

CREATING A **BETTER** TOMORROW





Introduction

Risks are an inevitable part of life, businesses and individuals alike face a wide range of potential threats that can result in financial losses or other damages. Insurance provides financial protection against unexpected events or losses and also provide peace of mind. It helps individuals, families and businesses avoid financial hardship in case of disasters, accidents, illness or other unforeseen circumstances. At IGI Holdings, solutions are designed keeping in view the evolving needs of customers to help them manage their risks effectively and adapt to a rapidly changing world.



Contents

05	Vision & Mission	39	Chairman's Review	56	Unconsolidated Statement of Cash Flows	200	Notice of Annual General Meeting
07	Group Structure	40	Directors' Report to the Shareholders	57	Notes to and Forming Part of the Unconsolidated Financial Statements	203	Form of Proxy
14	Credit Rating	45	Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	86	Directors' Report to the Shareholders on Consolidated Financial Statements	205	Request for Annual Report and Notices Through Post
15	Company Information	46	Review Report to the Members on Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	89	Auditor's Report on the Consolidated Financial Statements	207	Electronic Credit Mandate Form
17	Code of Conduct	48	Auditor's Report to the Members	94	Consolidated Statement of Financial Position	209	Electronic Credit Mandate Form (Urdu)
18	Core Values	52	Unconsolidated Statement of Financial Position	95	Consolidated Statement of Profit or Loss	211	Request for Annual Report and Notices Through Post (Urdu)
19	Corporate Sustainability at IGI	53	Unconsolidated Statement of Profit or Loss	96	Consolidated Statement of Profit or Loss and Other Comprehensive Income	213	Form of Proxy (Urdu)
20	Board of Directors	54	Unconsolidated Statement of Profit or Loss and Other Comprehensive Income	97	Consolidated Statement of Changes in Equity	217	Notice of Annual General Meeting (Urdu)
22	Key Financial Data	55	Unconsolidated Statement of Changes in Equity	98	Consolidated Statement of Cash Flows	218	Consolidated Director's Report (Urdu)
25	Whistle Blowing Policy			99	Notes to and Forming Part of the Consolidated Financial Statements	221	Directors' Report to the Shareholders (Urdu)
25	Risk Management Policy					222	Chairman's Review (Urdu)
26	Board Committees						
28	Shareholders' Information						
37	Corporate Calendar						



Vision

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

Mission

Shareholders:

Consistently delivering above market average return on capital.

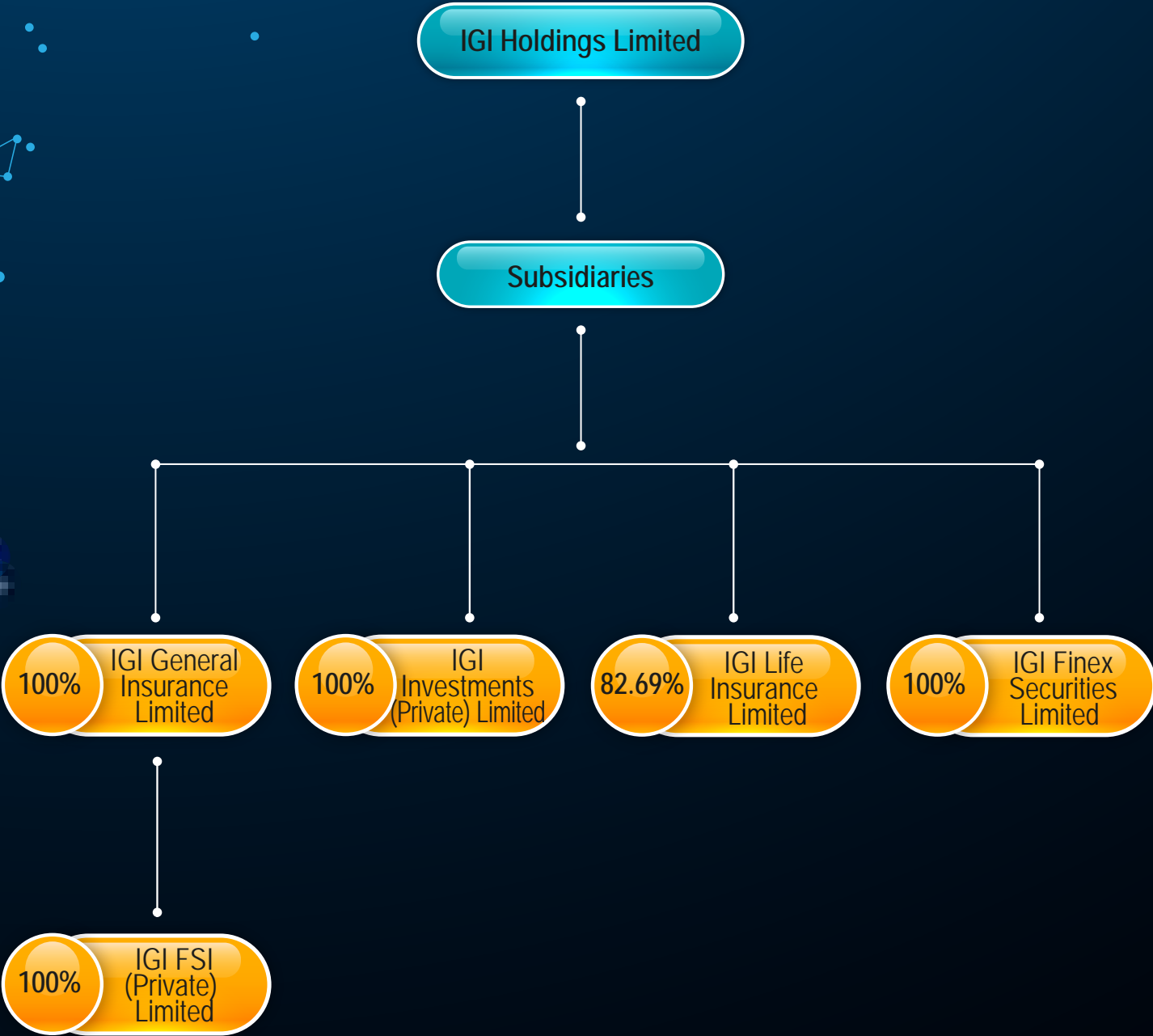
Employees:

Providing the environment necessary to be employer of choice.

Community:

Compliance with the highest ethical and moral standards.

Group Structure



IGI

Holdings

Insurance, Protection and Financial Planning all under one roof



IGI

General / Life *Vitality* / Securities

IGI

General | Takaful

Scared of losing your things
behind in another country?



IGI
General | Takaful

Your Insurance
Partner

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

Your Home, Our Protection!
With IGI get one window solution
for everything inside your house



IGI
General

Your Partner
in Everything

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

IGI Drive

GPS VEHICLE TRACKING

24/7 Helpline: 042-34507777 | sales.igidrive@igi.com.pk

IGI General Auto Insurance covering all in one



IGI
General | Takaful

Your Insurance
Partner

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

VISION
For Financial Security

Financial Security for your Family

IGI Vitality

Get Healthy. Get Rewarded.

Call (021) 111-111-711
visit www.igilifevitality.com.pk

Follow us on [Twitter](#) /IteIGI/ [Facebook](#) /IteIGI/ [Instagram](#) @igilifevitality/

Rewarding life, every day

VISION
For Retirement

Cost of living is sky-rocketing
How will you maintain your Standard of Living after retirement?
We have a solution

IGI Vitality

Inayah Smart Saver

Get rewarded when it matters

Trusted by Investors for over 25 years

- Equity Brokerage
- iTrade
- Commodity Brokerage
- Investment Solutions
- Research

Head office
Suite No. 701-713, 7th Floor, The Forum, G-20, Khayaban-e-Jami, Block-9, Clifton, Karachi-75600.
UAN: (+92-21) 111 444 001, (+92-21) 111 234 234
E-mail: info@igi.com.pk
Website: www.igisecurities.com.pk

Social Media:
[f/igisecurities](#) [in/company/igi](#) [t/igisec](#)

A Packages Group Company

Women Empowerment

At IGI, we strongly believe that women empowerment is crucial for several reasons including diverse perspectives and improved decision-making. At the core of IGI, our female work force bring unique perspectives and approaches to decision-making, which leads to better outcomes. We strive for female talent retention and recruitment not only as part of our corporate social responsibility and for the purpose of legal compliance but also for inclusion and diversity for bringing positive change.

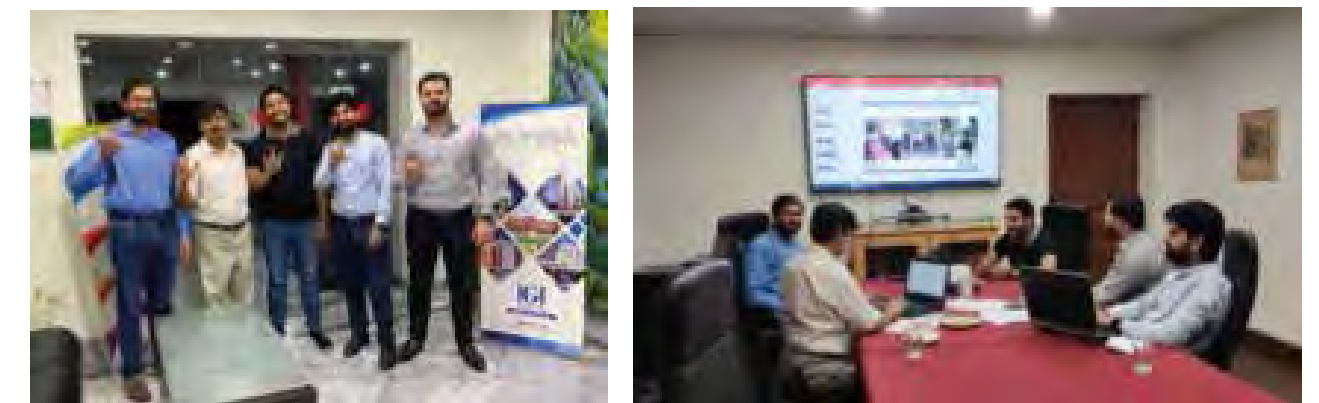
Breast Cancer Awareness Session

IGI General conducted a Breast Cancer Awareness session to spread and promote the basic knowledge and awareness of breast cancer among its female staff in the offices of Lahore, Islamabad and Karachi. The session was conducted by one of IGI's most talented doctors on the panel, Dr. Noreen Sara who comprehensively explained the pre diagnosis and treatment of the said disease.



Turning our Special Mates into Underwriters

More than a billion people live with different disabilities around the globe and most conglomerates either ignore or hesitate from recruiting such individuals but IGI General has proven itself to be opposite of those. IGI has made individuals from the special community who are deaf and consequently unable to speak a part of its family and is also working towards helping them gain expertise in the field of insurance. For this purpose a training seminar was conducted by IGI at the Lahore office comprising of Arslan Sadique and Umar Naeem (our family's special members) along with their respectable teacher Mr. Ubaid Waris from Deaf Reach, Underwriter Talha Tariq Qureshi and branch coordinator Syed Awais Zafar. Both our talented special members were taught basic underwriting skills of Motor and Marine departments with the help of their teacher. IGI is proud to have them as a part of its diverse family and to utilize their hidden talents.



Credit Rating (PACRA)

AA
Long Term

A1+
Short Term

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

Company Information

Board of Directors

Syed Babar Ali (Chairman)
Mr. Shamim Ahmad Khan
Syed Yawar Ali
Syed Shahid Ali
Syed Hyder Ali
Ms. Faryal Jooma
Ms. Faryal Sadiq
Mr. Tahir Masaud

Chief Executive Officer

Mr. Tahir Masaud

Chief Financial Officer

Syed Awais Amjad

Company Secretary

Ms. Nadia Hussain

Head of Internal Audit

Mr. Shahzeb Haider

Audit Committee

Ms. Faryal Jooma (Chairperson)
Mr. Shamim Ahmad Khan
Syed Yawar Ali
Syed Hyder Ali
Ms. Nadia Hussain (Secretary)

Human Resources & Remuneration Committee

Ms. Faryal Jooma (Chairperson)
Syed Yawar Ali
Syed Shahid Ali
Syed Hyder Ali
Mr. Tahir Masaud
Ms. Nida Haider (Secretary)

Bankers

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

Auditors and Tax Advisor

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

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

Share Registrar

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

Registered & Head Office

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

Contact

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

Code of Conduct

The "Values" and "Principles" that IGI Holdings Limited has developed over the years are adhered to by all employees within IGI Holdings Limited and its subsidiary companies ["IGI"]. Following are some salient features of the code of conduct:

All employees should be aware of and consider the potential impacts of their work on the environment. Play their part to reduce and minimize all kinds of polluting emissions. Use resources efficiently and reuse and recycle materials whenever possible to minimize waste.

IGI ensures compliance with all applicable regulations and voluntary commitments wherever we do business. IGI conducts business transactions with the best interests of the Group and community in mind. IGI shows zero tolerance for corrupt activities of any kind, either in its own operations or when working with partners.

Taking or giving bribes is strictly prohibited. IGI ensures compliance with the relevant anti-bribery laws. It is also IGI's policy to require all our stake holders working for, or representing, any of the Group Companies, in any capacity, including business partners, suppliers, vendors, consultants, financial advisers, agents, to comply with these laws and practices.

In conducting its business IGI is inspired by acts in accordance with the principles of loyalty, fairness, transparency and efficiency.

IGI expects all employees to be free from actual or potential conflicts of interest. All employees of IGI shall avoid conflict of interest while conducting IGI's business and ensure that their judgment is not influenced whenever there is a prospect of direct or indirect personal gain.

The employees of IGI should not take advantage of the Company's information or property for personal gains. Any employee of IGI shall not disclose or reveal any information which is confidential in nature or any such information which may benefit the employee directly or indirectly.

IGI employees shall not trade or pass on inside information at any time to any other person, inside or outside IGI.

IGI is committed to the highest possible standards of openness, transparency and accountability in all its affairs. The intent is to promote a culture of honesty and opposition to fraud in all its forms.

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

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

Every employee of IGI needs to maintain a professional relationship with suppliers, customers and other stakeholders.

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

All IGI employees shall personally contribute to promoting and maintaining a climate of common respect in the workplace. No employee in IGI shall work under the effect of alcohol or drugs, or substances with similar effect.

No employee of IGI shall provide any assistance or funding (including charity or donation) to proscribed individuals/ entities as notified by the concerned government, laws and regulations or by UN Security Council Sanctions Committee.

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

Core Values

Underlying everything we do and everything we believe in is a set of core values. Values are reasons which we regard as higher than our self-interest. These guide us to deal with every aspect of any issue we might encounter in our personal and professional lives. These values help us grow inside & outside, personally and as an organization.



Care



- We provide care through empathy, fairness, trust and openness;
- We care for the communities in which we exist; we are conscious of the impact of our activities on our environment;
- We strive to improve our lives and the lives of others; we care for and grow people; and
- We care for all our customers; we succeed when our customer succeeds.

Respect



- We treat others the way we want to be treated ;
- We value legitimate relationships based on mutual trust and respect;
- We are humble in all our dealings; and
- We respect our organization.

Lead



- We believe in possibilities; nothing is impossible;
- We take leadership position in all our markets;
- We aspire to build authentic leaders who say what they mean and mean what they say;
- We live by our values and, appreciate and recognise the same in others; and
- We add value daily and look for future. We are committed to making a great organization.

Honesty



- Our actions are ethical and credible. We ensure transparency and fairness in all our dealings;
- We are respectful in our interactions with others and maintain the highest moral standards even in the most difficult situations;
- Our commitment to honesty is evident in our appreciation and welcoming attitude towards candid feedback; and
- We remain thankful with ourselves, our people, our organization, our customers and our community in all of our dealings.

Courage



- We are passionate and courageous in pursuing our dreams;
- The other side of fear is freedom; we value freedom;
- We have the audacity to look at new challenges adjust our sails accordingly ; and
- We stress upon suspending self-interest for the greater good.

Values to us:

They are:

- Fundamental beliefs of our organization;
- Not to be compromised by any individual;
- Principles that direct our relationship with our customers and stakeholders;
- Basic elements of how we go on about our work;
- Operating philosophies that guide our internal conduct; and
- Helpful in distinguishing wrong behaviors from the right ones.

They are not:

- Description of the work we do;
- Strategies we employ;
- Just to be hung on the walls; and
- Cosmetic.

Corporate Sustainability at IGI

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

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

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

Corporate Social Responsibility

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

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

Environmental Sustainability

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

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

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

Business Sustainability

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

Board of Directors



Syed Babar Ali
(Chairman) Director since 1954

Other Engagements

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

Pro Chancellor

Lahore University of Management Sciences (LUMS)

Honours

American Academy of Arts & Sciences (Class of 2020)



Mr. Shamim Ahmad Khan
Director since 2000

Other Engagements

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



Syed Yawar Ali
Director since 1999

Other Engagements

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



Syed Shahid Ali
Director since 1980

Other Engagements

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



Syed Hyder Ali
Director since 1989

Other Engagements

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



Ms. Faryal Jooma
Director since 2015

Other Engagements

Jooma Law Associates



Ms. Faryal Sadiq
Director since 2020

Other Engagements

Interloop Assets Management Limited
Interloop Holdings (Pvt.) Limited
Interloop Limited



Mr. Tahir Masaud
Chief Executive since 2014

Other Engagements

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

Key Financial Data (Ten Years at a Glance)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	(Rupees in '000)									
DIVIDEND INCOME	1,380,790	1,260,000	1,110,000	1,107,950	2,180,501	82,385	1,898,895	1,041,828	882,904	680,328
GROSS PREMIUM *	-	-	-	-	-	530,782	2,820,043	2,343,705	2,139,673	2,035,289
BALANCE SHEET										
PAID UP CAPITAL	1,426,305	1,426,305	1,426,305	1,426,305	1,426,305	1,226,895	1,226,895	1,226,895	1,226,895	1,115,359
GENERAL & CAPITAL RESERVES	7,764,863	7,764,863	7,764,863	7,764,863	7,764,863	7,366,574	7,366,574	8,102,711	8,470,780	8,749,620
SHAREHOLDERS EQUITY	14,511,595	14,381,609	14,291,633	13,774,006	13,305,805	13,366,157	13,612,551	12,260,735	11,579,146	10,928,233
INVESTMENTS-AT BOOK VALUE	15,696,545	15,860,122	15,847,249	15,744,638	14,820,667	14,977,048	15,658,683	12,325,078	12,196,544	11,252,448
INVESTMENTS-AT MARKET VALUE	15,345,650	19,543,207	22,244,103	17,859,267	16,686,398	19,388,017	72,865,651	54,774,293	57,483,450	41,428,682
FIXED ASSETS	514	902	947	1,384	2,044	2,981	262,298	220,743	240,178	222,085
TOTAL ASSETS-AT BOOK VALUE	16,041,814	16,274,543	16,327,633	16,091,770	15,186,697	15,468,504	19,449,039	14,650,626	14,490,090	13,227,423
UNDERWRITING PROVISIONS *	-	-	-	-	-	-	1,990,067	1,464,778	1,361,433	1,278,317
PROFIT AND LOSS ACCOUNT										
UNDERWRITING PROFIT *	-	-	-	-	-	22,923	323,137	256,411	208,195	104,616
INVESTMENT INCOME	1,380,790	1,260,000	1,110,000	1,107,950	2,180,501	83,803	2,128,713	1,445,480	940,878	691,351
PROFIT / (LOSS) BEFORE TAX	932,565	1,098,812	974,845	911,542	1,839,889	(248,776)	2,067,126	1,531,753	942,101	555,232
TAXATION	20,773	8,636	30,517	14,813	39,842	(2,382)	633,251	238,707	119,300	74,165
PROFIT / (LOSS) AFTER TAX	911,792	1,090,176	944,328	896,729	1,800,047	(246,394)	1,433,875	1,293,046	822,801	481,067
CASH FLOW SUMMARY										
OPERATING ACTIVITIES	18,748	(84,994)	(42,724)	(63,563)	(141,518)	78,043	(186,179)	34,479	232	155,276
INVESTING ACTIVITIES	1,386,752	1,411,638	961,508	279,735	2,254,779	(914,846)	(1,048,288)	1,277,366	(134,210)	667,840
FINANCING ACTIVITIES	(1,244,456)	(1,440,522)	(934,298)	(923,339)	(2,538,206)	1,480,620	393,808	(1,328,060)	444,856	(260,305)
CASH & CASH EQUIVALENTS										
AT THE YEAR END	(1,078,148)	(1,239,192)	(1,125,314)	(1,109,800)	(402,633)	22,312	(621,505)	219,154	235,369	(75,509)

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

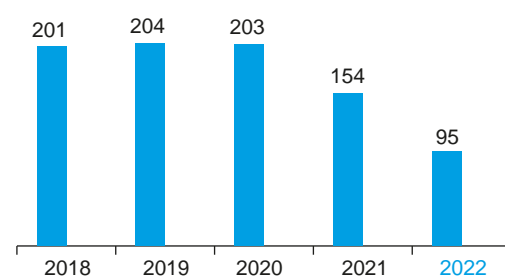
Key Financial Data (Ten Years at a Glance)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
INVESTMENT / MARKET RATIOS										
Earnings per share (Rs.)	6.39	7.64	6.62	6.29	12.63	(2.01)	11.69	10.54	6.71	4.31
Market value per share (Rs.)	95.00	153.63	203.44	204.00	201.18	292.89	307.89	236.57	270.58	164.38
Break up value per share (Rs.)	101.74	100.83	100.20	96.57	93.29	108.94	110.95	99.93	94.38	97.98
Price earning ratio (Times)	14.87	20.11	30.73	32.43	15.93	(145.84)	26.34	22.45	40.35	38.11
Price to book ratio (Times)	0.93	1.52	2.03	2.11	2.16	2.69	2.78	2.37	2.87	1.68
Dividend yield (%)	4.47	3.58	2.46	1.47	2.98	1.37	2.60	2.54	1.11	1.52
Dividend payout (%)	66.51	71.99	75.53	47.69	47.51	-	68.45	56.93	44.73	57.96
Dividend cover (Times)	1.50	1.39	1.32	2.10	2.11	-	1.46	1.76	2.24	1.73
Investment yield (%)	9.00	6.45	4.99	6.20	13.07	0.43	2.92	2.64	1.64	1.67
Market capitalization (Rs. M)	13,549.90	21,912	29,017	29,097	28,694	35,935	37,775	29,025	33,197	18,334
Cash dividend per share (Rs.)	4.25	5.50	5.00	3.00	6.00	4.00	8.00	6.00	3.00	2.50
Cash dividend (%)	42.50	55.00	50.00	30.00	60.00	40.00	80.00	60.00	30.00	25.00
Stock Dividend per share (Rs.)	-	-	-	-	1.5	-	-	-	-	1.00
Stock dividend (%)	-	-	-	-	15	-	-	-	-	10.00
PROFITABILITY RATIOS										
Return on equity (%)	6.43	7.64	6.82	6.62	13.83	(1.86)	15.19	12.49	8.14	5.08
Return on assets (%)	5.68	6.70	5.78	5.57	11.85	(1.59)	7.37	8.83	5.66	3.64
EBITDA to gross premium (Times) *	-	-	-	-	-	-	0.77	0.69	0.50	0.49
Underwriting profit to gross premium (%) *	-	-	-	-	-	4.32	11.46	10.94	9.73	5.14
Profit before tax to gross premium (%) *	-	-	-	-	-	-	73.30	65.36	44.03	27.28
Profit after tax to gross premium (%) *	-	-	-	-	-	-	50.85	55.17	38.45	23.64
Cost / income ratios (Times)	0.21	0.16	0.23	0.27	0.09	0.85	0.41	0.36	0.56	1.01
LIQUIDITY / PERFORMANCE RATIOS										
Equity / Total assets (%)	90.46	88.37	87.53	85.60	87.61	86.41	69.99	83.69	79.69	82.62
Financial leverage	0.08	0.11	0.12	0.15	0.12	0.13	0.20	0.01	0.07	0.03
Paid up capital / Total assets (%)	8.89	8.76	8.74	8.86	9.39	7.93	6.31	8.37	8.44	8.43
Incurred loss ratio (%)	-	-	-	-	-	-	50.54	52.27	56.84	71.87
Total liabilities / Equity (Times)	0.11	0.13	0.14	0.17	0.14	0.16	0.43	0.19	0.25	0.21
Cash flow from operations										
to gross premium (Times) *	-	-	-	-	-	-	(0.07)	0.01	0.00	0.08
Total assets turnover (Times)	-	-	-	-	-	-	0.14	0.16	0.15	0.15
Fixed assets turnover (Times)	-	-	-	-	-	-	10.75	10.62	8.91	9.16

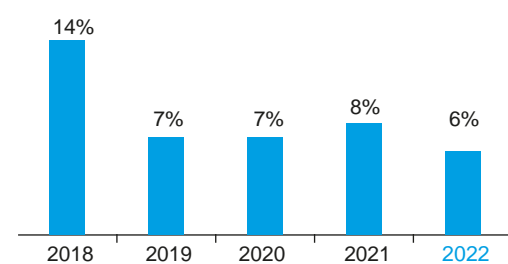
*This represents numbers pertaining to insurance business previously carried out by the Company which has been transferred to IGI General Insurance Limited (its wholly owned subsidiary) through court sanctioned Scheme of Arrangement w.e.f. January 31, 2017.

Key Financial Data

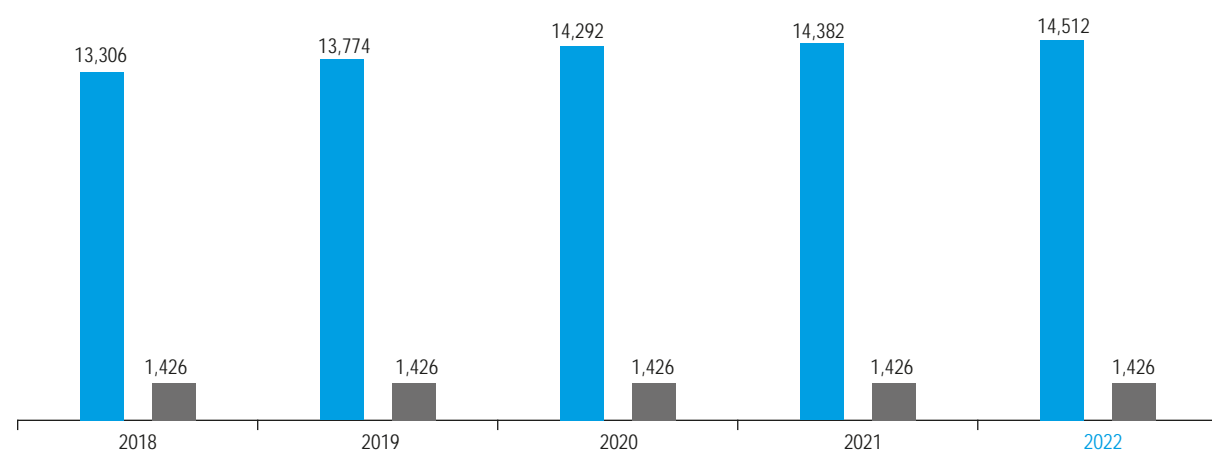
Market Price Per Share
(Rupees)



Return on Equity
(Percentage)



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



Whistle Blowing Policy



IGI Holdings Limited and its subsidiary companies (the Group) are committed to high standards of ethical, moral and legal business conduct. In line with this commitment and the Group's commitment to open communication, the whistle-blowing policy of the Group encourages its employees to raise concerns and reassure that they will be protected from reprisals or victimisation for whistle-blowing, to improve the Group's policies, controls and working environment.

Risk Management Policy



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

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

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

Board Committees

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

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

Audit Committee

The Committee meets at least four times a year.

The names of current members are:

1. Ms. Faryal Jooma (Independent Director and Chairperson)
2. Mr. Shamim Ahmad Khan (Member)
3. Syed Yawar Ali (Member)
4. Syed Hyder Ali (Member)
5. Ms. Nadia Hussain (Secretary to the Committee)

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

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

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

Human Resources & Remuneration Committee (HR&RC)

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

HR&RC meets at least once a year.

The names of current members are:

1. Ms. Faryal Jooma (Independent Director and Chairperson)
2. Syed Yawar Ali (Member)
3. Syed Shahid Ali (Member)
4. Syed Hyder Ali (Member)
5. Mr. Tahir Masaud (Member and Chief Executive)
6. Ms. Nida Haider (Secretary to the Committee)

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

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

Shareholders Information

Registered Office

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

Share Registrar Office:

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

Listing on Stock Exchanges

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

Stock Code

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

Investor Service Centre

The shares department of IGI Holdings Limited is operated by FAMCO Associates (Pvt.) Ltd. Registrar Services. It also functions as an Investor Service Centre and has been servicing nearly 3,178 shareholders. The Investor Service Centre is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function. The team is headed by Mr. Pervez Usman Khan at the Share Registrar Office and Ms. Nadia Hussain, Company Secretary at the Registered Office of the Company.

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

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

Contact Persons:

Mr. Taha Naqvi
Phone: 111-308-308
Email: taha.naqvi@igi.com.pk

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

Services Standards

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

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

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

Statutory Compliance

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

Dematerialization of Shares

The equity shares of the Company are under the compulsory dematerialized category. As at December 31, 2022, 51.73% of the equity shares of the Company have been dematerialized by the shareholders.

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

Dividend Announcement

The Board of Directors of the Company has proposed final cash dividend of 22.5% (Rs. 2.25/- per share) for the financial year ended December 31, 2022, subject to approval by the shareholders of the Company at the Annual General Meeting (AGM). This is in addition to the interim cash dividend of 20% (Rs. 2/- per share) already paid during the year making total of 42.5% cash dividend (Rs. 4.25 per share). (2021: a total of 55% cash dividend i.e. Rs. 5.5/- per share)

Book Closure Dates

The register of Members and share transfer books of the Company will remain closed from April 21, 2023 to April 28, 2023 (both days inclusive).

Dividend Remittance

Dividend declared and approved at the Annual General Meeting will be paid on or after April 28, 2023, but within the statutory time limit of 10 working days:

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

Withholding of Tax & Zakat on Dividend:

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

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

Investors' Grievances

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

Legal Proceedings

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

General Meetings & Voting Rights

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

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

Proxies

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

Web Presence

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

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

Circulation of annual report through email

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

Further, in accordance with SRO 470(I)/2016 dated May 31, 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' approval in the Extraordinary General Meeting held on October 8, 2018.

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

Categories of Shareholding

As at December 31, 2022

S. No.	Shareholders Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	23	43,197,655	30.29
2	Associated Companies, Undertakings and related Parties	7	54,544,218	38.24
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	13	8,560,077	6.00
5	Insurance Companies	8	2,350,359	1.65
6	Modarabas and Mutual Funds	9	868,160	0.61
7	Share holders holding 10%	7	81,592,830	57.21
8	General Public :			
	a. local	3,009	24,595,251	17.24
	b .Foreign			
9	Others	109	8,514,830	5.97
	Total (excluding : share holders holding 10%)	3,178	142,630,550	100.00

Key Shareholding Information

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

Shareholder's category	Number of shareholders	Number of shares held
Associated Companies, Undertaking and Related Parties (name wise details)		
BABAR ALI FOUNDATION		15,529,116
INDUSTRIAL TECHNICAL AND EDUCATIONAL INSTITUTE		23,982,060
PACKAGES LIMITED		15,033,041
TOTAL		54,544,217
Mutual Funds (name wise details)		
CDC - TRUSTEE ATLAS STOCK MARKET FUND		278,900
CDC - TRUSTEE NBP STOCK FUND		306,800
CDC - TRUSTEE APF-EQUITY SUB FUND		28,000
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		62,556
CDC - TRUSTEE NBP FINANCIAL SECTOR FUND		152,500
CDC - TRUSTEE UBL FINANCIAL SECTOR FUND		39,000
CDC - TRUSTEE ALLIED FINERGY FUND		400
TOTAL		868,156
Directors and their spouse		
SYED HYDER ALI		8,839,102
SYED BABAR ALI		27,048,613
MRS. PERWIN BABAR ALI		3,595,438
SYED SHAHID ALI		1,534,974
SYED YAWAR ALI		1,440,057
MRS. AMINA HYDER ALI		340,325
SHAMIM AHMAD KHAN		7,251
FARYAL JOOMA		115
FARYAL SADIQ		100
SYEDA NIGHAT ALI		391,565
CHAUDHRY TAHIR MASAUD		115
TOTAL		43,197,655
Public Sector Companies and Corporations	1	1,409,902
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds	32	11,778,600
Shareholder Holding ten percent or more voting Rights in the Listed Company (name wise details)		
BABAR ALI FOUNDATION		15,529,116
INDUSTRIAL TECHNICAL AND EDUCATIONAL INSTITUTE		23,982,060
PACKAGES LIMITED		15,033,041
SYED BABAR ALI		27,048,613
TOTAL		81,592,830

Pattern of Shareholding (CDC)

As at December 31, 2022

No. of Shareholder	Shareholdings		Total Number of Shareholders
	From	To	
1,070	1	100	31,291
398	101	500	102,163
172	501	1,000	126,168
301	1,001	5,000	731,710
107	5,001	10,000	794,938
44	10,001	15,000	528,379
24	15,001	20,000	428,899
17	20,001	25,000	384,672
15	25,001	30,000	408,806
14	30,001	35,000	466,639
9	35,001	40,000	344,323
6	40,001	45,000	256,785
4	45,001	50,000	187,303
10	50,001	55,000	527,869
3	55,001	60,000	170,145
3	60,001	65,000	186,966
2	65,001	70,000	134,542
2	75,001	80,000	158,076
8	80,001	85,000	666,435
1	85,001	90,000	88,700
2	90,001	95,000	184,525
2	95,001	100,000	196,800
1	110,001	115,000	110,300
3	115,001	120,000	353,230
1	125,001	130,000	125,331
1	130,001	135,000	132,232
4	135,001	140,000	547,998
2	150,001	155,000	306,970
1	160,001	165,000	160,069
1	165,001	170,000	167,000
1	170,001	175,000	174,300
1	175,001	180,000	175,600
1	185,001	190,000	189,900
1	190,001	195,000	191,874
2	195,001	200,000	396,600
2	200,001	205,000	406,374
1	240,001	245,000	240,200
2	250,001	255,000	503,000
1	255,001	260,000	258,750
1	275,001	280,000	278,900
1	280,001	285,000	282,785
1	305,001	310,000	306,800
1	330,001	335,000	330,912
2	345,001	350,000	696,977
1	370,001	375,000	373,000
1	390,001	395,000	391,565
1	460,001	465,000	460,000
1	470,001	475,000	471,400
1	490,001	495,000	493,655
1	665,001	670,000	667,202
1	670,001	675,000	671,619
1	690,001	695,000	692,500
1	765,001	770,000	767,383
1	870,001	875,000	872,850
1	950,001	955,000	952,800
1	955,001	960,000	957,750
1	1,175,001	1,180,000	1,178,746
1	1,340,001	1,345,000	1,343,103
1	1,405,001	1,410,000	1,409,902
1	1,530,001	1,535,000	1,534,946
1	1,605,001	1,610,000	1,605,928
1	1,645,001	1,650,000	1,647,228
1	2,380,001	2,385,000	2,381,275
1	5,000,001	5,005,000	5,000,000
1	9,415,001	9,420,000	9,419,494
1	27,045,001	27,050,000	27,048,613
2,268			73,783,195

Pattern of Shareholding (Total)

As at December 31, 2022

Shareholdings			
No. of Shareholder	From	To	Total Number of Shareholders
1,644	1	100	40,886
503	101	500	127,646
225	501	1,000	163,563
384	1,001	5,000	925,476
136	5,001	10,000	1,003,975
66	10,001	15,000	771,831
27	15,001	20,000	483,040
17	20,001	25,000	384,672
19	25,001	30,000	514,268
17	30,001	35,000	563,312
9	35,001	40,000	344,323
7	40,001	45,000	298,383
4	45,001	50,000	187,303
12	50,001	55,000	631,272
4	55,001	60,000	225,304
3	60,001	65,000	186,966
3	65,001	70,000	203,056
2	75,001	80,000	158,076
8	80,001	85,000	666,435
2	85,001	90,000	174,147
2	90,001	95,000	184,525
4	95,001	100,000	390,771
1	100,001	105,000	101,890
3	110,001	115,000	340,300
3	115,001	120,000	353,230
1	125,001	130,000	125,331
1	130,001	135,000	132,232
4	135,001	140,000	547,998
3	150,001	155,000	459,970
1	155,001	160,000	158,269
1	160,001	165,000	160,069
1	165,001	170,000	167,000
3	170,001	175,000	518,969
1	175,001	180,000	175,600
1	185,001	190,000	189,900
1	190,001	195,000	191,874
4	195,001	200,000	787,854
2	200,001	205,000	406,374
1	240,001	245,000	240,200
1	245,001	250,000	250,000
1	250,001	255,000	253,000
2	255,001	260,000	517,006
1	260,001	265,000	260,170
1	275,001	280,000	278,900
1	280,001	285,000	282,785
1	290,001	295,000	292,425
1	305,001	310,000	306,800
1	325,001	330,000	328,312
1	330,001	335,000	330,912
1	335,001	340,000	339,455
2	345,001	350,000	696,977
1	370,001	375,000	373,000
1	390,001	395,000	391,565

Pattern of Shareholding (Total)

As at December 31, 2022

Shareholdings			
No. of Shareholder	From	To	Total Number of Shareholders
1	395,001	400,000	398,171
1	455,001	460,000	460,000
1	470,001	475,000	471,400
1	490,001	495,000	493,655
1	665,001	670,000	667,202
1	670,001	675,000	671,619
1	690,001	695,000	692,500
2	715,001	720,000	1,437,495
1	765,001	770,000	767,383
1	825,001	830,000	826,505
1	850,001	855,000	854,375
1	870,001	875,000	872,850
1	950,001	955,000	952,800
1	955,001	960,000	957,750
1	1,175,001	1,180,000	1,178,746
1	1,340,001	1,345,000	1,343,103
1	1,405,001	1,410,000	1,409,902
1	1,530,001	1,535,000	1,534,946
1	1,570,001	1,575,000	1,574,234
1	1,605,001	1,610,000	1,605,928
1	1,645,001	1,650,000	1,647,228
1	2,380,001	2,385,000	2,381,275
1	2,420,001	2,425,000	2,424,693
1	4,995,001	5,000,000	5,000,000
1	5,255,001	5,260,000	5,255,247
1	5,570,001	5,575,000	5,573,737
1	7,160,001	7,165,000	7,164,636
1	9,415,001	9,420,000	9,419,494
1	14,975,001	14,980,000	14,975,406
1	23,980,001	23,985,000	23,982,060
1	27,045,001	27,050,000	27,048,613
			3,178
			142,630,550

Share Price / Volume

Month	Volume of shares traded	Share price on PSX (Rs.)			
		Opening	Highest	Lowest	Closing
Jan	86,700	151.00	154.99	140.00	142.00
Feb	314,400	142.00	148.50	122.00	128.62
Mar	858,200	125.11	139.00	113.00	137.42
Apr	138,400	137.00	144.50	120.50	129.93
May	441,100	126.00	133.00	113.00	119.70
Jun	2,236,300	119.90	120.00	102.50	110.75
Jul	155,100	110.75	113.99	101.00	108.74
Aug	191,100	104.00	114.43	101.50	107.87
Sep	642,300	105.00	111.75	96.50	103.13
Oct	240,600	101.98	103.13	90.00	92.26
Nov	580,000	93.00	104.73	89.19	96.90
Dec	633,500	96.50	105.00	88.00	95.00

Pakistan Stock Exchange



Corporate Calendar 2022

March

28th
Audit Committee and Board of Directors meetings to consider annual accounts of the Company for the year ended December 31, 2021.

April

28th
Audit Committee and Board of Directors meetings to consider quarterly accounts for the three months' period ended March 31, 2022.

29th
Annual General Meeting of shareholders to consider and approve annual accounts of the Company for the year ended December 31, 2021 and dividend announcement.

May

12th
E-Credit of 35% cash dividend to the shareholders for the year ended December 31, 2021.

17th
Corporate Briefing Session to brief the investors and analysts about the Company's current financial performance and outlook.

August

25th
Audit Committee and Board of Directors meetings to consider half yearly accounts of the Company for the six months' period ended June 30, 2022 and approval of 20% interim cash dividend.

September

12th
E-Credit of 20% interim cash dividend to the shareholders for the year ending December 31, 2022.

October

27th
Audit Committee and Board of Directors meetings to consider quarterly accounts for the nine months' period ended September 30, 2022.

Chairman's Review Report

I am pleased by the performance of IGI Holdings Limited for the year ended December 31, 2022. The Company is operating as a holding company and derives value for its shareholders from its subsidiaries namely; IGI Investments (Private) Limited, IGI General Insurance Limited, IGI Life Insurance Limited and IGI Finex Securities Limited.

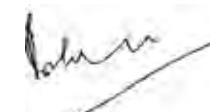
Dividend income constitutes major source of income of the Company and as a result, its income pattern follows the dividend distribution pattern of its subsidiaries.

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

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

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

For and on behalf of the Board



Syed Babar Ali
Chairman
Lahore: March 21, 2023



Directors' Report to the Shareholders

The Directors of IGI Holdings Limited ("IGI Holdings") take pleasure in presenting the annual report of your Company, together with the audited financial statements for the year ended December 31, 2022.

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

COMPANY PERFORMANCE REVIEW

	2022	2021
	(Rupees in '000)	
Operating revenue	1,380,790	1,260,000
Operating income	1,089,654	1,055,985
Profit before taxation	932,565	1,098,812
Taxation	(20,773)	(8,636)
Profit after taxation	911,792	1,090,176
Earnings per share (in rupees) – basic / diluted	6.39	7.64

Operating income has grown by 3% to Rs. 1,090 million during the year as compared to Rs. 1,056 million earned during 2021 with profit after taxation of Rs. 912 million against profit after tax of Rs. 1,090 million during 2021.

While the Company earned overall profit during the year under review, it recognized impairment of Rs. 164 million (2021: Reversal of Rs 15 million) resulting from re-assessment of recoverable amount of IGI Finex Securities Limited. The decrease in trading volumes of Pakistan Stock Exchange and decline in market share of IGI Finex has impacted its profitability resulting in the recognition of an impairment charge.

APPROPRIATIONS

The Company has generated a profit of Rs. 912 million during the year, accordingly, the Directors have recommended final cash dividend of 22.5% (i.e. Rs. 2.25/- per share) (2021: 35%, Rs. 3.5 per share). Therefore, the Company has appropriated Rs. 320.9 million (2021: Rs. 499.2 million) for the payment of final cash dividend. This is in addition to interim dividend of 20% (Rs. 2 per share) (2021: 20%, Rs 2 per share) already disbursed during the year.

RISK MITIGATION

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

Variable rate long term financing is hedged against interest rate risk by holding "prepayment option", which can be exercised upon any adverse movement in the underlying interest rates. During the year, the Company fully repaid its long term loan.

CAPITAL MANAGEMENT AND LIQUIDITY

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

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

RELATED PARTY TRANSACTIONS

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

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

MATERIAL CHANGES

There has been no material change since December 31, 2021 and the Company has not entered into any commitment, which would affect its financial position at the date except for those mentioned in the audited financial statements of the Company for the year ended December 31, 2022.

BOARD OF DIRECTORS

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

Category	Total number of directors
Male	6
Female	2
Composition	
Independent directors	2
Non-executive directors	5
Executive director/CEO	1
Female directors (included in independent directors)	2

Mr. Tahir Masaud, the Chief Executive Officer of the Company, is a deemed director as envisaged in Section 188(3) of the Companies Act, 2017.

The names of the directors as at December 31, 2022 are as follows:

Syed Babar Ali	Chairman, Non-executive director
Mr. Shamim Ahmad Khan	Non-executive director
Syed Yawar Ali	Non-executive director
Syed Shahid Ali	Non-executive director
Syed Hyder Ali	Non-executive director
Ms. Faryal Jooma	Independent director
Ms. Faryal Sadiq	Independent director
Mr. Tahir Masaud	Executive Director/CEO

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

Audit Committee	Human Resource and Remuneration Committee
Ms. Faryal Jooma, Chairperson	Ms. Faryal Jooma, Chairperson
Mr. Shamim Ahmad Khan, Member	Syed Yawar Ali, Member
Syed Yawar Ali, Member	Syed Shahid Ali, Member
Syed Hyder Ali, Member	Syed Hyder Ali, Member
	Mr. Tahir Masaud, Member

DIRECTORS' REMUNERATION

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of your Company state that:

- The financial statements prepared by the management of the Company fairly present the state of affairs of the Company, the results of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- The financial statements have been prepared in accordance with the requirement of the Companies Act 2017 and International Financial Reporting Standards, as applicable in Pakistan. Any departures therefrom have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There is no doubt about the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the PSX Rule Book;
- Summary of key operational and financial data for the last six years is annexed in this annual report;
- Where any statutory payment on account of taxes, duties, levies and charges is outstanding, the amount together with a brief description and reasons for the same is disclosed in the financial statements;
- Significant plans and decisions, such as corporate restructuring, business expansion and discontinuance of operations, has been disclosed along with future prospects, risks and uncertainties, if any;

- IGI Holdings and its subsidiaries strive for implementation of measures to improve health, safety and a better and safe workplace environment for their employees and surrounded community.
- IGI Holdings and its subsidiaries are committed to the causes facilitating provision of education and health to the under-privileged members of the society. The donations to such causes are made in accordance with the approvals by the respective Boards;
- The Board of Directors of the Company has an approved mechanism for the annual evaluation of the Board's performance as well as that of its Committees, as required by the CCG Regulations. The Board of Directors and the Board Committees carry out such evaluation exercises on an annual basis.
- The Board is in compliance with the requirements of the directors training program as stipulated in the CCG Regulations.
- Trades in the shares of the Company carried out by the Directors and their spouses are mentioned below:

Mrs. Perwin Babar Ali purchased 173,400 shares
 Syed Hyder Ali, Director purchased 85,500 shares
 Mrs. Syeda Nighat Ali, purchased 10,000 shares

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

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

Director Name	Attendance
Syed Babar Ali	4
Mr. Shamim Ahmad Khan	4
Syed Yawar Ali	4
Syed Shahid Ali	4
Syed Hyder Ali	4
Ms. Faryal Jooma	4
Ms. Faryal Sadiq	3
Mr. Tahir Masaud (CEO)	4

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

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

Director Name	Attendance
Mr. Shamim Ahmad Khan	4
Syed Yawar Ali	4
Syed Hyder Ali	3
Ms. Faryal Jooma	4

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

IGI Holdings Limited
For the year ended December 31, 2022

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

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

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

AUDITORS

The Auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire at the conclusion of the 69th Annual General Meeting. Being eligible, they have offered themselves for re-appointment and the Board based on the recommendation of Audit Committee has endorsed their re-appointment.

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2022, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information.

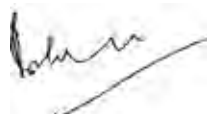
FUTURE OUTLOOK

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

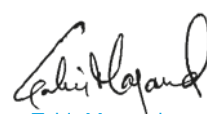
ACKNOWLEDGEMENT

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

For and on behalf of the Board



Syed Babar Ali
Chairman
Lahore: March 21, 2023



Tahir Masaud
Chief Executive Officer
Lahore: March 21, 2023

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

1. The total number of directors [including Chief Executive Officer (deemed director)] are eight (8) as per the following:

a) Male	Six (6)
b) Female	Two (2)

2. The composition of Board is as follows:

Category	Names
Independent Female Directors	Ms. Faryal Jooma Ms. Faryal Sadiq
Non-Executive Directors	Syed Babar Ali Syed Yawar Ali Syed Shahid Ali Syed Hyder Ali Mr. Shamim Ahmad Khan
Executive Director (CEO)	Mr. Tahir Masaud

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and these Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;

9. At present, out of eight (8) Directors on the Board, four (4) Directors (including the CEO) have acquired the Directors' Training Program Certifications whilst the other four (4) directors are exempt from the requirement of Directors' Training Program;

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee:

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

b) HR and Remuneration Committee:

Name of the Member	Category
Ms. Faryal Jooma	Chairperson/ Independent Director
Syed Yawar Ali	Member/ Non-executive Director
Syed Shahid Ali	Member/ Non-executive Director
Syed Hyder Ali	Member/ Non-executive Director
Mr. Tahir Masaud	Member/ Executive Director

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

14. The frequency of meetings of the committees was as per following,-

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

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

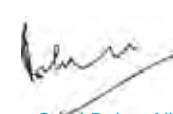
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), and registered with Audit Oversight Board of Pakistan, that they and all their partners are in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

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

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

Explanation under Regulation 6: The Board of the Company comprises of eight (8) Directors and the computation for the determination of the under Regulation 6 based on the one-third of the elected directors works out to be 2.67. The Company, currently, has two (2) Independent Directors on its Board duly elected by the shareholders in terms of Section 166 of the Act, who possess requisite competencies, skills, knowledge, and experience to hold office as independent directors, therefore, does not warrant the appointment of a third independent director.

By order of the Board



Syed Babar Ali
Chairman
Lahore: March 21, 2023



Tahir Masaud
Chief Executive Officer
Lahore: March 21, 2023

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



A.F. FERGUSON & Co.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IGI Holdings Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of IGI Holdings Limited (the Company) for the year ended December 31, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2022.

A.F. Ferguson & Co.
 A. F. Ferguson & Co.
 Chartered Accountants
 Karachi
 Date: April 5, 2023
 UDIN: CR202210061zyTIRDG6J

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

• KARACHI • LAHORE • ISLAMABAD

Unconsolidated Financial Statements





INDEPENDENT AUDITOR'S REPORT

To the members of IGI Holdings Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **IGI Holdings Limited** (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2022, and the unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following is the Key Audit Matter:

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

A.F.C.O.

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

KARACHI • LAHORE • ISLAMABAD



S.No.	Key Audit Matter	How the matter was addressed in our audit
	recorded an impairment loss of Rs. 164.389 million in the current year. In determining the recoverable amount, the management has used certain key assumptions. Key assumptions include trading volumes handled by IGI Finex Securities Limited, average commission rate, growth in trading volumes, cost to income ratios, returns on funds deployed, discount rate, terminal growth rate etc. A significant change in the assumptions used may impact the value of investment. The determination of recoverable amount of investment in IGI Finex Securities Limited remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations, we considered the area of assessment of recoverable amount of investment as a key audit matter.	<ul style="list-style-type: none"> Involved our valuation specialists to assist us in performing our audit procedures in this area. Assessed whether the impairment testing process is appropriately designed and captured the relevant valuation inputs. Tested the completeness and accuracy of the data used in the valuation model. Assessed the reasonableness of the key assumptions used by the management such as trading volumes handled by IGI Finex Securities Limited, average commission rate, growth in trading volumes, cost to income ratios, returns on funds deployed, discount rate, terminal growth rate etc. Checked that the disclosures relating to the assessment of recoverable amount of investment in IGI Finex Securities Limited were in accordance with the applicable financial reporting framework.

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

A.F.C.O.



that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

AHCG



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

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: April 5, 2023
UDIN: AR202210061aut79G8Ms

Unconsolidated Statement of Financial Position

As at December 31, 2022

ASSETS

Non-current assets

Note	2022	2021
	(Rupees in '000)	
Fixed assets		
- Property and equipment	4 514	902
- Intangible asset	5 -	-
Investments - net	6 15,696,545	15,860,122
Long-term deposits	1,838	1,801
Deferred taxation - net	7 2,624	17,551
	15,701,521	15,880,376

Current assets

Loans and advances	8 10,200	8,900
Deposits and prepayments	7,374	7,438
Other receivables	9 246,703	246,703
Taxation recoverable	42,140	45,353
Bank balances	10 33,876	85,773
	340,293	394,167
TOTAL ASSETS	16,041,814	16,274,543

EQUITY AND LIABILITIES

Share capital and reserves

Authorised share capital

200,000,000 ordinary shares of Rs. 10 each
(2021: 200,000,000 ordinary shares of Rs. 10 each)

Issued, subscribed and paid up share capital	11 1,426,305	1,426,305
Reserves	7,764,863	7,764,863
Deficit on remeasurement of financial assets at fair value through other comprehensive income - net of tax	(9,365)	(12,028)
Unappropriated profit	5,329,792	5,202,469
Total equity	14,511,595	14,381,609

Non-current liabilities

Long term loan - secured	12 -	-
--------------------------	------	---

Current liabilities

Short term loan	13 1,112,024	1,324,965
Current portion of long term loan - secured	12 -	300,000
Unclaimed dividend	29,731	25,900
Trade and other payables	14 388,464	242,069
	1,530,219	1,892,934
Total liabilities	1,530,219	1,892,934

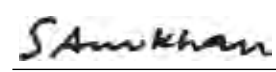
TOTAL EQUITY AND LIABILITIES

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Profit or Loss

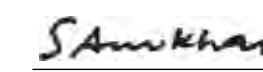
For The Year Ended December 31, 2022

Note	2022	2021
	(Rupees in '000)	
Dividend income	16 1,380,790	1,260,000
Other income	17 5,612	1,638
Total income	1,386,402	1,261,638
General and administrative expenses	18 (101,804)	(73,908)
Finance costs	19 (194,944)	(131,745)
Total expenses	(296,748)	(205,653)
	1,089,654	1,055,985
(Charge) / reversal of provision against investments - net	6.1.1 (164,389)	14,659
Recoveries against bad and doubtful loans and advances / lease losses - net	7,300	28,168
Profit before taxation	932,565	1,098,812
Taxation - net	20 (20,773)	(8,636)
Profit after taxation	911,792	1,090,176
	(Rupees)	
Earnings per share - basic and diluted	21 6.39	7.64

The annexed notes from 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

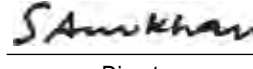
For The Year Ended December 31, 2022

Note	2022	2021
	(Rupees in '000)	
Profit after taxation	911,792	1,090,176
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified to the unconsolidated statement of profit or loss		
Surplus / (deficit) on remeasurement of financial assets at fair value through other comprehensive income	812	(1,786)
Related deferred tax	1,851	-
	2,663	(1,786)
Total comprehensive income for the year	914,455	1,088,390

The annexed notes from 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Changes in Equity

For The Year Ended December 31, 2022

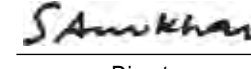
	Issued, subscribed and paid-up share capital	Capital Reserves			Revenue reserves		Total
		Premium on issue of shares	Other capital reserves*	Net deficit on remeasurement of financial assets at fair value through other comprehensive income	General reserve*	Unappropriated profit	
	(Rupees in '000)						
Balance as at January 1, 2021	1,426,305	434,051	33,267	(10,242)	7,297,545	5,110,707	14,291,633
Profit after taxation for the year ended December 31, 2021	-	-	-	-	-	1,090,176	1,090,176
Other comprehensive loss for the year	-	-	-	(1,786)	-	-	(1,786)
Total comprehensive income for the year ended December 31, 2021	-	-	-	(1,786)	-	1,090,176	1,088,390
Transactions with owners directly recorded in equity							
Final dividend for the year ended December 31, 2020 - Rs. 5 per share approved on April 29, 2021	-	-	-	-	-	(713,153)	(713,153)
Interim dividend for the year ended December 31, 2021 - Rs. 2 per share approved on August 25, 2021	-	-	-	-	-	(285,261)	(285,261)
	-	-	-	-	-	(998,414)	(998,414)
Balance as at December 31, 2021	1,426,305	434,051	33,267	(12,028)	7,297,545	5,202,469	14,381,609
Balance as at January 1, 2022	1,426,305	434,051	33,267	(12,028)	7,297,545	5,202,469	14,381,609
Profit after taxation for the year ended December 31, 2022	-	-	-	-	-	911,792	911,792
Other comprehensive income for the year	-	-	-	2,663	-	-	2,663
Total comprehensive income for the year ended December 31, 2022	-	-	-	2,663	-	911,792	914,455
Transactions with owners directly recorded in equity							
Final dividend for the year ended December 31, 2021 - Rs. 3.5 per share approved on April 29, 2022	-	-	-	-	-	(499,208)	(499,208)
Interim dividend for the year ended December 31, 2022 - Rs. 2 per share approved on August 25, 2022	-	-	-	-	-	(285,261)	(285,261)
	-	-	-	-	-	(784,469)	(784,469)
Balance as at December 31, 2022	1,426,305	434,051	33,267	(9,365)	7,297,545	5,329,792	14,511,595

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

The annexed notes from 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Cash Flows

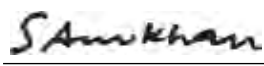
For The Year Ended December 31, 2022

	Note	2022	2021
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		932,565	1,098,812
Adjustments for:			
Depreciation	4	38	45
Finance costs	19	194,944	131,745
Gain on disposal of property and equipment	17	(1,165)	-
Charge / (reversal) of provision against investments - net	6.1.1	164,389	(14,659)
Recovery against bad and doubtful loans and advances / lease losses - net		(7,300)	(28,168)
Profit on savings accounts and term finance certificates	17	(4,447)	(1,638)
Dividend income	16	(1,380,790)	(1,260,000)
		(1,034,331)	(1,172,675)
Changes in working capital		(101,766)	(73,863)
Increase in current assets			
Long term deposits, deposits, prepayments and other receivables		(1,273)	(35,600)
Increase / (decrease) in current liabilities			
Trade and other payables other than certificate of deposits		115,269	31
		12,230	(109,432)
Net recovery from long term loans and advances		7,300	28,168
Tax paid - net		(782)	(3,730)
Net cash generated from / (used in) operating activities		18,748	(84,994)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property and equipment		1,515	-
Dividend received		1,380,790	1,410,000
Profit / return received		4,447	1,638
Net cash generated from investing activities		1,386,752	1,411,638
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(780,638)	(1,001,263)
Loan repayments		(300,000)	(300,000)
Financial charges paid		(163,818)	(139,259)
Net cash used in financing activities		(1,244,456)	(1,440,522)
Net increase / (decrease) in cash and cash equivalents		161,044	(113,878)
Cash and cash equivalents at beginning of the year		(1,239,192)	(1,125,314)
Cash and cash equivalents at end of the year	10.2	(1,078,148)	(1,239,192)

The annexed notes from 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2022

1 STATUS AND NATURE OF BUSINESS

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been detailed in these unconsolidated financial statements.

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

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

2.4 Basis of measurement

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

Notes to and Forming Part of the Unconsolidated Financial Statements

2.5 Functional and presentation currency

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

2.6 Critical accounting estimates and judgments

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

- i) Classification, valuation and impairment of investments (notes 3.5 and 6);
- ii) Impairment of non-financial assets (notes 3.17 and 6.1.1);
- iii) Provision for taxation and deferred tax (notes 3.13, 7 and 20); and
- iv) Contingencies (notes 3.16 and 15).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Business combination

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

3.2 Goodwill

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

For The Year Ended December 31, 2022

3.3 Fixed assets

3.3.1 Property and equipment

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

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

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

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

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

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

3.3.2 Intangible assets

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

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

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

3.4 Investments

3.4.1 Investment in associates

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

Notes to and Forming Part of the Unconsolidated Financial Statements

3.4.2 Investment in subsidiaries

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

3.5 Financial instruments

3.5.1 Financial assets

3.5.1.1 Classification and subsequent measurement

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

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

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

(i) Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

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

a) At amortised cost

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

b) Fair value through other comprehensive income (FVOCI)

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

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured

For The Year Ended December 31, 2022

at fair value through profit or loss and is not part of a hedging relationship is recognised in the unconsolidated profit or loss in the period in which it arises.

(ii) Equity instruments

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

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

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

- (a) the carrying amount (measured at the date of derecognition) and;
- (b) the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the unconsolidated profit or loss.

3.5.1.2 Impairment

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

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

3.5.1.3 Derecognition

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

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

3.5.1.4 Regular way contracts

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

Notes to and Forming Part of the Unconsolidated Financial Statements

3.5.2 Initial recognition

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

3.5.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

3.5.3.1 Derecognition

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

3.5.4 Offsetting of financial assets and liabilities

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

3.6 Cash and cash equivalents

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

3.7 Foreign currency transactions and translations

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

3.8 Share capital

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

3.9 Borrowings

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

3.10 Provisions

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

For The Year Ended December 31, 2022

3.11 Taxation

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

Current

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

Deferred

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

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

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

3.12 Dividends and appropriations to reserves

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

3.13 Earnings per share (EPS)

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

3.14 Contingent liabilities

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

Notes to and Forming Part of the Unconsolidated Financial Statements

3.15 Impairment of non-financial assets

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

4 PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer equipment	Leasehold improvements	Motor vehicle owned	Total
(Rupees in '000)						
As at January 1, 2021						
Cost	3,091	3,420	4,314	9,377	4,311	24,513
Accumulated depreciation	(3,084)	(3,420)	(4,298)	(9,311)	(3,453)	(23,566)
Net book value	7	-	16	66	858	947
Year ended December 31, 2021						
Opening net book value	7	-	16	66	858	947
Disposals						
- Cost	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-
Depreciation charge for the year	(3)	-	(4)	(35)	(3)	(45)
Closing net book value	4	-	12	31	855	902
As at December 31, 2021						
Cost	3,091	3,420	4,314	9,377	4,311	24,513
Accumulated depreciation	(3,087)	(3,420)	(4,302)	(9,346)	(3,456)	(23,611)
Net book value	4	-	12	31	855	902
Year ended December 31, 2022						
Cost	3,091	3,420	4,314	9,377	4,311	24,513
Accumulated depreciation	(3,087)	(3,420)	(4,302)	(9,346)	(3,456)	(23,611)
Opening net book value	4	-	12	31	855	902
Disposals						
- Cost	-	-	-	-	1,750	1,750
- Accumulated depreciation	-	-	-	-	(1,400)	(1,400)
	-	-	-	-	350	350
Depreciation charge for the year	(3)	-	(4)	(31)	-	(38)
Closing net book value	1	-	8	-	505	514
As at December 31, 2022						
Cost	3,091	3,420	4,314	9,377	2,561	22,763
Accumulated depreciation	(3,090)	(3,420)	(4,306)	(9,377)	(2,056)	(22,249)
Net book value	1	-	8	-	505	514
Depreciation rate % per annum - 2022	10%	20%	20%	10%	20%	
Depreciation rate % per annum - 2021	10%	20%	20%	10%	20%	

4.1 The cost and accumulated depreciation of fully depreciated property and equipment still in use at the end of the year amounts to Rs. 22.258 million (2021: Rs. 23.658 million).

For The Year Ended December 31, 2022

5 INTANGIBLE ASSET

Note	2022	2021
	(Rupees in '000)	
Cost	4	4
Accumulated amortisation	(4)	(4)
Written down value	-	-
Additions during the year	-	-
Disposals during the year	-	-
Cost	-	-
Accumulated amortisation	-	-
Depreciation charge during the year	-	-
Written down value - closing	-	-
Cost	4	4
Accumulated amortisation	(4)	(4)
Written down value	-	-

5.1 Cost and accumulated amortisation of fully amortised intangible asset still in use at the end of the year amounts to Rs. 0.004 million (2021: Rs. 0.004 million).

6 INVESTMENTS - NET

Note	2022	2021
	(Rupees in '000)	
Investments in subsidiaries	15,688,023	15,852,412
Equity instruments		
- Financial assets at 'fair value through other comprehensive income'	8,522	7,710
Debt instruments - term finance certificates		
- Financial assets at 'fair value through other comprehensive income'	-	-
	15,696,545	15,860,122

6.1 Investments in subsidiaries

	2022			2021				
	Number of shares	Cost	Impairment (note 6.1.1)	Carrying Amount	Number of shares	Cost	Impairment (note 6.1.1)	Carrying Amount
	(Rupees in '000)			(Rupees in '000)				
Quoted								
IGI Life Insurance Limited (notes 6.1.2 and 6.1.3)	141,048,278	1,690,854	-	1,690,854	141,048,278	1,690,854	-	1,690,854
Unquoted								
IGI Finex Securities Limited (notes 6.1.4 and 6.1.5)	52,000,000	441,883	(245,193)	196,690	52,000,000	441,883	(80,804)	361,079
IGI General Insurance Limited (note 6.1.6)	191,838,400	1,918,384	-	1,918,384	191,838,400	1,918,384	-	1,918,384
IGI Investments (Pvt.) Limited (note 6.1.7)	118,820,950	11,882,095	-	11,882,095	118,820,950	11,882,095	-	11,882,095
Total		15,933,216	(245,193)	15,688,023		15,933,216	(80,804)	15,852,412

Notes to and Forming Part of the Unconsolidated Financial Statements

6.1.1 Movement in impairment

	2022	2021
	(Rupees in '000)	
Opening balance	80,804	95,463
Charge / (reversal) during the year	164,389	(14,659)
Closing balance	245,193	80,804

6.1.2 This represents 82.694% (2021: 82.694%) holding in IGI Life Insurance Limited (IGI Life) having market value of Rs. 9.50 (2021: Rs. 38.10) per share. IGI Life is engaged in life insurance, carrying on both participating and non-participating business. IGI Life is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator. The Company assessed the recoverable amount of investment in IGI Life based on value-in-use calculation. Based on the valuation, the recoverable amount exceeds the carrying amount and accordingly, no impairment has been recognised in respect of IGI Life for the year ended December 31, 2022 (2021: Nil).

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

6.1.4 This represents 100% (2021: 100%) holding in IGI Finex Securities Limited (IGI Finex) having break - up value of Rs. 6.37 (2021: Rs. 6.30) per share on the basis of the audited financial statements for the year ended December 31, 2022. The principal activities of this Company include shares and commodities brokerage, money market and foreign exchange brokerage and advisory and consulting services.

6.1.5 The management on an ongoing basis assesses the future profitability / recoverable amount of the Company's investment in IGI Finex. As a result of this exercise, the management had recognised a charge of impairment amounting to Rs. 164.389 million against the Company's investment in IGI Finex for the year ended December 31, 2022. In determining the recoverable amount, the management has used certain key assumptions regarding the future business, economic and market conditions. Key assumptions include market share of IGI Finex Securities Limited, average commission rate, growth in market volumes, cost to income ratios, returns on funds deployed, timing of write-offs, discount rate, terminal growth rate etc. A significant change in the assumptions used may impact the value of investment. The growth rates and margins used to estimate the future profitability are based on past performance, market trends and the management experience of growth rates and margins achievable. The management believes that the assumptions used in estimating the future profitability are consistent with past performance and trends. The discount rates and growth rates used in the valuation and impairment exercise are as follows:

	2022	2021
Discount rate	23.5%	23.0%
Terminal growth rate	10.5%	10.5%

For The Year Ended December 31, 2022

6.1.6 This represents 100% (2021: 100%) holding in IGI General Insurance Limited (IGI General) having break - up value of Rs 15.39 (2021: Rs 15.17) per share on the basis of the audited financial statements for the year ended December 31, 2022. The Company incorporated a wholly owned subsidiary namely IGI General Insurance Limited on November 18, 2016. The objective of IGI General is to carry on general insurance business (excluding life insurance) and General Takaful (Islamic Insurance) as Window Takaful Operator.

6.1.7 This represents 100% (2021: 100%) holding in IGI Investments (Pvt.) Ltd (IGI Investments) having break - up value of Rs 333.55 (2021: Rs 320.70) per share on the basis of the audited financial statements for the year ended December 31, 2022. The Company incorporated a wholly owned subsidiary namely IGI Investments (Pvt.) Limited on October 31, 2016. The objective of IGI Investments is to act as an investment holding Company and to invest, acquire, sell and hold investments.

6.2 Equity instruments

	Financial assets at fair value through other comprehensive income				Financial assets at fair value through other comprehensive income			
	2022				2021			
	Number of shares	Cost	Deficit on remeasurement	Market value	Number of shares	Cost	Deficit on remeasurement	Market value
	(Rupees in '000)				(Rupees in '000)			
Quoted								
AgriTech Limited	1,352,992	17,156	(11,216)	5,940	1,352,992	17,156	(12,028)	5,128
Unquoted								
DHA Cogen Limited	7,600,000	-	-	-	7,600,000	-	-	-
Techlogix International Limited (note 6.2.1)	1,067,152	2,582	-	2,582	1,067,152	2,582	-	2,582
		2,582	-	2,582		2,582	-	2,582
		19,738	(11,216)	8,522		19,738	(12,028)	7,710

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

6.3 Debt instruments - term finance certificates

Number of certificates		Particulars	Issue date	Note	2022	2021
2022	2021				(Rupees in '000)	
		Listed term finance certificates				
5,000	5,000	Azgard Nine Limited II	September 20, 2005	6.3.2	-	-
		Unlisted term finance certificates				
4,000	4,000	AgriTech Limited I	November 30, 2007	6.3.2	-	-
861	861	AgriTech Limited IV	July 01, 2011	6.3.2	-	-
13,000	13,000	Azgard Nine Limited IV	December 04, 2007	6.3.2	-	-
10,000	10,000	Eden Housing Limited	December 31, 2007	6.3.2	-	-
10,000	10,000	New Allied Electronics Industries (Private) Limited	December 03, 2007	6.3.2	-	-
					-	-
		Less: provision for impairment			-	-
					-	-

Notes to and Forming Part of the Unconsolidated Financial Statements

6.3.1 These term finance certificates have been fully impaired and written off.

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

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

7 DEFERRED TAXATION - NET

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

- Accelerated tax depreciation
- Impairment of investment in IGI Finex Securities Limited
- Deficit on remeasurement of financial assets at fair value

Note	2022	2021
	(Rupees in '000)	
	(2)	(24)
	775	17,575
	1,851	-
	<u>2,624</u>	<u>17,551</u>

8 LOANS AND ADVANCES

Considered good

Loans and advances
Others

Note	2022	2021
8.1	10,200	8,900
8.2	-	-
	<u>10,200</u>	<u>8,900</u>

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

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

For The Year Ended December 31, 2022

9 OTHER RECEIVABLES

Note	2022	2021
	(Rupees in '000)	
Net investment in finance lease - considered good	207,031	207,031
Withholding tax on bonus shares	6,530	6,530
Others	33,142	33,142
	<u>246,703</u>	<u>246,703</u>

9.1 This balance represents outstanding amount of old lease portfolio acquired by the Company as part of amalgamation of Ex. IGI Investment Bank Limited w.e.f December 31, 2016 that has been retained by the Company as part of scheme of arrangement and carried at fair value at the time of acquisition against which an equivalent amount of security deposit are payable. This also includes fair value of collaterals amounting to Rs. 14.590 million (2021: Rs 14.590 million) and residual values relating to net investment in finance lease.

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

9.3 This represents 50% of the amount paid by the Company to revenue authority in relation to the levy of super tax under the Income Tax Ordinance, 2001 for the tax years 2017 and 2018 (as more fully explained in note 15 to these unconsolidated financial statements). The matter is already pending adjudication in the Honorable Supreme Court of Pakistan and the management, based on an advice from the legal advisors, is confident of a favorable outcome of the proceedings.

10 BANK BALANCES

Note	2022	2021
	(Rupees in '000)	
Cash at bank		
Savings accounts	27,269	84,422
Current accounts	6,607	1,351
	<u>33,876</u>	<u>85,773</u>

10.1 These savings accounts carry mark-up at 13.5% (2021: 7.5%) per annum.

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

Note	2022	2021
	(Rupees in '000)	
Bank balances	33,876	85,773
Short term loan	(1,112,024)	(1,324,965)
	<u>(1,078,148)</u>	<u>(1,239,192)</u>

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	2022	2021		2022	2021
	(Number of shares)			(Rupees in '000)	
1,942,187	1,942,187	Ordinary shares of Rs. 10 each issued as fully paid in cash	19,422	19,422	
139,351,330	139,351,330	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	1,393,513	1,393,513	
1,337,033	1,337,033	Issued for consideration other than cash under scheme of amalgamation	13,370	13,370	
<u>142,630,550</u>	<u>142,630,550</u>		<u>1,426,305</u>	<u>1,426,305</u>	

Notes to and Forming Part of the Unconsolidated Financial Statements

11.1 All ordinary shares carry equal voting and dividend rights.

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

	2022	2021
	(Number of shares)	
At beginning of the year	142,630,550	142,630,550
Issuance of shares during the year	-	-
Redemption of shares during the year	-	-
At end of the year	142,630,550	142,630,550

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

	Basis of relationship	2022	2021
		(Percentage of shareholding)	
Babar Ali Foundation	Associate	10.89%	10.89%
Industrial Technical and Educational Institute Packages Limited	Associate	16.81%	16.81%
Syed Hyder Ali	Director	6.20%	6.14%
Syed Shahid Ali	Director	1.08%	1.08%
Syed Yawar Ali	Director	1.01%	1.01%
Syed Babar Ali	Director	18.96%	18.96%

12 LONG TERM LOAN - SECURED

Secured

	Note	2022	2021
		(Rupees in '000)	
Long term loan	12.1	-	300,000
Less: current portion of long term loan		-	(300,000)
		-	-

12.1 The Company obtained a long term loan amounting to Rs. 1,500 million (2021: Rs. 1,500 million) from Habib Bank Limited during 2017 for the purpose of injecting equity in its subsidiary IGI General. The loan carries mark-up rate at 6 months KIBOR + 0.03% per annum (2021: 6 month KIBOR + 0.03% per annum). Principal repayment is to be made in 10 equal semi-annual instalments starting from the 6th month after the disbursement and subsequently, every six months thereafter. During the current year, the loan has been fully repaid. The facility was secured against pledge of shares held by IGI Investments, a subsidiary of the Company, against a commission which has been disclosed in note 18.3.

13 SHORT TERM LOAN

This represents short term credit facility available from Habib Bank Limited under a mark-up arrangement amounting to Rs. 1,500 million. An unutilised amount as at December 31, 2022 amounts to Rs. 387.976 million (2021: Rs. 175.035 million). The rate of mark-up on this facility is 1-month KIBOR + 0.25% per annum (2021: 1-month KIBOR + 0.25% per annum). The facility is secured against pledge of shares held by its wholly owned subsidiary IGI Investments against a commission which has been disclosed in note 18.3.

14 TRADE AND OTHER PAYABLES

	Note	2022	2021
		(Rupees in '000)	
Certificates of deposit	14.1	594	594
Security deposits under lease contracts	14.2	192,441	192,441
Accrued expenses		32,270	17,411
Accrued interest		47,830	13,351
Payable to related parties	14.3	102,917	-
Others		12,412	18,272
		388,464	242,069

For The Year Ended December 31, 2022

14.1 This represents certificates of deposit acquired by the Company as part of the amalgamation of Ex. IGI Investment Bank Limited (the Investment Bank) with and into IGI Insurance Limited as at December 31, 2016 that has been retained by the Company as part of the Scheme of Arrangement. The outstanding amount relates to two depositors with aggregate deposits amounting to Rs 0.594 million (2021: Rs. 0.594 million) as they are untraceable. These certificates of deposits have already matured and mark-up payable on these till maturity is Rs. 0.034 million (2021: Rs. 0.034 million). In order to secure the amount for repayment of such deposits till the time parties are traced or lien matter is settled, the Company has placed this amount in a money market fund of NBP Fund Management Limited with authority to Central Depository Company (CDC) to operate the said account on its behalf and to pay the depositors as and when traced in accordance with the directions of the Securities and Exchange Commission of Pakistan (SECP).

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

14.3 This represents payable to IGI Investments (Pvt.) Limited and IGI General Insurance Limited amounting to Rs 73.271 million and 29.646 million respectively in respect of Super Tax as disclosed in note 15.7 to the unconsolidated financial statements.

15 CONTINGENCIES AND COMMITMENTS

The contingencies disclosed in note 15.1, 15.2 and 15.3 were acquired by the Company as part of the amalgamation of Ex. IGI Investment Bank Limited (Investment Bank) with effect from December 31, 2016 that has been retained by the Company as part of the scheme of arrangement.

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

Matters that are being contested mainly include the following:

- The rate of tax applied in computing the tax liability of the Investment Bank was the one applicable to a banking company instead of the rate applicable for a public company (Assessment years 1991-92 to 2000-01). The Lahore High Court vide orders in CTR No.04 of 2005 and CTR No. 02 of 2008 for the assessment years 1993-1994 to 1997-98 had decided this issue in favour of the Company by rejecting the reference application filed by the tax department.
- The tax payer company is a non banking finance company in accordance with the provisions of section 2(10) of Income Tax Ordinance, 1979 read with Section 5(b) & 5(c) of the Banking Companies Ordinance, 1962. In light of said provisions the taxpayer company is an investment finance company, so its dividend income should be taxed as a separate block of income at the reduced rate. The above mentioned issue is decided in favour of the taxpayer Company by the Lahore High Court, Lahore vide orders in CTR No.04 of 2005 and CTR No. 02 of 2008 for the assessment years 1993-1994 to 1997-98.
- An addition on account of accounting depreciation as a result of restricting the claim of accounting depreciation upto net income from leased assets (Tax year 2003). The Appellate Tribunal Inland Revenue, Lahore (ATIR) vide order No. ITA No. 1074/LB/2008 dated November 07, 2018 decided the appeal on the said point in favour of the Investment Bank.
- Disallowance of certain expenses and additions to taxable income on account of lease key money, lease rentals, excess perquisites and miscellaneous expenses relating to various assessment years (assessment years 1995-96 to 2000-01).

Notes to and Forming Part of the Unconsolidated Financial Statements

- (e) Charging minimum tax under section 113 of the Ordinance without allowing adjustment of tax paid under final tax regime (Tax years 2008 and 2010). The ATIR vide consolidated order No. ITA No. 1716/LB/2013 & ITA No. 1717/LB/2013 dated January 09, 2019 decided the appeals on the said point in favour of the Investment Bank.
- (f) Disallowance of initial depreciation on leased commercial vehicles (tax years 2004, 2005, 2006 and 2007). For Tax years 2004 & 2005, the ATIR vide orders No. ITA No. MA(AG) No. 48/LB/2019 / ITA No. 1581/LB/2011 and ITA No. 1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being time barred. For tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for read judicating.
- (g) Addition as a result of proration of expenses between exempt income (capital gains), dividend income and business income (assessment / tax years 2003, 2004, 2005, 2006 and 2007). For assessment year 2002-03, appeal is pending before ATIR. For Tax years 2004 & 2005, the ATIR vide orders No. ITA No. MA(AG) No. 48/LB/2019 / ITA No. 1581/LB/2011 and ITA No. 1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being time barred. For Tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for read judicating.
- (h) Addition on account of allocation of finance cost to brokerage and commission income amounting to Rs.18.445 million (Tax Year 2009).
- (i) Addition on account of specific provisions of Rs. 117.639 million (Tax Year 2009).

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

- 15.2** A suit had been filed against the Investment Bank before the High Court of Sindh (the Court) for declaration, damages for Rs. 81.570 million and recovery of Rs. 1 million along with interest & mark-up in connection with the transaction of asset backed securitisation between the parties. Issues had been framed for determination by the Court and the matter is at the stage of the evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of the Company.
- 15.3** A suit had been filed against the Investment Bank impleaded as defendant No. 6 before the High Court of Sindh for declaration, permanent injunctions, specific performance, settlement and / or rendition of accounts and / or cancellation of cheques and damages of Rs.100 million. The Investment Bank arranged lease finance for buses which were given on lease to a customer. The Court granted leave to defend the suit to all the defendants and the matter is at the stage of evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of the Company.
- 15.4** Income tax return for the tax year 2017 was filed by the Company that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. The Company, during year ended December 31, 2018, received a notice from the Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001.

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

For The Year Ended December 31, 2022

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

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

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

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

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

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

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

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

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

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

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

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

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

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

- 15.7** During the year, a constitution petition was filed by the Company along with other companies before the Honourable High Court of Sindh against the levy of super tax under section 4C of the Ordinance on the grounds that the retrospective application of section 4C violates the vested rights accrued in past and closed transactions. The Honourable High Court disposed off petition in favor of petitioners and has held that the super tax under section 4C of the Income Tax Ordinance, 2001 shall be applicable from the tax year 2023. SHC directed companies to submit cheques/guarantees in favor

For The Year Ended December 31, 2022

of SHC. Accordingly, the Company submitted a cheque of Rs. 103.104 million as Super Tax levy on the basis of prior year taxable income.

Subsequent to the year end, the Federal Board of Revenue has filed an appeal in the Supreme Court of Pakistan against the order passed by the Sindh High Court which is pending adjudication. The Supreme Court in its interim order, directed companies to submit Super Tax liability for Tax Year 2022.

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

- 15.8** There are no material commitments as at December 31, 2022 and December 31, 2021.

16	DIVIDEND INCOME	Note	2022	2021
			(Rupees in '000)	
	Subsidiary Companies			
	- IGI General Insurance Limited		280,000	360,000
	- IGI Investments (Pvt.) Limited		1,100,000	900,000
	Others			
	Techlogix International Limited		790	-
			<u>1,380,790</u>	<u>1,260,000</u>
17	OTHER INCOME			
	From financial assets			
	Profit on saving accounts		2,423	1,638
	Income from term finance certificates		2,024	-
			<u>4,447</u>	<u>1,638</u>
	From non - financial assets			
	Gain on disposal of property and equipment		1,165	-
			<u>5,612</u>	<u>1,638</u>
18	GENERAL AND ADMINISTRATIVE EXPENSES			
	Salaries, allowances and benefits		43,938	32,503
	Depreciation and amortisation	4	38	45
	Auditors' remuneration	18.2	24,993	10,143
	Rent, rates and taxes		1,139	1,028
	Travelling expenses		320	59
	Telephone, lighting, telex and fax		244	234
	Printing, postage and stationery		1,574	925
	Insurance		1,798	1,416
	IT related expenses		647	582
	Commission on pledged shares	18.3	5,709	6,804
	Legal and professional fees		11,505	15,024
	Subscriptions		5,963	4,917
	Advertisement		3,894	125
	Other expenses		42	103
			<u>101,804</u>	<u>73,908</u>

- 18.1** Certain common expenses (including salaries, allowances and other benefits, staff training, rentals, utilities, repair and maintenance and IT related expenses) are charged to the Company, which are shown under respective administrative and operating expenses accounts, in accordance with the Group Shared Services (GSS) Cost Allocation Review Memorandum, between the Company and the Group companies. During the year, an amount of Rs. 42.574 million (2021: Rs. 35.514 million) was charged in respect of common expenses.

Notes to and Forming Part of the Unconsolidated Financial Statements

18.2 Auditors' remuneration

	2022	2021
	(Rupees in '000)	
Fee for statutory audit	1,075	935
Fee for interim review	424	385
Fee for the audit of the consolidated financial statements	1,392	1,210
Special certifications and sundry services	20,351	6,516
Out of pocket expenses	1,751	1,097
	<u>24,993</u>	<u>10,143</u>

18.3 This represents commission paid to IGI Investments at the rate of 0.2% of the market value of pledged shares which have been kept in order to obtain long and short term loan as disclosed in notes 12 and 13 respectively.

19 FINANCE COSTS

	2022	2021
	(Rupees in '000)	
Mark-up on long term loan	25,138	39,166
Mark-up on short term loan	169,777	92,562
Bank charges	29	17
	<u>194,944</u>	<u>131,745</u>

20 TAXATION

For the year		
- Current tax	265,704	195,611
- Prior year	1,498	-
- Group tax adjustment	(263,206)	(190,510)
	<u>3,995</u>	<u>5,101</u>
- Deferred tax	16,778	3,535
	<u>20,773</u>	<u>8,636</u>

20.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate for the year ended December 31, 2022 is as follows.

	2022 (Effective tax rate) (%)	2022 (Rupees in '000)	2021 (Effective tax rate) (%)	2021 (Rupees in '000)
Profit before tax		932,565		1,098,812
Tax calculation at the rate of 29%	29.00	270,444	29.00	318,655
Effect of items taxable under lower rates	(20.73)	(193,311)	(16.05)	(176,400)
Effect of group taxation	(28.22)	(263,206)	(17.34)	(190,510)
Effect of permanent differences	9.14	85,260	5.24	57,606
Effect of super tax	5.97	55,638	-	-
Prior year tax	0.16	1,498	-	-
Effect of rate change	6.91	64,449	(0.07)	(715)
	<u>2.23</u>	<u>20,773</u>	<u>0.78</u>	<u>8,636</u>

21 EARNINGS PER SHARE

Basic / diluted earnings per share

	2022	2021
	(Rupees in '000)	
Profit for the year	911,792	1,090,176
	Number of shares	
Weighted average number of ordinary shares	142,630,550	142,630,550
	Rupees	
Earnings per share	6.39	7.64

For The Year Ended December 31, 2022

22 REMUNERATION OF DIRECTORS

	Directors	
	2022	2021
	(Rupees in '000)	
Fee for attending board meeting	4,025	3,800
Number of persons	8	8

23 NUMBER OF EMPLOYEES

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

24 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, associates, related group companies, directors of the Company, key management personnel, major shareholders, post employment benefit plans and other related parties. The Company in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Amounts due to / from and other significant transactions, other than those disclosed else where in these unconsolidated financial statements, are as follows:

	Subsidiaries		Associates		Key management personnel (including directors)		Other related parties	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)							
Transactions								
Commission expense / paid	5,709	6,804	-	-	-	-	-	-
Dividend income	1,380,000	1,260,000	-	-	-	-	-	-
Dividend received	1,380,000	1,410,000	-	-	-	-	-	-
Dividend paid	-	-	82,682	105,231	213,465	271,188	217,311	276,578
Key management personnel compensation	-	-	-	-	4,025	3,800	-	-
Insurance premium paid	38	18	-	-	-	-	-	-
* Expenses incurred under Group								
Shared Services	25,477	20,256	17,050	15,258	-	-	1,272	-
Expenses paid by the Company on behalf of other companies under Group Shared Services	5,910	5,527	-	-	-	-	-	-
Receipts against Group Shared Services	5,910	5,527	-	-	-	-	-	-
Payments against Group Shared Services	24,502	18,048	15,435	16,309	-	-	-	-
Balances								
Investment in shares	15,688,023	15,852,412	-	-	-	-	-	-
Dividend receivable	-	-	-	-	-	-	-	-
Group shared service (receivable) / payable	(1,064)	3,871	1,615	-	-	-	-	-
Payable to related parties	102,917	-	-	-	-	-	-	-

* This includes Rs 16.178 million in respect of remuneration of key management personnel charged to the Company.

Notes to and Forming Part of the Unconsolidated Financial Statements

24.1 Maximum amount payable to IGI General Insurance Limited (subsidiary), IGI Finex Securities Limited (subsidiary) and IGI Life Insurance Limited (subsidiary) at the end of any month during the year was Rs. 11.90 million, Rs. 11.40 million and Rs. 0.141 million (2021: Rs. 5.4 million, Rs. 3.05 million and Rs. 9.9 million) respectively.

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

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

25 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Non-current assets

Investments - net
Long-term deposits

Current assets

Loans and advances
Deposits
Other receivables
Bank balances

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

Financial liabilities

Short term loan
Unclaimed dividend
Trade and other payables

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

For The Year Ended December 31, 2022

Financial assets

Non-current assets

Investments
Long-term deposits

Current assets

Loans and advances
Deposits
Other receivables
Bank balances

2021		
At amortised cost	At fair value through other comprehensive income	Total
(Rupees in '000)		
-	7,710	7,710
1,801	-	1,801
1,801	7,710	9,511
8,900	-	8,900
3,159	-	3,159
207,031	-	207,031
85,773	-	85,773
304,863	-	304,863
306,664	7,710	314,374

Financial liabilities

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

2021	
At amortised cost	Total
(Rupees in '000)	
300,000	300,000
1,324,965	1,324,965
25,900	25,900
242,069	242,069
1,892,934	1,892,934

26 RISK MANAGEMENT

Risk management framework

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

26.1 Financial risk

(i) Market risk

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

(a) Interest rate risk

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

Notes to and Forming Part of the Unconsolidated Financial Statements

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

2022							
Interest Rates	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)							
Financial assets							
Investments	-	-	-	-	8,522	8,522	8,522
Long term deposits	-	-	-	-	1,838	1,838	1,838
Loans and advances	-	-	-	10,200	-	10,200	10,200
Deposits	-	-	-	3,159	-	3,159	3,159
Other receivables	-	-	-	207,031	-	207,031	207,031
Bank balances	13.50%	27,269	-	27,269	6,607	-	6,607
		27,269	-	27,269	226,997	10,360	237,357
Financial liabilities							
Short term loan	16.86%	1,112,024	-	1,112,024	-	-	1,112,024
Unclaimed dividend		-	-	-	29,731	-	29,731
Trade and other payables		-	-	-	388,464	-	388,464
		1,112,024	-	1,112,024	418,195	-	418,195
		(1,084,755)	-	(1,084,755)	(191,198)	10,360	(180,838)
							1,530,219
							(1,265,593)
2021							
Interest Rates	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)							
Financial assets							
Investments	-	-	-	-	7,710	7,710	7,710
Long term deposits	-	-	-	-	1,801	1,801	1,801
Loans and advances	-	-	-	8,900	-	8,900	8,900
Deposits	-	-	-	3,159	-	3,159	3,159
Other receivables	-	-	-	207,031	-	207,031	207,031
Bank balances	7.50%	84,422	-	84,422	1,351	-	1,351
		84,422	-	84,422	220,441	9,511	229,952
Financial liabilities							
Current portion of long term loan	11.37%	300,000	-	300,000	-	-	300,000
Short term loan	10.82%	1,324,965	-	1,324,965	-	-	1,324,965
Unclaimed dividend		-	-	-	25,900	-	25,900
Trade and other payables		-	-	-	242,069	-	242,069
		1,624,965	-	1,624,965	267,969	-	267,969
		(1,540,543)	-	(1,540,543)	(47,528)	9,511	(38,017)
							1,892,934
							(1,578,560)

Sensitivity analysis

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in the respective notes. The table below summarises Company's interest rate risk as of December 31, 2022 and December 31, 2021 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

For The Year Ended December 31, 2022

As at December 31, 2022

Cash flow sensitivity - variable rate financial instruments

Impact on unconsolidated statement of profit or loss	
Increase	Decrease
(Rupees in '000)	
10,848	(10,848)

As at December 31, 2021

Cash flow sensitivity - variable rate financial instruments

15,405	(15,405)
--------	----------

(b) Foreign currency risk

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

(c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 5.940 million (2021: Rs. 5.128 million) at the reporting date.

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

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

Sensitivity analysis

The table below summarises the Company's equity price risk as of December 31, 2022 and December 31, 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in the Company's equity investment portfolio because of the nature of equity markets. The impact of hypothetical change would be as follows:

	Fair value (Rupees in '000)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees in '000)	Hypothetical increase / (decrease) in shareholders' equity (Rupees in '000)	Hypothetical increase (decrease) in total comprehensive income (Rupees in '000)
2022	5,940	10% increase 10% decrease	6,534 5,346	594 (594)	594 (594)
2021	5,128	10% increase 10% decrease	5,641 4,615	513 (513)	513 (513)

(ii) Liquidity risk

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

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

	2022			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	(Rupees in '000)			
Short term loan	1,112,024	1,112,024	1,112,024	-
Unclaimed dividend	29,731	29,731	29,731	-
Trade and other payables	388,464	388,464	388,464	-
	1,530,219	1,530,219	1,530,219	-
	2021			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	(Rupees in '000)			
Current portion of long term loan	300,000	300,000	300,000	-
Short term loan	1,324,965	1,324,965	1,324,965	-
Unclaimed dividend	25,900	25,900	25,900	-
Trade and other payables	242,069	242,069	242,069	-
	1,892,934	1,892,934	1,892,934	-

(iii) Credit risk

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

For The Year Ended December 31, 2022

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

	2022	2021
	(Rupees in '000)	
Bank balances	33,876	85,773
Other receivables	207,031	207,031
Long-term deposits	1,838	1,801
Deposits	3,159	3,159
Loans and advances	10,200	8,900

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

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

27 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements
For The Year Ended December 31, 2022

As at December 31, 2022 and December 31, 2021, the Company held the following financial instruments measured at fair values:

	2022		
	Level 1	Level 2	Level 3
Financial assets			
- Investments - at fair value through other comprehensive income	5,940	2,582	-
	(Rupees in '000)		
	2021		
	Level 1	Level 2	Level 3
Financial assets			
- Investments - at fair value through other comprehensive income	5,128	2,582	-
	(Rupees in '000)		

28 GENERAL

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

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

29 DATE OF AUTHORISATION FOR ISSUE

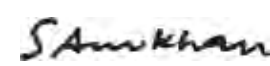
These unconsolidated financial statements were authorised for issue on March 21, 2023 by the Board of Directors of the Company.

30 EVENTS AFTER REPORTING DATE

The Board of Directors has proposed a final dividend for the year ended December 31, 2022 of Rs. 2.25 per share (2021: Rs. 3.5 per share), amounting to Rs 320.919 million (2021: Rs 499.208 million) in its meeting held on March 21, 2023 for the approval of the members at the annual general meeting to be held on April 28, 2023. The unconsolidated financial statements for the year ended December 31, 2022 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2023.


Chief Executive Officer


Chief Financial Officer


Director



Directors' Report to the Shareholders on Consolidated Financial Statements for the year ended December 31, 2022

On behalf of the Board, I am pleased to present the consolidated financial statements of IGI Holdings Limited ("IGI Holdings") and its subsidiaries namely; IGI Life Insurance Limited (IGI Life), IGI General Insurance Limited (IGI General Insurance), IGI Investments (Private) Limited (IGI Investments) and IGI Finex Securities Limited (IGI Finex) ("the Subsidiaries") (collectively referred to as 'the Group') for the year ended December 31, 2022.

GROUP PERFORMANCE REVIEW

	2022	2021
	(Rupees in '000)	
Profit before tax	3,987,013	3,159,450
Taxation	(1,107,562)	(569,741)
Profit after tax	2,879,451	2,589,709
Profit / (loss) attributable to:		
Equity holders of the parent	2,872,177	2,650,135
Attributable to non-controlling interest	7,274	(60,426)
	2,879,451	2,589,709
	(Rupees)	
Earnings per share	20.14	18.58

During the current year, the Group recorded profit after tax of Rs. 2,879 million compared to Rs. 2,590 million earned in 2021 representing growth of 11%.

Other comprehensive gain of Rs. 1,013 million as compared to loss of Rs. 2,750 million during the previous year is due to gain on revaluation of 'Financial assets at fair value through other comprehensive income' portfolio and share of other comprehensive income from associates.

The Group achieved earnings per share of Rs. 20.14 compared to Rs. 18.58 during 2021.

Financial Highlights of the subsidiaries are hereunder:

IGI GENERAL

During the current year, IGI General has written gross premium of Rs. 10,089 million (including Takaful contributions) as compared to Rs. 8,511 million during the previous year. IGI General has incurred net claims of Rs. 2,029 million compared to Rs. 1,497 million during 2021.

As a result, the Company has generated profit after tax of Rs. 468 million as compared to that of Rs. 428 million for the year 2021.

IGI INVESTMENTS

During current year IGI Investments has earned dividend income amounting to Rs. 2,361 million as compared to Rs. 1,825 million during 2021. The Company has earned profit before tax of Rs. 2,147 million as compared to Rs. 1,628 million in previous year and has posted profit after tax of Rs. 1,616 million compared to Rs. 1,351 million during 2021.

IGI FINEX

During the current year, IGI Finex has generated operating income of Rs. 187 million as compared to Rs. 326 million during 2021. The Company has posted a profit after tax of Rs. 13 million compared to Rs. 69 million for the year 2021.

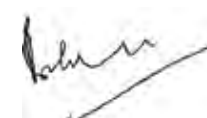
IGI LIFE

During the year, Gross Premium written (including Takaful Contributions) by IGI Life stood at Rs. 6,072 million as compared to Rs. 7,057 million in 2021, the decline is due to realignment of agency business.

IGI Life has recorded profit after tax of Rs. 42 million in 2022 against loss after tax of Rs. 349 million in 2021 (including surplus/deficit of statutory funds).

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

For and on behalf of the Board



Syed Babar Ali
Chairman
Lahore: March 21, 2023



Tahir Masaud
Chief Executive Officer
Lahore: March 21, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of IGI Holdings Limited

Opinion

We have audited the annexed consolidated financial statements of IGI Holdings Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 23.4 to the consolidated financial statements describing the matter related to provincial sales tax liability on premium charged to the policyholders in respect of group health and life insurance. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matters were addressed in our audit
1	Insurance liabilities (Refer notes 4.10 and 17 of the annexed consolidated financial statements)	
	The policyholders' liabilities represent the single largest liability of the Group constituting 48% of the total liabilities at December 31, 2022. The Minimum Valuation Basis for determination of actuarial reserve for the policyholders' liabilities of a life insurance company is specified under Annexure 5 to Rule 23 of the Insurance Rules, 2017. The Annexure describes the valuation	Our audit procedures to assess the determination of actuarial reserve for the policyholders' liabilities, amongst others, included the following: <ul style="list-style-type: none"> Obtained an understanding from the management of the actuarial assumptions and methodologies used for estimating the policyholders' liabilities as at December 31, 2022.

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

KARACHI • LAHORE • ISLAMABAD

Consolidated Financial Statements

S.No.	Key Audit Matters	How the matters were addressed in our audit
	<p>method to be used in determination of the actuarial reserves for the policyholders' liabilities with respect to unit linked, universal life and other segments and certain valuation parameters (such as mortality rates, morbidity rates, valuation rates of interest etc.) to be taken into account</p> <p>The appointed actuary of the Group carries out an investigation as at the end of each year about the financial condition of the life insurance business carried on by the Group, including a valuation of its policyholders' liabilities at December 31, 2022 and issues a report thereon.</p> <p>The determination of the policyholders' liabilities is a significant area of judgment and estimation. Because of the significance of the impacts of these judgments / estimations, we considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> Inquired from the management about the consistency of the method used for calculation of the policyholders' liabilities and assumptions for the valuation parameters at December 31, 2022 to establish whether they had been subject to any arbitrary discontinuities from those used at December 31, 2021. Obtained the report submitted by the appointed actuary expressing his satisfaction over the valuation of the policyholders' liabilities in accordance with Annexure 5 to Rule 23 of the Insurance Rules, 2017 and performed an independent assessment of the assumption and conclusion. Engaged an independent actuarial expert to assess whether the reserving methodology used with respect to all statutory funds maintained by the Group was in line with the Minimum Valuation Basis given in Annexure 5 to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles. Independently verified, on a test basis, the data used by the appointed actuary in the determination of the policyholders' liabilities. Recomputed, on a test basis, the account / cash values of the policyholders at December 31, 2022 by applying the relevant parameters (such as management fee charged, cost of insurance charged, return credited etc.) of the respective products. Recomputed, on a test basis, the element of unearned premium with respect to the policies issued under group health and group life business. Assessed the relevant disclosures made in the consolidated financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.
2	<p>Valuation and impairment of investments (Refer notes 4.15, 4.16, 4.17 and 7 of the annexed consolidated financial statements)</p>	
	<p>The investments of Rs 71,698.594 million as at December 31, 2022 held by the Group constitute the most significant component of total assets of the Group.</p> <p>The proper valuation of the investments portfolio of the Group as at December 31, 2022 was considered a significant area of estimation and therefore, a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Tested the design and operating effectiveness of the key controls for valuation of investments. Checked that investments were valued appropriately in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan. Checked that net unrealised gains / losses arising on the subsequent measurement of investments were appropriately accounted for in the consolidated financial statements. Evaluated the Group's assessment of available-for-sale investments for any additional impairment in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions.

AHeo

S.No.	Key Audit Matters	How the matters were addressed in our audit
		<p>an independent assessment of the assumptions and conclusions.</p> <ul style="list-style-type: none"> Checked the appropriate recognition of related adjustments to insurance liabilities in other comprehensive income where net unrealised gains / losses on available for sale investments were recognised in other comprehensive income. Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2022 and reconciled them with the books and records of the Group. Checked the relevant presentation and disclosures made in the consolidated financial statements to determine whether these comply with the accounting and reporting standards as applicable in Pakistan.
3	<p>Valuation of Incurred But Not Reported (IBNR) claims reserves (Refer notes 4.6.1 and 25 of the annexed consolidated financial statements)</p>	
	<p>As at December 31, 2022, provision for IBNR amounted to Rs 278.570 million.</p> <p>The provision for IBNR claims is calculated by the Group as required under Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). As per the SECP Circular No. 9 of 2016, an insurer shall estimate and maintain the provision for IBNR for each class of business by using the prescribed method which is "Chain Ladder Method" or any other alternate method as allowed under the provisions of the Guidelines.</p> <p>The determination of provision for IBNR claims involves estimation and judgment. Because of the significance of the impact of these judgments / estimations, we considered the area of IBNR as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the design and operating effectiveness of key controls over the measurement and calculation of IBNR reserves and evaluated the appropriateness of the methodologies and the assumptions used. Evaluated the completeness, accuracy and reliability of the underlying data utilised by the management to support the actuarial valuation. Engaged an independent actuarial expert to test the assumptions and assess the reasonableness of the assumptions used therein. Checked the adequacy of IBNR reserves and assessed an internal consistency and a reasonableness of basic actuarial figures with the prior year. Considered whether the disclosures in relation to the valuation of IBNR reserves are compliant with the relevant accounting and reporting standards applicable in Pakistan.

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

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

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

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

AHeo



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

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

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

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

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

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

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

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

AFC



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

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.

Chartered Accountants
Karachi

Dated: April 5, 2023

UDIN: AR202210061x90qyizZM

Consolidated Statement of Financial Position

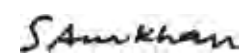
As at December 31, 2022

ASSETS	Note	2022	2021
		(Rupees in '000)	
Non-current assets			
Fixed assets			
- Property and equipment	5	795,237	875,061
- Intangible assets	6	387,187	424,479
Investments	7	64,672,406	62,891,279
Long-term deposits		22,968	23,431
		65,877,798	64,214,250
Current assets			
Insurance / takaful / reinsurance / retakaful receivables	8	4,878,715	2,741,013
Reinsurance recoveries against outstanding claims		4,761,352	1,914,772
Current maturity of investments	7.15	7,279,828	7,459,572
Loans secured against life insurance policies		175,139	178,706
Deferred commission expense		410,286	304,835
Accrued income		298,001	162,935
Deposits, prepayments, loans, advances and other receivables	9	3,137,838	2,914,360
Wakalah fees receivable		169,104	105,426
Taxation recoverable		702,460	764,880
Cash and bank balances	10	1,168,139	1,473,886
Non-current asset held for sale	11	9,110	9,110
		22,989,972	18,029,495
Total assets		88,867,770	82,243,745
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
200,000,000 (2021: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	15	1,426,305	1,426,305
Reserves		36,604,781	35,640,561
Unappropriated profit		12,781,680	10,637,482
Equity attributable to the equity holders of the parent		50,812,766	47,704,348
Non-controlling interest	16	277,013	277,669
Total equity		51,089,779	47,982,017
Non-current liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	17	17,991,372	18,511,424
Long term loan	18	-	-
Lease liabilities against right-of-use assets	19	97,202	215,578
Retirement benefit obligation	12	83,161	55,352
Deferred taxation - net	20	1,589,273	933,333
		19,761,008	19,715,687
Current liabilities			
Provision for outstanding claims (including IBNR)		7,379,812	3,246,752
Provision for unearned premium		3,007,816	2,674,247
Premium deficiency reserve		3,424	1,345
Commission income unearned		269,625	218,690
Amounts due to other insurers / reinsurers		1,976,722	1,639,384
Unearned wakalah fee		147,434	108,367
Premium received in advance		117,305	336,314
Short term loans	21	2,491,697	3,039,965
Current portion of long term loans and lease liabilities against right-of-use assets	18 & 19	71,537	380,101
Unclaimed dividend		31,860	28,029
Trade and other payables	22	2,519,751	2,872,847
		18,016,983	14,546,041
TOTAL LIABILITIES		37,777,991	34,261,728
TOTAL EQUITY AND LIABILITIES		88,867,770	82,243,745
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Profit or Loss

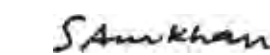
For The Year Ended December 31, 2022

	Note	2022	2021
		(Rupees in '000)	
Operating revenue	24	13,216,228	12,662,869
Operating expenses	25	(11,066,032)	(10,377,992)
		2,150,196	2,284,877
Other income	26	375,123	253,910
General and administrative expenses	27	(403,531)	(411,714)
Other expenses	28	(495,781)	(355,854)
		1,626,007	1,771,219
Change in insurance liabilities (other than outstanding claims)		263,078	(738,741)
Surplus appropriated to shareholders' fund from Ledger B to C		16,098	17,013
Share of profit from the associates and the joint venture under equity accounting - net	29	2,081,830	2,109,959
Profit before taxation		3,987,013	3,159,450
Taxation	30	(1,107,562)	(569,741)
Profit after taxation		2,879,451	2,589,709
Profit / (loss) attributable to:			
Equity holders of the parent		2,872,177	2,650,135
Non-controlling interest		7,274	(60,426)
		2,879,451	2,589,709
		(Rupees)	
Earnings per share - basic and diluted	31	20.14	18.58

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

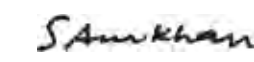
For The Year Ended December 31, 2022

Note	2022	2021
	(Rupees in '000)	
Profit after taxation	2,879,451	2,589,709
Other comprehensive income / (loss) - reclassifiable to the consolidated statement of profit or loss		
Deficit on revaluation of available for sale investments	(324,185)	(221,391)
Tax on deficit on revaluation of available for sale investments	13,619	10,022
Deficit on revaluation of available for sale investments - net of tax	(310,566)	(211,369)
Change in insurance liabilities - net	262,366	169,114
Share of other comprehensive income / (loss) of associate	133,902	(978,004)
Tax on share of other comprehensive (income) / loss of associate	(25,441)	146,700
Share of other comprehensive income / (loss) of associate - net of tax	108,461	(831,304)
	60,261	(873,559)
Other comprehensive income / (loss) - not reclassifiable to the consolidated statement of profit or loss		
Unrealised gain / (loss) on remeasurement of financial assets classified as 'fair value through other comprehensive income'	1,383,841	(1,690,696)
Tax on unrealised gain / (loss) on remeasurement of financial assets	(379,762)	(125,739)
Unrealised income / (loss) on remeasurement of financial assets classified as 'fair value through other comprehensive income' - net of tax	1,004,079	(1,816,435)
Remeasurement (loss) / gain on retirement benefits liability	(19,417)	10,607
Tax on remeasurement (loss) / gain on retirement benefits liability	7,174	(3,405)
Remeasurement (loss) / gain on retirement benefits liability - net of tax	(12,243)	7,202
Share of other comprehensive loss of associate related to retirement benefits liability	(48,539)	(79,544)
Tax on share of other comprehensive loss of associate related to retirement benefits liability	9,222	11,932
Share of other comprehensive loss of associate - net of tax	(39,317)	(67,612)
	1,012,780	(2,750,404)
Total comprehensive income / (loss)	3,892,231	(160,695)
Total comprehensive loss attributable to:		
Equity holders of the parent	3,892,887	(92,760)
Non-controlling interest	(656)	(67,935)
	3,892,231	(160,695)

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Changes in Equity

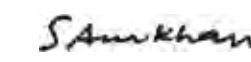
For The Year Ended December 31, 2022

	Issued, subscribed and paid-up share capital	Reserves				Equity Attributable to equity holders of the parent	Non-controlling interest	Total		
		Premium on issue of shares	Other capital reserves (note 4.33)	Surplus on revaluation of available-for-sale investments - net	Surplus / (deficit) on remeasurement of financial assets at fair value through other comprehensive income				General reserve (note 4.33)	Unappropriated profit
	(Rupees in '000)									
Balance as at January 01, 2021	1,426,305	434,051	33,267	71,021	29,656,054	7,297,545	9,932,279	48,850,522	345,604	49,196,126
Profit after taxation for the year ended December 31, 2021	-	-	-	-	-	-	2,650,135	2,650,135	(60,426)	2,589,709
Other comprehensive income / (loss) - reclassifiable to the consolidated statement of profit or loss										
- Deficit on revaluation of available for sale investments - net of tax	-	-	-	(174,789)	-	-	-	(174,789)	(36,580)	(211,369)
- Change in insurance liabilities	-	-	-	139,847	-	-	-	139,847	29,267	169,114
- Share of other comprehensive loss of associate - net of tax	-	-	-	-	-	-	(831,304)	(831,304)	-	(831,304)
Other comprehensive income / (loss) - not reclassifiable to the consolidated statement of profit or loss										
- Deficit on remeasurement of financial assets at fair value through other comprehensive income - net of tax	-	-	-	-	(1,816,435)	-	-	(1,816,435)	-	(1,816,435)
- Share of other comprehensive loss of associate - net of tax	-	-	-	-	-	-	-	-	(196)	(60,410)
- Remeasurement gain / (loss) on retirement benefits liability - net of tax	-	-	-	-	-	(60,214)	-	(60,214)	(196)	(60,410)
- Remeasurement of retirement benefits liability - net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year ended December 31, 2021	-	-	-	(34,942)	(1,816,435)	-	1,758,617	(92,760)	(67,935)	(160,695)
Transactions with owners, recorded directly in equity										
- Repayment of advance against preference shares	-	-	-	-	-	(55,000)	-	(55,000)	-	(55,000)
- Final dividend for the year ended December 31, 2020 at the rate of Rs. 5 per share approved on April 29, 2021	-	-	-	-	-	-	(713,153)	(713,153)	-	(713,153)
- Interim dividend for the year ended December 31, 2021 at the rate of Rs. 2 per share approved on August 25, 2021	-	-	-	-	-	-	(285,261)	(285,261)	-	(285,261)
	-	-	-	-	-	(1,053,414)	-	(1,053,414)	-	(1,053,414)
Balance as at December 31, 2021	1,426,305	434,051	33,267	36,079	27,839,619	7,297,545	10,637,482	47,704,348	277,669	47,982,017
Balance as at January 01, 2022	1,426,305	434,051	33,267	36,079	27,839,619	7,297,545	10,637,482	47,704,348	277,669	47,982,017
Profit after taxation for the year ended December 31, 2022	-	-	-	-	-	-	2,872,177	2,872,177	7,274	2,879,451
Other comprehensive income / (loss) - reclassifiable to the consolidated statement of profit or loss										
- Deficit on revaluation of available for sale investments - net of tax	-	-	-	(256,819)	-	-	-	(256,819)	(53,747)	(310,566)
- Change in insurance liabilities	-	-	-	216,960	-	-	-	216,960	45,406	262,366
- Share of other comprehensive income of associate - net of tax	-	-	-	-	-	-	108,461	108,461	-	108,461
Other comprehensive income / (loss) - not reclassifiable to the consolidated statement of profit or loss										
- Surplus on remeasurement of financial assets at fair value through other comprehensive income - net of tax	-	-	-	-	1,004,079	-	-	1,004,079	-	1,004,079
- Remeasurement gain / (loss) on retirement benefits liability - net of tax	-	-	-	-	-	(51,971)	-	(51,971)	411	(51,560)
Total comprehensive income / (loss) for the year ended December 31, 2022	-	-	-	(39,859)	1,004,079	-	2,928,667	3,892,887	(656)	3,892,231
Transactions with owners, recorded directly in equity										
- Final dividend for the year ended December 31, 2021 at the rate of Rs. 3.5 per share approved on April 29, 2022	-	-	-	-	-	-	(499,208)	(499,208)	-	(499,208)
- Interim dividend for the year ended December 31, 2022 at the rate of Rs. 2 per share approved on August 25, 2022	-	-	-	-	-	-	(285,261)	(285,261)	-	(285,261)
	-	-	-	-	-	-	(784,469)	(784,469)	-	(784,469)
Balance as at December 31, 2022	1,426,305	434,051	33,267	(3,780)	28,843,698	7,297,545	12,781,680	50,812,766	277,013	51,089,779

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Cash Flows

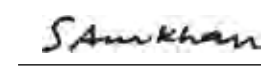
For The Year Ended December 31, 2022

	Note	2022	2021
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,987,013	3,159,450
Adjustments for:			
Depreciation and amortisation	5 & 6	270,165	285,615
Financial charges	28	435,841	317,633
Gain on disposal of assets	26	(57,273)	(31,294)
Reversal of provision for bad and doubtful loans and advances / lease losses - specific - net		-	1,364
Profit on savings accounts and term deposits		(189,798)	(125,759)
Return on government and debt securities		(1,800,832)	(1,256,595)
Change in insurance liabilities		(263,078)	738,741
Surplus appropriated to shareholders' fund from Ledger B to C		(16,098)	(17,013)
Share of profit from the associates and the joint venture under equity accounting-net		(2,081,830)	(2,109,959)
Loss on sale of available for sale investments - net		10,808	50,483
Unrealised loss on investments		17,557	84,676
Dividend income	24	(1,762,057)	(1,470,926)
		(5,436,595)	(3,533,034)
		(1,449,582)	(373,584)
Changes in working capital			
Increase in current assets			
Deposit, loans, advances and other receivables		(5,373,322)	(915,276)
Increase in current liabilities			
Trade and other payables		4,323,943	400,912
		(2,498,961)	(887,948)
Income tax paid		(389,202)	(634,636)
Net cash used in operating activities		(2,888,163)	(1,522,584)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(217,847)	(207,381)
Proceeds on disposal of assets		122,071	46,410
Profit received on government and debt securities		1,800,832	1,256,595
Long-term deposits		463	(5,933)
Investments - net		848,461	138,888
Dividend received		1,762,057	1,470,926
Profits / return received		54,732	70,029
Net cash generated from investing activities		4,370,769	2,769,534
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(788,300)	(995,564)
Loan repayments		(300,000)	(459,427)
Financial charges paid		(614,994)	(317,633)
Repayment of liability against right-of-use assets		(126,941)	(10,601)
Net cash used in financing activities		(1,830,235)	(1,783,225)
Cash and cash equivalent at beginning of the year		(975,929)	(439,654)
Cash and cash equivalents at end of the year	10.3	(1,323,558)	(975,929)

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2022

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding company

- IGI Holdings Limited

Subsidiary companies:

	Percentage shareholding
- IGI Life Insurance Limited	82.69%
- IGI Finex Securities Limited	100%
- IGI General Insurance Limited	100%
- IGI Investments (Pvt.) Limited	100%
- IGI FSI (Pvt.) Limited	100%

1.2 Holding company

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

1.3 Subsidiary companies

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

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

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

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

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

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

Notes to and Forming Part of the Consolidated Financial Statements

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

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

There are certain new and amended standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Group's operations and are therefore not detailed in these consolidated financial statements.

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

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

Standard, Interpretations or Amendments	Effective date (accounting periods ending on or after)
- IAS 8 - 'Accounting policy, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments' *	January 1, 2023
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2023
- IFRS 17 - 'Insurance contracts' has been notified by IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by Securities and Exchange Commission of Pakistan.	

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

* Effective from January 1, 2019, the Group had adopted IFRS 9, 'Financial instruments' which has replaced IAS 39, 'Financial instruments: recognition and measurement'. However, the Securities and Exchange Commission of Pakistan (SECP), on application of the Holding Company, has allowed the Group to defer application of IFRS 9 till December 31, 2022 to the extent of recognition and disclosure of assets and liabilities of IGI Life and IGI General in the consolidated financial statements of the Group. Accordingly, IFRS 9 has been applied in these consolidated financial statements on assets and liabilities of the Group other than relating to IGI Life and IGI General.

For The Year Ended December 31, 2022

Temporary exemption from the application of IFRS 9 for insurance business

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

Fair value of financial assets as at December 31, 2022 and change in the fair values during the year ended December 31, 2022

	2022	2021
	(Rupees in '000)	
Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading		
<i>Pakistan Investment Bonds - available for sale (refer note 7.12)</i>		
Opening fair value	4,966,851	2,775,342
Additions / (disposals) during the year - net	40,442	2,309,547
Decrease in fair value	(231,455)	(118,038)
Closing fair value	4,775,838	4,966,851
<i>Market Treasury Bills - available for sale (refer note 7.12)</i>		
Opening fair value	6,869,422	10,589,744
(Disposals) / additions during the year - net	(49,049)	(3,711,934)
Decrease in fair value	(11,889)	(8,388)
Closing fair value	6,808,484	6,869,422
<i>GOP Ijara Sukuk Certificate- available for sale (refer note 7.12)</i>		
Opening fair value	277,409	275,167
(Disposals) / additions during the year - net	(5,484)	(129)
Increase / (decrease) in fair value	6,149	2,371
Closing fair value	278,074	277,409
<i>Debt Securities - available for sale (refer note 7.13)</i>		
Opening fair value	225,000	457,354
Disposal during the year - net	-	(232,354)
Increase in fair value	375,000	-
Closing fair value	600,000	225,000
Financial assets that do not meet SPPI criteria		
<i>Mutual funds - fair value through profit or loss (refer note 7.3)</i>		
Opening fair value	994,004	497,299
Additions / (disposals) during the year	(989,138)	562,514
Increase / (decrease) in fair value	2	(65,809)
Closing fair value	4,868	994,004
<i>Mutual funds - available for sale (refer note 7.11)</i>		
Opening fair value	6,095,600	4,007,910
Additions during the year - net	118,231	2,877,654
Decrease in fair value	(173,886)	(789,964)
Closing fair value	6,039,945	6,095,600
<i>Listed equities - available for sale (refer note 7.10)</i>		
Opening fair value	47,116	43,143
Disposals during the year	(47,116)	3,757
Decrease in fair value	-	216
Closing fair value	-	47,116

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

Notes to and Forming Part of the Consolidated Financial Statements

2.4 Basis of consolidation

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

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

Intergroup balances and transactions have been eliminated.

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

2.5 Functional and presentation currency

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

3 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

- Business combination (note 4.1);
- Provision for outstanding claims including IBNR (note 4.6);
- Reinsurance / retakaful recoveries against outstanding claims (note 4.7);
- Premium deficiency reserve (note 4.9);
- Provision for taxation and deferred tax (notes 4.13, 20 and 30);
- Classification of investments and its impairment (notes 4.16, 4.17 and 7);
- Useful lives and residual values of fixed assets and intangible assets (notes 4.20, 5 and 6);
- Staff retirement benefits (notes 4.24 and 12);
- Policyholders' liabilities (note 4.10); and
- Lease liability and right of use assets (note 4.21 and 19).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Business combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset

For The Year Ended December 31, 2022

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

4.2 Goodwill

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

4.3 Insurance contracts

4.3.1 Conventional business

Insurance contracts represent contracts with policyholders and reinsurers.

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

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

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

4.3.1.1 Non-life business

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

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

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

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

4.3.1.2 Life business

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

Group Insurance contracts

The Group offers group life, group accident & health and pension business to its clients. The Group also underwrites business for consumer banking related schemes. The risk underwritten is mainly death, hospitalisation and disability. The Group insurance contracts are issued typically on Yearly Renewable Term basis (YRT). This business is written through direct sales force as well as bancassurance.

Individual Insurance Contracts

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

4.3.2 Takaful business

4.3.2.1 Non-life business

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

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

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

4.3.2.2 Life business

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

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

Group takaful contracts

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

Individual family takaful contracts - unit linked

The Group offers Unit Linked Takaful Plans which provide Shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value which is determined as per the underlying assets' value. The death benefit design is based on Constant Sum Risk approach i.e. the sum cover is paid in addition to the cash value. The plans offer investment choices to the customer to direct their investment related contribution based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants. Various type of supplemental benefits (accidental death, disability, income benefit, etc.) are also offered along with basic policies.

4.4 Premiums / contributions

4.4.1 Conventional business

4.4.1.1 Non-life business

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

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Group from policyholders in respect of policies issued, at the rate of 5% of the premium written restricted to a maximum of Rs. 6,250 per policy.

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

4.4.1.2 Life business

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

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

4.4.2 Takaful business

4.4.2.1 Non-life business

Contribution written under a policy is recognised as income over the period of takaful from the date of attachment of the risk to the policy to which it relates. Where the pattern of incidence of risk varies over the period of the policy, contribution is recognised as revenue in PTF in accordance with the pattern of the incidence of risk. The portion of contribution written relating to the unexpired period of coverage is recognised as unearned contribution by the PTF. This liability is calculated by applying 1/24 method as specified in the Insurance Accounting Regulations, 2017.

4.4.2.2 Life business

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

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

4.5 Reinsurance / retakaful ceded

4.5.1 Conventional business

4.5.1.1 Non-life business

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

The Group enters into reinsurance contracts in its normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the terms of the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the terms of the related reinsurance contract.

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

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

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

4.5.1.2 Life business

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

Reinsurance liabilities represent balances due to reinsurance companies. Balances payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the terms of the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets as required by Insurance Ordinance, 2000.

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

4.5.2 Takaful business

4.5.2.1 Non-life business

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

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

4.5.2.2 Life business

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

Retakaful contribution

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

Retakaful expenses

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

Retakaful assets and liabilities

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

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

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

4.6 Claims expense

4.6.1 Conventional business

4.6.1.1 Non-life business

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

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

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

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

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

4.6.1.2 Life business

Claim expense

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

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

4.6.1.2.1 Claims provision

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

Experience refund of premium

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

4.6.2 Takaful business

4.6.2.1 Non-life business

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

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

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

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

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

4.6.2.2 Life business

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

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

4.7 Reinsurance / retakaful recoveries against claims

4.7.1 Non-life business

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

4.7.2 Life business

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

4.8 Commission and other acquisition costs

4.8.1 Non-life and life Conventional

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

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

4.8.2 Takaful business

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

4.9 Premium / contribution deficiency reserve

Non-life conventional business and takaful business

The Group is required, as per Insurance Rules, 2017, to maintain a provision in respect of premium / contribution deficiency for the class of business where the unearned premium / contribution

liability is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business as at the reporting date. Movement in the premium / contribution deficiency reserve is recorded as an expense / income in the consolidated statement of profit or loss for the year.

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

	2022	2021
Fire and property damage	81%	18%
Marine, aviation and transport	47%	44%
Motor	51%	50%
Health	81%	89%
Miscellaneous	42%	48%

The Group has recorded premium / contribution deficiency reserve on the recommendation of actuary for health business.

Life conventional and takaful business

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

4.10 Policyholders' liabilities

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

4.10.1 Policyholders' liabilities

Mortality, morbidity and interest bases adopted

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

Notes to and Forming Part of the Consolidated Financial Statements

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

General principles adopted for valuation

The general principles adopted in the actuarial valuation to estimate policyholders' liabilities as at December 31, 2022 in accordance with the Annexure 5 to Rule 23 of Insurance Rules, 2017 are as follows:

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

For The Year Ended December 31, 2022

- o) Reserves for claims payable in installments have been kept at 3.75%.
- p) Unearned Premium Reserve is kept as half month of Cost of Insurance (COI) for Cost of Insurance (COI) of Universal Life and Unit Linked Policies.
- q) No policy is treated as an asset and in the system if the reserve is negative, the negative value is excluded and the reserves for the policies is set equal to zero.
- r) The Group does not have any insurance policy which is denominated in foreign currency.
- s) Reinstatement reserve have been maintained on universal life and ordinary life policies.

The principles adopted in this valuation were same as those followed in previous valuation as at December 31, 2021.

Surrenders

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

4.11 Loans secured against life insurance policies

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

4.12 Creditors, accruals and provisions

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

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

4.13 Taxation

Current

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

Deferred

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

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

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, deposits with banks, stamps in hand and short term finances.

4.15 Investment in associates and joint venture

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

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

4.16.1 Financial assets

4.16.1.1 Classification

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

a) Financial assets at fair value through profit or loss

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

b) Loans and receivables

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

c) Held-to-maturity

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

d) Available-for-sale financial assets

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

4.16.1.2 Initial recognition and measurement

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

4.16.1.3 Subsequent measurement

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

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

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

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

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

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

4.16.1.4 Impairment

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

4.16.1.5 Offsetting of financial assets and liabilities

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

4.16.1.6 Financial liabilities

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

4.16.1.7 Derecognition

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

4.16.1.8 Advances and deposits

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

4.16.1.9 Other receivables

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

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

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

4.17.1.1 Classification and subsequent measurement

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

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

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

(i) Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

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

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are

measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.17.1.2.

b) Fair value through other comprehensive income (FVOCI)

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

c) Fair value through profit or loss (FVPL)

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

(ii) Equity instruments

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

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

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

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

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

4.17.1.2 Impairment

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

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

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

4.17.1.3 Derecognition

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

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

4.17.1.4 Regular way contracts

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

4.17.2 Financial liabilities

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

4.17.3 Derecognition

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

4.17.4 Offsetting of financial assets and liabilities

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

4.17.5 Investment income

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

4.18 Securities under repurchase / resale agreement

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

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

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

4.19 Fee, commission and brokerage

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

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

4.20 Fixed assets

Tangible

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

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

Notes to and Forming Part of the Consolidated Financial Statements

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

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

Intangible

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

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

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

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

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

Right-of-use assets

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

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

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

Lease liability against right-of-use assets

The lease liabilities for lease contracts (other than short term or low value contracts) are initially measured as the present value of the remaining lease payments, discounted using the interest rate

For The Year Ended December 31, 2022

implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

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

4.22 Capital work in progress

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

4.23 Asset classified as held for sale

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

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

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

4.24 Staff retirement benefits

4.24.1 Non-Life Business

4.24.1.1 Defined contribution plan

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

4.24.1.2 Defined benefit plan

All permanent employees of IGI General participate in an approved funded defined gratuity plan. Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at December 31, 2022 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur.

4.24.1.3 Accumulated compensated absences

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

4.24.2 Life Business

4.24.2.1 Defined benefit plan

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

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

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

4.24.2.2 Defined contribution plan

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

4.24.2.3 Employees' compensated absences

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

4.24.3 IGI Finex - gratuity scheme

IGI Finex has introduced an unfunded gratuity scheme for its employees of IGI Finex who have completed the prescribed qualifying period of service with effect from January 1, 2020. Provision in respect of gratuity costs is recorded based on actuarial recommendations. The actuarial valuation is carried out using the projected unit credit method. In accordance with IAS 19, remeasurements arising as a result of actuarial valuations, are recorded in other comprehensive income in the period in which these occur.

4.25 Earnings per share

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

4.26 Segment reporting

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

4.26.1 Conventional Business

Non-Life Business

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

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

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

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

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

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

Brokerage and Investment Business

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

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

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

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

4.26.2 Takaful Business

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

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

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

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

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

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

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

4.26.3 Life Business

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

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

Family Takaful

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

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

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

Actuarial valuation of life insurance business is required to be carried out annually at the reporting date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2022.

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

4.27 Impairment

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

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

4.28 Foreign currency transactions and translations

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

4.29 Borrowings

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

4.30 Borrowing costs

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

4.31 Share capital

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

Notes to and Forming Part of the Consolidated Financial Statements

4.32 Management expenses

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

4.33 Dividends and appropriations to reserves

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

5 PROPERTY AND EQUIPMENT

	Note	2022	2021
(Rupees in '000)			
Operating assets	5.1	777,708	862,709
Capital work in progress	5.5	17,529	12,352
		<u>795,237</u>	<u>875,061</u>

5.1 Movement of operating assets

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

For The Year Ended December 31, 2022

	2021									
	Furniture, fixtures and office equipment					Buildings / Leasehold improvements	Motor vehicles - owned	Right of use asset - vehicles	Right of use asset - premises	Total
Furniture and fixtures	Tracker equipment	Office equipment	Computer/communication equipment	Sub total						
(Rupees in '000)										
As at Jan 1, 2021										
Cost	98,198	41,062	93,454	161,371	394,085	553,498	94,016	386,808	99,314	1,527,721
Accumulated depreciation	(33,919)	(7,576)	(49,909)	(104,916)	(196,320)	(241,767)	(60,646)	(120,685)	(37,069)	(656,487)
Net book value	<u>64,279</u>	<u>33,486</u>	<u>43,545</u>	<u>56,455</u>	<u>197,765</u>	<u>311,731</u>	<u>33,370</u>	<u>266,123</u>	<u>62,245</u>	<u>871,234</u>
Year ended December 31, 2021										
Opening net book value	64,279	33,486	43,545	56,455	197,765	311,731	33,370	266,123	62,245	871,234
Additions	17,201	21,013	11,153	7,917	57,284	17,463	5,893	93,135	41,276	215,051
Disposals - note 5.3										
Cost	4,273	-	4,032	29,069	37,374	1,370	18,822	19,896	7,158	84,620
Accumulated depreciation	(2,127)	-	(2,867)	(28,967)	(33,961)	(1,312)	(18,733)	(10,728)	(4,770)	(69,504)
	2,146	-	1,165	102	3,413	58	89	9,168	2,388	15,116
Depreciation charge for the year	(9,976)	(17,210)	(12,285)	(30,290)	(69,761)	(50,541)	(10,011)	(71,666)	(6,481)	(208,460)
Closing net book value	<u>69,358</u>	<u>37,289</u>	<u>41,248</u>	<u>33,980</u>	<u>181,875</u>	<u>278,595</u>	<u>29,163</u>	<u>278,424</u>	<u>94,652</u>	<u>862,709</u>
As at December 31, 2021										
Cost	111,126	62,075	100,575	140,219	413,995	569,591	81,087	460,047	133,432	1,658,152
Accumulated depreciation	(41,768)	(24,786)	(59,327)	(106,239)	(232,120)	(290,996)	(51,924)	(181,623)	(38,780)	(795,443)
Net book value	<u>69,358</u>	<u>37,289</u>	<u>41,248</u>	<u>33,980</u>	<u>181,875</u>	<u>278,595</u>	<u>29,163</u>	<u>278,424</u>	<u>94,652</u>	<u>862,709</u>
Depreciation rate % per annum	10%	33.33%	10-20%	20-33.33%		5-10%	20-33%	20-33%		5-80%

5.2 During the year, the management of the Group has revised its estimate of the useful life of motor vehicles. Previously, these were depreciated over 5 years and now these are being amortised over a revised useful life of 6 years.

The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting policies, changes in accounting estimates and errors'. Had the revision in useful lives of these assets not been made, the depreciation expense for the year would have been higher by Rs. 1.053 million and consequently profit before tax would have been lower by the same amount.

5.3 The cost and accumulated depreciation of fully depreciated operating assets still in use amounts to Rs. 302.433 million (2021: Rs. 297.220 million).

5.4 Disposal of operating fixed assets

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sales proceeds	Mode of disposal	Particulars of buyer
(Rupees in '000)						
Furniture and fixtures						
Various furniture and fixtures	13,321	6,427	6,894	2,359	Negotiation	Various persons
Wood work	675	51	624	76	Negotiation	Abdul Razzaq & brothers Kabadia
Workstation	2,274	714	1,560	-	Asset scrapped	Not Applicable
	16,270	7,192	9,078	2,435		
Building / leasehold improvements						
Various leasehold improvements	31,426	21,584	9,842	-	Assets scrapped	Not Applicable
Various Building / leasehold improvements	9,840	8,012	1,828	1,966	Negotiation	Various persons
	41,266	29,596	11,670	1,966		
Office equipment						
Mobile phone	180	96	84	66	Company Policy	Jahanzaib Khan*
Air conditioner	3,287	2,650	637	-	Asset scrapped	Not Applicable
Mobile phone	812	230	582	41	Negotiation	Various persons
Various air conditioners	389	152	237	11	Negotiation	Various customers
	4,668	3,128	1,540	118		

Notes to and Forming Part of the Consolidated Financial Statements

Particulars of the assets	Cost	Accumulated depreciation	Book value	Sales proceeds	Mode of disposal	Particulars of buyer
(Rupees in '000)						
Computer / Communication equipment						
Various computer equipments	224	137	87	125	Insurance claim	IGI General Insurance Limited
Various computer equipments	1,571	1,506	65	166	Negotiation	Various persons
Lenovo laptop	77	77	-	55	Group policy	Nafees Ahmed
	1,872	1,720	152	346		
Motor vehicles - owned						
Various Motor vehicles - owned	13,582	11,726	1,856	15,470	Negotiation	Various customers
Various Motor vehicles - owned	12,589	12,589	-	11,326	Company policy	Various customers
	26,171	24,315	1,856	26,796		
Right-of-use asset - vehicle						
Toyota Corolla	5,367	3,957	1,410	4,992	Company Policy	Haris Malik Various Persons
Toyota Corolla	2,065	1,563	502	2,519	Negotiation	Abdul Qayyum
Suzuki Cultus	2,399	1,813	586	1,394	Company Policy	Nasir Iqbal / Abdul Rauf *
Toyota Corolla	2,040	1,547	493	2,635	Negotiation	Mohammad Sharif
Toyota Corolla	2,084	1,580	504	2,708	Company Policy	Awais Ahmed
Suzuki Alto	1,235	742	493	1,350	Insurance Claim	Alfalah Insurance
Honda City	1,904	983	921	2,765	Company Policy	Dr Shazia
Toyota Passo	1,620	858	762	1,924	Company Policy	Zohair Sharih
Honda Civic	3,703	1,781	1,922	4,100	Insurance Claim	Alfalah Insurance
Various Vehicles	9,463	9,463	-	7,405	Company policy	Various Customers
Yaris ATIV	3,072	1,075	1,997	3,890	Company policy	Raja Arshad Mahmood*
Yaris GLI	2,769	923	1,846	3,500	Company policy	Saima Nadeem*
Yaris 1.3 MT	2,610	783	1,827	2,800	Negotiation	Ali Dhanji
Yaris GLI MT	2,610	783	1,827	2,700	Negotiation	Ali Dhanji
Right-of-use asset - vehicle						
YARIS GLI CVT	3,075	1,332	1,743	3,300	Negotiation	Ali Dhanji
Yaris GLI 1.3 MT	2,660	931	1,729	2,800	Negotiation	Ali Dhanji
Yaris GLI MT	2,569	942	1,627	2,800	Negotiation	Ali Dhanji
Toyota GLI M/T	2,875	1,583	1,292	3,000	Negotiation	Ali Dhanji
Toyota GLI M/T	2,867	1,579	1,288	2,798	Insurance claim	IGI General Insurance Limited
Toyota XLI M/T	2,565	1,327	1,238	2,800	Negotiation	Ali Dhanji
Suzuki Cultus VXR	1,844	645	1,199	2,000	Negotiation	Ali Dhanji
Suzuki Cultus VXR	1,807	662	1,145	1,855	Negotiation	Ali Dhanji
Suzuki Cultus VXR	1,805	722	1,083	2,550	Negotiation	Irfan J Hashmi
Suzuki Alto VXR	1,456	437	1,019	1,625	Negotiation	Irfan J Hashmi
Toyota Corolla GLI M/T	2,825	1,836	989	2,635	Negotiation	Irfan J Hashmi
Suzuki Cultus VXR	1,797	929	868	1,800	Negotiation	Shahrukh
Suzuki Cultus VXR	1,771	916	855	1,855	Negotiation	Ali Dhanji
Suzuki Cultus VXR	1,795	988	807	2,150	Negotiation	Hammad Afzal
Suzuki Alto VXR	1,420	735	686	1,898	Insurance claim	IGI General Insurance Limited
Suzuki Alto VXR	1,420	757	663	1,650	Negotiation	Irfan J Hashmi
Suzuki Cultus VXR	1,769	1,150	619	2,050	Negotiation	Muhammad Farhan
Various	4,183	3,349	834	6,162	Negotiation	Various Person
	83,444	48,671	34,773	90,410		
Right-of-use asset - property						
	16,588	10,859	5,729	-	Termination	Lease arrangement terminated
2022	190,279	125,481	64,798	122,071	57,273	
2021	84,620	69,504	15,116	46,410		

* These represent persons in employment of the Group.

5.5 Capital work in progress

Advance to suppliers

2022	2021
(Rupees in '000)	
17,529	12,352

For The Year Ended December 31, 2022

6 INTANGIBLES ASSETS

Intangible assets
Capital work-in-progress *

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

Following are the intangible assets:

	2022	2021
(Rupees in '000)		
Intangible assets	373,835	418,696
Capital work-in-progress *	13,352	5,783
	387,187	424,479
Software	326,115	363,939
Membership card	250	250
Trading right entitlement certificates	10,999	10,999
Goodwill	-	-
License	-	-
Customer relationships	-	-
Distribution channel	24,209	27,313
Value of inforce contracts	958	4,891
Pooling arrangements	11,304	11,304
	373,835	418,696

6.1 Movement of intangible assets

	Software (note 6.1.5)	Member -ship card (note 6.1.1)	TREC (note 6.1.2)	Goodwill	Licence	Customer relationships				Distribution channel	Value of inforce contracts		Pooling arrangement Maxis (note 6.1.4)	Total	
						IGI Finex	Life (Non- participating Group)	Accident and Health Group	Accident and Health Individual		Investment Linked	Life (Non- participating Individual)			Investment Linked
(Rupees in '000)															
As at January 1, 2021															
Cost	594,511	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	937,109	
Accumulated amortisation / impairment	(189,575)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(34,879)	(23,813)	(30,078)	-	(466,469)	
Net book value	404,936	250	10,999	-	-	-	-	-	-	30,417	8,036	4,698	11,304	470,640	
Year ended December 31, 2021															
Opening net book value	404,936	250	10,999	-	-	-	-	-	-	30,417	8,036	4,698	11,304	470,640	
Additions	25,211	-	-	-	-	-	-	-	-	-	-	-	-	25,211	
Amortisation	(66,208)	-	-	-	-	-	-	-	-	(3,104)	(3,539)	(4,304)	-	(77,155)	
Net book value	363,939	250	10,999	-	-	-	-	-	-	27,313	4,497	394	11,304	418,696	
As at December 31, 2021															
Cost	619,722	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	962,320	
Accumulated amortisation / impairment	(255,783)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(37,983)	(27,352)	(34,382)	-	(543,624)	
Net book value	363,939	250	10,999	-	-	-	-	-	-	27,313	4,497	394	11,304	418,696	
As at January 1, 2022															
Cost	619,722	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	962,320	
Accumulated amortisation / impairment	(255,783)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(37,983)	(27,352)	(34,382)	-	(543,624)	
Net book value	363,939	250	10,999	-	-	-	-	-	-	27,313	4,497	394	11,304	418,696	
Year ended December 31, 2022															
Opening net book value	363,939	250	10,999	-	-	-	-	-	-	27,313	4,497	394	11,304	418,696	
Additions	16,028	-	-	-	-	-	-	-	-	-	-	-	-	16,028	
Amortisation	(53,852)	-	-	-	-	-	-	-	-	(3,104)	(3,539)	(394)	-	(60,889)	
Net book value	326,115	250	10,999	-	-	-	-	-	-	24,209	958	-	11,304	373,835	
As at December 31, 2022															
Cost	635,750	250	14,999	96,012	1,808	55,731	14,960	10,338	5,275	65,296	31,849	34,776	11,304	978,348	
Accumulated amortisation / impairment	(309,635)	-	(4,000)	(96,012)	(1,808)	(55,731)	(14,960)	(10,338)	(5,275)	(41,087)	(30,891)	(34,776)	-	(604,513)	
Net book value	326,115	250	10,999	-	-	-	-	-	-	24,209	958	-	11,304	373,835	
Amortisation rate per annum 2022 and 2021	10% - 33%	-	-	-	33%	20%	16%	16%	50%	5%	11%	11%-12.5%	Indefinite		

Notes to and Forming Part of the Consolidated Financial Statements

- 6.1.1** This represents membership card of Pakistan Mercantile Exchange Limited as IGI Finex is a member of Pakistan Mercantile Exchange Limited.
- 6.1.2** This represent Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited pursuant to the promulgation of Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012.
- 6.1.3** During the year the management carried out impairment testing of intangible assets recognised on business combination under the requirements of IAS 36 'Impairment of assets'. The management has determined the recoverable amounts for comparison with the carrying values of each intangible asset. Based on the assessment carried out by the management, no impairment has been recognised during the year.
- 6.1.4** An analysis of product life cycle studies and market and competitive trends provides evidence that the product will generate net cash inflows for the Group for an indefinite period. Therefore, the pooling arrangement is carried at cost without amortisation, but is tested for impairment in accordance with note 6.1.3.
- 6.1.5** During the year, the management of the Group has revised its estimate of the useful life of DXC software categorised under intangibles - computer software. Previously, this asset under the above category was amortised over 10 years and now this is being amortised over a revised useful life of 12 years based on the revision made during the year in the agreement.
- The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting policies, changes in accounting estimates and errors'. Had the revision in the useful lives of these assets not been made, the depreciation expense for the year would have been higher by Rs 6.767 million and consequently profit before tax would have been lower by the same amount.
- 6.2** The cost and accumulated amortisation of fully amortised intangibles still in use amounts to Rs. 88.296 million (2021: Rs. 53.516 million).

7 INVESTMENTS

The investments comprise of the following:

	Note	2022	2021
(Rupees in '000)			
Investments in associates	7.1	17,460,165	15,951,170
Investment in joint venture	7.2	-	-
Fair value through profit or loss			
- Mutual funds	7.3	4,868	994,004
- Equity securities	7.4	279,825	84,712
- Government securities	7.5	1,622,698	1,865,305
- Debt securities	7.6	400,000	150,000
		2,307,391	3,094,021
Fair value through other comprehensive income			
- Quoted equity securities	7.7	33,323,722	32,014,485
- Unquoted equity securities	7.8	294,231	219,627
- Seed preference shares	7.9	64,384	-
		33,682,337	32,234,112
Held to maturity			
- Term deposit receipts	7.10	-	590,150
Available for sale			
- Equity securities	7.11	-	47,116
- Mutual funds	7.12	6,039,945	6,095,600
- Government securities	7.13	11,862,396	12,113,682
- Debt securities	7.14	600,000	225,000
		18,502,341	18,481,398
		71,952,234	70,350,851
Less: current maturity of investments	7.15	(7,279,828)	(7,459,572)
		64,672,406	62,891,279

For The Year Ended December 31, 2022

7.1 Investments in associates

- Quoted

Packages Limited

26,707,201 (2021: 26,707,201) fully paid ordinary shares of Rs. 10 each
Equity held 29.88% (2021: 29.88%)
Market value at December 31, 2022: Rs. 370.16 per share (2021: Rs. 497.27 per share)

- Unquoted

Dane Foods Limited

2,643,161 (2021: 2,643,161) fully paid ordinary shares of Rs. 10 each
Equity held 30.62% (2021: 30.62%)

Cost

Provision for diminution in value of investment

Packages Real Estate (Private) Limited

100,000,000 (2021: 100,000,000) fully paid ordinary shares of Rs. 10 each
Equity held 24.84% (2021: 24.84%) having break-up value of Rs 8.98 per share (2021: Rs 8.53 per share)

Note	2022	2021
(Rupees in '000)		
7.1.1	16,618,949	15,155,229
	26,432	26,432
	(26,432)	(26,432)
	-	-
7.1.3	841,216	795,941
	17,460,165	15,951,170

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

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

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

7.1.4 The summarised financial information and other details of Packages Limited and Packages Real Estate (Private) Limited, based on the audited financial statements, for the year ended December 31, 2022 are as follows:

	Country of incorporation	2022			
		Assets	Liabilities	Revenues	Profit / (Loss)
(Rupees in '000)					
Packages Limited	Pakistan	172,489,283	66,709,422	121,893,589	6,979,829
Packages Real Estate (Private) Limited	Pakistan	13,552,064	9,916,178	4,568,673	284,533
2021					
(Rupees in '000)					
Packages Limited	Pakistan	118,583,501	58,654,972	80,356,485	7,548,358
Packages Real Estate (Private) Limited	Pakistan	12,693,625	9,259,975	3,277,643	179,491

Notes to and Forming Part of the Consolidated Financial Statements

7.1.5 Movement in associates

	2022				2021			
	Packages Limited	Dane Foods Limited	Packages Real Estate (Private) Limited	Total	Packages Limited	Dane Foods Limited	Packages Real Estate (Private) Limited	Total
	(Rupees in '000)							
Balance as at January 1	15,155,229	-	795,941	15,951,170	14,718,717	-	751,762	15,470,479
Dividend income	(734,448)	-	(25,000)	(759,448)	(600,912)	-	-	(600,912)
Share of profit - net	2,112,389	-	70,691	2,183,080	2,094,557	-	44,594	2,139,151
Share of other comprehensive loss	85,779	-	(416)	85,363	(1,057,133)	-	(415)	(1,057,548)
Balance as at December 1	16,618,949	-	841,216	17,460,165	15,155,229	-	795,941	15,951,170

7.2 Investment in joint venture

- Unquoted

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

18,500,670 (2021: 8,375,670) fully paid ordinary shares of Rs. 10 each
Equity held 45% (2021: 45%) having par value of Rs. 10
per share (2021: having par value of Rs. 10)

Note	2022	2021
	(Rupees in '000)	
	-	-

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

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

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

7.2.2 The summarised financial information and other details of S.C Johnson & Son of Pakistan (Private) Limited, based on the reviewed financial statements, for the period ended December 31, 2022 are as follows:

	Country of incorporation	2022			
		Assets	Liabilities	Revenues	Profit / (Loss)
		(Rupees in '000)			
S.C Johnson & Son of Pakistan (Private) Limited	Pakistan	715,855	1,162,729	1,290,622	(421,777)
	Country of incorporation	2021			
		Assets	Liabilities	Revenues	Profit / (Loss)
		(Rupees in '000)			
S.C Johnson & Son of Pakistan (Private) Limited	Pakistan	790,746	1,215,467	1,260,200	(489,590)

For The Year Ended December 31, 2022

7.2.3 Movement in joint venture

	2022	2021
	(Rupees in '000)	
Balance as at January 1	-	29,192
Further investment during the year	101,250	-
Share of loss - net	(101,250)	(29,192)
Balance as at December 31	-	-

7.3 Mutual funds - fair value through profit or loss

	2022				2021					
	Number of units	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value	Number of units	Carrying value	(Impairment / provision)	Unrealised gain / (loss)	Market value
	(Rupees in '000)									
Alfalsh GHP Stock Fund	-	-	-	-	-	1,487,599	176,421	-	(19,657)	156,764
HBL Stock Fund	-	-	-	-	-	-	-	-	-	-
MCB Pakistan Stock Market Fund	-	-	-	-	-	2,562,957	273,035	-	(19,162)	253,873
NBP Stock Fund	-	-	-	-	-	15,150,794	241,471	-	(4,441)	237,030
UBL Stock Advantage Fund	-	-	-	-	-	2,291,504	181,586	-	(3,812)	177,774
Faysal Money Market Fund	-	-	-	-	-	53	5	-	-	5
HBL Equity Fund	-	-	-	-	-	458,371	63,798	-	(13,790)	50,008
NBP Islamic Stock Fund	-	-	-	-	-	5,916,484	78,132	-	(6,168)	71,964
NBP Financial Sector Income Fund	-	-	-	-	-	502,465	5,300	-	4	5,304
UBL Liquidity Plus Fund	23,942	2,430	-	-	2,430	-	-	-	-	-
UBL Cash Fund	22,167	2,392	-	-	2,392	-	-	-	-	-
UBL Income Opportunity Fund	-	-	-	-	-	-	-	-	-	-
Alfalsh GHP Islamic Income Fund	123	13	-	1	14	123	13	-	-	13
Al-Ameen Islamic Cash Fund	124	13	-	1	14	124	12	-	1	13
HBL Islamic Income Fund	-	-	-	-	-	286,612	30,013	-	653	30,666
MCB Al-Hamra Islamic Fund	-	-	-	-	-	99,799	10,012	-	562	10,574
NBP Riba Free Savings Fund	1,013	12	-	-	12	1,013	10	-	1	11
Faysal Islamic Saving Growth Fund	51	6	-	-	6	51	5	-	-	5
	47,420	4,866	-	2	4,868	28,757,949	1,059,813	-	(65,809)	994,004

7.4 Equity securities - fair value through profit or loss

Company name	Number of shares				Percentage of equity held	Carrying amount	Market value	Unrealised (loss) / gain on remeasurement
	As at January 1, 2022	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2022				
	(Rupees in '000)							
Engineering								
Engro Corporation Limited	-	33,800	-	33,800	3.16%	9,145	8,856	(289)
Engro Fertilizers Limited	-	78,500	-	78,500	2.16%	6,864	6,036	(828)
Fatima Fertilizer Company Limited	-	24,400	-	24,400	0.29%	895	820	(75)
Fauji Fertilizer Company Limited	-	61,000	-	61,000	2.15%	7,135	6,021	(1,114)
Technology & Communication								
Avanceon Limited	25,000	6,250	-	31,250	0.74%	2,278	2,063	(215)
Systems Limited	101,800	292,700	-	394,500	68.22%	142,410	190,909	48,499
Octopus Digital Limited	65,359	-	-	65,359	1.32%	5,082	3,703	(1,379)
Commercial Banks								
Bank AL Habib Limited	-	8,500	-	8,500	0.17%	515	470	(45)
Faysal Bank Limited	-	65,500	-	65,500	0.60%	1,706	1,692	(14)
Habib Bank Limited	-	59,300	-	59,300	1.35%	4,429	3,779	(650)
Habib Metropolitan Bank Limited	-	36,500	-	36,500	0.44%	1,577	1,239	(338)
MCB Bank Limited	-	12,215	-	12,215	0.51%	1,563	1,419	(144)
Meezan Bank Limited	-	57,870	-	57,870	2.06%	6,769	5,762	(1,007)
United Bank Limited	-	67,300	-	67,300	2.42%	8,317	6,780	(1,537)
Oil and gas exploration companies								
Oil & Gas Development Company Limited	-	73,000	-	73,000	2.08%	5,870	5,815	(55)
Pakistan Petroleum Limited	-	85,000	-	85,000	2.07%	5,535	5,792	257
Mari Petroleum Company Limited	-	3,215	-	3,215	1.78%	5,371	4,973	(398)
Pakistan Oilfields Limited	-	8,700	-	8,700	1.22%	3,253	3,418	165
Cement								
Lucky Cement Limited	-	13,500	-	13,500	2.15%	7,272	6,029	(1,243)
Maple Leaf Cement Factory Limited	-	38,000	-	38,000	0.31%	1,111	858	(253)

Notes to and Forming Part of the Consolidated Financial Statements

Company name	Number of shares				Percentage of equity held	Carrying amount	Market value	Unrealised (loss) / gain on remeasurement
	As at January 1, 2022	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2022				
Power Generation and Distribution								
The Hub Power Company Limited	-	101,366	20,833	80,533	2.28%	6,641	6,394	(247)
Textile Composite								
Interloop Limited	-	27,872	-	27,872	0.56%	1,751	1,579	(172)
Kohinoor Textile Mills Limited	-	18,000	-	18,000	0.30%	923	850	(73)
Oil and gas marketing companies								
Pakistan State Oil Company Limited	-	20,000	-	20,000	1.03%	3,545	2,879	(666)
Pharmaceuticals								
GlaxoSmithKline Consumer Healthcare	-	3,700	-	3,700	0.22%	860	607	(253)
Highnoon Laboratories Limited	-	2,000	-	2,000	0.39%	1,081	1,082	1
Total as at December 31, 2022						241,898	279,825	37,927
Total as at December 31, 2021						74,985	84,712	9,727

7.5 Government securities - fair value through profit or loss

Particulars *	Maturity year	Effective yield % per annum	Profit payment	2022	2021
				(Rupees in '000)	
Market Treasury Bills	2022	10.06%	On maturity	-	77,747
Market Treasury Bills	2022	10.28%	On maturity	-	523,309
Pakistan Investment Bonds	2023	9.22%	Semi-annual	94,153	93,623
Pakistan Investment Bonds	2023	8.61%	Semi-annual	188,306	187,246
Pakistan Investment Bonds	2025	9.78%	Semi-annual	143,202	154,325
Pakistan Investment Bonds	2024	14.00%	Semi-annual	217,382	-
Pakistan Investment Bonds	2030	12.52%	Semi-annual	68,647	-
Pakistan Investment Bonds	2027	12.87%	Semi-annual	93,314	-
Pakistan Investment Bonds (floaters)	2028	16.35%**	Semi-annual	571,898	579,362
Pakistan Investment Bonds (floaters)	2028	17.56%**	Semi-annual	122,619	123,972
Pakistan Investment Bonds (floaters)	2029	16.45%**	Semi-annual	123,177	125,721
				1,622,698	1,865,305

*These include Pakistan Investment Bonds which are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000, having market value of Rs 221.772 million (2021: Rs 224.756 million).

** These represent current year rate of return.

7.6 Debt securities- fair value through profit or loss

	2022					2021				
	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount	Number of certificates	Maturity year	Coupon rate	Profit payment	Carrying amount
Term finance certificate										
Habib Bank Limited	500,000	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000	500,000	Perpetual	3 months Kibor plus 1.6%	Quarterly	50,000
Bank Alfalah Limited	1,000,000	Perpetual	Higher of 3 years PKRV plus 0.75% or 9%	Quarterly	100,000	1,000,000	Perpetual	Higher of 3 years PKRV plus 0.75% or 9%	Quarterly	100,000
Bank Alfalah Limited	750,000	2030	6 months Kibor plus 2.0%	Semi-annual	75,000	-	-	-	-	-
Soneri Bank Limited	250,000	2030	6 months Kibor plus 1.70%	Semi-annual	25,000	-	-	-	-	-
Sukuk										
China Power Hub Generation Company (Pvt.) Ltd	500,000	2023	6 months Kibor plus 1.35%	Semi-annual	50,000	-	-	-	-	-
Lucky Electric Power Company Limited	1,000,000	2023	6 months Kibor plus 1.20%	Semi-annual	100,000	-	-	-	-	-
	4,000,000				400,000	1,500,000				150,000

For The Year Ended December 31, 2022

7.7 Quoted equity securities- fair value through other comprehensive income

Company name	Number of shares				Percentage of equity held	Carrying amount	Market value	Unrealised (loss) / gain on remeasurement
	As at January 1, 2022	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2022				
Food & Personal Care Products								
Nestle Pakistan Limited	4,419,666	-	-	4,419,666	9.75%	6,770,601	25,966,919	19,196,318
Mitchell's Fruit Farms Limited	292,738	-	-	292,738	3.72%	49,317	70,399	21,082
ZIL Limited	199,169	-	-	199,169	3.25%	19,561	36,846	17,285
Engineering								
Siemens Pakistan Engineering Company Limited	70,031	-	-	70,031	0.85%	68,529	53,160	(15,369)
International Industries Limited	504,472	-	-	504,472	0.38%	37,395	38,168	773
Investment Banks								
Pakistan Stock Exchange Limited	1,602,953	-	-	1,602,953	0.20%	22,040	12,952	(9,088)
Technology & Communication								
Systems Limited	5,067,520	5,067,520	-	10,135,040	3.67%	45,532	4,904,650	4,859,118
Pharmaceuticals								
Sanofi Aventis Pakistan Limited	1,841,739	-	-	1,841,739	19.10%	391,348	1,764,386	1,373,038
Automobile Parts & Accessories								
Agri-tech Limited	1,352,992	-	-	1,352,992	0.34%	17,156	5,940	(11,216)
Miscellaneous								
Tri-Pack Films Limited (related party)	3,750,417	-	-	3,750,417	9.67%	564,610	470,302	(94,308)
Total as at December 31, 2022						7,986,089	33,323,722	25,337,633
Total as at December 31, 2021						7,987,804	32,014,485	24,026,681

7.8 Unquoted equity securities- fair value through other comprehensive income

Company name	Number of shares				Percentage of equity held	Carrying amount	Market value
	As at January 1, 2022	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2022			
Coca Cola Beverages Pakistan Limited	12,433,934	-	-	12,433,934	0.46%	119,940	273,547
LSE Financial Services Limited	843,975	-	-	843,975	0.66%	11,732	11,732
Kissan Fruit Growers (Private) Limited	44	-	-	44	4.87%	4	4
Punjab Fruit Growers (Private) Limited	32	-	-	32	4.83%	3	3
Haider Fruit Growers (Private) Limited	1,705	-	-	1,705	4.87%	16	16
Petroleum Development Pakistan Limited	350	-	-	350	-	1	1
National Steel of Pakistan Limited	500	-	-	500	-	1	1
DHA Cogen Limited	1,900,000	-	-	1,900,000	3.35%	-	-
Techlogix International Limited *	1,422,870	-	-	1,422,870	1.85%	3,504	3,504
Visionet Systems Inc. **	464,827	-	-	464,827	4.55%	5,423	5,423
Total as at December 31, 2022						140,624	294,231
Total as at December 31, 2021						140,624	219,627

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

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

7.9 Seed preference shares

Company name	Place of business	No. of preference shares		Percentage of equity held		Carrying amount	
		2022	2021	2022	2021	2022	2021
Mahaana Wealth Pte. Ltd	Singapore	846,501	-	6.25%	-	64,384	-
Total						64,384	-

Notes to and Forming Part of the Consolidated Financial Statements

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

7.10 Investments in term deposits receipts - held to maturity	Note	2022	2021
		(Rupees in '000)	
Deposits maturing within 3 months	7.10.1	-	590,150

7.10.1 These represent term deposits with various banks that carry mark-up at the rate of Nil (2021: 6.00% to 6.75%) per annum.

7.11 Equity Securities - available for sale

Particulars of scrip	2022	2021
	(Rupees in '000)	
Automobile assembler		
Millat Tractors Limited	-	349
Pak Suzuki Motors Limited	-	187
Indus Motor Company Limited	-	246
	-	782
Cement		
Attock Cement Pakistan Limited	-	420
Cherat Cement Company Limited	-	682
Kohat Cement Limited	-	1,358
Lucky Cement Limited	-	2,887
Maple Leaf Cement Limited	-	641
Fauji Cement Limited	-	294
	-	6,282
Chemicals		
Engro Polymer and Chemicals Limited	-	1,437
Descon Chemicals Limited	-	426
	-	1,863
Commercial Banks		
Bank Alfalah Limited	-	2,429
Bank AlHabib Limited	-	1,760
Askari Bank Limited	-	220
Faysal Bank Limited	-	615
Habib Bank Limited	-	3,709
MCB Bank Limited	-	368
United Bank Limited	-	2,841
	-	11,942
Engineering		
Agha Steels Industries Limited	-	231
International Steels Limited	-	1,389
Mughal Steels Mills Limited	-	305
International Industries Limited	-	1,925
	-	
Fertilizer		
Engro Fertilizers Limited	-	1,656
Fauji Fertilizer Bin Qasim Limited	-	657
Fauji Fertilizer Limited	-	1,273
	-	3,586
Balance carried forward	-	26,380

For The Year Ended December 31, 2022

Particulars of scrip

Particulars of scrip	2022	2021
	(Rupees in '000)	
Balance brought forward	-	26,380
Glass and ceramics		
Tariq Glass Industries Limited	-	882
Insurance		
Adamjee Insurance Company Limited	-	200
Oil and gas exploration companies		
Mari Petroleum Limited	-	3,014
Oil and Gas Development Company Limited	-	1,767
Pakistan Oilfields Limited	-	898
Pakistan Petroleum Limited	-	1,747
	-	7,426
Oil and gas marketing companies		
Pakistan State Oil Limited	-	1,320
Sui Northern Gas Pipeline Limited	-	211
	-	1,531
Pharmaceuticals		
Abbott Laboratories (Pakistan) Limited	-	466
The Searle Company Limited	-	190
	-	656
Power generations and distribution		
Hub Power Company Limited	-	2,369
K-electric Limited	-	64
Kot Addu Power Company Limited	-	210
	-	2,643
Synthetic and Rayon		
Synthetic Products Enterprise Limited	-	2
Technology and telecommunication		
Systems Limited	-	3,552
Textile Composite		
Gul Ahmed Textile Mills Limited	-	919
Kohinoor Textile Mills Limited	-	494
Nishat Chunian Limited	-	911
Interloop Limited	-	812
Nishat Mills Limited	-	708
	-	3,844
	-	47,116

7.12 Mutual funds - available for sale Market value

Mutual funds - available for sale	2022	2021
	Market value (Rupees in '000)	
Al Ameen Islamic Cash Fund	85,526	32,410
Al Ameen Islamic Sovereign Fund	56,732	123,394
Al Ameen Shariah Stock Fund	365,020	447,557
Alfalah GHP Alpha Fund	17,292	20,254
Alfalah GHP Income Fund	-	42,823
Alfalah GHP Islamic Income Fund	-	313,128
Alfalah GHP Islamic Stock Fund	73,308	95,126
Alfalah GHP Money Market Fund	21,349	563,686
Alfalah GHP Stock Fund	41,511	46,792
ABL Stock Fund	9,796	171,403
ABL Islamic Stock Fund	88,429	70,545
ABL Islamic Income Fund	-	157,809
Atlas Islamic Income Fund	26,161	78,745
Atlas Islamic Stock Fund	99,075	122,825
Atlas Stock Market Fund	108,966	230,413

Notes to and Forming Part of the Consolidated Financial Statements

	2022	2021
	Market value	
	(Rupees in '000)	
Atlas Income Fund	-	2,065
First Habib Islamic Income Fund	-	163,931
HBL Islamic Income Fund	305,285	136,989
HBL Islamic Equity Fund	2,694	10,647
HBL Islamic Stock Fund	962	28,661
HBL Stock Fund	-	10,511
HBL Islamic Money Market Fund	341,612	192,393
HBL Income Fund	-	100,617
MCB Islamic Income Fund	-	326,659
MCB Pakistan Income Fund	-	2,850
MCB Pakistan Islamic Stock Fund	-	151,703
MCB Pakistan Stock Market Fund	184,565	367,607
HBL Equity Fund	34,170	52,686
Meezan Islamic Fund	34,262	8,933
Meezan Cash Fund	120,618	24
Meezan Islamic Income Fund	289,804	255,157
Meezan Sovereign Fund	49,345	335,383
NBP Islamic Income Fund	233,206	216,000
NBP Islamic Stock Fund	93,597	215,671
NBP Islamic Saving Fund	-	101,860
NBP Stock Fund	145,342	197,664
NBP Riba Free Saving Fund	-	77,443
NBP Financial Sector Income Fund	207,818	120,726
NBP Income Opportunity Fund	-	67,777
UBL Income Opportunity Fund	-	100,109
UBL Money Market Fund	5,026	4,737
UBL Stock Advantage Fund	225,718	329,887
ABL Cash Fund	147,378	-
ABL INCOME FUND	25,513	-
ABL Islamic Cash Fund	3,406	-
AL Habib Cash Fund (Formerly: First Habib Cash Fund)	47,661	-
AL Habib Islamic Income Fund (Formerly: First Habib Islamic Income Fund)	278,583	-
AL Habib Islamic Savings Fund	178,587	-
AL Habib Islamic Stock Fund	15,285	-
Alfalah GHP Cash Fund	97,604	-
Alfalah GHP Islamic Income Fund	168,284	-
Alfalah Islamic Rozana Amdani Fund Class A	120,082	-
Alhamra Islamic Income Fund	317,717	-
Alhamra Islamic Money Market Fund	131,250	-
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)	92,404	-
Atlas Islamic Money Market Fund	65,030	-
Atlas Money Market Fund	41,029	-
Faysal Cash Fund	11,504	-
Faysal Halal Amdani Fund	242,049	-
Faysal Islamic Savings Growth Fund	17,978	-
Faysal Money Market Fund	15,128	-
Faysal Stock Fund	14,296	-
HBL Cash Fund	97,075	-
HBL Financial Sector Income Fund Plan I	101,782	-
MCB Cash Management Optimizer	170,896	-
NBP Financial Sector Fund	17,391	-
NBP Islamic Mahana Amdani Fund	85,169	-
NBP Islamic Money Market Fund	135,478	-
NBP Mahana Amdani Fund	15,006	-
Pakistan Income Fund	2,611	-
UBL Cash Fund	21,561	-
UBL Financial Sector Fund	45,395	-
UBL Liquidity Plus Fund	49,626	-
	<u>6,039,945</u>	<u>6,095,600</u>

For The Year Ended December 31, 2022

7.13 Government Securities - available for sale

Particulars	Tenure	Maturity year	Rate of return (%) per annum	Profit payment	2022	2021
					Market value	
					(Rupees in '000)	
Pakistan Investment Bonds	10 years	2024	12.00%	Semi-annual	-	-
Pakistan Investment Bonds	5 years	2021	7.75%	Semi-annual	-	-
Pakistan Investment Bonds	3 years	2023	7.50%	Semi-annual	188,884	188,701
Pakistan Investment Bonds	10 years	2024	12.00%	Semi-annual	34,260	36,977
Pakistan Investment Bonds	5 years	2025	7.5% **	Semi-annual	1,998,022	2,153,232
Pakistan Investment Bonds*	10 years	2028	15.20%**	Semi-annual	160,999	1,839,221
Pakistan Investment Bonds*	10 years	2028	16.38%**	Semi-annual	1,814,786	514,979
Pakistan Investment Bonds*	10 years	2028	17.35%**	Semi-annual	455,283	69,419
Pakistan Investment Bonds*	10 years	2029	7.80%**	Semi-annual	123,604	164,322
					<u>4,775,838</u>	<u>4,966,851</u>
Market Treasury Bills	3 months	2023	15.63%	On maturity	264,295	-
Market Treasury Bills	3 months	2023	15.64%	On maturity	350,218	-
Market Treasury Bills	3 months	2023	15.65%	On maturity	332,410	-
Market Treasury Bills	3 months	2023	15.66%	On maturity	314,602	-
Market Treasury Bills	3 months	2023	15.67%	On maturity	230,451	-
Market Treasury Bills	3 months	2023	15.68%	On maturity	296,795	-
Market Treasury Bills	3 months	2023	15.69%	On maturity	64,276	-
Market Treasury Bills	3 months	2023	15.70%	On maturity	493,412	-
Market Treasury Bills	3 months	2023	16.63%	On maturity	9,703	-
Market Treasury Bills	3 months	2023	16.87%	On maturity	3,697	-
Market Treasury Bills	3 months	2023	16.88%	On maturity	174,500	-
Market Treasury Bills	3 months	2023	16.91%	On maturity	50,480	-
Market Treasury Bills	3 months	2023	16.96%	On maturity	477,977	-
Market Treasury Bills	3 months	2023	16.97%	On maturity	486,579	-
Market Treasury Bills	6 months	2023	15.60%	On maturity	1,533	-
Market Treasury Bills	6 months	2023	15.62%	On maturity	507,793	-
Market Treasury Bills	6 months	2023	15.65%	On maturity	73,349	-
Market Treasury Bills	6 months	2023	15.68%	On maturity	59,102	-
Market Treasury Bills	6 months	2023	15.69%	On maturity	475,668	-
Market Treasury Bills	6 months	2023	15.73%	On maturity	24,457	-
Market Treasury Bills	1 year	2023	11.90%	On maturity	105,349	-
Market Treasury Bills	1 year	2023	11.94%	On maturity	1,965,402	-
Market Treasury Bills	1 year	2023	12.27%	On maturity	46,439	-
Market Treasury Bills	3 months	2022	8.00%	On maturity	-	1,462,762
Market Treasury Bills	3 months	2022	8.15%	On maturity	-	31,542
Market Treasury Bills	3 months	2022	8.17%	On maturity	-	908,378
Market Treasury Bills	3 months	2022	8.20%	On maturity	-	1,689,722
Market Treasury Bills	3 months	2022	8.38%	On maturity	-	445,926
Market Treasury Bills	3 months	2022	8.50%	On maturity	-	504,435
Market Treasury Bills	3 months	2022	9.25%	On maturity	-	13,224
Market Treasury Bills	3 months	2022	9.35%	On maturity	-	411,009
Market Treasury Bills	3 months	2022	9.50%	On maturity	-	9,082
Market Treasury Bills	3 months	2022	9.57%	On maturity	-	542,223
Market Treasury Bills	3 months	2022	10.10%	On maturity	-	50,069
Market Treasury Bills	3 months	2022	10.31%	On maturity	-	801,050
					<u>6,808,484</u>	<u>6,869,422</u>
GOP Ijara Sukuk certificate	5 year	2025	14.44%**	Semi-annual	278,074	277,409
					<u>278,074</u>	<u>277,409</u>
					<u>11,862,396</u>	<u>12,113,682</u>

*These represent Pakistan Investment Bonds which are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000, amounting to Rs 193 million (2021: Rs 193 million).

** These represent current year rate of return.

Notes to and Forming Part of the Consolidated Financial Statements

7.14 Debt securities - available for sale

	2022					2021				
	Number of certificates	Maturity year	Coupon rate	Profit payment	Market value	Number of certificates	Maturity year	Coupon rate	Profit payment	Market value
	(Rupees in '000)					(Rupees in '000)				
Term Financ Certificates										
Bank Alfalah Limited	10,000	5 years	3 months Kibor plus 1.50%	Semi annual	50,000	10,000	5 years	3 months Kibor plus 1.50%	Semi annual	50,000
Soneri Bank Limited	10,000	5 years	6 months Kibor plus 2%	Semi annual	50,000	10,000	5 years	6 months Kibor plus 2%	Semi annual	50,000
UBL Bank Limited	15,000	5 years	3 months Kibor plus 1.55%	Quarterly	75,000	15,000	5 years	3 months Kibor plus 1.55%	Quarterly	75,000
Habib Bank Limited	500	Perpetual	3 months Kibor plus 1.60%	Quarterly	50,000	500	Perpetual	3 months Kibor plus 1.60%	Quarterly	50,000
Bank Alfalah Limited	10,000	Perpetual	6 months Kibor plus 2%	Semi annual	50,000	-	-	-	-	-
Soneri Bank Limited	6,250	10 Years	6 months Kibor plus 1.7%	Semi annual	25,000	-	-	-	-	-
	51,750				300,000	35,500				225,000
Corporate Sukuks										
China Power Gen Hub-Sukuk	200	6 months	17.06%	at maturity	200,000	-	-	-	-	-
The Lucky Electric Power Co Ltd	75	6 months	18.45%	at maturity	75,000	-	-	-	-	-
The Lucky Electric Power Co Ltd	25	6 months	18.31%	at maturity	25,000	-	-	-	-	-
	300				300,000	-	-	-	-	-
	52,050				600,000	35,500				225,000

7.15 Current maturity of investments

	Note	2022	2021
		(Rupees in '000)	
Government securities		7,279,828	6,869,422
Term deposit receipts	7.10	-	590,150
		7,279,828	7,459,572

8 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES

Amount due from policyholder - unsecured

	Note	2022	2021
- Considered good		1,477,941	1,231,755
- Considered doubtful		161,592	152,028
	8.1	1,639,533	1,383,783
Provision for doubtful receivables	8.2	(161,592)	(152,028)
		1,477,941	1,231,755

Amount due from reinsurer / retakaful - unsecured

	Note	2022	2021
- Considered good		3,400,774	1,509,258
- Considered doubtful		51,765	41,303
		3,452,539	1,550,561
Provision for doubtful receivables	8.3	(51,765)	(41,303)
		3,400,774	1,509,258
Total		4,878,715	2,741,013

8.1 This includes an amount of Rs. 57.462 million (2021: Rs. 36.090 million) receivable from related parties.

For The Year Ended December 31, 2022

8.2 Provision for doubtful receivables - insurance contract holders

	Note	2022	2021
		(Rupees in '000)	
Balance as at January 1		152,028	143,047
Provision made during the year		27,217	8,981
Written off during the year		(17,653)	-
Balance as at December 31	8.2.1	161,592	152,028

8.2.1 This includes an amount of Rs. 0.967 million (2021: Rs. 0.967 million) receivable from related parties.

8.3 Provision for doubtful receivables - other insurer / reinsurer

	Note	2022	2021
		(Rupees in '000)	
Balance as at January 1		41,303	41,303
Provision during the year		10,462	-
Balance as at December 31		51,765	41,303

9 DEPOSITS, PREPAYMENTS, LOANS, ADVANCES AND OTHER RECEIVABLES

	Note	2022	2021
		(Rupees in '000)	
Advances			
Advances - unsecured considered good		33,453	20,960
Advances / loans to agents - unsecured considered good		278	278
Advances to employees against expenses - unsecured considered good - executives		8,161	1,015
Other receivables			
Sales tax recoverable		157,396	113,772
Salvage recoverable		106,324	97,084
Receivable against claim administration services - unsecured considered good- net	9.1	37,626	76,541
Net investment in finance lease - secured considered good	9.2	207,031	207,031
Receivable from clients against purchase of marketable securities and commodity contracts - secured considered good	9.3	34,867	67,044
Qard-e-hasan		205,339	205,339
Mudarib fee		18,802	6,728
Experience refund receivable - unsecured considered good		66,356	62,002
Deposits and prepayments			
Security deposits and prepayments		186,557	248,658
Prepaid reinsurance premium ceded		1,704,594	1,327,669
Exposure deposit with National Clearing Company of Pakistan Limited / Pakistan Stock Exchange Limited		84,616	198,746
Others		286,438	281,493
		3,137,838	2,914,360

9.1 This includes provision against receivable from claim administration services amounting to Rs. 44 million (2021: Rs. 34 million)

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

Notes to and Forming Part of the Consolidated Financial Statements

This includes fair value of collaterals amounting to Rs. 14.590 million (2021: Rs. 14.590 million) and residual values relating to net investment in finance lease.

9.3 This includes amounts due from related parties amounting to Rs. 0.164 million (2021: Rs. 9.269 million).

10 CASH AND BANK BALANCES	Note	2022	2021
		(Rupees in '000)	
Cash and other equivalents	10.1	9,647	1,833
Current and other accounts	10.2	1,158,492	1,472,053
		<u>1,168,139</u>	<u>1,473,886</u>
10.1 Cash and other equivalents			
Cash in hand		698	513
Policy stamps in hand		8,949	1,320
		<u>9,647</u>	<u>1,833</u>
10.2 Current and other accounts			
Current accounts		43,039	30,388
Savings accounts	10.2.1	1,115,453	1,441,665
		<u>1,158,492</u>	<u>1,472,053</u>

10.2.1 The balances in savings accounts carry mark-up ranging between 7% to 15.5% (2021: 2.76% to 8.25%) per annum.

10.3 Cash and cash equivalent	Note	2022	2021
		(Rupees in '000)	
Cash and bank balances	10	1,168,139	1,473,886
Term deposit receipts (having original maturity of 3 months or less)	7.10	-	590,150
Short term loans	21	(2,491,697)	(3,039,965)
		<u>(1,323,558)</u>	<u>(975,929)</u>

11 NON-CURRENT ASSET HELD FOR SALE

- Unquoted equity securities

Company's name	Number of shares				Carrying amount	Market value	Unrealised (loss) / gain on remeasurement
	As at January 1, 2022	Purchased / bonus issued during the year	Sold during the year	As at December 31, 2022			
Central Depository Company of Pakistan (note 11.1)	1,624,995	-	-	1,624,995	9,110	9,110	-
Total as at December 31, 2022					<u>9,110</u>	<u>9,110</u>	<u>-</u>
Total as at December 31, 2021					<u>9,110</u>	<u>9,110</u>	<u>-</u>

11.1 As per Section 8 of the Central Depositories (Licensing and Operations) Regulations, 2016, IGI Investments is not eligible to hold shares of Central Depository Company (CDC) transferred from Holding Company (formerly IGI Insurance Limited) under the sanctioned scheme of arrangement.

Accordingly, under the instruction of Securities Exchange Commission of Pakistan (SECP), IGI Investments intends to dispose or transfer such shares.

12 RETIREMENT BENEFIT OBLIGATION	Note	2022	2021
		(Rupees in '000)	
Funded gratuity schemes	12.1.3	57,919	35,818
Un-funded gratuity scheme	12.2.3	25,242	19,534
		<u>83,161</u>	<u>55,352</u>

For The Year Ended December 31, 2022

12.1 Funded gratuity schemes

12.1.1 Salient features

The Group offers separate approved gratuity funds for eligible employees of IGI General and IGI Life. Annual contributions are made to the funds on the basis of actuarial recommendations. The gratuity schemes are governed under the Trust Act, 1882, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002.

The Group faces the following risks on account of these gratuity schemes:

Final salary risks

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

Asset volatility

Most assets are invested in risk free investments. However, investments in shares, are subject to adverse fluctuation as a result of change in market price.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investments.

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

The Group manages such risks by making regular contributions in the defined benefit plan and investing such contributions in investment avenues that are low risk. This aims to reduce the volatility in the schemes' funding position and identifying any funding gaps which are met by way of contribution.

12.1.2 Valuation results

Actuarial valuations are carried out every year and the latest valuations were carried out as at December 31, 2022. The information provided in notes 13.1.3 to 13.1.15 has been obtained from the actuarial valuations carried out as at December 31, 2022. The following significant assumptions have been used for valuation of these schemes:

Notes to and Forming Part of the Consolidated Financial Statements

	2022		2021	
	IGI General	IGI Life	IGI General	IGI Life
	(Per annum)			
a) Expected rate of increase in salary level	15.00%	14.50%	9.75%	12.25%
b) Discount rate	14.50%	14.50%	12.25%	12.25%
c) Expected return on plan assets	14.50%	14.50%	12.25%	12.25%
d) Normal retirement age	58 years	65 years	58 years	65 years
e) Assumptions regarding future mortality experience are based on actuarial recommendations and published statistics.				

12.1.3 Amounts recognised in the consolidated statement of financial position:

	Note	2022	2021
		(Rupees in '000)	
Present value of defined benefit obligation	12.1.5	235,628	204,558
Less: fair value of plan assets	12.1.5	(177,709)	(168,740)
Payable to defined benefit plans		57,919	35,818

12.1.4 Movement in net liability during the year

Obligation at the beginning of the year	35,818	42,133
Charge to consolidated statement of profit or loss	33,074	30,134
Other comprehensive gain	18,077	(11,750)
Benefit payments made by the Company	(895)	(28)
Contribution to the fund during the year	(28,155)	(24,671)
Obligation at the end of the year	57,919	35,818

12.1.5 Movement in defined benefit obligation

	2022		
	Present value of obligation	Fair value of plan assets	Total
	(Rupees in '000)		
As at January 1	204,558	(168,740)	35,818
Current service cost	29,620	-	29,620
Interest expense / (income)	25,818	(22,364)	3,454
	259,996	(191,104)	68,892
Remeasurements:			
- Gain from change in financial assumptions	(6,096)	-	(6,096)
- Loss from change in experience adjustments	-	24,173	24,173
	(6,096)	24,173	18,077
Contributions during the year	-	(28,155)	(28,155)
Benefit payments made by the Company	(895)	-	(895)
Benefit payments made by the Fund	(17,377)	17,377	-
As at December 31	235,628	(177,709)	57,919

	2021		
	Present value of obligation	Fair value of plan assets	Total
	(Rupees in '000)		
As at January 1	186,144	(144,011)	42,133
Current service cost	26,593	-	26,593
Interest expense / (income)	19,622	(16,081)	3,541
	232,359	(160,092)	72,267
Remeasurements:			
- Gain from change in financial assumptions	(13,701)	-	(13,701)
- Loss on actual salary increase	-	1,951	1,951
	(13,701)	1,951	(11,750)
Contributions during the year	-	(24,671)	(24,671)
Benefit payments made by the Company	(28)	-	(28)
Benefit payments made by the Fund	(14,072)	14,072	-
As at December 31	204,558	(168,740)	35,818

For The Year Ended December 31, 2022

12.1.6 Amounts recognised in the consolidated statement of profit or loss:

	2022	2021
	(Rupees in '000)	
Current service cost	29,620	26,593
Interest cost	3,454	3,541
Expense for the year	33,074	30,134

12.1.7 Remeasurement loss recognised in the consolidated statement of profit or loss and other comprehensive income:

Gain from change in financial assumptions	6,096	13,701
Loss from change in experience adjustments	(24,173)	(1,951)
	(18,077)	11,750

12.1.8 Actual return on plan assets

Expected return on assets	22,364	16,081
Actuarial loss	(24,173)	(1,951)
	(1,809)	14,130

12.1.9 Analysis of present value of defined benefit obligation

Split by vested / non-vested		
(i) Vested benefits	234,508	203,897
(ii) Non-vested benefits	1,120	661
	235,628	204,558

12.1.10 Sensitivity analysis

Particulars	2022			2021		
	Change in assumptions	Increase / (decrease) in present value of defined benefit obligation		Change in assumptions	Increase / (decrease) in present value of defined benefit obligation	
		(%)	(Rupees in '000)		(%)	(Rupees in '000)
Discount rate	+1%	-36.22%	(85,341)	+1%	-38.72%	(79,214)
	-1%	41.77%	98,422	-1%	44.49%	91,007
Salary increase rate	+1%	-30.08%	(70,877)	+1%	44.95%	91,948
	-1%	25.57%	60,243	-1%	-39.00%	(79,786)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions, same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

12.1.11 Plan assets comprise of the following:

	2022	Percentage composition	2021	Percentage composition
	(Rupees '000)		(Rupees '000)	
Equity investments	21,938	12.34%	14,851	8.80%
Cash and bank deposits	123,777	69.65%	116,988	69.33%
Government Securities	31,994	18.01%	36,901	21.87%
Fair value of plan assets	177,709	100.00%	168,740	100.00%

Notes to and Forming Part of the Consolidated Financial Statements

12.1.12 As per the actuarial recommendations, the expected return on plan assets was taken as 12.25% (2021: 9% - 10.25%), which is representative of yields on long-term Government bonds. Due to the increased volatility of share prices in recent months, there is no clear indication of return on equity. It is therefore assumed that the yield on equity matches the return on debt.

12.1.13 Based on actuarial advice, the Group intends to charge an amount of Rs 36.306 million in the consolidated financial statements in respect of approved gratuity fund for the year ending December 31, 2023.

12.1.14 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At December 31, 2022	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
(Rupees in '000)					
2022					
Gratuity	34,552	2,820	58,148	4,336,805	4,442,325
2021					
Gratuity	16,151	27,002	35,163	2,434,986	2,513,302

12.1.15 5 year data on the deficit / (surplus) of the plan is as follows:

	2022	2021	2020	2019	2018
(Rupees in '000)					
Present value of defined benefit obligation	235,628	204,558	186,144	158,845	173,146
Fair value of plan assets	(177,709)	(168,740)	(144,011)	(115,374)	(115,680)
Deficit	57,919	35,818	42,133	43,471	57,466

12.2 Unfunded gratuity scheme

12.2.1 Defined benefit plan - staff retirement gratuity scheme (unfunded)

IGI Finex has an unfunded gratuity scheme for its eligible employees of IGI Finex. Under the service rules, eligible employees are entitled to gratuity after five years of service and thereafter the amount depends on the number of years of service completed by them. The latest actuarial valuation of the scheme was carried out as at December 31, 2022 using the projected unit credit method.

12.2.1.1 The gratuity scheme exposes the Group to the following risks:

Mortality risks

This is the risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks

This is the risk that the final salary at the time of cessation of service is higher than expectation. Since the benefit is calculated on the basis of final salary, the benefit amount increases proportionately.

Withdrawal risks

This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

For The Year Ended December 31, 2022

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities.

12.2.2 Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme:

	2022	2021
(Rate per annum)		
Discount rate	12.25%	11.75%
Expected rate of increase in salary	13.25%	10.75%
Mortality rate	SLIC 2001-05	SLIC 2001-05

12.2.3 Amounts recognised in the consolidated statement of financial position:

	Note	2022	2021
(Rupees in '000)			
Present value of defined benefit obligation	12.2.6	25,242	19,534

12.2.4 Amount recognised in the consolidated statement of profit or loss:

Interest cost	2,283	1,486
Past service cost	-	-
Current service cost	2,352	2,126
Cost for the year	4,635	3,612

12.2.5 Remeasurement loss recognised in the consolidated statement of profit or loss and other comprehensive income

Actuarial loss from changes in financial assumptions	172	181
Experience adjustments	1,116	962
	1,288	1,143

12.2.6 Movement in the present value of defined benefit obligation

Present value of defined benefit obligation - opening balance	19,534	15,712
Past service cost	-	-
Current service cost	2,352	2,126
Interest cost	2,283	1,486
Remeasurement loss		
- due to change in financial assumptions	172	181
- due to change in demographic assumptions	-	-
- due to change in experience adjustments	1,116	962
	1,288	1,143
Benefits paid	(215)	(933)
Present value of defined benefit obligation - closing balance	25,242	19,534

Notes to and Forming Part of the Consolidated Financial Statements

12.2.7 Sensitivity analysis:

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

Change in assumption	2022		2021		
	Impact on defined benefit obligation		Impact on defined benefit obligation		
	(Decrease) / (increase) in present value of defined benefit obligation		(Decrease) / (increase) in present value of defined benefit obligation		
	%	(Rupees in '000)	%	(Rupees in '000)	
Discount rate	+1%	-2.56%	(646)	-2.57%	(501)
	-1%	2.72%	686	2.73%	533
Long term salary increase rate	+1%	3.16%	798	3.18%	621
	-1%	-3.02%	(763)	-3.04%	(594)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

12.2.8 Based on the actuarial advice, the group intends to charge an amount of approximately Rs. 5.671 million (2021: Rs. 4.278 million) in the financial statements in respect of the unfunded gratuity scheme for the year ending December 31, 2023.

12.2.9 The weighted average duration of defined benefit obligation is 3 years.

12.2.10 Expected maturity analysis of undiscounted obligation

	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
Undiscounted payments	7,931	6,982	17,126	28,178	60,218

12.2.11 The information provided in notes 12.2.1 to 12.2.10 has been obtained from the details provided by the actuary of the IGI Finex.

13 DEFINED CONTRIBUTION PLAN - PROVIDENT FUND

IGI General has set up a provident fund for its permanent employees and contributions were made by the Company to the Trust in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2022 was Rs. 20.666 million (2021: Rs. 18.573 million). The net assets based on unaudited financial statements of Provident Fund as at December 31, 2022 are Rs. 149.081 million (2021: 139.248 million) out of which 94% were invested in different financial instruments categories as provided in Section 218 of the Companies Act, 2017 and the rules formulated therein. The carrying value of the investments of the provident fund as at December 31, 2022 (unaudited) was Rs. 155.431 million (2021: 139.248 million). The above investments out of provident fund have been made in accordance with the requirements of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

For The Year Ended December 31, 2022

IGI Life has also has set up a provident fund for its permanent employees and contributions were made by the Company to the Fund in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2022 was Rs. 17.161 million (2021: Rs. 16.179 million).

Break up of investments	IGI General		IGI Life	
	Rupees in '000	% of the size of the fund	Rupees in '000	% of the size of the fund
Government securities	33,085	23.75%	-	-
Listed securities	6,133	4.40%	-	-
Bank deposits	78,999	56.74%	66,809	98.70%
Mutual Funds	16,031	11.52%	-	-
Other assets	-	-	877	1.30%
Term finance certificates	5,000	3.59%	-	-
Total	139,248	100.00%	67,686	100.00%

14 STAFF STRENGTH

	Holding Company		Subsidiary Companies	
	2022	2021	2022	2021
	(Number of employees)			
Number of employees as at December 31	-	-	396	459
Average number of employees during the year	-	-	406	466

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

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2022	2021		2022	2021
	(Number of shares)			(Rupees in '000)	
	1,942,187	1,942,187	Ordinary shares of Rs. 10 each issued as fully paid in cash	19,422	19,422
	139,351,330	139,351,330	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	1,393,513	1,393,513
	1,337,033	1,337,033	Issued for consideration other than cash	13,370	13,370
	<u>142,630,550</u>	<u>142,630,550</u>		<u>1,426,305</u>	<u>1,426,305</u>

15.1 All ordinary shares carry equal voting and dividend rights

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

	2022	2021
	(Rupees in '000)	
At beginning of the year	142,630,550	142,630,550
Issuance of shares during the year	-	-
Redemption of shares during the year	-	-
At end of the year	<u>142,630,550</u>	<u>142,630,550</u>

Notes to and Forming Part of the Consolidated Financial Statements

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

	Basis of relationship	2022 (Percentage of shareholding)	2021
Babar Ali Foundation	Associate	10.89%	10.89%
Industrial Technical And Educational Institute Packages Limited	Associate	16.81%	16.81%
Syed Hyder Ali	Director	6.20%	6.14%
Syed Shahid Ali	Director	1.08%	1.08%
Syed Yawar Ali	Director	1.01%	1.01%
Syed Babar Ali	Director	18.96%	18.96%

15.4 During the financial year ended June 30, 2012, IGI Finex received Rs. 650,000,000 in the form of interest free subordinated loan from Syed Babar Ali, Chairman – IGI Holdings, the Holding Company, and a key sponsor of the Group (the preference shareholder). On June 29, 2012, IGI Finex and Syed Babar Ali entered into an irrevocable Subscription Agreement to convert the subordinated loan into preference shares to be issued by IGI Finex to Syed Babar Ali.

The Subscription Agreement provides for issue of 65,000,000 preference shares at the rate of Rs. 10 per share and these shares will be non-voting, non-redeemable, non-convertible and non-cumulative. Further, under the Subscription Agreement, IGI Finex is to take steps for issuance and allotment of preference shares to Syed Babar Ali and to complete all requisite formalities in that connection.

On April 18, 2014 and June 30, 2016 IGI Finex had signed Addendums to the aforesaid Subscription Agreement to amend the terms for payment of dividend to the preference shareholder (as may be declared by IGI Finex out of its distributable profits) and the entitlement of preference shareholder in case of liquidation / change of management control of IGI Finex.

Consequent to the above, in case of change in management control of IGI Finex, the preference shareholder shall be first paid dividend up to 10% of par value until the aggregate amount of preferential dividend paid equals Rs. 650 million and thereafter, 0.1% of par value. Further, in case of liquidation of IGI Finex, preference shareholder shall have priority over ordinary shareholder to the extent of par value of preference shares held, less dividends paid on preference shares.

During the year ended December 31, 2018, IGI Finex had repaid an amount of Rs. 100 million in respect of the advance against preference shares.

During the year ended December 31, 2019, another addendum was again signed to reflect that the amount of advance against preference shares is reduced to Rs. 550,000,000 and preference shares were reduced to 55,000,000 at the rate of Rs. 10 per share. Further, IGI Finex may at its option or discretion refund the entire subscription amount (or any part thereof) at any time during the term of this Subscription Agreement subject to a fifteen days notice to the sponsor, provided that the sponsor shall not be entitled to demand claim / refund of the Subscription amount (or any part thereof) in term of this clause of the Subscription Agreement.

During the year ended December 31, 2021, IGI Finex has repaid an amount of Rs. 55 million in respect of the advance against preference shares.

16 NON CONTROLLING INTEREST

	2022	2021
	(Rupees in '000)	
Opening balance	277,669	345,604
Profit / (loss) for the year	7,274	(60,426)
Other comprehensive loss	(7,930)	(7,509)
	<u>277,013</u>	<u>277,669</u>

For The Year Ended December 31, 2022

17 INSURANCE LIABILITIES

	Note	2022	2021
(Rupees in '000)			
Investment component of unit-linked and account value policies	17.1	10,040,826	10,407,554
Liabilities under individual conventional insurance contracts	17.1	6,447,583	6,721,168
Liabilities under group insurance contracts	17.2	365,750	319,592
Other insurance liabilities	17.3	621,438	606,333
Ledger account A and B	17.4	515,775	456,777
		<u>17,991,372</u>	<u>18,511,424</u>
17.1 Investment component of unit-linked and account value policies			
Investment component of unit-linked policies		10,040,826	10,407,554
Investment component of account value policies		6,447,583	6,721,168
		<u>16,488,409</u>	<u>17,128,722</u>
17.2 Liabilities under group insurance contracts			
Gross of reinsurance		432,828	372,038
Reinsurance credit		(67,078)	(52,446)
Net of reinsurance		<u>365,750</u>	<u>319,592</u>
17.3 Other insurance liabilities			
Gross of reinsurance		938,796	743,326
Reinsurance		(317,358)	(136,993)
Net of reinsurance		<u>621,438</u>	<u>606,333</u>
17.4 Ledger account A and B			
Opening balance		456,777	492,826
Surplus of life participating fund		122,755	6,935
Unrealised loss for the year		(47,659)	(25,971)
Surplus appropriated to Shareholders' Fund		(16,098)	(17,013)
Closing balance		<u>515,775</u>	<u>456,777</u>
18 LONG TERM LOAN			
Long term loan - secured	18.1	-	300,000
Less: current maturity of long term loans		-	(300,000)
		<u>-</u>	<u>-</u>

18.1 This represents long term loan amounting to Rs. 1,500 million from Habib Bank Limited during 2017 for the purpose of injecting equity in its subsidiary IGI General. The loan carries mark-up rate at 6 months KIBOR + 0.03% per annum (2021: 6 month KIBOR + 0.03% per annum). Principal repayment is to be made in 10 equal semi-annual instalments starting from the 6th month after the disbursement and subsequently, every six months thereafter. During the current year, the loan has been fully repaid. The facility is secured against pledge of shares held by IGI Investments.

19 LEASE LIABILITIES AGAINST RIGHT-OF-USE ASSETS

	2022	2021
(Rupees in '000)		
Lease liabilities against right-of-use-assets		
- Motor vehicles	28,118	48,469
- Premises	140,621	247,210
	<u>168,739</u>	<u>295,679</u>
Current portion	71,537	80,101
Non-current portion	97,202	215,578
	<u>168,739</u>	<u>295,679</u>

Notes to and Forming Part of the Consolidated Financial Statements

	2022			2021		
	Minimum Lease Payments	Financial charges	Principal outstanding	Minimum Lease Payments	Financial charges	Principal outstanding
	Rupees in '000)					
Not later than one year	90,427	18,890	71,537	104,668	24,567	80,101
Later than one year and not later than five years	109,083	11,881	97,202	286,880	71,302	215,578
	199,510	30,771	168,739	391,548	95,869	295,679

20 DEFERRED TAXATION - NET

Deferred tax (debits) / credits have arisen in respect of:

	Note	2022	2021
		(Rupees in '000)	
Accelerated tax depreciation and amortisation		27,592	24,368
Investment in associates and joint venture		1,639,475	1,372,003
Investment classified as available for sale		465,730	80,581
Provision for doubtful receivables		(119,382)	(105,040)
Provision for leave encashment		(2,180)	(1,985)
Defined benefit plan		(16,336)	(7,008)
Lease liabilities against right-of-use assets		(26,867)	(45,359)
Right-of-use-assets		41,857	41,973
Deficit of statutory funds		(420,616)	(426,200)
		1,589,273	933,333

20.1 Movement in deferred taxation

The movement in deferred tax liability during the year is as follows:

	Note	2022	2021
Opening		933,333	948,365
Charge to the consolidated statement of profit or loss	30	280,629	24,478
Reversal to the consolidated statement of profit or loss and comprehensive income		375,311	(39,510)
Closing		1,589,273	933,333

21 SHORT TERM LOAN

Short term loan	21.1 & 21.2	2,491,697	3,039,965
-----------------	-------------	-----------	-----------

21.1 This includes short term credit facilities available from various commercial banks under mark-up arrangements amounting to Rs. 2,750 million (2021: Rs. 2,750 million). Unutilised amount as at December 31, 2022 amounts to Rs. 1,424 million (2021: Rs. 1,035 million). These facilities carry mark-up at the rates ranging from 15.92% to 16.86% per annum (2021: 10.82% per annum). These facilities are secured against pledge of shares held by IGI Investments.

21.2 This represents short term credit facility available from Habib Bank Limited under a mark-up arrangement amounting to Rs. 1,500 million. An unutilised amount as at December 31, 2022 amounts to Rs. 175.035 million. The rate of mark-up on this facility is 1-month KIBOR + 0.25% per annum (2020: 1-month KIBOR + 0.25% per annum). The facility is secured against pledge of shares held by its wholly owned subsidiary IGI Investments.

For The Year Ended December 31, 2022

22 TRADE AND OTHER PAYABLES

	Note	2022	2021
		(Rupees in '000)	
Federal excise duty		112,403	85,304
Federal insurance fee		6,796	6,901
Agent commission payable		489,267	442,048
Cash margin		287,982	283,589
Certificates of deposit	22.1	594	594
Deposit under lease contracts	22.2	192,441	192,441
Payable against sale of marketable securities		420,286	860,105
Payable against profit on unutilised funds		3,091	9,195
Accrued expenses		304,638	102,994
Qard-e-hasan		-	105,339
Experience refund payable		65,925	31,625
Payable to customers		172,546	172,546
Others		463,782	580,166
		2,519,751	2,872,847

22.1 This represents certificates of deposit acquired by the Holding Company as part of the amalgamation of IGI Investment Bank Limited (the Investment Bank) with and into IGI Insurance Limited as at December 31, 2016 that has been retained by the Holding Company as part of the Scheme of Arrangement.

The outstanding amount relates to two depositors with aggregate deposits amounting to Rs 0.594 million (2021: Rs. 0.594 million) as they are untraceable. These certificates of deposits have already matured and mark-up payable on these till maturity is Rs. 0.034 million (2021: Rs. 0.034 million). In order to secure the amount for repayment of such deposits till the time parties are traced or lien matter is settled, the Holding Company has placed this amount in a money market fund of NBP fund management limited with authority to Central Depository Company (CDC) to operate the said account on its behalf and to pay the depositors as and when traced in accordance with the directions of the Securities and Exchange Commission of Pakistan (SECP).

22.2 This represents security deposits under lease contracts acquired as part of the amalgamation of IGI Investment Bank Limited with and into IGI Insurance Limited (now IGI Holdings) with effect from December 31, 2016 that has subsequently been retained by the Holding Company as part of the Scheme of Arrangement, against which an equivalent amount of residual value is receivable.

23 CONTINGENCIES AND COMMITMENTS

23.1 Holding Company

- A suit had been filed against the Investment Bank before the High Court of Sindh (the Court) for declaration, damages for Rs. 81.570 million and recovery of Rs. 1 million along with interest & mark-up in connection with the transaction of asset backed securitisation between the parties. Issues had been framed for determination by the Court and the matter is at the stage of the evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of the Company.
- A suit had been filed against the Investment Bank impleaded as defendant No. 6 before the High Court of Sindh for declaration, permanent injunctions, specific performance, settlement and / or rendition of accounts and / or cancellation of cheques and damages of Rs.100 million. The Investment Bank arranged lease finance for buses which were given on lease to a customer. The Court granted leave to defend the suit to all the defendants and the matter is at the stage of evidence of the parties. The management, based on the advice of its legal advisor is confident that the matter will be decided in favour of the Company.
- There are no material commitments as at December 31, 2022 and December 31, 2021.

23.2 IGI General

23.2.1 The following contingencies were transferred to and vested into IGI General Insurance Limited (IGI General) with effect from close of business on January 31, 2017 that have been retained by IGI General as part of the scheme of arrangement:

- IGI General is defending a suit against it by M/s Nawaz Enterprises for recovery of Rs. 9.45 million on account of insurance claim. The management, based on the advice of the legal counsel, is confident that the outcome of the case is likely to be in favor of IGI General.
- IGI General is defending a suit filed against it and the beneficiary on account of damages by the Federation of Pakistan amounting to Rs. 4.929 million. The petition is pending for hearing before Civil Court judge. The management, based on the advice of the legal counsel, is hopeful that the outcome of the case is likely to be decided in favor of IGI General.
- An appeal was filed before the Commissioner - Appeals, the Sindh Revenue Board (SRB) against the order passed by the Assistant Commissioner, SRB under section 23(1) of the Sindh Sales Tax on Services Act, 2011 for tax periods July 2011 to December 2012 in respect of re-insurance accepted transactions which was decided against IGI General. The department alleged that IGI General provided re-insurance services to local insurance companies and demanded Sindh sales tax on services under Sindh Sales Tax on Services Act, 2011. The Commissioner Appeals had decided the matter against IGI General. Against the order of the Commissioner - Appeals, further appeal had been filed before the Appellate Tribunal, SRB on January 16, 2015, which was also decided against IGI General. IGI General had filed an appeal in the Honorable High Court of Sindh which is pending adjudication. The management, based on the advice of the legal counsel, is hopeful that the outcome of the case will be decided in favor of IGI General.
- During the year 2018, the Sindh Revenue Board (SRB) raised a demand of tax of Rs 430.412 million under section 23(1) of Sindh Sales Tax on Services Act (SSTA), 2011, in respect of sales tax on reinsurance obtained from foreign re-insurers by IGI General. The department has also imposed a penalty of Rs 21.520 million.

The department alleged that IGI General has received re-insurance services from foreign re-insurance companies for the period from July 2011 to December 2014 and it is the contention of the department that these services are liable to sales tax under SSTA, 2011. The department attached IGI General's bank account and directed IGI General's banker to issue pay orders to SRB. The pay orders of Rs 58.028 million from IGI General's bank account were issued by IGI General's banker on December 27, 2018 upon direction of SRB.

IGI General has filed an appeal before the Commissioner Appeals on December 28, 2018 against the above order. The management in hearings held, during the year, before the Commissioner (Appeals) SRB has submitted that:

- The payments to foreign re-insurance companies are not a service and is merely a re-distribution of the insurance risk and therefore the insurance premium. There is no value addition involved since in essence it is a sharing of the insurance risk between the insurer and re-insurers. The management believes that the gross premium charged by the insurer was already subject to Sales Tax on the gross amount, hence it is illogical to again subject it to sales tax upon its re-distribution keeping in view the fact that neither any service is being provided to the policyholder nor any value addition is being made.
- These risk sharing arrangements have been made by IGI General with the re-insurance companies incorporated outside Pakistan with no legal or physical presence therefore it is of the view that the provisions of Sindh Sales Tax laws are not applicable to these type of arrangements and are outside the jurisdiction of Sindh Sales Tax laws.

The management believes that even if it is assumed that Sindh Sales Tax on re-insurance provided to insurer / insurance companies is applicable, the law does not provide any mechanism for calculating the basis on which such tax will be imposed and its related payment and the same would have been claimed as adjustable input tax by IGI General against its output tax liability.

IGI General had also filed a constitutional petition before the Honorable High Court of Sindh at Karachi (the Court) on December 28, 2018 seeking protection from the above mentioned coercive action taken by the tax department. The Court had suspended the above mentioned attachment notice and also instructed the bank that the said pay orders should not be encashed.

During the year ended December 31, 2020, the High Court of Sindh has disposed of the constitutional petition together with the other similar petitions and has ordered SRB not to enforce recovery of impugned demand before expiry of seven days of the receipt of the final decision in appeal or stay application by the Commissioner (Appeals) SRB, whichever is earlier.

The management, based on the advice received from their tax and legal advisors, is confident that this matter is likely to be decided in favour of IGI General. The Group's management has recorded Rs 58.028 million as 'other receivable' in these consolidated financial statements.

Further, during the year 2021, IGI General, along with the Insurance Association of Pakistan (IAP) and other insurance companies, 2021 has also filed a constitutional petition in the Honourable High Court of Sindh challenging the levy of Sindh Sales Tax on reinsurance. The Court has abstained the respondents from passing an adverse order against notices issued to the petitioners.

23.2.2 During the year ended December 31, 2020, one of the policyholders lodged a claim with IGI General under Export Credit Insurance Policy due to insolvency of one of their customers. IGI General appointed a surveyor to verify the claim. Appointed surveyor through its survey report concluded that this claim was a 'NO LOSS' claim and was outside the scope of the insurance cover. Based on the outcome of the survey report by appointed surveyor, the policyholder filed a complaint with the SECP against IGI General and the appointed surveyor. The SECP directed IGI General to appoint another surveyor to conduct the verification procedures. Other surveyor after performing their due procedures (including consultation with a lawyer) also concluded this claim to be 'NO LOSS' due to the same facts that were stated by the appointed surveyor.

During the year 2021, the policyholder, through its legal counsel served a legal notice to IGI General for claiming losses amounting to USD 709,356 under the afore-mentioned insurance policy. IGI General responded to the subject legal notice after consulting its legal counsel and rejected the claim based on the grounds mentioned in the paragraph above. Subsequently, IGI General received a legal notice from the Insurance Tribunal, Faisalabad summoning the representatives of IGI General and seeking the written response. IGI General through its legal counsel has submitted its response to the Insurance Tribunal explaining the basis of its contention.

In this connection, the proceedings of the Insurance Tribunal are under progress and there has been no correspondence on this matter after the response was submitted by IGI General. The management of IGI General believes that it has a strong case based on the reports of the two reputed independent surveyors and the advice of the legal counsel. Accordingly, no provision has been recognised in respect of this matter in the consolidated financial statements of IGI General for the year ended December 31, 2022.

23.3 IGI Investments

There are no contingencies and commitments as at December 31, 2022 and December 31, 2021.

23.4 IGI Life

- With effect from November 1, 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on both, life and health insurance, and subjected the same to the levy of Punjab Sales Tax (PST). Previously, the Sindh Revenue Board (SRB) had withdrawn similar exemptions granted in Sindh. However, during 2019, the Sindh Revenue Board, vide notification no. SRB 3-4/5/2019 dated May 8, 2019, restored the exemption on both, life and health insurance business upto June 30, 2019.

With effect from July 1, 2019, in Sindh, the SRB, vide its notifications SRB-3-4/16/2019 and SRB-3-4/14/2020, extended the exemption to health insurance upto June 30, 2021. For individual life insurance, the SRB prescribed a reduced rate of 3% on gross premium written. The exemption to Group Life insurance lapsed on June 30, 2019. Hence, Group Life Insurance was made taxable at the full rate of 13%. The SRB, however, vide its notification SRB-3-4/13/2020 dated June 22, 2020, provided exemptions to Individual Life and Group Life Insurance subject to e-deposit of sales tax payable thereon, as were provided or rendered during the period from July 1, 2019 till June 30, 2020. IGI Life, however, has not availed this exemption.

Notes to and Forming Part of the Consolidated Financial Statements

With effect from April 2, 2020, in Punjab, the Government of the Punjab (Finance department), as part of COVID relief, amended Second Schedule to the Punjab Sales Tax on Services Act, 2012 and changed sales tax rates on health and life insurance to 0% without input tax adjustment for the period from notification's effective date till June 30, 2020. This tax exemption is however retained only in case of Individual Health Insurance through Punjab Finance Act, 2020 which is effective from July 1, 2020.

The Insurance Association of Pakistan (IAP) had taken up the matter extensively with PRA and SRB for restoration of the exemptions that were withdrawn, besides seeking legal advice. The legal advisors of the IAP/IGI Life have confirmed the contention of IGI Life that insurance is not a service, but infact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

The legal advisors have also raised the important question of constitutionality of the levy of provincial sales tax on life insurance, which is a Federal subject, and have expressed the view that under Article 142 of the Constitution of Pakistan, only those matters which are not enumerated in the Federal Legislative List, may be legislated upon by the provinces. In their view, since the Federation has retained a legislative mandate over all laws relating to insurance, therefore, only the Federation is entitled to levy any tax in relation to insurance business.

Without prejudice to the main contentions as stated above, even otherwise, the legal advisors have expressed in their opinions a further flaw in the context of the manner in which the entire premium payment, i.e. Gross Written Premium (GWP) is being charged to the levy of provincial sales tax. This is despite the fact that there are two distinct elements of GWP (i) the amount allocated towards the policy holders' investment, which belongs to them and (ii) the difference between the GWP charged and the investment amount allocated. Thus, in their view, if the entire GWP is subjected to provincial sales tax, then this is akin to a direct tax on policyholders, in the nature of income tax, wealth tax, or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

Based on the above contentions, IGI Life and other life insurance / health insurance companies challenged the levy of PST on life and health insurance in the Punjab through a writ petition in the Honorable Lahore High Court (LHC) in September 2019. Subsequent to the filing of the petition, in October 2019, the PRA issued a show cause notice to IGI Life and other life insurance companies, attempting to levy PST on the Pan Pakistan GWP, i.e. beyond their jurisdiction, and for the entire calendar year 2018, besides other inaccuracies. IGI Life and other life insurance companies have filed further Writ Petitions in the Honorable Lahore High Court against the same. The petition is pending adjudication.

In Sindh, extensive discussions were held at the collective level of IAP with the SRB for the restoration of exemption on life insurance, which remained inconclusive. In November 2019, IGI Life, and other life insurance companies received show cause notices from the SRB, requiring the companies to deposit the SST on life insurance. Based on the same contentions as PST, IGI Life and other life insurance companies, have filed a Petition in the Honorable Sindh High Court (SHC) in November 2019, challenging the levy of SST. The Honorable SHC, in their interim order dated December 2, 2019, directed that the request of the petitioners, seeking exemption in terms of Section 10 of the SST Act, 2011, shall be considered by the SRB in accordance with the law. The Petition is pending adjudication.

In January 2020, the SRB, PRA and BRA invited the IAP and insurance industry to hold a dialogue for an amicable settlement of the matter. IGI Life, along with the IAP and other insurance companies participated in the meeting convened by Chairman SRB, and will continue its efforts to convince the provincial revenue authorities about the merits of the case.

During the hearing conducted in December, 2020, the Honorable Sindh High Court observed that one of the grounds in the petition is that "insurance" is a federal subject. On this basis, the Honourable Court was of the view that the Federation of Pakistan ought to be made a party. The Honourable Court therefore directed to amend the title of the petition, impleading the Federation as a Party, which has been duly done.

The legal advisors, in their opinion, have expressed the view that IGI Life has a reasonably strong case on the merits of the Petitions filed in both, the Honorable LHC and Honorable SHC, against the imposition of the provincial sales taxes on life and health insurance in the Punjab and on life insurance in Sindh.

Had the sales tax liability on life insurance and health insurance premium been recorded, the profit after tax would have been lower by Rs. 434.333 million while sales tax liability as at December 31, 2022 would have been higher by Rs. 611.737 million.

For The Year Ended December 31, 2022

- There has been no major change, during the period, in contingencies and commitments other than described above.

23.4 IGI Finex

- During the financial year ended June 30, 2012, a brokerage house filed a lawsuit against IGI Finex in the High Court of Sindh for recovery of Rs. 18.433 million together with mark-up on debit balances outstanding in its books and records on account of various transactions. Initially, IGI Finex had filed a counter affidavit against the application filed by the Complainant to seek an interim order. During the financial year ended June 30, 2013, IGI Finex filed a written Statement in this lawsuit, while the Plaintiff has filed a rejoinder to the counter affidavit filed by IGI Finex. IGI Finex has also filed a lawsuit against the same brokerage house and an ex-official of IGI Finex in the High Court of Sindh to recover the outstanding balance appearing in IGI Finex's books of account before provision. The court has issued notices to the defendants. Both the management and the legal counsel are of the view that there is a reasonable probability of IGI Finex's success in both lawsuits.
- During the financial year ended June 30, 2010, one of the customers of IGI Finex filed a lawsuit against IGI Finex before the High Court of Sindh for the recovery of Rs. 3.5 million along with damages of Rs. 100 million. The aforementioned lawsuit is counterblast to IGI Finex's suit for recovery of Rs. 0.97 million along with liquidated damages at the rate of 24%, filed during the financial year ended June 30, 2010 before the Senior Civil Judge Karachi, South, which was subsequently transferred to the Honorable High Court of Sindh at Karachi, on IGI Finex's civil transfer application, moved under section 24 read with section 151 of Civil Procedure Code. Both the management and the legal counsel are of the view that there is a reasonable probability of IGI Finex's success in both lawsuits.
- During the financial year ended June 30, 2010, one of the customers of IGI Finex had filed a lawsuit against IGI Finex in the Court of Senior Civil Judge Karachi, South for the recovery of Rs. 12.6 million along with mark-up thereon. The said lawsuit is counterblast to IGI Finex's suit for recovery of money, declaration and permanent injunction for recovery of Rs. 3.3 million along with liquidated damages at the rate of 24%, filed during the financial year ended June 30, 2009 before the Honorable High Court of Sindh. Both the management and the legal counsel are of the view that there is a reasonable probability of IGI Finex's success in both lawsuits.
- During the year ended June 30, 2009, a brokerage house filed suit before the Honorable Civil Judge, Lahore for declaration and permanent injunction against IGI Finex. The brokerage house filed a contempt petition and a petition under section 33 of the Arbitration Act against IGI Finex before the Honorable Civil Judge, Lahore. Furthermore the brokerage house also filed a civil revision before the Honorable Lahore High Court, Lahore Bench against an order passed by the learned Civil Judge wherein the learned Civil Judge was pleased to dismiss the temporary injunction granted to the brokerage house, the said order was also affirmed in appeal. Further, IGI Finex has filed a suit for recovery for Rs. 53.062 million along with liquidated damages and a petition before National Accountability Bureau (NAB) against the brokerage house. Both the management and legal counsel are of the view that there is a reasonable probability of Company's success in the lawsuit.
- There were no material commitments as at December 31, 2022 and December 31, 2021.

The contingencies relating to taxation are disclosed in note 30.2 to the consolidated financial statements.

23.5 Associates and joint venture

Group's share in contingencies of associates and joint venture accounted for under equity method is Rs. 3,810.26 million (2021: Rs. 4,765.127 million).

24 OPERATING REVENUE

Note	2022	2021
	(Rupees in '000)	
	9,199,571	9,537,927
Net premium income	1,762,057	1,470,926
Dividend income	1,800,832	1,256,595
Return on government and debt securities	121,955	286,334
Fee, commission and brokerage	360,178	246,246
Wakalah fee income	(17,557)	(84,676)
Unrealised loss on investments - net	(10,808)	(50,483)
Loss on sale of investments - net	13,216,228	12,662,869

Notes to and Forming Part of the Consolidated Financial Statements

25 OPERATING EXPENSES

	Note	2022	2021
		(Rupees in '000)	
Net claims		7,328,721	6,409,452
Charge of premium deficiency		2,079	1,345
Commission expense - net		1,880,340	2,222,949
Management expenses	25.1	1,854,892	1,744,246
		<u>11,066,032</u>	<u>10,377,992</u>
25.1 Management expenses			
Salaries, wages and benefits		953,749	897,681
Rent, rates and taxes		76,981	44,293
Utilities		41,425	33,053
Repairs and maintenance		37,195	41,013
System maintenance		97,528	93,701
Education and training		3,513	826
Computer expenses		3,504	2,691
Communication		42,076	46,175
Impairment / provision for doubtful receivables		47,679	32,981
Security expenses		18,697	38,250
Consultancy fee		7,692	10,863
Directors' fee		10,003	10,349
Actuary's fees		10,772	8,398
Shariah advisor fees		1,677	1,511
Legal and professional charges		35,724	48,749
Advertisement expenses		10,986	12,651
Stationery and printing		27,499	40,945
Depreciation and amortisation		263,273	267,792
Vehicle running expenses		72,863	37,020
Travelling		51,540	22,085
Miscellaneous		40,516	53,219
		<u>1,854,892</u>	<u>1,744,246</u>
26 OTHER INCOME			
From financial assets			
Profit on savings accounts and term deposits		189,798	125,759
Recoveries against bad and doubtful loans and advances / lease losses - net		7,300	28,168
		<u>197,098</u>	<u>153,927</u>
From non-financial assets			
Gain on disposal of assets		57,273	31,294
Fee for claim administration services		21,500	24,716
Return on loan to policyholders		14,937	16,414
Other		84,315	27,559
		<u>178,025</u>	<u>99,983</u>
		<u>375,123</u>	<u>253,910</u>

For The Year Ended December 31, 2022

27 GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2022	2021
		(Rupees in '000)	
Salaries, wages and benefits		188,615	183,634
Rent, rates and taxes		8,944	14,056
Repairs and maintenance		5,114	4,790
Insurance expenses		16,162	13,750
Motor car expenses		14,688	4,769
Tour and travelling		605	319
Stationery and printing		2,495	2,040
Depreciation and amortisation		6,892	17,823
Advertisement expenses		14,684	17,832
Legal and professional		32,813	27,720
Regulators fee		18,566	14,742
Fee and subscription		31,516	68,704
Education and training		479	380
Others		61,958	41,155
		<u>403,531</u>	<u>411,714</u>
28 OTHER EXPENSES			
Auditors remuneration	28.1	50,742	31,032
Provision / impairment for bad and doubtful loans and advances / lease losses - specific - net		-	1,364
Donations	28.2	9,198	5,825
Financial charges		435,841	317,633
		<u>495,781</u>	<u>355,854</u>
28.1 Auditors' remuneration			
Fee for statutory audit		6,959	6,030
Fee for interim review		1,783	1,576
Fee for audit of consolidated financial statements		1,755	1,540
Fee for audit of regulatory returns, special certifications and sundry services		27,498	14,199
Other advisory services		8,919	4,678
Out of pocket expenses		3,828	3,009
		<u>50,742</u>	<u>31,032</u>

28.2 This represents donation paid to Packages Foundation (a related party), in which Mr. Shamim Ahmed Khan and Syed Hyder Ali (directors of the Group) are Trustees.

29 SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND JOINT VENTURE UNDER EQUITY ACCOUNTING - NET

Name of associates / joint venture	2022				2021			
	Profit / (loss) after tax	Other comprehensive loss after tax	Share of profit / (loss) after tax	Share of other comprehensive loss after tax	Profit / (loss) after tax	Other comprehensive loss after tax	Share of profit / (loss) after tax	Share of other comprehensive loss after tax
	(Rupees in '000)							
Packages Limited	6,979,829	412,626	2,112,389	85,779	7,548,358	(3,733,401)	2,094,557	(1,057,133)
Dane Foods Limited	-	-	-	-	-	-	-	-
Packages Real Estate (Private) Limited	284,531	-	70,691	(416)	179,491	-	44,594	(415)
S.C Johnson & Son of Pakistan (Private) Limited	(421,777)	-	(101,250)	-	(64,871)	-	(29,192)	-
	<u>6,842,583</u>	<u>412,626</u>	<u>2,081,830</u>	<u>85,363</u>	<u>7,662,978</u>	<u>(3,733,401)</u>	<u>2,109,959</u>	<u>(1,057,548)</u>

30 TAXATION

	Note	2022	2021
(Rupees in '000)			
For the year			
- Current		1,060,850	734,289
- Prior year		29,289	1,484
- Group tax adjustments		(263,206)	(190,510)
- Deferred		280,629	24,478
		<u>1,107,562</u>	<u>569,741</u>
30.1 Tax charge reconciliation			
Profit before tax		<u>3,987,013</u>	<u>3,159,450</u>
Tax calculation at the rate of 33% (2021: 29%)		1,315,714	916,241
Effect of items taxable under lower rates		(11,143)	(231,016)
Effect of permanent differences		61,064	63,825
Prior year		29,289	1,484
Group tax adjustments		(263,206)	(190,510)
Others		(24,156)	9,717
		<u>1,107,562</u>	<u>569,741</u>

30.2 Contingencies related to tax matters:**30.2.1 Holding Company**

- These contingencies were acquired by the Holding Company as part of the amalgamation of Ex. IGI Investment Bank Limited (Investment Bank) with effect from December 31, 2016 that has been retained by the Holding Company as part of the scheme of arrangement. Income tax returns for the tax years 2011, 2012, 2013, 2014, 2015, 2016 and 2017 have been filed by the Ex. IGI Investment Bank Limited (Investment Bank) / now IGI Holdings Limited on due dates that are deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001.

Matters that are being contested mainly include the following:

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

No. 1581/LB/2011 and ITA No. 1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being Time Barred. For tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for readjudicating.

- Addition as a result of proration of expenses between exempt income (capital gains), dividend income and business income (Assessment / Tax years 2003, 2004, 2005, 2006 and 2007). For assessment year 2002-03, appeal is pending before ATIR. For Tax years 2004 & 2005, the ATIR vide orders No. ITA No. MA(AG) No. 48/LB/2019 / ITA No. 1581/LB/2011 and ITA No. 1263/LB/2012 dated November 25, 2019 and November 07, 2018 respectively has declared the amended orders for the said years as illegal being time barred. For Tax years 2006 & 2007, the ATIR vide consolidated order Nos. ITA No. 498/LB/2012 & ITA No. 499/LB/2012 dated March 26, 2018 has remanded back the case for readjudicating.
- Addition on account of allocation of finance cost to brokerage and commission income amounting to Rs.18.445 million (Tax Year 2009).
- Addition on account of specific provisions of Rs. 117.639 million (Tax Year 2009).

The management and its tax advisor are confident that all above matters will eventually be decided in favor of IGI Holdings.

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

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

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

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

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

During the year, the Company received notice from ACIR to explain the position in the matters remanded by CIRA. The Company submitted the response explaining that no issues were remanded by CIRA in its order. However, the ACIR passed an amended assessment order creating a demand of Rs. 435.869 million. The Company submitted application for rectification with the Commissioner Inland Revenue (CIR) against ACIR order creating demand erroneously. The concerned ADCIR found the Company's contention correct and issued rectification order whereby the tax demand earlier created for the Tax Year 2017 through an appeal effect order amounting to Rs 435.869 million

is now reduced to Rs 29.670 million (i.e. 3 percent of the taxable income as declared in the submitted income tax return for the Tax Year 2017) which is not recoverable considering the directions of the Honorable Supreme Court of Pakistan (SCP) through judgement dated November 26, 2020 and the fact that 50 percent of the tax demand of Rs . 28.607 million (relating to super tax created of Rs 57.214 million through the assessment order dated September 17, 2019) has already been paid as per the directions of the SCP.

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

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

The principal observations raised by ACIR were related to taxation of dividend and commission income at corporate tax rate, levy of super tax and inadmissible deductions of provision against investments and doubtful debts and impairment of goodwill. The Holding Company filed constitutional petition for the matter pertaining to the levy of super tax and obtained stay order against any adverse action in relation thereto and also submitted its response / explanations to ACIR.

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

The Holding Company has filed response to ACIR on the issues remanded back by the learned CIRA and has also filed an appeal with Appellate Tribunal Inland Revenue (ATIR) against order of the learned CIRA in the matters related to taxation of dividend and commission income at corporate tax rate, impairment of goodwill and levy of super tax.

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

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

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

- Income tax return for the tax year 2019 was filed by the Holding Company that is deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001. During the

year 2020, the Holding Company received a notice to amend assessment under section 122 (5A) from Additional Commissioner Inland Revenue (ACIR) for explanations over the matters raised in the notice prior to the amendment in the assessment under section 122 (5A) of the Income Tax Ordinance, 2001.

The principal observations raised by ACIR are related to levy of super tax and apportionment of expenses. The Holding Company filed constitutional petition for the matter pertaining to the levy of super tax and obtained stay order against any adverse action in relation thereto. Subsequent to the year end, IGI Holdings has also submitted its responses / explanations to ACIR.

During the year, the ACIR has passed its order creating a tax demand of Rs. 278.750 million on account of apportionment of expenses and disallowance of certain expenses. The management is in process of filing an appeal before Commissioner Inland Revenue (Appeals) against the order passed by ACIR. The Honourable High Court also dismissed petition for the matter pertaining to the levy of super tax which has been challenged in the Honourable Supreme Court of Pakistan. The CIRA has passed the order whereby the matters pertaining to disallowance of expenses and apportionment of expenses have been remanded back whereas the levy of super tax has been upheld. The Holding Company has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order.

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

During the year, a constitution petition was filed by the Holding Company along with other companies before the Honourable High Court of Sindh against the levy of super tax under section 4C of the Ordinance on the grounds that the retrospective application of section 4C violates the vested rights accrued in past and closed transactions. The Honourable High Court disposed off petition in favor of petitioners and has held that the super tax under section 4C of the Income Tax Ordinance, 2001 shall be applicable from the tax year 2023. SHC directed companies to submit cheques/guarantees in favor of SHC. Accordingly, the Company submitted a cheque of Rs. 103.104 million as Super Tax levy on the basis of prior year taxable income.

Subsequent to the year end, the Federal Board of Revenue has filed an appeal in the Supreme Court of Pakistan against the order passed by the Sindh High Court which is pending adjudication. The Supreme Court in its interim order, directed companies to submit Super Tax liability for Tax Year 2022.

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

There are no material commitments as at December 31, 2022 and December 31, 2021.

30.2.2 IGI General

The income tax assessments of IGI General have been finalised up to and including the tax year 2017. However, IGI General has filed appeals in respect of certain assessment years which mainly relate to the following:

- While finalising the assessment for the year 1999-2000 the Taxation Officer had not allowed credit for tax paid under section 54 amounting to Rs. 3 million for which rectification application is filed which is pending.

IGI General has also filed applications in respect of certain mistakes made in the orders passed under section 124 of the Income tax Ordinance for 2001-2002 and 2002-2003. The applications filed were rejected by the Tax Officer against which appeals had been filed with the CIT (A) which are pending.

The Additional Commissioner of Income Tax (AC) has issued notice under section 122 (5A) of the Income Tax Ordinance, 2001 in respect of the tax year 2005 and 2006 whereby he has proposed to disallow claim of expenses and exemption in respect of gain on sale of shares and taxed income from associates. Against the above notice, IGI General has filed a constitutional petition before the Honorable High Court. The regular hearing of petition is currently pending with the High Court.

- In respect of tax year 2007, all significant issues involved amounting to Rs. 7 billion were decided in favor of IGI General by CIR(A) and then by the ATIR. However, no appeal effect order has been passed. Further, certain matters amounting to Rs. 82 million that were remanded back to DCIR by the CIR(A) were not decided upon by the High Court. IGI General has written a letter to the taxation officer for passing appeal effect orders. The department had filed Income Tax Reference Application before Honorable High Court of Sindh against the deletion of the addition made on account of re-characterisation of actual realized capital gain. The said Income Tax Reference Application was heard by Honorable High Court and the judgment has been passed in favour of IGI General.

The tax department has further filed a civil petition before the Honorable Supreme Court of Pakistan against the judgement of the Honorable High Court which is pending adjudication.

- In case of tax year 2008, the Additional Commissioner Audit Division-II had issued notice under section 122 (5A) of the Ordinance for passing an amended order on certain issues. IGI General filed a writ petition before the Honorable High Court of Sindh which dismissed the petition by directing IGI General to submit its responses to the assessing authority. Moreover, the Honorable High Court had directed the assessing authority to pass the order, preferably within two months of the service of the Court's order, strictly in accordance with law keeping in view the provisions relating to insurance business and the decisions of the High Court and the Supreme Court on the subject issues. However, to date no notice has been received from the taxation authorities.

The additional Commissioner Audit zone III LTU Karachi issued another notice under section 122(5A) of the Ordinance in May 14, 2014 and passed an amended assessment order under section 122(5A) by disallowing provision for IBNR and allocation of expense against capital gains and dividend income. As a result of amended assessment demand of Rs. 63.166 million was created. Against the disallowances made by the ACIR, IGI General has filed an appeal before the Commissioner Inland Revenue (Appeals) and also filed an application for stay of demand. Pursuant to the stay application, the CIR(A) has granted stay of demand to IGI General. Against the above disallowance, IGI General filed an appeal before the learned Appellate Tribunal Inland Revenue. Further, IGI General challenged the assessment order on the ground that the assessment was barred by limitation of time. Moreover, the department filed a cross appeal before the ATIR challenging the relief granted by the CIR(A). The ATIR has decided both the appeals on the point of limitation of law as contained under section 122(2) of the Ordinance and have decided the appeal in favor of IGI General. Moreover, the departmental appeal has also been rejected being treated as infructuous. The department has filed a reference application before the Sindh High Court against the order of the ATIR which is pending adjudication.

Moreover, pursuant to the decision of the CIR(A), the ACIR has passed an appeal effect order duly incorporating the relief granted by the CIR(A) in respect of allocation of expenses and tax refundable of Rs. 18.030 million has been determined.

- In case of tax year 2009, the Deputy Commissioner of Inland Revenue (DCIR) has passed the amended order under section 122(5A) of the Ordinance by disallowing provisions on account of IBNR, unearned commission and allocation of expenses relating to exempt income. As a result of amended assessment demand of Rs 141 million was created. The DCIR has made certain errors in the order for which application for rectification was filed. Rectified order under Section 221 has been passed and as a result demand has been reduced to Rs. 51 million. The learned CIR(A) has granted partial relief in respect of certain issue and confirmed certain disallowances. IGI General filed further appeal before the appellate tribunal inland revenue (ATIR) in respect of issues on which relief was not allowed by the CIR(A). The ATIR, pursuant to the appeals filed against the order of CIR(A), has now passed the order whereby the ATIR has confirmed disallowance made on account of provision for IBNR. Further issue of allocation of expenses against investment income has been remanded back to CIR(A). As regards, the issue of addition made on account of provision of unearned commission, the ATIR has upheld the decision of CIR(A) whereby disallowance made on this score is deleted. In respect of issues decided against IGI General, a reference application was filed before Honorable Sindh High Court where the IBNR issue has been decided in favor of IGI General whereas remaining issues are pending adjudication.

The Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend income, commission income and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. As a result of

the amended assessment demand of Rs.31.420 million was created. IGI General paid an amount of Rs.10 million and obtained stay from the Commissioner Inland Revenue till August 31, 2015 in respect of payment of the remaining tax demand of Rs. 21.420 million. Further, against the above treatment meted out by the ACIR, IGI General has filed an appeal before the Commissioner Inland Revenue (Appeals) which is pending adjudication. IGI General also filed a petition against the said order before the Honorable Sindh High Court which was disposed off with the directions that no coercive measures taken by the Tax Authorities till the decision of the CIR(A) on the appeal filed which is pending adjudication.

- In case of tax year 2010, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has disallowed provision of IBNR under section 34(3) of the Ordinance. As a result of the amended assessment demand of Rs.93.445 million has been created. IGI General has filed appeal and application for stay of tax demand before the CIR(A) against the above assessment order. IGI General has also filed a petition against the said order before the Honorable Sindh High Court which is pending adjudication.

Pursuant to the appeal, the learned CIR(A) vide combined appellate order No.21 and 22/A-1 dated 10 March 2016 has decided all issues in favor of IGI General. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication.

- In case of tax year 2011, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR, claim of brought forward loss for the tax year 2008 and refund adjustments for tax years 2004 and 2009 in the amended assessment order. Moreover, Workers' Welfare Fund @ 2% of the accounting profit for the year has also been levied. As a result of the amended assessment demand of Rs.142.414 million has been created. IGI General has filed appeal and application for stay of tax demand before the CIR(A) against the above assessment order.

Pursuant to the appeal, the learned CIR(A) vide combined appellate order No. 21 & 22/A-1 dated 10 March 2016 has decided the following issues in favor of IGI General:

- Chargeability of tax on dividend income and property income at corporate tax rate;
- Provision for IBNR;
- Levy of Workers' welfare fund for the year.

As regards, credit / adjustment of refunds available to IGI General, the CIR(A) has remanded back the issue with the directions to verify the claim of refunds and allow the adjustment as per law. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication.

- In case of tax year 2012, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR amounting to Rs. 33 million in the amended assessment order. As a result of the amended assessment, demand of Rs. 106.563 million was created. IGI General has obtained stay from the Honorable Sindh High court in respect of the above tax demand. Further, against the aforesaid order, IGI General also filed an appeal before CIR(A) which is pending adjudication. The stay from the Honorable Sindh High Court has been disposed off subsequently with the directions that no coercive measures taken by the Tax Authorities till the decision of the CIR(A) on the appeal filed. The learned CIR(A) has passed the appellate order wherein both the aforesaid issues have been decided in favor of IGI General.

The department has filed an appeal before Appellate Tribunal, Inland Revenue (ATIR) against the order passed by the CIR(A) which is pending adjudication.

- In case of tax year 2013, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at corporate tax rate (i.e. 35% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR, claim of brought forward loss for the tax year 2012 and has also made an addition on account of disposal of fixed assets at less than fair market value (FMV) in the amended assessment order. As a result of the amended assessment, demand of Rs. 95.008 million was created. Against the aforesaid order, IGI General has filed an appeal before CIR(A). Pursuant to the appeal, the learned CIR(A) vide appellate order No. 10/A-1 dated 05 October 2016 has decided the following issues in favor of IGI General:

- Chargeability of tax on dividend income and property income at corporate tax rate;
- Provision for IBNR amounting to Rs. 33 million;
- Addition on account of disposal of fixed assets.

Further the CIR(A) has remanded back the issues in respect of adjustment of brought forward loss for the tax year 2012 and credit of Workers' Welfare Fund paid with the return of income. The tax department has filed further appeal before the Appellate Tribunal Inland Revenue(ATIR) in respect of the issues on which relief was allowed by the CIR(A) which is pending adjudication.

- In case of tax year 2014, case of IGI General was selected for audit under section 177 of the ordinance and subsequently, the Deputy Commissioner Inland Revenue (DCIR) has passed an amended assessment order under section 122(1) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 34% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has also disallowed provision of IBNR and has also made an addition on account of disposal of fixed assets at less than Fair Market Value (FMV) and motor car expenses paid in cash under section 21(l) in the amended assessment order. As a result of the amended assessment, demand of Rs. 148.444 million was created. IGI General has obtained stay from the Honorable Sindh High court in respect of the above tax demand. Further, against the aforesaid order, IGI General has also filed an appeal before CIR(A) . The stay from the Honorable Sindh High Court has been disposed off subsequently with the directions that no coercive measures taken by the Tax Authorities till the decision of the CIR(A) on the appeal filed.

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issues in respect of levy of tax on dividend income at corporate tax rates, disposal of vehicles at less than FMV and levy of WWF have been decided in favor of IGI General. However, issues in respect of levy of minimum tax under section 113, provision for IBNR and motor car expenses in cash has been decided against IGI General. IGI General has filed further appeal before the ATIR in respect of the issues decided against IGI General except issue of motor car expenses paid in cash, which is pending adjudication.

- In case of tax year 2015, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend and property income has been charged at the corporate tax rate (i.e. 33% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, ACIR has levied Super tax under section 4B of the Ordinance amounting to Rs. 27.743 million and Workers' Welfare Fund for the year. As a result of the amended assessment, a demand of Rs. 234.287 million was created. IGI General has obtained stay from the Honorable Sindh High Court in respect of the above tax demand. Further, against the aforesaid order, IGI General has also filed an appeal before CIR(A) which is pending adjudication. The stay from the Honorable Sindh High Court has been disposed off subsequently with the directions that no coercive measures would be taken by the tax authorities till the decision of the CIR(A) on the appeal filed which is pending adjudication.

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issue of levy of tax on dividend income at corporate tax rates has been decided in favor of IGI General whereas the issue of levy of Super tax under section 4B has been decided against IGI General. Furthermore, the CIR(A) has remanded back the issue of levy of WWF. IGI General has filed further appeal before the ATIR in respect of the issue of levy of Super tax, which is pending adjudication.

The ACIR also passed an appeal effect order whereby a tax demand of Rs.2.776 million was created. While passing the aforesaid order, the ACIR did not consider the impact of payment of WWF for the year amounting to Rs. 3.635 million. Accordingly, a rectification application was duly filed pursuant to which the ACIR has now passed a rectified order whereby a refund of Rs. 0.859 million has been created.

The ACIR also passed an order under section 221 of the Ordinance charging Super tax under section 4B amounting to Rs 27.912 million. Without prejudice to the stance in appeal, IGI General made payment of Rs 20 million in respect of the Super tax liability under section 4B whereas the remaining Super tax demand of Rs 7.912 million was adjusted against the refund of tax year 2008. IGI General filed an application with the ACIR requesting to annul the order based on various legal grounds, however, no order was passed in this regard. Moreover, IGI General also filed an appeal before the CIR(A) in respect of the order passed under section 221 of the Ordinance. Pursuant to the above appeal, the CIR(A) passed the appellate order wherein the action of the ACIR in charging super tax under section 221 of the Ordinance was annulled. IGI General has written a letter to the concerned taxation officer for passing appeal effect order in line with the appellate order passed by the CIR(A), which is pending. The tax department has also filed further appeal before the ATIR against the order passed by the CIR(A), which is pending adjudication.

- The case for tax year 2015 was further selected for audit under section 177 of the Ordinance. IGI General submitted all the information requested through the Information and Document Request (IDR) pursuant to which a show-cause notice was issued in December 2017. IGI General has submitted its response in respect of the issues raised in the show-cause notice, however, no assessment order has yet been passed.
- In case of tax year 2016, the Additional Commissioner Inland Revenue (ACIR) has passed an amended assessment order under section 122(5A) of the Ordinance wherein tax on dividend income has been charged at corporate tax rate (i.e. 32% for the year) by treating such income as business income of IGI General under Fourth Schedule to the Ordinance. Further, the ACIR has disallowed the claim of expense on account of health administrative services under section 21(c) of the ordinance and has also made an addition on account of disposal of fixed assets at less than Fair Market Value (FMV) in the amended assessment order. As a result of the amended assessment, demand of Rs. 105.190 million was created. IGI General has filed stay application in respect of the above tax demand in the Honorable High Court of Sindh and also filed an appeal against the aforesaid order before the CIR(A).

Pursuant to the appeal before CIR(A), the CIR(A) has passed the appellate order whereby issues in respect of levy of tax on dividend income at corporate tax rates and disposal of vehicles at less than FMV have been decided in favor of IGI General whereas the issue of non-deduction of tax on payment for health plan administrative services under section 21(c) of the Ordinance has been decided against IGI General.

- During the year, the IGI General received a notice from Federal Board of Revenue (FBR) bearing reference No. DCIR/A&P/ENF-II/LTO/2022-2023/5213 dated September 16, 2022 issued under section 11(2) of the Sales Act, 1990 (ST Act) highlighting certain non-compliance related to violation of section 48 of the ST Act.

Further, IGI General received an assement order dated December 16, 2022 demanding of Rs. 16.301 million. Subsequent to the year end, IGI General filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

- During the year, IGI General received a notice from Federal Board of Revenue (FBR) bearing reference No. DCIR/UNIT4/ENF-II/LTU/2021-2022 dated March 16, 2022 issued under section 11(2) of the Sales Act, 1990 (ST Act) highlighting certain non-compliance related to violation of section 48 of the ST Act.

Further, IGI General received an assement order dated July 07, 2022 demanding of Rs. 13.350 million. Subsequent to the year end, the Company filed an appeal before CIR(A) dated January 12, 2023 and paid 10% of the demand under section 48 of the ST Act which is pending adjudication.

The management and tax advisor of IGI General are confident that the above matters will be decided in IGI General's favor. Accordingly, no provision has been recognised in these consolidated financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

30.2.3 IGI Finex

- During financial year 2013, audit proceedings under section 177 of the Income Tax Ordinance, 2001 in relation to the Tax Year 2010 were concluded by the Deputy Commissioner Inland Revenue (DCIR) which led to an eventual tax demand of Rs. 6.672 million. The DCIR disallowed certain expenses claimed by IGI Finex as well as claim of exempt capital gain on sale of listed securities, treated certain trade debtors as trade creditors and treated the difference between the amount of salaries as per the annual statement filed under section 165 of the Income Tax Ordinance, 2001 and that disclosed in the financial statements as unexplained expenditure. IGI Finex had filed an appeal with the Commissioner Inland Revenue (Appeals) against the said demand which was heard by the Commissioner.

During the year ended June 30, 2014, the Commissioner passed an order under which IGI Finex had been allowed certain expenses which were disallowed by DCIR in earlier assessment. DCIR had filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the said order. The management also filed a second appeal before ATIR. During the year ended June 30, 2017, ATIR in its Order dated May 31, 2017 had remanded back the matter to DCIR, with a direction to ascertain the true facts of the disallowed matters, rejected the appeal of the tax department and upheld the findings of CIR(A). The findings of CIR(A) included remanding back the matter to DCIR of treating certain trade debtors as trade creditors and of treating the difference in the amount of salaries as unexplained expenditure and allowing appeal of IGI Finex that it was not heard by the DCIR before disallowment of the expenses. IGI Finex has submitted an application to the Deputy Commissioner Inland Revenue to give the appeal effect of these matters at the earliest.

The management and tax advisor of IGI Finex are confident that the above matter will be decided in IGI Finex's favor. Accordingly, no provision has been recognised in these consolidated financial statements.

31 EARNINGS PER SHARE

31.1 Basic earnings per share

Profit for the year attributable to equity holders of the parent

2022	2021
(Rupees in '000)	
2,872,177	2,650,135

Weighted average number of ordinary shares

(Number of shares)	
142,630,550	142,630,550

Earnings per share

(Rupees)	
20.14	18.58

31.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at December 31, 2022 and December 31, 2021 which would have any effect on the earnings per share if the option to convert is exercised.

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES OF HOLDING COMPANY

The aggregate amounts charged in these consolidated financial statements for remuneration, including certain benefits, to the Chief Executive, Director and Executives of the Group during the year are as follows:

32.1 Holding Company

Fee for attending board meeting

Directors	
2022	2021
(Rupees in '000)	
4,025	3,800

Number of persons

8	8
---	---

For The Year Ended December 31, 2022

32.2 Subsidiary companies

	Chief Executive*		Directors		Executives	
	2022	2021	2022	2021	2022	2021
(Rupees in '000)						
Fee for attending board meeting	-	-	13,600	10,850	-	-
Managerial remuneration	49,578	46,126	4,136	16,177	255,251	241,835
Bonus	10,955	13,824	-	4,215	66,934	56,033
Retirement benefits (including provident fund)	3,966	2,913	414	784	15,927	14,758
Housing and utilities	16,231	11,141	2,688	7,580	58,504	47,695
Medical expenses	1,912	1,738	-	-	5,805	4,448
Conveyance allowance	1,099	623	-	304	16,531	9,110
Others	6,421	4,650	2,936	1,142	14,362	8,926
	90,162	81,015	23,774	41,052	433,314	382,805
Number of persons	3	3	15	14	67	65

**Salary expense of the Chief Executive of IGI Investments is charged through group shared services agreement and no expense is charged in respect of salary of CEO in the Holding Company.

33 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, other related group companies, directors of the Group, key management personnel, major shareholders and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions. Remuneration of key management personnel is disclosed in note 33. Amounts due to / from and other significant transactions, other than those disclosed elsewhere in these consolidated financial statements, are as follows:

Transactions	Associates / joint venture		Post employment benefit plans		Directors		Key Management personnel		Other related parties	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
(Rupees in '000)										
Premium underwritten	-	-	-	-	-	-	1,850	814	-	-
Premium collected	-	-	-	-	-	-	1,850	475	-	-
Claims expense	-	-	-	-	-	-	833	191	-	-
Dividend received	-	-	-	-	-	-	-	-	48,755	18,752
Dividend paid	82,682	105,231	-	-	213,465	271,168	-	-	217,311	276,578
Charge for group shared services	-	-	-	-	-	-	-	-	10,334	6,621
Wakalah fee income	-	-	-	-	-	-	-	-	360,178	246,246
Mudari's share on investment income - income	-	-	-	-	-	-	-	-	18,802	6,728
Charge in respect of gratuity fund	-	-	33,074	30,134	-	-	-	-	-	-
Charge in respect of provident fund	-	-	34,424	34,752	-	-	-	-	-	-
Contribution to gratuity fund	-	-	15,400	14,298	-	-	-	-	-	-
Contribution to provident fund	-	-	7,636	10,683	-	-	-	-	-	-
Key Management Personnel compensation	-	-	-	-	23,774	41,052	523,475	463,820	-	-
Disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
Sale proceeds from fixed assets	-	-	-	-	-	-	-	-	-	-
Purchase of marketable securities for and on behalf of	-	-	-	-	-	-	144,693	381,209	-	-
Sale of marketable securities for and on behalf of	-	-	-	-	-	-	146,077	382,221	-	-
Brokerage income earned	-	-	-	-	-	-	415	1,190	-	-
Donation	-	-	-	-	-	-	-	-	8,558	5,825

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2022

	Associates / joint venture		Post employment benefit plans		Directors		Key Management personnel		Other related parties	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Balances										
Premium receivable	-	-	-	-	-	-	-	-	-	-
Commission payable	-	-	-	-	-	-	-	-	-	-
Investment in shares	17,460,165	15,951,170	-	-	-	-	-	-	655,309	845,279
Other receivable	-	-	-	-	-	-	-	-	224,141	212,067
Other payable	-	-	-	-	-	-	-	-	-	105,339
Retirement benefit obligation (Payable to) / receivable from provident fund	-	-	(83,161)	(55,352)	-	-	-	-	-	-
	-	-	29,414	19,788	-	-	-	-	-	-

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

S. No.	Name of related party	Basis of association / relationship	Aggregate % of shareholding
1	Packages Limited	Associate	10.54%
2	Syed Babar Ali	Chairman	18.96%
3	Babar Ali Foundation	Other related party	10.89%
4	Industrial Technical and Educational Institute	Other related party	16.81%
5	DIC Pakistan Limited	Other related party	N/A
6	Packages Real Estate (Private) Limited	Associate	N/A
7	Syed Maratib Ali Trust	Other related party	N/A
8	Tri-Pack Films Limited	Other related party	N/A
9	Bulleh Shah Packaging Limited	Other related party	N/A
10	Omypack Private Limited	Other related party	N/A
11	Packages Lanka	Other related party	N/A
12	Syed Hyder Ali	Key management personnel	6.20%
13	Chaudhry Tahir Masaud	Key management personnel	N/A
14	S.C.Johsons & Son of Pakistan Private Limited	Associate	45%

34 OPERATING SEGMENT

34.1 The Group's business is organised and managed separately according to the nature of services provided with the following segments:

Non-Life Insurance (Conventional and Takaful)

- Fire and property insurance provides coverage against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and other related perils.
- Marine, aviation and transport insurance provides coverage against cargo risk, war risk, damages occurring in inland transit and other related perils.
- Motor insurance provides comprehensive car coverage, indemnity against third party loss and other related coverage.
- Accident and health insurance provides coverage against personal accident, hospitalisation and other medical benefits.
- Miscellaneous insurance provides coverage against burglary, loss of cash in safe and cash in transit, engineering losses, travel and other coverage.

Life Insurance

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

Family Takaful

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

Brokerage business

- The brokerage business segment deals in shares and commodities brokerage, money market and foreign exchange brokerage and advisory and consulting services.

Investments business

- The investment segment pertains to the operating results of IGI Investments in which strategic investments of the Group are held.

34.2 Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium written by the segments.

	2022														Aggregate Total				
	Non-life Insurance				Life Insurance														
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Life (Participating)	Life (Non-Participating)	Investment Linked Business	Accident and Health	Pension Business Fund	Takaful Window	Investment business	Brokerage business						
Segment assets	5,388,415	1,148,530	1,460,502	382,351	3,057,164	2,105,401	5,808,761	668,745	5,301,661	26,399	192,264	367,662	4,504,426	11,818	50,879	35,792	41,846,777	870,085	73,327,632
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,540,138
Consolidated total assets	5,602,185	1,179,748	1,676,446	530,599	2,758,090	1,594,632	5,281,417	638,380	5,731,286	46,724	331,811	355,637	4,903,844	8,156	12,497	(16,787)	2,214,506	538,842	88,867,770
Segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,886,213
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,391,778
Consolidated total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,777,991
	(Rupees in '000)																		
	2021														Aggregate Total				
	Non-life Insurance				Life Insurance														
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Life (Participating)	Life (Non-Participating)	Investment Linked Business	Accident and Health	Pension Business Fund	Takaful Window	Investment business	Brokerage business						
Segment assets	2,697,287	605,079	843,598	316,181	1,593,509	2,110,580	5,917,157	480,582	6,429,025	38,927	308,841	276,570	3,871,281	7,850	13,214	19,707	40,109,060	1,316,760	66,955,208
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,288,537
Consolidated total assets	2,592,647	706,693	1,468,944	733,918	1,582,060	1,653,803	5,577,269	359,177	6,748,441	44,908	350,629	267,072	4,413,782	7,795	4,581	216	2,003,539	988,998	82,243,745
Segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,494,462
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,767,266
Consolidated total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,261,728
	(Rupees in '000)																		

34.3 Segment-wise operating results of the Group are presented below:

	2022														Total							
	Non-life Insurance				Life Insurance																	
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Window	Takaful Operations	Life (Participating)	Life (Non-Participating)	Investment Linked Business	Accident and Health	Pension Business Fund	Takaful Window	Investment business		Brokerage business						
Premium	247,362	388,890	1,636,479	873,147	287,755	-	-	16,241	716,283	566,840	1,288,444	11,173	944,859	75,443	2,046,483	3,322	58,171	57,589	-	-	9,199,571	
Net claims	(200,265)	(172,516)	(831,445)	(704,615)	(120,540)	-	-	(218,217)	(888,380)	(425,530)	(1,983,890)	(3,842)	(772,198)	(8,542)	(912,524)	(1,515)	(38,910)	(44,952)	-	-	(7,328,721)	
Fee, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121,955
Net commission	(13,416)	94,119	(188,788)	(37,700)	(357)	(24,168)	(6,718)	(4,380)	-	-	-	-	-	-	-	-	-	-	-	-	-	(276,688)
Waikadali income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	360,178
Net investment income	-	-	-	-	-	-	-	212,749	453,107	25,130	325,806	(51)	2,788	186,717	-	1,287	2,377	476,349	66,208	1,772,467		
Expenses	(220,290)	(87,413)	(66,044)	(69,970)	(60,004)	(20,473)	(6,289)	(6,364)	(140,080)	(82,002)	(503,143)	(25,353)	(124,739)	-	(455,320)	(3,452)	(23,524)	(51,198)	(117,095)	(127,537)	(2,318,353)	
Other income - net	-	-	-	-	-	-	-	7,672	26,344	9,701	27,791	190	33,794	3,328	18,318	31	551	383	247,010	-	375,123	
Premium deficiency	(3,424)	-	-	1,345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,079)
Share of profit from associates and joint venture under equity accounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,081,830
Add: Policyholders' liabilities at the beginning of year	-	-	-	-	-	-	-	1,627,464	5,374,432	120,654	6,603,838	20,256	325,979	267,072	4,184,881	5,763	(15,479)	(2,546)	-	-	-	18,511,424
Less: Policyholders' liabilities at the end of year	-	-	-	-	-	-	-	(1,562,454)	(5,092,597)	(165,940)	(6,472,852)	(17,861)	(802,137)	(855,811)	(5,098,331)	(3,291)	30,717	19,185	-	-	-	(17,991,372)
(Surplus) / deficit taken to shareholders' fund	-	-	-	-	-	-	-	(16,098)	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,098)
	(190,033)	203,180	549,222	62,207	76,854	10,914	61,102	22,117	2,940	58,993	447,089	47,853	287,294	(15,468)	3,278	244	88	13,813	(19,192)	2,690,084	59,826	4,489,226
Unallocated operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,372)
Financial charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(453,841)
Profit before taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,987,013

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2022

	2021													Total												
	Non-life Insurance						Life Insurance						Investment business		Brokerage business											
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Life (Participating)	Life (Non-Participating)				Investment Linked Business	Accident and Health	Pension Business Fund	Individual	Family	Accident & Health - Individual	Group family	Group health			
Premium	222,778	285,681	1,385,857	588,531	223,005						24,447	566,996	453,814	1,797,350	17,138	1,089,343	84,255	2,550,838	7,811	39,046	90,929			9,537,927		
Net claims	(39,622)	(130,253)	(683,894)	(526,011)	(107,612)						(160,795)	(1,033,882)	(418,259)	(1,878,811)	(1,852)	(861,196)	(4,940)	(482,534)		(19,752)	(49,978)			(6,409,452)		
Fee, commission and brokerage																									286,334	
Net commission	44,233	76,862	(162,100)	(23,335)	(4,178)																				(143,300)	
Wakalah fee income																									246,246	
Net investment income											139,862	365,517	227	352,398	36		9,175	67,804		236	1,052	141,859			1,121,435	
Expenses	(107,767)	389,975	(71,803)	(96,528)	(64,326)						(10,272)	(84,688)	(95,521)	(722,343)	(30,807)	(236,186)		(862,383)	(3,258)	(29,712)	(58,886)	(201,230)	(209,134)	(2,517,814)		
Other income - net											7,018	13,380	1,480	8,335	88	27,549	1,656	32,826	17	405	3,287	157,868	1	253,910		
Reversal of premium deficiency																									(1,345)	
Share of profit from associates and joint venture under equity accounting																										2,109,959
Add: Policyholders' liabilities at the beginning of year											1,608,424	5,889,954	173,327	6,661,453	18,173	542,359	176,582	2,898,419	2,014	(12,790)	(22,991)			17,936,524		
Less: Policyholders' liabilities at the end of the year											(1,627,750)	(5,374,309)	(122,669)	(6,332,233)	(20,965)	(236,223)	(267,072)	(4,452,355)	(6,763)	15,479	2,546			(16,511,424)		
(Surplus) / deficit taken to shareholders' fund	119,602	641,075	468,060	(61,598)	46,889	7,365	10,887	37,279	22,591	1,417	(36,049)	346,968	(7,992)	(114,451)	(18,129)	235,646	1,656	(87,657)	821	(7,088)	(34,041)	2,209,456	116,471	3,898,388		
Unallocated operating income																									(421,305)	
Financial charges																									(317,533)	
Profit before taxation																									3,159,450	

35 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Loans and receivables - amortised cost

Cash and bank balances and term deposits

Cash and other equivalents

Current and other accounts

Deposits maturing within 12 months

Insurance / takaful / reinsurance / retakaful receivables

Accrued income

Reinsurance recoveries against outstanding claims

Wakalah fees receivable

Loans secured against life insurance policies

Deposits, loans, advances and other receivables

Long-term deposits

Investments - fair value through profit or loss

Investments - fair value through other comprehensive income

Investments - available for sale

Financial liabilities

Amortised cost

Provision for outstanding claims (including IBNR)

Amounts due to other insurers / reinsurers

Current portion of long term loans and liabilities

against right-of-use assets

Trade and other payables

Short term loans

Unclaimed dividend

Lease liabilities against right-of-use assets

	2022	2021
	(Rupees in '000)	
Cash and other equivalents	9,647	1,833
Current and other accounts	1,158,492	1,472,053
Deposits maturing within 12 months	-	590,150
	1,168,139	2,064,036
Insurance / takaful / reinsurance / retakaful receivables	4,878,715	2,741,013
Accrued income	298,001	162,935
Reinsurance recoveries against outstanding claims	4,761,352	1,914,772
Wakalah fees receivable	169,104	105,426
Loans secured against life insurance policies	175,139	178,706
Deposits, loans, advances and other receivables	1,703,439	1,567,209
	11,985,750	6,670,061
Long-term deposits	22,968	23,431
Investments - fair value through profit or loss	2,307,391	3,094,021
Investments - fair value through other comprehensive income	33,682,337	32,234,112
Investments - available for sale	18,502,341	18,481,398
Provision for outstanding claims (including IBNR)	7,379,812	3,246,752
Amounts due to other insurers / reinsurers	1,976,722	1,639,384
Current portion of long term loans and liabilities		
against right-of-use assets	71,537	380,101
Trade and other payables	2,400,552	2,780,642
Short term loans	2,491,697	3,039,965
Unclaimed dividend	31,860	28,029
Lease liabilities against right-of-use assets	97,202	215,578
	14,449,382	11,330,451

36 RISK MANAGEMENT

36.1 Risk management framework

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

36.1.1 Insurance risk - General Insurance

The Group accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Group is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts. The

Notes to and Forming Part of the Consolidated Financial Statements

Group manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Further, the Group adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

36.1.2 Concentration of insurance risk - General Insurance

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

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

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial / industrial / residential occupation of the insured. Details regarding the fire separation / segregation with respect to the manufacturing processes, storage, utilities, etc. are extracted from the layout plan of the insured facility. Such details are formed part of the reports which are made available to the underwriters / reinsurance personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan). For instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors and physical separation between the buildings within a insured's premises. It is basically the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

Address look-up and decoding is the essential field of the policy data interphase of IT systems. It provides instant location which is dependent on data collection provided under the policy schedule. All critical underwriting information is punched into the IT system/application through which a number of MIS reports can be generated to assess the concentration of risk.

The ability to manage catastrophic risk is tied to managing the density of risk within a particular area. For catastrophic aggregates, the IT system also assigns precise geographic CRESTA (Catastrophe Risk Evaluating and Standardising Target Accumulations) codes with reference to the accumulation of sums insured in force at any particular location against natural perils. A risk management solution is implemented to help assess and plan for risk in catastrophic scenarios. It provides a way to better visualize the risk exposures so the Group determines the appropriate amount of reinsurance coverage to protect the business portfolio.

For Marine risks, complete underwriting details, besides sums insured and premiums, like vessel identification, voyage input (sea / air / inland transit), sailing dates, origin and destination of the shipments, per carry limits, etc. are fed into the IT system. The reinsurance module of the IT system is designed to satisfy the requirements as laid down in the proportional treaty agreement. Shipment declarations are also endorsed on the policies. Respective reinsurance cessions are automatically made upon the posting of policy documents.

The voyage cards so maintained for the particular set of policies for a single vessel voyage are automatically logged into the system showing actual gross, treaty and net exposure, both in terms of sums insured and premiums.

For The Year Ended December 31, 2022

36.1.3 Reinsurance Arrangements

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

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

36.2 Risk management framework - Life Insurance

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Group manages them.

36.2.1 Life Insurance risk

36.2.1.1 Individual Life (Unit Linked Policies, Universal Life Policies and Traditional Policies)

This section discusses the exposure of insurance risk to the Group under Life Participating, Life Non-participating and Investment Linked statutory funds and the process adopted by the Group to manage these risks.

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Group may get exposed to poor risks due to:

- Unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency.
- Additionally, the risk of poor persistency may result in the Group being unable to recover expenses incurred at policy acquisition.

The Group manages these risks through its:

- Pricing:

All products of this nature are designed by the Actuarial Department along with input from relevant sales team members. Profit testing is conducted for all new products and it is also reviewed by the Appointed Actuary. Embedded value analysis is conducted on a quarterly basis to ensure reasonableness of premiums charged. Additionally, the Group reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

- Underwriting:

Adequate underwriting policies and controls have been put in place which cover various aspects like health, location, nature of work of the insured etc. before issuance of policy. Appropriate underwriting authority limits have been assigned to individual underwriters by the underwriting committee. Furthermore, Underwriting & Reinsurance Committee reviews the underwriting performance of the Group on a quarterly basis.

Notes to and Forming Part of the Consolidated Financial Statements

- Reinsurance:

The Group has entered into both excess of loss and quota share reinsurance agreements covering its individual life products and supplementary riders. Since the Group has liaison with the reputed reinsurers in the world, it does not only limit the insurance risks but also the credit risk associated with them. Underwriting & Reinsurance Committee reviews, every quarter, the performance of the treaties to ensure that sound reinsurance arrangements are in place.

- Claims handling policy:

The Group through its claims-handling policies has procedures and controls in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims departments' performance and ensures that adequate claims controls are in place.

- Persistency:

The Group applies controls to curb mis-selling to customers. Persistency for each product, branch and partner bank is closely monitored by the Group and remedial actions are taken immediately upon identifying when persistency level for a distribution channel drops below a certain threshold. Continuous efforts are made to increase and/or maintain the persistency levels for all distribution channels.

- Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification of geographical risks.

a) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk as a result of geographical area is not a factor of concern due to spread of risks across different parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Group maintains a catastrophe reinsurance cover which ensures that the Group's liability in respect of catastrophic events remains within reasonable limits.

In order to cover its mortality risk, the Group makes adequate deductions from the insurance contracts. The Group manages these risks through its systematic underwriting processes and adequate reinsurance arrangements.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

For The Year Ended December 31, 2022

The amounts presented are showing total exposure of the Group including exposure in respect of riders attached to the main policies.

Individual Life Participating

Benefits assured per life

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	59,748	1.68%	59,110	2.23%
200,001 - 400,000	150,825	4.25%	150,200	5.67%
400,001 - 800,000	455,847	12.83%	433,510	16.38%
800,001 - 1,000,000	247,879	6.98%	223,600	8.45%
More than 1,000,000	2,638,477	74.27%	1,780,808	67.27%
Total	3,552,776	100.00%	2,647,229	100.00%

Benefits assured per life

Rupees	Assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	30,138	0.73%	30,138	0.92%
200,001 - 400,000	79,705	1.94%	78,505	2.40%
400,001 - 800,000	293,791	7.16%	277,175	8.48%
800,001 - 1,000,000	463,664	11.30%	417,595	12.77%
More than 1,000,000	3,234,993	78.86%	2,465,961	75.43%
Total	4,102,291	100.00%	3,269,374	100.00%

Individual Life Non - Participating

Benefits assured per life

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	177,463	0.82%	172,729	1.46%
200,001 - 400,000	1,015,855	4.68%	1,001,492	7.20%
400,001 - 800,000	2,734,026	12.58%	2,617,549	22.13%
800,001 - 1,000,000	1,839,300	8.46%	1,438,683	12.16%
More than 1,000,000	15,967,287	73.47%	6,597,118	57.04%
Total	21,733,931	100.00%	11,827,571	100%

Benefits assured per life

Rupees	Assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	165,882	0.82%	165,606	1.26%
200,001 - 400,000	981,068	4.87%	945,189	7.20%
400,001 - 800,000	2,920,196	14.47%	2,824,044	21.49%
800,001 - 1,000,000	1,916,706	9.50%	1,652,993	12.58%
More than 1,000,000	14,194,117	70.34%	7,550,862	57.47%
Total	20,177,969	100.00%	13,138,694	100.00%

Investment Linked**Benefits assured per life**

	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	451,071	2.46%	442,322	5.62%
200,001 - 400,000	758,384	4.14%	732,640	8.03%
400,001 - 800,000	1,815,100	9.91%	1,641,150	20.84%
800,001 - 1,000,000	1,221,073	6.66%	838,505	10.65%
More than 1,000,000	14,078,084	76.83%	4,218,776	54.86%
Total	18,323,712	100.00%	7,873,393	100.00%

Benefits assured per life

	Assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	440,141	2.19%	440,141	4.83%
200,001 - 400,000	740,718	3.68%	730,946	8.03%
400,001 - 800,000	2,226,464	11.06%	1,912,952	21.00%
800,001 - 1,000,000	1,193,118	5.93%	882,342	9.68%
More than 1,000,000	15,527,456	77.14%	5,144,122	56.46%
Total	20,127,897	100.00%	9,110,503	100.00%

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long term unit linked and universal life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behaviour (this primarily impacts persistency).

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975-80 US SOA Select and Ultimate Mortality Table.
- **Persistency:** A periodic analysis of the Group's recent and historic experience is performed and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Group's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns assumptions are based on assets backing the portfolio.

d) Change in assumptions

There has been no change in assumptions.

36.2.1.2 Group Life

The main risk written by the Group under the Group Life business is mortality. The Group is exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, and difficulty of verification of claims, fraudulent claims or a catastrophe. The Group also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time.

The Group manages these risks through its:

- Pricing and Underwriting:

All products of this nature are prepared by the Group's Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Group. The premium charged takes into account the actual historical experience as well as the future expected mortality, considering various characteristics of the client.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Also, Underwriting and Reinsurance Committee reviews the underwriting performance on a quarterly basis and tracks the adequacy of premium charged.

- Reinsurance:

Reinsurance agreements are in place to limit the mortality risk exposure. The Group also has a catastrophe cover reinsurance agreement covering group life business. Underwriting and Reinsurance Committee reviews every quarter the performance of the treaties.

- Claims handling policy:

The Group through its claims-handling policies has procedures and controls in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims departments' performance and ensures that adequate claims controls are in place.

- Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification of geographical risks.

a) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Group maintains a catastrophe excess of loss reinsurance cover which ensures that the Group's liability in respect of catastrophic events remains within reasonable limits.

Notes to and Forming Part of the Consolidated Financial Statements

The following table presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the Group.

The amounts presented are showing total exposure of the Group including exposure in respect of riders attached to the main policies.

Group Life

Benefits assured per life

	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	42,996,785	5.82%	42,996,785	7.77%
500,001-1,000,000	54,447,819	7.37%	54,447,819	9.84%
1,000,001-1,500,000	90,352,351	12.23%	90,352,351	16.33%
1,500,001-2,000,000	55,482,106	7.51%	55,482,106	10.03%
2,000,001-2,500,000	45,804,135	6.20%	45,804,135	8.28%
More than 2,500,000	449,693,180	60.87%	264,058,569	47.74%
Total	738,776,376	100.00%	553,141,765	100.00%

Benefits assured per life

	Assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	37,866,437	5.82%	37,308,652	7.10%
500,001-1,000,000	47,951,140	7.37%	47,244,805	8.99%
1,000,001-1,500,000	79,571,567	12.23%	78,399,452	14.92%
1,500,001-2,000,000	48,862,017	7.51%	48,142,264	9.16%
2,000,001-2,500,000	40,338,816	6.20%	39,744,612	7.56%
More than 2,500,000	396,036,082	60.87%	274,722,214	52.27%
Total	650,626,059	100.00%	525,561,999	100.00%

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for unearned premium reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the Group's experience.

d) Changes in assumptions

There has been no material change in assumptions.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

For The Year Ended December 31, 2022

	Change in variable	Increase in Liability 2022 (Rupees in '000)
Worsening of mortality rates for risk policies	10%	2,160,319
Increase in reporting lag	10%	2,160,319

36.2.1.3 Accident & Health

The products in this fund provide cover against accidental death, disability, sickness and critical illness and are mainly offered as yearly renewable plans. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of fraudulent claims and catastrophic event.

The Group manages these risks through its:

- Pricing and Underwriting:

Products of this nature are prepared by the Actuarial department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done after analysing the actual experience of the group as well as future expectations. The rates are certified by the Appointed Actuary.

Also, Underwriting Committee reviews the underwriting performance of the Group on a quarterly basis.

- Claims handling policy:

The Group has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted.

- Reinsurance:

The Group has reinsurance arrangement in place covering Accidental & Health business; the treaty's results are reviewed by the Underwriting and Reinsurance Committee on a quarterly basis.

- Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification of geographical risks.

a) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

The following table presents the concentration of insured benefits across five bands of insured benefits. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Group including exposure in respect of riders attached to the main policies.

Individual Accident and Health**Benefits assured per life**

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	1,042	0.02%	1,042	0.03%
200,001 - 400,000	10,510	0.17%	10,510	0.28%
400,001 - 800,000	1,924,792	31.36%	1,924,792	51.88%
800,001 - 1,000,000	678,855	11.06%	678,855	18.30%
More than 1,000,000	3,523,247	57.40%	1,094,870	29.51%
Total	6,138,446	100.00%	3,710,069	100.00%

Benefits assured per life

Rupees	Assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	1,242	0.01%	1,242	0.01%
200,001 - 400,000	26,014	0.12%	26,014	0.20%
400,001 - 800,000	2,039,022	9.62%	2,039,022	15.33%
800,001 - 1,000,000	763,703	3.60%	763,453	5.74%
More than 1,000,000	18,372,954	86.65%	10,475,443	78.72%
Total	21,202,935	100.00%	13,305,174	100.00%

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

The assumptions are set using the data available.

d) Changes in assumptions

There has been no material change in the assumptions.

36.2.1.4 Management of takaful risk and financial risk

The Group is responsible for managing contracts that result in the transfer of Takaful and Financial Risk from the Participant to the respective Participant Takaful Fund. This section summarizes the risks and the way the Group manages them, as part of the Group's Window Takaful Operations.

Takaful Risk

The PTF issues Takaful contracts that are classified in the following segments:

- Individual Family Takaful
- Group Family Takaful
- Group Health Takaful
- Individual A&H Non-Participating Takaful

36.2.1.4.1 Individual Family Takaful

These risks are managed along similar lines as explained for individual life unit linked and universal life policies.

a) Frequency and severity of claims

Concentration of risk is not a factor of concern due to spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. However, a risk of concentration of risk on any one Participant of the PTF still exists. The Group caters to this risk by entering into suitable Retakaful arrangements. The Group charges for mortality risk (credited to the PTF) on a monthly basis for all Takaful contracts without fixed term.

Moreover, the Group manages these risks through its underwriting strategy and the results are revised quarterly by the Underwriting and Reinsurance Committee.

The table below presents the concentration of covered benefits across five bands of benefits covered. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits assured per life

Rupees	Assured at the end of 2022			
	Total benefits assured			
	Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	424,290	1.00%	424,111	2.56%
200,001 - 400,000	1,991,359	6.12%	1,979,149	15.67%
400,001 - 800,000	3,861,771	11.92%	3,597,706	28.89%
800,001 - 1,000,000	3,665,729	9.49%	2,091,545	14.28%
More than 1,000,000	66,966,929	71.47%	18,304,270	38.60%
Total	76,910,078	100.00%	26,396,781	100.00%

Benefits assured per life

Rupees	Assured at the end of 2021			
	Total benefits assured			
	Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%	
0 - 200,000	332,024	1.00%	332,014	2.56%
200,001 - 400,000	2,039,270	6.12%	2,031,828	15.67%
400,001 - 800,000	3,974,738	11.92%	3,746,411	28.89%
800,001 - 1,000,000	3,164,025	9.49%	1,851,422	14.28%
More than 1,000,000	23,838,211	71.47%	5,005,103	38.60%
Total	33,348,268	100.00%	12,966,777	100.00%

b) Source of uncertainty in the estimate of future benefits payments and contributions receipts

Uncertainty in the estimation of future benefit payments and contribution receipts for long term takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participants' behaviour (this primarily impacts persistency).

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975-80 US SOA Select and Ultimate Mortality Table.

Notes to and Forming Part of the Consolidated Financial Statements

- **Persistency:** A periodic analysis of the Group's recent and historic experience is performed and persistency is calculated every month. Persistency rates vary by products and more importantly the sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Group's current business expenses and future projections to calculate per membership expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns assumptions are based on the assets backing the portfolio.

d) Changes in assumptions

There has been no change in assumptions.

e) Sensitivity analysis

The size of the fund is not material enough to enable a credible sensitivity analysis due to this immateriality, sensitivity analysis is not conducted.

36.2.1.4.2 Group Life Family Takaful

The main risk written by the Group is mortality. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, and difficulty of verification of claims, fraudulent claims or a catastrophe. The Group also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of contribution in due time.

The Group manages these risks through its:

a) Pricing and Underwriting:

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Group. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Furthermore, the Group also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance on a quarterly basis.

b) Retakaful:

Retakaful agreements are in place to limit the mortality exposure. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties to ensure that adequate retakaful coverage is in place.

c) Claims handling policy:

The Group has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and to make sure that adequate claims controls are in place.

For The Year Ended December 31, 2022

d) Frequency and severity of claims:

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Group maintains a catastrophe excess of loss retakaful agreement which protects the waqf fund from exposure to the catastrophic events.

Rupees	Covered at the end of 2022			
	Total benefits assured			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	7,195,209	35.21%	6,593,010	51.27%
500,001-1,000,000	5,674,889	27.78%	3,576,130	27.81%
1,000,001-1,500,000	1,861,945	9.11%	927,064	7.21%
1,500,001-2,000,000	2,420,667	11.85%	831,934	6.47%
2,000,001-2,500,000	1,210,696	5.93%	519,850	4.04%
More than 2,500,000	2,067,061	10.12%	412,019	3.20%
	20,430,467	100.00%	12,860,007	100.00%

Rupees	Covered at the end of 2021			
	Total benefits assured			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	12,571,155	35.21%	13,909,157	51.27%
500,001-1,000,000	9,914,918	27.78%	7,544,497	27.81%
1,000,001-1,500,000	3,253,108	9.11%	1,955,811	7.21%
1,500,001-2,000,000	4,229,284	11.85%	1,755,116	6.47%
2,000,001-2,500,000	2,115,274	5.93%	1,096,718	4.04%
More than 2,500,000	3,611,478	10.12%	869,229	3.20%
	35,695,217	100.00%	27,130,528	100.00%

e) Sources of uncertainty in the estimation of future benefits payments and contribution receipts:

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

g) Changes in assumptions

There has been no material change in assumptions.

h) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

	Change in variable	Increase in Liability 2022
		(Rupees in '000)
Worsening of mortality rates	10%	146,450
Increase in reporting lag	10%	146,450

36.2.1.4.3 Group Health Takaful

The main risk written by the Group is morbidity. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of high exposure in a particular geographical region, medical expense inflation, fraudulent claims and catastrophic event. The Group potentially faces the risk of lack of adequate claims control (such as for very large groups). The Group also faces a risk of under-pricing to acquire business in a competitive environment and of non-receipt of contribution in due time.

The Group manages these risks through its:

a) Pricing and Underwriting:

Products of this nature are prepared by Group Underwriting Department along with input from relevant sales team members and Actuarial Department which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Group. The contribution charged takes into account the actual experience of the client and the nature of mortality and morbidity exposure the group faces. The rates are certified by the Appointed Actuary for large groups.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Furthermore, the Group also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Group on a quarterly basis.

b) Claims handling policy:

The Group has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Also, the claims are reviewed and managed by technical staff and doctors while an on-site monitoring and checking is performed.

The Group has pre-determined charges for certain illnesses with its panel hospitals, and to keep a check on medical inflation, it continues to negotiate these rates. The portfolio has a spread across various geographical regions. On the claims handling side, the Group ensures that payment of any fraudulent claims is avoided.

Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and make sure that adequate claims controls are in place.

c) Concentration Risk:

The Group has a good spread of business throughout the country thereby ensuring diversification across geographical regions.

d) Frequency and severity of claims

The Group measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

Increase in claims severity due to medical inflation is a risk which is being strictly monitored by the Group through annual claims studies and trend analysis. Such trend analysis is also incorporated in Group Health takaful pricing.

e) Sources of uncertainty in the estimation of future benefits payments and contribution receipts

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

An investigation into group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. Where data is sufficient to be statistically credible, the statistics generated by the data are assigned appropriate credibility factors to account for the Group's experience.

g) Changes in assumptions

There has been no material change in assumptions.

36.2.1.4.4 Concentration of insurance risk

A concentration of risk may arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Group minimises its exposure to significant losses by obtaining reinsurance from foreign reinsurers.

To optimise benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks e.g. financial underwriting ensuring a reasonable relationship between the income and insurance amount of insured, determination of insurance amount through some mechanism which precludes individual choices and anti-selection.

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

	Gross sum insured		Reinsurance / Retakaful		Net	
	2022	2021	2022	2021	2022	2021
	(Rupees in million)					
Life (participating)	3,553	4,102	906	833	2,647	3,269
Life (non-participating) – Individual	21,734	20,178	9,906	7,039	11,828	13,139
Life (non-participating) – Group	738,776	650,626	185,634	125,064	553,142	525,562
Investment Linked	18,324	20,128	10,451	11,017	7,873	9,111
Accident & Health – Individual	6,138	21,203	2,428	7,898	3,710	13,305
Family Takaful - Individual	76,910	33,348	50,513	20,381	26,397	12,967
Family Takaful - Group	20,430	35,695	7,570	8,564	12,860	27,131
Fire and property damage	42,406	39,145	42,106	38,948	300	197
Marine, aviation and transport	51,250	41,250	51,154	41,044	96	206
Motor	992	68	397	63	595	5
Health	3,661	3,258	-	-	3,661	3,258
Miscellaneous	139,440	235,221	139,156	235,174	284	47
Window Takaful Operations - Fire and property damage	4,786	4,910	4,736	4,256	50	654
Window Takaful Operations - Marine, aviation and transport	12,000	11,000	10,800	9,900	1,200	1,100
Window Takaful Operations - Motor	93	51	64	46	29	5
Window Takaful Operations - Health	199	-	-	-	199	-
Window Takaful Operations - Miscellaneous	3,504	3,150	3,154	3,144	350	6
	1,144,196	1,123,333	518,975	513,371	625,221	609,962

Notes to and Forming Part of the Consolidated Financial Statements

36.2.1.4.5 The table below sets out the concentration of insurance contract liabilities by type of contract for the Group:

	Gross sum insured		Gross assets		Net liabilities / (assets)	
	2022	2021	2022	2021	2022	2021
	(Rupees in million)					
Fire and property damage	5,602,185	2,592,647	5,388,415	2,697,287	213,770	(104,640)
Marine, aviation and transport	1,179,748	706,693	1,148,530	605,079	31,218	101,614
Motor	1,676,446	1,458,944	1,460,502	843,598	215,944	615,346
Health	530,599	733,918	382,351	316,181	148,248	417,737
Miscellaneous	2,758,090	1,582,050	3,057,164	1,593,509	(299,074)	(11,459)
Life participating	1,594,632	1,653,803	2,105,401	2,110,580	(510,769)	(456,777)
Life non-participating (individual)	5,281,417	5,577,269	5,808,761	5,917,157	(527,344)	(339,888)
Life non-participating (group)	636,380	359,177	668,745	480,582	(32,365)	(121,405)
Investment linked business	5,731,286	6,748,441	5,301,661	6,429,025	429,625	319,416
Accident and health business (individual)	46,724	44,908	26,399	38,927	20,325	5,981
Accident and health business (group)	331,811	350,629	192,264	308,841	139,547	41,788
Pension business fund	355,837	267,072	367,662	276,570	(11,825)	(9,498)
Family Takaful - individual	4,903,844	4,413,782	4,604,426	3,871,281	299,418	542,501
Family Takaful - accident & health individual	8,156	7,795	11,818	7,850	(3,662)	(55)
Family Takaful - group	12,497	4,581	50,879	13,214	(38,382)	(8,633)
Family Takaful - health	(16,787)	216	35,792	19,707	(52,579)	(19,491)
	<u>30,632,865</u>	<u>26,501,925</u>	<u>30,610,770</u>	<u>25,529,388</u>	<u>22,095</u>	<u>972,537</u>

36.2.1.4.6 Unclaimed insurance benefit

Circular 11 of 2014 dated May 19, 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age wise break up of unclaimed insurance benefits in accordance with format prescribed in the annexure to the said circular.

The unclaimed benefits is described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Such unclaimed amounts may fall into the following categories:

	Age-wise Breakup					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	(Rupees in '000)					
Unclaimed maturity benefits	3,620	954	433	846	794	593
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	156,369	-	78,550	25,049	18,183	34,587
Other unclaimed benefits	-	-	-	-	-	-
Total	<u>159,989</u>	<u>954</u>	<u>78,983</u>	<u>25,895</u>	<u>18,977</u>	<u>35,180</u>

36.2.2 Uncertainty in the estimation of future claims payment

Claims on general insurance contracts are payable on a claim occurrence basis. The Group is liable for all insured events that occur during the term of the insurance contract.

An estimated amount of the claim is recorded immediately on intimation to the Group. The estimation of the amount is based on the amount notified by the policyholder, management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims incurred but not reported (IBNR), the Group uses historical experience factor based on analysis of the past years claim reporting pattern.

For The Year Ended December 31, 2022

There are several variable factors which affect the amount and timing of recognized claim liabilities. However, the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. The Group takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from recognised amounts.

36.2.3 Key assumptions

The principal assumption underlying the liability estimation of IBNR and premium / contribution deficiency reserve is that the Group's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

36.2.4 Sensitivities

Non-life insurance

As the Group enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below:

	Effect of 10% increase in claims		Effect of 10% decrease in claims	
	Consolidated statement of profit or loss	Equity	Consolidated statement of profit or loss	Equity
	(Rupees in '000)			
Fire and property damage	(14,219)	(14,219)	14,219	14,219
Marine, aviation and transport	(12,249)	(12,249)	12,249	12,249
Motor	(59,033)	(59,033)	59,033	59,033
Health	(50,028)	(50,028)	50,028	50,028
Miscellaneous	(8,558)	(8,558)	8,558	8,558
Window Takaful Operations	(89,000)	(89,000)	89,000	89,000
	<u>(233,087)</u>	<u>(233,087)</u>	<u>233,087</u>	<u>233,087</u>

Life insurance

The liabilities under Universal Life, Unit Linked, Group Life, Group Accident and Health, Individual Accident and Health and Pension business are not dependent on assumptions related to mortality, persistency, expense or interest rates because the liabilities under these lines of business are either based on actual account values or unearned premium reserve. For the traditional endowment plans, no sensitivity testing is carried out because the liability basis prescribed by the regulations are too conservative and the liability under these plans are less than 5% of total liabilities.

Claims development tables

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

Notes to and Forming Part of the Consolidated Financial Statements

Analysis on gross basis

Accident year	2018 and prior	2019	2020	2021	2022 (including IBNR)	Total
(Rupees in '000)						
Estimate of ultimate claims cost:						
At end of accident year	363,401	462,385	1,593,639	947,831	6,011,615	9,378,871
One year later	905,823	468,609	1,574,803	935,532	-	3,884,767
Two years later	670,210	710,275	1,541,164	-	-	2,921,649
Three years later	660,372	823,421	-	-	-	1,483,793
Four years later	770,064	-	-	-	-	770,064
Estimate of cumulative claims	770,064	823,421	1,541,164	935,532	6,011,615	10,081,796
Cumulative payments to date	(649,244)	(357,757)	(1,371,347)	(928,428)	(3,380,085)	(6,686,861)
Liability recognised in the consolidated statement of financial position	120,820	465,664	169,817	7,104	2,631,530	3,394,935

The above effects have been worked out on the assumption that increase / decrease in net claims expense pertains to individual segment in isolation.

The following table shows the development of claims over a period of time on gross basis for group life and individual life business:

Accident Year	2018	2017	2020	2021	2022
(Rupees in '000)					
Group Life					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	85,930	87,252	355,242	404,615	538,185
1 year later	96,130	182,142	393,538	501,205	-
2 years later	96,130	182,434	394,038	-	-
3 years later	96,130	182,934	-	-	-
4 years later	96,130	-	-	-	-
Current estimates of cumulative claim	96,130	182,934	394,038	501,205	538,185
Cumulative payments to date	(86,299)	(168,546)	(354,638)	(419,349)	(342,938)
Liability recognised in statement of financial position	9,830	14,388	39,401	81,856	195,247
Individual Life					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	58,316	98,696	141,719	152,150	145,649
1 year later	96,750	109,919	198,245	186,416	-
2 years later	97,506	110,169	199,645	-	-
3 years later	97,506	10,169	-	-	-
4 years later	97,506	-	-	-	-
Current estimates of cumulative claim	97,506	110,169	199,645	186,416	145,649
Cumulative payments to date	(77,112)	(89,183)	(172,062)	(162,854)	(61,958)
Liability recognised in statement of financial position	20,394	20,985	27,583	23,562	83,691

For The Year Ended December 31, 2022

37.3 Financial risk

(i) Market risk

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

(a) Interest rate risk

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

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

	2022							
	Interest Rates	Interest / mark-up bearing			Non-interest/mark-up bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
(Rupees in '000)								
Financial assets								
Cash and bank balances	7% to 15.5%	721,134	-	721,134	447,005	-	1,168,139	
Investments	Nil	7,279,828	6,805,266	14,085,094	33,682,337	40,406,975	54,492,069	
Loans secured against life insurance policies	9.00% to 11.00%	175,139	-	175,139	-	-	175,139	
Long-term deposits		-	-	-	-	22,968	22,968	
Insurance / takaful / reinsurance / retakaful receivables		-	-	-	4,878,715	-	4,878,715	
Accrued income on investments and deposits		-	-	-	298,001	-	298,001	
Reinsurance recoveries against outstanding claims		-	-	-	4,761,352	-	4,761,352	
Wakalah fees receivable		-	-	-	169,104	-	169,104	
Loans, advances and other receivables		-	-	-	1,703,439	-	1,703,439	
		8,176,101	6,805,266	14,981,367	45,939,953	40,429,943	86,369,895	
Financial liabilities								
Provision for outstanding claims (including IBNR)		-	-	-	7,379,812	-	7,379,812	
Amounts due to other insurers / reinsurers		-	-	-	1,976,722	-	1,976,722	
Trade and other payables		-	-	-	2,400,552	-	2,400,552	
Short term loans	7.3% to 7.65%	2,491,697	-	2,491,697	-	-	2,491,697	
Long term loan	7.28% to 7.67%	-	-	-	-	-	-	
Current portion of long term loan and lease liabilities against right-of-use assets		71,537	-	71,537	-	-	71,537	
Unclaimed dividend		-	-	-	31,860	-	31,860	
Lease liabilities against right-of-use assets	7.85% to 8.00%	-	97,202	97,202	-	-	97,202	
		2,563,234	97,202	2,660,436	11,788,946	-	14,449,382	
		5,612,867	6,708,064	12,320,931	34,151,007	40,429,943	53,219,544	

Notes to and Forming Part of the Consolidated Financial Statements

2021								
Interest Rates	Interest / mark-up bearing			Non-interest/mark-up bearing			Total	
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total		
(Rupees in '000)								
Financial assets								
Cash and bank balances	2.76% to 8.25%	1,441,665	-	1,441,665	32,221	-	32,221	1,473,886
Investments	6.00% to 10.5%	7,459,572	6,744,415	14,203,987	32,234,112	40,195,694	72,429,806	54,399,681
Loans secured against life insurance policies	9.00% - 11.00%	178,706	-	178,706	-	-	-	178,706
Long-term deposits		-	-	-	-	23,431	23,431	23,431
Insurance / takaful / reinsurance / retakaful receivables		-	-	-	2,741,013	-	2,741,013	2,741,013
Accrued income on investments and deposits		-	-	-	162,935	-	162,935	162,935
Reinsurance recoveries against outstanding claims		-	-	-	1,914,772	-	1,914,772	1,914,772
Wakalah fees receivable		-	-	-	105,426	-	105,426	105,426
Loans, advances and other receivables		-	-	-	1,567,209	-	1,567,209	1,567,209
		9,079,943	6,744,415	15,824,358	38,757,688	40,219,125	78,976,813	62,567,059
Financial liabilities								
Provision for outstanding claims [including IBNR]		-	-	-	3,246,752	-	3,246,752	3,246,752
Amounts due to other insurers / reinsurers		-	-	-	1,639,384	-	1,639,384	1,639,384
Trade and other payables		-	-	-	2,780,642	-	2,780,642	2,780,642
Short term loans	7.3% to 7.65%	3,039,965	-	3,039,965	-	-	-	3,039,965
Long term loan	7.28% to 7.67%	-	-	-	-	-	-	-
Current portion of long term loan and lease liabilities against right-of-use assets		380,101	-	380,101	-	-	-	380,101
Unclaimed dividend		-	-	-	28,029	-	28,029	28,029
Lease liabilities against right-of-use assets	7.85% to 8.00%	-	215,578	215,578	-	-	-	215,578
		3,420,066	215,578	3,635,644	7,694,807	-	7,694,807	11,330,451
		5,659,877	6,528,837	12,188,714	31,062,881	40,219,125	71,282,006	51,236,608

Sensitivity analysis

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes. The table below summarises the Group's interest rate risk as of December 31, 2022 and 2021 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

For The Year Ended December 31, 2022

As at December 31, 2022

Cash flow sensitivity - variable rate financial liabilities

Impact on consolidated statement of profit or loss	
Increase	Decrease
(Rupees in '000)	
(26,604)	26,604

Cash flow sensitivity - variable rate financial assets

149,814	(149,814)
---------	-----------

As at December 31, 2021

Cash flow sensitivity - variable rate financial liabilities

(36,356)	36,356
----------	--------

Cash flow sensitivity - variable rate financial assets

158,244	(158,244)
---------	-----------

(b) Foreign currency risk

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

(c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Group is exposed to price risk since it has investments in quoted equity securities and mutual funds amounting to Rs. 39,648 million (2021: Rs. 39,236 million) at the reporting date.

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

The carrying value of investments subject to price risk are based on quoted market prices as of the reporting date except for investments in associates which are carried under equity method of accounting.

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

Sensitivity analysis

The table below summarises the Group's price risk as of December 31, 2022 and 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in Group's investment portfolio because of the nature of markets. The impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/(decrease) in profit / (loss) before tax
(Rupees in '000)					
2022	54,492,069	10% increase	59,941,276	5,449,207	5,449,207
		10% decrease	49,042,862	(5,449,207)	(5,449,207)
2021	53,809,531	10% increase	59,190,484	5,380,953	5,380,953
		10% decrease	48,428,578	(5,380,953)	(5,380,953)

(ii) Liquidity risk

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

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

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

	2022			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	(Rupees in '000)			
Provision for outstanding claims [including IBNR]	7,379,812	7,379,812	7,379,812	-
Amount due to other insurers / reinsurers	1,976,722	1,976,722	1,976,722	-
Trade and other payables	2,400,552	2,400,552	2,400,552	-
Short term loans	2,491,697	2,491,697	2,491,697	-
Current portion of long term loan and lease liabilities against right-of-use assets	71,537	121,537	121,537	-
Unclaimed dividend	31,860	31,860	31,860	-
Lease liabilities against right-of-use assets	97,202	99,202	-	99,202
	14,449,382	14,501,382	14,402,180	99,202

	2021			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	(Rupees in '000)			
Provision for outstanding claims	3,246,752	3,246,752	3,246,752	-
Amount due to other insurers / reinsurers	1,639,384	1,639,384	1,639,384	-
Trade and other payables	2,780,642	2,780,642	2,780,642	-
Short term loan	3,039,965	3,039,965	3,039,965	-
Current portion of long term loan and liabilities against right-of-use assets	380,101	430,101	430,101	-
Unclaimed dividend	28,029	28,029	28,029	-
Lease liabilities against right-of-use assets	215,578	215,578	-	215,578
	11,330,451	11,380,451	11,164,873	215,578

(iii) Credit risk

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

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

	2022	2021
	(Rupees in '000)	
Cash and bank balances	1,168,139	1,473,886
Investments	7,039,945	7,060,750
Loans secured against life insurance policies	175,139	178,706
Long-term deposits	22,968	23,431
Amounts due from other insurers / reinsurers - unsecured	4,878,715	2,741,013
Accrued income on investments and deposits	298,001	162,935
Reinsurance recoveries against outstanding claims	4,761,352	1,914,772
Wakala fees receivable	169,104	105,426
Loans, advances and other receivables	1,703,439	1,567,209
	20,216,802	15,228,128

The Group did not hold any collateral against the above during the year. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery. The movement in the provision for doubtful receivables account is shown in notes 8.2 and 8.3. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no recent history of default.

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

Bank deposits	Rating Agency	Rating	
		Short Term	Long Term
Albaraka Bank (Pakistan) Limited	VIS	A-1	A+
Bank Al-Habib Limited	PACRA	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA+
BankIslami Pakistan Limited	PACRA	A-1	A+
Bank of Punjab	PACRA	A-1+	AA+
HBL Microfinance Bank Limited	VIS	A-1	A+
Khushali Microfinance Bank Limited	VIS	A-2	A
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Faysal Bank Limited	PACRA	A1+	AA
FINCA Microfinance Bank Limited	VIS	A-1	A
Habib Bank Limited	VIS	A-1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
MCB Islamic Bank Limited	PACRA	A-1	A
Mobilink Microfinance Bank Limited	PACRA	A-1	A
NRSP Microfinance Bank Limited	PACRA	A-1	A-
National Bank of Pakistan	VIS	A-1+	AAA
SilkBank Limited	VIS	A-2	A-
Soneri Bank Limited	PACRA	A-1+	AA-
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Summit Bank Limited	Not rated	Not rated	Not rated
Telenor Microfinance Bank Limited	PACRA	A-1	A
U Microfinance Bank Limited	PACRA	A-1	A+
United Bank Limited	VIS	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAAa

**The age analysis of premiums / contributions due but unpaid, amounts due from other insurers / reinsurers / other takaful companies / re-takaful operators and receivable from clients securities and commodity contracts against purchase of marketable is as follows:

Notes to and Forming Part of the Consolidated Financial Statements

	2022	2021
	(Rupees in '000)	
Upto 1 year	4,410,546	2,580,868
1-2 years	366,376	184,152
2-3 years	486,081	137,675
Over 3 years	114,832	251,958
	<u>5,377,835</u>	<u>3,154,653</u>

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial assets subject to credit risk is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

	2022	2021
	(Rupees in '000)	
Sector wise analysis of premiums due but unpaid		
Foods and beverages	108,430	26,768
Financial services	107,420	52,579
Pharmaceuticals	26,444	31,120
Textile and composites	372,935	92,145
Plastic industries	18,171	14,672
Engineering, Technology and Communication	72,479	39,334
Other manufacturing	247,545	407,551
Miscellaneous	686,109	719,614
	<u>1,639,533</u>	<u>1,383,783</u>

The credit quality of amount due from other insurers and reinsurers can be assessed with reference to external credit ratings as follows:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2022	2021
	(Rupees in '000)				
A- or above (including PRCL)	3,196,943	4,403,231	1,576,384	9,176,558	4,513,557
BBB and B+	152,704	213,957	76,598	443,259	182,575
Others	102,892	144,164	51,612	298,668	96,870
Total	<u>3,452,539</u>	<u>4,761,352</u>	<u>1,704,594</u>	<u>9,918,485</u>	<u>4,793,002</u>

37 FAIR VALUE MEASUREMENT

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

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

For The Year Ended December 31, 2022

As at December 31, 2021, the Group held the following financial instruments measured at fair value:

	As at December 31, 2022		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Assets carried at fair value			
Available-for-sale	-	18,502,341	-
Fair value through other comprehensive income	<u>33,323,722</u>	<u>358,615</u>	<u>-</u>
Fair value through profit or loss	<u>279,825</u>	<u>2,027,566</u>	<u>-</u>

	As at December 31, 2021		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Assets carried at fair value			
Available-for-sale	47,116	18,434,282	-
Fair value through other comprehensive income	<u>32,014,485</u>	<u>219,627</u>	<u>-</u>
Fair value through profit or loss	<u>84,712</u>	<u>3,009,309</u>	<u>-</u>

Item	Valuation approach and input used
Government securities	The fair value of Government securities is derived using PKRV rates. PKRV rate is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Mutual funds	The fair value of mutual funds is derived from using rates published on Mutual Funds Association of Pakistan.

38 CAPITAL MANAGEMENT

The Holding Company's objectives when managing capital are to safeguard the Holding Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Holding Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

39 CORRESPONDING FIGURES

Corresponding figures has been rearranged or reclassified, wherever necessary. There has been no significant reclassification during the year.

40 DATE OF AUTHORISATION FOR ISSUE

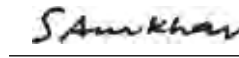
These consolidated financial statements were authorised for issue on March 21, 2023 by the Board of Directors of the Holding Company.

41 EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Holding Company has proposed a final dividend out of its profits for the year ended December 31, 2022 of Rs. 2.25 per share (2021: Rs. 3.5 per share), amounting to Rs 320.919 million (2021: Rs 499.208 million) in its meeting held on March 21, 2023 for the approval of the members at the annual general meeting to be held on April 28, 2023. The consolidated financial statements for the year ended December 31, 2022 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2023.


Chief Executive Officer


Chief Financial Officer


Director

Notice of the Annual General Meeting of IGI Holdings Limited

NOTICE IS HEREBY GIVEN that the 69th Annual General Meeting (AGM) of IGI Holdings Limited (the Company) will be held on Friday, the 28th day of April, 2023 at 2:30 p.m. at the Auditorium of The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and virtually via Video Link Facility to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting of the Company held on April 29, 2022.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2022 together with the Chairman's Review Report, Directors' and Auditors' Reports thereon.
3. To consider and approve the payment of final cash dividend of 22.5% (Rs. 2.25 per share) for the financial year ended December 31, 2022 as recommended by the Board of Directors of the Company to the shareholders of the Company. This is in addition to the interim cash dividend of 20% (Rs.2/- per share) already paid during the year making total of 42.5% cash dividend (Rs 4.25 per share).
4. To appoint external auditors for the financial year 2023 and to fix their remuneration. The retiring auditors, M/s A.F. Ferguson & Co., Chartered Accountants have consented to be reappointed as auditors for the financial year 2023 and the Board of Directors has recommended their appointment.

SPECIAL BUSINESS

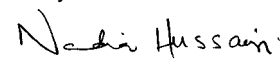
5. To obtain approval of the shareholders through passing an ordinary resolution for transmission of annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements"), through QR enabled code and weblink mentioned in the notices of general meetings to Members dispatched at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan under SRO 389 (I)/2023 dated March 21, 2023.

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned special business, as required under Section 134(3) of the Companies Act, 2017.)

ANY OTHER BUSINESS

6. To consider and transact any other business with the permission of the Chairman.

By Order of the Board


Nadia Hussain
Company Secretary

Karachi
April 07, 2023

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from April 21, 2023 to April 28, 2023 (both days inclusive).

2. Participation in the 69th AGM Proceedings via Video-Link Facility:

The Securities and Exchange Commission of Pakistan ("SECP") has vide its Circulars issued from time to time directed the listed companies to hold general meetings virtually in addition to the requirements of holding physical meeting. The following arrangements have been made by the Company to further facilitate the participation of the shareholders in the AGM:

The shareholders interested in attending the AGM virtually are requested to get themselves registered by sending their particulars at the designated email address agm.igiholdings@igi.com.pk mentioning their Name, Folio Number, CNIC Number and email address by the close of business hours on April 26, 2023. The login credentials will be provided to the registered shareholder. To attend through video-link, members can download the application/ software through <https://zoom.us/download> and login via video-link to participate in the AGM proceedings.

Upon receipt of the above information from the shareholders/proxies, the Company will share the login details to their email address, which will enable them to join the said AGM through video-link.

3. Attendance in the AGM and Appointment of Proxy:

A member entitled to attend and vote at the AGM is entitled to appoint another person as a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. The proxy forms duly completed and signed by the member(s) appointing the proxy must be deposited with the Company's Share Registrar, FAMCO Associates (Private) Limited, 8F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S., Sharah-e-Faisal, Karachi, not later than forty-eight (48) hours before the time appointed for the AGM.

4. Guidelines for CDC Account Holders / Non-CDC Members:

The CDC/sub account holders are required to follow the under mentioned guidelines:

a) For attending the meeting.

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

b) For appointing proxies

- i.) In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii.) The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii.) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv.) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v.) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

Members (Non-CDC) are requested to promptly notify the Company's Share Registrar of any change in their particulars including IBAN details and postal and email address.

5. Availability of Annual Audited Financial Statements on the Company's website:

Pursuant to Section 223(7) of the Companies Act, 2017, the financial statements and the reports accompanying them have been placed on website of the Company and can be accessed on <https://www.igiholdings.com.pk/annual-reports/>

6. Circulation of Audited Financial Statements through E-mail and by CD/DVD/USB:

Members are hereby informed that pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 and the Companies Act, 2017, companies have been allowed to circulate the Annual Report to members through email. Further, in accordance with S.R.O. 470(I)/2016 dated May 31, 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' consent for the same in the Extraordinary General Meeting held on October 8, 2018.

The Company shall, however, additionally provide hard copies of the annual report to members on request, free of cost. For this purpose, we have attached the request form in the Annual Report and have also uploaded the same on our Company's website <https://www.igiholdings.com.pk/notices-to-shareholders/>. Members who want to avail this facility are requested to submit the duly filled request form to the Share Registrar.

7. E-Voting and voting through post:

In accordance with the Companies (Postal Ballot) Regulations 2018, for any agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017 (the Act), members will be allowed to exercise their vote through postal ballot i-e, by post or e-voting, in the manner and subject to conditions contained in the aforesaid regulations.

8. Payment of Cash Dividend Electronically (Mandatory):

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive dividends directly into bank account, members are requested to complete the particulars in e-Credit Dividend Mandate Form. This form has been attached with the Annual Report and is also available on our Company's website <https://www.igiholdings.com.pk/notices-to-shareholders/>

In case of shares held in the CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In absence of members' valid bank account details and/or IBAN, the Company will be constrained to withhold the payment of dividend to such members till provision of prescribed details.

Shareholders, who for any reason, could not claim their dividend/physical/bonus shares, are advised to contact our Share Registrar at the address mentioned above.

9. Tax Withholding

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 and Section 100BA read with the Tenth Schedule of the Income Tax Ordinance, 2001, withholding tax on dividend income will be deducted as follows:

- | | |
|---|-----|
| - For shareholders whose names appear in the Active Taxpayers List (ATL): | 15% |
| - For shareholders whose names do not appear in the ATL: | 30% |

To enable the Company to withhold tax at 15%, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30%.

Withholding tax exemption from dividend income shall only be allowed to a corporate shareholder if a copy of valid tax exemption certificate is made available to the Share Registrar of the Company by the first day of book closure.

The FBR has clarified that in case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to the Company's Share Registrar. Otherwise it will be assumed that the shares are equally held by the joint shareholders:

Company Name	Folio / CDC Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

Shareholders are advised to ensure that they have provided their passport/NTN/CNIC/SNIC/valid tax exemption certificates (for tax exemption, where applicable) and valid Zakat declaration under Zakat & Ushr Ordinance, 1980 (for Zakat exemption) to their respective Participant/CDC Investor Account Services/Company's Share Registrar.

10. Conversion of Physical Shares into the Book Entry Form:

Members holding shares in physical form are encouraged to convert their physical shares into Book-Entry-Form (CDC) pursuant to the requirements of Section 72 of the Companies Act, 2017.

11. Unclaimed Shares/Unpaid Dividend:

Shareholders who could not collect their dividend /physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of three (3) years or more from the date due and payable shall be deposited to the credit of the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

For any query/problem/information, the members/investors may contact the Company and/or the Share Registrar at the following phone numbers and email addresses:

Contact Persons:

Taha Naqvi (Financial Controller)
Phone: 111-308-308
Email: taha.naqvi@igi.com.pk

Salman Rauf (Share Registrar)
Phone : 92-21-34380101-4
92-21-34384621-3

Statement of Material Facts under Section 134(3) of the Companies Act, 2017 (the Act)

Item No. 5 of the Notice

Transmission of Annual Audited Accounts through QR enabled code and weblink

The Securities and Exchange Commission of Pakistan ("SECP") through its SRO 389 (I)/2023 dated March 21, 2023 has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements"), to its members through QR enabled code, subject to the approval of the shareholders in general meeting.

The notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

For the purpose aforesaid, it is proposed to consider and if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications, to obtain approval of the shareholders for the transmission of the Annual Audited Accounts and accompanying reports, through QR enabled code and weblink:

"RESOLVED THAT the approval of the shareholders of the Company be and is hereby accorded for the transmission of the annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements") through QR enabled code and weblink provided in the notices of general meetings to Members dispatched at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan under SRO 389 (I)/2023 dated March 21, 2023."

The Company shall also circulate the annual audited financial statements through email in case email address has been provided by the member to the Company and the consent of member to receive the copies through email is not required.

The Company shall, however, supply hard copies of the aforesaid documents to the shareholders on demand, at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the company.

The Directors are not interested in the above special business, except to the extent of their shareholdings in the Company.

The Company Secretary
IGI Holdings Limited
7th Floor, The Forum, Suite No. 701-713,
G-20, Block-9, Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan

Form of Proxy
69th Annual General Meeting

I/We _____

of _____ being member(s) of

IGI Holdings Limited and holder of _____

Ordinary Shares as per Share Register Folio _____ and/or CDC Participant I.D. No. and

Sub Account No. _____ hereby appoint _____ of _____

_____ or failing him / her _____

of _____ as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Sixty-Ninth Annual General Meeting of the Company to be held on Friday, the 28th day of April 2023, at 2:30 p.m. at the Auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and at any adjournment thereof.

Signed _____ this day of _____ 2023.

1. Witness

Signature: _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

2. Witness

Signature: _____

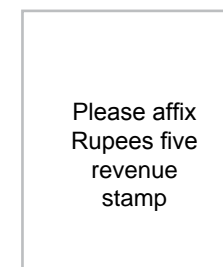
Name: _____

Address: _____

CNIC or _____

Passport No. _____

Signature

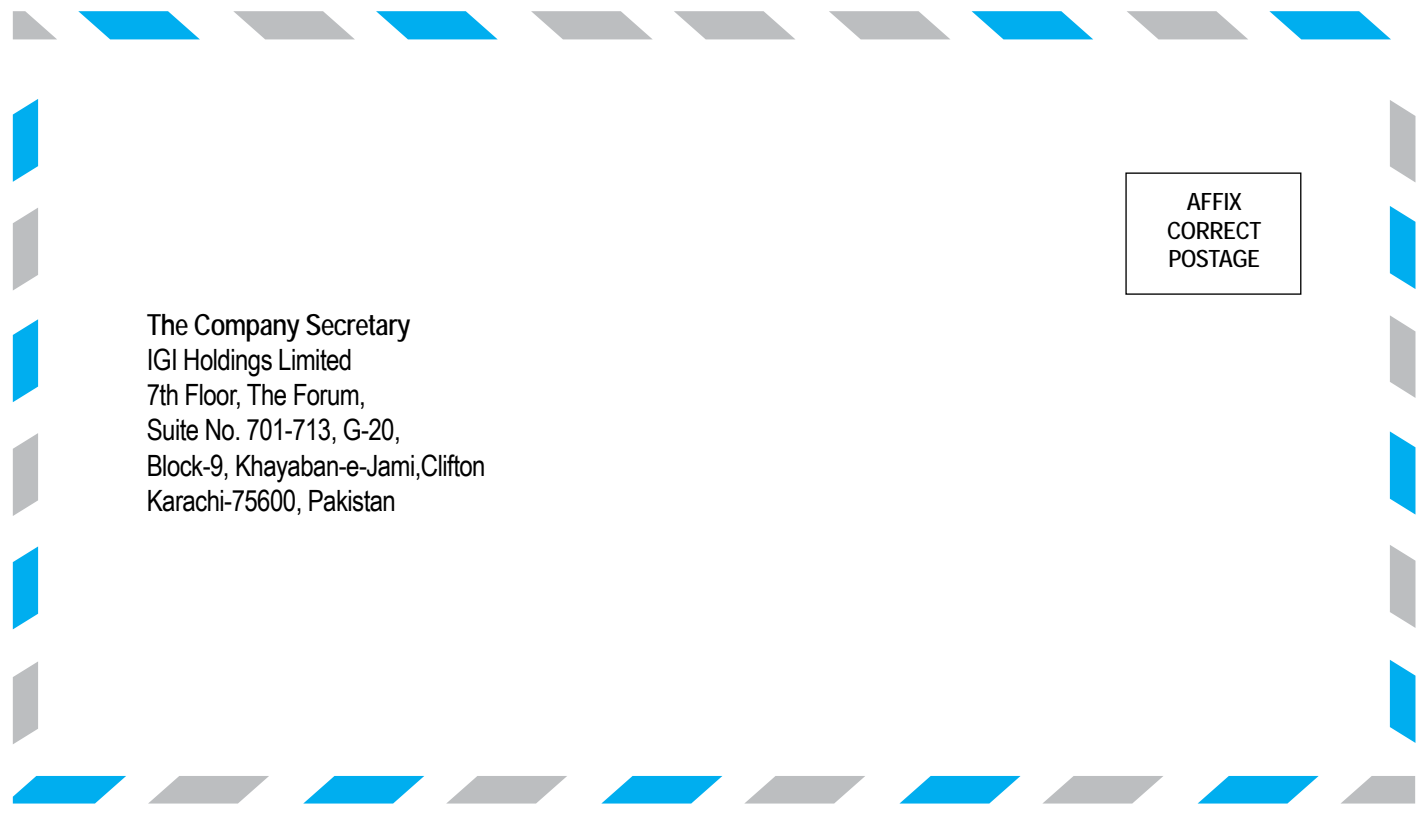


(Signature should agree with the specimen signature registered with the Company)

Note: Proxies, in order to be effective, must be received by the Share Registrar of the Company not less than 48 hours before the meeting.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

The shareholders having shares deposited with the Central Depository Company (CDC) are requested to bring their original Computerized National Identity Cards and CDC account number for verification.



The Company Secretary
IGI Holdings Limited
7th Floor, The Forum,
Suite No. 701-713, G-20,
Block-9, Khayaban-e-Jami, Clifton
Karachi-75600, Pakistan

AFFIX
CORRECT
POSTAGE

Request for Annual Report and Notices Through Post

The Registrar
FAMCO Associates (Pvt.) Limited,
8-F, Next to Hotel Faran
Block-6, Nursery, P.E.C.H.S.
Shahrah-e-Faisal
Karachi-74000

Dear Sir,

I hereby request you to send me the Annual Report of IGI Holdings Limited for the year ended December 31, 2022 and all notices under the Companies Act, 2017 at my postal address given below:

(Postal address of the shareholder)

The above address will be recorded in the members register maintained under Section 119 of the Companies Act, 2017. I will inform the Company and its Share Registrar about any change in my postal address immediately.

Regards,

(Signature)

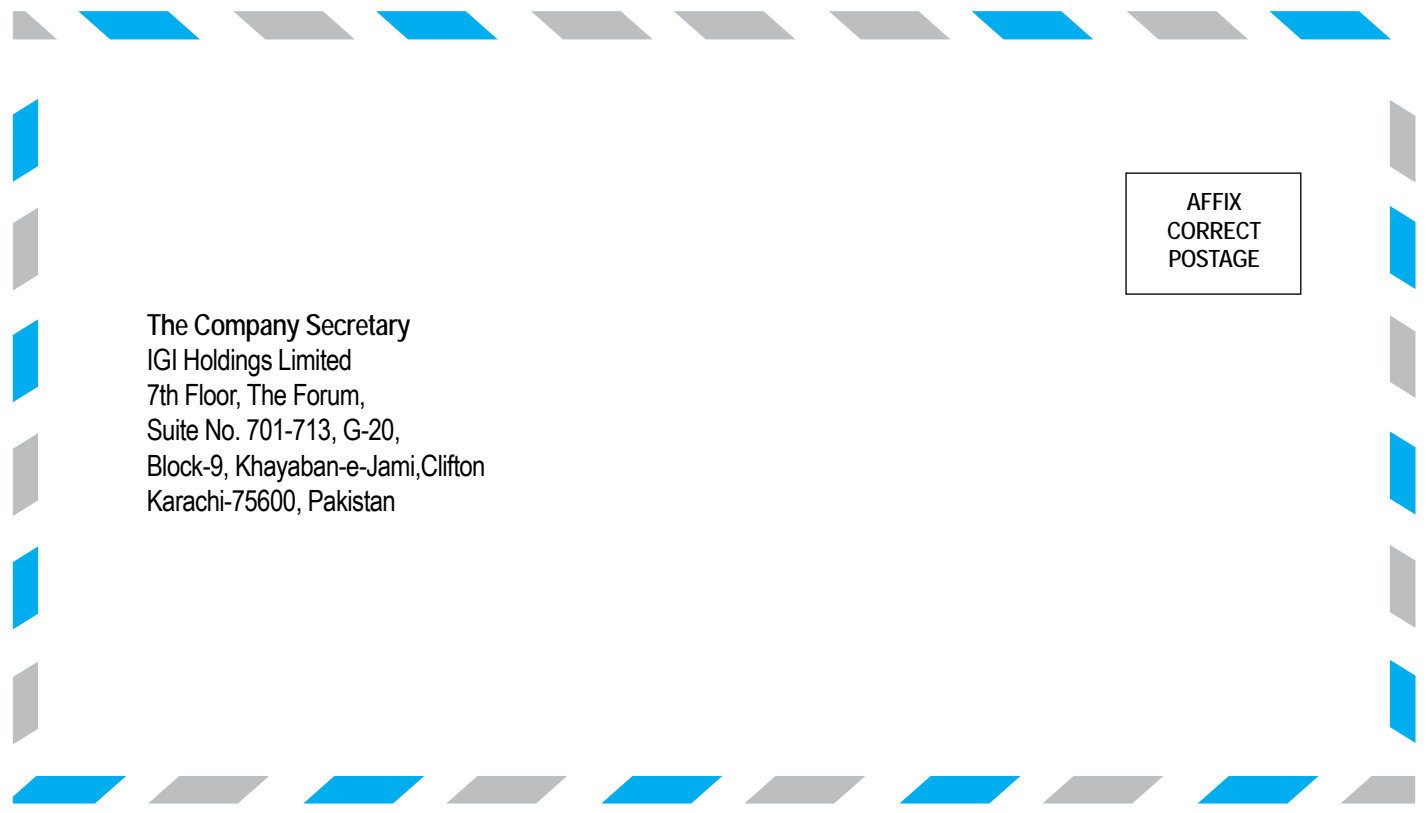
Name of the Shareholders

Folio No:

(In case of physical shareholding)

CDC Account No.: _____

Note: Individual CDC Account holders should submit copy of their Computerized National Identity Card (CNIC) alongwith this request form.



The Company Secretary
 IGI Holdings Limited
 7th Floor, The Forum,
 Suite No. 701-713, G-20,
 Block-9, Khayaban-e-Jami, Clifton
 Karachi-75600, Pakistan

AFFIX
 CORRECT
 POSTAGE

Electronic Credit Mandate Form

Dear Shareholder,

We wish to inform you that in accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your dividends directly into your bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your Computerized / Smart National Identity Card (CNIC/SNIC) to the Share Registrar of the Company, M/s FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi

CDC shareholders are requested to submit their Dividend Mandate Form and CNIC/SNIC directly to their broker (participant)/CDC

Yours faithfully
 For IGI Holdings Limited

(Nadia Hussain)
 Company Secretary

SHAREHOLDERS'S SECTION:

I hereby communicate to receive my future dividends directly in my Bank account as per details given below:

Name of shareholder:

Folio Number / CDC Account No.:

Contact number of shareholder:

Title of bank account of shareholder:

IBAN Number (see below Note No.1):

Name of Bank:

Bank branch & full mailing address:

CNIC/SNIC No. (Copy attached) :

NTN (in case of corporate entity):

It is stated that the above particulars given by me are correct and to the best of my knowledge. I shall keep the Company/broker (participant)/CDC informed in case of any changes in the said particulars in future.

 Shareholder's Signature

 CNIC/SNIC No.
 (Copy attached)

Date: _____

Note:

1. Please provide complete International Bank Account Number (IBAN), after checking with your concerned branch to enable electronic credit directly into your bank account.
2. Please provide declaration for non-deduction of Zakat, if applicable.
3. The payment of cash dividend will be processed based on the bank account number alone. The Company is entitled to rely on the account number as per your instructions. The Company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the Company.

الیکٹرونک کریڈٹ مینڈیٹ فارم

معزز شیئر ہولڈرز

آپ کو مطلع کیا جاتا ہے کہ کمپنی ایکٹ 2017 کے سیکشن 242 کی شقوں کے مطابق ایک لیکٹوریٹی کے لئے یہ ضروری ہے کہ وہ اپنے شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار براہ راست شیئر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں کرے۔

اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصولی کی غرض سے برائے مہربانی ذیل میں درج کوائف کو مکمل کریں اور اس خط کو باقاعدہ دستخط کر کے اپنے کمپیوٹرائزڈ/اسمارٹ شناختی کارڈ کی کاپی کے ہمراہ کمپنی کے رجسٹرار میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-ایف، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو جمع کرا دیں۔
سی ڈی سی شیئر ہولڈرز سے درخواست ہے کہ اپنے منافع منقسمہ کے مینڈیٹ اور کمپیوٹرائزڈ شناختی کارڈ کی کاپی کو براہ راست اپنے بروکر (پارٹنیشن) / سی ڈی سی کو جمع کرا دیں۔

آپ کی مخلص
برائے آئی جی آئی ہولڈنگز لمیٹڈ

نادیہ حسین
کمپنی سیکریٹری

شیئر ہولڈرز پر کریں:

میں بذریعہ ہذا اطلاع دیتا ہوں کہ آئندہ میں اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں درج ذیل تفصیل کے مطابق وصول کروں گا۔

شیئر ہولڈر کا نام :
فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر :
شیئر ہولڈر کا رابطہ نمبر :
شیئر ہولڈر کا بینک اکاؤنٹ کا نام :
آئی بی اے این نمبر (نیچے درج نوٹ نمبر 1 ملاحظہ فرمائیں) :
بینک کا نام :
بینک برانچ اور ڈاک کا مکمل پتہ :
کمپیوٹرائزڈ شناختی کارڈ نمبر (کاپی منسلک کریں) :
این ٹی این (کارپوریٹ ادارے کی صورت میں) :

آگاہ کیا جاتا ہے کہ میری جانب سے فراہم کردہ مذکورہ بالا کوائف درست اور میری معلومات کے عین مطابق ہیں اور میں آئندہ ان کوائف میں کسی بھی تبدیلی کی صورت میں کمپنی/پارٹنیشن/سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کرتا رہوں گا۔

کمپیوٹرائزڈ/اسمارٹ شناختی کارڈ نمبر (کاپی منسلک)

شیئر ہولڈر کے دستخط

مورخہ:-----

نوٹ:

- 1- برائے مہربانی اپنا مکمل آئی بی اے این اپنی متعلقہ برانچ سے چیک کرنے کے بعد فراہم کریں تاکہ الیکٹرونک کریڈٹ براہ راست آپ کے بینک اکاؤنٹ میں ممکن ہو سکے۔
- 2- نقد منافع منقسمہ کی ادائیگی صرف بینک اکاؤنٹ نمبر کی بنیاد پر عمل میں لائی جائے گی۔ کمپنی آپ کی ہدایات کے مطابق اکاؤنٹ نمبر پر انحصار کرنے کا استحقاق رکھتی ہے۔ کمپنی ایسے کسی بھی نقصان، ضیاع، مالی ذمے داری یا دعویٰ کے لئے بلواسطہ یا بلاواسطہ طبعی ذمے دار نہ ہوگی جو کسی غلطی، تاخیر ایسی کسی مالی ادائیگی کی پر فارمنس میں ناکامی کی صورت میں سامنے آئے جو ادائیگی کی غلط اور نامناسب ہدایات کی وجہ سے ہوا اور/یا کسی ایسے واقعے کے باعث پیش آئے جس پر کمپنی کا کوئی اختیار نہ ہو۔

The Company Secretary
IGI Holdings Limited
7th Floor, The Forum,
Suite No. 701-713, G-20,
Block-9, Khayaban-e-Jami, Clifton
Karachi-75600, Pakistan

AFFIX
CORRECT
POSTAGE

درخواست برائے سالانہ رپورٹ اور نوٹسز بذریعہ ڈاک

دی شیئر رجسٹرار
فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
ایف-8، نزد ہوٹل فاران
نرسری بلاک-6، پی ای سی ایچ ایس
شاہراہ فیصل، کراچی

عزیز محترم

میں بذریعہ ہذا آپ سے درخواست کرتی/کرتا ہوں کہ آئی جی آئی ہولڈنگز لمیٹڈ کی سالانہ رپورٹ اور نوٹسز برائے 2022 کمپنیز ایکٹ 2017 کے تحت میرے درج ذیل ڈاک ایڈریس پر ارسال کئے جائیں۔

(شیئر ہولڈر کا ڈاک ایڈریس)

مذکورہ بالا ڈاک ایڈریس کمپنیز ایکٹ 2017 کے سیکشن 119 کے تحت تیار کردہ ممبران کے رجسٹر میں ریکارڈ کر لیا جائے۔ میں کہتی/کہتا ہوں کہ اس کے شیئر رجسٹرار کو اپنے ڈاک ایڈریس میں کسی بھی تبدیلی کے بارے میں فوری طور پر اطلاع کر دوں گا/گی۔

منجانب

(دستخط)

شیئر ہولڈر کا نام

فولیو نمبر:

(فونیکل شیئر ہولڈنگ کی صورت میں)

سی ڈی سی اکاؤنٹ نمبر:

نوٹ: انفرادی سی ڈی سی اکاؤنٹ ہولڈرز کو اس درخواست فارم کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی جمع کرانی ہوگی۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
IGI Holdings Limited
7th Floor, The Forum,
Suite No. 701-713, G-20,
Block-9, Khayaban-e-Jami, Clifton
Karachi-75600, Pakistan

تشکیل نیابت داری

69 واں سالانہ اجلاس عام

دی کمپنی سیکریٹری
آئی جی آئی ہولڈنگز لمیٹڈ
7 ویں منزل، دی فورم
سوئٹ نمبر 701-713، جی-20، بلاک 9
خیابان جامی کلفٹن، کراچی-75600، پاکستان

AFFIX
CORRECT
POSTAGE

The Company Secretary
IGI Holdings Limited
7th Floor, The Forum,
Suite No. 701-713, G-20,
Block-9, Khayaban-e-Jami, Clifton
Karachi-75600, Pakistan

میں / ہم بائیں بحیثیت ممبر (ممبران) برائے آئی جی آئی ہولڈنگز لمیٹڈ اور ہولڈر بائیں
..... عمومی شیئرز برطانیق شیئرز رجسٹر فوئیو نمبر اور / یا سی ڈی سی پارٹنیشن اور سمسکریشن نمبر
..... بذریعہ ہذا بائیں یا ان کی عدم حاضر پیر
کو اپنا / ہمارا پر کسی مقرر کر رہا ہوں / کر رہے ہیں جو کمپنی کے 69 ویں سالانہ اجلاس عام بروز جمعہ 28 اپریل 2023 بوقت 2:30 بجے دوپہر بہ مقام دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان چارٹرڈ اکاؤنٹنٹس
ایونیورسٹی، کراچی میں منعقد ہو گا۔ کسی زیر التوا تاریخ پر منعقد ہونے والے اجلاس میں میری / ہماری غیر موجودگی کی صورت میں میری / ہماری جگہ شرکت کرنے اور ووٹ دینے کے لئے بطور نیابت داری شریک ہوں گے۔

دستخط مورخہ 2023

1- گواہ:

دستخط:
نام:
پتہ:
سی این آئی سی نمبر:
پاسپورٹ نمبر:

2- گواہ:

دستخط:
نام:
پتہ:
سی این آئی سی نمبر:
پاسپورٹ نمبر:

ریونیونگٹ چسپال کریں۔

(دستخط کمپنی میں پہلے سے موجود نمونہ
کے مطابق ہونے چاہئے)

نوٹ: نیابت داری کے موثر ہونے کے لئے لازمی ہے کہ وہ اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار کو موصول ہو جائیں۔

سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ کمپنی کو نیابت داری فارم جمع کرانے سے قبل اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی اس نیابت داری فارم کے ساتھ لازماً منسلک کر دیں۔
سینٹرل ڈیپازٹری کمپنی (سی ڈی سی) کے پاس شیئرز جمع کرانے والے شیئرز ہولڈرز سے درخواست ہے کہ وہ تصدیق کیلئے اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی کاپی اس ڈاؤنٹ نمبر ہمراہ لائیں۔

ڈیویڈنڈ کی آمدنی پر وہدھ ہولڈنگ ٹیکس سے استثنیٰ صرف ان کارپوریٹ شیئر ہولڈرز کو حاصل ہوگا جو ٹیکس سے استثنیٰ کی کارآمد سرٹیفکیٹ کی کاپی کتب کی بندش سے قبل کمپنی کے شیئر رجسٹرار کے پاس فراہم کر دیں گے۔

ایف بی آر نے واضح کیا ہے کہ جو انٹنٹ اکاؤنٹ ہونے کی صورت میں ہر ہولڈر کو فرد واحد کی طرح فائلر یا نان فائلر کے طور پر دیکھا جائے گا اور ہر شیئر ہولڈر کے پاس موجود شیئرز کی بنیاد پر کوئی فی کس کی بجائے جیسا کہ شیئر ہولڈر نے تحریری طور پر درج ذیل کے مطابق کمپنی کے شیئر رجسٹرار کو مطلع کیا ہوگا۔ ورنہ یہ تصور کیا جائے گا کہ جو انٹنٹ ہولڈر کے پاس برابر کی تعداد میں شیئر موجود ہیں۔

کمپنی کا نام	فویو/سی ڈی سی نمبر	مجموعی حصص	پر نیل شیئر ہولڈر	مشترکہ شیئر ہولڈر
			نام اور سی این آئی سی نمبر (حصص کی تعداد)	نام اور سی این آئی سی نمبر (حصص کی تعداد)

شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اس بات کا اطمینان کر لیں کہ انہوں نے اپنا پاسپورٹ/ این ٹی این/ سی این آئی سی / ایس این آئی سی/ کارآمد ٹیکس سے استثنیٰ کا سرٹیفکیٹ (برائے ٹیکس سے استثنیٰ) اور زکوٰۃ اینڈ عشر آرڈیننس 1980 (برائے زکوٰۃ سے استثنیٰ) کارآمد زکوٰۃ ڈیکلریشن اپنے متعلقہ شریک/ سی ڈی سی انویسٹر اکاؤنٹ سرورسز/ کمپنی کے شیئر رجسٹرار کو فراہم کر چکے ہیں۔

10- فزیکل شیئرز کی بک انٹری فارم میں تہیاری:

جن ممبرز کے پاس شیئرز فزیکل شکل میں ہیں، ان کو کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت فزیکل شیئرز کی بک انٹری فارم (سی ڈی سی) بک انٹری فارم میں تبدیل کرنے کی ترغیب دی جاتی ہے:

11- غیر کلیم شدہ شیئرز/ غیر ادا شدہ ڈیویڈنڈ:

جو شیئر ہولڈرز اپنے ڈیویڈنڈ/ فزیکل شیئرز حاصل نہیں کر سکے، ان کو مشورہ ہے کہ اپنے غیر کلیم شدہ ڈیویڈنڈ اور شیئرز، اگر کوئی ہیں، حاصل کرنے کی معلومات کے لئے ہمارے شیئر رجسٹرار سے رابطہ کریں۔

کمپنیز ایکٹ 2017 کے سیکشن 244 کی پیروی میں، جب کمپنی مقررہ کارروائی مکمل کر لے کے بعد غیر کلیم شدہ ڈیویڈنڈ اور/ یا شیئرز جو واجب الادا تاریخ سے تین (3) سال یا اس سے زیادہ کی مدت گزرنے کے بعد بھی واجب الادا ہوں، اور قابل ادائیگی ہوں، تو وہ وفاقی حکومت کے پاس (ڈیویڈنڈ ہونے کی صورت میں) جمع کرائے جائیں گے یا ایس ای سی پی کو (فزیکل شیئرز ہونے کی صورت میں) بھجوائے جائیں گے۔

کسی استفسار/ مسئلہ/ معلومات کے لئے، ممبرز/ انویسٹرز کمپنی اور/ یا شیئر رجسٹرار کو درج ذیل فون نمبر اور ای میل کے پتہ پر رابطہ کر سکتے ہیں۔

سلمان رؤف (رجسٹرار)
فون: 92-21-34384621
salman.rauf@fmco.com.pk

طہ نقوی (فنانس کنٹرولر)
فون: 111-308-308
taha.naqvi@igi.com.pk

کمپنیز ایکٹ 2017 (دی ایکٹ) کے سیکشن (3) 134 کے تحت ضروری حقائق کا بیان نوٹس کا آئٹم نمبر 5

سالانہ آڈٹ شدہ اکاؤنٹس کی کیو آر (QR) پر مبنی کوڈ اور ویب لنک کے ذریعے ترسیل:

سیکورٹی اینڈ اینجینجنگ کمیشن آف پاکستان ("ایس ای سی پی") نے اپنے ایس آر او نمبر 389(1)/2023 مورخہ 21 مارچ، 2023 کے ذریعے کمپنیز کو اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ اور نفع نقصان کا اکاؤنٹ، آڈیٹری رپورٹ اور ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ وغیرہ (مجموعی طور پر "سالانہ آڈٹ شدہ مالیاتی گوشوارے") اپنے ممبرز کو بذریعہ کیو آر (QR) پر مبنی کوڈ کے ذریعے پہنچادیں جو اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

اجلاس کی اطلاع، ایکٹ کے مطابق ممبرز کو ان کے رجسٹرڈ پتوں پر ارسال کی جائے جس میں کیو آر (QR) کوڈ اور ویب لنک کا پتہ ہو تاکہ وہ سالانہ آڈٹ شدہ مالیاتی گوشوارے مع رپورٹس اور ایکٹ کے تحت منسلک دستاویزات ملاحظہ اور ڈاؤن لوڈ کر سکیں۔

مذکورہ مقصد کے لئے تجویز کیا جاتا ہے کہ سالانہ آڈٹ شدہ اکاؤنٹس اور منسلک رپورٹس کی کیو آر (QR) پر مبنی کوڈ اور ویب لنک کے ذریعے ترسیل کے بارے میں درج ذیل قرارداد پر غور کیا جائے اور اگر درست سمجھا جائے تو بطور عمومی قرارداد، ترمیم کے ساتھ یا بلا ترمیم شیئر ہولڈرز کی منظوری حاصل کی جائے:

طے پایا کہ سالانہ بیلنس شیٹ اور نفع و نقصان اکاؤنٹ، آڈیٹری رپورٹ اور ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ وغیرہ (مجموعی طور پر "سالانہ آڈٹ شدہ مالیاتی گوشوارے") کی بذریعہ کیو آر (QR) پر مبنی کوڈ ترسیل کے لئے کمپنی کے شیئر ہولڈرز کی منظوری دی جاتی ہے جو سالانہ اجلاس کی اطلاع میں ممبرز کو ان کے رجسٹرڈ پتوں پر بھیج دئے گئے ہیں جیسا کہ سیکورٹی اینڈ اینجینجنگ کمیشن آف پاکستان نے ایس آر او 389(1)/2023 مورخہ 21 مارچ، 2023 کے ذریعے کمپنیز کو اجازت دی ہے۔

کمپنی سالانہ آڈٹ شدہ مالیاتی گوشوارے ای میل کے پتہ پر، بشرطیکہ ممبر نے کمپنی کو فراہم کیا ہو اور ای میل کے ذریعے کلیں وصول کرنے کے لئے ممبر کی رضامندی حاصل کرنا ضروری نہیں۔

تاہم کمپنی شیئر ہولڈرز کے طلب کرنے پر مذکورہ دستاویزات کی ہارڈ کاپی ان کے رجسٹرڈ پتہ پر بلا معاوضہ ایک ہفتہ کے اندر بھجوا دے گی بشرطیکہ ممبر نے مقررہ درخواست فارم پر اس کے لئے درخواست کی ہو جو کمپنی کی ویب سائٹ پر دستیاب ہے۔

ڈائریکٹرز درج بالا خصوصی کارروائی میں کوئی دلچسپی نہیں رکھتے سوائے اس کے کہ کمپنی میں ان کی شیئر ہولڈنگ ہے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
IGI Holdings Limited
7th Floor, The Forum,
Suite No. 701-713, G-20,
Block-9, Khayaban-e-Jami, Clifton
Karachi-75600, Pakistan

اطلاع برائے سالانہ اجلاس عام

بذریعہ بلڈ مطلع کیا جاتا ہے کہ آئی جی آئی ہولڈنگز لمیٹڈ (کمپنی) کا 69 واں سالانہ اجلاس عام (AGM) بروز جمعہ 28 اپریل 2023 دن 2:30 بجے دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایونیو، گلشن کراچی اور ورچوئل/بذریعہ ویڈیولنک، درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔

عمومی امور

- 1- کمپنی کے سالانہ اجلاس عام منعقدہ 29 اپریل 2022 کی کاروائیوں کی توثیق کرنا۔
- 2- کمپنی کے آڈٹ شدہ حسابات برائے سال مختتمہ 31 دسمبر 2022 مع چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی اور ان پر غور و حوض اور منظوری۔
- 3- حقیقی نقد منافع منقسمہ کی بحساب 22.50 فیصد (25.00 روپیہ فی شیئر) برائے مالی سال مختتمہ 31 دسمبر 2022 کی ادائیگی پر غور و حوض کرنا اور منظوری، جو کمپنی کے بورڈ آف ڈائریکٹرز کی کمپنی کے شیئر ہولڈرز کے لئے سفارشات کے مطابق ہے۔ یہ عبوری نقد منافع منقسمہ بحساب 20 فیصد (2.00 روپیہ فی شیئر) کے علاوہ ہے جو پہلے ہی ادا کیا جا چکا ہے اور اس طرح کل نقد منافع منقسمہ 42.50 فیصد (4.25 روپیہ فی شیئر) ہوگا۔
- 4- مالی سال 2023 کے لئے آڈیٹرز کا تقرر کرنا اور ان کے مشاہرے کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے مالی سال 2023 کے لئے اپنے دوبارہ تقرر کی رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کے تقرر کی سفارش کی ہے۔

خصوصی امور

- 5- سالانہ بیلنس شیٹ اور نفع و نقصان اکاؤنٹ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ وغیرہ (مجموعی "سالانہ آڈٹ شدہ مالیاتی حسابات") اجلاس عام کے نوٹسز میں درج کیے آ رہیں اور ویب لنک کے ذریعے ممبران کو ان کے رجسٹرڈ پتوں پر بھیجنے کے لئے عمومی قرارداد کے ذریعے شیئر ہولڈرز کی منظوری حاصل کرنا، جس کی اجازت سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 389(1)/2023 مورخہ 21 مارچ 2023 میں دی ہے۔
- (اس نوٹس کے ساتھ مذکورہ بالا خصوصی امور سے متعلق ضروری حقائق کا بیان منسلک ہے جیسا کہ کمپنی ایکٹ 2017 کے سیکشن (3) 134 کے تحت ضروری ہے)

کسی اور امور کی انجام دہی:

چیئرمین کی اجازت سے کسی اور امور پر غور کرنا اور اس کی انجام دہی۔

بحکم بورڈ

Nadeem Hussain

نادیم حسین

کمپنی سیکریٹری

کراچی، 07 اپریل 2023

نوٹس

1- شیئر ٹرانسفر بکس کی بندش:

کمپنی کی شیئر ٹرانسفر بکس مورخہ 21 اپریل 2023 تا 28 اپریل 2023 (بشمول دونوں ایام) بند رہیں گی۔

2- 69 ویں سالانہ اجلاس عام میں بذریعہ ویڈیو لنک شرکت کی سہولت:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") نے اپنے وقتاً فوقتاً جاری ہونے والے سرکلرز میں لسٹڈ کمپنیز کو ہدایت دی ہے کہ وہ سالانہ اجلاس عام فزیکل طور پر منعقد کرنے کے ساتھ ورچوئل بھی منعقد کریں۔ کمپنی نے اپنے شیئر ہولڈرز کو اجلاس میں شرکت کی مزید سہولت فراہم کرنے کے لئے درج ذیل انتظامات کئے ہیں:

اجلاس میں ورچوئل شرکت کے خواہشمند شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے کوائف جس میں اپنا نام، فوٹیو نمبر، سی این آئی سی نمبر اور ای میل پتہ درج کیا گیا ہو، مورخہ 26 اپریل 2023 کو کاروباری اوقات کے اختتام تک مقرر کردہ ای میل ایڈریس agm.igiholdings@igi.com.pk پر بھیج کر خود کو رجسٹر کرائیں۔ لاگ ان کی تفصیلات رجسٹرڈ شیئر ہولڈرز کو فراہم کی جائیں گی۔ ویڈیو لنک کے ذریعے شرکت کرنے والے ممبران <https://zoom.us/download> کے ذریعے درخواست / سافٹ ویئر ڈاؤن لوڈ کر سکتے ہیں اور اجلاس کی کارروائی میں شرکت کے لئے ویڈیو لنک کے ذریعے لاگ ان کر سکتے ہیں۔

شیئر ہولڈرز/پراکسیز کی جانب سے درج بالا معلومات وصول ہونے پر، کمپنی ان کے ای میل ایڈریس پر لاگ ان کی تفصیلات شیئر کرے گی جس سے وہ مذکورہ اجلاس میں ویڈیو لنک کے ذریعے شرکت کر سکیں گے۔

3- اے جی ایم میں شرکت اور پراکسی کا تقرر:

کمپنی کا کوئی ممبر، جو سالانہ اجلاس عام میں شرکت کرنے، رائے دینے اور ووٹ دینے کا اہل ہے اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے، رائے دینے اور ووٹ دینے کے لئے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کا کمپنی کا ممبر ہونا ضروری نہیں ہے۔ باقاعدہ مکمل شدہ اور پراکسی کے تقرر کے لئے ممبر کے دستخط شدہ فارم کمپنی کے شیئر رجسٹرار، فیمکو ایس سی ایس (پرائیویٹ) لمیٹڈ، 8 ایف، متصل ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شارع فیصل، کراچی کو اجلاس شروع ہونے کے مقررہ وقت سے 48 گھنٹے پہلے موصول ہونا لازمی ہے۔

4- سی ڈی سی اکاؤنٹ ہولڈرز / نان سی ڈی سی ممبرز کے لئے رہنما ہدایات:

سی ڈی سی / سب اکاؤنٹ ہولڈرز کو درج ذیل رہنما ہدایات پر عمل کرنا ہوگا:

- (i) اجلاس میں شرکت کے لئے:
- (i) فرد واحد ہونے کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا فرد، جن کی سیکورٹیز گروپ اکاؤنٹس میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ ہیں، ان کو اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لئے اپنا اصل کپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ii) کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نامزد کئے گئے فرد کے نمونے کے دستخط، اجلاس کے وقت پیش کرنا ہوں گے۔
- (ب) پراکسیز کے تقرر کے لئے:
- (i) فرد واحد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا فرد، جن کی سیکورٹیز گروپ اکاؤنٹس میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ ہیں، درج بالا شرائط کے مطابق پراکسی فارم جمع کرائیں۔
- (ii) پراکسی فارم پر دو گواہوں کے دستخط ہونے چاہئیں جن کے نام، پتے اور سی این آئی سی نمبر درج ہوں۔
- (iii) انفرادی مالکان اور ان کے پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ہمراہ جمع کرائی جائیں۔
- (iv) پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نمونے کے دستخط پراکسی فارم کے ساتھ کمپنی کے پاس جمع کرانا ہوں گے۔

ممبرز (نان سی ڈی سی) سے درخواست ہے کہ اپنے کوائف میں کسی تبدیلی بشمول آئی بی اے این (IBAN) کی تفصیلات اور پوسٹل اور ای میل ایڈریس سے فوری طور پر مطلع کریں۔

5- سالانہ آڈٹ شدہ مالیاتی حسابات کی کمپنی کی ویب سائٹ پر دستیابی:

کمپنی ایکٹ 2017 کے سیکشن (7) 223 کی پیروی میں مالیاتی حسابات اور رپورٹس کے ہمراہ کمپنی کی ویب سائٹ <https://www.igiholdings.com.pk/annual-reports/> پر جاری کردئے گئے ہیں اور وہاں دیکھے جاسکتے ہیں۔

6- آڈٹ شدہ مالیاتی گوشواروں کی بذریعہ ای میل اور بذریعہ CD/DVD/USB ترسیل

ممبران کو مطلع کیا جاتا ہے کہ ایس ای سی پی کے ایس آر او 787(1)/2014 مورخہ 8 ستمبر 2014 اور کمپنی ایکٹ 2017 کے تحت کمپنیز کو اجازت ہے کہ وہ سالانہ رپورٹ ممبران کو بذریعہ ای میل بھیج سکتے ہیں۔ مزید ایس آر او 470(1)/2016 مورخہ 31 مئی 2016 کے تحت ایس ای سی پی نے کمپنیز کو اجازت دی ہے کہ سالانہ آڈٹ شدہ اکاؤنٹس کی ہارڈ کاپیاں ان کے رجسٹرڈ پتوں پر بھیجنے کی بجائے CD/DVD/USB کے ذریعے بھیجائیں جو شیئر ہولڈرز کی رضامندی اور بعض دوسری شرائط سے مشروط ہے۔ کمپنی نے غیر معمولی اجلاس عام منعقدہ 8 اکتوبر 2018 میں اس کے لئے شیئر ہولڈرز کی رضامندی حاصل کر لی ہے۔

تاہم کمپنی اس کے علاوہ ممبران کی درخواست پر سالانہ رپورٹ کی ہارڈ کاپی، بلا معاوضہ فراہم کر دی جائے گی۔ اس مقصد کے لئے ہم نے درخواست فارم کو سالانہ رپورٹ کے ساتھ منسلک کیا ہے اور کمپنی کی ویب سائٹ <https://www.igiholdings.com.pk/notices-to-shareholders/> پر بھی اپ لوڈ کر دیا ہے۔

یہ سہولت حاصل کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ درخواست فارم پُر کر کے شیئر رجسٹرار کو بھیجوائیں۔

7- ای ووٹنگ اور بذریعہ ڈاک ووٹنگ:

کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کے مطابق کسی بھی ریجنڈ آکٹم کے لئے، کمپنیز ایکٹ 2017 (دی ایکٹ) کے سیکشن 143 اور 144 سے مشروط، ممبرز کو اپنا ووٹ بذریعہ بیلت یعنی بذریعہ ڈاک یا ای ووٹنگ کے ذریعے اپنا ووٹ استعمال کرنے کی اجازت ہے جو مذکورہ ریگولیشنز میں دی گئی شرائط سے مشروط ہے۔

8- نقد ڈیویڈنڈ کی الیکٹرونک ذریعے سے ادائیگی (لازمی):

کمپنی ایکٹ 2017 کے سیکشن 242 کی شقوں کے مطابق لسٹڈ کمپنی کے لئے لازمی ہے کہ نقد ڈیویڈنڈ کی رقم الیکٹرونک ذریعے سے براہ راست اہل شیئر ہولڈر کے مقررہ بینک اکاؤنٹ میں جمع کرائے۔ ممبران سے درخواست ہے کہ ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کے لئے ای کریڈٹ ڈیویڈنڈ مینڈیٹ فارم میں اپنے کوائف مکمل کریں۔ یہ فارم سالانہ رپورٹ کے ساتھ منسلک ہے اور ہماری کمپنی کی ویب سائٹ <https://www.igiholdings.com.pk/notices-to-shareholders/> پر بھی دستیاب ہے۔

سی ڈی سی میں شیئرز رکھنے کی صورت میں تو وہی معلومات سی ڈی ایس کے شرکاء کو اپ ڈیٹنگ کے لئے کمپنی کو پہنچائیں۔ ممبرز کے کارآمد بینک اکاؤنٹ کی تفصیلات اور / یا IBAN کی عدم دستیابی پر کمپنی ایسے ممبرز کے ڈیویڈنڈ کی ادائیگی روک لینے پر مجبور ہوگی جب تک کہ مجوزہ تفصیلات فراہم نہ ہوں۔

وہ شیئر ہولڈرز جو کسی وجہ سے اب اپنے ڈیویڈنڈ/فزیبل/ایونس شیئر کلیم نہیں کر سکتے، مشورہ دیا جاتا ہے کہ ہمارے شیئر رجسٹرار سے درج بالا پتے پر رابطہ کریں۔

9- ودولڈنگ ٹیکس:

سیکشن 150 کی پیروی میں، جو اہم ٹیکس آرڈیننس 2001 کے فرسٹ شیڈول کے پارٹ III کے ڈویژن I کے ساتھ ملا کر پڑھا جائے اور سیکشن 100 بی اے کو اہم ٹیکس آرڈیننس 2001 کے دسویں شیڈول کے ساتھ ملا کر پڑھا جائے، تو اس کے مطابق ڈیویڈنڈ کی آمدنی پر درج ذیل شرح سے ودولڈنگ ٹیکس کی کوٹنی کی جائے گی:

جن شیئر ہولڈرز کے نام فعال ٹیکس گزاروں کی فہرست (اے ٹی ایل) میں ہیں: 15 فیصد

جن شیئر ہولڈرز کے نام اے ٹی ایل میں نہیں ہیں: 30 فیصد

تمام شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اس بات کا اطمینان کر لیں کہ ان کا نام ایف بی آر کی ویب سائٹ پر تازہ ترین اے ٹی ایل میں شامل ہے تاکہ کمپنی 15 فیصد کی شرح سے ودولڈنگ ٹیکس کی کوٹنی کرے ورنہ ان کے کیش ڈیویڈنڈ پر 30 فیصد کی شرح سے ودولڈنگ ٹیکس کی کوٹنی کرنی جائے گی۔

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز بابت مجموعی مالیاتی گوشوارے

برائے سال محنتہ 31 دسمبر 2022

بورڈ کی جانب سے آئی جی آئی ہولڈنگز لمیٹڈ ("آئی جی آئی ہولڈنگز") اور اس کے ذیلی اداروں بنام آئی جی آئی لائف انشورنس لمیٹڈ ("آئی جی آئی لائف")، آئی جی آئی جی لائف انشورنس لمیٹڈ ("آئی جی آئی جی لائف")، آئی جی آئی جی لائف انشورنس لمیٹڈ ("آئی جی آئی جی لائف") اور آئی جی آئی فائیننس سیکورٹیز لمیٹڈ ("آئی جی آئی فائیننس") (مجموعی طور پر بنام "گروپ") کے مجموعی مالیاتی گوشوارے برائے سال محنتہ 31 دسمبر 2022 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

گروپ کی کارکردگی کا جائزہ:

2021	2022
(روپے - ہزاروں میں)	
3,159,450	3,987,013
(569,741)	(1,107,562)
<u>2,589,709</u>	<u>2,879,451</u>
2,650,135	2,872,177
(60,426)	7,274
<u>2,589,709</u>	<u>2,879,451</u>
(روپے)	
<u>18.58</u>	<u>20.14</u>

قبل از ٹیکس منافع
ٹیکس
بعد از ٹیکس منافع

نفع / نقصان) بہ نسبت
سرپرست کے لکھنے ہولڈرز
غیر اختیاری سود سے منسوب

فی شیئر آمدنی

رواں سال کے دوران میں گروپ نے 2,879 ملین روپے کا منافع حاصل کیا جو 2021 کے 2,590 ملین روپے کے مقابلے میں 11% زیادہ ہے۔

دیگر ذرائع سے مجموعی طور پر 1,013 ملین روپے کی رقم حاصل ہوئی جبکہ گزشتہ سال 2,750 ملین روپے کا نقصان ہوا تھا جس کی وجہ دیگر جامع آمدنی کے پورٹ فولیو کے ذریعے ویلیو پر مالیاتی اثاثہ جات کی دوبارہ جانچ اور ایسوسی ایشن سے دیگر جامع آمدنی کا حصہ ملنے سے فائدہ کا حصول تھی۔

گروپ نے 2021 کے دوران میں فی شیئر 18.58 روپے کے مقابلے میں 20.14 روپے فی شیئر آمدنی حاصل کی۔

آئی جی آئی جی لائف

رواں سال کے دوران میں آئی جی آئی جی لائف نے 10,089 ملین روپے مجموعی پریمیئم (بشمول نکالنے کا حصہ) حاصل کیا، جب کہ اس کے مقابلے میں گزشتہ سال کے دوران میں 8,511 ملین روپے حاصل ہوئے تھے۔ آئی جی آئی جی لائف نے 2021 کے 1,497 ملین روپے کے مقابلے میں اس سال 2,029 ملین روپے کے کلیم ادا کئے۔ اس کے نتیجے میں کمپنی کو بعد از ٹیکس 468 ملین روپے کا منافع ہوا، جب کہ اس کے مقابلے میں 2021 میں 428 ملین روپے ہوا تھا۔

آئی جی آئی فائیننس

رواں سال کے دوران میں آئی جی آئی فائیننس کوڈیویڈنڈ سے 2,361 ملین روپے کی آمدنی ہوئی جبکہ 2021 میں 1,825 ملین روپے کی آمدنی ہوئی تھی۔ کمپنی کو اس سال قبل از ٹیکس 2,147 ملین روپے منافع ہوا جب کہ گزشتہ سال 1,628 ملین روپے منافع ہوا تھا اور بعد از ٹیکس 1,616 ملین روپے منافع حاصل ہوا جو 2021 کے دوران میں 1,351 ملین روپے ہوا تھا۔

آئی جی آئی فائیننس


رواں سال کے دوران میں آئی جی آئی فائیننس نے 187 ملین روپے کی آپریٹنگ آمدنی حاصل کی جب کہ اسکے مقابلے میں گزشتہ سال 326 ملین روپے حاصل ہوئے تھے۔ کمپنی نے 13 ملین روپے کا بعد از ٹیکس منافع پوسٹ کیا ہے جب کہ 2021 میں 69 ملین روپے ہوا تھا۔

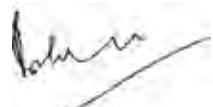
آئی جی آئی لائف

موجودہ سال میں آئی جی آئی لائف کا مجموعی پریمیئم 6,072 ملین روپے رہا جو کہ 2021 میں 7,057 ملین روپے تھا۔ جس کی وجہ کمپنی کے کاروبار کو دوبارہ ترتیب دینا تھا۔ آئی جی آئی لائف کو 2022 میں بعد از ٹیکس منافع 42 ملین روپے حاصل ہوا جب کہ 2021 میں 349 ملین روپے کا نقصان ہوا تھا۔ (بشمول قانونی فنڈز کے سرپلس/خسارہ)۔

ہم اپنے بزنس پارٹنرز اور اسٹیک ہولڈرز کے تعاون اور سرپرستی کے ممنون ہیں اور اپنے ملازمین کی لگن اور پرعطوس کاوشوں کو سراہتے ہیں۔

برائے اور منجانب بورڈ


طاہر مسعود
چیف ایگزیکٹو آفیسر
لاہور، 21 مارچ، 2023ء


سید بابر علی
چیئرمین
لاہور، 21 مارچ، 2023ء

مستقبل کا منظر نامہ

ملک مشکل معاشی صورتحال سے گزر رہا ہے۔ بورڈ نے ہولڈنگ کمپنی اور اس کے ذیلی اداروں کی سطح پر خدشات کے تدارک اور شیئر ہولڈرز کی حیثیت کے تحفظ کے لئے کے اقدامات اٹھائے ہیں۔ ہم امید کرتے ہیں کہ ہماری ذیلی کمپنیاں مستقبل میں متواتر اور منافع بخش ترقی کی راہ پر گامزن رہیں گی۔

اعتراف

ہم تمام اسٹیک ہولڈرز کے ہم پر اعتماد کا شکریہ ادا کرتے ہیں جس نے ہمیں کامیابی کے حصول میں مدد دی۔


کمپنی نے ان ممبرز کو غیر حاضری کی رخصت کی منظوری دی جو اجلاس میں شرکت نہیں کر سکے۔


آڈیٹرز

آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 69 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو گئے۔ تاہم اہل ہونے کی بناء پر انہوں نے خود کو دوبارہ تقرر کے لئے پیش کیا ہے اور بورڈ نے آڈٹ کمپنی کی سفارشات کی بناء پر ان کے دوبارہ تقرر سے اتفاق کیا ہے۔

شیئر ہولڈنگ کا طرز

شیئر ہولڈرز کے بعض انواع کی شیئر ہولڈنگ کے مطابق 31 دسمبر 2022ء کا اسٹیٹمنٹ، جس کو رپورٹنگ فریم ورک کے مطابق ظاہر کرنا ضروری ہے، شیئر ہولڈرز کی معلومات کے ساتھ منسلک ہے۔


سید بابر علی
چیئرمین
لاہور، 21 مارچ، 2023ء


طاہر مسعود
چیف ایگزیکٹو آفیسر
لاہور، 21 مارچ، 2023ء

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

آئی جی آئی ہولڈنگز لمیٹڈ ("آئی جی آئی ہولڈنگز") کے ڈائریکٹرز آپ کی کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی حسابات برائے سال ختم 31 دسمبر 2022 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی ایک ہولڈنگ کمپنی کی حیثیت سے کام کر رہی ہے اور اپنے ذیلی اداروں بنام آئی جی آئی انویسٹمنٹ (پرائیویٹ) لمیٹڈ، آئی جی آئی جزل انشورنس لمیٹڈ، آئی جی آئی لائف انشورنس لمیٹڈ اور آئی جی آئی فنانس سیکورٹیز لمیٹڈ کے ذریعے اپنے شیئر ہولڈرز کیلئے منافع کما رہی ہے منافع منقسم کمپنی کی آمدنی کا بہت بڑا ذریعہ ہے اور اس لحاظ سے اس کی آمدنی کا طرز اس کے ذیلی اداروں میں ڈیویڈنڈ کی تقسیم کے طریقہ کار کی پیروی کرتا ہے۔

کمپنی کی کارکردگی کا جائزہ		
سال ختم		
2022	2021	
(روپے - ہزاروں میں)		
انتظامی محصول	1,380,790	1,260,000
انتظامی آمدنی	1,089,654	1,055,985
قبل از ٹیکس منافع	932,565	1,098,812
ٹیکس کاری	(20,773)	(8,636)
بعد از ٹیکس منافع	911,792	1,090,176
فی شیئر آمدنی (روپے میں) - بنیادی/تخلیل شدہ	6.39	7.64

رواں سال کے دوران میں 1.090 ملین روپے آپریٹنگ آمدنی حاصل ہوئی جو 2021 کی آمدنی 1.056 ملین روپے کے مقابلے میں 3% زیادہ ہے۔ 2021 کے دوران میں حاصل ہونے والے بعد از ٹیکس 1.090 ملین روپے کے مقابلے میں بعد از ٹیکس منافع 912 ملین روپے ہوا۔

زیر جائزہ سال کے دوران میں کمپنی نے جو مجموعی منافع حاصل کیا اس میں 164 ملین روپے کا نقصان ہوا (2021: 15 ملین روپے واپسی) جس کے نتیجے میں آئی جی آئی فنانس سیکورٹیز لمیٹڈ کی قابل واپسی رقم کا دوبارہ تعین کیا گیا۔ پاکستان اسٹاک ایکسچینج کے تجارتی حجم میں کمی اور آئی جی آئی فنانس کے مارکیٹ شیئر میں کمی سے اس کی منفعت پر اثر پڑا ہے جس کے نتیجے میں نقصان کے چارجز ریکارڈ ہوئے۔

تخصیصات

کمپنی نے سال کے دوران میں 912 ملین روپے کا منافع حاصل کیا، اس کے مطابق ڈائریکٹرز نے حتمی نقد منافع منقسم بحساب 22.5% (2.25/- روپے فی شیئر) کی سفارش کی ہے (2021: 35.5%، 3.5 روپے فی شیئر)۔ لہذا کمپنی نے حتمی نقد منافع منقسم کی تقسیم کے لئے 320.9 ملین روپے کی رقم تخصیص کردی ہے۔ (2021: 499.2 ملین روپے)۔ یہ 20% (2 روپے فی شیئر) کے عبوری منافع کے علاوہ ہے جو سال کے دوران میں پہلے ہی تقسیم کیا جا چکا ہے۔ (2021: 2 روپے فی شیئر)

خطرات کی تشخیص اور ادرار

بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی باقاعدگی کے ساتھ کمپنی کو درپیش آنے والے خطرات کے امکانات کا جائزہ لیتے رہتے ہیں۔ چیف ایگزیکٹو آفیسر کی سربراہی میں سینئر مینجمنٹ ٹیم خطرات کے خاتمے کے اقدامات کرنے کی ذمہ دار ہے۔ کمپنی کے مارکیٹ کے حالات کی مسلسل جانچ اور اس کے مطابق بروقت کارروائی کی اہلیت کے سبب کمپنی کو خطرات کے موثر تدارک میں مدد ملتی ہے۔

متغیر شرح سود کی طویل المدت فنانسنگ کو "پری پیینٹ آپشن" اپنانے سے شرح سود کے خدشات کے خلاف استحکام حاصل کرنے میں مدد ملتی ہے، جو بنیادی شرح سود میں کمی بھی منفی حرکت پر آزمایا جاسکتا ہے۔ سال کے دوران میں کمپنی نے اپنے طویل المدت قرضہ جات مکمل طور پر ادا کردیے ہیں۔

کمپنیل مینجمنٹ اور لیکویڈیٹی

کمپنی اپنے وعدوں کے مطابق مستعدی سے اپنے اثاثہ جات کی پوزیشن کی مطابقت کے علاوہ اپنی سرمایہ کاری کے تنوع اور کریڈٹ کوالٹی کے انتظام اور نگرانی کا کام انجام دیتی ہے۔

ہولڈنگ کمپنی ہونے کی بنا پر منافع منقسم کی آمدنی ہی اس کی آمدنی کا سب سے بڑا ذریعہ ہے۔ اس آمدنی کو اپنے مالیاتی وعدوں کی تکمیل کے بعد سرمایہ کاری اور شیئر ہولڈرز کو مناسب ادائیگی برقرار رکھتے ہوئے اپنے شیئر ہولڈرز کے منافع کے لئے استعمال کیا جائے گا۔

متعلقہ پارٹیز کے ساتھ لین دین

کمپنی ایکٹ 2017 کے سیکشن 208 کے پروویژن اور کمپنیز (متعلقہ پارٹی ٹرانزیکشنز اور متعلقہ ریکارڈ کی بحالی) ریگولیشنز 2018 کے مطابق کمپنی نے مندرجہ ذیل نکات پر عمل کیا ہے:

- 1) بورڈ کی باقاعدہ منظوری سے متعلقہ پارٹیز کے ساتھ لین دین کی پالیسی مرتب کی ہے۔
- 2) متعلقہ پارٹیز کے ساتھ لین دین کے لئے شرائط مقرر کی ہیں جسے "آرمرز لیٹھ ٹرانزیکشن" کہا جاتا ہے۔
- 3) متعلقہ پارٹیز سے لین دین کی تفصیلات منظوری کے لئے ڈائریکٹرز کو پیش کی گئیں۔

کوڈ آف کارپوریٹ گورننس کی پیروی

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 جاری شدہ (سی سی جی ریگولیشنز) کمپنی پر نافذ العمل ہے اور اس کی دفعات کی تعمیل کی جارہی ہے۔ اس سلسلے میں ایک بنیادی منسلک ہے۔

اہم/ضروری تبدیلیاں

31 دسمبر 2022 میں کوئی اہم/ضروری تبدیلی نہیں کی گئی اور نہ ہی کمپنی نے کوئی نیا معاہدہ کیا ہے، جو اس وقت تک کمپنی کی مالی حالت پر اثر انداز ہو، سوائے ان کے جو کمپنی کے آڈٹ شدہ مالیاتی حسابات برائے سال ختم 31 دسمبر 2022 میں درج ہیں۔

بورڈ آف ڈائریکٹرز

آئی جی آئی ہولڈنگز کا بورڈ آف ڈائریکٹرز 8 ڈائریکٹرز بشمول چیئرمین اور سی ای او پر مشتمل ہے۔

ڈائریکٹرز کی کل تعداد	
مرد	6
خواتین	2
ترتیب	
خود مختار ڈائریکٹرز	2
نان ایگزیکٹو ڈائریکٹرز	5
ایگزیکٹو ڈائریکٹر / سی ای او	1
خاتون ڈائریکٹر (بشمول خود مختار ڈائریکٹرز میں شامل ہیں)	2

کمپنی کے چیف ایگزیکٹو آفیسر جناب طاہر مسعود کمپنیز ایکٹ 2017 کے سیکشن (3) 188 کے مطابق ڈائریکٹر تصور کئے جاتے ہیں۔

31 دسمبر 2022 تک موجود ڈائریکٹرز کے نام درج ذیل ہیں:

سید یار علی	چیئرمین - نان ایگزیکٹو ڈائریکٹر
جناب شمیم احمد خان	نان ایگزیکٹو ڈائریکٹر
سید یار علی	نان ایگزیکٹو ڈائریکٹر
سید شاہد علی	نان ایگزیکٹو ڈائریکٹر
سید حیدر علی	نان ایگزیکٹو ڈائریکٹر
محترمہ فریال جمعہ	خود مختار ڈائریکٹر
محترمہ فریال صادق	خود مختار ڈائریکٹر
جناب طاہر مسعود	ایگزیکٹو ڈائریکٹر / سی ای او

بورڈ نے ایک آڈٹ کمیٹی اور ایک ہیومن ریورس اینڈ ریویژن (ایچ آر اینڈ آر) کمیٹی تشکیل دی ہے جس کی ترتیب درج ذیل ہے:

آڈٹ کمیٹی:

محترمہ فریال جمعہ	چیئرمین
جناب شمیم احمد خان	ممبر
سید یار علی	ممبر
سید حیدر علی	ممبر

ہیومن ریورس اینڈ ریویژن کمیٹی

محترمہ فریال جمعہ	چیئرمین
سید یار علی	ممبر
سید شاہد علی	ممبر
سید حیدر علی	ممبر
جناب طاہر مسعود	ممبر

ڈائریکٹرز کے مشاہرے

بورڈ نے ڈائریکٹرز ریویژن پالیسی کی باضابطہ منظوری دی ہے۔ اس پالیسی کا مقصد ڈائریکٹرز کے مشاہرے بشمول نان ایگزیکٹو ڈائریکٹرز کی جانب سے اضافی/ٹیکنیکل خدمات کے لئے مشاہرے کے تعین کا شفاف طریقہ اختیار کرنا ہے۔ مشاہرے میں وقتاً فوقتاً رد و بدل کا تعین ایچ آر اینڈ آر کمیٹی کی سفارشات پر بورڈ آف ڈائریکٹرز کرے گا۔

اجتماعی اور مالیاتی رپورٹنگ فریم ورک

آپ کی کمپنی کے ڈائریکٹرز کی رائے کے مطابق:

کمپنی کی انتظامیہ جانب سے تیار کردہ مالی گوشواروں میں کمپنی کے معاملات، آپریٹنگز، نتائج، نقد رقوم کے بہاؤ اور لیکویڈیٹی میں تبدیلی کو شفاف طور پر پیش کیا گیا ہے۔

کمپنی کے کھاتے کی کتابوں کو مناسب طریقے سے برقرار رکھا گیا ہے۔ مالیاتی اسٹیٹمنٹ کی تیار میں درست اکاؤنٹنگ پالیسیز اطلاق کیا گیا ہے اور مالیاتی تخمینے موزوں اور محتاط فیصلوں پر مبنی ہیں۔

ان مالیاتی گوشواروں کو کمپنیز ایکٹ 2017 اور پاکستان میں لاگو انٹرنیشنل فنانشیل رپورٹنگ اسٹینڈرڈز کی بنیاد پر تیار کیا گیا ہے اور ان سے کوئی انحراف ہے تو اس کو باقاعدہ ظاہر اور واضح کیا گیا ہے۔

اندرونی کنٹرول کا نظام اپنی ساخت میں مستحکم ہے اور موثر طور پر نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔

کاروبار کو آگے بڑھانے میں کمپنی کی صلاحیت پر کوئی شک و شبہ نہیں ہے۔

پی ایس ایس رول بک میں درج تفصیلات کے مطابق کارپوریٹ گورننس کے بہترین معمولات سے کوئی انحراف نہیں کیا گیا ہے۔

گزشتہ چھ سال کے کلیدی آپریٹنگ اور فنانشیل ڈیٹا کا خلاصہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

جہاں ٹیکس، ڈیویڈنڈ، محصولات اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا ہے تو وہ رقم مع اس کی وجوہات کی مختصر تفصیل مالیاتی حسابات میں ظاہر کی گئی ہے۔

نمایاں منصوبے اور فیصلے، جیسے کارپوریٹ، کاروبار میں توسیع اور آپریٹنگز میں تغیر، مستقبل کے امکانات، خدشات اور غیر یقینی صورتحال، اگر کوئی ہیں تو ظاہر کئے گئے ہیں۔

آئی جی آئی ہولڈنگز اور اس کے ذیلی ادارے اپنے ملازمین اور گروڈوناج کی کیونٹی کی بہتر صحت، تحفظ اور دفتری ماحول کی بہتری کے اقدامات پر عمل پیرا ہونے کے لئے کوشاں ہیں۔

آئی جی آئی ہولڈنگز اور اس کے ذیلی ادارے معاشرے کے پسماندہ افراد کو تعلیم اور صحت کی سہولتیں بہم پہنچانے کے مقصد کے لئے پرعزم ہیں۔ ان مقاصد کے لئے عطیات متعلقہ بورڈز کی منظوری سے فراہم کئے جاتے ہیں۔

سی سی جی ریگولیشنز کے مطابق کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ اور اس کی کمیٹیوں کی کارکردگی کی سالانہ جانچ کے لئے طریقہ کار کی منظوری دے دی ہے۔ بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیاں سالانہ بنیادوں پر جانچ کی مشق کرتی ہیں۔

بورڈ سی سی جی ریگولیشنز میں دی گئی ہدایات کے مطابق ڈائریکٹرز ٹریننگ پروگرام کی شرائط کی پیروی کرتا ہے۔

ڈائریکٹرز اور ان کے شریک حیات کی جانب سے کمپنی کے شیئرز کے کاروبار کی تفصیلات درج ذیل ہیں:

مسز پروین بابر علی نے 173,400 شیئرز خریدے
سید حیدر علی، ڈائریکٹر نے 85,500 شیئرز خریدے
مسز سیدہ گھبت علی نے 10,000 شیئرز خریدے

- سال کے دوران میں سی ای او، سی ایف او، کمپنی سیکرٹری اور ایگزیکٹوز نے کمپنی کے شیئرز میں کوئی کاروبار نہیں کیا۔

- ٹیکسز اور مصروفیات کے بارے میں معلومات مالیاتی حسابات کے نوٹس میں دی گئی ہیں۔

- سال کے دوران میں بورڈ کے چار اجلاس ہوئے، ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے

ڈائریکٹر کا نام	حاضری کی تعداد
سید یار علی	4
جناب شمیم احمد خان	4
سید یار علی	4
سید شاہد علی	4
سید حیدر علی	4
محترمہ فریال جمعہ	4
محترمہ فریال صادق	3
جناب طاہر مسعود (سی ای او)	4

بورڈ نے اجلاس میں شرکت نہ کر سکنے والے ممبرز کی غیر حاضری کی رخصت کی منظوری دی۔

سال کے دوران میں آڈٹ کمیٹی کے چار اجلاس ہوئے، ہر ممبر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	حاضری کی تعداد
محترمہ فریال جمعہ	4
جناب شمیم احمد خان	4
سید یار علی	4
سید حیدر علی	3

سال کے دوران میں ایچ آر اینڈ آر کمیٹی کا ایک اجلاس ہوا۔ ہر ممبر کی حاضری کی تعداد درج ذیل ہے:

ڈائریکٹر کا نام	حاضری کی تعداد
محترمہ فریال جمعہ	1
سید یار علی	1
سید شاہد علی	1
سید حیدر علی	1
جناب طاہر مسعود (سی ای او)	1

چیسر مین کی جائزہ رپورٹ

مجھے آئی جی آئی ہولڈنگز لمیٹڈ کی کارکردگی برائے سال مختتم 31 دسمبر 2022 پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

کمپنی ایک ہولڈنگ کمپنی کی حیثیت سے کام کر رہی ہے اور اپنے ذیلی اداروں بنام آئی جی آئی انویسٹمنٹ (پرائیویٹ) لمیٹڈ، آئی جی آئی جی جنرل انشورنس لمیٹڈ، آئی جی آئی لائف انشورنس لمیٹڈ اور آئی جی آئی فنانس سیکورٹیز لمیٹڈ کے ذریعے اپنے شیئر ہولڈرز کیلئے منافع کما رہی ہے

ڈیویڈنڈ کی آمدنی کمپنی کی آمدنی کا بہت بڑا ذریعہ ہے اور اس لحاظ سے اس کی آمدنی کا طرز اس کے ذیلی اداروں میں ڈیویڈنڈ کی تقسیم کے طرز کے مطابق ہوتا ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل مختلف النوع کے پس منظر رکھنے والے اور کاروبار، فنانس، انشورنس اور ضوابط کے شعبہ میں وسیع تجربہ کے حامل افراد پر کی گئی ہے۔ بورڈ نہ صرف حکمت عملی کی سمت کا تعین کرتا ہے بلکہ انتظامیہ کو رہنمائی بھی فراہم کرتا ہے۔ بورڈ انتظامیہ کے ضابطوں کی شرائط پر عمل درآمد کو بھی یقینی بناتا ہے۔ کوڈ آف کارپوریٹ گورننس کے ضوابط کے تحت اپنے تیار کئے ہوئے کمیزم کے تحت اپنی کارکردگی کی جانچ کرتا ہے جبکہ چیسر مین ہر ڈائریکٹر کی کارکردگی کی جانچ کرتا ہے۔

بورڈ کی کمیٹیاں اس کی مدد کرتی ہیں۔ آڈٹ کمیٹی مالیاتی حسابات کی جانچ کرتی ہے اور اس بات کو یقینی بناتی ہے کہ وہ کمپنی کی مالیاتی پوزیشن کو شفاف طور پر پیش کرے۔ یہ اندرونی کنٹرولز کے موثر ہونے کا بھی اطمینان کرتی ہے۔ بورڈ نے ایک ہیومن ریورس اینڈ ریویویشن کمیٹی بھی قائم کی ہے جو انسانی وسائل اور مشاہروں کی پلاننگ اور ڈیولپمنٹ سے متعلق امور کی دیکھ بھال کرتی ہے۔ ہر ذیلی ادارے کا اپنا بورڈ آف ڈائریکٹرز ہے جس کی متعلقہ کمیٹیاں بھی ہیں۔

میں اللہ سے دعاگو ہوں کہ کمپنی اور اسکے ذیلی ادارے مستقبل میں بھی ترقی کی رفتار کو برقرار رکھے۔

منجانب اور برائے بورڈ



سید باقر علی
چیسر مین

لاہور: 21 مارچ 2023ء

IGI

Holdings

IGI Holdings Limited

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

www.igiholdings.com.pk