G.F.A. INSURANCE LTD AND ITS SUBSIDIARY

ANNUAL REPORT FOR THE YEAR ENDED

DECEMBER 31, 2023

G.F.A. INSURANCE LTD AND ITS SUBSIDIARY

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The Directors have the pleasure to submit the Annual Report of G.F.A Insurance Ltd, and its subsidiary together with the audited financial statement for the year ended December 31, 2023

1. PRINCIPAL ACTIVITIES

The principal activity of the Group during the year is to underwrite short term insurance business which includes line of business such as Motor - Comprehensive and Third Party Liability, Fire and allied perils, Travel insurance, Liability insurance, Accident, and Engineering. The principal activity of subsidiary has been disclosed in note 11 of the financial statements.

2. DIRECTORS

The name of directors of the Company at the end of the accounting period are:

Mr Rashad Daureeawo
Mr Abdool Rahman (Abdel) Ruhomutally
Mr Aadil Ruhomutally
Mr Mohammad Alaoud Ruhomutally
Mr Raj Kishore Ramsaha
Mrs Shweta Moheeput
Mr Birendranuth Sowambur
Mr Mohammad Shafa-at-Rally Oozeer
Mr Bruno Dumazel

3. DIRECTORS' SERVICE CONTRACTS

The Executive Directors, namely Mr Abdool Rahman (Abdel) Ruhomutally, Mr. Mohammad Alaoud Ruhomutally and Mr Aadil Ruhomutally. The other non-executive Directors do not have any formal service contracts.

4. DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received, or due and receivable from the company during the year are as follows:

	2023	2022
	Rs.	Rs.
Executive directors - Full-time:	**14,209,698**	12,548,090
Non-Executive directors	**2,053,472**	2,079,433
	16,263,170	14,627,523

5. CONTRACTS OF SIGNIFICANCE

There were no contract of significance subsisting during the period to which the Group is a party and in which adirector is or was materially interested, either directly or indirectly.

6. INTERESTS OF SENIOR OFFICERS IN EQUITY SECURITIES

	DIRECT INTERESTS		
	No of shares	Holding	Amount
2023		%	Rs.
Name of Senior Officer:			
Mr Abdool Rahman (Abdel) Ruhomutally	**1,000**	**4%**	**1,000,000**
Mr Aadil Ruhomutally	**1,000**	**4%**	**1,000,000**
Mr Mohammad Alaoud Ruhomutally	**10,226**	**41%**	**10,226,000**
2022			
Name of Senior Officer:			
Mr Abdool Rahman (Abdel) Ruhomutally	1,000	4%	1,000,000
Mr Aadil Ruhomutally	1,000	4%	1,000,000
Mr Mohammad Alaoud Ruhomutally	10,226	41%	10,226,000

7. DONATIONS

Charitable donations amounting to Rs. 28,750 were made during the financial year (2022: Rs. 75,000). No political donations were made during the financial year (2022: None)

8. AUDITORS' FEES

The fees paid to the auditors, for audit and non-audit services were:	2023	2022
	Rs.	Rs.
Audit fees	**1,035,000**	1,150,000
Non-audit fees	**-**	45,770
	1,035,000	1,195,770

Non-audit fees relate to fees for review of regulatory filing reports as approved by the Audit and Risk Committee.

Approved by the Board of Directors on 27 MAY 2025
and signed on its behalf by:

Director

Director

Date:

STATEMENT OF COMPLIANCE

Section 75(3) of the Financial Reporting Act

Name of PIE: G.F.A. INSURANCE LTD

Period of reporting: 01 January 2023 to 31 December 2023

Throughout the year ended December 31, 2023, to the best of the Board's knowledge, the Company has applied the eight principles of the National Code of Corporate Governance for Mauritius (2016) (the 'Code'), except for:

Principal 4:

Disclosure of Individual Remuneration of Executive Directors

Being sensitive information, the Board has decided not to disclose individual Director's Remuneration in accordance with the provisions of section 221(1)(e) of the Companies Act 2001.

Explanations and measures are provided in the Corporate Governance Report.

Raj Kishore Ramsaha
Chairman

Abdool Rahman (Abdel) Ruhomutally
Managing Director

27 MAY 2025
Date: ....

G.F.A. INSURANCE LTD ("GFA") or (the "Company") is a public interest entity (PIE), as defined under the Financial Reporting Act 2004, and has applied the principles of the Code since its coming in force. The Board of Directors (the "Board") is responsible for leading and controlling the Company and is committed to high standards of corporate governance. The Code of Corporate Governance 2016 is based on an "Apply and Explain" methodology and in line with good governance principles and best practices.

The Board of GFA has recognized that, whilst there is much yet to be achieved, it humbly considers that it has applied most of the principles of the Code throughout year ended December 31, 2023.

GOVERNANCE STRUCTURE

The Memorandum & Articles of Association

The Company is governed by its Memorandum and Articles of Association dated September 11, 1996. Together with the below listed codes and charters, they set out the main principles that govern the Company and its Board of Directors. There are no clauses in the Memorandum and Articles of Association which are material enough to be deemed to be disclosed.

Code of Ethics

The Company has adopted a Code of Ethics which is based on corporate values which are essential for the Company to maintain the trust and reliability that have been earned over the years. The Code of Ethics establishes standards for behaviour and provides guidance as to ethical dilemmas and conflicts of interests faced by the Company, its Board, and its Officers.

Compliance with the Code of Ethics is planned to be regularly monitored and evaluated through a board evaluation exercise and staff appraisal.

The Code of Ethics will be monitored and updated on a regular basis.

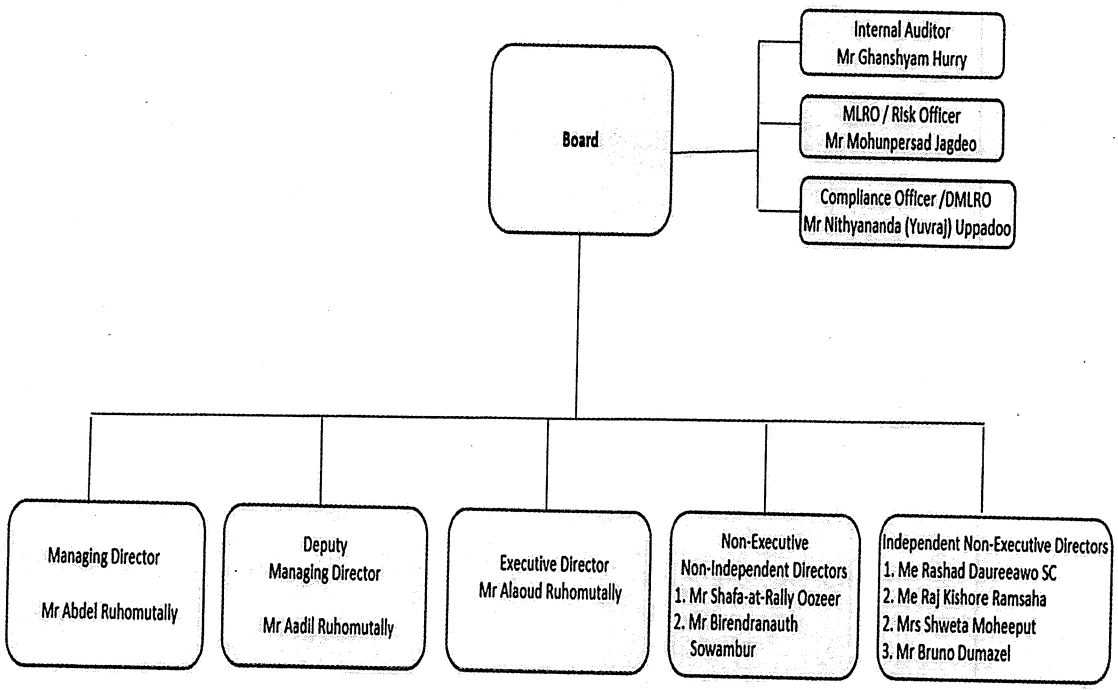
Board Charter

The Board Charter defines, *inter alia*, the role, function and objectives of the Board, its various Board Committees, Chairperson, Managing Director, and Senior Management. It also sets out how they interact to promote efficient, transparent, and ethical functioning/decision making processes within the Company.

Board Structure

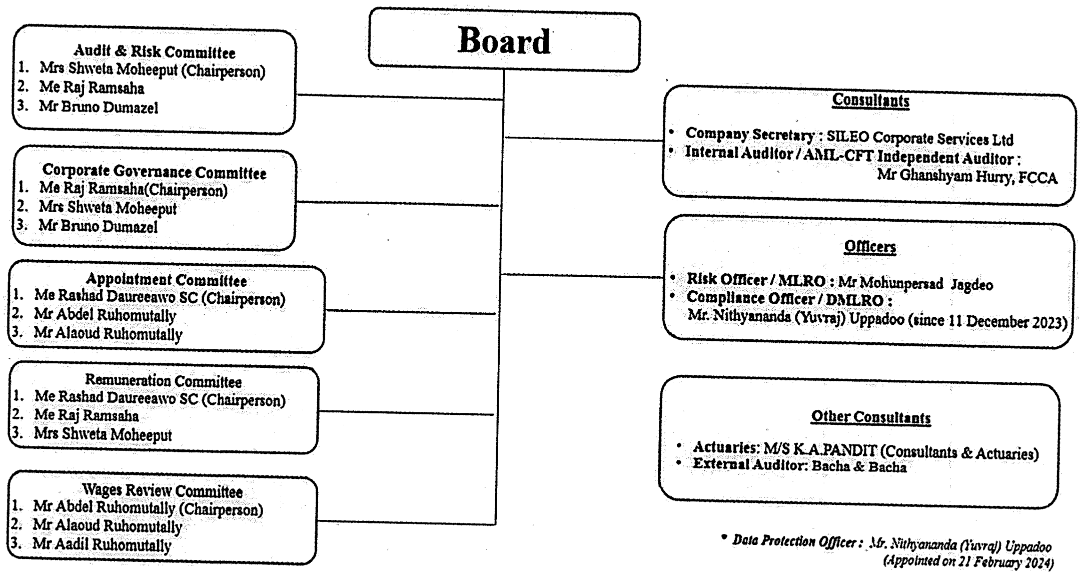
GFA INSURANCE LTD

Board Structure as at 31 December 2023



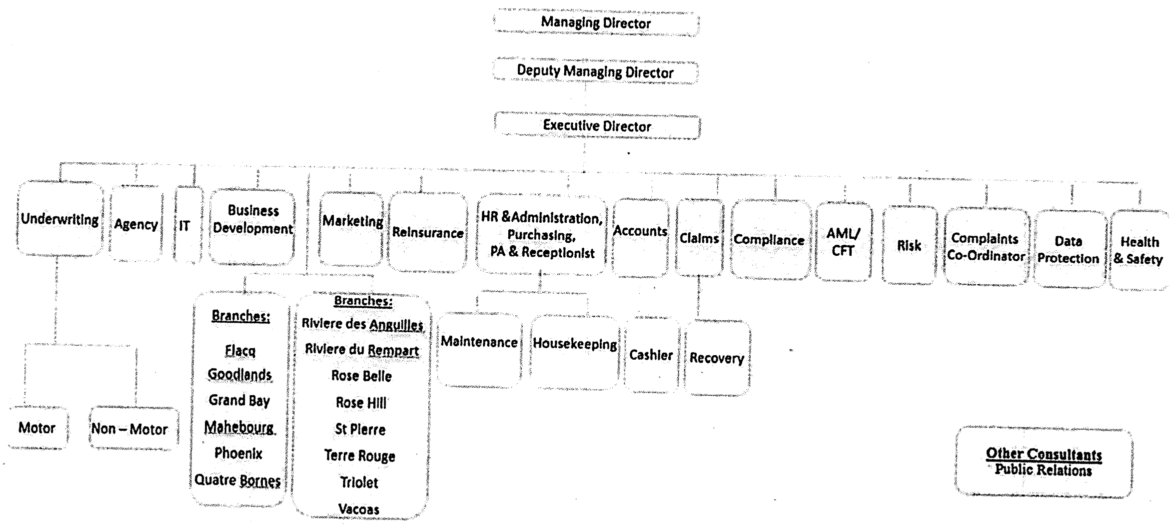
Chairman of the Board: Me Rashad Daureeawo SC
External Auditor: Bacha & Bacha- (As from October 2023)
Actuaries: M/S K.A.PANDIT (Consultants & Actuaries)
Internal Auditor: Ghanshyam Hurry FCCA (As from April 2018)
Company Secretary : SILEO Corporate Services Ltd

Board Structure – Reporting Lines



GFA INSURANCE LTD

Organisational Structure – (Department Wise)



Responsibilities and Accountabilities

The key governance positions vital to the Board performance and for it to achieve a high level of good governance are set out below:

1. Chairperson of the Board

- Provides overall leadership to the Board and to the Company.
- Ensures smooth functioning of the Board and the Board Meetings' proceedings.
- Encourages active participation of each director in discussions.
- Makes sure that the Board is aware of the Company's and Group's affairs, and that it assumes its obligations towards all shareholders and other stakeholders.

2. Managing Director

- Is responsible for the day to day running of the Company's and Group's operations.
- Leads and directs senior management to implement the strategy and policies set by Board.
- Provides insights for short-and medium-term development of Company's and Group's operations.

3. Non-Executive Directors & Independent Directorships

- Monitor the delivery of the agreed strategy within the risk and control framework set by the Board.
- Constructively challenge the Executive Directors and Management of the Company.
- Participate in and chair the Board Committees.

4. Company Secretary

- Guides the Board on the Directors' statutory duties under the laws, disclosure obligations and corporate governance requirements and effective Board processes and ensures that the Company complies with its Memorandum and Articles of Association and the laws and regulations.
- Provides advice to the Board and the Chairperson on governance and corporate administration matters.
- Prepares and circulates agendas of Board, Board Committees and Shareholders meetings and any supporting papers, takes minutes of meetings, and circulates same to members.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board of Directors

GFA is led by an effective and highly committed unitary Board. As at 31 December 2023, it consisted of nine directors as set out below:

DIRECTORS	EXECUTIVE / NON-EXECUTIVE/ INDEPENDENT
DAUREEAWO MOHAMMAD RASHAD	Independent Chairperson (resigned on 24/01/2025)
DUMAZEL BRUNO	Independent
MOHEEPUT SHWETA	Independent (resigned on 19/09/2024)
RAMSAHA RAJ KISHORE	Independent (appointed Chairperson on 17/04/2025)
RUHOMUTALLY AADIL	Executive
RUHOMUTALLY ABDOOL RAHMAN	Executive
RUHOMUTALLY MOHAMMAD ALAOUD	Executive
OOZEER MOHAMMAD SHAFA-AT RALLY	Non-Executive Non-independent
SOWAMBUR BIRENDRANUTH	Non-Executive Non-Independent

It is relevant to point out here that Mrs. Shweta Moheeput has, by way of a letter dated 16 September 2024, informed the Company that she would not be offering herself for re-appointment as director of the Company, and this has been noted and accepted at both the Annual Meeting of the Company and the Board Meeting of the

Company held on 19 September 2024 and 17 October 2024 respectively. Her cessation to act as director of the Company has already been filed with the Registrar of Companies, and this is now effective. Mrs. Shweta Moheeput is, at the date hereof, no longer a director of the Company.

Likewise, Mr. Mohammad Rashad Daureeawo SC has tendered his resignation as director letter on 24 January 2025. His cessation to act as director of the Company has already been filed with the Registrar of Companies, and this is now effective. Mr. Mohammad Rashad Daureeawo SC is, at the date hereof, no longer a director of the Company.

At the Annual Meeting of the Company held on 19 September 2024, Ms. Anita Nasem Ruhomutally has been appointed as director of the Company, subject to FSC approval. On 04 November 2024, the FSC issued its approval for her appointment as director of the Company. Her appointment as director of the Company has already been filed with the Registrar of Companies, and this is now effective. Ms. Anita Nasem Ruhomutally is, at the date hereof, a non-independent and non-executive director of the Company.

On 07 April 2025, a written resolution of the shareholders of the Company was passed appointing Mr. Mohammad Cader Jaunbocus as director of the Company, subject to FSC approval. On 06 May 2025, the FSC issued its approval for his appointment as director of the Company. His appointment as director of the Company has already been filed with the Registrar of Companies, and this is now effective. Mr. Mohammad Cader Jaunbocus is, at the date hereof, an independent and non-executive director of the Company.

The Board consists of an appropriate combination of executive, non-executive, and independent non-executive directors. Each director is independent minded and is appointed according to his/her skills, knowledge and expertise required on the board and on the understanding of the amount of time and care that he/she will need to devote to the Board and to the Company for it to prosper.

The Companies Act 2001 defines independent directors as a director who is a non-executive director and who:

(a) is not an employee;
(b) does not have material business relationship with the company either directly or as a partner, shareholder, director or senior employee of an organisation that has such relationship with the company;
(c) does not receive remuneration from the company except remuneration or any other benefit given to him as a director in accordance with section 159;
(d) is not a nominated director representing a substantial shareholder;
(e) does not have close family ties with any of the advisers, directors or senior employees of the company;
(f) does not have cross directorships or significant link with other directors through involvement in other companies or other organisations; and
(g) has not served on the Board for more than 9 continuous years from the date of his first election;

The directors are re-elected every year, at the annual meeting of shareholders.

It is noted that all board members are citizens of Mauritius.

Profiles of directors and details of other directorships

Me. MOHAMMAD RASHAD DAUREEAWO, SC - INDEPENDENT DIRECTOR & CHAIRPERSON
Appointed on March 19, 2018 and resigned on 24 January 2025

Me Mohammad Rashad Daureeawo, SC is Head of RD Chambers. He is a Senior Counsel (silk) of Mauritius with 50 years' experience at the Bar. He has a broad consultancy and litigation practice assisting domestic as well as international clients across a full spectrum of laws. He has regularly acted as Counsel before committees, tribunals, and in all jurisdictions of the Courts of Mauritius as well as in arbitration cases and also as Legal advisor to several parastatal and local government bodies. He also served in several boards, *inter alia*, MBC, Prison, DWC, MHC and Environment. He has served as Chairman of MASA, National Pension Board and MEDCO amongst others.

Me.Rashad Daureeawo has contributed greatly to developments and reforms in the legal field when he was a member of the Law Reform Commission for several years. He had previously held the position of Chairman of the Mauritius Bar Council. He is a Consultant of the United Nations Association (Mtius). He is presently the President of the Middle Temple Association (Mauritius).

Me. Rashad Daureeawo has served as High Commissioner of Mauritius in Pakistan for a period of about three years.

Mr. ABDOOL RAHMAN (ABDEL) RUHOMUTALLY - MANAGING DIRECTOR

Executive Director appointed in June 2005. Deputy Managing Director up to December 13, 2013, Managing Director since December 13, 2013

Mr. Abdel Ruhomutally studied at the University of Westminster, United Kingdom, where he obtained his BA (Hons) Business Studies (Services - Finance). He also studied insurance at the London Guildhall University. Moreover, he holds Diplomas in Travel and Tourism and IATA Level II respectively. He joined the Company in 2001, after having built significant work experience overseas.

He also has a strong background in I.T Infrastructure and Systems and has been a key element in building GFA's digital infrastructure from its website, on-line payment facility, social media platforms and in-house Insurance Software. He has been a key member on several national platforms, including the National Road Safety Council, the Motor Vehicle Insurance Arbitration Committee (MVIAC), and the Insurance Institute of Mauritius.

A Mauritius Qualifications Authority (MQA) approved Trainer, Abdel Ruhomutally is a Past President of the Rotary Club of Port-Louis Citadelle and was the Honorary President of an NGO engaged in empowering vulnerable groups. He is a Fellow of the Mauritius Institute of Directors since 2011. He has also been Vice-President of the Insurers' Association of Mauritius between 2014 and 2016. Under his leadership, GFA Insurance Ltd was named 'Best Auto Insurance' Mauritius in 2021 by the prestigious Global Banking & Finance Review

Abdel Ruhomutally has been honoured by numerous local and international organisations for his exceptional leadership and business acumen.

Mr. AADIL RUHOMUTALLY - DEPUTY MANAGING DIRECTOR & CLAIMS MANAGER

Appointed Deputy Managing Director as from March 19, 2018

Mr. Aadil Ruhomutally graduated in Financial Mathematics from University of Kent, United Kingdom and also holds a BA in Business and Finance from Heriot Watt University, Edinburgh, Scotland. He joined G.F.A. Insurance Ltd, ''the Company'' in 2011, served as Branch Manager from 2016 to 2018 before being appointed as Executive Director in June 2016 and subsequently as Deputy Managing Director in 2018. With a strong background in automotive engineering and the industry, he has always been very much exposed to claims processing and settlement. Since joining the Company, he settled more than Rs 620 million worth of claim while being in charge of the claims department. As from July 2023, he only oversees the claims department. He is also Executive Director of G.F.A. investment Ltd and owner of DC Ltd (car rental) and co-owner of ToastMaker Mauritius (a franchise in F&B from Malaysia).

Beyond professional responsibilities, he is actively involved in community service and is a member and

Treasurer of Mauritius Roundtable No1 (MRT1).

Mr. MOHAMMAD ALAOUD RUHOMUTALLY – EXECUTIVE DIRECTOR
Appointed in September 1996. Managing Director up to December 2013
Mr. M. Alaoud Ruhomutally has been associated with the insurance sector for more than 45 years now. During the period 1976 to 1985, he was the CEO of S. Ruhomutally and Co Ltd, the sole representative of Groupement Français d'Assurances, a French company based in Paris. After the departure of Groupement Français d'Assurances from Mauritius in 1985, he was appointed as the exclusive sales representative of La Prudence, Reunion Island up to August 1996. In September 1996, he founded G.F.A. Insurance Ltd, a fully Mauritian owned company.

Mr. SHAFA-AT RALLY MOHAMMAD OOZEER - NON-EXECUTIVE DIRECTOR
Appointed on September 7, 2018

Mr. Shafa-at Rally Oozeer is a graduate holding Bsc (Hons) in Management from the University of Technology (Mauritius). He has an international diploma in business from NCC Education Manchester, United Kingdom and has passed the examination of the Association of Chartered Certified Accountants UK (ACCA) level 1. Moreover, he holds a Certificate in the Financial Services from the Economic Development Board. Shafa-at Rally Oozeer possesses about 5 years managerial experience in sales and marketing.

He is actually a Public Officer in The Judiciary. He has been working as Retail/ Branch Manager at Courts Mammouth. He reckons about ten years' experience in the field of Aviation, Travel and Tourisms. He has worked as senior Customer Service Officer with Air Mauritius Ltd at the SSR international Airport for several years. Shafa-at Oozeer attended various international workshops in aviation and other fields such as: Aviation security, Dangerous Goods Regulation, Ramp Safety, Emotional Intelligence and Up lifting Service Champion. Mr Shafa-at is also a social worker and a member of the Muslim Benevolent & Welfare Society.

Mrs. SHWETA MOHEEPUT - INDEPENDENT DIRECTOR
Appointed on May 16, 2019 and resigned on 19 September 2024

Mrs. Shweta Moheeput is an Audit Partner of Moore Mauritius. She is a qualified Member of the Institute of Chartered Accountants in England and Wales (ICAEW) and also holds a BSc (Hons.) in Accounting and Finance from the London School of Economics and Political Science (UK). She has also completed an Advanced Executive Leadership Program at the Harvard Business School (USA), where she has gained new strategic insights, global perspectives, and leadership skills that enable her to lead change, drive innovation, and sustain a competitive advantage.

Shweta has worked as Audit Senior at Moore Stephens LLP (London) in the International Business Group, where she had significant exposure to a diversified portfolio of international clients. Prior to joining Moore Mauritius as an Audit Senior Manager in 2015, Shweta also had the opportunity to work as Accountant at the IMF Family Association in Washington DC, USA. She possesses extensive experience in the financial audit of companies in various sectors of the economy. She is well versed in International Financial Reporting Standards.

Her wide portfolio of clients includes insurance/re-insurance companies, trading, manufacturing and global business companies, money changers, investment advisors/CIS managers, subsidiaries of foreign companies, public sector and parastatal bodies. She is also involved in several consultancy assignments commissioned by the World Bank, Indian Ocean Commission and the European Union.

Mr. RAJ KISHORE RAMSAHA, BARRISTER - INDEPENDENT DIRECTOR
Appointed on March 13, 2018

Me. Raj Ramsaha holds a Masters in law from the University des Sciences Sociales - Toulouse, France. He is a member of the Bar since 1992. He is a Law Practitioner since 1992 in the field of Criminal, Civil and Commercial matters and has a broad consultancy and litigation practice assisting domestic as well as international clients.

He is also a former Chairperson of the Motor Vehicle Insurance Arbitration Committee (MVIAC) and former Municipal Councilor of Beau Bassin Rose Hill. Me. Raj Ramsaha has been the Legal advisor of several corporate and parastatal bodies. He is presently the Independent Director of Frontière Réassurance Limitée PCC and a Board member and Legal Advisor of Viva Voce Ltd (Radio one).

Mr. BIRENDRANUTH SOWAMBUR - NON-EXECUTIVE NON-INDEPENDENT DIRECTOR
Appointed on June 1, 2006

Mr Birendranuth Sowambur holds several diplomas, namely in Occupational Health and Safety, Industrial Psychology and Personnel management. He reckons about more than twenty-five years' experience in the field of Health and Safety. He has served both in public and private organisations. He attended various international conferences on Occupational Health and Safety in Asian countries. He was the former Vice President of the Institution of Occupational Safety & Health Management. He was appointed as Deputy Chairperson of the Board of film censor from the Ministry of Art & Culture from 2006 up to 2010. At present, he is the executive committee member of the above institution as well as working as an Occupational Health and Safety Consultant.

Mr. PASCAL GERARD BRUNO DUMAZEL – INDEPENDENT DIRECTOR
Appointed on May 13, 2021

Mr Bruno Dumazel graduated as Géomètre Expert in 1988 (INST, Paris) and was commissioned to act as Sworn Land Surveyor in Mauritius since 1990. He holds an MBA from the University of Surrey (UK), and is currently preparing his Doctorate in Business Administration. He is a Listed E.I.A. Consultant with the Ministry of Environment and acts as Property Development Consultant & Valuer for financial institutions.

Mr Dumazel is a member of various professional bodies, namely The British Association of Project Managers (2000), the British Institute of Export, and The Mauritian Institute of Surveyors and Valuers (1990).

He is also the Chairperson of the "Alliance Française de l'Ile Maurice" since 2000, and of "Good Living in Mauritius (Charitable Trust)" since 2015. Former Governor of the University of Technology of Mauritius (2006 to 2012), Mr Dumazel holds the academic title of "CHEVALIER des Palmes Académiques (République Française, 2004).

He is a Non-Executive Director of Lycée La Bourdonnais since 1998 and acts as director in other private companies.

Ms. ANITA NASEM RUHOMUTALLY – NON-EXECUTIVE NON-INDEPENDENT DIRECTOR
Appointed on November 4, 2024

Ms. Anita Ruhomutally is an Associate Member of the Chartered Governance Institute with a BSC in Economics from the College of Foreign Trade, Budapest, Hungary. She also holds an International Graduate Diploma in Financial Crime Compliance from the Open University of Mauritius. Anita has more than 20 years' experience in corporate services, administration and global business sector having worked in several positions in a number of offshore management companies. She is also an approved Money Laundering Reporting Officer by the Financial Services Commission.

Mr. MOHAMMAD CADER JAUNBOCUS– NON-EXECUTIVE INDEPENDENT DIRECTOR
Appointed on May 6, 2025

Mr. Mohammad Cader Jaunbocus is a qualified accountant and FCCA. Cader has an extensive experience as accountant, financial controller, general manager with various reputed institutions and companies like DCDM, Kemp Chatteris, Currimjee Jeewanjee, Skyvision, VFS International amongst others. He also chaired the Audit and Risk Committee of the State Investment Corporation as independent director thereof.

He has now set up on his own as a financial advisor through his company Tailored Financial Solutions Ltd advising institutional investors and high net worth individuals. He also holds the position of Senior Financial Advisor with an offshore company called VFS International Ltd, with a portfolio of clients of more that 400 high net worth individuals, including professionals and top executives living in Mauritius and abroad.

List of Directorships in Public or Subsidiaries of Public Companies

Directors	Public or Subsidiaries of Public Companies	Capacity
Daureeawo Rashad SC (resigned on 24/01/2025)	-	-
Dumazel Bruno	-	-
Jaunbocus Mohammad Cader (appointed on 6/05/2025)	-	-
Moheeput Shweta (Resigned on 19/09/2024)	-	-
Oozeer Shafa-At Rally	-	-
Ramsaha Raj Kishore	-	-
Ruhomutally Aadil	-	-
Ruhomutally Abdel	-	-
Ruhomutally Alaoud	-	-
Ruhomutally Anita (appointed on 04/11/2024)	-	-
Sowambur Birendranuth	-	-

Balance and diversity

The size and the level of diversity of the board is commensurate with the scale of the organisation.

Age of Directors

70 – 79 years old – 2 directors
60 - 69 years old – 3 directors
50 - 59 years old – 0 director
40 - 49 years old – 1 director
30 - 39 years old – 3 directors

Length of Tenure

0-3 years old – 1 director
3-5 years old – 1 director
More than 5 years – 7 directors

Gender Balance of the Board

The Code provides that all organisations should have directors from both genders as members of the Board. As at December 31, 2023, the Company's Board comprised one female director. The Board is favourable to increasing the number of women on board.

Key roles and responsibilities

The Board operates under the direction of the Chairman, Me Rashad Daureeawo, Senior Counsel (and who has now resigned as Chairman and Director since 24 January 2025). There is a clear division of responsibility between the Chairman and the Managing Director, Mr. Abdel Ruhomutally. Whilst the Chairman has overall responsibility that all directors participate fully and constructively in the functioning of the Company and in the decision process for leading the Board and ensuring effectiveness, the Managing Director is responsible for managing and leading the business of the Company.

The Board plays a key role in determining the Company's direction, assessing GFA's financial, environmental, social and governance position performance and outlook, monitoring its performance, and overseeing risks and is collectively responsible for the long-term success of the Company. The Board of Directors is committed to the highest standards of business integrity, transparency, and professionalism so as to ensure the continued prosperity of the Company.

The Board is also responsible for ensuring that the Company's activities are managed ethically and responsibly, in line with relevant laws and regulations, to protect and enhance shareholder value.

The following table gives the record of attendance at board meetings for the year under review:

Name of Directors	Number of meetings attended
Me Rashad Daureeawo SC (resigned on 24/01/2025)	7 out of 7
Mr Alaoud Ruhomutally	7 out of 7
Mr Abdel Ruhomutally	7 out of 7
Mr Aadil Ruhomutally	4 out of 7
Mr Raj Ramsaha	7 out of 7
Mr Birendranuth Sowambur	7 out of 7
Mr Shafa-at-Rally Oozeer	7 out of 7
Mrs Shweta Moheeput (resigned on 19/09/2024)	6 out of 7
Mr Bruno Dumazel	7 out of 7

Board Committees

The Board of Directors, for assistance in its functions, is supported by five main sub-committees: namely the Corporate Governance Committee, Audit and Risk Committee, Investment Committee, Appointment Committee and Remuneration Committee, which make recommendations on matters delegated to them. The various committees are chaired by experienced chairpersons who then report to the Board.

The Terms of Reference of the above-mentioned Board Committees were duly approved by the Board in 2018. The Board also ensures that, with the Company Secretary's participation, all board members have unhindered access to information so that they may contribute in a meaningful way to board meetings and are able to take informed decisions.

Corporate Governance Committee

The Corporate Governance Committee is appointed by the Board. The Terms of Reference of the Corporate Governance Committee were approved at a Board meeting held on August 8, 2018.

The Committee fulfils the following main tasks:

1. Make recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective in ensuring that the Company complies with prevailing corporate principles and practices.
2. Assist the Board in its ongoing oversight of quality of governance.
3. Ensure that the disclosure requirements with regard to corporate governance, whether in the annual report or other reports on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance.
4. Recommend to the Board enhancements to the Company's governance in the interest of the Company as a whole.
5. Support the Board in maintaining alignment with regulatory expectation as regard governance.
6. Ensure that the Board is up to standard with global and national good governance standards.
7. Ensure that the Board receives regular and ongoing training and development.
8. Develop a Related Party Transaction Policy.
9. Review related party transactions and approve, ratify, revise, or reject such transactions in accordance with the Related Party Transaction Policy.
10. Review at least on an annual basis and recommend changes to the Related Party Transaction Policy.
11. Review the independence, both in appearance and in fact and develop and recommend to the Board criteria to assess the independence of Directors.
12. Develop and implement a Board/Director appraisal policy and mechanism.

Composition

Members	Category
Mr Raj Kishore Ramsaha (no longer on the Corporate Governance Committee)	Chairperson
Mrs Shweta Moheeput (Resigned on 19/09/2024)	Member
Mr Bruno Dumazel	Member

Attendance at Corporate Governance Committee meeting held on 23 March 2023.

Members	Number of meetings attended
Mr. Raj Ramsaha (no longer on the Corporate Governance Committee)	1 out of 1
Mrs. Shweta Moheeput (Resigned on 19/09/2024)	1 out of 1
Mr Bruno Dumazel	1 out of 1

The Managing Director is invited to attend the meetings, as and when required.

Annual effectiveness review

The Corporate Governance Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Terms of Reference.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities.

The mission of the Audit and Risk Committee is to establish formal and transparent arrangements regarding how to apply financial reporting and internal control principles and to maintain an appropriate relationship with the Company's auditors.

The Committee focuses on the following:

- Review the appropriateness of the Company's accounting policies;
- Focus on the reliability and accuracy of the financial information provided by Management to the Board and other users of financial information;
- Review the integrity of the financial statements.
- Review and approve the budget, including the budget for capital expenditure;
- Focus on the risk areas of the Company's operations to be covered in the scope of the internal and external audits;
- Focus on the functioning of the Internal Auditor;
- Assess the effectiveness of the internal control processes;
- Focus on any accounting or audit concerns identified as a result of the internal or external audits of the Company's compliance with legal and regulatory requirements with regard to financial matters;
- Focus on the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors;
- Manage the Company's risk policies;
- Review the Company's risk profile against risk appetite and effectiveness of risk management framework
- Discuss critical policies, judgements and estimates with the external auditor.

Composition

Members	Category
Mrs. Shweta Moheeput (Resigned on 19/09/2024)	Chairperson
Mr Raj Ramsaha (no longer on the Audit and Risk Committee)	Member
Mr Bruno Dumazel (no longer on the Audit and Risk Committee)	Member

Attendance at Audit and Risk Committee meetings on 24 March, 19 May, 19 June, 24 July, 23 October, and 7 December 2023

Members	Number of meetings attended
Mr. Shweta Moheeput (Resigned on 19/09/2024)	6 out of 6
Mr. Raj Ramsaha (no longer on the Audit and Risk Committee)	6 out of 6
Mr. Bruno Dumazel (no longer on the Audit and Risk Committee)	6 out of 6

The meetings are also attended by the Managing Director, the Finance Manager, the internal and external auditors as and when required.

Matters considered in FY 2023

During the year under review, the Audit and Risk Committee dealt with the following matters, amongst others:

- Review the Management letter from the External Auditors
- Reviewed and recommended the Quarterly Management Accounts for March 31, June 30, and September 30, 2023
- Reviewed and recommended the Annual Report and Financial Statements for the year ended December 31, 2022, and accompanying reports for submission to the Financial Services Commission
- Reviewed several reports submitted by the Internal Auditor and follow up on his recommendations
- Reviewed the Risk Management Framework and the Risk Management Function
- Reviewed and recommended dividend payments
- Carried out the evaluation of both the Internal and External Auditors
- Worked on the change in Auditors
- Reviewed the RMF documentation
- Reviewed the Solvency tests relating to dividend declarations
- Reviewed the Conflict-of-Interest Policy for Employees
- Reviewed the updated Compliance Manual

Annual effectiveness review

The Audit and Risk Committee of GFA confirms that, for the year under review, it has fully met its key objectives and carried out its responsibilities effectively in accordance with its Terms of Reference and the risk report prepared by the Internal Auditor.

Remuneration Committee

The main Terms of Reference of the Remuneration Committee are to set the principles, parameters, governance framework of the remuneration policy and relevant remuneration packages of Directors, and of the Shareholder-Employees of the Company (Messrs. Alaoud Ruhomutally, Abdel Ruhomutally, Aadil Ruhomutally, and Mrs. Najah Ruhomutally), and review the policy and the defined remuneration packages, every 3 years.

The Remuneration Committee has delegated specific duties to a Wages Review Committee, composed exclusively of members of Top Management, to set the principles and parameters of the remuneration policy of all the employees of the Company, except for Top Management, and to review the policy as and when required.

Composition

Members of the Remuneration Committee	Members of the Wages Review Committee
Me Rashad Daureeawo, SC (Chairman) (resigned on 24/01/2025)	Mr Abdel Ruhomutally (Chairperson)
Mr. Raj Ramsaha (no longer on the Remuneration Committee)	Mr Aadil Ruhomutally
Mrs Shweta Moheeput (Resigned on 19/09/2024)	Mr Alaoud Ruhomutally

Appointment Committee

The main Terms of Reference of the Appointment Committee are to guide and monitor the process for recruitment, appointment, election, and re-election process of the executives of the Board and Committee.

Members	Category
Me Rashad Daureeawo, SC (resigned on 24/01/2025)	Chairman
Mr Abdel Ruhomutally	Managing Director
Mr Alaoud Ruhomutally	Non-Executive Director

Investment Committee

The Terms of Reference of the Investment Committee, amongst others, are:

- To review and approve periodically the investment policies of the Company;
- To monitor the performance of the asset portfolio against the agreed benchmarks and targets;
- To determine an appropriate investment strategy, including asset mix.

The Company's investment strategy is becoming more dynamic, with the target to invest in new markets. The addition of Mr Bruno Dumazel as board member is a value-added for the Company, given his area of expertise and experience in real estate.

Composition

Members	Category
Mr Alaoud Ruhomutally	Executive Director (Chairperson)
Mr Abdel Ruhomutally	Managing Director
Mr Aadil Ruhomutally	Deputy Managing Director

DIRECTOR APPOINTMENT PROCEDURES

As part of its mandate, the Appointment Committee and the Board carefully consider the needs of the Company in appointing Directors onto the Board. The following factors are carefully considered:

- Skills, knowledge and expertise of the proposed Director;
- Previous experience as a Director;
- Reputation of the proposed Director;
- Independence where required;
- Conflicts of Interests.

To this end, the Board, through the Appointment Committee follows a rigorous, formal, and transparent procedure to select and appoint new Directors.

Selection Process from list provided by MIOD, direct applications, or referral
↓
Proceed with Interviews of shortlisted candidates
↓
Shortlisting of three best candidates
↓
Make recommendation to the Board
↓
Appointment of new director by the Board of Directors
↓
Issue letter of appointment to new Director
↓
Approval by The Financial Services Commission
↓
Induction of Newly appointed director
↓
Newly appointed director is subject to election in first year of appointment by the shareholders at the Annual Meeting

Biography of the Company – Company Secretary SILEO Corporate Services Ltd (resigned on 15 May 2024)

SILEO Corporate Services Ltd is a Company limited by shares incorporated in Mauritius on August 4, 2020, founded to provide company secretarial, consultancy and advisory services and training to companies in Mauritius. SILEO also endeavours to promote corporate governance and help companies willing to grow to greater heights to implement good governance practices. The Company was set up by Nisha Proag-Dookun and Véronique Magny-Antoine, both Associates of the Chartered Institute of Company Secretaries & Administrators and Associate Governance practitioner, having more than 20 years' experience in both the domestic and global business.

SILEO Corporate Services Ltd has tendered its resignation as Company Secretary on 15 May 2024. In replacement thereof, Harford Corporate Services Ltd has been appointed as Company Secretary on 29 July 2024. Harford Corporate Services Ltd is engaged in the provision of company secretarial services to companies in Mauritius. It was set up by Mr. M. Shameer Mohuddy, an independent law practitioner, having more than 20 years' experience in advising principally on corporate, commercial and employment law. Harford Corporate Services Ltd also services a few domestic companies, including an FED operator licensed by the Bank of Mauritius.

Board Induction

The Company Secretary assists the Chairman in ensuring that an induction program is in place for all new directors to acquire sufficient knowledge and understanding on the nature of business, and the opportunities and challenges facing the industry, to enable them to effectively contribute to strategic discussions. All newly appointed directors receive an induction pack containing documents pertaining to their role, duties, and responsibilities. The directors are thus committed to remaining aware of their legal duties.

In addition, the Company Secretary and the Chairman remain available for one-to-one briefings and new directors are invited to meet members of the management of GFA.

Professional development and training

Directors are encouraged, as far as possible, to keep themselves up to date, with the latest trends and best professional practices.

Time commitments

Board members are expected to dedicate such time as is necessary for them to effectively discharge their duties. Directors have a duty to act in the best interests of the company and are expected to ensure that their other responsibilities do not impinge on their responsibilities as Directors.

The Chairman is committed to more than 10 days per annum including the Annual Meeting, regular Committees and Board meetings and is available at all times in event of crisis and beyond expected input.

Succession Planning

The Board of Directors believes that a good succession planning contributes further to the delivery of the company's strategy by ensuring the desired mix of skills and experience of current and future board members. The Board is also committed to recognising and nurturing talent within executive and management levels to ensure that the Company creates opportunities to develop current and future leaders.

The Board has appointed Kick Advisory Ltd for a succession planning exercise, which is now being led by the majority shareholders.

The Appointment Committee shall periodically review probable vacancy in the position of Senior Management Team which may arise due to retirement, resignation, demise, or incapacity whether temporary or permanent. The Board shall strive to fill such vacancy within internal modes through elevation and in case no suitable candidate is available to fill the position, only then external candidates shall be considered.

The Committee may also resolve to engage the services of such retired executive/member of senior management on a contractual basis subject to his/her willingness to serve the Company in such capacity.

The Board has started the process of establishing a formal succession planning for the key posts of the Company. In that respect, Requests for Proposals are being issued to invite consultants to express their interest.

Board Evaluation

There are various methodologies that can be applied, and GFA has chosen a 180^0 Evaluation Method, which is one of the simplest methods of evaluation, comprising of a self-evaluation questionnaire, which is then discussed on a one to one basis, with the Appointment Committee, and the contents are agreed by both parties in an open and generally face to face conversation.

The Corporate Governance Committee, with the assistance of the Company Secretary, have devised the Board Evaluation Questionnaire and the accompanying process. The Board evaluation exercise will now be revamped by Kick Advisory Ltd, as part of the succession planning exercise.

DIRECTORS' DUTIES REMUNERATION AND PERFORMANCE

Director's Duties

All the Directors on the Board including any alternate Directors are fully aware of their duties. Once appointed on the Board, the Director receives the following documents pertaining to his/her duties and responsibilities:

- Board Charter
- Code of Ethics
- The Memorandum & Articles of Association of the Company

REMUNERATION OF DIRECTORS

Remuneration and benefits received by the Directors from the Company during the year were as follows:

	2023 Rs.	2022 Rs.
Executive Directors	14,209,698	12,548,090
Non-executive & Independent Directors	2,053,472	2,079,443

The Directors did not receive any remuneration from its subsidiary, GFA Investments Ltd.

DIRECTORS' SERVICE CONTRACTS

Mr. Abdool Rahman (Abdel) Ruhomutally, Mr. Alaoud Ruhomutally, and Mr. Aadil Ruhomutally have contracts of employment with the Company without expiry dates. The other Directors have service contracts with the Company.

Interests Register, Conflict of Interest

As a Public Interest Entity (PIE), the Company makes every effort to ensure that the Directors disclose any interest in writing to the Board. Also, the Directors' Code of Conduct contains provision to prevent any conflict of interest. An Interest Register, which is updated as and when required, is maintained by the Company Secretary. Any disclosure of interest is recorded in the interest register, which is available for inspection during normal office hours upon written request to the Company Secretary. In addition, the Directors also disclose any related party transactions.

Whistle Blowing

Whistle Blowing involves the act of reporting wrongdoing (e.g., malpractices, corruption, misconduct, mismanagement) within an organisation to internal and external parties. It is raising a concern about malpractices within an organisation or through an independent structure associated with it.

The Board of Directors is conscious of the need for the Company to have a policy regarding whistle blowing.

The whistleblowing policy has been formally put in place in 2021.

Remuneration Philosophy

All Board Members are paid an attendance fee per Board / Committee meeting. The chairpersons of the Board and of the board committees receive an additional remuneration.

The remuneration of Directors is based on standards in the market and reflects demands to competencies and efforts in the light of the scope of their work.

The non-executive directors have not received any remuneration in the form of share options or bonuses associated with organisational performance.

The Board and Committees fees are reviewed by the Remuneration Committee and approved by the Board.

RELATED PARTY TRANSACTIONS

Please refer to Note 30 to the Financial Statements.

INTERNAL CONTROL AND RISK MANAGEMENT

The Directors are responsible for maintaining an effective system of internal control and risk management. Though these two functions are delegated to the Audit and Risk Committee, the governance of risk, the nature and risk appetite of the Company remain the ultimate responsibility of the Board.

Other responsibilities of the Board also include:
- Ensuring that structures and processes are in place for management of risks,
- Identifying the principal risks and uncertainties,
- Ensuring that systems and processes are in place for implementing, maintaining, and monitoring internal controls,
- Identifying any deficiency in the system of internal control.

The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.

Internal Audit Charter

A formal internal audit charter was established in 2021. The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

The internal audit activity is established by the Audit and Risk Committee. The internal audit activity's responsibilities are defined by the Audit and Risk Committee as part of their oversight role.

Risk Management

Objectives
GFA places particular emphasis on the effective monitoring and management of its undertaken risks with a view of maintaining stability, financial soundness, and continuity of operations, as well as achieving its strategic

goals as set out in its business and restructuring plans, fully aligned with the budget, capital and liquidity planning and policy.

In this context, GFA has put in place a Risk Management Framework which constitutes GFA's fundamental attitude towards risk management. A Risk Management Framework aims to foster sound corporate governance principles and risk culture, clear strategy and adequate policies, procedures, and methodologies. This framework is supported by infrastructure and resources, in compliance with the regulatory framework and supervisory requirements.

GFA and its Board of Directors consider that a full and consistent application of the risk management arrangements in place, would adequately address the risks inherent in the risk profile and strategy of the Company and acknowledge that a robust risk culture should remain a key focus area for continuous improvement.

The Risk Management Framework:

- Links Risk Appetite to strategic business and capital plans;
- Supports a risk-aware culture;
- Sets out accountabilities and governance arrangements for the management of risk within the 'three lines of defence' model;
- Enhances business risk-based decision-making.

The Board recognises that an effective Risk Management Framework requires the existence of a positive risk culture within the business, with clear ownership and accountability for risk. As a key provider of insurance services in Mauritius, it is essential that GFA, employees understand their accountabilities and expected standards of conduct. From its formation, the overarching objective of the risk function has been to focus on promoting a positive risk culture and building the necessary risk infrastructure commensurate with size and market position.

The GFA risk culture is enforced through the Code of Conduct, the leadership framework, as well as through remuneration policies which look to recognise and reward behaviours that reflect the desired risk culture and have appropriate consequences for undesirable behaviour.

The risk culture is also enhanced through:

- Clarity of roles and accountability;
- Transparent and open dialogue in an environment where people feel safe to raise issues or concerns;
- Ensuring alignment with the desired risk culture when engaging with our people, including recruitment, induction, training, reward and recognition;
- Regularly checking on the health of the risk culture through feedback mechanisms, such as customer surveys, performance appraisals and one-on-one talks.

This Risk Management Framework (RMF) and Risk Management Strategy (RMS) aim to document the:

- Actual risks that have been identified by the Board as material;
- Methods adopted to minimise these risks; and
- Way these risks are monitored on an ongoing basis.

The RMF and RMS do not:

- Address every possible risk to GFA; or
- Necessarily set out the full detail of the procedures and processes adopted to manage the risk.

Responsibilities

The Board is responsible for:

- Approves strategic objectives and validates our Risk Appetite,
- Reviews the Company's risks and mitigating measures,
- Reviews the Company's Risk Management and Internal Control Systems,
- Assesses these systems effectiveness through its Audit and Risk Committee

The Senior Management of GFA is responsible for:

- Is responsible for the "tone at the top"
- Oversees design and implementation of Risk Management and Internal Control Systems
- Defines and allocates Risk Appetite
- Makes decisions when substantial risk is at stake
- Evaluates the adequacy of risk mitigation plans

The Risk Management Process

GFA aims to conduct its business in compliance with all relevant laws, rules, regulations, industry standards and codes, internal policies, and procedures, and having regard to accepted community and ethical standards. It also acts promptly to correct incidents of non-compliance no matter how identified, including determining whether a compliance failure is a breach that is reportable to a regulator.

As part of the RMF, internal controls have been implemented across GFA to ensure appropriate risk identification, assessment, control, management, monitoring, and reporting. These controls support the proactive management of risk, including the regular maintenance of risk profiles which provide the Board and Management with clear oversight of risk.
The key elements of the Risk Management processes are as follows:

- *Communicate and consult*
  Communicate and consult with internal and external stakeholders as appropriate at each stage of the Risk Management process and concerning the process.

- *Establish the context*
  Establish the external, internal and Risk Management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis defined.

- *Identify risks*
  Identify where, when, why, and how events could prevent, degrade, delay or enhance the achievement of the objectives.

- *Analyse risks*
  Identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis considers the range of potential consequences and how these could occur.

- *Evaluate risks*
  Compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.

- *Treat risks*
  Develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.

- *Monitor and review*
  Monitor the effectiveness of all steps of the Risk Management process. This is important for continuous improvement. Risks and the effectiveness of treatment measures need to be monitored to ensure changing circumstances do not alter priorities.

Regulatory Requirements

The Insurance (Risk Management) Rules 2016 ('the Rules') issued by the Financial Services Commission (FSC) require insurers registered under the Insurance Act 2005 to establish and at all times maintain a Risk Management Framework to effectively develop and implement strategies, policies, procedures and controls to manage their material risks.

The Risk Management Framework shall consider the materiality of the risks described in the Schedule of the Insurance (Risk Management) Rules 2016, mentioned below, in accordance with its nature, scale and complexity.

- Business continuity risk,
- Capital risk,
- Credit risk,
- Group affiliation risk,
- Insurance risk,
- Investment risk,
- Liquidity risk,
- Operational risk,
- Outsourcing risk,
- Reinsurance risk, and
- Other material risk.

The Risk Management Framework should include the following and shall be approved by the Board:
- Risk Appetite Statement;
- Risk Management Strategy;
- 3-years Business Plan and Financial Forecast;
- Own Risk and Solvency Assessment Framework;
- Liquidity Policy;
- Designated Risk Management Function; and
- Defined Responsibilities and Reporting Lines for the Management of material risks.

The existing Enterprise Risk Management (ERM) Program ensures that all requirements of the Rules are being complied with. However, given that the Framework is in a nascent stage of development and implementation, GFA has developed and maintained the liquidity policy for year 2023 and basically the following:

Risk Appetite Statement

↓

Risk Tolerance Limit

↓

Risk Management Strategy

↓

Own Risk and Solvency Assessment

Moreover, following circular letter from the FSC Ref: CL166417/RAS the FSC issued a list of significant activities whereby all insurers would need to cover in the Risk Appetite Statement up to the Own Risk and Solvency Assessment.

The Board of Directors is responsible for risk management and for the Company's systems of internal control. The Company's policy on risk management encompasses all significant business risks including physical, operational, business continuity, financial compliance and reputational which could influence the achievement of the Company's objectives.

The risk management mechanism in place includes:

- A system for the ongoing identification and assessment of risk;
- Development of strategies in respect of risks and definition of acceptable and non-acceptable levels of risk;
- Review the Company's risk profile against risk appetite and effectiveness of risk management framework;
- Reviewing the effectiveness of the system of internal control, and
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

Risk Management refers to the process used by the Company to monitor and mitigate its exposure to risk. The objective of risk management is not to eliminate risk altogether, but to reduce it to an acceptable level having regard to the objectives of the Company.

While the Board is responsible for the overall risk management and internal control systems, oversight of the Company's risk management process, with the exception of the legal risk, has been delegated to the Audit and Risk Committee.

A Risk Management Framework has been implemented and is being upgraded and properly documented to;

- ensure all material risks are identified and reported to management, to the Audit and Risk Committee and to the Board,
- ensure mitigation activities are developed, communicated, agreed and measured to ensure objectives are achieved, and
- ensure continuous identification of new risks that may arise so as to implement mitigation controls.

The following risk1 areas have been identified for the Company:

Insurance Risks

The main activity of the Company is the acceptance of risk under an insurance contract where in return for a consideration (the premium), a policyholder is compensated for pecuniary loss suffered as a result of a specified uncertain future event, or of a certain future event where the timing of the occurrence is uncertain.

The main risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. Risks are mainly associated with the Company's underwriting, reinsurance and claims handling activities.

Motor and Liability Insurance Risk

The Company's underwriting strategy attempts to ensure that the underwriting risks are acceptable, well priced and diversified in type. Statistics captured and analysed by computer software are extensively used to assess and review risks and the Company reserves the right not to renew policies and/or to impose deductibles.

The Company determines the extent of risks retainable and transfers, through reinsurance led by top rated reinsurers, risks in excess of its capacity. Thus, through effective proportional, excess of loss and facultative reinsurance covers, the maximum loss for a given risk that the Company may suffer in any one year is predetermined.

Claims handling is closely monitored so as to ensure that the loss reported is covered and properly assessed. Where relevant, the Company may sue third parties for payment of some or all liabilities (subrogation). The Company ensures that claims provisions are determined using the best information available of claims settlement patterns, forecast inflation and settlement of claims. Estimation techniques also involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the best overall estimates.

Financial Risks

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts. The main risks to which the Company is exposed include:

- Credit risk
- Liquidity risk
- Market risk
- Reinsurers' default

Credit Risk

The Company's credit risk is primarily attributable to debtors including agents for insurance premium payable. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment. The Company structures the levels of its credit risk it accepts by placing limits on its exposure to a single counter party. Such risks are subject to frequent review.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet short-term debts. Liquidity risk is considered to be very low.

Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Investment Committee ensures that investments are sufficiently diversified in order to match assets and liabilities and liquidity requirements.

Reinsurer's Default

The Company is exposed to the possibility of default by its Reinsurers for their share of insurance liabilities and refunds in respect of claims already settled by it. Management monitors the financial strength of its Reinsurers and the Company's set procedures ensure that risks are only ceded to top-rated and credit-worthy Reinsurers.

Operational Risks

Operational risks are risks of loss/or opportunity gain foregone resulting from inadequate or failed internal processes, people and systems or from external events. These losses may be caused by one or more of the following:

Human Resources Risk
Human resource risk is the risk that the personnel responsible for managing and controlling different sectors of the organisation or a business process do not possess the requisite knowledge, skills and experience needed to ensure that critical business objectives are achieved and significant business risks are reduced to an acceptable level.

Compliance Risk
Compliance risk, also referred to as non-conformance risk, results in lower quality, higher costs, lost revenues and unnecessary delays. Non-conformance also gives rise to product/service failure risk because if not detected and corrected before a product or service is delivered to the customer, a product or performance failure could result. Moreover, with the prevailing AML/CFT legislation namely the FIAMLA 2002 and FIAMLA Regulations 2018, the company must at all times comply with the applicable laws. Compliance will cost time and money. Failure will result into sanctions from the regulatory bodies. Hence, in case of fines will lead to loss of revenues.

Business Interruption Risk
The Company's capability to continue critical operations and processes are highly dependent on availability of information technologies, skilled labour and other resources. If people with the requisite experience and skills or other critical resources were unavailable or if critical systems broke down, the Company would experience difficulty in continuing operations. A business interruption plan has been set up involving the duplication of our records and information systems on back up media which are stored. Insurance transactions are backed-up daily in branch offices and same is exported to Head Office by removable media on a weekly basis (Each office operates independently and is not linked to a single server. Full customer service can be restored within a maximum of two hours).

Product/Service Failure Risk
During insurance operations there may be a risk of customers receiving faulty insurance policies or service. These failures would result in customer complaints, litigated claims, cancelled policies, increased claim frequency or severity. These can significantly affect the Company's reputation, profitability, future business and market share. A Customers' Complaints Handling unit has been implemented.

Health and Safety Risk

Worker health and safety risks are significant if not controlled because they can expose the Company to substantial liability in respect of workers' compensation. Non-compliance with Health and Safety Legislation may result in heavy fines. The Health and Safety Committee ensures that these risks are minimised through control, follow-up and communication procedures. The Human Resources Department ensures compliance with labour laws.

With regard to the operational risks, management is currently rating the risks by applying appropriate methods based on the recurring nature of the risk and the financial and operational impact of the risk.

Under the risk management framework that is currently being established, a priority plan of action aimed at developing and implementing mitigating controls will be prepared. Clear responsibilities and targets will be established and monitored. The overall effort to establish a risk management framework is being undertaken under the close supervision of the Audit and Risk Committee.

Information Security Governance

Information Security Policy is a key component of the Company's overall information security management framework. The Board is responsible for the governance information. It is the role of senior executives to manage information technology and ensure information security. Since years back, information policies are applicable at GFA. It reflects Management intents on information security commitments. The main programs and guidelines covered by the said policy are listed below:

- Antivirus Management Procedures
- Backup Procedures
- Date Destruction Procedures
- Incident Management Procedures
- Information Handling Procedures
- Log Review Procedures
- Patch Management Procedures
- User Account Management Procedures
- Guidelines Server Rooms
- Guidelines User

GFA is well equipped by Disaster Recovery (DR) to ensure the Company's valuable data, software, server and applications are securely kept.

The aim of this policy is to establish and maintain the security and confidentiality of information, information systems, applications and networks owned or held by the Company. In this respect, security solutions are being deployed to keep abreast of new security threats. The policy applies to all information, information systems, networks, applications, locations, and users of the Company or supplier under contract to it.
The current IT Infrastructure and software have been implemented under the MD's supervision over the past years. When the IT Manager Amit Maharaja was recruited, over time, he has been entrusted with the responsibility to assess, monitor, and improve the IT Hardware Infrastructure and software.

Information technology infrastructure, including hardware, has its own life cycle and the IT Manager makes his recommendations on fast moving technology. Servers are upgraded (with more memory, hard disk space, etc) after at least 5 years. PCs can be used beyond 7 years.

The IT Manager evaluates the need for any IT infrastructure upgrades. In 2021, he recommended the need to shift the production server and upgrade the broadband bandwidth following COVID-19 and assessing the existing DR and server hardware. He met several potential suppliers and Rogers Capital was selected for this project, after the relevant cost benefit analysis. The project was completed in 2022 and a new storage server for DR was bought and installed at the Head office premises.

The IT Manager evaluates the prices to get benefit of less investment and high performance. Accordingly, savings of approximately Rs 500,000 were made in the budgeted monthly expenses, by the end of December 2022. New updated and secure technology has been implemented throughout the company's IT Infrastructure.

GFA's payroll system also has been updated to a new cloud-based technology from Sicorax. This server is also automatically updated for any new rules and regulations from the government.

A new process of online screening for AML/CFT has been implemented on GIS for each customer. There is an Onclick screening button also programmed for the same for each policy and claim.

For 2023, the IT Manager has recommended to change all computers older than 7 years, which will cost approximately 2M. Bulk purchase will allow for benefitting from economies of scale.

Internal controls

Internal controls regroup all the policies and procedures that management uses to achieve the following goals.

- *Safeguard's assets* – well-designed internal controls protect assets from accidental loss or loss from fraud;
- *Ensure the reliability and integrity of financial information* - Internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations;
- *Ensure compliance* - Internal controls help to ensure GFA is in compliance with the laws and regulations affecting the operations of our business;
- *Promote efficient and effective operations* – Internal controls provide an environment in which managers and staff can maximize the efficiency and effectiveness of their operations;
- *Accomplishment of goals and objectives* - The Internal control system provides a mechanism for management to monitor the achievement of operational goals and objectives.

Responsibility for internal controls

Management Responsibility
The management of GFA is responsible for maintaining an adequate system of internal control and for communicating the expectations and duties of staff as part of a control environment. They are also responsible for assuring that the other major areas of an internal control framework are addressed.

Staff Responsibility

The Staff of GFA both administrative and operating personnel are responsible for carrying out the internal control activities set forth by management.

Framework for internal control at GFA

The framework of GFA internal control system incorporates the following:

- *Control environment* – A sound control environment is created by management through communication, attitude and example. This includes a focus on integrity, a commitment to investigating discrepancies, diligence in designing systems and assigning responsibilities.

- *Risk assessment* - This involves identifying the areas in which the greatest threat or risk of inaccuracies or loss exist. To be most efficient, the greatest risks receive the greatest amount of effort and level of control.

- *Monitoring and reviewing* - The system of internal control is periodically reviewed by Management. By performing a periodic assessment, Management assures that internal control activities have not become obsolete or lost due to turnover or other factors.

- *Information and communication* - The availability of information and a clear and evident plan for communicating responsibilities and expectations is paramount to a good internal control system.

- *Control activities* - These are the activities that occur within an internal control system. They are mainly, authorization, documentation, reconciliation, security and separation of duties.

Internal Audit

Internal Audit is an independent appraisal function which examines and evaluates the activities and the appropriateness of the systems of internal control, risk management and governance.

Mr. Ghanshyam Hurry, FCCA, was appointed as internal auditor in April 2018. He is a Fellow of the Association of Chartered Certified Accountants (ACCA). He has more than fifteen years of experience in both accountancy, audit of domestic and global business companies. He holds an auditor's licence from the Financial Reporting Council (FRC) and is a member of Mauritius Institute of Professional Accountants (MIPA). He also holds an insolvency practitioner licence.

The scope of the Internal Auditor's work encompasses:
- Identifying risk areas and evaluating the level of risk for each risk area.
- Reviewing internal control processes and making appropriate recommendations to the Audit and Risk Committee and the Management,
- Monitoring the implementation of the recommendations and reporting on these implementations to the Audit and Risk Committee.

Internal audit charter

A formal internal audit charter was established during the year 2021. The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

The internal audit activity is established by the Audit and Risk Committee. The internal audit activity's responsibilities are defined by the Audit and Risk Committee as part of their oversight role.

Reporting Lines

The Internal Auditor has a direct reporting line to the Audit and Risk Committee and maintains an open and constructive communication with Management. The Internal Auditor also has direct access to the Chairman of the Board. This structure allows the Internal Auditor to remain independent.

Coverage

The Internal Audit Plan, which is approved by the Audit and Risk Committee, is based on the principles of risk management designed to ensure that the scope of work aligns with the degree of risk attributable to the area being audited.

Restrictions

The Internal Auditor has unrestricted access to the Company's accounting records, to management and to employees.

The Internal Auditor, namely Mr. Ghanshyam Hurry, has tendered his resignation on 17th March 2025. A new Internal Auditor of the Company, namely Mr. Osman Mahmad Badat of MMW LLP has since been appointed on 21st March 2025, in replacement of the outgoing Internal Auditor.

External Audit

The responsibility of the external auditor is to express an opinion on the financial statements based on their audit. They conduct their audit in accordance with International Standards on Auditing which involve ethical requirements. The external auditors of the Company are Bacha & Bacha, who were appointed at the annual meeting of shareholders. The Chairman of the Audit Committee discusses critical policies and external audit issues with Bacha & Bacha as and when necessary. The Board assesses the effectiveness of the external audit process via feedback received from management team. Areas of improvement are thereafter discussed with the external auditor. The Audit and Risk Committee also meets with the External Auditors without Management being present at these meetings, as and when necessary.

The last tender exercise was made in 2013, and BDO & Co. has been acting as the auditors of the Company for the past 9 years. Mrs Shabnam Peerbocus was appointed as the Audit Partner in 2020, and the Board will ensure that there is a rotation of audit partner every 5 years.

BDO & Co has since then been replaced as external auditor of the Company by Bacha and Bacha of 9th floor, Les Bacha, Cathedral Square, Port Louis. Bacha and Bacha is therefore the present external auditor of the Company, holding office until the next annual meeting.

AUDITORS' FEES

The fees paid to external auditors and other services were:

	2023	2022
	Rs.	Rs.
Audit Fees	1,035,000	1,035,000
Review of Insurance Return	NIL	45,000
Review of Compliance with Insurance (Risk Management) Rules 2016	NIL	70,000

Non-auditing services, if any, are provided by a team different from the Audit team.

The fees paid to internal auditors were:

	2023	2022
	Rs.	Rs.
Internal Audit Fees:		
Mr. Ghanshyam Hurry	483,000	483,000

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Through its values, GFA engages itself towards meeting its different stakeholders' expectations/needs.

The Company's relevant stakeholders are kept informed of developments on a regular basis through:
- Annual Meeting of shareholders
- Press releases
- Public communiqués
- Automatic mobile SMS
- Road shows, fairs and exhibitions
- Employees through Human Capital Function

Shareholders

The Board keeps its shareholders informed of any material events affecting the Company and encourages the shareholders to attend all shareholders' meeting.

Notice of the Annual Meeting and other shareholder meetings, as well as the related papers are sent to the shareholders at least 14 days before the meeting in accordance with the Companies Act 2001.

Share Capital

The stated capital of the Company is made up of 25,000 ordinary shares and 1 founder share held by Mr. Mohammad Alaoud Ruhomutally. The Company has two class of shares and all shareholders have the same voting rights.

Substantial Shareholders

A substantial shareholder is defined as a person who holds by him/ herself or his/ her nominee, a share or an interest in a share which entitles him/ her to exercise not less than 5% of the aggregate voting power exercisable at a shareholders' meeting. The table below highlights the shareholders holding more than 5% ordinary shares.

Substantial shareholders of the Company as at December 31, 2023

Mr Alaoud Ruhomutally	45.80%
Dr Abdool Raouf Ruhomutally	13.00%
AYFA Investment Ltd	7.28%
Mrs. Ww Beebee Madina Beebeejaun, Mrs Fatmahbee Ruveida Beebeejaun and Estate Ally Ahmud Beebeejaun	5.47%

Shareholders' Meetings

A notice from the Company Secretary addressed to the shareholders is annexed with the annual report and provides detailed information on the forthcoming Annual Meeting of shareholders.

The Chairperson of the Board as well as the board and committee members are all invited to attend the annual meeting and shall make themselves available to answer questions that the shareholders may have on the Company and the management.

The opportunity is also given to the shareholders to re-elect the directors at the annual meeting.

Dividend Policy

The Company approved its dividend policy in 2021. Due to the sensitive nature of the information, the Board has agreed not to disclose the details of the policy.

Website

Stakeholders are also kept informed of the Company's affairs through its website www.gfainsurance.mu.

All important information and documentation, as disclosed in this Report, are also uploaded on the website. One can therein find the different board and organization structures, profiles of the directors, consultants and key officers, the Board Charter, the Terms of Reference of the Committees, amongst others. It is a dynamic website, whereby data is reviewed and updated as and when required.

For instance, during the year under review, the website has been updated with the following:
1. Online Quotation system
2. Photo and video gallery added
4. Career page to applying online for vacancies
5. Product pages and texts updated
6. Complaint/feedback form
7. Frequently asked questions (FAQs)

The website will be upgraded even more in 2023; the designing is in progress. A new customer portal will be introduced, to ease communication with clients and offer more support.

PR Exercise

Over the years, GFA has witnessed soaring client base and resilient financials which have proven that GFA has gradually emerged from a minor player to a strong partner. The way GFA is positioned in the market ultimately determines how consumers view its ability to meet their needs.

Since the beginning of 2021, GFA has embarked on a bold adventure towards the revitalisation of its brand and more communication on how it serves the Mauritian community.

Priority focus has been laid on:

- Realigning all customer/stakeholder/media communications
- Building transparency and efficiency
- Strengthening public trust

During the first year of implementation, the approach was to quickly spark enhanced attention from the media, stakeholders, and the public in general.

Additionally, expertise has been brought in, to coordinate coherent responses to shared challenges.

- Creation of a Crisis Communication team
- Extensive internal communications on brand purpose and diversity.
- Enhanced communication with regulators, industry organisations and other stakeholders on key national issues.
- Feasibility/Preliminary phase: Digitalisation of GFA's offerings to increase visibility as a brand and create a single, coherent identity

GFA is pursuing its efforts to revitalise its brand with upcoming experiential brand/communication initiatives, so that dealing with our services become more meaningful - in other words, have a deeper purpose than just a decent customer experience.

The following events have been covered during the year 2022:

- GFA organised its first blood donation at Place Raymond Chasle, Rose Hill under the theme "Everyone could be a hero" in partnership with the Blood Donors Association and Radio Plus. The event was announced on prime time for several days – and received live coverage on Radio Plus.
- GFA pursued its campaign on Section 81 of the Insurance Act (Freedom of Choice) through a sensitisation video and campaign on the widest media platforms. This led to the public pledge, during GFA's 25th anniversary event, by the Minister of Financial Services and Good Governance to look into the matter.
- The announcement of the company's financial support to its employees in the combat against inflation hit an all-time high in the GFA brand building process. The news trended in minutes.
- This culminated in a two-page momentous interview of MD Abdel Ruhomutally in the market-leading Defi Plus newspaper on the company's track record, its continuous endeavour to do better and have its say, as an established economic player, on the affairs of the country.

As the continued growth in digital coverage also highlighted the changing media landscape, GFA has stepped up its presence on such platforms.

GFA's brand revitalization project is showing budding success - underlining the vital role that coherence and visibility play towards business sustainability.

CHARITABLE DONATIONS

	2023	2022
	Rs.	Rs.
Charitable Donations	28,750	75,000

CONTRIBUTION TO POLITICAL PARTIES

No contribution was made to any political party during the year under review.

Calendar of Forthcoming Shareholders Events

2024	Events
March	Presentation of the 2023 Annual figures
May	Presentation of Q1 figures
June	Annual Meeting of shareholders
July	Presentation of Q2 figures
October	Follow up meeting
December	Presentation of Q3 figures & Budget 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems,
(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that year and which comply with International Financial Reporting Standards (IFRS),
(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:
(i) adequate accounting records and an effective system of internal controls and risk management have been maintained,
(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently,
(iii) IFRS, the Companies Act 2001, the Financial Reporting Act and the Insurance Act 2005 have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified; and
(iv) the Code of Corporate Governance has been adhered to. Reasons have been provided in the Corporate Governance Report in case of non-compliance with any requirement.

Approved by the Board of Directors and signed on its behalf by:

Raj Kishore Ramsaha
Chairman

Date: 27 MAY 2025

Abdool Rahman (Abdel) Ruhomutally
Managing Director

Date: 27 MAY 2025

UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We confirm that, based on the records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies all such returns for the year ended 31 December 2023, as are required of the Company under the Mauritian Companies Act 2001.

Harford Corporate Services Ltd
BRN: C16141585
Date.........................

COMPANY SECRETARY

HARFORD CORPORATE SERVICES LTD

27 MAY 2025

Date: ....

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **G.F.A INSURANCE LTD** and its subsidiary (the Group) and the Company's separate financial statements (the Company) on pages 6 to 84 which comprise the consolidated and separate statement of financial position as at **31 December 2023** and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies

In our opinion, these consolidated and separate financial statements give a true and fair view of the financial position of the company as at **31 December 2023** and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA 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 significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole , and in forming our opinion thereon, and we do not provide a separate opinion on these matters as follows:

1. <u>Adoption of IFRS 17 & IFRS 9</u>

On January 1, 2023 the Company has adopted IFRS 17 "Insurance Contracts", which replaces IFRS 4 "Insurance Contracts", and is effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The Company has applied the full retrospective approach to each cohort of insurance contracts.

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Key Audit Matters (continued)

1. Adoption of IFRS 17 & IFRS 9 (Continued)

The adoption of IFRS 17 resulted in a transition adjustment to the Company's equity as at January 1, 2022 amounting to Rs 13.2 million. Further, on January 1, 2023, the Company also adopted IFRS 9"Financial Instruments", which replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 requires the management to assess its business model with respect to different portfolios of investments that drive the measurement and disclosures of the Company's investments. It also introduced the concept of Expected Credit Loss (ECL) which is a forward-looking estimate of credit losses for the Company's financial assets.

The Company had applied the temporary exemption from IFRS 9 for annual periods before January 1, 2023. For the transition to IFRS 9, the Company applied a retrospective approach to be in line with the transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9. The adoption of IFRS 9 resulted in a transition adjustment to the Company's equity as at January 1, 2022 amounting to Rs 248K.

We have considered this as a key audit matter as the first-year adoption of IFRS 17 and IFRS 9, resulted in fundamental changes to classification and measurement of the main transactions and balances of the Company along with significant changes to presentation and disclosures that were required in the financial statements for the year ended December 31, 2023.

Audit Response

We performed the following procedures:

• Obtained an understanding of the Company's implementation process for determining the impact of adoption of IFRS 17 and IFRS 9, including understanding of the changes to the Company's accounting policies, systems, processes and controls;

• Evaluated the competence, capabilities and objectivity of the management's experts based on their professional qualifications and experience and assessed their independence;

• Evaluated and assessed the appropriateness and adequacy of the transition methodologies, assumptions and accounting policies adopted in relation to, amongst others, use of premium allocation approach, expense allocation methodology, risk adjustment for non-financial risk, estimation of the present value of future cash flows, loss component determination etc., and tested the related IFRS 17 transition adjustments on the retained earnings as at January 1, 2023 and January 1, 2022.

• Evaluated and assessed the appropriateness and adequacy of the transition methodologies, assumptions and accounting policies adopted in relation to classification, recognition, measurement and impairment of different financial instruments and tested the related IFRS 9 transition adjustments on the retained earnings as at January 1, 2023 and January 1, 2022.

Checked the completeness and accuracy of the underlying data used as inputs in estimating the transition impacts of IFRS 17 and IFRS 9, and tested on sample basis, the accuracy of the underlying data used; and

• Evaluated and assessed the adequacy and appropriateness of related disclosures made in the financial statements.

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Key Audit Matters (continued)

1. Adoption of IFRS 17 & 9 (Continued)

Audit Response (continued)

We found the assumptions and disclosures in the financial statements to be appropriate.

Refer to note 12 of the accompanying Consolidated and Separate financial statements.

2. Measurement of Insurance Contract Liabilities under the Premium Allocation Approach (PAA)

The measurement of insurance contract liabilities using the Premium Allocation Approach (PAA) is a key focus area in our audit due to its significance in the financial statements of the general insurance company. The PAA requires management to make critical judgments regarding the allocation of premiums, the estimation of claims liabilities, and the recognition of the Contractual Service Margin (CSM). Given the nature of general insurance contracts, which often involve short-term coverage periods, the application of the PAA involves complexities, particularly in estimating future cash flows and assessing the adequacy of the liability for incurred but not reported (IBNR) claims.

Audit Response

We performed the following audit procedures:

1. **Understanding the Application of the PAA:** We obtained an understanding of how management has applied the PAA in measuring insurance contract liabilities, including the processes and controls in place for recognizing premiums and estimating claims.
2. **Evaluating Assumptions and Estimates:** We assessed the appropriateness of key assumptions used in estimating the liability for unearned premiums and claims liabilities, comparing them against historical performance, industry practices, and actuarial benchmarks
3. **Assessing Compliance with Disclosure Requirements:** We reviewed the financial statement disclosures related to insurance contract liabilities to ensure they meet the requirements of IFRS 17, including the nature of the contracts, the significant judgments made, and the expected timing of future cash flows.

We found the assumptions and disclosures in the financial statements to be appropriate.

Refer to note 12 of the accompanying Consolidated and Separate financial statements.

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Other Information

The Directors are responsible for the other information. The other information comprises of the commentary of directors and the Company's secretary report, which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditors' report thereon.

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

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

Directors' Responsibility for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance compliance with requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the preparation of consolidated and separate financial statements, the Directors are responsible 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 the Directors either intend to liquidate Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report
that includes our opinion.Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 and separate financial statements.

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

Identify and assess the risks of material misstatement of the consolidated and separate 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.

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements (continued)

(ii) 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.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Company financial statements.We are responsible for the direction, supervision and performance of theaudit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Other Matter

Prior Year Financial Statements
The Consolidated and Separate financial statements for the year ended 31 December 2022 were audited by another auditor who expressed an unqualified opinion on 30 March 2023.

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members, as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and Company's members, as body for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.
In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Report on the Audit of the Consolidated and Separate Financial Statements (continued)

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and whether disclosure is consistent with the requirement of the Code.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

BACHA AND BACHA
Chartered Accountants
Les BACHA
Cathedral Square
Port Louis
Repuc of Mauritius

Y.BACHA G.O.S.K ,FCA
Licensed byFRC

Date: 27 MAY 2025

G.F.A INSURANCE LTD AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION - DECEMBER 31,2023

		THE GROUP			THE COMPANY		
				As at 1 Jan,			As at 1 Jan
			(Restated)	(Restated)		(Restated)	(Restated)
		2023	2022	2022	**2023**	2022	2022
	Notes	**Rs.**	Rs.	Rs.	**Rs.**	Rs.	Rs.
ASSETS							
Cash and bank balances	5	**76,600,657**	100,423,916	70,581,250	**70,652,191**	98,296,995	66,372,829
Deposits	6	**264,000,000**	277,655,006	289,655,006	**260,500,000**	273,155,006	285,155,006
Statutory Deposits	7	**8,000,000**	8,000,000	8,000,000	**8,000,000**	8,000,000	8,000,000
Investments at fair value through other comprehensive income	8 (a)	**39,224,214**	34,913,029	35,244,620	**39,034,901**	34,913,029	35,244,620
Investments at amortised costs	8 (b)	**97,030,459**	81,393,216	130,880,154	**97,030,459**	81,393,216	130,880,154
Other receivables and prepayments	9	**6,219,568**	4,330,977	4,134,546	**5,866,785**	4,330,977	3,929,933
Loan to subsidiary	10	**-**	-	-	**19,500,000**	20,000,000	-
Investment in subsidiary company	11	**-**	-	-	**25,000,000**	25,000,000	25,000,000
Insurance contract assets	12 (a)	**792,364**	828,799	586,025	**792,364**	828,799	586,025
Reinsurance contract assets	12 (b)	**16,587,435**	12,058,143	12,437,210	**16,587,435**	12,058,143	12,437,210
Current tax assets	19	**3,606,335**	3,132,903	-	**3,880,883**	3,132,903	-
Right-of-use assets	13	**6,197,635**	5,715,535	4,540,109	**6,197,635**	5,715,535	4,540,109
Investment properties	14	**115,500,000**	112,068,882	84,900,000	**27,450,000**	26,650,000	26,000,000
Property and equipment	16	**86,005,185**	82,799,591	82,633,305	**85,921,478**	82,690,874	82,507,219
Intangible assets	15	**339,202**	524,404	550,047	**339,202**	524,404	550,047
Total assets		**720,103,054**	723,844,401	724,142,272	**666,753,333**	676,689,881	681,203,152
LIABILITIES AND EQUITY							
Liabilities							
Accruals and other payables	17	**10,504,873**	8,938,539	14,819,311	**7,449,945**	7,503,867	13,529,316
Insurance contract liabilities	12 (c)	**307,962,339**	273,283,538	260,669,161	**307,962,339**	273,283,538	260,669,161
Reinsurance contract liabilities	12 (d)	**8,412,418**	10,566,105	5,097,047	**8,412,418**	10,566,105	5,097,047
Lease liabilities	13	**6,577,607**	6,041,400	4,786,907	**6,577,607**	6,041,400	4,786,907
Employee benefit obligation	18	**18,424,600**	18,043,400	16,626,700	**18,424,600**	18,043,400	16,626,700
Tax Liabilities	19	**-**	-	1,727,127	**-**	-	1,727,127
Deferred tax liabilities	20	**9,709,104**	9,734,113	9,180,415	**2,148,495**	2,207,724	2,418,723
Total liabilities		**361,590,941**	326,607,095	312,906,668	**350,975,404**	317,646,034	304,854,981
EQUITY							
Capital and reserves							
Share capital	21	**25,000,000**	25,000,000	25,000,000	**25,000,000**	25,000,000	25,000,000
Retained earnings		**319,332,405**	358,451,889	371,597,134	**276,592,942**	320,258,430	336,709,701
Other reserve	22	**14,179,708**	13,785,417	14,638,470	**14,184,987**	13,785,417	14,638,470
Total equity		**358,512,113**	397,237,306	411,235,604	**315,777,929**	359,043,847	376,348,171
Total liabilities and equity		**720,103,054**	723,844,401	724,142,272	**666,753,333**	676,689,881	681,203,152

27 MAY 2025

These financial statements have been approved for issue by the board of directors on:

Signature

Raj Kishore Ramsaha
Name of director

Signature

Abdool Rahman (Abdel) Ruhomutally
Name of director

The notes on pages 11 to 84 form an integral part of these financial statements
Independent auditor's report on pages 5 to 5(e)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31,2023

	Notes	Group		Company	
		2023	(Restated) 2022	2023	(Restated) 2022
		Rs.	Rs.	Rs.	Rs.
Insurance revenue	23	**240,464,187**	217,528,652	**240,464,187**	217,528,652
Insurance service expenses	24	**(250,442,464)**	(216,327,137)	**(250,442,464)**	(216,327,137)
Insurance service result (before reinsurance contracts held)		**(9,978,277)**	1,201,515	**(9,978,277)**	1,201,515
Allocation of reinsurance premiums	25	**(16,633,737)**	(13,877,150)	**(16,633,737)**	(13,877,150)
Amounts recoverable from reinsurers for incurred claims	25	**12,987,619**	5,258,990	**12,987,619**	5,258,990
Net expenses from reinsurance contracts held		**(3,646,118)**	(8,618,159)	**(3,646,118)**	(8,618,159)
Insurance service result		**(13,624,395)**	(7,416,644)	**(13,624,395)**	(7,416,644)
Investment income - net	27	**24,716,817**	21,798,867	**19,035,717**	17,106,815
Other operating expenses	29	**(435,736)**	(441,726)	**(435,736)**	(441,726)
Net investment income		**24,281,081**	21,357,141	**18,599,981**	16,665,089
Insurance finance expense for insurance contracts issued	12 (e)	**(5,536,872)**	3,589,344	**(5,536,872)**	3,589,344
Reinsurance finance income for reinsurance contracts held	12 (f)	**548,938**	(379,494)	**548,938**	(379,494)
Net insurance financial result		**(4,987,934)**	3,209,850	**(4,987,934)**	3,209,850
Net insurance and investment result		**5,668,752**	17,150,347	**(12,348)**	12,458,295
Other Income	28	6,000,469	6,632,759	**5,950,169**	6,597,759
Other operating expenses (non-attributable expenses)	26 (i)	(19,184,299)	(17,774,731)	**(18,312,950)**	(17,118,402)
Financial assets written off	32	(25,753,339)	-	**(25,753,339)**	-
(Loss)/income before income tax		**(33,268,417)**	6,008,375	**(38,128,468)**	1,937,652
Tax expense	19	(845,788)	(2,903,620)	**(537,020)**	(2,138,923)
(Loss)/income for the year		**(34,114,205)**	3,104,755	**(38,665,488)**	(201,271)
Other comprehensive income for the year		**394,291**	(853,053)	**399,570**	(853,053)
Total comprehensive (loss)/income for the year		**(33,719,914)**	2,251,702	**(38,265,918)**	(1,054,324)

The notes on pages 11 to 84 form an integral part of these financial statements
Independent auditor's report on pages 5 to 5(e)

G.F.A. INSURANCE LTD AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2023

THE GROUP	Notes	Share capital	Other Reserves: Fair value Reserve	Other Reserves: Revaluation surplus	Other Reserves: Total Other reserves	Retained earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 January 2023		25,000,000	(2,042,930)	15,828,346	13,785,417	375,876,731	414,662,148
Transition impact		-	-	-	-	(17,424,842)	(17,424,842)
- As restated		25,000,000	(2,042,930)	15,828,346	13,785,417	358,451,889	397,237,306
Total comprehensive income for the year							
Profit for the year		-			-	(34,119,484)	(34,119,484)
Other comprehensive income for the year		-	394,291		394,291		394,291
Total comprehensive income for the year		-	394,291	-	394,291	(34,119,484)	(33,725,193)
Dividends - 2023	27	-	-	-	-	(5,000,000)	(5,000,000)
Balance at December 31, 2023		**25,000,000**	**(1,648,639)**	**15,828,346**	**14,179,708**	**319,332,405**	**358,512,113**
At 1 January 2022 (as previously reported)		25,000,000	(1,189,877)	15,828,346	14,638,470	384,548,996	424,187,466
IFRS 17 transition adjustments	2.1	-	-	-	-	(13,200,212)	(13,200,212)
IFRS 9 transition adjustments	2.1	-	-	-	-	248,350	248,350
At 1 January 2022 (restated)		25,000,000	(1,189,877)	15,828,346	14,638,470	371,597,134	411,235,604
Total comprehensive income for the year							
Profit for the year (restated)		-	-	-	-	3,104,755	3,104,755
Other comprehensive income for the year		-	(853,053)	-	(853,053)	-	(853,053)
Total comprehensive income for the year		-	(853,053)	-	(853,053)	3,104,755	2,251,702
Dividends - 2022	27					(16,250,000)	(16,250,000)
Balance at December 31, 2022		**25,000,000**	**(2,042,930)**	**15,828,346**	**13,785,417**	**358,451,889**	**397,237,306**

The notes on pages 11 to 84 form an integral part of these financial statements
Independent auditor's report on pages 5 to 5(e)

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2023

THE COMPANY	Notes	Share capital	Other Reserves: Fair value Reserve	Other Reserves: Revaluation surplus	Other Reserves: Total Other reserves	Retained earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 January 2023		25,000,000	(2,042,929)	15,828,346	13,785,417	320,258,430	359,043,847
- As restated		25,000,000	(2,042,929)	15,828,346	13,785,417	320,258,430	359,043,847
Total comprehensive income for the year							
Profit for the year		-			-	(38,665,488)	(38,665,488)
Other comprehensive income for the year			399,570		399,570		399,570
Total comprehensive income for the year		-	399,570	-	399,570	(38,665,488)	(38,265,918)
Dividends - 2023	27	-	-	-	-	(5,000,000)	(5,000,000)
Balance at December 31, 2023		**25,000,000**	**(1,643,359)**	**15,828,346**	**14,184,987**	**276,592,942**	**315,777,929**
At 1 January 2022 (as previously reported)		25,000,000	(1,189,876)	15,828,346	14,638,470	349,661,563	389,300,033
IFRS 17 transition adjustments (Note 3)						(13,200,212)	(13,200,212)
IFRS 9 transition adjustments (Note 3)						248,350	248,350
At 1 January 2022 (restated)		25,000,000	(1,189,876)	15,828,346	14,638,470	336,709,701	376,348,171
Total comprehensive income for the year							
Profit for the year (restated)					-	(201,271)	(201,271)
Other comprehensive income for the year			(853,053)		(853,053)		(853,053)
Total comprehensive income for the year		-	(853,053)	-	(853,053)	(201,271)	(1,054,324)
Dividends - 2022	27					(16,250,000)	(16,250,000)
Balance at December 31, 2022		**25,000,000**	**(2,042,929)**	**15,828,346**	**13,785,417**	**320,258,430**	**359,043,847**

The notes on pages 11 to 84 form an integral part of these financial statements
Independent auditor's report on pages 5 to 5(e)

G.F.A. INSURANCE LTD AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
Cash flows from operating activities		**Rs.**	Rs.	**Rs.**	Rs.
Cash generated from operations	5(a)	**11,099,036**	10,366,173	**6,636,983**	7,394,292
Interest paid	26	**(283)**	(2,316)	**(283)**	(2,316)
Tax paid	20(a)	**(2,284,865)**	(7,209,952)	**(1,344,228)**	(7,209,952)
Net cash from operating activities		**8,813,888**	3,153,905	**5,292,472**	182,024
Cash flows from investing activities					
Purchase of property, plant and equipment	16	**(11,027,116)**	(7,563,276)	**(11,027,116)**	(7,556,276)
Proceeds from sales of property, plant and equipment		-	1,200,000	-	1,200,000
Purchase of investment property	14	-	(25,046,382)	-	-
Purchase of intangible assets	15	-	(176,834)	-	(176,834)
Purchase of investment in financial assets	8	**(45,401,801)**	(25,210,734)	**(45,201,930)**	(25,210,734)
Proceeds from disposal of financial assets	8	**25,842,385**	74,176,208	**25,842,385**	74,176,208
Dividend received	27	**1,726,414**	1,469,881	**1,726,414**	1,469,881
Proceeds from maturity of deposits		**76,000,000**	60,500,000	**75,000,000**	57,000,000
Additions to deposits		**(88,000,000)**	(48,500,000)	**(88,000,000)**	(45,000,000)
Interest received	24	**16,124,938**	14,697,431	**16,124,938**	14,697,431
Loan to subsidiary	10	-	-	-	(20,000,000)
Repayment of loans to related parties	10	-	-	**500,000**	-
Net cash from investing activities		**(24,735,180)**	45,546,294	**(25,035,309)**	50,599,676
Cash flows from financing activities					
Principal paid on lease liabilities	13	**(2,466,514)**	(2,168,123)	**(2,466,514)**	(2,168,123)
Effect of modification to lease term		-	-	-	-
Interest paid on lease liabilities.	26	**(435,453)**	(439,410)	**(435,453)**	(439,410)
Dividend paid	27	**(5,000,000)**	(16,250,000)	**(5,000,000)**	(16,250,000)
Net Cash used in financing activities		(7,901,967)	(18,857,533)	**(7,901,967)**	(18,857,533)
(Decrease) / increase in cash and cash equivalents		**(23,823,259)**	29,842,666	**(27,644,804)**	31,924,167
Movement in cash and cash equivalents					
At January 1,		**100,423,916**	70,581,250	**98,296,995**	66,372,828
(Decrease) / increase		**(23,823,259)**	29,842,666	**(27,644,804)**	31,924,167
At December 31,		**76,600,657**	100,423,916	**70,652,191**	98,296,995

The notes on pages 11 to 84 form an integral part of these financial statements
Independent auditor's report on pages 5 to 5(e)

1. GENERAL INFORMATION

G.F.A. Insurance Ltd (The Company) is a private limited company incorporated in Mauritius and is engaged in General (Non-life) Insurance Business. Its registered address is 16, Frère Felix de Valois St, Champs de Mars, Port Louis. Its principal place of business is at its head office at Port Louis. The Company also has branches at Rivière du Rempart, Triolet, Terre Rouge, Goodlands, Quatre-Bornes, Rose-Hill, Flacq, Rivière des Anguilles, Rose Belle, Mahebourg, Grand Bay, Phoenix, St Pierre and Vacoas.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(i) Basis of preparation

The financial statements of G.F.A. Insurance Ltd comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements include the consolidated financial statements of the parent company and its subsidiary (the Group) and the separate financial statements of the parent company (the Company). These financial statements are presented in Mauritian rupees, to the nearest rupee.

Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The financial statements are prepared under the historical cost convention, except that:
(a) freehold land and buildings are carried at revalued amounts;
(b) investment property is stated at fair value.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

The following are other new standards or amendments which do not have a significant impact on the Group 's financial statements, when effective.

Other new standards or amendments	*Effective date*
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	*01,January,2023*
Amendments to IAS 8 - Definition of Accounting Estimate	*01,January,2023*
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	*01,January,2023*
Amendments to IAS 12 - International Tax Reform - Pillar Two Models Rules	*23,May,2023*

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2024 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Other new standards or amendments	*Effective date*
Amendments to IAS 1 - Classification of Liabilities as Current or Non Current	*01,January,2024*
Amendments to IAS 1 - Non-current liabilities with covenants	*01,January,2024*
Amendments to IFRS 16 - Lease Liability in a sale and leaseback	*01,January,2024*
Amendments to IAS 7 and IFRS 7 - Supplier Finance Agreement	*01,January,2024*
Amendments to IAS 27 - Separate Financial Statements	*01,January,2024*
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	*01,January,2024*
IFRS S2, ' Climate-related disclosures'	*01,January,2024*
Amendments to IAS 21 - Lack of Exchangeability	*01,January,2025*
Amendments to IFRS 10 and IAS 28 - Sale or Construction of Assets an Investor and its Associate or Joint Venture.	*N/A**

*Available for optional adoption / effective date deferred indefinitely

(ii) Insurance contracts

Insurance contracts are agreements through which the Group assumes significant insurance risk from a policyholder. This involves committing to compensate the policyholder if a specified uncertain future event adversely impacts them. To assess whether a contract qualifies as an insurance contract, the Group evaluates all substantive rights and obligations, including those mandated by law or regulation, on a contract-by-contract basis. The assessment involves exercising judgment to determine if the contract transfers insurance risk, which is defined as a scenario with commercial substance where the Group faces a potential loss on a present value basis, and whether the level of insurance risk assumed is significant.

Contracts that have the legal form of insurance but do not transfer significant insurance risk, instead exposing the Group to financial risk, are classified as investment contracts and accounted for under IFRS 9. The Group does not have any contracts that fall into this category.

The Group issues short-term insurance contracts as follows:
Short-term insurance contracts are issued in the following classes of business : Motor, Fire and Allied Perils, Marine, Personal Accident, Public Liability, Professional Indemnity and Directors' and Officers' liability and Miscellaneous. These contracts insure the policyholder for damage suffered to property or goods, for value of property and equipment lost or damaged, losses or expenses incurred, sickness and loss of earnings resulting from occurrence of the insured event.

(iii) Reinsurance contracts

Contracts entered into by the Group with reinsurers under which the Group is indemnified for losses on one or more contracts issued by the Group are classified as reinsurance contracts held. Insurance contracts where the counterparty is another insurer (inwards reinsurance) are included within insurance contracts. The Group does not hold any inwards reinsurance contracts. The indemnity to which the Group is entitled under their reinsurance contracts held is recognised as reinsurance assets. These assets consist of short-term balances due from Reinsurers that are dependent on the expected claims and indemnity arising under the related reinsured insurance contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Reinsurance contracts (cont'd)

The Group assumes and cedes reinsurance in the normal course of business to manage its risk exposures. Premiums and claims on reinsurance assumed (inward facultative reinsurance) are recognised in profit or loss on the same basis as direct business. Reinsurance ceded may be in respect of a single policy, i.e., a facultative arrangement or for multiple policies as in treaties.

Treaties provide either proportional (as in quota share or surplus) or non-proportional coverage (as in excess-of-loss). Proportional treaties provide for sharing of the insurance premiums and the associated losses in designated proportions between the Group and the Reinsurer. Each group of policies so affected is defined by the reinsurance contract.

For non-proportional treaties, premiums are not ceded but instead an excess-of-loss premium is payable to the Reinsurer for protection of losses in excess of the Group's loss retention limit which is the amount of total insured loss that the Group agrees to absorb or bear prior to application of the reinsurance.

Excess-of-loss reinsurance assets are assessed for impairment on a regular basis. If there is objective evidence that the assets are impaired, the accruing amount of the reinsurance assets is reduced to its recoverable amount and impairment is recognised in the profit or loss. By virtue of their nature, risks of impairment for treaty reinsurance assets are remote.

Any gains and losses on buying reinsurance are recognised immediately in profit or loss and are not subject to amortisation. Premiums ceded and claims reimbursed are presented on a gross basis in the statements of profit or loss and the statements of financial position as appropriate.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities. Amounts recoverable from Reinsurers are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance liabilities are primarily amounts due to Reinsurers for premiums ceded and for excess-of-loss premiums payable.

If a reinsurance asset is impaired, the Group reduces the carrying amount accordingly, and will immediately recognise the impairment loss in profit or loss. A reinsurance asset will be deemed to be impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the asset, that the Group may not receive all amounts due to it under the terms of the contract, and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(iv) Short-term insurance (General Business)

- ***Unit of account***

  The Group manages insurance contracts issued by product lines within each operating segment, with each product line covering contracts that share similar risk profiles. These contracts are grouped into portfolios based on product lines. Each portfolio is further divided into annual cohorts, reflecting contracts with the same inception year. The subsequent level of aggregation classifies contracts by duration: (i) up to 12 months or (ii) more than 12 months. Further, contracts are categorized into (i) onerous groups or (ii) non-onerous groups. These categorizations are used for the initial recognition and measurement of insurance contracts and are not revised subsequently.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (Cont'd)

- ***Unit of account (Cont'd)***

For each contract portfolio, the Group evaluates the appropriate level of granularity at which reasonable and supportable information is available to determine if contracts are onerous at initial recognition and to assess the potential for non-onerous contracts to become onerous. This level of detail defines distinct sets of contracts. The Group applies significant judgment to determine the granularity where sufficient homogeneous information is available, enabling the allocation of all contracts within a set to the same group without the need for individual contract assessments.

All general insurance contracts are measured using the Premium Allocation Approach (PAA). The Group assumes that these contracts are not onerous at initial recognition, unless contrary evidence arises. If evidence suggests that certain contracts are onerous, an additional assessment is conducted to identify and separate these onerous contracts from non-onerous ones. For non-onerous contracts, the Group evaluates the likelihood of future changes in facts and circumstances to determine if there is a significant risk of these contracts becoming onerous.

Portfolios of reinsurance contracts held are assessed for aggregation separately from those of insurance contracts issued. Reinsurance contracts held are grouped based on the following criteria: Initially, they are aggregated at the treaty level. Subsequently, reinsurance contracts concluded within a calendar year (annual cohorts) are further divided into: (i) contracts with a net gain at initial recognition, if applicable; (ii) contracts with no significant possibility of a net gain arising subsequently at initial recognition; and (iii) any remaining contracts in the portfolio.

- ***Premium Allocation Approach (PAA)***

The Group applies the Premium Allocation Approach (PAA) for measuring contracts with a coverage period of one year or less. For contracts with a coverage period exceeding one year, the PAA may also be applied, provided that a PAA Eligibility Test demonstrates that the results under the PAA and the General Measurement Model (GMM) are materially similar.

Given that the majority of the Group's contracts are for a coverage period of one year, due to its focus on the Motor line of business, the PAA is utilized. The PAA is deemed appropriate if the measurement outcomes under the General Measurement Model would not differ materially from those under the PAA. The Company has established a materiality threshold of ±10% for the liability for remaining coverage, comparing PAA with GMM measurements for the respective portfolio.

- ***Premium Recognition***

The Group allocates expected premium receipts to each period of coverage as follows:

(a) Primarily, based on the passage of time; and
(b) If the anticipated pattern of risk release during the coverage period differs significantly from the passage of time, then based on the expected timing of incurred insurance service expenses.

A group of reinsurance contracts held that provides proportionate coverage for losses of separate insurance contracts (proportionate or quota share reinsurance) is recognized at the later of:
- The start of the coverage period for the reinsurance group; or
- The initial recognition of any underlying insurance contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***Measurement - Fulfilment cash flows***
  Future Cash Flows (FCF) represent the current estimates of future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits, and expenses, adjusted for the timing and uncertainty of these amounts.

  The estimates of future cash flows:
  a. Are based on a probability-weighted mean of the full range of possible outcomes;
  b. Are determined from the Group's perspective, while ensuring consistency with observable market prices for market variables; and
  c. Reflect conditions as of the measurement date.

  An explicit risk adjustment for non-financial risk is estimated separately from other estimates. For contracts measured under the Premium Allocation Approach (PAA), this risk adjustment is only calculated for the measurement of the Liability for Incurred Claims (LIC), unless the contracts are deemed onerous.

- ***Contract Boundary***
  The measurement of insurance contract liabilities ends at the contract boundary of a group of insurance contracts, and cash flows occurring outside this boundary are excluded from the measurement. However, the coverage period, service period, and settlement period for the Liability for Incurred Claims (LIC) may extend beyond the contract boundary if required by the cash flows within the boundary.

  The majority of contracts written by the Group have a term of one year, with premiums and acquisition costs incurred within this boundary. A separate group of contracts has been established to address contracts where premiums are received in advance and coverage begins in the following underwriting year cohort.

- ***Insurance Acquisition Cost***
  The Group includes acquisition cash flows within the insurance contract boundary that are directly attributable to the selling, underwriting, and initiation of a group of insurance contracts.

  Prior to the recognition of a group of insurance contracts, the Group may incur acquisition costs that are directly attributable to the origination of these contracts. Acquisition costs related to policies that commence after the end of the financial year are recorded as a prepaid insurance acquisition cash flows asset within other assets. These costs are subsequently allocated to the carrying amount of the relevant group of insurance contracts when the insurance contracts are recognized.

- ***Onerous Contracts***
  Under the Premium Allocation Approach (PAA), an entity may initially assume that no contracts within a portfolio are onerous unless evidence suggests otherwise. Contracts that are profitable at initial recognition are generally not considered onerous, provided there is no significant likelihood of them becoming onerous based on anticipated changes in relevant facts and circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***Onerous Contracts (Cont'd)***
  When assessing contract profitability, it is not necessary to evaluate each contract individually. Instead, the assessment can be made on an aggregated basis, particularly when contracts are homogeneous and sufficient information is available at that level. The key principle is that the onerous contract tests should utilize all reasonable and supportable information available. As such, determining whether contracts are onerous should not necessitate the creation of new information.

- ***Onerousity Testing***
  The Group uses factors such as Loss ratio and combined ratio in deciding the level. Onerous testing is performed based on historical loss ratios. The historic ultimate loss ratios for each line of business, if they are above the threshold are considered onerous.

- ***Expense Allocation***
  The Group has identified internal costs that can be directly attributed to portfolios of insurance contracts. These identified costs may be allocated to the current period using appropriate cost drivers derived from historical expense studies.

  In the measurement of insurance contracts, only costs that are directly attributable to portfolios of insurance contracts are considered. Non-attributable expenses are recognized in the profit and loss account when incurred.

  Expenses are deemed "directly attributable" if they can be allocated at the portfolio level, even if they are not directly attributable to individual contracts or groups of contracts. However, these expenses must still be allocated to groups of contracts within the portfolio for measurement purposes.

  Direct expenses (such as insurance benefits, commissions, and direct administrative expenses) are incurred due to the existence of the insurance contracts and can often be directly attributed to individual contracts.

  Indirect expenses (such as general overhead) are included in the measurement of insurance contracts only if they can be directly attributed to the portfolio of insurance contracts. Variable or fixed indirect expenses should be allocated using a systematic and rational method, consistently applied to all similar costs.

  The Group has adopted a proportion-based method to categorize all non-commission expenses into attributable and non-attributable categories.

  Insurance acquisition cash flows incurred before the coverage period begins are referred to as "pre-coverage costs." These costs are initially recognized as an asset or liability only if at least one contract from the related group of insurance contracts has been issued, even if it has not yet been recognized. Upon initial recognition, the asset or liability is derecognized and then allocated to the relevant group of insurance contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***Liability for Remaining Coverage (LFRC)***

  LFRC represents the obligation to pay valid claims for insured events that have not yet occurred but are expected to occur during the coverage period. Ideally, LFRC is calculated by considering the present value of future cash flows (FCFs), risk adjustment (RA), and the contractual service margin (CSM). However, for contracts with a coverage period of one year or less, which follow the Premium Allocation Approach (PAA), these factors are not applicable. Instead, LFRC is determined based on the allocation of premiums.

  When applying the PAA, the liability for remaining coverage is measured based on the premiums received, less any premiums recognized as revenue. Revenue recognized in each reporting period is not directly tied to the actual receipt of premiums during that period.

  At initial recognition, the Group considers the carrying amount of the liability as follows:
  i. The premiums received at initial recognition;
  ii. Less any insurance acquisition cash flows incurred at that date, unless the Group elects to recognize these payments as an expense; and
  iii. Adjusted for any amounts arising from the derecognition of the asset or liability for insurance acquisition cash flows at that date.

  At the end of each subsequent measurement period, the Group determines the carrying amount of the liability as follows:
  i. The carrying amount at the start of the reporting period;
  ii. Plus premiums received during the period;
  iii. Minus insurance acquisition cash flows, unless the Group elects to recognize these payments as an expense;
  iv. Plus any amounts related to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period, unless the Group chooses to recognize these cash flows as an expense;
  v. Plus any adjustment to the financing component;
  vi. Minus the amount recognized as insurance revenue for coverage provided during the period; and
  vii. Minus any investment component paid or transferred to the liability for incurred claims.

  Under the PAA, when an insurance contract is derecognized, the Group adjusts the FCF to remove related rights and obligations. The effect of derecognition is accounted for as follows:
  i. If the contract is extinguished, any net difference between the derecognized portion of the LFRC and any cash flows arising from the extinguishment is charged immediately to profit or loss.
  ii. If the contract is transferred to a third party, any net difference between the derecognized portion of the LFRC and the premium charged by the third party is recognized in profit or loss.
  iii. If the contract is modified and subsequently derecognized, any net difference between the derecognized portion of the LFRC and the hypothetical premium that would have been charged for a new contract with equivalent terms at the date of modification, less any additional premium charged for the modification, is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***Written Premium***

  Under IFRS 17, the premium for a group of contracts is determined by summing the written premiums for all policies within a profitability group that are issued within one year of each other. To allocate premiums across different cohorts, we use the premiums recorded for the financial year. Although this approach may be influenced by endorsements from previous years and potential future endorsements not known at the valuation date, it provides better alignment with existing financial statements. As a result, the Unearned Premium Reserve (UPR) reported in the financial statements is not significantly different from the UPR projected for calculating Insurance Revenue

- ***Acquisition Costs***

  Acquisition cost outflow and earning patterns are generally aligned with premium receipts and earning patterns, which is consistent with common practice. For short-duration contracts (less than one year), IFRS 17 permits a simplified approach where acquisition costs may be expensed as incurred under the Premium Allocation Approach (PAA). However, in our IFRS 17 modeling, the Group has opted to defer acquisition costs for groups of contracts.

  The Group incurs significant costs related to the sale, underwriting, or initiation of insurance contracts, which are classified as insurance acquisition cash flows. These costs reduce the liability for remaining coverage and must be directly attributable to the portfolios of insurance contracts as specified by the

  Under IFRS 17, an entity may choose to recognize acquisition cash flows as expenses when incurred if the coverage period of each contract in the group is one year or less. If the Company elects to defer acquisition costs, it will allocate the portion of premiums related to recovering these costs to each reporting period in a systematic manner based on the passage of time. The Group has selected to amortize acquisition costs proportionally based on time, risk, or coverage units, in line with revenue recognition criteria.

  There are also acquisition costs that may be incurred before a group of contracts is recognized, which can arise from:
  a) Acquisition costs for contracts starting after the valuation date but for which premiums are received in advance.
  b) Acquisition costs related to renewals.

  If such pre-recognition acquisition costs are present, the entity will recognize these costs as an asset until the related group of insurance contracts is recognized. This asset remains on the balance sheet until the associated contracts are recognized. The derecognition of the asset may be either full (if no future groups are expected to bear these costs) or partial (if future groups are anticipated). If only some of the expected insurance contracts are recognized in a reporting period, the entity will determine the related portion of the acquisition cost asset on a systematic and rational basis, considering the timing of recognition for contracts in the group.

- ***Liability for Incurred Claims (LIC)***

  The Group measures the liability for incurred claims (LIC) for a group of insurance contracts based on the fulfilment cash flows related to these claims. Adjustments for the time value of money and the effect of financial risk are not required if the cash flows are expected to be paid or received within one year from the date the claims are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***Liability for Incurred Claims (LIC) (Cont'd)***
  For most short-term contracts under the Premium Allocation Approach (PAA) Model, claims are typically settled within a year. However, for long-tail claims where settlement extends beyond a year, the Group discounts these claims and accounts for the associated finance expenses accordingly.

- ***PAA Eligibility Test***
  An entity may use the Premium Allocation Approach (PAA) to simplify the measurement of a group of insurance contracts if, and only if, at the inception of the group:

  a) The entity reasonably expects that using the PAA will result in a measurement of the liability for remaining coverage that is not materially different from the measurement produced under the General Measurement Model (GMM); and

  b) The coverage period of each contract in the group, including coverage from all premiums within the contract boundary determined at that date, is one year or less.

  Criterion (a) is not met if, at the inception of the group, the entity anticipates significant variability in the fulfillment of cash flows that would impact the measurement of the liability for remaining coverage before a claim is incurred.

  For groups of contracts with terms exceeding one year, the Company performs the PAA Eligibility Test at initial measurement, which occurs at the start of the new underwriting year. The PAA can be used if the measurement under the GMM would not differ materially from the PAA measurement. The Group has established a materiality threshold of ±10% for the liability for remaining coverage (LFRC) under the PAA compared to the GMM for the respective portfolio.

- ***PAA Eligibility Test for Reinsurance***
  All reinsurance contracts have a coverage period of one year, and proportional treaties are renewed on a clean-cut basis. As a result, these reinsurance contracts are measured using the Premium Allocation Approach (PAA).

- ***PAA Eligibility - Materiality criterion***
  For insurance contracts that are expected not to be eligible for the Premium Allocation Approach (PAA) and represent a small portion of the overall portfolio, a materiality assessment can be applied. The Group has established a materiality threshold of 5% of the total Gross Written Premium (GWP) under IFRS 4 to determine the eligibility of such contracts for the PAA.

- ***Discount Rates***
  Discounting of the liability for remaining coverage (LFRC) under the Premium Allocation Approach (PAA) is not required unless the insurance premium includes a significant financing component and the time between the coverage period and the premium's due date exceeds one year.

  For insurance contracts with a significant financing component, the entity must adjust the carrying amount of the LFRC to reflect the time value of money and financial risk using discount rates determined at initial recognition. If, at initial recognition, the entity expects that the time between providing coverage and the related premium due date is no more than one year, no adjustment for time value of money and financial risk is required.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***Discount Rates (Cont'd)***

  For groups of contracts applying the PAA with a significant financing component, the carrying amount of the LFRC should be adjusted using the locked-in discount rates (i.e., those determined at initial recognition).

  The liability for incurred claims (LIC) is measured based on fulfilment cash flows related to those claims. However, adjustments for the time value of money and financial risk are not required if the cash flows are expected to be paid or received within one year from the date the claims are incurred.

  Overall, the Group does not have any significant financing components.

  When adjusting estimates of future cash flows, entities should:

  a) Reflect the time value of money, the characteristics of the cash flows, and the liquidity characteristics of the insurance contracts;
  b) Use discount rates consistent with observable current market prices (if available) for financial instruments with cash flows similar in timing, currency, and liquidity to those of the insurance contracts; and
  c) Exclude factors affecting observable market prices that do not impact the future cash flows of the insurance contracts.

  Since some claim-related cash flows are expected to be paid beyond the one-year contract duration, these projected payouts are discounted. The discount rate can be selected using either the Top-Down or Bottom-Up approach. The Group has adopted the Bottom-Up approach, using the Risk-Free Rate (RFR) curve to discount future cash flows for the liability.

- ***Risk Adjustment (RA)***

  An entity must adjust the estimate of the present value of future cash flows to account for the compensation required for bearing the uncertainty related to the amount and timing of cash flows arising from non-financial risks.

  The risk adjustment for non-financial risk addresses uncertainties from insurance contracts other than financial risks. Financial risks are accounted for within the estimates of future cash flows or through the discount rate applied. Non-financial risks covered by this adjustment include insurance risk, lapse risk, and expense risk.

  The risk adjustment for non-financial risk represents the compensation the entity requires to be indifferent between (a) fulfilling a liability with uncertain cash flows due to non-financial risk and (b) fulfilling a liability that provides fixed cash flows with the same expected present value.

  Since the risk adjustment reflects the compensation needed for bearing non-financial risk, it must also account for (a) the degree of diversification benefit considered by the entity and (b) the full range of potential outcomes, reflecting the entity's risk aversion.

  The Group uses the confidence level technique, specifically the Mack Method, to determine the risk adjustment for non-financial risk under IFRS 17. This adjustment measures the effect of uncertainty from non-financial risks associated with insurance contracts and excludes risks unrelated to the contracts, such as general operational risk.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***RA for LIC***

  Mack developed a distribution-free method for calculating the variances of chain ladder age-to-age and age-to-ultimate factors, which is applied to weighted average development factors. While no distributional assumptions are required for estimating factor variances, such assumptions are necessary for computing percentiles of ultimate loss and reserve distributions.

  For the Group, where the majority of business is in the Motor line, the Risk Adjustment (RA) is selected at the company level. The chosen RA falls within the 70th to 80th percentile confidence level, consistent with global best practices.

- ***RA for LFRC***

  The risk adjustment for the liability for remaining coverage (LFRC) accounts for the risk of default on premiums and the additional reserves required to cover claim volatility for unexpired risks.

  For the Group, which applies the Premium Allocation Approach (PAA), the risk adjustment for future claims is estimated using the following approach:

  LRC RA = Unearned Premium Reserve x Ultimate Loss Ratio x LIC RA%

- ***Reinsurance Contracts Held***

  Under IFRS 17, reinsurance contracts held are measured and reported separately from the underlying insurance contracts written by the entity. Accounting for reinsurance contracts involves significant judgment in various areas, including aggregation levels, combination and separation, contract boundaries and coverage units, measurement and presentation, and disclosure.

  The Company organizes its reinsurance contracts by recording each non-proportional reinsurance contract in a separate group. For proportional reinsurance, contracts are categorized by lines of business. Currently, the Company does not write inward reinsurance; so its Groups of Contracts (GOCs) reflect only outward reinsurance.

  At the time of transition, the Company has reviewed the terms and conditions of its reinsurance contracts and decided that portfolios will be aligned with each treaty. Cash flows will be allocated and mirrored back to the corresponding direct/gross groups of contracts.

- ***Transition Approach***

  Upon transition to IFRS 17, an entity should apply the standard retrospectively unless doing so is impractical. If full retrospective application is not feasible for a group of insurance contracts, the entity may choose between a modified retrospective approach or a fair value approach. When both approaches are available and full restatement is impractical, the entity can select the restatement approach that best suits its circumstances. However, the fair value approach should be used if the entity lacks reasonable and supportable information to apply the modified retrospective approach.

  Due to limitations in the current IT systems and the lack of granular claims and treaty-level data for prior years, the Group has transitioned using the modified retrospective approach.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Short-term insurance (General Business) (cont'd)

- ***Claims expenses and outstanding claims provisions - short-term insurance business (cont'd)***
  Significant delays can be expected in the notification and settlement of certain claims, the ultimate cost of which cannot therefore be known with certainty at the end of the reporting period. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure and that the provision is determined using best estimates of claims development patterns, forecast inflation and settlement of claims.

  However, given the uncertainty in establishing claims provision, it is likely that the outcome will prove to be different from the original liability established. Differences between the estimated cost and subsequent settlement of claims are recognised in profit or loss in the year in which they are settled or in which the provisions for claims outstanding are re-estimated.

- ***Salvage and subrogation reimbursements***
  Salvage is the equitable right of the Group to the residual value of property for which it has paid a total loss. When the Group compensates an insured due to a loss caused by a third party, it is subrogated to the right of the insured to be compensated by that third party.

  Estimates of salvage and subrogation are taken into consideration while calculating provisions for outstanding claims. The salvage property and subrogation reimbursements are recognised in other assets when the liabilities are settled. Allowance for salvage is the amount that can reasonably be recovered from the disposal of property whereas the subrogation allowance is the assessment of the amount that can be recovered from the action against the liable third party.

(v) Other revenue recognition

Other revenues are recognised as follows:
- Policy fees from contracts with customers
- Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income.
- Dividend income - when the shareholder's right to receive payment is established.
- Rental income - rental income is recognised on a straight line basis over the lease term of the rentals.

Policy fees
Revenue from contracts with customers.

Performance obligations and timing of revenue recognition
Policy fees are derived from underwriting of insurance of policies with revenue recognised at a point in time when the service of underwriting the insurance policy has been completed. There is limited judgement needed in identifying the point that performance obligation has been achieved.

Determining the transaction price
The policy fees rates are fixed according to the type of policy being underwritten.

Allocating amounts to performance obligation
The policy fee is charged in full at the time of the underwriting of the insurance policy. Therefore, there is no judgement involved in allocating the policy fee.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vii) Property, plant and equipment

Land and buildings, are stated at their fair value, based on periodic, every three to five years, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditures that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Properties in the course of construction for production, or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended basis.

Depreciation is calculated on the straight-line method to write off the cost or the revalued amounts, of the assets to their residual values over their estimated useful lives as follows:

Freehold Building	2% - 10% p.a.
Improvement to Building	10% p.a.
Improvement to Leasehold Building	5% - 10% p.a.
Motor Vehicles	20% p.a.
Furniture and Fittings	10% p.a.
Office Equipment	20% p.a.

Land and assets in progress are not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss in other income. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(viii) Investment property

Investment property, held to earn rentals/or for capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open-market value determined by external valuers. Changes in fair values are included in profit or loss as part of other income.

The carrying amount of an item of investment properties is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

(ix) Intangible assets

Computer software
Acquired computer software licences and externally incurred website costs are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (5 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives.

The carrying amount of an item of intangible assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

(x) Impairment of non-financial assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(xi) Investment in subsidiaries

Separate financial statements of the investor
In the separate financial statements of the investor, investment in subsidiary company is carried at cost. The carrying amount is reduced to recognise any impairment in the individual value of the investment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xi) Investment in subsidiaries (cont'd)

Consolidated financial statements
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. 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. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree 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 of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. The subsidiaries have consistently applied all the policies adopted by the Group.

Disposal of subsidiary
When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(xii) Financial instruments

(i) Financial assets
Categories of financial assets
The Group classifies its financial assets in the following categories : amortised cost and fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the assets were acquired.

Management determines the classification of its financial assets at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xii) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Categories of financial assets (cont'd)

(a) Amortised cost

Assets held for the collection of contractual cash flows, where those cash flows solely represent payments of principal and interest, and which are not designated at Fair Value Through Profit or Loss (FVTPL), are measured at amortised cost. Interest income from these assets is reported within interest revenue from financial assets not measured at FVTPL using the effective interest method.

(b) Fair value through other comprehensive income

Financial assets that are held both for the collection of contractual cash flows and for selling, where the cash flows solely represent payments of principal and interest, and are not designated at Fair Value Through Profit or Loss (FVTPL), are measured at Fair Value Through Other Comprehensive Income (FVOCI). Changes in the carrying amount are recognized in Other Comprehensive Income (OCI), except for impairment gains or losses, interest revenue, and foreign exchange gains and losses on the asset's amortized cost, which are recognized in profit or loss. When the financial asset is derecognized, any cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and included in net return on investments and other investment income. Interest revenue from these financial assets is reported within interest revenue from financial assets not measured at FVTPL using the effective interest method.

Equity Instruments

Equity instruments are defined as instruments that represent equity from the issuer's perspective. Specifically, they are instruments that do not impose a contractual obligation to pay and reflect a residual interest in the issuer's net assets. Examples include basic ordinary shares.

The Group has elected to apply the Fair Value Through Other Comprehensive Income (FVOCI) option for its equity instruments, as these are not held for trading purposes. Consequently, all equity investments are subsequently measured at FVOCI.

Debts Instruments

Debt instruments are defined as financial liabilities from the issuer's perspective and include items such as government and corporate bonds.

The classification and subsequent measurement of debt instruments are determined by the Group's business model for managing these assets. The Group's business model is to hold debt instruments to collect contractual cash flows, specifically payments of principal and interest. As a result, debt instruments are measured at amortised cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xii) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Categories of financial assets (cont'd)

(c) Available-for-sale financial assets (cont'd)

Subsequent measurement (cont'd)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Group evaluates Expected Credit Losses (ECL) on a forward-looking basis for its debt instruments carried at Amortised Cost (AC) and Fair Value Through Other Comprehensive Income (FVOCI). At each reporting date, the Group recognizes a loss allowance based on this assessment.

The measurement of ECL takes into account:

a. An unbiased and probability-weighted amount derived from evaluating a range of possible outcomes;

b. The time value of money; and

c. Reasonable and supportable information available at the reporting date, including past events, current conditions, and forecasts of future economic conditions.

The Group's debt instruments primarily consist of government bonds and blue-chip company bonds that are quoted on the Stock Exchange of Mauritius. Given the high credit quality and liquidity of these instruments, the Group has determined that the Expected Credit Loss (ECL) associated with these assets is immaterial.

(d) Other receivables and prepayments

Other receivables and prepayments are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an appropriate loss allowance.

The carrying amounts of trade receivables are assumed to approximate their fair values.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of 3 months or less. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xiii) Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax
The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Corporate social responsibility (CSR)
In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax recognised in the profit or loss and the income tax liability on the statement of financial position. The CSR charge for the current year is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

Deferred tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the end of the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodies in the investment property over time, rather than through sale.

(xiv) Gratuity on retirement

The net present value of gratuity on retirement payable under the Workers' Right Act 2019 (2018- Employment Rights Act 2008) is calculated and provided for (15 days' remuneration for every period of 12 months' continuous employment). The obligations arising under this item are not funded.

(xv) Leases

Finance leases were capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xv) Leases (cont'd)

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the asset; and
(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xv) Leases (cont'd)

Identifying Leases (cont'd)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xv) Leases (cont'd)

Accounting for leases - where Company is the lessor

Lease income from leases where the group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining the lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting IFRS 16.

(xvi) Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

(xvii) Share capital

Ordinary shares are classified as equity.

(xviii) Accruals and other trade payables

Accruals and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(xix) Contingent liabilities

A contingent liability is recognised when there is a possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

The Group's annual financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. This represents the Group's first set of financial statements prepared under these standards.

Transition to IFRS 17 and IFRS 9

The accounting policies set out in note 2 have been applied in preparing the financial statements for the period ended 31 December 2023, and in the preparation of an opening IFRS 17 and IFRS 9 statement of financial position at 1 January, 2022 (the Group's date of transition) and 31 December 2022.

In transitioning to IFRS 17 and IFRS 9, the Group has made adjustments to amounts previously reported under IFRS 4 Insurance Contracts and IAS 39 Financial Instruments: Recognition and Measurement.

Reclassification impact on the statement of financial position on adoption of IFRS 17

The adoption of IFRS 17 Insurance Contracts has introduced significant changes to the presentation of items in the statement of financial position.

Under IFRS 17, several previously reported line items have been consolidated into a single line item called Insurance Contract Liabilities. These previously reported line items include: premiums receivable - net, deferred policy acquisition costs, unearned premiums, outstanding claims, claims incurred but not reported, premium deficiency reserve.

Similarly, IFRS 17 has introduced a new line item called Reinsurance Contract Assets or Liabilities for the consolidation of reinsurance-related balances. Previously reported line items included in this category are: reinsurers' share of unearned premiums, deferred commission income, reinsurers' share of outstanding claims, reinsurers' share of claims incurred but not reported, reinsurers' balances payable.

The presentation of insurance and reinsurance contracts is driven by portfolios, which consist of groups of contracts that share similar risks and are managed together. Consequently, the statement of financial position now distinguishes between:
- Insurance contract assets
- Insurance contract liabilities
- Reinsurance contract assets
- Reinsurance contract liabilities

Remeasurement impact on the statement of financial position on adoption of IFRS 17 and IFRS 9 Impact on

	Impact on equity on transition to IFRS17 on 1 January 2022 Rs.
Drivers of changes	
Changes in measurement of net insurance contract liabilities	(5,102,427)
Changes in measurement of net reinsurance contract assets	(4,314,880)
Total impact	(9,417,307)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of financial position as at 31 December 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE GROUP	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and bank balances	100,423,916	-	-	-	-	100,423,916
Deposits	277,655,006	-	-	-	-	277,655,006
Statutory deposits	8,000,000	-	-	-	-	8,000,000
Available for sale investments	34,913,029	-	-	-	-	34,913,029
Held to maturity investments	81,393,216	-	-	-	-	81,393,216
Investment in subsidiary company	-	-	-	-	-	-
Loan to subsidiary	-	-	-	-	-	-
Other receivables and prepayments	10,371,769	(6,040,792)	-	-	-	4,330,977
Premium receivables - NET	11,089,256	(11,089,256)	-	-	-	-
Receivables from Insurers/reinsurers	47,189,204	(47,189,204)	-	-	-	-
Deferred commission expense	5,341,523	(5,341,523)	-	-	-	-
Insurance contract assets	-	828,799		-		828,799
Reinsurance contract assets	-	10,670,031	1,388,112	-	-	12,058,143
Current tax assets	3,132,903	-	-	-	-	3,132,903
Right-of-use assets	5,715,535	-	-	-	-	5,715,535
Investment properties	112,068,882	-	-	-	-	112,068,882
Property and equipment	82,799,591	-	-	-	-	82,799,591
Intangible assets	524,404	-	-	-	-	524,404
Total assets	**780,618,234**	**(58,161,945)**	**1,388,112**	**-**	**-**	**723,844,401**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of financial position as at 31 December 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE GROUP	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LIABILITIES						
Accruals and other payables	22,103,600	(13,165,061)	-	-	-	8,938,539
Insurance contract liabilities	-	248,215,975	25,265,861		(198,298)	273,283,538
Reinsurance contract liabilities	-	10,566,105		-	-	10,566,105
Gross outstanding claims and IBNR	186,122,526	(186,122,526)	-	-	-	-
Gross unearned premiums	122,000,180	(122,000,180)	-	-	-	-
Deferred acquisition costs	1,910,869	(1,910,869)	-	-	-	-
Lease liabilities	6,041,400	-	-	-	-	6,041,400
Employee benefit obligation	18,043,400	-	-	-	-	18,043,400
Tax Liabilities	-	-	-	-	-	-
Deferred tax liabilities	9,734,113	-	-	-	-	9,734,113
Total liabilities	**365,956,088**	**(64,416,556)**	**25,265,861**	**-**	**(198,298)**	**326,607,095**
EQUITY						
Share capital	25,000,000	-	-	-	-	25,000,000
Retained earnings	375,876,728	-	(17,226,541)	-	(198,298)	358,451,889
Other reserve	13,785,417	-	-	-	-	13,785,417
Total equity	414,662,145	-	(17,226,541)	-	(198,298)	397,237,306
Total liabilities and equity	**780,618,233**	**(64,416,556)**	**8,039,320**	**-**	**(396,596)**	**723,844,401**

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

2.1 **Explanation to transition to IFRS 17, IFRS 9 and other changes**

(a) Reconciliation of statement of financial position as at 31 December 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and bank balances	98,296,995	-	-	-	-	98,296,995
Deposits	273,155,006	-	-	-	-	273,155,006
Statutory deposits	8,000,000	-	-	-	-	8,000,000
Available for sale investments	34,913,029	-	-	-	-	34,913,029
Held to maturity investments	81,393,216	-	-	-	-	81,393,216
Investment in subsidiary company	25,000,000	-	-	-	-	25,000,000
Loan to subsidiary	20,000,000	-	-	-	-	20,000,000
Other receivables and prepayments	10,371,740	(6,040,763)	-	-	-	4,330,977
Premium receivables - NET	11,089,256	(11,089,256)	-	-	-	-
Receivables from Insurers/reinsurers	47,189,204	(47,189,204)	-	-	-	-
Deferred commission expense	5,341,523	(5,341,523)	-	-	-	-
Insurance contract assets	-	828,799				828,799
Reinsurance contract assets	-	10,670,031	1,388,112	-	-	12,058,143
Current tax assets	3,132,903	-	-	-	-	3,132,903
Right-of-use assets	5,715,535	-	-	-	-	5,715,535
Investment properties	26,650,000	-	-	-	-	26,650,000
Property and equipment	82,690,874	-	-	-	-	82,690,874
Intangible assets	524,404	-	-	-	-	524,404
Total assets	**733,463,685**	**(58,161,916)**	**1,388,112**	-	-	**676,689,881**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of financial position as at 31 December 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LIABILITIES						
Accruals and other payables	20,668,900	(13,165,033)	-	-	-	7,503,867
Insurance contract liabilities	-	248,215,975	25,265,861	-	(198,298)	273,283,538
Reinsurance contract liabilities	-	10,566,105		-	-	10,566,105
Gross outstanding claims and IBNR	186,122,526	(186,122,526)	-	-	-	-
Gross unearned premiums	122,000,180	(122,000,180)	-	-	-	-
Deferred acquisition costs	1,910,869	(1,910,869)	-	-	-	-
Lease liabilities	6,041,400	-	-	-	-	6,041,400
Employee benefit obligation	18,043,400	-	-	-	-	18,043,400
Tax Liabilities	-	-	-	-	-	-
Deferred tax liabilities	2,207,724	-	-	-	-	2,207,724
Total liabilities	**356,994,999**	**(64,416,528)**	**25,265,861**	-	**(198,298)**	**317,646,034**
EQUITY						
Share capital	25,000,000	-	-	-	-	25,000,000
Retained earnings	337,683,269	-	(17,226,541)	-	(198,298)	320,258,430
Other reserve	13,785,417	-	-	-	-	13,785,417
Total equity	376,468,686	-	(17,226,541)	-	(198,298)	359,043,847
Total liabilities and equity	**733,463,685**	**(64,416,528)**	**8,039,320**	-	**(396,596)**	**676,689,881**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of financial position as at 1 January 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE GROUP	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and bank balances	70,581,250	-	-	-	-	70,581,250
Deposits	289,655,006	-	-	-	-	289,655,006
Statutory deposits	8,000,000	-	-	-	-	8,000,000
Available for sale investments	35,244,620	-	-	-	-	35,244,620
Held to maturity investments	130,880,154	-	-	-	-	130,880,154
Investment in subsidiary company	-	-	-	-	-	-
Loan to subsidiary	-	-	-	-	-	-
Other receivables and prepayments	9,269,948	(5,135,402)	-	-	-	4,134,546
Premium receivables - NET	9,822,377	(9,822,377)	-	-	-	-
Receivables from Insurers/reinsurers	50,652,774	(50,652,774)	-	-	-	-
Deferred commission expense	4,680,334	(4,680,334)	-	-	-	-
Insurance contract assets	-	586,025		-	-	586,025
Reinsurance contract assets	-	11,668,065	769,145	-	-	12,437,210
Current tax assets	-		-	-	-	
Right-of-use assets	4,540,109	-	-	-	-	4,540,109
Investment properties	84,900,000	-	-	-	-	84,900,000
Property and equipment	82,633,305	-	-	-	-	82,633,305
Intangible assets	550,047	-	-	-	-	550,047
Total assets	781,409,924	(58,036,797)	769,145	-	-	724,142,272

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of financial position as at 1 January 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE GROUP	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LIABILITIES						
Accruals and other payables	20,553,341	(5,734,030)	-	-	-	14,819,311
Insurance contract liabilities	-	244,902,812	15,517,999	-	248,350	260,669,161
Reinsurance contract liabilities	-	5,097,047		-	-	5,097,047
Gross outstanding claims and IBNR	189,373,992	(189,373,992)	-	-	-	-
Gross unearned premiums	113,345,616	(113,345,616)	-	-	-	-
Deferred acquisition costs	1,628,360	(1,628,360)	-	-	-	-
Lease liabilities	4,786,907	-	-	-	-	4,786,907
Employee benefit obligation	16,626,700	-	-	-	-	16,626,700
Tax Liabilities	1,727,127	-	-	-	-	1,727,127
Deferred tax liabilities	9,180,415	-	-	-	-	9,180,415
Total liabilities	**357,222,458**	**(60,082,139)**	**15,517,999**	-	**248,350**	**312,906,668**
EQUITY						
Share capital	25,000,000	-	-	-	-	25,000,000
Retained earnings	384,548,996	-	(13,200,212)	-	248,350	371,597,134
Other reserve	14,638,470	-	-	-	-	14,638,470
Total equity	**424,187,466**	-	(13,200,212)	-	248,350	**411,235,604**
Total liabilities and equity	**781,409,924**	**(60,082,139)**	**2,317,787**	-	**496,700**	**724,142,272**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of financial position as at 1 January 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and bank balances	66,372,829	-	-	-	-	66,372,829
Deposits	285,155,006	-	-	-	-	285,155,006
Statutory deposits	8,000,000	-	-	-	-	8,000,000
Available for sale investments	35,244,620	-	-	-	-	35,244,620
Held to maturity investments	130,880,154	-	-	-	-	130,880,154
Investment in subsidiary company	25,000,000	-	-	-	-	25,000,000
Loan to subsidiary	-	-	-	-	-	-
Other receivables and prepayments	9,065,336	(5,135,403)			-	3,929,933
Premium receivables - NET	9,822,377	(9,822,377)	-	-	-	-
Receivables from Insurers/reinsurers	50,652,774	(50,652,774)	-	-	-	-
Deferred commission expense	4,680,334	(4,680,334)	-	-	-	-
Insurance contract assets	-	586,025	-	-		586,025
Reinsurance contract assets	-	11,668,065	769,145	-	-	12,437,210
Current tax assets	-	-	-	-	-	
Right-of-use assets	4,540,109	-	-	-	-	4,540,109
Investment properties	26,000,000	-	-	-	-	26,000,000
Property and equipment	82,507,219	-	-	-	-	82,507,219
Intangible assets	550,047	-	-	-	-	550,047
Total assets	**738,470,805**	**(58,036,798)**	**769,145**	**-**	**-**	**681,203,152**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of financial position as at 1 January 2022.

	Pre adoption of IFRS 17 & IFRS 9	IFRS 17		IFRS 9		Post adoption of IFRS 17 & IFRS 9
		Reclassification	Remeasurement	Reclassification	Remeasurement	
THE COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LIABILITIES						
Accruals and other payables	19,263,347	(5,734,031)	-	-	-	13,529,316
Insurance contract liabilities	-	244,902,812	15,517,999	-	248,350	260,669,161
Reinsurance contract liabilities	-	5,097,047		-	-	5,097,047
Gross outstanding claims and IBNR	189,373,992	(189,373,992)	-	-	-	-
Gross unearned premiums	113,345,616	(113,345,616)	-	-	-	-
Deferred acquisition costs	1,628,360	(1,628,360)	-	-	-	-
Lease liabilities	4,786,907	-	-	-	-	4,786,907
Employee benefit obligation	16,626,700	-	-	-	-	16,626,700
Tax Liabilities	1,727,127	-	-	-	-	1,727,127
Deferred tax liabilities	2,418,723	-	-	-	-	2,418,723
Total liabilities	**349,170,772**	**(60,082,140)**	**15,517,999**	-	**248,350**	**304,854,981**
EQUITY						
Share capital	25,000,000	-	-	-	-	25,000,000
Retained earnings	349,661,563	-	(13,200,212)	-	248,350	336,709,701
Other reserve	14,638,470	-	-	-	-	14,638,470
Total equity	389,300,033	-	(13,200,212)	-	248,350	376,348,171
Total liabilities and equity	**738,470,805**	**(60,082,140)**	**2,317,787**	-	**496,700**	**681,203,152**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

Reclassification impact on the statements of profit or loss on adoption of IFRS 17

The presentation of line items in the statement of income has undergone significant changes compared to the prior year. These changes are in line with the adoption of new accounting standards and reporting requirements.

Previously Reported Line Items:
- Gross premiums
- Premium ceded to reinsurers
- Change in gross unearned premiums
- Change in unearned premiums ceded
- Gross claims paid
- Claims recovered
- Movement in claims outstanding
- Commission receivable from reinsurers
- Commission payable to agents
- Administrative and other expenses

Current Line Items:
The revised line items now reported in the statement of income include:
- Insurance revenue
- Insurance service expenses
- Other operating expenses
- Insurance finance expense for insurance contracts issued
- Reinsurance finance income for reinsurance contracts held
- Other operating expenses (non-attributable expenses)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of profit or loss and other comprehensive income as at 31 December 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE GROUP AND THE COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross premiums	226,397,899	(226,397,899)	-	-	-	-
Premium ceded to reinsurers	(17,358,515)	17,358,515	-	-	-	-
Change in gross unearned premiums	(8,654,564)	8,654,564	-	-	-	-
Change in unearned premiums ceded	905,360	(905,360)	-	-	-	-
Net earned premiums	201,290,180	(201,290,180)	-	-	-	-
Commission receivable from reinsurers	2,815,510	(2,815,510)	-	-	-	-
Commission payable to agents	(9,701,281)	9,701,281	-	-	-	-
Insurance revenue	-	217,528,652		-	-	217,528,652
Insurance service expenses	-	(220,409,697)	4,082,560	-		(216,327,137)
Net expenses from reinsurance contracts held	-	(8,644,990)	26,831	-	-	(8,618,159)
Insurance service	194,404,409	(205,930,444)	4,109,391	-	-	(7,416,644)
Gross claims paid	(169,551,640)	169,551,640	-	-	-	-
Claims recovered	39,512,293	(39,512,293)	-	-	-	-
Movement in claims outstanding and IBNR	3,251,466	(3,251,466)	-	-	-	-
Net claims incurred	(126,787,881)	126,787,881	-	-	-	-
Underwriting surplus	**67,616,528**	**(79,142,563)**	**4,109,391**	-	-	**(7,416,644)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of profit or loss and other comprehensive income as at 31 December 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE GROUP	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Underwriting surplus	67,616,528	(79,142,563)	4,109,391	-	-	(7,416,644)
Investment income - net	-	21,798,867	-	-	-	21,798,867
Other operating expenses	-	(441,726)	-	-	-	(441,726)
Net investment	-	21,357,141	-	-	-	21,357,141
Insurance finance expense for insurance contracts issued	-	3,589,344		-	-	3,589,344
Reinsurance finance income for reinsurance contracts held	-	(379,494)		-	-	(379,494)
Net insurance and investment result	67,616,528	(54,575,572)	4,109,391	-	-	17,150,347
Investment income	6,919,787	(6,919,787)	-	-	-	-
Interest income	14,879,077	(14,879,077)	-	-	-	-
Policy fees	5,136,750	(5,136,750)	-	-	-	-
Other income	1,496,009	5,136,750	-	-	-	6,632,759
Administrative and other expenses	(85,125,069)	85,125,069	-	-	-	-
Finance costs	(441,726)	441,726	-	-	-	-
Other operating expenses (non-attributable expenses)	-	(17,774,731)	-	-	-	(17,774,731)
(Loss)/income before income tax	10,481,356	(8,582,372)	4,109,391	-	-	6,008,375
Tax expense	(2,903,620)	-	-	-	-	(2,903,620)
(Loss)/income for the year	7,577,736	(8,582,372)	4,109,391	-	-	3,104,755
Other comprehensive income for the year	(853,053)	-	-	-	-	(853,053)
Total comprehensive (loss)/income for the year	**6,724,683**	**(8,582,372)**	**4,109,391**	-	-	**2,251,702**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Explanation to transition to IFRS 17, IFRS 9 and other changes

(a) Reconciliation of statement of profit or loss and other comprehensive income as at 31 December 2022.

	Pre adoption of	IFRS 17		IFRS 9		Post adoption of
	IFRS 17 & IFRS 9	Reclassification	Remeasurement	Reclassification	Remeasurement	IFRS 17 & IFRS 9
THE COMPANY	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Underwriting surplus	67,616,528	(79,142,563)	4,109,391	-	-	(7,416,644)
Investment income - net	-	17,106,815	-	-	-	17,106,815
Other operating expenses	-	(441,726)	-	-	-	(441,726)
Net investment	-	16,665,089	-	-	-	16,665,089
Insurance finance expense for insurance contracts issued	-	3,589,344		-	-	3,589,344
Reinsurance finance income for reinsurance contracts held	-	(379,494)		-	-	(379,494)
Net insurance and investment result	67,616,528	(59,267,624)	4,109,391	-	-	12,458,295
Investment income	2,409,381	(2,409,381)	-	-	-	-
Interest income	14,697,431	(14,697,431)	-	-	-	-
Policy fees	5,136,750	(5,136,750)	-	-	-	-
Other income	1,461,009	5,136,750	-	-	-	6,597,759
Administrative and other expenses	(84,468,740)	84,468,740	-	-	-	-
Finance costs	(441,726)	441,726	-	-	-	-
Other operating expenses (non-attributable expenses)	-	(17,118,402)		-	-	(17,118,402)
(Loss)/income before income tax	6,410,633	(8,582,372)	4,109,391	-	-	1,937,652
Tax expense	(2,138,923)	-	-	-	-	(2,138,923)
(Loss)/income for the year	4,271,710	(8,582,372)	4,109,391	-	-	(201,271)
Other comprehensive income for the year	(853,053)	-	-	-	-	(853,053)
Total comprehensive (loss)/income for the year	**3,418,657**	**(8,582,372)**	**4,109,391**	-	-	**(1,054,324)**

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

The Group's activities expose it to a variety of insurance and financial risks.

The following describes the Group's significant risks factors together with risks management policies applicable.

3.1 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the claim results. By the very nature of an insurance contract, this risk is fortuitous and therefore unpredictable.

The principal risks that the Group faces under its insurance contracts are that the contracts will be under-priced or under-reserved.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits payable are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

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

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

(i) Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of insurance companies to meet unforeseen liabilities as these arise.

(ii) Short term insurance

(a) ***Insurance liabilities***

General insurance risk arises from:

- fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations;
- unexpected claims arising from a single source, inaccurate pricing of risks when underwritten;
- inadequate reinsurance protection or other risk transfer techniques;
- inadequate reserves; and
- inflation due to the long term period typically required to settle some claims.

3.a **Insurance Risk**
Sensitivity Analysis

	2023 Overall			
	Liabilities for incurred claims at end period	**Liability for Remaining coverage at end period**	**Impact on Liabilities for incrred claims**	**Impact of Liability for Remaining coverage**
	Rs.	Rs.	Rs.	Rs.
Insurance contract liabilities (net)	159,949,858	117,121,147	9,897,555	7,670,006
Reinsurance contract liabilities (net)	11,498,029	4,367,890	721,516	-
	171,447,887	**121,489,037**	**10,619,071**	**7,670,006**
Increase by 5%				
Insurance contract liabilities (net)	167,947,351	122,977,204	10,392,433	8,053,506
Reinsurance contract liabilities (net)	12,072,930	4,586,285	757,592	-
Net insurance contract laibilities	**180,020,281**	**127,563,489**	**11,150,025**	**8,053,506**
Decrease by 5%				
Insurance contract liabilities (net)	151,952,365	111,265,090	9,402,677	7,286,506
Reinsurance contract liabilities (net)	10,923,128	4,149,496	685,440	-
Net insurance contract laibilities	**162,875,493**	**115,414,586**	**10,088,117**	**7,286,506**
Increase by 10%				
Insurance contract liabilities (net)	175,944,844	128,833,262	10,887,311	8,437,007
Reinsurance contract liabilities (net)	12,647,832	4,804,679	793,668	-
	188,592,676	**133,637,941**	**11,680,979**	**8,437,007**
Decrease by 10%				
Insurance contract liabilities (net)	143,954,872	105,409,032	8,907,800	6,903,005
Reinsurance contract liabilities (net)	10,348,226	3,931,101	649,364	-
Net insurance contract laibilities	**154,303,098**	**109,340,133**	**9,557,164**	**6,903,005**

Increase by 3%	Overall			
	Liabilities for	**Liability for**	**Impact on**	**Impact of**
	Rs.	Rs.	Rs.	Rs.
Insurance contract liabilities (net)	164,748,354	120,634,781	10,194,482	7,900,106
Reinsurance contract liabilities (net)	11,842,970	4,498,927	743,161	-
Net insurance contract liabilities	**176,591,324**	**125,133,708**	**10,937,643**	**7,900,106**
Decrease by 3%				
Insurance contract liabilities (net)	155,151,362	113,607,513	10,194,482	7,900,106
Reinsurance contract liabilities (net)	11,153,088	4,236,853	743,161	-
Net insurance contract liabilities	**166,304,450**	**117,844,366**	**10,937,643**	**7,900,106**

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.1 Insurance risk (cont'd)

(ii) **Short term insurance (cont'd)**

(a) ***Insurance liabilities (cont'd)***

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk and industry.

Underwriting measures are in place to enforce appropriate risk selection criteria and performance of individual insurance policies are reviewed by management. The Group has the right not to renew individual policies, impose deductibles and reject fraudulent claims. The Group has underwriting limits by the type of risks and by industry. Claims development and provisioning levels are closely monitored.

Reinsurance arrangements in place include proportional, excess-of-loss and catastrophe coverage. The effect of such reinsurance arrangements is that the Group would not suffer total net insurance losses of more than a predetermined amount in any one year.

(b) ***Concentration of insurance risk***

The Group is subject to concentration risk in a variety of forms, including:

Product concentration risk

The Group's business is heavily concentrated in the Motor general insurance market. However, the Group offers a diversified portfolio of products and sold through different distribution channels to its customers.

Reinsurance concentration risk

Reinsurance is purchased from a number of providers to ensure that a diverse range of counterparties is contracted with, within the desired credit rating range.

The concentration of insurance risk before reinsurance by class of business is summarised below:

	THE GROUP AND THE COMPANY			
	Outstanding claims			
	2023		2022	
Class of Business	**No. of claims**	**Rs.**	No. of claims	Rs.
Motor	**3,994**	**169,058,937**	4,146	166,645,832
Liability	**19**	**1,547,980**	16	1,530,807
Guarantee	**1**	**1,000,000**	1	1,000,000
Property	**2**	**60,000**	2	150,000
Transportation	**1**	**35,000**	1	35,000
Accident and health	**3**	**114,763**	3	114,763
Engineering	**1**	**57,437**	1	57,437
Miscellaneous	**2**	**75,000**	2	75,000
	4,023	**171,949,117**	4,172	169,608,839

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.1 Insurance risk (cont'd)

(ii) **Short term insurance (cont'd)**

(b) ***Concentration of insurance risk (cont'd)***

Reinsurance concentration risk (cont'd)
The Group has proper procedures in place to identify, quantify and manage risk exposure by classes of business. There are policies for underwriting, claims handling, reinsurance and reserving that operate within the Group's risk management framework to ensure that accumulated exposures are contained within the limits of the risk appetite of the Group.

(c) ***Sources of uncertainty***
Claims are payable either on "claims-occurrence" basis which is the most common form or on a "claims-made" basis, which comprise mainly insurance contracts issued for 'professional indemnity and Directors' and Officers' liability'.

Under the 'claims-made' basis, the Group is liable for losses discovered within a specific underwriting year even if the adverse event happened prior to that year. For the 'claim-occurrence' basis, the Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, claims may be settled over a long period of time and a larger element of the claims provision relates to incurred.

Claims can be either long tail or short tail. Short tail claims are settled within a short time and the Group's estimation processes reflect with a higher degree of certainty all factors that may influence amount and timing of future cash outflows. For long tail claims, the estimation process is more uncertain and depends largely on external factors such as judicial decision and legislation, levels of claims, inflation and economic conditions.

The Group takes all reasonable steps to ensure that they have appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liabililty for these contracts comprises a provision for reported claims not yet paid at the reporting date. The Group has ensured that the liabilities on the statement of financial position at the reporting date for existing claims whether reported or not are adequate. The Group ensures that claims provisions are determined using the best information available on, for example, claims settlement patterns, forecast inflation and Court awards.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures but however, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The estimated costs of claims include direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries.

The Group ensures that claims provisions are determined using the best information available of claims settlement patterns, forecast inflation and settlement of claims. Estimation techniques also involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the best overall estimates. However, given the uncertainty in claims provisions, it is very probable that estimated costs and subsequent settlement amounts would differ.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.1 Insurance risk (cont'd)

(i) Short term insurance (cont'd)

(d) ***Claims development table***

The table below shows the development of claims over the ten year period 2013 to 2023. The table illustrates how the estimates of total claims outstanding for each year have changed at successive year ends and the table reconciles the cumulative claims to the amount appearing in the statement of financial position as at December 31, 2023.

GROSS	2020	2021	**2022**	**2023**	**Total**
Estimate of ultimate motor claim costs:	Rs.	Rs.	**Rs.**	**Rs.**	**Rs.**
- At end of claim year	83,510,057	98,259,698	138,729,976	151,553,745	**472,053,476**
- one year later	90,929,423	105,819,645	140,177,897	-	**336,926,965**
- two years later	92,392,327	102,610,927	-	-	**195,003,254**
- three years later	87,693,671	-	-	-	**87,693,671**
- four years later	-	-	-	-	-
- five years later	-	-	-	-	-
- six years later	-	-	-	-	-
- seven years later	-	-	-	-	-
- eight years later	-	-	-	-	-
- nine years later	-	-	-	-	-
- ten years later					-
Current estimate of cumulative claims	88,596,945	102,873,440	141,447,582	152,228,027	**485,145,994**
Less: Cumulative payments to date	85,646,044	91,788,645	122,729,987	100,539,181	**400,703,857**
Gross undiscounted liabilities for incurred claims (OS + IBNR)	10,307,423	16,667,950	28,850,897	91,211,521	**147,037,791**
Undiscounted liability in respect of prior years					**29,411,677**
Effect of discounting					**(16,499,610)**
Total gross liabilities for incurred claims					**159,949,858**
Less: Cumulative prior payments	84,978,467	88,606,689	83,275,805		256,860,961
Payment in current year	667,577	3,181,956	39,454,182	100,539,181	143,842,896
Less: Cumulative payments to date	85,646,044	91,788,645	122,729,987	100,539,181	400,703,857

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.1 Insurance risk (cont'd)

(iii) **Reinsurance strategy**

Reinsurance purchases are reviewed annually to verify that the levels of protection being bought reflect any developments in exposure and risk appetite of the Group. The basis of these purchases is underpinned by extensive financial modelling and actuarial analysis to optimise the cost and risk management benefits. Probabilistic models are used to develop and test scenarios using the Group's data to determine potential losses and appropriate levels of reinsurance protection. Reinsurance is placed with top-rated Reinsurers who meet the Group's counterparty security requirements.

(iv) **Pricing and underwriting risks**

The risk of economic loss arising from business being inappropriately accepted (i.e. outside underwriting rules/terms and conditions) and/or incorrectly priced.

Underwriting risk is defined as the risk of insured losses in our general insurance business being higher than our expectations. This may arise from the type of products, the inaccurate pricing of risks when underwritten or when assumptions made in product design differ from the actual experience. To mitigate such risks, underwriting guidelines are reviewed regularly.

(v) **Claims risks**

General insurance risk arises from: fluctuations in the timing, frequency, severity of claims and claim settlements relative to expectations, unexpected claims arising from a single source, and inadequate reinsurance protection or other risk transfer techniques.

(vi) **Catastrophe risk**

The risk of loss, or of adverse change, in the value of the insurance liabilities resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events.

3.2 Financial risk factors

The Group's activities are exposed to financial risks through its financial assets, financial liabilities, insurance and reinsurance asset and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund the obligations arising from insurance contracts.

The main financial risks to which the Group is exposed are:
- Credit risk
- Interest rate risk
- Market risk
- Liquidity risk

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.2 Financial risk factors (cont'd)

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet all or part of its contractual obligations. The Group's credit risk is primarily attributable to insurance receivables (i.e. insurance contract holders and insurance intermediaries) rece, reinsurer's share of insurance liabilities and amounts due from reinsurers in respect of claims already paid. The amounts presented in the statement of financial position are net of allowances for estimated irrecoverable amounts receivable, based on management's prior experience and the current economic environment.

The amount presented in the statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and the current economic environment.

The Group has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers.

The Group assesses the credit worthiness of brokers, agents and of contract holders based on details of recent payment history, past experience and by taking into account their financial position.

Reinsurance credit exposure

The Group is however exposed to concentrations of risks with respect of their reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Group is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid.

Management also monitors the financial strength of its reinsurers and the Group has policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only. The credit worthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

3. **MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)**

3.2 **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**

Reinsurance credit exposure (cont'd)

The following table provides information regarding the carrying value of financial assets that have been impaired and the ageing of the financial assets.

THE GROUP

	Neither past due nor impaired	Financial assets that are past due			Financial assets that have been impaired	Carrying amount at year end
		3mth-6mth	6mth-1yr	>1 yr		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
December 31, 2023						
- Other receivables and prepayments	**2,836,134**	**302,050**	**2,052,764**	**1,464,212**	**-**	**6,655,160**
- Investment in financial assets	**136,254,673**	**-**	**-**	**-**	**-**	**136,254,673**
- Deposits	**264,000,000**	**-**	**-**	**-**	**-**	**264,000,000**
- Cash and cash equivalents	**72,779,112**	**-**	**-**	**-**	**-**	**72,779,112**
December 31, 2022						
- Other receivables and prepayments	2,329,081	248,800	634,589	1,118,507	-	4,330,977
- Investment in financial assets	116,306,274	-	-	-	-	116,306,274
- Deposits	277,655,006	-	-	-	-	277,655,006
- Cash and cash equivalents	100,423,916	-	-	-	-	100,423,916

3. **MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)**

3.2 **Financial risk factors (cont'd)**

(i) **Credit risk (cont'd)**
Reinsurance credit exposure (cont'd)

THE COMPANY

	Neither past due nor impaired	Financial assets that are past due			Financial assets that have been impaired	Carrying amount at year end
		3mth-6mth	6mth-1yr	>1 yr		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
December 31, 2023						
- Other receivables and prepayments	**2,836,134**	**302,050**	**2,052,764**	**1,111,429**	**-**	**6,302,377**
- Investment in financial assets	**136,065,360**	**-**	**-**	**-**	**-**	**136,065,360**
- Deposits	**260,500,000**	**-**	**-**	**-**	**-**	**260,500,000**
- Cash and cash equivalents	**70,652,191**	**-**	**-**	**-**	**-**	**70,652,191**
December 31, 2022						
- Other receivables and prepayments	2,329,081	248,800	634,589	1,118,507	-	4,330,977
- Investment in financial assets	116,306,245	-	-	-	-	116,306,245
- Deposits	273,155,006	-	-	-	-	273,155,006
- Cash and cash equivalents	98,296,995	-	-	-	-	98,296,995

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.2 Financial risk factors (cont'd)

(ii) **Interest rate risk**

Interest rate risk arises from the Group's investment in fixed income securities and statutory deposits. Exposure to interest rate risk is closely monitored by management.

Short term insurance liabilities are not discounted and therefore contractually non-interest bearing. However, due to the time value of money and the impact of interest rates on the level of bodily injury related claims, a reduction of interest rates would normally produce higher insurance liability. the class of insurance to which bodily injury related claims are as follows: accident & health and motor.

Interest rate risk is the risk arising from fair value of a financial instruments fluctuating from their expected values as a result of changes in market interest rates (historical observation).

Sensitivity

The impact on the Group's and Company's results had interest rates varied by plus or minus 1% would have been as follows:

	Impact on results	
	THE GROUP	THE COMPANY
	±1% Rs.	±1% Rs.
At December 31, 2023		
- Bonds and deposits	**3,610,305**	**3,575,305**
At December 31, 2022		
- Bonds and deposits	3,670,482	3,625,482

Market risk

(iii) Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The carrying amount of investments whose shares are traded on the market may be subject to variations. This risk is mitigated as the Group holds a diversified portfolio of investments in Mauritius.

Equity price risk

The Group is subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risks, catastrophes risks and reinsurance ceded.

The Group does not have material holdings in unquoted equity securities. Management actively monitors equity assets owned directly by the Group as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group holds diversified portfolios of local and foreign investments in various sectors of the economy.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.2 Financial risk factors (cont'd)

Equity price risk (cont'd)

Sensitivity

The impact on the Group's and Company's shareholders' equity had the equity market values increased/decreased by 10% (based on historical observations) with other assumptions left unchanged would have been as follows:

	Impact on Shareholders' equity	Impact on Shareholders' equity
	±10%	±10%
	Rs.	Rs.
	GROUP	COMPANY
At December 31, 2023		
- Shares	**3,922,421**	**3,903,490**
At December 31, 2022		
- Shares	**3,491,303**	**3,491,303**

(iv) **Liquidity risk**

The Group has strong liquidity positions and liquidity risk is considered to be low since the Group maintains an adequate level of cash resources or assets that are readily available on demand. Through the application of the liquidity management policy, the Group seeks to maintain sufficient financial resources to meet its obligations as they fall due.

The liquidity profile of all financial assets and liabilities is reflected below:

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At December 31, 2023					
Other receivables and prepayment	**6,219,568**	**-**	**-**	**-**	**6,219,568**
Investment in financial assets	**-**	**10,226,173**	**21,903,196**	**64,901,090**	**97,030,459**
Deposits	**-**	**61,155,006**	**129,844,994**	**73,000,000**	**264,000,000**
Statutory deposits			**8,000,000**		**8,000,000**
Cash and cash equivalents	**76,600,657**	**-**	**-**	**-**	**76,600,657**
	82,820,225	**71,381,179**	**159,748,190**	**137,901,090**	**451,850,684**
Accruals and other payables	**10,504,873**	**-**	**-**	**-**	**10,504,873**
Lease liabilities	**788,937**	**2,611,258**	**3,177,412**	**-**	**6,577,607**
	11,293,810	**2,611,258**	**3,177,412**	**-**	**17,082,480**
At December 31, 2022					
Other receivables and prepayment	4,330,977	-	-	-	4,330,977
Investment in financial assets	59,283,707	9,712,500	2,469,288	44,840,750	116,306,245
Deposits	76,000,000	63,155,006	146,500,000	-	285,655,006
Cash and cash equivalents	100,423,916	-	-	-	100,423,916
	240,038,600	72,867,506	148,969,288	44,840,750	506,716,144
Accruals and other payables	8,938,539	-	-	-	8,938,539
Lease liabilities	2,036,207	1,761,921	2,243,272	-	6,041,400
	10,974,746	1,761,921	2,243,272	-	14,979,939

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.2 Financial risk factors (cont'd)

(iv) Liquidity risk (cont'd)

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At December 31, 2023					
Other receivables and prepayments	5,866,785	-	-	-	5,866,785
Investment in financial assets	-	10,226,173	21,903,196	64,901,090	97,030,459
Deposits	-	61,155,006	126,344,994	73,000,000	260,500,000
Statutory Deposits			8,000,000		8,000,000
Cash and cash equivalents	70,652,191	-	-	-	70,652,191
	76,518,976	71,381,179	156,248,190	137,901,090	442,049,435
Accruals and other payables	7,449,945	-	-	-	7,449,945
Lease liabilities	788,937	2,611,258	3,177,412	-	6,577,607
	8,238,882	2,611,258	3,177,412	-	14,027,552
At December 31, 2022					
Other receivables and prepayment	4,330,977	-	-	-	4,330,977
Investment in financial assets	59,283,708	9,712,500	2,469,287	44,840,750	116,306,245
Deposits	75,000,000	61,155,006	145,000,000	-	281,155,006
Cash and cash equivalents	98,296,995	-	-	-	98,296,995
	236,911,680	70,867,506	147,469,287	44,840,750	500,089,223
Accruals and other payables	7,503,867	-	-	-	7,503,867
Lease liabilities	2,036,207	1,761,921	2,243,272	-	6,041,400
	9,540,074	1,761,921	2,243,272	-	13,545,267

3.3 Capital risk management

The main objectives of the Group when managing capital are:

- to comply with the Minimum Capital Requirements of the Insurance Act 2005 and the Insurance Rules and Regulations 2007.
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for its policyholders.
- to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.
- to maintain the required level of stability of the Company thereby providing a degree of security to policyholders.
- to maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

This is a risk based capital method of measuring the minimum amount appropriate for the Group to support its overall business operations on consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Group's assets, outstanding claims, unearned premium liability and assets above a certain concentration limit.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.3 Capital risk management (cont'd)

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended December 31, 2023 and December 31, 2022.

The operations of the Company are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Financial Services Commission (FSC). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Group is fully financed by equity and no quantitative date shall be disclosed.

The Company's capital management policy for its insurance is to hold sufficient capital to cover the statutory requirements based on the FSC directives, including any additional amounts required by the regulator.

The Insurance Act 2005 specifies the amount of capital that must be held in proportion to the Company's liabilities, i.e. in respect of outstanding claim liability risk, unearned premium liability risk, investment risk, catastrophe risk and reinsurance ceded.

For the year ended December 31, 2023 and 2022, the Company has satisfied the minimum capital requirement.

3.4 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale (note 8).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2 (note 14 and note 16).

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Insurance Contracts

The estimation of the ultimate liabilities arising under insurance contracts is the Group's most critical accounting estimate. Liabilities include outstanding claims provision, liabilities for unearned premiums and long-term benefits payable. In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regard the eventual outcome of claims. As a result, the Group applies estimation techniques to determine appropriate provisions.

(i) **Short-term insurance**

(a) ***Estimates of insurance liabilities***

Outstanding claims provisions are determined based upon previous claims experience, knowledge of events, the terms and conditions of the relevant policies and on interpretation of circumstances. The approach also includes consideration of the development of loss payment trends, the levels of unpaid claims, legislative changes, judicial decisions and economic conditions.

Where possible, the Group adopts multiple techniques to estimate the required level of provision which also assists in giving greater understanding of the trends, inherent in the data being projected. The Group's estimates of losses and loss expenses are reached after a number of different bases to determine these provisions. Methods include:

- Development of previously settled claims where payments to date are extrapolated.
- Notified claims development, where notified claims to date for each year are extrapolated based upon observed development of earlier years.
- Expected loss ratios.

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjusters' estimates, or based on management's experience.

Provisions are calculated gross of reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from Reinsurers based upon the gross provisions and having due regard to collectability.

Estimation techniques for the determination of insurance liabilities involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the overall estimate.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Insurance Contracts (cont'd)

(i) **Short-term insurance (cont'd)**

(a) ***Estimates of insurance liabilities (cont'd)***

The degree of uncertainty under insurance contracts varies by policy class according to the characteristics of the insured risk. There may be significant reporting lags between the occurrence of the insured event and the reporting date to the Group, there may also be uncertainty as to the magnitude and timing of the settlement of the claim. Factors that contribute to uncertainty include inflation, inconsistent judicial interpretations and court judgements. The establishment of insurance liabilities is an inherently uncertain process and as a consequence of this uncertainty, the eventual cost of settlement of outstanding claims can vary substantially from initial estimates, especially for long tail business. The Group seeks to provide appropriate levels of claims provision taking known facts and experience into account. The Group did not change its assumptions used to measure insurance liabilities and assets.

The Group believes that the liability for claims carried at year end is adequate.

(b) ***Sensitivity analysis***

The Group adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved.

4.2 Reinsurance

The Group is exposed to disputes on, and defects in, contract wordings and the possibility of default of its Reinsurers. The Group monitors the financial strength of their Reinsurers. Allowance will be made in the financial statements for non-recoverability in case of Reinsurer's default.

4.3 Revaluation of property, plant and equipment and investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialist to determine fair value on December 31, 2020.

The determined fair value of the investment property is most sensitive to the estimated yield as well as long term vacancy rate. The key assumptions used to determine the fair value of the investment property are further explained in Note 14.

5 NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash generated from operations

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Profit before taxation	**(33,268,417)**	6,008,375	**(38,128,468)**	1,937,652
***Adjustments for*:**				
Depreciation on property, plant and equipment (note 5)	**7,821,522**	7,396,990	**7,796,512**	7,372,621
Amortisation on intangible assets (note 8)	**185,202**	202,476	**185,202**	202,476
Amortisation on right-of-use assets (note 6)	**2,520,621**	2,247,191	**2,520,621**	2,247,191
Gain on revaluation of investment property (note 7)	**(2,490,481)**	(2,122,500)	**(800,000)**	(650,000)
Increase in retirement benefit obligations	**381,200**	1,416,700	**381,200**	1,416,700
Profit on sale of property, plant and equipment	**-**	(1,200,000)	**-**	(1,200,000)
Profit on disposal of financial assets	**-**		**-**	
Release on disposal of financial assets	**-**		**-**	
Interest income (note 23)	**(16,193,512)**	(14,697,431)	**(16,193,512)**	(14,697,431)
Interest expense (note 26)	**435,736**	441,726	**435,736**	441,726
Exceptional items (Note 31)	**25,655,006**	-	**25,655,006**	-
Increase in provision for doubtful debts (note 15)	**26,227,348**	651,752	**26,227,348**	651,752
Dividend income (note 23)	**(1,726,414)**	(1,469,881)	**(1,726,414)**	(1,469,881)
Change in insurance contract assets	**(26,190,913)**	(894,525)	**(26,190,913)**	(894,525)
Change in reinsurance contract assets	**(4,529,292)**	379,067	**(4,529,292)**	379,067
Change in insurance contract liabilities	**34,678,801**	12,614,378	**34,678,801**	12,614,378
Change in Reinsurance contract liabilities	**(2,153,687)**	5,469,059	**(2,153,687)**	5,469,059
	11,352,720	16,443,377	**8,158,140**	13,820,785
***Changes in working capital*:**				
-Other receivables and prepayment	**(1,526,877)**	(489,574)	**(1,467,235)**	(401,044)
-trade and other payables	**1,273,193**	(5,587,630)	**(53,922)**	(6,025,449)
Cash generated from operations	**11,099,036**	10,366,173	**6,636,983**	7,394,292

(b) Cash and cash equivalents

			THE COMPANY	
	2023	**2022**	**2023**	**2022**
	Rs.	Rs.	**Rs.**	Rs.
Cash in hand and at bank	**76,600,657**	100,423,916	**70,652,191**	98,296,995

(c) Reconciliation of liabilities arising from financing activities for the Group and the Company

	At January 1,	**Payment of Interest and lease**	**Addition**	**At December 31,**
	Rs.	Rs.	Rs.	Rs.
2023				
Lease liabilities	6,041,400	(2,466,514)	3,002,721	**6,577,607**
2022				
Lease liabilities	4,786,906	(2,168,122)	3,422,616	**6,041,400**

6. FIXED DEPOSITS

	THE GROUP			THE COMPANY		
	2023	**2022**	**As at 01 Jan 2022**	**2023**	**2022**	**As at 1, Jan 2022**
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
Maturing:						
up to 3 months	**25,000,000**	9,000,000	20,500,000	**25,000,000**	9,000,000	20,500,000
3 to 6 months	**10,500,000**	22,000,000	3,000,000	**10,500,000**	21,000,000	3,000,000
6 to 12 months	**25,655,006**	45,000,000	26,000,000	**25,655,006**	45,000,000	26,000,000
1 to 5 years	**228,500,000**	201,655,006	240,155,006	**225,000,000**	198,155,006	235,655,006
	289,655,006	277,655,006	289,655,006	**286,155,006**	273,155,006	285,155,006

6. FIXED DEPOSITS (CONT'D)

	THE GROUP			THE COMPANY		
		Restated	As at 1,Jan	2023	Restated	As at 1 Jan
	2023	2022	2022		2022	2022
Analysed as follows:	**Rs.**	Rs.		**Rs.**	Rs.	
Non-current assets	**243,655,006**	201,655,006	236,655,006	**240,155,006**	198,155,006	235,655,006
Current assets	**49,500,000**	76,000,000	53,000,000	**49,500,000**	75,000,000	49,500,000
	293,155,006	277,655,006	289,655,006	**289,655,006**	273,155,006	285,155,006

(a) The deposits earn interest at rates varying between 0.75% - 6.15% (2022: 0.75% - 5.37%) p.a.

(b) The fixed deposits are denominated in Rupees.

(c) None of the financial assets are either past due nor impaired except for Silver Bank Limited refer to note 32 (2022: Nil).

7. STATUTORY DEPOSITS

Statutory deposits of Rs.8,000,000 (2022: Rs.8,000,000) are pledged in favour of the Financial Services Commission as required by the Insurance Act 1987. The amount maintained as statutory deposit is in line with the requirements of the draft Insurance (Deposit) Rules 2017, though not yet effective.

The deposit carries interest rate is 2.36% (2022: 2.36%) p.a and have maturity date December 2026 (2022: December 2026).

8. INVESTMENTS

Investments are classified as follows

	GROUP Insurance operations		
		Restated	As at 1, Jan
	2023	2022	2022
	Rs.	Rs.	Rs.
- Investments designated at FVOCI	**39,224,214**	34,913,029	35,244,620
- Investments held at amortised cost	**97,030,459**	81,393,216	130,880,154
Total	**136,254,673**	116,306,245	166,124,774

	COMPANY Insurance operations		
		Restated	As at 1, Jan
	2023	2022	2022
	Rs.	Rs.	Rs.
- Investments designated at FVOCI	**39,034,901**	34,913,029	35,244,620
- Investments held at amortised cost	**97,030,459**	81,393,216	130,880,154
Total	**136,065,360**	116,306,245	166,124,774

(a) Investments designated as FVOCI

	GROUP Insurance operations		
		Restated	As at 1, Jan
	2023	2022	2022
	Rs.	Rs.	Rs.
At the beginning of the period / year	**34,913,031**	35,244,621	28,985,414
Addition	**4,068,268**	591,323	-
Disposal	**(151,376)**	(69,860)	(229,680)
Transfer of amortised cost		-	(766,000)
Changes in fair value of investments	**394,291**	(853,053)	7,254,887
At the end of the period / year	**39,224,214**	34,913,031	35,244,621

8. INVESTMENT (CONT'D)

(a) Investments designated as FVOCI (Cont'd)

	COMPANY		
	Insurance operations		
		Restated	As at 1, Jan
	2023	2022	2022
	Rs.	Rs.	Rs.
At the beginning of the period / year	**34,913,031**	35,244,621	28,985,414
Addition	**3,873,676**	591,323	-
Disposal	**(151,376)**	(69,860)	(229,680)
Transfer of amortised cost	**-**	-	(766,000)
Changes in fair value of investments	**399,570**	(853,053)	7,254,887
At the end of the period / year	**39,034,901**	34,913,031	35,244,621

(b) Investments at amortised costs

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Analysed as follows:	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Non-current assets	**86,804,285**	60,359,189	**86,804,285**	60,359,189
Current assets	**10,226,174**	21,034,027	**10,226,174**	21,034,027
	97,030,459	81,393,216	**97,030,459**	81,393,216

(c) Investments at fair value through other comprehensive income comprise principally of listed, Development Enterprise Market (DEM) quoted and unquoted equity securities. The fair value of these financial assets is based on the Stock Exchange or DEM quoted prices at the close of business at the end of each reporting period. In assessing the fair value of unquoted available-for-sale financial assets, the Company uses the latest transaction price as a reference and makes assumptions that are based on market conditions existing at the end of each reporting period. The directors are of the opinion that the costs of unquoted securities approximate their fair value.

(d) The maximum exposure to credit risk at the reporting date is the fair value of securities.

(e) None of the financial assets are either past due or impaired.

(f) The rate of interest on the bonds at year end varied between 0.75% to 5.37%.

9. Other receivable and prepayments

	THE GROUP AND COMPANY	
	2023	2022
		Restated
	Rs.	Rs.
Interest receivable	**2,283,091**	2,065,742
Impairment Interest receivable Silver Bank (note 31)	**-**	-
Prepayments	**1,087,956**	651,656
Other receivables	**2,495,738**	1,613,579
	5,866,785	4,330,977

(a) The carrying amount of other receivables and prepayments approximately their fair value.

(b) The carrying amounts of the Groups' and the Company's other receivables and prepayment are denominated in Rupees.

(c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

10. LOANS TO RELATED PARTIES

	THE GROUP AND COMPANY	
Loan to subsidiaries	**2023**	2022
At January 1,	**20,000,000**	-
Repayment	**(500,000)**	20,000,000
At December 31,	**19,500,000**	20,000,000

11. INVESTMENT IN SUBSIDIARY COMPANY

	THE COMPANY	
	2023	2022
	Rs.	Rs.
(a) Cost		
At January 1, and December 31,	**25,000,000**	25,000,000

(b) The list of the Company's subsidiary is as follows:

Name	Country of incorporation and operation	Class of shares held	Year end	Stated capital Rs.	% holding Direct	Main business
2023						
GFA Investments Ltd	**Mauritius**	**Ordinary**	**December 31, 2023**	**25,000,000**	**100%**	**Rental of building**
2022						
GFA Investments Ltd	Mauritius	Ordinary	December 31, 2022	25,000,000	100%	Rental of building

12. INSURANCE AND REINSURANCE CONTRACT

(a) Insurance contract assets

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs.	Rs.
Pre acquisition cash flow	**792,364**	828,799
	792,364	828,799

(b) REINSURANCE CONTRACT ASSETS

	2023	2022
	Rs.	Rs.
Incurred claims recoverable	**11,498,029**	7,424,250
Asset for remaining cover exlc RLRC	**4,367,890**	4,127,362
LIC risk adjustment	**721,516**	506,531
	16,587,435	12,058,143

(c) INSURANCE CONTRACT LIABILITIES

	2023	2022
	Rs.	Rs.
Premium Receivables	**12,669,201**	10,556,268
Provision for doubtful depts	**(7,989,986)**	(6,410,206)
Liability for incurred claims	**(159,949,858)**	(147,323,059)
Pre coverage liability	**(18,002,988)**	(17,036,941)
Liability remaining cover excl. loss	**(117,121,147)**	(98,989,369)
LRC Loss	**(7,670,006)**	(3,806,294)
LIC Risk Adjustment	**(9,897,555)**	(10,273,937)
	(307,962,339)	(273,283,538)

(d) REINSURANCE CONTRACT LIABILITIES

	2023	2022
	Rs.	Rs.
Payables to reinsurers	**(8,412,418)**	(10,566,105)

12. INSURANCE AND REINSURANCE CONTRACT (CONT'D)

(e) Analysis by remaining coverage and incurred claims (PAA)

	THE GROUP AND THE COMPANY					
				Liability for Incurred Claims Contracts under the PAA		2023
	Precoverage Assets	Liabilities for Remaining Coverage excluding Loss Component	Loss Component		Risk adjustment for non-financial risk	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Assets	828,799	(1,615,835)	-	26,318,905	(3,988,887)	21,542,982
Opening Liabilities	(17,036,941)	(97,373,534)	(3,806,294)	(173,641,964)	(6,285,050)	(298,143,783)
Net opening balance	(16,208,142)	(98,989,369)	(3,806,294)	(147,323,059)	(10,273,937)	(276,600,801)
Changes in the statement of profit or loss and OCI						
Insurance revenue	-	-	-	-	-	-
Contracts under the modified retrospective approach	-	-	-	-	-	-
Other contracts	-	240,464,182	-	-	-	240,464,182
	-	240,464,182	-	-	-	240,464,182
Insurance service expenses						
Incurred claims and other incurred insurance service expenses	-	-	-	(161,520,607)	376,382	(161,144,225)
Amortisation of insurance acquisition costs	-	(10,459,841)	-	-	-	(10,459,841)
Net Impairment of Insurance Acquisition Cashflows	-	-	-	-	-	-
Past service: adjustments to liabilities for incurred claims	-	-	-	-	-	-
Future service: losses and reversals of losses on onerous contracts	-	-	(3,863,712)	-	-	(3,863,712)
	-	(10,459,841)	(3,863,712)	(161,520,607)	376,382	(175,467,777)
Investment components						
Insurance service result	-	230,004,341	(3,863,712)	(161,520,607)	376,382	64,996,404
Insurance finance expenses through profit and loss	-	-	-	(5,536,871)	-	(5,536,871)
Insurance finance expenses through OCI	-	-	-	-	-	-
Movements in foreign exchange rates1	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	-	230,004,341	(3,863,712)	(167,057,478)	376,382	59,459,533
Cash flows						
Premiums received for insurance contracts issued	(966,048)	(259,658,603)	-	-	-	(260,624,651)
Insurance acquisition cash flows	(36,435)	11,522,484	-	-	-	11,486,049
Claims and other insurance service expenses paid, including investment components	-	-	-	154,430,679	-	154,430,679
Total cash flows	(1,002,483)	(248,136,119)	-	154,430,679	-	(94,707,923)
Net closing balance	(17,210,625)	(117,121,147)	(7,670,006)	(159,949,858)	(9,897,555)	(311,849,191)
Closing Assets	792,364	-	-		-	792,364
Closing Liabilities	(18,002,989)	(117,121,147)	(7,670,006)	(159,949,858)	(9,897,555)	(312,641,555)
Net closing balance	(17,210,625)	(117,121,147)	(7,670,006)	(159,949,858)	(9,897,555)	(311,849,191)

12. INSURANCE AND REINSURANCE CONTRACT (CONT'D)

(e) Analysis by remaining coverage and incurred claims (PAA) (Cont'd)

	THE GROUP AND THE COMPANY					
				Liability for Incurred Claims		
				Contracts under the PAA		2022
	Precoverage Assets	Liabilities for Remaining Coverage excluding Loss Component	Loss Component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Assets	586,025	2,306,441	-	19,193,893	(3,505,451)	18,580,908
Opening Liabilities	(15,068,286)	(95,884,378)	-	(166,869,997)	(6,492,220)	(284,314,881)
Net opening balance	(14,482,261)	(93,577,937)	-	(147,676,104)	(9,997,671)	(265,733,973)
Changes in the statement of profit or loss and OCI						
Insurance revenue						
Contracts under the modified retrospective approach						
Other contracts		217,528,648				217,528,648
	-	217,528,648	-	-	-	217,528,648
Insurance service expenses						
Incurred claims and other incurred insurance service				(135,453,988)	(276,266)	(135,730,254)
Amortisation of insurance acquisition costs		(9,241,951)				(9,241,951)
Net Impairment of Insurance Acquisition Cashflows	-					-
Past service: adjustments to liabilities for incurred				-	-	-
Future service: losses and reversals of losses on onerous			(3,806,294)			(3,806,294)
	-	(9,241,951)	(3,806,294)	(135,453,988)	(276,266)	(148,778,499)
Investment components						
Insurance service result	-	208,286,697	(3,806,294)	(135,453,984)	(276,266)	68,750,153
Insurance finance expenses through profit and loss				3,589,344		3,589,344
Insurance finance expenses through OCI						-
Movements in foreign exchange rates1						-
Total changes in the statement of profit or loss and	-	208,286,697	(3,806,294)	(131,864,640)	(276,266)	72,339,497
Cash flows						
Premiums received for insurance contracts issued	(1,968,655)	(223,319,048)				(225,287,703)
Insurance acquisition cash flows	242,774	9,620,919				9,863,693
Claims and other insurance service expenses paid,				132,217,685		132,217,685
Total cash flows	(1,725,881)	(213,698,129)	-	132,217,685	-	(83,206,325)
Net closing balance	(16,208,142)	(98,989,369)	(3,806,294)	(147,323,059)	(10,273,937)	(276,600,801)
Closing Assets	828,799	(1,615,835)	-	26,318,905	(3,988,887)	21,542,982
Closing Liabilities	(17,036,941)	(97,373,534)	(3,806,294)	(173,641,964)	(6,285,050)	(298,143,783)
Net closing balance	(16,208,142)	(98,989,369)	(3,806,294)	(147,323,059)	(10,273,937)	(276,600,801)

12. INSURANCE AND REINSURANCE CONTRACT (CONT'D)

(f) **Disclosure: Analysis by remaining coverage and incurred claims -**
Reinsurance contracts under the PAA

	THE GROUP AND THE COMPANY			
		Assets for Incurred claims* Contracts under the PAA		2023
	Assets for Remaining Coverage	Assets for Incurred Claims PVFCF	Risk adjustment for non-financial risk	Total
	Rs.	Rs.	Rs.	Rs.
Opening Assets	100,822	-	-	100,822
Opening Liabilities	4,026,540	7,424,250	506,532	11,957,322
Net opening balance	4,127,362	7,424,250	506,532	12,058,144
Changes in the statement of profit or loss and OCI				
Allocation of Reinsurance Premium Paid	(16,633,736)	-	-	(16,633,736)
Amounts recoverable from reinsurers				
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)	-	12,781,838	-	12,781,838
Adjustments to assets for incurred claims	-	-	205,781	205,781
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-	-
Investment components				-
Net expenses from reinsurance contracts	(16,633,736)	12,781,838	205,781	(3,646,117)
Reinsurance finance expenses through profit and loss	-	539,735	9,203	548,938
Reinsurance finance expenses through OCI	-	-	-	-
Movements in foreign exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	(16,633,736)	13,321,573	214,984	(3,097,179)
Cash flows				
Premiums paid for reinsurance contracts held	16,874,264	-	-	16,874,264
Reinsurance costs (acquisition cash flows, policy and admin)	-	-	-	-
Reinsurance recoveries	-	(9,247,794)	-	(9,247,794)
Total cash flows	16,874,264	(9,247,794)	-	7,626,470
Net closing balance	4,367,890	11,498,029	721,516	16,587,435
Closing Assets	-	-	-	-
Closing Liabilities	4,367,890	11,498,029	721,516	16,587,435
Net closing balance	4,367,890	11,498,029	721,516	16,587,435

12. **INSURANCE AND REINSURANCE CONTRACT (CONT'D)**

(f) **Disclosure: Analysis by remaining coverage and incurred claims -**
Reinsurance contracts under the PAA (Cont'd)

	THE GROUP AND THE COMPANY			
		Assets for Incurred claims* Contracts under the PAA		2022
	Assets for Remaining Coverage	Assets for Incurred Claims PVFCF	Risk adjustment for non-financial risk	Total
	Rs.	Rs.	Rs.	Rs.
Opening Assets	(35,154)	-	-	(35,154)
Opening Liabilities	3,779,171	8,120,542	572,652	12,472,365
Net opening balance	3,744,017	8,120,542	572,652	12,437,211
Changes in the statement of profit or loss and OCI				
Allocation of Reinsurance Premium Paid	(13,877,150)	-	-	(13,877,150)
Amounts recoverable from reinsurers				
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)	-	5,285,821	-	5,285,821
Adjustments to assets for incurred claims	-	-	(26,831)	(26,831)
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-	-
Investment components				-
Net expenses from reinsurance contracts	(13,877,150)	5,285,821	(26,831)	(8,618,160)
Reinsurance finance expenses through profit and loss	-	(340,205)	(39,289)	(379,494)
Reinsurance finance expenses through OCI	-	-	-	-
Movements in foreign exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	(13,877,150)	4,945,616	(66,120)	(8,997,654)
Cash flows				
Premiums paid for reinsurance contracts held	14,260,495	-	-	14,260,495
Reinsurance costs (acquisition cash flows, policy and admin)	-	-	-	-
Reinsurance recoveries	-	(5,641,908)	-	(5,641,908)
Total cash flows	14,260,495	(5,641,908)	-	8,618,587
Net closing balance	4,127,362	7,424,250	506,532	12,058,144
Closing Assets	100,822	-	-	100,822
Closing Liabilities	4,026,540	7,424,250	506,532	11,957,322
Net closing balance	4,127,362	7,424,250	506,532	12,058,144

13. RIGHT-OF-USE ASSETS

THE GROUP AND THE COMPANY

		2023	2022
BUILDINGS		Rs.	Rs.
At January 1,		5,715,535	4,540,109
Effect of modification to lease terms		-	-
Additions		3,002,721	3,422,617
Amortisation		(2,520,621)	(2,247,191)
At December 31,	Rs.	6,197,635	5,715,535

13. (a) LEASE LIABILITES

		2023	2022
		Rs.	Rs.
THE GROUP AND THE COMPANY			
BUILDINGS			
At January 1,		6,041,400	4,786,906
Effect of modification to lease terms		-	-
Additions		3,002,721	3,422,617
Interest expense		435,453	439,410
Lease payments		(2,901,967)	(2,607,533)
At December 31,	Rs.	6,577,607	6,041,400

(i) **Nature of leasing activities (in the capacity as lessee)**

The Company operates a number of branches across the country for which it leases buildings as office space. The periodic rent is fixed over the lease term.

(ii) **Variable lease payments**

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

	Lease Contracts Number	*Fixed payments %*	*Variable payments %*	*Sensitivity Rs.*
December 31, 2023				
Property leases with fixed payments	**12**	**100**	**-**	**-**
December 31, 2022				
Property leases with fixed payments	12	100	-	-

(iii) **Extension and termination options**

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. There are no residual value guarantee in relation to leased properties.

13(a). LEASE LIABILITES (CONT'D)

(iv) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options in building leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there was no financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets.

14. INVESTMENT PROPERTIES

		THE GROUP		THE COMPANY	
		Land and buildings		Land and buildings	
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs.
Fair value model					
At January 1,		**112,068,882**	84,900,000	**26,650,000**	26,000,000
Additions		**-**	25,046,382	**-**	-
Fair value adjustments		**3,431,118**	2,122,500	**800,000**	650,000
At December 31,	Rs.	**115,500,000**	112,068,882	**27,450,000**	26,650,000

The investment properties were valued on December 31, 2022 at fair value by Messrs NP Jeetun Chartered Valuation Surveyors, an independent professionally qualified valuer. The properties were valued using the comparative method. The comparative method is based on comparison of prices paid for similar properties within close vicinity and adjusted to reflect the characteristics of the subject property at the relevant date.

The most significant input into this valuation report approach is price per square metre.

Significant unobservable valuation input:	***Rs.***	
Price per square metre:	**2023**	2022
Land	**21,221-29,834**	40,167-57,971
Buildings	**10,546-26,988**	21,634

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

14. INVESTMENT PROPERTY (CONT'D)

Details of the Group's and the Company's investment properties and information about the fair value hierarchy as are as follows:

	Level 2	
December 31, 2023	**THE GROUP**	**THE COMPANY**
	Rs.	**Rs.**
Land	**52,050,000**	**27,000,000**
Buildings	**63,450,000**	**450,000**
Total	**115,500,000**	**27,450,000**

	Level 2	
December 31, 2022	THE GROUP	THE COMPANY
	Rs.	Rs.
Land	51,265,882	26,219,500
Buildings	60,803,000	430,500
Total	112,068,882	26,650,000

The following amounts have been recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Rental income	**4,974,582**	3,860,520	**316,000**	289,500

Although the risk associated with rights that the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term.

15. INTANGIBLE ASSETS

THE GROUP AND THE COMPANY

	Computer Software	
	2023	2022
COST	**Rs.**	Rs.
At January 1,	**2,704,268**	2,527,434
Addition	**-**	176,834
At December 31,	**2,704,268**	2,704,268
AMORTISATION		
At January 1,	**2,179,864**	1,977,388
Amortisation Charge	**185,202**	202,476
At December 31,	**2,365,066**	2,179,864
NET BOOK VALUES AT DECEMBER, 31	**339,202**	524,404

16. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

(i) **2023**	Freehold Land	Improvement to Land	Freehold Building	Improvement to Leasehold Building	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION								
At January 1, 2023	37,920,692	546,500	31,211,550	3,734,010	20,184,935	6,917,038	16,734,704	117,249,429
Additions	-	-	122,200	39,500	7,492,500	602,881	2,770,035	11,027,116
Disposals	-	-	-	-	-	-	-	-
At December 31, 2023	**37,920,692**	**546,500**	**31,333,750**	**3,773,510**	**27,677,435**	**7,519,919**	**19,504,739**	**128,276,545**
- Cost	-	546,500	122,200	3,773,510	27,677,435	7,519,919	19,504,739	59,144,303
- Valuation	37,920,692	-	31,211,550	-	-	-	-	69,132,242
	37,920,692	**546,500**	**31,333,750**	**3,773,510**	**27,677,435**	**7,519,919**	**19,504,739**	**128,276,545**
DEPRECIATION								
At January 1, 2023	-	176,492	3,490,873	2,626,889	10,584,275	4,622,856	12,948,453	34,449,838
Charge for the year	-	54,650	1,754,654	335,216	3,801,347	393,866	1,481,789	7,821,522
Disposals	-	-	-	-	-	-	-	-
At December 31, 2023	-	**231,142**	**5,245,527**	**2,962,105**	**14,385,622**	**5,016,722**	**14,430,242**	**42,271,360**
NET BOOK VALUE								
At December 31, 2023	**37,920,692**	**315,358**	**26,088,223**	**811,405**	**13,291,813**	**2,503,197**	**5,074,497**	**86,005,185**

16. **PROPERTY, PLANT AND EQUIPMENT**

(a) THE GROUP

(i) 2022	Freehold Land	Improvement to Land	Freehold Building	Improvement to Leasehold Building	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION								
At January 1, 2022	37,920,692	546,500	31,211,550	3,560,254	18,104,900	6,225,037 0	14,387,220	111,956,153
Additions	-	-	-	173,756	4,350,035	692,001	2,347,484	7,563,276
Transfer	-	-	-	-	(2,270,000)	-	-	(2,270,000)
At December 31, 2022	**37,920,692**	**546,500**	**31,211,550**	**3,734,010**	**20,184,935**	**6,917,038**	**16,734,704**	**117,249,429**
- Cost	-	546,500	-	3,734,010	20,184,935	6,917,038	16,734,704	48,117,187
- Valuation	37,920,692	-	31,211,550	-	-	-	-	69,132,242
	37,920,692	**546,500**	**31,211,550**	**3,734,010**	**20,184,935**	**6,917,038**	**16,734,704**	**117,249,429**
DEPRECIATION								
At January 1, 2022	-	121,842	1,741,718	2,272,998	9,281,984	4,243,369	11,660,937	29,322,848
Charge for the year	-	54,650	1,749,155	353,891	3,572,291	379,487	1,287,516	7,396,990
Transfer	-	-	-	-	(2,270,000)			(2,270,000)
At December 31, 2022	**-**	**176,492**	**3,490,873**	**2,626,889**	**10,584,275**	**4,622,856**	**12,948,453**	**34,449,838**
NET BOOK VALUE								
At December 31, 2022	**37,920,692**	**370,008**	**27,720,677**	**1,107,121**	**9,600,660**	**2,294,182**	**3,786,251**	**82,799,591**

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE COMPANY

(i) 2023	Freehold Land	Improvement to Land	Freehold Building	Improvement to Leasehold Building	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION								
At January 1, 2023	37,920,692	546,500	31,211,550	3,734,010	20,184,935	6,792,411	16,325,069	116,715,167
Additions	-	-	122,200	39,500	7,492,500	602,881	2,770,035	11,027,116
Disposals								-
At December 31, 2023	**37,920,692**	**546,500**	**31,333,750**	**3,773,510**	**27,677,435**	**7,395,292**	**19,095,104**	**127,742,283**
- Cost	-	546,500	122,200	3,773,510	27,677,435	7,395,292	19,095,104	58,610,041
- Valuation	37,920,692		31,211,550					69,132,242
	37,920,692	**546,500**	**31,333,750**	**3,773,510**	**27,677,435**	**7,395,292**	**19,095,104**	**127,742,283**
DEPRECIATION								
At January 1, 2023	-	176,492	3,490,873	2,626,889	10,584,275	4,524,648	12,621,116	34,024,293
Charge for the year	-	54,650	1,754,654	335,216	3,801,347	390,816	1,459,829	7,796,512
Disposal					-			-
At December 31, 2023	**-**	**231,142**	**5,245,527**	**2,962,105**	**14,385,622**	**4,915,464**	**14,080,945**	**41,820,805**
NET BOOK VALUE								
At December 31, 2023	**37,920,692**	**315,358**	**26,088,223**	**811,405**	**13,291,813**	**2,479,828**	**5,014,159**	**85,921,478**

16. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(b) THE COMPANY

(i) **2022**	Freehold Land	Improvement to Land	Freehold Building	Improvement to Leasehold Building	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION								
At January 1, 2022	37,920,692	546,500	31,211,550	3,560,254	18,104,900	6,107,410	13,977,585	111,428,891
Additions	-	-	-	173,756	4,350,035	685,001	2,347,484	7,556,276
Transfer	-	-	-	-	(2,270,000)	-	-	(2,270,000)
At December 31, 2022	**37,920,692**	**546,500**	**31,211,550**	**3,734,010**	**20,184,935**	**6,792,411**	**16,325,069**	**116,715,167**
- Cost	-	546,500	-	3,734,010	20,184,935	6,792,411	16,325,069	47,582,925
- Valuation	37,920,692	-	31,211,550	-	-	-	-	69,132,242
	37,920,692	**546,500**	**31,211,550**	**3,734,010**	**20,184,935**	**6,792,411**	**16,325,069**	**116,715,167**
DEPRECIATION								
At January 1, 2022	-	121,842	1,741,718	2,272,998	9,281,984	4,147,570	11,355,560	28,921,672
Charge for the year	-	54,650	1,749,155	353,891	3,572,291	377,078	1,265,556	7,372,621
Disposal					(2,270,000)			(2,270,000)
At December 31, 2022	-	**176,492**	**3,490,873**	**2,626,889**	**10,584,275**	**4,524,648**	**12,621,116**	**34,024,293**
NET BOOK VALUE								
At December 31, 2022	**37,920,692**	**370,008**	**27,720,677**	**1,107,121**	**9,600,660**	**2,267,763**	**3,703,953**	**82,690,874**

(c) Depreciation charge of Rs.7,821,522 (2022: Rs.7,396,990) for the Group and Rs. 7,796,512 (2022: Rs.7,372,621) for the Company has been charged to statements of profit or loss.

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) The Group's freehold land and building were revalued on December 31, 2020 by Messrs NP Jeetun Chartered Valuation Surveyor, an independent professionally qualified valuer. The revaluation surplus, net of applicable deferred income taxes, was credited to revaluation surplus in shareholders' equity (note 22).

Details of the Group's and the Company's freehold land and buildings measured at fair value and information about the fair value hierarchy are as follows:

		Level 2	
		2023	2022
		Rs.	Rs.
Freehold land		**37,920,692**	37,920,692
Buildings		**26,088,223**	27,720,677
Total	Rs.	**64,008,915**	65,641,369

The properties were valued using the comparative method. The fair value of the freehold land and building was derived using the sales comparison approach. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Sensitivity analysis

Significant unobservable valuation input:	***Range (Rs.)***
Price per square metre:	
Freehold land	10,459 - 47,314
Building	1,248 - 12,244

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

The revalued amount of freehold land and buildings using significant unobservable inputs are as follows:

		THE GROUP AND THE COMPANY			
		Freehold Land		Freehold Buildings	
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs.
At January 1,		**37,920,692**	37,920,692	**27,720,677**	29,469,832
Addition		**-**	-	**122,200**	-
Depreciation charge for the year		**-**	-	**(1,754,654)**	(1,749,155)
Revaluation surplus		**-**	-	**-**	-
At December 31,	Rs.	**37,920,692**	37,920,692	**26,088,223**	27,720,677

(e) If the land and building were stated on a historical cost basis, the amounts would be as follows:

		THE GROUP AND THE COMPANY			
		Freehold Land		Freehold Buildings	
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs.
Cost		**27,500,000**	27,500,000	**13,815,517**	13,693,317
Accumulated depreciation		**-**	-	**(3,384,678)**	(3,092,462)
Net book value	Rs.	**27,500,000**	27,500,000	**10,430,839**	10,600,855

17. ACCRUALS AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022 Restated
Trade payables:	**Rs.**	Rs.	**Rs.**	Rs.
Accrued expenses	**2,059,224**	2,728,391	**2,059,224**	2,728,391
Other payables	**8,445,649**	6,210,148	**5,390,721**	4,775,476
	10,504,873	8,938,539	**7,449,945**	7,503,867

The carrying amount of trade and other payables approximates their fair value.

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP AND THE COMPANY	
	2023	2022
Amount recognised in the statements of financial position as non-current liabilities:	**Rs.**	Rs.
- Post retirement benefits (note 20(a))	**18,424,600**	18,043,400
Amount charged to profit or loss:		
- Post retirement benefits (note 20(a))	**2,362,586**	2,798,665

(a) **Post retirement benefits**

Post retirement benefits comprise mainly of gratuity on retirement payable under the Workers' Right Act 2019 and other benefits.

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs.	Rs.
At January 1,	**18,043,400**	16,626,700
Payments	**(1,981,386)**	(1,381,965)
Total expense charged in profit or loss	**2,362,586**	2,798,665
At December 31,	**18,424,600**	18,043,400

It has been assumed that the rate of future salary increases will be equal to the discount rate.

19. INCOME TAX

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
(a) <u>Statements of financial position</u>				
At January 1,	**(3,132,903)**	1,727,127	**(3,132,903)**	1,727,127
Underprovision	**452,199**	1,124,263	**452,199**	1,124,263
Income tax charge for the year at 15% (2022: 15%)	**274,548**	1,080,373	**-**	1,080,373
Net tax paid during the year	**(1,344,229)**	(7,209,952)	**(1,344,229)**	(7,209,952)
Corporate social responsibility	**144,050**	145,286	**144,050**	145,286
At December 31,	**(3,606,335)**	(3,132,903)	**(3,880,883)**	(3,132,903)
<u>Analysed as follows:</u>				
Current tax liabilities		-	**-**	-
Current tax assets	**3,606,335**	3,132,903	**3,880,883**	3,132,903
Net current tax assets	**3,606,335**	3,132,903	**3,880,883**	3,132,903

19. INCOME TAX (CONT'D)

(b) Statements of profit or loss

Income tax charge on the adjusted profit for the year at 15% (2022: 15%)		**274,548**	1,080,373	**-**	1,080,373
Corporate social responsibility		**144,050**	145,286	**144,050**	145,286
Underprovision		**452,199**	1,124,263	**452,199**	1,124,263
		870,797	2,349,922	**596,249**	2,349,922
Deferred tax (note 13(b))		**(25,009)**	553,698	**(59,229)**	(210,999)
Net charge for the year	Rs.	**845,788**	2,903,620	**537,020**	2,138,923

(c) The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate is as follows:

		THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs. Restated
Profit before taxation		**(7,079,486)**	6,008,375	**(11,939,537)**	1,937,652
Tax calculated at 15% (2022: 15%)		**(1,061,923)**	901,256	**(1,790,931)**	290,648
Expenses not deductible for tax purposes		**1,708,996**	73,108	**1,956,530**	158,716
Income not subject to tax		**(2,084,501)**	(1,194,507)	**(1,869,322)**	(669,507)
Underprovision		**452,199**	1,795,210	**452,199**	1,795,210
Corporate social responsibility		**176,350**	774,855	**144,050**	774,855
Deferred tax		**(25,009)**	553,698	**(59,229)**	(210,999)
Tax losses for which no deferred tax recognised		**1,679,676**	-	**1,703,723**	-
Tax charge	Rs.	**845,788**	**2,903,620**	**537,020**	**2,138,923**

20. DEFERRED TAXATION

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 17% (2021: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Deferred tax liabilities	**(9,709,104)**	(9,734,113)	**(2,148,495)**	(2,207,724)

At the end of the reporting period, the Group had unused tax losses of Rs.1,679,676 (2022: Rs.1,345,106) available-for-offset against future profits. A deferred tax asset has been recognised in respect of such losses. The tax losses expire on a rolling basis over 5 years.

20. DEFERRED TAXATION (CONT'D)

(b) The movement on the deferred income tax account is as follows:

		THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		Rs.	Rs.	**Rs.**	Rs.
At January 1,		**(9,734,113)**	(9,180,415)	**(2,207,724)**	(2,418,723)
Profit or loss credit (note 19(b))		**25,009**	(553,698)	**59,229**	210,999
Other comprehensive income charge		**-**	-	**-**	-
At December 31,	Rs.	**(9,709,104)**	(9,734,113)	**(2,148,495)**	(2,207,724)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(i) THE GROUP

Deferred tax liabilities		Accelerated tax depreciation	Revaluation of building	Investment property	Right-of-use assets	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At January 1, 2022		871,735	2,248,168	9,157,675	771,819	13,049,397
Profit or loss charge		40,329	-	566,234	199,822	806,385
Other comprehensive income		-	-	-	-	-
At December 31, 2022		912,064	2,248,168	9,723,909	971,641	13,855,782
Profit or loss charge/(credit)		4,423,503	-	(2,470,877)	81,958	2,034,584
At December 31, 2023	Rs.	**5,335,567**	**2,248,168**	**7,253,032**	**1,053,599**	**15,890,366**

Deferred tax assets		Retirement benefit obligations	Tax losses	Lease liabilities	Total
		Rs.	Rs.	Rs.	Rs.
At January 1, 2022		2,826,539	228,668	813,775	3,868,982
Profit or loss credit/(charge)		240,839	(201,415)	213,263	252,687
At December 31, 2022		3,067,378	27,253	1,027,038	4,121,669
Profit or loss credit/(charge)		64,804	1,903,634	91,155	2,059,593
At December 31, 2023	Rs.	**3,132,182**	**1,930,887**	**1,118,193**	**6,181,262**

Net deferred tax liabilities		THE GROUP	
		2023	2022
		Rs.	Rs.
Deferred tax liabilities		**(15,890,366)**	(13,855,782)
Deferred tax assets		**6,181,262**	4,121,669
	Rs.	**(9,709,104)**	(9,734,113)

(ii) THE COMPANY

Deferred tax liabilities		Accelerated tax depreciation	Revaluation of building	Investment property	Right-of-use assets	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At January 1. 2022		850,300	2,248,168	2,188,750	771,818	6,059,036
Profit or loss charge		43,282			199,822	243,104
Other comprehensive income						-
At December 31, 2022		893,582	2,248,168	2,188,750	971,640	6,302,140
Profit or loss credit		1,945,659	-	-	81,958	2,027,617
At December 31, 2023	Rs.	**2,839,241**	**2,248,168**	**2,188,750**	**1,053,598**	**8,329,757**

20. DEFERRED TAXATION (CONT'D)

(ii) THE COMPANY

		Tax losses	Retirement benefit obligations	Lease liabilities	Total
Deferred tax assets			Rs.	Rs.	Rs.
At January 1, 2022		-	2,826,539	813,774	3,640,313
Profit or loss credit		-	240,839	213,264	454,103
At December 31, 2022		-	3,067,378	1,027,038	4,094,416
Profit or loss credit/(charged)		1,930,887	64,804	91,155	2,086,846
At December 31, 2023	Rs.	**1,930,887**	**3,132,182**	**1,118,193**	**6,181,262**

		THE COMPANY	
		2023	2022
Net deferred tax liabilities		**Rs.**	Rs.
Deferred tax liabilities		**(8,329,757)**	(6,302,140)
Deferred tax assets		**6,181,262**	4,094,416
	Rs.	**(2,148,495)**	(2,207,724)

21. SHARE CAPITAL

		Authorised, Issued and fully paid	
		2023	2022
		Rs.	Rs.
1 Founder share of Rs.1,000 each		**1,000**	1,000
24,999 Ordinary shares of Rs.1,000 each		**24,999,000**	24,999,000
	Rs.	**25,000,000**	25,000,000

(a) The total authorised number of Ordinary shares is 25,000 (2022: 25,000) with a par value of Rs.1,000 per share (2021: Rs.1,000 per share). All issued shares are fully paid.

(b) The Founder share confer to its holder the following unalterable rights except with the express consent in writing of its holder:
- the right to sit permanently on the Board of Directors of the Company or to appoint representative to sit on the Board.
- the right to be permanently the Executive Managing Director of the Company.

The Founder's share ranks pari pasu with the ordinary shares of the Company.

(c) Fully paid Ordinary shares carry one vote per share and carry a right to dividends.

22. OTHER RESERVES

THE GROUP

			Revaluation surplus	Available-for-sale fair value reserve	Total
			Rs.	Rs.	Rs.
(i)	At January 1, 2023		15,828,346	(2,042,929)	13,785,417
	Gains on revaluation of land and buildings, net of tax		-	-	-
	Change in fair value of financial assets (note 11(a))		(5,279)	399,570	394,291
	Reclassification adjustments on disposal of financial assets		-	-	-
	At December 31, 2023	Rs.	**15,823,067**	**(1,643,359)**	**14,179,708**

22. OTHER RESERVES (CONT'D)

THE COMPANY		Revaluation surplus	Available-for-sale fair value reserve	Total
		Rs.	Rs.	Rs.
At January 1, 2023		15,828,346	(2,042,929)	13,785,417
Gains on revaluation of land and buildings, net of tax		-	-	-
Change in fair value of financial assets (note 8(a))		-	399,570	399,570
Reclassification adjustments on disposal of financial assets		-	-	-
At December 31, 2023	Rs.	**15,828,346**	**(1,643,359)**	**14,184,987**

THE GROUP AND THE COMPANY		Revaluation surplus	Available-for-sale fair value reserve	Total
		Rs.	Rs.	Rs.
(i) At January 1, 2022		15,828,346	(1,189,876)	14,638,470
Gains on revaluation of land and buildings, net of tax				-
Change in fair value of financial assets (note 8(a))		-	(853,053)	(853,053)
Reclassification adjustments on disposal of financial assets		-	-	-
At December 31, 2022	Rs.	**15,828,346**	**(2,042,929)**	**13,785,417**

Revaluation surplus

The revaluation surplus arises on the revaluation of land and buildings.

Available-for-sale fair value reserve

Available-for-sale fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

23. INSURANCE REVENUE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Contracts Measured under PAA	**Rs.**	Rs.	**Rs.**	Rs.
				Restated
Motor	223,986,241	202,335,023	223,986,241	202,335,023
Accident & Health	62,559	77,235	62,559	77,235
Engineering	683,330	506,801	683,330	506,801
Liability	6,583,678	6,346,228	6,583,678	6,346,228
Property	2,021,124	1,796,334	2,021,124	1,796,334
Transport	822,154	726,513	822,154	726,513
Guarantee	2,843,237	3,127,632	2,843,237	3,127,632
Miscellaneous	3,461,864	2,612,882	3,461,864	2,612,882
	240,464,187	217,528,648	240,464,187	217,528,648

24. INSURANCE SERVICE EXPENSES

	THE GROUP AND THE COMPANY 2023	2022
	Rs.	Rs. Restated
Incurred insurance service expenses		
Incurred claims	**161,520,607**	135,453,988
Expenses	**74,974,686**	67,548,642
Other expenses	**-**	
Other movements related to current service	**(376,382)**	276,266
Insurance acquisition cash flows expensed when incurred	**-**	
Amortisation of insurance acquisition cash flows	**10,459,841**	9,241,951
Impairment Loss on Assets for Insurance Acquisition Cash Flow	**-**	
Reversal of Impairment Loss on Assets for Insurance Acquisition Cash Flow	**-**	
	246,578,752	212,520,847
Changes that relate to future service		
Losses for the net outflow recognized on initial recognition	**-**	
Losses and reversal of losses on onerous contracts - subsequent measurement	**3,863,712**	3,806,294
	3,863,712	3,806,294
Insurance service expenses under PAA	**250,442,463**	216,327,141

25. NET EXPENSES FROM REINSURANCE CONTRACT HELD

	THE GROUP AND THE COMPANY 2023	2022
	Rs.	Rs. Restated
Allocation of reinsurance premiums	**16,633,736**	13,877,150
Amounts recoverable from reinsurers for incurred claims	**(12,987,619)**	(5,258,990)
	3,646,117	8,618,160

26. PROFIT BEFORE TAXATION

Profit before taxation for the year is arrived at after charging:

(i) Administrative and other expenses

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs. Restated
Employee benefit expense (see note 23(iii))	**50,882,317**	46,791,180	**50,882,317**	46,791,180
Depreciation and amortisation charge (see note 23(ii))	**10,527,345**	9,846,659	**10,502,335**	9,822,290
Marketing expenses	**4,725,158**	4,067,798	**4,725,158**	4,067,798
Utilities	**3,129,439**	2,609,629	**3,129,439**	2,609,629
Printing and stationery	**3,220,404**	2,342,329	**3,220,404**	2,342,329
Repairs and maintenance	**2,216,207**	2,059,458	**2,216,207**	2,059,458
Rent and rates	**13,108**	-	**13,108**	-
Licence and FSC fees	**5,657,629**	5,416,806	**5,657,629**	5,416,806
IT expense	**2,904,238**	2,312,248	**2,904,238**	2,312,248
Professional expenses	**3,409,605**	3,675,335	**3,409,605**	3,675,335
Bank charges	**1,693,094**	1,234,165	**1,693,094**	1,234,165
Towing and other related services	**3,542,000**	3,023,925	**3,542,000**	3,023,925
Other expenses	**27,991,780**	1,943,841	**27,145,441**	1,311,881
	119,912,324	85,323,373	**119,040,975**	84,667,044
Attributable expenses	**74,974,686**	67,548,642	**74,974,686**	67,548,642
Non-attributable expenses	**44,937,638**	17,774,731	**44,066,289**	17,118,402
	119,912,324	85,323,373	**119,040,975**	84,667,044

Other expenses consist of expenses incurred in the day to day operation of the Group and of the Company.

26. PROFIT BEFORE TAXATION (CONT'D)

(ii) Depreciation and amortisation charge

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Property, plant and equipment (note 16)	**7,821,522**	7,396,990	**7,796,512**	7,372,621
Right-of-use assets (note 13)	**2,520,621**	2,247,191	**2,520,621**	2,247,191
Intangible assets (note 15)	**185,202**	202,476	**185,202**	202,476
Rs.	**10,527,345**	9,846,657	**10,502,335**	9,822,288

(iii) Employee benefit expense

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Wages and salaries, including termination benefits	**46,324,100**	42,018,464	**46,324,100**	42,018,464
Social security costs	**2,195,631**	1,974,051	**2,195,631**	1,974,051
Other post-retirement benefits (note 18(a))	**2,362,586**	2,798,665	**2,362,586**	2,798,665
Rs.	**50,882,317**	46,791,180	**50,882,317**	46,791,180

27. INVESTMENT INCOME- NET

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Interest income	**15,875,153**	14,879,077	**16,193,512**	14,697,432
Dividend income	**1,726,810**	1,469,883	**1,726,414**	1,469,883
Gain/(loss) on disposal of financial assets	**(209)**	-	**(209)**	-
Gain on revaluation on investment property (note 14)	**2,490,481**	2,122,500	**800,000**	650,000
Rental income	**4,624,582**	3,327,407	**316,000**	289,500
Rs.	**24,716,817**	21,798,867	**19,035,717**	17,106,815

28. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs.	Rs.	**Rs.**	Rs.
Policy fees	**5,286,550**	5,136,750	**5,286,550**	5,136,750
Profit on disposal of property, plant and equipment	**-**	1,200,000	**-**	1,200,000
Sundry income	**713,919**	296,009	**663,619**	261,009
Rs.	**6,000,469**	6,632,759	**5,950,169**	6,597,759

29. FINANCE COSTS

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs.	Rs.
Leases	**435,453**	439,410
Bank overdraft	**283**	2,316
Rs.	**435,736**	441,726

30. RELATED PARTY TRANSACTIONS

Details of related parties	Relationship	Type of transaction	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
			Rs.	Rs.	**Rs.**	Rs.
Sale of services:						
Directors	Shareholder	Insurance premium	**122,451**	173,104	**122,451**	173,104
Agents	Shareholder	Insurance premium	**20,667,506**	18,071,024	**20,667,506**	18,071,024
Enterprise that has shareholder in common	Shareholder	Insurance premium	**89,089**	48,115	**89,089**	48,115
Interest income	Executive Directors	Interest income	**-**	-	**-**	-
Expenses:						
GFA Investments Ltd	Subsidiary	Rental expense	**-**	-	**366,500**	276,000
Enterprise that has shareholder in common	Shareholder	Rental expense	**540,700**	637,400	**540,700**	637,400
Enterprise that has shareholder in common	Shareholder	Petrol Expense	**92,768**	-	**92,768**	-
Amount owed by:						
Agents	Shareholder	Insurance receivables	**1,425,762**	1,407,258	**1,425,762**	1,407,258
Executive Directors	Shareholder/ Executive Directors	Insurance receivables	**100,200**	114,150	**100,200**	114,150
Enterprise that has shareholder in common	Shareholder	Insurance receivables	**56,948**	42,900	**56,948**	42,900

(a) For the year ended December 31, 2023, the Group and the Company have not recorded any impairment of receivables relating to amounts owed by related parties (2022: Rs.Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(b) **Key Management Personnel Compensation**

	THE GROUP AND THE COMPANY 2023	THE GROUP AND THE COMPANY 2022
	Rs.	Rs.
Salaries and short-term employee benefits	**19,880,573**	18,161,737
Post-employment benefits	**1,314,343**	1,950,287
Rs.	**21,194,916**	20,112,024

31. DIVIDENDS

		THE GROUP AND THE COMPANY	
		2023	2022
		Rs.	Rs.
Amount recognised as distributions to equity holders in the year: Dividend for the year ended December 31, 2022 of Rs.200 (2022: Rs.650) per share	Rs.	**5,000,000**	16,250,000

32. FINANCIAL ASSETS WRITTEN OFF

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs.	Rs.
Deposits written off (note 6)	**25,655,006**	-
Bank balance written off	**98,333**	-
	25,753,339	-

Refer to note 34

33. CONTINGENT LIABILITIES

Insurance claims

In common practice with insurance industry in general, the Company is subject to litigations arising in the normal course of insurance business. The Directors are of the opinion that these litigations will not have a material effect on the financial position or results of the Company as the insurance contract liabilities take into account the claims related to these litigations.

34. EVENTS AFTER REPORTING PERIOD

On 13 February, 2024, the Bank of Mauritius has placed Silver Bank Limited under conservatorship. Therefore the group and company has written off its investments and bank balance amounting to Rs. 25,655,006 and Rs. 98,333 respectively.

35. HOLDING COMPANY

The holding company of GFA Investment Ltd is GFA Insurance Ltd. Both companies are incorporated in Mauritius