

3th ANNUAL REPORT 2024

Sign of Protection



SHAHEEN INSURANCE COMPANY LIMITED



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COMPANY INFORMATION



BOARD OF DIRECTORS

CHAIRMAN

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)

DIRECTORS

Air Vice Marshal Muhammad Qaiser Janjua (Retd.)

Air Commodore Wasim Ahmed Khan (Retd.)

Air Commodore Amer Altaf (Retd.)

Mr. Adeel Ali

Ms. Farrah Azeem Khan

Mr. Jehangir Shah

CHIEF EXECUTIVE OFFICER

Mr. Rizwan Akhtar

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Nisar Ahmed Almani

AUDIT COMMITTEE

Ms. Farrah Azeem Khan

Air Commodore Wasim Ahmed Khan (Retd.)

Mr. Adeel Ali

Mr. Muhammad Junaid

Chairperson

Member

Member

Secretary (Acting)

INVESTMENT COMMITTEE

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)

Air Vice Marshal Muhammad Qaiser Janjua (Retd.)

Mr. Adeel Ali

Mr. Rizwan Akhtar

Mr. Nisar Ahmed Almani

Mr. Muhammad Nasir Jamal

Chairman

Member

Member

Chief Executive Officer

Chief Financial Officer

Secretary

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Farrah Azeem Khan

Mr. Adeel Ali

Mr. Rizwan Akhtar

Mr. Nisar Ahmed Almani

Chairperson

Member

Member

Secretary



LEGAL ADVISOR

Allied Law Group

AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

SHARIAH ADVISOR

Mufti Muhammad Hanif

HEAD OF WINDOW TAKAFUL OPERATIONS

Mr. Abdul Hamid

SHARIAH COMPLIANCE OFFICER

Mr. Zafar Husnain

COMPLIANCE OFFICER

Mr. Kashif Naeem

HEAD OF INTERNAL AUDIT (COORDINATOR)

Mr. Muhammad Junaid (Acting)

INTERNAL AUDITOR

Muniff Ziauddin & Co.
Chartered Accountants

REGISTERED OFFICE

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

HEAD OFFICE

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

SHARE REGISTRAR

M/s. Corplink (Pvt.) Ltd.
Wings Arcade, T-K, Commercial, Model Town, Lahore.

BANKS CONVENTIONAL

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank of Punjab
Bank Makramah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Ltd.
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited

BANKS TAKAFUL

Bank Islami Limited
Dubai Islamic Bank Pakistan Ltd.
Habib Metropolitan Bank Limited
Meezan Bank Limited
Soneri Bank Limited



COMPANY PROFILE

Shaheen Insurance Company Ltd. (SICL) is a group company of Shaheen Foundation, PAF which owns major shareholding of the Company. Shaheen Insurance was incorporated in 1995 as a public limited company, listed with Pakistan Stock Exchange (PSX) and also registered with the Central Depository Company of Pakistan (CDC). The shares of the Company are quoted and traded on PSX.

Shaheen Insurance is one of the most reputable and brightest names in the insurance sector. Its sustained growth over the years has secured it a prominent place among the reputed insurers of Pakistan. SICL also commenced Takaful operations in 2018 through its Window Takaful Operations (WTO) under the guidelines of Shariah Board having vast experience and knowledge about Islamic Banking, Finance & Takaful.

Shaheen Insurance underwrites all classes of general insurance & general takaful. The Company provides a full range of insurance services through its branch network spread across Pakistan to meet the needs of business fraternity, banks, financial institutions, corporate, commercial and individual clients. Our product portfolio includes;

- Fire and Property Damage
- Marine, Aviation and Transport
- Motor Vehicles (Personal & Commercial)
- Health
- Miscellaneous Classes
- Window Takaful Operations (full range of takaful products)

The Company's financial results are consistently improving; Authorized Capital of the Company is Rs 1.00 billion, which is being raised to Rs 2.50 billion. Paid-Up Capital will grow to Rs 806.25 million after approval of Bonus Share @ 25%. Shareholder's Equity has also grown to Rs 1.01 billion as at December 31, 2024. Strong backing of sponsors, capital base, prudent underwriting, efficient claims management, strong reinsurance & retakaful arrangements and sound financial position place Shaheen Insurance at par with any quality insurer in Pakistan.

In addition, rating of the Company was reaffirmed to "A+" with 'Stable' outlook by PACRA which denotes "Strong capacity to meet policy holders and contractual obligations. Risk factors are low, and the impact of any adverse business and economic factors is expected to be small."

Shaheen Insurance has excellent reinsurance & retakaful treaty arrangements with sound & well reputed international reinsurers. Besides treaty backup, the Company has back to back arrangements with foreign and domestic "A" rated insurers, reinsurers and world renowned brokers for placements of large and specialized risks abroad, and also locally on facultative basis.

The Company is managed by a team of professionals who are fully equipped with technical and managerial skills for smooth operations for both traditional and specialized insurance & takaful covers.

Shaheen Insurance is fully geared up to take on challenges with a vision to play its role in the development of insurance industry, country's economy and to be recognized as one of the most professional, preferred and reputed insurance Company of Pakistan.



PACRA maintains IFS Rating of Shaheen Insurance Company Limited at



Outlook Stable



The rating denotes “Strong capacity to meet policy holders and contractual obligations. Risk factors are low, and the impact of any adverse business and economic factors is expected to be small.”

VISION



To deliver general insurance at its best and to contribute positively and proactively for the welfare of our society at large as well as for the preservation of our environment, culture and ethics

MISSION STATEMENT



Our mission is to continuously improve ourselves to become a leading, profitable Company, meeting the needs of our customers and enhancing the value of our shareholder's investment.

We will accomplish this by using the strengths of our people and the application of innovative science for the development of new insurance products and services that are high in quality and competitive in price.

DIRECTOR'S PROFILE

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)

Chairman



Air Vice Marshal Junaid Ahmed Siddiqui (Retd) is currently serving as Managing Director, Shaheen Foundation PAF. He got commissioned in Pakistan Air Force in GDP branch in 1981. He served PAF for almost 34 years and held various Command and Staff appointments (Inland / Abroad). A confident and capable Fighter Pilot on various fighter aircrafts with vast experience on Fighter / Trainer aircraft. The officer brings with him an amalgamation of Operational, Management and Administrative knowledge.

He qualified BSc from PAF Academy Asghar Khan, Risalpur and MSc (War Studies) from PAF Air War College Institute, Karachi. He also qualified MSc (Strategic Studies) from National Defense Universities, Islamabad and China respectively. In recognition of his commendable services, the Government of Pakistan awarded him Hilal-i-Imtiaz (Military) and Sitara-i-Basalat (S Bt).

During his illustrious career, he held the following various Senior Command, Management and Staff appointments:-

- Base Commander, PAF Base, Minhas.
- Team Leader JF-17 Project, Chengdu, China.
- Assistant Chief of Air Staff (Operations) AHQ, Islamabad.
- DG C4I AHQ, Islamabad.
- Deputy Director General Pakistan Civil Aviation Authority.
- DG SC4ISR at Joint Staff Headquarters. (Strategic Plan Division)
- Organizer of charity work in Northern Areas of Pakistan.

Air Vice Marshal Muhammad Qaiser Janjua (Retd.)



Air Vice Marshal Muhammad Qaiser Janjua (Retd.) is currently serving as Deputy Managing Director of Shaheen Foundation, PAF. He has spent almost 40+ years in the PAF. During his vast association with PAF he held various Command and Staff appointment including managed Flying operations, Air Traffic Control operations, Met operations, Fire services, Officers' Mess management and spearheaded multiple indigenous projects at tri-services level to promote indigenization in Pakistan. A confident and capable fighter pilot on various fighter aircraft with vast instructional experience on various fighter / trainer aircraft. Alongside, having vast experience in planning and handling Security concerns (terrorist threats, Operational planning / execution), Human Resource Management and Administration. The officer is a recipient of Hilal-i-Imtiaz (Military), Sitara-i-Imtiaz (Military), Tamgha-i-Imtiaz (Military), 02 Chief of the Air Staff Commendation Certificate.

The Air Officer is a Graduate of BSc (Aero Sciences) from Peshawar University and BSc (Ions) War Studies from Air War College, PAF Base, Faisal. Master of Science in Strategic Studies from National Defence University, Islamabad, where as he did Master of Science in Defence Analysis (Irregular Warfare) from Naval Post Graduate School, Monterey, California, USA.

As an Air Officer, there is a fine blend of military and civilian traits. He applies the military experience in the corporate world. A pleasant personality, excellent intra- personal skills and a par excellence international reputed officer, make him a highly respected human being.

DIRECTOR'S PROFILE

Air Commodore Wasim Ahmed Khan (Retd.)



Air Commodore Wasim Ahmed Khan (Retd.) is currently working as Director Projects at Shaheen Foundation PAF. He holds M. Phil degree in Public Policy & Strategic Security Management with extensive experience in Program/Project Management, Human Resource Management, Supply Chain Management, Security & Emergency Relief Operations Management Public Schools Administration & Management. He has been associated with PAF for 30 years in various positions. He attended various staff and Command courses.

Air Commodore Amer Altaf (Retd.)



Air Commodore Amer Altaf (Retd.) is currently serving as Director Admin, HR and Welfare Shaheen Foundation PAF (SF). Prior to this, he has been associated with SF as Director Special Projects since 2023. Basically a fighter pilot, he held various command, management, staff and instructional appointments in PAF (1992-2018) before joining Pakistan International Airlines (PIA) in October 2022. During his association with PIA, he held various key positions of Chief Human Resource Officer, Head of Flight Services Department and Head of Food Services Department. He brings with himself a wealth of academia as MS Business Administration (Turkey), MBA Human Resource Management, BSc (Hons) War Studies and BSc Aviation Sciences in additions to attending the Leadership & Management Course at MIT University, USA and Certified Human Resource Professional (CHRP) from NUST University, Pakistan. He was awarded Sitara-i-Imtiaz (Military), Imtiaz Sanad and 02 Chief of the Air Staff Commendation Certificates in recognition of his distinguished and meritorious services.

Mr. Adeel Ali



Mr. Adeel Ali is a seasoned Chartered Accountant possessing more than 20 years of experience in all aspects of finance function. He carries strong analytical and leadership skills necessary for business development, processes improvements, cost reduction, revenue enhancement and strategic planning for optimizing values and minimizing risks. He is currently associated with Shaheen Foundation PAF in the capacity of Director Finance. Prior to joining Shaheen Foundation, he has been working with Bank of Punjab, TPL Group, Shaheen Air International, Honda Atlas Cars Pakistan and A.F. Ferguson & Co. (PWC).

DIRECTOR'S PROFILE

Ms. Farrah Azeem Khan



Ms. Farrah Azeem Khan is currently associated with Shaheen Insurance Company Limited as an Independent Director. She holds MSC in Environment and Development Education, from South Bank University, London.

Ms. Farrah Azeem Khan has spearheaded fundraising efforts for national and international multimillion-dollar organizations and maintained strategic focus while supervising large and complex programs funded by multiple donors. She possesses sharp organizational, planning, management, and administrative skills.

She has worked at various senior level positions that include;

- Director of Women's Empowerment Programs 2018 to 2020. The Asia Foundation, Afghanistan.
- Senior Key Judicial and Legal Affairs Communications Expert, Punjab Access to Justice Project (PA2JP), 2014 to 2017. Galway Development Services International Limited (GDSI) – EU.
- Executive Director, 1998 – 2013 Citizens' Commission for Human Development (CCHD), Pakistan.
- Strategy Expert – Midterm Evaluation of Plan International Country Program Strategy III, 2013. HTSPE Limited, Pakistan.
- Political Strand Manager – National Educational Campaign – Alif Alan, 2012. HTSPE Limited, Pakistan.

Mr. Jehangir Shah



Mr. Jehangir Shah had over forty years of experience in commercial banking, private & personal banking and leasing, including overseas work experience in the U.A.E., Egypt and Brazil. Last associated with Pak Oman Investment Company Limited from July 2008 upto retirement in November 2023 as Deputy Managing Director. Previously served as Country Manager-Pakistan of Oman International Bank SAOG (2006-2008), and as Managing Director / CEO of Capital Assets Leasing Corporation Limited. His former employments include those at Habib Credit and Exchange Bank Limited and Bank of Credit and Commerce International.

Mr. Shah was a Sponsor and founding Director of Pak Gulf Leasing Company Limited, listed on the Pakistan Stock Exchange in 1996. From 2021 to September 2024 was an Independent Director of Fauji Fertilizer Company Limited. Currently on the Board of Directors of the following Companies;

- FINCA Microfinance Bank Limited: Nominee Director of Abhi (Private) Limited.
- Abhi (Private) Limited: Independent Director and Chairman of the Board.
- International Industries Limited: Independent Director and Chairman, Board Audit Committee.
- Pak Oman Asset Management Company: Nominee Director and Member, Board HR, Audit and Investment Committees.
- NBP Exchange Company Limited: Independent Director.



CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics (Code) establishes the standards that govern the way we deal with each other, our customers, shareholders, governments, suppliers, competitors and the public at large.

Complying with the Code is a part of the terms and conditions of employment with Shaheen Insurance Company Limited.

ANTI FRAUD PROGRAM & WHISTLE BLOWING POLICY

The assessment of a Company's internal control over Financial reporting must be based on procedures sufficient both the evaluate its design and to test its operating effectiveness. Control subject to such assessment include.... Controls related to the prevention, identification, and detection of fraud.

This Whistle Blowing Policy is a part of Company's effort to further improve governance and service quality.





Our Services

Shaheen Insurance underwrites all classes of General Insurance and enjoys excellent reputation. Apart from Conventional Insurance Shaheen Insurance has also commenced its Takaful operations in 2018



General Insurance (Conventional)

Shaheen Insurance commenced its general insurance business in 1995 and it underwrites all classes of traditional and non-traditional lines.

Shaheen Insurance 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, Bonds, Health and Travel Insurance are also being offered.



General Takaful (Islamic)

Takaful is an Islamic form of Insurance based on principle of cooperation mutual assistance shared responsibility and is growing steadily. Shaheen Insurance commenced its Window Takaful Operations in April 2018 under the guidance of renowned, qualified and certified Sharia Board.

Shaheen Takaful is offering a wide range of Sharia Compliant Takaful Products such as Fire & Property Takaful, Marine Cargo Takaful, Motor Takaful (Private / Commercial Vehicles), Engineering Takaful, Terrorism & Political Violence Takaful, Miscellaneous Accident Takaful, Health Takaful and Travel Takaful.

FIRE & PROPERTY INSURANCE

Fire & Allied Perils Insurance

Shaheen Insurance provides comprehensive Fire insurance coverage at most competitive rates. The standard Fire policy covers loss and/or damage to the property caused by Fire & Lightning. The basic Fire policy can be extended to cover a number of additional risks known as 'special perils' or 'allied perils'. These includes: Riot and Strike Damage, Malicious Damage, Explosion, Atmospheric Disturbance (including Flood), Earthquake Fire and Shock, Impact Damage, Aircraft Damage, Burglary and Sabotage including Political Violence Risks.

The property insured normally includes Buildings, Plant Asset & Machinery of all kind (industrial, commercial, residential, offices, factory & warehouse / godowns), fixtures & fittings, stocks in godowns, raw materials, work-in-process and finished goods.



Consequential Loss Due to Fire

SICL 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

Shaheen Insurance provides most comprehensive Marine Cargo insurance. Marine Cargo insurance provides protection to Imports & Exports of goods by any mode of transport viz by Sea, by Air or by Road/Rail. Cargo is usually insured on a warehouse (of departure) to warehouse (of arrival) basis and usually covering all transit risks as per Institute Cargo Clauses 'A' i.e. widest cover known as 'All Risk'. For lesser risks Cargo clauses 'B' and clause 'C' cover on TLO (Total Loss only, due to total loss of vessel / aircraft) basis is also available. Marine Inland Transit insurance policy provides adequate cover to protect goods in transit by any mode of transport i.e., by Air or by Road/Rail within the territory of Pakistan till the border.



MOTOR INSURANCE

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

Private Vehicle (Comprehensive)

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. This is issue to private car and motorcycle.

Commercial Vehicles (Comprehensive)

We also insure Motor vehicles used for trade / commercial purposes and classified as Commercial Vehicles such as Trucks, Trailers, Buses, Ambulances, Wagons / Vans etc. 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 arising out of bodily injury caused to any third party person, the following policies are also available under the legal section.

Act Liability Only

It provides coverage in respect of liability incurred through death or injury to a third party person. 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

Shaheen Insurance offer aviation insurance to the commercial airlines as well as private jets. Our comprehensive aviation insurance plan protects the insured from probable risks of Aircraft Hull & Spares All Risks, Aviation Legal Liabilities, War & Allied Perils, Loss of License to Pilots, Aircraft's Ferry Flight Insurance, Crew Legal Liabilities, Airport Operations Insurance.



ENGINEERING INSURANCE

Engineering policies mainly cover operational loss of plant & machinery and projects of various kinds. It covers damage or breakdown of plant & machinery or its specific items. It indemnifies the cost of repair of plant & machinery own damage and legal liability for damage to the property of third party.

Cover for loss of profits and standing charges following machinery breakdown is also available. Engineering risk usually provides coverage for Contractor's All Risks Insurance, Contractor's Plant & Machinery Insurance, Erection All Risks Insurance, Plant and Machinery Breakdown Insurance and Comprehensive Machinery Insurance.



BONDS & SURETY INSURANCE

Contractor undertaking the construction of public works like buildings, roads, bridges, dams, civil works, rendering of services etc. are usually required to furnish guarantees / bonds guaranteeing 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 available under Miscellaneous & Other insurance that includes, liability Insurance like Products Liability Insurance, Professional Indemnity Insurance, Employer's Legal Liability Insurance, Public Liability Insurance, Third Party Liability Insurance, Directors & Officers Liability Insurance, Group / Personal Accident Insurance, Workmen Compensation Insurance, Fidelity Guarantee Insurance, Travel Insurance, All Risks Insurance, House-breaking & Burglary Insurance, Money Insurance (Cash in Safe & Cash in transit), Group Health Insurance, Plate Glass Insurance, Travel Insurance, Workmen Compensation, Boat Insurance etc.



GENDER PAY GAP

Gender Pay Gap

32.20%

Mean Gender Pay Gap

27.78%

Median Gender Pay Gap



MANAGEMENT TEAM



Ms. Sumbul Faraz Head of Underwriting	Mr. M. Imran Head of Claim	Mr. M. Nasir Jamal Head of Treasury & Investments	Mr. Muhammad Javed DGM - Health Insurance	Mr. M. Bilal Shah AGM Compliance	Mr. Muhammad Ali Sr. Manager Admin & HR	Ms. Uzma Ehsan DGM - Finance & Accounts
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Mr. Rizwan Akhtar
Chief Executive Officer

Mr. Nisar Ahmed Almani
Chief Financial Officer



CHAIRMAN'S REVIEW

It is with immense pleasure to present the Annual Report and performance review of the Company for the year ended December 31, 2024.

FY 2024 commenced with a number of challenges on the economic front, but ended with an economic stabilization path accompanied by improved macroeconomic indicators. The subsiding inflationary pressures, stability in external accounts and exchange rate, fiscal consolidation and gradual recovery in industrial activities are restoring the confidence of economic agents, thus enabling economic recovery. Sustaining economic recovery during 2025 and beyond remain a challenge and it is expected that it would be a gradual process in the wake of stiff and deeply engrained economic and political imbalances.

Year 2024 has been another good year for Shaheen Insurance. All insurance classes of business demonstrated growth with top line rising by more than 75% resulting in increased underwriting income. Investment & Other Income also increased compared with the last year on account of better yield and fund management. Overall performance of the Company maintained an upward trajectory during 2024 with profit after tax rising to Rs 165.27 million from Rs 116.30 million during 2023.

Board and its committees remained actively involved in supervising the performance of the Company at all levels

I am confident that the Company will capitalize the opportunities in the coming year. I am also confident that company will grow further and excel its performance in the upcoming years.

I would like to place on record my appreciation to the members of the Board, Securities & Exchange Commission of Pakistan (SECP) and all our reinsurers for their continued support. I would also like to thank field force, officers and staff of the Company for their hard work, commitment and dedicated efforts.



Air Vice Marshal Junaid Ahmed Siddiqi (Retd)
Chairman

Karachi, March 27, 2025

چیئر مین کا جائزہ

میں 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور کارکردگی کا جائزہ پیش کرتے ہوئے انتہائی مسرت محسوس کرتا ہوں۔

مالیاتی سال 2024 کا آغاز معاشی محاذ پر متعدد چیلنجوں کے ساتھ ہوا لیکن اس کا اختتام معاشی استحکام کے راستے پر گامزن ہونے کے ساتھ معاشی اشاریوں میں بہتری سے ہوا۔ مہنگائی (افراط زر) کے دباؤ میں کمی، بیرونی کھاتوں اور شرح مبادلہ میں استحکام، مالیاتی استحکام اور صنعتی سرگرمیوں میں بتدریج بحالی سے معاشی ایجنٹوں کا اعتماد بحال ہو رہا ہے جس سے معاشی بحالی ممکن ہو رہی ہے۔ 2025 اور اس کے بعد مستقبل میں معاشی بحالی کو برقرار رکھنا ایک چیلنج ہے اور یہ توقع کی جاتی ہے کہ یہ سخت اور گہرے اقتصادی اور سیاسی عدم توازن کے تناظر میں ایک بتدریج عمل ہوگا۔

سال 2024 شاہین انشورنس کے لیے ایک اور اچھا سال رہا۔ انشورنس کے کاروبار کے تمام شعبوں نے 75 فیصد سے زیادہ نمو کا مظاہرہ کیا جس کے نتیجے میں انڈر رائٹنگ آمدنی میں اضافہ ہوا۔ بہتر منفعت اور فنڈز کے بہتر انتظام کی وجہ سے گزشتہ سال کے مقابلے میں سرمایہ کاری اور دیگر آمدنی میں بھی اضافہ ہوا۔ 2024 کے دوران کمپنی کی مجموعی کارکردگی نے اوپر کی سمت کو برقرار رکھا جس کے نتیجے میں بعد از ٹیکس منافع بڑھ کر 165.27 ملین روپے ہو گیا جو کہ 2023 میں 116.30 ملین روپے تھا۔

بورڈ اور اس کی کمیٹیاں ہر سطح پر کمپنی کی کارکردگی کی نگرانی میں سرگرم عمل رہیں۔

میں پراعتاد ہوں کہ کمپنی آنے والے سال میں مواقعوں سے مزید استفادہ کرے گی۔ مجھے یہ بھی یقین ہے کہ کمپنی مزید ترقی کرے گی اور آنے والے سالوں میں اپنی کارکردگی کو بہتر بنائے گی۔

میں بورڈ کے ممبران، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور اپنے تمام ری انشوررز کے مسلسل تعاون پر ان کے لیے اپنی ستائش ریکارڈ پر لانا چاہتا ہوں۔ میں فیلڈ فورس، کمپنی کے افسران اور عملے کی محنت، عزم اور لگن پر ان کا شکریہ ادا کرنا چاہتا ہوں۔



ایزائز وائس مارشل جنید احمد صدیقی (ریٹائرڈ)

چیئر مین

کراچی، 27 مارچ، 2025

DIRECTORS' REPORT

The Directors of the Company are pleased to present the 30th Annual Report together with the audited financial statements and Auditor's report thereon for the year ended December 31, 2024.

GENERAL ECONOMIC REVIEW

Year 2024 was one of the challenging years for Pakistan's economy with the country facing political and economic instability during initial months. Subsequently, situation changed with inflation showed signs of easing. The year ended with an economic stabilization accompanied by improved macroeconomic indicators. The gradual subsiding inflationary pressures, stability in external accounts and exchange rate, fiscal consolidation and gradual recovery in industrial activities restored the confidence of economic agents, thus facilitating economic growth.

The Insurance industry contributed with responsibility and provided maximum support to the economy and performed well. However, challenges like industrial production decline and stringent IMF conditions require focused policy interventions to sustain momentum.

COMPANY'S PERFORMANCE – OPERATIONAL RESULTS FOR THE YEAR 2024

You will be pleased to know that the Company achieved the historical benchmark of **1.00 billion premium underwritten** during the year 2024. You will appreciate that FY2024 proved to be another year of excellent performance i.e. **3rd consecutive year of growth** despite tough challenges. You will be pleased to know that during the year 2024 **Company's growth was over 75%** if compared with the last year as summarized hereunder:

Business Segment	Gross Premium FY 2024 Rs (000)	Gross Premium FY 2023 Rs (000)	%age Growth
Conventional Business	1,463,486	826,275	77%
Takaful (WTO) Business	114,989	72,946	58%
Total Business	1,578,475	899,221	76%

The financial performance of the Company also remained excellent and remained positive during the year 2024 as tabulated hereunder: -

Profit & Loss Account	Year 2024 Rs (000)	Year 2023 Rs (000)	%age Inc/ (Dec)
Gross Premium (including window takaful operations)	1,578,475	899,221	76%
Net Insurance Premium	921,356	443,681	108%
Net Insurance Claims Incurred (including IBNER)	445,538	149,422	198%
Management & Other Expenses	251,869	191,639	31%
Underwriting Profit	70,338	22,296	215%
Profit from Window Takaful Operations	13,137	9,926	32%
Investment, Rentals & Other Income (Net)	229,348	156,331	47%
Profit before tax	239,367	163,934	46%
Profit after tax	165,581	116,304	42%
Earning per share (EPS) – basic & diluted	2.56	1.80	42%

You will be pleased to know that besides business acceleration during FY2024; not only its top line grew by more than 75% in the year 2024 i.e. **total business underwritten incl takaful grew to Rs 1.578 billion** from Rs 899.22 million of last year but also it earned profit from its core lines of business which is showing an increase of more than 190%; **underwriting profits grew to Rs 66.35 million during the year 2024** from Rs 22.30 million of last year.

The company's overall claims & operating expenses are aligned with industry averages, however, during the year its claims expenses increased to Rs. 444.01 million from Rs 149.42 million if compared with preceding year while its management & other expenses increased to Rs 268.31 million from Rs 200.11 million during last year mainly due to increased business activity.

You will appreciate that Profit from Window Takaful Operations (WTO) of the Company is also increasing progressively. **Profit before tax from WTO grew to Rs 13.07 million** during the year 2024 (FY 2023: 9.93 million). **Investments, rentals & other income of the Company also increased by 22%; grew to Rs 173.43 million** during the FY2024 (FY2023: Rs 142.51 million) mainly due to better placement of funds in a timely manner, although SBP's policy rate was on decline throughout the year.

Company earned **net profit before tax of Rs 238.80 million** during FY2024 against Rs 163.93 million of FY2023 and **net profit after tax rose to Rs 165.27 million** from Rs 116.30 million of last year. Earnings per share of Company arrived at Rs 2.56 per share against Rs 1.94 per share (diluted Rs 1.80 per share) of last year.

PERFORMANCE OF WINDOW TAKAFUL OPERATIONS – (WTO)

Shaheen Takaful is doing business under the guidance & supervision of Sharia Board comprising of qualified & certified Sharia Scholars. The comparative financial performance of the Company's WTO for the year ended December 31, 2024 is as under: –

PTF Revenue Account	Year 2024 Rs (000)	Year 2023 Rs (000)	%age Inc/ (Dec)
Gross Contribution Underwritten	114,989	72,946	58%
Net Contribution Revenue	51,419	29,980	71%
Net Incurred Claims (including IBNR)	30,485	15,967	91%
Underwriting Surplus/(Deficit)	20,253	13,620	49%
Investment & Net Other Incomes	4,836	4,107	15%
Net Surplus/(Deficit) for the year	25,089	17,727	41%

Year 2024 also proved to be another year of excellence for participants' funds; WTO PTF has returned back full amount of Qard-e-Hasna of Rs 12.50 million during FY 2024 and now the fund is operating free from all old obligations.

During FY2024 **gross contributions grew to Rs 114.99 million** from Rs 72.95 million i.e., grew by 58% from preceding year. The Net Contribution revenue of WTO grew during FY2024 to Rs 51.32 million from Rs 29.99 million of last year.

Net Claims incurred cost arrived at Rs 30.48 million (FY2023: Rs 15.397 million) while it earned underwriting surplus during the year 2024 of Rs 20.25 million (FY2023: Rs 13.62 million).

The Net Surplus of WTO arrived at Rs 24.96 million (FY2023; Rs 17.73 million) after incorporating the investment income & other net profits depicting growth of 42%.

Year 2024 also proved to be another year of excellence for WTO, while its results are as under;

Operator's Fund – OPF Account	Year 2024 Rs (000)	Year 2023 Rs (000)	%age Inc/ (Dec)
Wakala Fee Earned	31,579	20,716	52%
Business & Management Expenses	24,024	16,964	42%
Investment & Net Other Incomes	9,037	6,461	40%
Profit/(Loss) Before Tax from WTO	13,074	9,926	32%

During the year 2024, OPF earned Wakala Fee of Rs. 31.57 million (FY2023: Rs 20.72 million) while its management & administrative expenses increased by 42% to Rs. 24.02 million during the year 2024 (FY2023: Rs. 16.96 million) mainly because of increased business volume and incorporating administrative cost of the fund. The investment & other income rose by 32% from Rs. 9.93 million of FY2023 to Rs. 13.07 million during FY2024.

During the year 2024, Operator Fund of the Company earned a **profit before tax of Rs 13.07 million** as against Rs 9.93 million during FY2023.

We are confident that the takaful operations will grow further in years to come in line with the SBP directives for conversion of conventional banking toward Islamic banking by 2030 and we are taking all necessary steps for increasing our market share.

It is a matter of satisfaction that the overall performance of the Company is growth oriented with significant improvements in almost all the segments, in the top line and bottom line.

INVESTMENTS

Overall investment policy of the Company by and large remain unchanged, focusing on risk free highest returns-based placements. Company also generates a significant portion of its investment income from return on fixed income securities. Investment portfolio of the Company has also demonstrated a growth and remain diversified as give below;

Investment	Year 2024 Rs (000)	Year 2023 Rs (000)
Equity Securities	389,249	115,018
Debt Securities	378,240	119,292
Term Deposits	2,780	448,879
Total Deposits	770,269	683,189
Investment in TDRs – OPF	56,143	30,100
Investment in Properties	168,875	167,051
Total Investments	995,287	880,340

INCREASE IN AUTHORIZED CAPITAL

The Authorized Capital of the Company is Rs 1.00 billion, while Paid-Up Capital is Rs 645.00 million. Company is going to increase its Authorized Capital to Rs 2.50 billion in the wake of recent changes in the Insurance Rules wherein the requirement of Paid-Up Capital has been revised to be raised from Rs 500.00 million to Rs 2.00 billion for each non-life insurer by the year 2030.

APPROPRIATION OF PROFIT

The amount available for appropriation is:	
Unappropriated profit from previous years	164,368,048
Profit after tax for the year	165,269,371
	329,637,419
The Directors recommend that this amount be appropriated in the following manner	
Proposed issue of Bonus Shares @ 25%	161,250,000
Unappropriated profit carried forward to next year	168,387,419
	329,637,419

CREDIT RATING

With strong backing of sponsors, capital base, prudent underwriting and financial management, the Pakistan Credit Rating Agency (PACRA) has reaffirmed the Insurer Financial Strength (IFS) rating of the Company to **'A+' (Single A Plus)**, outlook continues to be **'Stable'**. The assigned rating denotes "strong capacity to meet policy holders and contractual obligations. Risk factors are low, and the impact of any adverse business and economic factors is expected to be small."

BOARD OF DIRECTORS

Board of Directors' of the Company consists of seven directors having the knowledge, experience and skills required to provide oversight and strategic guidelines to the Company. The total number of Directors are seven (7) as per following distribution;

- | | | |
|-----|--------|----|
| (a) | Male | 06 |
| (b) | Female | 01 |

The composition of board is as follows: -

- Independent Directors 2
- Non-Executive Directors 5
- CEO – Deemed to be Executive Director 1

During the year, the Board remained actively involved 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 Shareholders, increase in profitability of the Company and promoting market confidence.

The following directors of the company are male and non-executive directors;

- | | |
|--|-----------------------------------|
| 1. Air Vice Marshal Junaid Ahmed Siddiqui (Retd.) | Chairman & Non-Executive Director |
| 2. Air Vice Marshal Muhammad Qaiser Janjua (Retd.) | Non-Executive Director |
| 3. Air Commodore Tausif Sadiq (Retd.) | Non-Executive Director |
| 4. Air Commodore Wasim Ahmed Khan (Retd.) | Non-Executive Director |
| 5. Mr. Adeel Ali | Non-Executive Director |



The following directors of the company are male/female and are independent directors;

- | | | | |
|----|-----------------------|--------|----------------------|
| 1. | Mr. Jehangir Shah | Male | Independent Director |
| 2. | Ms. Farrah Azeem Khan | Female | Independent Director |

No remuneration is being paid to directors including independent directors except meeting fee.

During the year, Air Vice Marshal Junaid Ahmed Siddiqui (Retd.) was appointed in place of Air Marshal Muhammad Arif Pervaiz (Retd.) who resigned from the Board. Board wishes Air Marshal Muhammad Arif Pervaiz (Retd.) best of luck in his future endeavors.

BOARD MEETINGS

Board of Directors held 4 meetings in 2024. Attendance of directors is indicated below;

Name of Director	No. of meetings attended
Air Vice Marshal Junaid Ahmed Siddiqui (Retd.) (appointed in May 2024)	2
Air Marshal Muhammad Arif Pervaiz (Retd.) (resigned in May 2024)	2
Air Vice Marshal Muhammad Qaiser Janjua (Retd.)	4
Air Commodore Tausif Sadiq (Retd.)	4
Air Commodore Wasim Ahmed Khan (Retd.)	4
Mr. Adeel Ali	4
Mr. Jehangir Shah	4
Ms. Farrah Azeem Khan	3

Leave of absence was granted in case the directors could not attend some of the meetings.

EARNINGS PER SHARE

Basic and Diluted Earnings per Share of the Company for the year ended December 31, 2024 is Rs 2.56 per share (FY 2023: Rs 1.80 per share).

CONTRIBUTORY PROVIDENT FUND

The value of investment including accrued income of provident fund on the basis of unaudited accounts as on December 31, 2024 is as follows;

Value of investments	Rs 31.12 Million
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STATUTORY PAYMENTS ON ACCOUNT OF TAXES, DUTIES

There are no statutory payments on account of taxes, duties, levies, and charges which are outstanding except in the ordinary course of business and as disclosed in the Financial Statements.

Tabulated below are the financial data for the last six years against the head of accounts;

Rupees in Millions

	2024	2023	2022	2021	2020	2019
Written Gross Premium including gross written contribution	1,578.47	899.21	485.60	243.00	254.00	357.00
Investment Income	173.60	142.50	78.38	48.00	57.00	61.00
Claims Expense	444.01	149.42	80.08	43.00	66.00	100.00
Net commission and other acquisition cost	156.73	82.65	58.35	35.00	53.00	61.00
Management and other expenses	278.26	200.11	204.48	147.00	152.00	139.00
Profit after tax	165.26	116.30	53.38	25.00	36.00	60.00
Share Holders Equity	1007.69	844.60	731.93	689.00	656.00	621.00
Claim Outstanding	196.68	207.56	128.96	86.00	127.00	128.00
Insurance / Reinsurance receivables	409.23	241.44	122.58	145.00	178.00	252.00
Investment	770.26	683.19	612.10	600.00	603.00	564.00
Investment Properties	168.87	167.05	167.05	155.00	135.00	130.00

DIRECTORS TRAINING PROGRAM

Air Commodore Tausif Sadiq (Retd.) have already completed Corporate Governance Leadership skills (CGLS) program of Institute of Business Administration.

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

CORPORATE BRIEFING

Corporate Briefing session was held for Shareholders and Analysts on December 24, 2024 via video link, as per the requirement of Pakistan Stock Exchange. Senior Management, Analysts and shareholders attended the session.

STATEMENT OF COMPLIANCE WITH THE 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.

DIRECTOR'S REMUNERATION

In line with the requirement of Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and Articles of Association of the Company, the policy of remuneration of non-executive directors including Independent directors, the Company do not pay any remuneration to its non-executive directors (including independent directors) except as meeting fee for attending the quarterly Board meetings only.



ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CHAIRMAN BOARD OF DIRECTORS

Managing Director of Shaheen Foundation is the Chairman of the Board of Directors of the Company. 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.

CHIEF EXECUTIVE OFFICER – CEO

Board of Directors' appoint Chief Executive Officer (CEO) of the Company for a 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 CEO meet regularly to discuss / review issues, opportunities and challenges.

CEO's PERFORMANCE REVIEW

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

BOARD COMMITTEES

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

The Board has constituted Audit, Investment, Human Resource & Remuneration Committees.

TRAINING PROGRAM

Staff training is carried out on continuous basis throughout the year. During the year staff and senior officers were nominated to attend various Seminars and training courses.

PATTERN OF SHARE HOLDING

A statement of pattern of shareholding is separately annexed.

TRADING IN COMPANY'S SHARES

No trading in the shares of the Company was carried out by the directors, CEO, CFO and Company Secretary, their spouses or minor children. Only 500 nominee shares were transferred in the name of newly inducted director Air Vice Marshal Junaid Ahmed Siddiqui (Retd.).

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The corporate laws, rules and regulations framed here under spells out the overall functions of the Board of Directors of the Company. The Board is fully aware of its corporate responsibilities as envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and is pleased to certify that;

- 1) The financial statements, prepared by the Company, presents fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- 2) The Company has maintained proper books of accounts.
- 3) The Company has consistently followed appropriate accounting policies in preparation of the financial statements and accounting estimates are on the basis of prudent and reasonable judgment.
- 4) International Accounting Standards as applicable in Pakistan have been followed in the preparation of Financial Statements. Accounting Standards and such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 the Insurance Ordinance 2017, provisions and directives issued under the Companies Act 2017, the Insurance Ordinance 2017, SEC (Insurance) Rules 2017 and Takaful Rules 2012. Any departure there from has been adequately disclosed.
- 5) The Board has established a system of internal control, which is implemented at all levels within the Company. The Company is making efforts and arrangements to include all necessary aspects of internal control given in the Code of Corporate Governance for Insurers, 2016 (the code) and Listed Companies Code of Corporate Governance Regulations 2019 (the Regulations).
- 6) The fundamentals of the Company are strong and there is no doubt about its ability to continue as a going concern.
- 7) The Company has followed the best practices of Corporate Governance as laid down in the Listing Regulations of the except for the matters highlighted by the auditors in the CCG report.

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 December 31, 2025. 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 December 31, 2025.

FUTURE OUTLOOK OF THE COMPANY

We are optimistic about the future business prospects and strongly believe that Shaheen Insurance will continue to grow in the years to come. The general economic environment of the country is expected to stabilize which has already been show cased.

The overall economic outlook is being shaped largely by the restoration of political stability and the continued implementation of reforms under the IMF program to stabilize the economy and restore fiscal and external buffers. We are looking forward with confidence for taking advantage from the new opportunities in the years to come.

Business development in this scenario will be quite challenging but since now our economy is getting momentum and the Company expects to get its due share for the available opportunities.

Shaheen Insurance is fully aware of the challenges & changes taking place in the economy and are fully equipped to benefit from all such environment. We are taking all necessary steps for its business expansion including development of new business, tailor-made business solutions, development of new lines of business and participation in mega projects on consortium basis with renowned insurers.

Our emphasis will be to improve the overall risk architecture, balancing the portfolios and focus on safe and sustainable growth. Contributions from investment activities and also anticipated in the wake of maintained policy rate by the SBP.

Shaheen Insurance is taking all necessary steps for increasing its market share with the care that not only the top line grows but also the bottom line to remain positive. We look forward with confidence in meeting the challenges and opportunities will arise in the market.

ACKNOWLEDGMENTS

We would like to thank our valued customers for their continued patronage and support. We are also thankful for the cooperation and assistance extended by the Securities & Exchange Commission of Pakistan (SECP), Pakistan Reinsurance Company Ltd. (PRCL) and State Bank of Pakistan (SBP) for their guidance and support during the year.

We also would like to place on record your Director's appreciation of the efforts put in by the officers, field force and staff for their dedication, commitment, sincerity and hard work who contributed for the growth of the Company.

For and on behalf of Board



Rizwan Akhtar
Chief Executive Officer



Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)
Chairman

March 27, 2025

اعتراف

ہم اپنے قابل قدر صارفین کی مسلسل سرپرستی اور تعاون پر ان کے مشکور ہیں۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، پاکستان ری انشورنس کمپنی لمیٹڈ (PRCL) اور اسٹیٹ بینک آف پاکستان (SBP) کی طرف سے سال کے دوران فراہم کردہ رہنمائی اور مدد پر ان کے مشکور ہیں۔ ڈائریکٹر کی جانب سے افسران، فیلڈ فورس اور عملے کی لگن، عزم، خلوص اور محنت کے ساتھ ان کی کوششوں کا اعتراف بھی ریکارڈ پر رکھنا چاہتے ہیں جنہوں نے کمپنی کی ترقی میں اپنا کردار ادا کیا۔

برائے وفاق بورڈ



ایس وائس مارشل جنید احمد صدیقی (ریٹائرڈ)
چیئر مین



رضوان اختر
چیف ایگزیکٹو آفیسر

27 مارچ 2025

- (2) کمپنی میں کھاتوں کی کتابت درست انداز سے مرتب کی گئی ہیں۔
- (3) کمپنی نے مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں پر مسلسل عمل کیا اور اکاؤنٹنگ کے تخمینے دانشمندانہ اور معقول فیصلے کی بنیاد پر ہیں۔
- (4) مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے۔ اکاؤنٹنگ اسٹینڈرڈز اور انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ کے اس طرح کے جاری کردہ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) جنہیں کمپنیز ایکٹ 2017، انشورنس آرڈیننس 2017، میں اختیار کیا گیا ہے اور کمپنیز ایکٹ 2017، انشورنس آرڈیننس 2017، SEC (انشورنس) رولز 2017 اور نفاذ رولز 2012 کی جاری کردہ دفعات اور ہدایات کے مطابق..... کسی بھی قسم کے انحراف کو مناسب انداز میں منکشف کیا گیا ہے۔
- (5) بورڈ نے اندرونی کنٹرول کا ایک نظام قائم کیا ہے جو کمپنی کے اندر تمام سطحوں پر نافذ ہے۔ کمپنی کوڈ آف کارپوریٹ گورننس برائے بیمہ کنندگان، 2016 (کوڈ) اور کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 (ریگولیشنز) میں دیئے گئے اندرونی کنٹرول کے تمام ضروری پہلوؤں کو شامل کرنے کی کوششیں اور انتظامات کر رہی ہے۔
- (6) کمپنی کے بنیادیں مضبوط ہیں اور اس کے چلتے ہوئے ادارے کی صلاحیت میں کوئی شک وشبہ نہیں ہے۔
- (7) کمپنی نے لسٹنگ ریگولیشنز میں بیان کردہ ادارتی نظم و ضبط کے بہترین طریقوں کی پیروی کی ہے سوائے ان معاملات کے جن کو CCG رپورٹ میں آڈیٹرز نے اجاگر کیا ہے۔

حصص داری کی ساخت

حصص داری کی ساخت کا گوشوارہ رپورٹ میں الگ سے دکھایا گیا ہے۔

آڈیٹرز

میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور اہلیت کے باعث انہوں نے موجودہ معاوضے پر 31 دسمبر 2025 کو ختم ہونے والے مالیاتی سال کے لئے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی نے سفارش کی ہے اور بورڈ نے میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے بطور آڈیٹر تقرری کی توثیق کی ہے۔

کمپنی کا مستقبل کا منظر نامہ

ہم مستقبل کے کاروباری امکانات کے بارے میں پر امید ہیں اور یقین محکم رکھتے ہیں کہ شاہین انشورنس آنے والے سالوں میں ترقی کرتی رہے گی۔ ملک کا عمومی معاشی ماحول مستحکم ہونے کی توقع ہے جس کی علامات پہلے ہی ظاہر ہو چکی ہیں۔

مجموعی اقتصادی منظر نامہ بڑی حد تک سیاسی استحکام کی، بحالی اور معیشت کے استحکام اور مالیاتی اور بیرونی محاذ پر بحال کرنے کے لیے آئی ایم ایف پروگرام کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پا رہا ہے۔ اب جبکہ نئی حکومت قائم ہو چکی ہے تو ہم آنے والے سالوں میں نئے مواقع سے فائدہ اٹھانے کے لیے پراعتماد ہیں۔

اس منظر نامے میں کاروباری ترقی کافی دشوار گزار ہوگی لیکن چونکہ اب ہماری معیشت معیار حرکت مستحکم ہو رہا تو توقع ہے کہ کمپنی کو دستیاب مواقع سے اسے اپنا درست حصہ ملے گا۔ شاہین انشورنس معیشت میں رونما ہونے والے چیلنجوں اور تبدیلیوں سے پوری طرح آگاہ ہے اور ایسے تمام ماحول سے فائدہ اٹھانے کے لیے پوری طرح لیس ہے۔ ہم اس کے کاروباری توسیع کے لئے تمام ضروری اقدامات کر رہے ہیں جن میں نئے کاروباری ترویج، اپنے معیار کے مطابق بنائے گئے کاروباری حل، کاروباری نئے شعبوں کی ترقی اور معروف بیمہ کنندگان کے ساتھ کنسورشیم کی بنیاد پر میگا پروجیکٹس میں شرکت شامل ہیں۔

ہماری توجہ ڈھانچے کو بہتر بنانے، محکموں کو متوازن بنانے اور محفوظ اور پائیدار ترقی پر مرکوز رہے گی۔ اسٹیٹ بینک کی جانب سے پالیسی نرخ کو برقرار رکھنے کے تناظر میں سرمایہ کاری کی سرگرمیوں سے معاونت متوقع ہے۔

شاہین انشورنس مارکیٹ میں اپنے حصے کو بڑھانے کے لیے تمام ضروری اقدامات اس طرح کر رہی ہے کہ نہ صرف فروخت بڑھے بلکہ خالص منافع بھی مثبت رہے۔ ہم مارکیٹ میں پیدا ہونے والے چیلنجوں سے نمٹنے اور مواقعوں سے استفادہ کرنے کے منتظر ہیں۔

چیئر مین اور چیف ایگزیکٹو آفیسر کا کردار

چیئر مین بورڈ آف ڈائریکٹرز

شاہین فاؤنڈیشن کے فینجنگ ڈائریکٹر کمپنی کے بورڈ آف ڈائریکٹرز کے چیئر مین ہیں۔ بورڈ کے چیئر مین کی ذمہ داری ہے کہ وہ اس بات کو یقینی بنائے کہ بورڈ درست طریقے سے کام کر رہا ہے اور کمپنی کے نظم و ضبط سے متعلق تمام معاملات بورڈ کے اجلاسوں میں زیر غور آ رہے ہیں۔ چیئر مین بورڈ کے اجلاسوں کی صدارت اور ان کا انعقاد کرتا ہے اور بورڈ کی قیادت کرنے اور اس کے موثر کام اور مسلسل ترویج کو یقینی بنانے کا ذمہ دار ہوتا ہے۔ چیئر مین کمپنی کے روزمرہ کاموں میں کوئی عمل دخل نہیں ہے۔

چیف ایگزیکٹو آفیسر - سی ای او

بورڈ آف ڈائریکٹرز کمپنی کے چیف ایگزیکٹو آفیسر (CEO) کی تین سال کی مدت کے لیے تقرری کرتا ہے۔ چیف ایگزیکٹو آفیسر تمام قانونی ذمہ داریوں کے مطابق اور بورڈ کی ہدایت اور حاصل شدہ اختیارات کے تحت کمپنی کے آپریشنز اور کاروبار انجام دینے کا ذمہ دار ہے۔ اس کی ذمہ داریوں میں بورڈ کی حکمت عملیوں اور پالیسیوں کو نافذ کرنا شامل ہے۔ وہ کمپنی کے کاروبار کو مجموعی طور پر کنٹرول کرنے، سمت بندی کرنے، انتظام کرنے اور مستعد انتظام کا ذمہ دار ہے۔ چیئر مین اور سی ای او مسائل، مواقع اور مسائل پر تبادلہ خیال/ جائزہ لینے کے لیے باقاعدگی سے ملاقات کرتے ہیں۔

سی ای او کی کارکردگی کا جائزہ

سال کے دوران انجام دی گئی کاروباری سرگرمیوں کی بنیاد پر بورڈ سی ای او کی کارکردگی کا سالانہ جائزہ لیتا ہے۔

بورڈ کی کمیٹیاں

تمام ڈائریکٹران کاروبار اور پیشوں کے متنوع شعبوں میں عمیق تجربہ رکھتے ہیں اور وہ مختلف کاروباری اور ادارتی مسائل سے نمٹنے کے لیے مطلوبہ مہارت اور سمجھ بوجھ رکھتے ہیں اور انتظامیہ کی کارکردگی کا جائزہ لینے، تجزیہ کرنے اور چیلنج کرنے کی صلاحیت رکھتے ہیں۔ انہوں نے اپنے تجربے اور عملی مشورے کے لحاظ سے بہت زیادہ معاونت فراہم کی ہے۔ بورڈ نے آڈٹ، سرمایہ کاری، انسانی وسائل اور معاوضے کی کمیٹیاں تشکیل دی ہیں۔

تربیتی پروگرام

عملے کی تربیت سال بھر مسلسل بنیادوں پر کی جاتی ہے۔ سال کے دوران عملے اور اعلیٰ افسران کو مختلف سیمینارز اور تربیتی کورسز میں شرکت کے لیے نامزد کیا گیا۔

حصص داری کی ساخت

حصص داری کی ساخت کا گوشوارہ رپورٹ میں الگ سے دکھایا گیا ہے۔

کمپنی کے حصص میں خرید و فروخت

ڈائریکٹران، سی ای او، سی ایف او اور کمپنی سیکرٹری، ان کی شریک حیات یا نابالغ بچوں نے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

ادارتی اور مالیاتی رپورٹنگ فریم ورک کا بیان

وضوح شدہ ادارتی قوانین، قواعد و ضوابط کمپنی کے بورڈ آف ڈائریکٹرز کے مجموعی افعال کو بیان کرتے ہیں۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مرتب کردہ ادارتی نظم و ضبط کے ضابطے کے تحت بورڈ اپنی ادارتی ذمہ داریوں سے پوری طرح واقف ہے اور اس بات کی تصدیق کرتے ہوئے مسرت محسوس کرتا ہے کہ:

(1) کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی حالت، اس کے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو شفاف انداز سے تک پیش کرتے

ہیں۔

روپے کروڑوں میں						
2019	2020	2021	2022	2023	2024	
357.00	254.00	243.00	485.60	899.21	1,578.47	تحریری مجموعی پر بیمہ بشمول مجموعی تحریری کنٹری بیوشن
61.00	57.00	48.00	78.38	142.50	173.42	سرمایہ کاری کی آمدنی
100.00	66.00	43.00	80.08	149.42	444.01	کلیمز کے اخراجات
61.00	53.00	35.00	58.35	82.65	156.73	خالص کمیشن اور دیگر لاگت وصولی
139.00	152.00	147.00	204.48	200.11	278.26	انتظامی اور دیگر اخراجات
60.00	36.00	25.00	53.38	116.30	165.26	منافع بعد از ٹیکس
621.00	656.00	689.00	731.93	844.60	1007.69	شیئر ہولڈرز ایکویٹی
128.00	127.00	86.00	128.96	207.56	196.68	واجب الادا کلیمز
252.00	178.00	145.00	122.58	241.44	409.23	انشورنس/ری انشورنس قابل وصول
564.00	603.00	600.00	612.10	683.19	770.26	سرمایہ کاری
130.00	135.00	155.00	167.05	167.05	168.87	سرمایہ کاری جائیدادیں

ڈائریکٹران کا تربیتی پروگرام

ایئر کموڈور ورو صیف صادق (ریٹائرڈ) پہلے ہی انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن سے کارپوریٹ گورننس لیڈرشپ اسکول (CGLS) پروگرام مکمل کر چکے ہیں۔ ایک ڈائریکٹر ڈائریکٹران کے لئے لیکچرر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت درکار معیار اہلیت پر پورا اترتے ہیں جنہیں لیکچرر کمپنیوں کے بورڈ میں کام کرنے کا 15 سالہ تجربہ ہے اور 14 سال کی تعلیمی قابلیت رکھتے ہیں۔

ادارتی نشست

پاکستان اسٹاک ایکسچینج کے تقاضوں کے تحت 24 دسمبر 2024 کو حصص یافتگان اور تجزیہ کاروں کے لیے ویڈیولنک کے ذریعے مختصر ادارتی نشست کا انعقاد کیا گیا۔ نشست میں اعلیٰ انتظامی عملے، تجزیہ کاروں اور حصص یافتگان نے شرکت کی۔

ادارتی نظم و ضبط کی پاسداری کا بیان

ادارتی نظم و ضبط کے ضابطے جو ریگولیشنز آف اتھارٹی نے باضابطہ مرتب کئے ہیں ان کی پاسداری کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹران کا معاوضہ

کمپنیز ایکٹ، 2017، لیکچرر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنی کے آرٹیکلز آف ایسوسی کے تقاضوں کے تحت آزاد ڈائریکٹران بشمول نان ایگزیکٹو ڈائریکٹران کے معاوضے کی پالیسی کے مطابق کمپنی اپنے نان ایگزیکٹو ڈائریکٹران (بشمول آزاد ڈائریکٹران) کو بورڈ کے سہ ماہی اجلاس میں شرکت کے علاوہ کوئی دیگر معاوضہ ادا نہیں کرتی۔

کمپنی کے درج ذیل ڈائریکٹران مرد/خواتین ہیں اور آزاد ڈائریکٹران ہیں۔

1.	جناب جہانگیر شاہ	مرد	آزاد ڈائریکٹر
2.	محترمہ فرح عظیم خان	خاتون	آزاد ڈائریکٹر

ڈائریکٹران بشمول آزاد ڈائریکٹران کو اجلاس میں حاضری کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا جاتا ہے۔

سال کے دوران مستعفی ہونے والے ڈائریکٹر ایئر مارشل محمد عارف پرویز (ریٹائرڈ) کی جگہ پر ایئر وائس مارشل جنید احمد صدیقی (ریٹائرڈ) کی تقرری کی گئی۔ بورڈ ایئر مارشل محمد عارف پرویز (ریٹائرڈ) کو ان کی مستقبل کی کاوشوں پر ان کے لئے نیک خواہشات کا اظہار کرتا ہے۔

بورڈ کے اجلاس

بورڈ آف ڈائریکٹرز کے 2024 میں 4 اجلاس ہوئے۔ ڈائریکٹران کی حاضری ذیل میں بیان کی گئی ہے:

ڈائریکٹر کا نام	اجلاس کی تعداد جن میں شرکت کی
ایئر وائس مارشل جنید احمد صدیقی (ریٹائرڈ)	2
ایئر مارشل محمد عارف پرویز (ریٹائرڈ) (مئی 2024 میں مستعفی ہوئے)	2
ایئر وائس مارشل محمد قیصر جنجوعہ (ریٹائرڈ)	4
ایئر کموڈور تو صیف صادق (ریٹائرڈ)	4
ایئر کموڈور وسیم احمد خان (ریٹائرڈ)	4
عدیل علی صاحب	4
جناب جہانگیر شاہ	4
محترمہ فرح عظیم خان	3

جوڈائریکٹران کچھ اجلاسوں میں شرکت نہ کر سکے ان کی غیر حاضری کی رخصت منظور کر لی گئی۔

فی حصص آمدن

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کی فی حصص بنیادی اور رقیق آمدنی 2.56 روپے فی حصص (مالیاتی سال 2023 میں 1.94 روپے فی حصص) رہی۔

شراکتی پروویڈنٹ فنڈ

31 دسمبر 2023 کو غیر آڈٹ شدہ کھاتوں کی بنیاد پر پروویڈنٹ فنڈ کی جمع شدہ آمدنی سمیت سرمایہ کاری کی مالیت درج ذیل ہے:

سرمایہ کاری کی مالیت 31.12 ملین روپے

ٹیکسوں، ڈیوٹیوں کی مد میں آئینی ادائیگیاں

ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں کوئی قانونی ادائیگیاں واجب الادا نہیں ہیں سوائے عمومی معمولی کاروباری واجبات کے جنہیں مالیاتی گوشواروں میں منکشف کیا گیا ہے۔

گزشتہ چھ سالوں کے مالیاتی اعداد و شمار نیچے ٹیبل میں ہر حسابی اکاؤنٹس کے سامنے بیان کیا گیا ہے:

ڈائریکٹران تجویز کرتے ہیں کہ اس رقم کو درج ذیل طریقے سے مختص کیا جائے:

161,250,000	بونس شیئرز کا مجوزہ اجراء 25 فیصد کے حساب سے
168,387,419	غیر مصرف شدہ منافع اگلے سال میں لے جایا گیا
329,637,419	

قرضہ جاتی ریٹنگ

سرپرستوں کی مضبوط معاونت، سرمایہ جاتی بنیاد، محتاط ذمہ داری اور مالیاتی انتظام کے ساتھ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے آپ کی کمپنی کی انشورر فنانشل اسٹریٹجی (IFS) کی درجہ بندی کو 'A+' (سنگل اے پلس) پر دوبارہ تصدیق کر دی ہے، آڈٹ لک 'مستحکم' دیا ہے۔ تفویض کردہ درجہ بندی سے پالیسی ہولڈرز اور معاہدے کی ذمہ داریوں کو پورا کرنے کی مضبوط صلاحیت کی نشاندہی ہوتی ہے۔ خطرے کے عوامل کم ہیں اور کسی بھی ناموافق کاروباری اور اقتصادی عوامل سے متاثر ہونے کی توقعات کم ہیں۔"

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز سات ڈائریکٹران پر مشتمل ہے جنہیں کمپنی کو نگرانی اور کلیدی رہنمائی فراہم کرنے کے لیے ضروری علم، تجربہ اور مہارت حاصل ہے۔ مندرجہ ذیل تقسیم کے مطابق ڈائریکٹران کی کل تعداد سات (7) ہے:

06	مرد	(a)
01	خاتون	(b)

بورڈ کی تشکیل حسب ذیل ہے:-

- (2) آزاد ڈائریکٹران
- (5) غیر ایگزیکٹو ڈائریکٹران
- (1) CEO جسے ایگزیکٹو ڈائریکٹر سمجھا جاتا ہے

سال کے دوران، بورڈ مختلف متعلقہ قوانین اور کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کے تحت اپنے فرائض کی انجام دہی میں سرگرم عمل رہا جس کے حتمی مقاصد میں شیئرز ہولڈرز کے مفادات کا از خود تحفظ، کمپنی کے منافع میں اضافہ اور مارکیٹ میں اعتماد کو فروغ دینا شامل ہیں۔

کمپنی کے درج ذیل ڈائریکٹران مرد اور نان ایگزیکٹو ڈائریکٹران ہیں:

1.	انیروائس مارشل جنید احمد صدیقی (ریٹائرڈ)	چیئرمین اور نان ایگزیکٹو ڈائریکٹر
2.	ایزوائس مارشل محمد قیصر جنجوعہ (ریٹائرڈ)	نان ایگزیکٹو ڈائریکٹر
3.	ایز کموڈور تو صیف صادق (ریٹائرڈ)	نان ایگزیکٹو ڈائریکٹر
4.	ایز کموڈور وسیم احمد خان (ریٹائرڈ)	نان ایگزیکٹو ڈائریکٹر
5.	جناب عدیل علی	نان ایگزیکٹو ڈائریکٹر

سال 2024 بھی WTO کے لئے ایک اور شاندار سال ثابت ہوا جبکہ اس کے نتائج حسب ذیل ہیں:

آپریٹر کا فنڈ - OPF کھاتہ	سال 2024 (روپے '000 میں)	سال 2023 (روپے '000 میں)	اضافہ/ (کمی) فیصد
وکالہ فیس کی آمدنی	31,579	20,716	52%
کاروباری اور انتظامی اخراجات	24,024	16,964	42%
سرمایہ کاری و دیگر خالص آمدن	9,037	6,461	40%
WTO کا منافع/ (خسارہ) قبل از ٹیکس	13,074	9,926	32%

سال 2024 کے دوران OPF کی وکالہ فیس کی آمدنی 31.57 ملین روپے (مالیاتی سال 2023 میں 20.72 ملین روپے) رہی جبکہ اس کے انتظامی و انصرامی اخراجات سال 2024 کے دوران 42% اضافے سے 24.02 ملین روپے تک پہنچ گئے (مالیاتی سال 2023 میں 16.96 ملین روپے) جس کی بنیادی وجہ فنڈ کے کاروباری حجم میں اضافہ اور انتظامی لاگت کی شمولیت تھی۔ مالیاتی سال 2024 کے دوران سرمایہ کاری اور دیگر آمدنی 13.07 ملین روپے رہی جو کہ گزشتہ مالیاتی سال 2023 میں 9.93 ملین روپے سے بڑھ کر گئی، یعنی اس میں 32 فیصد اضافہ ہوا۔ سال 2024 کے دوران کمپنی کے فنڈ آپریٹر کا منافع قبل از ٹیکس 13.07 ملین روپے رہا جو کہ مالیاتی سال 2023 کے دوران 9.93 ملین تھا۔ ہم پر اعتماد ہیں کہ 2030 تک روایتی بینکاری کو اسلامی بینکاری میں تبدیل کرنے کی اسٹیٹ بینک کی ہدایات کے مطابق آنے والے سالوں میں تکافل آپریشنز مزید بڑھیں گے اور ہم اپنے مارکیٹ شیئر کو بڑھانے کے لئے تمام ضروری اقدامات کر رہے ہیں۔ یہ بات باعث طمانیت کہ کمپنی کی مجموعی کارکردگی فروخت سے خالص منافع تک تقریباً تمام پہلوؤں میں نمایاں بہتری کے ساتھ تسلی بخش ہے۔

سرمایہ کاری

کمپنی کی مجموعی سرمایہ کاری کی پالیسی کسی خطرے سے پاک سب سے زیادہ منفعت کی حامل سرمایہ کاری جگہوں پر توجہ مرکوز کرتے ہوئے بدستور برقرار ہے۔ آپ کی کمپنی بینک ڈپازٹس پر منافع سے اپنی سرمایہ کاری آمدنی کا ایک قابل ذکر حصہ حاصل کرتی ہے۔ کمپنی کے سرمایہ کاری کے پورٹ فولیو نے بھی نمو کا مظاہرہ کیا ہے اور متنوع ہے جسے ذیل میں بیان کیا گیا ہے:

مجاز سرمائے میں اضافہ

کمپنی کا مجاز سرمایہ 1.00 ملین روپے ہے جبکہ اصل حاصل شدہ سرمایہ 645.00 ملین روپے ہے۔ انشورنس آرڈیننس میں حالیہ تبدیلیوں کے تناظر میں کمپنی اپنے مجاز سرمائے کو 2.50 ملین روپے تک بڑھانے جارہی ہے جس میں سال 2030 تک ہر نان لائف بیمہ کنندہ کے لیے اصل حاصل شدہ سرمائے کی ضرورت کو 500 ملین روپے سے بڑھا کر 2 ملین روپے کر دیا گیا ہے۔

منافع کی تخصیص

تخصیص کے لیے دستیاب رقم درج ذیل ہے:

گزشتہ سالوں کا غیر مصرف شدہ منافع	164,368,048
سال کا منافع بعد از ٹیکس	165,269,371
	329,637,419

آپ کو یہ جان کر خوشی ہوگی کہ مالی سال 2024 کے دوران کاروبار میں تیزی کے علاوہ سال 2024 میں نہ صرف اس کی ٹاپ لائن میں 75 فیصد سے زیادہ کا اضافہ ہوا یعنی تکافل سمیت کل کاروبار گزشتہ سال کے 899.22 ملین روپے سے بڑھ کر 1.578 بلین روپے ہو گیا بلکہ اس نے اپنے بنیادی کاروبار سے منافع بھی کمایا جو کہ 190 فیصد سے زیادہ کا اضافہ ظاہر کرتا ہے۔ سال 2024 کے دوران ذمہ دہی کے منافع بڑھ کر 66.35 ملین روپے ہو گئے جو گزشتہ سال کے 22.30 ملین روپے تھے۔

کمپنی کے مجموعی کلیم اور کاروباری اخراجات صنعتی اوسط کے مطابق ہیں تاہم سال کے دوران اس کے کلیم کے اخراجات گزشتہ سال کے 149.42 ملین روپے کے مقابلے میں بڑھ کر 444.01 ملین روپے ہو گئے جبکہ اس کے انتظامی اور دیگر اخراجات 200.11 ملین روپے سے بڑھ کر 268.31 ملین روپے ہو گئے جس کی بنیادی وجہ گزشتہ سال کے دوران کاروباری سرگرمیوں میں اضافہ تھا۔ آپ اس بات کے معترف ہوں گے کہ کمپنی کے ونڈو تکافل آپریشنز (WTO) کا منافع بھی بتدریج بڑھ رہا ہے۔ سال 2024 کے دوران WTO کا قبل از ٹیکس منافع بڑھ کر 13.07 ملین روپے (مالیاتی سال 2023 میں 9.93 ملین روپے) ہو گیا۔ کمپنی کی سرمایہ کاری، کرائے اور دیگر آمدنی میں بھی 22 فیصد اضافہ ہوا ہے جو کہ مالیاتی سال 2024 کے دوران بڑھ کر 173.43 ملین روپے (مالیاتی سال 2023 میں 142.51 ملین روپے) تک پہنچ گئی جس کی وجہ سال بھر SBP کے پالیسی نرخ گرتے رہنے کے باوجود قومات کی بہتر جگہوں پر بروقت سرمایہ کاری تھی۔ مالیاتی سال 2023 کے 163.93 ملین روپے کے مقابلے میں مالیاتی سال 2024 کے دوران قبل از ٹیکس منافع 238.80 ملین روپے رہا جبکہ بعد از ٹیکس خالص منافع گزشتہ سال کے 116.30 ملین روپے سے بڑھ کر 165.27 ملین روپے تک پہنچ گیا۔ کمپنی کی فی حصص آمدنی گزشتہ سال کے 1.94 روپے فی حصص (رقیق 1.80 روپے) کے مقابلے میں بڑھ کر 2.56 روپے فی حصص تک پہنچ گئی۔

ونڈو تکافل آپریشنز کی کارکردگی - (WTO)

آپ اس بات کے معترف ہوں گے کہ شاہین تکافل تعلیم یافتہ اور سند یافتہ شرعی اسکالرز پر مشتمل شریعہ بورڈ کی رہنمائی اور نگرانی میں کاروبار کر رہا ہے۔ 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے WTO کی تقابلی مالیاتی کارکردگی درج ذیل ہے:-

PTF آمدن کھاتہ	سال 2024 (روپے '000 میں)	سال 2023 (روپے '000 میں)	اضافہ/ (کمی) فیصد
مجموعی ذمہ دہی کنٹری بیوشن	114,989	72,946	58%
خالص کنٹری بیوشن آمدن	51,320	29,980	71%
خالص ادا شدہ انشورنس کلیمز (بشمول IBNR)	30,484	15,967	91%
ذمہ دہی منافع/ خسارہ	20,253	13,620	49%
سرمایہ کاری و دیگر آمدن	4,710	4,107	15%
خالص سرپلس/ (خسارہ)	24,962	17,727	41%

سال 2024 بھی شرکائے فنڈز کے لیے ایک اور شاندار سال ثابت ہوا۔ WTO PTF نے مالیاتی سال 2024 کے دوران 12.50 ملین روپے کی قرض حسنہ کی مکمل رقم واپس کر دی اور اب یہ فنڈ تمام پرانے واجبات سے آزاد ہو کر کام کر رہا ہے۔

مالیاتی سال 2024 کے دوران مجموعی کنٹری بیوشن گزشتہ سال کے 72.95 ملین روپے سے بڑھ کر 114.99 ملین روپے ہو گئے یعنی گزشتہ سال کے مقابلے میں 58 فیصد اضافہ ہوا۔ مالی سال 2024 کے دوران ڈیبیوٹی اوکی خالص کنٹری بیوشن آمدنی گزشتہ سال کے 29.99 ملین روپے سے بڑھ کر 51.32 ملین روپے تک پہنچ گئی۔ اس کے خالص کلیم کی لاگت 30.48 ملین روپے (مالیاتی سال 2023 میں 15.397 ملین روپے) رہی جبکہ 2024 کے دوران 20.25 ملین روپے (مالیاتی سال 2023 میں 13.62 ملین روپے) کا انڈر رائٹنگ سرپلس حاصل ہوا۔

سرمایہ کاری آمدنی اور دیگر خالص منافع کو شامل کرنے کے بعد WTO کا خالص سرپلس 24.96 ملین روپے (مالیاتی سال 2023 میں 17.73 ملین روپے) رہا جس میں 42% کی نمو کی نشاندہی ہوتی ہے۔

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹر ان 30 ویں سالانہ رپورٹ کے ساتھ سال ختمہ 31 دسمبر 2024 کے آڈٹ شدہ مالیاتی گوشوارے اور ان پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

عمومی معاشی جائزہ

سال 2024 پاکستان کی معیشت کے لیے ایک دشوار گزار سالوں میں سے ایک تھا جس کے ابتدائی مہینوں میں ملک کو سیاسی اور معاشی عدم استحکام کا سامنا تھا۔ بعد ازاں حالات میں تبدیلی کے ساتھ ساتھ مہنگائی (افراط زر) میں کمی کی علامات نظر آنے لگیں۔ سال کا اختتام معاشی استحکام کے ساتھ ہوا جس میں معاشی اشاریوں میں بہتری آئی۔ افراط زر کے دباؤ میں بتدریج کمی، بیرونی کھاتوں اور شرح مبادلہ میں استحکام، مالیاتی مضبوطی اور صنعتی سرگرمیوں میں بتدریج بحالی نے اقتصادی ایجنٹوں کے اعتماد کو بحال کیا جس سے معاشی ترقی میں مدد ملی۔ انشورنس کی صنعت نے ذمہ داری کے ساتھ تعاون کیا اور معیشت کو زیادہ سے زیادہ معاونت فراہم کی اور اچھی کارکردگی کا مظاہرہ کیا۔ تاہم صنعتی پیداوار میں کمی اور IMF کی سخت شرائط جیسے چیلنجوں میں معیار حرکت کو برقرار رکھنے کے لیے مرکوز پالیسیوں جیسی مداخلت کی ضرورت ہے۔

کمپنی کی کارکردگی - سال 2024 کے کاروباری نتائج

آپ کو یہ جان کر خوشی ہوگی کہ کمپنی نے سال 2024 کے دوران ذمہ داری پر بیمہ کا 1 ملین روپے کا تاریخی بیٹج مارک حاصل کیا۔ آپ اس بات کے معترف ہوں گے کہ مالیاتی سال 2024 بہترین کارکردگی کا ایک اور سال ثابت ہوا یعنی سخت چیلنجوں کے باوجود مسلسل ترقی کا تیسرا سال رہا۔ آپ کو یہ جان کر خوشی ہوگی کہ گزشتہ سال کی بہ نسبت سال 2024 کے دوران آپ کی کمپنی کی نمو 75% سے زیادہ تھی جس کا خلاصہ ذیل میں بیان کیا گیا ہے:

کاروباری شعبہ	مجموعی پر بیمہ مالیاتی سال 2024 (روپے '000 میں)	مجموعی پر بیمہ مالیاتی سال 2023 (روپے '000 میں)	نمو کی شرح فیصد
ردائی کاروبار	1,463,486	826,275	77%
ٹیکافل (WTO) کاروبار	114,989	72,946	58%
کل کاروبار	1,578,475	899,221	76%

کمپنی کی مالیاتی کارکردگی بھی بہترین رہی اور سال 2024 کے دوران مثبت رہی جیسا کہ ذیل میں بیان کیا گیا ہے:-

منافع و خسارے کا کھاتہ	سال 2024 (روپے '000 میں)	سال 2023 (روپے '000 میں)	اضافہ/کمی (فیصد)
مجموعی پر بیمہ (بشمول ونڈ و ٹیکافل آپریشنز)	1,578,475	899,221	76%
خالص انشورنس پر بیمہ	921,356	443,681	108%
خالص ادائ شدہ انشورنس کلیمز (بشمول IBNER)	444,013	149,422	197%
انتظامی و دیگر اخراجات	268,310	200,109	34%
ذمہ داری کا منافع	66,346	22,296	198%
ونڈ و ٹیکافل آپریشنز کا منافع	13,074	9,926	32%
سرمایہ کاری، کرایہ جات اور دیگر آمدن (خالص)	173,426	142,505	22%
منافع قبل از ٹیکس	238,804	163,934	46%
منافع بعد از ٹیکس	165,269	116,304	42%
فی حصص آمدن (EPS) - بنیادی اور رقیق	2.56	1.80	42%

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting (AGM) of Shaheen Insurance Company Limited (SICL) will be held on Monday, April 28, 2025 at 03:00 p.m. at the Institute of Chartered Accountants of Pakistan House, block G-31/8, Chartered Accountants Avenue, Clifton, Karachi to transact the following business;

Ordinary Business

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended December 31, 2024 together with the Directors' and Auditor's Reports thereon.
2. To consider and approve issuance of bonus shares @ 25% i.e. 2.5 ordinary shares for every 10 ordinary shares held for the year ended December 31, 2024 as recommended by the Board of Directors of the Company.
3. To appoint Auditors of the Company for the year ending December 31, 2025 and fix their remuneration. Board of Directors on the recommendation of Audit Committee have proposed the reappointment of M/s. BDO Ebrahim & Co., Chartered Accountants as auditors of the Company for the year 2025.

Special Business

1. To consider and if deemed fit, to pass the following resolutions as special resolutions for alternation in the Articles of Association of the Company, with or without modification(s), addition(s) or deletion(s), as recommended by the Board of Directors:

***“Resolved That the fee for attending the Quarterly Board of Directors' meeting only be and is hereby approved to be paid upto Rs 50,000/- per meeting for nominee director, upto Rs 100,000/- per meeting for independent director and upto Rs 75,000/- per meeting for Chairman.*”**

Further Resolved That pursuant to Section 38 and all other applicable provisions of the Companies Act, 2017 the Article 83 of the Articles of Association of the Company be altered as under.”

“83. Unless otherwise determined by the Company in General Meeting the remuneration of each nominee director shall be upto Rs 50,000/-, upto Rs 100,000/- for each independent director and upto Rs 75,000/- for Chairman for each quarterly Board of Directors meeting only, he attends, plus the actual travelling expenses incurred by him.

Resolved Further That the Chief Executive Officer and / or Company Secretary be and are hereby authorized to comply with the legal formalities in this regard.”

Further Resolved That, the aforesaid resolution shall be subject to any amendment, modification, addition or deletion as may be required and such amendment, modification, addition or deletion shall not require fresh approval of members.”

2. To consider and if thoughts fit, to pass the following resolution with or without modification, as a Special Resolution;

“Resolved That the Authorized Share Capital of the Company be and is hereby increased from Rs 1,000,000,000/- to Rs 2,500,000,000/- and that Clause No.5 of the Memorandum of Association and Article No.6 of Articles of Association of the Company be and are hereby accordingly amended.”

Further Resolved That, the Chief Executive Officer and / or Company Secretary be and are hereby authorized to comply with the legal formalities in this regard.”

Further Resolved That, the aforesaid resolution shall be subject to any amendment, modification, addition or deletion as may be required and such amendment, modification, addition or deletion shall not require fresh approval of members.”

Karachi: April 07, 2025

By Order of the Board

Nisar Ahmed Almani
Company Secretary

The statement under Section 134(3) of the Companies Act, 2017, pertaining to the special business referred to above is being circulated to the Shareholders along with the notice of the Meeting.

Notes:

1. In line with the clarification issued vide Circular no. 4 of 2021 by the Securities & Exchange Commission of Pakistan (SECP) for ensuring participation of the shareholders in general meeting through electronic means as a regular feature; Company has also provided the facility for attending the meeting through video link. To attend the AGM through video link, members are requested to register their following particulars by sending an e-mail at compliance@shaheeninsurance.com

Folio / CDC Account No.	No. of shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on April 25, 2025. For any query, the members may please contact at aforesaid email or on WhatsApp Number 03212010771. No gifts will be distributed at the meeting.

2. In accordance with the provisions of section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to the shareholders only through electronic mode i.e. directly into the bank account designated by the entitled shareholders. Please note that if Bank account details (IBAN) as per prescribed format have not been provided by the shareholders to the Share Registrar, their Broker (participant) or CDC, the company would be constrained to act in accordance with the provisions of the law and withhold the cash dividend.

3. The share transfer books of the Company shall remain closed from April 22, 2025 to April 28, 2025 (both days inclusive). Transfers received at M/s. Corplink (Pvt.) Ltd., Wings Arcade, I-K, Commercial Model Town, Lahore, the Registrar and Share Registrar Office of the Company, by the close of business on April 21, 2025 will be considered in time for the purpose of Annual General Meeting.
4. The Proxy Form duly completed and signed along with attested copies of CNIC/Passport of the member, Proxy Holder and the witnesses must be deposited at the Registered Office of the Company or emailed at cfo@shaheeninsurance.com not later than 48 hours before the time of holding of the meeting. Original CNIC/Passport will be produced by the Proxy holder at the time of the meeting.
5. No persons shall be appointed as a Proxy unless he/she is a member of the company.
6. In case of corporate entity, the Board of Director's Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form to the Company.
7. CDC account holders and their proxies must attach attested photocopy of their CNIC/Passport with the Proxy Form.
8. Members may exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of section 143-145 of the Companies Act 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
9. 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 the close of business on April 21, 2025 by Corplink (Private) Limited, the e-voting service provider.

The identity of the members intending to cast a vote through e-voting shall be authenticated through electronic signature or authentication for login. E-voting lines will start on April 25, 2025 at 9:00 am and will close on April 27, 2025 at 5:00 pm. Members can cast their votes at any time during this period. Once members vote on a resolution, they shall not be allowed to change it.

The shareholders of the Company have approved in an Extra Ordinary General Meeting of the Company held on June 22, 2023 to circulate the Annual Report of the Company to the members through QR enabled code and weblink. Therefore, the Annual Report – 2024 can be accessed through the following weblink or QR Code.

Weblink: <https://www.shaheeninsurance.com/financial-reports/>

QR Code



11. Statement of Material Facts Under Section 134(3) of the Companies Act, 2017, concerning the Special Business:

Pursuant to Article No. 83 of the Company's Articles of Association, each nominee and independent director are currently eligible to receive a fee upto Rs 10,000/- and upto Rs 20,000/- respectively per quarterly Board of Directors' meeting only in consideration for attending each meeting plus the actual traveling expenses incurred by him. Section 181(2) (e) of Companies Act 2017 restricts that non-executive director cannot draw any remuneration from the Company except the meeting fee. Board of Directors has recommended revision in this fee up to Rs 50,000/- per meeting for each nominee director, Rs 100,000/- per meeting for each independent director and up to Rs 75,000/- per meeting for Chairman for quarterly Board of Directors Meeting only through amendment in Article No. 83 of the Company's Articles of Association. To this effect Special Resolutions as mentioned in the Notice of Annual General Meeting are proposed to be approved in the forthcoming Annual General Meeting. The directors of the Company have no interest, directly or indirectly, in the proposed special resolution, save to the extent of their meeting fee to be paid to them for attending quarterly meetings of the board. The directors of the Company confirm that the proposed alterations to the Articles of Association are in line with the applicable provisions of the law and regulatory framework.

12. Increase in Authorized Share Capital – Alteration in Memorandum and Articles of Association

In order to meet the Minimum Paid Up Capital Requirement prescribed by the Securities and Exchange Commission of Pakistan vide its Notification bearing reference no. S.R.O.310(i)/2025 dated March 03, 2025 and to support expansion of business, Board of Directors' of the Company have proposed to increase Authorized Share Capital of the Company from existing Rs 1,000,000,000/- (10,000,000 ordinary shares of Rs 10 each) to Rs 2,500,000,000/- (25,000,000 ordinary shares of Rs 10 each). Accordingly, Clause No. 5 of the Memorandum of Association and Article No. 6 of Articles of Association of the Company is proposed to be amended to incorporate the effect of such increase through above mentioned Special Resolution.

The directors are not interested, directly or indirectly, in the above business except to the extent of their nominee shareholding of 500 shares each.

OPERATIONAL RESULTS AND FINANCIAL STRENGTHS FROM 2015 TO 2024

Rupees in '000

S.NO.	PARTICULARS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
1	Gross Direct Premium	1,463,485	826,275	285,602	231,254	244,386	350,295	416,938	342,923	339,503	308,988
	Increase %	77.12	189.31	23.50	(5.37)	(30.23)	(15.98)	21.58	1.01	9.88	8.73
2	Net Premium	921,356	443,681	300,867	179,988	229,055	295,190	366,913	299,586	264,558	225,225
	Increase %	107.66	47.47	67.16	(21.42)	(22.40)	(19.55)	22.47	13.24	17.46	(1.91)
	% to 11	142.85	73.95	50.14	30.00	38.18	49.20	61.15	49.93	58.79	50.05
3	Claim Insured	444,013	149,422	80,080	42,706	66,080	99,575	84,888	80,411	74,311	100,355
	% to 2	48.19	33.68	26.62	23.73	28.85	33.73	23.14	26.84	28.09	44.56
4	Commision	156,728	82,646	58,350	35,161	53,193	60,903	99,568	61,530	48,202	38,979
	% to 2	17.01	18.63	19.39	19.54	23.22	20.63	27.14	20.54	18.22	17.31
5	Management Expenses	254,267	189,316	198,012	140,496	147,301	138,893	72,411	65,073	52,833	45,336
	% to 1	17.37	22.91	69.33	60.75	60.27	39.65	17.37	18.98	15.56	14.67
	% to 2	27.60	42.67	65.81	78.06	64.31	47.05	19.74	21.72	19.97	20.13
6	Investment Income/(Loss)	96,580	113,043	78,381	47,558	56,538	61,065	33,037	28,710	17,157	16,305
	% to 22	9.28	12.09	10.92	7.52	9.16	10.40	4.31	4.01	3.43	3.58
7	Other Income	76,845	29,461	28,286	5,468	32,561	9,977	6,123	7,692	21,017	6,795
8	Provision for Taxation	73,535	47,629	24,414	5,108	10,324	20,256	522	10,458	2,645	20,461
9	Profit/(Loss) before Tax	238,804	163,934	77,791	25,904	45,933	80,256	88,621	74,331	42,781	5,723
10	Profit/(Loss) after Tax	165,269	116,304	53,376	31,013	35,609	60,000	68,641	63,872	40,135	26,184
	% to 2	17.94	26.21	17.74	17.23	15.55	20.33	18.71	21.32	15.17	11.63
11	Paid-up Capital	645,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	450,000	450,000
12	General Reserves	33,059	20,237	23,863	32,605	32,200	33,102	20,000	20,000	20,000	20,000
13	Reserves for Unexpired Risks	473,265	249,264	156,749	98,158	92,606	133,134	147,009	144,520	149,407	145,921
14	Unappropriate Profit/(Loss)	329,637	224,368	108,064	54,687	23,618	(11,991)	52,309	276,925	(63,596)	(103,731)
15	Capital Available for Shares	1,007,697	844,605	731,927	687,292	655,809	621,112	683,676	620,276	406,403	366,268
16	Total Net Outstanding Claims	196,681	207,559	128,963	85,850	127,306	128,203	107,957	110,353	104,234	121,436
	% to 2	21.35	46.78	42.86	47.70	55.58	43.43	29.42	36.84	39.40	53.92
17	Other Laibilities	200,641	206,837	128,053	122,392	112,272	146,205	398,934	398,934	398,934	101,872
18	Total Equity & Laibilities	2,034,010	1,620,629	1,237,439	1,093,810	1,091,971	1,174,208	1,149,014	1,041,243	770,634	780,904
19	Land & Properties	168,875	167,051	167,051	154,950	135,385	130,423	30,953	32,450	55,275	57,115
	% to 2	18.33	37.65	55.52	86.09	59.11	44.18	8.44	10.83	20.89	25.36
20	Cash & Bank Balances	270,124	252,188	105,705	72,588	14,686	23,319	21,238	439,200	218,256	174,423
	% to 2	29.32	56.84	35.13	40.33	6.41	7.90	5.79	146.60	82.50	77.44
21	Investment	770,269	683,189	612,096	559,765	602,874	563,708	746,092	277,560	281,301	280,449
22	Total Cash & Investment	1,040,393	935,377	717,800	632,353	617,560	587,027	767,330	716,760	499,557	454,872
23	O/S Premium	23,229	20,720	21,892	83,682	107,410	166,262	188,414	147,256	77,253	87,575
	% to 2	2.52	4.67	7.28	46.49	46.89	56.32	51.35	49.15	29.20	38.88
24	Fixed Assets	115,379	75,697	55,079	39,929	22,017	82,318	11,064	12,215	11,564	13,907
	% to 2	12.52	17.06	18.31	22.18	9.61	27.89	3.02	4.08	4.37	6.17
25	Total Assets	2,034,010	1,620,629	1,237,439	1,093,810	1,091,971	1,174,208	1,152,265	1,041,243	770,634	780,904
26	Break-up Value Per Share	3.17	3.98	4.85	5.49	5.49	5.11	5.21	5.40	5.21	6.90
27	Earning Per Share (After Tax)	2.56	1.80	0.89	0.52	0.59	1.00	1.14	1.06	0.67	0.44

HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION & PROFIT & LOSS ACCOUNT

% Increase / (Decrease) over preceeding year

STATEMENT OF FINANCIAL POSITION	2024	2023	2022	2021	2024	2023	2022	2021
Property and equipment	115	76	55	40	0.52	0.38	0.38	0.81
Intangible assets	0	0	0	0	-	-	-	-
Investment properties	169	167	167	155	0.01	-	0.08	0.14
Investments	0	-	-	0	-	-	-	-
Equity securities	389	115	164	67	2.38	(0.30)	1.45	0.07
Debt securities	378	119	83	169	2.18	0.43	(0.51)	0.01
Term deposits	3	449	365	324	(0.99)	0.23	0.13	(0.13)
Loans and other receivables	30	23	18	15	0.32	0.28	0.20	(0.56)
Insurance / re-insurance receivables	409	241	123	142	0.70	0.96	(0.14)	(0.20)
Re-insurance recoveries against outstanding claims	12	8	46	14	0.48	(0.83)	2.32	(0.04)
Salvage recoveries accrued	0	0	-	2	-	-	(1.00)	(0.27)
Deferred commission expense	85	38	26	16	1.24	0.46	0.68	-
Taxation-payment less provision	0	0	4	15	-	(1.00)	(0.73)	3.96
Prepayments	52	48	15	6	0.08	2.20	1.30	(0.54)
Cash and bank	270	252	106	73	0.07	1.38	0.46	3.94
Total assets of window takaful operations - Operator's Fund	120	84	66	57	0.43	0.27	0.17	0.01
Total Assets	2034	1620	1237	1094	0.26	0.31	0.13	0.00
Share capital	645	600	600	600	0.08	-	-	-
Reserves	33	20	24	33	0.65	(0.17)	(0.27)	0.01
Unappropriated profit	330	224	108	55	0.47	1.07	0.98	1.31
Total Equity	1008	844	732	687	0.19	0.15	0.07	0.05
Outstanding claims including IBNR	197	208	129	86	(0.05)	0.61	0.50	(0.33)
Unearned premium reserves	473	249	157	98	0.90	0.59	0.60	0.06
Premium deficiency reserves	0	0	0	0	0.12	-	-	(0.37)
Unearned reinsurance commission	3	3	2	1	(0.00)	0.50	0.70	(0.43)
Lease liabilities	16	20	19	26	(0.18)	0.05	(0.27)	0.54
Premium received in advance	2	11	1	-	(0.79)	10.00	-	(1.00)
Insurance / re-insurance payables	55	32	55	65	0.73	(0.42)	(0.16)	(0.15)
Other creditors and accruals	201	207	128	122	(0.03)	0.62	0.05	0.09
Unclaimed dividend	3	2	2	2	0.59	-	-	-
Taxation - provision less payments	26	22	-	-	0.19	-	-	-
Total liabilities of window takaful operations - Operator's Fund	49	22	12	5	1.23	0.83	1.35	0.31
Total Equity and Liabilities	2034	1620	1237	1092	0.26	0.31	2.84	(1.23)
PROFIT AND LOSS ACCOUNT								
Net insurance premium	921	444	301	180	1.08	0.48	0.67	(0.21)
Net insurance claims	(444)	(149)	(80)	(43)	1.98	0.86	0.88	(0.35)
Premium deficiency - net	-	-	-	0	-	-	(1.00)	(1.65)
Net commission expense / acquisition cost	(157)	(83)	(58)	(35)	0.89	0.43	0.66	(0.34)
Management expenses	(254)	(189)	(198)	(140)	0.35	(0.05)	0.41	(0.05)
Underwriting results	66	22	(36)	(38)	2.02	(1.61)	(0.07)	0.01
Investment income	97	113	78	48	(0.15)	0.45	0.65	(0.16)
Unrealised gain on investment properties	2	0	12	20	-	-	(0.38)	2.94
Rental income	2	2	2	4	0.19	-	(0.42)	0.19
Other income	73	27	26	1	1.69	0.04	17.92	(0.95)
Other expenses	(11)	(8)	(6)	(6)	0.37	0.33	0.15	(0.15)
Finance charges against lease liabilities	(3)	(2)	(2)	(2)	0.56	-	0.13	(0.31)
Loss after tax from window takaful operations - OPF tax	13	10	4	(1)	0.31	1.50	(5.88)	0.39
Profit / (Loss) before	239	164	78	26	0.46	1.10	2.00	(0.44)
Provision for taxation - net	(74)	(48)	(24)	5	0.53	1.00	(5.78)	(1.49)
Profit / (Loss) after tax	165	116	53	31	0.42	1.19	0.72	(0.13)

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION & PROFIT & LOSS ACCOUNT

STATEMENT OF FINANCIAL POSITION	2024		2023		2022		2022	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Property and equipment	115	5.67	76	4.69	55	4.45	40	3.65
Intangible assets	0	0.02	0	0.00	0	0.00	0	0.00
Investment properties	169	8.30	167	10.31	167	13.50	155	14.17
Investments	0	0.00	-	-	-	-	-	-
Equity securities	389	19.14	115	7.10	164	13.27	67	6.13
Debt securities	378	18.60	119	7.35	83	6.71	169	15.42
Term deposits	3	0.14	449	27.72	365	29.48	324	29.63
Loans and other receivables	30	1.50	23	1.42	18	1.42	15	1.34
Insurance / re-insurance receivables	409	20.12	241	14.88	123	9.91	142	13.00
Re-insurance recoveries against outstanding claims	12	0.58	8	0.49	46	3.74	14	1.27
Salvage recoveries accrued	0	0.02	-	-	-	-	2	0.15
Deferred commission expense	85	4.18	38	2.35	26	2.11	16	1.42
Taxation-payment less provision	0	0.00	-	-	4	0.33	15	1.41
Prepayments	52	2.55	48	2.96	15	1.18	6	0.58
Cash and bank	270	13.28	252	15.56	106	8.54	73	6.64
Total assets of window takaful operations - Operator's Fund	120	5.91	84	5.19	66	5.36	57	5.20
Total Assets	2034	100.00	1620	100.00	1238	100.00	1095	100.01
Share capital	645	31.71	600	37.03	600	48.49	600	54.86
Reserves	33	1.63	20	1.23	24	1.93	33	2.98
Unappropriated profit	330	16.21	224	13.82	108	8.73	55	4.99
Total Equity	1008	49.54	844	52.09	732	59.15	688	62.83
Outstanding claims including IBNR	197	9.67	208	12.84	129	10.42	86	7.85
Unearned premium reserves	473	23.27	249	15.37	157	12.67	98	8.97
Premium deficiency reserves	0	0.02	0	0.02	0	0.03	0	0.03
Unearned reinsurance commission	3	0.15	3	0.19	2	0.19	1	0.12
Lease liabilities	16	0.81	20	1.23	19	1.56	26	2.42
Premium received in advance	2	0.11	11	0.68	1	0.09	0	0.00
Insurance / re-insurance payables	55	2.73	32	1.97	55	4.43	65	5.94
Other creditors and accruals	201	9.86	207	12.78	128	10.35	122	11.19
Unclaimed dividend	3	0.16	2	0.12	2	0.15	2	0.17
Taxation - provision less payments	26	1.28	22	1.36	0	0.00	0	0.00
Total liabilities of window takaful operations - Operator's Fund	49	2.41	22	1.36	12	0.97	5	0.47
Total Equity and Liabilities	2034	100.00	1620	100.00	1237	100.01	1093	99.99
PROFIT AND LOSS ACCOUNT								
Net insurance premium	921	100.00	444	100.00	301	100.00	180	100.00
Net insurance claims	(444)	(48.19)	(149)	(33.56)	(80)	(27.00)	(43)	(24.00)
Premium deficiency - net	-	-	-	0.00	-	-	0	0.00
Net commission expense / acquisition cost	(157)	(17.01)	(83)	(18.69)	(58)	(19.00)	(35)	(20.00)
Management expenses	(254)	(27.60)	(189)	(42.57)	(198)	(66.00)	(140)	(78.00)
Underwriting results	66	7.20	22	4.95	(36)	(12.00)	(38)	(21.00)
Investment income	97	10.48	113	25.45	78	26.00	48	26.00
Unrealised gain on investment properties	2	0.20	0	0.00	12	4.00	20	11.00
Rental income	2	0.26	2	0.45	2	1.00	4	2.00
Other income	73	7.88	27	6.08	26	9.00	1	1.00
Other expenses	(11)	(1.19)	8	1.80	(6)	(2.00)	(6)	(3.00)
Finance charges against lease liabilities	(3)	(0.34)	(2)	(0.45)	(2)	(1.00)	(2)	(1.00)
Profit after tax from window takaful operations - OPF tax	13	1.42	10	2.25	4	1.00	(1)	0.00
Profit /(Loss) before	239	25.92	164	36.94	78	26.00	26	14.00
Provision for taxation - net	(74)	(7.98)	48	10.81	(24)	(8.00)	5	3.00
Profit /(Loss) after tax	165	17.94	116	26.13	53	18.00	31	17.00



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHAHEEN 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 best practices contained in the Code of Corporate Governance for Insurers, 2016 (the Code) and Listed Companies (Code of Corporate Governance) Regulation, 2019 (the Regulations) prepared by the Board of Directors of Shaheen Insurance Company Limited for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations and provision lxxvi of the Code.

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

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

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

Based on our review, except for the instances of non-compliance, 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 and Regulations as applicable to the Company for the year ended December 31, 2024.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Engagement Partner:
Zulfikar Ali Causer

Dated: April 7, 2025
Place : Karachi
UDIN: CR202410067y8CmoZKOI

Statement of Compliance with the Code of Corporate Governance for Insurers 2016 and with 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 Listed Companies Code of Corporate Governance Regulations 2019 (the Regulations) for the purpose of establishing a framework of good governance, where by Shaheen Insurance Company Limited (the insurer) is managed in compliance with the best practices of Corporate Governance.

The Company has complied with the requirements of the Code and Regulations in the following manner:

1. The total number of directors are eight as per the following;
 - a) Male: 7
 - b) Female: 1
2. The Company ensures representation of independent non-executive directors and facilitates directors representing minority interests on its Board of directors ("the Board"). At present the Board includes:

Category	Names
Independent female director	Ms. Farrah Azeem Khan *
Independent director	Mr. Jehangir Shah*
Executive director	Syed Rizwan Akhter
Non-executive directors	Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)
	Air Vice Marshal Muhammad Qaiser Janjua (Retd.)
	Air Commodore Tausif Sadiq (Retd.)
	Air Commodore Wasim Ahmed Khan (Retd.)
	Mr. Adeel Ali Bokhari

* The independent director meets the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

Regulation 6: The Board of the Company comprises of seven elected Directors and one-third works out to be 2.33. Presently, two (2) independent Directors were elected by the shareholders in terms of Section 166 of the Companies Act, 2017, which have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently as per laws and regulations under which, hereby, fulfill the requirements; not warrant the appointment of a third independent Director.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies excluding of listed subsidiaries, including this, Company.
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. One casual vacancy occurring on the Board in May 2024, was filled up within 90 days thereof.

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. However, these policies and procedures are being further refined and strengthened gradually. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. 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 Code and these Regulations. Decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board.
9. The meetings of the Board were presided over the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
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 and the Regulations.
11. All the Directors have either attended the orientation course or have been provided appropriate guidelines in this regard and as such they are fully aware of their duties and responsibilities. Company during previous year arranged director training program and one of the directors, Air Commodore Tausif Sadiq (Retd.), – Non executive director, attended the said training and Mr. Jehangir Shah – Independent director is exempt from this requirement due to his professional education and experience.
12. During the year, the board has designated Mr. Mohammad Junaid as officiating head of internal audit due to resignation of previous head of internal audit. No changes however, in the appointment of Chief Financial Officer and Company Secretary were made during the year.
13. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations. The Company only pay meeting fee for attending the Board of Directors Meeting along reimbursement of actual traveling and lodging expenses.
14. The Directors’ Report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.
15. The Financial Statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
16. The directors, CEO and other executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees:

Underwriting Committee

Name of the Member	Designation	Category
Mr. Rizwan Akhtar	Chief Executive Officer	Chairman
Ms. Sumbul Faraz	Head of Underwriting	Member
Mr. Zia Ur Rahim	Deputy Manager Underwriting	Member and Secretary

Claim Settlement Committee:

Name of the Member	Designation	Category
Mr. Rizwan Akhtar	Chief Executive officer	Chairman
Mr. Nisar Ahmed Almani	Chief Financial Officer	Member
Mr. Muhammad Imran	Head of Claims	Member and Secretary

Reinsurance & Co-Insurance Committee:

Name of the Member	Designation	Category
Mr. Rizwan Akhtar	Chief Executive officer	Chairman
Ms. Sumbul Faraz	Head of Underwriting	Member and Secretary
Mr. Muhammad Asif Ramzan	Deputy Manager	Member

Risk Management & Compliance Committee:

Name of the Member	Designation	Category
Mr. Rizwan Akhtar	Chief Executive officer	Chairman
Mr. Nisar Ahmed Almani	Chief Financial Officer	Member
Mr. Muhammad Imran	Head of Claims	Member
Ms. Sumbul Faraz	Head of Underwriting	Member
Mr. Kashif Naeem	Compliance Officer	Member and Secretary

19. The Board has formed the following Board Committees

Ethics, Human Resource and Remuneration Committee:

Name of the Member	Category
Ms. Farrah Azeem Khan	Chairperson - Independent Director
Mr. Adeel Ali	Member - Non Executive Director
Mr. Rizwan Akhtar	Member - Executive Director
Mr. Nisar Ahmed Almani	Secretary

Investment Committee

Name of the Member	Category
Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)	Chairman - Non Executive
Air Vice Marshal Muhammad Qaiser Janjua (Retd.)	Member - Non Executive Director
Mr. Adeel Ali	Member - Non Executive Director
Mr. Rizwan Akhtar	Chief Executive Officer and Executive Director
Mr. Nisar Ahmed Almani	Chief Financial Officer
Mr. Muhammad Nasir Jamal	Secretary

The Functions of the Nominations Committee are being performed by the Board.

20. The Board has formed an Audit Committee. It comprises of three members and all are non-executive and Chairman of Audit Committee is an independent director. The Composition of the audit committee is as follows:

Name of the Member	Category
Ms. Farrah Azeem Khan	Chairperson - Independent Director
Air Commodore Wasim Ahmed Khan (Retd.)	Member
Mr. Adeel Ali	Member
Mr. Muhammad Junaid	Secretary (Acting)

21. The Quarterly meetings of audit committee were held prior to the approval of interim and final results of the company. The terms of references of the Committees have been formed and advised to the Committees for compliance. The frequency of meetings of the Committee were as follows:

Name of Meeting	Frequency
Ethics Human Resource and Remuneration Committee Investment Committee	Half Yearly whenever needed, but at least quarterly
Audit Committee	Quarterly
Underwriting Committee	Quarterly
Claim Settlement Committee	Quarterly
Reinsurance & Co-insurance Committee	Quarterly
Risk Management & Compliance Committee	Quarterly

22. The board has outsourced its internal Audit to M/s Arqam Naveed & Co. Chartered Accountants, who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company and is involved in the internal audit function on a regular basis.
23. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in 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 Member	Category
Mr. Rizwan Akhter	Chief Executive Officer (CEO)
Mr. Nisar Ahmed Almani	Chief Financial Officer and Company Secretary
Mr. Mohammad Junaid	Head of internal Audit - (Acting)
iBOS	Actuary
Mr. Sumbul Faraz	Head of Underwriting and Reinsurance
Mr. Muhammad Imran	Head of Claims and Grievance Function
Mr. Kashif Naeem	Compliance Officer and Risk Officer

Due to size of operations of the Company, multiple functions are being performed by single staff. Accordingly, functions of the Company Secretary are being performed by the Chief Financial Officer.

24. The statutory auditors of the insurer 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 of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they or any of the partners of the firm and their spouses and minor children do not hold shares of the Company and no partners of the firm involved in the audit is a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

25. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
26. The actuary appointed by the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
27. The Board ensures that the Appointed actuary complies with the requirements set out for him in the Code.
28. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
29. The Board ensures that the risk management system of the insurer is in place as per the requirement of Code of Corporate Governance for Insurers, 2016.
30. The Company has set up a Risk Management function which carries out its tasks as covered under the code.
31. The Board ensures that as part of the risk management system, the Company gets itself rated from Pakistan Credit Rating Agency (PACRA) which is being used by its risk management function/department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on August 23, 2024 is A+ (ifs) with stable outlook.
32. The Board has set up a grievance function which fully complies with the requirement of the Code.
33. The Board has developed and approved the criteria for annual evaluation of its own performance as per the requirement of the Code.
34. The Company has not obtained any exemption(s) from the SECP in respect of the requirements of the Code.
35. We confirm that all requirements of the 3, 6, 7, 8, 27, 32 and 36 of the Regulations have been complied with.
36. We confirm that all material principles contained in the Code have been complied with except for certain matters disclosed above along with reasons and explanations in clause 11 and 23 toward which reasonable progress is being made by the Company to seek compliance by the next accounting year.
37. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 is as follows:

Non-Mandatory requirement	Regulation No.	Explanation
Directors' Training Program As per the non mandatory requirement of the amended Code of Cooperate Governance for Insurers 2016, , the insurer shall ensure that by December 31, 2024 at least 75% of directors on their boards have acquired the prescribed certi-fication under any director training program offered by institutions, local or foreign, that meet the criteria specified by the commission and approved by it. It further states; a newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the board: Provided that director having a minimum of 14 years of education and 15 years of experience on the Board(s) of insurer(s) shall be exempt from the directors training program;	11	Company during prior period arranged director training program for one of its director, while another one is exempt form this requirement due to his experience and education. Further, a new director was appointed in May 2024 and therefore this requirement is not applicale on him. Due to change of nominee directors on regular basis, efforts are underway to comply with the requirement as soon as possible.
CFO and Company Secretary shall be different Non mandatory regulation 24, of the Listed Companies (Code of Corporate Governance) Regulations, 2019 states that the same person shall not simultaneously hold the office of the Chief Financial Officer and Company Secretary of a listed company.	23	Due to size of operations of the company, multiple functions are being performed by single staff, accordingly, functions of the Company Secretary are being performed by the Chief Financial Officer. However, Company intends to ensure compliance of the said regulation as soon as possible.
Environmental , Social and Governance (ESG) matters The Board is responsible for setting the company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee having at least one female director.	10(A)(5)	The Board effectively provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance matters, as recently introduced by the SECP in its notification dated 12 June 2024.



Rizwan Akhtar
Chief Executive Officer

March 27, 2025



Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)
Chairman



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAHEEN INSURANCE COMPANY LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **SHAHEEN INSURANCE COMPANY LIMITED**, (the Company), which comprise the statement of financial position as at December 31, 2024, and profit and loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting 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, 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 the Company's affairs as at December 31, 2024 and of its profit, 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 judgement, were of most significance in our audit of the financial statements of 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, we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No	Key audit matters	How the matter was addressed in our audit
1	Rights and Obligation and Valuation of Investments Refer note 4.6 and 9, 10 and 11 of the annexed financial statements. The investment of Rs. 770.269 million as at December 31, 2024 of the company constitutes a significant component of total assets of the company. We identified the valuation and rights obligation as key audit matter because investments constitute 38% of total assets.	Our audit procedures included the following: • Obtained an understanding of controls around recognition and measurement of investments to ensure that it is appropriately designed to ensure appropriate valuation of the investment; • Checked that gain / loss on disposal of investments have been recorded in accordance with the accounting and reporting standard as applicable in Pakistan; • Checked that net unrealized gain / loss arising on subsequent measurement of investments are appropriately accounted for in the financial statements; • Verified rights and obligation of investments by obtaining external statements as at December 31, 2024 and traced securities in such statements with the books and records of the company; • Evaluated the valuation of securities by comparing the quoted prices of exchange; and • Assessing the relevant presentation and disclosures made in the financial statements to ascertain whether these are complied with accounting and reporting standards as applicable in Pakistan.
2	Valuation of Claim liabilities Refer note 4.1.3 and 23 of the annexed financial statements The claim liabilities represent 19% of the Company's total liabilities. Valuation of these claim liabilities involves significant management judgment due to uncertainty in the estimation of claims payments and assessment of frequency and severity of claims. Claim liabilities are recognized on intimation of the insured event based on management judgment and estimation. The Company also maintains provision for claims incurred but not reported (IBNR) based on the advice of an independent actuary.	Our audit procedures included the following: • Assessed the appropriateness of Company's accounting policy for recording of claims in line with requirements of applicable accounting and reporting standards; • Evaluated the completeness, accuracy and reliability of the underlying data utilized by the management to support the actuarial valuation; • Tested claim transactions on sample basis with underlying documentations to evaluate that whether the claims reported and paid during the year are recorded in accordance with the requirements of the company's policy and insurance regulations;

S.No	Key audit matters	How the matter was addressed in our audit
	Since, the actuarial valuation process involves significant judgement and the use of actuarial assumptions therefore we have identified valuation of claim liabilities as key audit matter	- Performed cut off tests on year end claim transactions; - Involved independent expert to verify IBNR claims; and - Assessed adequacy of disclosures in line with requirements of applicable accounting and reporting standards.
3	Revenue recognition Refer note 4.1.1 and 22 of the annexed financial statements relating to revenue recognition. The Company generates its income primarily from its two main sources namely; premiums and investment income. Premiums from insurance policies comprise of 91% of total income. We identified revenue recognition from premium income as a key audit matter because being the key performance indicator of the Company and because of the significant risk that revenue transactions may not be recognized in appropriating accounting period.	Our audit procedures included the following: - Obtained understanding and evaluated the design over the process of capturing, processing and recording of premiums. - Assessed the appropriateness of the Company's accounting policy for recording of premiums and ensured that it is in line with the requirements of applicable law, accounting and reporting standards; - On sampling basis tested accuracy of premiums earned from the underlying policies issued to insurance contract holders; - Recalculated unearned portion of premium income to ensure that appropriate amount has been recorded as provision for unearned premium written liabilities; - Assessed the adequacy of Company's disclosures as per relevant accounting and reporting standards.

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

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

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of 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, 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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Dated: April 7, 2025
Place : Karachi
UDIN: AR2024100678IYMjzGv6

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Note	2024	2023
		----- (Rupees) -----	
ASSETS			
Property and equipment	6	115,379,916	75,697,353
Intangible assets	7	496,333	-
Investment properties	8	168,875,569	167,050,569
Investments			
Equity securities	9	389,249,173	115,018,363
Debt securities	10	378,240,488	119,292,049
Term deposits	11	2,780,000	448,879,290
Advances, deposits and other receivables	12	30,434,180	22,617,001
Insurance / re-insurance receivables	13	409,234,224	241,444,093
Re-insurance recoveries against outstanding claims		11,809,349	8,006,239
Salvage recoveries accrued		327,470	28,200
Deferred commission expense	25	85,065,952	38,205,966
Prepayments		51,782,175	48,477,102
Cash and bank	14	270,124,713	252,188,790
Total assets of Window Takaful Operations - Operator's Fund	15	120,211,125	83,724,066
Total Assets		2,034,010,666	1,620,629,081
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Share capital	16	645,000,000	600,000,000
Reserves	17	33,059,831	20,237,792
Unappropriated profit		329,637,419	224,368,048
Total Equity		1,007,697,250	844,605,840
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	24	196,681,260	207,559,987
Unearned premium reserves	23	473,265,299	249,264,266
Premium deficiency reserves		337,245	337,245
Unearned reinsurance commission	25	2,991,559	2,880,777
Lease liabilities	18	16,389,527	19,415,330
Premium received in advance		2,332,085	11,144,220
Insurance / re-insurance payables	19	55,429,758	32,297,866
Other creditors and accruals	20	200,641,703	206,837,955
Unclaimed dividend		3,178,301	1,823,901
Taxation - provision less payments		26,082,864	22,003,846
Total liabilities of window takaful operations - Operator's Fund		48,983,815	22,457,848
Total Liabilities		1,026,313,416	776,023,241
Total Equity and Liabilities		2,034,010,666	1,620,629,081
Contingencies and commitments			

21 & 22

The annexed notes from 1 to 47 form an integral part of these financial statements.



Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman



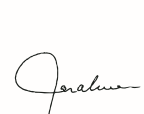
Air Vice Marshal Muhammad Qaiser
Janjua (Retd) - Director



Adeel Ali
Director



Rizwan Akhtar
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

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

	Note	2024 ----- (Rupees) -----	2023 -----
Net insurance premium	23	921,355,903	443,680,886
Net insurance claims	24	(444,013,082)	(149,422,303)
Premium deficiency - net		-	-
Net commission expense / acquisition cost	25	(156,728,274)	(82,646,307)
Insurance claims and acquisition expenses		(600,741,356)	(232,068,610)
Management expenses		(254,267,958)	(189,316,377)
Underwriting results		66,346,589	22,295,899
Investment income	28	96,580,859	113,043,577
Unrealised gain on investment properties	8	1,825,000	-
Rental income	29	2,389,364	2,172,158
Other income	30	72,630,298	27,289,279
Other expenses	31	(10,924,422)	(8,470,057)
Results of operating activities		228,847,688	156,330,856
Finance charges against lease liabilities		(3,117,458)	(2,322,617)
Profit before tax from window takaful operations - OPF	32	13,074,252	9,925,951
Profit before tax		238,804,481	163,934,190
Provision for taxation - net	33	(73,535,110)	(47,629,868)
Profit after tax		165,269,371	116,304,322
			(Restated)
Earnings per share - basic and diluted	34	2.56	1.80

The annexed notes from 1 to 47 form an integral part of these financial statements.



Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman



Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director



Adeel Ali
Director



Rizwan Akhtar
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees) -----	
Profit after tax	165,269,371	116,304,322
Other comprehensive income :		
Items that may not be subsequently be classified to profit and loss account		
Unrealised gain loss on available for sale investments	12,822,039	(3,625,334)
Total comprehensive income for the period	178,091,410	112,678,988

The annexed notes from 1 to 47 form an integral part of these financial statements.



Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman



Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director



Adeel Ali
Director



Rizwan Akhtar
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Attributable to equity holders of the Company

	Share capital Capital	Revenue reserves	Unrealised (loss) / gain on available-for- sale investments	Unappropriated (loss) / profit	Total Equity
	(Rupees)				
Balance as at January 1, 2023	600,000,000	20,000,000	3,863,126	108,063,726	731,926,852
Profit for the year	-	-	-	116,304,322	116,304,322
Other comprehensive income for the year	-	-	(3,625,334)	-	(3,625,334)
Total comprehensive income for the year	-	-	(3,625,334)	116,304,322	112,678,988
Balance as at December 31, 2023	<u>600,000,000</u>	<u>20,000,000</u>	<u>237,792</u>	<u>224,368,048</u>	<u>844,605,840</u>
Balance as at January 1, 2024	600,000,000	20,000,000	237,792	224,368,048	844,605,840
Profit for the year	-	-	-	165,269,371	165,269,371
Other comprehensive income	-	-	12,822,039	-	12,822,039
Total comprehensive income for the year	-	-	12,822,039	139,565,533	152,387,572
Transactions with the owners:					
Bonus shares issued for the year ended December 31, 2024 @ 7.50%	45,000,000	-	-	(45,000,000)	-
Dividend for the year ended December 31, 2024 @ 2.50%	-	-	-	(15,000,000)	(15,000,000)
	45,000,000	-	-	(60,000,000)	(15,000,000)
Balance as at December 31, 2024	<u>645,000,000</u>	<u>20,000,000</u>	<u>13,059,831</u>	<u>329,637,419</u>	<u>1,007,697,250</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.



Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman



Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director



Adeel Ali
Director



Rizwan Akhtar
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- (Rupees) -----	
OPERATING CASHFLOW			
a) Underwriting activities			
Insurance premiums received		1,452,164,023	841,287,329
Reinsurance premiums paid		(463,582,534)	(467,286,707)
Claims paid		(474,072,021)	(372,483,702)
Reinsurance and other recoveries received		15,377,102	339,951,587
Commission paid		(215,673,120)	(115,176,568)
Commission received		21,880,042	24,073,992
Management expenses paid		(223,787,054)	(94,845,074)
Net cash flows generated from underwriting activities		112,306,437	155,520,857
b) Other operating activities			
Income tax paid		(46,486,424)	(17,295,665)
Net cash flow from other operating activities		(46,486,424)	(17,295,665)
Total cash generated from all operating activities		65,820,013	138,225,192
INVESTMENT ACTIVITIES			
Investment income received		167,192,586	133,466,335
Rentals received		2,503,144	2,275,586
Payments for investments - net		(597,164,743)	13,006,099
Fixed capital expenditure		(61,698,746)	(44,106,140)
Proceeds from disposal of property and equipment		12,991,011	2,580,116
Total cash generated / (used in) from investing activities		(476,176,748)	107,221,996
FINANCING ACTIVITIES			
Dividend Paid		1,354,400	(16,285)
Principal repayment of lease liabilities against right-of-use-assets		(19,161,032)	(14,846,696)
Total cash used in financing activities		(17,806,632)	(14,862,981)
Net cash generated from / (used in) all activities		(428,163,367)	230,584,207
Cash and cash equivalents at the beginning of year	14 & 11	701,068,080	470,483,873
Cash and cash equivalents at end of the period		272,904,713	701,068,080
Reconciliation to profit and loss account			
Operating cash flows		65,820,013	138,225,192
Depreciation		(21,374,025)	(12,471,273)
Finance charges against lease liabilities		(3,117,458)	(2,322,617)
Gain on disposal of property and equipment		8,466,107	393,343
Unrealised gain on investment properties		1,825,000	-
Rental income		2,389,364	2,172,158
Increase / (decrease) in assets other than cash		232,380,165	120,672,934
(Increase) / decrease in liabilities		(230,774,907)	(253,334,943)
Investment and other income		96,580,859	113,043,577
Profit from window takaful operations - OPF		13,074,252	9,925,951
Profit after tax		165,269,370	116,304,322

Definition of cash

Cash comprises of cash in hand, policy stamps, cheques in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.



STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2024

2024 2023
----- (Rupees) -----

Cash for the purpose of the cash flow statement consists of:

Cash and other equivalents

- Cash in hand
- Policy stamps in hand

Current and saving accounts

- Current accounts
- Savings accounts

Deposits maturing within 1 month

Term deposits - local currency

52,960	34,756
359,411	133,956
412,371	168,712
48,963,327	753,944
220,749,015	251,266,134
269,712,342	252,020,078
2,780,000	448,879,290
272,904,713	701,068,080

The annexed notes from 1 to 47 form an integral part of these financial statements.

Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman

Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director

Adeel Ali
Director

Rizwan Akhtar
Chief Executive Officer

Nisar Ahmed Almani
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited (the Company) was incorporated in March 1995 in Pakistan. The Company is a public limited company listed on Pakistan Stock Exchange and obtained the certificate for commencement of business in July 1995. It was registered with the Controller of Insurance in November 1995 to carry out non-life insurance business comprising fire, marine, motor, aviation, engineering, transportation, health, etc. On March 14, 2018 the Company was awarded license to commence Window Takaful Operations. Its registered office is located at 10th Floor, Shaheen Complex, Karachi. The Company operates only in Pakistan through 12 Branches. Shaheen Foundation (the parent) holds approximately 69.28% (Dec 2023: 69.28%) shares in the company.

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

Head office - registered office

10th Floor, Shaheen Complex, M.R. Kiyani Road, Karachi, Province of Sindh, Pakistan.

Branches

- Office 1001 & 1014, Block B, 10th Floor Saima Tower, I.I. Chundrigar Road, Karachi Sindh;
- Upper 2nd Floor, House No. 75, Soldier Bazar, Hyderabad, Sindh;
- Office 4-B, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore, Punjab;
- Office No. 6, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore;
- Office No. 23, Second Floor, Plot No. 14, Executive Complex, G-8 Markaz, Islamabad;
- Office 2, 4th Floor, Ahmed Plaza, Bilal Road, Civil Lines, Faisalabad, Punjab;
- Office 21, 1st Floor, Anali Arcade Near Chowk Kachary LMQ Road, Multan;
- Office C3, Jasmine Arcade Fakhr-e-Alam Road Peshawar Cantt, Khyber Pakhtunkhwa;
- Office 210, Karim Plaza, Defence Road, Near Allama Iqbal Town, Sialkot, Punjab;
- Office 63, 1st Floor, Advance Book Shop, Rehman Complex, Ibne Seena Hospital Market, Kanchi More, Sarghoda Punjab;
- Ghousia Sultania Town, Sakhi Sarwar Colony, Rahim Yar Khan, Punjab;
- Office No. 110, 1st Floor, Falak Corporate opp. Chamber of Commerce, Talpur Road, Karachi Sindh;

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved 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;
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

The Securities and Exchange Commission of Pakistan (SECP) wide the Insurance Rules, 2017 dated February 9, 2017 has prescribed the format of presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

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.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that 'held to maturity' investments are stated at amortised cost, investment classified at 'fair value through profit or loss- held for trading' and 'available for sale' and investment properties are stated at fair value.

2.3 Functional and presentation currency

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

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

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

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or 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
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

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

Effective date (annual periods beginning on or after)

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

IFRS 17 Insurance Contracts January 01, 2026

Certain annual improvements have also been made to a number of IFRSs and IASs.

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.

3.2.1 IFRS 9 'Financial Instruments' and amendment replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the statement of comprehensive income the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has adopted the temporary exemption which allows the Operator to defer the application of IFRS 9 until December 31, 2023.

For the companies adopting the temporary exemption, the IFRS 4 requires certain disclosures which have been disclosed as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

3.2.2 Temporary exemption from application of IFRS 9

As an insurance company, the management has opted for temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. This deferment is in line with the transition of IFRS 17.

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

		December 31, 2024				
		Fail the SPPI Test		Pass the SPPI Test		
		Fair value	Change in unrealised gain or (loss)	Carrying Value	Fair value	Change in unrealised gain or (loss)
Note		Rupees				
Cash and bank balances	14	49,375,698	-	-	220,749,015	-
Equity securities	9	321,671	44,913	-	-	-
Debt securities	10	-	-	-	331,326,640	-
Term deposits	11	-	-	-	2,780,000	-
Mutual funds	9	388,927,502	12,822,039	-	-	-
Loan and other receivable	12	-	-	30,434,180	-	-
		438,624,871	12,866,952	30,434,180	554,855,655	-

		December 31, 2023				
		Fail the SPPI Test		Pass the SPPI Test		
		Fair value	Change in unrealised gain or (loss)	Carrying Value	Fair value	Change in unrealised gain or (loss)
Note		Rupees				
Cash and bank balances	14	922,656	-	-	251,266,134	-
Equity securities	9	276,758	70,403	-	-	-
Debt securities	10	-	-	-	118,292,049	-
Term deposits	11	-	-	-	448,879,290	-
Mutual funds	9	114,741,605	(3,625,334)	-	-	-
Loan and other receivable	12	-	-	22,617,001	-	-
		115,941,019	(3,554,931)	22,617,001	818,437,473	-

4. MATERIAL ACCOUNTING POLICIES INFORMATIONS

The material accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented .

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.1 Insurance contracts

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

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

- Fire and property
- Marine, aviation and transport
- Motor
- Accident and health
- Miscellaneous

These contracts are normally one year insurance contracts except marine and some contracts of fire and property and miscellaneous class, where the coverage period varies. Normally all marine insurance contracts and some fire and property contracts are of three months period. In miscellaneous class, some engineering insurance contracts are of more than one year period, whereas, normally travel insurance contracts is of one month time.

These 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 organisations.

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 insured properties in their business activities.

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.

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.

Accident and health insurance covers unforeseen cash flows and financial hardships arising due to ailments, accidents and other natural causes necessitating hospitalisation.

Other various types of insurance are classified in miscellaneous category which includes mainly engineering, terrorism, worker compensation, and travel insurances, etc.

4.1.1 Premium income and provision for unearned premiums

Premium under a policy is recognised at the time of the issuance of insurance policy.

The unearned premium represents the portion of premium written relating to the unexpired period of insurance coverage at the reporting date. It is recognised as a liability. Such liability is calculated as a the ratio of the unexpired period of the policy and the total policy period, both measured to the nearest day except premium revenue relating to marine which is calculated using the 1/6th method and transit trade policies on the basis of pattern of risk coverage.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.1.2 Reinsurance contracts held

"These are contracts entered into by the Company with re-insurers for compensation of losses suffered on insurance contracts issued. These re-insurance 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 re-insurance assets and liabilities. re-insurance assets and liabilities are derecognised when contractual rights are extinguished or expired.

The deferred portion of re-insurance premium is recognised as a prepayment. The deferred portion of re-insurance premium ceded is calculated by using 1/365th method.

4.1.3 Provision for outstanding claims including incurred but not reported (IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred as at the reporting date which represents the estimates of the claims intimated or assessed before the end of the accounting year and are measured at the undiscounted value of expected future payments.

The actuary uses statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The method used is the chain-ladder method which involves the analysis of historic claims development factors and the selection of estimated development factors based on the historic pattern. The selected development factors are then applied to cumulative claims data for each accident year. Study of claim lag pattern is conducted annually to account for any changes in experience. The development factors are based on these studies and are updated accordingly. Adequate margins are also built in to compensate for any adverse deviations in claims experience.

The actuary recommends that month wise factor based on an analysis of the past claims reporting pattern be applied to estimation of provision for IBNR. The historic chain-ladder method is used for determination of month wise factor for each class of business. Accordingly, provision has been made based on IBNR factors applied on incurred claims recommended by the actuary.

4.1.4 Reinsurance recoveries against outstanding claims

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

4.1.5 Commission expense and deferred commission expense

Commission expense incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue.

4.1.6 Claims expense

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates. Provision for IBNR is based on the actuarial valuation which takes in to account the past trends, expected future patterns of reporting of claims and the claims actually reported subsequent to the reporting date.

4.1.7 Administrative surcharge

Administrative surcharge is included in the profit and loss account (as premium revenue) at the time the policies are issued.

4.1.8 Expenses of management

All expenses of management have been allocated between business of Company and window takaful operations - Operators' Fund to the various revenue accounts on equitable basis.

4.1.9 Receivables and payables related to insurance contracts

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

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

4.1.10 Reinsurance expense and prepaid reinsurance premium ceded

Reinsurance premium is recognised as expense after taking into account the proportion of deferred premium expense which is calculated using 1/365th method. The deferred portion of premium expense is recognised as a prepayment.

4.1.11 Commission income and unearned commission income

Commission from re-insurers is recognised as income after taking into account the unearned portion of commission which is calculated over the period of policy. The unearned portion of commission is recognised as liability.

4.1.12 Premium deficiency reserve

The Company is required under the Insurance Rules, 2017 to maintain a provision in respect of premium deficiency for the individual class of business where the unearned premium liability is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the premium deficiency reserve (PDR) is recognised in the profit and loss account for the year.

The requirement for additional provision for unexpired risks is determined on the basis of an actuarial valuation. The actuary determines adequacy of liability of premium deficiency after working out 'Loss Ratio', 'Expense Ratio' and 'Combined Ratio'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.1.13 Claim and salvage recoveries

Claims recoveries receivable from the reinsurers are recognised as an asset at the same time as the claims which give rise to the right of recovery are recognised and are measured at the amount expected to be received. Claims expenses are reported net-off reinsurance in the statement of profit and loss account.

Salvage value recoverable is recognised only if a firm and irrevocable contract and price thereon have been agreed with the buyer.

4.2 Creditors, accruals and provisions

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

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

4.3 Property and equipment

4.3.1 Operating fixed assets

Owned

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to workable condition.

Depreciation is charged using reducing balance method at the rates specified in note 6.2 to these financial statements.

Depreciation on additions is charged from the month the asset is available for use till the date the asset is disposed off.

Gains and losses on disposal of fixed assets are taken to statement of profit and loss account.

Expenditure incurred subsequent to the initial recognition of asset is capitalised only when it increases the future economic benefits embodied in the items of operating fixed assets. All other expenditure is recognised in the profit and loss account as an expense.

Depreciation methods and useful lives are reviewed and changes, if any, are treated as change in accounting estimates, at each reporting date.

4.3.2 Right-of-use assets and related lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognised as a right-of-use asset and a corresponding liability at the date on which the leased asset is available for use by the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

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

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right of use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.3.3 Capital work in progress

Capital work in progress is stated at cost less any impairment in value. Advances given to supplier / vendor are classified within capital work in progress.

4.4 Intangible assets

Computer software licenses acquired are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years using the straight-line method. Impairment losses, if any, are deducted from the carrying amount of the intangible assets.

Amortisation on additions to intangibles is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off.

Cost associated with maintaining computer software is recognised as an expense when incurred.

The assets' residual values, useful lives and method for amortisation are reviewed at each financial year end and adjusted if impact on amortisation is significant.

4.5 Investment properties

Investment properties are properties held to earn rentals.

The investment properties are initially recognised at cost and subsequently at fair value model as per IAS 40 "Investment Property", with any changes therein to be recognised in statement of profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.6 Investments

4.6.1 Classification and recognition

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

These are recognised and classified as follows:

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

The classification depends on the purpose for which the financial assets were acquired.

4.6.2 Measurement

4.6.3 Investment at fair value through profit or loss

Investments which are acquired principally for the purpose of generating profit from short-term fluctuations in price or are part of the portfolio in which there is a recent actual pattern of short-term profit taking.

Subsequent to initial recognition these are re-measured at fair value by reference to quoted market prices with the resulting gain or loss being included in profit and loss account of the period in which it arises.

4.6.4 Held to maturity

Investments with fixed maturity, where the management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost using the effective yield less provision for impairment losses if any. Premium paid or discount availed on the acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective yield method.

Profit on held to maturity instruments is recognised on a time proportion basis taking into account the effective yield on the investments.

These are reviewed for impairment at each reporting period and losses arising, if any, are charged to the statement of profit and loss account of the period in which they arise.

4.6.5 Available for sale

Investments which are not eligible to be classified as at fair value through profit or loss or held to maturity are classified as available for sale for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates or equity prices are classified as available for sale. These are valued as follows:

Quoted

Subsequent to initial recognition at cost, these investments are measured at fair value. Gains or losses on remeasure of these investments are recognised in statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Unquoted

Unquoted investments are recognised at fair value of the consideration paid less accumulated impairment losses, if any.

4.6.6 Fair value measurements

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

4.6.7 Date of recognition

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

4.6.8 Recognition / de-recognition of investments

Investments are recognised / de-recognised by the Company on the date it commits to purchase / sell the investments.

4.7 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable securities are entered into at contracted rates for specified periods of time. These securities are not recognised in the financial statements as investments, as the Company does not obtain control over the assets. Amounts paid under these agreements are included in the financial statements as balance receivables for securities purchased under resale arrangements in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from the date of reverse repurchase transaction and accrued over the period of the reverse-repo agreement.

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

4.8 Other receivables

These are stated at cost less impairment losses, if any. Full provision is made against the impaired amounts.

4.9 Retirement benefits

Defined Contribution Plan (Provident Fund)

The Company contributes to a provident fund scheme for its permanent employees. Contribution to the fund is made by the employees and the Company at the rate of 8.33% of their basic salaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.10 Taxation and levy

Current

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

Levy

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Company has adopted an approach to account for current tax calculated on taxable income using the notified tax rate as an income tax and for minimum tax on any amount over the current tax calculated on taxable income is accounted for as excess over the current tax and is recognised as a levy as per IFRIC 21/IAS37.

Deferred

Deferred tax is accounted for using the statement of financial position liability method, in respect of temporary differences arising at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the statement of comprehensive income except in the case of items credited or charged to equity in which case it is included in equity.

4.11 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 derecognised when the Company loses control of contractual rights that comprises 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 de-recognition of financial assets and financial liabilities are taken to the profit and loss account in the period in which financial instrument is derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.12 Revenue recognition

i) Premium

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.

Re-insurance premium is recognised as an expense after taking into account the proportion of deferred premium expense which is calculated using twenty fourths' method. The deferred portion of premium expense is recognised as a prepayment.

ii) 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 re-insurance premiums.

iii) Rental income

Rental income from investment properties is recognised as a revenue on a straight line basis over the period of the lease agreement.

iv) Investment income

Profit on held-to-maturity instruments is recognised on a time proportion basis taking into account the effective yield on the instruments. The difference between the redemption value and the purchase price of the held-to-maturity investments is amortised and taken to the profit and loss account over the term of the investment.

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

Interest / mark-up on bank balances, term deposits and government securities is recognised on an accrual basis using the effective interest method.

Gains / losses on sale of investments are recognised in the profit and loss account at the time of sale.

v) Return on bank accounts, term deposits

Return on bank accounts, term finance certificates and certificates of investments are accounted for on accrual basis.

vi) Other income

Gain or loss on sale of operating fixed assets, intangible assets and investment properties is recognised when the asset is derecognised.

4.13 Off setting of financial assets and liabilities

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.14 Impairment

The carrying amount of assets are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount and taken to profit and loss account. In addition impairment on available for sale investments and reinsurance assets are recognised as follows:

The Company determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financial cash flows.

The Company determines the impairment of the reinsurance assets by looking at objective evidence, as a result of an event that occurred after initial recognition of the reinsurance assets, which indicates that the Company may not be able to recover amount due from reinsurer under the terms of reinsurance contract. In addition, the Company also monitors the financial ratings of its reinsurers on each reporting date.

4.15 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rate approximating those ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange which approximates those prevailing on the reporting date. Gains and losses on translations are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

4.16 Segment reporting

An operating segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other segments. All operating segments results are reviewed regularly by the Company 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 accounts for segments reporting of operating results using the classes of business as specified under the Insurance Rules 2017. The performance of segment is evaluated on the basis of underwriting results of each segment. All the company's business segments operate in Pakistan only.

The Company has five primary business segments for reporting purposes namely fire, marine, motor aviation and transport, accident and health and miscellaneous.

Fire insurance segment provides insurance covers against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and impact.

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

Motor aviation and transport insurance provides comprehensive vehicle coverage and indemnity against third party loss.

Accident and health insurance provides cover against loss due to accidental injury or sickness.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Miscellaneous insurance provides cover against loss of cash in safe and cash in transit, money, engineering losses and others coverage.

Assets and liabilities that are directly attributable to segments have been assigned to them while the assets and liabilities pertaining to two or more segments have been allocated to segments on a premium written. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortisation are allocated to a particular segment on the basis of premium written.

4.17 Cash and bank balance

Cash and bank balances include cash, cheques and policy stamps in hand and balance with banks in current, saving and deposit accounts.

4.18 Amount due to other insurers / re-insurers

Liabilities for other insurers / re-insurers are carried at cost which is the fair value of consideration to be paid in the future for services.

4.19 Premiums due but not received

These are recognised at cost, which is the fair value of the consideration to be received less provision for impairment, if any.

4.20 Amount due from other insurers / re-insurers

Amount due from other insurers / re-insurers are carried at cost less provision for impairment, if any. Cost represents the fair value of consideration to be received in future under re-insurance contracts.

4.21 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) 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, if any.

4.23 Related parties transactions

All transactions with related parties are carried out by the Company at mutually agreed terms.

4.24 Window Takaful Operations

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

	Note
- Provision for unearned premium	4.1.1
- Provision for outstanding claims (including IBNR)	4.1.3
- Re-insurance recoveries against outstanding claims	4.1.4
- Provision for premium deficiency reserves	4.1.12
- Operating fixed assets and depreciation	4.3.1
- Residual life of property and equipment	4.3.1
- Right of use assets and lease liability	4.3.2
- Classification of investments	4.6.1
- Investment properties	4.5
- Taxation	4.10
- Provision against premium due but unpaid	4.19
- Impairment	4.14

6. PROPERTY AND EQUIPMENT

Note **2024** 2023
----- (Rupees) -----

6.1 Property and equipment includes:

PROPERTY AND EQUIPMENT

Operating fixed assets		98,327,564	59,026,692.00
Right-of-use assets	6.3	15,684,942	16,515,657
Capital work-in-progress	6.4	1,367,410	155,004
		115,379,916	75,697,353

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

6.2 Operating fixed assets

December 31, 2024										
Particulars	----- Cost -----				----- Accumulated Depreciation -----				Written down value as at December 31, 2024	Depreciation Rate
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Disposals	Closing balance		
----- (Rupees) -----										(%)
Leasehold Improvements	-	2,659,693	-	2,659,693	-	285,634	-	285,634	2,374,059	20
Furniture and fixtures	17,929,600	2,103,292	-	20,032,892	14,249,781	453,205	-	14,702,986	5,329,906	10
Office and electrical equipment	13,274,796	2,147,952	(77,005)	15,345,743	10,803,869	595,930	(77,005)	11,322,794	4,022,949	15 - 20
Computer equipment	18,875,421	3,071,299	(19,078)	21,927,642	17,110,867	1,105,201	(19,078)	18,196,989	3,730,653	33.3
Motor vehicles	91,307,350	52,928,916	(14,354,674)	129,881,592	40,195,958	16,577,680	(9,762,044)	47,011,595	82,869,997	20
	141,387,167	62,911,152	(14,450,757)	189,847,562	82,360,475	19,017,650	(9,858,127)	91,519,998	98,327,564	

Prior Year

December 31, 2023										
Particulars	----- Cost -----				----- Accumulated Depreciation -----				Written down value as at December 31, 2023	Depreciation Rate
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation for the year	Depreciation on disposals	Closing balance		
	(Rupees)									(%)
Furniture and fixtures	17,632,430	297,170	-	17,929,600	13,861,028	388,753	-	14,249,781	3,679,819	10
Office and electrical equipment	12,693,572	1,757,100	(1,175,876)	13,274,796	11,587,771	320,338	(1,104,240)	10,803,869	2,470,927	15 - 20
Computer equipment	18,204,260	1,115,558	(444,397)	18,875,421	16,978,005	577,259	(444,397)	17,110,867	1,764,554	33.3
Motor vehicles	57,422,039	34,451,811	(566,500)	91,307,350	31,596,465	9,165,993	(566,500)	40,195,958	51,111,392	20
	105,952,301	37,621,639	(2,186,773)	141,387,167	74,023,269	10,452,343	(2,115,137)	82,360,475	59,026,692	

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

6.2.1 Disposal of operating fixed assets - 2024

Particulars	Cost	Accumulated Depreciation	Net book value	Sale Value	(Loss) / gain on disposal	Mode of Disposal	Particulars of buyers along with relationship
----- (Rupees) -----							
Computer Equipment	15,428	15,428	-	7,000	7,000	Negotiated	Asghar Ali Enterprises-Third Party
Computer Equipment	3,650	3,650	-	2,000	2,000	Negotiated	Computer Master & Rechno Zone-Third Party
Electrical Equipment	77,005	77,005	-	15,000	15,000	Negotiated	Falak Sher-Third Party
Motor	4,158,000	1,794,684	2,363,316	5,500,000	3,136,684	Negotiated	Sohaib Ansar Khan-Employee
Motor	2,560,000	364,726	2,195,274	2,195,274	-	Negotiated	Muhammad Umer-Third Party
Motor	381,500	381,500	-	390,000	390,000	Negotiated	Ch. Adeel Masood-Third Party
Motor	2,512,700	2,512,700	-	2,500,000	2,500,000	Negotiated	Ch. Adeel Masood-Third Party
Motor	20,000	20,000	-	20,000	20,000	Negotiated	Refund-Third Party
Motor	45,000	45,000	-	-	-	Negotiated	Theft
Motor	2,837,500	2,837,500	-	1,500,000	1,500,000	Negotiated	Ch Muhammad Anwar-Third Party
Motor	1,785,974	1,751,933	34,041	857,737	823,696	As per policy	Nisar Ahmed-Employee
Motor	54,000	54,000	-	28,000	28,000	Negotiated	Zulqarnain Hyder-Third Party
	<u>14,450,757</u>	<u>9,858,126</u>	<u>4,592,631</u>	<u>13,015,011</u>	<u>8,422,380</u>		

Disposal of operating fixed assets - 2023

Particulars	Cost	Accumulated Depreciation	Net book value	Sale Value	(Loss) / gain on disposal	Mode of Disposal	Particulars of buyers along with relationship
----- (Rupees) -----							
Computer Equipment	444,397	444,397	-	2,000	2,000	Negotiated	M.Saleem -Third Party
Electrical Equipment	12,400	12,400	-	7,000	7,000	Negotiated	Sajid- Third Party
Electrical Equipment	58,289	58,289	-	14,500	14,500	Negotiated	Safiullah - Third Party
Electrical Equipment	481,406	460,065	21,341	121,999	100,658	Negotiated	Faisal Brothers- Third Party
Electrical Equipment	51,500	39,140	12,360	14,500	2,140	Negotiated	Muhammad Nabeel - Third Party
Electrical Equipment	374,081	343,238	30,843	116,000	85,157	Negotiated	AA Electronics - Third Party
Electrical Equipment	51,000	43,908	7,092	7,979	887	Negotiated	Shoabi- Third Party
Office Equipment	147,200	147,200	-	1,000	1,000	Negotiated	M.Saleem - Third Party
Motor	500,000	500,000	-	150,000	150,000	Negotiated	Ejaz Ahmed - Third Party
Motor	66,500	66,500	-	66,500	66,500	Negotiated	Khurram Shahzad - Third Party
	<u>2,186,773</u>	<u>2,115,137</u>	<u>71,636</u>	<u>501,478</u>	<u>429,842</u>		

6.2.2 Fixed assets include fully depreciated items having cost of Rs. 55.58 million (December 31, 2023: Rs. 64.79 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- (Rupees) -----	
6.3 Right-of-use assets			
Buildings			
Opening balance		16,515,657	16,621,709
Increase during the period / year	18.1	8,959,657	12,836,233
Impact of modification of leases		4,058,113	(151,306)
Depreciation expense		(13,848,485)	(12,790,979)
Closing balance		15,684,942	16,515,657

6.3.1 Lease assets comprises of branches with a lease term of 3 to 5 years.

6.4 Capital work-in-progress

Advances to suppliers	1,367,410	155,004
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7. INTANGIBLE ASSETS

Cost				Amortisation					
As at January 1, 2024	Additions	(Disposals / written off)	As at December 31, 2024	As at January 1, 2024	For the year / (Write offs)	(Disposals / written off)	As at December 31, 2024	Written down value as at December 31, 2024	Amortization period
----- (Rupees) -----									
Computer software									
-	744,500	-	744,500	-	248,167	-	248,167	496,333	3 years

	Note	2024	2023
		----- (Rupees) -----	
8. INVESTMENT PROPERTIES			
Opening net book value at January 01, 2024		167,050,569	167,050,569
Unrealised fair value gain	8.1	1,825,000	-
Closing net book value as at December 31, 2024		168,875,569	167,050,569

8.1 Investment properties consists of the following:

Particulars	Location	Fair value as at December 31, 2024	Un-realised gain for December 31, 2024	Fair value as at December 31, 2023	Un-realised gain for December 31, 2023
----- (Rupees) -----					
Freehold land	Islamabad	21,600,000	1,825,000	19,775,000	-
Shop premises	Lahore	90,894,150	-	90,894,150	-
Office premises	Karachi	56,381,419	-	56,381,419	-
		168,875,569	1,825,000	167,050,569	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

- 8.2** The fair value of the freehold land, shop premises and office premises was determined by Sadruddin Associates (Pvt.) Ltd, the expert is external, independent property valuer having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.
- 8.3** The fair value measurement for all of the investment properties has been categorised as a level 2 fair value based on the inputs to the valuation techniques used. The inputs used to the valuation techniques are average rental growth rate, yield on property, current market rates, occupancy rate and rent free period of the properties.
- 8.4** The Company earned rental income from the above mentioned properties amounting to Rs. 2.389 million (December 31, 2023: Rs. 2.172 million).
- 8.5** The covered area of the freehold land, shops and office premises is 5400 sq. ft., 2,187 sq. ft. and 1,676 sq. ft. respectively.

Valuation technique

The valuer has arranged enquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the best estimates of the fair value.

- 8.6** The cost of freehold land, shop premises and office premises is Rs 14.02 million (December 31, 2023: Rs 14.02 million), Rs 33.95 million (December 31, 2023: Rs 33.95 million) and Rs 2.85 million (December 31, 2023: Rs 2.85 million) respectively.

9. INVESTMENT IN EQUITY SECURITIES

		December 31, 2024			December 31, 2023		
		Cost	Impairment	Fair value	Cost	Impairment	Fair value
Note		----- (Rupees) -----			----- (Rupees) -----		
Available for sale							
Listed shares							
- First Capital Equities Limited	9.1	188,000,000	(188,000,000)	-	188,000,000	(188,000,000)	-
Mutual funds	9.2	372,239,265	-	388,927,502	114,503,813	-	114,741,605
		560,239,265	(188,000,000)	388,927,502	302,503,813	(188,000,000)	114,741,605
Investment at fair value through profit or loss							
Listed shares							
- Summit Bank Limited		276,758	-	321,671	206,355	-	276,758
		560,516,023	(188,000,000)	389,249,173	302,710,168	(188,000,000)	115,018,363

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

9.1 On November 29, 2012, the Company through an agreement settled balance of 'reverse repo' and 'premium due but unpaid' amounting to Rs. 99.89 million (reverse repo and associated mark-up) and Rs. 88.859 million of FCSC Group and Pace (Pakistan) Limited respectively, against 4.7 million shares of First Capital Equities Limited (FCEL) calculated at Rs. 40 per share against the market value of Rs. 69 per share as at that date. The agreement was subsequently amended on March 07, 2013 to make the clause of restriction on holding period and swap against property null and void.

The Company has filed a civil suit in Civil Court Lahore in April 2015 against First Capital Equities Limited and five others for recovery of Rs.188 million and cancellation of documents. Company is aggressively following up the case, and regular hearings are taking place. Further, management strongly believe that the company has irrefutable evidences / arguments to win this litigation, and is deploying every possible resource for expeditious disposal of the case. However, being prudent an impairment provision equal to the carrying value is included in these financial statements.

9.2 Mutual funds

Name of Funds	Units		December 31, 2024		December 31, 2023	
	December 31, 2024	December 31, 2023	Cost	Fair value	Cost	Fair value
	----- (Number) -----		----- (Rupees) -----			
HBL Government Securities Fund	391,355	-	50,000,000	50,084,963	-	-
ABL Government Securities Fund - B	629,892	-	68,000,000	70,885,536	-	-
MCB Pakistan Sovereign Fund	1,516,939	-	90,000,000	91,441,092	-	-
Meezan Sovereign Fund	1,597,773	-	90,000,000	91,578,280	-	-
HBL Cash Fund	546	500	55,442	61,302	50,970	51,578
ABL Income Fund	227	-	2,542	2,542	-	-
Al Hamra Islamic Stock Fund	406	-	8,619	8,907	-	-
Pakistan Islamic Cash Management Optimizer Fund	179	-	19,921	19,943	-	-
Pakistan Cash Management Fund	349	-	17,603	17,614	-	-
HBL Islamic Money Market Fund	774,269	1,131,715	74,135,138	84,827,323	114,452,843	114,690,026
	<u>4,911,935</u>	<u>1,132,215</u>	<u>372,239,265</u>	<u>388,927,502</u>	<u>114,503,813</u>	<u>114,741,604</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

10. INVESTMENTS IN DEBT SECURITIES

						December 31, 2024		December 31, 2023	
						Cost	Carrying value	Cost	Carrying value
						(Rupees)			
Held to maturity									
Government Securities									
Pakistan Investment Bonds									
- Pledged						93,757,407	94,496,671	60,587,150	64,348,271
						-	-	52,587,656	54,943,778
- Non Pledged						230,238,554	236,829,969	-	-
						323,995,961	331,326,640	113,174,806	119,292,049

						December 31, 2024		December 31, 2023	
Name of investment	Face value (Rupees)	Certificates (Number)	Profit rate (%)	Profit payment	Maturity date	Cost	Carrying value	Cost	Carrying value
						(Rupees)			
5 Years Pakistan Investment Bonds	65,000,000	650,000	11.35	Semi annually	19-Sep-24	-	-	60,587,150	64,348,271
3 Years Pakistan Investment Bonds	98,100,000	981,000	16.17	Semi annually	15-Feb-27	93,757,407	94,496,671	-	-
3 Years Pakistan Investment Bonds	62,000,000	620,000	19.01	Semi annually	4-Aug-25	52,587,656	59,388,837	52,587,656	54,943,778
3 Years Pakistan Investment Bonds	168,500,000	168,500	11.7	Semi annually	20-Sep-27	177,650,898	177,170,191	-	-
Pakistan Treasury Bill	49,630,000	496,300	19	Annually	29-May-25	41,999,834	47,184,789	-	-
	443,230,000	2,915,800				365,995,795	378,240,488	113,174,806	119,292,049

The rate of return of PIBs is between 11.35% to 19.01% (December 31, 2023: 11.35% to 19.01%) per annum. As given above some are pledged with the State Bank of Pakistan under the provisions of Insurance Rules 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	2024	2023
		-----	-----
		(Rupees)	(Rupees)

11. INVESTMENTS IN TERM DEPOSITS

Held to maturity

Deposits maturing within one month

11.1 2,780,000 448,879,290

11.1 The balance represents term deposits with a commercial bank (December 31, 2023: with various commercial banks) having maturity within 01 month (i.e. upto January 06, 2025). The rate of return on this term deposit is 15% (December 31, 2023: range between 15% to 20%) per annum.

	Note	2024	2023
		-----	-----
		(Rupees)	(Rupees)

12. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Unsecured, Considered good

Accrued investment income

Other receivables

Security deposits

Advances

12.1 14,493,977 12,475,406
12.2 & 12.3 4,476,503 1,427,719
9,583,944 8,096,898
1,879,756 616,978
30,434,180 22,617,001

12.1 This includes balance receivable from Window Takaful Operations against common expenses amounting to Rs 3.183 million (December 31, 2023: Rs 0.73 million).

12.2 This includes Rs 3.33 million (December 31, 2023: Rs 3.33 million) in respect of security deposits paid against rental arrangements to Shaheen foundation (the Parent Undertaking).

12.3 This includes a sum of Rs 3.027 million deposited with the District and Session Judge, Multan as security deposit, in respect of an Insurance Appeal filed by the Company in the Lahore High Court Multan Bench.

	Note	2024	2023
		-----	-----
		(Rupees)	(Rupees)

13. INSURANCE / RE-INSURANCE RECEIVABLES

Unsecured, Considered good

Due from insurance contract holders

Less: Provision for impairment

13.1 & 13.5 23,326,089 20,816,504
13.3 (96,219) (96,219)
23,229,870 20,720,285

Due from other insurers / reinsurers

Less: Provision for impairment

13.2 412,618,228 247,337,682
13.4 (26,613,874) (26,613,874)
386,004,354 220,723,808
409,234,224 241,444,093

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

13.1 This includes premium due but unpaid from Shaheen Foundation (Parent Undertaking) of Rs 21.017 million (2023: Rs 18.779 million).

13.2 The Company has entered into coinsurance and reinsurance arrangements with various insurance companies as at December 31, 2024, the aggregate balances due from and due to other insurers and reinsurers arising from such arrangements amounts to Rs 412.618 million (2023: Rs 247.337 million) & Rs 55.430 million (2023: Rs 32.298 million) respectively.

In respect of these balances, during the year the Company has exchanged balance information with them based on the significance of the respective balances. This information corroborates the balance position of the Company in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence.

The reconciliation process of these balances with the respective insurance companies is carried out on ongoing basis. However, as advised by the SECP, this process will be formalised as per the guidelines suggested by Insurance Association of the Pakistan (IAP) for the insurance industry.

	2024	2023
	----- (Rupees) -----	
13.3 Reconciliation of provision against doubtful receivables from insurance		
Opening balance	96,219	5,500,000
Charge for the year	-	-
Balance written off during the period / year	-	(5,403,781)
Closing balance	96,219	96,219
13.4 Reconciliation of provision against doubtful receivables from other insurers / re-insurers		
Opening balance	26,613,874	26,613,874
Charge for the year	-	-
Closing balance	26,613,874	26,613,874
13.5 The maximum amount outstanding at the end of any month during the year from Shaheen foundation (Parent Undertaking) aggregated to Rs 24.10 million (December 31, 2023: Rs 18.40 million).		

	Note	2024	2023
		----- (Rupees) -----	
14. CASH AND BANK			
Cash and cash equivalents			
- Cash in hand		52,960	34,756
- Policy stamps and bond papers in hand		359,411	133,956
		412,371	168,712
Cash at bank			
- Current accounts		48,963,327	753,944
- Saving accounts	14.1	220,749,015	251,266,134
		269,712,342	252,020,078
		270,124,713	252,188,790

14.1 These carry mark-up at rates ranging between 6% to 10% (December 31, 2023: 7% to 19.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees) -----	----- (Rupees) -----
15. Window Takaful Operations - Operator's Fund		
Assets		
Cash and Bank	22,089,595	21,691,571
Investments	56,143,372	30,100,000
Property and equipment and intangibles	410,899	560,316
Other assets	41,441,308	18,872,180
Total assets	120,085,174	71,224,067
Total liabilities	48,813,384	22,457,848

16. SHARE CAPITAL

16.1 Authorized share capital

2024	2023		2024	2023
----- (Number of shares) -----	----- (Number of shares) -----		----- (Rupees) -----	----- (Rupees) -----
100,000,000	100,000,000	Ordinary shares of Rs. 10 each	1,000,000,000	1,000,000,000

16.2 Issued, subscribed and paid - up share capital

2024	2023		2024	2023
----- (Number of shares) -----	----- (Number of shares) -----		----- (Rupees) -----	----- (Rupees) -----
8,000,000	8,000,000	Ordinary shares of Rs. 10 each, fully paid in cash	80,000,000	80,000,000
16,500,000	12,000,000	Ordinary shares of Rs. 10 each, issued as bonus shares	165,000,000	120,000,000
25,000,000	25,000,000	Ordinary shares of Rs. 10 each, issued as right shares fully paid in cash	250,000,000	250,000,000
15,000,000	15,000,000	Ordinary shares of Rs. 10 each, issued otherwise than right issue	150,000,000	150,000,000
64,500,000	60,000,000		645,000,000	600,000,000

16.3 As at December 31, 2024, details of shares held by the related parties undertaking are as follows:

Related party name	Basis of relationship	Percentage (%)	2024	2023
			----- (Rupees) -----	----- (Rupees) -----
Shaheen Foundation	Parent Undertaking	69.28%	44,683,420	41,565,473
Central non public fund	Associate	4.14%	2,668,750	2,500,000
			47,352,170	44,065,473
			----- (%) -----	----- (%) -----
Percentage of shareholding held by related parties			73.44%	73.44%

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

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

	2024	2023
	----- (Rupees) -----	
17 RESERVES		
General reserves	20,000,000	20,000,000
Unrealised gain on available-for-sale investments	13,059,831	237,792
	<u>33,059,831</u>	<u>20,237,792</u>

	Note	2024	2023
		----- (Rupees) -----	
18. LEASE LIABILITIES			
Lease liability - buildings	18.1	<u>16,389,527</u>	<u>19,415,330</u>
18.1 Opening balance		<u>19,415,330</u>	<u>19,315,492</u>
Increase in lease liability	18.3	8,959,657	12,836,233
Impact of modification of leases		4,058,113	(212,316)
Rental payments		(19,161,031)	(14,846,696)
Interest expense		3,117,458	2,322,617
Closing balance		<u>16,389,527</u>	<u>19,415,330</u>
18.2 Tenure analysis			
Current period		7,135,368	6,831,274
Non-current period		9,254,159	12,584,056
		<u>16,389,527</u>	<u>19,415,330</u>

18.3 The amount represents the office space that company has acquired in Islamabad on lease. Additionally, the Head office has been extended to a new location on the ground floor of Shaheen Complex.

	2024	2023
	----- (Rupees) -----	
19. INSURANCE / RE-INSURANCE PAYABLES		
Due to other insurers / re-insurers	<u>55,429,758</u>	<u>32,297,866</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	2024	2023
		-----	-----
		(Rupees)	
20. OTHER CREDITORS AND ACCRUALS			
Agent commission payable		21,296,602	11,612,199
Provincial service taxes		94,256,324	100,675,604
Federal insurance fee payable		10,952,854	10,086,351
Workers' welfare fund payable		16,570,264	11,794,513
Accrued expenses		12,886,714	12,227,821
Withholding tax payable		3,706,215	3,606,896
Unearned rental income		1,251,573	1,137,793
Payable to provident fund		493,837	517,275
Security deposit against bond issuance	20.1	35,967,143	51,993,778
Others		3,260,177	3,185,725
		<u>200,641,703</u>	<u>206,837,955</u>

20.1 As required by the Companies Act, 2017 these are held by the Company in a separately maintained bank account.

21. CONTINGENCIES AND COMMITMENTS

21.1 During the prior period, the Assistant Commissioner – Sindh Revenue Board (SRB) issued an Order under section 3,8,9,17,30,43 and 44 of Sindh Sales Tax on Services Act, 2011 and 11,12,13,14 and 31 of the Sindh Sales Tax on Services Rules, 2011 and has created a demand of Rs. 9,232,204 by charging sales tax on re-insurance premium ceded and commission received by the Company during the period from January 2015 to December 2015. The Company filed an appeal against the order with Commissioner – SRB, the judgement of which is reserved. Based on the tax advisor's opinion, the management is confident of a favorable outcome of the appeal. Hence, no provision has been made in these financial statements.

21.2 M/s. New Lal Enterprise (Private) Limited and M/s. Zahid Enterprises (Private) Limited have filed four suits against the Company in the Insurance Tribunal, Karachi in March 10, 2016. Three suits pertain to claim of damages on delayed claims settlement, while one suit relates to recovery of marine claim. Total amount involved is approximately Rs. 28 million. The management based on its legal advisor opinion, is confident of a favorable outcome.

21.3 The income tax assessments of the Company have been finalized up to and including the assessment year 2023-24 (financial year ended December 31, 2023), unless amended. However, assessments for tax years 2004, 2006 and 2007 had been amended by the taxation officer, against which the Company had preferred an appeal before the Commissioner Inland Revenue (Appeal) (CIR(A)). Subsequently, CIR(A) maintained the order of taxation officer, against which the Company preferred to file an appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR decided the case in favor of the Company. Case was decided in favor of the Company in High Court as well, through the order dated September 05, 2013. However, in January 02, 2014, taxation officer filed civil petition against the order with the Supreme Court of Pakistan; the decision of which is pending. The demand raised was of Rs 2.045 million for the tax year 2004, Rs. 8.220 million for the tax year 2006, and Rs 9.689 million for tax year 2007 against apportionment of expenditure. The management based on its legal advisor opinion, is confident of a favorable outcome, accordingly no provision has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

- 21.4** Proceedings were also initiated by the taxation officer during prior period for the rectification of mistakes under section (u/s) 221 of the Income Tax Ordinance 2001 (Ordinance) in respect of tax years 2017, 2018 and 2019 by determining tax liabilities of Rs. 0.31 million, Rs. 6.12 million and Rs 13.59 million respectively, through disallowing refund adjustment from prior years in the deemed assessment order. Aggrieved with the orders of the taxation officer, the company filed an appeal before Commissioner Inland Revenue, Appeals(CIR-A). CIR(A) however, remanded back the orders with strict direction to the taxation officer for processing the application(s) under section 170(1) of the Ordinance.
- 21.5** Taxation officer issued Notice for amendment of assessment for tax year 2018 u/s122(9)/122(5A) of Income Tax Ordinance. In response thereof, certain information, details, Documents and explanations were provided. Despite our above submissions, ADCIR passed the amended order and raised the tax demand. Rectification application was passed filed against the order which is pending. However, Taxation officer has not issued the recovery notice under section 138 of the Ordinance till to date. The Company and its tax consultants has strong grounds to believe that the aforesaid issues will be decided in favour of the Company.
- 21.6** During the year, proceedings were initiated by the DCIR u/s 161(1A) of the Ordinance for monitoring of withholding of taxes relating to tax years 2022 and 2023. The matters are in compliance stage.
- 21.7** The matter pertains to challenging the constitutionality of the charging provincial sales tax on reinsurance premiums and commissions received there against. Company was part of the petition no. D-1347/2021 titled Insurance Association of Pakistan (IAP) & Ors Vs. Province of Sindh & Others filed by IAP on behalf of insurance companies. This petition was argued at length and reserved by the regular bench of the High Court of Sindh (SHC). Subsequently, after the Constitution (26th Amendment) Act, 2024 was passed, the petition was heard by Constitution Bench formed for tax cases during the year. Bench, after inquiring as to whether there are injunctive orders and after questioning the maintainability of the petition in view of the departmental remedy being available against Show Cause Notices disposed of / dismissed the petition with directions to approach the department.

IAP after deliberations, decided to challenge the order of SHC at Supreme Court in which Company has also given its consent to participate. Based on lawyers opinion, Company has not made any provision in the financial statements.

22. Commitments

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

23. NET INSURANCE PREMIUM

Written gross premium
Add: Unearned premium reserve opening
Less :Unearned premium reserve closing
Premium earned

Re-insurance premium ceded
Add: Prepaid reinsurance premium opening
Less: Prepaid reinsurance premium closing
Reinsurance expense

	2024	2023
	----- (Rupees) -----	
Written gross premium	1,463,485,743	826,275,033
Add: Unearned premium reserve opening	249,264,266	156,749,372
Less :Unearned premium reserve closing	473,265,299	249,264,266
Premium earned	1,239,484,710	733,760,139
Re-insurance premium ceded	321,433,880	323,996,000
Add: Prepaid reinsurance premium opening	48,477,102	14,560,355
Less: Prepaid reinsurance premium closing	51,782,175	48,477,102
Reinsurance expense	318,128,807	290,079,253
	921,355,903	443,680,886

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	2024	2023
			(Rupees)
24. NET INSURANCE CLAIMS			
Claims paid		474,072,021	372,483,702
Less: Outstanding claims including IBNR opening		207,559,987	128,962,567
Add: Outstanding claims including IBNR closing		196,681,260	207,559,987
Claims expense		463,193,294	451,081,122
Re-insurance and other recoveries received	24.1 & 24.2	15,377,102	339,951,587
Less: Re-insurance and other recoveries receivable in respect of outstanding claims opening		8,006,239	46,299,007
Add: Re-insurance and other recoveries receivable in respect of outstanding claims closing		11,809,349	8,006,239
Re-insurance and other recoveries revenue		19,180,212	301,658,819
Net claims expense		444,013,082	149,422,303

24.1 Outstanding claims include amounts in relation to unpaid reported claims, provision for claims Incurred But Not Reported (IBNR) and expected claims settlement costs. Provision for IBNR to account for the cost of settling claims incurred but not reported as at reporting date on the basis of actuarial valuation amounts to Rs 15.45 million (2023: Rs 12.43 million). The latest valuation was carried out as of December 31, 2024.

24.2 This includes accrued salvage recoveries amounting to Rs 12.06 million (2023: Rs 22.90 million).

24.3 Claim development

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

Accident Year	2019 & Prior	2020	2021	2022	2023	2024	Total
Gross estimate of ultimate claims cost	65,808,600	106,853,217	78,832,482	178,879,045	233,442,499	443,806,408	663,815,843
At the end of accident year	291,191,449	-	-	-	-	-	-
One year later	667,855,603	6,851,902	19,636,804	139,144,772	-	-	828,503,593
Two year later	41,621,473	1,812,216	9,818,402	5,673,932	-	-	53,252,091
Three year later	26,564,912	906,108	34,306	-	-	-	27,471,020
Four year later	137,554	-	-	-	-	-	137,554
Five Year later	(66,750)	-	-	-	-	-	-
Six Year later	-	-	-	-	-	-	-
Current estimate of cumulative claims	147,865,577	138,255,199	72,157,676	140,353,810	244,195,527	443,806,408	1,186,634,197
Less: cumulative payments to date	(379,112,743)	97,282,991	49,342,970	34,060,341	96,296,511	443,806,408	341,676,477
Liability recognised in the statement of financial position	526,978,320	40,972,208	22,814,706	106,293,469	147,899,016	-	844,957,720

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- (Rupees) -----	
25. NET COMMISSION EXPENSE / ACQUISITION COST			
Commission paid or payable		225,357,523	118,306,357
Add: Deferred commission expense opening		38,205,966	26,062,948
Less: Deferred commission expense closing		85,065,955	38,205,966
Net Commission		178,497,534	106,163,339
Less: Commission received or recoverable		21,880,042	24,073,992
Add: Unearned reinsurance commission opening		2,880,777	2,323,817
Less: Unearned reinsurance commission closing		2,991,559	2,880,777
Commission from reinsurers		21,769,260	23,517,032
		156,728,274	82,646,307
26. PREMIUM DEFICIENCY - NET			
Premium deficiency reserve - opening		337,245	337,245
Premium deficiency reserve - closing	25.1	337,245	337,245
Premium deficiency reserve		-	-

26.1 The independent actuary has determined the closing premium deficiency reserve of Rs 0.34 million as at December 31, 2024 (2023 : Rs 0.34 million).

	Note	2024	2023
		----- (Rupees) -----	
27. MANAGEMENT EXPENSES			
Employee benefit cost	27.1	115,670,387	96,239,626
Travelling and entertainment		23,965,702	6,179,574
Advertisement and sales promotion		36,605,327	32,406,229
Printing and stationery		2,673,111	6,063,152
Depreciation	27.2	33,094,750	23,243,265
Legal and professional charges		6,943,340	2,120,600
Utilities		10,326,305	7,679,434
Repair and maintenance		8,503,410	4,421,857
Bank charges		448,440	265,539
Insurance expense		6,235,912	4,593,120
Software maintenance		1,695,955	1,595,000
Co Insurance Surcharge		2,127,760	2,018,987
Directors Meeting Fee		250,000	310,000
Miscellaneous		5,727,559	2,179,994
		254,267,958	189,316,377

27.1 This amount includes Rs 2.03 million (2023: Rs 1.854 million) of provident fund contribution.

27.2 This includes depreciation on operating fixed assets and right of use assets amounting to Rs 19.246 and Rs 13.848 million (2023 : Rs 10.452 million and Rs 12.790 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- (Rupees) -----	
28. INVESTMENT INCOME			
Income from equity securities			
Available for sale investments			
Dividend income on securities		15,073,764	16,640,286
Realised gain on sale of equity investments		-	14,908,322
		15,073,764	31,548,608
Income from debt securities			
Held to maturity			
Income from term deposits		55,857,080	67,201,313
Return on Pakistan investment bonds		25,605,102	14,223,253
		81,462,182	81,424,566
Unrealised gain on revaluation of FVTPL		44,913	70,403
		96,580,859	113,043,577
29. RENTAL INCOME			
Rental income		2,389,364	2,172,158
30. OTHER INCOME			
Return on bank balances		63,858,193	26,696,024
Gain on sale of operating fixed assets		8,466,107	393,343
Exchange gain		-	139,035
Miscellaneous		305,998	60,877
		72,630,298	27,289,279
31. OTHER EXPENSES			
Fee and subscription		4,678,426	3,721,806
Auditors' remuneration	31.1	1,469,906	1,469,906
Workers' welfare fund		4,776,090	3,278,345
		10,924,422	8,470,057
31.1 AUDITORS' REMUNERATION			
Annual audit fee		719,906	719,906
Interim review fee		175,000	175,000
Certification fees and review of statement of compliance with the Code of Corporate		225,000	225,000
Other professional services		100,000	100,000
Out of pocket expenses		250,000	250,000
		1,469,906	1,469,906

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- (Rupees) -----	
32. PROFIT BEFORE TAX FROM WINDOW TAKAFUL OPERATIONS - OPF			
Wakala fee		31,579,750	20,716,362
Investment Income		5,955,447	4,600,285
Other income		3,082,258	1,860,973
Management expenses		(7,623,484)	(5,893,720)
Commission expenses		(16,401,380)	(11,069,733)
Direct expenses		(3,721,409)	(621,310)
Modarib's fee		203,070	333,094
Profit for the year		13,074,252	9,925,951
33. PROVISION FOR TAXATION - NET			
Current		(73,535,110)	(47,629,868)
Deferred	33.1	-	-
		(73,535,110)	(47,629,868)
33.1 Deferred			
Net deferred tax asset on deductible temporary differences amounting to Rs. 63.867 million (December 31, 2023: Rs. 55.46 million) has not been recognized in view of the uncertainty about its realisation.			
33.2 Relationship between tax expense and accounting profit:			
	----- Percentage -----	2024	2023
		----- (Rupees) -----	
Profit before taxation		238,804,481	163,934,190
Tax at the applicable rate	29%	69,253,300	47,540,915
Tax effect of others	0.05%	4,281,810	88,953
		73,535,110	47,629,868
34. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after tax (Rupees)		165,269,371	116,304,322
Weighted average number of ordinary shares (Numbers)		64,500,000	64,500,000
Basic earnings per share (Rupees)		2.56	1.80
34.1	No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

35. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executive	
	2024	2023	2024	2023	2024	2023
	(Rupees)					
Fees	-	-	250,000	310,000	-	-
Managerial remuneration	9,361,399	9,370,337	-	-	11,381,931	8,400,000
Defined contribution plan	336,000	336,000	-	-	328,979	336,000
	<u>9,697,399</u>	<u>9,706,337</u>	<u>250,000</u>	<u>310,000</u>	<u>11,710,910</u>	<u>8,736,000</u>
	(Numbers)					
Persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>	<u>2</u>	<u>2</u>

The Chief Executive Officer (CEO) and executives have been provided with the Company maintained vehicles.

36. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise major shareholders, key management personnel, employees' provident funds and companies with common directors. The transactions and balances with related parties, other than those disclosed elsewhere, are summarised as follows:

Name	Relationship	Nature of transactions	2024	2023
			(Rupees)	
Shaheen Foundation	Parent Undertaking	Premium written	49,683,109	28,189,282
Shaheen Foundation	Parent Undertaking	Claim expense	772,334	442,961
Shaheen Foundation	Parent Undertaking	Premium due but unpaid	21,017,450	18,779,284
Shaheen Foundation	Parent Undertaking	Outstanding claims	40,000	91,250
Shaheen Foundation	Parent Undertaking	Security deposits	3,317,246	3,317,246
Shaheen Foundation	Parent Undertaking	Rent of premises	12,203,467	9,959,515
Shaheen Foundation	Parent Undertaking	Advertisement expenses	128,116	468,959
Contribution to provident fund	Others	Contribution	2,120,553	1,854,270
Air Eagle (Private) Limited	Associate Company	Premium written	157,337,404	76,530,156
Air Eagle (Private) Limited	Associate Company	Premium due but unpaid	2,500	-

36.1 Insurance and claim related transactions with related parties have been carried in normal course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

37. SEGMENT INFORMATION

Following segment information prepared in accordance with the requirements of Insurance Ordinance, 2000 and the Insurance Rules, 2017 for class of business wise revenues, results, assets and liabilities:

The class wise revenues and results are as follows:

	31-Dec-24					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
Premium receivable / received (inclusive of Federal excise duty, Federal insurance fee and administrative surcharge)	422,256,439	386,845,242	370,468,962	220,321,487	192,552,523	1,592,444,653
Less: Federal excise duty	(24,405,923)	(41,021,600)	(29,449,997)	-	(23,111,362)	(117,988,882)
Less: Federal insurance fee	(1,887,354)	(3,581,855)	(2,131,997)	-	(3,368,822)	(10,970,028)
Gross written premium (inclusive of administrative Surcharge)	395,963,162	342,241,787	338,886,968	220,321,487	166,072,339	1,463,485,743
Gross direct premium	393,679,520	341,577,487	334,399,779	220,319,487	164,377,541	1,454,353,814
Administrative surcharge	2,282,807	664,300	4,487,189	2,000	1,695,633	9,131,929
Insurance premium earned	337,770,225	318,609,615	280,382,768	170,156,904	132,565,198	1,239,484,710
Less: Insurance premium ceded to reinsurers	52,550,991	225,473,147	27,405,290	-	12,699,379	318,128,807
Net insurance premium	285,219,234	93,136,468	252,977,478	170,156,904	119,865,820	921,355,903
Add: Commission income	1,046,368	15,855,370	4,759,282	-	108,240	21,769,260
Net underwriting income (A)	286,265,602	108,991,838	257,736,760	170,156,904	119,974,060	943,125,165
Insurance claims	123,555,047	40,646,011	134,813,818	106,034,528	58,143,890	463,193,294
Less: Insurance claims recovered from reinsurance	6,632,623	-	12,547,589	-	-	19,180,212
Net claim	116,922,424	40,646,011	122,266,229	106,034,528	58,143,890	444,013,082
Commission expense	78,123,511	8,400,313	40,827,775	29,964,329	21,181,617	178,497,544
Management expenses	68,915,154	62,792,154	57,046,989	39,502,736	31,526,489	254,267,958
Premium deficiency expense	-	-	-	-	-	-
Net insurance claims and expenses (B)	263,961,089	111,838,478	220,140,993	175,501,593	110,251,986	876,778,574
Underwriting result C=A-B	22,304,513	(2,846,640)	37,595,767	(5,344,689)	9,122,073	66,346,589
Net investment income						96,580,859
Rental income						2,389,364
Other income						74,630,298
Other expenses						(10,924,422)
Unrealised gain on investment properties						1,825,000
Finance charges on right-of-use assets						(3,117,458)
Profit before tax from window takaful operations - OPF						13,074,252
Profit before tax						238,804,481

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

Prior year

2023

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
----- (Rupees) -----						
Premium receivable / received (inclusive of Federal excise duty, Federal insurance fee and administrative surcharge)	326,253,385	291,822,435	211,286,785	1,902,723	120,995,640	952,260,968
Less: Federal excise duty	(20,506,911)	(36,045,424)	(21,980,924)	-	(37,784,723)	(116,317,982)
Less: Federal insurance fee	(1,495,856)	(2,968,464)	(1,509,561)	(18,858)	(3,675,214)	(9,667,953)
Gross written premium (inclusive of administrative Surcharge)	304,250,618	252,808,547	187,796,300	1,883,865	79,535,703	826,275,033
Gross direct premium	140,425,582	246,192,250	140,242,561	1,878,865	69,879,423	598,618,681
Faculative Inward Premium	161,988,007	6,062,249	43,776,726	-	7,801,310	219,628,292
Administrative surcharge	1,837,029	554,048	3,777,013	5,000	1,854,970	8,028,060
Insurance premium earned	256,501,015	217,277,664	186,014,928	1,723,866	72,242,666	733,760,139
Less: Insurance premium ceded to reinsurers	67,329,666	191,336,797	25,154,878	-	6,257,913	290,079,254
Net insurance premium	189,171,349	25,940,867	160,860,050	1,723,866	65,984,753	443,680,885
Add: Commission income	594,796	17,470,663	5,432,057	-	19,518	23,517,033
Net underwriting income (A)	189,766,145	43,411,529	166,292,107	1,723,866	66,004,270	467,197,918
Insurance claims	125,182,707	234,632,216	85,950,478	1,720,734	3,594,986	451,081,121
Less: Insurance claims recovered from reinsurance	53,481,974	232,857,284	15,319,561	-	-	301,658,819
Net claim	71,700,733	1,774,932	70,630,916	1,720,734	3,594,986	149,422,302
Commission expense	53,574,087	13,803,331	23,380,808	187,887	15,217,225	106,163,338
Management expenses	64,140,342	60,165,376	46,514,674	431,068	18,064,916	189,316,377
Premium deficiency expense	-	-	-	-	-	-
Net insurance claims and expenses (B)	189,415,162	75,743,639	140,526,400	2,339,689	36,877,127	444,902,017
Underwriting result C=A-B	350,983	(32,332,110)	25,765,707	(615,823)	29,127,144	22,295,900
Net investment income						113,043,577
Rental income						2,172,157
Other income						27,289,279
Other expenses						(8,470,057)
Unrealised gain on investment properties						-
Finance charges on right-of-use assets						(2,322,616)
Profit before tax from window takaful operations - OPF						9,925,951
Profit before tax						163,934,190

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

37.1 Segment Assets & Liabilities

	December 31, 2024					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
SEGMENT ASSETS						
Segment assets	151,031,794	130,541,185	129,261,557	84,037,160	63,347,472	558,219,168
Segment assets - Takaful OPF	5,101,101	778,238	9,102,310	-	802,482	15,784,131
Unallocated assets - Takaful OPF	-	-	-	-	-	64,578,834
Unallocated corporate assets	-	-	-	-	-	1,395,428,533
Total assets						<u>2,034,010,666</u>
SEGMENT LIABILITIES						
Segment liabilities	197,067,234	170,330,957	16,661,291	109,652,214	82,656,180	728,367,876
Segment liabilities - Takaful OPF	3,573,816	545,231	6,377,052	-	562,216	11,058,315
Unallocated liabilities - Takaful OPF	-	-	-	-	-	37,925,500
Unallocated corporate liabilities	-	-	-	-	-	248,961,725
Total liabilities						<u>1,026,313,416</u>

	December 31, 2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
SEGMENT ASSETS						
Segment assets	123,781,272	102,852,587	76,403,016	766,431	32,358,293	336,161,599
Segment assets - Takaful OPF	5,101,101	778,238	9,102,310	-	802,482	15,784,131
Unallocated assets - Takaful OPF	-	-	-	-	-	64,578,834
Unallocated corporate assets	-	-	-	-	-	1,204,104,517
Total assets						<u>1,620,629,081</u>
SEGMENT LIABILITIES						
Segment liabilities	181,165,083	150,534,062	111,822,722	1,121,742	47,359,287	492,002,896
Segment liabilities - Takaful OPF	3,573,816	545,231	6,377,052	-	562,216	11,058,315
Unallocated liabilities - Takaful OPF	-	-	-	-	-	11,399,533
Unallocated corporate liabilities	-	-	-	-	-	261,562,497
Total liabilities						<u>776,023,241</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

38. PROVIDENT FUND RELATED DISCLOSURE

The Company operates contributory provident fund scheme for its permanent employees. All investment are made in accordance with section 218 of Companies Act 2017. Breakup value of the fund is as follows:

	2024	2023
Size of the fund - Net assets (Rupee)	33,284,086	26,662,592
Cost of the investment made (Rupee)	31,123,415	26,662,592
Percentage of the investment made (%)	100.00%	100.00%
Fair value of the investment made (Rupee)	31,123,415	26,662,592

The breakup of fair value of the investment is:

	2024		2023	
	(Rupees)	(%)	(Rupees)	(%)
Bank balances	31,123,415	100	26,662,592	100
	31,123,415	100	26,662,592	100

39. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through P&L	Total
	(Rupees)			
At beginning of previous year	447,850,760	164,036,686	206,355	612,093,801
Additions / re-investment - net	114,334,110	156,340,592	-	270,674,702
Disposals (sale and redemptions)	-	(205,598,705)	-	(205,598,705)
Amortisation of premium / discount	5,709,711	-	-	5,709,711
Fair value gains - net of loss	-	237,790	70,403	308,193
Realised Gain on sale of investment	-	-	-	-
At beginning of current year	567,894,581	115,016,363	276,758	683,187,702
Opening				
Additions / re-investment - net	270,934,336	226,653,903	-	497,588,239
Disposals (sale and redemptions)	(366,000,000)	(50,000,000)	-	(416,000,000)
Amortisation of premium / discount	5,355,341	-	-	5,355,341
Fair value gains - net	-	-	138,378	138,378
At end of current year	478,184,258	291,670,266	415,136	770,269,660

40. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

40.1 INSURANCE RISK

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured. Generally most insurance contracts carry the insurance risk for a period of one year.

The Company accepts insurance through issuance of general insurance contracts. For these general insurance contracts the most significant risks arise from fire, atmospheric disturbance, earthquake, terrorist activities and other catastrophes. For health insurance contracts, significant risks arise from epidemics.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Company from individual to large or catastrophic insured events. Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

a) 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 Company manages these risk through the measures described above. The Company has limited its exposure to catastrophic and riot events by use of re-insurance arrangements.

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, reinsurance arrangements and proactive claim handling procedures insured events.

b) Uncertainty in the estimation of future claims payment

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

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims incurred but not reported (IBNR), the Company follows the recommendation of actuary to apply month wise factor based on analysis of the past claim reporting pattern. For this purpose, the claim chain-ladder method is used for each class of business. The month wise factor is applied on claims incurred to determine the amount of IBNR.

There are several variable factors which affect the amount and timing of recognised claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognized amount. Similarly, the provision for IBNR is based on historic reporting pattern of the claims, hence actual amount of IBNR may differ from the amount estimated.

c) Key assumptions

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the SECP via circular 9 of 2016.

IBNR is determined by using the "Chain Ladder Method" for all classes of business including in-patient claims of accident and health class. Alternative method is used for accident and health out-patient (OP) takaful. The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for marine which is made on a quarterly basis. For accident and health OP business, IBNR has been set equal to monthly average of OP claims reported in preceding three months, including margins for adverse deviations. For accident and health takaful business, a loss ratio method has been used. The methods used, and the estimates made, are reviewed regularly.

The assumed net off reinsurance loss ratios taken on the basis of current year analysis for each class of business are as follows:

Class	December 31, 2024		December 31, 2023	
	Assumed net loss ratio			
	----- (%) -----			
Fire and property	40.99	40.99	37.90	37.90
Marine, aviation and transport	43.64	43.64	6.84	6.84
Motor	48.33	48.33	43.91	43.91
Accident and health	62.32	62.32	99.82	99.82
Miscellaneous	48.51	48.51	5.45	5.45

Change in assumption:

The company did not change its assumptions for the insurance contracts.

d) Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claim's liabilities provided in the unconsolidated financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analysed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

Impact of change in claim liabilities by +10 %	Pre tax profit / (loss)		Shareholders' equity	
	2024	2023	2024	2023
Fire and property damage	(11,692,242)	(7,170,073)	(11,692,242)	(7,170,073)
Marine, aviation and transport	(4,064,601)	(177,493)	(4,064,601)	(177,493)
Motor	(12,226,623)	(7,063,092)	(12,226,623)	(7,063,092)
Accident and Health	(10,603,453)	(172,073)	(10,603,453)	(172,073)
Miscellaneous	(5,814,389)	(359,499)	(5,814,389)	(359,499)
	<u>(44,401,308)</u>	<u>(14,942,230)</u>	<u>(44,401,308)</u>	<u>(14,942,230)</u>
Impact of change in claim liabilities by -10 %	Pre tax profit / (loss)		Shareholders' equity	
	2024	2023	2024	2023
Fire and property damage	11,692,242	7,170,073	11,692,242	7,170,073
Marine, aviation and transport	4,064,601	177,493	4,064,601	177,493
Motor	12,226,623	7,063,092	12,226,623	7,063,092
Accident and Health	10,603,453	172,073	10,603,453	172,073
Miscellaneous	5,814,389	359,499	5,814,389	359,499
	<u>44,401,308</u>	<u>14,942,230</u>	<u>44,401,308</u>	<u>14,942,230</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

f) 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 minimise 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.

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

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Salvage recoveries accrued	Prepaid reinsurance premium ceded	2024	2023
Rating	----- (Rupees) -----					
A- or above including Pakistan Reinsurance Company Limited	412,618,228	11,809,349	327,470	39,767,715	464,522,762	235,363,732
BBB	-	-	-	-	-	46,852,937
Others	-	-	-	-	-	-
	412,618,228	11,809,349	327,470	39,767,715	464,522,762	282,216,669

40.2 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

40.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to any single customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Credit risk of the Company arises principally from Investments, deposits, insurance/reinsurance receivables, loans and other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
	----- (Rupees) -----	
Investment in debt securities	378,240,488	119,292,049
Advances, deposits and other receivables	28,554,424	22,000,023
Insurance/ re-insurance receivables	435,944,317	268,154,186
Term deposits	2,780,000	448,879,290
Reinsurance recoveries against outstanding claims	11,809,349	8,006,239
Salvage recoveries accrued	327,469	28,200
Bank balances	269,712,342	252,020,078
	<u>1,127,368,389</u>	<u>1,118,380,066</u>

The Company did not hold any collateral against the above during the year.

The credit quality of loans, advances and other receivables can be assessed with reference to the historical performance and there are no defaults in recent history. General provision is made for receivables according to the Company's policies. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers / re-insurers for whom there is no history of default.

The age analysis of insurance receivables (Gross) from other than related parties is as follows:

Upto 1 year	22,862,632	18,927,970
1 - 2 years	463,457	1,792,637
2 - 3 years	-	(322)
Over 3 years	-	-
	<u>23,326,089</u>	<u>20,720,285</u>

The age analysis of receivables / Payable (Gross) from related parties is as follows:

Upto 1 year	21,017,450	-
1 - 2 years	-	-
2 - 3 years	-	-
	<u>21,017,450</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

Bank	Rating	2024		December 31, 2024	December 31, 2023
		Short term	Long term	(Rupees)	
JS Bank Limited	PACRA	A1+	AA	97,067,602	83,985,743
Bank Alfalah Limited	PACRA	A1+	AAA	5,213,473	8,648
Bank Al Habib Limited	PACRA	A1+	AAA	490,218	47,865
MCB Bank Limited	PACRA	A1+	AAA	2,280,109	2,208,812
Allied Bank Limited	PACRA	A1+	AAA	272,520	241,549
Soneri Bank Limited	PACRA	A1+	AA-	93,208	93,208
Bank of Punjab	PACRA	A1+	AA+	2,763	2,863
Faysal Bank Limited	PACRA	A1+	AA	24,454	127,789
Askari Bank Limited	PACRA	A1+	AA+	-	-
Summit Bank Limited	VIS	Nil	Nil	123,706	106,225
Dubai Islamic Bank	VIS	A1+	AA	16,694,206	
National Bank of Pakistan	PACRA	A1+	AAA	1,507,989	
Bank Islami Pakistan Limited	PACRA	A1	AA-	95,779,466	161,235,357
Habib Bank Limited	PACRA	A1+	AAA	-	790,742
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	7,113,343	3,171,278

The management monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables as disclosed in note 13.

The credit quality of amount due from insurers / reinsurers and reinsurance recoveries against outstanding claims can be assessed from external rating disclosed in note 39.1 (f)

40.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

	December 31, 2024			
	Within one year	One year to five years	Over five years one year	Total
	(Rupees)			
Financial liabilities				
Outstanding claims including IBNR	196,681,260	-	-	196,681,260
Insurance/ reinsurance payables	55,429,758	-	-	55,429,758
Lease liabilities	7,135,368	9,254,159	-	16,389,527
Other creditors and accruals	73,410,636	-	-	73,410,636
Unclaimed dividend	3,178,301	-	-	3,178,301
	<u>335,835,323</u>	<u>9,254,159</u>	<u>-</u>	<u>345,089,482</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

	December 31, 2023			
	Within one year	One year to five years	Over five years one year	Total
	----- (Rupees) -----			
Financial liabilities				
Outstanding claims including IBNR	207,559,987	-	-	207,559,987
Insurance/ reinsurance payables	32,297,866	-	-	32,297,866
Lease liabilities	6,831,274	12,584,056	-	19,415,330
Other creditors and accruals	79,019,523	-	-	79,019,523
Unclaimed dividend	1,823,901	-	-	1,823,901
	<u>327,532,551</u>	<u>12,584,056</u>	<u>-</u>	<u>340,116,607</u>

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and term deposit receipts.

40.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns. The company manages the market risk exposures by following internal risk policies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company invests in securities and has deposits that are subject to interest / mark-up rate risk. The Company limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated.

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

	Interest / Markup bearing			Non- interest / Non - markup bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	Total
	----- (Rupees) -----						
FINANCIAL ASSETS							
Investments	381,020,488	-	381,020,488	389,249,173	-	389,249,173	770,269,661
Advances, deposits and other receivables	-	-	-	30,434,180	-	30,434,180	30,434,180
Insurance/ reinsurance receivables	-	-	-	409,234,224	-	409,234,224	409,234,224
Reinsurance recoveries against outstanding claims	-	-	-	11,809,349	-	11,809,349	11,809,349
Salvage recoveries accrued	-	-	-	327,469	-	327,469	327,469
Cash and bank balances	220,749,015	-	220,749,015	49,375,698	-	49,375,698	270,124,713
December 31, 2024	601,769,503	-	601,769,503	890,430,093	-	890,430,093	1,492,199,596

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Interest / Markup bearing			Non- interest / Non - markup bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
	----- (Rupees) -----						
FINANCIAL LIABILITIES							
Outstanding claims including IBNR	-	-	-	196,684,260	-	196,684,260	196,684,260
Lease liabilities	7,135,368	9,254,159	16,389,527	-	-	-	16,389,527
Insurance/ reinsurance payables	-	-	-	79,019,523	-	79,019,523	79,019,523
Other creditors and accruals	-	-	-	73,410,636	-	73,410,636	73,410,636
Unclaimed dividend	-	-	-	3,178,301	-	3,178,301	3,178,301
December 31, 2024	7,135,368	9,254,159	16,389,527	352,289,720	-	352,289,720	368,679,247
Interest risk sensitivity gap	594,634,134	(9,254,159)	585,379,975	538,140,374	-	538,140,374	1,123,520,350

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Change in basis point	Effect on profit and loss before tax	Effect on shareholders' equity
	----- (Rupees) -----		
December 31, 2024	100	2,235,290	1,587,056
	(100)	(2,235,290)	(1,587,056)

40.2.4 Currency risk

Foreign currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

40.2.5 Other price risk

Other price risk is the risk that the fair value of future cashflows 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.

The Company's listed securities and mutual funds are susceptible to market price risk arising from uncertainties about the future value of investment securities and units. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity and mutual funds. In addition, the Company actively monitors the key factors that affect stock market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

The following table summarises the Company's other price risk as of December 31, 2024 and 2023. It shows the effects of an estimated increase of 5% in the market prices as on those dates. A decrease of 5% in the fair values of the quoted securities would affect profit and equity of the Company in a similar but opposite manner.

	Price change	Fair value	Effect on fair value
	%	----- (Rupees) -----	
December 31, 2024	5%	389,249,173	19,462,459
December 31, 2023	5%	115,018,363	5,750,918

41. CAPITAL RISK MANAGEMENT

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

Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

In accordance with the requirements of the Insurance Rules, 2017 issued by the SECP, minimum Paid Up Capital requirement to be complied with insurance/ takaful companies as at December 31, 2017 and for subsequent years is Rs. 500 million. As at December 31, 2022 the Company's Paid Up Capital is in excess of the prescribed limit.

FAIR VALUE OF FINANCIAL AND NON-FINANCIAL ASSETS

Fair value hierarchy

The following table provides an analysis of financial and non-financial assets or liabilities that are carried at fair value. The different levels are defined as below:

- **Level 1:** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** fair value measurements are those derived from 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:** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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December 31, 2024

	Carrying value					Fair value measurement			
	Available for-sale	Held-to-maturity	Loan and other receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments									
Equity securities	388,927,502	-	-	321,671	-	389,249,173	389,249,173	-	-
Debt securities	-	378,240,488	-	-	-	378,240,488	-	-	-
Term deposits	-	2,780,000	-	-	-	2,780,000	-	-	-
Advances, deposits and other receivables*	-	-	30,434,180	-	-	30,434,180	-	-	-
Insurance / re-insurance receivables*	-	-	409,234,224	-	-	409,234,224	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	11,809,349	-	-	11,809,349	-	-	-
Salvage recoveries accrued	-	-	-	-	-	-	-	-	-
Deferred commission expense	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-
Cash and bank	-	-	-	270,124,713	-	270,124,713	-	-	-
	388,927,502	381,020,488	451,477,753	270,446,384	-	1,491,872,127	389,249,173	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(196,681,260)	(196,681,260)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(55,429,758)	(55,429,758)	-	-	-
Other creditors and accruals*	-	-	-	-	(200,641,703)	(200,641,703)	-	-	-
	-	-	-	-	(452,752,721)	(452,752,721)	-	-	-

December 31, 2023

	Carrying value					Fair value measurement			
	Available for-sale	Held-to-maturity	Loan and other receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments									
Equity securities	114,741,605	-	-	276,758	-	115,018,363	115,018,363	-	-
Debt securities	-	119,292,049	-	-	-	119,292,049	-	-	-
Term deposits	-	448,879,290	-	-	-	448,879,290	-	-	-
Loans and other receivables*	-	-	22,617,001	-	-	22,617,001	-	-	-
Insurance / re-insurance receivables*	-	-	241,444,093	-	-	241,444,093	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	8,006,239	-	-	8,006,239	-	-	-
Salvage recoveries accrued	-	-	-	-	-	-	-	-	-
Deferred commission expense	-	-	-	-	-	-	-	-	-
Taxation-payment less provision	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-
Cash and bank	-	-	-	252,188,790	-	252,188,790	-	-	-
	114,741,605	568,171,339	272,067,333	252,465,548	-	1,207,445,825	115,018,363	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(207,559,987)	(207,559,987)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(32,297,866)	(32,297,866)	-	-	-
Other creditors and accruals*	-	-	-	-	(206,837,955)	(206,837,955)	-	-	-
	-	-	-	-	(446,695,808)	(446,695,808)	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Valuation techniques used in determination of fair values within Level 2

Items	Valuation technique
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 2 fair value measurements:

Description	Fair value	Unobserved-able inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment properties	168,875,569	yield	5% to 6%	The higher the terminal yield, the higher the fair value
		Expected rent growth rate	10%	The higher the rental growth rate, the higher the fair value
		Occupancy rate	90% to 95%	The higher the occupancy rate, the higher the fair value
		Rent free period	1 year on new leases	The higher the rent free period, the lower the fair value

The Company engages external, independent and qualified valuers to determine the fair value of the investment properties at the end of every financial year. The latest independent valuation exercise of these land and buildings has been undertaken by Sadruddin Associates (Pvt.) Ltd. as at December 31, 2024.

Available for sale investments are stated at market value in accordance with the requirements of the Insurance Rules, 2017 as disclosed in note 4.6.5 to these financial statements. Fair value through profit or loss investments are stated at quoted market prices as disclosed in note 4.6.3 Further, investment properties are stated at market value as disclosed in note 8.1 to these financial statements.

42. STATEMENT OF SOLVENCY

Total assets

	2024	2023
	(Rupees)	(Rupees)
Property and equipment	115,379,916	75,697,353
Intangibles assets	496,333	-
Investment properties	168,875,569	167,050,569
Investments		
Equity securities	389,249,173	115,018,363
Debt securities	378,240,488	119,292,049
Term deposits	2,780,000	448,879,290
Loans and other receivables	30,434,180	22,617,001
Insurance / Reinsurance receivables	409,234,224	241,444,092
Reinsurance Recoveries against O/S claims	11,809,349	8,006,239
Salvage recoveries accrued	327,469	28,200
Deferred Commission Expense	85,065,952	38,205,966
Prepayments	51,782,175	48,477,102
Cash & Bank	270,124,713	252,188,790
Total assets of takaful operations - operator's fund	120,211,125	83,724,066
Total Assets (A)	2,034,010,666	1,620,629,080

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

2024

2023

----- (Rupees) -----

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

(h) Insurance/ reinsurance receivables	23,229,870	20,571,599
(U)-(iii) Leasehold improvements	2,374,059	-
(k) Security deposits & other receivables	6,356,259	57,821,051
(U)-(i) Vehicles	82,869,997	51,111,392
(U)-(ii) Office Equipments	4,022,949	2,470,927
(U)-(iii) Furniture and fixture which are not immovable property	5,329,909	3,679,819
Advance to Suppliers	1,367,410	155,004
(U)-(iv) Computer equipment	3,730,652	1,764,556
Window Takaful	-	-
(v)-(i) Equity investment	-	29,665,999
(i) Computer software	687,265	-
(v)-(ii) ROUA	15,684,942	16,515,657
Total of In-admissible assets (B)	145,653,312	183,756,004
Total Admissible Assets (C=A-B)	1,888,357,350	1,436,873,076

Total Liabilities

Underwriting Provisions	196,681,260	207,559,987
Outstanding claims including IBNR	473,265,299	249,264,266
Unearned premium reserves	337,245	337,245
Premium deficiency reserves	2,991,559	2,880,777
Unearned commission income	16,389,527	19,415,330
Lease liabilities	2,332,085	11,144,220
Premium received in advance	55,429,758	32,297,866
Insurance / Reinsurance Payables	200,641,703	206,837,955
Other Creditors and Accruals	3,178,301	1,823,901
Unclaimed dividend	26,082,864	22,003,846
Taxation - provision less payments	48,983,815	22,457,848
Total liabilities of takaful operations - operator's fund	1,026,313,416	776,023,241
Total Liabilities (D)	862,043,934	660,849,836
Total Net Admissible Assets (E=C-D)	184,271,181	150,000,000
Minimum Solvency Requirement (higher of following)	150,000,000	150,000,000
Method A - U/s 36(3)(a)	184,271,181	88,736,177
Method B - U/s 36(3)(b)	121,271,007	79,729,248
Method C - U/s 36(3)(c)	677,772,756	510,849,836
Excess in Net Admissible Assets over Minimum Requirements		

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees) -----	
43. NUMBER OF EMPLOYEES		
At the year end	<u>135</u>	<u>135</u>
Average during the year	<u>119</u>	<u>119</u>

44. CORRESPONDING FIGURES

Corresponding figures and balances have been reclassified, wherever considered necessary, for the purpose of comparison.

45. SUBSEQUENT EVENTS

Subsequent to the year end, Board of Directors' in their meeting held on March 27, 2025 has proposed a final issuance of bonus shares @25% i.e. 2.5 ordinary shares for every 10 ordinary shares held (2023: 7.5% i.e. 0.75 ordinary shares for every 10 ordinary shares held) for approval by the members in the Annual General Meeting.

45.1. SUBSEQUENT EVENTS

Subsequent to the year end, Board of Directors' in their meeting held on March 27, 2025 has proposed a final cash dividend of Rs Nil per share (2023: Rs 0.25 per share) for approval by the members in the Annual General Meeting.

46. DATE OF AUTHORIZATION FOR ISSUE

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

47. GENERAL

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



Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman



Air Vice Marshal Muhammad Qaiser
Janjua (Retd) - Director



Adeel Ali
Director



Rizwan Akhtar
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer



Window Takaful Operations Financial Statements





Shaheen Insurance commenced its Window Takaful Operations which has been widely appreciated by the business fraternity, Islamic banks and financial institutions.

“Shaheen Takaful” is operating under the guidance of Shariah Board. Shariah Board consist of Mufti Bilal & Mufti Zahid – renowned, qualified and certified Sharia Scholars. Our Takaful model is WAQF based; the concept of brotherhood and mutual solidarity in Islam and its operations are being managed by a team of well experienced, dedicated & competent professionals.

Shaheen Takaful is offering a wide range of Shariah Compliant General Takaful Products such as Fire & Property Takaful, Marine Cargo Takaful, Private / Commercial Vehicles Takaful, Engineering Takaful, Terrorism & Political Violence Takaful and Miscellaneous Accident Takaful. A short brief of major takaful products is as under: –

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

Marine Takaful covers losses to cargo during transit as per Institute Caro Clauses ‘A’, ‘B’ or ‘C’ by all means of transport like by Sea, by Air or by Road/Rail. Usually marine cargo takaful provides coverage of goods from warehouse (of departure) to warehouse (of arrival) but can also be from port of departure to port of arrival.

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, Loss or damage due to natural calamities 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, Products Liability, Professional Indemnity, Group / Personal Accident, Employer’s Legal Liability, Workmen Compensation, Public Liability, Third Party Liability, Directors & Officers Liability, Travel, All Risks Takaful, House-breaking & Burglary, Money (Cash in Safe & Cash in transit), Plate Glass takaful and Baggage takaful etc.

STATEMENT OF COMPLIANCE WITH THE SHAHRIAH PRINCIPLES

For the Year ended December 31, 2024

The financial arrangements, contracts and transactions, entered into by Shaheen Insurance Company Limited Window Takaful Operations of ('the Company') for the year ended December 31, 2022 are in compliance with the Takaful Rules, 2012.

Further, we confirm that:

The Company 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 implemented;

The Company 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 and, the 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.

The assets and liabilities of Window Takaful Operations (Participants' Takaful Fund and Operator's fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been dully confirmed by the Shariah Advisor of the Company



Rizwan Akhter
Chief Executive Officer
Karachi: March 21, 2025



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INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE TAKAFUL RULES, 2012

Scope

We have been engaged by **Shaheen Insurance Company Limited** (the Operator) to perform a 'reasonable assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the Engagement, to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Operator, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended December 31, 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion on this information.

Criteria applied by the management

In preparing the subject matter, the management applied the criteria in accordance with the Takaful Rules, 2012 (Criteria).

The Management's responsibilities

The management is responsible for selecting the Criteria, and for presenting the subject matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

BDO's responsibilities

Our responsibility is to express an opinion on the presentation of the subject matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Operator on June 26, 2024. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the subject matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our Independence and Quality Management



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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.

The firm applies International Standard on Quality Management 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and 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.

Description of procedures performed

- We checked that all the products and policies have been approved by Shariah Advisor and observed that the Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and Shariah Rules and Principles as determined by Shariah Advisor.
- We checked that the assets and liabilities of Window Takaful Operations (Participants' Takaful Fund and Operator's fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.
- We reviewed training certificates and attendance sheets to evaluate that the Operator has imparted necessary trainings and orientations to maintain the adequate level of awareness, capacity, and sensitization of the staff and management.
- We have designed and performed following verification procedures (including but not limited to) on various financial arrangements, based on judgmental and systematic samples with regard to the compliance with Takaful Rules, 2012 and Shariah Rules and Principles:
 - We obtained details of investments made and checked that all investments are made in Shariah Compliant stocks as determined by Shariah Advisor;
 - We inquired regarding other investments like fixed deposits to confirm that all such contracts are executed with Islamic Financial Institutions;
 - We reviewed re-takaful and co-takaful parties along with arrangements / contracts entered into by Window Takaful Operations to assess compliance with Shariah Advisor guidelines and Takaful Rules, 2012; and
 - We re-calculated Operator's profit share and Wakalah fee income to confirm that approved percentage are applied on income from investments and contribution respectively

The procedures selected by us for the engagement depended on our judgment, including the assessment of the, risks of the Operator's material non-compliance with the Takaful Rules 2012, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Operator's compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances but not for the purpose of expressing a conclusion as to the effectiveness of the Operator's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Takaful



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Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the Takaful Rules, 2012 will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

In performing our audit procedures necessary guidance on Shariah matters was provided by the independent Shariah expert.

Opinion

In our opinion, the Statement of Compliance of the Takaful Operations of the Operator as of December 31, 2024 is presented, in all material respects, in accordance with Takaful Rules, 2012.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Engagement Partner:
Zulfikar Ali Causer

Dated: April 7, 2025
Place : Karachi

SHARIAH REVIEW REPORT TO THE BOARD OF DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2024

In the name of Allah, the Beneficent, the Merciful

During the year under review, the Shariah Advisory Board reviewed General Takaful products including all ancillary documents. Moreover, we have reviewed the Participant Takaful Fund, Investment Policy, Re-takaful arrangements and all related transactions of Shaheen Insurance Company Limited - Window Takaful Operations in compliance with the Takaful Rules 2012 and Shariah Guidelines issued by the Shariah Advisory Board (hereafter referred to as "Company/Window Takaful Operator") for the year ended 31 December 2024.

The core objective of this report is to express the Company's compliance with the Takaful Rules 2012 along with Shariah Guidelines. Furthermore, it also comprises the basis of the appropriate evidence of transactions undertaken by the Company throughout the year 2024.

As Shariah Advisory Board, our responsibility is to ensure that the financial arrangements, contracts and transactions undertaken by the Window Takaful Operator with its participants and stakeholders should be compliant in accordance with the requirements of the Takaful Rules 2012 and Shariah rules & principles. However, it is the responsibility of the Shariah Advisory Board to express its opinion on overall transactions with reference to the Shariah Compliance.

It is the prime responsibility of the Window Takaful Operator to ensure that the rules, principles and guidelines set by the Shariah Advisory Board are complied with, and that all the Takaful policies and services being offered by the Window Takaful Operator are duly approved by the Shariah Advisory Board.

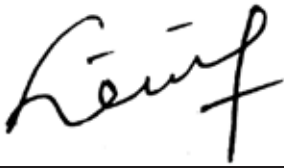
During the year 2024, Shariah Advisory Board offered Shariah assistance to the Company on regular basis and to the best of our understanding based on the provided information and explanations, we are of the opinion that:

- Financial transactions and relevant documentations & procedures, undertaken by the Company for the year ended 31 December 2024 were in accordance with guidelines issued by the Shariah Advisory Board as well as Takaful Rules 2012.
- The Shariah Screening Criteria in the Investment Guidelines were properly followed in all kind of investment & financial transactions of the Window Takaful Operator Fund as well as Participant Takaful Fund (PTF).
- During the year, no amount had been realized as non-Shariah Compliant income to be credited to the charity account being managed for the said purpose.
- It is appreciable that multiple in-house Takaful training sessions have been conducted for Window Takaful distribution force as well as for back office staff. However, it is advised that regular training sessions should be conducted to ensure that the Takaful knowledge graph remains upward.

- It is necessary to report that the management has performed their duties by following Takaful Rules 2012 and Shariah Guidelines issued by the Shariah Advisory Board.
- Consequently, we have found the Company is in accordance with the Takaful Rules 2012 and Shariah rules & principles with respect to the relevant transactions.

“And Allah knows best “

“اللهم أرنا الحق حقا وارزقنا اتباعه وأرنا الباطل باطلا وارزقنا اجتنابه“



Mufti Muhammad Hanif

Shariah Advisor & Shariah Board Member
Shaheen Insurance Company Ltd.
Window Takaful Operations



Mufti Muhammad Zahid

Shariah Board Member
Shaheen Insurance Company Ltd.
Window Takaful Operations



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHAHEEN INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS)

Introduction

We have audited the annexed financial statement of **SHAHEEN INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS)** ("the Operator") as at December 31, 2024, 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 funds and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policies 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 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, other comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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



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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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



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disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in funds 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and;
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Dated: April 7, 2025
Place : Karachi
UDIN: AR202410067hYb8f6vKO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		Operator's Fund		Participant's Takaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Note	(Rupees)			
ASSETS					
Qard-e-Hasna to Participants' Takaful Fund	6	-	12,500,000	-	-
Property and equipment	7	410,899	560,316	-	-
Investments	8	56,143,372	30,100,000	3,830,000	21,700,000
Other receivables	9	1,862,813	1,289,212	5,934,034	2,953,130
Takaful / retakaful receivables	10	-	-	86,543,138	33,256,315
Retakaful recoveries against outstanding / benefits	20	-	-	393,152	172,841
Salvage recoveries accrued		-	-	619,920	-
Deferred commission expense	25	8,375,714	4,365,156	-	-
Receivable from PTF	11	31,328,732	13,217,811	-	-
Deferred wakala fee	18	-	-	16,585,028	10,357,962
Taxation less provision		-	-	2,065,433	1,282,444
Prepaid retakaful contribution ceded	12	-	-	150,516	285,951
Cash and bank	13	22,089,595	21,691,571	33,940,368	10,664,610
		120,211,125	71,224,066	150,061,590	80,673,254
		120,211,125	83,724,066	150,061,590	80,673,254
TOTAL ASSETS					
FUNDS AND LIABILITIES					
Operator's Fund					
Statutory fund		50,000,000	50,000,000	-	-
Accumulated profit / deficit		21,227,310	11,266,218	-	-
		71,227,310	61,266,218	-	-
WAQF / PARTICIPANTS' TAKAFUL FUND					
Ceded money		-	-	500,000	500,000
Accumulated profit		-	-	27,844,427	2,881,618
		-	-	28,344,426	3,381,618
Qard-e-Hasna from Operator's Fund	6	-	-	-	12,500,000
LIABILITIES					
PTF Underwriting provisions					
Outstanding claims including IBNR	20	-	-	24,494,927	12,792,820
Unearned contribution reserve	17	-	-	50,077,179	29,302,317
Reserve for unearned retakaful rebate	19	-	-	20,297	68,558
Contribution received in advance		-	-	629,101	509,149
Takaful / retakaful payables	14	-	-	8,447,862	5,242,858
Unearned wakala fee		16,585,028	10,357,962	-	-
Payable to OPF	11	-	-	31,328,732	13,217,812
Other creditors and accruals	15	29,194,915	11,164,449	6,719,066	3,658,124
Taxation less provision		3,203,872	935,437	-	-
TOTAL LIABILITIES		48,983,815	22,457,848	121,717,169	64,791,636
TOTAL FUNDS AND LIABILITIES		120,211,125	83,724,066	150,061,590	80,673,254
CONTINGENCIES AND COMMITMENTS					
	16				

The annexed notes from 1 to 39 form an integral part of these financial statements.


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024 ----- (Rupees) -----	December 31, 2023 -----
PTF revenue account			
Contributions earned		62,634,786	38,047,713
Less: Re-takaful contribution ceded		(11,313,964)	(8,067,171)
Net contributions revenue	17	51,320,822	29,980,542
Retakaful rebate earned	19	98,557	18,238
Net underwriting income		51,419,379	29,998,780
Net claims reported / settled - IBNR	20	(30,484,947)	(15,967,999)
Other direct expenses	22	(681,152)	(410,658)
Surplus before investment income		20,253,280	13,620,123
Investment income	23	2,030,697	3,330,940
Other income	24	2,881,902	1,108,720
Less: Modarib's share of investment income		(203,070)	(333,094)
Surplus for the period transferred to accumulated surplus		24,962,809	17,726,688
Operator's Fund (OPF)			
Wakala fee	18	31,579,750	20,716,362
Commission expense	25	(16,401,380)	(11,069,733)
Management expense	26	(7,623,484)	(5,893,720)
		7,554,886	3,752,909
Modarib's share of PTF investment income		203,070	333,094
Investment income	23	5,955,447	4,600,285
Direct expenses	27	(3,723,409)	(621,310)
Other income	24	3,082,258	1,860,973
Profit before taxation		13,074,252	9,925,951
Taxation	29	(3,791,532)	(2,919,149)
Profit after taxation		9,282,720	7,006,802

The annexed notes from 1 to 39 form an integral part of these financial statements.



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Janjua (Retd.) - Director



Adeel Ali
Director



Rizwan Akhtar
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

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

FOR THE YEAR ENDED DECEMBER 31, 2024

	Operator's Fund		
	Statutory fund	Accumulated Profit	Total
	(Rupees)		
Balance as at January 01, 2023	50,000,000	4,259,416	54,259,416
Profit / (Loss) after tax for the year	-	7,006,802	7,006,802
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2023	50,000,000	11,266,218	61,266,218
Balance as at January 01, 2024	50,000,000	11,266,218	61,266,218
Profit / (Loss) after tax for the year	-	9,282,720	9,282,720
Other comprehensive income for the year	-	678,372	678,372
Balance as at December 31, 2024	50,000,000	21,227,310	71,227,310

	Participants' Takaful Fund		
	Ceded Money	Accumulated Surplus / (Deficit)	Total
	(Rupees)		
Balance as at January 01, 2023	500,000	(14,845,071)	(14,345,071)
Surplus for the year	-	17,726,688	17,726,688
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2023	500,000	2,881,617	3,381,617
Balance as at January 01, 2024	500,000	2,881,617	3,381,617
Surplus for the year	-	24,962,809	24,962,809
Other comprehensive income for the year	-	-	-
Balance as at December 31, 2024	500,000	27,844,426	28,344,426

The annexed notes from 1 to 39 form an integral part of these financial statements.



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Janjua (Retd.) - Director



Adeel Ali
Director



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Chief Executive Officer



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Chief Financial Officer



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

December 31, 2024
December 31, 2023
----- (Rupees) -----

PARTICIPANTS' TAKAFUL FUND

Surplus during the year
Other comprehensive income for the year
Total comprehensive income / (loss) for the year

24,962,809	17,726,688
-	-
<u>24,962,809</u>	<u>17,726,688</u>

OPERATORS' FUND

Profit after tax for the year
Other comprehensive income for the year
Total comprehensive income for the year

9,282,720	7,006,802
678,372	-
<u>9,961,092</u>	<u>7,006,802</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

Air Vice Marshal Junaid
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Janjua (Retd) - Director

Adeel Ali
Director

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Chief Executive Officer

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Chief Financial Officer

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

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees)			
OPERATING ACTIVITIES				
a) Takaful activities				
Contribution received	-	-	61,822,527	54,096,165
Re-takaful contributions paid	-	-	(7,973,525)	(8,952,017)
Claims paid / benefits paid	-	-	(21,712,969)	(15,224,462)
Commissions paid	(9,134,126)	(8,947,932)	-	-
Re-takaful rebate / commissions received	-	-	50,296	76,196
Re-takaful and other recoveries received	-	-	2,709,819	781,921
Wakala fees received	19,160,000	17,919,112	-	-
Wakala fees paid	-	-	(19,160,000)	(17,919,112)
Modarib share received	-	615,629	-	-
Modarib share paid	-	-	-	615,629
Net cash generated from underwriting activities	10,025,876	9,586,809	15,736,149	13,474,320
b) Other operating activities				
Management and other expenses paid	(4,909,613)	(4,650,130)	(701,961)	(381,440)
Taxes Paid	(1,442,562)	(1,149,370)	(2,569,521)	(962,680)
Net cash used in other operating activities	(6,352,175)	(5,799,500)	(3,271,482)	(1,344,120)
Total cash (used in) / generated from operating activities	3,673,700	3,787,309	12,464,667	12,130,200
INVESTING ACTIVITIES				
Profit / return received	9,589,323	5,981,787	5,441,089	4,051,861
Addition to equipment	-	-	-	-
Total cash generated from investing activities	9,589,323	5,981,787	5,441,089	4,051,861
FINANCING ACTIVITIES				
Grad-e-hasna received / (repaid)	12,500,000	7,500,000	(12,500,000)	(7,500,000)
Total cash generated from financing activities	12,500,000	7,500,000	(12,500,000)	(7,500,000)
Net increase in cash and cash equivalents	26,441,396	17,269,096	5,405,757	8,682,061
Cash and cash equivalents at the beginning of period	51,791,571	34,522,475	32,364,610	23,682,548
Cash and cash equivalents at end of the period	78,232,967	51,791,571	37,770,367	32,364,609
Reconciliation to profit and loss account				
Operating cash flows	4,352,073	3,787,308	12,464,667	12,130,200
Increase / (decrease) in assets other than cash	23,246,698	7,291,913	64,511,068	25,706,606
Increase / (decrease) in liabilities	(26,525,967)	(10,393,597)	(56,925,528)	(24,549,780)
Depreciation / amortisation expense	(149,418)	(140,080)	-	-
Investment and other income - net	9,037,705	6,461,258	4,912,603	4,439,662
Surplus / (Deficit) for the period	9,961,092	7,006,802	24,962,810	17,726,688

The annexed notes from 1 to 39 form an integral part of these financial statements.


Air Vice Marshal Junaid
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Janjua (Retd.) - Director


Adeel Ali
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Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Operator Limited (the Operator) has been authorised to undertake Window Takaful Operations (WTO) on March 14, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on March 20, 2018 under the Waqf Deed with a Cede money of Rs. 500,000. The Waqf Deed and PTF Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of PTF remain separately identifiable. The financial statements of the Operator are prepared in such a manner that the financial position and results from the operations of PTF and the Operator are shown separately.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated November 20, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business.

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

2.2 Basis of measurement

These financial statements have been prepared on the basis of historical cost basis, except as disclosed in accounting policies relating to financial instruments, investments, investment property, borrowings, lease liabilities, retirement benefits obligation and insurance liabilities etc.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs.') which is also the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

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

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

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

	Effective date (annual periods beginning on or after)
Amendments to 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

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

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

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
IFRS 17 Insurance Contracts	January 01, 2026

Certain annual improvements have also been made to a number of IFRSs and IASs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 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.

3.2.1 IFRS 9 'Financial Instruments' and amendment replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the statement of comprehensive income the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Operator has adopted the temporary exemption which allows the Operator to defer the application of IFRS 9 until December 31, 2023.

For the companies adopting the temporary exemption, IFRS 4 requires certain disclosures which have been disclosed as follows:

3.2.2 Temporary exemption from application of IFRS 9

As an insurance Operator, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

December 31, 2024				
Operator's Fund (OPF)				
Fail the SPPI Test		Pass the SPPI Test		
Fair value	Change in unrealised gain or (loss) during the period	Carrying Value	Fair value	Change in unrealised gain or (loss) during the period
----- Rupees -----				
Investments	-	56,143,372	-	-
Accrued profit on bank deposits	155,039	-	-	-
Other receivables	1,862,813	-	-	-
Receivable from PTF	31,328,732	-	-	-
Cash and bank	-	22,089,595	-	-
	33,346,584	78,232,967	-	-

December 31, 2024				
Participants' Takaful Fund (PTF)				
Fail the SPPI Test		Pass the SPPI Test		
Fair value	Change in unrealised gain or (loss) during the period	Carrying Value	Fair value	Change in unrealised gain or (loss) during the period
----- Rupees -----				
Investments	-	3,830,000	-	-
Accrued profit on bank deposits	26,432	-	-	-
Other receivables	5,934,034	-	-	-
Cash and bank	-	33,940,368	-	-
	5,960,466	37,770,368	-	-

Gross carrying amounts of debt instrument that pass the SPPI test		
	Rating	(Rupees)
Investments in term deposits and mutual funds - OPF	A+	56,143,372
Investments in term deposits - PTF	A+	3,830,000

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATIONS

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.1 Takaful contracts

Takaful model is based on the principles of Wakala and Waqf. Takaful contracts are centered around the concepts of Ta'awun (mutual cooperation) and Tabarru (donation) with the overall objective of compensating losses on mutual cooperation basis. For achieving the above objectives, a separate Waqf is formed which owns Participants Takaful Fund (PTF) whereby Participants' contributions, net of government taxes (if any) received from its members (participants/policyholders) are credited. The Operator donates the cede money for the formation of Waqf in its separate capacity and acts as a Wakeel (Agent) against wakala fees for the services rendered. By virtue of being PTF members, the policyholders are provided membership benefits if a specified uncertain future event related to the covered benefits occurs which adversely affect the policyholders.

The Operator underwrites non-life takaful membership benefits that can be categorised into fire and property damage, marine, aviation and transport, motor, accident and health and miscellaneous contracts as per Waqf Deed and Rules. PTF membership tenure may be agreed for a fixed term of one year, or less than one year. However, most of the membership tenures are for twelve months duration.

Fire takaful provides coverage against damages caused by fire, riot and strike explosion, earthquake, atmospheric damage, flood, electric fluctuation and other related perils.

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

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

Health takaful provides basic hospital care and major medical care including maternity care and outpatient care.

Miscellaneous takaful provides cover against burglary, loss of cash in safe and cash in transit, money, engineering losses, travel and other coverage.

These membership contracts are provided to individuals as well as commercial organizations with various tenures according to the nature and terms of the contract and the needs of the member.

4.2 Membership contribution

Members contribute in the form of donation to PTF. Once donated to PTF, members cannot claim the amount contributed. In order to determine the performance of PTF for a given time period, contribution is recognised on accrual basis (i.e. over the policy period).

Membership contribution net of Wakala fee under a policy is recognised over the period of Takaful coverage from the date of inception of the membership policy to which it relates to its expiry evenly over the period of the policy.

Administrative surcharge is recognised as contribution over the policy / period to which it relates and agreed with the members in schedules. Contribution due but unpaid represents the amount due from participants on account of PTF membership. Contribution are stated on gross basis and exclusive of taxes and duties levied on contributions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.3 Unearned contribution reserve

The unearned contribution reserve is the unexpired portion of the contribution including administrative surcharge which relates to business in force at the financial statement date.

Wakala fee on the portion of membership contribution relating to the unexpired period of takaful coverage is recognised as unearned Wakala fee by the Operator. This liability of the Operator is calculated by applying the aforesaid 1/365th method.

The related deferred portion of re-takaful contribution is recognised as a prepayment calculated by using the aforesaid 1/365th method.

4.4 Receivables and payables related to takaful contribution

Receivables and payables relating to takaful contribution are recognised when due. These include contribution due but unpaid and claims payable to PTF members/policyholders. If there is objective evidence that any contribution due but unpaid is impaired, the Operator reduces the carrying amount of that membership contribution receivable in PTF statement and reduces equivalent Wakala fee from the statement of comprehensive income (PTF).

Provision for impairment in contribution receivables is estimated on a systematic basis after analysing the receivables as per their ageing.

4.5 Re-takaful contracts

The Operator, on behalf of PTF, enters into re-takaful arrangements in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward re-takaful contribution is accounted for in the same period as the related contribution for the direct or accepted re-takaful business being ceded to re-takaful operator.

Re-takaful coverage is recognised as per respective re-takaful arrangement in the period of coverage. The unexpired portion of re-takaful contribution is shown as prepayment in PTF accounts which is calculated in the same manner as of unearned contribution.

Re-takaful liabilities represent balances due to re-takaful companies. Amounts payable are calculated in a manner consistent with the related re-takaful arrangement. Re-takaful assets represent balances due from re-takaful companies in PTF accounts. Amounts recoverable from re-takaful operators are calculated in a manner consistent with the provision for outstanding claims or settled claims associated with the re-takaful policies and are in accordance with the related re-takaful arrangements.

Amount due from other takaful/re-takaful are carried at cost less provision for impairment, if any. If there is objective evidence that the amount due from re-takaful is impaired, the Operator reduces the carrying amount of the re-takaful receivable to its recoverable amount and recognises that impairment loss in the statement of comprehensive income (PTF).

4.6 Provision for outstanding claims including incurred but not reported (IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred as at the reporting date which represents the estimates of the claims intimated or assessed before the end of the accounting year and are measured at the undiscounted value of expected future payments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

The actuary uses statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The method used is the chain-ladder method which involves the analysis of historic claims development factors and the selection of estimated development factors based on the historic pattern. The selected development factors are then applied to cumulative claims data for each accident year. Study of claim lag pattern is conducted annually to account for any changes in experience. The development factors are based on these studies and are updated accordingly. Adequate margins are also built in to compensate for any adverse deviations in claims experience.

The actuary recommends that month wise factor based on an analysis of the past claims reporting pattern be applied to estimation of provision for IBNR. The historic chain-ladder method is used for determination of month wise factor for each class of business. Accordingly, provision has been made based on IBNR factors applied on incurred claims recommended by the actuary.

4.7 Claims

Claims are charged to PTF as incurred 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.

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.

Re-takaful recoveries against outstanding claims are recognised as an asset and measured at the amount expected to be received.

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

The provision for claims incurred but not reported (IBNR) is made at the financial statement date. In accordance with SECP circular no. 9 of 2016, the Operator has changed its method of estimation of IBNR. The Operator now takes actuarial advice for the determination of IBNR claims. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

4.8 Re-takaful recoveries against outstanding claims

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

4.9 Commissions

Commission expense and other acquisition costs are charged to the statement of comprehensive income (OPF) over the policy to which it relates. Commission income from re-takaful operators is recognised over policy period. These are deferred and brought to account as income in accordance with the pattern of recognition of the contribution to which they relate.

4.10 Wakala & Mudarib fees

The shareholders of the Operator manage the general takaful operations for the participants and charge 35% for all class of contribution except contribution from health. For health maximum 20% charge on yearly gross contribution written as wakala fee against the services.

The Operator manages the PTF operations for the participants and charges a percentage of gross membership contribution including administrative surcharge as wakala fee against the services. Wakala fee is recognised on the same basis on which the related contribution is recognised. Unexpired portion of wakala fee is recognised as a liability of the Operator and an asset of PTF.

The shareholders of the Operator manage the participants' investments as a Mudarib and charge 10% as Mudarib's share of PTF investment income.

4.11 Management expenses

Expenses allocated to the PTF represent directly attributable expenses and these are allocated to various revenue accounts on equitable basis.

4.12 Segment information

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's other components. All operating segments' results are reviewed regularly by the Operator 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 presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, Takaful Rules, 2012 and the Insurance Rules, 2017, General Takaful Accounting Regulations, 2019 as the primary reporting format.

The Operator has five primary business segments for reporting purposes namely, fire and property damage, marine, aviation and transport, motor and miscellaneous. The nature and business activities of these segments are disclosed in note 33.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned accordingly while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on premium written 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 Creditors, accruals and provisions

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

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

4.14 Takaful surplus

PTF surplus, if any, is attributable to the participants, after settlement of all claims and liabilities, is calculated after charging all direct cost and setting aside various reserves.

4.15 Qard-e-Hasna

Qard-e-Hasna is provided by Operator to the PTF in case of deficit to keep it solvent. Operator would recover this Qard amount without any additional profit from the PTF once PTF recovers and is in surplus.

4.16 Revenue recognition

i) Underwriting result - PTF

The earned contribution less reinsurance, claims, commission and other acquisition cost and allocable expenses of management are reflected in the statement of comprehensive income (PTF) as the underwriting result for each class of takaful business undertaken.

ii) Rebate from re-takaful

Rebate from re-takaful operators is deferred and recognised as revenue in accordance with the pattern of recognition of the re-takaful contribution to which it relates.

iii) Investment income

Profit on investments, profit on profit and loss sharing accounts and bank deposits are recognised on accrual basis.

4.17 Cash and cash equivalents

Cash and cash equivalents consist of balances with bank and term deposits maturing within twelve months of the year end that are convertible to known amount of cash and are subject to insigni cant risk of change in value.

4.18 Financial instruments

Financial instruments include cash and bank balances, investments, contributions due but unpaid, amount due from other takaful operators / re-takaful operators, accrued profit on bank deposits, re-takaful recoveries against outstanding claims, outstanding claim liabilities, amount due to other takaful operators / re-takaful operators, accrued expenses, agents balances and other creditors.

All the financial assets and liabilities are recognised at the time when the Operator or PTF becomes a party to the contractual provisions of the instrument and de-recognised when the Operator or PTF loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of financial assets and financial liabilities is taken to income directly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

4.19 Investments

4.19.1 Recognition

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

4.19.2 Measurement

4.19.2.1 At fair value through profit or loss - held for trading

These are classified as 'at fair value through profit or loss' if (a) acquired or incurred principally for the purpose of selling or re-purchasing in the near term; (b) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking; or (c) a derivative (except for a derivative that is a designated and effective hedging instrument).

Upon initial recognition these are designated by the Operator as 'at fair value through profit or loss' except for equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. At subsequent reporting dates, these investments are measured at fair value and any gains, and losses arising from the changes in fair value are included in the statement of comprehensive income for the period in which they arise.

4.19.2.2 Held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Operator has the positive intent and ability to hold to maturity other than at fair value through profit or loss, available for sale and loans and receivables.

Held to maturity investments are subsequently measured at amortised cost less provision for impairment in value if any using the effective interest method.

These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the statement of comprehensive income.

4.19.2.3 Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not (a) loans and receivables, (b) held to maturity investments, or (c) financial assets at fair value through profit or loss.

Quoted investments are initially recognised at cost inclusive of transaction costs. Unquoted investments are recorded at cost less impairment, if any.

Changes in the fair value of financial instruments classified as available-for-sale are recognised in other comprehensive income until derecognised or impaired, when the accumulated adjustments recognised in profit or loss are included in the statement of comprehensive income.

Unquoted investments are carried at cost less impairment in value, if any. Investments other than shares are stated at their principal amounts less provision for amounts considered doubtful.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

These are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to the statement of comprehensive income.

4.19.2.4 De-recognition

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

4.20 Impairment

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

The carrying amount of non financial assets is reviewed at each financial statement date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognised in the statement of comprehensive income. Provisions for impairment are reviewed at each financial statement and are adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense.

4.21 Property and Equipment

4.21.1 These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying straight line method. Depreciation is charged from the month the asset is available for intended use while, no depreciation is charged from the month of disposal of the asset.

Rates of depreciation: (%)

- Motor vehicle 20.0
- Computer equipment 33.3

Depreciation is charged using reducing balance method at the rates specified in note 7 to these financial statements. Depreciation on additions is charged from the month the asset is available for use till the date the asset is disposed off.

Normal repairs and maintenance are charged to the statement of comprehensive income (OPF) as and when incurred; major renewals and replacements are capitalised.

Gain or loss on disposal of equipment is taken to the statement of comprehensive income (OPF).

4.22 Intangibles

These are stated at cost less accumulated amortisation and impairment loss, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

The carrying amounts are reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amounts.

4.23 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements only when there is legally enforceable right to set off the recognised amount and the Operator intends either to settle on a net basis or realize the assets and settle the liabilities simultaneously.

4.24 Contribution deficiency reserve

According to the requirements of the Insurance Rules, 2017, a contribution deficiency reserve needs to be created where the unearned contribution for any class of business is not sufficient to cover the liability after re-takaful from claims, and other supplementary expenses expected to be incurred after the reporting date in respect of the policies in that class of business. Any movement in the reserve is to be charged to the statement of comprehensive income (PTF).

For this purpose, loss ratios for each class, excluding health are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, contribution deficiency is determined. The liability of contribution deficiency in relation to Health and Personal accident takaful is calculated in accordance with the advice of actuary.

As at year end, a provision is created in respect of contribution deficiency reserve for those classes of business where it is estimated that the unearned contribution for that class will not be sufficient to provide for the expected losses and expenses attributable to the unexpired periods of policies in force at the reporting date.

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.

4.25 Unearned contribution reserves

Reserve for unearned contribution is calculated by applying 1/365th method, except marine takaful for which unearned contribution is calculated by applying 1/6th method as specified in the Insurance Rules, 2017.

4.26 Deferred commission expense

Commission expense incurred in obtaining and recording takaful policies are deferred and recognised as an asset. These costs are charged to the statement of comprehensive income on the pattern of recognition of contribution revenue.

4.27 Taxation

Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

Levy

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Company has adopted an approach to account for current tax calculated on taxable income using the notified tax rate as an income tax and for minimum tax on any amount over the current tax calculated on taxable income is accounted for as excess over the current tax and is recognised as a levy as per IFRIC 21/IAS37.

Deferred

Deferred tax is accounted for using the statement of financial position liability method, in respect of temporary differences arising at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the statement of comprehensive income except in the case of items credited or charged to equity in which case it is included in equity.

5. CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

	Note
- Provision for claims	4.7
- Impairment of assets	4.20
- Equipments - useful lives and salvage value	4.21
- Estimation of technical reserves and underlying actuarial assumption	4.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

	December 31, 2024	December 31, 2023
	(Rupees)	
6. QARD-E-HASNA TO PARTICIPANTS' TAKAFUL FUND		
Opening balance of Qard-e-Hasna	12,500,000	20,000,000
Qard-e-Hasna transferred from OPF during the period	-	-
Qard-e-Hasna returned by PTF during the period	(12,500,000)	(7,500,000)
Closing balance of Qard-e-Hasna	-	12,500,000

7. PROPERTY AND EQUIPMENT

Particulars	----- Cost -----				----- Depreciation -----			Rate
	As at January 01, 2024	Additions / (Disposals)	As at December 31, 2024	As at January 01, 2024	Depreciation for the year	As at December 31, 2024	Written down value as at December 31, 2024	
	----- (Rupees) -----							
Motor Vehicle	790,000	-	790,000	229,684	149,417	379,101	410,899	20
Computer hardware	25,000	-	25,000	25,000	-	25,000	-	33.33
	815,000	-	815,000	254,684	149,417	404,101	410,899	

Particulars	----- Cost -----				----- Depreciation -----			Rate
	As at January 01, 2023	Additions / (Disposals)	As at December 31, 2023	As at January 01, 2023	Depreciation for the year	As at December 31, 2023	Written down value as at December 31, 2023	
	----- (Rupees) -----							
Motor Vehicle	790000	-	790,000	89,605	140,079	229,684	560,316	20
Computer hardware	25,000	-	25,000	25,000	-	25,000	-	33.33
	815,000	-	815,000	114,605	140,079	254,684	560,316	

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

INTANGIBLE ASSETS

Particulars	----- Cost -----				----- Depreciation -----			Rate
	As at January 01, 2024	Additions / (Disposals)	As at December 31, 2024	As at January 01, 2024	Depreciation for the year	As at December 31, 2024	Written down value as at December 31, 2024	
	----- (Rupees) -----							
Computer software	200,000	-	200,000	200,000	-	200,000	-	33.33

Particulars	----- Cost -----				----- Depreciation -----			Rate
	As at January 01, 2023	Additions / (Disposals)	As at December 31, 2023	As at January 01, 2023	Depreciation for the year	As at December 31, 2023	Written down value as at December 31, 2023	
	----- (Rupees) -----							
Computer software	200,000	-	200,000	200,000	-	200,000	-	33.33

8. INVESTMENTS

	Note	OPF		PTF	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		----- Rupees -----			
Held to maturity					
Deposits maturing within 1 months	8.1	22,465,000	30,100,000	3,830,000	21,700,000
Available for sale					
Mutual Fund-OPS		33,678,372	-	-	-
		56,143,372	30,100,000	3,830,000	21,700,000

8.1 This represents term deposits with an Islamic Bank having maturity within 1 months (i.e. upto January 31, 2025). The rate of return on this term deposits is 11.45% (December 31, 2023: 15.25% to 20.75%) per annum.

9. OTHER RECEIVABLES

Unsecured and considered good

Sindh sales tax receivable	740,910	564,380	-	-
Accrued profit on bank deposits	155,039	706,659	26,432	554,922
Federal sales tax receivable	-	-	697,714	446,568
Others	966,864	18,173	5,209,888	1,951,640
	1,862,813	1,289,212	5,934,034	2,953,130

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

10. TAKAFUL / RETAKAFUL RECEIVABLES

	OPF		PTF	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Note	----- Rupees -----			
Unsecured - Considered goods				
Due from takaful participant holders	-	-	1,942,858	57,715
Due from other takaful / retakaful	-	-	84,600,280	33,198,600
	-	-	86,543,138	33,256,315

11. RECEIVABLE / PAYABLES FROM / TO PTF/OPF

Wakala fee	31,531,533	12,884,717	31,531,533	12,884,717
Modarib fee	536,164	333,094	536,164	333,094
	32,067,697	13,217,811	32,067,697	13,217,811

12. PREPAID RETAKAFUL CONTRIBUTION CEDED

Prepaid Re-takaful Contribution Ceded	-	-	150,516	285,951
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13. CASH AND BANK

Savings accounts	13.1	22,089,595	21,691,571	33,940,368	10,664,610
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13.1 These carry return rates ranging between 6% to 10% (December 31, 2023: 10% to 18.5%) per annum.

14. TAKAFUL / RE-TAKAFUL PAYABLES

	PTF	
	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
Due to retakaful operators	8,447,862	5,242,858

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

15. OTHER CREDITORS AND ACCRUALS

	OPF		PTF	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees			
Federal Insurance fee payable	-	-	372,354	233,998
Sale tax payable	-	-	5,909,166	2,965,771
Sales tax on services	635,530	568,642	-	-
Commission payable	18,319,148	7,244,716	-	-
Auditors fee	694,412	769,162	-	-
Others creditors	6,278,175	2,581,929	437,546	458,355
Payable against common expenses - Conventional	3,267,650	-	-	-
	29,194,915	11,164,449	6,719,066	3,658,124

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on December 31, 2024 and as at December 31, 2023

17. CONTRIBUTION EARNED

	Note	December 31, 2024	December 31, 2023
		(Rupees)	(Rupees)
Written gross contribution		114,989,398	72,945,602
Wakala fee	18	(31,579,750)	(20,716,362)
Contribution net of wakala fee		83,409,648	52,229,240
Unearned contribution reserve opening		29,302,317	15,120,790
Unearned contribution reserve closing		(50,077,179)	(29,302,317)
Contribution earned		62,634,786	38,047,713
Less: Re-takaful Contribution ceded		11,178,529	8,299,651
Prepaid re-takaful contribution opening		285,951	53,471
Prepaid re-takaful contribution closing		(150,516)	(285,951)
Re-takaful expense		11,313,964	8,067,171
Net contribution revenue		51,320,822	29,980,542

18. WAKALA EXPENSE

	December 31, 2024	December 31, 2023
	(Rupees)	(Rupees)
Gross wakala fee	37,806,816	25,030,124
Add: Deferred wakala opening	10,357,962	6,044,200
Less: Deferred wakala closing	(16,585,028)	(10,357,962)
Wakala expense	31,579,750	20,716,362

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	Note	PTF	
		December 31, 2024	December 31, 2023
		(Rupees)	
19. RE-TAKAFUL REBATE EARNED			
Re-takaful rebate received		50,296	76,196
Add: Unearned re-takaful rebate opening		68,558	10,600
Less: Unearned re-takaful rebate closing		(20,297)	(68,558)
Re-takaful rebate earned		98,557	18,238
20. NET CLAIMS REPORTED / SETTLED - IBNR			
Claims paid		21,712,969	15,224,462
Less: Outstanding claims including IBNR opening balance		(12,792,820)	(11,587,681)
Add: Outstanding claims including IBNR closing balance		24,494,927	12,792,820
Claims expense		33,415,076	16,429,601
Less:			
Re-Takaful and other recoveries received	20.1	2,709,818	781,920
Less: Re-Takaful and other recoveries receivable in respect of outstanding claims opening balance		(172,841)	(493,159)
Add: Re-Takaful and other recoveries receivable in respect of outstanding claims closing balance		393,152	172,841
Re-Takaful and other recoveries revenue		2,930,129	461,602
Net Claims expense		30,484,947	15,967,999

20.1 This includes salvage recoveries amounting to 0.033 (December 31, 2023 : Rs. Nil).

21. BENEFIT / CLAIM DEVELOPMENT

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

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	Total
	(Rupees)							
Accident Year								
Gross estimate of ultimate claims cost								
At the end of accident year	-	1,201,878	2,897,383	5,649,683	12,070,791	20,111,405	33,275,903	41,931,140
One year later	1,540,161	3,501,639	1,390,939	5,629,380	13,609,190	-	-	12,062,119
Two year later	1,620,681	334,910	76,277	5,332,777	510,471	-	-	2,031,868
Three year later	448,521	81,250	76,277	-	-	-	-	529,771
Four year later	398,521	94,810	-	-	-	-	-	398,521
Five Year later	398,521	-	-	-	-	-	-	-
Current estimate of cumulative claims	11,949	-	-	-	4,182,133	893,651	33,275,903	5,087,733
Less: cumulative payments to date	(4,418,354)	(2,810,731)	1,353,890	(5,312,474)	(6,231,003)	11,910,289	-	(5,508,383)
Liability recognised in the statement of financial position	11,949	-	-	-	510,471	7,307,465	33,275,903	(420,650)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

21.1 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2024 amounted to Rs.18.452 million (December 31, 2023: Rs. 3.261 million).

22. OTHER EXPENSES

Co-insurance surcharge
Others

PTF	
December 31, 2024	December 31, 2023
----- (Rupees) -----	-----
628,720	380,482
52,432	30,176
<u>681,152</u>	<u>410,658</u>

22.1 This is the service charges deducted by coinsurers at 2.5% of gross premium revenue on policies in which the Operator is a coinsurer.

23. INVESTMENT INCOME

	Note	OPF		PTF	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		----- Rupees -----			
Debt Instrument					
Return on term deposits		5,955,447	4,600,285	2,030,697	3,330,940
24. OTHER INCOME					
Return on bank balances	13.1	2,980,229	1,860,973	2,880,078	1,102,216
Others		102,029	-	1,824	6,504
		<u>3,082,258</u>	<u>1,860,973</u>	<u>2,881,902</u>	<u>1,108,720</u>

25. COMMISSION EXPENSES

Commission paid or payable
Add: Deferred commission opening
Less: Deferred commission closing
Commission expense

OPF	
December 31, 2024	December 31, 2023
----- (Rupees) -----	-----
20,411,938	12,350,657
4,365,156	3,084,232
(8,375,714)	(4,365,156)
<u>16,401,380</u>	<u>11,069,733</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

26. MANAGEMENT EXPENSES	Note	OPF	
		December 31, 2024	December 31, 2023
		(Rupees)	
Salaries, wages and benefits	7.	2,368,100	1,835,778
Depreciation / amortization		149,417	140,079
Shariah advisory fee		1,133,340	1,133,340
Software maintenance		1,245,000	1,075,000
Business acquisition cost		2,016,629	858,604
Others		710,998	850,919
		<u>7,623,484</u>	<u>5,893,720</u>

27. DIRECT EXPENSES	Note	OPF	
		December 31, 2024	December 31, 2023
		(Rupees)	
Auditor's remuneration	27.1	419,483	419,483
Sharia Audit Fee		-	154,325
Printing and stationery		32,550	45,850
Others		1,726	1,652
Common expenses - Conventional		3,267,650	-
		<u>3,721,409</u>	<u>621,310</u>

27.1 AUDITOR'S REMUNERATION

Annual audit fee	214,000	214,000
Interim review fee	89,100	89,100
Certification fees	50,000	50,000
Out of pocket expenses	35,310	35,310
Sales Tax @ 8%	31,073	31,073
	<u>419,483</u>	<u>419,483</u>

28. MODARIB'S FEE

The shareholders of the Company manage the participants' investment as a Modarib and charge 10% Modarib's share of PTF investment income.

29. PROVISION FOR TAXATION	Operator's Fund	
	December 31, 2024	December 31, 2023
	(Rupees)	
Current tax for the year	<u>3,197,751</u>	<u>2,919,149</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

- 29.1** The relationship between tax expense and accounting profit has not been presented in these financial statements as the income of the provision for taxation has been recorded under section 113 of the Income Tax Ordinance, 2001.

		Head of Window takaful operations	
		December 31, 2024	December 31, 2023
		----- (Rupees) -----	
30.	COMPENSATION OF HEAD OF WINDOW TAKAFUL		
	Managerial remuneration	612,000	498,600
	Rent and house maintenance	520,200	518,200
	Medical	118,700	41,272
	Conveyance	1,500	138,600
	Defined benefit plan and others	129,100	84,500
		1,381,500	1,281,172

31. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit scheme.

The Operator do not carry any balance with related parties as at year end other then disclosed else where in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

32. SEGMENT REPORTING

Segment information is prepared in accordance with the requirements of Insurance Ordinance, 2000 and General Takaful Accounting Regulations, 2019 for class wise revenues, results, assets and liabilities:

The class wise revenues and results are as follows:

	December 31, 2024 - PTF					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Aggregate
	(Rupees)					
Participants' Takaful Fund						
Written gross contribution (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)	37,198,513	10,864,370	57,888,552	7,968,192	12,036,930	125,956,557
Less : Federal excise duty	(2,594,730)	(649,759)	(5,064,012)	(595,719)	(1,106,945)	(10,011,165)
Less : Federal insurance fee	(177,502)	(176,642)	(339,742)	(78,251)	(183,857)	(955,994)
Gross written contribution (inclusive of Administrative Surcharges)	34,426,281	10,037,969	52,484,798	7,294,222	10,746,128	114,989,398
Gross contribution direct	34,081,191	9,878,139	51,828,609	7,264,551	10,450,763	113,503,253
Admin surcharge	345,090	159,830	656,189	29,671	295,365	1,486,145
Written gross contribution	34,426,281	10,037,969	52,484,798	7,294,222	10,746,128	114,989,398
Takaful contribution earned	29,147,586	9,291,431	39,570,687	6,163,557	10,041,275	94,214,536
Wakala expense	(10,249,585)	(3,451,763)	(13,783,199)	(1,226,948)	(2,868,255)	(31,579,750)
	18,898,002	5,839,668	25,787,488	4,936,609	7,173,020	62,634,786
Re-takaful contribution ceded	(4,964,542)	(1,339,602)	(4,166,082)	-	(708,304)	(11,178,529)
Net takaful contribution	13,924,185	4,500,066	21,495,245	4,936,609	6,464,716	51,320,822
Re-takaful rebate earned	40,414	-	58,143	-	-	98,557
Operation income	13,964,599	4,500,066	21,553,388	4,936,609	6,464,716	51,419,380
Claim expense	(5,953,058)	(5,426,549)	(11,860,457)	(9,559,995)	(615,017)	(33,415,076)
Re-takaful & other recoveries revenue	241,923	-	2,688,206	-	-	2,930,129
Net claims reported / settled - IBNR	(5,711,135)	(5,426,549)	(9,172,251)	(9,559,995)	(615,017)	(30,484,947)
Other Expenses	(210,731)	(67,175)	(286,088)	(44,561)	(72,596)	(681,152)
Surplus/(deficit) before investment income	8,042,732	(993,658)	12,095,049	(4,667,947)	5,777,103	20,253,281
Net investment income						2,030,697
Other income						2,881,902
Less: Modarib's share of investment income						(203,070)
Surplus for the period						24,962,809

The following presents segments assets and liabilities as at December 31, 2024

Segment assets	33,497,155	4,897,713	50,237,023	1,243,982	7,025,228	96,901,100
Unallocated assets						53,160,490
						150,061,590
Segment liabilities	23,286,772	2,631,963	36,195,142	1,025,798	5,939,237	69,078,912
Unallocated liabilities						52,638,252
						121,717,164

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

December 31, 2024 - OPF

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Aggregate
----- (Rupees) -----						
Operator's Fund						
Wakala fee income	9,093,376	3,062,385	12,228,378	1,088,541	6,107,070	31,579,750
Commission expense	(7,574,212)	(2,265,944)	(4,844,943)	(481,354)	(1,234,931)	(16,401,380)
Management expense	(2,358,512)	(751,827)	(3,201,910)	(498,732)	(812,502)	(7,623,484)
						7,554,882
Modarib's share of PTF investment income						203,070
Investment income						5,955,447
Direct expenses						(3,721,409)
Other Income						3,082,258
Profit before taxation						13,074,252
Provision for taxation						(3,791,532)
Profit after tax						9,282,720
The following presents segments assets and liabilities as at December 31, 2023						
Segment assets	13,873,850	2,041,459	20,547,316	-	2,716,811	39,179,436
Unallocated assets						81,031,689
						120,211,125
Segment liabilities	3,256,549	447,979	5,450,372	99,624	1,103,439	10,357,962
Unallocated liabilities						38,625,853
						48,983,815

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

32.1 SEGMENT REPORTING

December 31, 2023 - PTF

	-----Unaudited-----					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Participants' Takaful Fund						
Contribution written (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)	27,385,492	4,277,242	42,542,991	1,099,747	5,582,439	80,887,911
	-					
	-					
Less : Federal excise duty	(1,771,169)	(434,014)	(4,486,740)	(125,393)	(543,455)	(7,360,771)
Less : Federal insurance fee	(125,070)	(92,631)	(306,422)	(9,796)	(47,619)	(581,538)
Gross written contribution						
(inclusive of Administrative Surcharges)	25,489,253	3,750,597	37,749,829	964,558	4,991,365	72,945,602
Gross contribution direct	25,338,443	3,652,233	37,139,197	959,270	4,836,611	71,925,754
Admin surcharge	150,810	98,364	610,632	5,288	154,754	1,019,848
	25,489,253	3,750,597	37,749,829	964,558	4,991,365	72,945,602
Takaful contribution earned	19,568,254	3,712,892	31,364,917	464,725	3,653,288	58,764,075
Wakala expense	(6,694,932)	(1,046,832)	(11,266,183)	(92,230)	(1,616,184)	(20,716,362)
	12,873,322	2,666,060	20,098,734	372,495	2,037,103	38,047,713
Re-takaful contribution ceded	(3,066,829)	(1,692,917)	(2,884,194)	-	(423,230)	(8,067,171)
Net takaful contribution	9,806,493	973,142	17,214,540	372,495	1,613,873	29,980,542
Re-takaful rebate earned	21,064	-	(2,825)	-	-	18,238
Net underwriting income	9,827,557	973,142	17,211,715	372,495	1,613,873	29,998,781
Claim expense	(3,819,789)	(187,484)	(12,385,513)	(46,472)	9,657	(16,429,601)
Re-takaful & other recoveries revenue	103,370	-	358,232	-	-	461,602
Net claims reported / settled - IBNR	(3,716,419)	(187,484)	(12,027,281)	(46,472)	9,657	(15,967,999)
Direct expense	(136,748)	(25,947)	(219,186)	(3,247)	(25,530)	(410,658)
Net takaful claim & expense	(3,853,167)	(213,431)	(12,246,467)	(49,720)	(15,873)	(16,378,657)
Surplus/(deficit) before investment income	5,974,390	759,712	4,965,248	322,775	1,598,000	13,620,124
Net investment income						3,330,940
Other income						1,108,720
Less: Modarib's share of investment income						(333,094)
Deficit for the period						17,726,690

The following presents segments assets and liabilities as at December 31, 2022

Segment assets	14,877,241	2,157,898	22,660,737	539,372	3,379,031	43,614,278
Unallocated assets						37,058,976
						80,673,254
Segment liabilities	15,838,388	1,535,976	25,164,008	743,938	4,480,676	47,762,985
Unallocated liabilities						17,028,651
						64,791,636

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

December 31, 2023 - OPF

	-----Unaudited-----					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Operator's Fund						
Wakala fee income	6,694,932	1,046,832	11,266,183	92,230	1,616,184	20,716,362
Commission expense	(5,317,857)	(1,057,200)	(3,975,015)	(31,204)	(688,457)	(11,069,733)
Management expense	(1,962,590)	(372,383)	(3,145,732)	(46,609)	(366,405)	(5,893,720)
						<u>3,752,909</u>
Modarib's share of PTF's investment income						333,094
Investment income						4,600,285
Direct expenses						(621,310)
Other income						1,860,973
Profit before taxation						<u>9,925,951</u>
Provision for taxation						<u>(2,919,149)</u>
Profit after taxation						<u>7,006,802</u>

The following presents segments assets and liabilities as at December 31, 2022

Segment assets	6,143,983	904,052	9,099,302	-	1,203,130	17,350,467
Unallocated assets						<u>66,373,600</u>
						<u>83,724,067</u>
Segment liabilities	3,256,549	447,979	5,450,372	99,624	1,103,439	10,357,962
Unallocated liabilities						<u>12,099,886</u>
						<u>22,457,848</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

	OPF	PTF
	-----	-----
	(Rupees)	
33. MOVEMENT IN INVESTMENTS		
Held to Maturity		
At beginning of previous year	27,188,360	20,000,000
Additions	284,365,000	205,885,000
Maturities	(281,453,360)	(204,185,000)
At beginning of current year	30,100,000	21,700,000
Additions	19,915,000	15,680,000
Disposals	(27,550,000)	(33,550,000)
Closing balance	22,465,000	3,830,000

34. MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

34.1 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 re-takaful arrangements and proactive claims handling. The underwriting strategy aims to minimise takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Operator underwrites mainly fire & property, motor, marine cargo and transportation, health and other miscellaneous business. These classes of takaful are generally regarded as short term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

Underwriting limit are in place to enforce appropriate risk selection criteria. For example, the Operator has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Re-takaful arrangements in place include treaty and facultative arrangements, on non-proportional basis and also include catastrophe cover. The effect of such re-takaful 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 re-takaful is diversified such that it is neither dependent on a single re-takaful operator nor the operations of the Operator are substantially dependent upon any single re-takaful contract. The Operator obtains re-takaful cover only from companies with sound financial health.

34.1.1 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 risk through the measures described above. The Operator has limited its exposure to catastrophic and riot events by use of re-takaful arrangements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

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

Class	Gross claim liabilities		Net claim liabilities		Gross contribution liabilities		Net contribution liabilities	
	----- (Percentage) -----							
	2024	2023	2024	2023	2024	2023	2024	2023
Fire and property damage	42%	45%	50%	59%	36%	30%	36%	30%
Marine, aviation and transport	19%	1%	23%	1%	2%	4%	2%	4%
Motor	36%	53%	25%	39%	53%	61%	53%	61%
Miscellaneous	2%	1%	2%	1%	5%	5%	5%	5%

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its re-takaful policy to reduce such exposures to levels acceptable to the Operator.

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

Class	December 31, 2024	December 31, 2023
	(Rupees)	
Fire and property damage	591,829,366	591,829,366
Marine, aviation and transport	82,509,500	343,985,522
Motor	76,000,000	35,000,000
Miscellaneous	43,000,000	50,000,000

Since the Operator operates in Pakistan only, hence, all the takaful risks relate to policies written in Pakistan.

34.1.2 Sources of uncertainty in estimation of future claim payments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the reporting date. The details of estimation of outstanding claims (including IBNR) are given under note 4.6.

34.1.3 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 outcome. 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 by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

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. The Operator has taken actuarial advice for the determination of IBNR claims which has been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

The contribution liabilities have been determined such that the total contribution liability provisions (unearned contribution reserve and contribution deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of reporting date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

34.1.4 Sensitivity analysis

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

	December 31, 2024 Revenue	December 31, 2023 Revenue	December 31, 2024 Equity	December 31, 2023 Equity
Impact of change in claim liabilities by +10 %				
	----- (Rupees) -----			
Fire and property damage	(759,166)	(570,432)	(759,166)	(570,432)
Marine, aviation and transport	(340,002)	(11,494)	(340,002)	(11,494)
Motor	(656,321)	(602,276)	(656,321)	(602,276)
Miscellaneous	(28,366)	(9,141)	(28,366)	(9,141)
	<u>(1,783,855)</u>	<u>(1,193,342)</u>	<u>(1,783,855)</u>	<u>(1,193,342)</u>
Impact of change in claim liabilities by -10 %				
Fire and property damage	759,166	570,432	759,166	570,432
Marine, aviation and transport	340,002	11,494	340,002	11,494
Motor	656,321	602,276	656,321	602,276
Miscellaneous	28,366	9,141	28,366	9,141
	<u>1,783,855</u>	<u>1,193,342</u>	<u>1,783,855</u>	<u>1,193,343</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

34.2 Financial risk

The Operator's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, profit rate risk and other price risk). The Operator's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Operator's financial performance.

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

34.2.1 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 management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

The carrying amounts of the following financial assets represent the Operator's maximum exposure to credit risk:

	OPF		PTF	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- Rupees -----			
Financial assets:				
Investments in TDRs	56,143,372	30,100,000	3,830,000	21,700,000
Other receivables	1,862,813	1,289,212	5,934,034	2,953,130
Takaful / re-takaful receivables	-	-	86,543,138	33,256,315
Bank balances	22,089,595	21,691,571	33,940,368	10,664,610
	80,095,780	53,080,783	130,247,540	68,574,055

The credit quality of Operator's bank balances and deposits can be assessed with reference to external credit ratings.

Bank	December 31, 2024		
	Rating agency	Short term	Long term
Meezan Bank Limited	VIS	A-1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Dubai Islamic bank	VIS	A-1+	AA

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

The credit quality of claim recoveries from takaful / re-takaful operators can be assessed with reference to external credit ratings as follows:

	OPF		PTF	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- Rupees -----			
Takaful / re-takaful receivables				
A or above	-	-	84,600,280	33,198,600

As at December 31, 2024, the amount due from takaful / re-takaful operator includes amount receivable within one year amounting to Rs. 38.94 million and above one year amounting to Rs.26.05 million (December 31, 2023: Rs. 25.37 million)

34.2.2 Capital 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.

34.2.3 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market profit rates. The Operator has securities and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its financial assets are denominated.

The table below provides the maturity analysis of the Operator's liabilities as at reporting date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

December 31, 2024 -OPF	----- Mark-up bearing -----				----- Non mark-up bearing -----			
	Effective yield / mark-up rate %	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
Financial assets	----- (Rupees) -----							
Qard-e-Hasna to Participants' Takaful Fund		-	-	-	-	-	-	-
Investments in TDRs	15.25 - 20.75	56,143,372	-	56,143,372	-	-	-	56,143,372
Other receivables		-	-	-	155,039	-	155,039	155,039
Receivable from PTF		-	-	-	31,328,732	-	31,328,732	31,328,732
Bank balances	10 - 18.5	22,089,595	-	22,089,595	-	-	-	22,089,595
		78,232,967	-	78,232,967	31,483,771	-	31,483,771	109,716,738
Financial liabilities								
Other creditors and accruals		-	-	-	29,194,915	-	29,194,915	29,194,915
		-	-	-	29,194,915	-	29,194,915	29,194,915
Total yield / mark-up rate risk sensitivity gap		78,232,967	-	78,232,967	2,288,856	-	(2,288,856)	80,521,823

	----- Mark-up bearing -----				----- Non mark-up bearing -----			
December 31, 2024 -PTF	Effective yield / mark-up rate %	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
Financial assets		----- (Rupees) -----						
Investments in TDRs	15.25 - 20.75	3,830,000	-	3,830,000	-	-	-	3,830,000
Takaful / re-takaful receivables		-	-	-	86,543,138	-	86,543,138	86,543,138
Other receivables		-	-	-	26,432	-	26,432	26,432
Bank balances	10 - 18.5	33,940,368	-	33,940,368	-	-	-	33,940,368
		37,770,368	-	37,770,368	86,569,570	-	86,569,570	124,339,938
Financial liabilities								
Qard-e-hasna from Operator's fund		-	-	-	-			
Provision for outstanding claims (including IBNR)		-	-	-	24,494,927	-	24,494,927	24,494,927
Takaful / re-takaful payables		-	-	-	8,447,862	-	8,447,862	8,447,862
Payable to OPF		-	-	-	31,328,732	-	31,328,732	31,328,732
Other creditors and accruals		-	-	-	6,719,066	-	6,719,066	6,719,066
		-	-	-	70,990,587	-	70,990,587	70,990,587
Total yield / mark-up rate risk sensitivity gap		37,770,368	-	37,770,368	15,578,983	-	15,578,983	53,349,351

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

34.2.4 Profit rate risk (Prior year)

The table below provides the maturity analysis of the Operator's liabilities as at reporting date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

	Effective yield / mark-up rate %	----- Mark-up bearing -----			----- Non mark-up bearing -----			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
December 31, 2023 -OPF								
Financial assets		----- (Rupees) -----						
Qard-e-Hasna to Participants' Takaful Fund		-	-	-	12,500,000	-	12,500,000	12,500,000
Investments in TDRs	11.9	30,100,000	-	30,100,000	-	-	-	30,100,000
Other receivables		-	-	-	706,659	-	706,659	706,659
Receivable from PTF		-	-	-	13,217,811	-	13,217,811	13,217,811
Bank balances	3 - 5	21,691,571	-	21,691,571	-	-	-	21,691,571
		51,791,571	-	51,791,571	26,424,470	-	26,424,470	78,216,040
Financial liabilities								
Other creditors and accruals		-	-	-	11,164,449	-	11,164,449	11,164,449
		-	-	-	11,164,449	-	11,164,449	11,164,449
Total yield / mark-up rate risk sensitivity gap		51,791,571	-	51,791,571	15,260,021	-	15,260,021	67,051,591

	Effective yield / mark-up rate %	----- Mark-up bearing -----			----- Non mark-up bearing -----			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
December 31, 2023 -PTF								
Financial assets		----- (Rupees) -----						
Investments in TDRs	11.9	21,700,000	-	21,700,000	-	-	-	21,700,000
Takaful / re-takaful receivables		-	-	-	33,256,315	-	33,256,315	33,256,315
Other receivables		-	-	-	554,922	-	554,922	554,922
Bank balances	3 - 5	10,664,610	-	10,664,610	-	-	-	10,664,610
		32,364,610	-	32,364,610	33,811,237	-	33,811,237	66,175,846
Financial liabilities								
Qard-e-Hasna to Participants' Takaful Fund		-	-	-	12,500,000	-	12,500,000	12,500,000
Provision for outstanding claims (including IBNR)		-	-	-	12,792,820	-	12,792,820	12,792,820
Takaful / re-takaful payables		-	-	-	5,242,858	-	5,242,858	5,242,858
Payable to OPF		-	-	-	13,217,811	-	13,217,811	13,217,811
Other creditors and accruals		-	-	-	3,658,124	-	3,658,124	3,658,124
		-	-	-	47,411,613	-	47,411,613	47,411,613
Total yield / mark-up rate risk sensitivity gap		32,364,610	-	32,364,610	(13,600,376)	-	(13,600,377)	18,764,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

Sensitivity analysis

As on December 31, 2024, the Company had no financial instruments valued at fair value through profit or loss. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	OPF			PTF		
	Change in basis points	Effect on profit and loss before tax	Effect on shareholders' equity	Change in basis points	Effect on profit and loss before tax	Effect on shareholders' equity
	--- (Rate) ---	----- (Rupees) -----		--- (Rate) ---	----- (Rupees) -----	
December 31, 2024	100	782,330	782,330	100	377,704	168,146
	(100)	(782,330)	(782,330)	(100)	(377,704)	(168,146)

Sensitivity analysis

As on December 31, 2024, the Company had no financial instruments valued at fair value through profit or loss. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

	OPF			PTF		
	Change in basis points	Effect on profit and loss before tax	Effect on shareholders' equity	Change in basis points	Effect on profit and loss before tax	Effect on shareholders' equity
	--- (Rate) ---	----- (Rupees) -----		--- (Rate) ---	----- (Rupees) -----	
December 31, 2023	100	517,916	517,916	100	323,646	323,646
	(100)	(517,916)	(517,916)	(100)	(323,646)	(323,646)

34.2.5 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected re-takaful recoveries.

The objective of the Operator's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Operator's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

The table below provides the maturity analysis of the Operator's liabilities as at the reporting date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

	December 31, 2024					
	OPF			PTF		
	Carrying amount	Upto one year	Greater than one year	Carrying amount	Upto one year	Greater than one year
	(Rupees)					
Financial liabilities						
Outstanding benefits including IBNR	-	-	-	24,494,927	24,494,927	-
Takaful / re-takaful payables	-	-	-	8,447,862	8,447,862	-
Payable to OPF	-	-	-	31,328,732	31,328,732	-
Other creditors and accruals	28,559,385	28,559,385	-	437,546	437,546	-
	28,559,385	28,559,385	-	64,709,067	64,709,067	-

	December 31, 2023					
	OPF			PTF		
	Carrying amount	Upto one year	Greater than one year	Carrying amount	Upto one year	Greater than one year
	(Rupees)					
Financial liabilities						
Outstanding benefits including IBNR	-	-	-	12,792,820	12,792,820	-
Takaful / re-takaful payables	-	-	-	5,242,858	5,242,858	-
Payable to OPF	-	-	-	13,217,811	13,217,811	-
Other creditors and accruals	10,799,186	10,799,186	-	458,355	458,355	-
	10,799,186	10,799,186	-	31,711,843	31,711,844	-

34.2.6 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as profit rates, foreign exchange rates and equity prices. The Operator limits market risk by investing in instruments carrying low risk and actively monitors the key factors that affect the underlying value of these instruments.

34.2.7 Foreign currency risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

34.3 Fair value of financial instruments

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair values of all the financial instruments are estimated to be not significantly different from their carrying values.

The Operator's accounting policy on fair value measurements of its investments is discussed in note 4.19 to these financial statements.

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: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2024 and 2023 there were no financial assets or liabilities which can be classified under the above levels.

34.4 Operational risk

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

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

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

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

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

35. STATEMENT OF SOLVENCY

Assets

Investments	3,830,000
Other receivables	5,934,034
Takaful / re-takaful receivables	86,543,138
Re-takaful recoveries against outstanding benefits	393,152
Receivable from PTF	-
Deferred wakala fee	16,585,028
Deferred commission expense	-
Advance tax	2,065,433
Prepayments	150,516
Bank balances	33,940,368
Total assets (A)	149,441,669

December 31,
2024
(Rupees)

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

Contribution due for more than 3 months	82,253
GST receivable claims	697,714
Advance Tax	2,065,433
Total of In-admissible assets (B)	2,845,400
Total Admissible Assets (C=A-B)	146,596,269

December 31,
2024
(Rupees)

Total Liabilities

Outstanding benefits including IBNR	24,494,927
Unearned contribution reserve	50,077,179
Unearned commission income	20,297
Unearned wakala fees	-
Contribution received in advance	629,101
Takaful / re-takaful payables	8,447,862
Payable to OPF	31,328,732
Other creditors and accruals	6,719,066
Total Liabilities (D)	12,717,164

Total Net Admissible Assets (E=C-D)
Excess of Net Admissible Assets over Liabilities

24,879,105
24,879,105

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024

December 31, 2024 December 31, 2023
----- (Rupees) -----

36. NUMBER OF EMPLOYEES

Total employees of Operator at year end

3

2

Average employees of Operator during the year

3

2

37. DATE OF AUTHORISATION OF ISSUE

These financial statements were authorised for issue on March 27, 2025 by the Board of Directors of the Operator.

38. CORRESPONDING FIGURES

38.1 Corresponding figures and balances have been reclassified, wherever considered necessary, for the purpose of comparison.

39. GENERAL

39.1 All amount have been rounded off to the nearest rupees.



Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman



Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director



Adeel Ali
Director



Rizwan Akhtar
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

HEAD OFFICE & BRANCH NETWORK

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10th Floor, Shaheen Complex M. R. Kayani Raod, Karachi-74200
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Email: info@shaheeninsurance.com
URL: www.shaheeninsurance.com

Karachi Main Branch

Branch Head – Mr. Sohail N. Kidwai,
Chief Marketing Officer
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Tower, I.I Chundrigar Road, Karachi
Tel: (021) 32650031-3
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Lahore Branch

Branch Head – Mr. Ahsan ul Haq
Office No. 4-B, 6th Floor, Shaheen Complex,
38 Abbott Road, Lahore.
Tel. 042-36376270, 36376274, 36376278, 36376279
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Multan

General Manager Marketing –
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Rahim Yar Khan

Branch Manager –
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Branch Manager – Mr. Abdul Hameed
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Sargodha

Branch Manager – Mr. Nadeem Awan
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Tel: +92 300 829 6741/321 241 3622
Email: m.javed@shaheeninsurance.com

PATTERN OF SHARE HOLDING HELD BY THE SHARE HOLDERS

AS AT DECEMBER 31, 2024

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
181	1	100	3,346
74	101	500	20,135
163	501	1,000	95,820
189	1,001	5,000	370,342
35	5,001	10,000	243,581
26	10,001	15,000	315,136
12	15,001	20,000	215,649
9	20,001	25,000	202,848
4	25,001	30,000	109,895
3	30,001	35,000	96,583
1	35,001	40,000	38,963
1	40,001	45,000	43,966
2	45,001	50,000	95,991
4	50,001	55,000	211,364
3	55,001	60,000	171,999
1	65,001	70,000	69,175
3	75,001	80,000	232,714
1	90,001	95,000	90,737
1	100,001	105,000	100,256
1	105,001	110,000	106,750
1	110,001	115,000	111,553
1	115,001	120,000	117,958
1	120,001	125,000	122,000
1	195,001	200,000	200,000
1	225,001	230,000	226,843
1	230,001	235,000	232,249
2	240,001	245,000	482,899
1	325,001	330,000	328,256
1	405,001	410,000	406,750
1	445,001	450,000	447,941
1	620,001	625,000	623,525
1	890,001	895,000	890,295
1	2,665,001	2,670,000	2,668,750
1	3,345,001	3,350,000	3,348,708
1	6,770,001	6,775,000	6,773,603
1	44,680,001	44,685,000	44,683,420
731			64,500,000

CATEGORIES OF SHARE HOLDERS AS REQUIRED UNDER (CCG)

AS AT DECEMBER 31, 2024

Name	Holding	% AGE
2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,722	0.0050%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	47,352,170	73.4142%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	51,457,023	79.7783%
2.3.8 General Public		
a. Local	5,639,807	8.7438%
b. Foreign	500	0.0008%
2.3.9 Others (to be specified)		
- Foreign Companies	6,773,603	10.5017%
- Joint Stock Companies	4,730,198	7.3336%

NAME OF SHAREHOLDERS 10% OR MORE OF TOTAL CAPITAL AS AT DECEMBER 31, 2024

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	NAME	HOLDING	% AGE
1	SHAHEEN FOUNDATION PAF	44,683,420	69.2766%
2	THE HOLLARD COMPANY LIMITED	6,773,603	10.5017%
		51,457,023	79.7783%

INFORMATION AS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE CATEGORIES OF SHAREHOLDER AS AT DECEMBER 31, 2024

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN</u>			
1	AIR VICE MARSHAL JUNAID AHMED SIDDIQUI (RETD.)	500	0.0007%
2	AIR VICE MARSHAL MUHAMMAD KAISER JANJUA (RETD.)	537	0.0008%
3	AIR COMMODORE WASEEM AHMED KHAN (RETD.)	537	0.0008%
4	AIR COMMODORE TAUSIF SADIQ (RETD)	537	0.0008%
5	MR. ADEEL ALI	537	0.0008%
6	MS FARRAH AZEEM KHAN	537	0.0008%
7	MR. JAHANGIR SHAH	537	0.0008%
		3,722	0.0057%
<u>ASSOCIATED COMPANIES</u>			
1	SHAHEEN FOUNDATION PAF	44,683,420	69.2766%
2	CENTRAL NON PUBLIC FUND. PAF	2,668,750	4.1376%
		47,352,170	73.4142%



PROXY FORM

I/We _____ of _____
being member of Shaheen Insurance Company Limited and holder of _____
ordinary shares as per Share Register Folio No. _____ and/or CDC Participant ID
No. _____ and Account/Sub-Account No. _____
hereby appoint _____ of _____ as
my /our proxy to attend and vote for me/ us and on my/our behalf at the Annual General Meeting (AGM)
of the Company to be held on Monday, April 28, 2025 at 3:00 p.m. at Institute of Chartered Accountants of
Pakistan, Block G-31/8, Chartered Accountants Avenue, Clifton, Karachi and at any adjournment thereof.

Signed this _____ day of, _____ 2025.

Witness: 1

Signature _____
Name _____
CNIC No. _____
Address _____

Signature on
Revenue
Stamp of
applicable value

Witness: 2

Signature _____
Name _____
CNIC No. _____
Address _____

Notes:

1. The Proxy Form duly completed and signed along with attested copies of CNIC/Passport of the member, Proxy holder and the witnesses must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding of the meeting. Original CNIC/Passport will be produced by the Proxy holder at the time of the meeting.
2. No persons shall be appointed as a Proxy unless he/she is a member of the company.
3. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form to the Company.
4. CDC account holders and their proxies must attach attested photocopy of their CNIC/Passport with the Proxy Form.

مختار نامہ

میں / ہم _____ کا/کے _____
 بحیثیت رکن شاہین انشورنس کمپنی لمیٹڈ اور حاصل حصص، _____ برطابق شیئرز رجسٹرڈ فوئیو نمبر _____ اور/یا سی
 ڈی سی پارٹنیشن (شرکت) آئی ڈی نمبر _____ اور اکاؤنٹ (کھاتہ) سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
 محترم/محترمہ _____ کا/کے _____
 کو اپنے/ہمارے ایماء پر بروز پیر مورخہ 28 اپریل، 2025، بوقت سہ پہر 3:00 بجے کو بمقام انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، بلاک G-31/8،
 چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن، کراچی پر منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التوا کی صورت میں اپنا / ہمارا مختار (پراکسی)
 مقرر کرتا ہوں/کرتے ہیں۔

آج بروز _____ بتاریخ _____ 2025 دستخط کیے گئے۔

گواہان

مطلوبہ مالیت کے رسیدی ٹکٹ پر دستخط

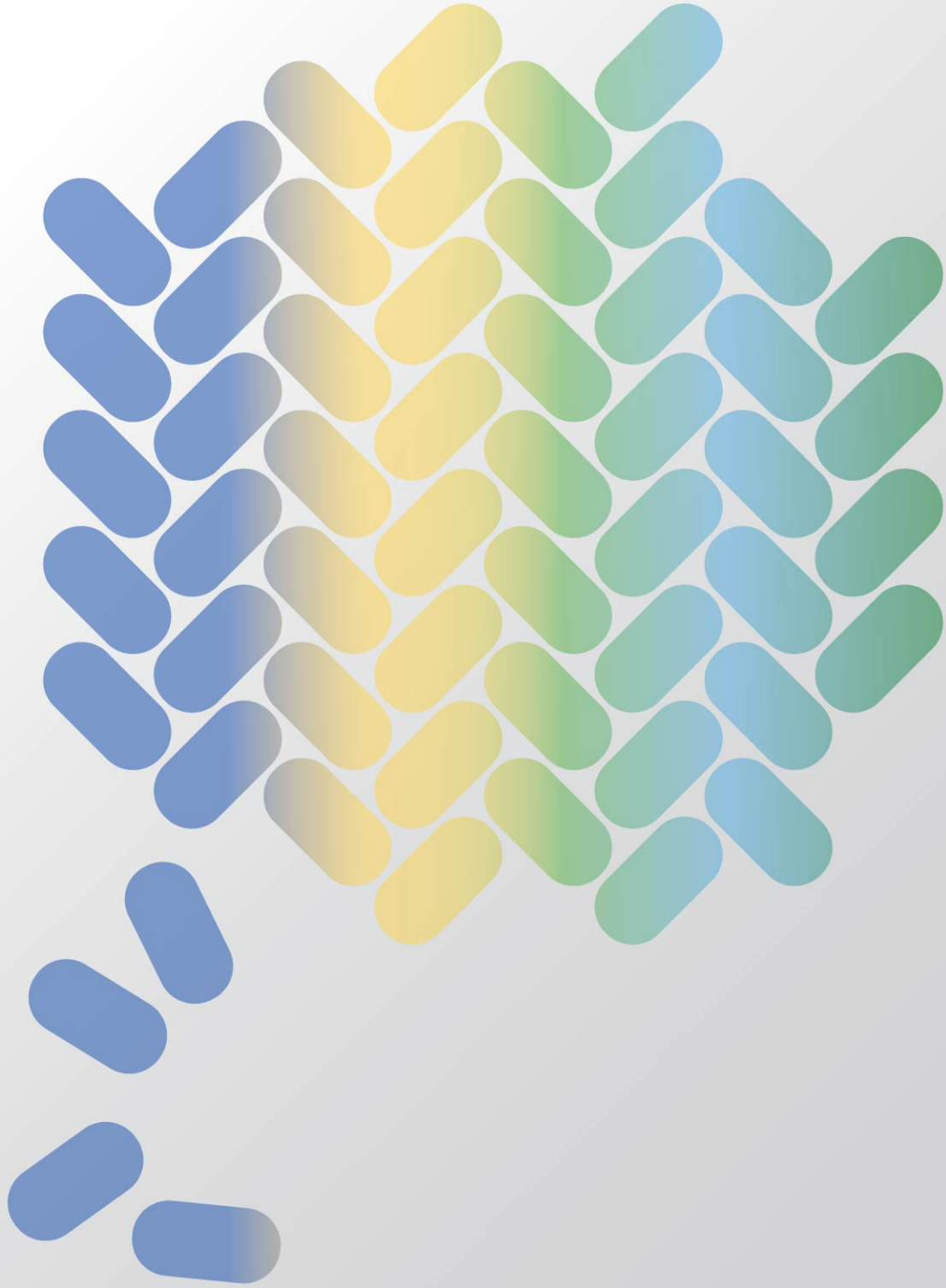
دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

۱۔ دستخط: _____
 نام: _____
 پتہ: _____
 کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

۲۔ دستخط: _____
 نام: _____
 پتہ: _____
 کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

نوٹ

- ۱۔ اس فارم کو پورا اور دستخط کر کے ممبر، پراکسی (مختار) اور گواہان کے کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ کی مصدقہ نقول کے ہمراہ اجلاس شروع ہونے سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ پتے پر جمع کرایا جائے۔ مختار (پراکسی فارم) کو اصل شناختی کارڈ/پاسپورٹ اجلاس کے وقت پیش کرنا ہوگا۔
- ۲۔ کسی بھی شخص کو مختار (پراکسی) مقرر نہیں کیا جاسکتا الا یہ کہ وہ کمپنی کا رکن ہو۔
- ۳۔ کارپوریٹ ادارہ ہونے کی صورت میں مختار نامہ (پراکسی فارم) کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اور نمائندے کے دستخط کے نمونہ بھی جمع کرائے جائیں گے۔
- ۴۔ سی ڈی سی اکاؤنٹ ہولڈر اور ان کے مختار کیلئے ضروری ہے کہ مختار نامہ (پراکسی فارم) کے ہمراہ اپنے کمپیوٹرائزڈ شناختی کارڈ/پاسپورٹ کی مصدقہ نقول بھی جمع کرائیں۔



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