ہے۔ ان ٹرانسکشنز کا جائزہ سفارش آڈٹ کمیٹی کی جانب سے لیا گیا اور بورڈ آف ڈائریکٹرز کی جانب سے ان کے متعلقہ اجلاسوں میں انکی منظوری دی گئی متعلقہ پارٹیوں کے ساتھ طے پانے والی تمام ٹرانسکشنز آرمر لینتھ (Arm's Length) کی بنیاد پر طے کیے جاتے ہیں۔

لیکویڈیٹی مینجمنٹ

کمپنی نہایت عاقبت اندیشی سے اپنے سرمائے کو مستحکم رکھتی ہے اور اپنے بنیادی کاروبار سے حاصل ہونے والے نقد بہاؤ کے ساتھ ساتھ سرمایہ کاری اور دیگر آمدنی کے ذریعوں کے معاہدہ کی ذمہ داریوں کو زیادہ موثر طریقے سے پورا کرنے کی صلاحیت کو یقینی بنانے کی حکمت عملی کا مظاہرہ کرتی ہے۔ آپ کی کمپنی سالوینسی کی ضروریات کو پورا کرتی ہے، کسی بھی غیر متوقع ضروریات کو پورا کرنے کے لئے مضبوط نقد بہاؤ کو برقرار رکھتی ہے

آپ کی کمپنی کی سالوینسی 31 دسمبر 2024 تک 675.882 ملین روپے تھی جبکہ قانونی طور پر درکار سالوینسی 150 ملین روپے ہے یعنی کم از کم مطلوبہ سالوینسی سے 525.882 ملین روپے زائد ہے۔ کم از کم سالوینسی کی ضرورت سے زیادہ یہ سرپلس مضبوط مالی پوزیشن اور اعتماد کے ساتھ ممکنہ چیلنجوں کا سامنا کرنے کی صلاحیت کو واضح کرتا ہے۔

ڈیفرو ٹیکسیشن

مالی پوزیشن کی تاریخ کے بیان میں تمام عارضی اختلافات پر واجبات کے طریقہ کار کا استعمال کرتے ہوئے، اثاثوں اور واجبات العمل ٹیکس اور مالی رپورٹنگ کے مقاصد کے لئے لی جانے والی رقم کے درمیان، موخر ٹیکس، اگر کوئی ہے تو فراہم کیا جاتا ہے

ڈیفرو ٹیکس اثاثے اور واجبات، اگر کوئی ہیں تو، اسے ٹیکس کی شرحوں پر مایا جاتا ہے، جب اثاثے کا ادراک ہو جاتا ہے یا ذمہ داری طے ہو جاتی ہے تو اس مدت پر لاگو ہونے کی توقع کی جاتی ہے، ٹیکس کی شرحوں (اور ٹیکس کے قوانین) کی بنیاد پر جو نافذ کیا گیا ہے یا مالی حیثیت کی تاریخ کے بیان کو کافی حد تک نافذ کیا ہے

ڈیفرو ٹیکس اثاثوں، اگر کوئی ہے تو، صرف اس حد تک تسلیم کیا جاتا ہے کہ اس بات کا امکان ہے کہ مستقبل میں قابل ٹیکس منافع دستیاب ہوگا جس کے خلاف اثاثوں کو استعمال کیا جاسکتا ہے۔

محاسب:

ملین روپے

339.344

31.020

مجوزہ نقد ڈیویڈنڈ صفر۔ (10:2023 فیصد)

بونس حصص کا 51 فیصد شرح سے مجوزہ اجرا (0:2023)

ٹرانسفر برائے عمومی ذخائر صفر۔ (90.000:2023 ملین روپے)

غیر مختص شدہ بیلنس اگلے سال کے لیے

اضافہ شدہ منظور شدہ سرمایہ:

بورڈ آف ڈائریکٹرز اپنے طویل المدتی اسٹریٹجک وژن کے مطابق اضافہ شدہ سرمائے کو بڑھا کر کمپنی کی مالی پوزیشن کو مضبوط بنانے کے اپنے عزم پر ثابت قدم ہے۔ امید افزا ترقی کی رفتار اور مستقبل میں توسیع کے امکانات کے پیش نظر، بورڈ نے مجاز سرمایہ کو 1,000 ملین روپے سے بڑھا کر 1,500 ملین روپے کرنے کی منظوری اور تجویز دی ہے۔

اضافہ شدہ ادا شدہ سرمایہ:

کمپنی کی ترقی کی رفتار اور طویل مدتی اسٹریٹجک مقاصد کے مطابق، آپ کے ڈائریکٹرز کیپٹل میں کو مضبوط بنانے کے لیے مضبوطی سے پر عزم ہیں۔ اس فعال نقطہ نظر کے تحت، بورڈ نے شخصیات کی منظوری دی ہے، جس کے نتیجے میں کمپنی کا ادا شدہ سرمایہ 665.379 ملین روپے سے بڑھ کر 1,004.72 ملین روپے ہو گیا ہے۔ یہ دانشمندانہ مالیاتی انتظامی حکمت عملی پائیدار ترقی کو یقینی بناتی ہے اور کمپنی کی اپنے اسٹیک ہولڈرز کی ابھرتی ہوئی ضروریات کو پورا کرنے کی صلاحیت کو مضبوط کرتی ہے۔

انفارمیشن ٹیکنالوجی:

آپ کی کمپنی انفارمیشن ٹیکنالوجی کی اہمیت سے آگاہ ہے اور مسلسل توسیع اور اس کی تکنیکی پلیٹ فارم کو اپ گریڈ کرنے کی سرمایہ کاری کر رہی ہے۔ جنرل انشورنس سافٹ ویئر 'iGIAS' گزشتہ کئی سالوں سے برانچ کی سطح پر کامیابی کے ساتھ نافذ العمل ہے 'iGIAS' کی خصوصیت اس کے تمام ماڈیولز یعنی، انڈر رائٹنگ، کلیمز، اکاؤنٹس اور ری۔ انشورنس ایک ساتھ مربوط ہے۔ یہ (JSP) جاوا اسکریپٹ اور یکل ڈیٹا بیس کے ساتھ آن لائن ویب بیس سافٹ ویئر ہے اور اس کے ڈیٹا مینجمنٹ پریشانی سے آزاد اور بہت زیادہ محفوظ ہے

iGIAS میں جنرل تکافل کی سروسز کو شامل کیا گیا ہے اور مختصر اور طویل مدتی تکافل کارروائیوں کے لئے برانچ کی سطح پر نافذ العمل ہے۔ مذکورہ ماڈیول کے نفاذ کی وجہ سے کمپنی کے متعلقہ محکموں کی آپریشنل صلاحیتوں، اندرونی کنٹرول کو مضبوط بنانے اور انتظامی معلومات کے موثر نظام میں بہتری آئی ہے

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے انشورنس سیکٹر 2020 کے لئے سائبر سیکیورٹی فریم ورک سے متعلق ایس ای سی گائیڈ لائنز جاری کی ہیں، جس سے سائبر سیکیورٹی فریم ورک کو مجموعی طور پر رسک مینجمنٹ فریم ورک کے ساتھ موافق بنانے میں مدد ملے گی اور آئی ایس او 27001 کے حصول میں بیرونی اور داخلی انسانی غلطی یا جرم کے خلاف خطرے کو نمایاں طور پر کم کیا جاسکتا ہے۔

ہماری نئی حکمت عملی کمپنی کی آپریشنل ضروریات کے ساتھ احتیاط سے ہم آہنگ ہے، جس سے چستی، چلک، اور بہتر کسٹمر کے تجربے کو یقینی بنایا گیا ہے۔ جدید ترین ٹکنالوجیوں اور صنعت کے معروف سیکیورٹی فریم ورک سے فائدہ اٹھاتے ہوئے، ہم اعلیٰ خدمات کی فراہمی، اعتماد کو فروغ دینے، اور صارفین کی اطمینان کی اعلیٰ سطحوں کو حاصل کرنے کے اپنے عزم پر ثابت قدم رہتے ہیں۔

ری۔ انشورنس:

آپ کی کمپنی نے سال 2025 کے لئے ری۔ انشورنس انتظامات نہایت معتبر ہیں۔ معروف اور اعلیٰ شہرت یافتہ سوئس ری (Swiss Re) سال 2025 کے آر آئی سی ایل کے ری انشورنس پروگرام کے لیڈر بننے کا عمل جاری ہے۔ مزید برآں سال 2025 کے لئے فائر، انجینئرنگ، میرین اور موٹر کے تمام شعبہ کی انڈر رائٹنگ کی گنجائش (Underwriting Capacity) میں مزید اضافہ کر دیا ہے اس طرح آپ کی کمپنی کو بڑے خطرات کو انڈر رائٹ کرنے کی صلاحیت حاصل ہو گئی ہے۔ ہم غیر متوازن اعتماد اور مستقل سپورٹ و تعاون کے لئے اپنے تمام ری انشوررز کے انتہائی ممنون اور شکر گزار ہیں۔ ان کی شراکت داری ہماری آپریشنل کامیابی اور مالی استحکام کا سنگ بنیاد ہے۔

ونڈ و تکفل آپریشن:

سیکورٹی ایکسچینج کمیشن آف پاکستان نے کمپنی کو 25 مئی 2016 میں ونڈ و تکفل آپریشن جاری کرنے کا لائسنس جاری کر دیا ہے۔ ریلائنس تکفل مشہور اور تصدیق شدہ شرعی اسکالر کی رہنمائی کے تحت کام کر رہی ہے۔

ریلائنس تکفل شریعت کے مطابق جہز تکفل کی مصنوعات کی ایک وسیع رینج پیش کر رہی ہے۔ جس میں فائر پراپرٹی تکفل، میرین کارگو تکفل، ذاتی و تجارتی گاڑیاں تکفل، انجینئرنگ تکفل، دہشت گردی تکفل، متفرق حادثات تکفل شامل ہیں۔ ہم اخلاقی اور شفاف تکفل حل فراہم کرنے کے لیے پرعزم ہیں جو اسلامی اصولوں کے مطابق ہوں اور اپنے صارفین کی متنوع ضروریات کو پورا کریں۔

سال 2023 اور 2024 کے لیے ونڈ و تکفل آپریشنز کے تقابلی مالیاتی نتائج کا خلاصہ درج ذیل ہے۔

2023	2024	
	ملین روپے	
125.505	157.074	مجموعی شراکت داری
58.741	34.264	خالص شراکت داری
44.561	49.981	وکالا اخراجات
0.245	2.189	سال کا اضافہ۔ پی ٹی ایف
9.203	11.432	آپریٹنگ فنڈ۔ آمدنی اکاؤنٹ
29.171	30.072	آپریٹنگ منافع قبل از ٹیکس

منافع کی تخصیص:

ملین روپے

68.511

مالی سال کے آغاز پر غیر تخصیص شدہ منافع

301.853

مالی سال 2023 کے اختتام پر بعد از ٹیکس منافع

370.364

غیر مختص شدہ رقم مختص کے لئے دستیاب

آپ کے ڈائریکٹرز تجویز کرتے ہیں کہ منافع کو مندرجہ ذیل طریقوں سے مختص کیا جائے

معاشی ترقی کو تیز کرنا ہے۔ پالیسی ریٹ میں کمی کے نتیجے میں فکسڈ انکم سیکورٹیز میں خطرے سے بچنے والے سرمایہ کاروں کے لیے پرکشش منافع ہوا، جبکہ ویلیویشن ماڈلز میں کم رعایتی شرحوں کی وجہ سے ایکویٹی ویلیویشن پر بھی اوپر کی طرف دباؤ بڑھ گیا۔ ان محرکات کے باوجود، مضبوط کارپوریٹ آمدنی میں اضافہ، بہتر اقتصادی نقطہ نظر ممکنہ منفی اثرات کو دور کرتا ہے، ایکویٹی مارکیٹ کی کارکردگی کو تقویت دیتا ہے۔

اس متحرک معاشی منظر نامے کے درمیان، آپ کی کمپنی کی اچھی طرح سے کیلیبر پیڈ سرمایہ کاری کی حکمت عملی نے غیر معمولی نتائج فراہم کیے ہیں۔ اس متحرک معاشی منظر نامے کے درمیان، آپ کی کمپنی کی اچھی طرح تعین کردہ سرمایہ کاری کی حکمت عملی نے غیر معمولی نتائج فراہم کیے ہیں۔ سرمایہ کاری کی آمدنی میں 66.19 فیصد کی متاثر کن نمودار کارڈ کی گئی، جو 2023 میں 246.032 ملین روپے کے مقابلے میں 2024 میں 408.883 ملین روپے تک پہنچ گئی۔ یہیہ مضبوط کارکردگی مارکیٹ کے اتار چڑھاؤ کا مشاہدہ کرنے اور ابھرتے ہوئے مواقع سے فائدہ اٹھانے میں کمپنی کے محتاط انداز کو واضح کرتی ہے۔

منافع منقسمہ کی آمدنی 115.447 ملین روپے تھی جبکہ گزشتہ سال یہ رقم 108.313 ملین روپے تھی جو کہ 6.59 فیصد اضافہ ہے۔ آپ کی کمپنی نے ایکویٹی ٹریڈنگ میں حکمت عملی کا مظاہرہ کرتے ہوئے گزشتہ سال کے 14.090 ملین روپے کے مقابلے میں 73.695 ملین روپے کا کیپیٹل گین حاصل کیا غیر حقیقی منافع میں بھی قابل ذکر اضافہ دیکھا گیا، جو پچھلے سال میں 95.145 ملین روپے کے مقابلے میں 193.333 ملین روپے روپے پر کھڑا ہے جو کلیدی ہولڈنگز میں مضبوط تشخیصی فوائد کی نشاندہی کرتا ہے

آپ کی کمپنی مستقل آمدنی اور مالی چمک کو یقینی بنانے کے لیے ایک مضبوط اور مائع سرمایہ کاری کا پورٹ فولیو برقرار رکھتی ہے۔ 31 دسمبر 2024 تک سرمایہ کاری کا کل پورٹ فولیو پچھلے سال کے 952.596 ملین روپے کے مقابلے میں 1,313.687 ملین روپے تھا جو اثاثوں کی تقسیم میں خاطر خواہ توسیع کی عکاسی کرتا ہے۔ سکوہ ہولڈنگز کی رقم 70.08 ملین، اور ٹرم ڈپازٹس کل روپے 43.509 ملین، ایک مستحکم منافع کے جزو کو تقویت دیتا ہے۔ نقد اور بینک ڈپازٹس سرمایہ کاری کی سطح معمولی کمی کے ساتھ گزشتہ سال کے 108.555 ملین روپے کے مقابلے میں 102.206 ملین روپے رہی

آپ کی کمپنی کے نظم و ضبط سے متعلق سرمایہ کاری کے نقطہ نظر نے، متنوع اثاثوں کی کلاسوں میں سٹرٹیجک مختص کے ساتھ، اسے حصص یافتگان کی قیمت کو زیادہ سے زیادہ کرتے ہوئے مؤثر طریقے سے مارکیٹ کے اتار چڑھاؤ کو نیوگیٹ کرنے کے لیے پوزیشن میں رکھا ہے۔ مستقبل کی طرف دیکھتے ہوئے، رسک ایڈجسٹ شدہ ریٹرن، میکرو اکنامک رجحانات، اور مانیٹری پالیسی کی تبدیلیوں پر سرمایہ کاری کی کارکردگی کو بہتر بنانے کے لیے مسلسل توجہ مرکوز رہے گی۔

کلیمز:

واجب الادا کلیمز: بیلنس شیٹ کی تاریخ تک ہونے والے تمام کلیمز کے ضمن میں ہوتی ہے اور اس کہ مستقبل میں متوقع ادائیگیوں کی غیر تخفیف شدہ مالیت کے طور پر ظاہر کیا جاتا ہے۔

واجب الادا کلیمز کے حصول میں ایسے کلیمز جو بیلنس شیٹ کی تاریخ تک رپورٹ (IBNR) نہیں ہوئے۔ 2016 کے ایس ای سی پی سرکلر نمبر 9 کی تکمیل کے لئے کمپنی نے IBNR کا تخمینہ کے طریقہ کار کو تبدیل کر دیا گیا۔ کمپنی اب IBNR کلیمز کے تعین کے لئے ایکچوریل مشورہ لیتی ہے۔ IBNR کلیمز کا تخمینہ Chain Ladder (CL) کے طریقے سے لگایا گیا ہے۔ Chain Ladder (CL) طریقہ میں ترقی کے عوامل کا تعین یا ہر مدت کے لئے لنک کے تناسب شامل ہے۔ یہ بعد میں مشترکہ طور پر Cumulative Development Factor (CDF) کا تعین کرتے ہیں۔ جس میں کلیمز کے آخری سطح تک پہنچنے کے لئے مستقبل کی حد تک نمائندگی کرتا ہے

سرمایہ کاری کی آمدنی نے مجموعی منافع میں نمایاں حصہ ڈالا، جو 2023 کے 246.032 ملین روپے سے بڑھ کر 2024 میں 408.883 ملین روپے تک پہنچ گیا۔ نتیجتاً، قبل از ٹیکس منافع 70 فیصد بڑھ کر 436.170 ملین روپے تک پہنچ گیا، جبکہ بعد از ٹیکس منافع میں 76 فیصد کا غیر معمولی اضافہ ریکارڈ کیا گیا، جو کہ 171.898 ملین روپے سے بڑھ کر 301.853 ملین روپے ہو گیا۔ میکرو اکنامک غیر یقینی صورتحال کے باوجود، آپ کی کمپنی نے آپریشنل چلک، سمجھدار مالی انتظام، اور پائیدار ترقی کے عزم کا مظاہرہ کیا ہے۔ یہ کامیابیاں ہماری بنیادی کاروباری حکمت عملیوں کی مضبوطی، کلیمز کے موثر انتظام، اور لاگت پر قابو پانے کے لیے ایک نظم و ضبط کے طریقہ کار کا ثبوت ہیں۔

فی حصص آمدنی (EPS) بھی اس مضبوط مالی کارکردگی کی عکاسی کرتی ہے، جو 2023 میں 2.58 روپے سے 2024 میں 4.54 روپے تک بڑھ گئی، جس سے شیئرز ہولڈرز کی قدر میں مزید اضافہ ہوا۔

برسوں سے ہم نے نام نہاد 'بینک حدود' (Bank Limits) کی یکطرفہ اور صوابدیدی فکسنگ کو اجاگر کر رہے ہیں اور کچھ بینکوں، DFIs (ترقیاتی مالیاتی اداروں)، مالیاتی اداروں، اور مختلف اداروں کی طرف سے اپنا جانے والے ڈی لسٹنگ / نان لسٹنگ / پری کوالیفائنگ طریقوں کے بارے میں مسلسل خدشات کا اظہار کیا ہے۔ حکام / تنظیمیں۔ ان طریقوں نے انشورنس انڈسٹری کے اندر مارکیٹ کے شرکاء کے لیے غیر مساوی کھیل کا میدان بنایا ہے۔

یہ ضروری ہے کہ انشورنس انڈسٹری کے وسیع تر اور بہترین مفادات کے لیے متعلقہ حکام کے ذریعے ان امتیازی طرز عمل پر توجہ دی جائے۔ صحت مند مسابقت کو فروغ دینے اور تمام اسٹیک ہولڈرز کے لیے مساوی مواقع کو یقینی بنانے کے لیے منصفانہ اور شفاف ضابطے ضروری ہیں۔ ہم ان مسائل کو درست کرنے اور انشورنس سیکٹر کی ترقی اور پائیداری کے لیے سازگار سطح کے قیام کے لیے ٹھوس کوششوں پر زور دیتے ہیں۔

سرمایہ کاری:

آپ کی کمپنی کی سرمایہ کاری کی پالیسی شریعت کے مطابق اسلامی فنڈز کے لیے اپنی لگن میں ثابت قدم ہے، جس کا مقصد مارکیٹ کے مواقع سے فائدہ اٹھاتے ہوئے منافع کو محفوظ بنانا ہے۔

سرمایہ کاری کا پورٹ فولیو معقول طور پر ترتیب دیا گیا ہے، ایکویٹی سرمایہ کاری کے ساتھ فکسڈ انکم سیکیورٹیز کو متوازن رکھتا ہے، جس میں بلیو چپ اسٹاکس پر توجہ مرکوز کی گئی ہے جو اعلیٰ منافع بخش پیداوار، مسلسل بونس کی ادائیگی، اور طویل مدتی سرمائے کی ترقی کے امکانات کی حامل ہے۔ خطرات کو کم کرتے ہوئے منافع کو بہتر بنانے کے لیے انوسٹمنٹ کمیٹی فعال طور پر نگرانی کرتی ہے۔

پاکستان اسٹاک ایکسچینج (PSX) نے 2024 میں غیر معمولی کارکردگی کا مظاہرہ کیا، جو سرمایہ کاروں کے مضبوط اعتماد اور بہتر معاشی حالات کی عکاسی کرتا ہے۔ 100-KSE انڈیکس بینچ مارک میں سال کے دوران 84.35 فیصد کا غیر معمولی اضافہ ہوا، جو 31 دسمبر 2023 کو 62,451.04 پوائنٹس سے بڑھ کر 31 دسمبر 2024 تک 115,126.50 پوائنٹس کی اب تک کی بلند ترین سطح پر پہنچ گیا، جس سے 75,26 پوائنٹس کا اضافہ ہوا۔ یہ قابل ذکر تیزی بڑی حد تک بین الاقوامی مالیاتی فنڈ (IMF) کے اسٹینڈ بائی ایگریمنٹ کی بحالی، کرنسی کے استحکام کے موثر اقدامات، اور سرمایہ کاروں کے مثبت جذبات، خاص طور پر سال کے آخری ششماہی میں کارفرما تھا۔ تاہم، دوسری ششماہی میں تبدیلی کو مالیاتی اقدامات سے مدد ملی، جس کا مقصد سرمایہ کاروں کا اعتماد بحال کرنا تھا۔ توانائی اور ٹیکنالوجی جیسے شعبوں میں خاطر خواہ ترقی ہوئی، جس سے مارکیٹ کپچلریشن میں مجموعی طور پر اضافہ ہوا۔

اسٹیٹ بینک آف پاکستان (SBP) نے موجودہ معاشی حالات سے نمٹنے کے لیے 2024 کے دوران مانیٹری پالیسی ایڈجسٹمنٹ کا ایک سلسلہ نافذ کیا۔ پالیسی ریٹ میں 900 بیس پوائنٹس کی مجموعی کمی واقع ہوئی، جو جون 2024 میں 22 فیصد کی چوٹی سے دسمبر 2024 تک 13 فیصد تک کم ہو گئی۔ اس مالیاتی نرمی کا مقصد مہنگائی کے دباؤ کو کم کر کے

ڈائریکٹرز کا جائزہ:

آپ کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے سالانہ رپورٹ بشمول آڈٹ شدہ حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی سال 2024 ایک چیلنجنگ سال ہونے کے باوجود، آپ کی کمپنی درج ذیل نتائج پیش کرتی ہے۔

سال 2024 کے لئے آپریشنل نتائج:

31 دسمبر 2024 کو ختم ہونے والی مدت کے لئے آپ کی کمپنی کی تقابلی مالی جھلکیاں مندرجہ ذیل ہیں:

2023	2024	
	روپے ملین میں	
1,105.78	1,217.148	مجموعی پریمیم (تکافل شراکت سمیت)
460.686	546.496	خالص پریمیم
139.119	152.815	خالص حاصل کردہ کلیم (بشمول IBNR)
176.318	198.462	انتظامی اخراجات
48.866	84.048	انڈر رائٹنگ آمدنی
246.032	408.883	سرمایہ کار آمدنی
256.988	436.169	نفع / نقصان قبل از ٹیکس
171.898	301.852	نفع / نقصان بعد از ٹیکس
2.58	4.54	آمدنی فی شیئر (EPS)

آپ کی کمپنی نے ایک ارب روپے سے اوپر کے مجموعی پریمیم کو عبور کر کے ایک اہم سنگ میل حاصل کیا۔ ہم نے 1,217.148 ملین روپے (بشمول 157.074 ملین روپے تکافل شراکت داری) کا مجموعی پریمیم ظاہر کیا ہے اسکے برخلاف گزشتہ سال کا حجم 1,105.781 ملین روپے (بشمول 125.505 ملین روپے تکافل شراکت داری) تھا جو سال بہ سال 10 فیصد کی شرح نمو کی عکاسی کرتا ہے

اسی طرح، خالص پریمیم آمدنی میں 85.81 ملین روپے کا نمایاں اضافہ ہوا ہے 2023 میں 460.686 ملین روپے سے بڑھ کر 2024 میں 546.496 ملین روپے ہے کمپنی کی بڑھتی ہوئی مارکیٹ کی موجودگی اور پائیدار انڈر رائٹنگ کی حکمت عملیوں کو تقویت دیتا ہے۔

سال کے دوران کلیمز پر 152.815 ملین روپے صرف کئے گئے جبکہ گزشتہ سال 139.119 ملین روپے صرف کئے گئے تھے جو کہ 13.696 ملین روپے کا اضافہ ظاہر کرتا ہے۔ پھر بھی انڈر رائٹنگ کی کارکردگی مجموعی مضبوط رہی۔ انڈر رائٹنگ منافع میں 72 فیصد نمایاں اضافہ ہوا، جو پچھلے سال کے 48.866 ملین روپے کے مقابلے میں 84.048 ملین روپے تک پہنچ گیا۔ یہ بہتری کمپنی کے رسک مینجمنٹ فریم ورک کی مضبوطی اور انڈر رائٹنگ کے باتدبیر اور موثر طریقوں کی نشاندہی کرتا ہے۔



GENDER PAY GAP

40.86%

MEAN GENDER PAY GAP

35.29%

MEDIAN GENDER PAY GAP

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RELIANCE INSURANCE COMPANY LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 AND LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (both herein referred to as 'the Code') prepared by the Board of Directors of Reliance Insurance Company Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision (Ixxvi) of the Code of Corporate Governance for Insurers, 2016.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended December 31, 2024.

KARACHI
DATED: 7th April, 2025
UDIN: CR202410067wk9LUDryW



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 & LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

For the year ended December 31, 2024

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG 2019) for the purpose of establishing a framework of good governance, whereby the Company is managed in compliance with the best practices of corporate governance.

The Company, being an insurer, has applied the principles contained in the Code and CCG 2019 in the following manner:

1. The total numbers of Director are nine (9) as per the following:-

- (a) Male = 08
- (b) Female = 01

2. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors (the Board). The composition of the Board is as follows:

Category	Name
Independent Directors	Ms. Tasneem Yusuf (Female Director) Mr. Naeem Ahmed Shafi Mr. Jahangir Adam
Executive Director	Mr. A. Razak Ahmed
Non-Executive Director	Mr. Irfan Zakaria Bawany Mr. Muhammad Omer Bawany Mr. Ahmed Ali Bawany Mr. Noor M. Zakaria Mr. Zia Zakaria Mr. Muhammad Patel

The number of elected directors on the Board are nine (9) whereas Mr. A. Razak Ahmed being Chief Executive of the Company is a "deemed director" under section 188(3) of the Companies Act, 2017.

The independent directors meet the criteria of independence as laid down under the Code and Regulations. The independent directors are three out of ten directors (including the Chief Executive) and considering the required skills set and experience to discharge and execute their duties competently as per laws and regulations the fraction of one third has been rounded to three.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies in which each of them is a director).
- 4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial institution or, being a member of a stock exchange, has been declared as a defaulter by a stock exchange.
- 5. No casual vacancy occurred on the Board during the year.
- 6. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with the dates of approval or updating has been maintained by the Company.

All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act), the Regulations and the Code. The decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of Chief Executive Officer, and key Officers have been taken by the Board.

- 8. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. The Board has complied with the requirement of the Act and CCG 2019 with respect to frequency, recording and circulating minutes of meeting of the Board. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
- 9. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

10. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
11. Five Directors of the Company possess sufficient experience and qualification so they are exempt from attending the Directors' Training Program. Whereas four Directors, namely Mr. Irfan Zakaria Bawany, Mr. Ahmed Ali Bawany, Ms. Tasneem Yusuf and Mr. Muhammad Patel have completed Director' Training Program either from Pakistan Institute of Corporate Governance or The Institute of Chartered Accountant of Pakistan. The Board of the Company also carries out orientation sessions for its directors during board meetings, as and when required, in order to apprise them of their duties and responsibilities and the new developments and pronouncements of relevant laws and regulations.
12. There was no change of Chief Financial Officer, Company Secretary and Head of Internal Audit, during the year. The Board approved their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations and the Code.
13. The Directors' Report for this year has been prepared in compliance with the requirements of the Regulations and the Code and fully describes the salient matters required to be disclosed.
14. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
15. The directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
16. The Company has complied with all the corporate and financial reporting requirements of the Code and the Regulations.
17. The Board has formed the following Management Committees:

Underwriting, Reinsurance & Co-insurance Committee:

Name of the Member	Designation	Category
Mr. A. Razak Ahmed	Executive Director	Chairman
Mr. M. Hanan Shahdani	Senior Vice President	Member
Mr. Abdul Rahim	Assistant Vice President	Member
Mr. Abbas Baghat	Deputy Manager	Secretary

Claim Settlement Committee:

Name of the Member	Designation	Category
Mr. A. Razak Ahmed	Executive Director	Chairman
Mr. Ghulam Haider	Chief Financial Officer	Member
Mr. Shaikh Muhammad Siddiq	Assistant Vice President	Member
Mr. Muhammad Ebrahim	Manager	Secretary

Takaful Committee

Name of the Member	Designation	Category
Mr. A. Razak Ahmed	Executive Director	Chairman
Mr. Najmullah Khan	Head of Takaful	Member
Mr. Kashif Wadiwala	Shariah Compliance Officer	Secretary

Risk Management & Compliance Committee:

Name of the Member	Designation	Category
Mr. A. Razak Ahmed	Executive Director	Chairman
Mr. Ghulam Haider	Chief Financial Officer	Member
Mr. Faraz Abdul Razzak	Company Secretary & Compliance Officer	Member
Mr. Najmullah Khan	Head of Takaful	Member
Mr. M. Hanan Shahdani	Senior Vice President	Member
Mr. Ghulam Mujaddid	Vice President	Member
Mr. Abdul Rahim	Assistant Vice President	Member
Mr. Muhammad Masood Ali	Assistant Vice President	Member
Mr. M. Naveed Jan	Internal Auditor	Secretary

Nomination Committee:

Name of the Member	Designation	Category
Mr. A. Razak Ahmed	Executive Director	Chairman
Mr. Ghulam Haider	Chief Financial Officer	Member
Mr. Faraz Abdul Razzak	Company Secretary & Compliance Officer	Member
Mr. M. Hanan Shahdani	Senior Vice President	Member
Mr. Muhammad Salim Memon	Assistant Vice President	Member & Secretary

18. The Board has formed Board Committees comprising of members given below:

a) Ethics, HR and Remuneration Committee:

Name of the Member	Designation	Category
Mr. Naeem Ahmed Shafi	Independent Director	Chairman
Mr. Irfan Zakaria Bawany	Non-Executive Director	Member
Mr. Noor M. Zakaria	Non-Executive Director	Member
Mr. A. Razak Ahmed	Executive Director	Member
Mr. Masood Alam	Chief Manager	Secretary

b) Investment Committee

Name of the Member	Designation	Category
Mr. Irfan Zakaria Bawany	Non-Executive Director	Chairman
Mr. Ahmed Ali Bawany	Non-Executive Director	Member
Ms. Tasneem Yusuf	Independent Director	Member
Mr. Muhammad Patel	Non-Executive Director	Member
Mr. A. Razak Ahmed	Executive Director	Member
Mr. Ghulam Haider	Chief Financial Officer	Member
Mr. Muhammad Saleem Memon	Assistant Vice President	Secretary

19. Audit Committee:

The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and one is an independent director. The chairperson of the Committee is an independent director. The composition of the Audit Committee is as following:

Name of the Member	Designation	Category
Ms. Tasneem Yusuf	Independent Director	Chairperson
Mr. Irfan Zakaria Bawany	Non-Executive Director	Member
Mr. Muhammad Omer Bawany	Non-Executive Director	Member
Mr. Faraz Abdul Razzak	Company Secretary & Compliance Officer	Secretary

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

21. The frequency of meetings of the committees were as per following:

- | | |
|-------------------------------------------|--------------------|
| a) Audit Committee: | Quarterly meetings |
| b) Ethics, HR and Remuneration Committee: | Twice a year |
| c) Nomination Committee: | Twice a year |
| d) Risk Management Committee: | Twice a year |
| e) Investment Committee: | Twice a year |

22. The Board has set up an effective internal audit function, which comprises of individual who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis.

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

Name of the Person	Designation
Mr. A. Razak Ahmed	Chief Executive Officer& Managing Director
Mr. Ghulam Haider	Chief Financial Officer
Mr. Faraz Abdul Razzak	Company Secretary & Compliance Officer
Mr. Najmullah Khan	Head of Window Takaful Operations & Grievance Deptt.
Mr. M. Hanan Shahdani	Senior Vice President
Mr. Muhammad Naveed Jan	Head of Internal Audit
Mr. Shaikh Muhammad Siddiq	Head of Claims
Mr. Abdul Rahim	Head of Reinsurance

The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.

24. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations, the Code or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
25. The Board ensures that the Investment policy of the Company has been drawn up in accordance with the provisions of the Code.
26. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
27. The Company has set up a risk management function which carries out its tasks as covered under the Code.
28. The Board ensures that as part of the risk management system, the Company gets itself rated from PACRA and VIS rating agencies, which is being used by its risk management function and the respective committee as a risk monitoring tool. The rating assigned by the said rating agencies on November 22, 2024 and January 31, 2025 is A+ with stable outlook.
29. The Board has set up a grievance function, which fully complies with the requirements of the Code.
30. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of any requirement of the Code.
31. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the CCG 2019 and all material principles contained in the code have been complied with; and
32. We confirm that all other material principles contained in the Code have been complied with except for the following, towards which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.
33. Explanation for non-compliance with requirements of the Regulation other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as follows:

REGULATION REQUIREMENT	EXPLANATION FOR NOT MEETING NON-MANDATORY REQUIREMENT
10A. Environmental, Social and Governance (ESG) matters	
The Board takes appropriate measures to proactively address the sustainability risks and opportunities and assess their potential financial and operational impacts and implement strategies for management and mitigation thereof. The committee shall also submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	At present the Ethics, HR and Remuneration Committee provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced by SECP through notification dated June 12, 2024 will be complied with in due course



IRFAN ZAKARIA BAWANY
Chairman



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi: 27th March, 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELIANCE INSURANCE COMPANY LIMITED

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S. No	Key Audit Matters	How the matters were addressed in our audit
1	<p>Premium</p> <p>As disclosed in note 20 to these financial statements, net insurance premium amounting to Rs. 546.495 as at December 31, 2024.</p> <p>The Company earns revenue primarily from premium income. This income stream comprises of four segments: (i) Fire and property damage, (ii) Marine, aviation and transport, (iii) Motor, and (iv) Miscellaneous.</p> <p>We identified premium earned as a key audit matter because it is a key performance indicator of the Company and possess a risk of overstatement by recording transactions that may not have occurred.</p>	<p>Our audit procedures amongst other procedures included the following:</p> <ul style="list-style-type: none">• Obtaining an understanding of the Company process for recognition of premium and evaluating the design and implementation of key controls involved in the process of capturing, processing and recording of premiums.• Assessing the appropriateness of the Company's accounting policy for recognition of premium, in compliance with the accounting and reporting standards, as applicable in Pakistan.

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

S. No	Key Audit Matters	How the matters were addressed in our audit
		<ul style="list-style-type: none"> Comparing, using an appropriate sample of premium earned from the underlying policies issued to evaluate appropriateness of recognized premium during the year. Comparing, using an appropriate sample, of premium underwritten close to year end and subsequent to year end to evaluate that revenue from premiums was recognised in the appropriate accounting period. Recalculating the unearned portion of premium underwritten and ensuring that the appropriate amount is recorded in the current year.
2	<p>Outstanding claims including incurred but not reported (IBNR)</p> <p>As disclosed in note 21 to the financial statements, outstanding claims including IBNR amounting to Rs. 343.523 as at December 31, 2024.</p> <p>The provision for Incurred but Not Reported (IBNR) claims is calculated by the Company in compliance with Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). As per the circular, insurers are required to estimate and maintain IBNR provisions for each business class using the prescribed "Chain Ladder Method" or an alternative method if any, permitted under the SECP Guidelines.</p> <p>Determination of IBNR involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact the valuation of these liabilities. Furthermore, the Company also maintains a provision for claims including IBNR based on the advice of an independent actuary.</p> <p>We have identified Outstanding claims including incurred but not reported (IBNR) as key audit matter because of significant judgement and estimates involved in determination and application of the methodology and performance of the calculations.</p>	<p>Our audit procedures in respect of this area includes the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the Company's process and evaluating the design and implementation of key controls in recognition and valuation of insurance liabilities. Assessing the appropriateness of the Company's accounting policy for recognition and measurement of insurance liabilities, in compliance with accounting and reporting standards as applicable in Pakistan. Assessing the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at 31 December 2024 to establish whether these had been subject to any arbitrary discontinuities from those used at 31 December 2023. Assessed the competence, capability and objectivity of management's actuary. Performing procedures to evaluate the accuracy, completeness and reliability of the underlying data utilized and provided to the management actuary for the purposes of measurement to its source. Inspecting the report submitted by the Actuary for the year ended 31 December 2024, to the management of the Company in respect of the insurance liabilities and the related methods and assumptions used for this purpose. Assessing the reasonableness and consistency of the assumptions and methods used by the management's actuary in the valuation of insurance liabilities. Assessing the appropriateness of disclosures made in the financial statements in compliance with the accounting and reporting standards as applicable in Pakistan.

BDO Ebrahim & Co. Chartered Accountants

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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and;
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 7th April, 2025

UDIN: AR202410067BZ0n2F4dm



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2023
		Rupees	
ASSETS			
Property and equipment	5	104,759,877	87,159,556
Intangible assets	6	-	-
Investments			
Equity securities and mutual funds	7	1,200,097,914	839,874,670
Debt securities	8	70,080,623	70,092,591
Term deposits	9	43,508,514	42,628,618
		1,313,687,051	952,595,879
Insurance / reinsurance receivables	10	642,361,902	537,186,737
Loans and other receivables	11	4,575,855	4,268,074
Re-insurance recoveries against outstanding claims	21	271,629,962	176,420,765
Deferred commission expense	22	94,842,909	95,312,664
Prepayments and deposits	13	228,208,543	195,135,974
Cash and bank balances	14	102,206,082	108,555,276
		2,762,272,181	2,156,634,925
Total assets of window takaful operations - Operator's fund		182,748,071	155,881,702
TOTAL ASSETS		2,945,020,252	2,312,516,627
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	15	665,379,490	665,379,490
Reserves	16	400,000,000	310,000,000
Unappropriated profit		370,364,373	225,049,587
Unrealised gain on revaluation of available-for-sale		136,687,507	21,992,211
TOTAL EQUITY		1,572,431,370	1,222,421,288
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	21	343,523,464	230,153,423
Unearned premium reserves	20	489,493,362	440,170,615
Unearned reinsurance commission	22	33,682,692	39,285,465
Insurance / reinsurance payables	17	192,164,335	216,603,821
Unclaimed dividend		6,847,173	4,531,819
Other creditors and accruals	18	79,862,274	71,576,445
Deferred taxation	12	126,464,055	30,143,866
Taxation - provision less payments		59,124,328	22,637,371
TOTAL LIABILITIES		1,331,161,683	1,055,102,825
Total liabilities of window takaful operations - Operator's fund		41,427,199	34,992,514
TOTAL EQUITY AND LIABILITIES		2,945,020,252	2,312,516,627

CONTINGENCIES AND COMMITMENTS

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


Irfan Zakaria Bawany
Chairman


Ahmed Ali Bawany
Director


Zia Zakaria
Director


Ghulam Haider
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th March, 2025

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2023
		Rupees	
Net insurance premium	20	546,495,792	460,686,249
Net insurance claims	21	(152,815,010)	(139,118,908)
Net commission and other acquisition costs	22	(111,170,050)	(96,383,134)
Insurance claims and acquisition expenses		(263,985,060)	(235,502,042)
Management expenses	23	(198,462,472)	(176,318,464)
Underwriting results		84,048,260	48,865,743
Investment income	24	408,883,090	246,032,173
Other income	25	4,501,349	5,564,101
Other expenses	26	(91,334,996)	(72,645,064)
Results of operating activities		406,097,703	227,816,953
Profit from window takaful operations- Operators' fund	27	30,071,847	29,171,371
Profit before taxation		436,169,550	256,988,324
Taxation	28	(134,316,815)	(85,090,678)
Profit after taxation		301,852,735	171,897,646
Earnings (after tax) per share	29	4.54	2.58

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


Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025


Ahmed Ali Bawany
Director


Zia Zakaria
Director


Ghulam Haider
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	December 31, 2024	December 31, 2023
	Rupees	
Profit after taxation	301,852,735	171,897,646
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss account		
Unrealized gain on revaluation of available for sale securities - net of tax	121,852,887	18,091,804
Reclassification adjustment relating to available-for-sale investments disposed of during the year - net of tax	(7,140,418)	3,811,118
	114,712,469	21,902,922
Other comprehensive (loss) / income of Window Takaful Operations - Operator's Fund		
Unrealized gain on revaluation of available for sale securities - net of tax	45,603	40,093
Reclassification adjustment relating to available-for-sale investments disposed off during the year - net of tax	(62,776)	-
	(17,173)	40,093
Other comprehensive income for the year	114,695,296	21,943,015
Total comprehensive income for the year	416,548,031	193,840,661

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


Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025


Ahmed Ali Bawany
Director


Zia Zakaria
Director


Ghulam Haider
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Attributable to equity holders of the Company

	Capital Reserves		Revenue Reserves		Total
	Share capital	Unrealised gain on revaluation of available-for-sale	General reserve	Unappropriated Profit	
Rupees					
Balance as at January 1, 2023	633,694,750	49,196	290,000,000	136,521,419	1,060,265,365
Total comprehensive income for the year ended 31 December 2023					
Profit after tax	-	-	-	171,897,646	171,897,646
Other comprehensive income	-	21,943,015	-	-	21,943,015
	-	21,943,015	-	171,897,646	193,840,661
Transfer to general reserves	-	-	20,000,000	(20,000,000)	-
Transactions with owners:					
Issuance of bonus shares	31,684,740	-	-	(31,684,740)	-
Payment of Cash dividend	-	-	-	(31,684,738)	(31,684,738)
	31,684,740	-	-	(63,369,478)	(31,684,738)
Balance as at December 31, 2023	665,379,490	21,992,211	310,000,000	225,049,587	1,222,421,288
Total comprehensive income for the year ended 31 December 2024					
Profit after tax	-	-	-	301,852,735	301,852,735
Other comprehensive income	-	114,695,296	-	-	114,695,296
	-	114,695,296	-	301,852,735	416,548,031
Transfer to general reserves	-	-	90,000,000	(90,000,000)	-
Transactions with owners:					
Payment of Cash dividend	-	-	-	(66,537,949)	(66,537,949)
Balance as at December 31, 2024	665,379,490	136,687,507	400,000,000	370,364,373	1,572,431,370

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


Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025


Ahmed Ali Bawany
Director


Zia Zakaria
Director


Ghulam Haider
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

Note	December 31, 2024	December 31, 2023
	Rupees	
OPERATING CASH FLOWS		
a) Underwriting activities		
Insurance premium received	967,733,978	832,658,661
Reinsurance premium paid	(542,897,601)	(431,953,969)
Claims paid	(434,461,472)	(441,445,581)
Reinsurance and other recoveries received	299,807,306	320,013,805
Commission paid	(210,292,348)	(203,385,398)
Commission received	93,989,280	93,766,137
Management expenses paid	(198,462,472)	(176,318,464)
Net cash used in underwriting activities	(24,583,329)	(6,664,809)
b) Other operating activities		
Income tax paid	(37,384,940)	(23,154,471)
Other operating payments	(60,041,189)	(31,734,152)
Loan given to employees	(1,341,990)	(789,375)
Net cash used in other operating activities	(98,768,119)	(55,677,998)
Total cash used in all operating activities	(123,351,448)	(62,342,807)
INVESTMENT ACTIVITIES		
Profit / return received	30,170,626	28,642,400
Dividend received	116,038,554	107,972,184
Payments for investments	(450,199,714)	(169,025,076)
Proceeds from investments	513,027,391	153,935,317
Fixed capital expenditure	(36,012,008)	(35,944,755)
Proceeds from sale of property and equipment	8,200,000	14,074,000
Total cash generated from investing activities	181,224,849	99,654,070
FINANCING ACTIVITIES		
Dividend paid	(64,222,595)	(30,571,184)
Total cash used in financing activities	(64,222,595)	(30,571,184)
Total cash (used in) / flow from all activities	(6,349,194)	6,740,079
Cash and cash equivalents at beginning of the year	108,555,276	101,815,197
Cash and cash equivalent at the end of the year	102,206,082	108,555,276

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

December 31,
2024

December 31,
2023

Rupees

Reconciliation to profit and loss account

Operating cash flows	(123,351,448)	(62,342,808)
Depreciation expense	(14,713,036)	(13,014,391)
Gain on disposal of property and equipment	4,501,349	5,564,101
Profit on disposal of investments	73,695,326	14,090,258
Dividend income	115,447,307	108,313,376
Other investment income	219,079,168	123,628,539
Increase in assets other than cash	234,329,166	235,206,703
Increase in liabilities	(176,762,026)	(222,103,827)
Deferred taxation	(50,821,927)	(38,155,979)
Profit after tax from window Takaful operations - Operators' Fund	20,448,856	20,711,674
Profit after taxation	301,852,735	171,897,646

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

Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025

Ahmed Ali Bawany
Director

Zia Zakaria
Director

Ghulam Haider
Chief Financial Officer

A. Razak Ahmed
Chief Executive & Managing Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Reliance Insurance Company Limited (the Company) was incorporated in Pakistan as a public limited company on November 4, 1981 and is engaged in general insurance business and it has also been allowed to undertake General Window Takaful operations (WTO) on May 25, 2016 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012. The shares of the Company are quoted on Pakistan Stock Exchange Limited.

- 1.1 The Registered Office of the Company is situated in 96-A, Sindhi Muslim Co-operative Housing Society, Karachi. The Company was granted authorisation on 25 May 2016 under Rule 6 of Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 30 May 2016. The Company operates through 26 branches in Pakistan.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

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

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

- 2.1.1 Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company (referred to as the Operator's Fund) have been presented in these financial statements in accordance with the requirements of the General Takaful Accounting Regulations, 2019.
- 2.1.2 A separate set of financial statements of the Window Takaful Operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention unless stated otherwise.

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is also the functional currency of the Company.

2.3 Standards, amendments and interpretations that are effective during the current year

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Effective date (annual periods beginning on or after)

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'. However, there is no impact on the financial statements of prior periods.

2.4 Standards, amendments and interpretations that are not yet effective

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

Effective date (annual periods beginning on or after)

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026
Certain annual improvements have also been made to a number of IFRSs and IASs.	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

2.5 Temporary exemption from IFRS 17 and IFRS 9

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 (I) / 2023 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 are currently under progress.

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

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

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

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading Debt securities - held to maturity

Opening fair value
Increase in fair value
Closing fair value

**DECEMBER
2023**
— Rupees —

70,020,020
679,980
70,700,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

**DECEMBER
2024**

— Rupees —

Financial assets that do not meet the SPPI criteria

Equity securities - available for sale

Opening fair value	486,376,209
Addition during the year	272,273,564
Disposal during the year	(259,619,896)
Increase in fair value	121,852,888
Closing fair value	620,882,763

Carrying value of all other financial assets approximates to their fair values since these either have short term maturity or are frequently repriced.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to this financial information, or judgments were exercised in application of accounting policies are as follows:

	Notes
- Useful life of property and equipment	4.1
- Premium deficiency reserve	4.7
- Receivables and payables related to insurance contracts	4.9
- Reinsurance recoveries against outstanding claims	4.17.1
- Provision for outstanding claims including IBNR	4.17.2
- Classification of investments	4.13
- Impairment	4.14

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged using the reducing balance method in accordance with the rates specified in note 5.1 to these financial statements and after taking into account residual values, if significant.

Depreciation on additions is charged from the date the assets are available for use, while no depreciation is charged in the month of disposal.

Subsequent costs 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. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

4.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognised as an intangible asset.

These are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over its estimated useful life as specified in note 6 to these financial statements after taking into account residual values, if significant.

Amortisation on additions is charged from the month in which the asset is available for use, whereas no amortisation is charged in the month the asset is disposed of. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

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

4.3 Capital work-in-progress

Capital work-in-progress are measured at cost less accumulated impairment losses, if any and consists of expenditure incurred and advances made in the course of an asset's installation. Transfers are made to relevant asset categories as and when assets are available for intended use.

4.4 Insurance contracts

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

The Company's insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed:

a) Fire and property

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

b) Marine, aviation and transport

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

c) Motor

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

d) Miscellaneous

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

These insurance contracts are provided to all types of customers based on assessment of insurance risk by the Company. Normally personal insurance contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, insurance contracts of fire and property, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organizations.

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company.

4.5 Deferred Commission expense / acquisition cost

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

4.6 Unearned premium

The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. The unearned portion of premium income is recognized as a liability. Provision for unearned premium is calculated by applying 365 days method.

4.7 Premium deficiency reserve

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

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium.

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

4.8 Reinsurance contracts held

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

The deferred portion of reinsurance premium is recognised as a prepayment. The deferred portion of reinsurance premium ceded is calculated by applying 365 days method.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

4.9 Receivables and payables related to insurance contracts

Receivables including premium due but unpaid, relating to insurance contracts are recognised when due. The claim payable is recorded when intimation is received. These are recognised at cost, which is the fair value of the consideration given less provision for impairment losses, if any. Premium received in advance is recognised as liability till the time of issuance of insurance contract there against.

If there is an objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in the profit and loss account.

Allowance for impairment in premium receivables is estimated on a systematic basis after analyzing the receivables as per their ageing.

4.10 Segment reporting

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 expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting process of the Company for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Company's business segments operate in Pakistan only.

Based on its classification of insurance contracts issued, the Company has four primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor and miscellaneous. The nature and business activities of these segments are disclosed in note 4.4.

Assets and liabilities are allocated to particular segments on the basis of premium earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Further, the management expenses were allocated to each segment on the basis disclosed in note 4.19.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at nominal amount. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash and stamps in hand, cash at bank in current and saving accounts.

4.12 Revenue recognition

a) Premiums

Premium including administrative surcharge under all types of insurance contracts is recognised as written from the date of issuance of policy / cover note (i.e. the date of attachment of risk).

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognised as a liability (refer note 4.6).

Reinsurance premium is recognised as an expense after taking into account the proportion of deferred premium expense which is calculated using 365 days method. The deferred portion of premium expense is recognised as a prepayment.

b) Commission income

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

c) Investment income

- Interest / mark-up on bank balances and term deposits is recognised using the effective interest method.
- Dividend income is recognised when the Company's right to receive the payment is established.
- Gain / loss on sale of investments is included in profit and loss account.
- Unrealised gain or loss on remeasurement of investments classified as at fair value through profit and loss and available-for-sale is included in the profit and loss account and other comprehensive income respectively in the period to which it relates.

d) Other income

- Gain or loss on sale of property and equipment and intangible assets is recognised in the profit and loss account when the asset is derecognised.

4.13 Investments

Recognition

All investments are initially recognised at fair value of the consideration given and include transaction costs. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Operator commits to purchase or sell investments.

4.13.1 Measurement

Available for sale

At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial measurement, these are remeasured at fair value. Surplus / deficit on revaluation from one reporting date to other is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss account previously reported in other comprehensive income is transferred to profit and loss account for the period within Statement of Comprehensive Income. Whereas, any reversal in impairment is taken in Statement of Comprehensive Income.

Held to maturity

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 subsequently, these are measured at amortized cost using the effective interest method and taking any discount or premium on acquisition.

Held for trading

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price are classified as held-for-trading. subsequent to initial recognition, these are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognized in profit and loss account or the revenue account as the case may be.

4.13.2 Fair value measurements

The fair value of investments in listed equity securities is determined by reference to the Pakistan Stock Exchange's quoted market prices at the close of period end.

The fair value of investments in mutual funds is determined by reference to the net asset values as published by Mutual Funds Association of Pakistan at year end.

The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Mutual Funds Association of Pakistan's website.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

4.14 Impairment

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

In the case of equity securities classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and included in the profit and loss account. Impairment losses recognised in the profit and loss account on equity securities are only reversed when the equity securities are derecognised.

4.15 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.16 Provisions

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

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

Provisions for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

4.17.1 Outstanding claims

This represents the amount of claims that have been reported and are yet unpaid or partially unpaid at the end of reporting year for a given accident year.

A liability for outstanding claims (claims incurred) is recognised for all claims incurred which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates while taking into consideration the past claims settlement experience including handling costs and the Company's reserving policy. Where applicable, deductions are made for salvage and their recoveries.

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

4.17.2 Incurred But Not Reported (IBNR) claims

This represents losses that have incurred or are in the occurrence period at the end of the reporting year and have not been intimated to the Company by the end of the reporting year.

The Company is required, as per the SECP circular no. 9 of 2016 dated March 9, 2016 "Guidelines for Estimation of Incurred But Not Reported (IBNR) Claims Reserve, 2016" to estimate and maintain the provision for claims incurred but not reported for each class of business by using the prescribed method which is "Chain Ladder Method" or any other alternate method as allowed under the provisions of the Guidelines.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

4.18 Levy and Income tax

4.18.1 Levy

The Company accounts for minimum and final tax levied under Section 113 and other applicable sections of the Income Tax Ordinance, 2001 (ITO), using a hybrid approach in compliance with relevant accounting and reporting standards as applicable in Pakistan.

4.18.2 Income tax

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

a) Current tax

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

b) Deferred tax

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

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

4.19 Staff retirement benefits

The Company operates funded contributory provident fund (defined contribution plan) for all permanent employees. Equal contributions are made by the Company and the employees at the rate 8.33% of basic salary, to the fund.

4.20 Dividend distribution and reserve appropriation

Dividend to shareholders is recognised as liability in the period in which it is approved, and reserve appropriation is recognised when approved.

4.21 Management expenses

Management expenses are allocated to various classes of business and Window Takaful Operations as deemed equitable by the management based on the detailed exercise carried out by the management on an annual basis.

Expenses not directly attributable to the underwriting business are charged under administrative expenses.

4.22 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the profit and loss account in the period in which financial instrument is derecognised.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

4.23 Share capital

Ordinary shares are classified as equity and recognised at their face value.

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

Note	2024	2023
	Rupees	

5. PROPERTY AND EQUIPMENT

Operating assets	5.1	93,859,877	87,159,556
Capital work in progress	5.6	10,900,000	-
		104,759,877	87,159,556

5.1 Operating assets

	2024									
	Cost				Accumulated Depreciation				Written down value as at Dec 31, 2024	Depreciation Rate %
	As at 1 Jan 2024	Additions/ Transfers	Disposals	As at 31 Dec 2024	As at 1 Jan 2024	Depreciation for the year	Disposals	As at 31 Dec 2024		
	Rupees									
Land and buildings	30,218,901	-	-	30,218,901	26,251,889	396,701	-	26,648,590	3,570,311	10
Furniture and fixtures	12,968,250	7,676,458	-	20,644,708	11,723,977	815,114	-	12,539,091	8,105,617	15
Office equipment	16,545,713	3,618,550	-	20,164,263	13,769,982	750,198	-	14,520,180	5,644,083	15
Computer equipment	7,963,134	135,500	-	8,098,634	7,404,352	190,894	-	7,595,246	503,388	30
Vehicles	158,988,768	13,681,500	(10,178,490)	162,491,778	80,375,010	12,560,129	(6,479,839)	86,455,300	76,036,478	15
	226,684,766	25,112,008	(10,178,490)	241,618,284	139,525,210	14,713,036	(6,479,839)	147,758,407	93,859,877	

	2023									
	Cost				Accumulated Depreciation				Written down value as at Dec 31, 2023	Depreciation Rate %
	As at 1 Jan 2023	Additions	Disposals	As at 31 Dec 2023	As at 1 Jan 2023	Depreciation for the year	Disposals	As at 31 Dec 2023		
Rupees										
Land and buildings	30,218,901	-	-	30,218,901	25,811,110	440,779	-	26,251,889	3,967,012	10
Furniture and fixtures	12,868,460	99,790	-	12,968,250	11,473,828	250,149	-	11,723,977	1,244,273	15
Office equipment	16,252,213	293,500	-	16,545,713	13,310,694	459,288	-	13,769,982	2,775,731	15
Computer equipment	7,815,029	148,105	-	7,963,134	7,191,585	212,767	-	7,404,352	558,782	30
Vehicles	146,920,261	35,403,360	(23,334,853)	158,988,768	83,548,556	11,651,408	(14,824,954)	80,375,010	78,613,758	15
	214,074,864	35,944,755	(23,334,853)	226,684,766	141,335,773	13,014,391	(14,824,954)	139,525,210	87,159,556	

5.2 Furniture and fixtures includes Rs. 1.382 million transfer from capital work in progress during the year.

5.3 The Company owns land and building situated at Plot No. 181-A Sindhi Muslim Co-operative Housing Society having area of 600 square yards which is being used as head office.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Note	2024	2023
	Rupees	

5.4 Allocation of depreciaton expense

Management expenses	9,563,473	8,459,354
Other expenses	5,149,563	4,555,037
	14,713,036	13,014,391

5.5 Disposal of fixed assets

Particular	Cost	Accumulated Depreciation	Written down value	Sale proceeds	Gain/(loss)	Mode of disposals	Sold to
Rupees							
Vehicles							
Toyota Corolla - BNM-331	2,251,290	1,289,840	961,450	1,200,000	238,550	Negotiation	Mr. Muhammad Anis Memon
Honda Civic - BNH-705	2,954,940	1,709,374	1,245,566	2,000,000	754,434	Negotiation	Mr. Zafar Pasha
Honda Civic - LEF-198	2,276,460	1,687,163	589,297	2,500,000	1,910,703	Negotiation	Mr. Nisar Ahmed Chughtai
Honda Civic - ADE-984	2,695,800	1,793,462	902,338	2,500,000	1,597,662	Negotiation	Mr. Shayan Shahid
Total	10,178,490	6,479,839	3,698,651	8,200,000	4,501,349		
Total-2023	23,334,853	14,824,954	8,509,899	14,074,000	5,564,101		

5.5.1 There are no assets held by third parties and assets with zero values.

Note	2024	2023
	Rupees	

5.6 Capital work in progress

Opening balance	-	-
Additions	12,282,850	-
Transfer to operating assets	(1,382,850)	-
Cosing balance	10,900,000	-

5.7 It represents the advance paid for the purchase of a vehicle.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

6. INTANGIBLE ASSETS

2024									
Cost				Accumulated Depreciation				Written down value	Amortization period
As at 1 Jan 2024	Additions	Disposals	As at 31 Dec 2024	As at 1 Jan 2024	Depreciation for the year	Disposals	As at 31 Dec 2024	As at 31 Dec 2024	
Rupees									
Computer software	3,477,823	-	-	3,477,823	3,477,823	-	-	3,477,823	- 3 years

2023									
Cost				Accumulated Depreciation				Written down value	Amortization period
As at 1 Jan 2023	Additions	Disposals	As at 31 Dec 2023	As at 1 Jan 2023	Depreciation for the year	Disposals	As at 31 Dec 2023	As at 31 Dec 2023	
Rupees									
Computer software	3,477,823	-	-	3,477,823	3,477,823	-	-	3,477,823	- 3 years

- 6.1 Cost and accumulated amortisation in respect of fully amortised intangible assets still in use at the end of the year amounted to Rs. 3.477 million (2023: Rs. 3.477 million).

		Note	2024	2023
Rupees				
7. INVESTMENT IN EQUITY SECURITIES				
Available for sale (AFS)				
Related parties			12,770,431	12,221,513
Listed shares			290,596,167	145,132,254
Mutual funds			317,516,164	329,022,441
		7.1	620,882,762	486,376,208
Held for trade (HFT)				
Listed shares		7.2	579,215,152	353,498,462
			1,200,097,914	839,874,670

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

7.1 Investments - Available for Sale

	2024				2023			
	Cost	Impairment / Provision	Revaluation Surplus / (Deficit)	Carrying Value	Cost	Impairment / Provision	Revaluation Surplus / (Deficit)	Carrying Value
	Rupees				Rupees			
Related parties								
Faran Sugar Mills Limited	369,220	-	480,696	849,916	369,220	-	1,179,581	1,548,801
Shahmurad Sugar Mills Limited	464,162	-	9,564,325	10,028,487	464,162	-	7,278,700	7,742,862
First Al Noor Modaraba Limited.	5,212,200	(3,320,171)	-	1,892,029	5,212,200	-	(2,918,832)	2,293,368
B. F Modaraba Limited.	-	-	-	-	512,566	-	123,916	636,482
	6,045,582	(3,320,171)	10,045,021	12,770,431	6,558,148	-	5,663,365	12,221,513
Listed shares								
Faysal Bank Limited	2,980,675	-	2,352,125	5,332,800	2,530,000	-	728,000	3,258,000
Fauji Fertilizer Company Limited	88,877,830	-	158,838,377	247,716,207	74,729,806	-	4,015,798	78,745,604
Pakistan Oilfield Limited	5,149,600	-	6,219,560	11,369,160	5,149,600	-	2,445,320	7,594,920
Hub Power Co. Limited	17,962,747	-	8,215,253	26,178,000	16,462,164	-	5,784,936	22,247,100
Engro Fertilizer Company Limited	-	-	-	-	13,163,794	-	9,282,206	22,446,000
Indus Motor Co. Limited	-	-	-	-	5,307,273	-	(507,593)	4,799,680
Avanceon Limited	-	-	-	-	3,904,227	-	(607,177)	3,297,050
Octopus Digital Limited	-	-	-	-	3,894,835	-	(1,150,935)	2,743,900
	114,970,852	-	175,625,315	290,596,167	125,141,698	-	19,990,555	145,132,254
Mutual funds								
Meezan Rozana Amdani Fund	67,507,227	-	-	67,507,227	58,482,449	-	-	58,482,449
HBL Islamic Saving Fund	20,459,948	-	89,129	20,549,077	77,824,999	-	59,999	77,884,999
Al Hamra Islamic Money Market Fund	62,181,769	-	387,107	62,568,876	53,751,076	-	387,107	54,138,183
NBP Islamic Daily dividend	14,864,712	-	-	14,864,712	12,860,202	-	-	12,860,202
Al-Ameen Islamic Cash Fund	82,779,045	-	119,911	82,898,956	85,748,465	-	-	85,748,465
ABL Islamic Cash Fund	57,442,418	-	17,229	57,459,647	39,908,143	-	-	39,908,143
Faysal Islamic Cash Fund	11,639,624	-	28,045	11,667,669	-	-	-	-
	316,874,743	-	641,421	317,516,164	328,575,334	-	447,106	329,022,441
	437,891,177	(3,320,171)	186,311,758	620,882,762	460,275,180	-	26,101,026	486,376,208

7.2 The Company has not accounted for investment in related parties as associates under International accounting and reporting standard (IAS) 28 "Investment in Associates and joint Ventures", as management has concluded that the Company does not have significant influence in these companies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

2024		2023	
Cost / Carrying value	Market Value	Cost / Carrying value	Market Value
Rupees		Rupees	

7.3 Investments - Held for Trading

Listed shares

Meezan Bank Limited	80,680,000	120,985,000	49,770,000	80,680,000
Lucky Cement Limited	27,937,790	39,067,395	15,853,590	27,937,790
Hub Power Company Limited	68,662,709	72,017,118	26,151,430	48,031,606
Oil & Gas Development Co. Limited	22,523,060	45,518,814	15,955,420	22,523,060
Pakistan Oilfield Limited	18,137,091	27,150,186	16,886,657	18,137,091
Pakistan State Oil Co. Limited	-	-	7,274,375	8,927,389
Pioneer Cement Limited	24,979,135	32,166,400	-	-
D.G. Khan Cement Limited	26,146,165	31,476,000	-	-
International Steel Limited	79,143,687	90,578,400	-	-
Engro Corporation Limited	964,356	1,456,066	20,769,533	23,377,516
Fauji Fertilizer Co. Limited	36,708,196	118,799,774	42,549,538	48,791,229
Highnoon Laboratories Limited	-	-	42,945,103	50,746,122
Lucky Core Industries Limited	-	-	17,035,020	20,642,243
Cherat Packaging Limited	-	-	3,163,261	3,704,416
	<u>385,882,189</u>	<u>579,215,152</u>	<u>258,353,927</u>	<u>353,498,462</u>

Note	2024	2023
	Rupees	

8. INVESTMENT IN DEBT SECURITIES

Held to maturity

Pakistan Energy Sukuk I & II	8.1 & 8.2	<u>70,080,623</u>	<u>70,092,591</u>
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8.1 Pakistan Energy Sukuk II having face value amounted to Rs.70 million (2023: Rs.70 million) are placed with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000.

8.2 These carry profit at the rate of 6 months KIBOR minus 0.1% (2023: 6 months KIBOR minus 0.1%) and will mature on May 20, 2030.

Note	2024	2023
	Rupees	

9. INVESTMENT IN TERM DEPOSIT

Held to maturity

Deposit maturing within 12 months	9.1	<u>43,508,514</u>	<u>42,628,618</u>
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9.1 These carry profit at the rate of 9.50% to 21% per annum (2023: 18.50% to 21% per annum) having maturity ranges from one month to twelve month.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees	
10. INSURANCE / REINSURANCE RECEIVABLE			
Unsecured-considered good			
Due from insurance contract holders	10.1	641,660,373	540,077,942
Less: provision for impairment of receivables from insurance contract holders		(35,386,135)	(17,301,197)
		<u>606,274,238</u>	<u>522,776,745</u>
Due from other insurers / reinsurers		36,087,664	14,409,992
		<u>642,361,902</u>	<u>537,186,737</u>
10.1 Due from insurance contract holders include Rs. 81.735 million (2023: Rs. 109.323 million) receivable from related parties.			
10.2 Provision for impairment of receivables from insurance contract holders			
Opening balance		17,301,197	12,361,742
Provision for the year		18,084,938	4,939,455
Closing balance		<u>35,386,135</u>	<u>17,301,197</u>
11. LOANS AND OTHER RECEIVABLES			
Unsecured-considered good			
Loan to employees		2,854,740	1,512,750
Accrued investment income		1,721,115	2,755,324
		<u>4,575,855</u>	<u>4,268,074</u>
12. DEFERRED TAXATION			
Deferred tax asset / liability arising in respect of:			
Provision for impairment of receivables from insurance contract holders		10,261,979	5,017,347
Unrealized gain on held for trading investments		(83,658,474)	(27,591,915)
Unrealized gain on available for sale investmnets		(53,067,560)	(7,569,298)
		<u>(126,464,055)</u>	<u>(30,143,866)</u>
12.1 Reconciliation of deferred tax liability			
Opening balance		(30,143,866)	20,409,659
Recognized in profit and loss account		(50,821,927)	(38,155,979)
Recognized in other comprehensive income		(45,498,262)	(12,397,546)
Closing balance		<u>(126,464,055)</u>	<u>(30,143,866)</u>
13. PREPAYMENTS AND DEPOSITS			
Reinsurance premium ceded		226,080,102	193,554,755
Prepaid rent		619,662	114,000
Prepaid insurance		641,428	599,868
Deposits		867,351	867,351
		<u>228,208,543</u>	<u>195,135,974</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees	
14. CASH AND BANK BALANCES			
Cash and cash equivalents			
Policy and revenue stamps, bond papers		28,930	424,699
Cash at bank		56,944,014	41,861,206
Current accounts	14.1	45,233,138	66,269,371
Savings accounts		102,177,152	108,130,577
		<u>102,206,082</u>	<u>108,555,276</u>

14.1 These accounts carry profit at rates ranging between 9.50 % to 18.50% (2023: 18.50% to 21%) per annum.

14.2 Cash and cash equivalents include the following for the purpose of the cash flow statement:

Policy and revenue stamps, bond papers		28,930	424,699
Cash at bank			
Current accounts		56,944,014	41,861,206
Savings accounts	14.1	45,233,138	66,269,371
		102,177,152	108,130,577
Cash and cash equivalents		<u>102,206,082</u>	<u>108,555,276</u>

15. SHARE CAPITAL

15.1 Authorized Capital

2024	2023		2024	2023
			Rupees	
(Number of shares)				
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs.10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>

15.2 Issued, subscribed and paid-up share capital

(Number of shares)				
1,156,680	1,156,680	Ordinary shares of Rs. 10 each, fully paid in cash	11,566,800	11,566,800
65,381,269	65,381,269	Ordinary shares of Rs.10 each, allotted as fully paid bonus shares	653,812,690	653,812,690
<u>66,537,949</u>	<u>66,537,949</u>		<u>665,379,490</u>	<u>665,379,490</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		<u>Rupees</u>	
16. RESERVES			
Capital reserves:			
Unrealised gain on revaluation of available-for-sale		136,687,507	21,992,211
Revenue reserve:			
Unappropriated profit		370,364,373	225,049,587
General reserve	16.1	400,000,000	310,000,000
		<u>770,364,373</u>	<u>535,049,587</u>

16.1 This represents reserve established out of profits to meet future extinguishes.

17. INSURANCE / REINSURANCE PAYABLES

Reinsurance companies	182,112,220	202,735,638
Coinurance companies	10,052,115	13,868,183
	<u>192,164,335</u>	<u>216,603,821</u>

17.1 The Company has co-insurance and re-insurance arrangements with various insurance and a domestic re-insurance company. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of re-insurance, the premium ceded to and claims recoverable from the re-insurer under the respective contracts. As per the prevailing industry practices, settlements of balances under co-insurance arrangements are done between the respective insurance companies in normal course of business.

	2024	2023
	<u>Rupees</u>	
18. OTHER CREDITORS AND ACCRUALS		
Workers' welfare fund payable	4,491,175	4,491,175
Accrued expenses	5,580,062	4,614,724
Other creditors	69,791,037	62,470,546
	<u>79,862,274</u>	<u>71,576,445</u>

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The income tax assessment of the Company has been finalized up to the tax year 2024.

The Assistant Commissioner (AC) Sindh Revenue Board has passed an order for assessment under section 23(1) and (1A) of the Sindh Sales Tax on Services Act, 2011 (the Act) in respect of audit for the tax year December 2016 levied Sindh Sales tax at Rs. 110 Million on exempt marine activities and re-insurance under foreign treaties. The Company have filed an appeal before the Commissioner-Appeals –SRB and in view of the tax advisor contesting the matter no eventual financial impact is likely to arise and accordingly no provision has been made in these financial statements.

19.2 Commitments

The Company is committed to minimum rental payments for each of the following period as follows:

Not more than one year	2,065,260	1,575,531
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	Rupees	
20. NET INSURANCE PREMIUM		
Written Gross Premium	1,060,073,635	980,276,114
Add : Unearned premium reserve opening	440,170,615	339,216,908
Less: Unearned premium reserve closing	(489,493,362)	(440,170,615)
Premium earned	1,010,750,888	879,322,407
Less: Reinsurance premium ceded	496,780,443	458,932,211
Add : Prepaid reinsurance premium opening	193,554,755	153,258,702
Less : Prepaid reinsurance premium closing	(226,080,102)	(193,554,755)
Reinsurance expense	464,255,096	418,636,158
	546,495,792	460,686,249
21. NET INSURANCE CLAIMS		
Claim Paid	434,461,472	441,445,581
Add : Outstanding claims including IBNR closing	343,523,464	230,153,423
Less : Outstanding claims including IBNR opening	(230,153,423)	(188,533,455)
Claims expense	547,831,513	483,065,549
Less: Reinsurance and other recoveries received	299,807,306	320,013,805
Add : Reinsurance and other recoveries in respect of outstanding claims closing	271,629,962	176,420,765
Less: Reinsurance and other recoveries in respect of outstanding claims opening	(176,420,765)	(152,487,929)
Reinsurance and other recoveries revenue	395,016,503	343,946,641
	152,815,010	139,118,908

21.1 Claim Development

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

Analysis on gross tables

Accident year

	2020	2021	2022	2023	2024	Total
	(Rupees in 000)					
Estimate of ultimate claims cost:						
At the end of accident year	116,050	39,944	97,978	122,144	228,000	604,116
One year later	87,253	21,912	50,722	76,883	-	236,770
Two years later	5,833	2,709	12,133	-	-	20,675
Three years later	3,909	1,831	-	-	-	5,740
Four years later	2,118	-	-	-	-	2,118
Current estimate of cumulative claims	4,065	2,826	53,004	287,138	408,393	755,426
Cumulative payment to date	(1,947)	(995)	(40,871)	(210,255)	(180,393)	(434,461)
	<u>2,118</u>	<u>1,831</u>	<u>12,133</u>	<u>76,883</u>	<u>228,000</u>	<u>320,965</u>
Liability in respect of prior years						22,558
Total liability recognised in the statement of financial position						<u>343,523</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees	
22. NET COMMISSION EXPENSE / ACQUISITION COST			
Commission paid or payable		210,292,348	203,385,398
Add : Deferred commission expense opening		95,312,664	74,411,786
Less: Deferred commission expense closing		(94,842,909)	(95,312,664)
Net Commission		210,762,103	182,484,520
Less: Commission received or receivable		93,989,280	93,766,137
Add : Unearned Reinsurance Commission opening		39,285,465	31,620,714
Less: Unearned Reinsurance Commission closing		(33,682,692)	(39,285,465)
Commission from reinsurers		99,592,053	86,101,386
		111,170,050	96,383,134
23. MANAGEMENT EXPENSES			
Employee benefit cost	23.1	107,907,268	99,664,482
Vehicle running expenses		33,455,082	24,951,167
Electricity, gas and water		11,529,699	9,004,194
Depreciation	5.4	9,563,473	8,459,354
Rent, rates and taxes		6,945,248	6,322,544
Printing and stationery		3,824,802	5,180,125
Entertainment		5,887,016	4,669,595
Office repairs and maintenance		5,219,438	4,676,099
Postages and communication		4,422,946	4,097,198
Advertisements and sales promotion		1,644,079	1,495,160
Annual supervision fee to SECP		1,219,006	1,041,920
Travelling expenses		837,106	561,057
Bank charges		406,731	225,795
Other		5,600,578	5,969,774
		198,462,472	176,318,464
23.1 Employee benefit cost			
Salaries, allowance and other benefits		104,849,556	96,803,045
Charges for post employment benefit (contribution to employee's provident fund)		3,057,712	2,861,437
		107,907,268	99,664,482

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees	
24. INVESTMENT INCOME			
Income from equity securities			
Dividend income			
Available for sale investments		69,453,210	69,716,511
Held for trading investments		45,994,097	38,596,865
		115,447,307	108,313,376
Income from debt securities - Held to maturity			
Return on debt securities		14,239,572	13,631,726
Income from term deposits			
Return on term deposits and PLS bank accounts		15,931,054	15,010,674
		145,617,933	136,955,776
Net realised gain on investments			
Realised gains on - Equity securities			
Available for sale investments		41,342,368	2,075,626
Held for trading investments		32,397,627	15,045,279
		73,739,995	17,120,905
Realised loss on - Equity securities			
Available for sale investments		(44,670)	(2,637,647)
Held for trading investments		-	(393,000)
		(44,670)	(3,030,647)
		73,695,325	14,090,258
Net unrealised gains on investments			
Held for trading purposes		193,332,964	95,144,535
Less: Impairment in value of available-for-sale equity securities		(3,320,171)	-
Less: Investment related expenses		(442,961)	(158,396)
		408,883,090	246,032,173
25. OTHER INCOME			
Gain on disposal of property and equipment		4,501,349	5,564,101
26. OTHER EXPENSES			
Employee benefit cost		58,103,914	53,665,490
Legal and professional charges		1,994,883	1,707,000
Subscription fee		5,025,803	5,643,197
Donations	26.2	645,235	177,764
Depreciation	5.4	5,149,563	4,555,037
Provision for impairment of due from other insurers / reinsurer		18,084,938	4,939,455
Auditors' remuneration	26.1	1,480,660	1,183,680
Others		850,000	773,441
		91,334,996	72,645,064

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees	
26.1 Auditors' remuneration			
Audit fee		900,000	740,000
Interim review fee		240,000	125,000
Special certifications and sundry advisory service		231,000	231,000
Sindh sales tax on services		109,680	87,680
		<u>1,480,660</u>	<u>1,183,680</u>
26.2	None of the directors, sponsor shareholders, key management personnel and their spouses had any interest in the Donee.		
27. PROFIT FROM WINDOW TAKAFUL OPERATION - OPERATOR'S FUND			
Wakala fees			
Commission expense		49,980,610	44,560,512
Management expense		(20,568,940)	(17,739,340)
Modarib's share of PTF investment income		(17,980,119)	(17,618,107)
Investment income		1,185,219	3,094,179
Other expense		19,071,357	18,301,407
		<u>(1,616,280)</u>	<u>(1,427,280)</u>
		<u>30,071,847</u>	<u>29,171,371</u>
28. TAXATION			
For the year			
Current		83,494,888	46,934,699
Deferred		50,821,927	38,155,979
		<u>134,316,815</u>	<u>85,090,678</u>
28.1 Relationship between tax expense and accounting profit			
Accounting profit before tax		436,169,550	256,988,324
Tax rate		29%	29%
Tax on accounting profit		126,489,170	74,526,614
Effect of super tax		7,827,645	-
Others		-	10,564,064
		<u>134,316,815</u>	<u>85,090,678</u>
29. EARNINGS PER SHARE			
Profit after tax		301,852,735	171,897,646
		(Number of Shares)	
Weighted average number of Ordinary shares of Rs. 10 each	29.1	66,537,949	66,537,949
Earning per share		4.54	2.58
29.1	No figures for diluted earnings per share has been presented as the Company has not issued any instrument which would have dilutive effect on earnings per share when exercised.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

30. COMPENSATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Meeting Fees	-	-	850,000	975,000	-	-	850,000	975,000
Managerial remuneration	19,248,000	16,716,000	-	-	12,158,700	10,202,700	31,406,700	26,918,700
Bonus	4,179,000	3,474,000	-	-	2,209,497	1,801,927	6,388,497	5,275,927
House rent allowance	8,661,600	7,522,800	-	-	3,662,460	2,970,960	12,324,060	10,493,760
Others	1,070,400	717,600	-	-	4,095,672	3,689,772	5,166,072	4,407,372
	33,159,000	28,430,400	850,000	975,000	22,126,329	18,665,359	56,135,329	48,070,759
Number of persons	1	1	9	9	8	4	18	14

30.1 In addition, Chief executive and some executives are provided with company maintained cars and residential telephone.

31. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, major shareholders, key management personnel, associated companies, subsidiary company, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	Note	2024	2023
		Rupees	
31.1 Transactions during the year			
Associated companies			
Premium underwritten		104,047,057	104,979,155
Premium collected		192,962,036	83,425,863
Claims paid		49,713,299	18,739,200
Dividend received		45,823	1,177,550
Key management personnel			
Remuneration and other benefits	30	56,135,329	48,070,759
Staff retirement benefits			
Contribution to provident fund		4,704,173	4,402,210
31.2 Balances as at the year end			
Associated companies			
Premium due but unpaid		81,735,056	109,323,356
Provision for outstanding claims			
Provision for outstanding claims		17,809,128	14,399,338

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

31.3	Name of Related Party	Basis of relationship	Aggregate % of shareholding
	Al-Noor Sugar Mills Limited	Common Directorship	-
	Al-Noor Medium Density Fiberboard (MDFB) Division Limited	Common Directorship	-
	Shahmurad Sugar Mills Limited	Common Directorship	0.1115%
	Shahmurad Sugar Mills Limited - Distillery Division	Common Directorship	-
	Faran Sugar Mills Limited	Common Directorship	0.0733%
	Management (Private) Limited	Common Directorship	-
	Unicol Limited	Common Directorship	-
	Anam Fabrics (Private) Limited	Common Directorship	-
	Al-Noor Modaraba	Common Directorship	2.4820%
	Patel Hospital & Foundation	Common Directorship	-
	Global Associates	Common Directorship	-
	Patel City	Common Directorship	-
	Abdul Ghaffar Abdul Rehman, Irfan	Common Directorship	-
	Ashfaq & Co. (Private) Limited	Common Directorship	-

32. SEGMENT INFORMATION

Segment information is prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017 for class wise revenues, results, assets and liabilities.

	2024				
	Fire & property damage	Marine aviation & transport	Motor	Miscellaneous	Total
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	568,780,253	211,248,319	187,293,695	92,751,368	1,060,073,635
Insurance premium earned	546,726,302	214,400,225	188,177,471	61,446,890	1,010,750,888
Insurance premium ceded to reinsurers	(276,568,525)	(131,178,759)	(7,992,382)	(48,515,430)	(464,255,096)
Net insurance premium	270,157,777	83,221,466	180,185,089	12,931,460	546,495,792
Commission income	64,163,341	31,092,656	67,612	4,268,444	99,592,053
Net underwriting income	334,321,118	114,314,122	180,252,701	17,199,904	646,087,845
Insurance claims	(373,058,371)	(81,249,842)	(93,638,479)	115,179	(547,831,513)
Insurance claims recovered from reinsurers	324,576,941	70,420,167	-	19,395	395,016,503
Net claims	(48,481,430)	(10,829,675)	(93,638,479)	134,574	(152,815,010)
Commission expense	(138,246,582)	(46,300,942)	(18,538,284)	(7,676,295)	(210,762,103)
Management expense	(98,109,050)	(30,222,260)	(65,435,051)	(4,696,110)	(198,462,471)
Net insurance claims & expenses	(284,837,062)	(87,352,877)	(177,611,814)	(12,237,831)	(562,039,584)
Underwriting result	49,484,056	26,961,245	2,640,887	4,962,073	84,048,260
Net investment income					408,883,090
Other income					4,501,349
Other expenses					(91,334,996)
Profit before tax from window takaful operations-Operator's Fund					30,071,847
Profit before tax					436,169,550
Segment assets	500,193,963	154,083,571	333,610,584	23,942,447	1,011,830,565
Unallocated assets					1,933,189,687
					2,945,020,252
Segment liabilities	654,669,019	201,669,247	436,639,644	31,336,600	1,324,314,510
Unallocated liabilities					48,274,372
					1,372,588,882

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	2023				
	Fire & property damage	Marine aviation & transport	Motor	Miscellaneous	Total (Restated)
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	554,251,398	194,856,426	181,388,909	49,779,381	980,276,114
Insurance premium earned	508,532,644	169,328,236	153,939,397	47,522,130	879,322,407
Insurance premium ceded to reinsurers	(277,243,756)	(101,686,694)	(7,214,711)	(32,490,997)	(418,636,158)
Net insurance premium	231,288,888	67,641,542	146,724,686	15,031,133	460,686,249
Commission income	60,041,078	22,061,056	(13,447)	4,012,699	86,101,386
Net underwriting income	291,329,966	89,702,598	146,711,239	19,043,832	546,787,635
Insurance claims	(379,676,664)	(27,074,353)	(73,014,615)	(3,299,917)	(483,065,549)
Insurance claims recovered from reinsurers	331,990,050	9,698,734	(297,847)	2,555,704	343,946,641
Net claims	(47,686,614)	(17,375,619)	(73,312,462)	(744,213)	(139,118,908)
Commission expense	(125,686,992)	(35,389,849)	(15,013,265)	(6,394,414)	(182,484,520)
Management expense	(88,521,204)	(25,888,450)	(56,155,944)	(5,752,866)	(176,318,464)
Net insurance claims & expenses	(261,894,810)	(78,653,918)	(144,481,671)	(12,891,493)	(497,921,892)
Underwriting result	29,435,156	11,048,680	2,229,568	6,152,339	48,865,743
Net Investment income					246,032,173
Other income					5,564,101
Other expenses					(72,645,064)
Profit before tax from takaful operations-Operator's Fund					29,171,371
Profit before tax					256,988,324
Segment assets	407,350,063	119,131,475	258,414,101	26,473,096	811,368,736
Unallocated assets					1,501,147,891
					2,312,516,627
Segment liabilities	527,442,267	154,253,015	334,598,007	34,277,716	1,050,571,005
Unallocated liabilities					39,524,333
					1,090,095,338

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33. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through P & L	Total
	Rupees			
As at 1st January, 2023	112,694,790	338,852,209	342,423,860	793,970,859
Additions	37,559	128,278,060	720,800	129,036,419
Disposals (sale and redemptions)	-	(23,504,218)	(84,790,732)	(108,294,950)
Fair value net gains / (loss) (excluding net realised gains)	-	42,750,158	95,144,535	137,894,693
Impairment reversal	-	-	-	-
Amortisation of premium	(11,140)	-	-	(11,142)
As at December 31, 2023	112,721,209	486,376,208	353,498,462	952,595,879
Additions	879,897	272,273,564	177,046,255	450,199,715
Disposals (sale and redemptions)	-	(259,619,896)	144,662,529	(404,282,424)
Fair value net gains (excluding net realised gains)	-	121,852,887	193,332,964	315,185,851
Impairment reversal	-	-	-	-
Amortisation of premium	(11,969)	-	-	(11,969)
As at December 31, 2024	113,589,137	620,882,763	579,215,152	1,313,687,051

34. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

34.1 Insurance Risk Management

a) Insurance Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, the risk is random and therefore unpredictable. The principal risk that the Company faces under its insurance contracts is that the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random, and the actual number and amount of claims will vary from year to year from the level established.

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

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

b) 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 and strike, explosion, earthquake, atmospheric damage, hurricanes, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example, subsidence claims). For certain contracts, the Company has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

Insurance contracts which are divided into direct and facultative arrangements are further subdivided into four segments: fire, marine, motor and miscellaneous. The insurance 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 insured properties / assets. The Company underwrites insurance contracts in Pakistan.

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The Company manages these risks through its underwriting strategy, adequate reinsurance 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. Insurance 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 insured on occurrence of the insured event.

The Company has entered into reinsurance cover / arrangements, with local and foreign reinsurers having good credit rating by reputable rating agencies, as prescribed by the Securities and Exchange Commission of Pakistan to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional facultative reinsurance arrangements are in place to protect the net account in case of a major catastrophe.

The effect of such reinsurance arrangements is that the Company recovers the share of claims from reinsurers thereby reducing its exposure to risk. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional reinsurance arrangements, any loss over and above the said limit would be recovered under non-proportional treaty which is very much in line with the risk management philosophy of the Company.

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

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

c) Sources of uncertainty in the estimation of future claim payments

Claims reported and otherwise are analyzed separately. The development of large losses / catastrophes is 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, reinsurance 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 amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting period.

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

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

d) Process used to decide on assumptions

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

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FOR THE YEAR ENDED DECEMBER 31, 2024

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 monthly claims reports, surveyor's report for particular claim and screening of the actual insurance contracts carried out to derive data for the contracts held. The Company has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop related provision for outstanding claims (both reported and non-reported).

The choice of selected results for each accident year in respect of each class of business depends upon the assessment of technique that has been most appropriate to observe historical developments. Through this analysis, the Company determines the need for an IBNR or an unexpired risk liability to be held at each reporting date.

e) Changes in assumptions

The Company has not changed its assumptions for the insurance contracts as disclosed above in (b) and (c).

f) Sensitivity analysis

The analysis of exposure described in paragraph (c) above is also used to test the sensitivity of the selected assumptions to changes in the key underlying factors. Assumptions of different levels have been used to assess the relative severity of subsidence claims given past experience. The key material factor in the 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 insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance. The impact of 10% increase / decrease in incidence of insured events on profit before tax and shareholder's equity is as follows:

	Pre tax profit		Shareholders' equity	
	2024	2023	2024	2023
	Rupees			
Impact of change in claim liabilities by +10%				
Fire and property	(3,438,416)	(2,049,778)	(2,441,275)	(1,455,342)
Marine, aviation and transport	(784,265)	(857,048)	(556,828)	(608,504)
Motor	(2,895,112)	(2,308,859)	(2,055,530)	(1,639,290)
Miscellaneous	(71,557)	(157,581)	(50,805)	(111,883)
	<u>(7,189,350)</u>	<u>(5,373,266)</u>	<u>(5,104,438)</u>	<u>(3,815,019)</u>
Impact of change in claim liabilities by -10%				
Fire and property	3,438,416	2,049,778	2,441,275	1,455,342
Marine, aviation and transport	784,265	857,048	556,828	608,504
Motor	2,895,112	2,308,859	2,055,530	1,639,290
Miscellaneous	71,557	157,581	50,805	111,883
	<u>7,189,350</u>	<u>5,373,266</u>	<u>5,104,438</u>	<u>3,815,019</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

g) Concentration of insurance risk

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

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

The concentration of risk by type of contracts is summarized below by reference to liabilities.

	Gross sum insured		Reinsurance		Net Amount	
	2024	2023	2024	2023	2024	2023
	Rupees in '000'					
Fire and property	425,893,149	424,718,026	202,256,633	232,248,626	223,636,516	192,469,400
Marine, aviation and transport	260,526,595	216,964,533	157,312,723	128,265,619	103,213,873	88,698,914
Motor	13,356,281	12,248,943	39,160	52,830	13,317,121	12,196,113
Miscellaneous	25,351,574	27,024,067	19,799,390	22,013,262	5,552,183	5,010,805
	725,127,599	680,955,569	379,407,906	382,580,337	345,719,693	298,375,232

h) Claim development table

Claim development table is included in note 21.1 to the financial statements. The table shows development of claims over the period.

i) Sensitivity analysis

The insurance claims provision is sensitive to the above key assumptions. The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant showing the impact on liabilities and revenue account.

	Change in claims assumption	Impact on gross liabilities	Impact on revenue account
	Rupees		
December 31, 2024			
Current claims	+10%	60,412	(60,412)
	-10%	(60,412)	60,412
December 31, 2023			
Current claims	+10%	49,182	(49,182)
	-10%	(49,182)	49,182

35. REINSURANCE RISK

Reinsurance ceded does not relieve the Company from its obligation towards policy holders and, as a result, the Company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

To minimize its exposure to significant losses from reinsurer insolvencies, the Company obtains reinsurance rating from a number of reinsurers, who are dispersed over several geographical regions.

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An analysis of all reinsurance assets recognized by the rating of the entity from which it is due are as follows:

Rating	Due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2024	2023
Rupees					
A or above including Pakistan Reinsurance Company Limited	36,087,664	249,143,306	206,420,783	491,651,753	353,152,132
BBB	-	22,486,656	19,659,319	42,145,975	33,247,735
	36,087,664	271,629,962	226,080,102	533,797,728	386,399,867

36. FINANCIAL RISK MANAGEMENT

36.1 Financial risk management objectives and policies

The Company is exposed to a variety of financial risks including market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

The Company's overall risk management programmed focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

36.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and other equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. All transactions are carried in Pak Rupees therefore, the Company is not exposed to material currency risk. However, the Company is exposed to interest rate risk and other price risk.

36.3 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of Company's interest-bearing financial instruments was:

	2024	2023	2024	2023
	Effective interest rate %		Rupees	
Fixed rate instruments				
Pakistan Energy Sukuk II	22.97	22.97	70,080,623	70,092,591
Term deposits	9.50 to 21	15 to 18.5	43,508,514	42,628,618
Variable rate instruments				
PLS saving accounts	9.50 to 18.50	12.50 to 18	45,233,138	66,269,371

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Sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and equity of the company in respect of fixed rate financial instruments.

Sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have decreased the profit or loss by the amounts shown below. Reduction in interest rates by 100 basis points would have a vice versa impact. This analysis assumes that all variables remain constant. The analysis is performed on the same basis for the comparative period.

	Profit and loss before tax		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
As at December 31, 2024				
Cash flow sensitivity	452,331	(452,331)	321,155	(321,155)
As at December 31, 2023				
Cash flow sensitivity	662,694	(662,694)	470,513	(470,513)

36.4 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates. The Company carries out transactions with major foreign reinsurer in Pakistan Rupees and the Company, at present is not exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

36.5 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in equity securities and mutual funds having carrying value of Rs.1,200.098 million (2023: Rs.839.874 million) as at the statement of financial position date.

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

Market prices are subject to fluctuation, consequently, the amount realized by the sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

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Sensitivity analysis

The analysis summarizes Company's price risk as at 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be best or worst case scenarios. Indeed, results could be worse in Company's equity investment portfolio because of the nature of equity markets. Sensitivity analysis of investments as at the reporting date is as follows:

For held for trading investments, in case of 10% increase or decrease in prices at the reporting date, the net income and equity would have been higher or lower by Rs.57.921 million (2023: Rs.35.349 million).

For available for sale investments, in case of 10% increase or decrease in prices at the reporting date, the net income and equity would have been lower by Rs.62.088 million (2023: Rs.48.638 million) if the decline is considered permanent.

36.6 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due as a result of policy holder benefit payments, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

	2024			
	Within one year	Over one year to five years	Over five years	Total
	Rupees			
Financial liabilities				
Outstanding claims including IBNR	343,523,464	-	-	343,523,464
Insurance / reinsurance payables	192,164,335	-	-	192,164,335
Other creditors and accruals	75,371,099	-	-	75,371,099
Unclaimed dividend	6,847,173	-	-	6,847,173
	617,906,071	-	-	617,906,071
	2023			
	Within one year	Over one year to five years	Over five years	Total
	Rupees			
Financial liabilities				
Outstanding claims including IBNR	230,153,423	-	-	230,153,423
Insurance / reinsurance payables	216,603,821	-	-	216,603,821
Other creditors and accruals	67,085,270	-	-	67,085,270
Unclaimed dividend	4,531,819	-	-	4,531,819
	518,374,333	-	-	518,374,333

36.7 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. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counter parties.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Exposure to credit risk

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

	2024	2023
	Rupees	
Investments	113,589,137	112,721,209
Loan and other receivable	5,443,206	5,135,425
Insurance / reinsurance receivable	642,361,902	537,186,737
Reinsurance recoveries against outstanding claims	271,629,962	176,420,765
Cash at bank	102,177,152	108,130,577
	<u>1,135,201,359</u>	<u>939,594,713</u>

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

Rating		Rating agency
Short term	Long term	
Rupees		

Banks

Habib Bank Limited	A-1+	AAA	VIS
National Bank of Pakistan	A-1+	AAA	VIS
MCB Bank Limited	A-1+	AAA	PACRA
MCB Islamic Bank Limited	A-1	A+	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	VIS
Faysal Bank Limited	A-1+	AA	PACRA & VIS
Bank Alfalah Limited	A-1+	AAA	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
The Bank of Khyber	A-1	A+	PACRA & VIS
Soneri Bank Limited	A-1+	AA-	PACRA
JS Bank Limited	A-1+	AA	PACRA
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS

Concentration of credit risk

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner.

During the year no assets have been impaired other than available for sale investments against which deficit on revaluation has been made. Further insurance/reinsurance receivable balances against which allowance for impairment against doubtful of Rs.35.386 million has been made.

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36.8 Financial instruments

Interest / mark-up bearing			Non-mark-up bearing			Total	
Maturity within one year	Maturity after one year	Sub Total	Maturity within one year	Maturity after one year	Sub Total	2024	2023

Rupees

Financial assets

Held to maturity investments	43,508,514	70,080,623	113,589,137	-	-	-	113,589,137	112,721,209
Available for sale investments	-	-	-	620,882,763	-	620,882,763	620,882,763	486,376,208
Held for trading investment	-	-	-	579,215,152	-	579,215,152	579,215,152	353,498,462
Loans and other receivable	-	-	-	4,575,855	-	4,575,855	4,575,855	4,268,074
Insurance / reinsurance receivables	-	-	-	642,361,902	-	642,361,902	642,361,902	537,186,737
Reinsurance recoveries against outstanding claims	-	-	-	271,629,962	-	271,629,962	271,629,962	176,420,765
Cash and bank deposits	45,233,138	-	45,233,138	56,944,014	-	56,944,014	102,177,152	108,130,577
	88,741,652	70,080,623	158,822,275	2,175,609,648	-	2,175,609,648	2,334,431,923	1,778,602,032

Financial liabilities

Financial liabilities at amortized cost

Outstanding claims including IBNR	-	-	-	343,523,464	-	343,523,464	343,523,464	230,153,423
Insurance / reinsurance payables	-	-	-	10,052,115	-	10,052,115	10,052,115	13,868,183
Other creditors and accruals	-	-	-	6,597,470	-	6,597,470	6,597,470	5,820,103
	-	-	-	360,173,049	-	360,173,049	360,173,049	249,841,709
	88,741,652	70,080,623	158,822,275	1,815,436,599	-	1,815,436,599	1,974,258,874	1,528,760,323

36.9 Fair value of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements are appropriate to their fair values except for held to maturity investments. Fair value is determined on the basis of the objective evidence at each required date.

36.9.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at December 31, 2024.

The Company considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair values except for available for sale and held to maturity investments:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	As at December 31, 2024		As at December 31, 2023	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Rupees				
Financial Assets				
Investments				
Available for sale				
Ordinary shares - listed	12,770,431	12,770,431	12,221,513	12,221,513
Related Parties	290,596,167	290,596,167	145,132,254	145,132,254
Others	317,516,164	317,516,164	329,022,441	329,022,441
Mutual fund units				
Held to maturity				
Pakistan Energy Sukuk II	70,080,623	70,080,623	70,092,591	70,092,591
Deposit maturing within 12 months	43,508,514	43,508,514	42,628,618	42,628,618
Held for trading				
Ordinary shares - listed	579,215,152	579,215,152	353,498,462	353,498,462
	1,313,687,052	1,313,687,052	952,595,879	952,595,879
Loan and other receivables	4,575,855	4,575,855	4,268,074	4,268,074
Insurance/reinsurance receivable	642,361,902	642,361,902	537,186,737	537,186,737
Reinsurance recoveries against outstanding claims	271,629,962	271,629,962	176,420,765	176,420,765
Cash and bank balances	102,206,082	102,206,082	108,555,276	108,555,276
Current and other accounts	-	-	-	-
Total assets of Window Takaful Operations	182,748,071	182,748,071	155,881,702	155,881,702
Financial liabilities				
Outstanding claims including IBNR	343,523,464	343,523,464	230,153,423	230,153,423
Insurance / reinsurance payables	10,052,115	10,052,115	13,868,183	13,868,183
Other creditors and accruals	75,371,099	75,371,099	67,085,270	67,085,270
Total Liabilities of Window Takaful operations	41,427,199	41,427,199	34,992,514	34,992,514

36.9.2 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

As at December 31, 2024	Level 1	Level 2	Level 3
-------------------------	---------	---------	---------

Rupees

Financial assets measured at fair value

Investments at fair value through profit or loss/ held for trading
Available for sale investments

579,215,152	579,215,152	-	-
620,882,762	303,366,598	317,516,164	-
<u>1,200,097,914</u>	<u>882,581,751</u>	<u>317,516,164</u>	<u>-</u>

As at December 31, 2023	Level 1	Level 2	Level 3
-------------------------	---------	---------	---------

Rupees

Financial assets measured at fair value

Investments at fair value through profit or loss/ held for trading
Available for sale investments

353,498,462	353,498,462	-	-
486,376,208	157,353,767	329,022,441	-
<u>839,874,670</u>	<u>510,852,229</u>	<u>329,022,441</u>	<u>-</u>

36.9.3 Transfers during the year

During the year ended December 31, 2024:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

36.9.4 Valuation techniques

Fair value of investments classified as held to maturity is assessed using level 2 inputs usually closing market price as per rates prescribed by Financial Market Association of Pakistan in respect of GOPIS by using PKRV rates at reporting date per certificates multiplied by the number of certificates held.

Fair value of available for sale investments is determined using level 1 inputs i.e., quoted market prices of listed securities / NAVs of open end funds.

Fair value of Investments at fair value through profit or loss - held for trading is determined using level 1 inputs i.e., quoted market prices of listed securities / NAVs of open end funds.

For level 2 investments at fair value through profit or loss - held for trading, the Company uses the closing market price as per rates prescribed by Financial Market Association of Pakistan in respect of GOPIS by using PKRV rates at reporting date per certificates multiplied by the number of certificates held.

36.9.5 Capital Management

The management's policy is to maintain a strong capital base for the confidence of stakeholders and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The Company meets minimum paid up capital requirements as required by Securities and Exchange Commission of Pakistan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

37. STATEMENT OF SOLVENCY

**December 31,
2024**

December 31,
2023

— Rupees —

Assets

Property and equipment	104,759,877	87,159,556
Intangible assets	-	-
Investments		
Equity securities and mutual funds	1,200,097,914	839,874,670
Debt securities	70,080,623	70,092,591
Term deposits	43,508,514	42,628,618
Insurance / Reinsurance receivables	642,361,902	537,186,737
Loans and other receivables	4,575,855	4,268,074
Reinsurance Recoveries against outstanding claims	271,629,962	176,420,765
Deferred Commission Expense	94,842,909	95,312,664
Prepayments	228,208,543	195,135,974
Cash and bank	102,206,082	108,555,276
Total Assets of window takaful operations - Operator's Fund	182,748,071	155,881,702
	<u>2,945,020,252</u>	<u>2,312,516,627</u>

In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000

Clause (d) loan to employees	2,854,740	1,512,750
Clause (h) Insurance / Reinsurance receivable	461,512,523	372,555,483
Clause (k) bank deposits related to guarantees	546,227	546,227
Clause (g) shares in related party	12,770,431	12,221,513
Clause (s) investment in shares	521,886,792	251,335,214
Clause (s) immovable property	2,142,187	2,380,207
Clause (u)-(i) vehicles	76,036,478	78,613,758
Clause (u)-(ii) office equipments and computers	6,147,471	3,334,513
Clause (u)-(iii) furniture fixtures	8,105,617	1,244,273
Total of in-admissible assets	1,092,002,466	723,743,939

Total Admissible Assets

1,853,017,786 1,588,772,688

Total Liabilities

Underwriting provisions		
Outstanding claims including IBNR	343,523,464	230,153,423
Unearned premium reserves	489,493,362	440,170,615
Unearned commission income	33,682,692	39,285,465
Insurance / Reinsurance payables	192,164,335	216,603,821
Unclaimed dividend	6,847,173	4,531,819
Other creditors and accruals	79,862,274	71,576,445
Deferred taxation	126,464,055	30,143,866
Income Tax liabilities	59,124,328	22,637,371
Total Liabilities window takaful operations - Operator's Fund	41,427,199	34,992,514
	<u>1,372,588,882</u>	<u>1,090,095,339</u>

Total Net Admissible Assets

480,428,904 498,677,349

Minimum Solvency Requirement (higher of following)

Method A - U/s 36(3)(a)	150,000,000
Method B - U/s 36(3)(b)	109,299,158
Method C- U/s 36(3)(C)	87,034,998

150,000,000 150,000,000

Excess in Net Admissible Assets over Minimum Requirements

330,428,904 348,677,349

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

38. DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees under the title of "Reliance Insurance Company Limited - Employees Contributory Provident Fund". The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

38.1 The Trustees have intimated that the size of the Fund at year end was Rs.130.283 million (2023: Rs.114.079 million).

	2024 Audited		2023 Audited	
	Rupees in '000'	Percentage %	Rupees in '000'	Percentage %
Size of the fund - total assets	130,283		114,079	
Fair value of investments	50,021	38.39%	103,047	90.33%

The breakup of fair value of investment in provident fund is as follows:

Government securities	35,699	71.37%	31,828	30.89%
Open end mutual fund	13,451	26.89%	70,738	68.65%
Shares	871	1.74%	481	0.47%

38.2 The above investments out of provident fund have been made in accordance with the requirement of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

39. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the year end, the Board of Directors in its meeting held on 27th March, 2025 has announced bonus shares at 51% (December 31, 2023: Nil) amounting to Rs.339,343,540 and cash at Nil (December 31, 2023: 10% Rs.66,537,949). The Board has also approved transfer of Rs.Nil million (December 31, 2023: Rs. 90,000,000) to general reserve from unappropriated profit. These financial statement of the year ended December 31, 2024 do not include the effect of appropriations which will be accounted for subsequent to the year end.

	2024	2023
40. NUMBER OF EMPLOYEES		
As at December 31	190	190
Average no. of employees during the year	190	187

41. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

42. GENERAL

The figures in the financial statements have been rounded off to the nearest rupee.

43. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 27th March, 2025 by the Board of Directors of the Company.


Irfan Zakaria Bawany
Chairman


Ahmed Ali Bawany
Director


Zia Zakaria
Director


Ghulam Haider
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

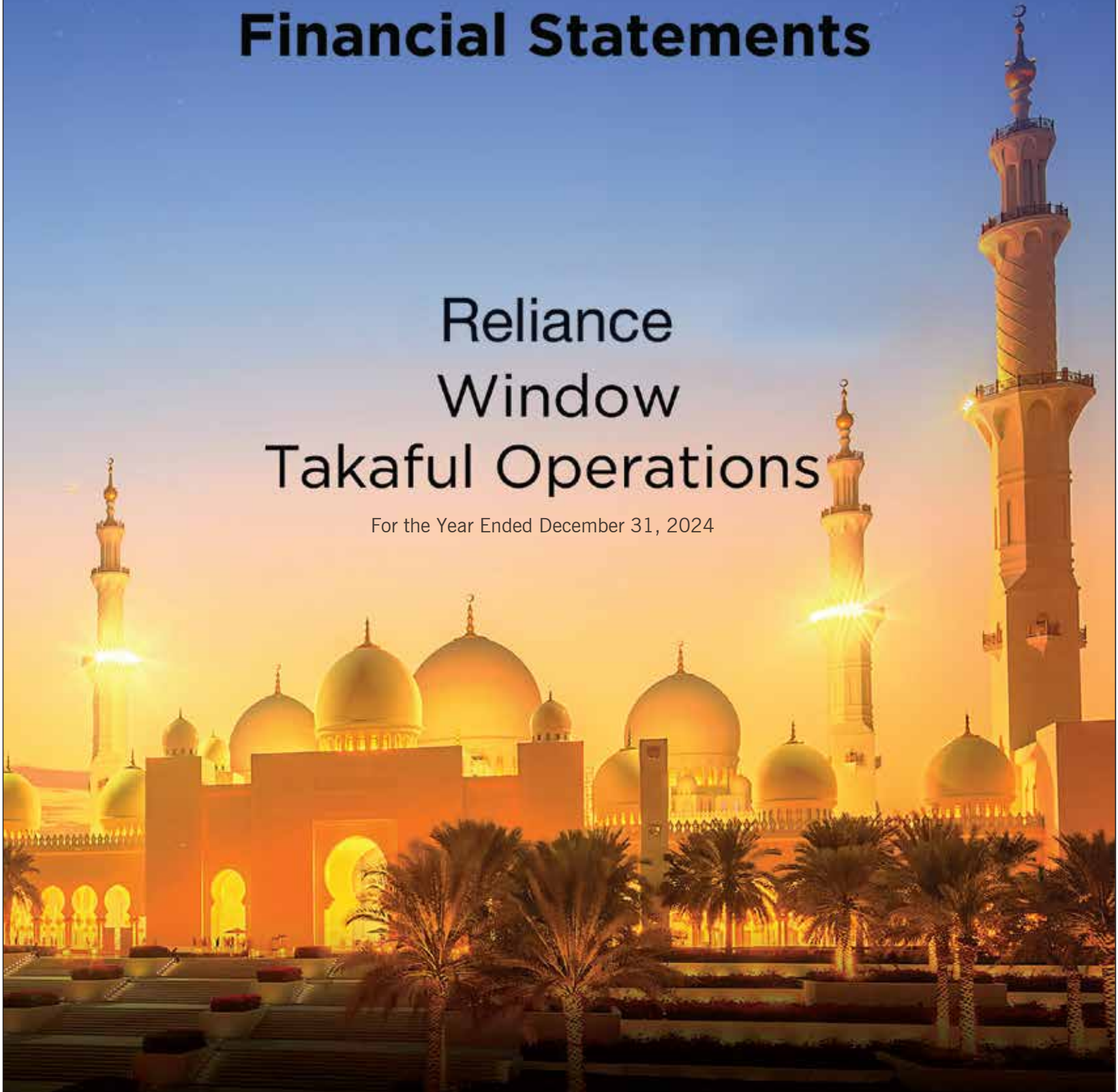
Karachi: 27th March, 2025



Financial Statements

Reliance Window Takaful Operations

For the Year Ended December 31, 2024



STATEMENT OF COMPLIANCE WITH THE TAKAFUL RULES, 2012 AND SHARIA RULES AND PRINCIPLES

FOR THE YEAR 31ST DECEMBER 2024

The financial arrangements, contracts and transactions, entered into by Reliance Insurance Company Limited – Window Takaful Operations (the Operator) for the year ended 31 December 2024 are in compliance with the Takaful Rules, 2012 and the Sharia Rules and Principles determined by the Shariah Advisor of the Operator, (Sharia Rules and Principles).

Further, we confirm that:

- The Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- The Operator has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the policies approved by Shariah Advisor; and
- The assets and liabilities of Operator are segregated from the Reliance Insurance Company Limited other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Operator.



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th March, 2025

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE MANAGEMENT'S STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

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

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Responsibilities of the Management

The management of the Company is responsible for designing, implementing and maintaining internal controls relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012 and other applicable laws and regulations.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. It is also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Limitations

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

Our Independence and Quality Management

The firm applies International Standard on Quality Management 1 "Quality Control for Firms That Perform Audits or Reviews of Historical Financial Information, or Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Our responsibilities and summary of work performed

Our responsibility is to examine the annexed statement prepared by management and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of non-compliances with the Takaful Rules, 2012, whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation of the Statement in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation of the Statement. Our engagement also included assessing the appropriateness of the compliance with Shariah Principles, the suitability of the criteria used by the management in preparing the Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Statement and the reasonableness of estimates made by the management and evaluating the overall presentation of the Statement. Reasonable assurance is less than absolute assurance.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

The procedures performed included:

- Evaluated the systems, procedures and practices in place with respect to the Takaful operations in compliance with the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluated the governance arrangements including the reporting of events and status relating to Takaful Operations to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors;
- Tested transactions relating to Takaful operations, using an appropriate sample, to assess compliance of tested transactions carried out in compliance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012;
- Reviewed the Statement to assess whether it is prepared in accordance with Shariah Principles of Takaful Rules, 2012; and
- In performing our assurance procedures, necessary guidance on Shariah matters was provided by independent Shariah scholar.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the annexed statement, for the year ended December 31, 2024, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Karachi: 07th April, 2025



CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

SHARI'AH ADVISOR'S REPORT TO THE BOARD OF DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2024

All praise and thanks are due to Allah Almighty, by whose blessing Reliance Insurance Co. Ltd. Window Takaful Operations (RIC WTO) has successfully completed its eight year of Takaful operations.

Being a Shari'ah Advisor of Reliance Insurance Co. Ltd. Window Takaful Operations it is my responsibility to ensure that the Participant membership documents, underwriting procedures, Re-Takaful Arrangements, and financial activities related to the Participants and stakeholders should be compliant as per Shari'ah rulings.

On the other hand it is the responsibility of RIC Takaful Operator's management to follow the Takaful Rules, 2012 and guidelines set by the Shari'ah Advisor and to take prior approval of Shari'ah Advisor for all policies and services being offered by RIC (Window Takaful).

In order to have an independent assessment of the Shari'ah governance and compliance environment of the operator, and the conformity of Takaful Operations with Takaful Rules, 2012, an external and internal audit have been conducted.

In my opinion and to the best of my understanding based on explanations provided by the Operator and audit reports of the External and internal auditors, below are the findings:

- Underwriting, investments and financial activities undertaken by the Operator for the year of ended 31 December, 2024 were in accordance with Takaful Rules, 2012 and guidelines issued by me in the capacity of Shariah Advisor.
- Appropriate accounting policies and basis of measurement have been consistently applied in preparation of the financial statements of "Participant Takaful Fund (Waqf Fund)" and "Operator Fund".
- The Operator found performing its duties to its level best by following Shariah guidelines and through consultation with me where needed.
- Any cases which were required to be consulted in accordance with the Shariah and Takaful Rules have been discussed and duly resolved.

I concluded my report with the words that Allah Almighty grant Reliance Insurance Co. Ltd. Window Takaful Operations (RIC WTO) remarkable success and help the entire team at every step and keep away from every hindrance and difficulty.



Mufti M Farhan Farooq

Shari'ah Advisor

Reliance Insurance Co. Ltd.

Window Takaful Operations

Karachi: 27th March, 2025

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RELIANCE INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS)

Opinion

We have audited the annexed financial statements of RELIANCE INSURANCE COMPANY LIMITED- WINDOW TAKAFUL OPERATIONS ("the Operator") as at December 31, 2024, which comprise the statement of financial position of Operator's fund and Participants' takaful fund as at December 31, 2024, the profit and loss account, the statement of comprehensive income, the statement of changes in Operator's fund and Participants' takaful fund and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, 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.

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 7th April, 2025

UDIN: AR202410067favipTVEr



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION - WINDOW TAKAFUL OPERATIONS

AS AT DECEMBER 31, 2024

AS AT DECEMBER 31, 2024

		Operator's Retakaful Fund		Participant's Retakaful Fund	
	Note	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Rupees)					
ASSETS					
Investment					
Mutual funds	5	115,594,166	99,313,468	11,023,835	27,800,999
Takaful / re-takaful receivables	6	-	-	140,196,734	106,124,638
Deferred wakala fee	17	-	-	23,824,137	21,182,249
Receivable from PTF	7	43,064,791	34,807,391	-	-
Accrued investment income		-	68,976	68,630	369,191
Retakaful recoveries against outstanding claims	16	-	-	14,618,156	45,932,517
Deferred commission expense	18	10,849,277	7,811,311	-	-
Taxation-payment less provision		3,219,143	-	-	-
Prepayments	9	517,500	508,500	37,044,691	20,767,464
Cash at bank	10	9,503,194	13,372,057	13,308,725	41,386,451
TOTAL ASSETS		182,748,071	155,881,703	240,084,908	263,563,509
FUND AND LIABILITIES					
FUNDS ATTRIBUTABLE TO:					
Operator's Fund (OPF)					
Statutory Fund		50,000,000	50,000,000	-	-
Unappropriated profit		91,275,268	70,826,412	-	-
Surplus on revaluation of available for sale of investments		45,604	62,777	-	-
Total Operator's Funds		141,320,872	120,889,189	-	-
Participants' Takaful Fund (PTF)					
Seed money		-	-	500,000	500,000
Accumulated surplus		-	-	89,884,828	87,696,055
Deficit on revaluation of available for sale of investments		-	-	(98,293)	-
Balance of Participants' Takaful Fund		-	-	90,286,535	88,196,055
LIABILITIES					
PTF underwriting provisions					
Outstanding claims including IBNR	16	-	-	24,768,866	61,498,945
Unearned contribution reserve	14	-	-	71,568,823	52,955,619
Reserve for unearned retakaful rebate	15	-	-	6,849,805	3,638,252
		-	-	103,187,494	118,092,816
Unearned wakala fee	17	23,824,137	21,182,249	-	-
Takaful / Retakaful payable	11	-	-	139,497	19,234,111
Other creditors and accruals	12	17,581,602	12,530,930	3,406,591	3,233,136
Taxation-payment less provision		-	1,260,875	-	-
Deferred taxation-net	8	21,460	18,459	-	-
Payable to OPF	7	-	-	43,064,791	34,807,391
TOTAL LIABILITIES		41,427,199	34,992,513	149,798,373	175,367,454
TOTAL EQUITY AND LIABILITIES		182,748,071	155,881,703	240,084,908	263,563,509
CONTINGENCIES AND COMMITMENTS	13				

The annexed notes from 1 to 33 form an integral part of these financial statements.


Irfan Zakaria Bawany
Chairman


Ahmed Ali Bawany
Director


Zia Zakaria
Director


Ghulam Haider
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th March, 2025

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2024
Rupees			
PARTICIPANT'S TAKAFUL FUND			
Contributions earned		88,480,068	66,840,771
Less: Contributions ceded to retakaful		(54,215,768)	(52,660,361)
Net contributions revenue	14	34,264,300	14,180,410
Retakaful rebate earned	15	7,815,916	10,246,206
Net underwriting income		42,080,216	24,426,616
Net claims - reported / settled - IBNR	16	(36,380,745)	(26,627,884)
Other direct expenses	19	(5,711,818)	(2,194,668)
Deficit before investment income		(12,347)	(4,395,936)
Investment income	20	3,386,339	7,735,447
Less: Modarib's share of investment income		(1,185,219)	(3,094,179)
Surplus transferred to accumulated surplus		2,188,773	245,332
OPERATOR'S FUND			
Wakala fee	17	49,980,610	44,560,512
Commission expense	18	(20,568,940)	(17,739,340)
General, administrative and management expenses	22	(17,980,119)	(17,618,108)
		11,431,551	9,203,064
Modarib's share of PTF investment income	21	1,185,219	3,094,179
Investment income	20	19,071,357	18,301,407
Direct expenses	23	(1,616,280)	(1,427,280)
Profit before taxation		30,071,847	29,171,370
Taxation	24	(9,622,991)	(8,459,697)
Profit after taxation		20,448,856	20,711,672

The annexed notes from 1 to 33 form an integral part of these financial statements.


Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025


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Director


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Director


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Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

December 31,
2024

December 31,
2023

Rupees

PARTICIPANTS' FUND

Surplus for the year

2,188,773

245,332

Other comprehensive loss:

Unrealised loss on available-for-sale investments

(98,293)

-

Total comprehensive income for the year

2,090,480

245,332

OPERATOR'S FUND

Profit after taxation

20,448,856

20,711,672

Other comprehensive income:

Unrealised gain on available-for-sale investments-net of tax

45,603

40,093

Reclassification adjustments relating to available-for-sale investments disposed of during the year-net of tax

(62,776)

-

(17,173)

40,093

Total comprehensive income for the year

20,431,683

20,751,765

The annexed notes from 1 to 33 form an integral part of these financial statements.

Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025

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Director

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A. Razak Ahmed
Chief Executive & Managing Director

STATEMENT OF CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

Operator's Fund

	Statutory Fund	Unappropriated profit	Unrealized gain on revaluation of available-for-sale investments -net	Total
	Rupees			
Balance as at January 1, 2023	50,000,000	50,114,740	22,684	100,137,424
Profit for the year	-	20,711,672	-	20,711,672
Other comprehensive income	-	-	40,093	40,093
Balance as at December 31, 2023	50,000,000	70,826,412	62,777	120,889,189
Profit for the year	-	20,448,856	-	20,448,856
Other comprehensive loss	-	-	(17,173)	(17,173)
Balance as at December 31, 2024	50,000,000	91,275,268	45,604	141,320,872

Participants' Fund

	Seed Money	Accumulated Surplus	Unrealized gain on revaluation of available-for-sale investments -net	Total
	Rupees			
Balance as at January 01, 2023	500,000	87,450,723	-	87,950,723
Surplus for the year	-	245,332	-	245,332
Balance as at December 31, 2023	500,000	87,696,055	-	88,196,055
Surplus for the year	-	2,188,773	-	2,188,773
Other comprehensive loss	-	-	(98,293)	(98,293)
Balance as at December 31, 2024	500,000	89,884,828	(98,293)	90,286,535

The annexed notes from 1 to 33 form an integral part of these financial statements.



Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025



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Director



Zia Zakaria
Director



Ghulam Haider
Chief Financial Officer



A. Razak Ahmed
Chief Executive & Managing Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
(Rupees)				
OPERATING CASH FLOWS				
a) Takaful activities				
Contribution received	-	-	138,371,312	120,274,747
Retakaful contribution paid	-	-	(104,957,137)	(66,410,476)
Claims / benefits paid	-	-	(117,638,552)	(32,019,782)
Retakaful and other recoveries received	-	-	75,842,089	14,680,481
Commission paid	(23,606,906)	(19,332,003)	-	-
Retakaful rebate received	-	-	11,027,469	10,694,018
Wakala fee received	45,000,000	41,000,000	-	-
Wakala fee paid	-	-	(45,000,000)	(41,000,000)
Modarib share received	550,317	1,143,039	-	-
Modarib share paid	-	-	(550,317)	(1,143,039)
Net cash generated from / (used in) takaful activities	21,943,411	22,811,036	(42,905,136)	5,075,949
b) Other operating activities				
Income tax paid	(14,103,009)	(8,800,506)	-	-
General and other expenses paid	(19,087,899)	(19,045,387)	(5,711,817)	(2,194,668)
Other operating receipts	4,533,172	2,307,616	173,455	866,188
Net cash (used in) other operating activities	(28,657,736)	(25,538,277)	(5,538,362)	(1,328,480)
Total cash (used in) / generated from all operating activities	(6,714,325)	(2,727,241)	(48,443,498)	3,747,469
INVESTMENT ACTIVITIES				
Profit / return received	4,118,572	1,402,282	2,283,380	2,891,904
Dividend received	14,940,526	17,002,848	1,403,521	4,756,053
Proceeds from investments	-	-	28,000,000	-
Payments for investments	(16,213,636)	(14,452,460)	(11,321,129)	(4,042,646)
Total cash generated from investing activities	2,845,462	3,952,670	20,365,772	3,605,311
Total cash (used in) / flow from all activities	(3,868,863)	1,225,430	(28,077,726)	7,352,780
Cash and cash equivalents at beginning of the year	13,372,057	12,146,627	41,386,451	34,033,671
Cash and cash equivalents at end of the year	9,503,194	13,372,057	13,308,725	41,386,451
Reconciliation to profit and loss Account				
Operating cash flows	(6,714,325)	(2,727,241)	(48,443,498)	3,747,469
Dividend income	15,021,761	17,002,848	1,403,521	4,756,053
Other investment income	4,049,596	1,298,559	1,982,819	2,979,394
Increase in assets other than cash	14,523,509	13,254,123	21,676,850	57,095,043
Increase / (decrease) in liabilities	(6,431,685)	(8,116,617)	25,569,081	(68,332,627)
Profit after tax / Surplus for the year	20,448,856	20,711,672	2,188,773	245,332
Attributed to:				
Operator's Fund	20,448,856	20,711,673	-	-
Participants' Takaful Fund	-	-	2,188,773	245,332
	20,448,856	20,711,672	2,188,773	245,332

The annexed notes from 1 to 33 form an integral part of these financial statements.


Irfan Zakaria Bawany
Chairman


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Zia Zakaria
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Ghulam Haider
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th March, 2025

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Reliance Insurance Company Limited (the Company or the Operator) was incorporated in Pakistan in 1981 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator (the Operator) on 25 May 2016 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The principal office of the Operator is located at 96-A, Sindhi Muslim Co-operative Housing Society, Karachi, Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participant Takaful Fund (PTF) on May 30, 2016 under the Waqf Deed. The Waqf Deed governs the relationship of Operator and Participants for management of takaful operations.

These financial statements have been prepared in line with the format issued by the SECP through General Takaful Accounting Regulations, 2019 and SECP circular no. 25 of 2015 dated July 9, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

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

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

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention unless stated otherwise.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is also the functional currency of the Operator.

2.4 Temporary exemption from IFRS 17 and IFRS 9

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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 are currently under progress.

The tables below set out the fair values as at the end of reporting year and the amount of change in the fair value during that year 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 payment of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets:

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

Operator's Fund	Participants' Takaful Fund	Total
Rupees		

Financial assets that do not meet the SPPI criteria

Equity Securities - Available for sale

Opening fair value	99,313,468	27,800,999	127,114,467
Net addition/delection during the year - net	16,213,635	(16,678,871)	(465,236)
Impairment during the year	-	(98,293)	(98,293)
Increase in fair value	67,063	-	67,063
	<u>115,594,166</u>	<u>11,023,835</u>	<u>126,618,001</u>

Carrying value of all other financial assets approximates to their fair values since these either have short term maturity or are frequently repriced.

2.5 Standards, amendments and interpretations that are effective during the current year

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'. However, there is no impact on the financial statements of prior periods.

2.6 Standards, amendments and interpretations that are not yet effective

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts Certain annual improvements have also been made to a number of IFRSs and IASs.	January 01, 2026
IFRS 1 First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to this financial information, or judgments were exercised in application of accounting policies are as follows:

	Notes
- Contribution deficiency reserve	4.7
- Takaful / Re-takaful receivables	4.10
- Outstanding claims including IBNR and re-takaful recoveries against outstanding claims.	4.18
- Classification of investments	4.15
- Impairment of assets	4.16

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

4.1 Takaful Contracts

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

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

The operator underwrite non-life takaful contracts that can be categorized into following main categories:

a) Fire and property

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

b) Marine, aviation and transport

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

c) Motor

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

d) Miscellaneous

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

These takaful contracts are provided to all types of customers based on assessment of takaful risk by the Operator. Normally personal takaful contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, takaful contracts of fire and property, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organizations.

4.2 Contribution

For all the takaful contracts, contributions / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognised as written from the date of attachment of the risk to the policy / cover note and over the period of contract from inception to the expiry of policy. Where contributions for a policy are payable in installments, full contribution for the duration of the policy is recognised as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated on gross basis and exclusive of taxes and duties levied on contributions.

4.3 Commission expense

Commission expense incurred in obtaining and recording policies is deferred and recognised in profit and loss account as an expense in accordance with the pattern of recognition of contribution revenue by applying 1/365 method.

4.4 Wakala fee

The Operator manages the general takaful operations for the Participants and charges Wakala fee at 35% (2023 : 40%) of the gross contribution on all classes of business except Motor business which is at 30% (2023 : 40%). Wakala fee under a policy is recognized on the same basis on which related revenue is recognized. Unexpired portion of Wakala fee is recognized as a liability of OPF and an asset of PTF.

4.5 Modarib Fee

The Operator manages the participants' investment as Modarib and charge 35% (2023 : 40%) of the investment / deposit income earned by the Participants' Takaful Fund as Modarib's share.

4.6 Reserve for unearned contribution

The portion of contribution written relating to the unexpired period of coverage is recognized as unearned contribution by the Company. The unearned portion of contribution income is recognized as a liability. The liability is calculated by applying 1/365 days method.

4.7 Contribution deficiency reserve

At each financial statement date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, wakala and other underwriting expenses, expected to be incurred after financial statement date in respect of policies in force at financial statements date with the carrying amount of unearned contribution liability. Any deficiency is recognised by establishing a provision (contribution deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable.

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

The expected ultimate net claim ratios for the unexpired periods of policies in force at financial statements date for each class of business is as follows:

	2024	2023
	Rupees	
-Fire and property	35.0%	40.0%
-Marine aviation and transport	27.5%	27.5%
-Motor	65.0%	57.5%
-Miscellaneous	45.0%	45.0%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

4.8 Retakaful contracts

Contracts entered into by the Operator with retakaful operator under which the Operator arranges to cede takaful risks of PTF assumed during normal course of the business and according to which the PTF is compensated for losses on takaful contracts issued by the Operator are classified as retakaful contracts held.

Retakaful contribution is recognised as an expense at the time the retakaful is ceded. Commission on retakaful cessions are recognised in accordance with the policy of recognizing contribution revenue.

Retakaful assets represent balances due from retakaful operators and retakaful recoveries against outstanding claims. Retakaful recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the retakaful contracts. Retakaful liabilities represent balances due to retakaful operators, are primarily contributions payable for retakaful contracts, and are recognised at the same time when retakaful contributions are recognised as an expense.

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

An impairment review of retakaful assets is performed at each financial statement date. If there is an objective evidence that the asset is impaired, the Operator reduces the carrying amount of the retakaful asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

4.9 Receivables and payables related to takaful contracts

Receivables and payables relating to takaful contracts are recognized when due. These include contribution due but unpaid, contribution received in advance, contribution due and claims payable to takaful contract holders. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

Allowance for impairment in contribution receivables is estimated on a systematic basis after analyzing the receivables as per their ageing.

4.10 Takaful / Re-takaful receivables

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

4.11 Re-takaful recoveries against outstanding claims

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

4.12 Segment reporting

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Operator other components. All operating segments' results are reviewed regularly by the Operator key management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Operator has four primary business segments for reporting purposes namely, fire and property damage, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note 4.1.

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 cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities.

4.13 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in saving accounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

4.14 Revenue recognition

4.14.1 Participant Takaful Fund (PTF)

4.14.1.1 Contribution

The revenue recognition policy for contributions is given under note 4.2.

4.14.1.2 Rebate from retakaful operators

Rebate from retakaful operators is deferred and recognised as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates.

4.14.2 Operator's Participant Fund (OPF)

The revenue recognition policy for wakala fee is given under note 4.4

4.14.3 Investment Income PTF / OPF

- Profit on bank deposits is recognised on a time proportion basis taking into account the effective yield.
- Dividend income is recognised when the Operations' right to receive the payment is established.
- Gain / loss on sale of investments is included in profit and loss account

4.15 Investments

4.15.1 Recognition

All investments are initially recognised at fair value of the consideration given and include transaction costs. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Operator commits to purchase or sell investments.

4.15.1.2 Measurement

Available for sale

At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial measurement, these are remeasured at fair value. Surplus / deficit on revaluation from one reporting date to other is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss account previously reported in other comprehensive income is transferred to profit and loss account for the period within Statement of Comprehensive Income. Whereas, any reversal in impairment is taken in Statement of Comprehensive Income.

Held to maturity

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 subsequently, these are measured at amortized cost using the effective interest method and taking any discount or premium on acquisition.

Held for trading

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price are classified as held-for-trading. subsequent to initial recognition, these are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognized in profit and loss account or the revenue account as the case may be.

4.16 Impairment of assets

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

In the case of equity securities classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and included in the profit and loss account. Impairment losses recognised in the profit and loss account on equity securities are only reversed when the equity securities are derecognised.

4.17 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.18 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred up to the financial statement date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

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

The provision for claims incurred but not reported (IBNR) is made at the financial statements date. IBNR claim have been estimated using Expected Loss Ratio (ELR) methodology.

4.19 Levy and Income tax

4.19.1 Levy

The Company accounts for minimum and final tax levied under Section 113 and other applicable sections of the Income Tax Ordinance, 2001 (ITO), using a hybrid approach in compliance with relevant IFRSs.

4.19.2 Income tax

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

a) Current tax

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

b) Deferred tax

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

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

The taxation of Operators' Fund is made while including in the Operator's results as a whole and accordingly taxation has been recorded.

4.20 Management expenses

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

4.21 Claims

Claims are charged to PTF as incurred whether reported or not based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

All claims incurred up to the statement of financial position date is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in a takaful contract.

4.22 Creditors and accruals

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

4.23 Takaful surplus

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

4.24 Defined contribution plan

The Operator operates funded contributory provident fund (defined contribution plan) for all permanent employees. Equal contributions are made by the Operator and the employees at the rate 8.33% of basic salary, to the fund.

4.25 Contingencies

Contingencies are disclosed when the Operator has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Operator, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

Contingencies are reviewed at each balance sheet date and adjusted to reflect the current estimate.

4.26 Qard-e-Hasna

Qard-e-Hasna is provided by OPF to PTF in case of deficit or to fulfil cash flow requirements.

5. INVESTMENTS - MUTUAL FUNDS

5.1 Operator's Fund - available-for-sale

	2024			2023		
	Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
	Rupees					
Al-Hamra Islamic Money Market Fund	68,286,123	-	68,286,123	59,072,857	-	59,072,857
HBL Islamic Money Market Fund	-	-	-	40,151,239	-	40,151,239
Al-Hamra Daily Dividend Fund	-	-	-	8,135	-	8,135
HBL Islamic Savings Fund Plan-1	47,240,980	-	47,240,980	-	-	-
	115,527,103	-	115,527,103	99,232,231	-	99,232,231
Surplus on revaluation	-	-	67,063	-	-	81,237
	115,527,103	-	115,594,166	99,232,231	-	99,313,468

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

5.2 Participants' Takaful Fund - available-for-sale

	2024			2023		
	Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
Rupees						
ABL Islamic Cash Fund	11,122,128	(98,293)	11,023,835	27,800,999	-	27,800,999

6. TAKAFUL / RETAKAFUL RECEIVABLES

	Operator's Fund		Participant's Fund	
	2024	2023	2024	2023
Rupees				
Due from takaful participant holders	-	-	79,063,735	60,361,168
Due from other takaful / re-takaful operators	-	-	61,132,999	45,763,470
	-	-	140,196,734	106,124,638

7. RECEIVABLE FROM (PTF) / PAYABLE TO (OPF)

Wakala fee	39,739,140	32,116,642	39,739,140	32,116,642
Modarib fee	3,325,651	2,690,749	3,325,651	2,690,749
	43,064,791	34,807,391	43,064,791	34,807,391

8. DEFERRED TAXATION

Unrealised gain on available-for-sale investments	(21,460)	(18,459)	-	-
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8.1 Reconciliation of deferred taxation

Opening balance	(18,459)	5,100	-	-
Credit to other comprehensive income	(3,001)	(23,559)	-	-
	(21,460)	(18,459)	-	-

9. PREPAYMENTS

Prepaid retakaful contribution ceded	-	-	37,044,691	20,767,464
Miscellaneous expenses	517,500	508,500	-	-
	517,500	508,500	37,044,691	20,767,464

10. CASH & BANK

Saving accounts	9,503,194	13,372,057	13,308,725	41,386,451
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10.1 The rate of return and loss sharing accounts held with Islamic banks during the year range from 9.50% to 18.50% per annum (2023: 12% to 16%).

11. TAKAFUL / RETAKAFUL PAYABLE

Re-takaful payable	-	-	139,497	19,234,111
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The Operator has co-takaful and re-takaful arrangements with various takaful operators and a domestic re-takaful operators. Under the above arrangements, the receivable and payable balances originate mainly due to contributions collected or claims settled by the lead operators on behalf of other cooperators, and in case of re-takaful, the contribution ceded to and claims recoverable from the re-takaful operator under the respective contracts. As per the prevailing industry practices, settlements of balances under co-takaful arrangements are done between the respective takaful operators in normal course of business.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

The Operator believes that the current balances of co-takaful and re-takaful reflected in the records of the Operator are based on the underlying contracts and transactions supported by appropriate evidence.

In this regard, the Operator exchanged balance information with various co-takaful based on significance of the balances and the re-takaful. This information corroborates the balance position of the Operator in all material respects.

12. OTHER CREDITORS AND ACCRUALS

	Operator's Fund		Participant's Fund	
	2024	2023	2024	2023
	Rupees			
Agents commission payable	17,135,611	12,250,570	-	-
Federal excise duty / sales tax	23,911	51,370	3,406,591	3,233,136
Federal insurance fee	-	-	-	-
Accrued expenses	416,280	227,280	-	-
Others	5,800	1,710	-	-
	17,581,602	12,530,930	3,406,591	3,233,136

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at reporting date (2023: Nil)

14. NET CONTRIBUTION REVENUE

	Note	Participant's Takaful Fund	
		2024	2023
		Rupees	
Written Gross Contributions		157,073,882	125,504,553
Less: Wakala Fee	17	(49,980,610)	(44,560,512)
Contribution Net of Wakala fee		107,093,272	80,944,041
Add : Unearned contributions reserve opening		52,955,619	38,852,349
Less: Unearned contributions reserve closing		(71,568,823)	(52,955,619)
Contributions earned		88,480,068	66,840,771
Less:			
Re-takaful contribution ceded		70,492,994	57,805,375
Prepaid retakaful contribution ceded - opening		20,767,465	15,622,451
Prepaid retakaful contribution ceded - closing		(37,044,691)	(20,767,464)
Retakaful expense		54,215,768	52,660,361
Net contribution		34,264,300	14,180,410

15. RE-TAKAFUL REBATE EARNED

Retakaful rebate / commission received	11,027,469	10,694,018
Add: Unearned re-takaful rebate / commission opening	3,638,252	3,190,441
Less: Unearned re-takaful rebate / commission closing	(6,849,805)	(3,638,252)
	7,815,916	10,246,206

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Participant's Takaful Fund	
2024	2023
Rupees	

16. TAKAFUL BENEFITS/ CLAIMS EXPENSE

Benefits / Claims Paid	117,638,552	32,019,782
Add : Outstanding benefits / claims including IBNR closing	24,768,866	61,498,945
Less : Outstanding benefits / claims including IBNR opening	(61,498,945)	(18,033,223)
Claims expense	80,908,473	75,485,504
Less : Re-takaful and other recoveries received	75,842,089	14,680,481
Add : Re-takaful and other recoveries in respect of outstanding claims closing	14,618,156	45,932,517
Less: Re-takaful and other recoveries in respect of outstanding claims opening	(45,932,517)	(11,755,378)
Re-takaful and other recoveries revenue	44,527,728	48,857,620
Net claims expense	36,380,745	26,627,884

16.1 Benefits / claim development

The following table shows the development of claims over a period of time on gross basis. For each class of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

Accident year	2020	2021	2022	2023	2024	Total
Rupees in '000'						
Estimate of ultimate claims cost:						
At the end of accident year	18,565	3,608	10,536	44,411	17,770	94,890
One year later	3,624	652	4,457	6,352	-	15,085
Two years later	178	345	132	-	-	655
Three years later	120	173	-	-	-	293
Four years later	119	-	-	-	-	119
Current estimate of cumulative claims	120	311	7,290	91,151	43,312	142,184
Cumulative payment to date	(1)	(138)	(7,158)	(84,799)	(25,542)	(117,638)
Liability recognized in the financial position	119	173	132	6,352	17,770	24,546
Liability in respect of prior years						223
Total liability recognized in balance sheet						24,769

Participant's Takaful Fund	
2024	2023
Rupees	

17. WAKALA FEE

Gross wakala fee	52,622,498	50,201,821
Deferred wakala expense - opening	21,182,249	15,540,940
Deferred wakala expense - closing	(23,824,137)	(21,182,249)
	49,980,610	44,560,512

- 17.1** The Operator manage the general takaful operations for the participants and charges wakala fees for its services. Wakala fee is charged at 35% (2023 : 40%) for fire and property damage, marine, miscellaneous and 30% (2023 : 40%) for motor.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Participant's Takaful Fund	
2024	2023
Rupees	

18. COMMISSION EXPENSE

Commission paid or payable	23,606,906	19,332,001
Deferred commission expense - opening	7,811,311	6,218,650
Deferred commission expense - closing	(10,849,277)	(7,811,311)
	<u>20,568,940</u>	<u>17,739,340</u>

19. OTHER DIRECT EXPENSES

Co-insurance service charges / others	<u>5,711,818</u>	<u>2,194,668</u>
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19.1 These expenses represents service charges directly incurred in Participants' Fund.

Operator's Fund		Participant's Fund	
2024	2023	2024	2023
Rupees			

20. INVESTMENT INCOME

Income from mutual funds available-for-sale	15,021,761	17,002,848	1,403,521	4,756,053
Capital gain on redemption of mutual funds	3,526,376	-	-	-
Profit on bank deposits	523,220	1,298,559	1,854,684	2,979,394
Other income	-	-	128,135	-
	<u>19,071,357</u>	<u>18,301,407</u>	<u>3,386,339</u>	<u>7,735,447</u>

21. MODARIB FEE

The Operator manage the participants' investments as a Modarib and charge 35% (2023: 40%) Modarib's share of the investment income earned by PTF.

Note	Operator's Fund	
	2024	2023
	Rupees	

22. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES

Employee benefit cost	22.1	5,920,752	5,587,002
Vehicle running expenses		635,100	300,000
Computer software maintenance		2,043,000	2,034,000
Outsourcing expense		9,215,903	8,507,173
Bank charges		11,719	9,660
Other		153,645	1,180,273
		<u>17,980,119</u>	<u>17,618,108</u>

22.1 This includes Rs. 0.041 million (2023: Rs. 0.038 million) contribution for employees' provident fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

		Operator's Fund	
		2024	2023
		Rupees	
23.	DIRECT EXPENSES		
	Employees benefit cost	1,200,000	1,200,000
	Auditor's remuneration	416,280	227,280
		1,616,280	1,427,280
23.1	Annual audit fee	165,444	139,165
	Half year review fee	220,000	71,280
	Sind sales tax	30,836	16,835
		416,280	227,280
24.	TAXATION		
	For the year		
	Current	9,622,991	8,459,697
		9,622,991	8,459,697
24.1	Relationship between tax expense and accounting profit		
	Accounting profit before tax	30,071,847	29,171,370
	Tax rate	29%	29%
	Tax on accounting profit	8,720,836	8,459,697
	Effect of super tax	902,155	-
	Total average effective tax rate	9,622,991	8,459,697

25. COMPENSATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
Rupees						
Managerial remuneration	-	-	-	-	3,109,500	2,250,000
	-	-	-	-	3,109,500	2,250,000
Number of person	-	-	-	-	1	1

26. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, major shareholders, key management personnel, associated companies, subsidiary company, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these financial statements are as follows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	Rupees	
Transactions during the year		
Associated companies		
Contribution underwritten	43,075,548	40,219,030
Contribution collected	53,991,905	44,742,920
Key management personnel		
Remuneration and other benefits	3,109,500	2,250,000
Employees' funds		
Contribution to provident fund	40,752	37,752
Balances as at the year end		
Associated companies		
Contribution due but unpaid	59,868,060	42,122,280

27. SEGMENT INFORMATION

December 31, 2024					
Participant's Takaful Fund	Fire & property damage	Marine aviation & transport	Motor	Miscellaneous	Total
	Rupees				
Gross written contributions (inclusive of Administrative surcharge)	88,249,610	19,422,906	47,067,202	2,334,164	157,073,882
Wakala fees	(28,076,279)	(6,805,588)	(14,234,744)	(863,999)	(49,980,610)
Takaful contributions earned	75,858,455	19,162,296	41,228,906	2,211,021	138,460,678
Takaful contributions ceded to re-takaful	(37,051,797)	(10,125,764)	(5,432,140)	(1,606,067)	(54,215,768)
Net takaful contribution	10,730,379	2,230,944	21,562,022	(259,045)	34,264,300
Retakaful Rebate	5,626,812	2,328,926	(485,127)	345,305	7,815,916
Net underwriting income	16,357,191	4,559,870	21,076,895	86,260	42,080,216
Takaful claims	(58,274,210)	(448,508)	(22,003,881)	(181,874)	(80,908,473)
Takaful claims recovered from re-takaful	45,409,928	(836,634)	(246,803)	201,237	44,527,728
Net claims	(12,864,282)	(1,285,142)	(22,250,684)	19,363	(36,380,745)
Other direct expense	(2,630,864)	(612,307)	(2,426,951)	(41,696)	(5,711,818)
(Deficit) / Surplus before investment income	862,045	2,662,421	(3,600,740)	63,927	(12,347)
Net Investment income					3,386,339
Less: Modarib's share of investment income					(1,185,219)
Surplus transferred to accumulated surplus					2,188,773
Corporate segment assets	99,352,759	23,135,318	91,646,838	1,527,234	215,662,150
Corporate unallocated assets					24,422,758
Total Assets					240,084,908
Corporate segment liabilities	65,902,123	15,345,991	60,790,673	1,013,037	143,051,824
Corporate unallocated liabilities					6,746,548
Total Liabilities					149,798,373

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

December 31, 2024					
Operator's Fund	Fire & property damage	Marine aviation & transport	Motor	Miscellaneous	Total
Rupees					
Wakala fee	28,076,279	6,805,588	14,234,744	863,999	49,980,610
Commission expenses	(12,823,442)	(4,402,603)	(3,070,423)	(272,472)	(20,568,940)
Management expenses	(8,281,641)	(1,927,468)	(7,639,751)	(131,255)	(17,980,115)
	<u>6,971,196</u>	<u>475,517</u>	<u>3,524,570</u>	<u>460,272</u>	<u>11,431,555</u>
Modarib share of PTF Investment Income					1,185,219
Investment income					19,071,357
Direct expenses					(1,616,280)
Profit before tax					30,071,851
Taxation					(9,622,991)
Profit after tax					<u>20,448,860</u>
Corporate segment assets	<u>24,785,967</u>	<u>5,771,669</u>	<u>22,863,537</u>	<u>381,006</u>	<u>53,802,179</u>
Corporate unallocated assets					128,945,891
Total Assets					<u>182,748,071</u>
Corporate segment liabilities	<u>10,984,259</u>	<u>2,557,798</u>	<u>10,132,307</u>	<u>168,848</u>	<u>23,843,212</u>
Corporate unallocated liabilities					17,583,987
Total liabilities					<u>41,427,199</u>

December 31, 2023					
Participant's Takaful Fund	Fire & property damage	Marine aviation & transport	Motor	Miscellaneous	Total
Rupees					
Gross written Contributions (inclusive of Administrative surcharge)	69,018,883	17,357,939	36,996,686	2,131,045	125,504,553
Wakala fees	(25,861,729)	(6,334,393)	(11,702,915)	(661,475)	(44,560,512)
Takaful contributions earned	64,654,322	15,835,982	29,257,289	1,653,690	111,401,283
Takaful contributions ceded to re-takaful	(36,375,960)	(11,449,997)	(3,755,976)	(1,078,428)	(52,660,361)
Net takaful contributions	2,416,633	(1,948,408)	13,798,398	(86,213)	14,180,410
Re-takaful Rebate	7,508,636	2,604,748	(99,039)	231,861	10,246,206
Net underwriting Income	9,925,269	656,340	13,699,359	145,648	24,426,616
Takaful claims	(51,328,328)	(5,908,923)	(17,456,416)	(791,837)	(75,485,504)
Takaful claims recovered from re-takaful	40,118,200	4,716,959	3,526,044	496,417	48,857,620
Net claims	(11,210,128)	(1,191,964)	(13,930,372)	(295,420)	(26,627,884)
Other direct expense	(1,056,531)	(163,868)	(952,776)	(21,493)	(2,194,668)
(Deficit) before investment income	<u>(2,341,390)</u>	<u>(699,492)</u>	<u>(1,183,789)</u>	<u>(171,265)</u>	<u>(4,395,936)</u>
Net Investment income					7,735,447
Less: Modarib's share of investment income					(3,094,179)
Surplus transferred to accumulated surplus					<u>245,332</u>
Corporate segment assets	<u>93,396,499</u>	<u>14,485,833</u>	<u>84,224,586</u>	<u>1,880,549</u>	<u>193,987,467</u>
Corporate unallocated assets					69,576,041
Total Assets					<u>263,563,509</u>
Corporate segment liabilities	<u>81,571,525</u>	<u>12,651,775</u>	<u>73,560,873</u>	<u>1,642,452</u>	<u>169,426,625</u>
Corporate unallocated liabilities					5,940,829
Total Liabilities					<u>175,367,454</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

December 31, 2023					
Operator's Fund	Fire & property damage	Marine aviation & transport	Motor	Miscellaneous	Total
Rupees					
Wakala fee	25,861,729	6,334,393	11,702,915	661,475	44,560,512
Commission expenses	(11,761,339)	(2,982,064)	(2,790,464)	(205,471)	(17,739,340)
Management expenses	(8,344,087)	(2,247,065)	(7,004,160)	(22,795)	(17,618,107)
	<u>5,756,302</u>	<u>1,105,263</u>	<u>1,908,291</u>	<u>433,209</u>	<u>9,203,065</u>
Mudarib share of PTF Investment Income					3,094,179
Investment income					18,301,407
Direct expenses					(1,427,280)
Profit before tax					<u>29,171,371</u>
Taxation					(8,459,697)
Profit after tax					<u>20,711,673</u>
Corporate segment assets	<u>19,221,644</u>	<u>2,981,285</u>	<u>17,334,001</u>	<u>387,030</u>	<u>39,923,960</u>
Corporate unallocated assets					<u>115,957,743</u>
Total Assets					<u>155,881,703</u>
Corporate segment liabilities	<u>10,206,195</u>	<u>1,582,985</u>	<u>9,203,905</u>	<u>205,503</u>	<u>21,198,588</u>
Corporate unallocated liabilities					<u>13,793,925</u>
Total Liabilities					<u>34,992,513</u>

28. MOVEMENT IN INVESTMENTS

	Available for sale	
	Operator's Fund	Participant's Takaful Fund
Rupees		
As at 1st January, 2023	84,797,357	23,758,353
Additions	14,452,460	4,042,646
Fair value gain (excluding net realised gain)	63,651	-
As at 31 December 2023	99,313,468	27,800,999
Additions	16,213,636	11,321,129
Disposal (sale and redemptions)	-	(28,000,000)
Fair value net gains / loss (excluding net realised gain)	67,062	(98,293)
As at 31 December 2024	115,594,166	11,023,835

29. MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

29.1 Takaful risk

The principal risk that is faced under takaful contracts is the possibility that the covered event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. By the very nature of the takaful contract, this risk is random and therefore unpredictable. The objective of the Operator is to ensure that sufficient reserves are available to cover these liabilities.

The Operator manages these risks through its underwriting strategy, adequate retakaful 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. The Operator underwrites non-life takaful contracts that can be categorised into fire and property damage, marine, aviation and transport, motor and miscellaneous contracts. 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 takaful risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Operator has the right not to renew individual contracts, 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.

Retakaful arrangements in place include treaty and facultative arrangements, on proportional and nonproportional basis and also include catastrophe cover. The effect of such retakaful arrangements is that the PTF may not suffer ultimate net takaful losses beyond the PTF's risk appetite in any one year.

The Operator's arrangement of retakaful is diversified such that it is neither dependent on a single retakaful operator nor the operations of the Operator are substantially dependent upon any single retakaful contract. The Operator obtains retakaful cover only from companies with sound financial health.

29.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risks through the measures described above. The Operator has limited its exposure to catastrophic and riot events by use of retakaful arrangements.

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

29.1.2 Sources of uncertainty in the estimation of future claims payment

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

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

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

29.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected income. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate case to case basis with due regard to the claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Core estimates are reviewed regularly and are updated as and when new information is available.

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

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of re-takaful recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The details of estimation of outstanding claims (including IBNR) are given under note 4.18.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

29.1.4 Sensitivity analysis

The risks associated with the takaful contracts are complex and subject to a number of variables with complicate quantitative sensitivity analysis. The Operator makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Operator considers that the liability for claims recognised in the statement of financial position is adequate. However, actual experience may differ from the expected outcome.

The claim liabilities are sensitive to the incidence of covered events and severity / size of claims. As the Operator enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit of PTF net of re-takaful.

10% increase in loss

Net

Fire & property damage
Marine, aviation and transport
Motor
Miscellaneous
Total

Underwriting results		Participants' takaful fund	
2024	2023	2024	2023
Rupees			
(292,171)	(965,172)	(292,171)	(965,172)
(246,066)	(122,424)	(246,066)	(122,424)
(449,573)	(439,849)	(449,573)	(439,849)
(27,261)	(29,197)	(27,261)	(29,197)
(1,015,071)	(1,556,643)	(1,015,071)	(1,556,643)

10% decrease in loss

Net

Fire & property damage
Marine, aviation and transport
Motor
Miscellaneous
Total

Underwriting results		Participants' takaful fund	
2024	2023	2024	2023
Rupees			
292,171	965,172	292,171	965,172
246,066	122,424	246,066	122,424
449,573	439,849	449,573	439,849
27,261	29,197	27,261	29,197
1,015,071	1,556,643	1,015,071	1,556,643

29.1.5 Concentration of risk

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

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the insured property.

The adequate event limit is a multiple of the treaty capacity or the primary recovery from excess of loss treaty, which is very much in line with the risk management philosophy of the Company.

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

The Operator minimizes its exposure to significant losses by obtaining re-takaful arrangements from a number of re-takaful operators, who are dispersed over several geographical regions.

The concentration of risk by type of contracts based on single risk with maximum exposure is summarised below:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Gross sum insured		Re-takaful		Net Amount	
	2024	2023	2024	2023	2024	2023
	Rupees in '000'					
Fire and property	93,633,855	72,566,826	52,060,649	41,356,164	41,573,206	31,210,662
Marine, aviation and transport	32,320,742	27,495,479	22,311,790	20,381,577	10,008,952	7,113,902
Motor	3,360,653	2,823,556	-	-	3,360,653	2,823,556
Miscellaneous	135,834	145,645	101,876	109,234	33,959	36,411
	129,451,084	103,031,506	74,474,315	61,846,975	54,976,770	41,184,531

29.2 Financial risk

The Operator is exposed to a variety of financial risks: market risk (comprising profit rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its statement of financial position. The Operator's overall risk management seeks to minimise potential adverse effects on the Operator's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Operator's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

29.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of profit rate risk, foreign currency risk and other price risk. The Operator manages the market risk exposures by following internal risk management policies.

29.2.1.1 Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Operator, at present is not exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.

29.2.1.2 Other price risk

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

29.2.1.3 Maturity profile of financial assets and liabilities

Maturity profile of financial assets and liabilities of Operators fund and Participants takaful fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Operators fund & Participants fund

Financial assets

2024						
Profit / mark-up bearing			Non-Profit / mark-up bearing			Total
Maturity within one year	Maturity after one year	Sub Total	Maturity within one year	Maturity after one year	Sub Total	
Rupees						
Investment mutual funds	-	-	126,618,001	-	126,618,001	126,618,001
Takaful / Re-takaful receivables	-	-	140,196,734	-	140,196,734	140,196,734
Receivable from PTF	-	-	43,064,791	-	43,064,791	43,064,791
Accrued investment income	-	-	68,630	-	68,630	68,630
Re-takaful recoveries against outstanding claims	-	-	14,618,156	-	14,618,156	14,618,156
Cash at bank	22,811,919	-	22,811,919	-	-	22,811,919
	22,811,919	-	22,811,919	-	324,566,312	347,378,231

Financial liabilities

Provision for outstanding claims (including IBNR)	-	-	24,768,866	-	24,768,866	24,768,866
Takaful / Re-takaful payables	-	-	139,497	-	139,497	139,497
Other creditors and accruals	-	-	20,988,193	-	20,988,193	20,988,193
Payable to OPF	-	-	43,064,791	-	43,064,791	43,064,791
	-	-	88,961,347	-	88,961,347	88,961,347

On-balance sheet sensitivity gap total

yield / mark-up rate risk

Sensitivity gap

22,811,919	-	22,811,919	235,604,965
22,811,919	-	22,811,919	235,604,965

Operators fund & Participants fund

Financial assets

2023						
Profit / mark-up bearing			Non-Profit / mark-up bearing			Total
Maturity within one year	Maturity after one year	Sub Total	Maturity within one year	Maturity after one year	Sub Total	
Rupees						
Investment mutual funds	-	-	127,114,467	-	127,114,467	127,114,467
Takaful / Re-takaful receivables	-	-	106,124,638	-	106,124,638	106,124,638
Receivable from PTF	-	-	34,807,391	-	34,807,391	34,807,391
Accrued investment income	-	-	438,167	-	438,167	438,167
Re-takaful recoveries against outstanding claims	-	-	45,932,517	-	45,932,517	45,932,517
Cash at bank	54,758,508	-	54,758,508	-	-	54,758,508
	54,758,508	-	54,758,508	-	314,417,180	369,175,688

Financial liabilities

Provision for outstanding claims (including IBNR)	-	-	61,498,945	-	61,498,945	61,498,945
Takaful / Re-takaful Payables	-	-	19,234,111	-	19,234,111	19,234,111
Other Creditors and Accruals	-	-	15,764,066	-	15,764,066	15,764,066
Payable to OPF	-	-	34,807,391	-	34,807,391	34,807,391
	-	-	131,304,513	-	131,304,513	131,304,513

On-balance sheet sensitivity gap total

yield / mark-up rate risk

Sensitivity gap

54,758,508	-	54,758,508	183,112,667
54,758,508	-	54,758,508	183,112,667

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Sensitivity analysis - profit rate risk

Profit rate risk is the risk that the value of a financial instrument will fluctuate due to change in the market profit rate. The profit based assets as on the statement of financial position date aggregates to Rs.22.811 million (2023: Rs. 54.758 million) as disclosed in note 29.2.1.3 above. There are no fixed rate financial instruments as on the balance sheet date. An increase or decrease in profit rates by 100 basis points has the effect of Rs. 0.22 million (2023: Rs.0.55 million) on profit before tax.

29.2.2 Liquidity risk

Liquidity risk is the risk that the Operations will not be able to meet its financial obligations as they fall due. The Operaor 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 operation's reputation. The following are the contractual maturities of financial liabilities based on the remaining period at the reporting date.

2024				
	Within one year	Over one year to five years	Over five years	Total
Rupees				
Financial liabilities				
Outstanding claims including IBNR	24,768,866	-	-	24,768,866
Takaful / Retakful payables	139,497	-	-	139,497
Other creditors and accruals	20,988,193	-	-	20,988,193
	45,896,556	-	-	45,896,556

	2023			
	Within one year	Over one year to five years	Over five years	Total
	Rupees			
Financial liabilities				
Outstanding claims including IBNR	61,498,945	-	-	61,498,945
Takaful / Retakful payables	19,234,111	-	-	19,234,111
Other creditors and accruals	15,764,066	-	-	15,764,066
	96,497,122	-	-	96,497,122

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

29.2.3 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. The operations attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk

The bank balances and investment in mutual fund represents low credit risk as they are placed with reputed financial institutions with strong credit ratings.

The management monitors exposure to credit risk in contribution receivable from participants and amount due from co-takaful operators and re-takaful operators through regular review of credit exposure. The amount due from co-takaful and re-takaful operators represents low credit risk as they have strong credit ratings and have sound financial stability.

Exposure to credit risk

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

	2024	2023
	Rupees	
Receivable from PTF	43,064,791	34,807,391
Accrued investment income	68,630	438,167
Takaful / Re-takaful receivable	140,196,734	106,124,638
Re-takaful recoveries against outstanding claims	14,618,156	45,932,517
Cash at bank	22,811,919	54,758,508
	<u>220,760,230</u>	<u>242,061,221</u>

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

	Rating		Rating agency
	Short term	Long term	
Banks			
Meezan Bank Limited	A1+	AAA	VIS
MCB Islamic Bank Limited	A1	A+	PACRA
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Re-takaful Risk

Re-takaful ceded does not relieve the Participants' Takaful Fund from its obligation towards participants and, as a result, the Participants' Takaful Fund remains liable for the portion of outstanding claims covered through re-takaful to the extent that re-takaful operators fails to meet the obligation under the re-takaful agreements.

To minimise its exposure to significant losses from re-takaful companies insolvencies, the Operator obtains re-takaful Companies ratings from a number of re-takaful operators, who are dispersed over several geographical regions.

An analysis of all re-takaful assets recognised by the rating of the entity from which it is due are as follows:

Rating	Takaful / Re-takaful receivables	Re-takaful recoveries against outstanding claims	Prepaid re-takaful contribution ceded	2024	2023
Rupees					
A or above	60,985,489	14,113,848	35,882,208	80,491,922	109,356,129
BBB	147,510	504,308	1,162,483	1,814,301	3,107,322
	61,132,999	14,618,156	37,044,691	82,306,223	112,463,451

29.3 Fund management

The operator's objectives when managing capital or to safeguard operator's ability to continue as going concern in order to provide returns for operator or participants and to offer benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the amount of return paid to operators or to participants may be adjusted.

29.4 Fair value of financial instruments

The operator has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The operator 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	As at December 31, 2024	Level 1	Level 2	Level 3
	Rupees			
Financial assets measured at fair value				
Available for sale investments	126,618,001	-	126,618,001	-
	126,618,001	-	126,618,001	-

	As at December 31, 2023	Level 1	Level 2	Level 3
	Rupees			
Financial assets measured at fair value				
Available for sale investments	127,114,467	-	127,114,467	-
	127,114,467	-	127,114,467	-

30. STATEMENT OF SOLVENCY - PTF

ASSETS

Investments-Mutual funds
Takaful / re-takaful receivables
Deferred wakala fee
Accrued investment income
Retakaful recoveries against outstanding claims
Prepayments

Cash at bank

Total Assets

In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000

Contribution due since more than three months
Total of in-admissible assets

Total Admissible Assets

Liabilities

Underwriting provisions
Outstanding claims including IBNR
Unearned contribution reserves
Reserve for unearned retakaful rebate
Takaful / Re-takaful payable
Other Creditors and Accruals
Payable to OPF
Total Liabilities

Total net admissible assets

	2024	2023
	Rupees	
	11,023,835	27,800,999
	140,196,734	106,124,638
	23,824,137	21,182,249
	68,630	369,191
	14,618,156	45,932,517
	37,044,691	20,767,464
	13,308,725	41,386,451
	240,084,908	263,563,509
	65,381,165	34,524,048
	65,381,165	34,524,048
	174,703,743	229,039,461
	24,768,866	61,498,945
	71,568,823	52,955,619
	6,849,805	3,638,252
	139,497	19,234,111
	3,406,591	3,233,136
	43,064,791	34,807,391
	149,798,373	175,367,454
	24,905,370	53,672,007

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

30.1 In the absence of any specific guidance, "prepaid re-takaful contribution ceded" has been treated as admissible asset for the purposes of this statement.

31. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

32. GENERAL

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

33. DATE OF AUTHORIZATION FOR ISSUE

These financial statement have been authorized for issue on 27th March, 2025 by the Board of Directors of the Operator.



Irfan Zakaria Bawany
Chairman

Karachi: 27th March, 2025



Ahmed Ali Bawany
Director



Zia Zakaria
Director



Ghulam Haider
Chief Financial Officer



A. Razak Ahmed
Chief Executive & Managing Director

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Chief Executive & Managing Director

Mr. Ghulam Haider
Chief Financial Officer

Mr. Faraz Abdul Razak
Company Secretary & Compliance Officer

Mr. M.A. Hannan Shadani
Senior Vice President (underwriting)

Mr. Muhammad Siddique
Assistant Vice President (Claims)

Mr. Najamullah Khan
Senior Vice President (Head of Takaful)

Mr. Muhammad Kashif Wadiwala
Shariah Compliance Officer

Mr. Ghulam Mujaddid
Vice President (Accounts)

Mr. Abdul Rahim Patni
Assistant Vice President (Reinsurance)

Mr. Muhammad Saleem Memon
Assistant Vice President (Investment/shares)

Mr. Muhammad Masood Ali
Assistant Vice President (I.T. Deptt.)

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Chief Manager (Administration)

Mr. Muhammad Naveed Jan
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Mr. Iqbal Umer Bawany
Vice President

Ph (021) 32624504, 32624427
Fax (021) 32624783

Land Mark Plaza Branch
405, 4th Floor, Land Mark Plaza,
Off. I. I. Chundrigar Road,
Karachi.

Mr. Muhammad Reza Rajani
Sr. Vice President

Ph (021) 32628777, 32628778
Fax (021) 32628779

M. A. Jinnah Road Branch
101, Japan Plaza,
M. A. Jinnah Road, Karachi.

Mr. Rizwan Ahmed Khan
Branch Manager

Ph (021) 32727076, 32729961
Fax (021) 32722601

Hyderabad Branch
1st Floor, Al-Falah Chamber,
Tilak Road, Hyderabad.

Mr. Abdullah Ahmed
Regional Manager

Ph (022) 2615774
Fax (022) 2623029

Sukkur
Minara Road, Sukkur.

Mr. Anees Memon
Resident Representative

Ph (071) 5622619
Cell 0300-3138090

OFFICES

North Zone Offices & Branches

Zonal Office, Lahore (North Zone)
4th Floor, Gardee Trust Building.
No.2, Napier Road, Lahore.

Mr. Hassan Sabih
Chief Manager

PABX (042) 37239063, 37353292
37234255, 37351353
Direct (042) 37354689
Fax (042) 37312526

Regional Office, Lahore
90-A/3, 1st Floor, Canal Park,
Gulberg-II, Lahore.

Mr. Waseem John
Vice President

Ph (042) 35761077, 35761078
35763446, 35763447
Fax (042) 35761235

Gulberg Branch
House No.17-A, Block-E/1,
Gulberg-III, Lahore.

Mr. Muhammad Javed Ahmad
Vice President

Ph (042) 35752245, 35752989
35751971, 35756557
Fax (042) 35756217

Al-Rehman Branch
54/2, Lawrance Road,
Lahore.

Mr. Nisar Ahmed Chughtai
Senior Vice President

Ph (042) 35475061, 35475062
35475063
Fax (042) 35475015

Eden Centre Branch (Unit I)
321, Eden Centre,
43 Ghausul Azam Road,
(Jail Road), Lahore.

Mr. Ch. H.S. Asghar
Vice President

Ph (042) 37423613
Fax (042) 37425649

Garden Town Branch
321, Eden Centre,
43 Ghausul Azam Road,
(Jail Road), Lahore.

Mr. Muhammad Zaman
Manager

Ph (042) 37423613
Fax (042) 37425649

Empress Tower Branch
Room No.18,1st Floor,
Empress Tower,
46 Empress Road, Lahore.

Mr. S.Azhar Ali Shah
Senior Vice President

Ph (042) 36297253, 36297254
Fax (042) 36297255

Gujranwala Branch
Office No. 3, Block-A,
Trust Plaza, G. T. Road,
Gujranwala.

Mr. Ch. H.S. Asghar
Vice President

Ph (055) 3254415
Fax (055) 3253086

Gujrat Branch
Marhaba Tower (Top Floor)
Opp. Ram Piary Mahal
Near Fawara Chawk, Gujrat.

Mr. Abdul Sattar Malik
Branch Manager

Ph (053) 3522127

Faisal Complex Branch
3rd Floor, Faisal Complex,
Bilal Road, Civil Lines, Faisalabad.

Mrs. Ulfat Tahira
Marketing Manager

Ph (041) 2611938, 2611939
2626480
Fax (041) 2621033

Taj Plaza Branch
P-63, First Floor, Taj Plaza,
Ashraf Hardware,
Kotwali Road, Faisalabad.

Mr. Muhammad Akhlaq
Executive Vice President

Ph (041) 2617277, 2622182
2615922
Fax (041) 2412010

United Plaza Branch
3,3rd Floor, United Plaza,
Shamsabad, Murree Rd. Rawalpindi.

Mr. Abdul Karim Siddiqi
Vice President

Ph (051) 4854200
Fax (051) 4935278

Peshawar Branch
T-3 & 4, Bilour Shopping Plaza,
3rd Floor, Saddar Road, .
Peshawar Cantt.

Mr. Shah Mast Khan
Assistant Vice President

Ph (091) 5274617, 5277328
Fax (091) 5284683

Regional Office Multan
1st Floor, 5-Commercial Plaza,
Opp. Civil Hospital, Abdali Road,
Multan.

Mr. Syed Mohsin Bukhari
Assistant Vice President

Ph (061) 4517349
Fax (061) 4510049

Hasilpur Branch
27-B, 1st Floor, Main Bazar,
Hasilpur.

Mr. Muhammad Shafi Anjum
Senior Vice President

Ph (062) 2442473
Fax (062) 2448073

Sialkot Branch
Room No.4 & 5, 1st Floor,
Mughal Plaza, Kutchery Road,
Sialkot.

Mr. Asim Arshad
Branch Manager

Ph (052) 4296075, 4296076
Fax (052) 4296077

Gojra Branch
P-132, Post Office Road,
Gojra.

Mrs. Shahnaz Akhtar
Branch Manager

Ph (046) 3511917
Fax (046) 3513111

Sahiwal Branch

Mr. Muhammad Ahmed
Resident Representative

Cell 0309-8712452
0335-7714728

Proxy Form

I/we _____ of _____

being a Member of Reliance Insurance Company Limited holding _____ ordinary shares, HEREBY

APPOINT _____ of _____ another member of the Company, failing
him/her _____ of _____ as my/our proxy in my/our absence to

attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on

Wednesday 30 April, 2025 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2025.

(Signature of Witness 1)

(Signature of Witness 2)

Revenue Stamp

Name of Witness: _____

Name of Witness: _____

CNIC

[illegible]

CNIC

[illegible]

Address:

Address:

(Name in Block Letters)

Folio No. _____

Signature of Shareholder

Notes:

1. The Member is requested:
 - (a) To affix Revenue stamp at the place indicated above;
 - (b) To sign in the same style of signature as is registered with the company.
 - (c) To write down his/her Folio Number .
2. For the appointment of the above proxy to be valid this instrument of proxy must be received at the Head office at 181-A, Reliance Insurance House, Sindhi Muslim Cooperative Housing Society Karachi at least 48 hours before the time fixed for the Meeting.
3. Any alteration made in this instrument of proxy should be initiated by the person who signs it.
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by the proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.
5. The Proxy must be a Member of the Company.

For CDC Account Holders / Corporate Entities

In addition to the above, the following requirements have to be met:

- (i) The proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and of the Proxy must be furnished with the proxy.
- (iii) In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (Unless it has been provided earlier) along with proxy forms.

مختار نامہ (پراکسی فارم)

میں / ہم _____ (نام) _____ برائے _____ (پتہ)

تحقیق شراکت دار ریلائنس انشورنس کمپنی لمیٹڈ موجودہ حصص

آرڈری حصص بطور شیر ذلت قری کرتا / کرتی ہوں / کرتے ہیں _____ (نام) _____ برائے _____ (پتہ)

میری / ہماری پراکسی کے طور پر میری / ہماری جانب سے کمپنی کے سالانہ اجلاس میں شرکت کرنے، بولے اور ووٹ دینے کی، جو بروز بدھ، مورخہ 30 اپریل 2025 کو منعقد ہوگی۔ اس میں کوئی تبدیلی لائی جائے۔

میرے / ہمارے طرف سے گواہان برطانیہ _____ مورخہ _____ 2025

(ریونیوٹ چسپاں کر کے
اس پر دستخط کریں)

گواہ کے دستخط - ۲

گواہ کے دستخط

گواہ کا نام

گواہ کا نام

شناختی کارڈ نمبر

شناختی کارڈ نمبر

پتہ

پتہ

شراکت دار کا نام

جلی حروف میں نام

فولیو نمبر:

اہم نکات:

- ۱۔ شراکت داروں سے التماس ہے کہ:
(ا) اوپر بتائی گئی جگہ پر ریونیوٹ چسپاں کریں
(ب) کمپنی میں رجسٹرڈ کرائے ہوئے دستخط استعمال کریں
(ج) اپنا فولیو نمبر درج کریں
- ۲۔ میٹنگ سے ۳۸ گھنٹے قبل پراکسی کا یہ فارم جو ہر لحاظ سے مکمل اور دستخط شدہ ہو کمپنی کے ہیڈ آفس بمقام 181/A ریلائنس انشورنس ہاؤس سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی کراچی میں جمع کر دیا جائے۔
- ۳۔ کوائف میں کسی بھی قسم کی ترمیم کی صورت میں شراکت دار کے دستخط لازمی ہیں۔
- ۴۔ یہ فارم ممبر یا اس کے انٹرنیٹ کی جانب سے جسے تحریری طور پر اختیار انزڈ کیا گیا ہو، کی جانب سے دستخط کیا جائے، اگر ممبر کوئی کارپوریشن ہے تو اس کی عام ممبر موجود ہونی چاہیے۔
- ۵۔ ایسا ممبر جو میٹنگ میں شمولیت اور ووٹ دینے کا اہل ہے وہ کسی دوسرے ممبر کو اپنے اپنی پراکسی کے طور پر میٹنگ میں شمولیت اور ووٹ دینے کیلئے نامزد کر سکتا ہے۔ علاوہ ازیں کارپوریشن ایسے شخص کو نامزد کر سکتی ہے جو ممبر نہ ہو۔

برائے CDC اکاؤنٹ ہولڈرز / کارپوریٹ ادارے:

مزید براں درج ذیل شرائط کو پورا کیا جائے:

- (i) پراکسی کیلئے وہ لوگوں نے گواہی دی ہو جن کے نام، پتہ اور شناختی کارڈ یا پاسپورٹ نمبر فارم پر درج ہوں۔
 - (ii) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل بھی دی جائے۔
 - (iii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دستخط کے نمونے پراکسی فارم کے ہمراہ (اگر پہلے جمع نہ کرایا ہو) کمپنی میں جمع کرانی ہوگی۔



Reliance Insurance Company Limited
181-A, Sindhi Muslim Co-operative Housing Society, P.O. Box: 13356,
Karachi-74400. Ph: 021-34539415-17

