



PICIC
INSURANCE

PICIC INSURANCE LIMITED

**ANNUAL REPORTS
2019**

Contents

Company Information	_____
Vision and Mission Statement and Core Values	_____
Code of Conduct	_____
Chairman Review Report (English)	_____
Chairman Review Report (Urdu)	_____
Director's Report to the Members on Financial Statements (English)	_____
Director's Report to the Members on Financial Statements (Urdu)	_____
Key Financial highlights	_____
Pattern of Share Holding	_____
Statement of Compliance with the Code of Corporate Governance	_____
Review Report to the Members of Statement of Compliance with the Best Practices of Code of Corporate Governance	_____
Auditors' Report to the Members of PICIC Insurance Limited	_____
Financial Statements	_____
Notice of Annual General Meeting	_____
Proxy Form (English / Urdu)	_____

Company Information

Board of Directors

Mr. Irshad Ali Shaban Ali Kassim (Chairman) *
Mr. Abu Ahmed **
Mr. Munawar Ali Kassim*
Mr. Muzaffar Ali Shah Bukhari*
Mr. Moiz Ali**
Mr. Haji Ashraf Dhedhi**
Ms. Nudrat Fatima**
Mr. Hafiz Muhammad Hassan Saeed**
Mr. Muhammad Abdul Rasheed**
Mr. Muhammad Afzal Shehzad**

Managing Director / CEO

Mr. Moiz Ali

Board Audit Committee

Mr. Muzaffar Ali Shah
Mr. Irshad Ali Shaban Ali Kassim
Mr. Munawar Ali Kassim

Board Human Resources & Remuneration Committee

Mr. Moiz Ali
Mr. Irshad Ali Shaban Ali Kassim
Mr. Moiz Ali

Acting CFO & Company Secretary

Mr. Abdul Muhammad

Auditors

Crow Hussain Chaudhury & Co.
Chartered Accountants

Legal Advisor

Soomro Law Associates

Bankers

Habib Metropolitan Bank Limited
MIB MCB Islamic Bank Limited

Shares Registrar

F.D. Registrar Services (SMC- Pvt) Ltd.
1705, 17th Floor, Saima Trade Tower –A,
I.I. Chundrigar Road,
Karachi

Registered & Head Office

3rd Floor, Nadir House, I.I. Chundrigar Road,
Karachi
Tel: 021-32410781
Fax: 021-32410782
www.picicinsurance.com

(*Continuing till new board takes
charges after approval by SECP under
sound & prudent management)

(** Appointed however not taken
charge pending approval by SECP
under sound & prudent management)

Vision Statement

PICIC Insurance shall emerge as the leading insurance and risk management services organization in Pakistan. We are in the business of providing solutions to mitigate insurable risk exposure of our clients. We shall do this on the basis of thorough risk evaluation and product knowledge.

Mission Statement

PICIC Insurance shall fully satisfy the needs and expectations of all its stakeholders:

- We shall put the interest of our clients first and ensure that they make informed decisions with respect to the products and services that we offer them.
- We shall give our employees a congenial work environment and shall give them opportunities for personal growth and development strictly on the basis of merit.
- We shall strive to continually provide above average returns to our shareholders.
- We shall support the development of the communities in which we live and work.

Core Values

Integrity

We make sure that our business interactions and relations with all the stakeholders are delimited with honesty, loyalty and transparency

Excellence

Our commitment is to persistently strive for better and better, while we keep on building upon our achievement.

Growth

We define our growth through nurturing and supplementing growth for our stakeholders.

Professionalism

We have a strong commitment to set high bars of quality service standards for our internal and external clients; this will be supported with the pillars of expertise, steadiness, dedication and business acumen

Chairman's Review Report

I am pleased to present Chairman's Review report as required under section 192 of the Companies Act, 2017.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of PICIC Insurance Limited has been carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended December 31, 2019, the Board's overall performance and effectiveness has been assessed as satisfactory, it is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business. Improvement is an ongoing process leading to action plans.

The Board of Director of your company received agendas and supporting written material including follow up material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

I would like to thank my fellow directors who had carried their responsibilities diligently.

Irshad Ali Shaban Ali Kassim
Chairman
Karachi: May 21, 2020

چیئرمین کی جائزہ رپورٹ

سیکشن 192 آف کمپنیز ایکٹ 2017ء کی ضرورت کے تحت میں چیئرمین کی جائزہ رپورٹ پیش کرنے میں مسرت محسوس کر رہا ہوں۔

کارپوریشن گورننس کے ضابطے کی ضرورت کے لئے پبلک انشورنس لمیٹڈ کے بورڈ کی ایک سالانہ تشخیص رپورٹ تیار کی گئی ہے۔ اس تشخیص کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے مقرر کردہ مقاصد کے مطابق بورڈ کی مجموعی کارکردگی اور اثر انداز ہونے کی صلاحیت کو جانچا جائے اور اسے اجاگر کیا جائے۔

31 دسمبر 2019ء کے اختتامی مالی سال کے لئے بورڈ کی مجموعی کارکردگی اور اثر انداز ہونے کی صلاحیت کو تسلی بخش قرار دیا گیا ہے، یہ مربوط اجزاء کی تشخیص پر مبنی ہے، جس میں نقطہ نظر، مشن اور اقدار، حکمت عملی کی منصوبہ بندی میں دلچسپی، پالیسیوں کی تشکیل، ادارے کے کاروباری سرگرمیوں کی جانچ، مالی وسائل کے انتظام کی دیکھ بھال، موثر مالی نگرانی، تمام ملازمین کا مناسب علاج اور بورڈ کے کاروبار کو فروغ دینے کی صلاحیت، جاری کارروائی کی منصوبہ بندی کے عمل میں اضافہ کرنا شامل ہے۔

آپ کی کمپنی کے بورڈ کے ڈائریکٹر نے موصول شدہ ایجنڈا اور تحریری مواد کی حمایت کرتے ہوئے بورڈ اور اس کی کمیٹی کے اجلاسوں میں کافی وقت تک وصول شدہ مواد کو اپنانے پر عمل کیا ہے۔ غیر ایگزیکٹو اور خود مختار ڈائریکٹرز مساوی طور پر اہم فیصلوں میں شامل رہے ہیں۔

میں اپنے ساتھی ڈائریکٹرز کا شکریہ ادا کرنا چاہتا ہوں کہ جنہوں نے اپنی ذمہ داریاں پوری مستعدی کے ساتھ سرانجام دی ہیں۔

ارشاد علی شعبان علی قاسم

چیئرمین

کراچی: 21 مئی 2020

DIRECTORS' REPORT

The Directors of your company are pleased to present the annual report together with the audited financial statements for the year ended December 31, 2019.

Message from the Chairman

For the financial year ended December 31, 2019, the Board's overall performance and effectiveness has been assessed as satisfactory, it is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; monitor financial resource management. Improvement is an ongoing process leading to action plans.

The Company has stopped underwriting and is in the process of merger with Crescent Star Foods (Private) Limited which is pending before The High Court of Sindh. The Board has full confidence that once the merger is completed your company will unfold the Business Plan and strategy after approval from the Board.

Future Outlook

Crescent Star Foods (Pvt.) Limited is in the process of merger with and into the Company which is pending approval by The Sindh High Court. Further the Company has applied for surrender of its insurance license after which the Company will no longer remain in the insurance sector and rules and regulation of the Insurance Ordinance such as maintaining solvency etc. will not be applicable on the Company.

The management is confident that after the merger, the company will have adequate resources to effectively enter a new phase with diversified interests to protect stake holders interest. The company will unfold the Business Plan and strategy after the merger is approved enabling the company to remain a going concern.

Financial Highlights

The comparative financial highlights of your Company for the year ended December 31, 2019 are as follows:

	2019	2018
Rupees in '000.....	
Gross Premium Written	-	-
Net Premium Revenue	-	-
Net Claims including IBNR	-	-
Loss from underwriting business	(5,954)	(10,929)
Investment Income	4,515	2,397
Loss after Taxation	(2,175)	(11,799)
Loss per share (Rupees)	(0.06)	(0.34)

Insurer Financial Strength Rating

JCR VIS assigned Insurer Financial Strength Rating to the Company of 'BBB+' (Triple B Plus), under 'Rating Watch – Developing' status on account of public notice for its prospective merger with Crescent Star Insurance Limited on April 07, 2016.

Auditors

The auditors M/s. Horwath Hussain Chaudhury & Co. Chartered Accountants retire at the conclusion of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

Auditors' Report

The auditors opinion of the company not being a going concern is based on the fact that the business of the company is suspended. However keeping the future outlook of the company due to merger of Crescent Star Foods (Pvt.) Ltd with and into the Company, the business activities of the company will be revived. Hence the company will remain a going concern.

Statement of Corporate and Financial Reporting Framework

The corporate laws, rules and regulations framed thereunder spell out the overall functions of the Board of Directors of the Company. The Board is fully aware of its corporate responsibilities envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and adopted by the Stock Exchanges for all listed companies, and is pleased to certify that:

1. The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

2. The Company has maintained proper books of accounts as required under the Companies Ordinance, 1984.
3. The Company has followed consistently appropriate accounting policies in preparation of the financial statements. Changes wherever made, have been adequately disclosed and accounting estimates are on the basis of prudent and reasonable judgment
4. Approved Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure therefrom, if any, has been adequately disclosed.
5. The system of internal control is sound, effectively implemented and monitored. The process of review will continue to strengthen the system for its effective implementation.
6. There are no significant doubts upon the Company's ability to continue as a going concern
7. The Board of Directors does not recommend any Dividend for the year ended December 31, 2019.
8. The Company has followed the best practices of the Code of Corporate Governance and there is no material departure there from.
9. Key operating and financial data for last six years is annexed with the report.
10. All major decisions relating to the investments / disinvestments of funds, changes in the policies are taken by the Investment Committee / Board of directors.
11. Decisions regarding appointment of CEO, CFO & Company Secretary and Head of Internal Audit, and fixing or changing of remuneration are taken and approved by the Board.
12. Outstanding taxes and duties are given in the financial statements.

Board Meetings and Attendance

During the year under review four meetings were held and attended as follows:

Name	No. of meetings eligible to attend during the tenure	No. of meetings attended
Mr. Irshad Ali Shaban Ali Kassim (Chairman)	4	4
Mr. Abu Ahmed	4	4
Mr. Munawar Ali Kassim	4	4
Mr. Muzaffar Ali Shah Bukhari	4	-
Mr. Moiz Ali (Managing Director / CEO)	4	4

Leave of absence was granted to the directors unable to attend the meeting.

The Board has developed a mechanism to evaluate its own performance by adopting self- evaluation methodology through an agreed questionnaire. The mechanism devised is based on the emerging and leading trends on the functioning of the Board and improving its effectiveness. The evaluation exercise is carried out every year.

Managing Director's performance is monitored and evaluated by the Board against the job description set by the Board.

Board Committee Meetings

Board has constituted various committees at Board level for effective control and operation.

Audit Committee

During the year 2019, four meetings were held and attendance was as follows:

Attendance

Mr. Muzaffar Ali Shah Bukhari (Chairman)	-
Mr. Irshad Ali Shaban Ali Kassim	4
Mr. Munawar Ali Kassim	4

Human Resource and Remuneration Committee

During the year 2019, one meeting of Human Resource and Remuneration Committee were held and attendance was as follows:

Attendance

Mr. Muzaffar Ali Shah Bukhari (Chairman)	-
Mr. Irshad Ali Shaban Ali Kassim	1
Mr. Moiz Ali	1

Investment Committee

During the year 2019, four meetings were held and attendance was as follows:

Attendance

Mr. Irshad Ali Shaban Ali Kassim (Chairman)	4
Mr. Munawar Ali Kassim	4
Mr. Moiz Ali	4
Syed Zaigham Raza	4

Pattern of Shareholding

A statement showing the pattern of shareholding is attached with this report.

Trading of Company's Share

No trading in the shares of the Company was carried out by the Directors, CEO and Executives (employees with basic salary of Rs.0.5M or above) or their spouses or minor children, if any.

Compliance with the Code of Corporate Governance

The requirements of the Code set out by the stock exchanges in their listing regulations, relevant for the year ended December 31, 2019, have been duly complied with.

Code of Conduct

The Board has adopted a statement of Code of Conduct for directors and employees. Acknowledgment for compliance are obtained and held by the Company.

Certificate of the Directors and Principal Officer under Section 46(6) of the Insurance Ordinance, 2000

We certify that:

- in our opinion the annual statutory accounts of the Company set out in the forms attached to the statements have been drawn up in accordance with the Ordinance and rules made there under;
- the Company has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder. With regard to paid-up capital, solvency (refer notes to the financial statements note: 1.2) and reinsurance arrangements; and
- as at the date of the statement, the Company continues to be in compliance with the provisions of the Insurance Ordinance, 2000 and the rules made there under relating to paid-up capital, solvency (refer notes to the financial statements note: 1.2) and reinsurance arrangements.

Acknowledgement

The Board of Directors would like to express its sincere appreciation to the Company's valued clients, reinsurers, brokers, business partners and other stakeholders. The Board would also like to thank the Securities and Exchange Commission of Pakistan, the Stock Exchanges and the Central Depository Company for their continued guidance and support. The Company's accomplishments would not have been possible without the dedication and commitment of the Company's motivated & dedicated employees; they deserve special recognition on behalf of the Board.

Irshad Ali Shaban Ali Kassim
Chairman
Karachi: May 21, 2020

Moiz Ali
Managing Director / CEO

ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر اپنی سالانہ رپورٹ کے ساتھ مالیاتی گوشوارے برائے ختمہ سال 31 دسمبر 2019 پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں۔

چیرمین کا پیغام

مالیاتی سال ختمہ 31 دسمبر 2019 میں بورڈ کی مجموعی کارکردگی اور اثر پذیر پالیسیاں بخش رہی، جس کی بنیاد منفرد اجزاء کی تشخیص پر تھی جن میں نصب العین، مشن اور اقدار، کلیدی منصوبہ بندی، مالیاتی وسائل کی انتظامی نگرانی، شامل ہیں۔ بہتری ایک ایسا مسلسل عمل ہے جس سے اہداف کے حصول میں معاونت ہوتی ہے۔

کریسٹل اشارف و ذلمیٹڈ کا کمپنی کے ساتھ الحاق کا عمل جاری ہے جو کہ عدالت عالیہ سندھ کے روبرو زیر التواء ہے۔ بورڈ پر اعتماد ہے کہ الحاق فیکمل ہوتے ہی آپ کی کمپنی بورڈ کی منظوری سے کاروباری منصوبے اور حکمت عملی مرتب کرے گی۔

مستقبل کی پیش بینی

کریسٹل اشارف و ذلمیٹڈ کا کمپنی کے ساتھ اور اس میں الحاق کا عمل جاری ہے جو کہ عدالت عالیہ سندھ کے روبرو زیر التواء ہے۔ مزید برآں کمپنی نے بیمہ لائسنس کی منسوخی کے لئے درخواست دے رکھی ہے جس کے بعد کمپنی بیمہ کے شعبہ کی کمپنی نہیں رہے گی اور انشورنس آرڈیننس کے قواعد و ضوابط جیسے کہ ادائے قرض کی صلاحیت کو برقرار رکھنا کمپنی پر لاگو نہیں ہوگا۔

بورڈ پر اعتماد ہے کہ الحاق کے بعد نئے فیئر میں داخل ہونے سے مناسب وسائل حاصل ہو جائیں گے جن سے مستفیدان کے مختلف النوع مفادات کا تحفظ ہوگا۔ الحاق کی منظوری کے بعد کمپنی اپنی کاروباری منصوبوں اور حکمت عملی کو منکشف کرے گی تاکہ کمپنی کی چلتے ہوئے ادارے کی حیثیت برقرار رہے۔

مالیاتی جھلکیاں

2018	2019	روپے "000" میں
-	-	تحریری خام پریمیم
-	-	خالص پریمیم آمدنی
-	-	خالص مطالبات بشمول آئی بی این آر
(10,929)	(5,954)	خسارہ بذریعہ ذمہ دہی کار بار
2,397	4,515	سرمایہ کاری سے آمدنی
(11,799)	(2,175)	(خسارہ) بعد از ٹیکس
(0.34)	(0.06)	(خسارہ) فی حصص (روپے)

بیمہ کاری مالیاتی استحکام کی رینٹنگ

جے سی آروی آئی ایس نے بیمہ کار کے مالیاتی استحکام کی درجہ بندی میں پزیر 'Rating Watch - Developing' کے تحت کمپنی کو 'BBB+' تفویض کیا ہے جس کی بنیادی وجہ عوامی نوٹس ذریعہ کریسٹل اشارف و ذلمیٹڈ کے امکانی الحاق کا مورخہ اپریل 2016-07 کا اعلان کیا گیا تھا۔

آڈیٹرز

موجودہ آڈیٹرز، ہورواتھ حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ تقرری کی اہلیت ہونے کے باعث، انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

آڈیٹرز کی رپورٹ

اس حقیقت کی بنیاد پر کہ کمپنی نے اپنا کاروبار معطل کر دیا ہے کمپنی کے آڈیٹرز نے اس پر ایک نہ چلتے ہوئے ادارہ کی رائے کا اظہار کیا ہے۔ تاہم کمپنی کے کریسٹل اشارف و ذلمیٹڈ (پرائیویٹ) میں اور اس کے ساتھ الحاق کو مد نظر رکھتے ہوئے مستقبل میں کمپنی کی کاروباری سرگرمیوں کے بحال ہونے کی پیش بینی کی گئی ہے۔ لہذا کمپنی ایک چلتا ہوا ادارہ رہے گی۔

ادارتی اور مالیاتی رپورٹنگ کے طریقہ کار سے متعلق بیان

ادارتی قوانین، قواعد و ضوابط جو کہ وضع کئے گئے ہیں کمپنی کے بورڈ کے مجموعی افعال میں ان کی عکاسی ہوتی ہے۔ بورڈ اچھے نظم و نسق کے کاروباری ضابطوں کے بارے میں مکمل طور پر اپنی ادارتی ذمہ داریوں سے آگاہ ہے جن کی وضاحت سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کی ہے اور جنہیں اسٹاک ایکسچینج نے درج فہرست کمپنیوں کے لئے اختیار کیا ہے اور بخوشی تصدیق کرتا ہے کہ

1- کمپنی کی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشوارے کمپنی کی حالت کار، اس کی سرگرمیوں، امور کے نتائج، حصص میں تبدیلی اور نقد بہاؤ کو شفاف انداز میں پیش

- کرتے ہیں۔
- 2- کمپنی کے کھاتوں کی کتابیں کمپنیز آرڈیننس 1984 کے تحت مناسب انداز میں رکھی گئی ہیں۔
 - 3- کمپنی کے مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ مناسب حساباتی پالیسیاں اختیار کی گئی ہیں۔ جہاں تبدیلیاں ہوئی ہیں ان کو مناسب انداز میں منکشف کیا گیا اور حساباتی تخمینوں کی بنیاد محتاط اور مناسب فیصلوں پر ہے۔
 - 4- منظور شدہ رپورٹنگ کے عالمی مالیاتی معیارات (IFRS) جو پاکستان میں نافذ ہیں ان کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور کسی بھی انحراف کو مناسب انداز میں منکشف کیا گیا ہے۔
 - 5- اندرونی گرفت کے نظام کو مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طور پر نفاذ کیا گیا ہے اور نگرانی کی جاتی ہے۔ اس کی نظر ثانی کا عمل جاری رہتا ہے تاکہ نظام کو مضبوط کرتے ہوئے موثر انداز میں نافذ کیا جائے۔
 - 6- کمپنی کے مسلسل چلتے ہوئے ادارے کی حیثیت میں کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
 - 7- بورڈ آف ڈائریکٹرز نے تختہ سال 2019 کے لئے کسی منافع منقسمہ کی سفارش نہیں کی۔
 - 8- کمپنی کا باری نظم و نسق کے بہترین طور طریقوں پر عمل پیرا ہے اور ان سے کسی قسم کا کوئی بڑا انحراف نہیں ہوا۔
 - 9- گزشتہ چھ سالوں کے مالیاتی اعداد و شمار اس رپورٹ کے ساتھ منسلک ہیں۔
 - 10- فنڈز کی سرمایہ کاری/عدم سرمایہ کاری، پالیسیوں میں تبدیلی سے متعلق تمام بڑے فیصلے سرمایہ کاری کمیٹی/بورڈ آف ڈائریکٹرز کرتے ہیں۔
 - 11- سی ای او، سی ایف او اور کمپنی سیکریٹری اور ہیڈ انٹرنل آڈٹ کی تقرری اور ان کے معاوضہ کے تعین یا تبدیلی سے متعلق فیصلے بورڈ کی منظوری سے کئے جاتے ہیں۔
 - 12- واجب الادا انکس اور ڈیوٹیوں مالیاتی گوشواروں میں منکشف کی گئی ہیں۔

بورڈ کے اجلاس اور ان میں حاضری

نام	اجلاسوں کی تعداد جن میں حاضر ہونا ضروری تھا	حاضر اجلاسوں کی تعداد
جناب ارشد علی شعبان علی قاسم (چیئر مین)	4	4
جناب ابوالاحمد	4	1
جناب منور علی قاسم	4	4
جناب مظفر علی شاہ بخاری	4	-
جناب معین علی (مہجنگ ڈائریکٹر/سی ای او)	4	4

جو ڈائریکٹر حاضر نہ ہو سکے ان کی رخصت منظور کر لی گئی۔

بورڈ نے ایک ایسا نظام تشکیل دیا ہے جس میں طے شدہ سوالنامے کے ذریعے از خود کارکردگی کی تشخیص کی جاسکتی ہے۔ یہ نظام اس طرح ترتیب دیا گیا ہے کہ جن سے بورڈ کے افعال میں نئے اور قاعدہ رجحانات کا اظہار ہوتا ہے اور جو اس کی اثر پذیری میں بہتری لاتے ہیں۔ تشخیص کی مشق ہر سال کی جاتی ہے۔

بورڈ کی طے شدہ ملازمتی ذمہ داریوں کے مطابق بورڈ مہجنگ ڈائریکٹر کی کارکردگی کی تشخیص اور نگرانی کرتا ہے۔

بورڈ کی کمیٹیوں کے اجلاس

بورڈ نے بورڈ کی سطح پر مختلف کمیٹیاں تشکیل دی ہیں تاکہ موثر انداز میں گرفت اور کاروباری افعال جاری رکھے جاسکیں۔

آڈٹ کمیٹی

سال 2019 کے دوران چار اجلاس ہوئے اور حاضری درج ذیل رہی:

حاضری

-	جناب مظفر علی شاہ بخاری (چیئر مین)
4	جناب ارشد علی شعبان علی قاسم
4	جناب منور علی قاسم

انسانی وسائل اور معاوضہ کمیٹی

سال 2019 کے دوران انسانی وسائل اور معاوضہ کمیٹی کے دو اجلاس ہوئے اور ان میں حاضری درج ذیل رہی:

حاضری

-	جناب مظفر علی شاہ بخاری (چیئر مین)
---	------------------------------------

جناب ارشاد علی شعبان علی قاسم
1
1
جناب معز علی

سرمایہ کاری کمیٹی

سال 2019 کے دوران چار اجلاس ہوئے جن میں حاضری درج ذیل رہی:

4 جناب ارشاد علی شعبان علی قاسم (چیئر مین)
4 جناب منور علی قاسم
4 جناب معز علی
4 سید ضیغم رضا

حصص داری کی ساخت

حصص داری ساخت کا گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔

کمپنی کے حصص میں خرید و فروخت

ڈائریکٹران، ہی ای او اور ایگزیکٹو (جن ملازمین کی تنخواہ 5 لاکھ یا اس سے زیادہ ہو) یا ان کے شریک حیات یا چھوٹے بچوں نے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

کاروباری نظم و نسق کے ضابطوں کی پاسداری

ضابطہ کی مطلوب بات جن کا تعین اسٹاک ایکسچینج نے اپنے فہرست سازی کے ضوابط میں کیا ہے، جن کا تعلق مختتم سال 2019 سے تھا، ان کی مکمل پاسداری کی گئی۔ اس حوالے سے ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

ضابطہ اخلاق

بورڈ نے ڈائریکٹران اور ملازمین کے لئے ایک ضابطہ اخلاق اختیار کیا ہے۔ کمپنی نے ملازمین کو فراہم کر کے ان کی پاسداری کو یقینی بنایا ہے۔

ڈائریکٹران اور پرنسپل آفیسر کا تصدیق نامہ زیر دفعہ (6) 46 انشورنس آرڈیننس 2000

ہم تصدیق کرتے ہیں

(a) ہماری رائے کے مطابق کمپنی کے سالانہ آئینی مالیاتی گوشوارے جو کہ بیانیہ شکل میں منسلک ہیں ان کی تیاری میں آرڈیننس اور دیگر متعلقہ ضوابط کو ملحوظ خاطر رکھا گیا ہے

(b) کمپنی نے پورے سال ادا شدہ سرمائے، ادائے قرض کی صلاحیت اور دہری بیمہ کاریوں کے اہتمام سے متعلق ضوابط اور آرڈیننس کی دفعات کی مکمل پاسداری کی۔

(c) بیان کی تاریخ کے وقت، کمپنی نے تسلسل کے ساتھ ادا شدہ سرمائے، ادائے قرض کی صلاحیت اور دہری بیمہ کاریوں کے اہتمام سے متعلق ضوابط اور آرڈیننس کی دفعات کی مکمل پاسداری کی۔

اعتراف

بورڈ آف ڈائریکٹران اپنی مخلصانہ تہنیت کمپنی کے قابل قدر کارکنوں، دہرے بیمہ کاروں، بروکرز، کاروباری شراکت داروں اور دیگر مستفیدان کو پیش کرتا ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹاک ایکسچینج اور سینٹرل ڈپازٹری کمپنی کی مسلسل رہنمائی اور تعاون پر بھی بورڈ ان کا شکریہ ادا کرتا ہے۔ کمپنی کو یہ کامیابیوں حاصل نہ ہوتیں اگر کمپنی کے متحرک ملازمین انتھک محنت اور جدوجہد نہ کرتے، وہ اس موقع پر خصوصی ستائش کے مستحق ہیں۔

معز علی
مینجنگ ڈائریکٹر/سی ای او

ارشاد علی شعبان علی قاسم
چیئر مین

کراچی، 21 مئی 2020

Key Financial Highlights

	2019	2018	2017	2016	2015	2014
	(Rupees in thousand)					
Paid up share Capital	350,000	350,000	350,000	350,000	350,000	350,000
Accumulated (loss)	(367,994)	(365,819)	(354,106)	(311,789)	(290,856)	(285,962)
Investment Income	4,515	2,347	2,353	848	614	7,423
Return on bank balances	18	57	42	541	2,507	4,744
Total Assets	70,818	67,011	68,604	335,902	607,184	917,184
Gross Premiums Written	-	-	(511)	(15,375)	402,532	508,247
Net Premium Revenue	-	-	44,643	76,310	220,426	292,698
(Loss) / Profit from underwriting business	-	(10,929)	(10,795)	24,998	71,445	(52,580)
Net Claims	-	-	48,447	20,209	91,135	213,119
Loss before Taxation	(1,705)	(8,914)	(41,733)	(24,367)	(9,476)	(130,803)
Provision for Taxation	(470)	(2,885)	(584)	(514)	(357)	(159)
Loss after Taxation	(2,175)	(11,799)	(42,317)	(24,881)	(9,833)	(130,962)
Loss per share (in Rupees)	(0.06)	(0.34)	(1.21)	(0.71)	(0.28)	(3.74)

PICIC INSURANCE LIMITED**Pattern of Shareholding****Information as required under Code of Corporate Governance****As at December 31, 2019**

Shareholder's Category	Number of Shareholders	Number of Shares Held
Mutual Funds		
Asian Stock Fund Ltd	1	6
Safeway Mutual Fund Limited	1	19
Goldeun Arrow Selected Stocks Fund Ltd	1	22
Prudential Stocks Funds Limited	1	35
PICIC Benovelent Fund-2	1	44
Directors, Chief Executive Officer, and their spouse minor children.		
Mr. Irshad Ali Shaban Ali Kassim	1	1,000
Mr. Munamer Ali Kassim	1	1,000
Mr. Muzaffar Ali Shah Bukhari	1	500
Mr. Moiz Ali	1	500
Public Sector Companies & Corporations	1	3,895,970
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Mudaraba and Pension Fund	26	141,918
Shareholder Holding five percent or more voting Rights in the Listed Company		
State Life Insurance Corp. Of Pakistan		3,895,970
Salim Sozer Securities (Pvt) Ltd		3,279,687

PICIC INSURANCE LIMITED
Pattern of Shareholding
Additional Information
As at December 31, 2019

Shareholder's Category	Number of Shareholders	Number of Shares	Percentage
Directors, Chief Executive Officer Their Spouse(S) & Minor Children.			
Mr. Irshad Ali Shaban Ali Kassim	1	1,000	0.00
Mr. Munawar Ali Kassim	1	1,000	0.00
Mr. Muzaffar Ali Shah Bukhari	1	500	0.00
Mr. Moiz Ali	1	500	0.00
Banks DFI & NBF.	13	6,137	0.02
Insurance Companies	7	4,031,491	11.52
Modarabas & Mutual Funds	12	386	0.00
Joint Stock Companies	55	3,548,573	10.14
Share holders 10%	1	3,895,970	
Individuals	3,612	27,359,208	78.17
Others	25	51,205	0.15
Total (excluding : share holders holding 10%)	3,728	35,000,000	100

PICIC INSURANCE LIMITED
Pattern of Shareholding as at December 31, 2019

Number of Shareholders	Shareholding From	To	Number of Shares Held
1812	1	- 100	43,481
584	101	- 500	162,685
239	501	- 1000	211,430
511	1001	- 5000	1,428,561
181	5001	- 10000	1,480,639
88	10001	- 15000	1,128,134
55	15001	- 20000	1,005,317
40	20001	- 25000	936,093
31	25001	- 30000	878,400
31	30001	- 35000	1,023,901
19	35001	- 40000	743,603
6	40001	- 45000	260,000
20	45001	- 50000	986,505
13	50001	- 55000	682,000
13	55001	- 60000	766,168
10	60001	- 65000	631,847
4	65001	- 70000	276,000
5	70001	- 75000	365,000
8	75001	- 80000	630,000
3	80001	- 85000	246,319
2	85001	- 90000	174,701
2	90001	- 95000	190,000
10	95001	- 100000	991,501
2	100001	- 105000	202,098
2	105001	- 110000	214,001
2	120001	- 125000	243,500
1	130001	- 135000	131,297
2	135001	- 140000	276,000
2	150001	- 155000	306,162
1	160001	- 165000	164,500
1	170001	- 175000	172,500
1	175001	- 180000	175,500
3	195001	- 200000	600,000
1	200001	- 205000	205,000
1	220001	- 225000	221,500
1	240001	- 245000	245,000
1	260001	- 265000	264,000
1	265001	- 270000	270,000
1	275001	- 280000	278,000
2	295001	- 300000	600,000
1	305001	- 310000	309,000
1	325001	- 330000	327,500
1	330001	- 335000	335,000
1	345001	- 350000	348,000
1	360001	- 365000	365,000
2	370001	- 375000	750,000
1	395001	- 400000	400,000
1	415001	- 420000	416,500
1	525001	- 530000	530,000
1	545001	- 550000	550,000
1	670001	- 675000	673,000
1	1100001	- 1105000	1,104,000
1	1900001	- 1905000	1,905,000
1	3275001	- 3280000	3,279,687
1	3895001	- 3900000	3,895,970
3,728			35,000,000

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

**PICIC INSURANCE LIMITED (“the Company”)
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

The Company has applied the principles contained in the Code and the Regulations in the following manner:

1. The total number of directors are seven (10), as per the following:
 - a) Male: 9
 - b) Female: 1
2. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	Names
Independent Directors	Mr. Muzaffar Ali Shah Bukhari
Executive Directors	Mr. Moiz Ali CEO
Non-Executive Directors	Mr. Abu Ahmed Mr. Irshad Ali Shaban Ali Kassim Mr. Munawar Ali Kassim Mr. Hafiz Muhammad Hassan Saeed* MS. Nudrat Fatima* Mr. Muhammad Abdul Rasheed* Mr. Haji Ashraf Dhedhi* Mr. Afzal Shehzad* *subject to the sound and prudent approval from SECP

The independent director meets the criteria of independence as laid down under the Code, Regulations and Companies Act, 2017.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or being a member of a stock exchange has been declared as a defaulter by that stock exchange.
5. Casual vacancies occurring on the Board were filled by the directors within 90 days.

6. The Company has prepared a “Code of Conduct” which has been disseminated among all directors and employees of Company along with its supporting policies and procedures.
7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of significant policies along with the dates on which they were approved or amended has been maintained by the Company.
8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board. Decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
10. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and Regulations.
11. While almost all the directors are professionals and senior executives who possess wide experience of duties of directors, the Company apprises its directors of new laws and regulations and amendments in the existing ones. The Board has not arranged any Directors’ training program during the year ended December 31, 2019.
12. There was no new appointment of Chief Financial Officer (CFO) or Company Secretary or Head of Internal Audit during the year.
13. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The Board has formed the following Management Committees:

a) Underwriting, Reinsurance and Co-insurance Committee

Names	Category
Mr. Moiz Ali	Chairman
Mr. Irshad Ali Shaban Ali Kassim	Member
Syed Zaigham Raza	Member

b) Claims Settlement Committee

Names	Category
Mr. Moiz Ali	Chairman
Mr. Munawar Ali Kassim	Member
Mr. Abdul Muhammad	Member

c) Risk Management & Compliance Committee

Names	Category
Mr. Moiz Ali	Chairman
Mr. Irshad Ali Shaban Ali Kassim	Member
Syed Zaigham Raza	Member

15. The Board has formed the following Board Committees comprising of members given below;

a) Ethics, Human Resource & Remuneration Committee

Names	Category
Mr. Muzaffar Ali Shah Bukhari	Chairman
Mr. Irshad Ali Shaban Ali Kassim	Member
Mr. Moiz Ali	Member

b) Investment Committee

Names	Category
Mr. Moiz Ali	Chairman
Mr. Irshad Ali Shaban Ali Kassim	Member
Mr. Munawar Ali Kassim	Member
Syed Zaigham Raza	Acting Chief Financial Officer

16. The Board has formed an Audit Committee. It presently comprises of one member which is an independent director, and the chairman is an independent director. The Composition of the audit committee is as follow:

Names	Category
Mr. Muzaffar Ali Shah Bukhari	Independent Director / Chairman
Mr. Irshad Ali Shaban Ali Kassim	Director
Mr. Munawar Ali Kassim	Director

17. The meetings of the committees except Ethics, Human Resource and Remuneration Committee were held at least once every quarter prior to approval of interim and final results of the Company. The terms of references of the Committees have been formed and advised to the Committees for compliance.

18. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company includes all the necessary aspects of internal control given in the Code.
19. The statutory auditors of the Company have been appointed from the panel of auditor approved by the Commission in term of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulation, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The Directors' report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.
22. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
23. The Company has complied with all the corporate and financial reporting requirements of the Code.
24. The Board has set up an effective internal audit function and the head of internal audit is conversant with the policies and procedures of the Company.
25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under this Code. Moreover, the persons heading the underwriting, claims, reinsurance, risk management and grievance functions possess qualification and experience of direct relevance to their functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No .XXXIX of 2000):

Names	Designation
Mr. Moiz Ali	Chief Executive Officer
Syed Zaigham Raza*	Acting Chief Financial Officer & Company Secretary

*Resign on December 7, 2019

26. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provision of the Code.

27. The Board ensures that the risk management system of the Company is in place as per Code.
28. The Company has set up a risk management function, which carries out its tasks as covered under the Code.
29. The Board ensures that as part of the risk management system, the Company get itself rated from JCR-VIS which is being used by its management function/department and the respective committee as a risk monitoring tool. The rating assigned by the rating agency on December 22, 2014 is “BBB+”.
30. The Board has set up a grievance department/function, which fully complies with the requirements of the Code.
31. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan (SECP) in respect of the requirements of the Code.
32. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulation and all material requirement of Code have been complied.

For and on behalf of the Board of Directors
PICIC Insurance Limited

Moiz Ali
Managing Director & CEO

Karachi: May 21, 2020

INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT

To the members of PICIC Insurance Limited

Review Report on the Statement of Compliance with the Code Of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'Regulations') prepared by the Board of Directors of PICIC Insurance Limited (the Company) for the year ended December 31, 2019 in accordance with the requirements of regulation 36 the Listed Companies (Code of Corporate Governance) Regulations, 2017 and provisions of Code of Corporate Governance for Insurers, 2016

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

- i. The Board has only one independent director during the year.
- ii. The Board has not made arrangements to carry out orientation courses on the Code of Corporate Governance for its directors. Furthermore, the directors (excluding exempted directors) have not acquired the mandatory certification of directors training program from the Institutes specified by the Securities and Exchange Commission of Pakistan (SECP).
- iii. The board has not setup an effective internal audit function throughout the year.

- iv. Due to significant reduction of business activity, sizeable number of employees have left the company including Head of Internal Audit.
- v. The board has not setup risk management system as per the requirements of the Code of Corporate Governance for insurer 2016.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended December 31, 2019.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi
Date: May 21, 2020

INDEPENDENT AUDITOR'S REPORT

To the members of PICIC Insurance Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of PICIC Insurance Limited, which comprise the statement of financial position as at December 31, 2019, and the profit and loss account and the statement of comprehensive income, the statement of cash flow and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion because of the significance for the matters stated in the basis for adverse opinion paragraph below, to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, does not conform with the accounting and reporting standards as applicable in Pakistan and does not give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of Company's affairs as at December 31, 2019 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

The Company has incurred a loss after taxation amounting to Rs.2.175 million during the year and its losses has been accumulated to Rs. 367.994 million as at December 31, 2019. Further, the operating cash flows of the Company are also negative since 2011. These circumstances, along with the inability of the Company to meet the minimum solvency requirement and sizeable decline in business activities, indicate the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the financial statements have been prepared on a going concern basis. In our opinion, Management's use of the going concern assumption in the financial statements is inappropriate.

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

Key Audit Matters

Except for the matter described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account has not been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and;
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

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

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi
Date: May 21, 2020

PICIC INSURANCE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		2019	2018
	Note	------(Rupees in '000)-----	
ASSETS			
Property and equipment	7	11	32
Investments - Mutual funds	8	44,384	40,339
Taxation - payments less provision		26,307	26,305
Cash and bank	9	116	335
Total Assets		<u>70,818</u>	<u>67,011</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	10	350,000	350,000
Accumulated loss		<u>(367,994)</u>	<u>(365,819)</u>
Total Equity		<u>(17,994)</u>	<u>(15,819)</u>
Liabilities			
Other creditors and accruals	11	<u>88,812</u>	<u>82,830</u>
Total Liabilities		<u>88,812</u>	<u>82,830</u>
Total Equity and Liabilities		<u>70,818</u>	<u>67,011</u>
Contingencies and commitments	12		

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer
----------	----------	----------	-------------------------	-------------------------

PICIC INSURANCE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2019

		2019	2018
	Note	------(Rupees in '000)-----	
Net insurance premium	13	-	-
Net insurance claims	14	-	-
Net commission and other acquisition costs	15	-	-
Insurance claims and acquisition expenses		-	-
Management expenses	16	(5,954)	(10,929)
Underwriting results		(5,954)	(10,929)
Investment income	17	4,515	2,347
Other income	18	24	97
Other expenses	19	(290)	(429)
Results of operating activities		(1,705)	(8,914)
Loss before taxation		(1,705)	(8,914)
Taxation	20	(470)	(2,885)
Loss after taxation		(2,175)	(11,799)
Loss per share - basic and diluted	21	(0.06)	(0.34)

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer
----------	----------	----------	-------------------------	-------------------------

PICIC INSURANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
Loss after tax	(2,175)	(11,799)
Other comprehensive loss:		
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	<u>(2,175)</u>	<u>(11,799)</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer
-----------------	-----------------	-----------------	--------------------------------	--------------------------------

PICIC INSURANCE LIMTIED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	Share capital	Revenue reserves	
	Issued, subscribed and paid-up share capital	Accumulated loss	Total shareholders' equity
	----- (Rupees in '000) -----		
Balance as at January 01, 2018	350,000	(354,020)	(4,020)
Total comprehensive loss for the year	-	-	-
Net loss for the year ended December 31, 2018	-	(11,799)	(11,799)
Balance as at December 31, 2018	350,000	(365,819)	(15,819)
Balance as at January 01, 2019	350,000	(365,819)	(15,819)
Total comprehensive loss for the year	-	-	-
Net loss for the year ended December 31, 2019	-	(2,175)	(2,175)
Balance as at December 31, 2019	350,000	(367,994)	(17,994)

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer

PICIC INSURANCE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	-----	-----
	(Rupees in '000)	
Operating cash flows		
(a) Underwriting activities		
Management expenses paid	(240)	(478)
Net cash (outflow) / inflow from underwriting activities	(240)	(478)
(b) Other operating activities		
Income tax paid	(472)	(271)
Other charges	-	(14)
Net cash (outflow) from other operating activities	(472)	(285)
Total cash (outflow) from operating activities	(712)	(763)
Investment activities		
Profit / return received	18	57
Dividends received	2,661	-
Investment in mutual funds	(2,661)	-
Payments for investments	469	216
Fixed capital expenditure	-	5
Proceeds from sale of property, plant and equipment	6	40
Total cash inflow from investing activities	493	318
Net cash (outflow) / inflow from all activities	(219)	(445)
Cash and cash equivalents at beginning of the year	335	780
Cash and cash equivalents at end of the year	116	335
Reconciliation to profit and loss account		
Operating cash flows	(712)	(763)
Depreciation / amortisation expense	(22)	(660)
Profit on disposal of fixed assets	6	40
Net investment Income	4,515	2,347
Return on bank balances	18	57
Decrease in assets other than cash	(470)	(2,885)
Decrease in liabilities	(5,510)	(9,935)
Loss after taxation	(2,175)	(11,799)

The annexed notes from 1 to 31 form an integral part of these financial statements.

_____ Chairman	_____ Director	_____ Director	_____ Chief Executive Officer	_____ Chief Financial Officer
-------------------	-------------------	-------------------	----------------------------------	----------------------------------

PICIC INSURANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. STATUS AND NATURE OF BUSINESS

- 1.1.** PICIC Insurance Limited (the Company) was incorporated on April 23, 2004 as a public limited Company under the repealed Companies Ordinance, 1984 (replaced by Companies Act 2017) and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. It is engaged in providing all classes of non-life insurance business. The Company is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 3rd Floor, Nadir House, I.I. Chundrigar Road, Karachi.
- 1.2.** In accordance with the requirements of the Insurance Ordinance, 2000 and as mentioned in the Insurance Rules, 2017, the minimum solvency requirement (i.e excess of admissible assets over liabilities) is Rs 150 million. The Company is not meeting the minimum solvency requirement as at December 31, 2019.
- 1.3.** The Company has incurred a loss after taxation of Rs. 2.175 million during the current year and its accumulated losses as at December 31, 2019 amounted to Rs 367.994 million. Also the operating cash flows of the Company are also negative since 2011. These financial statements have been prepared under the going concern basis for the reason stated below (Refer note 1.4)

1.4. Merger of Crescent Star Foods (Private) Limited into PICIC Insurance Limited

During the year ended December 31, 2017, the shareholders of the Company have approved in an EOGM dated July 06, 2017 the scheme of merger of PICIC Insurance Limited and Crescent Star Foods (Private) Limited (CSF), whereby CSF will be merged with and into the Company. The intention of the management is to convert the Company into a FMCG Company. Keeping in line with the above intention the management has commenced proceedings for surrendering the Insurance License and has filed a petition before the Honourable High Court for the merger scheme which is pending till date.

Based on the above mentioned intention and the transfer of operations of Crescent Star Foods (Private) Limited, which is a going concern, to the Company, the management is confident that the company will continue as a going concern.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act 2017 and Insurance Accounting Regulations, 2017 provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000 and Insurance Rules, 2017. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance, 2000, Insurance Accounting Regulations 2017 and Insurance Rules, 2017 shall prevail.

2.2. Accounting Standards, IFRIC Interpretations and amendments which became effective during the year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2019 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements

2.3. Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Amendment to IFRS 3 'Business Combination'	January 1, 2020
IFRS 9 - Financial Instrument, Recognition and Measurement	January 30, 2020
IAS 1/IAS 8 - Definition of Material (Amendments to IAS 1 and IAS 8)	January 1, 2020

The management anticipates that, except as stated above, adoption of the new standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than presentation and disclosures.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values. Accrual basis of accounting has been used except for cash flow information.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees (rounded upto thousand) which is the Company's functional and presentation currency.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all period presented in these financial statements except for format for preparation of these financial statements as disclosed in note

5.1 Property and Equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the profit and loss account during the financial period in which they are

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the date the asset is available for use and depreciation on disposals is charged till the date of disposal.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal, if any, of assets are included in profit and loss account.

5.2 Insurance contracts

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

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

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

These contracts are normally one year insurance contracts except Marine and some contracts of Fire and property, and miscellaneous class. Normally all Marine insurance contracts and some Fire and property contracts are of three months period.

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

Fire and property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Marine Insurance covers the loss or damage of vessels, cargo, terminals and any transport or property by which cargo is transferred, acquired or held between the points of origin and final destination.

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

Accident and health insurance contract mainly compensate hospitalisation and outpatient medical coverage to the insured. These contracts are generally one year contracts.

Other types of insurance are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions and crop insurance e.t.c.

5.3 Deferred commission expense /Acquisition costs

Commission incurred in obtaining and recording policies of insurance and re-insurance are deferred and recognised as an asset on acquisition of the related policies. Accordingly, these costs are charged to the profit and loss account as an expense based on the pattern of recognition of related premium revenue.

5.4 Provision for unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage and is recognised as a liability by the Company. This liability is calculated as follows:

- For marine cargo business, as a ratio of unexpired period to the total period of policy applied on the gross premium of the individual policies; and
- For other classes / line of business, by applying 1/24th method as allowed by the Insurance

5.5 Premium deficiency reserve

The Company is required as per Insurance Rules, 2017, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability for claims and other expenses expected to be incurred after the balance sheet date in respect of unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense / income in profit and loss account for the period. For this purpose, loss ratios for each class are estimated on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. Further, actuarial valuation has been carried out to determine the amount of premium deficiency reserve in respect of accident and health insurance.

5.6 Reinsurance contracts held

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted insurance business being reinsured. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

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

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

5.7 Receivables and payables related to insurance contracts

Receivables and payables relating to insurance contracts are recognized when due. These include premiums due but unpaid, premiums received in advance, premiums due and claims payable to insurance contract holders. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

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

5.8 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017. The reported operating segments are also consistent with the internal reporting process of the Company for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Company's business segments

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely fire, marine, motor, accident and health and miscellaneous. The nature and business activities of these segments are disclosed in note 5.4.

Assets and liabilities are allocated to particular segments on the basis of premium earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortisation are allocated to a particular segment on the basis of net premium earned.

5.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks, stamps in hand and

5.10 Revenue recognition

- Premium income under a policy is recognised over the period of insurance from the date of inception of the policy to which it relates till its expiry in case of marine cargo business whereas for all other cases of premium income is recognised as a difference between total premium written and provision for unearned premium using 1/24th method as mentioned in note 5.6 to
- Commission income is being taken to the profit and loss account, on a time proportionate basis, in accordance with the pattern of recognition of reinsurance premium to which they relate.
- Administrative surcharge recovered by the Company from policy holders is included in income
- Return on bank balances and government securities is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.
- Gain / loss on sale / redemption of investments is included in the profit and loss account in the period of sale / redemption.
- Income from held to maturity investment is recognised on time proportion basis taking into account the effective yield on the investment. The difference between the redemption and the purchase price of the held to maturity investment is amortised and taken to the profit and loss account over the term of the investment.

5.11 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and includes transaction costs except for investments designated at fair value through profit and loss.

Held to maturity

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity. Subsequently, these are measured at amortized cost using the effective interest method and taking any discount or premium on

Investments at fair value through profit and loss account

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

5.12 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set-off and the Company intends either to settle the assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

5.13 Provisions

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

5.14 Taxation**Current**

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account rebates and tax credits available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that the taxable profits will be available against which these can be utilised.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

5.15 Impairment of assets

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

5.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

5.17 Management expenses

Expenses of management have been allocated to various classes of business as deemed equitable by management. Expenses not allocable to the underwriting business are charged under other expenses.

5.18 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities is recognised in the profit and loss account of the current period.

5.19 Foreign currencies transactions

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

5.20 Earnings / loss per share

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

6. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are:

	Note
Useful life of depreciable assets	5.1
Taxation	5.14
Impairment of assets	5.15

7 PROPERTY AND EQUIPMENT

2019										
Description	Cost				Accumulated depreciation / amortisation				Written down value	Rate
	As at January 01, 2019	Additions	Disposals	As at December 31, 2019	As at January 01, 2019	Charge for the year	Disposals	As at December 31, 2019	As at December 31, 2019	
	(Rupees in '000)									
										%
Tangible - Owned										
Furniture and fixtures	-	-	-	-	-	-	-	-	-	20
Office equipment	651	-	-	651	619	22	-	640	11	20
Computer equipment	4,977	-	-	4,977	4,977	-	-	4,977	-	33.33
Motor vehicles	84	-	(39)	45	84	-	(39)	45	-	20
	5,712	-	(39)	5,673	5,680	22	(39)	5,662	11	
Intangible										
Computer software	4,000	-	-	4,000	4,000	-	-	4,000	-	33.33
Total	9,712	-	(39)	9,673	9,680	22	(39)	9,662	11	
2018										
Description	Cost				Accumulated depreciation / amortisation				Written down value	Rate
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	
	(Rupees in '000)									
										%
Tangible - Owned										
Furniture and fixtures	71	-	(71)	-	70	-	(70)	-	-	20
Office equipment	929	-	(278)	651	875	22	(278)	619	32	20
Computer equipment	9,766	-	(4,789)	4,977	9,133	629	(4,785)	4,977	-	33.33
Motor vehicles	84	-	-	84	75	9	-	84	-	20
	10,850	-	(5,138)	5,712	10,153	660	(5,133)	5,680	32	
Intangible										
Computer software	5,178	-	(1,178)	4,000	5,178	-	(1,178)	4,000	-	33.33
Total	16,028	-	(6,316)	9,712	15,331	660	(6,311)	9,680	32	

7.1 Cost of fully depreciated fixed assets that are still in the Company's use, as at December 31, 2019, (2018: Rs 9.602 million) amounted to Rs 9.564 million .

7.2 Disposals of fixed assets during the year having written down value of more than Rs.50,000 is nil, (2018: nil)

		2019	2018
	Note	------(Rupees in '000)-----	-----
8 INVESTMENTS - MUTUAL FUNDS			
Mutual Fund	8.1	<u>44,384</u>	<u>40,339</u>
8.1	These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.		
9 CASH AND BANK			
Cash and other equivalents			
Cash in hand		15	14
Policy stamps and bond papers in hand		<u>68</u>	<u>68</u>
		83	82
Current and other accounts			
Current accounts		-	-
Profit and loss savings accounts	9.1	<u>33</u>	<u>253</u>
		33	253
		<u>33</u>	<u>253</u>
		<u>116</u>	<u>335</u>
9.1	It carries mark-up at the rate of 3.75% per annum (2018: 3.75% per annum).		
10 SHARE CAPITAL			
10.1 AUTHORISED SHARE CAPITAL			
2019	2018	2019	2018
(Number of shares)		------(Rupees in '000)-----	-----
<u>125,000,000</u>	<u>125,000,000</u>	<u>1,250,000</u>	<u>1,250,000</u>

10.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2019 (Number of shares)	2018	2019 ------(Rupees in '000)-----	2018
<u>35,000,000</u>	<u>35,000,000</u>	<u>350,000</u>	<u>350,000</u>

11 OTHER CREDITORS AND ACCRUALS

Unclaimed dividend		195	195
Others	10.1	<u>88,617</u>	<u>82,635</u>
		<u>88,812</u>	<u>82,830</u>

- 11.1** This balance represents net amount that is required to settle under the scheme of merger with Crescent Star Insurance Limited (Refer note 1.4)

12 CONTINGENCIES AND COMMITMENTS**12.1 Contingencies**

The tax assessment of the Company has been finalised upto and including the tax year 2018.

While finalising the tax audit for the tax year 2007, the Taxation Officer had disallowed certain expenses claimed by the Company and increased the tax charge by Rs. 3.128 million. The Company has contested the amended order by filing an appeal before the Commissioner Inland Revenue (Appeals) which has been decided whereby substantial relief has been allowed. However, a second appeal has been filed before the Appellate Tribunal Inland Revenue for the remaining disallowed amount which is pending adjudication.

While finalising the tax audit for the tax year 2008,2014,2015 and 2016 the Taxation Officer had charged minimum taxation on gross receipts of the Company and increased the tax charge by Rs. 13.9 million. The Company has contested the amended order by filing an appeal before the Commissioner Inland Revenue (Appeals) which is pending adjudication.

The management, based on the advice of its tax advisor, is confident of a favourable outcome in both cases and, accordingly, no provision in this respect has been made in these financial statements.

		2019	2018
	Note	-----(Rupees in '000)----	
13	NET INSURANCE PREMIUM		
Written Gross premium		-	-
Unearned premium reserve opening		-	-
Premium earned		-	-
Reinsurance premium ceded		-	-
Prepaid reinsurance premium opening		-	-
Reinsurance expense		-	-
		-	-
14	NET INSURANCE CLAIMS EXPENSE		
Claim paid		-	-
Outstanding claims including IBNR opening		-	-
Claims expense		-	-
Reinsurance and others recoveries in respect of outstanding claims opening		-	-
Reinsurance and recoveries revenue		-	-
		-	-
15	NET COMMISSION AND OTHER ACQUISITION COST		
Commission paid or payable		-	-
Deferred commission expense opening		-	-
		-	-
Commission received or recoverable		-	-
Commission from reinsurers		-	-
Net commission		-	-

		2019	2018
	Note	----- (Rupees in '000) -----	
16	MANAGEMENT EXPENSES		
Salaries, allowances and other benefits		4,255	4,157
Travelling		-	162
Advertisement		39	281
Printing and stationery		5	96
Depreciation		22	660
Rent, rates and taxes		-	368
Legal and professional charges		855	3,879
Entertainment		-	35
Vehicle running expenses		181	276
Office repairs and maintenance		59	223
Bank charges		-	14
Postage, telegram and telephone		78	113
Annual Supervision fee SECP		-	100
Fees, subscription and periodicals		460	565
		<u>5,954</u>	<u>10,929</u>
17	INVESTMENT INCOME		
Income from debt securities			
Held to maturity			
- Return on government securities		<u>4,515</u>	<u>2,397</u>
		<u>4,515</u>	<u>2,397</u>
Less: Investment related expenses		-	(50)
Investment income		<u>4,515</u>	<u>2,347</u>
18	OTHER INCOME		
Return on bank balances		18	57
Gain/(loss) on sale of fixed assets		<u>6</u>	<u>40</u>
		<u>24</u>	<u>97</u>
19	OTHER EXPENSES		
Auditors' remuneration	19.1	290	429
loss on sale of fixed assets		-	-
		<u>290</u>	<u>429</u>

	Note	2019 -----(Rupees in '000)----	2018 -----(Rupees in '000)----
19.1 Auditors' remuneration			
Audit fee and Regulatory return		150	250
Half yearly review		75	100
CCG		50	50
Out of pocket expenses		15	29
		<u>290</u>	<u>429</u>

	Note	2019 -----(Rupees in '000)----	2018 -----(Rupees in '000)----
20 TAXATION			
- Current	20.1	470	266
- Deferred		-	2,619
		<u>470</u>	<u>2,885</u>

- 20.1** Current tax charge has only been recorded in respect of dividend income which has been treated as a separate block of income. The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as the Company has incurred loss during the year and has accumulated losses in respect of prior periods.

**21 LOSS PER SHARE -
BASIC AND DILUTED**

Loss after tax for the year	<u>(2,175)</u>	<u>(11,799)</u>
	(Number in thousand)	
Weighted average number of Ordinary shares	<u>35,000</u>	<u>35,000</u>
	----- (Rupees) -----	
Loss per share - basic and diluted	<u>(0.06)</u>	<u>(0.34)</u>

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

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer 2019	Chief Executive Officer 2018	Directors 2019	Directors 2018	Executives 2019	Executives 2018
	-----Rupees in '000-----					
Fees	-	-	-	210	-	-
Managerial remuneration	1,281	958	-	-	1,838	1,838
Utilities	35	25	-	-	-	-
Medical	-	-	-	-	3	64
	<u>1,316</u>	<u>983</u>	<u>-</u>	<u>210</u>	<u>1,841</u>	<u>1,902</u>
Number of persons	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>1</u>	<u>1</u>

Chief Executive Officer has been provided with Company maintained car.

Executive means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives	
	2019	2018	2019	2018	2019	2018
	-----Rupees in '000-----					
Fees	-	-	-	210	-	-
Managerial remuneration	1,281	958	-	-	1,838	1,838
Utilities	35	25	-	-	-	-
Medical	-	-	-	-	3	64
	<u>1,316</u>	<u>983</u>	<u>-</u>	<u>210</u>	<u>1,841</u>	<u>1,902</u>
Number of persons	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>1</u>	<u>1</u>

Chief Executive Officer has been provided with Company maintained car.

Executive means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

23 SEGMENT INFORMATION

For the year ended December 31, 2019						
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Miscellaneous	Aggregate
	(Rupees in '000)					
Gross written premium (inclusive of surcharges)	-	-	-	-	-	-
Insurance premium earned	-	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-	-
Net insurance premium	-	-	-	-	-	-
Commission income	-	-	-	-	-	-
Net underwriting income	-	-	-	-	-	-
Insurance claims	-	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-	-
Net claims	-	-	-	-	-	-
Commission expense	-	-	-	-	-	-
Management expense	-	-	-	-	-	(5,954)
Net insurance claims and expenses	-	-	-	-	-	(5,954)
Underwriting results	-	-	-	-	-	(5,954)
Net investment income						4,515
Other income						24
Other expenses						(290)
Result of operating activities						(1,705)
Finance costs						-
Loss before tax						(1,705)

	For the year ended December 31, 2018					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Miscellaneous	Aggregate
	(Rupees in '000)					
Gross written premium (inclusive of surcharges)	-	-	-	-	-	-
Insurance premium earned	-	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-	-
Net insurance premium	-	-	-	-	-	-
Commission income	-	-	-	-	-	-
Net underwriting income	-	-	-	-	-	-
Insurance claims	-	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-	-
Net claims	-	-	-	-	-	-
Commission expense	-	-	-	-	-	-
Management expense	-	-	-	-	-	(10,929)
Net insurance claims and expenses	-	-	-	-	-	(10,929)
Underwriting results	-	-	-	-	-	(10,929)
Net investment income						2,347
Other income						97
Other expenses						(429)
Result of operating activities						(8,914)
Finance costs						-
Loss before tax						(8,914)

23.1 Other information - Statement of Assets and Liabilities

	2 0 1 9				
	Fire and property	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous
	Total				
	(Rupees in '000)				
Segment assets	-	-	-	-	-
Unallocated assets	-	-	-	-	70,818
Consolidated total assets	-	-	-	-	<u>70,818</u>
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	-	88,812
Consolidated total liabilities	-	-	-	-	<u>88,812</u>

Assets and Liabilities

	2 0 1 8				
	Fire and property	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous
	Total				
	(Rupees in '000)				
Segment assets	-	-	-	-	-
Unallocated assets	-	-	-	-	67,011
Consolidated total assets	-	-	-	-	<u>67,011</u>
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	-	82,830
Consolidated total liabilities	-	-	-	-	<u>82,830</u>

	2019	2018
	------(Rupees in '000)-----	
24 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets and financial liabilities		
Financial assets		
Loans and receivables - amortisation		
Cash and bank deposits		
Cash and other equivalents	83	82
Current and other accounts	33	253
	116	335
Investments		
-At fair value through profit or loss	44,384	40,339
	44,500	40,674
Financial Liabilities		
Amortised cost		
Unclaimed dividend	195	195
Other creditors and accruals	88,617	82,635
	88,812	82,830

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The carrying values of all financial assets and financial liabilities reflected in the financial statements approximate their fair values.

The different level by valuation method of financial instruments have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	----- 2 0 1 9 -----	
	------(Rupees in '000)-----	
	Level 1	Total
Financial assets designated at fair value through profit or loss		
- Equity securities	44,384	44,384
	----- 2 0 1 8 -----	
	------(Rupees in '000)-----	
	Level 1	Total
Financial assets designated at fair value through profit or loss		
- Equity securities	40,339	40,339

26. RISK MANAGEMENT**26.1. Financial risk****(i) Market risk**

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

(a) Interest rate risk

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

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

----- 2 0 1 9 -----							
Interest Rates	Interest / mark-up bearing			Interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	

----- (Rupees in '000) -----

Financial assets

Cash and bank deposits	3.75%	33	-	33	83	-	83	116
Investments		-	-	-	44,384	-	44,384	44,384
		33	-	33	44,467	-	44,467	44,500

Financial liabilities

Other creditors and accruals		-	-	-	82,335	-	82,335	82,335
Unclaimed dividend		-	-	-	195	-	195	195
		-	-	-	82,530	-	82,530	82,530

----- 2 0 1 8 -----							
Interest Rates	Interest / mark-up bearing			Interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	

----- (Rupees in '000) -----

Financial assets

Cash and bank deposits	3.75%	253	-	253	85	-	85	338
Investments		-	-	-	40,339	-	40,339	40,339
		253	-	253	40,424	-	40,424	40,677

Financial liabilities

Other creditors and accruals		-	-	-	82,335	-	82,335	82,335
Unclaimed dividend		-	-	-	195	-	195	195
		-	-	-	82,530	-	82,530	82,530

(b) Price risk

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

(c) Claims development tables

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

	2019	2019	2018
Analysis on gross basis Accident year			
Estimate of ultimate claims cost:	-	-	-
At end of accident year	-	-	-
One year later	-	-	-
Two year later	-	-	-
Current estimate of cumulative claims	-	-	-
Cumulative payments to date	-	-	-
Liability recognised in the balance sheet	-	-	-

(ii) Liquidity risk

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

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

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

Other creditors and accruals
Unclaimed dividend

	2018			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	----- (Rupees in '000) -----			
Other creditors and accruals	82,140	82,140	10,206	82,140
Unclaimed dividend	195	195	-	195
	<u>82,335</u>	<u>82,335</u>	<u>10,206</u>	<u>82,335</u>

(iii) Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Credit risk also arises in respect of reinsurance contracts as reinsurance ceded does not relieve the Company from its obligation to policy holders and as a result the Company remains liable for the portion of outstanding claims ceded to the extent that the reinsurance operator fails to meet the obligation under the reinsurance arrangements. The Company attempts to control credit risk by monitoring credit exposures and continually assessing the credit worthiness of counterparties. The table below analyses the Company's maximum exposure to credit risk:

	2019	2018
	----- (Rupees in '000) -----	
- Bank deposits*	<u>33</u>	<u>253</u>

The credit quality of Company's bank deposits and accrued interest can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2019	2018
	Short Term	Long Term		----- (Rupees in '000) -----	
Bank deposits					
NIB Bank Limited	A1+	AA-	PACRA	11	246
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	22	7
				<u>33</u>	<u>253</u>

26.2 Capital management

Capital requirements applicable to the Company are set and regulated by the SECP. These requirements are put in place to ensure sufficient paid up capital and solvency margins. The Company manages its capital requirement by assessing its capital structure against the required capital level on a regular basis. Currently, the Company has a paid-up capital of Rs 350 million against the minimum required paid-up capital of Rs 300 million set by the SECP for non-life insurance companies through issue of Circular No. 3 dated April 10, 2007 for the year ended December 31, 2019.

In accordance with the requirements of the Insurance Ordinance, 2000 and as mentioned in the Insurance Rules, 2017 (SECP vide SRO 89(1)/2017 dated February 09, 2017), the minimum solvency requirement (i.e excess of admissible assets over liabilities) is Rs 150 million. The Company is not meeting the minimum solvency requirement as at December 31, 2019.

27 STATEMENT OF SOLVENCY**2 0 1 9**

(Rupees in '000)

ASSETS

Property and equipment	11
Investments - Mutual fund	44,384
Taxation _ payments less provision	26,307
Cash and bank	116
Total Assets (A)	70,818

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

(u)	11
Total of In-admissible assets (B)	11

Total Admissible Assets (C=A-B)	70,807
--	---------------

Total Liabilities

Underwriting Provisions	
Other Creditors and Accruals	88,812
Total Liabilities (D)	88,812

Total Net Admissible Assets (E=C-D)	(18,005)
--	-----------------

Minimum Solvency Requirement (higher of following)

Method A - U/s 36(3)(a)	150,000	150,000
Method B - U/s 36(3)(b)	-	
Method C - U/s 36(3)(c)	-	
Excess / Deficit in Net Admissible Assets over Minimum Requirement		(168,005)

28. SUBSEQUENT EVENTS

There is no subsequent event effecting the financial statements for the year ended December 31, 2019.

29. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2019 and 2018 respectively are as follows:

	2019	2018
	(Number of employees)	
Average number of employees during the year	3	3
Number of employees as at December 31,	3	3

30. GENERAL

Figures have been rounded off to the nearest thousands.

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and are authorised for issue on May 21, 2020.

_____ Chairman	_____ Director	_____ Director	_____ Chief Executive Officer	_____ Chief Financial Officer
-------------------	-------------------	-------------------	----------------------------------	----------------------------------

**PICIC INSURANCE LIMITED
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 16th Annual General Meeting of the shareholders of PICIC Insurance Limited will be held on June 12, 2020 at 9:30 a.m. at 2nd Floor, Nadir House I. I. Chundrigar Road, Karachi to transact the following business.

ORDINARY BUSINESS:

1. To confirm and approve the minutes of the 15th Annual General Meeting held on April 30, 2019.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2019 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. To appoint Auditors for the year ending December 31, 2020 and fix their remuneration.
4. To elect eight (8) directors as fixed by the Board of Directors, in accordance with the provision of Section 159 (1) of the Companies Act, 2017 for a term of three years in place of the following retiring directors, who are eligible for re-election:

- | | |
|-------------------------------|--------------------------------|
| 1. Mr. Moiz Ali | 2. Mr. Haji Ashraf Dhedhi |
| 3. Ms. Nudrat Fatima | 4. Hafiz Muhammad Hassan Saeed |
| 5. Mr. Muhammad Abdul Rasheed | 6. Mr. Muhammad Afzal Shehzad |

ANY OTHER BUSINESS:

5. To consider any other business with the permission of Chairman.

Karachi: May 21, 2020

By order of the Board
Moiz Ali
Managing Director / CEO

**CORONAVIRUS CONTINGENCY PLANNING FOR 16th ANNUAL GENERAL MEETING OF
PICIC INSURANCE LIMITED**

In light of the threat posed by the evolving coronavirus (COVID-19) situation, the Securities & Exchange Commission of Pakistan vide Circular No. 5 of 2020 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well-being of the Shareholders. The Shareholders who are interested to attend the AGM through Video Conferencing, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 24 hours before the time of AGM (i.e. before 9.30 a.m. on June 11, 2020) through e-mail: info@picicinsurance.com.

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification. Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone / computer devices. In view of the above the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

Notes:

1. The Share Transfer Books of the Company shall remain closed from June 06, 2020 to June 12, 2020 (both days inclusive). Transfers received at our registrar office M/s F. D. Registrar Services (SMC-Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi by the close of business on June 05, 2020 will be treated in time.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her behalf at the meeting. Proxies, in order to be valid, must be received at the registered office of the Company not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy.
3. Central Depository Company (CDC) shareholders are requested to bring their Computerized National Identity Cards, Account/Sub-Account and Participant's ID Number in the CDC for identification purpose when attending the meeting. In case of corporate entity, the Board's Resolution/Power of Attorney with specimen signature shall be furnished (unless it has been provided earlier) at the time of meeting.
4. Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.
5. Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.
6. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended December 31, 2019 are also available on the Company's website: www.picicinsurance.com
7. Any person who seeks to contest the election to the office of a Director, whether he/she is a retiring director or otherwise, shall file required documents under section 159 of the Companies Act 2017, Section 12 of Insurance Ordinance 2000, Companies (General Provisions and Forms) Regulations 2018, Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria, as set out in Section 153 of the Companies Act, 2017 to act as director or an independent director of a listed company with the Company Secretary, at the Registered Office of the Company, situated at 3rd Floor, Nadir House, I. I. Chundrigar Road, Karachi, 14 days before the date of the Annual General Meeting:

The final list of contesting directors will be circulated not later than seven days before the date of said meeting, in terms of Section 159(4) of the Companies Act, 2017. Further, the website of the Company will also be updated with the required information.

8. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors, where incase number of contestants are more than the number of directors to be elected, members will be allowed to exercise their right to vote through postal ballot, that is voting by post in accordance with the requirements and procedures contained in the aforesaid Regulations.
9. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulation, 2018.
10. Form of Proxy is enclosed.

**Proxy Form
Annual General Meeting**

I / We.....
of.....being a member of PICIC Insurance Limited and holder of
.....Ordinary shares as per Registered Folio
No.....and / or CDC Participant
I.D. No.....Sub-Account No.....CNIC
No.....or Passport No.....Hereby appoint
.....of who is also a member of
the company, Folio No.....or failing him/her..... of
.....as my/our Proxy in my/our absence to attend, speak and vote for me/us and
on my/our behalf at the Annual General Meeting of the company to be held on Friday, June 12, 2020 at
9:30 AM at 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi and at any adjournment thereof.

Signed this day of..... 2020

1. Witness:

Signature.....
Name.....
Address.....
.....
CNIC or Passport No.....

Revenue
Stamp

Signature of Shareholder

2. Witness:

Signature.....
Name.....
Address.....
.....
CNIC or Passport No.....

Note:

1. Proxies in order to be effective must be received at the Registered Office of the company at 3rd Floor, Nadir House, I.I. Chundrigar Road, Karachi not later than 48 hour before the meeting.
2. CDC Shareholders and their Proxies are each requested to attach an attested Photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the company.
3. The Shareholders having shares deposited with the Central Depository Company (CDC) are requested to bring their Original Computerized National Identity Card and CDC account number for verification.

پراکسی فارم

سالانہ اجلاس عام

میں / ہم پبلک انشورنس لمیٹڈ کے ممبر اور آرڈینری شیئرز (عام
حصص) کے رجسٹریشن فوئیو نمبر اور / یا سی ڈی سی کا آئی ڈی نمبر سب اکاؤنٹ
نمبر شناختی کارڈ نمبر یا پاسپورٹ نمبر کا حامل ہوتے ہوئے / جناب
..... کو جو کہ کمپنی کے فوئیو نمبر کے تحت ممبر ہے، ان کو اپنی / اپنے
غیر حاضری کی صورت میں پراکسی (نمائندہ) مقرر کرتا ہوں / کرتے ہیں۔ اب وہ کمپنی کے سالانہ عام منعقد کردہ اجلاس جمعہ 12، جون 2020 کو بوقت 9:30 بجے صبح،
سینٹر فلور، آئی آئی چندریگر روڈ، کراچی میں ہم / ہماری طرف سے حاضر، بحث و مباحثہ اور ووٹ دے سکتا ہے۔

بتاریخ 2020 کو دستخط کئے۔

1- گواہ:

..... دستخط

..... نام

..... پتہ

..... شناختی کارڈ نمبر

2- گواہ:

..... دستخط

..... نام

..... پتہ

..... شناختی کارڈ نمبر

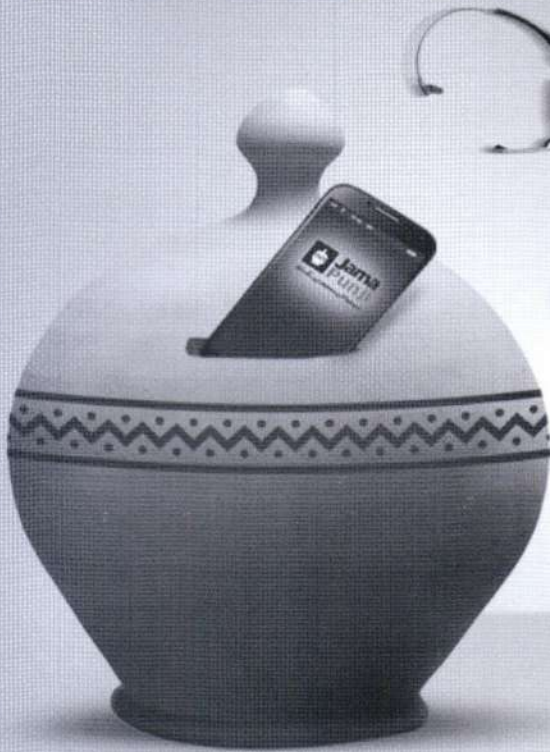
نوٹ:

- 1- پراکسیز (نمائندگان) کو موثر ہونے کے لئے کمپنی کے رجسٹرڈ آفس تھرڈ فلور، نادر ہاؤس، آئی آئی چندریگر روڈ سے اجلاس سے 48 گھنٹے پہلے حاصل کرنا لازمی ہے۔
- 2- سی ڈی سی شیئر ہولڈرز (حصص یافتگان) اور ان کے پراکسیز ہر ایک سے درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹر انزڈ نیشنل شناختی کارڈ یا پاسپورٹ کی فوٹو کاپی اپنے پراکسی فارم (Proxy Form) کو کمپنی میں جمع کروانے سے قبل منسلک کریں۔
- 3- حامل شیئر ہولڈرز نے شیئرز کو سینٹرل ڈپازٹری کمپنی (CDC) کے ساتھ ڈپازٹ کئے ہیں ان سے درخواست کی جاتی ہے کہ تصدیق کروانے کے لئے اپنے کمپیوٹر انزڈ نیشنل شناختی کارڈ اور سی ڈی سی اکاؤنٹ نمبر اپنے ہمراہ ساتھ لائیں۔

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator
(based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices



PICIC Insurance Limited

Registered & Head Office

3rd Floor, Nadir House,
I.I Chundrigar Road, Karachi

Tel: 021-32410781

Fax: 021-32410782

www.picicinsurance.com