

IN MEMORIES OF SHAHEED MOHTARMA BANEZIR BHUTTO



**SINDH INSURANCE**

POWER TO THE PEOPLE

# ANNUAL REPORT 2025



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Mobile apps are also available for download for android and ios device.

## Company Information

### **Board of Directors**

Saleem Zamindar (Chairman)  
Fayaz Ahmed Jatoi  
Farhan Ashraf Khan  
Hina Marvi  
Muhammad Omar  
Sidra Ishaq

### **Chief Executive Officer**

Muhammad Faisal Siddiqui

### **Chief Financial Officer & Company Secretary**

Nadeem Akhter

### **BOARD COMMITTEES**

#### **Audit Committee**

Sidra Ishaq (Chairperson)  
Muhammad Omar  
Farhan Ashraf Khan

#### **Risk Management Committee**

Farhan Ashraf Khan (Chairman)  
Muhammad Omer Arshid  
Hina Marvi

#### **Human Resource Committee**

Saleem Zamindar (Chairman)  
Muhammad Omar  
Farhan Ashraf Khan

#### **Procurement & Information Technology Committee**

Hina Marvi (Chairperson)  
Sidra Ishaq  
Farhan Ashraf Khan

#### **Nomination Committee**

Saleem Zameendar (Chairman)  
Finance Secretary  
Sidra Ishaq  
Hina Marvi

#### **Investment Committee**

Saleem Zameendar (Chairman)  
Muhammad Omar  
Muhammad Faisal Siddiqui  
Nadeem Akhtar

### **MANAGEMENT COMMITTEES**

#### **Underwriting Committee**

Farhan Ashraf Khan (Chairman)  
Muhammad Faisal Siddiqui  
Nadeem Akhter

#### **Claim Committee**

Sidra Ishaq (Chairperson)  
Muhammad Faisal Siddiqui  
Muhammad Sarfaraz Awan

#### **Reinsurance Committee**

Saleem Zamindar (Chairman)  
Muhammad Faisal Siddiqui  
Nadeem Akhter

#### **Risk Management & Compliance Committee**

Saleem Zamindar (Chairman)  
Muhammad Faisal Siddiqui  
Nadeem Akhter

#### **Auditors**

M/s Crowe Hussain Chaudhury & Company  
Chartered Accountants

#### **Legal Advisor**

Muhammad Nadeem Khan

#### **Bankers**

Sindh Bank Limited  
NRSP Microfinance Bank Limited  
Telenor Microfinance Bank Limited  
Khushali Microfinance Bank Limited  
Bank Al Habib Limited

#### **IFS Credit Rating**

AA (Double A) by Rating  
Agency (PACRA)

#### **Company Incorporate Number**

0086299

#### **National Tax Number**

4231500-0

#### **Membership**

The Insurance Association of Pakistan (IAP)  
Federation of Pakistan Chamber of  
Commerce & Industry (FPCCI)  
Management Association of Pakistan  
Marketing Association & Professionals Pakistan  
Karachi Chamber of Commerce & Industry

#### **Registered Office/Head Office**

1<sup>st</sup> Floor, Imperial Court,  
Dr. Ziauddin Ahmed Road,  
Karachi, Pakistan

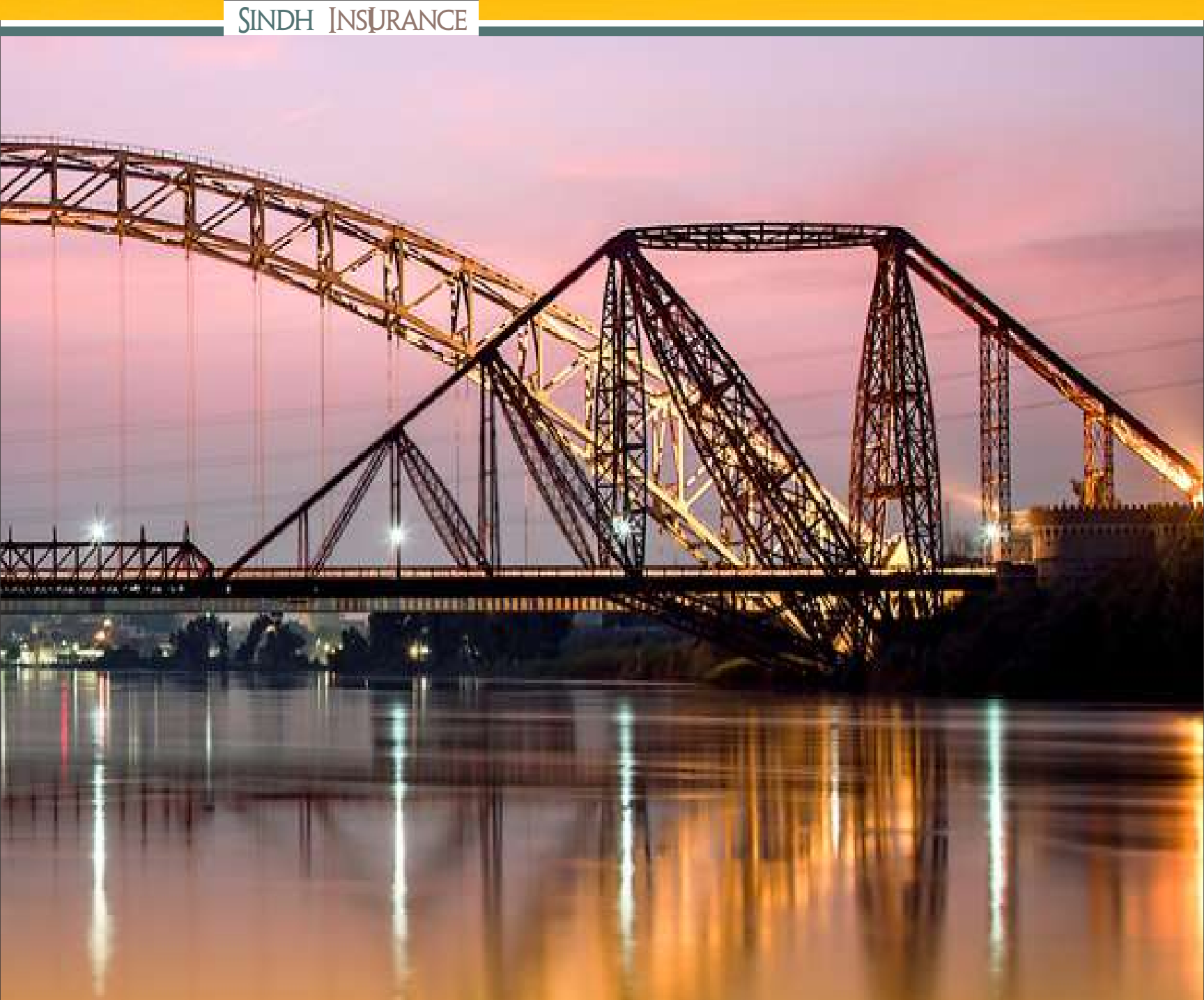
#### **Contact**

Tel : (92-21) 35640715-17  
Fax : (92-21) 35640714  
Email : info@sindhinsuranceltd.com  
Website : www.sindhinsuranceltd.com



# VISION

*Reaching Everyone for  
Insurance and to meet expectations  
of our customers and shareholders*



# MISSION

*To provide best returns to our shareholders, job opportunities to the people and premium service at competitive price to our customers*

## PRODUCT PORTFOLIO

### Property Insurance

Fire & Explosion  
 Riot Strike Damage  
 Malicious Damage  
 Atmospheric Disturbances  
 Earthquake  
 Air Craft Damage  
 External Explosion  
 Burglary  
 Terrorism

### Marine Insurance

Cargo Export  
 Cargo Import  
 Cargo Inland

### Motor Insurance

Comprehensive Private Car  
 Comprehensive Commercial Vehicle  
 Comprehensive Motorcycles  
 Motor Third Party Insurance

### Engineering Insurance

All Risk Contractors  
 Machinery Breakdown (MBD)  
 Computer Equipment  
 Electronic Equipment  
 Boiler & Pressure Vessels  
 Erection All Risk  
 Third Party Liability  
 Machinery Breakdown  
 Contractors' Plant & Machinery  
 Comprehensive Machinery Insurance

### Miscellaneous Insurance

Cash in Transit  
 Cash in Safe  
 Fidelity Guarantee  
 Mobile Phone  
 All Risk  
 Bankers Blanket  
 Burglary  
 Product Liability  
 Public Liability  
 Workman Compensation  
 Commercial General Liability

### Accident & Health

Health Insurance  
 Personal Accident Insurance

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# Sindh Insurance Achieves **CREDIT RATING UPGRADE**

**‘AA’**

Rated by Pakistan Credit  
Rating Agency PACRA



**• TRUSTED • SECURE • RELIABLE**



# FIRE

## *Fire Insurance*



# MARINE

## *Marine Insurance*



# BURGLARY

## *Burglary Insurance*



# motor

## *Motor Insurance*



# HEALTH

Protection

*Health Insurance*



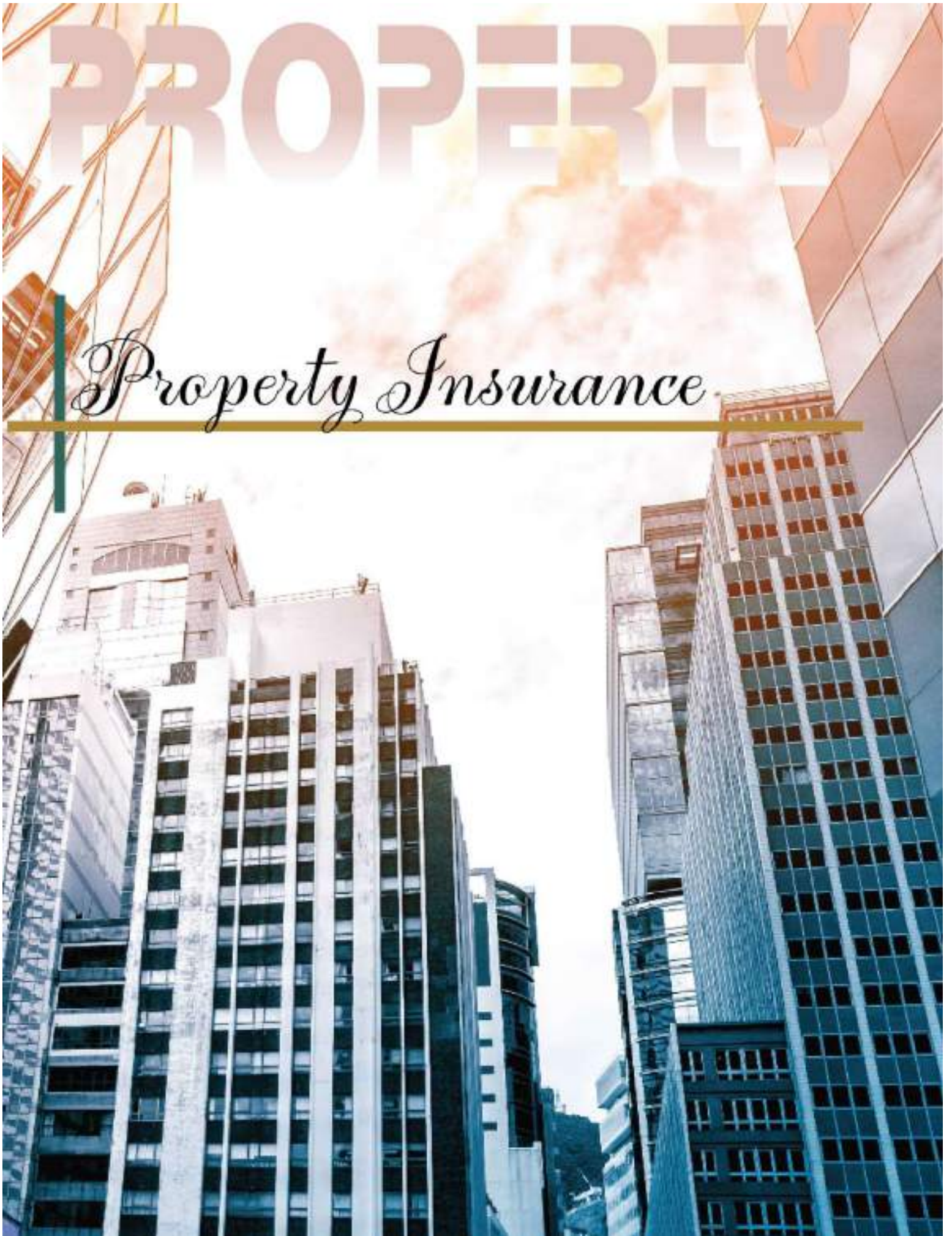
HEALTH  
INSURANCE

Coverage

Risk

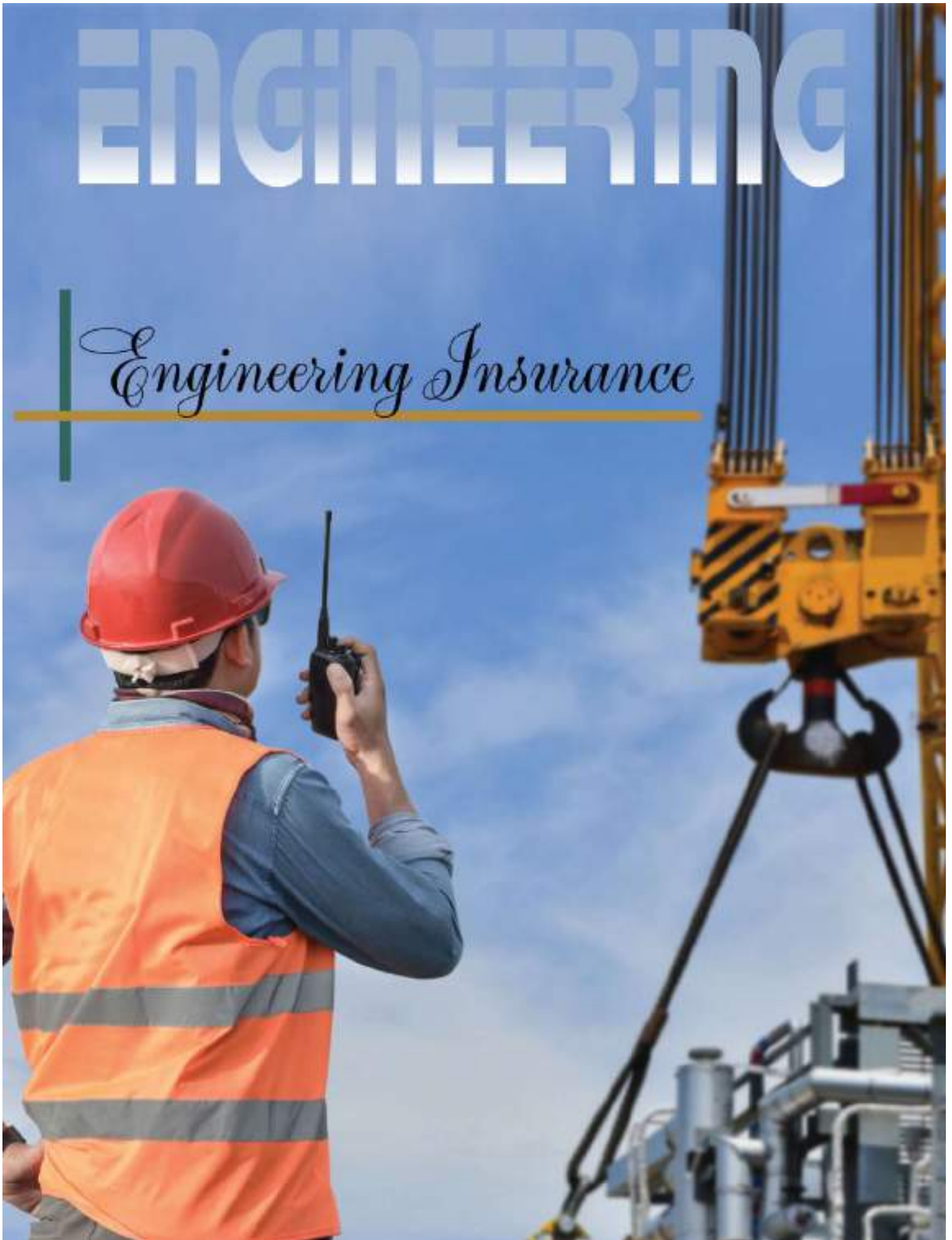
# PROPERTY

## *Property Insurance*



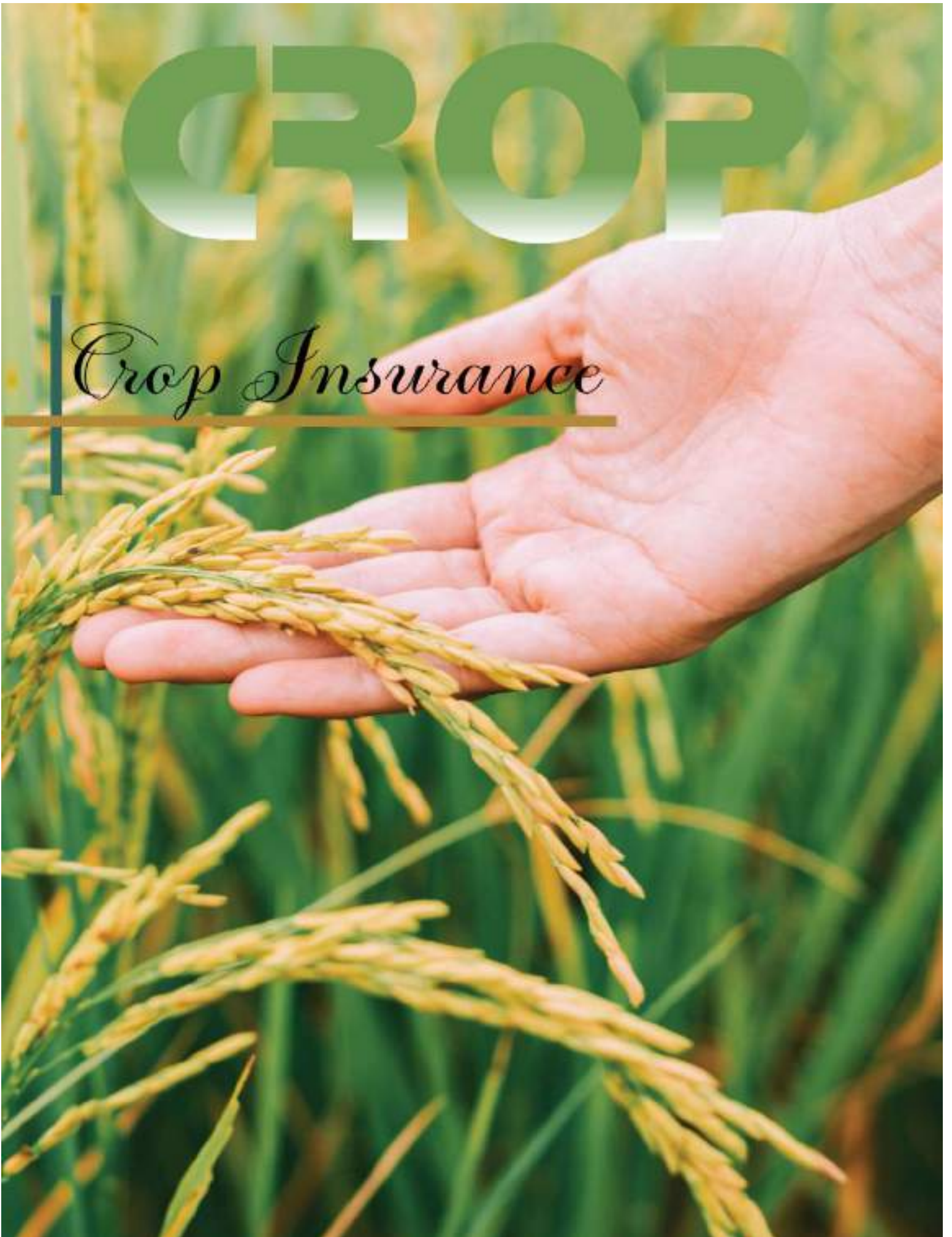
# ENGINEERING

## *Engineering Insurance*



# CROP

## *Crop Insurance*





# *Miscellaneous Insurance*

# THIRD PARTY

## *Third Party Liability Motor Insurance*





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**SINDH INSURANCE**  
POWER TO THE PEOPLE

ANOTHER IMPORTANT STEP OF GOVERNMENT OF SINDH

UNIVERSAL ACCIDENT INSURANCE SCHEME

GOVERNMENT OF SINDH IS PAYING AMOUNT OF

**Rs.100,000/-**

THROUGH SINDH INSURANCE TO THE  
BENEFICIARY AGAINST ACCIDENTAL DEATH.

(TERMS & CONDITIONS APPLY)

CAUSES OF  
ACCIDENTAL DEATH

- TERRORISM
- BURNING
- TARGET KILLING
- ELECTRIC SHOCK
- BOMB BLAST
- STAMPEDE
- FIRING
- FLOOD
- BUILDING COLLAPSE
- HURRICANE
- FALL FROM ROOF
- RIOT & CIVIL COMMOTION
- DROWNING
- INDUSTRIAL ACCIDENT
- ROAD/TRAIN/AIR ACCIDENT
- MURDER
- SNAKE BITE
- TOXICATION
- WILD ANIMAL ATTACK
- BY POISONED GAS

SCHEME IS EFFECTIVE FROM 01ST OCTOBER, 2016.



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IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

# SINDH INSURANCE

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## حکومت سندھ کا ایک اور اہم قدم

### UNIVERSAL ACCIDENT INSURANCE SCHEME

حکومت سندھ حادثاتی موت کی صورت میں  
سندھ انشورنس کے توسط سے لواحقین کو

**مبلغ ایک لاکھ روپے - / Rs.100,000**  
ادا کر رہی ہے۔ (شرائط و ضوابط ناگو ہیں۔)

#### حادثاتی موت کی وجوہات

- |                    |                            |
|--------------------|----------------------------|
| ■ جھلنے / جھلنے سے | ■ دہشت گردی                |
| ■ کرنٹ لگنے سے     | ■ ٹارگٹ کلنگ               |
| ■ بھکڑ             | ■ بم دھماکہ                |
| ■ سیلاب            | ■ فائرنگ                   |
| ■ طوفان            | ■ عمارت گرنے سے            |
| ■ دنگا فساد سے     | ■ اونچائی سے گر کر         |
| ■ صنعتی حادثہ      | ■ ڈوبنے سے                 |
| ■ قتل              | ■ روڈ، ٹرین یا ہوائی حادثہ |
| ■ زہر سے           | ■ سانپ کے کاٹنے سے         |
| ■ زہریلی گیس سے    | ■ جنگلی جانور کے حملے سے   |

اسکیم کا اطلاق یکم اکتوبر 2016 سے ہے۔



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# BOARD OF DIRECTORS

## **SALEEM ZAMINDAR**

### **Chairman / Director**

Mr. Saleem Zamindar has a Bachelor of Arts (BA) degree in Economics from Boston University, USA and a Master of Business Administration (MBA) from Durham University Business School, UK. He has over 29 years of experience across several countries in investment management, board level general management in public & private sector, international banking, think tanks, private country clubs & international organizations like English Speaking Union & Rotary International. He is a Certified company Director by the Pakistan Institute of Corporate Governance and additionally also holds the globally prestigious Certificate in Company Direction from the Institute of Directors (IoD) UK. He is an IFC Certified Trainer on Corporate Governance and is a member of the faculty of Pakistan Institute of Corporate Governance (PICG). He serves as Chairman & Member, Board of Directors of several public & private limited companies. He is the past President of the Rotary Club of Karachi, the largest and oldest Rotary Club in District 3271 and also a Paul Harris Fellow. He is a former member of the Managing Committee of the Karachi Boat Club, and Life Member of the Karachi Council on Foreign Relations & Life Member / National Council Executive Committee of English-Speaking Union. Mr. Zamindar attended the World Economic Forum at Davos, Switzerland as part of the Pakistan private sector delegation.

## **FAYAZ AHMED JATOI**

### **GOS Nominated Director**

Mr. Fayaz Ahmed Jatoi is an accomplished civil servant with over 18 years of experience in various capacities within the Government of Sindh and the Government of Punjab. Currently, he serves as the Finance Secretary for the Government of Sindh (GoS), bringing a wealth of knowledge and seasoned expertise to his role.

Throughout his career, Mr. Jatoi has held numerous pivotal positions. He has served as Principal Secretary and Additional Secretary at the Chief Minister's Secretariat in Sindh, and as Secretary for the Services, General Administration, and Coordination Department (SGA&CD). His work has extended to coordinating the Emergency Operations Center (EOC) within the Health Department. Mr. Jatoi has also served as Deputy Commissioner in the districts of Khairpur, Hyderabad, and Jacobabad, where he managed various administrative and developmental responsibilities.

Mr. Jatoi's career also includes notable experience in the Government of Punjab, where he served as Deputy Director of Food in Bahawalpur and as Deputy District Officer in the regions of Shahpur, Chakwal, and Malkwal. He has held Secretary-level roles in several GoS departments, demonstrating his commitment to public service across various fields and sectors.

An officer of the Pakistan Administrative Service (BS-20), Mr. Jatoi holds a Master's degree in Political Science, achieving first-class honors from Shah Abdul Latif University, Khairpur, Sindh, in 2006. His extensive experience and educational background continue to serve as an asset in his current role as Finance Secretary for the Government of Sindh.

## **FARHAN ASHRAF KHAN**

### **Director**

Mr. Farhan holds a Master's degree in Mathematics. He started his career in year 1990 and has more than 32 years of impressive experience in Banking Industry having served in PICIC Ltd., MyBank Limited and Sindh Bank Limited at different positions. He retired from Sindh Bank Limited, in the year 2023, as SEVP/ Group Business Head – Central Region having 101 branches, both Conventional and Islamic, being controlled by 7 Area Offices under his supervision.

His major skills includes managing liabilities and assets portfolios of the Bank, credit risk review management, supervision of concerned branches business / activities and managing all human resources matters of concerned branches.

## **HINA MARVI**

### **Director**

Hina Marvi is a Government officer (BPS-20) in Pakistan. With the academic research background and professional experience, she has established herself as a knowledgeable figure in the professional field. Hina is currently a PhD Scholar and holds a Master's degree in the same discipline. Her academic journey began with a Bachelor of Architecture (B.Arch.). Over the years, Hina has developed a deep interest in sustainable development, integrating principles of economic, social, and environmental sustainability practices. Her work and research focus on creating sustainable, resilient, and inclusive urban environments that address contemporary challenges. Her professional career reflects her

dedication to advancing the built environment. She serves as an Executive Board Director, contributing strategic leadership in corporate settings. Additionally, she holds a position as a Senate Member at Shaheed Allah Buksh Soomro University of Art, Design, and Heritage (SABSU) in Jamshoro. Her role as a Senate Member ensures the university's policies align with SDGs. She is a key contributor to academia and the professional community. As a member of the Board of Faculty and Board of Studies at SABSU and MUET, shapes policies and, emphasizes sustainability and addressing contemporary challenges in planning and resilience. Her professional engagement extends to serving as an Executive Committee member at the institute of Architect-KC

Hina Marvi's career is a testament to her multifaceted expertise and leadership. As a corporate strategist, accomplished researcher, and academic leader, bridges the gap between business, academia, and professional practice. Her work inspires innovative solutions that harmonize the built environment with social, environmental, and economic sustainability. With a vigorous publication record, she continues to influence both academic discourse and practical implementation, leaving an enduring impact on her fields of expertise.

## **MUHAMMAD OMAR ARSHID**

### **Director**

Mr. Omar Arshid, a graduate from American Intercontinental University (United Kingdom). He has rich experience in business management, corporate strategies, Commercial insights and project management. He served in various family run companies as a director of Sukkur Beverages (Private Limited), Sukkur Grains Flour Mill (Private Limited). He is a certified director from the Institute of Chartered Accountant of Pakistan.

## **SIDRA ISHAQ**

### **Director**

Ms. Sidra, the Managing Director of The Suits Law Firm, is a dynamic and accomplished leader recognized for her strategic and results-driven approach. Her educational foundation in law, accountancy, and business offers a distinct advantage in navigating the complex interplay between legal and business strategy. This multifaceted expertise is central to her directorial role, enabling her to drive impactful solutions and informed decision-making across all facets of the firm's operations.

Ms. Sidra's extensive legal experience spans a broad spectrum, including Corporate Law, Services Law, Cooperatives, and Taxation. Over the years, she has honed her skills as a legal advisor within the government administration of Islamabad's capital city, demonstrating exceptional capability in managing intricate regulatory and compliance matters. Her professional career is further distinguished by key roles in the legal departments of notable institutions such as the Securities and Exchange Commission of Pakistan (SECP), Oil and Gas Development Company Limited (OGDCL), and the Election Commission of Pakistan (ECP).

Ms. Sidra's unique combination of legal expertise, business acumen, and strategic foresight solidifies her standing as a leading figure in the legal industry. Her leadership and dedication continue to elevate the standards and performance of The Suits Law Firm, ensuring exceptional service and results for clients across diverse sectors.

## DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of your company are pleased to present the Annual Report along with the Audited Accounts and Auditors' Report for the year ended December 31, 2025.

### Country Review

The year 2026 marked a period of gradual economic stabilization for Pakistan, following the macroeconomic challenges faced in preceding years. The economy demonstrated resilience, supported by prudent fiscal measures, monetary tightening, and continued engagement with international financial institutions.

Economic growth showed signs of recovery, with GDP expanding at a moderate pace, reflecting improving business confidence and gradual revival in key sectors. Inflationary pressures, which had significantly impacted the economy in prior years, eased considerably during the year, contributing to enhanced stability in the overall economic environment. The external sector remained relatively stable, supported by steady inflows of workers' remittances and improved export performance, particularly in the services and IT sectors. However, structural challenges, including reliance on imports and external financing requirements, continue to necessitate cautious economic management.

The Government's continued focus on fiscal discipline and structural reforms, under various stabilization programs, has contributed to strengthening macroeconomic fundamentals. Nonetheless, challenges such as public debt sustainability, energy sector inefficiencies, and climate-related risks remain key areas requiring sustained attention.

Despite these challenges, the outlook for Pakistan's economy remains cautiously optimistic. With ongoing reforms, improved financial discipline, and a focus on long-term structural transformation, the economy is expected to maintain a steady growth trajectory in the coming years.

During the year, rising geopolitical tensions, particularly the conflict involving Iran, the United States, and Israel, have introduced additional uncertainty to the regional and global economic environment. The situation has had implications for international oil prices, supply chains, and overall market sentiment. Given Pakistan's reliance on imported fuel, any sustained increase in global energy prices may exert upward pressure on domestic inflation, transportation costs, and industrial input prices. Furthermore, disruptions in trade routes and commodity markets may also impact food prices, thereby affecting cost of living and inflationary trends within the country. These developments highlight the vulnerability of emerging economies to external shocks and underscore the importance of maintaining adequate reserves, prudent fiscal management, and effective risk mitigation strategies.

### Company Performance

During the year under review, Sindh Insurance achieved remarkable growth in its operations. The gross premium written surpassed the eight billion mark, reaching Rs. 8,470.66 million, compared to Rs. 1,628.52 million in the previous year representing an exceptional increase of 420%. The Company's financial performance also demonstrated solid improvement. Profit before tax stood at Rs. 807.13 million in 2025, from Rs. 892.07 million in 2024. Consequently, earning per share was Rs. 4.84, compared to Rs. 5.12 in the prior year.

Underwriting results were recorded at Rs. 30.34 million in 2025, as compared to Rs. 94.08 million in 2024. Investment income declined to Rs. 714.73 million from Rs. 769.29 million in the previous year, primarily due to the overall reduction in prevailing rates of return in the country. The Company's equity strengthened significantly, reaching Rs. 4,478.86 million, compared to Rs. 3,913.94 million last year. Additionally, total investments grew to Rs. 4,918.43 million, up from Rs. 4,542.25 million in the preceding year.

Below are key financial figures for last two year:

	<i>Rs. In Million</i>	
	2025	2024
Gross Premium	8,470.66	1,628.52
Net Premium Revenue	336.51	425.35
Underwriting Results	30.34	94.08
Investment Income	714.73	769.29
Profit from Takaful	72.81	13.30
Profit before tax	807.13	891.60
Profit after tax	483.76	512.32
Earning per share	4.84	5.12

### Insurance Sector Review

The year 2025 marked a period of improving macroeconomic stability and gradual recovery for Pakistan's financial sector, including the insurance industry. The broader economy benefited from easing inflationary pressures, greater exchange rate stability, and improved external account performance. Pakistan's FY2025 GDP growth was subsequently updated by the Pakistan Bureau of Statistics to 3.09%, while the Ministry of Finance had earlier reported a significant decline in inflation to 4.5% and a current account surplus of US\$2.1 billion, reflecting a more supportive operating environment for financial institutions and risk-bearing businesses.

Against this backdrop, Pakistan's insurance industry continued to demonstrate resilience and growth. According to the latest official statistics released by the Securities and Exchange Commission of Pakistan (SECP), total industry assets increased from Rs 2,900 billion in 2023 to Rs 3,554 billion in 2024, while gross premiums rose by 7% to Rs 677 billion. The sector also witnessed notable momentum in Shariah-compliant business lines, with family takaful contributions increasing by 37% and general takaful contributions by 24%. In addition, SECP highlighted a 25% increase in private sector life premiums and a substantial rise in premiums generated through digital channels, underscoring the growing importance of product innovation, technology-enabled distribution, and evolving customer preferences.

The regulatory environment during 2025 remained supportive of long-term sector development. Policy emphasis continued to focus on strengthening solvency, enhancing market discipline, encouraging digital transformation, and broadening access through inclusive insurance and takaful offerings. These measures are expected to support a more robust, competitive, and customer-centric insurance landscape over the medium term. In this context, the outlook for industry remains positive, supported by improving macroeconomic fundamentals, expanding demand for protection products, and the sector's substantial room for future growth.

### Window Takaful Operations

The Securities and Exchange Commission of Pakistan (SECP) granted the Company a licence to operate as a Window Takaful Operator on September 22, 2016, in terms of the Takaful Rules, 2012, and the Company commenced Window Takaful operations in the same year.

During the year ended 2025, the Company's Window Takaful operations delivered outstanding growth, with contribution written rising to Rs. 6,974.74 million from Rs. 34.10 million in the preceding year. This exceptional performance was principally driven by the underwriting of the Accidental Health Insurance policy for the Worker Welfare Board, Sindh, which materially enhanced the Company's takaful portfolio.

The year under review also witnessed encouraging financial results the Window Takaful Operations earned a profit before tax of Rs. 260.91 million, compared to Rs. 25.86 million in the previous. The investment portfolio of the Window Takaful operations increased to Rs. 215.88 million, compared to Rs. 131.59 million in the previous year, while bank deposits rose significantly to Rs. 6,615.99 million, from Rs. 12.98 million in the comparative year. These results reflect the substantial expansion in the scale of operations and the strengthening of the Company's financial position within its takaful segment.

In compliance with the directions of the SECP, the Company is currently undertaking the conversion of its conventional insurance business into takaful business, which is expected to be completed before 2027. This transition represents an important strategic milestone and is expected to reinforce the Company's long-term growth prospects in the Shariah-compliant insurance sector.

### Reinsurance

Reinsurance forms a fundamental component of the Company's risk management and capital protection strategy. The Company maintains appropriate reinsurance arrangements with financially sound reinsurers in order to mitigate the impact of large, severe, or catastrophic losses and to preserve the overall strength of its underwriting portfolio.

These arrangements enable the Company to enhance its underwriting capacity, manage accumulation of risks, protect its financial resources, and ensure the orderly settlement of claims. Reinsurance also supports the Company in maintaining stability of results, improving solvency management, and pursuing growth opportunities in a prudent and disciplined manner. The Board considers the Company's reinsurance protections to be essential for maintaining operational resilience, protecting policyholders' interests, and supporting the long-term sustainability of the business.

During the year ended 2025, the Company's Conventional Reinsurance and Takaful Treaty programmes were supported by a panel of reputable reinsurers. The details of the participating reinsurers, together with their respective credit ratings assigned by recognized rating agencies, are presented below:

Name of Reinsurers	Credit Rating Agencies			
	S & P	Fitch	A. M. Best	PACRA
Hannover Re-Malaysia	AA-	AA-	A+	-
PRCL – Pakistan	-	-	-	AA+
Labuan Re - Labuan	-	-	A-	-
Tunis Re - Tunisia	-	AA	B	-
PICC Re	A-	-	-	-
PVI Insurance	-	-	A-	-

### Corporate and Financial Reporting Framework

- The Board of Directors is fully cognizant of its responsibilities under the applicable provisions of the Companies Act, 2017, the Insurance Ordinance, 2000, the Public Sector Companies (Corporate Governance) Rules, 2013, as amended, and the Code of Corporate Governance for Insurers, 2016, as applicable to Sindh Insurance Limited. In fulfilment of these responsibilities, the Board is pleased to state that:
- The Board has complied with the material requirements of the applicable corporate governance framework, and any instance of non-compliance, where applicable, has been appropriately disclosed together with the reasons therefor;
- The financial statements, prepared by the management of the Company, fairly present the state of affairs of the Company, the results of its operations, its cash flows, and changes in equity for the year ended December 31, 2025;

- Proper books of account of the Company have been maintained in accordance with the applicable legal and regulatory requirements;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and the accounting estimates and judgments made by management are reasonable and prudent;
- The financial statements have been prepared in accordance with the approved accounting and financial reporting standards as applicable in Pakistan, as well as the requirements of the applicable corporate, insurance, and regulatory framework, and, where applicable, relevant Shariah principles and guidelines; any departure therefrom has been adequately disclosed and explained;
- The Company is in the process of implementing IFRS 17 – Insurance Contracts and IFRS 9 – Financial Instruments in line with the applicable regulatory requirements of the SECP. This transition involves the review and enhancement of accounting policies, systems, actuarial and financial reporting processes, and internal control mechanisms to ensure effective compliance with the applicable financial reporting framework;
- The Directors acknowledge their responsibility for establishing and maintaining a sound system of internal control and risk management, which is regularly reviewed and monitored to ensure its effectiveness;
- There has been no material departure from the applicable principles of good corporate governance, except as may have been specifically disclosed in the Statement of Compliance;
- The Board is satisfied that there are no material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern;
- Key operating and financial data for the year is set out in this Report;
- The appointment of the Chairman and members of the Board, as well as the terms and conditions of their appointment and the remuneration policy of the Company, are in accordance with the applicable legal and governance framework and are considered to be in the best interest of the Company;
- The appointment of the Chief Executive Officer was made in accordance with the prevailing legal and regulatory requirements applicable to public sector companies, including the Companies Act, 2017, the Public Sector Companies (Corporate Governance) Rules, 2013, and the Public Sector Companies (Chief Executive Appointment) Guidelines, 2015. The Board is satisfied that the prescribed procedure was followed in letter and spirit and that the appointment was made through a transparent and merit-based process.
- The Company remains compliant with the applicable AML/CFT legal and regulatory framework in Pakistan, including the Anti-Money Laundering Act, 2010 and the relevant SECP AML/CFT Regulations. Appropriate policies, procedures, and controls are in place for customer due diligence, risk assessment, sanctions screening, record maintenance, employee training, and reporting of suspicious transactions, where required.
- The statement of shareholding in the Company as at December 31, 2025 forms part of this Report; and
- The value of investment in the Provident Fund as at December 31, 2025 was Rs. 30,832,790, while the value of investment in the Gratuity Fund as at December 31, 2025 was Rs. 15,519,320.

The Board remains committed to maintaining high standards of governance, transparency, accountability, and financial reporting in line with the applicable legal and regulatory framework.

**Board Meetings**

During the year under review, the Board of Directors convened eight (8) meetings. The attendance record of the Directors at these meetings is set out below:

<i>S. No.</i>	<i>Name of Director</i>	<i>Status</i>	<i>Meeting Attended</i>
01	Mr. Saleem Zamindar	Independent Director/ Chairman	08
02	Mr. Fayaz Ahmed Jatoi	Non-Executive Director	06
03	Mr. Farhan Ashraf Khan	Non-Executive Director	08
04	Ms. Hina Marvi	Non-Executive Director	08
05	Mr. Muhammad Omar Arshid	Independent Director	08
06	Ms. Sidra Ishaq	Independent Director	08

Leave of absence was granted to the Directors who could not attend the Board meetings.

**Achievements**

The year under review marked a significant milestone for the Company, distinguished by exceptional business growth, expanded outreach, and meaningful public impact. Through the focused efforts of the management and staff, the Company delivered a record performance and further strengthened its position as a trusted provider of insurance protection in Sindh.

During 2025, the Company achieved remarkable growth in premium, which increased by approximately 420% from Rs. 1.62 billion to Rs. 8,470.66 billion. At the same time, the Company's health portfolio expanded substantially, with the number of persons covered exceeding 3.5 million. This performance reflects the commitment, professionalism, and strategic direction that continued to drive the Company's progress during the year.

In addition to its commercial achievements, the Company continued to play an important social role through the Universal Accident Insurance and Social Benefit Scheme, under which accidental insurance coverage of Rs. 100,000 is provided to all adult residents of Sindh Province. The appointment of representatives in each district of Sindh enhanced outreach and claims facilitation, resulting in a significant improvement in the scheme's effectiveness and an almost threefold increase in reported incidents.

Since inception of the scheme, more than 10,900 families affected by accidents have approached the Company for claim assistance. To date, benefits exceeding Rs. 1,016 million have been provided to over 10,000 families, underscoring the Company's continued commitment to financial protection and social welfare.

The Board places on record its appreciation for the dedication and hard work of the management and staff and expresses its gratitude to all stakeholders for their continued trust and support. The achievements of the year provide a strong foundation for sustained growth and long-term value creation.

**Insurer Financial Strength (IFS) Rating**

During the year, Pakistan Credit Rating Agency Limited (PACRA) upgraded the Company's Insurer Financial Strength (IFS) rating to AA (Double A) from A++ (A Double Plus). This upgrade reflects the Company's very strong capacity to meet its policyholder and contractual obligations in a timely manner. The rating further indicates that the Company's risk profile remains very low and that the impact of adverse business or economic developments on its financial strength is expected to be minimal.

**Performance Evaluation**

The Board has undertaken an annual performance evaluation of the Board, individual Directors, including the Chairman, and the Chief Executive Officer, through a formal process approved by the Board and aligned with the applicable corporate governance framework for public sector companies and insurers. In addition, the Board has continued to monitor and evaluate the performance of senior management on an annual basis to promote effective oversight, strengthen accountability, and support the achievement of the Company's strategic and operational objectives.

**Corporate Social Responsibility**

Sindh Insurance continues to uphold its responsibility as a conscientious corporate citizen by conducting its operations in an ethical, socially responsible, and sustainable manner, while contributing to the wellbeing of the communities in which it operates. As part of this commitment, the Company has introduced a scholarship policy to support deserving and financially challenged students, thereby fostering educational opportunity and merit-based advancement. The Company has also instituted an educational assistance policy for its employees, underscoring its commitment to employee welfare, capacity building, and long-term human resource development.

**Statement of Code of Conduct**

The Board has adopted a Code of Conduct, which has been communicated to all employees and directors. They have all signed the code and are required to adhere to the rules of conduct in relation to business practices and regulations.

**Material Changes**

There have been no material changes since December 31, 2025, and the Company has not entered into any commitments that would impact its financial position as of that date.

**Dividend**

The Company has not declared or paid any dividend to its ordinary shareholders for the year ended December 31, 2025.

**Auditors**

M/s. Crowe Hussain & Company, Chartered Accountants, have audited the accounts for the year 2025. The Audit Committee has recommended the re-appointment of the external auditors and the fixation of their audit fee in accordance with the prevailing regulations.

**Future Outlook**

Pursuant to the directive of the Sindh Excise Department, Motor Third Party Liability Insurance (MTPL) has been made mandatory for vehicle registration and tax processing across Sindh.

In line with this development, the insurance industry, including conventional insurers and Takaful operators, has participated in the initiative. Sindh Insurance has proactively joined both segments through duly executed and compliant agreements. The MTPL portfolio is being allocated equally among participating insurers to ensure a level playing field. The initiative became operational in March.

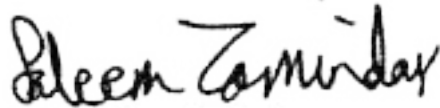
The Company expects to generate cumulative business of approximately PKR 7 million from this line by the end of financial year 2026, reflecting its growth potential and strategic importance in the Company's portfolio.

**Acknowledgement**

The Directors wish to express their profound gratitude to the Government of Sindh, the Ministry of Commerce, Government of Pakistan, the Securities and Exchange Commission of Pakistan (SECP), and the Insurance Association of Pakistan (IAP) for their valuable guidance, continued support, and cooperation.

The Board also wishes to record its sincere appreciation for the dedication of the Company's employees and the trust and confidence reposed by its policyholders, whose steadfast support continues to contribute significantly to the Company's achievements and growth.

For and on behalf of the Board of Directors



Saleem Zamindar  
Chairman



Muhammad Faisal Siddiqui  
Chief Executive Officer

April 08, 2026

## حصص داراں کے نام ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کی خوشی ہے کہ وہ 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ، آڈٹ شدہ گوشوارے اور آڈیٹرز کی رپورٹ پیش کر رہے ہیں۔

### ملکی صورت حال کا جائزہ

سال 2026 پاکستان کے لیے بتدریج معاشی استحکام کا سال ثابت ہوا، جو گزشتہ چند برسوں میں درپیش نمایاں معاشی دباؤ کے بعد ایک مثبت پیش رفت ہے۔ قومی معیشت نے محتاط مالیاتی اقدامات، سخت مالی نظم و ضبط اور بین الاقوامی مالیاتی اداروں کے ساتھ مسلسل تعاون کے نتیجے میں استحکام کا مظاہرہ کیا۔

معاشی سرگرمیوں میں تدریجی بحالی دیکھنے میں آئی، جس کے اثرات مجموعی قومی پیداوار (GDP) میں معتدل اضافے، کاروباری اعتماد میں بہتری اور مختلف اہم شعبوں میں مسلسل بہتری کی صورت میں سامنے آئے۔ مہنگائی کے دباؤ، جنہوں نے گزشتہ برسوں میں معیشت کو شدید متاثر کیا تھا، سال کے دوران خاصی حد تک کم ہوئے، جس سے مجموعی معاشی ماحول میں استحکام کو تقویت ملی۔ بیرونی شعبہ مجموعی طور پر نسبتاً مستحکم رہا۔ اس استحکام میں بیرون ملک مقیم پاکستانیوں کی ترسیلات زر کی مسلسل آمد اور برآمدی کارکردگی میں بہتری کا اہم کردار رہا، بالخصوص خدمات اور انفارمیشن ٹیکنالوجی کے شعبوں میں۔ تاہم، معیشت کو درپیش کچھ بنیادی ساختی مسائل، جیسے درآمدات پر انحصار اور بیرونی مالیاتی ضروریات، مسلسل محتاط معاشی پالیسیوں کا تقاضا کرتے ہیں۔

حکومت کی جانب سے مالی نظم و ضبط برقرار رکھنے اور ساختی اصلاحات پر مسلسل توجہ، مختلف معاشی استحکام پر وگراؤ کے تحت، میکرو اکنامک بنیادوں کو مضبوط بنانے میں معاون ثابت ہوئی ہے۔ اس کے باوجود، عوامی قرض کی پائیداری، توانائی کے شعبے کی غیر موثریت اور موسمیاتی خطرات بدستور ایسے اہم عوامل ہیں جن پر مستقل اور سنجیدہ توجہ درکار ہے۔

سال کے دوران عالمی سطح پر بڑھتی ہوئی جغرافیائی سیاسی کشیدگی، خصوصاً ایران، امریکہ اور اسرائیل کے درمیان تنازعات، نے علاقائی اور عالمی معاشی ماحول میں غیر یقینی صورتحال کو مزید بڑھا دیا۔ ان حالات کے نتیجے میں بین الاقوامی تیل کی قیمتوں، سپلائی چینز اور مجموعی مارکیٹ کے جذبات پر منفی اثرات مرتب ہوئے۔ پاکستان کا درآمد شدہ توانائی پر انحصار اس امر کی نشاندہی کرتا ہے کہ عالمی توانائی کی قیمتوں میں مسلسل اضافہ ملکی مہنگائی، نقل و حمل کے اخراجات اور صنعتی لاگت میں اضافے کا سبب بن سکتا ہے۔ اسی طرح، عالمی تجارتی راستوں اور کموڈیٹی مارکیٹس میں رکاوٹیں خورداک کی قیمتوں پر دباؤ ڈال سکتی ہیں، جس سے مہنگائی کے مجموعی رجحانات متاثر ہونے کا خدشہ ہے۔ یہ تمام عوامل اس حقیقت کو نمایاں کرتے ہیں کہ ابھرتی ہوئی معیشتیں بیرونی چیلنجز کے مقابلے میں حساس ہوتی ہیں، اور اس تناظر میں مناسب زر مبادلہ کے ذخائر کا برقرار رکھنا، محتاط مالیاتی انتظام اور موثر خطرات سے نمٹنے کی حکمت عملی نہایت اہمیت رکھتی ہے۔

ان تمام چیلنجز کے باوجود، پاکستان کی معاشی صورتحال مجموعی طور پر محتاط مگر پر امید ہے۔ جاری اصلاحاتی عمل، بہتر مالی نظم و ضبط اور طویل مدتی ساختی بہتری پر توجہ کے ساتھ یہ توقع کی جا رہی ہے کہ قومی معیشت آنے والے برسوں میں مستحکم اور پائیدار ترقی کی راہ پر گامزن رہے گی۔

### کمپنی کی کارکردگی

زیر جائزہ سال کے دوران سندھ انشورنس نے اپنے کاروباری آپریشنز میں نمایاں توسیع اور مضبوط پیش رفت کا مظاہرہ کیا۔ مجموعی تحریری پریمیم میں غیر معمولی اضافہ ریکارڈ کیا گیا جو گزشتہ سال کے 628.52،1 ملین روپے کے مقابلے میں بڑھ کر 8,470.66 ملین روپے تک پہنچ گیا۔ اس طرح پریمیم میں تقریباً

420% کانایاں اضافہ ہوا، جو کمپنی کی مارکیٹ موجودگی، کاروباری حکمت عملی اور انڈر رائٹنگ صلاحیتوں کی مضبوطی کا عکاس ہے۔ کمپنی کی مجموعی مالی کارکردگی مستحکم رہی۔ ٹیکس سے پہلے منافع 2025 میں 807.13 ملین روپے رہا، جبکہ گزشتہ سال یہ 892.07 ملین روپے تھا۔ اسی مناسبت سے فی شیئر آمدنی 2025 کے دوران 4.84 روپے ریکارڈ کی گئی، جو پچھلے سال 5.12 روپے تھی۔

اگرچہ منافع کی سطح میں معمولی کمی دیکھنے میں آئی، تاہم کاروباری حجم میں خاطر خواہ اضافے نے مستقبل کی نمو کے لیے مضبوط بنیاد فراہم کی ہے۔

انڈر رائٹنگ کے نتائج 2025 میں 30.34 ملین روپے رہے، جبکہ 2024 میں یہ 94.08 ملین روپے تھے۔ اسی طرح، سرمایہ کاری سے حاصل ہونے والی آمدنی میں بھی کمی واقع ہوئی اور یہ گزشتہ سال کے 769.29 ملین روپے کے مقابلے میں کم ہو کر 714.73 ملین روپے رہی۔ سرمایہ کاری آمدنی میں اس کمی کی بنیادی وجہ نکلی سطح منافع کی شرح میں مجموعی کمی رہی۔ کمپنی کی مالی پوزیشن میں مجموعی طور پر نمایاں بہتری آئی۔ کمپنی انکیوبٹی بڑھ کر 4,478.86 ملین روپے تک پہنچ گئی، جبکہ گزشتہ سال یہ 3,913.94 ملین روپے تھی، جو کمپنی کے مالی استحکام اور باہمی طاقت کو ظاہر کرتی ہے۔ مزید برآں، کل سرمایہ کاری میں بھی اضافہ ہوا اور یہ 4,918.43 ملین روپے تک پہنچ گئی، جو پچھلے سال کے 4,542.25 ملین روپے کے مقابلے میں نمایاں بہتری ہے۔

ذیل میں گزشتہ دو برسوں کے اہم مالی اعداد و شمار پیش کیے گئے ہیں:

2024	2025	م
1,628.52	8,470.66	مجموعی پریمیم
425.35	336.51	خالص پریمیم آمدنی
94.08	30.34	انڈر رائٹنگ کے نتائج
769.29	714.73	سرمایہ کاری کی آمدنی
13.30	72.81	کٹاؤں سے منافع
891.60	807.13	ٹیکس سے پہلے منافع
512.32	483.76	ٹیکس کے بعد منافع
5.12	4.84	فی حصص کمائی

#### انشورنس سیکٹر کا جائزہ

سال 2025 پاکستان کے مالیاتی شعبے، بالخصوص انشورنس صنعت، کے لیے معاشی استحکام میں بہتری اور بتدریج بحالی کا سال رہا۔ مجموعی معیشت کو مہنگائی کے دباؤ میں نمایاں کمی، زرمبادلہ کی شرح میں استحکام اور بیرونی کھاتوں کی کارکردگی میں بہتری سے تقویت حاصل ہوئی۔ پاکستان اورہ شہریات کے مطابق مالی سال 2025 کے دوران مجموعی قومی پیداوار (GDP) کی شرح نمو بعد ازاں % 3.09 تک اپ ڈیٹ کی گئی، جبکہ وزارت خزانہ نے مہنگائی میں نمایاں کمی کے ساتھ % 4.5 کی سطح اور 2.1 ارب امریکی ڈالر کے کرنٹ اکاؤنٹ سرپلس رپورٹ کیا۔ ان معاشی اشاریوں نے مالیاتی اداروں اور خطرات سے دوچار کاروباری شعبوں کے لیے نسبتاً زیادہ معاون آپریشننگ ماحول کی دکھائی کی۔

اس مثبت معاشی پس منظر میں، پاکستان کی انشورنس انڈسٹری نے استحکام کے ساتھ ترقی کا سفر جاری رکھا۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ چارہ ترین سرکاری اعداد و شمار کے مطابق، مجموعی صنعتی اثاثے 2023 میں 2,900 ارب روپے سے بڑھ کر 2024 میں 3,554 ارب روپے تک پہنچ گئے، جبکہ مجموعی پریمیم میں % 7 اضافہ ریکارڈ کیا گیا اور یہ 677 ارب روپے ہو گئے۔ شریعت کے مطابق انشورنس اور

کفائل کے شعبوں میں بھی نمایاں پیش رفت دیکھنے میں آئی، جہاں خاندانی کفائل کی شراکت میں % 37 اور عمومی کفائل کی شراکت میں % 24 اضافہ ریکارڈ کیا گیا۔ مزید برآں، SECP نے نئی شعبے کے لائف انشورنس پر بیمہ میں % 25 اضافے اور ڈیجیٹل پینلز کے ذریعے حاصل ہونے والے پریمیز میں خاطر خواہ نمو کی نشاندہی کی۔ یہ رجحانات مصنوعات میں جدت، ٹیکنالوجی پر مبنی تقسیم کے نظام اور صارفین کی بدلتی ہوئی ترجیحات کی بڑھتی ہوئی اہمیت کو واضح کرتے ہیں۔

سال 2025 کے دوران ریگولیٹری ماحول مجموعی طور پر شعبے کی طویل مدتی ترقی کے لیے سازگار رہا۔ پالیسی اقدامات کا مرکزی مالی استحکام کو مضبوط بنانا، مارکیٹ ڈسپلن کو بہتر کرنا، ڈیجیٹل تبدیلی کی حوصلہ افزائی کرنا، اور انشورنس و کفائل مصنوعات کے ذریعے مالی شمولیت کو فروغ دینا رہا۔ توقع ہے کہ یہ اقدامات درمیانی مدت میں ایک زیادہ مستحکم، مسابقتی اور صارف مرکوز انشورنس سیکٹر کی تشکیل میں معاون ثابت ہوں گے۔ مجموعی طور پر، انشورنس صنعت کا منظر نامہ مثبت دکھائی دیتا ہے، جس کی بنیاد بہتر معاشی اشاریوں، تحفظ اور رسک مینجمنٹ مصنوعات کی بڑھتی ہوئی طلب، اور مستقبل کی ترقی کے لیے موجود وسیع امکانات پر ہے۔

## ونڈو تکافل آپریشنز

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے کمپنی کو 22 ستمبر 2016 کو کفائل رولز 2012 کے تحت ونڈو تکافل آپریشنز کے طور پر کام کرنے کا لائسنس جاری کیا، جس کے بعد کمپنی نے اسی سال اپنے ونڈو تکافل آپریشنز کا آغاز کیا۔

31 دسمبر 2025 کو ختم ہونے والے سال کے دوران، کمپنی کے ونڈو تکافل آپریشنز نے غیر معمولی اور شاندار ترقی کا مظاہرہ کیا۔ اس عرصے میں تحریری شراکت گزشتہ سال کے 34.10 ملین روپے کے مقابلے میں نمایاں طور پر بڑھ کر 6,974.74 ملین روپے تک پہنچ گئی۔ اس غیر معمولی کارکردگی کی بنیادی وجہ وکروٹیفیٹرز بورڈ، سندھ کے لیے حلاوتی صحت کفائل پالیسی کی انڈر رائٹنگ رہی، جس نے کمپنی کے کفائل پورٹ فولیو کو نمایاں طور پر وسعت دی۔

زیر جائزہ سال کے دوران ونڈو تکافل آپریشنز کے مالی نتائج بھی حوصلہ افزا رہے۔ ٹیکس سے پہلے منافع 260.91 ملین روپے ریکارڈ کیا گیا، جبکہ گزشتہ سال یہ 25.86 ملین روپے تھا۔ اسی طرح، ونڈو تکافل آپریشنز کا سرمایہ کاری پورٹ فولیو بڑھ کر 215.88 ملین روپے ہو گیا، جو پچھلے سال 131.59 ملین روپے تھا۔ بینک ڈپازٹس میں نمایاں اضافہ دیکھنے میں آیا اور یہ 6,615.99 ملین روپے تک پہنچ گئے، جبکہ تقابلی سال میں یہ صرف 12.98 ملین روپے تھے۔ یہ تمام اشاریے کمپنی کے کفائل کاروبار کے حجم میں نمایاں توسیع اور مالی پوزیشن کی مضبوطی کی عکاسی کرتے ہیں۔

SECP کی ہدایات کی تعمیل میں، کمپنی اس وقت اپنے روایتی انشورنس کاروبار کو مرحلہ وار کفائل کاروبار میں تبدیل کرنے کے عمل سے گزر رہی ہے، جس کے 2027 سے قبل مکمل ہونے کی توقع ہے۔ یہ منتظلی کمپنی کے لیے ایک اہم اسٹریٹجک سنگ میل ہے اور توقع کی جاتی ہے کہ اس سے شریعت کے مطابق انشورنس سیکٹر میں کمپنی کی طویل مدتی ترقی اور مسابقتی حیثیت مزید مضبوط ہوگی۔

## ری انشورنس

ری انشورنس کمپنی کی مجموعی رسک مینجمنٹ اور کمیونٹی پر ویکیشن اسٹریٹجی کا ایک بنیادی جزو ہے۔ کمپنی مالی طور پر مستحکم اور معتبر ری انشورنس کمپنیوں کے ساتھ مناسب ری انشورنس انتظامات برقرار رکھتی ہے تاکہ بڑے، شدید یا غیر معمولی نقصانات کے ممکنہ اثرات کو کم کیا جاسکے اور انڈر رائٹنگ پورٹ فولیو کی مجموعی مضبوطی کو یقینی بنایا جاسکے۔

یہ ری انشورنس انتظامات کمپنی کو اپنی انڈر رائٹنگ صلاحیت میں اضافہ کرنے، محطرات کے ارتکاز کو مؤثر طریقے سے منظم کرنے، مالی وسائل کے تحفظ اور دعویوں کے بروقت اور منظم تھپیے میں مدد فراہم کرتے ہیں۔ مزید برآں، ری انشورنس کمپنی کے مالی نتائج میں استحکام، سالوینسی مینجمنٹ میں بہتری اور ترقی کے مواقع کو محکمہ انداز میں حاصل کرنے میں معاون ثابت ہوتی ہے۔ بورڈ آف ڈائریکٹرز ری انشورنس تحفظات کو کمپنی کی آپریشنل لپک برقرار رکھنے، پالیسی ہولڈرز کے مفادات کے تحفظ اور کاروبار کی طویل مدتی پائیداری کے لیے نہایت اہم سمجھتا ہے۔

31 دسمبر 2025 کو، کمپنی کے روایتی ری انشورنس اور نکافل معاہداتی پروگرامز کو معتبر اور بین الاقوامی شہرت یافتہ ری انشورنس کمپنیوں کے ایک چینل کی معاونت حاصل تھی۔ شریک ری انشورنس کمپنیوں کی تفصیلات، بشمول ان کی کریڈٹ رینٹنگز جو تسلیم شدہ ریٹنگ ایجنسیوں کی جانب سے جاری کی گئی ہیں، ذیل میں پیش کی گئی ہیں۔

Name of Reinsurers	Credit Rating Agencies			
	S & P	Fitch	A. M. Best	PACRA
Hannover Re-Malaysia	AA-	AA-	A+	-
PRCL – Pakistan	-	-	-	AA+
Labuan Re - Labuan	-	-	A-	-
Tunis Re - Tunisia	-	AA	B	-
PICC Re	A-	-	-	-
PVI Insurance	-	-	A-	-

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

بورڈ آف ڈائریکٹرز کمپنیز ایکٹ، 2017، انشورنس آرڈیننس، 2000، پبلک سیکلر کمپنیز (کارپورٹ گورننس) رولز، 2013 (ترمیم شدہ)، بورڈ کوڈ آف کارپورٹ گورننس فار انشوررز، 2016، جو سندھ انشورنس لمیٹڈ پر لاگو ہوتے ہیں، کے تحت اپنی ذمہ داریوں اور فرائٹس سے مکمل طور پر آگاہ ہے۔ ان ذمہ داریوں کی انجام دہی کے سلسلے میں، بورڈ درج ذیل کی تصدیق کرتا ہے:

- بورڈ نے قابل اطلاق کارپوریٹ گورننس فریم ورک کی تمام مادی ضروریات کی تعمیل کی ہے، اور جہاں کہیں عدم تعمیل کی کوئی صورت پیدا ہوئی، وہاں اس کی وجوہات مناسب طور پر اسٹیٹمنٹ آف کیپلائنس میں ظاہر کی گئی ہیں۔
- انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانات کمپنی کی مالی حالت، آپریشنز کے نتائج، نقد بہاؤ، اور 31 دسمبر 2025 کو ختم ہونے والے سال کے دوران انکوائری میں ہونے والی تبدیلیوں کو منصفانہ اور درست طور پر پیش کرتے ہیں۔
- کمپنی کی اکاؤنٹس کی کتابیں متعلقہ قانونی اور ضابطہ جاتی تقاضوں کے مطابق باقاعدگی سے برقرار رکھی گئی ہیں۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل بنیادوں پر نافذ کی گئی ہیں، جبکہ انتظامیہ کی جانب سے کیے گئے اکاؤنٹنگ تخمینے اور پیشہ ورانہ فیصلے معقول اور محتاط بنیادوں پر مبنی ہیں۔
- مالیاتی بیانات پاکستان میں منظور شدہ جا کاؤنٹنگ اور مالیاتی رپورٹنگ کے معیارات، نیز قابل اطلاق کارپوریٹ، انشورنس اور ریگولیٹری فریم ورک کی ضروریات کے مطابق تیار کیے گئے ہیں۔ جہاں قابل اطلاق ہو، وہاں متعلقہ شریعت کے اصولوں اور رہنما ہدایات کی بھی تعمیل کی گئی ہے، اور کسی بھی انحراف کو مناسب طور پر ظاہر اور وضاحت کیا گیا ہے۔

- کمپنی IFRS 17 (انشورنس کنٹریکٹس) اور IFRS 9 (مالیاتی آلات) کے نفاذ کے عمل میں ہے، جو SECP کی متعلقہ ریگولیٹری ہدایت کے مطابق انجام دیا جا رہا ہے۔ اس منتقلی میں اکاؤنٹنگ پالیسیوں، انٹار میشن سسٹمز، ایکچوریل و مالیاتی رپورٹنگ کے طریقہ کار، اور اندرونی کنٹرول میکانزم کا جامع جائزہ اور بہتری شامل ہے تاکہ نئے مالیاتی رپورٹنگ فریم ورک کی موثر قبیل کو یقینی بنایا جاسکے۔
- ڈائریکٹرز کمپنی میں موثر اندرونی کنٹرول اور رسک مینجمنٹ کے مضبوط نظام کے قیام اور اس کے تسلسل کی اپنی ذمہ داری کو تسلیم کرتے ہیں، جس کی موثریت کو یقینی بنانے کے لیے باقاعدہ نگرانی اور جائزہ لیا جاتا ہے۔
- اچھے کارپوریٹ گورننس کے قابل اطلاق اصولوں سے کوئی نمایاں انحراف نہیں ہوا، سوائے ان کے جو اسٹینڈنٹ آف گسٹنس میں واضح طور پر بیان کیے گئے ہیں۔
- بورڈ اس بات سے مطمئن ہے کہ کمپنی کی بطور جاری کاروبار (Going Concern) حیثیت کے حوالے سے کوئی مادی غیر یقینی صورتحال موجود نہیں ہے۔
- سال کے دوران کمپنی کے اہم آپریٹنگ اور مالیاتی اشاریے اس رپورٹ میں مناسب طور پر بیان کیے گئے ہیں۔
- چیئرمین اور بورڈ آف ڈائریکٹرز کی تقرری، ان کی تقرری کی شرائط و ضوابط، اور کمپنی کی معاوضہ پالیسی متعلقہ قانونی اور حکومتی فریم ورک کے مطابق ہیں اور کمپنی کے بہترین مفاد میں سمجھی جاتی ہیں۔
- چیف ایگزیکٹو آفیسر کی تقرری کمپنیز ایکٹ، 2017، پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز، 2013، اور پبلک سیکٹر کمپنیز (چیف ایگزیکٹو آفیسر کی تقرری) گائیڈ لائنز 2015 کے مطابق کی گئی۔ بورڈ اس بات سے مطمئن ہے کہ تقرری کا عمل شفاف، میرٹ پر مبنی، اور مقررہ قانونی تقاضوں کی روح اور متن کے مطابق مکمل کیا گیا۔
- کمپنی پاکستان میں قابل اطلاق اینٹی منی لانڈرنگ اور کاؤنٹر فنائنگ آف ٹیررازم (AML/CFT) کے قانونی اور ریگولیٹری فریم ورک کی مکمل پابندی کرتی ہے، جن میں اینٹی منی لانڈرنگ ایکٹ، 2010 اور متعلقہ SECP AML/CFT ریگولیشنز شامل ہیں۔ اس مقصد کے لیے مناسب پالیسیاں، طریقہ کار اور کنٹرولز نافذ ہیں، جن میں صارف کی مناسب تحقیق، خطرے کا جائزہ، پابندیوں کی جانچ، ریکارڈ کی دیکھ بھال، ملازمین کی تربیت، اور مشکوک لین دین کی بروقت رپورٹنگ شامل ہے۔
- 31 دسمبر 2025 تک کمپنی میں شیئرز ہولڈنگ کا تفصیلی بیان اس رپورٹ کا حصہ ہے۔
- 31 دسمبر 2025 تک پروویڈنٹ فنڈ میں سرمایہ کاری کی مالیت 30,832,790 روپے جبکہ گریجویٹ فنڈ میں سرمایہ کاری کی مالیت 15,519,320 روپے رہی۔

بورڈ آف ڈائریکٹرز اچھی حکمرانی، شفافیت، جوابدہی، اور اعلیٰ معیار کی مالیاتی رپورٹنگ کو برقرار رکھنے کے لیے پُر عزم ہے، جو متعلقہ قانونی اور ضابطہ جاتی فریم ورک کے عین مطابق ہے۔

## بورڈ میٹنگز

جائزہ لیے گئے سال کے دوران، بورڈ آف ڈائریکٹرز نے مجموعی طور پر آٹھ (8) اجلاس منعقد کیے۔ ان اجلاسوں میں بورڈ کے اراکین کی حاضری کا تفصیلی ریکارڈ ذیل میں پیش کیا گیا ہے۔

ذرائع کا نام	حیثیت	اجلاس میں شرکت
01	مسٹر سلیم زمیندار	آزاد ذرائع کار / چیئرمین
02	جناب فیاض احمد جتوئی	نان ایگزیکٹو ذرائع کار
03	جناب فرحان اشرف خان	نان ایگزیکٹو ذرائع کار
04	محترمہ ستاروی	نان ایگزیکٹو ذرائع کار
05	جناب محمد عمر آرشید	آزاد ذرائع کار
06	محترمہ سدرہ اسحاق	آزاد ذرائع کار

وہ ذرائع کار جو بورڈ کے اجلاسوں میں شرکت نہیں کر سکے، ان کی باقاعدہ طور پر غیر حاضری منظور کی گئی۔

## کارہائے نمایاں

زیر جائزہ سال کمپنی کے لیے ایک اہم سنگ میل ثابت ہوا، جس کے دوران غیر معمولی کاروباری ترقی، وسیع عوامی رسائی اور نمایاں سماجی اثرات دیکھنے میں آئے۔ انتظامیہ اور عملے کی مربوط اور مخلصانہ کوششوں کے نتیجے میں کمپنی نے ریکارڈ کارکردگی کا مظاہرہ کیا اور سندھ میں انشورنس پروڈیکشن کے ایک قابل اعتماد اور موثر فراہم کنندہ کے طور پر اپنی حیثیت کو مزید مستحکم کیا۔

سال 2025 کے دوران کمپنی نے پریم میں غیر معمولی اضافہ حاصل کیا، جو تقریباً 420% بڑھ کر 1.62 ارب روپے سے 8,470.66 ملین روپے تک پہنچ گیا۔ اسی عرصے میں کمپنی کے ہیاٹھ پورٹ فولیو میں بھی نمایاں وسعت آئی، اور فراہم کردہ تحفظ سے مستفید ہونے والے افراد کی تعداد 3.5 ملین سے تجاوز کر گئی۔ یہ کارکردگی کمپنی کے اسٹریٹجک وژن، پیشہ ورانہ مہارت اور مسلسل عزم کی واضح عکاسی کرتی ہے۔

تجارتی کامیابیوں کے ساتھ ساتھ، کمپنی نے سماجی فلاح کے میدان میں بھی موثر کردار ادا کیا۔ یونیورسل ایکٹیوٹیز انشورنس اینڈ سوشل بیٹنیٹ اسکیم کے تحت سندھ صوبے کے تمام بالغ شہریوں کو 100,000 روپے کی حادثاتی انشورنس کوریج فراہم کی جا رہی ہے۔ صوبے کے تمام اضلاع میں نمائندوں کی تقرری سے رسائی اور دعووں کے عمل میں نمایاں بہتری آئی، جس کے نتیجے میں اسکیم کی موثریت میں اضافہ ہوا اور رپورٹ ہونے والے واقعات میں تقریباً تین گنا اضافہ ریکارڈ کیا گیا۔

اسکیم کے آغاز سے اب تک، حادثات سے متاثرہ 10,900 سے زائد خاندانوں نے دعویٰ کی معاونت کے لیے کمپنی سے رجوع کیا ہے۔ اب تک 1,016 ملین روپے سے زائد کی مالی معاونت 10,000 سے زائد خاندانوں کو فراہم کی جا چکی ہے، جو مالی تحفظ اور سماجی بہبود کے لیے کمپنی کی مسلسل وابستگی کا مظہر ہے۔

بورڈ آف ڈائریکٹرز انتظامیہ اور عملے کی لگن اور محنت کو سراہتا ہے اور تمام اسٹیک ہولڈرز کا ان کے مسلسل اعتماد اور تعاون پر شکریہ ادا کرتا ہے۔ سال کے دوران حاصل کی گئی کامیابیاں پائیدار ترقی اور طویل مدتی قدر کی تخلیق کے لیے ایک مضبوط بنیاد فراہم کرتی ہیں۔

## انشورر فنانشل اسٹریٹج (IFS) ریٹنگ

سال کے دوران، پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمپنی کی انشورر فنانشل اسٹریٹج (IFS) ریٹنگ کو (A++ ڈبل پلس) سے اپ گریڈ کر کے (AA ڈبل اے) (گرید) یہ اپ گریڈ کمپنی کی پالیسی ہولڈرز اور معاہداتی ذمہ داریوں کو بروقت پورا کرنے کی بہت مشہور صلاحیت کی عکاسی کرتا ہے۔ یہ درجہ بندی اس امر کی بھی نشاندہی کرتی ہے کہ کمپنی کارسک پر وفاق کم ہے اور منفی کاروباری یا حاشی حالات کا اس کی مالی طاقت پر اثر محدود رہنے کی توقع ہے۔

### کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز نے بورڈ، انفرامی ڈائریکٹرز بشمول چیئرمین، اور چیف ایگزیکٹو آفیسر کی سالانہ کارکردگی کا جائزہ مقررہ اور ہائیلیٹ طریقہ کار کے تحت مکمل کیا، جو عوامی شعبے اور انشورنس کمپنیوں پر لاگو کارپورٹ گورننس فریم ورک کے مطابق ہے۔

اس کے علاوہ، بورڈ نے سالانہ فیادوں پر سینئر مینجمنٹ کی کارکردگی کی نگرانی اور جائزہ لینا بھی جاری رکھا، جس کا مقصد مؤثر نگرانی کو فروغ دینا جو اہل ذمہ داریوں کی مشہور کرنا اور کمپنی کے اسٹریٹجک و آپریشنل مقاصد کے مؤثر حصول کو یقینی بنانا ہے۔

### کارپوریٹ سماجی ذمہ داری

سندھ انشورنس ایک ذمہ دار اور ہاشور کارپوریٹ شہری کے طور پر اپنے فرائض کی ادائیگی جاری رکھے ہوئے ہے۔ کمپنی اپنے تمام آپریشنز کو اخلاقی اصولوں، سماجی ذمہ داری اور پائیداری کے تقاضوں کے مطابق انجام دیتی ہے، اور ان کیونٹری فلاح و بہبود میں مثبت کردار ادا کرتی ہے جہاں وہ اپنی خدمات فراہم کرتی ہے۔

اسی عزم کے تحت، کمپنی نے مستحق اور مالی طور پر کمزور طلبہ کی معاونت کے لیے ایک اسکالرشپ پالیسی متعارف کروائی ہے، جس کا مقصد تعلیمی مواقع تک رسائی کو فروغ دینا اور میرٹ پر مبنی ترقی کی حوصلہ افزائی کرنا ہے۔ مزید برآں، کمپنی نے اپنے ملازمین کے لیے تعلیمی معاونت کی پالیسی بھی نافذ کی ہے، جو ملازمین کی فلاح و بہبود، پیشہ ورانہ ترقی اور طویل مدتی انسانی وسائل کی صلاحیت سازی کے لیے کمپنی کے پختہ عزم کی عکاسی کرتی ہے۔

### ضابطہ اخلاق

بورڈ آف ڈائریکٹرز نے کمپنی کے لیے ایک جامع ضابطہ اخلاق (Code of Conduct) منظور کیا ہے، جو تمام ڈائریکٹرز اور ملازمین کو ہائیلیٹ طور پر آگاہ کر دیا گیا ہے۔ تمام متعلقہ افراد نے ضابطہ اخلاق کی پابندی کے عہد نامے پر دستخط کیے ہیں اور وہ کمپنی کے کاروباری طریقہ کار، پالیسیوں اور ضوابط کی مکمل پابندی کے پابند ہیں۔

### مناویاں تبدیلیاں

31 دسمبر 2025 کے بعد سے کمپنی کے امور میں کوئی ایسی مادی یا منامی تبدیلی رونما نہیں ہوئی جو کمپنی کی مالی حالت یا کاروباری سرگرمیوں کو متاثر کرتی ہو، اور نہ ہی اس تاریخ کے بعد کوئی ایسا عزم یا وعدہ کیا گیا ہے جس کا کمپنی کی مالی پوزیشن پر اثر پڑتا ہو۔

## منافع

کمپنی نے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے اپنے عام شیئر ہولڈرز کو کسی قسم کا ڈیویڈنڈ نہ تو ظاہر کیا اور نہ ہی ادا کیا۔

## آڈیٹر

میسرز کرو حسین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے مالی سال 2025 کے لیے کمپنی کے مالیاتی بیانات کا آڈٹ کیا۔ آڈٹ کمپنی نے موجودہ ضابطہ جاتی تقاضوں کے مطابق بیرونی آڈیٹرز کی دوبارہ تقرری اور ان کے آڈٹ فیس کے تعین کی سفارش کی ہے۔

## مستقبل کا نئے عمل

سندھ ایکسٹرنڈیڈ پارٹنرشپ کی ہدایات کے تحت موثر تھریڈ پارٹی لائیکبلس انشورنس (MTPL) کو سندھ بھر میں گاڑیوں کی رجسٹریشن اور ٹیکس پر اسیدنگ کے لیے لازمی قرار دیا گیا ہے۔ اس اقدام کے نتیجے میں انشورنس صنعت، بشمول روایتی انشورنس کمپنیاں اور کافل آپریٹرز، نے اس پروگرام میں فعال شمولیت اختیار کی ہے۔

سندھ انشورنس نے اس پیش رفت کے تحت مکمل طور پر قبیل شدہ اور باضابطہ معاہدوں کے ذریعے روایتی انشورنس اور کافل دونوں شعبوں کو مؤثر انداز میں شامل کیا ہے۔ MTPL پورٹ فولیو کو شریک انشورنس کمپنیوں کے درمیان مساوی بنیادوں پر تقسیم کیا جا رہا ہے تاکہ شفافیت اور مساوی مواقع کو یقینی بنایا جاسکے۔ یہ اقدام مارچ 2026 میں مؤثر ہوا۔

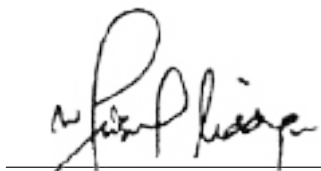
کمپنی کو توقع ہے کہ مالی سال 2026 کے اختتام تک اس کاروباری لائن سے تقریباً 7 بلین روپے کا مجموعی کاروبار حاصل ہوگا، جو اس پورٹ فولیو کی اسٹریٹیجک اہمیت اور مستقبل کی ترقی کی صلاحیت کو ظاہر کرتا ہے۔

## اعتراف

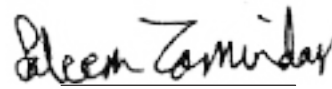
بورڈ آف ڈائریکٹرز حکومت سندھ، وزارت تجارت، حکومت پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، اور انشورنس ایسوسی ایشن آف پاکستان (IAP) کان کی قیمتی رہنمائی، مسلسل تعاون اور معاونت پر دلی شکریہ ادا کرتا ہے۔

بورڈ کمپنی کے ملازمین کی محنت، لگن اور پیشہ ورانہ وابستگی کو بھی سراہتا ہے، اور پالیسی ہولڈرز کے اعتماد اور مسلسل حمایت پر ان کا تودل سے شکر گزار ہے، جو کمپنی کی کامیابیوں اور ترقی میں کلیدی کردار ادا کرتی ہے۔

## بورڈ آف ڈائریکٹرز کی جانب سے



محمد فیصل صدیقی  
چیف ایگزیکٹو آفیسر



سلیم زمیندار  
چینر مین

08 اپریل 2026

## KEY FINANCIAL DATA

	2025	2024	2023	2022	2021
Written Premium (including Takaful Contribution)	8,470,663,689	1,628,523,880	1,784,824,099	1,055,482,041	714,554,286
Earned Premium	1,579,404,224	1,658,477,519	1,500,478,510	877,072,978	640,363,202
Net Premium Revenue	336,515,483	425,352,636	271,124,104	202,620,618	85,966,268
Underwriting Result	30,340,750	94,080,122	24,595,078	34,325,458	30,030,774
Investment & Other Income	745,150,497	826,882,301	980,069,253	548,262,997	384,650,302
Profit / (Loss) before tax	807,133,411	892,078,021	998,843,350	572,370,417	404,611,128
Profit / (Loss) after tax	483,765,094	512,326,034	610,004,226	364,810,587	288,703,182
Paid-up Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Shareholders' Equity	4,478,863,509	3,913,940,475	3,254,564,935	2,778,494,306	2,414,214,450
Breakup Value per Share (RS.)	44.79	39.14	32.56	27.78	24.14
Investment & properties	4,918,430,654	4,342,254,434	4,308,573,666	3,980,289,076	3,486,434,708
Cash & Bank Balances	1,044,894,410	363,950,520	294,210,196	356,457,127	258,880,331
Total Assets Book Value	16,508,775,913	6,426,538,310	6,397,686,224	5,477,923,257	4,720,023,939

## NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of the shareholders of Sindh Insurance Limited will be held on **Wednesday, April 29, 2026 at 10:00 am** at the registered office of the Company at 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi, to transact the following business:

### ORDINARY BUSINESS

1. To confirm minutes of the Eleventh Annual General Meeting held on April 28, 2025.
2. To receive, consider and adopt the Audited Annual Accounts for the year ended December 31, 2025 along with Directors' and Auditors' Report thereon.
3. To appoint Auditors for the year 2026 and fix their remuneration.
4. To transact any other business that may be placed before the meeting with the permission of the Chair.

Karachi  
April 08, 2026

  
By order of the Board  
Nadeem Akhter  
Company Secretary

### NOTES:

- 1) A member entitled to attend and vote is entitled to appoint another member/any other person as his/her proxy to attend and vote.
- 2) Duly completed instrument of proxy, and the other authority under which it is signed, must be lodged with the Company Secretary at the company's registered office 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi, at least 48 hours before the time of the meeting.
- 3) Share Transfer Books of the Company will remain closed from April 23, 2026 to April 29, 2026 (both days inclusive).
- 4) Any change of address of Member should be immediately notified to the company's registered office 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.
- 5) The CDC account holder will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
  - A. For attending the meeting:
    - i. In Case of individuals, the account holder or sub-accounts holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
    - ii. In case of corporate entity the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
  - B. For appointing proxies:
    - i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per account and their registration details are uploaded as per the regulations, shall submit the proxy form accordingly.
    - ii. The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.
    - iii. Attested copies of CNIC or the passport
    - iv. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
    - v. In Case of Corporate entity, the board of Director's resolution / power of attorney with specimen signature shall be submitted along with proxy form to the company.

## Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and Code of Corporate Governance for Insurers, 2016

Name of Company: **SINDH INSURANCE LIMITED**  
 Name of the line ministry: **Ministry of Finance, Government of Sindh**  
 For the year ended: **31 December 2025**

- I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 and Code of Corporate Governance for Insurers, 2016 (hereinafter collectively called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.
- II. The Company has complied with the provisions of the Public Sector Companies (Corporate Governance) Rules, 2013 in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N																									
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	<input checked="" type="checkbox"/>																										
2.	The Board has at least one-third of its total members as independent directors and at least one female director. At present Board includes: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Independent Directors</td> <td>Saleem Zamindar</td> <td>09-08-2024</td> </tr> <tr> <td>Muhammad Omar Arshid</td> <td>09-08-2024</td> </tr> <tr> <td>Sidra Ishaq</td> <td>09-08-2024</td> </tr> <tr> <td rowspan="3">Non-Executive Directors</td> <td>Farhan Ashraf Khan</td> <td>09-08-2024</td> </tr> <tr> <td>Fayaz Ahmed Jatoi</td> <td>09-08-2024</td> </tr> <tr> <td>Hina Marvi</td> <td>09-08-2024</td> </tr> <tr> <td rowspan="2">Female Directors</td> <td>Sidra Ishaq</td> <td>09-08-2024</td> </tr> <tr> <td>Hina Marvi</td> <td>09-08-2024</td> </tr> <tr> <td>Executive Director</td> <td>Muhammad Faisal Siddiqui</td> <td>09-08-2024</td> </tr> </tbody> </table>	Category	Names	Date of Appointment	Independent Directors	Saleem Zamindar	09-08-2024	Muhammad Omar Arshid	09-08-2024	Sidra Ishaq	09-08-2024	Non-Executive Directors	Farhan Ashraf Khan	09-08-2024	Fayaz Ahmed Jatoi	09-08-2024	Hina Marvi	09-08-2024	Female Directors	Sidra Ishaq	09-08-2024	Hina Marvi	09-08-2024	Executive Director	Muhammad Faisal Siddiqui	09-08-2024	3(2)	<input checked="" type="checkbox"/>	
Category	Names	Date of Appointment																											
Independent Directors	Saleem Zamindar	09-08-2024																											
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Female Directors	Sidra Ishaq	09-08-2024																											
	Hina Marvi	09-08-2024																											
Executive Director	Muhammad Faisal Siddiqui	09-08-2024																											
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	<input checked="" type="checkbox"/>																										
4.	All resident directors of the company are registered as taxpayers and none of		<input checked="" type="checkbox"/>																										

	them has defaulted in payment of any loan to a banking company. A DFI or an NBFI or, being a member of stock exchange, has been declared a defaulter by a stock exchange.			
5.	Casual vacancy occurring on the Board were filled up by the directors within 90 days thereof.		✓	
6.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓	
7.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓	
8.	The chairman has been elected by the Board of directors except where chairman of the Board has been appointed by the Government.	4(4)	✓	
9.	The Board has evaluated the candidates for the position of the chief executive based on the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓	
10.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.  (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website. ( <a href="http://www.sindhinsurance.com">www.sindhinsurance.com</a> )  (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓	
11.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
12.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interest, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓	
13.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b)(vi)	✓	
14.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service	5(5)(c)(ii)	✓	
15.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods	5(5)(c)(iii)	✓	

	and services.			
16.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
17.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
18.	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and have submitted its request for appropriate compensation to the Government for consideration.	5(8)	✓	
19.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
20.	The meetings of the Board were presided over the Chairman and, in his absence, by a director elected by the Board for this purpose: a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings, (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓	
21.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓	
22.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
23.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as financial year end.	10(a)	✓	
24.	(b) In case if listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.	10(b)	N/A	
25.	(c) The Board has placed the annual financial statements on the Company's website.	10(c)	✓	
26.	All the Board members underwent an orientation course arranged by the Company to appraise them of the material developments and information as specified in the Rules.	11	✓	
27.	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The Committees were provided with written terms of reference defining their duties, authorities and composition. (c) The minutes of the meetings of the committees were circulated to all the	12		

	Board members. (d) The committees were chaired by the following non-executive directors:																					
	<table border="1"> <thead> <tr> <th>Committee</th> <th>Number of members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>3</td> <td>Sidra Ishaq</td> </tr> <tr> <td>Risk Management Committee</td> <td>3</td> <td>Farhan Ashraf Khan</td> </tr> <tr> <td>Human Resources Committee</td> <td>3</td> <td>Saleem Zamindar</td> </tr> <tr> <td>Procurement Committee</td> <td>3</td> <td>Hina Marvi</td> </tr> <tr> <td>Nomination Committee</td> <td>4</td> <td>Saleem Zamindar</td> </tr> </tbody> </table>	Committee	Number of members	Name of Chair	Audit Committee	3	Sidra Ishaq	Risk Management Committee	3	Farhan Ashraf Khan	Human Resources Committee	3	Saleem Zamindar	Procurement Committee	3	Hina Marvi	Nomination Committee	4	Saleem Zamindar		<input checked="" type="checkbox"/>	
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Risk Management Committee	3	Farhan Ashraf Khan																				
Human Resources Committee	3	Saleem Zamindar																				
Procurement Committee	3	Hina Marvi																				
Nomination Committee	4	Saleem Zamindar																				
28.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	<input checked="" type="checkbox"/>																			
29.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rule.	14	<input checked="" type="checkbox"/>																			
30.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	<input checked="" type="checkbox"/>																			
31.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes salient matters required to be disclosed.	17	<input checked="" type="checkbox"/>																			
32.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered by or on behalf of the Company except those disclosed to the Company.	18	<input checked="" type="checkbox"/>																			
33.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.	19	<input checked="" type="checkbox"/>																			
34.	(b) The annual report of the Company contains criteria and details of remuneration of each director		<input checked="" type="checkbox"/>																			
35.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	<input checked="" type="checkbox"/>																			
36.	The Board has formed an audit committee, with defined and written terms of reference, and has the following members:																					
	<table border="1"> <thead> <tr> <th>Name of Member</th> <th>Category</th> <th>Professional Background</th> </tr> </thead> <tbody> <tr> <td>Sidra Ishaq</td> <td>Independent Director</td> <td>Lawyer &amp; Accountant</td> </tr> <tr> <td>Farhan Ashraf Khan</td> <td>Non-Executive Director</td> <td>Retired Banker</td> </tr> <tr> <td>Muhammad Omar Arshid</td> <td>Independent Director</td> <td>Businessman</td> </tr> </tbody> </table>	Name of Member	Category	Professional Background	Sidra Ishaq	Independent Director	Lawyer & Accountant	Farhan Ashraf Khan	Non-Executive Director	Retired Banker	Muhammad Omar Arshid	Independent Director	Businessman	21(1) and 21(2)	<input checked="" type="checkbox"/>							
Name of Member	Category	Professional Background																				
Sidra Ishaq	Independent Director	Lawyer & Accountant																				
Farhan Ashraf Khan	Non-Executive Director	Retired Banker																				
Muhammad Omar Arshid	Independent Director	Businessman																				
	The chief executive and chairman of the Board are not members of the audit committee.																					
37.	(a) The chief financial officer, the chief internal auditor, and a representative of	21(3)	<input checked="" type="checkbox"/>																			

	the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.			
38.	(b) The audit committee meets the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.		<input checked="" type="checkbox"/>	
39.	(c) The audit committee meets the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.		<input checked="" type="checkbox"/>	
40.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.  (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.  (c) The internal audit reports have been provided to the external auditors for their review.	22	<input checked="" type="checkbox"/>	
41.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	<input checked="" type="checkbox"/>	
42.	The Auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	<input checked="" type="checkbox"/>	

III. The Company has complied with the additional provisions of Code of Corporate Governance for Insurers, 2016 in the following manner:

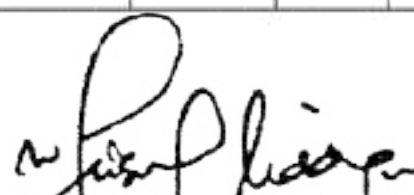
S. No.	Provision of the Rules	Rule No.	Y	N
43.	The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.		<input checked="" type="checkbox"/>	
44.	The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants 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 the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.		<input checked="" type="checkbox"/>	
45.	The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.		<input checked="" type="checkbox"/>	

46.	The Board ensures that the risk management system of the Company is in place as per the requirements of the Code of Corporate Governance for Insurers, 2016.		<input checked="" type="checkbox"/>																																			
47.	The Company has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.		<input checked="" type="checkbox"/>																																			
48.	The Board ensures that as part of the risk management system, the Company gets itself rated by PACRA (credit rating agency) which is being used by its risk management function and the respective Committee as risk monitoring tool. The rating assigned by the said rating agency dated January 31, 2025 is AA (AA Double A) with strong capacity to meet policyholders and contractual obligations.		<input checked="" type="checkbox"/>																																			
49.	<p>The Board has formed the following management committee:</p> <p><b>Underwriting Committee:</b></p> <table border="1"> <thead> <tr> <th>Name of the member</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Farhan Ashraf Khan</td> <td>Independent Director</td> </tr> <tr> <td>Muhammad Faisal Siddiqui</td> <td>Executive Director</td> </tr> <tr> <td>Nadeem Akhter</td> <td>Management</td> </tr> </tbody> </table> <p><b>Claim Committee:</b></p> <table border="1"> <thead> <tr> <th>Name of the member</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Sidra Ishaq</td> <td>Independent Director</td> </tr> <tr> <td>Muhammad Faisal Siddiqui</td> <td>Executive Director</td> </tr> <tr> <td>Muhammad Sarfraz Awan</td> <td>Management</td> </tr> </tbody> </table> <p><b>Reinsurance &amp; Co-insurance Committee:</b></p> <table border="1"> <thead> <tr> <th>Name of the member</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Saleem Zamindar</td> <td>Independent Director</td> </tr> <tr> <td>Muhammad Faisal Siddiqui</td> <td>Executive Director</td> </tr> <tr> <td>Nadeem Akhter</td> <td>Management</td> </tr> </tbody> </table> <p><b>Risk Management &amp; Compliance Committee:</b></p> <table border="1"> <thead> <tr> <th>Name of the member</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Saleem Zamindar</td> <td>Independent Director</td> </tr> <tr> <td>Muhammad Omar Arshid</td> <td>Independent Director</td> </tr> <tr> <td>Muhammad Faisal Siddiqui</td> <td>Executive Director</td> </tr> <tr> <td>Nadeem Akhter</td> <td>Management</td> </tr> </tbody> </table>	Name of the member	Category	Farhan Ashraf Khan	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Nadeem Akhter	Management	Name of the member	Category	Sidra Ishaq	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Muhammad Sarfraz Awan	Management	Name of the member	Category	Saleem Zamindar	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Nadeem Akhter	Management	Name of the member	Category	Saleem Zamindar	Independent Director	Muhammad Omar Arshid	Independent Director	Muhammad Faisal Siddiqui	Executive Director	Nadeem Akhter	Management	<p>xxxvi</p> <p>xxxvii</p> <p>xxxviii</p> <p>xxxix</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>	
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50.	The Board has formed the following Board Committees:																																					

<b>Human Resource Committee:</b>		xli	<input checked="" type="checkbox"/>	
<b>Name of the member</b>	<b>Category</b>			
Saleem Zamindar	Independent Director			
Farhan Ashraf Khan	Non-Executive Director			
Muhammad Omar Arshid	Independent Director			
<b>Procurement &amp; Information Technology Committee:</b>			<input checked="" type="checkbox"/>	
<b>Name of the member</b>	<b>Category</b>			
Hina Marvi	Non-Executive Director			
Farhan Ashraf Khan	Non-Executive Director			
Sidra Ishaq	Independent Director			
<b>Nomination Committee:</b>		xli	<input checked="" type="checkbox"/>	
<b>Name of the member</b>	<b>Category</b>			
Saleem Zamindar	Independent Director			
Finance Secretary	Non-Executive Director			
Sidra Ishaq	Independent Director			
Hina Marvi	Non-Executive Director			
<b>Risk management Committee:</b>			<input checked="" type="checkbox"/>	
<b>Name of the member</b>	<b>Category</b>			
Farhan Ashraf Khan	Non-Executive Director			
Muhammad Omar Arshid	Independent Director			
Hina Marvi	Non-Executive Director			
<b>Investment Committee:</b>		xliv	<input checked="" type="checkbox"/>	
<b>Name of the member</b>	<b>Category</b>			
Saleem Zamindar	Independent Director			
Muhammad Omar Arshid	Independent Director			
Muhammad Faisal Siddiqui	Chief Executive Officer			
Nadeem Akhter	Chief Finance Officer			

51.	<p>The terms of references of the committees have been formed and advised to the Committees for compliance. The frequency of the meetings of the committees is as follows:</p> <table border="1" data-bbox="274 305 1194 814"> <thead> <tr> <th>Name of Committee</th> <th>Meetings held during the year</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>7</td> </tr> <tr> <td>Human Resources Committee</td> <td>5</td> </tr> <tr> <td>Procurement and Information Technology Committee</td> <td>2</td> </tr> <tr> <td>Investment Committee</td> <td>9</td> </tr> <tr> <td>Risk Management Committee</td> <td>2</td> </tr> <tr> <td>Nomination Committee</td> <td>2</td> </tr> <tr> <td>Risk Management &amp; Compliance Committee</td> <td>2</td> </tr> <tr> <td>Underwriting Committee</td> <td>3</td> </tr> <tr> <td>Claim Committee</td> <td>8</td> </tr> <tr> <td>Reinsurance Committee</td> <td>3</td> </tr> </tbody> </table>	Name of Committee	Meetings held during the year	Audit Committee	7	Human Resources Committee	5	Procurement and Information Technology Committee	2	Investment Committee	9	Risk Management Committee	2	Nomination Committee	2	Risk Management & Compliance Committee	2	Underwriting Committee	3	Claim Committee	8	Reinsurance Committee	3			
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52.	<p>The Chief Executive Officer, Chief Finance Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code of Corporate Governance for Insurer, 2016. The Appointed Actuary of the Company (if any) also meets the conditions as laid down in the said code. Moreover, the person heading the underwriter, claim, reinsurance, risk management, and grievance function / departments possess qualification and experience of direct relevance to their respective function, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No XXXIX of 2000).</p> <table border="1" data-bbox="274 1178 1194 1588"> <thead> <tr> <th>Name of the Person</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Muhammad Faisal Siddiqui</td> <td>Chief Executive Officer</td> </tr> <tr> <td>Nadeem Akhter</td> <td>Chief Finance Officer &amp; Company Secretary</td> </tr> <tr> <td>Imtiaz Ali</td> <td>Compliance Officer</td> </tr> <tr> <td>Yasir Malik</td> <td>Chief Internal Auditor</td> </tr> <tr> <td>Irfan Ali</td> <td>Head of Underwriting &amp; Reinsurance Operations</td> </tr> <tr> <td>Muhammad Sarfraz Awan</td> <td>Head of Claim</td> </tr> <tr> <td>Muhammad Talha</td> <td>Head of Risk Management</td> </tr> <tr> <td>Aasim Hameed Butt</td> <td>AML/CFT Compliance Officer</td> </tr> <tr> <td>Nadeem Akhter</td> <td>Head of Grievance Department</td> </tr> </tbody> </table>	Name of the Person	Designation	Muhammad Faisal Siddiqui	Chief Executive Officer	Nadeem Akhter	Chief Finance Officer & Company Secretary	Imtiaz Ali	Compliance Officer	Yasir Malik	Chief Internal Auditor	Irfan Ali	Head of Underwriting & Reinsurance Operations	Muhammad Sarfraz Awan	Head of Claim	Muhammad Talha	Head of Risk Management	Aasim Hameed Butt	AML/CFT Compliance Officer	Nadeem Akhter	Head of Grievance Department	xxi, xxiii, xxxii, lxxiii	<input checked="" type="checkbox"/>			
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Nadeem Akhter	Head of Grievance Department																									
53	<p>The Board has set up a grievance department/ function, which fully complies with the requirement of the code of corporate governance for insurers, 2016.</p>	lxxiv	<input checked="" type="checkbox"/>																							

  
Saleem Zamindar  
Chairman

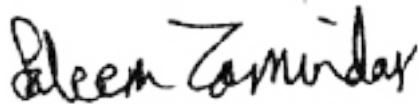
  
Muhammad Faisal Siddiqui  
Chief Executive Officer

**SCHEDULE II**  
**SEE Paragraph 2(3)**

**Explanation for Non-Compliance with the**  
**Public Sector Companies (Corporate Governance) Rules, 2013**

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.

S. No.	Rule/sub-rule no.	Reasons for non-compliance	Future course of action
NIL			



Saleem Zamindar  
Chairman



Muhammad Faisal Siddiqui  
Chief Executive Officer

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sindh Insurance Limited

### Review Report on Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and the Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 and the Code of Corporate Governance for Insurers, 2016 (referred to as 'the Codes') prepared by the Board of Directors of Sindh Insurance Limited for the year ended December 31, 2025 to comply with the requirements of provisions of Public Sector Companies (Corporate Governance) Rules, 2013 and the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. 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 Codes.

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 Codes 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. 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 whether the related party transactions were undertaken at arm's length price or not.

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



Crowe Hussain Chaudhury & Co.  
Chartered Accountants

Karachi

Date: 21 APR 2026

UDIN: CR202510207NFyjumgzf

**INDEPENDENT AUDITORS' REPORT****To the members of Sindh Insurance Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of **Sindh Insurance Limited**, (the Company), which comprise the statement of financial position as at December 31, 2025, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the 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, comprising material accounting policies and other explanatory information forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the profit, total comprehensive income, the changes in equity and its cash flow for the year then ended.

**Basis for Opinion**

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

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

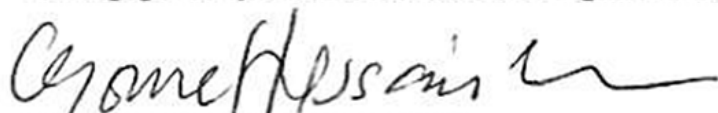
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Crowe Hussain Chaudhury & Co.  
**Chartered Accountants**

**Karachi**

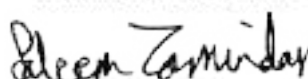
**Date: 21 APR 2026**

**UDIN: AR202510207DElisCagu**

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

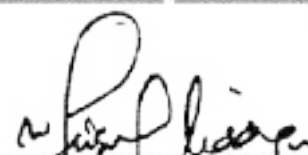
		2025	2024 (Restated)	2023 (Restated)
	Note	-----Rupees-----		
<b>Assets</b>				
Property and equipment	5	57,212,608	61,943,135	20,880,134
Intangible assets	6	315,682	609,737	1,111,003
Investments				
Equity securities	7	536,696,371	-	-
Debit securities	8	4,361,734,283	4,342,254,434	4,308,573,666
Term deposits	9	-	200,000,000	200,000,000
		<b>4,918,430,654</b>	<b>4,542,254,434</b>	<b>4,508,573,666</b>
Loans and other receivable	10	306,139,580	296,190,938	258,008,096
Insurance / reinsurance receivable	11	539,284,204	506,819,296	580,295,833
Re-insurance recoveries against outstanding claims	24	77,765,887	37,762,676	34,229,942
Deferred commission expense	25	2,333,366	1,254,831	3,611,185
Deferred taxation	16	-	-	16,673,147
Taxation - payment less provisions	21	54,085,484	24,836,678	-
Prepayments	12	587,657,487	690,082,331	788,463,900
Cash and bank	13	1,044,894,410	163,950,520	94,210,196
		<b>7,588,119,361</b>	<b>6,325,704,576</b>	<b>6,306,057,102</b>
Total assets of Window Takaful Operations		<b>8,920,656,552</b>	<b>216,894,666</b>	<b>179,569,610</b>
<b>Total Assets</b>		<b>16,508,775,913</b>	<b>6,542,599,242</b>	<b>6,485,626,712</b>
<b>Equity and Liabilities</b>				
<b>Capital and reserves attributable to Company's equity holders</b>				
Ordinary share capital (100,000,000 shares of Rupees 10 each)	14	1,000,000,000	1,000,000,000	1,000,000,000
Surplus / (deficit) revaluation reserve on available for sale investment		194,489,610	112,771,331	(33,788,498)
Unappropriated profit		3,284,373,899	2,801,169,144	2,288,353,433
<b>Total Equity</b>		<b>4,478,863,509</b>	<b>3,913,940,475</b>	<b>3,254,564,935</b>
<b>Liabilities</b>				
<b>Underwriting Provisions</b>				
Outstanding claims including IBNR	24	766,335,095	1,065,463,708	1,279,187,790
Unearned premium reserves	23	752,313,365	835,797,362	865,751,001
Premium deficiency reserves		70,040,155	29,731,996	27,809,629
Unearned reinsurance commission	25	55,466,199	46,024,544	33,472,452
		<b>1,644,154,814</b>	<b>1,977,017,610</b>	<b>2,206,220,872</b>
Retirement benefit obligations	15	2,170,569	-	-
Deferred taxation	16	124,167,455	69,824,263	-
Premium received in advance	17	13,896,194	18,959,356	33,561,367
Insurance / reinsurance payables	18	364,325,393	363,324,742	796,964,124
Other creditors and accruals	19	1,081,345,669	50,907,687	33,148,659
Lease liabilities	20	11,084,395	17,544,198	1,241,299
Taxation - provision less payment	21	-	-	56,535,801
<b>Total liabilities</b>		<b>3,241,144,488</b>	<b>2,497,577,856</b>	<b>3,127,672,122</b>
Total liabilities and fund of window takaful operations		<b>8,788,767,916</b>	<b>131,080,911</b>	<b>103,389,655</b>
<b>Total Equity and Liabilities</b>		<b>16,508,775,913</b>	<b>6,542,599,242</b>	<b>6,485,626,712</b>
<b>Contingencies and commitments</b>	22	-	-	-

The annexed notes from 1 to 43 form an integral part of these financial statements.

  
**Chairman**

  
**Director**

  
**Director**

  
**Chief Executive Officer**

**SINDH INSURANCE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Note	2025 -----Rupees-----	2024
Net insurance premium	23	336,515,483	425,352,636
Net insurance claims	24	(111,191,286)	(192,710,558)
Premium deficiency		(40,308,160)	(1,922,366)
Net commission and other acquisition cost	25	102,901,365	80,533,046
Insurance claims and acquisition expenses		(48,598,081)	(114,099,878)
Management expenses	26	(257,576,652)	(217,172,636)
Underwriting results		30,340,750	94,080,122
Investment income	27	714,732,848	769,287,429
Other income	28	30,417,649	57,594,872
Other expenses	29	(38,797,635)	(39,270,957)
Results of operating activities		736,693,613	881,691,466
Finance cost	30	(2,373,987)	(2,921,423)
Profit from Window Takaful Operations - OPF		72,813,785	13,307,978
Profit before tax		807,133,411	892,078,021
Income tax expense	31	(323,368,317)	(379,751,987)
Profit after tax		483,765,094	512,326,034
<b>Earnings per share - basic &amp; diluted</b>	32	<b>4.84</b>	<b>5.12</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.

  
 Aileen Zamindar  
 Chairman

  
 Director

  
 Director

  
 Chief Executive Officer

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

Note	2025	2024
	-----Rupees-----	
<b>Profit after tax</b>	<b>483,765,094</b>	512,326,034
<b>Other comprehensive income/(loss):</b>		
<b>Items that will be reclassified subsequently to profit and loss account</b>		
- Fair value adjustment on remeasurement of available for sale investments - net of deferred tax	<b>87,205,986</b>	146,611,597
- Remeasurement Gratuity	<b>(560,339)</b>	489,677
- Other comprehensive Income from Window Takaful Operations	<b>(5,487,707)</b>	(51,768)
<b>Items that will not be reclassified subsequently to profit and loss account</b>	<b>-</b>	-
	<b>81,157,940</b>	147,049,506
<b>Total comprehensive income for the year</b>	<b>564,923,033</b>	659,375,540

The annexed notes from 1 to 43 form an integral part of these financial statements.

  
 Chairman

  
 Director

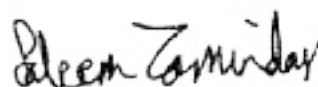
  
 Director

  
 Chief Executive Officer

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

	Attributable to equity holders of the Company			Total
	Capital reserve	Revenue reserve		
Share capital	Available for sale investment revaluation reserve	Unappropriated profit		
-----Rupees-----				
<b>Balance as at January 01, 2023</b>	1,000,000,000	(33,788,498)	2,288,353,433	3,254,564,935
Total comprehensive income for the year				
Profit after tax	-	-	512,326,034	512,326,034
Loss on remeasurement of defined benefit obligation	-	-	489,677	489,677
Fair value adjustment of available for sale investments	-	146,611,597	-	146,611,597
Takaful operation - Operator fund - net of tax	-	(51,768)	-	(51,768)
Total comprehensive income for the year	-	146,559,829	512,815,711	659,375,540
<b>Balance as at December 31, 2024</b>	<b>1,000,000,000</b>	<b>112,771,331</b>	<b>2,801,169,144</b>	<b>3,913,940,475</b>
<b>Balance as at January 01, 2025</b>	<b>1,000,000,000</b>	<b>112,771,331</b>	<b>2,801,169,144</b>	<b>3,913,940,475</b>
Total comprehensive income for the year				
Profit after tax	-	-	483,765,094	483,765,094
Loss on remeasurement of defined benefit obligation	-	-	(560,339)	(560,339)
Fair value adjustment of available for sale investments	-	87,205,986	-	87,205,986
Takaful operation - Operator fund - net of tax	-	(5,487,707)	-	(5,487,707)
Total comprehensive income for the year	-	81,718,279	483,204,755	564,923,033
<b>Balance as at December 31, 2025</b>	<b>1,000,000,000</b>	<b>194,489,610</b>	<b>3,284,373,899</b>	<b>4,478,863,508</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chairman



Director



Director

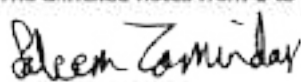


Chief Executive Officer

**SINDH INSURANCE LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

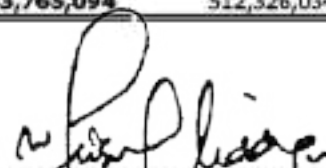
	2025	2024
	-----Rupees-----	
<b>Operating Cash flows</b>		
<b>a) Underwriting activities</b>		
Insurance premiums received	1,417,637,839	1,637,289,340
Reinsurance premium paid	(1,092,927,277)	(1,527,546,342)
Claims paid	(543,581,496)	(468,751,408)
Reinsurance and other recoveries received	93,258,387	58,784,034
Commission paid	(5,095,011)	(5,864,313)
Management and administrative expenses paid	786,613,969	(177,187,987)
Commission received	116,613,309	88,635,306
Other underwriting payments	(38,797,635)	(39,270,957)
Net cash flow used in underwriting activities	733,722,085	(433,912,327)
<b>b) Other operating activities</b>		
Income tax paid	(354,976,438)	(444,686,724)
Compensated absences paid	-	(80,244)
Other operating payments	(83,373,211)	(31,816,379)
Net cash flow from other operating activities	(438,349,649)	(476,583,347)
<b>Total cash flow from all operating activities</b>	<b>295,372,436</b>	<b>(910,495,674)</b>
<b>Investment activities</b>		
Profit / return received on investment	684,214,819	657,473,547
Other income received	30,417,649	57,594,872
Payments for investments	(1,561,466,313)	(1,792,172,950)
Proceeds from disposal of investments	1,253,768,755	2,098,442,360
Proceeds from disposal of fixed assets	86,691	538,254
Fixed capital expenditure	(11,312,812)	(36,385,439)
<b>Total cash flow from investing activities</b>	<b>395,708,790</b>	<b>985,490,643</b>
<b>Financing activities</b>		
Principal repayment of lease liabilities	(10,137,336)	(5,254,645)
<b>Total cash flow from financing activities</b>	<b>(10,137,336)</b>	<b>(5,254,645)</b>
<b>Net cashflow from all activities</b>	<b>680,943,890</b>	<b>69,740,324</b>
Cash and cash equivalents at beginning of year	363,950,520	294,210,196
<b>Cash and cash equivalents at end of year</b>	<b>1,044,894,410</b>	<b>363,950,520</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	295,372,436	(910,495,674)
Depreciation on fixed assets	(17,079,570)	(15,639,011)
Amortization of intangibles	(419,055)	(971,425)
(Decrease) / Increase in assets other than cash	8,687,211,765	(134,237,424)
(Increase) / decrease in liabilities	(9,299,284,764)	733,479,289
Investment income	714,732,848	769,287,429
Profit from Window Takaful Operations	72,813,785	13,307,978
Other Income	30,417,649	57,594,872
<b>Profit or loss after taxation</b>	<b>483,765,094</b>	<b>512,326,034</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.

  
**Chairman**

  
**Director**

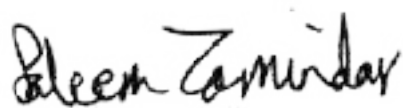
  
**Director**

  
**Chief Executive Officer**

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

	2025	2024
	----- Rupees -----	
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and other equivalents	2,556,866	1,319,445
Cash at bank - Saving accounts	1,042,337,544	162,631,075
Deposits maturing within 12 months	-	200,000,000
	<u>1,044,894,410</u>	<u>363,950,520</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chairman



Director



Director



Chief Executive Officer

**SINDH INSURANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc.
- 1.2** The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi. The Company was granted authorisation on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3** SECP carried out an onsite inspection in 2018 of the company under Section 59A of the Insurance Ordinance, 2000. Based on the inspection, SECP highlighted various non-compliances with the Insurance Ordinance, 2000 and various SROs of SECP in its letter of findings of the company dated January 4, 2019. These non-compliances among other compliances, risk management and internal control issues mainly pertain to accounting treatment of Universal Accident Insurance and Social Benefit Scheme (the Scheme) of the Government of Sindh. Whereby, the recognition and measurement of premium, claims and commission relating to the Scheme under the Insurance contract has been challenged on account of the immunity given by Government of Sindh to the company where the company will not suffer any loss under the Scheme if claims and other related expenditures exceed the revenue of the company from the scheme. The management of the company vide its letter to SECP dated February 4, 2019 conveyed that the said accounting treatment was adopted based on a legal opinion and strongly believes that the adopted treatment is in line with the Insurance Ordinance, 2000. SECP carried out another onsite inspection in 2024 and raised similar observations in its report ref. SECP/OD/INS-K/SIL/2024-25/807 dated May 19, 2025. Many of such non compliances were already complied with, and the company is committed to ensure the compliance with the rest of non compliances in due course.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

The SECP, through S.R.O. 311(I)/2025 dated 03 March 2025, amended the General Takaful Accounting Regulations, 2019. In line with the revised Regulation 6, all insurance companies are now required to present both the Operator's Fund (OPF) and the Participants' Takaful Fund (PTF) in their statement of financial position. Previously, only the OPF was included as part of takaful operations. Under the revised requirement, the total assets and total liabilities of the Window Takaful Operations (OPF and PTF) are presented as a single line item in the statement of financial position. As the Company has no residual interest in the PTF, any surplus in the fund remains attributable solely to the participants.

A separate set of financial statements of the Window Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012 & General Takaful Accounting Regulation, 2019

**2.1.1** A separate set of financial statements of the Window Takaful Operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

**2.2 Functional and presentation currency**

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

**2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for recognition of staff retirement benefits at present value and the investments available for sale measured at their fair value. The financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

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

**2.5 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025**

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Lack of Exchangeability – The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21)	January 01, 2025

**2.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2026:

## **Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:**

### **Financial Assets with ESG-Linked features:**

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgment will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 01 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

### **Recognition / Derecognition requirements of Financial Assets / Liabilities by Electronic Payments**

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

### **Other related amendments:**

#### **Contractually linked instruments (CLIs) and non-recourse features:**

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

#### **Disclosures on investments in equity instruments:**

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

**Annual Improvements to IFRS Accounting Standards – Amendments to:**

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments; and
- IAS 7 Statement of Cash flows.

**Adoption of IFRS 18 and IFRS 1**

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444 (I) / 2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633 (I) / 2014, shall be replaced with "IFRS-18, Presentation and Disclosure In Financial Statements" and "IFRS-19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after 01 January 2027:

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1(b)(ii), 1(b)(iia) and 1(b)(iii) of the Third Schedule to the Act) may follow "IFRS-19, "Subsidiaries without Public Accountability: Disclosures" in preparation of their financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

**2.6.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 with IFRS 4'**

Pursuant to the requirements of Securities and Exchange Commission of Pakistan S.R.O. 1336 (I) / 2025 dated 23 July 2025 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and reinsurance/retakaful business from financial years commencing on or after 01 January 2027 and SECP has directed that the applicability period of optional temporary exemption from applying IFRS 9 – Financial Instrument as given in para 20A of IFRS 4 – Insurance Contracts is extended for annual periods beginning before 01 January 2027, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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 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.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress. On 23 December 2025 via letter no. ID/MDPRD/IFRS-17/2025/4228 SECP further extended the deadline for submission of the audited long form report to 31 May 2026.

**2.6.2** 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:

- 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
- all other financial assets

Fair value of financial assets as at 31 December 2025 and the change in the fair values during the year ended 31 December 2025.

December 31, 2025			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
----- Rupees -----			

**Financial assets**

Investments				
Debt securities	4,235,701,721	(104,559,662)	126,032,562	3,625,966
Equity securities	556,696,371	-	-	-
Loans and other receivable	306,139,580	-	-	-
Cash at bank	-	-	1,042,337,544	-
	<u>5,098,537,673</u>	<u>(104,559,662)</u>	<u>1,168,370,105</u>	<u>3,625,966</u>

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

Fair value of financial assets as at 31 December 2024 and the change in the fair values during the year ended 31 December 2024.

December 31, 2024			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
----- Rupees -----			

**Financial assets**

Investments				
Debt securities	4,219,847,838	232,405,897	122,406,596	3,205,489
Term deposit receipts	-	-	200,000,000	-
Loans and other receivable	296,190,938	-	0	-
Cash at bank	-	-	163,950,520	-
	<u>4,516,038,775</u>	<u>232,405,897</u>	<u>486,357,116</u>	<u>3,205,489</u>

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

### 3 USE OF JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with the requirements of accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments, estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying 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 revision and future periods, if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the financial statements or judgment was exercised in application of accounting policies, are as follows:

	<b>Note</b>
- Provision for unearned premiums	4.5.2
- Premium due but unpaid - net	4.5.3
- Premium deficiency reserve	4.5.4
- Prepaid reinsurance premium ceded	4.5.8
- Provision for outstanding claims (including IBNR)	4.6.1
- Reinsurance recoveries against outstanding claims	4.6.2
- Deferred commission expense	4.7.1
- Commission income unearned	4.7.2
- Taxation (current, deferred and levies)	4.17
- Impairment in the value of investment	4.20

### 4 MATERIAL ACCOUNTING POLICIES

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

#### 4.1 Property and equipment

##### a) Owned assets

Owned fixed assets are stated at cost, signifying historical cost, less accumulated depreciation and any provision for accumulated impairment. Cost of an item of fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying asset directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future 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 costs are charged to profit and loss account.

Depreciation is calculated on straight line method at the rates specified in note 5 to the financial statements. Depreciation on additions is charged from the month the assets are available for use while on disposals, depreciation is charged up to the month in which the assets are disposed off.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indications exist and where the carrying value exceed the estimated recoverable amounts, the assets are written down to their recoverable amount. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets disposed of. There are taken to profit and loss account.

**b) Right-of-use-asset**

The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

**4.2 Intangible assets**

These are stated at cost less accumulated amortisation and provision for accumulated impairment, if any.

Amortisation is calculated from the month the assets are available for use using the straight-line method, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortisation methods are reviewed and adjusted if appropriate, at each reporting date.

Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the Company.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

**4.3 Lease liability**

Lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

#### 4.4 Insurance contracts

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

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

- Fire and property damage
- Marine, aviation and transport
- Motor
- Accidental and health
- Engineering
- Miscellaneous

##### a) Fire and property damage

Fire and property insurance contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

##### b) Marine, aviation and transport

Marine, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and against liabilities to third parties and passengers arising from their use.

##### c) Motor

Motor insurance contracts cover physical loss or damage to the vehicle, liabilities to third parties and other comprehensive car coverage as provided under the requirements of the Motor Vehicle Ordinance, 1965.

##### d) Accident and health

Accident and health insurance contracts mainly compensate hospitalisation and patient medical coverage to the insured and indemnity for the death as result of an accident. These contracts are generally one year contracts.

##### e) Engineering

Engineering insurance covers contractor's all risk, and compensate against damage of machinery, electronic equipment etc.

##### f) Miscellaneous

All other insurance contracts like machinery breakdown, bonds, cash in hand, cash in transit, personal accident, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under miscellaneous insurance cover.

## 4.5 Premium

### 4.5.1 Premium income earned

Premium written (direct or facultative) under a policy is recognised as income over the period of insurance from the date of issue of the policy to which it relates to its expiry as follows:

- a) for direct business, evenly over the period of the policy;
- b) for proportional reinsurance business, evenly over the period of underlying reinsurance policies; and
- c) for non-proportional reinsurance business, on inception of the reinsurance contract in accordance with the pattern of reinsurance service.

Where the pattern of incidence of risk varies over the period of the policy, premium is recognised as revenue in accordance with the pattern of incidence of risk.

Where premiums for a policy are payable in installments, full premium for the duration of the policy is recognised as income at the inception of the policy and a related asset is set up in respect of the premium receivable at a later date. Premium is stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premium.

### 4.5.2 Provision for unearned premiums

Provision for unearned premiums represents the portion of premium written relating to the unexpired period of coverage, and is recognised as a liability. The liability is calculated as a proportionate of the gross premium of each policy, as specified in the Insurance Accounting Regulations, 2017.

### 4.5.3 Premiums due but unpaid - net

Premiums due but unpaid is recorded as receivable when it is due, at the fair value of consideration receivable less provision for doubtful debts, if any. If there is objective evidence that receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises that impairment loss in profit and loss account.

### 4.5.4 Premium deficiency reserve - (liability adequacy test)

At each reporting date, liability adequacy tests are performed separately for each class of business under the Insurance Accounting Regulations, 2017 to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after reporting date in respect of policies in force at reporting date with the carrying amount of unearned premium liability.

The movement in the premium deficiency reserve is recorded as an expense / income in profit and loss account for the year.

The requirement for additional provision for unexpired risks is determined on the basis of an actuarial valuation. The latest valuation was carried out as of December 31, 2025. The actuary determines adequacy of liability of premium deficiency by multiplying unearned premium with the difference between excess of combined ratio over 100%. PDR is required if Loss Ratio exceeds 100% i.e. unearned premium reserve is not enough to cover for future claims and other expenses.

The loss ratios estimated on these basis for the unexpired portion are as follows:

	<b>2 0 2 5</b>	<b>2 0 2 4</b>
Fire and property damage	<b>65%</b>	64%
Marine, aviation and transport	<b>66%</b>	60%
Motor	<b>109%</b>	102%
Accidental and health	<b>117%</b>	112%
Engineering	<b>68%</b>	65%
Miscellaneous	<b>68%</b>	65%

#### **4.5.5 Reinsurance contracts held**

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

#### **4.5.6 Reinsurance ceded**

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

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

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

The portion of reinsurance premium not recognised as an expense is shown as a prepayment.

#### **4.5.7 Receivables and payables related to insurance contracts**

Receivables and payables, other than claim payables, relating to insurance contracts are recognised when due. The claim payable is recorded when intimation is received. These include premiums due but unpaid, premium received in advance, premiums due and claims payable to insurance contract holders. These are recognised at cost, which is the fair value of the consideration given less provision for impairment, if any. 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 recognises the loss in statement of comprehensive income.

**4.5.8 Prepaid reinsurance premium ceded**

The portion of reinsurance premium ceded not recognised as an expense as at year end is recognised as prepaid reinsurance premium ceded. Unrecognised portion is determined in the same manner as for provision for unearned premiums.

**4.6 Claims expense**

General insurance claims include all claims occurring during the year, whether reported or not, including external claims handling costs that are directly related to the processing and settlement of claims, reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims are charged to profit and loss account as Incurred based on estimated liability for compensation owed under the insurance contracts.

**4.6.1 Provision for outstanding claims including IBNR**

A liability for outstanding claims is recognised in respect of all claims incurred as at the reporting date which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provision for liability relating to unpaid reported claims is made on basis of individual case estimates.

The Company takes advice from actuary for the determination of IBNR claims. Provision for IBNR claims have been estimated based on Expected Loss Ratio (ELR) method except for health business, where a mix of ELR and Chain Ladder (CL) method is used. CL method is not completely used since portfolio experience of the Company in health business is small due to long period of claims development, volatility and credibility of experience. Accordingly, provision has been made based on IBNR factors applied on incurred claims determined by the actuary.

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

**4.6.2 Reinsurance recoveries against outstanding claims**

Reinsurance recoveries receivable from reinsurers are recognised as an asset at the same time as and when the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

**4.7 Commission****4.7.1 Deferred commission expense**

Commission expense incurred in obtaining and recording policies is deferred and is recognised in the profit and loss account as an expense in accordance with the pattern of recognition of premium revenue by applying the twenty-fourths' method.

**4.7.2 Commission income**

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognised as liability and recognised in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates.

## 4.8 Investments

Investments are initially recognized at fair value plus directly attributable transaction costs, except for investments held for trading in which transaction costs is charged to profit and loss account. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each reporting date.

### 4.8.1 Held to maturity

Investments with fixed maturity and fixed income investments, where management has both the intent and the ability to hold to maturity, are classified as held to maturity. After initial recognition, these are carried at amortised cost.

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

### 4.8.2 Available for sale

The financial assets that are intended to be held for an indefinite period of time and may be sold in response to the need for liquidity are classified as available for sale.

Subsequent to initial measurement, these are remeasured at fair value. Surplus / deficit on revaluation from one reporting date to the other is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for the period within Statement of Comprehensive Income. Whereas, any reversal in impairment is taken in Statement of Comprehensive Income.

### 4.8.3 Held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / Interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognised directly in the profit and loss account, for the period in which it arises. Subsequent to initial recognition these are measured at fair value by reference to quoted market prices.

#### a) Trade and settlement date accounting

All 'regular way' purchases and sales of financial assets are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

#### b) Derecognition

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

**c) Impairment**

**Available for sale**

The Company considers that available for sale investments is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

**4.9 Employee benefits**

**a) Defined contribution plan**

The Company operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 10% of basic salary of the employees.

**b) Defined benefit plan**

The Company operates an approved gratuity fund for all its permanent employees whose period of service is three years. Actuarial valuation is carried out on yearly basis by using the projected unit credit method and contribution to the plans are made accordingly. Actuarial gains and losses are recognized in other comprehensive income in the year in which they arise.

**c) Employees' compensated absence**

The Company accounts for the liability in respect of eligible employees' compensated absences in the period in which they are earned.

**4.10 Cash and cash equivalents**

Cash and cash equivalents includes policy and revenue stamps, cash at bank, and term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

**4.11 Creditors, accruals and provisions**

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

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

**4.12 Investment and other income**

**4.12.1 Dividend income and bonus shares**

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

Entitlement of bonus shares is recognised when the right to receive the same is established.

**4.12.2 Interest income**

Interest income is recognised on time proportion basis that takes into account effective yield on the assets.

**4.13 Segment reporting**

The Company's operating business is organized and managed separately according to the nature of the services provided with each segment representing a strategic business unit that serves different markets.

The Company has seven major segments namely fire and property damage, marine, aviation and transport, motor, accident and health, engineering and miscellaneous.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amounts of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

**4.14 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the derecognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

Financial instruments carried in the statement of financial position include investments, loan and other receivables, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims, cash and bank, provision for outstanding claims, insurance / reinsurance payables, other creditors and accruals.

**4.15 Off setting of financial asset and financial liabilities**

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

**4.16 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

**4.17 Taxation**

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

**4.17.1 Current**

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalised during the year or required by any other reason.

**4.17.2 Deferred**

Deferred tax is recognised using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the date of statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**4.17.3 Levies**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

**4.18 Foreign currencies**

Transactions in foreign currency, if any, are converted into Pakistani Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the reporting date. Exchange difference are taken to profit and loss account.

**4.19 Management expenses**

Management expenses are allocated to all classes of business in proportion to the net premium income of the year. Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Provision for bad debts is based on review of outstanding amounts as at reporting date. Bad debts are written off to the profit and loss account when identified. Expenses not allowable to the underwriting business are charged to other expenses.

**4.20 Impairment**

The carrying amounts of the Company's assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognised in the profit and loss account.

**4.21 Earnings per share**

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

**4.22 Dividend and bonus shares**

Dividend to shareholders is recognised as liability in the year in which it is approved. Similarly, reserve for issue of bonus shares is recognised in the year in which such issue is approved.

**4.23 Fair value**

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



	2025	2024
	Rupees	
Note		
5.1	57,212,608	61,943,135
	<u>57,212,608</u>	<u>61,943,135</u>

## 5. PROPERTY AND EQUIPMENT

## 5.1. Operating assets and right-of-use assets

Description	2025						Net book value as at December 31, 2025	Depreciation rate ( % per annum)	
	Cost			Depreciation					
	As at January 01, 2025	Additions	Disposals / Adjustments	As at December 31, 2025	For the period	Disposals			As at December 31, 2025
Leasehold Improvements	16,403,895	1,103,980	-	17,507,875	930,180	-	11,762,742	5%	
Furniture and fixture	3,373,311	82,039	(1,03,000)	3,352,350	116,425	(102,443)	471,794	10%	
Office equipment	13,790,419	665,500	(426,130)	14,027,789	1,287,706	(426,130)	3,785,450	20%	
Computers	12,653,380	9,214,853	(376,410)	21,492,423	1,705,596	(376,410)	9,181,088	33.33%	
Vehicles	33,269,108	121,440	-	33,410,548	4,807,049	-	22,082,682	20%	
Right of use assets	23,166,365	1,615,896	(453,308)	24,327,853	8,234,614	-	9,928,931	Lease term	
	<u>102,676,878</u>	<u>12,892,988</u>	<u>(1,360,848)</u>	<u>114,118,938</u>	<u>17,079,570</u>	<u>(906,963)</u>	<u>56,906,330</u>	<u>57,212,608</u>	
Description	2024						Net book value as at December 31, 2024	Depreciation rate ( % per annum)	
	Cost			Depreciation					
	As at January 01, 2024	Additions / (Disposals)	Disposals / Adjustments	As at December 31, 2024	For the period	Disposals			As at December 31, 2024
Leasehold Improvements	12,161,075	7,179,120	(2,936,208)	16,403,985	505,052	(1,478,847)	4,815,053	5%	
Furniture and fixture	3,488,058	18,700	(133,447)	3,373,311	230,473	(126,585)	506,737	10%	
Office equipment	9,699,644	4,325,900	(235,125)	13,790,419	1,240,139	(100,233)	4,407,656	20%	
Computers	11,644,291	1,183,290	(173,601)	12,653,980	2,067,988	(173,600)	1,669,751	33.33%	
Vehicles	17,028,548	23,208,270	(6,947,818)	33,289,000	3,785,528	(6,541,757)	26,768,291	20%	
Right of use assets	16,950,421	21,557,544	(15,341,900)	23,166,065	7,829,839	(16,574,248)	17,001,757	Lease term	
	<u>70,972,137</u>	<u>57,472,824</u>	<u>(25,768,083)</u>	<u>102,676,878</u>	<u>15,639,011</u>	<u>(24,997,271)</u>	<u>40,733,743</u>	<u>61,943,135</u>	

## 6. INTANGIBLE ASSETS

Description	2025										Amortization rate ( % per annum )
	Cost			Amortization			Net book value as at December 31, 2025				
	As at January 01, 2025	Additions	Disposals	As at December 31, 2025	As at January 01, 2025	For the period	Disposals	As at December 31, 2025	As at December 31, 2025		
Computer Softwares	10,611,262	125,000	-	10,736,262	10,001,525	419,055	-	10,420,580	315,682	33.33%	
	10,611,262	125,000	-	10,736,262	10,001,525	419,055	-	10,420,580	315,682		
	-----Rupees-----										
Description	2024										Amortization rate ( % per annum )
	Cost			Amortization			Net book value as at December 31, 2024				
	As at January 01, 2024	Additions	Disposals	As at December 31, 2024	As at January 01, 2024	For the period	Disposals	As at December 31, 2024	As at December 31, 2024		
Computer Softwares	10,141,103	470,159	-	10,611,262	9,030,100	971,425	-	10,001,525	609,737	33.33%	
	10,141,103	470,159	-	10,611,262	9,030,100	971,425	-	10,001,525	609,737		
	-----Rupees-----										

## 7 INVESTMENTS IN EQUITY SECURITIES

Note	2025				2024			
	Cost	Impairment / Provision	Change in Fair value	Carrying value	Cost	Impairment / provision	Change in Fair value	Carrying value
<b>Available for sale</b>	Rupees				Rupees			
Listed shares	7.1	308,689,409	-	248,006,962	556,696,371	-	-	-
		<u>308,689,409</u>	<u>-</u>	<u>248,006,962</u>	<u>556,696,371</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 7.1 Listed Shares

Available for sale	Number of Shares		2025		2024	
	2025	2024	Cost / Carrying Amount	Market Value	Cost / Carrying Amount	Market Value
<b>Name of Investee company</b>	Rupees					
<b>Fertilizer</b>						
Engro Fertilizers Limited	50,000	-	11,190,718	11,317,500	-	-
<b>Commercial Banks</b>						
Meezan Bank Limited	25,000	-	11,374,843	11,109,500	-	-
<b>Oil and gas exploration companies</b>						
Pakistan Oilfields Limited	25,000	-	18,037,500	15,212,750	-	-
Mari Energies Limited	25,000	-	19,084,921	17,897,250	-	-
Oil & Gas Development Company Limited	107,627	-	29,949,090	30,252,871	-	-
			<u>67,071,511</u>	<u>63,362,871</u>	<u>-</u>	<u>-</u>
<b>Cement</b>						
Thatta Cement Company Limited	5,250,000	-	194,856,687	441,945,000	-	-
<b>Technology and communication</b>						
Pakistan Telecommunication Company Limited	100,000	-	7,876,918	11,804,000	-	-
<b>Power generation and distribution</b>						
The Hub Power Company Limited	50,000	-	10,948,918	11,069,000	-	-
<b>Pharmaceuticals</b>						
The Searl Company Limited	50,000	-	5,369,816	5,998,500	-	-
			<u>308,689,409</u>	<u>556,696,371</u>	<u>-</u>	<u>-</u>

## 8 INVESTMENTS IN DEBT SECURITIES

Note	2025				2024			
	Cost	Impairment / provision	Change in Fair value	Carrying value	Cost	Impairment / provision	Change in Fair value	Carrying value
<b>Held To Maturity</b>	Rupees				Rupees			
<b>Government securities:</b>								
Pakistan Investment Bonds	8.1	126,032,562	-	126,032,562	122,406,596	-	-	122,406,596
		<u>126,032,562</u>	<u>-</u>	<u>126,032,562</u>	<u>122,406,596</u>	<u>-</u>	<u>-</u>	<u>122,406,596</u>
<b>Available for sale</b>								
<b>Government securities:</b>								
Pakistan Investment Bonds	8.1	3,085,295,403	-	92,756,341	3,174,051,731	-	166,539,153	3,550,424,887
Treasury Bills		-	-	-	96,996,501	-	-	96,996,501
<b>Term Finance Certificates</b>	8.1 & 8.2							
Hessan Bank Limited		143,000,000	-	-	143,000,000	-	-	143,000,000
Bank Al Habib Limited		132,000,000	-	-	132,000,000	-	-	132,000,000
Sonari Bank Limited		150,000,000	-	150,000	150,000,000	-	150,000	150,150,000
United Bank Limited		150,000,000	-	(13,380,000)	136,620,000	-	(2,723,290)	147,276,750
Thatta Cement Company Limited - Sukuk		575,000,000	-	(13,380,000)	561,620,000	-	(2,573,250)	572,426,750
		<u>500,000,000</u>	<u>-</u>	<u>-</u>	<u>500,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>4,156,295,403</u>	<u>-</u>	<u>79,406,341</u>	<u>4,235,701,721</u>	<u>3,938,885,434</u>	<u>183,965,903</u>	<u>4,219,847,838</u>
		<u>4,281,328,041</u>	<u>-</u>	<u>79,406,341</u>	<u>4,361,734,283</u>	<u>4,061,290,038</u>	<u>183,965,903</u>	<u>4,342,254,434</u>

## 8.1 Investments in debt securities - held to maturity and available for sale

Name of investment	2025				
	Maturity	Effective Yield	Profit Payment	Face Value	Fair Value
-----Rupees-----					
<b>Held to maturity</b>					
<b>Pakistan Investment Bond</b>					
10 Years Pakistan Investment Bond	2028	13.10%	Half yearly	37,500,000	34,073,193
10 Years Pakistan Investment Bond	2028	12.55%	Half yearly	100,000,000	91,959,369
					126,032,562
<b>Available for sale</b>					
<b>Pakistan Investment Bond - Fixed Rate</b>					
3 Years Pakistan Investment Bond	2026	19.22%	Half yearly	600,000,000	604,612,219
3 Years Pakistan Investment Bond	2026	16.00%	Half yearly	2,700,000,000	2,569,439,502
					3,174,051,721
<b>Term Finance Certificates</b>					
Meezan Bank Limited	Perpetual	(Kibor+1.75%)	Monthly	143,000,000	143,000,000
Bank Al Habib Limited	Perpetual	(Kibor+1.50%)	Half Yearly	132,000,000	132,000,000
Soneri Bank Limited	2038	(Kibor+2.00%)	Half Yearly	150,000,000	150,150,000
United Bank Limited	Perpetual	(Kibor+1.55%)	Quarterly	150,000,000	136,500,000
					561,650,000
Thatta Cement Company Limited - Sukuk	2029	(Kibor+2.50%)	Quarterly	500,000,000	500,000,000
					4,235,701,721
					4,361,734,283

Name of investment	2024				
	Maturity	Effective Yield	Profit Payment	Face Value	Fair Value
-----Rupees-----					
<b>Held to maturity</b>					
<b>Pakistan Investment Bond</b>					
10 Years Pakistan Investment Bond	2028	13.10%	Half yearly	37,500,000	32,996,749
10 Years Pakistan Investment Bond	2028	12.55%	Half yearly	100,000,000	89,409,847
					122,406,596
<b>Available for sale</b>					
<b>Treasury Bills</b>					
3 months Treasury Bill	2025	13.46%	On Maturity	-	96,996,501
<b>Pakistan Investment Bond - Fixed Rate</b>					
3 Years Pakistan Investment Bond	2026	19.22%	Half yearly	600,000,000	598,393,033
3 Years Pakistan Investment Bond	2026	16.00%	Half yearly	2,700,000,000	2,692,768,646
3 Years Pakistan Investment Bond	2027	12.43%	Half yearly	250,000,000	259,262,908
					3,550,424,587
<b>Term Finance Certificates</b>					
Meezan Bank Limited	Perpetual	(Kibor+1.75%)	Monthly	143,000,000	143,000,000
Bank Al Habib Limited	Perpetual	(Kibor+1.50%)	Half Yearly	132,000,000	132,000,000
Soneri Bank Limited	2038	(Kibor+2.00%)	Half Yearly	150,000,000	150,150,000
United Bank Limited	Perpetual	(Kibor+1.55%)	Quarterly	150,000,000	147,276,750
					572,426,750
					4,219,847,838
					4,342,254,434

8.2 These includes, Pakistan Investment Bonds (PIB's) having carrying value of Rupees 126.03 million (2024: 122.40 million) are pledged with State Bank of Pakistan under provisions of the Insurance Ordinance, 2000.

## 8.3 Term Finance Certificates and Corporate Sukuks

Name of Investment	No. of certificates		Face value	Value of certificates	
	2025	2024		2025	2024
				-----Rupees-----	
Meezan Bank Limited	143	143	1,000,000	143,000,000	143,000,000
Bank Al Habib Limited	26,400	26,400	5,000	132,000,000	132,000,000
Soneri Bank Limited	30,000	30,000	5,000	150,000,000	150,000,000
United Bank Limited	30,000	30,000	5,000	150,000,000	150,000,000
Thatta Cement Company Limited	5,000,000	-	100	500,000,000	-
	<u>5,086,543</u>	<u>86,543</u>		<u>1,075,000,000</u>	<u>575,000,000</u>

2025                      2024  
-----Rupees-----

## 9 INVESTMENT IN TERM DEPOSITS

Deposits maturing within 12 months - local currency	9.1	-	200,000,000
		<u>-</u>	<u>200,000,000</u>

9.1 These represents Term Deposit Receipts (TDRs) with Sindh Microfinance Bank Limited, a related party carrying markup ranging from 20% to 21.1% (2024: 20% to 21.1%) per annum.

2025                      2024  
-----Rupees-----

## 10 LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD

Accrued investment income		214,332,289	241,681,977
Loans to employees	10.1	4,188,099	2,466,775
Other receivable	10.2	87,619,192	50,884,977
Retirement benefit asset	15.3	-	1,157,209
		<u>306,139,580</u>	<u>296,190,938</u>

10.1 This includes loans provided to employees for domestic purposes which carry 5% interest / markup.

10.2 The maximum amount due from Sindh Modaraba Management Limited (related party ) at the end of any month during the year was Rs. 0.090 million (2024: 0.270 million).

2025                      2024  
-----Rupees-----

## 11 INSURANCE / REINSURANCE RECEIVABLES - UNSECURED CONSIDERED GOOD

Due from insurance contract holders	11.1	392,185,946	318,966,720
Due from other Insurers / reinsurers		147,098,258	187,852,576
		<u>539,284,204</u>	<u>506,819,296</u>

11.1 Due from insurance contract holders includes Rs. 333.035 million due from related parties (2024: 277.089 million).

11.2 The Company has the policy of recovery of due from insurance contract holders within a period of 12 months, therefore, no provision for impairment of receivable from insurance contract holders has been recorded.

	Note	2025 -----Rupees-----	2024
<b>12 PREPAYMENTS</b>			
Prepaid reinsurance premium ceded		575,704,058	683,910,554
Prepaid insurance expense		10,241,009	5,212,164
Prepaid miscellaneous expense		1,712,420	959,613
		<u>587,657,487</u>	<u>690,082,331</u>
<b>13 CASH AND BANK DEPOSITS</b>			
<b>Cash and other equivalents</b>			
Cash in hand		56,833	84,290
Policy and revenue stamps		2,500,033	1,235,155
<b>Cash at bank</b>			
Current accounts		-	-
Saving accounts	13.1 & 13.2	1,042,337,544	162,631,075
		<u>1,044,894,410</u>	<u>163,950,520</u>

**13.1** This represents interest bearing accounts carrying interest rates ranging from 11.5% to 13.5% (2024: 13.5% to 20.5% ) per annum.

**13.2** This includes balance amounting to 1,040 million (2024: 155.704 million) with Sindh Bank Limited, a related party.

## 14 ORDINARY SHARE CAPITAL

### 14.1 Authorized share capital

2025	2024		2025	2024
-----Number of shares-----			-----Rupees-----	
150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000,000	1,500,000,000

### 14.2 Issued, subscribed and paid up share capital

2025	2024		2025	2024
-----Number of shares-----			-----Rupees-----	
100,000,000	100,000,000	Ordinary shares of Rupees 10 each fully paid in cash	1,000,000,000	1,000,000,000

As at 31 December 2025, all the shares are beneficially held by Government of Sindh directly and through nominee directors.

## 15 Retirement benefit obligations

### 15.1 General description

The scheme provides to employees on cessation of employment to all of its permanent employees who attain the minimum qualifying period (3 years) at 100% of last drawn basic salary for each completed year of services. Annual charge is based on actuarial valuation carried out as at December 31, 2025 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

**Final salary risk** - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

**Mortality risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

**Withdrawal risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

**Asset volatility** - Most assets are invested in risk free investments i.e. Government Bonds / Treasury bills. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

**Discount rate fluctuation** - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

**Investment risks** - The risk of the investment underperforming and not being sufficient to meet the liabilities.

**Risk of insufficiency of assets** - This is managed by making regular contribution to the Fund as advised by the Actuary.

## 15.2 Principal actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

	2025	2024
	%age	%age
Discount rate	11.00%	12.25%
Expected rate of return on plan assets	11.00%	12.25%
Expected rate of increase in salary	11.00%	12.25%

2025                      2024  
-----Rupees-----

## 15.3 Reconciliation of balance due to defined benefit plan

Present value of defined benefit obligation	27,503,262	22,748,314
Fair value of plan assets	<u>(25,332,693)</u>	<u>(23,905,523)</u>
Closing net liability	<u>2,170,569</u>	<u>(1,157,209)</u>

## 15.4 Movement of the liability recognized in the statement of financial position

Opening net liability / (Asset)	(1,157,209)	(425,362)
Charge for the year	2,812,759	2,643,785
Remeasurement chargeable to other comprehensive income	918,588	(631,367)
Contribution made during the year	<u>(403,569)</u>	<u>(2,744,265)</u>
Closing net liability / (Asset)	<u>2,170,569</u>	<u>(1,157,209)</u>

## 15.5 Movement in present value of defined benefit obligations

Opening present value of defined benefit obligations	22,748,314	17,022,483
Current service cost for the year	2,954,518	2,711,843
Interest cost for the year	2,786,668	2,723,597
Remeasurement loss / (gain) on obligation	(368,411)	487,608
Benefits paid during the year	<u>(617,827)</u>	<u>(197,217)</u>
Closing present value of defined benefit obligations	<u>27,503,262</u>	<u>22,748,314</u>

**15.6 Movement In fair value of plan assets**

Opening fair value of plan assets	23,905,523	17,447,845
Expected Return on Plan Assets	2,928,427	2,791,655
Contributions during the year	403,569	2,744,265
Remeasurement on plan assets	(1,286,999)	1,118,975
Benefits paid during the year	(617,827)	(197,217)
Closing fair value of plan assets	<u>25,332,693</u>	<u>23,905,523</u>

2025                      2024  
-----Rupees-----

**15.7 Charge for the year to profit and loss account**

Current service cost	2,954,518	2,711,843
Interest cost	(141,758)	(68,058)
Provision for the year	-	-
Charge for the year	<u>2,812,759</u>	<u>2,643,785</u>

**15.8 Remeasurement chargeable to SOCI**

Remeasurement loss / (gain) on defined benefit obligation	(368,411)	487,608
Remeasurement gain on plan assets	1,286,999	(1,118,975)
Net (Gain)/Loss for the year	<u>918,588</u>	<u>(631,367)</u>

**15.9 Composition of fair value of plan assets****Fund investment**

	2025		2024	
	%	-----Rupees---	%	-----Rupees---
Debt	99%	25,082,184	98%	23,492,696
Others(Include cash and bank balances)	1%	250,509	2%	412,827
	<u>100%</u>	<u>25,332,693</u>	<u>100%</u>	<u>23,905,523</u>

**15.10 Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation is as follows:

Assumptions	2025	2024
	-----Rupees (000)-----	
1% Increase in Discount Rate	26,027	21,424
1% decrease in Discount Rate	29,144	24,217
1% Increase in Salary Increase Rate	29,260	24,311
1% decrease in Salary Increase Rate	25,897	21,317

**15.11 Maturity Profile**

Upto one year	624,000	577,000
One to two year	633,000	573,000
Two to three year	3,877,000	571,000
Three to four year	16,630,000	3,125,000
Four to five years	447,000	17,475,000
Above 5 years	43,510,000	59,188,000

**16 DEFERRED TAXATION**

Deferred debits arising in respect of:		
Provision for compensated absence leaves	(2,053,049)	(1,588,498)
Provision for gratuity	(1,366,256)	289,826
Lease Liabilities	(4,322,914)	(6,842,237)
Deferred credits arising in respect of:		
Accelerated depreciation	4,281,873	6,318,469
Unrealised gain on available for sale investments	127,627,801	71,746,703
	<u>124,167,455</u>	<u>69,824,263</u>

**16.1 Movement in net deferred tax (liability) / asset is as follows:**

	2025			Balance as at 31 December
	Balance as at 01 January	Recognized in profit and loss Account	Recognized in other comprehensive income	
	-----Rupees-----			
<b>(Taxable) temporary difference</b>				
Accelerated depreciation	(6,318,469)	2,036,596	-	(4,281,873)
Unrealised gain on available for sale investments	(71,746,703)	-	(55,881,098)	(127,627,801)
	(78,065,172)	2,036,596	(55,881,098)	(131,909,674)
<b>Deductible temporary difference</b>				
Provision for compensated leave absences	1,688,498	364,551		2,053,049
Defined benefit plan	(289,826)	1,297,833	358,249	1,366,256
Lease Liabilities	6,842,237	(2,519,323)		4,322,914
	8,240,909	(856,939)	358,249	7,742,219
<b>Net deferred tax (liability) / assets</b>	<b>(69,824,263)</b>	<b>1,179,656</b>	<b>(55,522,849)</b>	<b>(124,167,455)</b>
	2024			
	Balance as at 01 January	Recognized in profit and loss Account	Recognized in other comprehensive income	Balance as at 31 December
	-----Rupees-----			
<b>(Taxable) temporary difference</b>				
Defined benefit plan	179,820	(327,956)	(141,690)	(289,826)
Accelerated depreciation	370,860	(6,689,329)	-	(6,318,469)
Unrealised gain on available for sale investments	14,047,598	-	(85,794,301)	(71,746,703)
	14,598,278	(7,017,285)	(85,935,991)	(78,354,998)
<b>Deductible temporary difference</b>				
Provision for compensated leave absences	1,714,892	(26,394)	-	1,688,498
Lease Liabilities	359,977	6,482,260	-	6,842,237
	2,074,869	6,455,866	-	8,530,735
<b>Net deferred tax (liability) / assets</b>	<b>16,673,147</b>	<b>(561,419)</b>	<b>(85,935,991)</b>	<b>(69,824,263)</b>

**17 PREMIUM RECEIVED IN ADVANCE**

Premium received in advance	17.1	<u><b>13,896,194</b></u>	<u>18,959,356</u>
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This includes premium received in advance amounting to 8.154 million (2024: 14.502 million million) from Sindh Bar Council against which the policy has not been issued.

**Note**                      **2 0 2 5**                      **2 0 2 4**  
-----Rupees-----

**18 INSURANCE / REINSURANCE PAYABLES**

Due to other insurers / reinsurers	<u><b>364,325,393</b></u>	<u>363,324,742</u>
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The Company has coinsurance and reinsurance arrangements with various insurance and a domestic reinsurance company. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of reinsurance, the premium ceded to and claims recoverable from the reinsurer under the respective contracts. As per the prevailing industry practices, settlements of balances under coinsurance arrangements are done between the respective insurance companies in normal course of business. The Company believes that the current balances of co-insurers and reinsurer reflected in the records of the Company are based on the underlying contracts and transactions supported by appropriate evidence. In this regard, the Company exchanged balance information with various co-insurers based on significance of the balances and the reinsurers. This information corroborates the balance position of the Company in all material respects.

	Nota	2 0 2 5	2 0 2 4
		-----Rupees-----	
<b>19 OTHER CREDITORS AND ACCRUALS</b>			
Agent commission payable		1,257,151	1,003,338
Federal excise duty / sales tax		1,047,157,178	15,341,819
Federal insurance fee		455,758	1,022,071
Accrued expenses		23,530,964	24,666,800
Other tax payables		2,496,307	3,026,997
Provision for compensated leave absences	19.1	5,264,229	4,329,481
Auditors' remuneration		1,184,083	1,517,181
		<u>1,081,345,669</u>	<u>50,907,687</u>
<b>19.1 Provision for compensated leave absences</b>			
Opening balance		4,329,481	5,913,419
Provision for the period		934,748	(1,503,694)
Payments made during the period		-	(80,244)
Closing balance		<u>5,264,229</u>	<u>4,329,481</u>
<b>20 LEASE LIABILITIES</b>			
Lease liabilities recognized as on January 1		17,544,198	1,241,299
Add: Additions during the year		1,615,096	21,557,544
Reassessment		(453,308)	-
Interest accrued		2,515,745	(2,989,481)
Less: repayment of lease liabilities		(10,137,336)	(2,265,164)
Closing Balance		<u>11,084,395</u>	<u>17,544,198</u>
<b>20.1 Break up of lease liabilities</b>			
Lease liabilities		11,084,395	17,544,198
Less: current portion		(11,084,395)	(9,575,687)
		<u>-</u>	<u>7,968,511</u>
<b>Maturity analysis - contractual undiscounted cash flows:</b>			
Less than one year		11,084,395	9,575,687
One to five years		-	7,968,511
Total undiscounted lease liability		<u>11,084,395</u>	<u>17,544,198</u>
<b>20.2</b>	When measuring lease liabilities, the Company discounted lease payments using Incremental borrowing rates ranging from 11.5% to 19.35% (2024: 19.35% to 24.24%) per annum.		
<b>21 TAXATION - PAYMENT LESS PROVISIONS</b>			
Provision for income tax		303,657,020	348,728,284
Less: Advance tax		(357,742,504)	(373,564,961)
		<u>(54,085,484)</u>	<u>(24,836,678)</u>
<b>22 CONTINGENCIES AND COMMITMENTS</b>			
There were no contingencies or commitments as at the reporting date (2024: Nil).			

	2025	2024
	-----Rupees-----	
<b>23 NET INSURANCE PREMIUM</b>		
Written gross premium	<b>1,495,920,227</b>	1,628,523,880
Unearned premium reserve - opening	<b>835,797,362</b>	865,751,001
Unearned premium reserve - closing	<b>(752,313,365)</b>	(835,797,362)
Premium earned	<b>1,579,404,224</b>	1,658,477,519
Less:		
Reinsurance premium ceded	<b>1,134,682,245</b>	1,144,016,026
Prepaid reinsurance premium - opening	<b>683,910,554</b>	773,019,411
Prepaid reinsurance premium - closing	<b>(575,704,058)</b>	(683,910,554)
Reinsurance expense	<b>1,242,888,741</b>	1,233,124,883
	<b>336,515,483</b>	425,352,636

<b>24 NET INSURANCE CLAIMS EXPENSE</b>		
Claim paid	<b>543,581,496</b>	468,751,408
Outstanding claims including IBNR - closing	<b>766,335,095</b>	1,065,463,708
Outstanding claims including IBNR - opening	<b>(1,065,463,708)</b>	(1,279,187,790)
Claim expense	<b>244,452,883</b>	255,027,326
Less:		
Reinsurance and other recoveries received	<b>93,258,387</b>	58,784,034
Reinsurance and other recoveries in respect of outstanding claims - opening	<b>(37,762,677)</b>	(34,229,942)
Reinsurance and other recoveries in respect of outstanding claims - closing	<b>77,765,887</b>	37,762,676
Reinsurance and other recoveries revenue	<b>133,261,597</b>	62,316,768
	<b>111,191,286</b>	192,710,558

**24.1** This includes Provision for incurred but not reported (IBNR) amounting to Rs 350.87 million (2024: Rs 766.596 million).

**24.2** The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a year of time. All amounts are presented in gross numbers before reinsurance:

Accident year	2021	2022	2023	2024	2025	Total
	-----Rupees-----					
Estimate of ultimate claims cost:						
At the end of accident year	205,646,561	309,458,170	662,116,531	579,020,575	<b>654,465,920</b>	2,410,707,757
One year later	206,450,009	272,590,424	489,051,022	583,874,515		1,552,065,970
Two years later	196,532,274	370,049,281	471,604,439			1,038,385,994
Three years later	187,326,578	358,702,831				546,029,409
Four years later	191,880,278					191,880,278
	191,880,278	358,702,831	471,604,439	583,874,515	<b>654,465,920</b>	2,260,527,983
Cumulative payment	(185,824,528)	(356,310,721)	(440,269,889)	(472,427,176)	<b>(423,979,537)</b>	(1,878,811,651)
Liability recognized in statement of financial position	<b>6,055,750</b>	<b>2,392,110</b>	<b>31,334,550</b>	<b>111,447,339</b>	<b>230,486,383</b>	<b>381,716,132</b>

	Note	2025 -----Rupees-----	2024
<b>25 NET COMMISSION EXPENSE / ACQUISITION COST</b>			
Commission paid or payable		5,348,824	5,745,906
Deferred commission expense - opening		1,254,831	3,611,185
Deferred commission expense - closing		(2,333,366)	(1,254,831)
Net commission		4,270,289	8,102,260
Less:			
Commission received or recoverable		116,613,309	101,187,398
Unearned reinsurance commission - opening		46,024,544	33,472,452
Unearned reinsurance commission - closing		(55,466,199)	(46,024,544)
Commission from reinsurers		107,171,654	88,635,306
		(102,901,365)	(80,533,046)
<b>26 MANAGEMENT EXPENSES</b>			
Salaries, allowance and other benefits	26.1	136,991,132	111,149,451
Travelling expense		27,644,683	15,617,037
Advertisement and sales promotion		2,919,615	3,004,483
Printing and stationery		3,873,141	4,734,584
Depreciation		17,079,570	15,639,011
Amortization		419,055	971,425
Rent, rates and taxes		179,795	142,025
Legal and professional charges		4,848,475	4,119,404
Electricity, gas and water		5,941,802	5,780,242
Entertainment		4,139,779	4,529,074
Vehicle running expense		628,759	296,650
Office repair, maintenance and Insurance		25,643,574	19,518,824
Office expense		3,076,911	3,055,802
Bank charges		1,574,622	1,984,262
Postage, telegrams and telephones		2,202,682	1,899,823
Annual supervision fee SECP		2,817,561	2,828,780
Bad and doubtful debts		-	-
Service charges (Crescent Care)		11,346,361	15,766,284
Miscellaneous		6,249,135	6,135,474
		257,576,652	217,172,636
<b>26.1 Employee benefits cost</b>			
Salaries, allowance and other benefits		134,036,614	108,437,608
Charges for post employment benefits	15.7	2,954,518	2,711,843
		136,991,132	111,149,451
<b>26.2 Employees' provident fund</b>			
Size of the fund		55,108,300	44,223,035
Number of members		24	18
Cost of investment made		50,704,284	40,276,948
Percentage of investment made		92%	91%
Fair value / amortised cost of the investments		50,704,334	40,276,948
<b>Break up of the investments is as follows:</b>			
Government securities - Market Treasury bills		9,753,170	-
Government securities - Pakistan Investment bonds		40,951,114	40,276,948

The details of total assets is as follows:

	2025 Percentage	2025 Rupees	2024 Percentage	2024 Rupees
Treasury bills	18.17%	9,753,170	0.00%	-
Pakistan Investment Bonds	76.29%	40,951,114	98.44%	40,276,948
Investments In mutual funds	0.00%	-	0.00%	-
Term Deposit Receipts	0.00%	-	0.00%	-
Cash at bank - saving account	5.54%	2,973,236	1.56%	638,776
	<b>100%</b>	<b>53,677,520</b>	<b>100%</b>	<b>40,915,724</b>

The Company has contributory provident fund scheme of all its permanent employees. The fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees. The investments by the fund have been made in accordance with the conditions specified in section 218 of the Companies Act 2017 and rules specified thereunder.

	Note	2025 -----Rupees-----	2024
<b>27 INVESTMENT INCOME</b>			
<b>Income from equity securities</b>			
<b>Available for sale</b>			
- Dividend income		3,248,830	-
- Capital gain		27,957,558	156,453
		<b>31,206,388</b>	156,453
<b>Income from debt securities</b>			
<b>Available for sale</b>			
- Return on debt securities		525,043,882	609,596,287
- Amortisation of discount on PIBs		121,567,829	104,338,791
		<b>646,611,711</b>	713,935,078
<b>Held to maturity</b>			
- Return on debt securities		12,031,249	12,031,250
- Amortisation of discount on PIBs		3,625,966	3,205,489
		<b>15,657,215</b>	15,236,739
<b>Income from term deposits</b>			
- Return on deposit		21,257,534	39,959,159
<b>Total Investment Income</b>		<b>714,732,848</b>	769,287,429
<b>28 OTHER INCOME</b>			
Profit on bank deposit		24,581,445	41,935,081
Income on generator sharing		1,080,000	1,080,000
Other		4,756,204	14,579,790
		<b>30,417,649</b>	57,594,871
<b>29 OTHER EXPENSES</b>			
Auditors' remuneration	29.1	1,197,635	1,420,957
<b>Director's Meeting Fee</b>			
Board and board committees		27,000,000	26,495,000
Management committees		10,600,000	11,355,000
		<b>38,797,635</b>	39,270,957

2025                      2024  
-----Rupees-----

**29.1 Auditors' remuneration**

Audit fee	544,104	494,640
Half yearly review fee	252,508	229,553
Special certifications and sundry advisory services	177,937	161,762
Out-of-pocket expenses	38,831	36,210
Others	184,255	498,793
	<u>1,197,635</u>	<u>1,420,957</u>

**30 FINANCE COST**

Finance cost (income) on gratuity	(141,758)	(68,058)
Finance cost on lease liability	2,515,745	2,989,481
	<u>2,373,987</u>	<u>2,921,423</u>

**31 TAXATION****For Current year**

Current	316,894,779	346,069,147
Prior	7,653,196	33,121,420
Deferred	(1,179,658)	561,421
	<u>323,368,317</u>	<u>379,751,988</u>

**31.1 Relationship between tax expense and accounting profit**

The relationship between tax expense and accounting profit is as follows:

Accounting profit before tax	<u>807,133,411</u>	<u>892,078,021</u>
Tax @ 39%	314,782,030	347,910,429
Prior year	7,653,196	33,121,420
Others	(933,091)	(1,279,861)
	<u>323,368,317</u>	<u>379,751,988</u>

2025                      2024  
-----Rupees-----

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

There is no dilutive effect on the basic earnings per share which is based on:

Net profit after tax for the year - Rupees	<u>483,765,094</u>	<u>512,326,034</u>
Weighted average number of ordinary shares-Number	<u>100,000,000</u>	<u>100,000,000</u>
Basic earnings per share - Rupees	<u>4.84</u>	<u>5.12</u>

**32.1** There is no dilution effect on the basic earnings per share as the Company has no convertible dilutive potential ordinary shares outstanding at the year end; consequently, the reported basic earnings per share is also the diluted earnings per share.

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

	Chief Executive Officer		Directors		Executives	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Meeting fee	-	-	37,600,000	37,850,000	-	-
Managerial remuneration	10,432,776	10,142,978	-	-	16,594,392	9,419,520
Rent and house maintenance	4,173,120	4,057,200	-	-	6,637,738	3,787,773
Utilities	1,043,280	1,014,300	-	-	1,659,416	978,785
Medical	1,043,280	1,014,300	-	-	1,659,416	978,785
Conveyance	-	-	-	-	-	-
Bonus	2,608,194	2,825,545	-	-	4,564,484	2,529,346
Others	2,753,184	1,965,512	-	-	5,254,296	2,238,490
	<b>22,053,834</b>	<b>21,019,835</b>	<b>37,600,000</b>	<b>37,850,000</b>	<b>36,360,742</b>	<b>10,012,699</b>
Number of persons	<b>1</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>2</b>

**33.1** In addition to the above, the Chief Executive Officer and Executives of the Company are provided with company maintained cars and medical reimbursement as per company policy.

**34 TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of associated companies, entities under common control, entities with common Directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at prices determined under "Comparable controlled price method". Transactions and balances with related parties have been disclosed in relevant notes to the financial statements. Other transactions and balances not elsewhere disclosed are summarized as follows:

	2025	2024
	-----Rupees-----	
<b>Transactions</b>		
<b>Companies having common directorship</b>		
<b>Sindh Bank Limited (SBL)</b>		
Income on saving accounts	24,251,510	41,868,110
Income on term deposits	-	19,016,693
Premium written	160,654,869	193,914,304
Claim paid	84,980,451	76,896,109
<b>Sindh Modarba Management Limited (SMML)</b>		
Income on sharing of generator	1,080,000	1,080,000
<b>Sindh Microfinance Bank Limited</b>		
Premium written	4,332,423	14,622,975
Claim paid	11,776,678	3,056,709
Income on term deposits	21,257,534	20,942,466
<b>Directors</b>		
Premium written	334,441	114,807
Claim paid	366,163	11,940
Meeting Fee	37,600,000	37,850,000
Liability Insurance	3,198,875	1,872,750
Health Insurance & OPD Reimbursement	2,750,380	4,578,472
<b>Employees' fund</b>		
Contribution to provident fund	3,535,243	3,051,818
<b>Government of Sindh</b>		
Premium written	1	1
Claim paid	302,651,225	258,358,300

2025                      2024  
-----Rupees-----

**Balances****Companies having common directorship****Sindh Bank Limited (SBL)**

Bank accounts	1,040,468,627	155,704,778
Due from insurance contract holder	57,746,636	1,983,016
Claim payable	14,147,293	13,608,871

**Sindh Modaraba**

Amount receivable for sharing of generator	27,646	(10,900)
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**Sindh Micro Finance Bank Limited**

Due from insurance contract holder	43,670	(139,370)
Claim (receivable) / payable	1,013,980	10,547,625
Term deposits	-	200,000,000

**Directors**

Claim payable	50,000	-
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**Receivable From Sindh Insurance Limited - WTO**

	71,014,329	15,022,882
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## 35 OPERATING SEGMENTS AS AT 31 DECEMBER

	2025						Treaty	Total
	Fire and Property Damage	Marine, Aviation & Transport	Motor	Accident and health	Engineering	Miscellaneous		
<b>Segment results</b>								
Premium receivable	225,964,674	72,576,107	315,583,554	127,044,269	912,007,836	81,621,260	-	1,734,817,700
Less: Federal excise duty	29,261,989	9,273,297	39,399,737	16,996,063	118,629,133	10,467,050	-	224,027,269
Federal insurance fee	1,946,189	617,545	2,624,291	1,133,073	7,852,475	696,631	-	14,870,204
Gross written premium	194,776,496	62,685,265	273,559,526	108,915,133	785,528,228	70,457,579	-	1,495,920,227
Direct premium earned	195,140,722	59,165,412	210,229,120	95,843,201	936,865,301	69,209,710	-	1,566,453,466
Facultative inward premium earned	867,797	760,393	8,408,638	-	78,477	1,123,612	-	11,236,917
Administrative surcharge earned	203,232	398,333	868,603	34,584	93,402	115,688	-	1,713,842
Insurance premium earned	196,211,751	60,324,138	219,506,361	95,877,785	937,035,180	70,449,010	-	1,579,404,225
Insurance premium ceded to reinsurers	172,182,017	38,605,317	122,527,592	-	858,132,045	51,441,770	-	1,242,888,741
Net Insurance premium	24,029,734	21,718,821	96,978,769	95,877,785	78,903,135	19,007,240	-	336,515,484
Commission Income	23,954,002	5,578,908	34,358,163	-	36,187,868	7,092,713	-	107,171,654
<b>Net underwriting income</b>	47,983,736	27,297,729	131,336,932	95,877,785	118,091,003	26,099,953	-	443,687,138
Insurance claims	73,864,351	(1,098,922)	97,411,450	56,639,453	31,270,324	(13,633,773)	-	244,452,883
Insurance claims recovered from reinsurers	64,173,687	256,510	50,012,400	-	24,293,693	(9,476,693)	-	133,261,597
Net claims	9,690,664	(1,357,432)	47,399,050	56,639,453	6,976,631	(8,157,080)	-	111,191,286
Commission expense	1,116,975	375,170	1,899,265	426,385	213,184	239,310	-	4,270,289
Management expense	28,475,878	9,164,442	39,993,777	54,799,681	114,842,137	10,300,737	-	257,576,651
Premium deficiency expense	399,066	-	15,636,587	5,264,526	-	19,007,981	-	40,308,160
<b>Net insurance claims and expenses</b>	39,682,583	8,182,180	104,928,679	117,130,045	122,031,952	21,390,947	-	413,346,387
<b>Underwriting result</b>	8,301,153	19,115,549	26,408,253	(21,252,260)	(6,940,948)	4,709,006	-	30,340,752
Net Investment Income								714,732,848
Other income								30,417,649
Other expenses								(38,797,635)
Finance cost								(2,373,987)
Profit from Window Takatful Operation								72,813,785
<b>Profit before tax</b>								807,133,412
Segment assets	205,185,632	66,035,256	288,178,940	114,735,714	827,505,879	74,222,933	-	1,575,864,355
Un-allocated assets								14,932,911,558
Segment liabilities	279,654,721	90,001,775	392,769,223	156,377,344	1,127,836,894	101,161,040	-	2,147,801,006
Un-allocated liabilities								9,852,111,308
								12,029,912,404

	2024							Total
	Fire and Property Damage	Marine, Aviation & Transport	Motor	Accident and health	Engineering	Miscellaneous	Treaty	
	Rupees							
<b>Segment results</b>								
Premium receivable	247,066,634	65,739,070	289,412,690	172,086,782	1,105,601,390	82,377,421	-	1,882,283,907
Less: Federal excise duty	29,456,969	7,369,593	24,937,320	21,093,054	144,330,905	10,381,913	-	237,569,754
Federal insurance fee	2,110,401	558,434	1,788,496	1,513,393	9,506,542	713,007	-	16,190,273
Gross written premium	215,999,264	57,811,043	182,686,874	149,480,255	951,763,943	71,282,501	-	1,628,523,880
Direct premium earned	171,267,255	62,065,500	164,655,567	140,762,732	1,032,416,045	70,168,675	-	1,641,335,774
Facultative Inward premium earned	5,145,099	1,243,549	8,289,947	-	722,274	-	-	15,360,869
Administrative surcharge earned	199,772	449,379	894,262	34,238	82,819	126,406	-	1,780,876
Insurance premium earned	176,612,126	63,758,428	173,799,776	140,796,970	1,033,221,138	70,289,081	-	1,658,477,519
Insurance premiums ceded to reinsurers	151,004,794	42,098,513	88,671,815	-	904,746,387	46,603,374	-	1,233,124,883
Net insurance premium	25,607,332	21,659,915	85,127,961	140,796,970	128,474,751	23,685,707	-	425,352,636
Commission income	22,035,601	4,291,282	27,337,251	-	34,583,744	387,428	-	88,635,306
<b>Net underwriting income</b>	47,642,933	25,951,197	112,465,212	140,796,970	163,058,495	24,073,135	-	513,987,942
Insurance claims	(13,282,742)	10,038,896	97,130,919	121,014,843	14,706,588	25,418,822	-	255,027,326
Insurance claims recovered from reinsurers	(14,769,873)	1,333,598	46,108,955	-	13,878,265	15,765,813	-	62,316,768
Net claims	1,487,131	8,705,298	51,021,954	121,014,843	828,323	9,653,009	-	192,710,558
Commission expense	2,341,218	316,229	1,847,807	3,185,536	297,694	113,776	-	8,102,260
Management expense	24,596,270	6,598,334	20,851,188	48,360,197	108,630,732	8,135,915	-	217,172,636
Premium deficiency expense	1,153,805	-	899,304	2,389,572	-	(2,500,316)	-	1,522,366
<b>Net insurance claims and expenses</b>	29,578,425	15,619,860	74,620,253	174,930,148	109,756,749	15,402,384	-	419,907,820
<b>Underwriting result</b>	18,064,508	10,331,337	37,844,959	(34,133,178)	53,301,746	8,670,751	-	94,080,122
Net investment income								769,287,429
Other income								57,594,872
Other expenses								(39,270,857)
Finance cost								(2,021,423)
Profit from Window Takaful Operation								13,307,878
<b>Profit before tax</b>								892,078,821
Segment assets	195,037,684	52,321,905	165,340,819	135,287,157	861,934,291	64,514,253		1,474,436,109
Un-allocated assets								5,068,163,133
								6,542,599,242
Segment liabilities	312,334,382	83,788,576	264,777,688	216,649,571	1,379,441,385	103,313,466		2,380,305,048
Un-allocated liabilities								268,353,722
								2,628,658,767

**36. MOVEMENT IN INVESTMENT**

	<b>Held to Maturity</b>	<b>Available for sale</b>	<b>Fair Value through Profit and loss</b>	<b>Total</b>
	-----Rupees-----			
As at 31 December 2023	119,201,107	4,189,372,559	-	4,308,573,666
Additions	3,205,489	1,896,511,740	-	1,899,717,229
Disposals (sale and redemptions)	-	(2,098,442,360)	-	(2,098,442,360)
Fair value net gains (excluding net realised gains)	-	232,405,899	-	232,405,899
As at 31 December 2024	122,406,596	4,219,847,838	-	4,342,254,434
<b>As at 01 January 2025</b>	<b>122,406,596</b>	<b>4,219,847,838</b>	<b>-</b>	<b>4,342,254,434</b>
Additions	3,625,966	1,682,871,711	-	1,686,497,677
Disposals (sale and redemptions)	-	(1,253,768,757)	-	(1,253,768,757)
Fair value net gains (excluding net realised gains)	-	143,447,300	-	143,447,300
<b>As at 31 December 2025</b>	<b>126,032,562</b>	<b>4,792,398,092</b>	<b>-</b>	<b>4,918,430,654</b>

**37. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK**

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

**37.1 Insurance risk**

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims and similar procedures are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. Reinsurance policies are written with approved reinsurers on either a proportionate basis or non-proportionate basis. The reinsurers are carefully selected and approved and are dispersed over several geographical regions.

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

The Company principally issues the general insurance contracts e.g. marine and aviation, property, motor and general accidents. Risks under non-life insurance policies usually cover twelve month or lesser duration. For general insurance contracts the most significant risks arise from accidental fire, atmospheric disaster and terrorist activities. Insurance contracts at times also cover risk for single incidents that expose the Company to multiple insurance risks.

**a) Frequency and severity of claims**

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical factors, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Company manages these risk through the measures described above. The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business as at the reporting date:

Class of business	2025				2024			
	Gross claim liability	Net claim liability	Gross premium liability	Net premium liability	Gross claim liability	Net claim liability	Gross premium liability	Net premium liability
Fire and property damage	8%	1%	13%	5%	1%	1%	12%	10%
Marine, aviation and transport	1%	1%	2%	3%	1%	1%	1%	3%
Motor	6%	4%	17%	35%	4%	3%	9%	22%
Accident and health	79%	88%	8%	35%	88%	91%	6%	33%
Engineering	1%	0%	55%	16%	0%	0%	68%	26%
Miscellaneous	5%	5%	5%	5%	6%	4%	4%	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%

**b) Geographical concentration of insurance risk**

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated primarily with the commercial / industrial occupation of the insured. Details regarding the fire separation / segregation with respect to the manufacturing processes, storage, utilities, etc. are extracted from the layout plan of the insured facility. Such details are formed part of the reports which are made available to the underwriters / reinsurers for their evaluation. Reference is made to the standard construction specifications laid down by Insurance Association of Pakistan (IAP). For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

A risk management solution is implemented to help assess and plan for risk in catastrophic scenarios. It provides a way to better visualize the risk exposure of the Company and to determine the appropriate amount of Reinsurance coverage to protect the business portfolio.

**c) Reinsurance arrangements**

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non-proportional treaty which is very much in line with the risk management philosophy of the Company.

In compliance with regulatory requirements, the reinsurance agreements are duly submitted to the Securities and Exchange Commission of Pakistan on an annual basis.

The Company's class wise risk exposure (based on maximum loss coverage in a single policy is as follows):

Class	Gross sum insured	Reinsurance	Net exposure of risk	Net exposure of risk
			2025	2024
	Rupees	Rupees	Rupees	Rupees
Fire and property damage	156,226,571,939	148,853,723,668	7,372,848,271	21,000,000
Marine, aviation and transpo	39,551,114,896	29,639,742,250	9,911,372,646	23,556,818
Motor	15,070,110,440	8,039,455,949	7,030,654,491	8,587,508
Accident and Health	-	-	-	2,000,000
Engineering	82,562,608,258	79,556,681,911	3,005,926,347	22,400,000
Miscellaneous	15,965,468,554	14,352,337,310	1,613,131,244	3,500,000
	<b>309,375,874,087</b>	<b>280,441,941,088</b>	<b>28,933,932,999</b>	<b>81,044,326</b>

**d) Uncertainty in the estimation of future claims payment**

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

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims IBNR, the Company follows the recommendation of actuary.

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

**e) Key assumptions**

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

**f) Sensitivity analysis**

The insurance claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact of variation in incidence of insured events on gross claim liabilities, net claim liabilities, profit before tax and equity is as follows:

Pre-tax profit		Shareholders' equity	
2025	2024	2025	2024
-----Rupees-----			

**Impact of change in claim liabilities by +10 %**

Fire and property damage	969,066	148,713	688,037	105,586
Marine, aviation and transport	(135,743)	870,530	(96,378)	618,076
Motor	4,739,905	5,102,195	3,365,333	3,622,558
Accident and Health	5,663,945	12,101,484	4,021,401	8,592,054
Engineering	697,663	82,832	495,341	58,811
Miscellaneous	(815,708)	965,301	(579,153)	685,364
	<b>11,119,129</b>	<b>19,271,055</b>	<b>7,894,581</b>	<b>13,682,449</b>

**Impact of change in claim liabilities by -10 %**

Fire and property damage	(969,066)	(148,713)	(688,037)	(105,586)
Marine, aviation and transport	135,743	(870,530)	96,378	(618,076)
Motor	(4,739,905)	(5,102,195)	(3,365,333)	(3,622,558)
Accident and Health	(5,663,945)	(12,101,484)	(4,021,401)	(8,592,054)
Engineering	(697,663)	(82,832)	(495,341)	(58,811)
Miscellaneous	815,708	(965,301)	579,153	(685,364)
	<b>(11,119,129)</b>	<b>(19,271,055)</b>	<b>(7,894,581)</b>	<b>(13,682,449)</b>

**37.2 Financial risk****37.2.1 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management follows an effective cash management program to mitigate the liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments on an undiscounted cash flow basis:

Carrying amount	2025		
	Contractual cash flow	Upto one year	More than one year
-----Rupees-----			

**Financial liabilities**

Premium received in advance	13,896,194	13,896,194	13,896,194	-
Provision for outstanding claims	766,335,095	766,335,095	766,335,095	-
Amount due to insurers /	364,325,393	364,325,393	364,325,393	-
Other creditors and accruals	1,081,345,669	1,081,345,669	1,081,345,669	-
Lease Liability	11,084,395	11,084,395	11,084,395	-
Liabilities of Window Takaful	8,788,767,916	8,788,767,916	8,788,767,916	-
	<b>11,025,754,661</b>	<b>11,025,754,661</b>	<b>11,025,754,661</b>	<b>-</b>

Carrying amount	2024		
	Contractual cash flow	Upto one year	More than one year
-----Rupees-----			

**Financial liabilities**

Premium received in advance	18,959,356	18,959,356	18,959,356	-
Provision for outstanding claims	1,065,463,708	1,065,463,708	1,065,463,708	-
Amount due to insurers /	363,324,742	363,324,742	363,324,742	-
Other creditors and accruals	50,907,687	50,907,687	50,907,687	-
Lease Liability	17,544,198	17,544,198	9,575,687	7,968,511
Liabilities of Window Takaful	131,080,911	131,080,911	131,080,911	-
	<b>1,647,280,602</b>	<b>1,647,280,602</b>	<b>1,639,312,091</b>	<b>-</b>

**37.3 Market risk**

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are Interest / mark-up rate risk, price risk and currency risk.

**a) Interest / mark-up rate risk**

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatching of financial assets and liabilities that mature or repaid in a given year. The Company manages this mismatch through risk management strategies where significant changes in gap position can be adjusted. At the reporting date the Interest / mark-up rate profile of the Company's significant Interest / mark-up bearing financial instruments was as follows:

Effective yield / interest rate	2025						Total
	Interest / mark-up bearing			Non-interest bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity within one year	Maturity after one year	Sub total	
----- Rupees -----							
<b>Financial assets</b>							
<b>Investments</b>							
Debt securities	12.55% to 19.12%	-	4,361,734,283	4,361,734,283	-	-	4,361,734,283
Equity securities	-	-	-	-	556,696,371	-	556,696,371
		-	4,361,734,283	4,361,734,283	556,696,371	-	4,918,430,655
Loan and other receivables		-	-	-	306,136,580	-	306,136,580
Insurance / reinsurance receivables		-	-	-	539,284,204	-	1,078,568,409
Reinsurance recoveries against outstanding claims		-	-	-	77,765,687	-	155,531,773
Cash and bank	13.50% to 20.50%	1,042,337,544	-	1,042,337,544	2,556,866	-	5,113,732
		1,042,337,544	4,361,734,283	5,404,071,827	1,482,442,908	-	6,789,923,729
<b>Financial liabilities</b>							
Outstanding claims including IBF	-	-	-	-	766,335,095	-	766,335,095
Insurance / reinsurance payables	-	-	-	-	364,325,393	-	364,325,393
Other creditors and accruals	-	-	-	-	1,081,345,669	-	1,081,345,669
Lease liability	19.35% to 24.24%	11,084,395	-	11,084,395	-	-	11,084,395
		11,084,395	-	11,084,395	2,212,006,187	-	2,223,090,582
On balance sheet gap (a)		1,053,421,939	4,361,734,283	5,415,156,222	3,694,446,065	-	8,993,014,290
Off balance sheet financial instrument		-	-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,053,421,939	4,361,734,283	5,415,156,222			
Cumulative interest rate sensitivity gap		1,053,421,939	4,361,734,283				

Effective yield / interest rate	2024						Total
	Interest / mark-up bearing			Non-interest bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity within one year	Maturity after one year	Sub total	
----- Rupees -----							
<b>Financial assets</b>							
<b>Investments</b>							
Debt securities	12.43% to 19.22%	95,996,581	4,245,257,933	4,342,254,434	-	-	4,342,254,434
Term deposits	21.50%	293,000,000	-	293,000,000	-	-	293,000,000
		295,996,581	4,245,257,933	4,542,254,434	-	-	4,542,254,434
Loan and other receivables		-	-	-	296,190,938	-	296,190,938
Insurance / reinsurance receivables		-	-	-	506,819,296	-	506,819,296
Reinsurance recoveries against outstanding claims		-	-	-	37,762,676	-	37,762,676
Cash and bank	13.50% to 20.50%	162,631,075	-	162,631,075	1,319,445	-	163,950,520
		459,627,576	4,245,257,933	4,704,885,509	842,092,355	-	5,546,977,864
<b>Financial liabilities</b>							
Outstanding claims including IBF	-	-	-	-	1,065,463,708	-	1,065,463,708
Insurance / reinsurance payables	-	-	-	-	363,324,742	-	363,324,742
Other creditors and accruals	-	-	-	-	50,907,687	-	50,907,687
Lease liability	19.35% to 24.24%	9,575,687	7,968,511	17,544,198	-	-	17,544,198
		9,575,687	7,968,511	17,544,198	1,479,696,137	-	1,497,240,335
On balance sheet gap (a)		469,203,263	4,253,225,444	4,722,429,707	2,321,788,492	-	7,044,218,199
Off balance sheet financial instrument		-	-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		469,203,263	4,253,225,444	4,722,429,707			
Cumulative interest rate sensitivity gap		469,203,263	4,253,225,444				

The financial instruments of the Company can be classified into fixed rate Instruments and variable rate Instruments as shown below:

	Carrying amount	
	2025	2024
	----- Rupees -----	
Fixed rate instruments		
Financial assets	3,300,084,282	3,872,831,182
Variable rate instruments		
Financial assets	2,106,544,410	832,054,326

#### Sensitivity analysis for fixed rate instruments

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

#### Sensitivity analysis of variable rate instruments

An increase of 100 basis points in interest rates would have increased the profit and loss account by the amounts shown below. Reduction in interest rates by 100 basis points would have an opposite impact. This analysis assumes that all variables remain constant. The analysis has been performed on the same basis for the comparative period.

	Profit before tax		Total equity	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
	-----Rupees-----			
<b>As at December 31, 2025</b>				
Sensitivity	9,273,809	-9,273,809	6,584,404	(6,584,404)
<b>As at December 31, 2024</b>				
Sensitivity	12,612,915	-12,612,915	8,955,170	(8,955,170)

Above sensitivities are calculated on the assumption that all factors remain constant except interest rates and resulting variation in fair values of the investments and impact on the profit and loss.

The Company monitors the interest rate environment on a regular basis and alters the portfolio mix of fixed and floating rate securities. The Company's policy requires the management to manage the risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Company's portfolio is a measure of the sensitivity of the fair value of the Company's fixed interest securities to the changes in market interest rates.

#### b) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark-up rate risk or currency risk), whether those changes are caused by factor specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instrument traded in the market. The Company is not exposed to price risk as the Company has no equity investments.

#### c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign currency risk as the Company has no financial assets and financial liabilities in foreign currencies.

#### 37.4 Credit risk

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

**Exposure to credit risk**

The maximum exposure to credit risk before any credit enhancements at December 31, 2025 is the carrying amount of the financial assets as set out below:

	2 0 2 5	2 0 2 4
	-----Rupees-----	
<b>Nature of Financial assets</b>		
Bank balances	1,042,337,544	163,950,520
Investments		
Equity securities	556,696,371	-
Debt securities	4,361,734,283	4,342,254,434
Term deposits	-	200,000,000
	4,918,430,654	4,542,254,434
Due from insurance contract holders	392,185,946	318,966,720
Due from other Insurers / reinsurers	147,098,258	187,852,576
Loans and other receivable	306,139,580	296,190,938
Re-Insurance recoveries against outstanding claims	77,765,887	37,762,676
	<b>6,883,957,869</b>	<b>5,546,977,864</b>

Provision for impairment is made for doubtful receivables according to the Company's policy. The impairment provision is written off when the Company expects that it cannot recover the balance due.

	2 0 2 5	2 0 2 4
	-----Rupees-----	
The age analysis of due from other Insurers / reinsurers from other than related parties is as follows:		
Upto 3 months	55,128,835	31,465,359
3 to 6 months	4,023,882	10,412,706
6 to 12 months	(2,087)	-
More than 12 months	-	-
	<b>59,150,630</b>	<b>41,878,065</b>

The age analysis of due from insurance contract holders with respect to related parties is as follows:

Upto 3 months	57,784,632	-
3 to 6 months	5,678	1,843,650
6 to 12 months	-	-
More than 12 months	275,245,001	275,245,005
	<b>333,035,311</b>	<b>277,088,655</b>

**Concentration of credit risk**

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties, thereby mitigating any significant concentration of credit risk. Provision for impairment is made for doubtful receivables according to the Company's policy. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no history of default. The credit quality of the banks with which Company has balances including TDR's can be assessed with reference to external credit ratings as follows:

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

Description	Rating		Rating Agency	2025	2024
	Short term	Long term			
----- Rupees -----					
<b>Cash at bank</b>					
Sindh Bank Limited	AA-	A1+	JCR-VIS	<b>1,040,468,627</b>	155,704,779
Khushali Micro Finance Bank Limited	A-	A2	JCR-VIS	<b>154,833</b>	146,167
NRSP Micro Finance Bank	A-	A2	JCR-VIS	<b>317,149</b>	299,353
Telenor Microfinance Bank Limited - formerly	A1	A	JCR-VIS	<b>420,836</b>	397,925
Bank Al Habib	AAA	A1+	PACRA	<b>900,193</b>	6,082,851
Sindh Microfinance Bank Limited	A1	A	PACRA	<b>75,906</b>	-
				<b>1,042,337,544</b>	<b>162,631,075</b>
<b>Term deposit certificates</b>					
Sindh Bank Limited	AA-	A1+	JCR-VIS	-	200,000,000
				-	<b>200,000,000</b>
<b>Investments</b>					
<b>Term finance certificates</b>					
Meezan Bank Limited	A1+	AAA	JCR-VIS	<b>143,000,000</b>	143,000,000
Bank Al Habib Limited	A1+	AAA	PACRA	<b>132,000,000</b>	132,000,000
Soneri Bank Limited	A1+	AA-	PACRA	<b>150,150,000</b>	150,150,000
United Bank Limited	A1+	AAA	JCR-VIS	<b>136,500,000</b>	147,276,750
Thatta Cement Company Limited - Sukuk	-	AA-	JCR-VIS	<b>500,000,000</b>	-
				<b>1,061,650,000</b>	<b>572,426,750</b>

### 38. CAPITAL RISK MANAGEMENT

The Company's goals and objectives when managing capital are:

To be an appropriately capitalized institution in compliance with the paid-up capital requirement set by the SECP. Minimum paid-up capital requirement for non-life insurers is Rupees 800 million. The Company's current paid-up capital is well in excess of the limit prescribed by the SECP;

To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for the other stakeholders;

To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;

To maintain strong ratings and to protect the Company against unexpected events/ losses; and

To ensure a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

### 39. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Valuation techniques for which the lowest level input for which the fair value measurement is directly or indirectly observable.
- Level 3:** Valuation techniques for which the lowest level input for which the fair value measurement is unobservable.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

As at 31 December 2025									
Field-to-maturity	Carrying amount					Fair Value			
	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)					(Rupees)				

#### Financial Assets Measured At Fair Value

##### Investments

Equity securities	-	556,696,371	-	-	-	556,696,371	556,696,371	-	-	556,696,371
Pakistan Investment Bonds	-	3,174,051,721	-	-	-	3,174,051,721	-	3,174,051,721	-	3,174,051,721
Term Finance Certificates	-	581,650,000	-	-	-	581,650,000	-	-	-	581,650,000
Thatta Cement Company Limited - Sukuk	-	500,000,000	-	-	-	500,000,000	-	-	-	500,000,000
	-	4,792,398,092	-	-	-	4,792,398,092	556,696,371	3,174,051,721	-	4,792,398,092

#### Financial assets not measured at fair value

##### Investments

Pakistan Investment Bonds	126,032,562	-	-	-	-	126,032,562	-	-	-	-
Loans and other receivable <sup>a</sup>	-	-	306,139,590	-	-	306,139,590	-	-	-	-
Insurance / reinsurance receivable <sup>a</sup>	-	-	536,284,204	-	-	536,284,204	-	-	-	-
Re-insurance recoveries- outstanding claims <sup>a</sup>	-	-	77,765,887	-	-	77,765,887	-	-	-	-
Deferred commission expense <sup>a</sup>	-	-	1,333,366	-	-	1,333,366	-	-	-	-
Prepayments <sup>a</sup>	-	-	587,657,487	-	-	587,657,487	-	-	-	-
Cash and bank <sup>a</sup>	-	-	-	1,644,894,410	-	1,644,894,410	-	-	-	-
Window Takaful Operations - Operator's Fund <sup>a</sup>	-	-	8,926,656,552	-	-	8,926,656,552	-	-	-	-
	126,032,562	-	10,433,637,075	1,644,894,410	-	11,604,764,047	-	-	-	-

#### Financial Liabilities Not Measured At Fair Value

Outstanding claims including IBNR <sup>a</sup>	-	-	-	(766,335,095)	(766,335,095)	-	-	-	-	-
Insurance / reinsurance payables <sup>a</sup>	-	-	-	(364,325,393)	(364,325,393)	-	-	-	-	-
Other creditors and accruals <sup>a</sup>	-	-	-	(1,081,345,660)	(1,081,345,660)	-	-	-	-	-
Loss liability	-	-	-	(11,084,395)	(11,084,395)	-	-	-	-	-
	-	-	-	(2,223,090,552)	(2,223,090,552)	-	-	-	-	-

As at 31 December 2024									
Field- maturity	Carrying Amount					Fair Value			
	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)									
<b>Financial Assets Measured At Fair Value</b>									
<b>Investments</b>									
Package Investment Bonds	3,590,424,587	-	-	-	3,590,424,587	3,590,424,587	-	-	3,590,424,587
Treasury Bills	96,996,501	-	-	-	96,996,501	-	-	-	-
Term Finance Certificates	572,426,750	-	-	-	572,426,750	-	572,426,750	-	572,426,750
	4,259,847,838	-	-	-	4,259,847,838	4,259,847,838	-	-	4,259,847,838
<b>Financial assets not measured at fair value</b>									
<b>Investments</b>									
Package Investment Bonds	122,406,596	-	-	-	122,406,596	-	-	-	-
Term deposits	-	-	200,000,000	-	200,000,000	-	-	-	-
Loans and other receivable <sup>1</sup>	-	296,330,538	-	-	296,330,538	-	-	-	-
Insurance / reinsurance receivable <sup>2</sup>	-	508,819,298	-	-	508,819,298	-	-	-	-
Re-insurance recoveries - outstanding claim <sup>3</sup>	-	37,762,676	-	-	37,762,676	-	-	-	-
Deferred commission expense <sup>4</sup>	-	1,254,631	-	-	1,254,631	-	-	-	-
Prepayments <sup>5</sup>	-	690,002,331	-	-	690,002,331	-	-	-	-
Cash and bank <sup>6</sup>	-	-	163,950,520	-	163,950,520	-	-	-	-
Window Takaful Operations - Operator's Fund <sup>7</sup>	-	-	-	-	-	-	-	-	-
	122,406,596	1,532,316,072	363,950,520	-	2,018,673,188	-	-	-	-
<b>Financial Liabilities Not Measured At Fair Value</b>									
Outstanding claims including IBNR <sup>8</sup>	-	-	-	(1,065,463,708)	(1,065,463,708)	-	-	-	-
Unearned premium reserves <sup>9</sup>	-	-	-	-	-	-	-	-	-
Premium deficiency reserves <sup>10</sup>	-	-	-	-	-	-	-	-	-
Unearned reinsurance commission <sup>11</sup>	-	-	-	-	-	-	-	-	-
Premium received in advance <sup>12</sup>	-	-	-	-	-	-	-	-	-
Insurance / reinsurance payables <sup>13</sup>	-	-	-	(363,324,742)	(363,324,742)	-	-	-	-
Other creditors and accruals <sup>14</sup>	-	-	-	(50,907,687)	(50,907,687)	-	-	-	-
Lease liability	-	-	-	(17,544,188)	(17,544,188)	-	-	-	-
	-	-	-	(1,497,240,335)	(1,497,240,335)	-	-	-	-

<sup>8</sup> The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. 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. Consequently differences may arise between the carrying values and the fair value estimates.

	2025	2024
	----- Number -----	
<b>40 NUMBER OF EMPLOYEES</b>		
Number of employees at the end of the year	24	18
Average number of employees	21	19

**41 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and re-classified, where ever necessary for the purpose of comparison, the effect of which is not material.

**42 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 08 April 2026 by the Board of Directors of the Company.

**43 GENERAL**

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer



*Window Takaful*

**FINANCIAL STATEMENTS WITH  
ACCOMPANYING INFORMATION**

**FOR THE YEAR ENDED  
31 DECEMBER 2025**

## Shariah Advisor`s profile

Mufti Muhammad Adnan Is a Prominent Shariah Scholar in the field of Islamic Finance and Takaful. Have completed his shariah graduation (Master in Quran and Sunnah ) and "Takhassus Fil Ifta " (Specialisation in Islamic Jurisprudence and fatwa) from jamia Darul Uloom Karachi under the supervision of Mufti Muhammad Taqi Usmani. He is also a member of Darul Ifta, Jamiah Darul Uloom Karachi since year 2006, He has written more than Two Thousand Fatawa`s on different topics.

He is also working as teacher in Darul Uloom Karachi and Faculty member of centre for Islamic Economics.

Mufti Muhammad Adnan is serving as the Shariah Advisor of " Sindh Insurance Limited Window Takaful Operation" Since year 2016. He has special interest in the promotion of Islamic Finance particularly in the facilitation of conversion of conventional set-ups into Shariah-based organizations. He has recently completed his doctorate (PhD) in Islamic Finance from Federal urdu University.

## Shariah Advisor's Report to the Board of Directors

For the year ended December 31, 2025

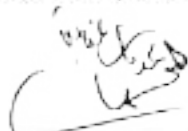
By the Grace of Almighty Allah, Sindh Insurance Limited has continued Window Takaful Operations in year 2025.

Shariah Advisor's report is prepared with aim to provide information about Window Takaful Operation transitions undertaken during the period are in compliance with Shariah Guidelines, includes to provide opinion of Shariah Advisor about transactions with consideration of their tactically and operational nature.

In my opinion and to the best of my understanding based on the provided information and explanation:

1. Transactions made by the Takaful Operator were in accordance with shariah guidelines issued by Shariah Advisor and requirements under Takaful Rules 2012.
2. The transactions and activities of Window Takaful Operations are in accordance with Shariah principles in respect of the Participants Takaful Fund (Waqf Fund) and Operator's Fund.
3. The investments have been made into Shariah Compliant avenues with shariah approval. All bank accounts related to Window Takaful Operations have been opened in Islamic banking Institutions with prior Shariah approval and these are separate from the conventional insurance business.
4. The Company has adopted treatments and formats provided in the General Takaful Accounting Regulations, 2019.

I pray that Window Takaful Operations of the Company be blessed by the Allah Almighty and takaful operations will flow with great success for achievement of the goals of the Company.



Mufti Muhammad Adnan  
Shariah Advisor  
Sindh Insurance Limited – Window Takaful Operation

April 08, 2026

Karachi

## Statement of Compliance of Window Takaful Operations

The Sindh Insurance Limited – Window Takaful Operations entered in financial engagements and transactions for the year ended December 31, 2025 are in compliance with the Takaful Rules, 2012.

We affirm the following statements:

1. The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and guidelines of the Shariah Advisor. The company has also implemented governance arrangements including the reporting to the Audit Committee/ Shariah Advisor and the Board of Directors;
2. All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions entered into by Window Takaful Operations are in compliance with the polices approved by Shariah Advisor;
3. The assets and liabilities of Window Takaful Operations of Participant Takaful Fund and Operator's fund are separated from each other, at all times in accordance with the provisions of the Takaful Rules, 2012;
4. The Company has adopted treatments and formats provided in the General Takaful Accounting Regulations, 2019.

Above statements have been duly endorsed by the Shariah Advisor of the Company.



Muhammad Faisal Siddiqui  
Chief Executive Officer

April 08, 2026

Karachi

## **Independent Reasonable Assurance Report To the Board of Directors on the Statement of Management's Statement of Compliance with the Shari'ah Principles**

### **Introduction**

We were engaged by the Board of Directors of Sindh Insurance Limited ("the Company") to report on the annexed Statement of Compliance with the Shariah Principles of Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2025, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

### **Applicable Criteria**

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the provisions of Takaful Rules, 2012, Issued by the Securities and Exchange Commission of Pakistan (SECP).

### **Responsibilities of the Management For Shariah Compliance**

The management of the Company is responsible for preparation of the annexed statement that is free from material misstatement.

The Board of Directors / management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

### **Our Independence & Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.

The firm applies International Standards on Quality Management (ISQM) 1 "Quality Management for the Firm's that Perform Audits or Reviews of Historical Information, or other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Our Responsibilities & Summary of the Work Performed**

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain limited assurance about whether the annexed statements reflect the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. The procedures performed in a limited assurance engagement vary in

nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations' compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail. The procedures performed include:

- i) Evaluated the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- ii) Evaluated the governance agreements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit committee / Sahirah Advisor and board of directors;
- iii) Tested for sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- iv) Reviewed the statement of management's assessment of compliance of the Takaful transactions during the year ended December 31, 2025 with Takaful Rules, 2012.

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

### Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the annexed statement does not reflect the Company's status of compliance, in all material respects, with the Takaful Rules, 2012 for the year ended December 31, 2025.



**Crowe Hussain Chaudhury & Co**  
Chartered Accountants

Engagement partner: Imran Shaikh

Karachi

Date: 21 APR 2026

**INDEPENDENT AUDITORS' REPORT****To the Members of Sindh Insurance Limited – Window Takaful Operations  
Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of **Sindh Insurance Limited – Window Takaful Operations** (the Operator), which comprise of the statement of financial position of OPF and PTF as at December 31, 2025, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in operator's fund and participant's takaful fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position OPF and PTF, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in operator's fund and participant's takaful fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Operator's affairs as at December 31, 2025 and of the profit, total comprehensive income, the changes in operator's fund and participant's takaful fund and its cash flows for the year then ended.

**Basis for Opinion**

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

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), and for such internal control as

management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

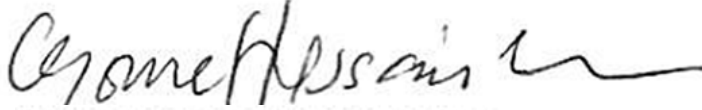
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in fund and the cash flows statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



**Crowe Hussain Chaudhury & Co.**  
**Chartered Accountants**

**Place:** Karachi

**Date:** 21 APR 2026

**UDIN:** AR202510207VbqcH96xs

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

	Note	Operator's Fund		Participant's Takaful Fund	
		2025	2024	2025	2024
-----Rupees-----					
<b>ASSETS</b>					
Property and equipment	6	114,417	2,403,166	-	-
Intangible assets	7	-	-	-	-
Investments					
Equity securities	8	114,835,269	20,535,631	3,052,261	2,940,613
Debt Securities	9	39,217,246	-	58,783,503	18,620,557
Term Deposits	10	-	35,815,476	-	53,684,524
		154,052,515	56,351,107	61,835,764	75,245,694
Qard-e-Hasna to Participants' Takaful Fund	11	10,000,000	10,000,000	-	-
Loan and other receivables	12	9,810,774	6,097,572	128,811,460	13,925,649
Takaful / retakaful receivables	13	-	-	14,227,479	5,782,052
Receivable from PTF	14	663,493,884	28,563,777	-	-
Deferred wakala fee expense	27	-	-	741,769,893	2,694,504
Deferred commission expense	28	491,941,648	95,896	-	-
Deferred taxation	19	1,867,644	-	-	-
Prepayments	15	-	380,994	2,568,074	605,672
Advance Taxation		-	-	24,171,145	1,760,171
Cash and bank	16	23,006,587	1,167,529	6,592,985,268	11,820,883
<b>TOTAL ASSETS</b>		<b>1,354,287,469</b>	<b>105,060,041</b>	<b>7,566,369,083</b>	<b>111,834,625</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
 Aleem Zamindar  
 Chairman

  
 Director

  
 Director

  
 Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

**Funds and Liabilities**

**OPERATOR'S FUND**

Statutory fund	17	50,000,000	50,000,000	-	-
Revaluation reserve on available for sale investment		(4,269,085)	1,218,222	-	-
Accumulated profit		86,157,721	34,595,533	-	-
<b>Balance of OPERATOR'S FUND</b>		<b>131,888,636</b>	<b>85,813,755</b>	<b>-</b>	<b>-</b>

**PARTICIPANTS' TAKAFUL FUND**

Ceded money		-	-	500,000	500,000
Investment revaluation reserve		-	-	159,397	294,388
Accumulated surplus		-	-	229,538,786	41,434,393
<b>Balance of PARTICIPANT'S TAKAFUL FUND</b>		<b>-</b>	<b>-</b>	<b>230,198,183</b>	<b>42,228,781</b>
Qard-e-hasna from Operator's Fund	11	-	-	10,000,000	10,000,000

**LIABILITIES**

PTF Underwriting provisions

Outstanding claims including IBNR	25	-	-	422,692,446	2,650,596
Unearned contribution reserve	23	-	-	4,930,216,459	10,040,093
Unearned re-takaful rebate	24	-	-	435,291	117,295
		-	-	<b>5,353,344,196</b>	<b>12,807,984</b>
Unearned wakala fee	27	741,769,893	2,694,504	-	-
Deferred taxation		-	293,313	-	-
Contribution received in advance		-	-	1,298,213,685	404,718
Takaful / re-takaful payables	18	-	-	4,486,853	4,301,225
Payable to OPF	14	-	-	663,493,884	26,563,778
Other creditors and accruals	20	457,997,156	13,056,728	6,632,282	13,528,139
Taxation - provision less payment	21	22,631,784	3,201,741	-	-
<b>TOTAL LIABILITIES</b>		<b>1,222,398,833</b>	<b>19,246,286</b>	<b>7,326,170,900</b>	<b>59,605,844</b>
<b>TOTAL FUND AND LIABILITIES</b>		<b>1,354,287,469</b>	<b>105,060,041</b>	<b>7,566,369,083</b>	<b>111,834,625</b>

**CONTINGENCIES AND COMMITMENTS** 22

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
STATEMENT OF PROFIT OR LOSS ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2025**

		<u>2025</u>	<u>2024</u>
	Note	-----Rupees-----	
<b>Participants' Takaful Fund</b>			
Contributions earned		1,741,687,950	23,354,425
Less: Contributions ceded to retakaful		(8,454,521)	(5,469,005)
Net contributions revenue	23	1,733,233,429	17,885,420
Retakaful rebate earned	24	936,605	372,062
<b>Net underwriting income</b>		<b>1,734,170,034</b>	<b>18,257,482</b>
Net claims - reported / settled - IBNR	25	(428,666,157)	(15,490,027)
Other direct expenses	26	(1,296,303,175)	(36,308)
<b>(Deficit)/Surplus before investment income</b>		<b>9,200,702</b>	<b>2,731,147</b>
Investment Income	30	5,178,942	11,569,496
Other Income	31	218,412,021	679,328
Less: Modarib's share of OPF on investment income	32	(44,687,272)	(2,424,439)
<b>(Deficit)/Surplus transferred to accumulated surplus</b>		<b>188,104,393</b>	<b>12,555,532</b>
<b>Operator's Fund</b>			
Wakala fee		312,879,146	9,504,649
Commission expense	28	(203,502,718)	(1,059,438)
General administrative and management expenses	29	(87,216,945)	(6,488,365)
		<b>22,159,483</b>	<b>1,956,846</b>
Modarib's share of PTF investment income	32	44,687,272	2,424,439
Investment income	30	5,246,413	9,171,035
Direct expenses	33	(355,939)	(371,107)
Other income	31	1,076,556	126,765
Profit before tax		<b>72,813,785</b>	<b>13,307,978</b>
Taxation	34	(21,251,597)	(3,914,504)
Profit after tax		<b>51,562,188</b>	<b>9,393,474</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.



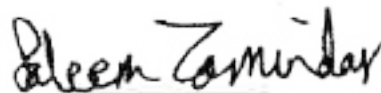



Chairman                      Director                      Director                      Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

Note	<u>2025</u>	<u>2024</u>
	-----Rupees-----	
<b>Participants' Takaful Fund</b>		
Surplus for the year	188,104,393	12,555,532
<b>Other comprehensive income</b>		
Unrealised gain on 'available for sale' investments (net of deferred tax)	(134,991)	6,490
<b>Other comprehensive (Loss) / gain for the year</b>	<b>(134,991)</b>	<b>6,490</b>
<b>Total comprehensive income for the year</b>	<b>187,969,402</b>	<b>12,562,022</b>
<b>Operator's Fund</b>		
Profit after taxation	51,562,188	9,393,474
<b>Other comprehensive income</b>		
Unrealised gain on 'available for sale' investments (net of deferred tax)	(5,487,307)	240,326
<b>Other comprehensive (Loss) / gain for the year</b>	<b>(5,487,307)</b>	<b>240,326</b>
<b>Total comprehensive income for the year</b>	<b>46,074,881</b>	<b>9,633,800</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS**  
**STATEMENT OF CHANGES IN FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Operator's Funds			Total
	Statutory fund	Unrealised gain / (loss) on available for sale investment	Accumulated profit	
-----Rupees-----				
<b>Balance as at January 01, 2024</b>	50,000,000	977,896	25,202,059	76,179,955
Total comprehensive income For the year ended 31 December 2025				
- Profit for the year	-	-	9,393,474	9,393,474
- Other comprehensive income	-	240,326	-	240,326
	-	240,326	9,393,474	9,633,800
<b>Balance as at December 31, 2024</b>	<b>50,000,000</b>	<b>1,218,222</b>	<b>34,595,533</b>	<b>85,813,755</b>
<b>Balance as at January 01, 2025</b>	<b>50,000,000</b>	<b>1,218,222</b>	<b>34,595,533</b>	<b>85,813,755</b>
Total comprehensive income For the year ended 31 December 2025				
- Profit for the year	-	-	51,562,188	51,562,188
- Other comprehensive income	-	(5,487,307)	-	(5,487,307)
	-	(5,487,307)	51,562,188	46,074,881
<b>Balance as at December 31, 2025</b>	<b>50,000,000</b>	<b>(4,269,085)</b>	<b>86,157,721</b>	<b>131,888,636</b>

	Participants' Takaful Fund			Total
	Ceded Money	Unrealised gain / loss on available for sale investment-net	Accumulated surplus	
-----Rupees-----				
<b>Balance as at January 01, 2024</b>	500,000	287,898	28,878,861	29,666,759
Total comprehensive income For the year ended 31 December 2025				
- Surplus for the year	-	-	12,555,532	12,555,532
- Other comprehensive income	-	6,490	-	6,490
	-	6,490	12,555,532	12,562,022
<b>Balance as at December 31, 2024</b>	<b>500,000</b>	<b>294,388</b>	<b>41,434,393</b>	<b>42,228,781</b>
<b>Balance as at January 01, 2025</b>	<b>500,000</b>	<b>294,388</b>	<b>41,434,393</b>	<b>42,228,781</b>
Total comprehensive income For the year ended 31 December 2025				
- Surplus for the year	-	-	188,104,393	188,104,393
- Other comprehensive loss	-	(134,991)	-	(134,991)
	-	(134,991)	188,104,393	187,969,402
<b>Balance as at December 31, 2025</b>	<b>500,000</b>	<b>159,397</b>	<b>229,538,786</b>	<b>230,198,183</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
 Chairman

  
 Director


  
 Director

  
 Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Operator's Fund		Participant's Takaful Fund	
	December 31 2025	December 31 2024	December 31 2025	December 31 2024
	Rupees		Rupees	
<b>OPERATING CASH FLOWS</b>				
<b>a) Takaful activities</b>				
Contribution received	-	-	8,262,973,767	33,156,478
Retakaful contribution paid	-	-	(9,096,061)	(6,578,633)
Wakala fee received / (paid)	457,294,748	-	(457,294,748)	-
Claims paid	-	-	(8,612,347)	(18,144,679)
Reinsurance and other recoveries received	-	-	110,255	3,181,285
Commissions paid	(323,048,207)	(773,786)	-	-
Modarib share received / (paid)	5,378,973	1,500,000	(5,378,973)	(1,500,000)
Rebate received	-	-	1,252,944	359,256
<b>Net cash flow from takaful activities</b>	<b>139,625,514</b>	<b>726,214</b>	<b>7,783,952,837</b>	<b>10,473,707</b>
<b>b) Other operating activities</b>				
Income tax paid	(2,114,867)	(8,668,584)	(22,410,974)	2,319,032
General and other expenses paid	(14,762,228)	1,839,111	-	-
Other operating payment	(6,385,915)	(1,742,232)	(1,299,042,596)	(6,190,027)
Other operating receipts	-	-	(5,933,837)	130,081
<b>Net cash (used in) / generated from other operating activities</b>	<b>(23,263,010)</b>	<b>(8,571,705)</b>	<b>(1,327,387,407)</b>	<b>(3,740,914)</b>
<b>Total cash flow from all operating activities</b>	<b>116,362,504</b>	<b>(7,845,491)</b>	<b>6,456,565,430</b>	<b>6,732,793</b>
<b>INVESTMENT ACTIVITIES</b>				
Profit / return received on investment	7,338,104	8,887,171	(106,967,448)	10,863,257
Other income	1,076,556	126,765	218,412,021	679,328
Payment for investment	(141,311,007)	(38,494,961)	(89,030,142)	(72,715,996)
Purchase of fixed assets	(121,147)	-	-	-
Proceeds from disposal of Fixed assets	2,678,571	-	-	-
Proceeds from disposal of investments	35,815,476	30,940,000	72,184,524	63,330,000
<b>Total cash flow from investing activities</b>	<b>(94,523,446)</b>	<b>1,458,975</b>	<b>124,598,955</b>	<b>2,156,589</b>
<b>FINANCING ACTIVITIES</b>				
Inter fund Qarz-e-Hasna Transfer	-	3,500,000	-	(3,500,000)
<b>Total cash flow from financing activities</b>	<b>-</b>	<b>3,500,000</b>	<b>-</b>	<b>(3,500,000)</b>
<b>Net cash (used in) / generated from all activities</b>	<b>21,839,058</b>	<b>(2,886,515)</b>	<b>6,581,164,385</b>	<b>5,389,382</b>
Cash and cash equivalents at the beginning of year	1,167,529	4,054,044	11,820,883	6,431,501
<b>Cash and cash equivalents at end of the year</b>	<b>23,006,587</b>	<b>1,167,529</b>	<b>6,592,985,268</b>	<b>11,820,883</b>
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	116,362,504	(7,845,491)	6,456,565,430	6,732,793
Depreciation	(405,758)	(684,048)	-	-
Amortization	-	-	-	-
Income tax paid	2,114,867	8,668,584	22,410,974	(2,319,032)
Other income	1,076,556	2,551,205	218,412,021	679,328
Increase in assets other than cash	1,132,141,707	9,761,260	754,402,584	10,725,062
Decrease in liabilities	(1,183,722,504)	(8,314,567)	(7,268,865,558)	(14,832,115)
Investment Income	5,246,413	9,171,035	5,178,942	11,569,496
<b>Profit before tax</b>	<b>72,813,785</b>	<b>13,307,978</b>	<b>188,104,393</b>	<b>12,555,532</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc.
- 1.2 The Company was granted authorization on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3 For the purpose of carrying on the takaful business, the Operator has formed a Participants' Takaful Fund (PTF) under the Waqf deed with the ceded money of Rs. 500,000. The Waqf deed and PTF policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund are approved by the Shar'ah Advisor of the Operator.
- 1.4 The registered office and principal place of business of the Operator is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

**2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

**2.1 Statement of Compliance**

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

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

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

- 2.1.1 These financial statements reflect the financial position and results of operations of both the Operator's Fund and Participant takaful Fund in a manner that the assets, liabilities, income and expenses of the Operator's Fund and Participant Takaful Fund remain separately identifiable.

**2.2 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except for the available-for-sale investments that have been measured at fair value. All transactions reflected in these Financial statements are on accrual basis except for those reflected in cash flows statements.

**2.3 Functional and presentation currency**

These financial statements have been prepared and presented in Pakistani "Rupees", which is also the Operator's functional and presentational currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupees in thousand, unless otherwise stated.

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

#### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Lack of Exchangeability – The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21)	January 01, 2025

#### 3.1.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1336 (I) / 2025 dated 23 July 2025 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and reinsurance/retakaful business from financial years commencing on or after 01 January 2027 and SECP has directed that the applicability period of optional temporary exemption from applying IFRS 9 – Financial Instrument as given in para 20A of IFRS 4 – Insurance Contracts is extended for annual periods beginning before 01 January 2027, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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 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.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress. On 23 December 2025 via letter no. ID/MDPRD/IFRS-17/2025/4228 SECP further extended the deadline for submission of the audited long form report to 31 May 2026.

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

- 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 Fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- all other financial assets

Fair value of financial assets as at 31 December 2025 and change in the fair values during the year ended 31 December 2025:

	2025 (Operators' Fund)			
	Failed the SPPI test		Passed the SPPI test	
	Fair Value	Changes in Unrealized gain / (loss) during the year	Fair Value	Changes in Unrealized gain / (loss) during the year
	-----Rupees-----			
Qard-e-Hasna	-	-	10,000,000	-
Investments				
-Equity Securities	114,835,269	(6,078,314)		
-Term deposit receipts	-	-	-	-
-Debt securities	39,217,246	-	-	-
Receivable from PTF			663,493,884	
Loans and other receivables	-	-	9,810,774	-
Cash and bank	-	-	23,006,587	-
	<b>154,052,515</b>	<b>(6,078,314)</b>	<b>706,311,245</b>	<b>-</b>

2025(Participants' Fund)			
Failed the SPPI test		Passed the SPPI test	
Fair Value	Changes in Unrealized gain / (loss) during the year	Fair Value	Changes in Unrealized gain / (loss) during the year
-----Rupees-----			
Investments			
-Equity Securities	3,052,261	407,167	
-Term deposit receipts	-	-	-
-Debt securities	58,783,503	-	-
Receivable from OPF	-	-	-
Loans and other receivables	-	43,027,365	-
Cash and bank	-	6,592,637,961	-
	61,835,764	407,167	6,635,665,326

2024(Operators' Fund)			
Failed the SPPI test		Passed the SPPI test	
Fair Value	Changes in Unrealized gain / (loss) during the year	Fair Value	Changes in Unrealized gain / (loss) during the year
-----Rupees-----			
Qard-e- Hasna	-	10,000,000	-
Investments			
-Equity Securities	20,535,631	1,721,585	
-Term deposit receipts	-	35,815,476	-
-Debt securities	-	-	-
Receivable from PTF	-	28,563,777	-
Loans and other receivables	-	6,097,572	-
Cash and bank	-	1,167,529	-
	20,535,631	1,721,585	81,644,354

2024(Participants' Fund)			
Failed the SPPI test		Passed the SPPI test	
Fair Value	Changes in Unrealized gain / (loss) during the year	Fair Value	Changes in Unrealized gain / (loss) during the year
-----Rupees-----			
Investments			
-Equity Securities	2,940,613	295,519	
-Term deposit receipts	-	53,684,524	-
-Debt securities	18,620,557	-	-
Receivable from OPF	-	-	-
Loans and other receivables	-	13,925,649	-
Cash and bank	-	11,820,883	-
	21,561,170	295,519	79,431,056

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2026.

#### **Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures**

##### **Financial Assets with ESG-linked features:**

Under IFRS 9, it was unclear whether the contractual cash flows of some financial asset with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgment will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs - e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 01 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

##### **Recognition / derecognition requirements of financial assets / liabilities by electronic payments:**

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Operator to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

##### **Other related amendments:**

##### **Contractually linked instruments (CLIs) and non-recourse features:**

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with nonrecourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

##### **Disclosures on investments in equity instruments:**

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

##### **Annual Improvements to IFRS Accounting Standards – Amendments to:**

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments;
- Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

**Adoption of IFRS 18 and IFRS 19**

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444 (I) / 2025 dated 12 December 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633 (I) / 2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and "IFRS-19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after 01 January 2027:

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1 (b) (ii), 1 (b) (iia) and 1 (b) (iii) of the Third Schedule to the Act) may follow "IFRS-19, "Subsidiaries without Public Accountability: Disclosures" in preparation of their financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) Amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

**4 USE OF JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with the requirements of accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments, estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**Estimates**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the financial statements or judgment was exercised in application of accounting policies, are as follows:

- Contribution due but unpaid - net	<b>Note</b> 5.4.3
- Provision for outstanding claims (including IBNR)	5.5.1
- Re-takaful recoveries against outstanding claims	5.6.3
- Taxation (current and deferred)	5.20

**5 MATERIAL ACCOUNTING POLICIES**

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

**5.1 Property and equipment**

Owned fixed assets are stated at cost, signifying historical cost, less accumulated depreciation and any provision for accumulated impairment. Cost of an item of fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying asset directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Operator and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit and loss account as and when incurred.

Depreciation is calculated on straight line basis at the rates specified in note 6 to the financial statements. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the asset is disposed off.

The carrying value of assets are reviewed for impairment when events or changes in circumstances indicate that carrying value may not be recoverable. If any such indication exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing process with the carrying amount of the assets disposed of, these are taken to statement of profit or loss.

## 5.2 Intangible assets

These are stated at cost less accumulated amortization and provision for accumulated impairment, if any.

Amortization is calculated from the month the assets are available for use using the straight-line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Operator. The useful life and amortization methods are reviewed and adjusted if appropriate, at each reporting date.

Software development costs are only capitalized to the extent that future economic benefits are expected to be derived by the Operator.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indication exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

## 5.3 Takaful contracts

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

A separate Participants Takaful Fund (PTF) is created in which all contribution received under general takaful contribution net off any government levies and administrative surcharge are credited. The role of Takaful Operator is of the management of the PTF. At the initial stage of the setup of the PTF, the Takaful Operator makes payment as ceded money to the PTF. The terms of the takaful contracts are in accordance with the generally accepted principles and norms of insurance business suitably modified with guidance by the Shariah Advisor of the Takaful Operator.

Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or

The Operator underwrites non-life takaful contracts that can be categorized into:

- Fire and property damage
- Marine, aviation and transport
- Motor
- Accidental and health
- Miscellaneous

Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another takaful operator (Inwards re-takaful) of a facultative nature are included within the individual category of takaful contracts, other than those which fall under treaty. The takaful risk involved in these

### a) Fire and property damage

Fire and property takaful contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

### b) Marine, aviation and transport

Marine, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and against liabilities to third parties and passengers arising from their use.

### c) Motor

Motor takaful contracts cover physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

### d) Accident and health

Accident and health takaful contracts mainly compensate hospitalization and patient medical coverage to the Insured and indemnity for the death as result of an accident. These contracts are generally one year contracts.

### e) Miscellaneous

All other takaful contracts like machinery breakdown, bonds, cash in hand, cash in transit, personal accident, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under Miscellaneous takaful cover.

## 5.4 Contribution

### 5.4.1 Contribution income earned

Contribution written under a policy is recognized as income over the period of takaful from the date of issue of the policy to which it relates to its expiry as follows:

- a) for takaful business, evenly over the period of the policy;
- b) for proportional re-takaful business, evenly over the period of underlying re-takaful policies; and
- c) for non-proportional re-takaful business, on inception of the re-takaful contract in accordance with the pattern of re-takaful service.

Where the pattern of incidence of risk varies over the period of the policy, contribution is recognized as revenue in accordance with the pattern of incidence of risk.

Where contribution for a policy is payable in instalments, full contribution for the duration of the policy is recognized as written at the inception of the policy and a related asset is set up in respect of the contribution receivable at a later date. Contribution is stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on contributions.

### 5.4.2 Unearned contribution reserve

The unearned contribution reserve is the unexpired portion of the contribution including administrative surcharge which relates to business in force at the reporting date. Unearned contribution has been calculated by applying 1/24th method and proportionate method for policies covering a period of one year and other policies respectively as specified in the General Takaful Accounting Regulations, 2019.

### 5.4.3 Contribution due but unpaid - net

Contribution due but unpaid under takaful contracts is recorded as receivable when it is due, at the fair value of consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Operator reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss in profit and loss account.

### 5.4.4 Contributory deficiency reserve

At each reporting date, liability adequacy tests are performed separately for each class of business under the Insurance Accounting Regulations, 2019 to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after re-takaful, from claims and other expenses, including re-takaful expense, wakala and other underwriting expenses, expected to be incurred after reporting date in respect of policies in force at reporting date with the carrying amount of unearned contribution liability.

The movement in the contribution deficiency reserve is recorded as an expense / income in profit and loss account for the year.

The requirement for additional provision for unexpired risks is determined on the basis of an actuarial valuation. The latest valuation was carried out as of 31 December 2025. No contribution reserve is required as at 31 December 2025 as determined by actuary.

## 5.5 Claims expense

Takaful claims are charged to PTF and include all claims occurring during the year, whether reported or not, including external claims handling costs that are directly related to the processing and settlement of claims, reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims are charged to profit and loss account as incurred based on estimated liability for compensation owed under the takaful contracts.

### 5.5.1 Provision for outstanding claims (including IBNR)

The PTF recognizes liability in respect of all claims incurred up to the reporting date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in a Takaful contract.

The Operator takes advice from actuary for the determination of IBNR claims. Provision for IBNR claims have been estimated based on Expected Loss Ratio (ELR) method except for health business, where a mix of ELR and Chain Ladder (CL) method is used. CL method is not completely used since portfolio experience of the Operator in health business is small due to long period of claims development, volatility and credibility of experience. Accordingly, provision has been made based on IBNR factors applied on incurred claims determined by the actuary.

## 5.6 Re-takaful contracts

### 5.6.1 Re-takaful expense

Contribution ceded is recognized as an expense over the period of re-takaful from inception to which it relates to its expiry as follows:

- a) for proportional re-takaful business, evenly over the period of the underlying policies;
- b) for non-proportional re-takaful business, evenly over the period of indemnity.

Where the pattern of incidence of risk varies over the period of the policy, re-takaful contribution is recognized as expense in accordance with the pattern of incidence of risk.

### 5.6.2 Prepaid re-takaful contribution ceded

The portion of re-takaful contribution ceded not recognized as an expense as at year end is recognized as prepaid re-takaful contribution ceded. Unrecognized portion is determined in the same manner as for unearned contribution reserve.

### 5.6.3 Re-takaful recoveries against outstanding claims

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

## 5.7 Deferred commission

### 5.7.1 Commission expense

Commission expense incurred in obtaining and recording policies is deferred and is recognized in the profit and loss account as an expense in accordance with the pattern of recognition of takaful contribution revenue.

### 5.7.2 Rebate from re-takaful operators

Rebate income from re-takaful is recognized at the time of issuance of the underlying takaful policy. These are deferred and recognized as liability and recognized in the profit and loss account as revenue in accordance with the pattern of recognition of re-takaful contribution.

## 5.8 Wakala fee

The Operator manages the general takaful operations for the participants and charges 25% for fire and property damage, 25% for marine, aviation and transport, 35% for motor, 22.5% for miscellaneous and 25% for accident and health, on gross contribution written including administrative surcharge as wakala fee against the services.

Wakala fee is recognized on the same basis as the related contribution is recognized. Unexpired portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

## 5.9 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after adjustment of claims paid to them during the year.

### 5.10 Mudarib's fee

The Operator also manage the participant's investment as Mudarib and charges 20% of the investment income earned by the PTF as Mudarib's fee. It is recognized on the same basis on which related revenue is recognized.

### 5.11 Qard-e-Hasna

Qard-e-Hasna is provided by Operator's Fund to PTF in case of deficit in PTF. Qard-e-Hasna is recognized at the amount provided to PTF less impairment, if any. In the event of future surplus in the PTF, to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to Participants.

### 5.12 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for held for trading, in which case transaction costs are charged to profit and loss account. Subsequently, these are recognized and classified into the following category:

#### 5.12.1 Available-for-sale

The financial assets that are intended to be held for an indefinite period of time and may be sold in response to the need for liquidity are classified as available-for-sale.

Subsequent to the initial recognition at cost, these are valued at market values and any unrealized gains / (losses) are taken to other comprehensive income.

**a) Trade and settlement date accounting**

All 'regular way' purchases and sales of financial assets are recognized on the trade date, i.e. the date on which commitment to purchase / sale is made by the Operator. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

**b) Derecognition**

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

**c) Impairment****Available-for-sale**

The Operator considers that available-for-sale investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

**5.13 Employee benefits****a) Defined contribution plan**

The Operator has an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Operator and its employees, to the fund at the rate of 10% of basic salary of the employees.

**b) Defined benefit plan**

The Operator operates an unfunded gratuity scheme for its permanent employees whose period of service is three years. Provision is made annually to cover obligations under the scheme. Gratuity accruing to staff is equal to one - month gross salary for each completed year of service.

**c) Employees' compensated absence**

The Operator accounts for the liability in respect of eligible employees' compensated absences in the period in which they are earned.

**5.14 Investment income**

Interest income is recognized on time proportion basis that takes into account effective yield on the assets.

**5.15 Dividend**

Dividend income is recognized when the operator's right to receive the dividend is established.

**5.16 Segment reporting**

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses. The Operator presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017 as the primary reporting format.

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

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amounts of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

**5.17 Financial instruments**

Financial assets and financial liabilities are recognized when the Operator becomes a party to the contractual provisions of the instrument and derecognised when the Operator loses control of contractual rights that comprise the financial assets and, in the case of financial liabilities, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the derecognition of the financial assets and liabilities is included on net basis in the profit and loss account for the period in which it arises.

Financial instruments carried in the statement of financial position include investments, loan and other receivables, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims, cash and bank, provision for outstanding claims, insurance / reinsurance payables, other creditors and accruals.

**5.18 Off setting of financial asset and financial liabilities**

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

**5.19 Related party transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Operator to do so.

**5.20 Taxations**

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

The profit of the Operator is taxed as part of total profit of the Company, as the Operator is not separately registered for tax purposes.

**a) Current**

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalised during the year or required by any other reason.

**b) Deferred**

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the date of statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**c) Levies**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

**5.21 Foreign currencies**

Transactions in foreign currency, if any, are converted into Pakistan Rupees at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange prevailing at the reporting date. Exchange difference are taken to the profit and loss account.

**5.22 General administrative and management expenses**

Expenses allocated to the PTF represent directly attributable expenses and these are allocated to various revenue accounts on equitable basis. Expenses not directly allocable to PTF are charged to OPF.

**5.23 Creditors, accruals and provisions**

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

Provisions are recognized when the Operator / PTF has a present legal or constructive obligation as a result of past events and 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 will be reviewed at each reporting date and will be adjusted to reflect the current estimate.

**5.24 Receivables and payables related to Takaful contracts**

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each reporting date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

**5.25 Impairment**

The carrying amounts of the assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the assets are estimated and impairment losses are recognized in the profit and loss account.

**5.26 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash at bank in current and savings account, cash in hand, stamps in hand and bank deposits.

6. PROPERTY AND EQUIPMENT - OPERATOR'S FUND

	2025	2024
	----- Rupees -----	
	114,417	2,40,166

Operating assets

Particulars	2025								Written down value as at December 31, 2025	Depreciation rate (% per annum)
	Cost			Depreciation						
	As at January 1, 2025	Addition/ (disposals)	As at December 31, 2025	As at January 1, 2025	For the Period	On disposal	As at December 31, 2025			
Furniture & Fixtures	-	-	-	-	-	-	-	-	10%	
Computer equipments	30,500	121,147	151,647	30,500	5,730	-	46,230	124,417	31.35%	
Vehicles	1,690,250	(3,609,250)	-	1,707,898	309,839	(1,996,122)	-	-	28.00%	
<b>Total</b>	<b>3,838,750</b>	<b>(3,479,103)</b>	<b>160,647</b>	<b>1,216,394</b>	<b>405,758</b>	<b>(1,996,122)</b>	<b>46,230</b>	<b>114,417</b>		

Particulars	2024								Written down value as at December 31, 2024	Depreciation rate (% per annum)
	Cost			Depreciation						
	As at January 1, 2024	Addition/ (disposals)	As at December 31, 2024	As at January 1, 2024	For the Period/ (disposals)	On disposal	As at December 31, 2025			
Furniture & Fixtures	56,862	(56,862)	-	-	-	-	-	-	10%	
Computer equipments	30,500	-	30,500	30,500	-	-	30,500	-	31.35%	
Vehicles	1,690,250	-	1,690,250	511,835	604,849	-	1,117,094	2,40,166	28.00%	
<b>Total</b>	<b>1,895,312</b>	<b>(56,862)</b>	<b>1,638,750</b>	<b>532,535</b>	<b>604,849</b>	<b>-</b>	<b>1,236,094</b>	<b>2,40,166</b>		

6.1. The operator has fully amortized computer equipment having cost amounting to Rs. 30,500 (2024: 30,500) which is still in use as at the reporting date.

7. INTANGIBLE ASSETS

Particulars	2025								Written down value as at December 31, 2025	Amortization rate (% per annum)
	Cost			Amortization						
	As at January 1, 2025	Addition/ (disposals)	As at December 31, 2025	As at January 1, 2025	For the Period/ (disposals)	As at December 31, 2025				
Computer Software	1,857,000	-	1,857,000	1,857,000	-	1,857,000	-	-	33.33%	
<b>Total</b>	<b>1,857,000</b>	<b>-</b>	<b>1,857,000</b>	<b>1,857,000</b>	<b>-</b>	<b>1,857,000</b>	<b>-</b>	<b>-</b>		

Particulars	2024								Written down value as at December 31, 2024	Amortization rate (% per annum)
	Cost			Amortization						
	As at January 1, 2024	Addition/ (disposals)	As at December 31, 2024	As at January 1, 2024	For the Period/ (disposals)	As at December 31, 2024				
Computer Software	1,857,000	-	1,857,000	1,857,000	-	1,857,000	-	-	33.33%	
<b>Total</b>	<b>1,857,000</b>	<b>-</b>	<b>1,857,000</b>	<b>1,857,000</b>	<b>-</b>	<b>1,857,000</b>	<b>-</b>	<b>-</b>		

7.1. The operator has fully amortized computer software having cost amounting to Rs. 1,857,000 (2024: 1,857,000) which is still in use as at the reporting date.

**8. INVESTMENTS IN EQUITY SECURITIES**

	2025				2024			
	Cost	Impairment / Provision	Surplus on revaluation	Carrying market value	Cost	Impairment / Provision	Surplus on revaluation	Carrying market value
	-----Rupees-----				-----Rupees-----			
<b>Operator's Fund Available for sale</b>								
Others - Listed shares Bank Makramah Ltd	100,000,000	-	(6,880,000)	93,120,000	-	-	-	-
Others - Mutual fund ABL Islamic Income Fund	20,913,583	-	801,686	21,715,269	18,814,046	-	1,721,585	20,535,631
	<u>120,913,583</u>	<u>-</u>	<u>(6,078,314)</u>	<u>114,835,269</u>	<u>18,814,046</u>	<u>-</u>	<u>1,721,585</u>	<u>20,535,631</u>
<b>Participants' Takaful Fund</b>								
Available for sale Others - mutual fund Neezan Sovereign Fund	2,645,094	-	407,167	3,052,261	2,645,094	-	295,519	2,940,613
	<u>2,645,094</u>	<u>-</u>	<u>407,167</u>	<u>3,052,261</u>	<u>2,645,094</u>	<u>-</u>	<u>295,519</u>	<u>2,940,613</u>

**9. INVESTMENTS IN DEBT SECURITIES**

	2025				2024			
	Cost	Impairment / Provision	Surplus on revaluation	Carrying market value	Cost	Impairment / Provision	Surplus on revaluation	Carrying market value
	-----Rupees-----				-----Rupees-----			
<b>Operator's Fund Held to maturity</b>								
İjara Sukuk	9.1	35,217,246	-	-	39,217,246	-	-	-
		<u>35,217,246</u>	<u>-</u>	<u>-</u>	<u>39,217,246</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Participants' Takaful Fund Held to maturity</b>								
GOP İjara Sukuk		-	-	-	18,718,300	(97,743)	-	18,620,557
İjara Sukuk	9.1	58,783,503	-	-	58,783,503	-	-	-
		<u>58,783,503</u>	<u>-</u>	<u>-</u>	<u>18,718,300</u>	<u>(97,743)</u>	<u>-</u>	<u>18,620,557</u>

**9.1.**

	No. of Certificates		Face Value	Value of Certificates	
	2025	2024		2025	2024
<b>Participant Takaful Fund</b>					
GOP İjara Sukuks	-	1,805,000	18,500,000	-	18,620,557
GOP İjara Sukuks 1 Year	12,800	-	64,001,550	58,783,503	-
	<u>12,800</u>	<u>1,805,000</u>		<u>58,783,503</u>	<u>18,620,557</u>
<b>Operator Fund</b>					
GOP İjara Sukuks 1 Year	8,540	-	42,698,450	39,217,246	-
	<u>8,540</u>	<u>-</u>	<u>42,698,450</u>	<u>39,217,246</u>	<u>-</u>
<b>Participant Takaful Fund</b>					
GOP İjara Sukuks 1 Year	2026	10.00%	Maturity	64,001,550	58,783,503
					<u>58,783,503</u>
<b>Operator Fund</b>					
GOP İjara Sukuks 1 Year	2026	10.00%	Maturity	42,698,450	39,217,246
					<u>39,217,246</u>

**10. INVESTMENTS IN TERM DEPOSITS**

		Operator's Fund		Participants Takaful Fund	
	Note	2025	2024	2025	2024
		-----Rupees-----		-----Rupees-----	
Deposits maturing within 12 months Term deposits receipts	10.1	-	35,815,476	-	53,684,524

**10.1** These represent Islamic term deposit receipts (TDRs) in local currency, issued by local banks, that carried profit 10.35% per annum (2024 17.5%).

11. QARD-E-HASNA	Operator's Fund	
	2025	2024
	-----Rupees-----	
Opening balance as at January 01	10,000,000	13,500,000
Qard-e-hasna transferred from OPF during the year	-	-
Qard-e-hasna returned by PTF during the year	-	(3,500,000)
Closing balance	10,000,000	10,000,000

12. LOANS AND OTHER RECEIVABLES (Unsecured - considered good)	Operator's Fund		Participants Takaful Fund	
	2025	2024	2025	2024
	-----Rupees-----		-----Rupees-----	
Advance salary	-	364,872	-	-
Advance against bonus	100,771	-	-	-
Accrued investment income	999,236	3,090,927	118,261,761	6,115,371
Sales tax on services refund	8,698,595	375,140	120,861	679,100
Receivable from Sindh Insurance Limited	-	2,263,117	(59,100)	6,429,338
Other receivable	12,172	3,517	10,487,938	701,840
	9,810,774	6,097,573	128,811,460	13,925,649

13. TAKAFUL / RE-TAKAFUL RECEIVABLES	Note	Participants Takaful Fund	
		2025	2024
		-----Rupees-----	
Due from takaful participant holders	13.1	11,169,976	1,591,314
Less: provision for impairment of receivables		(34,701)	(34,701)
		11,135,275	1,556,613
Due from other takaful / re-takaful operators		3,092,204	4,225,439
		14,227,479	5,782,052

13.1 Due from takaful contract holders includes 5.072 million due from related parties (2024: 0.24 million).

14. RECEIVABLE FROM PTF / PAYABLE TO OPF	Note	Operator's Fund		Participants Takaful Fund	
		2025	2024	2025	2024
		-----Rupees-----		-----Rupees-----	
Wakala fee receivable / (payable)		620,274,944	25,615,157	(620,274,944)	(25,615,157)
Modarib share receivable / (payable)		43,415,843	4,107,544	(43,415,843)	(4,107,544)
Other receivable / (payable)		(196,903)	(1,158,924)	196,903	1,158,923
		663,493,884	28,563,777	(663,493,884)	(28,563,778)

15. PREPAYMENTS					
Prepaid re-takaful contribution ceded		-	-	2,568,074	605,671
Prepaid expenses		-	380,998	-	-
		-	380,998	2,568,074	605,671

16. CASH AND BANK					
Cash and cash equivalent					
Cash at bank					
Saving accounts	16.1 & 16.2	23,006,587	1,167,529	6,592,985,268	11,820,883
		23,006,587	1,167,529	6,592,985,268	11,820,883

16.1 These saving accounts carry profit ranging from 6.34% to 9.50% per annum (2024: 3.4% to 5.23%) per annum.

16.2 This include balance with Sindh Bank Limited, a related party amounting to 6,591 million at participant's fund and 22.831 million in operator's fund (2024: 11.381 million) at participant's fund and Rs. (2024: 0.995 million) at operator's fund.

**17. STATUTORY FUND**

Amount of Rs. 50 million is deposited as statutory fund to comply with provisions of paragraph 4 of circular no. 8 of 2014 read with section 11(1)(c) of Takaful Rules, 2012 issued by SECP, which states that 'every insurer who is interested to commence Window Takaful business shall transfer an amount of not less than Rs. 50 million to be deposited in a separate bank account for Window Takaful business duly maintained in a scheduled bank'.

		Participants Takaful Fund	
		2025	2024
		-----Rupees-----	
<b>18. TAKAFUL / RETAKAFUL PAYABLE</b>			
Due to takaful participants / re-takaful payable			
Local		1,037,565	851,937
Foreign		3,449,288	3,449,288
		<u>4,486,853</u>	<u>4,301,225</u>
		Operator's Takaful Fund	
		2025	2024
		-----Rupees-----	
Deferred debits arising in respect of:			
Investment-SHF		-	(497,585)
Computer		(14,736)	-
		<u>(14,736)</u>	<u>(497,585)</u>
Deferred credits arising in respect of:			
Investment-SHF		1,762,711	-
Motor Vehicles- owned		-	90,707
Gratuity		117,953	71,433
Provision for compensated leaves absences		1,716	42,132
		<u>1,882,380</u>	<u>204,272</u>
Net Deferred tax asset/(liability)		<u>1,867,644</u>	<u>(293,313)</u>

**19.1 Movement in net deferred tax (liability)/asset is as follows**

		2025			
		Balance as at 01 January	Recognized in P/L	Recognized in OCI	Balance as at 31 December
		-----Rupees-----			
Deductible temporary difference					
Computer		-	14,736	-	(14,736)
		<u>-</u>	<u>14,736</u>	<u>-</u>	<u>(14,736)</u>
Taxable temporary difference					
Investment-SHF		(497,585)	-	2,260,296	1,762,711
Motor Vehicles- owned		90,707	90,707	-	-
Gratuity		71,433	-	46,520	117,953
Provision for compensated leaves absences		42,132	40,416	-	1,716
		<u>(293,313)</u>	<u>131,123</u>	<u>2,306,816</u>	<u>1,882,380</u>
Net Balance		<u>(293,313)</u>	<u>145,859</u>	<u>2,306,816</u>	<u>1,867,644</u>

		Operator's Fund		Participants Takaful Fund	
		2025	2024	2025	2024
		-----Rupees-----		-----Rupees-----	
<b>20. OTHER CREDITORS AND ACCRUALS</b>					
Provincial sales tax on services		30,832	-	774,781	652,809
Federal insurance fee		-	-	50,999	43,113
Tax deducted / collected at source		84,672	13,887	44,887	8,231
Commission payable		372,517,080	216,817	-	-
Payable to conventional business	20.1	67,004,830	12,160,414	4,019,946	12,110,184
Sundry creditors		17,843,313	8,427	1,741,669	713,802
Gratuity payable		406,735	246,320	-	-
Provision for compensated leave absen	20.2	5,918	145,283	-	-
Accrued expenses		103,776	265,580	-	-
		<u>457,997,156</u>	<u>13,056,728</u>	<u>6,632,282</u>	<u>13,528,139</u>

**20.1** This amount includes expenses paid by Sindh Insurance Limited on behalf of Window Takaful Operations related to regular expenses of electricity, telephone, water, fuel charges and taxes including FED, FTF.

	Operator's Fund	
	2025	2024
	-----Rupees-----	
<b>20.2 Provision for compensated leaves absences</b>		
Opening balance	145,283	118,719
Provision for the year	101,745	26,564
Payment made during the year	(241,110)	-
Closing balance	5,918	145,283

	Operator's Fund	
	2025	2024
	-----Rupees-----	
<b>21. TAXATION - PROVISION LESS PAYMENTS</b>		
Provision for income tax	25,850,963	4,745,225
Less: Advance tax	(3,219,179)	(1,543,484)
	22,631,784	3,201,741

## 22. CONTINGENCIES AND COMMITMENTS

During the period, litigation was initiated regarding the continuation of the Workers' Welfare Board policy. The Company has successfully obtained a stay order against these proceedings. Based on the advice of legal counsel, management remains confident of a favorable outcome.

	Note	Participants Takaful Fund	
		2025	2024
		-----Rupees-----	
<b>23. NET TAKAFUL CONTRIBUTION</b>			
Written gross contribution		6,974,743,462	34,105,569
Wakala fee		(312,879,146)	(9,504,649)
Contribution net of wakala fee		6,661,864,316	24,600,920
Unearned contribution reserve - opening		10,040,093	8,793,598
Unearned contribution reserve - closing		(4,930,216,459)	(10,040,093)
Contribution earned		1,741,687,950	23,354,425
Less: Re-takaful contribution ceded		(10,416,924)	(5,248,429)
Prepaid re-takaful contribution ceded - opening		(605,671)	(826,247)
Prepaid re-takaful contribution ceded - closing		2,568,074	605,671
Re-takaful contribution expense		(8,454,521)	(5,469,005)
Net Takaful contribution		1,733,233,429	17,885,420

	Participants Takaful Fund	
	2025	2024
	-----Rupees-----	
<b>24. RETAKAFUL REBATE</b>		
Retakaful rebate received or recoverable	1,254,601	359,256
Unearned retakaful rebate - opening	117,295	130,101
Unearned retakaful rebate - closing	(435,291)	(117,295)
Rebate from takaful operator	936,605	372,062

**25. NET TAKAFUL CLAIMS EXPENSE**

Claim paid		<b>8,612,347</b>	18,144,679
Outstanding claims including IBNR closing	25.1	<b>422,692,446</b>	2,650,596
Outstanding claims including IBNR opening		<b>(2,650,596)</b>	(2,041,744)
Claim expense		<b>428,654,197</b>	18,753,531
Less: Re-takaful and other recoveries received		<b>110,255</b>	3,181,285
Re-takaful and other recoveries in respect of outstanding claims (opening)		<b>(460,183)</b>	(377,964)
Re-takaful and other recoveries in respect of outstanding claims (closing)		<b>337,968</b>	460,183
Re-takaful and other recoveries revenue		<b>(11,960)</b>	3,263,504
Net claim expense		<b>428,666,157</b>	15,490,027

**25.1** This includes provision for incurred but not reported (IBNR) amounting to 410.188 million (2024: 0.69 million)

**25.2 Takaful Benefits / Claim Development**

The Operator maintains adequate reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a year of time. All amounts are presented in gross numbers before re-takaful:

Accident year	2021 Rupees	2022 Rupees	2023 Rupees	2024 Rupees	2025 Rupees	Total Rupees
Estimate of ultimate claims cost:						
- At the end of accident year	8,717,395	10,020,007	9,592,989	15,129,766	19,131,839	62,601,996
- One year later	4,374,540	4,274,540	4,274,540	15,142,145	-	28,065,765
- Two years later	3,277,125	4,724,478	9,711,234	-	-	17,712,837
- Three years later	6,396,961	4,824,478	-	-	-	11,221,439
- Four years later	6,871,306	-	-	-	-	6,871,306
Current estimate of Cumulative claims	6,871,306	4,824,478	9,711,234	15,142,145	19,131,839	55,681,002
Cumulative payment to date	(6,832,957)	(4,824,478)	(9,502,609)	(14,934,547)	(7,082,365)	(43,176,956)
Liability recognized in balance sheet	<b>38,349</b>	-	<b>208,625</b>	<b>207,598</b>	<b>12,049,474</b>	<b>12,504,046</b>

2025                      2024  
-----Rupees-----

**26. Other direct expenses**

Profit share of WWBS	26.1	<b>1,590,340,639</b>	-
Others		<b>711,957</b>	36,308
		<b>1,591,052,596</b>	<b>36,308</b>

**26.1.** The profit distribution to WWBS is executed in accordance with the terms of the agreement, whereby 99.95% of the gross contribution, after deduction of all applicable expenses, is to be remitted to WWBS, and the remaining 0.05% is to be retained by the Company. This amount is calculated using the 1/24 method.

2025                      2024  
-----Rupees-----

**27. WAKALA FEE**

Gross wakala fee		<b>1,051,954,535</b>	9,757,496
Add: Deferred/unearned wakala fee opening		<b>2,694,504</b>	2,441,657
Add: Deferred/unearned wakala fee closing		<b>(741,769,893)</b>	(2,694,504)
Net Wakala Fee		<b>312,879,146</b>	9,504,649

**27.1.** The Operators manage the general takaful operations of the participants and charges 35% for the motor, 25% for the fire and property damage, 25% for the marine, aviation and transport, 22.5% for the miscellaneous and 25% for accident and health of the gross contribution written net off administrative surcharge on co - takaful inward as wakala fee against the services.

		Operator's Fund			
		2025	2024		
		-----Rupees-----			
<b>28. COMMISSION EXPENSE</b>					
Commission paid or payable		695,348,470	959,439		
Add: Deferred commission expense - opening		95,896	195,895		
Less: Deferred commission expense - closing		(491,941,648)	(95,896)		
		<u>203,502,718</u>	<u>1,059,438</u>		
<b>29. GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES</b>					
Employee benefit cost		1,908,448	2,255,091		
Printing and stationary expenses		83,400	25,000		
Depreciation		405,758	684,048		
Legal and professional charges		1,757,196	1,514,820		
Miscellaneous		7,926,761	2,009,406		
Service charges-Crescent care		75,135,382	-		
		<u>87,216,945</u>	<u>6,488,365</u>		
<b>29.1 Employee Benefit cost</b>					
Salaries, allowance and other benefits		1,839,039	2,163,387		
Charges for post employment benefit		69,409	91,704		
		<u>1,908,448</u>	<u>2,255,091</u>		
<b>30. INVESTMENT INCOME</b>					
		Operator's Fund		Participants Takaful Fund	
		2025	2024	2025	2024
		-----Rupees-----		-----Rupees-----	
<b>INVESTMENT INCOME</b>					
<b>Income from equity securities</b>					
Available for sale					
Dividend income		2,791,512	3,151,318	328,847	484,562
Capital gain on sale of investment		-	-	-	-
<b>Income from debt securities</b>					
Held to maturity					
Barah Sukuk		999,234	-	2,693,905	1,163,194
<b>Income from term deposits</b>					
Return on term deposits		1,455,667	6,019,717	2,156,190	9,921,740
		<u>5,246,413</u>	<u>9,171,035</u>	<u>5,178,942</u>	<u>11,569,496</u>
<b>31. OTHER INCOME</b>					
		Operator's Fund		Participants Takaful Fund	
		2025	2024	2025	2024
		-----Rupees-----		-----Rupees-----	
Profit on bank deposits		353,413	92,296	218,257,419	552,699
Others		723,143	34,469	154,602	126,629
		<u>1,076,556</u>	<u>126,765</u>	<u>218,412,021</u>	<u>679,328</u>
<b>32. MODARIB'S FEE</b>					
Modarib's share of investment income				44,687,272	2,424,439
				-----Rupees-----	

The operator manages the participants' investments as a Modarib and charge 20% Modarib's share of the investment income and profit on bank deposits earned by PTF.

		Operator's Fund	
		2025	2024
		-----Rupees-----	
<b>33. DIRECT EXPENSES</b>			
Auditors' Remuneration	33.1	355,939	371,107
		<u>355,939</u>	<u>371,107</u>
<b>33.1 Auditor's Remuneration</b>			
Annual audit fee		173,124	173,124
Half yearly review		80,343	80,343
Other Certification		84,968	84,968
Out of Pocket		17,233	17,233
		<u>355,669</u>	<u>355,669</u>
<b>34. Taxation</b>			
For the year			
Current		21,105,738	3,978,750
Deferred		145,859	(64,246)
		<u>21,251,597</u>	<u>3,914,504</u>
<b>34.1 Relationship between accounting profit and tax expense is as follows</b>		<b>Operator's Fund</b>	
		2025	2024
		-----Rupees-----	
The relationship between accounting tax expense and accounting profit is as follows:	Note		
Accounting profit / loss before tax		72,813,785	13,307,978
Tax @ 29%		21,115,998	3,859,314
Others		135,599	55,190
Provision for taxation		<u>21,251,597</u>	<u>3,914,504</u>
<b>35. TRANSACTIONS WITH RELATED PARTIES</b>			

Related parties comprises, associated companies, companies under common control, companies with common directors, shareholder, employees' retirement benefit plans, directors and key management personnel of the management. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Balances and transaction with related party are disclosed in relevant notes to the financial statements.

Name of related party	Nature of relationship	Nature of transaction	Operator's Fund		Participant Takaful Fund	
			2025	2024	2025	2024
			-----Rupees-----		-----Rupees-----	
<b>Transactions during the year</b>						
Sindh Bank Limited (SBL)	Common directorship	Income on saving accounts	343,689	86,688	-	-
Sindh Bank Limited (SBL)	Common directorship	Income on saving accounts	-	-	1,320,780	548,916
		Net Contribution	-	-	7,427,731	9,317,829
		Gross Contribution	-	-	5,483,837	7,512,153
		Claim paid	-	-	1,526,511	4,430,162
Sindh Modarba Management Limited	Common directorship	Net Contribution	-	-	9,784,531	10,148,390
		Gross Contribution	-	-	8,368,597	8,775,368
		Claim paid	-	-	2,058,109	2,155,630
<b>Balances outstanding as at</b>						
Sindh Bank Limited (SBL)	Common directorship	Bank accounts	22,831,920	995,802	6,591,352,364	11,381,954
		Due from takaful contract holder	-	-	4,277,823	182,180
		Claim payable	-	-	343,946	613,044
Sindh Modarba Management Limited	Common directorship	Due from takaful contract holder	-	-	794,747	12,789
		Claim payable	-	-	616,096	274,972

## 36 SEGMENT REPORTING

## 36.1 Operator's Fund

	2025						Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	
	Rupees						
Wakala fee	825,994	6,984	5,588,544	306,280,957	175,667	-	312,879,146
Management expenses	(52,755)	(591)	(242,495)	(86,510,324)	(10,760)	-	(87,216,945)
Commission expenses	(123,092)	(1,380)	(565,812)	(702,787,281)	(25,153)	-	(203,562,718)
Net commission and expenses	(175,846)	(1,972)	(808,308)	(289,697,605)	(35,913)	-	(290,719,603)
	650,148	5,012	4,780,236	16,583,353	139,754	-	22,159,483
Modali's share of PTF investment income							44,687,272
Net investment income							5,246,413
Other income							1,016,996
Other expenses							(385,939)
Profit before tax							72,813,785
Corporate segment assets	710,936	7,971	3,267,935	1,171,228,603	145,274	-	1,175,360,719
Corporate un-allocated assets							178,936,751
Total assets							1,354,297,470
Corporate segment liabilities	462,361	5,184	2,125,318	761,714,335	94,479	-	754,401,677
Corporate un-allocated liabilities							457,997,156
Total liabilities							1,212,398,833

	2024						Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	
	Rupees						
Wakala fee	243,255	4,125	4,706,635	4,411,956	138,578	-	9,504,649
Management expenses	(198,257)	(5,251)	(2,477,300)	(3,682,770)	(124,748)	-	(6,488,365)
Commission expenses	(32,378)	(857)	(404,500)	(601,333)	(20,369)	-	(1,059,438)
Net commission and expenses	(230,635)	(6,108)	(2,881,800)	(4,284,103)	(145,117)	-	(7,547,863)
	12,580	(1,983)	1,824,835	127,854	(6,439)	-	1,956,846
Modali's share of PTF investment income							2,424,430
Net investment income							9,171,635
Other income							126,765
Other expenses							(371,107)
Profit before tax							13,367,979
Corporate segment assets	1,452,936	38,473	18,151,616	26,884,309	914,051	-	47,541,405
Corporate un-allocated assets							57,518,636
Total assets							105,060,041
Corporate segment liabilities	189,165	5,005	2,363,213	3,513,168	119,003	-	6,189,558
Corporate un-allocated liabilities							13,056,738
Total liabilities							19,246,296

## 36.2 Participants' Takaful Fund

	2025						
	Fire and Property Damage	Marine, Aviation & Transport	Motor	Accident and health	Miscellaneous	Treaty	Total
-----Rupees-----							
<b>Segment results</b>							
Contribution receivable	4,300,635	49,316	20,742,369	6,953,239,247	964,412	-	6,979,295,979
Less: Federal exercise duty	(76,637)	(1,890)	(1,255,841)	(2,821,178)	(95,784)	-	(4,251,330)
Federal insurance fee	(5,213)	(126)	(94,177)	(195,116)	(8,555)	-	(381,187)
Gross written contribution	4,218,785	47,300	19,392,351	6,950,222,953	862,073	-	6,974,743,462
Direct contribution earned	826,377	-	14,550,596	6,950,202,953	798,295	-	6,956,378,221
Facultative inward contribution earned	3,352,758	-	4,626,585	-	19,836	-	7,999,179
Administrative surcharge earned	39,650	800	215,170	20,000	31,692	-	387,312
	4,218,785	800	19,392,351	6,950,222,953	849,823	-	6,974,684,712
Wakala expense	(825,994)	(6,964)	(5,589,544)	(386,200,957)	(175,667)	-	(312,879,146)
Takaful contribution earned	2,508,287	21,779	10,540,131	1,728,009,379	608,374	-	1,741,687,950
Re-takaful expense	(2,529,037)	(25,144)	(5,315,817)	12,644	(597,167)	-	(8,454,521)
Net takaful contribution	(20,750)	(3,365)	5,224,314	1,728,022,023	11,207	-	1,733,213,429
Rebate from re-takaful operators	594,099	5,784	205,761	-	138,961	-	936,605
Net underwriting income	573,349	2,419	5,430,075	1,728,022,023	142,168	-	1,734,170,634
Takaful claims	155,669	(1,033)	(8,530,276)	(420,161,629)	(115,928)	-	(428,654,197)
Re-takaful and other recoveries	(134,980)	-	15,297	-	107,723	-	(11,960)
Net claims	20,689	(1,033)	(8,514,979)	(420,161,629)	(9,205)	-	(428,666,157)
Direct expenses							(1,296,383,175)
Surplus before investment income	594,038	1,386	(3,084,904)	1,307,860,394	132,963	-	9,280,702
Investment Income							5,178,942
Other Income							218,412,821
Less: Modarib's share of investment income							(44,687,272)
<b>(Deficit) / surplus for the period</b>							<b>138,104,393</b>
Corporate segment assets	588,767	6,601	2,706,365	989,961,773	129,310	-	973,383,816
Corporate un-allocated assets							6,592,985,267
Total assets							<b>7,566,369,083</b>
Corporate segment liabilities	4,427,340	49,638	20,351,008	7,293,805,942	904,689	-	7,319,538,618
Corporate un-allocated liabilities							301,381,703
Total liabilities							<b>7,620,920,321</b>

	2024						
	Fire and Property Damage	Marine, Aviation & Transport	Motor	Accident and health	Miscellaneous	Treaty	Total
	Rupees						
<b>Segment results</b>							
Contribution receivable	1,124,181	29,616	14,371,745	22,374,477	758,067	-	38,658,086
Less: Federal excise duty	(76,637)	(1,890)	(1,255,841)	(2,821,178)	(96,784)	-	(4,251,330)
Federal insurance fee	(5,213)	(126)	(94,177)	(195,116)	(6,555)	-	(301,187)
Gross written contribution	1,042,331	27,600	13,021,727	19,358,183	655,728	-	34,105,569
Direct contribution earned	447,154	12,000	9,267,277	19,333,182	639,817	-	29,699,430
Facultative inward contribution earned	576,893	15,000	3,630,622	-	-	-	4,222,515
Administrative surcharge earned	18,284	600	123,828	25,001	15,911	-	183,624
	1,042,331	27,600	13,021,727	19,358,183	655,728	-	34,105,569
Wakala expense	(243,255)	(4,125)	(4,706,635)	(4,411,956)	(138,678)	-	(9,504,649)
Takaful contribution earned	746,253	12,450	8,859,871	13,257,120	478,731	-	23,354,425
Re-takaful expense	(813,817)	(14,850)	(4,169,798)	-	(470,540)	-	(5,469,005)
Net takaful contribution	(67,564)	(2,400)	4,690,073	13,257,120	8,191	-	17,885,420
Rebate from re-takaful operators	187,178	3,416	76,829	-	104,639	-	372,062
Net underwriting income	119,614	1,016	4,766,902	13,257,120	112,830	-	18,257,482
Takaful claims	(294,680)	1,312	(2,535,930)	(11,844,233)	(4,080,000)	-	(18,753,531)
Re-takaful and other recoveries	232,431	-	(115,213)	-	3,146,286	-	3,263,504
Net claims	(62,249)	1,312	(2,651,143)	(11,844,233)	(933,714)	-	(15,496,027)
Direct expenses	(36,308)						(36,308)
Surplus before investment income	57,365	2,328	2,115,759	1,412,887	(820,884)	-	2,731,147
Investment Income	-	-	-	-	-	-	11,569,496
Other Income	-	-	-	-	-	-	679,328
Less: Moderator's share of investment income	-	-	-	-	-	-	(2,424,439)
<b>(Deficit) / surplus for the period</b>							<u>12,555,532</u>
Corporate segment assets	756,959	20,044	9,456,601	14,058,243	476,201	-	24,768,048
Corporate un-allocated assets	-	-	-	-	-	-	87,066,577
Total assets	-	-	-	-	-	-	<u>111,834,625</u>
Corporate segment liabilities	1,408,222	37,288	17,592,766	26,153,519	885,909	-	46,077,705
Corporate un-allocated liabilities	-	-	-	-	-	-	13,528,139
Total liabilities	-	-	-	-	-	-	<u>59,605,844</u>

**37 MOVEMENT IN INVESTMENTS**

	Held to maturity	Available for sale	Total
-----Rupees-----			
<b>37.1 Operator's Fund</b>			
As at January 01, 2024	-	17,517,656	17,517,656
Additions	-	2,673,711	2,673,711
Fair Value net gain	-	344,264	344,264
	-	3,017,975	3,017,975
As at December 31, 2024	-	20,535,631	20,535,631
Additions	-	141,311,007	141,311,007
Deletion	-	-	-
Fair value net gains (excluding net realized gains)	-	(7,794,123)	(7,794,123)
	-	133,516,884	133,516,884
As at December 31, 2025	-	154,052,515	154,052,515
<b>Participants' Takaful fund</b>			
As at January 01, 2024	-	2,522,076	2,522,076
Additions	-	410,916	410,916
Fair Value net loss	-	7,621	7,620
	-	418,537	418,536
As at December 31, 2024	-	2,940,613	2,940,612
Additions	-	59,030,142	59,030,142
Fair value net gains (excluding net realized gains)	-	(134,991)	(134,991)
	-	58,895,151	58,895,151
As at December 31, 2025	-	61,835,764	61,835,763

**38 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK**

The risks involved with financial instruments and the Operator's approach to managing such risks are discussed below.

**38.1 Takaful risk**

The risk under a takaful contract is the possibility that the covered event occurs and the uncertainty of the amount of the resulting claim. By the very nature of a takaful contract, this risk is random and therefore unpredictable. The principal risk faced under such contracts is the occurrence of the covered events and the severity of reported claims. The Operator's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subset.

The Operator principally issues the general takaful cover. Risks under these policies usually cover a twelve month duration. For general takaful contracts, the most significant risks arise from motor.

Underwriting limits and retention policies and procedures precisely regulate who is authorized and accountable for concluding takaful and retakaful contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting where necessary with appropriate measures that are translated without delay into underwriting guidelines, if required.

The primary risk control measure in respect of the takaful risk is the transfer of the risks to third parties via retakaful. The retakaful business ceded is placed on a proportional and non proportional basis with retention limits varying by lines of business.

**38.1.1 Frequency and severity of claims**

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical factors, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risk through the measures described.

The Operator monitors concentration of takaful risks primarily by class of business. The table below sets out the concentration of the claims and takaful liabilities (in percentage terms) by class of business as at the reporting date:

Class of business	2025				2024			
	Gross claims liability	Net claims liability	Gross contribution liability	Net contribution liability	Gross claims liability	Net claims liability	Gross contribution liability	Net contribution liability
	%	%	%	%	%	%	%	%
Fire and property damage	0.03%	0.02%	0.02%	0.00%	12.27%	5.15%	2.91%	0.71%
Marine, aviation and transport	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.11%	0.02%
Motor	1.49%	1.50%	0.11%	0.08%	35.29%	42.70%	20.96%	20.75%
Accident and Health	98.38%	98.46%	99.86%	99.91%	38.22%	46.25%	73.10%	77.80%
Miscellaneous	0.09%	0.03%	0.01%	0.00%	14.20%	5.88%	2.91%	0.72%

### 38.1.2 Retakaful arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non-proportional treaty which is very much in line with the risk management philosophy of the Operator.

In compliance with regulatory requirements, the reinsurance agreements are duly submitted to the SECP on an annual basis.

The Operator's class wise major risk exposure is as follows:

	Gross sum insured	Reinsurance	Net exposure of risk	Net exposure of risk
	2025			2024
-----Rupees-----				
Fire and property	194,636,060	120,000,000	74,636,060	5,000,000
Marine, aviation and transport	3,000,000	2,700,000	300,000	5,000,000
Motor	45,100,000	40,139,000	4,961,000	8,558,272
Accident and health	3,000,000	-	3,000,000	2,000,000
Miscellaneous	11,106,876	8,330,697	2,776,179	2,250,000
	<u>256,842,936</u>	<u>171,169,697</u>	<u>85,673,239</u>	<u>22,808,272</u>

The primary risk control measure in respect of the takaful risk is the transfer of the risks to third parties via re-takaful. The retakaful business ceded is placed on a proportional and non proportional basis with retention limits varying by lines of business.

Retakaful is used to manage takaful risk. Although the Operator has retakaful arrangements, it does not, however, discharge the Operator's liability and thus a credit risk exposure remains with respect to retakaful ceded to the extent that any retakaful operator may be unable to meet its obligations under such retakaful arrangements. The Operator minimizes such credit risk by entering into retakaful arrangements with retakaful operators having good credit ratings, which are reviewed on a regular basis. The creditworthiness of retakaful operators is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

### 38.1.3 Uncertainty in the estimation of future claims payment

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

An estimated amount of the claim is recorded immediately on the intimation to the operator. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The operator takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount.

### 38.1.4 Key assumptions

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

**38.1.5 Sensitivity analysis**

The Operator believes that the claim liabilities under takaful contracts outstanding at the period end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the PTF surplus of the changes in the claim liabilities net of retakaful is analysed below. The sensitivity to changes in claim liabilities net of retakaful is determined separately for each class of business while keeping all other assumptions constant.

	Pre-tax profit		Shareholders' equity	
	2025	2024	2025	2024
	Rupees		Rupees	
<b>10% Increase in loss</b>				
Fire and property damage	2,069	(6,225)	1,469	(4,420)
Marine, aviation and transport	(103)	131	(73)	93
Motor	(851,498)	(265,114)	(604,564)	(188,231)
Accident and health	(42,016,163)	(1,184,423)	(29,831,476)	(840,941)
Miscellaneous	(921)	(93,371)	(654)	(66,294)
	<b>(42,866,616)</b>	<b>(1,549,003)</b>	<b>(30,435,298)</b>	<b>(1,099,792)</b>
	Pre-tax profit		Shareholders' equity	
	2025	2024	2025	2024
	Rupees		Rupees	
<b>10% decrease in loss</b>				
Fire and property damage	(2,069)	6,225	(1,469)	4,420
Marine, aviation and transport	103	(131)	73	(93)
Motor	851,498	265,114	604,564	188,231
Accident and health	42,016,163	1,184,423	29,831,476	840,941
Miscellaneous	921	93,371	654	66,294
	<b>42,866,616</b>	<b>1,549,003</b>	<b>30,435,298</b>	<b>1,099,792</b>

**38.2 Financial risk**

The operator has exposure to the following risks from its use of financial instruments:

**38.2.1 Liquidity risk**

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Operator could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Operator's reputation. In the case of the Operator, the liquidity level remained on satisfactory level during the year and Operator did not face any difficulty in generation of liquidity.

The following are the contractual maturities of financial liabilities on an undiscounted cashflow basis:

	Carrying amount	Contractual cash flows	Upto one year	Greater than one year
	2025			
	Rupees			
<b>Operator's Fund</b>				
<b>Financial liabilities</b>				
Other creditors and accruals	457,991,238	457,991,238	457,991,238	-
<b>Participants' Takaful Fund</b>				
<b>Financial Liabilities</b>				
Qard e Hasna	10,000,000	10,000,000	10,000,000	-
Outstanding claims	12,504,048	12,504,048	12,504,048	-
Takaful / re-takaful payables	4,486,853	4,486,853	4,486,853	-
Payable to OPF	663,493,884	663,493,884	663,493,884	-
Other creditors	5,761,615	5,761,615	5,761,615	-
	<b>696,246,400</b>	<b>696,246,400</b>	<b>696,246,400</b>	<b>-</b>

	Carrying amount	Contractual cash flows	2024	
			Upto one year	Greater than one year
Rupees				
<b>Operator's Fund</b>				
<b>Financial liabilities</b>				
Other creditors and accruals	13,056,728	13,056,728	13,056,728	-
<b>Participants' Takaful Fund</b>				
<b>Financial Liabilities</b>				
Qard e Hasna	10,000,000	10,000,000	10,000,000	-
Outstanding claims including IBNR	1,963,892	1,963,892	1,963,892	-
Takaful / re-takaful payables	4,301,225	4,301,225	4,301,225	-
Payable to OPF	28,563,778	28,563,778	28,563,778	-
Other creditors	12,823,986	12,823,986	12,823,986	-
	<u>57,652,881</u>	<u>57,652,881</u>	<u>57,652,881</u>	<u>-</u>

### 38.2.2 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. The Operator manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the investment committee. Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

#### a. Profit rate risk

Profit rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market profit rates. Sensitivity to profit rate risk arises from mismatching of financial assets and liabilities that mature or repaid in a given year. The Operator manages this mismatch through risk management strategies where significant changes in gap position can be adjusted. At the reporting date, the profit rate profile of the Operator's significant profit bearing financial instruments was as follows:

	profit rate	2025						
		Profit bearing			Non-profit bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
Rupees								
<b>Operator's Fund</b>								
<b>Financial assets</b>								
<b>Investments</b>								
Equity securities		114,835,269	-	114,835,269	-	-	114,835,269	
Debt securities	10%	39,217,246	-	39,217,246	-	-	39,217,246	
Term deposits		-	-	-	-	-	-	
		<u>154,052,515</u>	<u>-</u>	<u>154,052,515</u>	<u>-</u>	<u>-</u>	<u>154,052,515</u>	
Qard-e-Hasna to Participants' Takaful Fund		-	-	-	-	10,000,000	10,000,000	
Loans and other receivable		-	-	-	1,112,179	-	1,112,179	
Receivable from PTF		-	-	-	663,493,884	-	663,493,884	
Cash and bank	4.50%-9.20%	23,006,587	-	23,006,587	-	-	23,006,587	
		<u>177,059,102</u>	<u>-</u>	<u>177,059,102</u>	<u>664,606,063</u>	<u>10,000,000</u>	<u>674,606,063</u>	
<b>Financial liabilities</b>								
Other creditors and accruals		-	-	-	457,906,566	-	457,906,566	
		-	-	-	457,906,566	-	457,906,566	
On balance sheet gap (a)		<u>177,059,102</u>	<u>-</u>	<u>177,059,102</u>	<u>206,699,497</u>	<u>10,000,000</u>	<u>216,699,497</u>	
Off balance sheet financial instrument		-	-	-	-	-	-	
Off balance sheet gap (b)		-	-	-	-	-	-	
		<u>177,059,102</u>	<u>-</u>	<u>177,059,102</u>				
Total interest rate sensitivity gap (a) + (b)		<u>177,059,102</u>	<u>-</u>	<u>177,059,102</u>				
Cumulative interest rate sensitivity gap		<u>177,059,102</u>	<u>-</u>	<u>177,059,102</u>				

		2024						
		Profit bearing			Non-profit bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
		Rupees						
<b>Operator's Fund</b>	<b>Profit rate</b>							
<b>Financial assets</b>								
Investments								
Equity securities		-	-	-	20,535,631	-	20,535,631	20,535,631
Debt securities	17.5%-18.5%	35,815,476	-	35,815,476	-	-	-	35,815,476
		35,815,476	-	35,815,476	20,535,631	-	20,535,631	56,351,107
Qard-e-Hassn to Participant's Takaful Fund		-	-	-	-	10,000,000	10,000,000	10,000,000
Loans and other receivable		-	-	-	5,722,433	-	5,722,433	5,722,433
Receivable from PTF		-	-	-	28,563,777	-	28,563,777	28,563,777
Cash and bank	2.73%-5.23%	1,167,529	-	1,167,529	-	-	-	1,167,529
		36,983,005	-	36,983,005	54,821,841	10,000,000	64,821,841	101,804,846
<b>Financial liabilities</b>								
Other creditors and accruals		-	-	-	12,897,559	-	12,897,559	12,897,559
		-	-	-	12,897,559	-	12,897,559	12,897,559
On balance sheet gap (a)		36,983,005	-	36,983,005	41,924,283	10,000,000	51,924,283	88,907,286
Off balance sheet financial instrument		-	-	-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		36,983,005	-	36,983,005				
Cumulative interest rate sensitivity gap		36,983,005	-					

		2025						
		Profit bearing			Non-profit bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
		Rupees						
<b>Participant's Fund</b>	<b>profit rate</b>							
<b>Financial assets</b>								
Investments								
Equity securities		-	-	-	3,052,261	-	3,052,261	3,052,261
Term deposits		-	-	-	-	-	-	-
Takaful / retakaful receivables		-	-	-	14,227,479	-	14,227,479	14,227,479
Loan and other receivable		-	-	-	128,690,599	-	128,690,599	128,690,599
Cash and bank	4.50%-9.20%	6,592,985,268	-	6,592,985,268	-	-	-	6,592,985,268
		6,592,985,268	-	6,592,985,268	145,970,339	-	145,970,339	6,738,955,607
<b>Financial liabilities</b>								
Qard e Hassn		-	-	-	10,000,000	-	10,000,000	10,000,000
Outstanding claims including IBNR		-	-	-	422,692,446	-	422,692,446	422,692,446
Payable to OFF		-	-	-	663,493,894	-	663,493,894	663,493,894
Takaful / Retakaful payables		-	-	-	4,486,853	-	4,486,853	4,486,853
Other creditors and accruals		-	-	-	5,761,615	-	5,761,615	5,761,615
		-	-	-	1,106,434,798	-	1,106,434,798	1,106,434,798
On balance sheet gap (a)		6,592,985,268	-	6,592,985,268	(950,464,459)	-	(950,464,459)	5,642,520,809
Off balance sheet financial instrument		-	-	-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		6,592,985,268	-	6,592,985,268				
Cumulative interest rate sensitivity gap		6,592,985,268	-					

	Profit rate	2024					
		Profit bearing			Non-profit bearing		
		Maturity upto one	Maturity after	Sub total	Maturity upto one	Maturity after one	Sub total
Rupees							
<b>Participant's Fund</b>							
<b>Financial assets</b>							
Investments							
Equity securities		-	-	-	2,940,613	-	2,940,613
Term deposits	17.5%-18.5%	53,694,524	-	53,694,524	-	-	53,694,524
Takaful / retakaful receivables		-	-	-	5,782,052	-	5,782,052
Loan and other receivable		-	-	-	13,246,549	-	13,246,549
Cash and bank	2.73%-5.23%	11,820,883	-	11,820,883	-	-	11,820,883
		65,505,407	-	65,505,407	21,069,214	-	21,069,214
<b>Financial liabilities</b>							
Qard e Hasna		-	-	-	10,000,000	-	10,000,000
Outstanding claims including BNR		-	-	-	2,650,596	-	2,650,596
Payable to OPF		-	-	-	28,563,778	-	28,563,778
Takaful / Retakaful payables		-	-	-	4,301,225	-	4,301,225
Other creditors and accruals		-	-	-	12,623,986	-	12,623,986
		-	-	-	58,339,585	-	58,339,585
On balance sheet gap (a)		65,505,407	-	65,505,407	(36,370,371)	-	(36,370,371)
Off balance sheet financial instrument		-	-	-	-	-	-
Off balance sheet gap (b)		-	-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		65,505,407	-	65,505,407			
<b>Cumulative interest rate sensitivity gap</b>		65,505,407	-				

The financial instruments of the Operator can be classified into fixed rate instruments and variable rate instruments as shown below:

	2025			2024
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
Rupees				
<b>Fixed rate instruments</b>				
Financial assets	39,217,246	58,783,503	98,000,749	-
	39,217,246	58,783,503	98,000,749	-
<b>Variable rate instruments</b>				
Financial assets	44,721,856	6,596,037,529	6,640,759,385	102,488,412
	44,721,856	6,596,037,529	6,640,759,385	102,488,412

#### Sensitivity analysis for fixed rate instruments

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

#### Sensitivity analysis of variable rate instruments

Presently, the Operator does not hold any variable rate instrument and is not exposed to profit rate risk except for balances in certain profit and loss sharing accounts and term deposits, the profit rate on which range between 6.34% to 10.35% per annum.

An increase of 100 basis points in interest rates would have increased the profit and loss by the amounts shown below. Reduction in interest rates by 100 basis points would have an opposite impact. This analysis assumes that all variables remain constant. The analysis has been performed on the same basis for the comparative period.

Operator's Fund	Profit for the year		Total equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Rupees				
<b>As at December 31, 2025</b>				
Sensitivity	447,219	(447,219)	317,525	(317,525)
<b>As at December 31, 2024</b>				
Sensitivity	369,830	(369,830)	262,579	(262,579)

Participant's Takaful Fund	Surplus for the year		Total equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
-----Rupees-----				
As at December 31, 2025				
Sensitivity	65,960,375	(65,960,375)	46,831,866	(46,831,866)
As at December 31, 2024				
Sensitivity	655,054	(655,054)	460,588	(460,588)

Above sensitivities are calculated on the assumption that all factors remain constant except interest rates and resulting variation in fair values of the investments and impact on the profit or loss.

Above sensitivities are calculated on the assumption that all factors remain constant except profit rates and resulting variation in fair values of the investments and impact on the statement of profit or loss.

The Operator monitors the profit rate environment on a regular basis and alters the portfolio mix of fixed and floating rate securities.

The Operator's policy requires the management to manage this risk by measuring the mismatch of the profit rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed profit securities.

The average effective duration of the Operator's portfolio is a measure of the sensitivity of the fair value of the Operator's fixed profit securities to changes in market profit rates.

The Operator's policy refrains from holding profit bearing instruments that induce the average effective duration of the fixed profit portfolio to pass the benchmark of the average duration.

#### b. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Operators and Participants equity investments amounting to Rs. 114.83 million and Rs. 3.05 million respectively are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Operator limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarizes Operators market price risk as of December 31, 2025. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Operators' profit and equity. Had all equity investments been measured at fair values as required by IAS 39, Financial Instrument: Recognition and measurement, the impact of hypothetical change would be as follow:

Operators' Fund	Fair value	Estimated Fair value		Effect of Fair value	
		10% increase	10% decrease	10% increase	10% decrease
-----Rupees-----					
<b>As at December 31, 2025</b>					
Sensitivity	114,835,269	126,318,795	103,351,742	11,483,527	(11,483,527)
Participants' Takaful Fund	Fair value	Estimated Fair value		Effect of Fair value	
		10% increase	10% decrease	10% increase	10% decrease
-----Rupees-----					
<b>As at December 31, 2025</b>					
Sensitivity	3,052,261	3,357,487	2,747,035	305,226	(305,226)

#### c. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Operators, at present, is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.

**38.2.3 Credit risk**

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the Operator by failing to discharge an obligation. The Operator's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

**Exposure to credit risk**

The maximum exposure to credit risk before any credit enhancements at December 31, 2025 is the carrying amount of the financial assets as set out below:

	2025			2024
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
	-----Rupees-----			
<b>Nature of financial assets</b>				
Bank balances	23,006,587	6,592,985,268	6,615,991,855	12,988,412
Investments				
Equity securities	114,835,269	3,052,261	117,887,530	23,476,244
Debt securities	39,217,246	58,783,503	98,000,749	108,120,557
	154,052,515	61,835,764	215,888,279	131,596,801
Qard-e-Hasna to Participants' Takaful Fund	10,000,000	-	10,000,000	10,000,000
Loans and other receivable	1,112,179	128,870,560	129,982,739	18,968,982
Receivable from PTF	663,493,884	-	663,493,884	28,563,777
Takaful / retakaful receivables	-	14,227,479	14,227,479	5,782,052
	<u>851,665,165</u>	<u>6,797,919,071</u>	<u>7,649,584,236</u>	<u>207,900,024</u>

Provision for impairment is made for doubtful receivables according to the Operator's policy. The impairment provision is written off when the Operator expects that it cannot recover the balance due.

The age analysis of due from insurance contract holders from other than related parties is as follows:

	2025	2024
	-----Rupees-----	
Upto 3 months	3,631,502	1,376,367
4 to 6 months	836,820	-
7 to 12 months	1,589,526	-
More than 12 months	39,758	-
	<u>6,097,606</u>	<u>1,376,367</u>

The age analysis of due from insurance contract holders with respect to related parties is as follows:

	2025	2024
Upto 3 months	4,889,710	214,947
4 to 6 months	-	-
7 to 12 months	149,889	-
More than 12 months	32,771	-
	<u>5,072,370</u>	<u>214,947</u>

**Concentration of credit risk**

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Operator's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. Provision for impairment is made for doubtful receivables according to the Operator's policy. The remaining past due balances were not impaired as they relate to a number of policy holders and other takaful / retakaful operators for whom there is no history of default. The credit quality of the financial assets can be assessed with reference to external credit ratings as follows:

Name of the company	Rating		Rating agency	2025			2024
	Long term	Short term		Operator's Fund	Participants' Fund	Aggregate	Aggregate
<b>Rupees</b>							
<b>Cash at bank</b>							
Sindh Bank Limited	AA-	A1+	JCR-VIS	22,831,920	6,591,352,364	6,614,184,284	12,377,756
Mezan Bank Limited	AAA	A1+	JCR-VIS	38,042	55,737	93,779	88,359
NRSP Microfinance Bank Limited	A-	A2	JCR-VIS	63,361	-	63,361	57,441
National Bank of Pakistan	AAA	A1+	JCR-VIS	-	1,248,047	1,248,047	50,787
Habib Metropolitan Bank	AA+	A1+	PACRA	73,264	329,120	402,384	412,749
				<u>23,006,587</u>	<u>6,592,985,268</u>	<u>6,615,991,855</u>	<u>12,967,083</u>
<b>Term deposit certificates</b>							
National Bank of Pakistan	AAA	A1+	JCR-VIS	-	-	-	89,500,000
Habib Metro Bank Limited	AA+	A1+	PACRA	-	-	-	-
				<u>-</u>	<u>-</u>	<u>-</u>	<u>89,500,000</u>
<b>Investments</b>							
<b>Mutual funds</b>							
ABL Islamic Income Fund	A+(f)	-	JCR-VIS	114,835,269	-	114,835,269	20,535,631
Mezan Sovereign Fund	AA(f)	-	JCR-VIS	-	3,052,261	3,052,261	2,940,613
GCP Ijara	A(f)	-	PACRA	-	18,620,557	18,620,557	18,620,557
				<u>114,835,269</u>	<u>21,672,818</u>	<u>136,508,087</u>	<u>42,096,801</u>

### Impaired assets

The provision for impairment is written-off when the Operator expects that it cannot recover the balance due. During the year, receivables of Rs. Nil were provided for or impaired.

### 39 CAPITAL RISK MANAGEMENT

The objectives, policies and processes for managing capital of the Operator are as follows:

- to be an appropriately capitalized institution, as defined by regulatory authorities and comparable to the peers:
  - maintain strong rating and to protect the Operator against unexpected events;
  - availability of adequate capital at reasonable cost so as to enable the Operator to expand; and
  - achieve low cost of capital with appropriate mix of capital elements.

### 40 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Operator is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input for which the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input for which the fair value measurement is unobservable.

Operator's Fund	2025									
	Carrying amount					Fair value				
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)					(Rupees)				
<b>Financial assets measured at fair value</b>										
Investments										
Equity securities	-	114,035,269	-	-	-	114,035,269	114,035,269	-	-	114,035,269
<b>Financial assets not measured at fair value</b>										
Investments										
Debt securities	39,217,246	-	-	-	-	39,217,246	-	-	-	-
Loans and other receivable <sup>1</sup>	-	-	1,112,179	-	-	1,112,179	-	-	-	-
Qard-e-Hassan to Participants/ Takaful Fund (PTF)	-	-	-	10,000,000	-	10,000,000	-	-	-	-
Takaful / re-takaful receivable <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Prepayments										
Receivable from PTF	-	-	663,493,884	-	-	663,493,884	-	-	-	-
Cash and bank balance <sup>3</sup>	-	-	-	23,906,587	-	23,906,587	-	-	-	-
	39,217,246	114,035,269	664,606,063	23,906,587	-	851,665,165	114,035,269	-	-	114,035,269
<b>Financial liabilities not measured at fair value</b>										
Other creditors and accruals <sup>4</sup>	-	-	-	-	457,906,566	457,906,566	-	-	-	-
	39,217,246	114,035,269	664,606,063	23,906,587	457,906,566	1,309,571,731	114,035,269	-	-	114,035,269

Operator's Fund	2024									
	Carrying amount					Fair value				
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)					(Rupees)				
<b>Financial assets measured at fair value</b>										
Investments										
Equity securities	-	20,535,631	-	-	-	20,535,631	20,535,631	-	-	20,535,631
<b>Financial assets not measured at fair value</b>										
Investments										
Term deposits	35,825,476	-	-	-	-	35,825,476	-	-	-	-
Loans and other receivable <sup>1</sup>	-	-	5,722,433	-	-	5,722,433	-	-	-	-
Qard-e-Hassan to Participants/ Takaful Fund (PTF)	-	-	-	10,000,000	-	10,000,000	-	-	-	-
Takaful / re-takaful receivable <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Prepayments										
Receivable from PTF	-	-	28,563,777	-	-	28,563,777	-	-	-	-
Cash and bank balance <sup>3</sup>	-	-	-	1,167,529	-	1,167,529	-	-	-	-
	35,825,476	20,535,631	34,286,210	11,167,529	-	101,804,846	20,535,631	-	-	20,535,631
<b>Financial liabilities not measured at fair value</b>										
Other creditors and accruals <sup>4</sup>	-	-	-	-	12,897,539	12,897,539	-	-	-	-
	35,825,476	20,535,631	34,286,210	11,167,529	12,897,539	114,702,465	20,535,631	-	-	20,535,631

Participants' Takaful Fund	2025						Fair value			
	Held-to-maturity	Carrying amount					Level 1	Level 2	Level 3	Total
		Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total				
(Rupees)						(Rupees)				
<b>Financial assets measured at fair value</b>										
<b>Investments</b>										
Equity securities	-	3,052,261	-	-	-	-	3,052,261	-	-	3,052,261
<b>Financial assets not measured at fair value</b>										
<b>Investments</b>										
Term deposits	-	-	-	-	-	-	-	-	-	-
Debt securities	58,783,503	-	-	-	-	58,783,503	-	-	-	-
Loans and other receivable <sup>1</sup>	-	-	118,202,661	-	-	118,202,661	-	-	-	-
Takaful / re-takaful receivable <sup>2</sup>	-	-	14,227,479	-	-	14,227,479	-	-	-	-
Cash and bank balance <sup>3</sup>	-	-	-	6,592,985,268	-	6,592,985,268	-	-	-	-
	58,783,503	3,052,261	131,430,140	6,592,985,268	-	6,707,251,172	3,052,261	-	-	3,052,261
<b>Financial liabilities not measured at fair value</b>										
Outstanding claims including BWR	-	-	-	-	(422,692,446)	(422,692,446)	-	-	-	-
Unearned contribution reserve	-	-	-	-	-	-	-	-	-	-
Qurt-e-Hana to Participants' Takaful Fund (PTH)	-	-	-	-	(10,000,000)	(10,000,000)	-	-	-	-
Payable to OPF	-	-	-	-	(563,493,884)	(563,493,884)	-	-	-	-
Takaful / re-takaful payable	-	-	-	-	(4,486,053)	(4,486,053)	-	-	-	-
Other creditors and accruals <sup>4</sup>	-	-	-	-	(5,761,615)	(5,761,615)	-	-	-	-
	58,783,503	3,052,261	131,430,140	6,592,985,268	(1,106,434,798)	5,680,035,374	3,052,261	-	-	3,052,261

Participants' Takaful Fund	2024						Fair value			
	Held-to-maturity	Carrying amount					Level 1	Level 2	Level 3	Total
		Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total				
(Rupees)						(Rupees)				
<b>Financial assets measured at fair value</b>										
<b>Investments</b>										
Equity securities	-	2,940,613	-	-	-	2,940,613	2,940,613	-	-	2,940,613
<b>Financial assets not measured at fair value</b>										
<b>Investments</b>										
Term deposits	53,684,524	-	-	-	-	53,684,524	-	-	-	-
Debt Securities	18,620,557	-	-	-	-	18,620,557	-	-	-	-
Loans and other receivable <sup>1</sup>	-	-	12,544,709	-	-	12,544,709	-	-	-	-
Takaful / re-takaful receivable <sup>2</sup>	-	-	5,782,052	-	-	5,782,052	-	-	-	-
Cash and bank balance <sup>3</sup>	-	-	-	11,820,883	-	11,820,883	-	-	-	-
	53,330,000	2,522,076	7,246,500	6,401,504	-	105,303,308	2,522,076	-	-	2,522,076
<b>Financial liabilities not measured at fair value</b>										
Outstanding claims including BWR	-	-	-	-	(2,690,596)	(2,690,596)	-	-	-	-
Qurt-e-Hana to Participants' Takaful Fund (PTH)	-	-	-	-	-	-	-	-	-	-
Payable to OPF	-	-	-	-	(10,000,000)	(10,000,000)	-	-	-	-
Takaful / re-takaful payable	-	-	-	-	(28,563,778)	(28,563,778)	-	-	-	-
Other creditors and accruals <sup>4</sup>	-	-	-	-	(4,301,225)	(4,301,225)	-	-	-	-
	53,330,000	2,522,076	7,246,500	6,401,504	(58,339,585)	47,053,753	2,522,076	-	-	2,522,076

The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. 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. Consequently differences may arise between the carrying values and the fair value estimates.

	2025	2024
<b>41 NUMBER OF EMPLOYEES</b>		
Number of employees at the end of the year	1	1
Average number of employees	1	1

**42 CORRESPONDING FIGURES**

Corresponding figures might be rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

**43 Subsequent event**

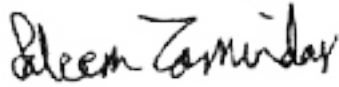
No subsequent events were identified during the course of the audit.

**44 DATE OF AUTHORIZATION FOR ISSUE**

These financial Statement were authorized for issue on 08 April 2026 by the Board of Directors of the Company.

**45 GENERAL**


Figures have been rounded to the nearest Rupees.



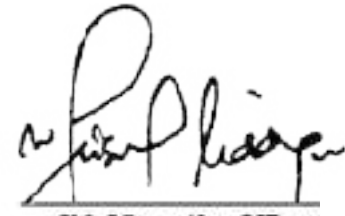
Chairman



Director



Director



Chief Executive Officer

# BRANCHES

## *Our Branches*

**North Region Branch:**  
Al Din Chambers  
Venus Plaza,  
Egerton Road, Lahore.  
Ph: 042-36297709

**Hyderabad Region:**  
Block - D, Unit No. 07  
Latifabad, Hyderabad.  
Ph: 022-3821758



**PATTERN OF SHAREHOLDINGS**HELD BY THE SHAREHOLDERS OF  
**SINDH INSURANCE LIMITED**

AS AT DECEMBER 31, 2025

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
1	From 1	To 49,999,992	49,999,992	49.999992
8	From 49,999,992	To 50,000,000	8	0.000008
1	From 50,000,001	To 100,000,000	50,000,000	50.000000
<b>9</b>			<b>100,000,000</b>	<b>100.000000</b>

Categories of Shareholders	Shareholders	Shares Held	Percentage
<u>Associated Company</u>	-	-	-
<u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas</u>	-	-	-
<u>Mutual Funds</u>	-	-	-
<u>Other Companies</u>	-	-	-
<u>Shareholding Above 5%</u>			
Governamet of Sindh	1	99,999,992	99.999992
<u>Directors, CEO, Executives and their Spouses and Minor Childrens</u>			
Saleem Zamindar	1	1	0.000001
Fayaz Ahmed Jatoi	1	1	0.000001
Farhan Ashraf Khan	1	1	0.000001
Hina Marvi	1	1	0.000001
Muhammad Omar Arshid	1	1	0.000001
Sidra Ishaq	1	1	0.000001
Assad Ali Shah	1	1	0.000001
Jawaid Jumani	1	1	0.000001
Individuals	-	-	-
<b>Total</b>	<b>9</b>	<b>100,000,000</b>	<b>100.000000</b>

## STATEMENT OF DIRECTORS

(As per the requirement of Section 46(6) of the Insurance Ordinance, 2000)

### Section 46(6)

- (a) In our opinion the annual statutory accounts of Sindh Insurance Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made there under;
- (b) Sindh Insurance Limited has at all times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements; and
- (c) As at December 31, 2025 Sindh Insurance Limited continues to be in Compliance with provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer



# SINDH INSURANCE LIMITED

Quote Folio No. \_\_\_\_\_

## FORM OF PROXY

### Twelfth Annual General Meeting

I/We \_\_\_\_\_ of \_\_\_\_\_  
 being a member of **Sindh Insurance Limited** and holder of \_\_\_\_\_ ordinary shares,  
 hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
 or failing him \_\_\_\_\_ of \_\_\_\_\_  
 who are also members of Sindh Insurance Limited as my/our proxy in my/our absence to attend and vote  
 for me/us and on my/our behalf at the Twelfth Annual General Meeting to be held on Wednesday, April  
 29, 2026 at 10:00 am at 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi and at any  
 adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026

1) Witness:  
 Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 NIC No. \_\_\_\_\_  
 Passport No. \_\_\_\_\_

**Please  
 Affix Rupees Five  
 Revenue Stamp**

2) Witness:  
 Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 NIC No. \_\_\_\_\_  
 Passport No. \_\_\_\_\_

Signature of Member

**Important:** This instrument appointing a proxy, duly completed, must be received by the Company Secretary at the Company's Head Office/Registered Office, 1<sup>st</sup> Floor, Imperial Court, Dr. Ziauddin Amed Road, Karachi., not later than 48 hours before the time of holding the meeting.

# سندھ انشورنس لمیٹڈ

فولیو حوالہ نمبر:

## نمائندگی (Proxy) فارم بارہواں سالانہ اجلاس عام

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت رکن سندھ انشورنس اور

حامل \_\_\_\_\_ عام حصص، اس دستاویز کے ذریعے ساکن \_\_\_\_\_

یا ان کی غیر حاضری کی صورت میں \_\_\_\_\_ ساکن \_\_\_\_\_

جو کہ خود بھی سندھ انشورنس کے رکن ہیں، کو میری / ہماری غیر موجودگی کی صورت میں بطور میرے / ہمارے مجاز نمائندہ، بارہویں سالانہ عام اجلاس، منعقدہ بدھ، 29 اپریل 2026 صبح 10:00 بجے، بمقام پہلی منزل امپیریل کورٹ، ڈاکٹر ضیاء الدین احمد روڈ، کراچی یا کسی بھی دیگر تجویز کردہ مقام پر شرکت کرنے اور میرے / ہماری طرف سے حق رائے دہی استعمال کرنے کے لیے مقرر کردہ ہیں۔

دستخط \_\_\_\_\_ مورخہ \_\_\_\_\_ 2026

گواہ نمبر: 01

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

دستخط \_\_\_\_\_ مورخہ \_\_\_\_\_ 2026

گواہ نمبر: 02

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

دستخط رکن: \_\_\_\_\_

اہم ترین - تقریر نمائندہ (Proxy) کی دستاویز مکمل شدہ صورت میں کمپنی کے صدر دفتر رجسٹرڈ دفتر پہلی منزل کورٹ ڈاکٹر ضیاء الدین احمد روڈ کراچی پر اجلاس کے آغاز کم از کم 48 گھنٹے قبل موصول ہونا ضروری ہے۔ بصورت دیگر اجلاس میں شرکت کرنا ممکن نہیں ہوگی۔



Insurance of Sindh / تہذیبی و سماجی بیمہ

**SINDH INSURANCE**  
WHERE IS THE PROTECT

Registered / Head office

1st floor, Imperial Court, Dr. Ziauddin Ahmed road, Karachi-Pakistan  
Tel: +92-21-35640715-17, Fax: +92-21-35640714, Web: [www.sindhinsurance.com](http://www.sindhinsurance.com)