



PICIC  
INSURANCE

PICIC INSURANCE LIMITED

**ANNUAL REPORTS  
2025**

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# Company Information

## Board of Directors

Mr. Irshad Ali Shaban Ali Kassim  
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\*  
Mr. Muhammad Ali\*

## Managing Director / CEO

Mr. Moiz Ali

## Board Audit Committee

Mr. Muzaffar Ali Shah Bukhari  
Mr. Muhammad Afzal Shehzad  
Mr. Muhammad Ali

## Board Human Resources & Remuneration Committee

Mr. Muzaffar Ali Shah Bukhari  
Mr. Muhammad Afzal Shehzad  
Mr. Moiz Ali

## Acting CFO & Company Secretary

Mr. Abdul Muhammad

## Auditors

Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants

## Legal Advisor

Soomro Law Associates

## Bankers

Habib Metropolitan Bank Limited

## Shares Registrar

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

## Registered & Head Office

3<sup>rd</sup> Floor, Nadir House, I.I. Chundrigar Road,  
Karachi  
Tel: 021-32410781  
Fax: 021-32410782  
[www.picicinsurance.com](http://www.picicinsurance.com)

(\*Pending SECP approval)

## **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, 2025, 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.

Moiz Ali  
Managing Director / CEO  
Karachi: April 03, 2026

## چیرمین کی جائزہ رپورٹ

سیکشن 192 آف کمپنیز ایکٹ 2017ء کی ضرورت کے تحت میں چیرمین 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 2025 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 ڈائریکٹرز 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 ذمے داریاں پوری مستعدی کے ساتھ سرانجام دی ہیں۔

معز علی

مینجنگ ڈائریکٹر/سی ای او

کراچی، 3 اپریل 2026



## 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, 2025.

### Message from the Chairman

For the financial year ended December 31, 2025, 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. Whereby the Company will be doing FMCG business.

The Company has filed modified scheme of arrangement whereby the company has accepted the SECP given swap ratio which is 263.593 Further as per modified Scheme the Company will not surrender its insurance license. As per directions of the honorable High Court Special Resolution approving the modified scheme was passed by the shareholders in the AGM and report submitted in the High Court. It is expected that the modified scheme of arrangement will be approved by the High Court at an early date.

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, 2025 and 2024 are as follows:

	2025	2024
	.....Rupees in '000.....	
Gross Premium Written	-	-
Net Premium Revenue	-	-
Net Claims including IBNR	-	-
Loss from underwriting business	(6,658)	(7,061)
Investment Income	12,154	12,580
(Loss) / profit after Taxation	(14,891)	3,336
(Loss) / earnings per share (Rupees)	(0.43)	0.10

### Auditors

The auditors M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants retire at the conclusion of the Annual General Meeting.

### Auditor's 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 Act, 2017.
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, 2025.
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 five meetings were held and attended as follows:

<b>Name</b>	<b>No. of meetings eligible to attend during the tenure</b>	<b>No. of meetings attended</b>
Mr. Moiz Ali (Managing Director / CEO)	5	5
Mr. Haji Ashraf Dhedhi	5	5
Ms. Nudrat Fatima	5	5
Mr. Muhammad Ali	5	5

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 2025, four meetings were held and attendance was as follows:

#### **Attendance**

Mr. Muzaffar Ali Shah Bukhari (Chairman)	-
Mr. Muhammad Afzal Shehzad	4
Mr. Muhammad Ali	4

### **Human Resource and Remuneration Committee**

During the year 2025, one meeting of Human Resource and Remuneration Committee were held and attendance was as follows:

#### **Attendance**

Mr. Muzaffar Ali Shah Bukhari (Chairman)	-
Mr. Muhammad Afzal Shehzad	1
Mr. Moiz Ali	1

### **Investment Committee**

During the year 2025, four meetings were held and attendance was as follows:

#### **Attendance**

Mr. Moiz Ali	4
Mr. Muhammad Afzal Shehzad	4
Mr. Muhammad Ali	4
Mr. Abdul Muhammad	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, 2025, 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:**

- (a) 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;
- (b) 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
- (c) 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.

**Haji Ashraf Dhedhi**  
Director  
Karachi: April 03, 2026

**Moiz Ali**  
Managing Director / CEO

## ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹران پنی سالانہ رپورٹ کے ساتھ مالیاتی گوشوارے برائے مئی 31 2025 پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں۔

### چیرمین کا پیغام

مالیاتی سال مئی 31 2025 میں بورڈ کی مجموعی کارکردگی اور اثر پذیر مہمیں، جس کی بنیاد منفر دہ اجزاء کی تخصیص 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۔

کمپنی نے انڈر رائٹنگ روک دی ہے اور کریڈٹ اسٹارٹ اپ ڈولمنٹ کا کمپنی کے ساتھ الحاق کا عمل جاری ہے جو کہ عدالت عالیہ سندھ کے رو برو پر التواء ہے۔ بورڈ پر اعتماد ہے کہ الحاق فی مکمل ہوتے ہی آپ کی کمپنی بورڈ کی منظوری سے کاروباری منصوبے اور حکمت عملی مرتب کرے گی۔

### مستقبل کی پیش بینی

کریڈٹ اسٹارٹ اپ ڈولمنٹ کا کمپنی کے ساتھ اور اس میں الحاق کا عمل جاری ہے جو کہ عدالت عالیہ سندھ کے رو برو پر التواء ہے۔ جس کے تحت کمپنی FMCG کا کاروبار کرے گی۔ کمپنی نے انتظامات کے ترمیم شدہ اسکیم فائل کی ہے جس کے تحت کمپنی نے ایس ای سی پی کو دئے گئے سوپ ریشو کو قبول کیا ہے جو کہ 263.593 ہے مزید ترمیم شدہ اسکیم کے مطابق کمپنی اپنا انشورنس لائسنس سپر نہیں کرے گی۔ معزز ہائی کورٹ کی ہدایت کے مطابق ترمیم شدہ اسکیم کی منظوری کے لئے رپورٹ جمع کرائی ہے جو کہ حصص یافتگان کی جانب سے AGM میں خصوصی منظوری کی گئی تھی۔ توقع ہے کہ انتظامات کی ترمیم شدہ اسکیم کو جلد از جلد ہائی کورٹ سے منظوری دے دی جائے گی۔

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 چلنے ہوئے ادارے کی حیثیت برقرار رہے۔

### مالیاتی جھلکیاں

2024	2025	روپے '000 میں
-	-	تحریری خام پریمیم
-	-	خالص پریمیم آمدنی
-	-	خالص مطالبات بشمول آئی بی این آر
(7,061)	(6,658)	خسارہ بذریعہ ذمہ دہی کاروبار
12,580	12,154	سرمایہ کاری سے آمدنی
3,336	(14,891)	منافع / (خسارہ) بعد از ٹیکس
0.10	(0.43)	منافع / (خسارہ) فی حصص (روپے)

### آڈیٹرز

موجودہ آڈیٹرز، نوید ظفر اشفاق جعفری اینڈ کو، چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔

### آڈیٹرز کی رپورٹ

اس حقیقت کی بنیاد پر کہ کمپنی نے اپنا کاروبار معطل کر دیا ہے کمپنی کے آڈیٹرز نے اس پر ایک نوڈ چلتے ہوئے ادارہ کی رائے کا اظہار کیا ہے۔ تاہم کمپنی کے کریڈٹ اسٹارٹ اپ ڈولمنٹ (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 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کی ہے اور جنہیں اسٹاک ایکسچینج کے 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 ایکٹ 2017 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 نختہ سال 2025 کے لئے کسی منافع منقسمہ کی سفارش نہیں کی۔
- 8- کمپنی کاروباری 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 کمیٹی 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 ٹیکس اور ڈیوٹیاں مالیاتی گوشواروں میں منکشف کی گئی ہیں۔

### بورڈ کے اجلاس اور ان میں حاضری

جائزہ سال کے دوران پانچ اجلاس ہوئے اور ان میں حاضری کی تفصیل درج ذیل ہے:

نام	اجلاسوں کی تعداد جن میں حاضر ہونا ضروری تھا	حاضر اجلاسوں کی تعداد
جناب معز علی (مینیجنگ ڈائریکٹر/سی ای او)	5	5
جناب حاجی اشرف ڈھیدی	5	5
محترمہ ندرت فاطمہ	5	5
جناب محمد علی	5	5

جوڈائریکٹر حاضر نہ ہو سکے انکی 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 قائم انداز 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 مینیجنگ 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 2025 کے دوران چار اجلاس ہوئے اور حاضری درج ذیل رہی:

### حاضری

جناب مظفر علی شاہ بخاری (چیئر مین)	-
جناب محمد افضل شہزاد	4
جناب محمد علی	4

### انسانی وسائل اور معاوضہ کمیٹی

سال 2025 کے دوران انسانی وسائل اور معاوضہ کمیٹی کے دو اجلاس ہوئے اور ان میں حاضری درج ذیل رہی:

## حاضری

-	جناب مظفر علی شاہ بخاری (چیئرمین)
1	جناب محمد افضل شہزاد
1	جناب معز علی

## سرمایہ کاری کمیٹی

سال 2025 کے دوران چار اجلاس ہوئے جن میں حاضری درج ذیل رہی:

4	جناب معز علی
4	جناب محمد افضل شہزاد
4	جناب محمد علی
4	عبدالرحمن

## حصص داری کی ساخت

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

## کمیٹی کے حصص میں خرید و فروخت

ڈائریکٹران، سی ای او اور ایگزیکٹو (جن ملازمین کی تنخواہ 5 لاکھ یا اس سے زیادہ ہو) یا ان کے شریک حیات یا چھوٹے بچوں نے کمیٹی 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 پختہ سال 2025 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۔ کمیٹی نے ملازمین کو فراہم کر کے ان کی پاسداری کو یقینی بنایا ہے۔

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

ہم تصدیق کرتے ہیں

- ہماری رائے کے مطابق کمیٹی کے سالانہ آئینی مالیاتی گوشوارے جو کہ بنیادی شکل میں منسلک ہیں ان کی تیاری میں آرڈیننس اور دیگر متعلقہ ضوابط کو ملحوظ خاطر رکھا گیا ہے
- کمیٹی نے پورے سال ادا شدہ سرمائے، ادائے قرض کی صلاحیت اور دہری بیرونیوں کے اہتمام سے متعلق ضوابط اور آرڈیننس کی دفعات کی مکمل پاسداری کی۔
- بیان کی تاریخ کے وقت، کمیٹی نے تسلسل کے ساتھ ادا شدہ سرمائے، ادائے قرض کی صلاحیت اور دہری بیرونیوں کے اہتمام سے متعلق ضوابط اور آرڈیننس کی دفعات کی مکمل پاسداری کی۔

## اعتراف

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

معز علی  
مینجنگ ڈائریکٹر/سی ای او

حاجی اشرف ڈھنڈھی  
ڈائریکٹر

کراچی، 13 اپریل 2026

## Key Financial Highlights

	2025	2024	2023	2022	2021	2020	2019	2018
	(Rupees in thousand)							
Paid up share Capital	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Reserve	4,835	8,128	6,492	3,690	1,693	1,294	-	-
Accumulated (loss)	(383,993)	(369,102)	(372,438)	(373,200)	(370,131)	(369,300)	(367,994)	(365,819)
Investment Income	12,154	12,580	8,247	4,661	3,359	4,751	4,515	2,347
Return on bank balances	-	-	-	1	-	1	18	57
Total Assets	111,118	105,307	92,973	83,167	79,225	75,601	70,818	67,011
Gross Premiums Written	-	-	-	-	-	-	-	-
Net Premium Revenue	-	-	-	-	-	-	-	-
(Loss) / Profit from underwriting business	-	-	-	-	-	-	-	(10,929)
Net Claims	-	-	-	-	-	-	-	-
Profit / (loss) before Taxation	(11,852)	5,218	1,999	(338)	(831)	(12)	(1,705)	(8,914)
Provision for Taxation	(3,039)	(1,882)	(1,237)	(2,731)	-	-	(470)	(2,885)
Profit / (loss) after Taxation	(14,891)	3,336	762	(3,069)	(432)	(12)	(2,175)	(11,799)
Earning / (loss) per share (in Rupees)	(0.43)	0.10	0.02	(0.09)	(0.02)	-	(0.06)	(0.34)

**PICIC INSURANCE LIMITED****Pattern of Shareholding****Information as required under Code of Corporate Governance****As at December 31, 2025**

<b>Shareholder's Category</b>	<b>Number of Shareholders</b>	<b>Number of Shares Held</b>
<b>Mutual Funds</b>		
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
<b>Directors, Chief Executive Officer, and their spouse minor children.</b>		
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
<b>Public Sector Companies &amp; Corporations</b>		
		-
<b>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Mudaraba and Pension Fund</b>		
	14	7,523
<b>Shareholder Holding five percent or more voting Rights in the Listed Company</b>		
Salim Sozer Securities (Pvt) Ltd		3,050,000

**PICIC INSURANCE LIMITED**  
**Pattern of Shareholding**  
**Additional Information**  
**As at December 31, 2025**

<b>S.No.</b>	<b>Shareholder's Category</b>	<b>Number of Shareholders</b>	<b>Number of Shares</b>	<b>Percentage</b>
<b>1</b>	<b>Directors, Chief Executive Officer Their Spouse(S) &amp; Minor Children.</b>	<b>4</b>	<b>3,000</b>	<b>0.01</b>
	Mr. Irshad Ali Shaban Ali Kassim		1,000	
	Mr. Munawar Ali Kassim		1,000	
	Mr. Muzaffar Ali Shah Bukhari		500	
	Mr. Abu Ahmed			
	Mr. Moiz Ali		500	
<b>2</b>	<b>Associated Companies, Undertakings &amp; Related Parties.</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3</b>	<b>Banks DFI &amp; NBF.</b>	<b>6</b>	<b>3,139</b>	<b>0.01</b>
<b>4</b>	<b>Insurance Companies</b>	<b>5</b>	<b>4,224</b>	<b>0.01</b>
<b>5</b>	<b>Modarabas &amp; Mutual Funds</b>	<b>8</b>	<b>286</b>	<b>0.00</b>
<b>8</b>	<b>Individuals</b>	<b>3,097</b>	<b>30,733,552</b>	<b>87.81</b>
<b>9</b>	<b>Joint Stock Companies</b>	<b>72</b>	<b>4,200,149</b>	<b>12.00</b>
<b>10</b>	<b>Others</b>	<b>28</b>	<b>55650</b>	<b>0.16</b>
	<b>Total</b>	<b>3,220</b>	<b>35,000,000</b>	<b>100.00</b>

**PICIC INSURANCE LIMITED**

**Pattern of Shareholding as at December 31, 2025**

Number of Shareholders	Shareholding		Number of Shares Held
	From	To	
1765	1	100	41,932
534	101	500	148,285
197	501	1000	168,293
382	1001	5000	1,007,366
103	5001	10000	846,278
48	10001	15000	605,497
34	15001	20000	632,867
22	20001	25000	503,345
15	25001	30000	432,188
9	30001	35000	298,851
9	35001	40000	353,094
2	40001	45000	82,552
21	45001	50000	1,037,731
4	50001	55000	208,000
3	55001	60000	180,000
1	65001	70000	70,000
4	70001	75000	291,000
1	75001	80000	80,000
2	80001	85000	168,424
4	85001	90000	357,468
17	95001	100000	1,693,302
3	105001	110000	330,000
1	110001	115000	115,000
1	115001	120000	120,000
1	120001	125000	121,000
2	130001	135000	261,400
1	135001	140000	140,000
2	145001	150000	300,000
1	150001	155000	154,000
1	160001	165000	165,000
1	165001	170000	167,001
1	170001	175000	175,000
1	185001	190000	187,043
2	195001	200000	400,000
1	240001	245000	245,000
1	245001	250000	250,000
1	250001	255000	253,328
1	290001	295000	292,500
2	295001	300000	598,741
1	325001	330000	327,500
1	360001	365000	365,000
2	395001	400000	800,000
1	415001	420000	415,500
1	450001	455000	450,500
2	495001	500000	1,000,000
1	505001	510000	508,003
1	510001	515000	510,100
1	520001	525000	520,040
1	595001	600000	600,000
1	795001	800000	800,000
1	960001	965000	962,662
1	1005001	1010000	1,006,739
1	2905001	2910000	2,906,500
1	3045001	3050000	3,050,000
1	3395001	3400000	3,400,000
1	3895001	3900000	3,895,970
<b>3220</b>			<b>35,000,000</b>

**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, 2025**

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 eleven (11), as per the following:
  - a) Male: 10
  - 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* Mr. Muhammad Ali*  *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 NBFII 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 appraises 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, 2025.
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. Muhammad Afzal Shehzad	Member
Abdul Muhammad	Member

b) Claims Settlement Committee

Names	Category
Mr. Moiz Ali	Chairman

Mr. Muhammad Ali	Member
Mr. Haji Ashraf Dhedhi	Member

c) Risk Management & Compliance Committee

Names	Category
Mr. Moiz Ali	Chairman
Mr. Muhammad Afzal Shehzad	Member
Mr. Abdul Muhammad	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. Muhammad Afzal Shehzad	Member
Mr. Moiz Ali	Member

b) Investment Committee

Names	Category
Mr. Moiz Ali	Chairman
Mr. Muhammad Afzal Shehzad	Member
Mr. Muhammad Ali	Member
Mr. Abdul Muhammad	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. Muhammad Afzal Shehzad	Director
Mr. Muhammad Ali	Director

17. The board may constitute a separate committee Designated as the nomination committee

The function of Nomination are being performed by the Board

18. The Board is responsible for setting the company's Sustainability strategies, priorities and targets to create Long term corporate value. The board may establish a Dedicated sustainability committee having at least one Female director.
- At present the board provides governance and oversight in relation to the Company's initiatives on environmental, social and governance (ESG) matters. Nevertheless, the The requirements introduced recently By SECP through notification dated June 12, 2024 will be complied with in Due course.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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.
24. 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.
25. The Company has complied with all the corporate and financial reporting requirements of the Code.
26. 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.
27. 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
Mr. Abdul Muhammad	Acting Chief Financial Officer & Company Secretary

28. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provision of the Code.
29. The Board ensures that the risk management system of the Company is in place as per Code.
30. The Company has set up a risk management function, which carries out its tasks as covered under the Code.
31. The Board ensures that as part of the risk management system, the Company 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+”.
32. The Board has set up a grievance department/function, which fully complies with the requirements of the Code.
33. 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.
34. 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: April 03, 2026

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **To the members of PICIC Insurance Limited**

### **Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of PICIC Insurance Limited ('the Company') for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxxvi of the 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 and Code.

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

The 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm length transaction and transactions which are not executed at arm lengths price and recording proper justification for using such alternative pricing mechanism 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 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 regulations were observed which are not stated in the Statement of Compliance:

- 1) There is only one independent director appointed on the Board contrary to the requirement of the Regulation 6(1) of Listed Companies (Code of Corporate Governance) Regulations 2019 and Code of Corporate Governance for Insurers, 2016.

- 2) The positions of the Chairman of the Board and the Chief Executive Officer of the company are held by one person contrary to the requirements of Regulation 9(1) of Listed Companies (Code of Corporate Governance) Regulations 2019.
- 3) The board has not made carry arrangements to carry out orientation courses. Furthermore, the directors (excluding exempted directors) have not acquired the certification of directors training program as per requirements of Regulation 16 and 17 of Listed Companies (Code of Corporate Governance) Regulations 2019 and Code of Corporate Governance for Insurers, 2016.
- 4) There is no formal approval regarding terms and conditions of employment of Chief Finance Officer and Company Secretary as per requirements of Regulation 20 of Listed Companies (Code of Corporate Governance) Regulations 2019 and Code of Corporate Governance for Insurers, 2016.
- 5) The acting CFO does not possess such qualification and experience as per requirements of Regulation 22 of Listed Companies (Code of Corporate Governance) Regulations 2019.
- 6) The positions of Chief Financial Officer and Secretary are held by one person, contrary to the requirements of Regulation 24 of Listed Companies (Code of Corporate Governance) Regulations 2019 and Code of Corporate Governance for Insurers, 2016.
- 7) The company has not established an effective internal audit function as required by the Regulation 31(1) of Listed Companies (Code of Corporate Governance) Regulations 2019.

Based on our review, except for the matters mentioned above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

**Naveed Zafar Ashfaq Jaffery & Co.**

Chartered Accountants

Engagement Partner: Azeem Hussain Siddiqui

Karachi

Date: April 03, 2026

UDIN: CR2025102328WlwAryla

## **INDEPENDENT AUDITORS' 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 (the 'Company'), which comprises the statement of financial position as at December 31, 2025, the statement of profit or loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of the significance for the matters discussed in the Basis for Adverse Opinion paragraph of our report, to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof, do not conform with the accounting and reporting standards as applicable in Pakistan and do 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, 2025 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### **Basis for Adverse Opinion**

- i. The Company's losses have been accumulated to Rs. 383.993 million as at December 31, 2025 which turn the equity into negative amounting to Rs. 29.158 million. 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.
- ii. The Company entered into an agreement during the year with counterparty, as disclosed in Note 11.1 to the financial statements, to charge interest on loan at KIBOR plus 3% from the date of first disbursement, i.e from 2016 to 2025. Accordingly, the Company has recognized interest expense and payable amounting to Rs. 17.048 million during the year. However, this treatment has resulted in an overstatement of interest expense by Rs. 11.804 million, as disclosed in Note 18.1 to the financial statements. Had the Company accounted for such interest by restating comparative figures and adjusting opening retained earnings, the interest expense for the year ended December 31, 2025 would have been lower by Rs. 11.804 million. Furthermore, the opening balance of other creditors and accruals as at January 1, 2025 would have been higher by Rs. 11.804 million, with a corresponding decrease in retained earnings by the same amount.

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.

### **Emphasis of Matter**

Without further modifying our opinion, we draw attention to the note 12 to the financial statements which describes the uncertainty related to the ultimate outcome of contingencies and hence no provision has been made in the enclosed financial statements.

### **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 Auditors' 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. As described in the Basis for Adverse Opinion section above, management use of going concern is inappropriate. Accordingly, we have concluded that the other information is materially misstated with respect to this matter.

### **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.

## **Auditors' 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- a) except for the effects of the matters described in the Basis for Adverse Opinion section of the report, proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) because of the significance of matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or 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 not been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), however are in agreement with the books of account
- c) except for the effects of the matters described in the Basis for Adverse Opinion section of the report 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 **Azeem Hussain Siddiqui**

**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants

Karachi

Date: April 03, 2026

UDIN: AR202510232laV63Ajog

**PICIC INSURANCE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

	2025	2024
Note	----- (Rupees in '000') -----	
<b>ASSETS</b>		
Property and equipment	7            15	26
Investments - Mutual funds	8            84,789	78,967
Taxation - payments less provisions	26,308	26,308
Cash and bank	9            6	6
<b>Total Assets</b>	<b>111,118</b>	<b>105,307</b>
<b>EQUITY AND LIABILITIES</b>		
Authorised share capital 125,000,000 Ordinary share of Rs.10 each	<b>1,250,000</b>	1,250,000
<b>Capital and reserves attributable to Company's equity holders</b>		
Ordinary share capital	10           350,000	350,000
Reserves	4,835	8,128
Accumulated loss	(383,993)	(369,102)
<b>Total Equity</b>	<b>(29,158)</b>	<b>(10,974)</b>
<b>Liabilities</b>		
Underwriting provisions	-	-
Outstanding claims including IBNR	57,715	57,715
Amounts due to other insurers / reinsurers	17,658	17,658
Other creditors and accruals	11           64,708	40,713
Unclaimed dividend	195	195
<b>Total Liabilities</b>	<b>140,276</b>	<b>116,281</b>
<b>Total Equity and Liabilities</b>	<b>111,118</b>	<b>105,307</b>
<b>Contingencies and Commitments</b>	12           -	-

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

Chief Executive / Principal Officer      Director      Director      Director      Chief Financial Office

**PICIC INSURANCE LIMITED**  
**STATEMENT OF PROFIT OR LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

		2025	2024
	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	<u>(6,658)</u>	<u>(7,061)</u>
<b>Underwriting results</b>		<b>(6,658)</b>	<b>(7,061)</b>
Investment income	17	<b>12,154</b>	12,580
Other expenses	18	<u>(17,348)</u>	<u>(301)</u>
<b>Results of operating activities</b>		<b>(11,852)</b>	5,218
<b>(Loss) / profit before taxation</b>		<b>(11,852)</b>	5,218
Taxation	19	<u>(3,039)</u>	<u>(1,882)</u>
<b>(Loss) / profit after taxation</b>		<b>(14,891)</b>	<b>3,336</b>
<b>(Loss) / earning per share - basic and diluted</b>	20	<b>(0.43)</b>	0.10

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

Chief Executive / Principal Officer

Director

Director

Director

Chief Financial Officer

**PICIC INSURANCE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025	2024
Note	------(Rupees in '000')-----	
<b>(Loss) / profit after taxation</b>	<b>(14,891)</b>	3,336
<b>Other comprehensive income:</b>		
<b>Item that may be subsequently classified to profit or loss account</b>		
Unrealised (loss)/ gain on investments - available for sale	<b>(3,293)</b>	1,636
<b>Other comprehensive income for the year</b>	<b>(3,293)</b>	1,636
<b>Total comprehensive income for the year</b>	<b>(18,184)</b>	4,972

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

Chief Executive / Principal Officer

Director

Director

Director

Chief Financial Officer

**PICIC INSURANCE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025	2024
	------(Rupees in '000')-----	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Premiums received	-	-
Management expenses paid	<b>(6,078)</b>	<b>(3,758)</b>
Cash outflow from underwriting activities	<b>(6,078)</b>	<b>(3,758)</b>
<b>(b) Other operating activities</b>		
Income tax paid	<b>3,039</b>	1,882
Other charges	-	-
Cash inflow from other operating activities	<b>3,039</b>	1,882
<b>Net cash outflow from operating activities</b>	<b>(3,039)</b>	<b>(1,876)</b>
<b>Investment activities</b>		
Dividends received	<b>12,154</b>	12,580
Investment in mutual funds	<b>(12,154)</b>	<b>(12,580)</b>
Payments for investments	<b>3,039</b>	1,882
Fixed capital expenditure	-	<b>(32)</b>
<b>Cash inflow from investing activities</b>	<b>3,039</b>	1,850
<b>Net (decrease) in cash and cash equivalents</b>	-	<b>(26)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>6</b>	32
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<b>6</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	<b>(3,039)</b>	<b>(1,876)</b>
Depreciation / amortisation expense	<b>(11)</b>	<b>(7)</b>
Net investment Income	<b>12,154</b>	12,580
Increase in liabilities	<b>(23,995)</b>	<b>(7,361)</b>
<b>(Loss) / profit after tax</b>	<b>(14,891)</b>	<b>3,336</b>

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

Chief Executive / Principal Officer

Director

Director

Director

Chief Financial Officer

PICIC INSURANCE LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2025

	Capital Reserve	Revenue reserves		Total
	Issued, subscribed and paid-up share capital	Accumulated loss	Surplus on remeasurment of availabe for sale investments	
	----- (Rupees in '000') -----			
<b>Balance as at January 01, 2024</b>	<b>350,000</b>	<b>(372,438)</b>	<b>6,492</b>	<b>(15,946)</b>
Profit for the year ended December 31, 2024	-	3,336	-	3,336
Other comprehensive income	-	-	1,636	1,636
<b>Balance as at December 31, 2024</b>	<b>350,000</b>	<b>(369,102)</b>	<b>8,128</b>	<b>(10,974)</b>
Profit for the year ended December 31, 2025	-	(14,891)	-	(14,891)
Other comprehensive income	-	-	(3,293)	(3,293)
<b>Balance as at December 31, 2025</b>	<b>350,000</b>	<b>(383,993)</b>	<b>4,835</b>	<b>(29,158)</b>

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

Chief Executive / Principal Officer

Director

Director

Director

Chief Financial Officer

**PICIC INSURANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

**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 (repealed 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** As per Section 11 of the Insurance Rules 2017, the company is required to maintain minimum paid up capital of Rs. 500 million net off any discount offered on issue of shares. Currently, the company does not meet the said requirement.
- 1.3** 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, 2025.
- 1.4** The company has discontinued the insurance business and has applied for surrendering of insurance license to SECP. However, SECP has rejected the application. The company has, filed a petition in Honourable Sindh High Court against the order of SECP.
- 1.5** The company has been reporting recurring losses in prior years, therefore, the Company's accumulated losses amounted to Rs 387.178 million (2024 : Rs. 369.102 million) which have turned the company's equity into negative amounting to Rs. 32.343 million (2024 : Rs. 10.974 million). Further, 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 1.6)
- 1.6 Merger of Crescent Star Foods (Private) Limited into PICIC Insurance Limited**

In the EOGM held on July 06, 2017, the shareholders of the Company approved the scheme of merger of PICIC Insurance Limited and Crescent Star Foods (Private) Limited (CSF) a going concern, whereby CSF would 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 this intention, the management commenced proceedings for surrendering the insurance license and has filed a petition before the Honourable Sindh High Court for the merger scheme which is pending till date.

In this regard, the Company has also entered into an agreement with Crescent Star Insurance Limited (parent company of CSF) for the transfer of insurance related assets and liabilities subject to approval from the SECP and successful surrender of insurance license.

Based on the above intention and the transfer of operations of Crescent Star Foods (Private) Limited, 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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017;

- provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000 Insurance Accounting Regulations, 2017, 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.

The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 89(1)/2017 dated February 09, 2017 has prescribed format of the presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

## **2.2 Standards, Amendments and Interpretations to Accounting and Reporting Standards**

### **2.2.1 Standards, interpretations of and amendments to the existing accounting standards that have become 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, 2025 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these financial statements.

### **2.2.2 Standards, interpretations and amendments not effective at year end**

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

<b>Standards, amendments or interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
- IFRS 16 - 'Leases' (amendments)	January 01, 2024
- IAS 1 - 'Presentation of financial statements' (amendments)	January 01, 2024
- IAS 7 - Statement of cash flows (amendments)	January 01, 2024
- IAS 21 - 'The effects of changes in foreign exchange rates (amendments)	January 01, 2025
- IFRS 7 - 'Financial instruments - disclosures (amendments)	January 01, 2024
- IFRS 9 - 'Financial instruments	January 01, 2026

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- IFRIC 12 - Service Concession Arrangements

### 2.2.3 Temporary exemptions from IFRS 17 and IFRS 09

#### (a) IFRS 17 - Insurance Contracts

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

#### (b) IFRS 9 - Financial instruments and amendment to IFRS 4 Insurance Contracts - applying IFRS 9 with IFRS 4

SECP through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 Financial Instruments as given in para 20A of IFRS 4 Insurance Contracts is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

#### (c) IFRS 9 - Financial Instruments

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for the financial assets with contractual cash flows that meet the 'Solely for Payment of Principal and Interest' (SPPI) criteria excluding those held for trading and for the financial assets that do not meet the SPPI criteria for being eligible to apply the temporary exemption from the application of IFRS 9.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

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

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

(ii) all other financial assets

Description	As at December 31, 2025			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain/ (loss)	Fair value	Change in unrealised gain/ (loss)
----- Rupees ('000') -----				
<b>Financial assets</b>				
Cash and bank balances *	-	-	6	-
Investments in equity securities - available for sale	84,789	(3,293)	-	-
	<b>84,789</b>	<b>(3,293)</b>	<b>6</b>	<b>-</b>

\* The carrying amounts of these financial assets measured applying IAS 39 are a reasonable approximation of their fair value.

Description	As at December 31, 2024			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain/ (loss)	Fair value	Change in unrealised gain/ (loss)
----- Rupees ('000') -----				
<b>Financial assets</b>				
Cash and bank balances *	-	-	6	-
Investments in equity securities - available for sale	78,967	1,636	-	-
	<b>78,967</b>	<b>1,636</b>	<b>6</b>	<b>-</b>

\* The carrying amounts of these financial assets measured applying IAS 39 are a reasonable approximation of their fair value.

### 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 MATERIAL ACCOUNTING POLICY INFORMATION

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.

## 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 incurred.

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 contract

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 extinguished or expire.

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 Rules, 2017

### **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 year.

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 expire.

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 loss

## **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 operate in Pakistan only.

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 short term investments.

## **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 these financial statements.
- 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 currently.
- 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 acquisition.

#### **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 loss is taken to the profit and loss account.

### **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 included in income currently.

### **5.20 Earnings 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 dilutive potential ordinary shares, if any.

## **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 as follows:

	<b>Note</b>
Taxation	5.14
Impairment of assets	5.15

7 PROPERTY AND EQUIPMENT

-----2 0 2 5-----										
Description	Cost			Accumulated depreciation				Written down value as at December 31, 2025	Rate	
	As at January 01, 2025	Additions	Disposals	As at December 31, 2025	As at January 01, 2025	Charge for the year	Disposals			As at December 31, 2025
	(Rupees in '000')									
<b>Tangible - Owned</b>										
Furniture and fixtures	-	-	-	-	-	-	-	-	-	20
Office equipment	623	-	-	623	622	-	-	622	1	20
Computer equipment	1,536	-	-	1,536	1,511	11	-	1,522	14	33.33
Motor vehicles	45	-	-	45	45	-	-	45	-	20
	<b>2,204</b>	-	-	<b>2,204</b>	<b>2,178</b>	<b>11</b>	-	<b>2,189</b>	<b>15</b>	
<b>Intangible - Owned</b>										
Computer software	4,000	-	-	4,000	4,000	-	-	4,000	-	33.33
<b>Total</b>	<b>6,204</b>	-	-	<b>6,204</b>	<b>6,178</b>	<b>11</b>	-	<b>6,189</b>	<b>15</b>	

-----2 0 2 4-----										
Description	Cost			Accumulated depreciation				Written down value as at December 31, 2024	Rate	
	As at January 01, 2024	Additions	Disposals	As at December 31, 2024	As at January 01, 2024	Charge for the year	Disposals			As at December 31, 2024
	(Rupees in '000')									
<b>Tangible - Owned</b>										
Furniture and fixtures	-	-	-	-	-	-	-	-	-	20
Office equipment	623	-	-	623	622	-	-	622	1	20
Computer equipment	1,504	32	-	1,536	1,504	7	-	1,511	25	33.33
Motor vehicles	45	-	-	45	45	-	-	45	-	20
	<b>2,172</b>	<b>32</b>	-	<b>2,204</b>	<b>2,171</b>	<b>7</b>	-	<b>2,178</b>	<b>26</b>	
<b>Intangible - Owned</b>										
Computer software	4,000	-	-	4,000	4,000	-	-	4,000	-	33.33
<b>Total</b>	<b>6,172</b>	<b>32</b>	-	<b>6,204</b>	<b>6,171</b>	<b>7</b>	-	<b>6,178</b>	<b>26</b>	

	Note	2025 ------(Rupees in '000')-----	2024
<b>8 INVESTMENTS - MUTUAL FUNDS</b>			
<b>Available for sale</b>			
Mutual Fund	8.1	<u>84,789</u>	<u>78,967</u>

8.1 These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

Name of fund	Units		31-Dec-25		31-Dec-24	
	December 31, 2025	December 31, 2024	Cost	Carrying Value	Cost	Carrying Value
			----- Rupees in thousand -----			

Pakistan Income fund	<u>1,462,566</u>	<u>1,296,690</u>	<u>36,000</u>	<u>84,789</u>	<u>36,000</u>	<u>78,967</u>
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	2025 ------(Rupees in '000')-----	2024
<b>9 CASH AND BANK</b>		
<b>Cash and other equivalents</b>		
Cash in hand	-	-
Policy stamps and bond papers in hand	-	-
<b>Current and other accounts</b>		
Current accounts	6	6
Savings accounts	-	-
	<u>6</u>	<u>6</u>
	<u>6</u>	<u>6</u>

## 10 SHARE CAPITAL

### 10.1 AUTHORISED SHARE CAPITAL

2025	2024		
(Number of shares)			
<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

2025	2024		
(Number of shares)			
<u>35,000,000</u>	<u>35,000,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>350,000</u> <u>350,000</u>

10.3 The company has only one class of ordinary shares which carry equal voting rights.

## 11 OTHER CREDITORS AND ACCRUALS

Unclaimed dividend	195	195
Other creditors and accruals	11.1 & 11.2 <u>64,708</u>	<u>40,713</u>
	<u>64,903</u>	<u>40,908</u>

11.1 This includes an amount of Rs. 56,922,654 payable to Crescent Star Insurance Limited on account of loan obtained to meet routine expenses

11.2 This includes a net amount to be settled under the scheme of merger with Crescent Star Foods (Private) Limited (Refer note 1.6)

## **12 CONTINGENCIES AND COMMITMENTS**

### **12.1 Contingencies**

#### **12.1.1 Income tax**

The tax assessment of the Company has been finalised upto and including the tax year 2024 on self assessment basis under section 120 of the Income Tax Ordinance, 2001.

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.

Further, the Inland Revenue Department has passed amended orders for the tax year 2008, 2014, 2015 and 2016 on account of minimum taxation on gross receipts of the Company and thereby raising the aggregate tax of Rs. 13.85 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 favorable outcome in all cases and, accordingly, no provision in this respect has been made in these financial statements.

Another order on account of withholding tax monitoring for tax year 2018 has been passed whereby a tax demand of Rs. 7.978 million has been raised against which no provision has been made in these financial statements, as the Company is confident of a favorable outcome.

The tax authorities had filed a writ petition against the Company along with other insurance companies in the High Court of Sindh on alleged default of non-deduction of withholding tax on payments of insurance premium to non-resident reinsurer. The petition has been dismissed by the Court in favor of Insurance Companies. The tax impact of the above amounts to Rs 5.48 million against which no provision has been made in these financial statements, as the Company is confident of a favorable outcome.

#### **12.1.2 Sales Tax on services**

Sindh Board of Revenue has passed various Orders-in-original relating to year 2012 to 2015 whereby a total sales tax demand of Rs. 542,658,790 has been raised on reinsurance premium & commission. The Company has preferred appeals before the Commissioner (Appeals) against the said orders which are yet pending for decision. Other insurance companies have obtained stay from Sindh High Court.

Further, through another order-in-original relating to year 2011, a sales tax demand of Rs. 14,541,000 was raised on reinsurance premium & commission. The Company had preferred appeal before the Commissioner (Appeals) against the said order which was rejected by the Commissioner (Appeals). The Company has preferred an appeal before the Appellate Tribunal Sindh Revenue Board which is yet pending for decision. Furthermore, the company has filed a petition before the Sindh High Court as well.

### **12.2 Commitments**

There were no commitments as on December 31 2025 (2024: Nil).

	2025	2024
Note	------(Rupees in '000')-----	
<b>13 NET INSURANCE PREMIUM</b>		
Written gross premium	-	-
Unearned premium reserve opening	-	-
Premium earned	-	-
Reinsurance premium ceded	-	-
Prepaid reinsurance premium opening	-	-
Reinsurance expense	-	-
<b>14 NET INSURANCE CLAIMS EXPENSE</b>		
Claims paid	-	-
Outstanding claims including IBNR opening	-	-
Claims expense	-	-
Reinsurance and others recoveries in respect of outstanding claims opening	-	-
Reinsurance and recoveries revenue	-	-
<b>15 NET COMMISSION AND OTHER ACQUISITION COSTS</b>		
Commission paid or payable	-	-
Deferred commission expense opening	-	-
Commission received or recoverable	-	-
Commission from reinsurers	-	-
Net commission	-	-
<b>16 MANAGEMENT EXPENSES</b>		
Salaries, allowances and other benefits	3,616	3,382
Travelling	-	60
Advertisement	290	33
Amortisation	11	7
Legal and professional charges	314	1,193
Entertainment	14	24
Vehicle running expenses	1,693	1,745
Office repairs and maintenance	147	62
Postage, telegram and telephone	96	81
Fees, subscriptions and periodicals	477	474
	<b>6,658</b>	<b>7,061</b>
<b>17 INVESTMENT INCOME</b>		
<b>Available for sale</b>		
- Dividend Income	12,154	12,580
Less: Investment related expenses	-	-
Investment income	<b>12,154</b>	<b>12,580</b>

	Note	2025 ------(Rupees in '000')-----	2024 -----
<b>18 OTHER EXPENSES</b>			
Finance cost	18.1	17,048	1
Auditors' remuneration	18.2	300	300
		<u>17,348</u>	<u>301</u>

18.1 This represents interest expense on loan obtained from Crescent Star Insurance Limited to meet routine expenses as disclosed in Note 11

**18.2 Auditors' remuneration**

Audit and certifications	175	175
Half yearly review	75	75
Code of corporate governance	50	50
	<u>300</u>	<u>300</u>

**19 TAXATION**

- Current	19.1	3,039	1,882
- Prior		-	-
		<u>3,039</u>	<u>1,882</u>

19.1 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.

**20 EARNINGS PER SHARE - BASIC AND DILUTED**

	------(Rupees in '000')-----	
(Loss) / profit after tax for the year	<u>(14,891)</u>	<u>3,336</u>
	<b>(Number in thousand)</b>	
Weighted average number of ordinary shares	<u>35,000</u>	<u>35,000</u>
	------(Rupees)-----	
(Loss) / earning per share - basic and diluted	<u>(0.43)</u>	<u>0.10</u>

20.1 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.

**21 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

	Chief Executive Officer		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	-----Rupees in '000'-----					
Fees	-	-	-	-	-	-
Managerial remuneration	1,860	1,747	-	-	-	-
Utilities	42	42	-	-	-	-
Medical	-	-	-	-	-	-
	<u>1,902</u>	<u>1,789</u>				
Number of persons	<u>1</u>	<u>1</u>	<u>10</u>	<u>10</u>		

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

## 22 SEGMENT INFORMATION

For the year ended December 31, 2025

	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	-	-	-	-	-	-
<b>Net underwriting income</b>	-	-	-	-	-	-
Insurance claims	-	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-	-
Net claims	-	-	-	-	-	-
Commission expense	-	-	-	-	-	-
Management expense	-	-	-	-	-	(6,658)
<b>Net insurance claims and expenses</b>	-	-	-	-	-	(6,658)
<b>Underwriting results</b>	-	-	-	-	-	(6,658)
Net investment income						12,154
Other income						-
Other expenses						(17,348)
<b>Result of operating activities</b>						(11,852)
Finance costs						-
<b>Loss before tax</b>						(11,852)

For the year ended December 31, 2024

	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	-	-	-	-	-	-
<b>Net underwriting income</b>	-	-	-	-	-	-
Insurance claims	-	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-	-
Net claims	-	-	-	-	-	-
Commission expense	-	-	-	-	-	-
Management expense	-	-	-	-	-	(7,061)
<b>Net insurance claims and expenses</b>	-	-	-	-	-	(7,061)
<b>Underwriting results</b>	-	-	-	-	-	(7,061)
Net investment income						12,580
Other income						-
Other expenses						(301)
<b>Result of operating activities</b>						5,218
Finance costs						-
<b>Profit before tax</b>						5,218



	2025	2024
	------(Rupees in '000')-----	
<b>23 FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>Financial assets and financial liabilities</b>		
<b>Financial assets</b>		
<b>Cash and bank deposits</b>		
Cash and other equivalents	-	-
Current and other accounts	6	6
Deposits maturing within 12 months	-	-
	<u>6</u>	<u>6</u>
<b>Investments</b>		
-At fair value through other comprehensive income	<u>84,789</u>	<u>78,967</u>
	<u><b>84,795</b></u>	<u><b>78,973</b></u>
<b>Financial Liabilities</b>		
<b>Amortised cost</b>		
Unclaimed dividend	195	195
Other creditors and accruals	<u>64,708</u>	<u>40,713</u>
	<u><b>64,903</b></u>	<u><b>40,908</b></u>

#### 24 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).

	----- 2025 -----	
	------(Rupees in '000')-----	
	Level 1	Total
Financial assets designated at fair value through other comprehensive income		
- Mutual Fund	<u>84,789</u>	<u>84,789</u>
	<u><b>84,789</b></u>	<u><b>84,789</b></u>
	----- 2024 -----	
	------(Rupees in '000')-----	
	Level 1	Total
Financial assets designated at fair value through other comprehensive income		
- Mutual Fund	<u>78,967</u>	<u>78,967</u>
	<u><b>78,967</b></u>	<u><b>78,967</b></u>

## 25 RISK MANAGEMENT

### 25.1 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:

-----2025-----							
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

Investments

6	-	6	-	-	-	6
-	-	-	84,789	-	84,789	84,789
6	-	6	84,789	-	84,789	84,795

#### Financial liabilities

Outstanding claims including IBNR

Amounts due to other insurers / reinsurers

Other creditors and accruals

Unclaimed dividend

-	-	-	57,715	-	57,715	57,715
-	-	-	17,658	-	17,658	17,658
-	-	-	64,708	-	64,708	64,708
-	-	-	195	-	195	195
-	-	-	140,276	-	140,276	140,276

-----2024-----

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

Investments

6	-	6	-	-	-	6
-	-	-	78,967	-	78,967	78,967
6	-	6	78,967	-	78,967	78,973

#### Financial liabilities

Outstanding claims including IBNR

Amounts due to other insurers / reinsurers

Other creditors and accruals

Unclaimed dividend

-	-	-	57,715	-	57,715	57,715
-	-	-	17,658	-	17,658	17,658
-	-	-	40,713	-	40,713	40,713
-	-	-	195	-	195	195
-	-	-	116,281	-	116,281	116,281

#### (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.

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

2025	2024	2022 and prior years
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

**(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.

	2025			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	----- (Rupees in '000') -----			
Outstanding claims including IBNR	57,715	57,715	57,715	-
Amounts due to other insurers / reinsurers	17,658	17,658	17,658	-
Other creditors and accruals	64,708	64,708	64,708	-
Unclaimed dividend	195	195	195	-
	<u>140,276</u>	<u>140,276</u>	<u>140,276</u>	<u>-</u>
	2024			
	Carrying amount	Contractual cash flow	Upto one year	More than one year
	----- (Rupees in '000') -----			
Outstanding claims including IBNR	57,715	57,715	57,715	-
Amounts due to other insurers / reinsurers	17,658	17,658	17,658	-
Other creditors and accruals	40,713	40,713	40,713	-
Unclaimed dividend	195	195	195	-
	<u>116,281</u>	<u>116,281</u>	<u>116,281</u>	<u>-</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:

	2025	2024
	----(Rupees in '000')----	
Investments - Mutual funds	84,789	78,967
Bank deposits*	6	6
	<u>84,795</u>	<u>78,973</u>

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

	Rating Short	Long Term	Rating Agency	2025	2024
				----(Rupees in '000')----	
<b>Bank deposits</b>					
Habib Metropolitan Bank Limited	A1+	A	PACRA	<u>6</u>	<u>6</u>
				<u>6</u>	<u>6</u>

## 25.2 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 500 million set by the SECP for non-life insurance companies as required under section 11 of insurance rule 2017.

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, 2025.

## 26 STATEMENT OF SOLVENCY

		<b>2025</b>
		<b>(Rupees in '000')</b>
<b>ASSETS</b>		
Property and equipment		15
Investments - Mutual fund		84,789
Taxation - payments less provision		26,308
Cash and bank		6
<b>Total Assets (A)</b>		<u>111,118</u>
<b>In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000</b>		
(u)		<span style="border: 1px solid black; padding: 2px;">15</span>
<b>Total of In-admissible assets (B)</b>		15
<b>Total Admissible Assets (C=A-B)</b>		<u>111,103</u>
<b>Total Liabilities</b>		
Outstanding claims including IBNR		<span style="border: 1px solid black; padding: 2px;">57,715</span>
Amounts due to other insurers / reinsurers		17,658
Other creditors and accruals		64,708
Unclaimed dividend		195
<b>Total Liabilities (D)</b>		140,276
<b>Total Net Admissible Assets (E=C-D)</b>		<u>(29,173)</u>
<b>Minimum Solvency Requirement (higher of following)</b>		150,000
Method A - U/s 36(3)(a)	<span style="border: 1px solid black; padding: 2px;">150,000</span>	
Method B - U/s 36(3)(b)	<span style="border: 1px solid black; padding: 2px;">-</span>	
Method C - U/s 36(3)(c)	<span style="border: 1px solid black; padding: 2px;">-</span>	
<b>Deficit in Net Admissible Assets over Minimum Requirements</b>		<u>(179,173)</u>

**27 SUBSEQUENT EVENTS**

There is no subsequent event effecting the financial statements for the year ended December 31, 2025.

**28 NUMBER OF EMPLOYEES**

The total average number of employees during the year and as at December 31, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
	<b>(Number of employees)</b>	
Average number of employees during the year	<b>3</b>	<b>3</b>
Number of employees as at December 31,	<b>3</b>	<b>3</b>

**28.1 GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024**

Following is gender pay gap calculated for the year ended December 2025

Mean gender pay gap	100%
Median gender pay gap	100%
Any other data/ details as deemed relebant	Nil

**29 GENERAL**

Figures have been rounded off to the nearest thousands.

**30 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 April 03, 2026

Chief Executive / Principal Officer

Director

Director

Director

Chief Financial Officer



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

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the shareholders of PICIC Insurance Limited will be held on April 30, 2026 at 9.30 a.m. at 2<sup>nd</sup> Floor, Nadir House I. I. Chundrigar Road, Karachi to transact the following business.

**ORDINARY BUSINESS:**

1. To confirm and approve the minutes of the 21<sup>st</sup> Annual General Meeting held on April 29, 2025.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2025 together with the Chairman's review, Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR enabled code:



[https://picicinsurance.com/?page\\_id=2270](https://picicinsurance.com/?page_id=2270)

3. To appoint Auditors for the year ending December 31, 2026 and fix their remuneration.
4. To elect seven (7) 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. Mr. Hafiz Muhammad Hassan Saeed
  5. Mr. Muhammad Abdul Rasheed
  6. Mr. Muhammad Afzal Shehzad
  7. Mr. Muhammad Ali
5. Other Business  
To transact any other business that may be placed before the meeting with the permission of the Chair

By order of the Board

**Moiz Ali**  
Managing Director / CEO

Karachi: April 3, 2026

**NOTES:**

1. Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from April 24, 2026 to April 30, 2026 (both days inclusive) and no transfer of shares will be accepted for registration during this period. Transfers received in order at the office of our Share Registrar M/s F. D. Registrar Services (SMC-Pvt.) Limited 17<sup>th</sup> Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi at the close of business hours April 23, 2026 will be treated in time for the purpose of transfer of shares and voting rights at the AGM.

2. All members are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting is also entitled to appoint another member of the Company as his / her proxy to attend, speak and vote for him / her. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted to the Company. A proxy must be a member of the Company. A member shall not be entitled to appoint more than one proxy to attend any one meeting. The instrument of proxy duly executed should be lodged at the Karachi Office of the Company not later than 48 hours before the time of the meeting. The form of proxy must be witnessed with the addresses and CNIC numbers of witnesses, certified copies of CNIC of member and the proxy member must be attached and the revenue stamp should be affixed and defaced on the form of proxy. Proxy Form in English and Urdu languages is available on company website [www.picicinsurance.com](http://www.picicinsurance.com).
3. The members are advised to bring their ORIGINAL Computerized National Identity Card (CNIC) and those members who have deposited their shares in Central Depository System should also be cognizant of their CDC Participant ID and Account Number at the meeting venue. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the 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. The Company has arranged for participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.). In this regard, the interested shareholders can request by providing the relevant information (i.e. Name of the Shareholder, CNIC Number, Folio / CDC Account Number, Cell Number, Email Address etc.) to the Company Secretary at least 48 hours before the time of AGM at Email Address: [info@picicinsurance.com](mailto:info@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. It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for election of directors at the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:
  - i) E-Voting Procedure
    - (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.
    - (b) The web address: login details, will be communicated to members via email.

(c) Identity of the members intending to cast vote through E-voting shall be authenticated through authenticated login.

(d) E-Voting lines will start from April 25, 2026 9:30 am and shall close on April 29, 2026 at 5 p.m. Members can cast their votes any time in the period.

ii) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 to 145 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered office one day before the AGM i.e. April 29, 2026 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

9. In accordance with the applicable law mentioned above, M/S. DCCL (Private) Limited have been appointed as the e-voting service provider and M/s S.M Sohail & Co., Chartered Accountants, have been appointed as scrutinizer to monitor and validate voting for election of directors.

10. 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, 2025 are also available on the Company's website [www.picicinsurance.com](http://www.picicinsurance.com)

11. In accordance with the directive issued by the SECP vide it is S.R.O. 452(I)/2025 dated March 17, 2025 the Company would like to inform all the shareholder that no gifts will be distributed at the meeting.

12. Form of Proxy is enclosed.

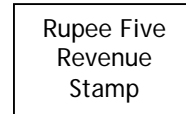
## Proxy Form Annual General Meeting

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 Thursday, April 30, 2026 at 9:30 AM at  
the 2<sup>nd</sup> Floor Nadir House I.I. Chundrigar Road, Karachi and at any adjournment thereof.

Signed this ..... day of..... 2026

**1. Witness:**

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



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 3<sup>rd</sup> 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 فولیو 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 فولیو 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 30 اپریل 2026 کو بوقت 9:30 بجے صبح، سیکنڈ  
فلور، آئی آئی چندریگر روڈ، کراچی میں ہم / ہماری طرف سے حاضر، بحث و مباحثہ اور ووٹ دے سکتا ہے۔

بتاریخ ..... 2026 کو دستخط کئے۔

1- گواہ:

..... دستخط

..... نام

..... پتہ

..... شناختی کارڈ نمبر

2- گواہ:

..... دستخط

..... نام

..... پتہ

..... شناختی کارڈ نمبر

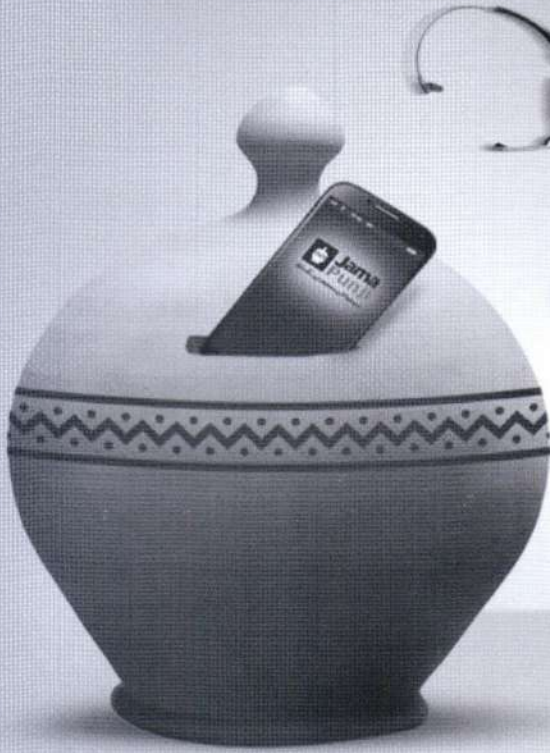
### نوٹ:

- 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 شیئرز ہولڈرز (حصص یافتگان) اور ان کے پراکسیز ہر ایک سے درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹر انڈینیشنل شناختی کارڈ یا پاسپورٹ کی فوٹو کاپی اپنے پراکسی فارم (Proxy Form) کو کمپنی میں جمع کروانے سے قبل منسلک کریں۔
- 3- حامل شیئرز 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 انڈینیشنل شناختی کارڈ اور سی ڈی سی اکاؤنٹ نمبر اپنے ہمراہ ساتھ لائیں۔

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(based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
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- Online Quizzes



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[@jamapunji\\_pk](https://twitter.com/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](http://www.picicinsurance.com)