



Your Security - Our Policy

69th Annual Report 2025

Crescent Star Insurance Ltd.

ESTD: 1957

NATION WIDE BRANCH NETWORK

MOTOR

HEALTH

FIRE

MARINE

ENGG

TRAVEL

LIVESTOCK

CROP

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Company Vision

- To serve with excellence.
- Excellence achieved through our corporate mission.
- The brand name of CSI with a vision to expand with prudent approach and provide the Insurance Service to Pakistan Industry on sound footing.

Company Mission

- First and foremost to secure the interest of our policy holders by adopting proper risk management techniques and prudent financial planning.
- To recognize human resources as the key element in progress and to provide our officers and field force due recompense for their efforts in building up the company.
- To generate operational profits and dividend return for our shareholders of the Company.

Values

- Integrity
- Transparency
- Passion
- Team Work
- Corporate Social Responsibility

Company Information

Board of Directors	Mr. Naim Anwar (Chief Executive Officer) Mr. Suhail Elahi Mr. Shaikh Waqar Ahmed Mr. Rashid Malik Ms. Naveeda Mahmud Ms. Huma Javaid Ms. Rabia Omar Hassan Ms. Komal Sajid Lodhi
Chief Executive Officer	Mr. Naim Anwar
Management	Mr. Naim Anwar (Chief Executive Officer) Mr. Tanveer Ahmed (Resident Director) Mr. Suhail Elahi (Resident Director) Mr. Malik Mehdi Muhammad (CFO & Company Secretary) Syed Danish Hasan Rizvi (Head of Internal Audit)
Board Audit Committee	Mr. Shaikh Waqar Ahmed (Chairman) Ms. Naveeda Mahmud Ms. Huma Javaid
Board Ethics, Nomination, H.R, Remuneration & Sustainability Committee	Ms. Huma Javaid (Chairman) Mr. Naim Anwar Mr. Shaikh Waqar Ahmed
Board Investment Committee	Mr. Naim Anwar (Chairman) Mr. Shaikh Waqar Ahmed Ms. Huma Javaid Mr. Malik Mehdi Muhammad
Chief Financial Officer & Company Secretary	Mr. Malik Mehdi Muhammad
Auditors	Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants
Legal Advisor	Ms. Huma Naz, Soomro Law Associates
Bankers	Habib Bank Limited Faysal Bank Limited United Bank Limited
Share Registrar	F. D. Registrar (SMC-Pvt.) Limited Office No. 1705, 17th Floor, Saima Trade Tower – A I. I. Chundrighar Road, Karachi Tel #: 35478192-93 / 32271906 Fax #: 32621233
Registered & Head Office	2 nd Floor, Nadir House I. I. Chundrighar Road P.O. BOX No. 4616, Karachi
Website	https://cstarinsurance.com
Email	info@cstarinsurance.com

CRESCENT STAR INSURANCE LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 69th Annual General Meeting of the shareholders of Crescent Star Insurance Limited will be held on April 30, 2026 at 9.00 a.m. at 2nd Floor, Nadir House I. I. Chundrigar Road, Karachi to transact the following business.

ORDINARY BUSINESS:

1. To confirm and approve the minutes of the 68th Annual General Meeting held on April 29, 2025.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2025 together with the Chairman's review, Directors' and Auditors' reports thereon.

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



<http://cstarinsurance.com/Investor-Information/Financial-Statements>

3. To appoint Auditors for the year ending December 31, 2026 and fix their remuneration.
4. To elect eight (8) directors as fixed by the Board of Directors, in accordance with the provision of Section 159 (1) of the Companies Act, 2017 for a term of three years in place of the following retiring directors, who are eligible for re-election:

- | | |
|---------------------------|--------------------------|
| 1. Mr. Naim Anwar | 2. Mr. Suhail Elahi |
| 3. Mr. Shaikh Waqar Ahmed | 4. Mr. Rashid Malik |
| 5. Ms. Naveeda Mahmud | 6. Ms. Huma Javaid |
| 7. Ms. Rabia Omar Hassan | 8. Ms. Komal Sajid Lodhi |

5. Other Business
To transact any other business that may be placed before the meeting with the permission of the Chair.

By order of the Board

Malik Mehdi Muhammad
CFO / Company Secretary

Karachi: April 3, 2026

NOTES:

1. Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from April 24, 2026 to April 30, 2026 (both days inclusive) and no transfer of shares will be accepted for registration during this period. Transfers received in order at the office of our Share Registrar M/s F. D. Registrar Services (SMC-Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi at the close of business hours April 23, 2026 will be treated in time for the purpose of transfer of shares and voting rights at the AGM.
2. All members are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting is also entitled to appoint another member of the Company as his / her proxy to attend, speak and vote for him / her. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature

shall be submitted to the Company. A proxy must be a member of the Company. A member shall not be entitled to appoint more than one proxy to attend any one meeting. The instrument of proxy duly executed should be lodged at the Karachi Office of the Company not later than 48 hours before the time of the meeting. The form of proxy must be witnessed with the addresses and CNIC numbers of witnesses, certified copies of CNIC of member and the proxy member must be attached and the revenue stamp should be affixed and defaced on the form of proxy. Proxy Form in English and Urdu languages is available on company website www.cstarinsurance.com

3. The members are advised to bring their ORIGINAL Computerized National Identity Card (CNIC) and those members who have deposited their shares in Central Depository System should also be cognizant of their CDC Participant ID and Account Number at the meeting venue. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
4. Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.
5. Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.
6. The Company has arranged for participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.). In this regard, the interested shareholders can request by providing the relevant information (i.e. Name of the Shareholder, CNIC Number, Folio / CDC Account Number, Cell Number, Email Address etc.) to the Company Secretary at least 48 hours before the time of AGM at Email Address: info@cstarinsurance.com
7. Any person who seeks to contest the election to the office of a Director, whether he/she is a retiring director or otherwise, shall file required documents under section 159 of the Companies Act 2017, Section 12 of Insurance Ordinance 2000, Companies (General Provisions and Forms) Regulations 2018, Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria, as set out in Section 153 of the Companies Act, 2017 to act as director or an independent director of a listed Company with the Company Secretary, at the Registered Office of the Company, situated at 2nd Floor, Nadir House, I. I. Chundrigar Road, Karachi, 14 days before the date of the Annual General Meeting:

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

8. It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for election of directors at the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:
 - i) E-Voting Procedure
 - (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.
 - (b) The web address: login details, will be communicated to members via email.
 - (c) Identity of the members intending to cast vote through E-voting shall be authenticated through authenticated login.

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

ii) Postal Ballot

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

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

9. In accordance with the applicable law mentioned above, M/S. DCCL (Private) Limited have been appointed as the e-voting service provider and M/s S.M Sohail & Co., Chartered Accountants, have been appointed as scrutinizer to monitor and validate voting for election of directors.
10. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended December 31, 2025 are also available on the Company's website www.cstarinsurance.com.
11. In accordance with the directive issued by the SECP vide it is S.R.O. 452(I)/2025 dated March 17, 2025 the Company would like to inform all the shareholder that no gifts will be distributed at the meeting.
12. Form of Proxy is enclosed.

Chairman's Review Report

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

A Board of Directors forms the highest level of authority in the governance of a Company whose main purpose is to align the overall Company strategy to protect the rights of all the stakeholders and ensures that the strategies implemented throughout the Company are effective in utilizing the resources in most efficient way in order to achieve its overall objective.

For the financial year ended December 31, 2025, the Board's overall performance and effectiveness has been assessed as satisfactory, it is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business. Improvement is an ongoing process leading to action plans.

The Board during the year ended December 31, 2025 played effective role in managing the affairs of the Company in the following manner;

- The Board has ensured that sound system of internal controls are in place and appropriateness and effectiveness of same is considered by internal auditors on regular basis;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The meetings of Board have held frequently enough to adequately discharge their responsibilities. The Non-Executive and independent directors are equally involved in important decisions.

Based on aforementioned it can reasonably be argued that Board of CSIL has played active role in ensuring that corporate objectives are achieved in line with the expectation of shareholders and other important stakeholders.

Naim Anwar
Chairman

Karachi: April 3, 2026

چیئرمین کی جائزہ رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ 192 کے تحت مجھے چیئرمین کی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

بورڈ آف ڈائریکٹرز کمپنی کی گورننس میں اعلیٰ ترین اتھارٹی ہوتا ہے جس کا بنیادی مقصد کمپنی کی مجموعی حکمت عملی کو اس طرح ہم آہنگ کرنا ہے کہ تمام اسٹیک ہولڈرز کے حقوق کا تحفظ ہو اور یہ یقینی بنایا جائے کہ کمپنی میں نافذ کی گئی حکمت عملیاں وسائل کے مؤثر ترین استعمال کے ذریعے مجموعی اہداف کے حصول میں معاون ہوں۔

مالی سال جو 31 دسمبر 2025 کو ختم ہوا، اس کے لیے بورڈ کی مجموعی کارکردگی اور مؤثریت کو تسلی بخش قرار دیا گیا ہے۔ یہ جائزہ اہم اجزاء کی بنیاد پر کیا گیا ہے، جن میں وژن، مشن اور اقدار؛ اسٹریٹجک منصوبہ بندی میں شمولیت؛ پالیسیوں کی تشکیل؛ تنظیم کی کاروباری سرگرمیوں کی نگرانی؛ مؤثر مالیاتی نگرانی؛ تمام ملازمین کے ساتھ منصفانہ برتاؤ؛ اور بورڈ کے امور کی انجام دہی میں کارکردگی شامل ہیں۔ بہتری ایک مسلسل عمل ہے جو عملی منصوبوں کی تشکیل کا باعث بنتا ہے۔

31 دسمبر 2025 کو ختم ہونے والے سال کے دوران بورڈ نے کمپنی کے امور کے انتظام میں درج ذیل انداز میں مؤثر کردار ادا کیا:

★ بورڈ نے اس بات کو یقینی بنایا کہ داخلی کنٹرول کا مضبوط نظام موجود ہے اور اس کی مناسبت اور مؤثریت کا باقاعدگی سے اندرونی آڈیٹرز کے ذریعے جائزہ لیا جاتا ہے؛

★ سال بھر کے تمام اہم معاملات بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے تاکہ کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور باضابطہ بنایا جا سکے، خصوصاً کمپنی کی جانب سے کیے گئے تمام متعلقہ فریقین کے لین دین آڈٹ کمیٹی کی سفارش پر بورڈ سے منظور کیے گئے؛

★ بورڈ کے اجلاس اتنی باقاعدگی سے منعقد ہوئے کہ وہ اپنی ذمہ داریوں کو مؤثر طریقے سے انجام دے سکے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابر شریک رہے۔

مندرجہ بالا کی بنیاد پر یہ معقول طور پر کہا جا سکتا ہے کہ CSIL کے بورڈ نے اس بات کو یقینی بنانے میں فعال کردار ادا کیا کہ کارپوریٹ مقاصد حصص یافتگان اور دیگر اہم اسٹیک ہولڈرز کی توقعات کے مطابق حاصل کیے جائیں۔

نعیم انور
چیئرمین

کراچی: 3 اپریل 2026

UNCONSOLIDATED

Financial Statements

for the Year Ended

December 31, 2025

Directors' Report to the Members on Unconsolidated Financial Statements

The Directors of your Company are pleased to present the 69th Annual Report and the Audited Unconsolidated Financial Statements for the year ended December 31, 2025.

Business Performance Highlights

The long outstanding issue of Bank Enlistment and limits still is a cause of concern for the penetration of Insurance in Pakistan. Over years this matter has been raised at every forum but it is disappointing that concerned regulators and departments have not supported the industry by addressing the issue. Mostly all Banks have their own Insurance Companies, and also issue a panel of insurers which is unlawful as described in Insurance Ordinance and a clear violation of Competition Act. Recently the Competition Commission of Pakistan took the initiative of issuing a report highlighting this concern, and the matter of rating was also raised. Banks and departments also require a rating for approving the companies on their panels. It is a well-known and settled principle of Insurance that the Insurance Capacity does not come from the Capital or Rating base but the capacity is raised through Re Insurance. Hence for any specific cover or the size of sum insured, any Company can raise the capacity through Re Insurance back up and its policy must be accept so that the Insurance Industry in Pakistan. It is high time that this matter is understood by the regulators and the concerned so that the smaller companies can compete and grow on fair competition.

Crescent Star Insurance Ltd (CSIL) has the strength of being one of the oldest Insurance Companies of Pakistan (1957) with the lowest Claim Ratio and no bank borrowings and listed on Pakistan Stock Exchange. With the Paid-up Capital of 1 billion net of discount it is already double than the required Minimum Paid-up Capital and the Company is fully complaint. With the highly professional team CSIL is well placed to address all risks and has the capability of underwriting prudent business.

Due to constraints mentioned above the Company has been underwriting business of Credit & Surety where the Company was lead market share in the Transit Business. However Transit Business was recently affected due to political reasons with border countries. The Company is hopeful of regaining the business, as the country moves towards political settlements which will support the business of the Company. Travel Insurance has been helpful in CSIL underwriting business and the Company continues to make efforts to expand this profitable business.

The Company continues its role in investments. The outcome of merger of its subsidiary Crescent Star Foods (Pvt) Ltd with and into PICIC Insurance Limited is expected soon which will give a major boost to the equity of CSIL (8 billion shares). Another subsidiary Crescent Star Luxury (Pvt) Ltd has already received the name availability for proposed change to Crescent Star Ventures (Pvt) Ltd, which plans to apply for license for advisory for structuring and restructuring in the Capital Markets.

Financial Highlights

The Company has reported a net profit, reflecting its continued commitment to maintaining financial stability while delivering value to its customers.

During the period under review, the Company's net premium decreased by 56% compared to the previous year, primarily due to the discontinuation of the Afghan transit business. However, the overall performance was significantly supported by strong investment income, which increased by 131% year-on-year. This growth is attributable to prudent investment decisions, which have contributed positively to the Company's profitability.

Operational details of last three years are tabulated below. Further, key financial data for the last ten years is annexed.

Financial Position at a Glance

	(Amount in Rs)		
	2025	2024	2023
Gross Premium	79,287,687	79,725,407	359,258,112
Net Premium	97,785,688	224,369,263	277,821,497
Profit Before Tax	34,273,656	94,793,053	39,741,574
Profit After Tax	20,935,771	87,158,719	68,103,151
Paid-up Capital	1,076,950,410	1,076,950,410	1,076,950,410
Total Assets	1,638,373,959	1,522,523,739	1,588,442,027
Break-up Value per Share	12.42	11.78	10.99
Earnings Per Share (EPS)	0.19	0.81	0.63

Future Outlook

The Company intends to expand the core business and has taken steps to enter the more developing individual client market. The management expects to make the Investment Portfolio active for earnings after the expected merger of its subsidiary Crescent Star Foods (Pvt) Ltd with and into PICIC Insurance Limited, which is still pending before the Honorable Sindh High Court for approval of the SCHEME OF ARRANGEMENT, which once approved will benefit your Company in the investment side.

Earnings per Share

The EPS of the Company stands at Rs. 0.19.

Dividend

The Board of Directors does not recommend any Dividend for the year ended December 31, 2025.

Auditors' Report

- The Company has charged interest amounting to Rs. 330.235 million on the advance amount and demanded the same from DSL. However, due to non-availability of any written agreement between DSL and CSIL for charging of mark-up, the auditors have expressed their reservation in the auditors' report.
- Due to non-availability of impairment testing for investment made in subsidiary companies Crescent Star Technologies (Pvt) Ltd and Crescent Star Luxury (Pvt) Ltd (being private limited) the auditors have expressed their reservations in the auditor's report.
- The Company has entered into agreements with Weavers Pakistan (Private) Limited and PICIC Insurance Limited during the year, to charge interest on loan at KIBOR plus 3% from the date of first disbursement. As the agreement was made in the current year the interest was charged in the current year, however, the auditors have expressed their reservations on this in the auditor's report.

Sustainability and Corporate Social Responsibility

CSIL is fully committed to play its role as a responsible corporate citizen and fulfills its responsibility through;

Occupational safety & health

There are adequate fire extinguishers installed at various points within the working premises. Further, the Company has a dedicate medical facility which is being supervised by a full time Chief Medical Officer posted at Head Office, to take care of employees and their families' health matters and also advise on preventive health care.

Business ethics & anti-corruption measures

The Board has adopted the Statement of Ethics, Anti Money Laundering and Business Practices. All employees are informed of this and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and Business Practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

Energy Conservation

The Company is well aware with its responsibility towards the energy conservation. The Company has installed energy saving devices in the office premises. The Company also ensures minimum utilization of electricity during lunch breaks and after office hours besides making full use of natural day light.

Industrial Relations

The Company is fully aware with its responsibilities with respect to industrial relations. The Human Resource Department of the Company is responsible to adhere and implement all the applicable laws, regulations, and conventions in order to keep the work place at its higher professional standards.

Communities:

The Company continuously assesses stakeholder needs and refines engagement strategies to maintain long-term relationships, ethical business practices, and contributions to societal well-being and business sustainability.

Human Resource Initiatives

Your Company's management is of the firm belief that complete alignment of the human resource mission and vision with corporate goals is vital for the success of any organization. In today's competitive environment, we realize that it is important to place emphasis on retaining and developing existing staff and implementing effective performance reviews, your Company has been successful in hiring quality professionals in the area of marketing, finance and business development. Our continued focus on creating a meritocratic work environment with equal opportunity for all goes a long way in maintaining a pool of employees with knowledge, experience and skills in their respective fields and employees remain our most valuable asset.

Compliance with the Code of Corporate Governance

The statement of Compliance as at December 31, 2025 is annexed with the report.

Statement of Directors Responsibilities under the Code of Corporate Governance

The directors confirm compliance with the corporate and Financial Reporting Framework of the SECP Code of Governance for the followings:-

- a) The financial statements, prepared by the Company, present fairly, its state of affair, the results of its operations, cash flows and changes in equity.
- b) The Company has maintained proper books of accounts as required under the Companies Act, 2017 and the Insurance Ordinance, 2000.
- c) The Company has followed consistently appropriate accounting policies in preparation of the financial statements, changes were made, have been adequately disclosed and accounting estimates area on the basis of prudent and reasonable judgment.
- d) Financial statements have been prepared by the Company in accordance with the International Accounting Standards, as applicable in Pakistan, requirement of Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017.

- e) The system of internal control is sound, effectively implemented and monitored. The process of review will continue to strengthen the system for its effective implementation.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Information about taxes and levies is given in the notes to and forming part of financial statements.
- i) Report on gender pay gap data is annexed.

The Company has followed the best practices of corporate governance, as laid down by the Securities and Exchange Commission of Pakistan and there has been no material departure.

Board Meetings and Attendance

During the year five meetings of the Board of Directors were held and the number of meetings attended by each director is given hereunder:-

Name of Director	Number of Board Meetings Attended
Mr. Naim Anwar	5
Ms. Komal Sajid Lodhi	3
Mr. Suhail Elahi	5
Mr. Shaikh Waqar Ahmed	3
Mr. Rashid Malik	0
Ms. Huma Javaid	5
Ms. Rabia Omar Hassan	4
Ms. Naveeda Mahmud	3

Auditors

The present auditors, M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants, shall retire at the conclusion of the Annual General Meeting and, being eligible, have offered themselves for reappointment as external auditors of the Company for the year ending December 31, 2026.

Audit Committee

The Company has an Audit Committee, and had four meetings during the year 2025. The attendance of the meeting is as follows:

Names of Members	Meetings Attended
Mr. Shaikh Waqar Ahmed	Chairman 2
Ms. Huma Javaid	Member 4
Ms. Naveeda Mahmud	Member 3

Ethics, Nomination, Human Resource, Remuneration & Sustainability Committee

The Company has an Ethics, Nomination, Human Resource, Remuneration & Sustainability Committee. The Committee is responsible for making recommendations to the Board on human resource matters and for overseeing and deliberating on the Company's sustainability-related initiatives and requirements. The Committee had one meeting during the year 2025; the attendance of the meeting is as follows:

Names of Members		Meetings Attended
Ms. Huma Javaid	Chairman	1
Mr. Shaikh Waqar Ahmed	Member	1
Mr. Naim Anwar	Member	1

Investment Committee

The Company has an Investment Committee. The Committee had four meetings during the year 2025; the attendance of the meeting is as follows:

Names of Members		Meetings Attended
Mr. Naim Anwar	Chairman	4
Mr. Shaikh Waqar Ahmed	Member	2
Ms. Huma Javaid	Member	4
Mr. Malik Mehdi Muhammad	Member	4

Statement of Ethics and Best Business Practices

The Board has adopted "the Statement of Ethics and Business Practices" and circulated to all the directors and employees for their acknowledgement and acceptance.

Company Reporting

The Company reports to the shareholders 4 times a year with its 1st quarter, half-yearly, 3rd quarter and annual results, along with the director's reports on the operations and future outlook for the Company.

The value of investment in respect of provident fund maintained by the Company based on latest financial statements as at December 31, 2025 is Rs. 47,978,031.

Pattern of Shareholding

A statement showing pattern of shareholding of the Company and additional information as at December 31, 2025 is annexed with the report.

There have been no transactions carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children in the shares of the Company during the year.

Directors Training Program

Please refer note 11 of the Statement of Compliance with the Code of Corporate Governance.

Subsidiary Companies

The Company has annexed its consolidated financial statements along with its separate financial statements. Crescent Star Foods (Pvt) Ltd, Crescent Star Luxury (Pvt) Ltd and Crescent Star Technologies (Pvt) Ltd are the subsidiary of the Company.

Subsequent Events

The Board of Directors, in its meeting held on March 27, 2025, approved the issuance of right shares, which was subsequently ratified by the shareholders at the Extraordinary General Meeting held on April 29, 2025. Under this rights issue, the Company offered 40,924,116 ordinary shares of face value PKR 10 each at a discounted price of PKR 3 per share, aggregating to PKR 122.772 million. The rights shares represent 38% of the existing Paid-up Capital and were offered in the ratio of 38 shares for every 100 shares held.

The Board further approved January 20, 2026 as the book closure date. The subscription period for the rights issue commenced on January 22, 2026 and concluded on February 13, 2026, with allotment of shares completed on March 11, 2026 in accordance with applicable regulatory requirements.

Acknowledgment

The Directors of your Company would like to take this opportunity to thank Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange, Insurance Association of Pakistan, State Bank of Pakistan, the Banks and Financial Institutions for their continued support and cooperation.

We also thank the shareholders, and customers / policy holders and all stake holders for their support and confidence in the Company and its management. The Company and its Directors extend special thanks and appreciation to officers and members of the staff and the entire CSIL team for their devotion, dedication and hard work and their contribution to the growth of their Company.

Komal Sajid Lodhi
Director

Karachi: April 3, 2026

Naim Anwar
Managing Director & CEO

ممبران کے لئے غیر اشتہال شدہ مالیاتی گوشواروں پر ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹران 69 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے نختمہ سال 31 دسمبر 2025 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کاروباری کارکردگی کی جھلکیاں

بینکوں میں اندراج اور حدود کا دیرینہ مسئلہ اب بھی پاکستان میں انشورنس کے فراغ کے لیے باعث تشویش ہے۔ برسوں سے یہ معاملہ ہر فورم پر اٹھایا جاتا رہا ہے، مگر افسوس کی بات ہے کہ متعلقہ ریگولیشنز اور محکموں نے اس مسئلے کو حل کر کے صنعت کی معاونت نہیں کی۔ زیادہ تر بینکوں کی اپنی انشورنس کمپنیاں اور سہ انشوررز کی ایک فہرست ایک فہرست (پینل) بھی جاری کرتے ہیں، جو کہ انشورنس آرڈیننس کے مطابق غیر قانونی ہے اور مسابقتی قانون (Competition Act) کی واضح خلاف ورزی ہے۔ حل ہی میں مسابقتی کمیشن آف پاکستان نے اس مسئلے کو اجاگر کرتے ہوئے ایک رپورٹ جاری کی، جس میں ریٹنگ کا معاملہ بھی اٹھایا گیا۔ بینک اور محکمے اپنی پینل میں کمپنیوں کی منظوری کے لیے ریٹنگ کا تقاضا بھی کرتے ہیں۔ یہ ایک معروف اور طے شدہ اصول ہے کہ انشورنس کی گنجائش (Capacity) سرمایہ یا ریٹنگ کی بنیاد پر نہیں بلکہ ری انشورنس کے ذریعے حاصل کی جاتی ہے۔ لہذا کسی بھی مخصوص کوریج یا بیمہ شدہ رقم کے حجم کے لیے کوئی بھی کمپنی ری انشورنس کے ذریعے اپنی گنجائش بڑھا سکتی ہے اور اس کی پالیسی کو قبول کر کیا جانا چاہیے تاکہ پاکستان میں انشورنس انڈسٹری کو فروغ مل سکے۔ اب وقت آ گیا ہے کہ ریگولیشنز اور متعلقہ ادارے اس معاملے کو سمجھیں تاکہ چھوٹی کمپنیاں منصفانہ مسابقت کے تحت ترقی کر سکیں۔

کریڈٹ اسٹار انشورنس لیویڈ (CSIL) کو پاکستان کی قدیم ترین انشورنس کمپنیوں میں سے ایک ہونے (1957) کا اعزاز حاصل ہے۔ جس کا کلیم کا تناسب کم ترین ہے، کوئی بینک قرضہ نہیں، اور یہ پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ ایک ارب روپے کے ادا شدہ سرمایہ (ڈسکاؤنٹ کے بعد) کے ساتھ، یہ مطلوبہ کم از کم سرمایہ سے دو گنا ہے اور کمپنی مکمل طور پر توازن و استحباب کی پابند ہے۔ ایک اعلیٰ پیشہ ور ٹیم کے ساتھ، CSIL تمام خطرات سے نمٹنے اور محکا ط کاروبار انڈر رائٹ کرنے کی بھرپور صلاحیت رکھتی ہے۔

مذکورہ بالا رکاوٹوں کے باعث کمپنی کریڈٹ اینڈ شورٹی کے کاروبار پر توجہ مرکوز کیے ہوئے ہے، جہاں ٹرانزٹ برنس میں کمپنی مارکیٹ لیڈر رہی ہے۔ ہم حال ہی میں سرحدی ممالک کے ساتھ سیاسی وجوہات کے باعث ٹرانزٹ برنس متاثر ہوا ہے۔ کمپنی کو امید ہے کہ سیاسی استحکام کے ساتھ یہ کاروبار دوبارہ بحال ہو جائے گا، جو کمپنی کی ترقی میں معاون ثابت ہوگا۔ ٹریول انشورنس نے بھی کمپنی کے انڈر رائٹنگ کاروبار میں مدد دی ہے، اور کمپنی اس منافع بخش شعبے کو مزید وسعت دینے کے لیے کوششیں جاری رکھے ہوئے ہے۔

کمپنی سرمایہ کاری کے شعبے میں بھی اپنا کردار جاری رکھے ہوئے ہے۔ اس کی ذیلی کمپنی کریڈٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ کا پبلک انشورنس لیویڈ کے ساتھ انضمام جلد متوقع ہے، جو کمپنی (CSIL) کے ایکویٹی (8 ارب شیئرز) میں نمایا اضافہ کرے گا۔ ایک اور ذیلی کمپنی کریڈٹ اسٹار لکٹری (پرائیویٹ) لمیٹڈ کو نام کی تبدیلی کے لئے " کریڈٹ اسٹار پیپرز (پرائیویٹ) لمیٹڈ " کی منظوری مل چکی ہے، جو کمپنیٹل مارکیٹ میں اسٹریٹجک اور ایسٹریٹجک کے لیے ایڈوانٹوری لائسنس حاصل کرنے کا ارادہ رکھتی ہے۔

مالیاتی نمایا نکات

کمپنی نے جو خالص منافع کمایا ہے وہ اپنے مالی استحکام کو برقرار رکھنے کے ساتھ ساتھ صارفین کو قدر فراہم کرنے کے لئے عزم کی عکاسی کرتا ہے۔

زیر جائزہ مدت کے دوران کمپنی کا خالص پریمیم میں گزشتہ سال کے مقابلے میں موجودہ مدت میں 56 فیصد کم ہوا ہے۔ جس کی بنیادی وجہ افغان ٹرانزٹ کاروبار کا بند ہونا ہے۔ تاہم مجموعی کارکردگی کو مضبوط سرمایہ کاری آمدنی نے نمایا طور پر سہارا دی، جو سال بہ سال 131 فیصد بڑھ گئی۔ یہ اضافہ محتاط سرمایہ کاری فیصلوں کا نتیجہ ہے، جس نے کمپنی کی منافع بخشی پر مثبت اثر ڈالا۔

گزشتہ تین سالوں کی کاروباری تفصیلات درج ذیل ہیں۔ مزید گزشتہ دس سالوں کے اہم مالیاتی اعداد و شمار بھی منسلک کئے گئے ہیں۔

(رقم روپے میں)

مالی حالت ایک نظر میں

2023	2024	2025	
359,258,112	79,725,407	79,287,687	خام پریمیوم
277,821,497	224,369,263	97,785,688	خالص پریمیوم
39,741,574	94,793,053	34,273,656	منافع / (خسارہ) قبل از ٹیکس
68,103,151	87,158,719	20,935,771	منافع / (خسارہ) بعد از ٹیکس
1,076,950,410	1,076,950,410	1,076,950,410	اداشدہ سرمایہ
1,588,442,027	1,522,523,739	1,638,373,959	کل اثاثے
10.99	11.78	12.42	حصص کی بریک اپ ویلیو
0.63	0.63	0.19	منافع / (خسارہ) فی حصص

مستقبل کی پیش بینی

کمپنی کا ارادہ ہے کہ اپنے بنیادی انشورنس کے کاروبار میں توسیع کرے اور اسی لئے ایسے اقدامات کر رہی ہے جس سے وہ ترقی پذیر انفرادی کلائنٹ کی مارکیٹ میں داخل ہو جائے۔ کمپنی کو توقع ہے کہ CSF کی PICIC میں اور اس کے ساتھ الحاق سرمایہ کاری کے پورٹ فولیو کی آمدنی کے لئے متحرک بنائے گی جو کہ اہتمی اسکیم کی عدالت عالیہ سندھ سے منظوری کی وجہ سے زیر التوا ہے جس کے منظور ہوتے ہی سرمایہ کاری کے لحاظ سے کمپنی کو فائدہ ہوگا۔

فی حصص آمدن

کمپنی کی فی حصص آمدنی (EPS) 0.19 روپے رہی۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے سال مختتمہ 31 دسمبر 2025 کے لئے کسی منافع منقسمہ کی سفارش نہیں کی۔

آڈیٹرز کی رپورٹ

☆ کمپنی نے ایڈوائس کی رقم پر 330.235 ملین روپے کا سود لگایا ہے اور DSL سے اس کا مطالبہ کیا ہے۔ تاہم CSIL اور DSL کے درمیان ایڈوائس کی رقم پر سود سے متعلق کوئی تحریری معاہدہ دستیاب نہیں ہے، اس لئے آڈیٹرز نے اپنے تحفظات کا اظہار کیا ہے۔

☆ ذیلی کمپنیوں کریسنٹ اسٹارٹ اپ لوجیز (پرائیویٹ) لمیٹڈ اور کریسنٹ اسٹارٹ اپ لوجیز (پرائیویٹ) لمیٹڈ (جو کہ پرائیویٹ لمیٹڈ ہیں) میں سرمایہ کاری کی قدری نقصان کی آزمائش دستیاب نہیں ہے، لہذا آڈیٹرز نے اپنی رپورٹ میں تحفظات کا اظہار کیا ہے۔

☆ کمپنی نے یورپ پاکستان (پرائیویٹ) لمیٹڈ اور پبلک انشورنس لمیٹڈ کے ساتھ معاہدہ کیا ہے جس کے تحت قرض پر پہلی ادائیگی کی تاریخ سے KIBOR کے ساتھ 3% اضافی شرح سے منافع وصول کیا جائے گا، چونکہ یہ معاہدہ موجودہ سال میں کیا گیا ہے، اس لئے منافع بھی اس ہی سال وصول کیا گیا تاہم اس لئے آڈیٹرز نے اپنی رپورٹ میں تحفظات کا اظہار کیا ہے۔

ادارتى سماجى ذمہ داری

كرينٹ اسٹار انشورنس لمیٹڈ ذمہ دار كاروبارى ادارے كى حيثيت سے مكمل طور پر اپنے كردار سے آگاہ ہے اور درج ذيل طريقيوں سے اپنى ذمہ داریاں پورا كر رہى ہے:

☆ كام كے دوران حفاظت اور صحت

كام كى جگہ پر مختلف مقامات پر آگ بجھانے والے آلات نصب كئے گئے ہيں۔ مزيد كمپنى كے پاس ايک وقف طبي سہولت موجود ہے جس كى نگرانى هيڈ آفس ميں موجود كل وقتى چيف ميڈيكل آفيسر كرتا ہے جو كہ ملازمين اور ان كے خاندان كو طبي نگہداشت فراہم كرتا ہے اور انہيں حفاظتى صحت كے نگہداشت كے حوالے سے مشورہ ديتا ہے۔

☆ كاروبارى اخلاقيات اور انسداد بدعنوانى كے اقدامات

بورڈ نے اخلاقيات، انسداد مٹى لائڈ رنگ اور كاروبارى طور طريقيوں سے متعلق بيانہ كو اختيار ہے۔ تمام ملازمين كو ان سے مطلع كر ديا گيا ہے اور انہيں ہدایت كى گئی ہے كہ كاروبارى طرز اخلاق كے قواعد و ضوابط كى پيروي كريں۔ اخلاقيات اور كاروبارى طور طريقيوں كے گوشوارے محنت، ديانت، شاندار كلچر اور اخلاقيات پر مبنى ہيں جن كا تعلق كا كوں، ساتھیوں اور عام عوام سے ہے۔

☆ توانائى كى بچت

كمپنى توانائى كى بچت سے متعلق اپنى ذمہ داری سے مكمل آگاہ ہے۔ كمپنى نے دفترى احاطے ميں توانائى بچت كے آلات نصب كئے ہيں۔ كمپنى اس بات كو يقينى بناتى ہے كہ لچ كے وقفے اور دفترى اوقات كے بعد بجلى كم سے كم خرچ ہو اور زيادہ سے زيادہ دن كى قدرتى روشنى سے بھى استفادہ كيا جائے۔

☆ صنعتى تعلقات

صنعتى تعلقات سے متعلق كمپنى اپنى ذمہ داریوں سے مكمل طور پر آگاہ ہے۔ كمپنى كا شعبہ انسانی وسائل تمام لاگو قوانين، ضوابط اور رواج پر عمل اور نفاذ كا ذمہ دار ہے تا كہ كام كى جگہ پر اعلیٰ پيشہ ورانہ معيارات كو برقرار ركھا جاسكے۔

☆ كيو شيئرز

كمپنى اسٹيڪ هولڈرز كى ضروريات كا مسلسل جائزہ لیتی ہے اور طویل مدتی تعلقات، اخلاقيات كاروبارى طريقيوں، اور سماجى بہبود اور كاروبارى پائيداری ميں شراكت كو برقرار ركھنے كے لئے مشغوليت كى حكمت عملیوں كو بہتر كرتى ہے۔

انسانی وسائل كے لئے پيش قدمیاں

آپ كى كمپنى كى انتظامیہ انسانی وسائل كے مشن اور نصب العین پر مضبوط يقين ركھتی ہے جو كہ كسى بھی ادارے كے كاروبارى اہداف كى كامياب حصولی ميں معاونت فراہم كرتى ہے۔ آج كے مسابقتى ماحول ميں ہم اس بات كو تسليم كرتے ہيں كہ موجودہ عملہ پر توجہ ديتے ہوئے اس كى ترويج كى جائے اور موثر انداز ميں اس كى كا كردگى كا جائزہ ليا جائے۔ آپ كى كمپنى ماركیٹنگ، فنانس اور كاروبارى ترقى كے ميدان ميں معيارى پيشہ ور ماہرين كو بھرتى كرنے ميں كامياب رہى ہے۔ ہماری توجہ تسلسل كے ساتھ ميرٹ پر كام كا ماحول فراہم كے ساتھ ہر ملازم كو اس كے متعلقہ شعبہ ميں معلومات، تجربہ اور مہارت كے حصول كے يكساں مواقع فراہم كرنا ہے اور ملازمين ہمارا سب سے قابل قدر اثاثہ ہيں۔

ادارتى نظم و نسق كے ضابطے كى پاسداری

سال 31 دسمبر 2025 ميں پاسداری سے متعلق بيانہ اس رپورٹ كے ساتھ منسلك ہے۔

ڈائريكتوران كا ادارتى نظم و نسق كے ضابطے كے تحت ذمہ داریوں سے متعلق بيانہ

ڈائريكتوران ادارتى اور مالياتى رپورنگ كى ساخت سے متعلق ايس اى اس پى كے ادارتى نظم و نسق كے ضابطے كى پاسداری كى توثيق كرتے ہوئے بيان كرتے ہيں كہ

a كمپنى كى انتظامیہ كى جانب سے تيار كئے گئے مالياتى گوشوارے كمپنى كى حالت كار، اس كى سرگرمیوں، امور كے نتائج، حصص ميں تبدیلی اور نقد بہاؤ كو شفاف انداز ميں پيش كرتے ہيں۔

b كمپنى كے كھاتوں كى كتابين كمپنيز ايكٹ 2017 اور انشورنس آرڈيننس 2000 كے تحت مناسب انداز ميں ركھی گئی ہيں۔

- c کمپنی کے مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ مناسب حساباتی پالیسیاں اختیار کی گئی ہیں۔ جہاں تبدیلیاں ہوئی ہیں ان کو مناسب انداز میں منکشف کیا گیا اور حساباتی تخمینوں کی بنیاد محتاط اور مناسب فیصلوں پر ہے۔
- d منظور شدہ رپورٹنگ کے عالمی مالیاتی معیارات جو پاکستان میں نافذ ہیں کمپنیز ایکٹ 2017، انشورنس آڈٹینس 2000، انشورنس رولز 2017 انشورنس اکاؤنٹنگ ریگولیشنز 2017 کی ضروریات کی مالیاتی گوشواروں کی تیاری میں بیرونی کی گئی ہے۔
- e اندرونی گرفت کے نظام کو مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طور پر نفاذ کیا گیا ہے اور نگرانی کی جاتی ہے۔ اس کی نظر ثانی کا عمل جاری رہتا ہے تاکہ نظام کو مضبوط کرتے ہوئے موثر انداز میں نافذ کیا جائے۔
- f کمپنی کے مسلسل چلتے ہوئے ادارے کی حیثیت میں کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- g ادارتی نظم و نسق کے بہترین طور طریقے جن کی وضاحت لسٹنگ ریگولیشنز میں کی گئی ہے، ان سے کوئی بڑا انحراف نہیں ہوا۔
- h ٹیکسوں اور محصولات کے متعلق معلومات نوٹس میں دی گئی ہیں اور مالیاتی گوشواروں کا حصہ بنایا گیا ہے۔
- i صنفی تنخواہ کے فرق کے اعداد و شمار پر رپورٹ منسلک ہے۔
- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بتائے گئے ادارتی نظم و نسق کے بہترین طور طریقوں پر کمپنی عمل پیرا ہے اور کسی قسم کا کوئی بڑا انحراف نہیں ہوا۔

بورڈ کے اجلاس اور ان میں حاضری

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے اور ہر ڈائریکٹر کے حاضری درج ذیل رہی:

ڈائریکٹر کا نام	بورڈ کے حاضر اجلاسوں کی تعداد
جناب نعیم انور	5
محترمہ کول ساجد لودھی	3
جناب سہیل الہی	5
جناب شیخ وقار احمد	3
جناب راشد ملک	0
محترمہ ہما جاوید	5
محترمہ رابعہ عمر حسن	4
محترمہ نویدہ محمود	3

آڈیٹرز

موجودہ ریویزر نوید ظفر اشفاق جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ جنرل میٹنگ کے اختتام پر سبکدوش ہو جائیں گے اور اہل ہانے کے باعث انہوں نے 31 دسمبر 2026 کو ختم ہونے والے سال کے لئے بطور بیرونی آڈیٹرز اپنی خدمات پیش کی ہیں۔

آڈٹ کمیٹی

کمپنی کی اپنی آڈٹ کمیٹی ہے اور سال 2025 کے دوران اس کے چار اجلاس ہوئے۔ حاضری درج ذیل رہی:

ممبر کا نام	حاضر اجلاسوں کی تعداد
جناب شیخ وقار احمد	2
محترمہ ہما جاوید	4
محترمہ نویدہ محمود	3

اخلاقیات، نامزدگی، انسانی وسائل، معاوضہ اور پائیداری کمیٹی

کمپنی کی اپنی اخلاقیات، نامزدگی، انسانی وسائل، معاوضہ اور پائیداری کمیٹی موجود ہے۔ اس کمیٹی کی ذمہ داری ہے کہ وہ بورڈ کو کمپنی کی انسانی وسائل کی پالیسیوں کی سفارش کرے اور کمپنی کی پائیداری سے متعلق اقدامات اور تقاضوں کی نگرانی اور ان پر غور و غرض کرتی ہے۔ سال 2025 کے دوران کمیٹی کا ایک اجلاس ہوا، جس میں حاضری درج ذیل رہی:

ممبر کا نام	حاضر اجلاسوں کی تعداد
محترمہ ہما جاوید	1
جناب شیخ وقار احمد	1
جناب نعیم انور	1

سرمایہ کاری کمیٹی

کمپنی کی اپنی سرمایہ کاری کمیٹی ہے۔ سال 2025 کے دوران کمیٹی کے چار اجلاس ہوئے جن میں حاضری درج ذیل رہی:

ممبر کا نام	حاضر اجلاسوں کی تعداد
جناب نعیم انور	4
جناب شیخ وقار احمد	2
محترمہ ہما جاوید	4
جناب ملک مہدی محمد	4

اخلاقیات اور بہترین کاروباری طور طریقوں سے متعلق بیانیہ

بورڈ نے ”اخلاقیات اور بہترین کاروباری طور طریقوں سے متعلق بیانیہ“ کو اختیار کیا ہے اور اسے تمام ڈائریکٹران اور ملازمین میں تقسیم کیا گیا ہے جس کو انہوں نے تسلیم اور قبول کر لیا ہے۔

کمپنی کی رپورٹنگ

کمپنی سال میں چار مرتبہ حصص یافتگان کو رپورٹ کرتی ہے یعنی پہلی سہ ماہی، دوسری ششماہی، تیسری سہ ماہی اور سالانہ نتائج کے ہمراہ کاروباری افعال پر ڈائریکٹران کی رپورٹ اور کمپنی کا مستقبل کا منظر نامہ پیش کرتی ہے۔

کمپنی کے تشکیل دینے والے پروڈیٹ فنڈ میں سرمایہ کاری 47,978,031 روپے رہی جو کہ اس کے حالیہ مالیاتی گوشورے ختمہ 31 دسمبر 2025 کے مطابق ہے۔

حصص داری کی ساخت

مختتمہ سال 31 دسمبر 2025 پر کمپنی کی حصص داری کی ساخت اور دیگر معلومات پر مشتمل گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔ سال کے دوران ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ان کے شریک حیات یا چھوٹے بچوں کی طرف سے کمپنی کے حصص کی خرید و فروخت نہیں کی گئی۔

ڈائریکٹران کے لئے تربیتی پروگرام

بحوالہ نوٹ نمبر 11 جس میں ادارتی نظم و نسق کے ضابطے کی پاسداری سے متعلق بیان دیا گیا ہے۔

ذیلی کمپنیاں

کمپنی نے اپنے مجموعی مالیاتی گوشواروں کے ساتھ علیحدہ مالیاتی گوشوارے منسلک کئے ہیں۔ کریڈٹ اسٹارٹ اپ (پرائیویٹ) لمیٹڈ، کریڈٹ اسٹارٹ اپ (پرائیویٹ) لمیٹڈ اور کریڈٹ اسٹارٹ اپ (پرائیویٹ) لمیٹڈ کی ذیلی کمپنیاں ہیں۔

بعد ازاں واقعات

بورڈ آف ڈائریکٹرز نے 27 مارچ 2025 کو ہونے والے اپنے اجلاس میں رائٹ شیئرز کے اجراء کی منظوری دی، جس کی بعد ازاں 29 اپریل 2025 کو ہونے والی غیر معمولی جنرل میٹنگ میں حصص یافتگان نے توثیق کی۔ اس رائٹ شیئرز اجراء کے تحت کمپنی نے 10 روپے مالیت کے 40,924,116 عام شیئرز 3 روپے فی شیئر رعایتی قیمت پر پیش کئے، جن کی مجموعی مالیت 122.772.772 بنتی ہے۔ یہ رائٹ شیئرز موجودہ ادا شدہ سرمائے کا 38 فیصد ہیں اور ہر 100 شیئرز پر 38 شیئرز کے تناسب سے پیش کئے گئے۔ مزید برآں بورڈ نے 20 جنوری 2026 کو بک کلوزر کی تاریخ منظور کی۔ رائٹ شیئرز کے لئے سبسکریپشن کی مدت 22 جنوری 2026 کو مکمل ہوئی، جبکہ شیئرز کی الاٹمنٹ 11 مارچ 2026 کو متعلقہ ریگولیشنز کے مطابق مکمل کر دی گئی۔

اعتراف

آپ کی کمپنی کے ڈائریکٹران اس موقع پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، انشورنس ایسوسی ایشن آف پاکستان، اسٹیٹ بینک آف پاکستان، بینکوں اور مالیاتی اداروں کے مسلسل تعاون اور مدد پر ان کے مشکور ہیں۔

ہم تمام حصص یافتگان، گاہکوں/پالیسی ہولڈر اور تمام مستفیدان کے تعاون اور اعتماد کے بھی شکرگزار ہیں جو انہوں نے کمپنی اور اس کی انتظامیہ پر کیا۔ کمپنی اور اس کے ڈائریکٹران خصوصی طور پر افسران اور عملہ کے ممبران اور CSIL کی پوری ٹیم کو ان کی جدوجہد اور سخت محنت اور کمپنی کی نمو کے لئے ان کے تعاون پر اپنی شکرگزاریاں اور تہنیت پیش کرتے ہیں۔

نعیم انور

مینجنگ ڈائریکٹر اینڈ سی ای او

کول ساجد لودھی

ڈائریکٹر

کراچی: 13 اپریل 2026

GENDER PAY GAP STATEMENT

Under SECP Circular 10 of 2024

Crescent Star Insurance Limited (CSIL) is committed to cultivating a fair and equitable workplace. Our commitment to Diversity, Equity, and Inclusion (DE&I) is central to our talent acquisition and employee engagement strategies, strengthen our diverse talent pipeline, and reinforce our foundational commitment to building an inclusive organization where every employee can thrive.

The gender pay gap on an overall basis for the year ended December 31, 2025, is as under:

- Mean Gender Pay Gap is 50%
- Median Gender Pay Gap is -16%

Naim Anwar
Chief Executive Officer

Karachi
April 3, 2026

SUSTAINABILITY

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PRACTICES

1. Overview

Crescent Star Insurance Limited (CSIL) recognizes that Environmental, Social and Governance (ESG) considerations are integral to sustainable business practices, effective risk management and long-term value creation. In line with the guidance issued by the Securities and Exchange Commission of Pakistan, the Company has commenced a structured approach to integrating ESG considerations into its governance framework, underwriting practices, investment decision-making and operational processes.

These Practices outlines the Company's approach to ESG integration during the year and provides an overview of key initiatives, risk considerations and future plans.

2. ESG Governance and Oversight

The Board of Directors retains overall responsibility for ESG oversight and ensures that ESG considerations are incorporated into the Company's strategic direction and governance framework.

Key elements of governance include:

- Review and approval of ESG policy and framework.
- Oversight of ESG risks through the Risk Management Committee.
- Review of ESG disclosures as part of the annual reporting process.

Management is responsible for implementation of ESG initiatives, monitoring ESG performance indicators and ensuring compliance with applicable regulatory expectations.

3. Integration with Risk Management

The Company has initiated integration of ESG risks into its Enterprise Risk Management (ERM) framework. ESG risks are considered alongside traditional insurance risks and are being incorporated into the Company's risk identification, assessment and monitoring processes.

Key ESG-related risks identified include:

- Climate and catastrophe risk affecting underwriting portfolios.
- Environmental liability risk arising from insured industrial activities.
- Social risks including customer protection and data privacy.
- Governance risks including regulatory compliance and ethical conduct.

4. Environmental Considerations

4.1 Operational Environmental Impact

The Company has undertaken measures to reduce its environmental footprint, including:

- Gradual reduction in paper usage through digitization of policy issuance and internal processes.
- Monitoring of electricity consumption across offices.
- Adoption of energy-efficient practices where feasible.

While the Company's direct environmental footprint is relatively limited, ongoing efforts are being made to improve operational efficiency and reduce resource consumption.

4.2 Climate and Catastrophe Risk

As a general insurance company, the Company is exposed to climate-related risks, particularly in relation to increased frequency and severity of extreme weather events such as floods and storms.

The Company manages such risks through:

- Monitoring exposure to catastrophe-prone geographical areas.
- Maintaining appropriate reinsurance arrangements to mitigate large losses.
- Periodic review of underwriting exposure limits.

Climate risk considerations are being progressively integrated into underwriting and risk management processes.

4.3 Environmental Risk in Underwriting

The Company has initiated incorporation of environmental considerations in underwriting decisions, particularly for large commercial and industrial risks.

Key considerations include:

- Compliance of insured entities with environmental regulations.
- Exposure to pollution and environmental liability risks.
- Nature of industrial activities and associated environmental impact.

Where significant environmental risks are identified, additional underwriting conditions or risk mitigation measures may be applied.

5. Social Considerations

5.1 Human Capital Management

The Company recognizes its employees as a key asset and promotes:

- Equal opportunity employment practices.
- Diversity and inclusion within the workforce.
- Employee training and professional development.

Training programs are conducted to enhance employee skills, including technical, compliance and operational training.

5.2 Workplace Health and Safety

The Company is committed to providing a safe and healthy working environment and complies with applicable health and safety standards. Policies and procedures are in place to minimize workplace risks.

5.3 Customer Protection and Fair Treatment

The Company places significant emphasis on fair treatment of policyholders and customer satisfaction.

Key practices include:

- Transparent policy documentation and disclosures.
- Timely and fair claims settlement processes.
- Structured complaint handling and resolution mechanisms.

Customer complaints are monitored and reported to management to ensure continuous improvement in service quality.

5.4 Data Privacy and Confidentiality

The Company maintains controls to safeguard policyholder data and ensure confidentiality. Systems and processes are in place to mitigate risks relating to unauthorized access or data breaches.

5.5 Community Engagement

The Company supports community initiatives, including participation in social welfare and disaster relief activities, reflecting its commitment to broader societal well-being.

6. Governance Practices

6.1 Board Structure and Oversight

The Company maintains a structured Board with defined roles and responsibilities. Board committees, including the Audit Committee and Risk Management Committee, provide oversight of financial reporting, internal controls, risk management and compliance.

6.2 Ethical Conduct and Compliance

The Company adheres to high standards of ethical conduct through:

- A formal Code of Conduct applicable to all employees.
- Anti-bribery and anti-corruption policies.
- Conflict of interest management procedures.
- Compliance with applicable laws and regulations is monitored through the compliance function.

6.3 Internal Controls and Audit

The Company maintains an internal control framework supported by an independent internal audit function. Internal audits are conducted periodically to assess the effectiveness of controls, governance processes and compliance.

6.4 Whistleblowing Mechanism

A whistleblowing mechanism is in place to enable employees and stakeholders to report unethical conduct or violations of policies. Reports are handled confidentially and investigated as appropriate.

7. ESG Integration in Investments

The Company has initiated consideration of ESG factors in its investment decision-making processes. This includes:

- Evaluation of governance practices of investee entities.
- Consideration of environmental and social risks that may impact investment value.
- Gradual alignment of investment portfolio with responsible investment principles.

The Company will continue to enhance ESG integration in investment activities over time.

8. ESG Performance Indicators

The Company has identified key ESG indicators to monitor its performance, including:

- Energy consumption and operational efficiency.
- Employee diversity and training metrics.
- Customer complaint resolution and service quality.
- Governance and compliance indicators.

These indicators are under development and will be refined over time to enhance measurement and reporting.

9. ESG Reporting and Future Developments

The Company is in the process of strengthening its ESG reporting framework. Future initiatives include:

- Enhanced ESG disclosures in annual reports.
- Development of quantitative ESG metrics.
- Further integration of ESG considerations into underwriting and investment processes.
- Alignment with evolving regulatory expectations and international best practices.

The Company is committed to progressively strengthening its ESG framework and practices. While ESG integration is at an evolving stage, the Company believes that continued focus on environmental, social and governance factors will enhance risk management, operational efficiency and stakeholder confidence, thereby contributing to sustainable long-term growth.

KEY FINANCIAL HIGHLIGHTS

(RUPEES IN MILLION)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Gross Premium	79.29	79.73	359.26	177.08	91.61	105.07	115.99	114.62	113.28	190.29
Net Premium	97.79	224.37	277.82	118.29	95.59	112.64	110.85	111.27	109.61	206.35
Paid-up Capital	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	826.83	826.83
Reserve & Retained Earnings	460.38	391.86	306.35	232.12	201.30	152.00	96.81	49.86	112.43	37.16
Discount on Issue of Right Shares	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)
Investments	474.88	405.67	429.61	259.62	247.52	241.78	167.16	165.58	241.15	188.47
Underwriting Provisions	70.38	96.53	264.03	165.41	109.44	107.91	114.61	109.01	123.76	143.20
Total Assets	1,638.37	1,522.52	1,588.44	1,467.09	1,404.57	1,333.07	1,254.77	1,179.59	1,243.01	1,009.12
Profit Before Tax	34.27	94.79	39.74	35.67	51.88	66.16	63.58	(49.24)	40.02	25.62
Profit After Tax	20.94	87.16	68.10	26.93	46.84	54.58	49.13	(63.10)	73.17	23.56
Right shares issued-%	38.00	-	-	-	-	-	-	-	30.25	-
Return on Total Assets-%	1.28	5.72	4.29	1.84	3.34	4.09	3.92	(5.35)	5.89	2.33
Return on Shareholders' Equity-%	1.57	6.87	5.75	2.43	4.34	5.30	5.04	(6.81)	9.89	3.55
Break-up Value per Share	12.42	11.78	10.99	10.30	10.02	9.56	9.05	8.61	8.94	8.03
Earnings per Share in Rupees	0.19	0.81	0.63	0.25	0.43	0.51	0.46	(0.60)	0.88	0.30
Market Value of Share	9.71	2.88	2.29	1.56	2.05	2.82	2.15	1.71	4.09	10.52
P/E Ratio	49.95	3.56	3.62	6.24	4.71	5.56	4.67	(2.85)	4.65	35.07

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Crescent Star Insurance Limited

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

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

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm length transaction and transactions which are not executed at arm lengths price and recording proper justification for using such alternative pricing mechanism and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of audit committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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

Further we highlighted the instances of non-compliance with the requirement of regulations as reflected in the paragraph 33 where it is stated in the Statement of Compliance.

Regulation	Non – Compliance(s)
9(1)	Mr. Naim Anwer, the Chief Executive Officer (CEO) is also the Chairman of the Board of the Company.
19	Only two of the eight Directors, i.e. Mr. Naim Anwer and Ms. Huma Javaid, have certificate of the Director Training Program (DPT).
24	Mr. Malik Mehdi Muhammad, the Chief Financial Officer is also the Company Secretary of the Company.

Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

Karachi

Date : 03 April, 2026

UDIN : CR2025102328GiMuOtde

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

**CRESCENT STAR INSURANCE LIMITED (“the Company”)
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (8), as per the following:
 - a) Male: 4
 - b) Female: 4
2. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	Names
Independent Directors	Mr. Shaikh Waqar Ahmed Ms. Naveeda Mahmud Ms. Huma Javaid
Executive Directors	Mr. Naim Anwar, CEO/Chairman Mr. Suhail Elahi Ms. Komal Sajid Lodhi
Non-Executive Directors	Mr. Rashid Malik Ms. Rabia Omer Hassan

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

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company;
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or being a member of a stock exchange has been declared as a defaulter by that stock exchange.
5. There was one casual vacancy in the Board which occurred in the year 2025 where Ms. Saba Azam was replaced with the appointment of Ms. Komal Sajid Lodhi as on March 26, 2025.
6. The Company has prepared a “Code of Conduct” which has been disseminated among all directors and employees of Company along with its supporting policies and procedures.

7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of significant policies along with the dates on which they were approved or amended has been maintained by the Company.
8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board. Decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
10. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and Regulations.
11. While almost all the directors are professionals and senior executives who possess wide experience of duties of directors, the Company apprise its directors of new laws and regulations and amendments in the existing ones. The Board plans to arrange directors' training program.
12. There was no new appointment of Chief Financial Officer (CFO) or Company Secretary or Head of Internal Audit during the year.
13. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The Board has formed the following Management Committees:

a) Underwriting, Reinsurance and Co-insurance Committee

Names	Category
Mr. Tanveer Ahmed	Chairman
Mr. Naim Anwar	Member
Mr. Anand Teja	Secretary

b) Claims Settlement Committee

Names	Category
Mr. Naim Anwar	Chairman
Mr. Muhammad Ayoub	Member
Mr. Ashraf Dhedhi	Secretary

c) Risk Management & Compliance Committee

Names	Category
Mr. Naim Anwar	Chairman
Mr. Malik Mehdi Muhammad	Member
Mr. Ashraf Dhedhi	Member

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

a) Ethics, Nomination, Human Resource, Remuneration & Sustainability Committee

Names	Category
Ms. Huma Javaid	Independent Director / Chairman
Mr. Shaikh Waqar Ahmed	Independent Director / Member
Mr. Naim Anwar	Executive Director / Member

b) Investment Committee

Names	Category
Mr. Naim Anwar	Chief Executive Officer / Chairman
Mr. Shaikh Waqar Ahmed	Independent Director / Member
Ms. Huma Javaid	Independent Director / Member
Mr. Malik Mehdi Muhammad	Chief Financial Officer

16. The Board has formed an Audit Committee. It presently comprises of three members and all of them are independent director including the chairman of the committee. The Composition of the audit committee is as follows:

Names	Category
Mr. Shaikh Waqar Ahmed	Independent Director / Chairman
Ms. Naveeda Mahmud	Independent Director / Member
Ms. Huma Javaid	Independent Director / Member

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

18. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company includes all the necessary aspects of internal control given in the Code.

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

Names	Designation
Mr. Naim Anwar	Chief Executive Officer
Mr. Tanveer Ahmed	Head of Underwriting, Reinsurance, Risk Management & Grievance Department
Mr. Malik Mehdi Muhammad	Chief Financial Officer & Company Secretary
Syed Danish Hasan Rizvi	Head of Internal Audit
Mr. Ashraf Dhedhi	Head of Claims and Compliance Officer

26. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provision of the Code.
27. The Board ensures that the risk management system of the Company is in place as per Code.

28. The Company has set up a risk management function, which carries out its tasks as covered under the Code.
29. The Board ensures that as part of the risk management system, the Company gets itself rated from approved rating agency which is being used by its management function/department and the respective committee as a risk monitoring tool. The last rating assigned by the rating agency on January 26, 2024 is A with Outlook Stable. Current rating is under review.
30. The Board has set up a grievance department/function, which fully complies with the requirements of the Code.
31. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan (SECP) in respect of the requirements of the Code.
32. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulation and all material requirement of Code of Corporate Governance of 2019 have been complied.
33. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 & 36 (non-mandatory requirements) are below:

S. No.	Requirement	Explanation	Reg. No.
1.	It is mandatory that the executive directors, including the chief executive officer, shall not be more than one third of the Board. For the purposes of this regulation, a listed company shall explain the reasons, in compliance report, any fraction contained in such one-third number which is rounded up as one.	The numbers of Executive Directors are rounded off to 3. To effectively manage the business of the Company two executive directors are looking after the north and south regions of the Company.	8(1)
2.	The Chairman and the chief executive officer of a company, by whatever name called, shall not be the same person.	The post of Chairman comes with a lot of responsibilities and increased public engagement and none of the directors have expressed willingness to be appointed as Chairman of the Board, as such Mr. Naim Anwar continues to occupy the post of Chairman and CEO as well.	9(1)

S. No.	Requirement	Explanation	Reg. No.
3.	The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	As the operations and business of the Company is affected by the economic conditions. The Company is looking to cut cost in all related departments. As such the functions of the CFO and Company Secretary are being performed by the same person.	24
4.	By 30 June 2022, all the directors on the Board should have acquired the prescribed certification under any DTP offered by the institutions, local or foreign that meets the criteria specified and approved by the Commission. Furthermore, newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.	Mr. Naim Anwar and Ms. Huma Javaid are certified directors. The remaining directors will be trained in the proceeding period.	19

For and on behalf of the Board of Directors
Crescent Star Insurance Limited

Naim Anwar
Managing Director & CEO
Karachi: April 3, 2026

INDEPENDENT AUDITORS' REPORT

To the Members of Crescent Star Insurance Limited

Report on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the annexed unconsolidated financial statements of Crescent Star Insurance Limited (the 'Company'), which comprises the unconsolidated statement of financial position as at December 31, 2025, the unconsolidated statement of profit or loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary 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, except for the effects of the matters discussed in the Basis for Qualified Opinion section of our report, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the statement unconsolidated of cashflows 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, in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2025 and of total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- i. As stated in note 8.1 to the unconsolidated financial statements, the Company has recorded accrued interest amounting to Rs. 330.235 million (2024: Rs. 330.235 million) at the rate of one-year KIBOR plus three percent on the advance against issuance of shares to Dost Steels Limited. We have not been provided any documentary evidence to substantiate the Company's claim therefore recoverability of the accrued interest income could not be ascertained. Accordingly, total assets/ solvency of the Company is overstated by Rs. 330.235 million (2024: Rs. 330.235 million) respectively.
- ii. As stated in note 8.2 to the unconsolidated financial statements, the Company's carrying value on account of investment in subsidiary and advance against issuance of shares amounts to total of Rs. 88.072 million (2024: Rs. 86.395 million). The management has not carried out impairment testing as required by IAS – 36 "Impairment of Assets". No provision for loss, if any, that may result, has been incorporated in the unconsolidated financial statements.
- iii. As disclosed in Note 8.5 to the unconsolidated financial statements, the Company entered into an agreement during the year, to charge interest on loan at KIBOR plus 3% from the date of first disbursement, i.e., from 2016 to 2025. By virtue of this agreement, the Company has recognized net interest income and receivable amounting to Rs. 17.048 million during the year. However, this treatment has resulted in an overstatement of interest income by Rs. 11.804 million, as disclosed in Note 23.1 to the unconsolidated financial statements. Had

the Company accounted for the interest by restating comparative figures and adjusting opening retained earnings, the interest income for the year ended December 31, 2025 would have been lower by Rs. 11.804 million. Furthermore, the opening balance of loans and other receivables as at January 1, 2025 would have been higher by Rs. 11.804 million, with a corresponding increase in retained earnings by the same amount.

- iv. As disclosed in Note 15.1 to the unconsolidated financial statements, the Company entered into an agreement during the year, to charge interest on loan at KIBOR plus 3% from the date of first disbursement, i.e., from 2016 to 2025. By virtue of this agreement, the Company has recognized net interest income and receivable (net of payable) amounting to Rs. 3.186 million during the year. However, this treatment has resulted in an overstatement of interest income by Rs. 2.452 million, as disclosed in Note 23.1 to the unconsolidated financial statements. Had the Company accounted for the interest by restating comparative figures and adjusting opening retained earnings, the interest income for the year ended December 31, 2025 would have been lower by Rs. 2.452 million. Furthermore, the opening balance of loans and other receivables as at January 1, 2025 would have been higher by Rs. 2.452 million, with a corresponding increase in retained earnings by the same amount.

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

Key Audit Matters

S. No	Key Audit Matter	How the matter was addressed in our audit
1.	Premium	
	<p>Refer note 3.14.1 and 18 to the annexed unconsolidated financial statements.</p> <p>The Company revenue primarily based on premium from insurance policies which comprises 51.98% of total income.</p> <p>We identified net insurance premium as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of premium income. • Assessed the appropriateness of the Company's accounting policy for recording of premiums in line with requirements of applicable accounting and reporting standards; • Tested the policies on sample basis where premium was recorded close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period;

S. No	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> • Recalculated the unearned portion of the premium income and ensured that amount has been recorded as provision for unearned premium in liabilities • Consider the adequacy of disclosures as per "Insurance Rules, 2017".
2.	Valuation of outstanding claims including incurred but not reported (IBNR)	
	<p>Refer note 3.3.1 and 'Outstanding claims including IBNR' to the annexed unconsolidated financial statements</p> <p>The Company's claim liabilities represent 17.28% of its total liabilities.</p> <p>The provision for incurred But Not Reported (IBNR) claims is calculated by the Company in compliance with Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). As per the circular, insurers are required to estimate and maintain IBNR provisions for each business class using the prescribed "Chain Ladder Method" or an alternative method permitted under the SECP Guidelines.</p> <p>Valuation of these claim liabilities involves significant management judgment regarding uncertainty in the estimation of claims payments and assessment of frequency and severity of claims. Claim liabilities are recognized on intimation of the insured event based on management judgment and estimation.</p> <p>The Company maintains provision for claims incurred but not reported (IBNR) based on the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions. The determination and application of the methodology and performance of the calculations are also complex.</p> <p>We have identified the valuation of claim liabilities as key audit matter because estimation of claim liabilities involves a significant degree of judgment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to the claims; • Assessed the appropriateness of the Company's accounting policy for recording of claims in line with requirements of laws, applicable accounting and reporting standards in Pakistan; • Tested claims transactions on sample basis with underlying documentations to evaluate that whether the claims reported during the year are recorded in accordance with the requirements of the Company's policy and insurance regulations • Assessed the sufficiency of reserving of claim liabilities, by testing calculations on the relevant data including recoveries from reinsurers based on their respective arrangements • Tested specific claims transactions on sample basis recorded close to year end and subsequent to year end with underlying documentation to assess whether claims had been recognized in the appropriate accounting period; and

S. No	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> • Considered the adequacy of Company's disclosures about the estimates used and the sensitivity to key assumptions.

Information Other than the Unconsolidated financial statements and Auditors' Report Thereon

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

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other Information and, in doing so, consider whether the Other Information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, management use of going concern is inappropriate. Accordingly, we have concluded that the other information is materially misstated with respect to this matter.

Responsibilities of Management and Board of Directors for the Unconsolidated financial statements

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

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

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

Auditors' Responsibilities for the Audit of the Unconsolidated financial statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the 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 equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), however are in agreement with the books of account;
- c) 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).

Other Matter

The annual unconsolidated financial statements of the company for the year ended December 31, 2024 were audited by another firm of chartered accountants, whose audit report date April 4, 2025 expressed a **Qualified opinion** on the aforementioned unconsolidated financial statements.

The engagement partner on the audit resulting in this independent auditor's report is **Azeem Hussain Siddiqui – FCA**.

Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

Karachi

Date : 03 April, 2026

UDIN: AR20251023219QyqDFup

CRESCENT STAR INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025 ----- Rupees -----	2024
ASSETS			
Property and equipment	5	32,893,568	17,018,213
Investments in subsidiaries	6	213,071,700	213,071,700
Investments in equity securities	7	261,811,828	192,600,406
Loans and other receivables	8	985,312,720	896,083,416
Insurance / reinsurance receivables	9	141,120,224	173,693,950
Deferred commission expense / acquisition cost	20	1,477,533	3,335,750
Deferred taxation	10	-	-
Cash and bank balances	11	2,686,386	26,720,305
Total Assets		1,638,373,959	1,522,523,740
EQUITY AND LIABILITIES			
Capital and Reserves Attributable to the Company's Equityholders			
Ordinary share capital	12	1,076,950,410	1,076,950,410
Discount on issue of right shares	13	(199,650,000)	(199,650,000)
Reserves	14	460,380,540	391,862,675
Total Equity		1,337,680,950	1,269,163,085
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		51,957,318	57,702,853
Unearned premium reserves		13,470,304	31,968,305
Premium deficiency reserves		4,951,529	6,861,318
Premium received in advance		1,870,463	3,203,907
Other creditors and accruals	15	220,527,561	151,616,602
Provision for taxation	16	7,915,834	2,007,670
Total Liabilities		300,693,009	253,360,655
Total Equity and Liabilities		1,638,373,959	1,522,523,740
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes form an integral part of these unconsolidated financial statements.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 ----- Rupees -----	2024
Net insurance premium	18	97,785,688	224,369,263
Net insurance claims	19	1,262,367	3,021,101
Premium deficiency		1,909,789	15,551,338
Net commission expense and other acquisition costs	20	(6,928,573)	(21,421,900)
Insurance claims and acquisition expenses		(3,756,417)	(2,849,461)
Management expenses	21	(143,489,479)	(155,758,745)
Underwriting results		(49,460,208)	65,761,057
Investment income	22	68,174,759	29,487,522
Other income	23	22,150,944	4,864,814
Other expenses	24	(6,591,839)	(5,320,340)
Results of operating activities		34,273,656	94,793,053
Profit before taxation		34,273,656	94,793,053
Taxation	25	(13,337,885)	(7,634,334)
Profit after taxation		20,935,771	87,158,719
Earnings per share - basic and diluted	26	0.19	0.81

The annexed notes form an integral part of these unconsolidated financial statements.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 ----- Rupees -----	2024
Net profit for the year		20,935,771	87,158,719
Other comprehensive income / (loss)			
Items that may be reclassified to the statement of profit and loss subsequently			
Unrealized gain/(loss) on available for sale investments - net of deferred tax	7	47,582,094	(1,650,060)
Items that will not be reclassified to the statement of profit and loss subsequently		-	-
Other comprehensive income / (loss) for the year		47,582,094	(1,650,060)
Total comprehensive income for the year		68,517,865	85,508,659

The annexed notes form an integral part of these unconsolidated financial statements.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Description	Attributable to equity holders of the Company						Total equity
	Ordinary share capital	Discount on issue of right shares	Capital Reserves		Revenue Reserves		
			Reserve for exceptional losses	Surplus on remeasurement of available for sale investments	General reserve	Unappropriated profit	
----- Rupees -----							
Balance as at January 01, 2024	1,076,950,410	(199,650,000)	1,767,568	16,036,700	24,497,265	264,052,482	1,183,654,425
Total Comprehensive Income							
Profit after taxation	-	-	-	-	-	87,158,720	87,158,720
Other comprehensive loss for the year	-	-	-	(1,650,060)	-	-	(1,650,060)
	-	-	-	(1,650,060)	-	87,158,720	85,508,660
Balance as at December 31, 2024	1,076,950,410	(199,650,000)	1,767,568	14,386,640	24,497,265	351,211,202	1,269,163,085
Total Comprehensive Income							
Profit after taxation	-	-	-	-	-	20,935,771	20,935,771
Other comprehensive income for the year	-	-	-	47,582,094	-	-	47,582,094
	-	-	-	47,582,094	-	20,935,771	68,517,865
Balance as at December 31, 2025	1,076,950,410	(199,650,000)	1,767,568	61,968,734	24,497,265	372,146,973	1,337,680,950

The annexed notes form an integral part of these unconsolidated financial statements.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Operating Cash Flows

(a) Underwriting activities

Insurance Premium received	110,527,969	135,333,160
Reinsurance premium adjusted / (paid)	-	49,402
Claims paid	(4,483,168)	(4,276,376)
Commission paid	(5,070,356)	(6,489,621)
Management expenses paid	(77,980,337)	(144,485,913)
Net cash generated from / (used) in underwriting activities	22,994,108	(19,869,348)

(b) Other operating activities

Income taxes paid	(7,429,721)	(8,334,776)
Other operating (payments) / receipts	(67,202,425)	6,301,013
Net cash (used) in other operating activities	(74,632,146)	(2,033,763)
Total cash (used) in all operating activities	(51,638,038)	(21,903,111)

Investment Activities

Profit on saving account	124,065	486,947
Dividend received	18,893,498	32,198,122
Payments for investments	(1,011,818,848)	(303,386,982)
Proceeds from disposal of investments	1,039,470,782	322,962,318
Fixed capital expenditures	(19,182,980)	(10,153,644)
Proceeds from sale of property and equipment	117,601	2,076,000
Total cash generated from investing activities	27,604,119	44,182,761

Financing Activities

Net cash (used) in / generated from all activities	(24,033,919)	22,279,650
Cash and cash equivalents at the beginning of year	26,720,305	4,440,655
Cash and cash equivalents at the end of year	2,686,386	26,720,305

CRESCENT STAR INSURANCE LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- Rupees -----	
Reconciliation to Profit and Loss Account		
Operating cash flows	(51,638,038)	(21,903,111)
Depreciation expense	(3,176,585)	(1,703,924)
(Loss) / gain on disposal of property and equipments	(13,439)	1,710,249
Gain / (Loss) on disposal of investments	49,281,261	(2,710,600)
Dividend income	18,893,498	32,685,069
Other investment income	124,065	700,442
Provision for taxation	(5,908,164)	-
Increase / (decrease) in assets other than cash	54,797,363	(72,345,912)
(Increase) / decrease in liabilities other than borrowings and taxation	(41,424,190)	150,726,507
Profit after taxation	<u>20,935,771</u>	<u>87,158,719</u>
Cash and cash equivalents include the following for the purpose of the cash flow statement:		
Cash and other equivalents		
Cash in hand	72,154	23,726
Policy and revenue stamps, bond papers	8,770	41,370
	80,924	65,096
Current and other accounts		
Current accounts	1,673,468	1,387,096
Savings accounts	931,994	25,268,113
	2,605,462	26,655,209
	<u>2,686,386</u>	<u>26,720,305</u>

The annexed notes form an integral part of these unconsolidated financial statements.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Office

1 LEGAL STATUS AND NATURE OF BUSINESS

Crescent Star Insurance Limited (the Company) was incorporated in Pakistan as a Public Limited Company in the year 1957 under the defunct Companies Act, 1913 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged in providing non-life general insurance services mainly in spheres of fire and property damage, marine, aviation and transport, motor, credit and suretyship, accident and health, and miscellaneous insurance.

The registered and principal office of the Company is situated at 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi, Pakistan.

1.1 The Company has the following subsidiaries:

1.1.1 Crescent Star Foods (Private) Limited

The Company holds 71% of the shares in Crescent Star Foods (Private) Limited, thereby establishing it as a subsidiary of the Company. The subsidiary was incorporated in Pakistan as a private limited company on 20 February, 2015 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its principal business activity is the running fast food restaurants chain and other related ancillary activities.

1.1.2 Crescent Star Technologies (Private) Limited

The Company holds 99.7% of the shares in Crescent Star Technologies (Private) Limited, thereby establishing it as a wholly owned subsidiary of the Company. The subsidiary was incorporated in Pakistan as a private limited company on 23 February, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its principal business activity is to carry on business of vehicle tracking, fleet management services including supply and installation/trading of devices based on various technologies such as GPS and GSM.

1.1.3 Crescent Star Luxury (Private) Limited

The Company holds 99.7% of the shares in Crescent Star Luxury (Private) Limited, thereby establishing it as a wholly owned subsidiary of the Company. The subsidiary was incorporated in Pakistan as a private limited company on 15 December, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its principal business activity is to trade in beauty, skincare and fashion accessories related

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The 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;
- Provisions of, and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, and the Insurance Accounting Regulations, 2017.
- Directives issued by the Securities and Exchange Commission of Pakistan.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, shall prevail.

2.2 Unconsolidated Financial Statement

These financial statements are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Consolidated financial statements of the Company are prepared and presented separately.

2.3 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments which are stated at their fair values and provision for outstandings claims incurred but not reported (IBNR) is made on the basis of actuarial valuation.

2.4 Functional and Presentation Currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to nearest Pakistani Rupee, unless otherwise stated.

2.5 Standards, Amendments and Interpretations to Accounting and Reporting Standards

2.5.1 Standards, interpretations of and amendments to the existing accounting standards that have become effective during the year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025.

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

2.5.2 Standards, interpretations and amendments not effective at year end

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

Standards, amendments or interpretation	Effective date (annual periods beginning on or after)
- IFRS 18 - Presentation and disclosure of financial statements	January 01, 2027
- IFRS 19 - Subsidiaries without public accountability - disclosure	January 01, 2027
- IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 01, 2026

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

- (b) Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:
- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- (c) Adoption of IFRS 17 & IFRS 9 is likely to have a significant impact on the Company's financial statements and the Company is in the process of assessing the impact of these standards on the financial statements in accordance with the directives of SECP as explained in note 2.5 of these financial statements.

2.5.3 Temporary exemptions from IFRS 17 and IFRS 09

(a) IFRS 17 - Insurance Contracts

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

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

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

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

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

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

(c) IFRS 9 - Financial Instruments

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

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

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

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

ii. all other financial assets

Description	As at December 31, 2025			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
----- Rupees -----				
Financial assets				
Cash and bank balances *	-	-	2,686,386	-
Investments in equity securities - available for sale	261,811,828	61,968,734	-	-
Loans and other receivable *	985,312,720	-	-	-
Insurance / reinsurance receivables *	141,120,224	-	-	-
	1,388,244,772	61,968,734	2,686,386	-

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

Description	As at December 31, 2024			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
----- Rupees -----				
Financial assets				
Cash and bank balances *	26,720,305	-	26,720,305	-
Investments in equity securities - available for sale	192,600,406	18,735,467	-	-
Loans and other receivable *	896,083,416	-	-	-
Insurance / reinsurance receivables *	173,693,950	-	-	-
	1,289,098,077	18,735,467	26,720,305	-

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below.

3.1 Property and equipment

Owned

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to statement of comprehensive income applying the reducing balance method at the rates specified in note 5.1 to the financial statements.

Depreciation on additions is charged from the date the assets are available for use. While on disposal, depreciation is charged up to the date on which the assets are disposed off.

Subsequent costs are included in the asset's carrying amount or recognized as separate assets, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the statement of comprehensive income.

The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of operating fixed assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the statement of comprehensive income in the year the asset is derecognized.

3.2 Insurance contracts

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

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

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

Fire and property damage

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

Marine, 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 liabilities to third parties and passengers arising from their use.

Motor

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

Accident and health

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

Credit and suretyship

Credit and suretyship insurance contracts protect the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

Miscellaneous

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

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

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

3.3 Claims

Claims are charged to statement of comprehensive income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.3.1 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized 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 accounting year 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.

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

i. Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the reporting date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claims amount are adequate to cover expected future payments including expected claims settlement cost and are updated as and when new information becomes available.

ii. Claims incurred but not reported

The provision for claims incurred but not reported is made at the reporting date in accordance with SECP circular no. 9 dated March 09, 2016. The Company has changed its method of estimation of IBNR. The Company now takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using 'Chain Ladder' (CL) and 'Expected Loss Ratio' methodology. The CL method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine cumulative development factor (CDF), which represents the extent of future development of claims to reach their ultimate level.

3.4 Premium deficiency reserve (liability adequacy test)

At each financial statement date, liability adequacy tests are performed separately for each class of business 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 financial statement date in respect of policies in force at financial statement date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.

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

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The expected ultimate net claim ratios for the unexpired periods of policies at financial statement date for each class of business is as follows:

Class	2025	2024
	Percentage%	
Fire and property damage	58%	28%
Marine, aviation and transport	118%	44%
Motor	110%	15%
Accident & health	0%	-47%
Credit & Suretyship	66%	0%
Miscellaneous	88%	48%

Based on analysis of combined operating ratio for the expired period of each reportable segment, the management considers that the unearned premium reserves for all the classes of business as at the year end is adequate to meet the expected future liability, after reinsurance, from claims and other expenses expected to be incurred after the statement of financial position date in respect of policies in those classes of business in force at the statement of financial position date.

3.5 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

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

An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

3.6 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the profit and loss account.

The provision for impairment of premium receivables is determined on a systematic basis after evaluating the outstanding balances according to their ageing profile. Receivables outstanding for a period exceeding three years are considered doubtful of recovery and have been fully provided for. Furthermore, a provision equivalent to 25% of receivables falling within the third year of ageing has been recognized in these financial statements. The management reviews the adequacy of the provision at each reporting date to ensure that it appropriately reflects the expected recoverability of the outstanding balances.

3.7 Insurance / Reinsurance receivable

Receivables under insurance contracts are recognized when due at the fair value of consideration receivable less provision for doubtful debts, if any. If there is an objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in profit and loss account.

3.8 Prepaid reinsurance expense

Premium for reinsurance contracts operative on a proportional and non-proportional basis is recorded as a liability on attachment of the underlying risks reinsured or on inception of the reinsurance contract respectively. For proportional reinsurance contracts, the reinsurance expense is recognized evenly in the period of indemnity. The portion of reinsurance premium not recognized as an expense is shown as a prepayment.

3.9 Reinsurance recoveries against outstanding claims

Reinsurance recoveries receivable from reinsurers are recognized as an asset at the same time as and when 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.

3.10 Deferred commission expense/ Acquisition cost

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the 1/24th method.

3.11 Segment reporting

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

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely Fire and Property Damage, Marine Aviation and Transport, Motor, Crop and Miscellaneous. The nature and business activities of these segments are disclosed in respective notes to the financial statements.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount 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.

3.12 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise of 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 derecognizing of the financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the statement of financial position date include cash and bank deposits, investments, insurance/reinsurance receivables, premium and claim reserves detained by cedants, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, provision for outstanding claims, insurance/reinsurance payables, other creditors and accruals and liabilities against assets subject to finance lease.

3.13 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 consists of cash in hand, stamps in hand and deposits with banks.

3.14 Revenue recognition

3.14.1 Premium income earned

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from policy holders in respect of policies issued.

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

3.14.2 Provision for unearned premium

Majority of the insurance contracts entered into by the Company are for a period of twelve months. Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage and is recognized as a liability by the Company. This liability is calculated as follows:

- Marine cargo business, as a ratio of the unexpired period to the total period of the policy applied on the gross premium of the individual policies;
- Contracts of twelve months tenure, by applying the twenty-fourths' method as specified in the Insurance Rules, 2017, as majority of the remaining policies are issued for a period of one year; and
- Contracts having tenure of more than twelve months, the Company maintains provision for unearned premium net of reinsurance expense to the unexpired period of coverage at the reporting date.

3.14.3 Commission income

Commission income from reinsurers / co-insurers / others is recognized at the time of issuance of the underlying insurance policy by the Company. This income is deferred and accounted for as revenue in accordance with the pattern of recognition of reinsurance/ co-insurance / other premium to which they relate. Profit commission if any, which the Company may be entitled under the terms of reinsurance is recognized on accrual basis.

3.14.4 Commission income unearned

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premiums.

3.14.5 Investment income

- Return on investments and term deposits are recognized using the effective interest rate method. Profit or loss on sale of investments is recognized at the time of sale. Dividend income is recognized when right to receive such dividend is established.
- Gain / (loss) on sale of investments is charged in statement of comprehensive income.

3.14.6 Dividend income and other income

- Dividend income and entitlement of bonus shares are recognized when the Company's right to receive such dividend and bonus shares is established. Rental and other income are recognized as and when accrued.
- Return on bank deposits is recognized on a time proportionate basis taking into account the effective yield.

3.15 Investments

3.15.1 Initial recognition and classification

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

- In subsidiary and associates (at cost)
- In equity securities (available for sale)

3.15.2 Measurement

(a) In subsidiary and associates (at cost)

Entities in which the Company has significant influence but not control and which are neither its subsidiary nor joint ventures are associates and are accounted for by using the equity method of accounting.

Under equity method of accounting, the investments are initially recognised at cost; thereafter its carrying amount is increased or decreased for the Company's share of post acquisition changes in the net assets of the associate and dividend distributions. Goodwill relating to an associate is included in carrying amount of the investment and is not amortized. The Company's share of the profit and loss of the associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognised in the associates' profit and loss account are recognised directly in other comprehensive income of the Company.

After application of equity method, the carrying amount of investment in associate is tested for impairment, every three years, by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit and loss account.

(b) In equity securities (available for sale)

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity. At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates 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 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.

These are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to the profit and loss account.

3.15.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.15.4 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is an objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at Held to Maturity, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in statement of comprehensive income.

When an available for sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to statement of comprehensive income.

For financial assets measured at held to maturity, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss account to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available for sale equity securities, impairment losses previously recognized in profit and loss account are not reversed through profit and loss account. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit and loss account if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3.15.5 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

3.16 Dividend distribution and reserve appropriation

Dividend to shareholders is recognised as liability in the period in which it is approved. Similarly, reserve appropriation is recognised when approved.

3.17 Share capital

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

3.18 Management expenses

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

3.19 Creditors, accruals and provisions

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

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

3.20 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Exchange difference, if any, are taken to statement of comprehensive income.

3.21 Earnings per share

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

3.22 Taxation

3.22.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001 for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, relating to prior year which arises from assessments framed/ finalized during the year or required by any other reason.

3.22.2 Deferred

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent of taxable timing differences or it is probable that taxable profits for the foreseeable future will be available against which the assets 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.

3.23 Staff retirement benefits

3.23.1 Defined contribution plan

The Company contributes to an approved provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the members to the fund at the rate of 10% of basic salary.

3.23.2 Employees' compensated absences

The Company accounts for accumulated compensated absences on the basis of the un-availed leave balances at the end of the year.

3.24 Related party transactions

Party is said to be related, if they are able to influence the operating and financial decisions of the Company and vice versa. The Company in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price and are carried out at arm's length prices.

3.25 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat and Ushr Ordinance, 1980.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and 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 value 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 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.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	Note
- Rate of depreciation of property and equipment	3.1
- Provision for outstanding claims (including IBNR)	3.3.1
- Premium deficiency reserve	3.4
- Segment reporting	3.11
- Provision for unearned premium	3.14.2
- Provision for taxation and deferred tax	3.22
- Premium due but unpaid	9
- Provision for doubtful receivables	9.1

		2025	2024
	Note	----- Rupees -----	
5 PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	32,893,568	17,018,213

5.1 Operating Fixed Assets

Description	2025									
	Cost				Depreciation				Written Down Value	Depreciation Rate
	As at January 01,	Additions	(Disposals)	As at December 31,	As at January 01,	For the year	(On disposals)	As at December 31,		
	Rupees									
										%
Furniture and fixtures	8,724,868	-	-	8,724,868	5,119,085	360,580	-	5,479,665	3,245,203	10
Office equipment	3,780,856	352,500	78,051	4,055,305	1,980,846	197,233	54,564	2,123,515	1,931,790	10
IT equipments	1,143,436	325,500	667,936	801,000	710,636	149,632	560,383	299,885	501,115	30
Vehicles	28,864,171	18,504,980	-	47,369,151	17,684,551	2,469,140	-	20,153,691	27,215,460	20
	42,513,331	19,182,980	745,987	60,950,324	25,495,118	3,176,585	614,947	28,056,756	32,893,568	

Description	2024									
	Cost				Depreciation				Written Down Value	Depreciation rate
	As at January 01,	Additions	(Disposals)	As at December 31,	As at January 01,	For the year	(On disposals)	As at December 31,		
	Rupees									
										%
Furniture and fixtures	8,724,868	-	-	8,724,868	4,718,441	400,644	-	5,119,085	3,605,783	10
Office equipments	3,474,212	306,644	-	3,780,856	1,792,627	188,219	-	1,980,846	1,800,010	10
IT equipments	1,099,116	347,000	302,680	1,143,436	761,875	145,452	196,691	710,636	432,800	30
Vehicles	20,517,071	9,500,000	1,152,900	28,864,171	17,608,081	969,608	893,138	17,684,551	11,179,620	20
	33,815,267	10,153,644	1,455,580	42,513,331	24,881,024	1,703,923	1,089,829	25,495,118	17,018,213	

5.1.1 Details of fixed assets disposed off during the year are as follows:

Particulars	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars Of Buyer or Relationship
	Rupees						
Office equipment							
Air conditioner	78,051	54,564	23,487	40,000	16,513	Scrapped	Mehboob Khan
IT equipments							
IT equipments having cost of less than Rs. 50,000	131,586	126,353	5,233	5,233	-	Scrapped	Al-Rahman Traders
Computer	62,800	61,483	1,317	1,317	-	Scrapped	Al-Rahman Traders
Server	262,000	255,849	6,151	6,151	-	Scrapped	Al-Rahman Traders
Laptop	71,550	66,808	4,742	4,900	158	Scrapped	Al-Rahman Traders
Laptop	140,000	49,890	90,110	60,000	(30,110)	Scrapped	Wajahat Traders
Total - 2025	745,987	614,947	131,040	117,601	(13,439)		
Total - 2024	1,455,580	1,089,829	365,751	2,076,000	1,710,249		

		2025	2024
----- Rupees -----			
6 INVESTMENTS IN SUBSIDIARIES			
	 Holding% 	 Shares 	 Investment (At cost)
Crescent Star Foods (Private) Limited	71%	21,305,176	213,051,760
Crescent Star Technologies (Private) Limited	99%	997	9,970
Crescent Star Luxury (Private) Limited	99%	997	9,970
		21,307,170	213,071,700

6.1 The management assessed the recoverable amount of investment in Crescent Star Foods (Private) Limited at the reporting date and determined the recoverable amount based on the Value in Use methodology which exceeds the carrying value of the investment. Hence, no impairment loss is required to be recognized in the financial statements as at the reporting date.

		2025	2024
----- Rupees -----			
7 INVESTMENTS IN EQUITY SECURITIES	 Note 		
Fair value through other comprehensive income - FVTOCI:			
Listed Shares - Related Parties			
Cost		25,681,177	9,839,752
Unrealized gain / (loss) on revaluation of investments		3,293,758	471,247
Provision for impairment		-	-
Carrying / Fair value		28,974,935	10,310,999
Listed Shares - Others			
Cost		41,587,679	40,781,429
Unrealized gain / (loss) on revaluation of investments		48,301,917	(5,042,237)
Provision for impairment		-	-
Carrying / Fair value		89,889,596	35,739,192
	7.1	118,864,531	46,050,191
Mutual Funds - Others			
Cost		132,574,237	127,592,585
Unrealized gain on revaluation of investment		10,373,059	18,957,630
Provision for impairment		-	-
Carrying / Fair value	7.2	142,947,297	146,550,215
		261,811,828	192,600,406

7.1 Breakup of Investment in Listed Shares

	2025	2024	2025	2024		2025	2024
Number of shares		Market value per share		Sector and name of investee companies	----- Rupees -----		
	472,228	84,890	7.37	6.79	Engineering		
					Dost Steel Limited	3,480,320	576,403
	571,500	256,241	44.61	37.99	Chemical		
					Bawany Air Products Limited	25,494,615	9,734,596
	2,000	2,000	2.21	2.21	Power Generation & Distribution		
					Southern Electric Power Company Limited	4,420	4,420
	3,076,057	2,071,919	14.76	5.72	Tri-Star Power Limited	45,402,600	11,851,377
	1,339,857	1,690,379	33.04	9.94	S.G. Power Limited	44,268,875	16,802,367
	158	158	4.50	8.58	Textile Weaving		
	-	106,000	-	18.90	G3 Technologies Limited	711	1,356
					Quetta Textile Mills Limited	-	2,003,400
	200	200	12.45	8.50	Insurance		
	117	117	10.43	5.43	Habib Insurance Company Limited	2,490	1,700
	-	2,538,000	5.57	1.95	Premier Insurance Limited	1,220	635
	18	18	253.56	174.21	PICIC Insurance Limited	-	4,949,100
					IGI Holdings Limited	4,564	3,136
	309	309	38.56	10.81	Commercial Banks		
	3	3	379.38	281.30	The Bank of Punjab	11,915	3,340
					MCB Bank Limited	1,138	844
	33,246.00	15,688.00	5.19	6.45	Financial Services		
	787.00	1,040.00	24.29	15.70	LSE Capital Limited	172,548	101,189
					LSE Financial Service Limited	19,115	16,328
	5,496,480	6,766,962				118,864,531	46,050,191

7.1.1 The investments in Dost Steels Limited amounting to Rs. 3,480,320 (2024: Rs. 576,403) and Bawany Air Products Limited amounting to Rs. 25,494,615 (2024: Rs. 9,734,596) represent investments in listed shares of related parties.

7.2 Mutual Funds - Others

2025	2024	2025	2024	Name of funds	2025	2024
Number of Units		Unit Price			----- Rupees -----	
3,820.00	3,820.00	34.69	30.67	HBL Energy Fund	132,516	117,177
2,174,623.14	2,270,594.66	57.95	60.87	Pakistan Income Fund	126,009,842	138,212,686
73.44	64.99	61.16	59.25	Alfalah GHP Income Multiplier	4,491	3,851
77.03	68.27	105.66	108.50	Alfalah AFSIP Plan-I	8,139	7,407
2.37	2.40	113.45	119.02	Alfalah GHP Sovereign Fund	269	286
0.05	-	528.89	-	Alfalah GHP Cash Fund	29	-
49,857.74	-	104.01	-	Alfalah GHP Money Market Fund	5,185,844	-
177,869.21	245,268.91	10.05	10.37	NBP Islamic Saving Fund	1,787,070	2,544,027
328,012.24	-	11.24	-	NBP Financial Sector Income Fund	3,687,546	-
56,980.32	50,877.53	107.58	111.34	Al Habib Income Fund	6,129,754	5,664,781
16.63	-	108.06	104.70	Faysal Islamic Cash Fund	1,797	-
8,323,870	9,356,411				142,947,297	146,550,215

7.2.1 Total of 1,927,964 (2024: 1,927,964) units of Pakistan Income Fund are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

8	LOANS AND OTHER RECEIVABLES (Considered good - unsecured)	Note	2025	2024
			----- Rupees -----	
	Security deposits		5,127,562	5,143,438
	Loan to employees		105,000	88,000
	Advance to supplier		260,000	260,000
	Accrued interest on advance against issuance of shares	8.1	330,235,136	330,235,136
	Advance against issuance of shares	8.2	305,499,508	303,095,679
	Advance against vehicle		9,349,112	-
	Receiveable from group of investors	8.3	161,511,316	211,511,066
	Receiveable against sale of shares	8.4	105,106,028	-
	Other receivable	8.5	68,119,058	45,750,097
			985,312,720	896,083,416

8.1 This represents accrued interest on advance against issue of shares, given to Dost Steels Limited.

8.1.1	Movement in accrued interest on advance against issuance of shares	2025	2024
		----- Rupees -----	
	Balance as at beginning of the year	330,235,136	330,235,136
	Interest accrued	-	-
	Balance as at the end of the year	330,235,136	330,235,136

8.2 This represents advances against issue of shares given to the following parties:

Crescent Star Foods (Private) Limited - Subsidiary	217,447,290	216,720,805
Crescent Star Luxury (Private) Limited - Subsidiary	79,715,647	78,662,460
Crescent Star Technology (Private) Limited - Subsidiary	8,336,571	7,712,414
	305,499,508	303,095,679

8.3 In prior years, the Company paid an advance to Dost Steel Limited (DSL) against the proposed issuance of shares. Subsequently, pursuant to a settlement agreement between the Company, Din Corporation Limited, and DSL, the advance for the issuance of shares was assigned to a group of investors and is now receivable from those investors.

8.4 During the year, the Company entered into Negotiable Direct Market Agreements (NDMA) with six different counterparties for the sale of shares of SG Power Limited (listed company) through the Negotiated Deal Market (NDM). The aggregate value of the transactions executed under these agreements during the year amounted to Rs. 105.106 million. The transactions were undertaken at mutually agreed prices between the respective counterparties and were reported to the exchange in accordance with the applicable regulatory framework and were subsequently cleared and settled through the National Clearing and Settlement System (NCSS) in January, 2026.

8.5 This includes an amount of Rs. 56.922 million (2024: Rs. 32.468 million) receivable from PICIC Insurance Limited. The amount was provided to meet working capital requirements and carries markup at KIBOR plus 3% per annum. It is receivable on mutual consent of both parties. The maximum amount outstanding during the year was Rs. 39.874 million in December (2024: Rs. 32.468 million in December).

	Note	2025 ----- Rupees -----	2024
9 INSURANCE / REINSURANCE RECEIVABLES (Considered good - unsecured)			
Due from insurance contract holders		209,617,628	219,373,520
Less: Provision for impairment of receivables from insurance contract holders	9.1	(71,401,838)	(48,584,004)
Net due from insurance contract holders		138,215,790	170,789,516
Due from other insurers / reinsurers		2,904,434	2,904,434
		141,120,224	173,693,950
9.1 Provision for impairment of receivables from insurance contract holders			
Balance at the beginning of the year		48,584,004	39,534,917
Provision made during the year		22,817,834	38,583,890
Receivables written off		-	(29,534,803)
		71,401,838	48,584,004

10 DEFERRED TAXATION

Deferred tax is recognized in respect of all temporary differences arising from carrying values of assets and liabilities in financial statements and their tax base. The Company has recognised deferred tax asset to the extent of the amount expected to be utilized in foreseeable future in line with the accounting policy and as matter of prudence, deferred tax asset of Rs. 1,263,997 (2024: Rs. 28,467,469) on account of temporary differences have not been recognised.

	Note	2025 ----- Rupees -----	2024
11 CASH AND BANK BALANCES			
Cash and cash equivalents			
Cash in hand		72,154	23,726
Policy and revenue stamps		8,770	41,370
		80,924	65,096
Cash at bank			
Current accounts		1,813,211	1,526,839
Savings accounts	11.1	931,994	25,268,113
Less: Provision against dormant accounts		(139,743)	(139,743)
		2,605,462	26,655,209
		2,686,386	26,720,305

11.1 These carry mark-up at the rate of 9.10% (2024: 14.33%) per annum.

12 ORDINARY SHARE CAPITAL

12.1 Authorized share capital

	2025	2024		2025	2024
----- Number of shares -----			----- Rupees -----		
150,000,000		115,000,000	1,500,000,000		1,150,000,000

12.2 Issued, subscribed and paid-up share capital

	2025	2024		2025	2024
----- Number of shares -----			----- Rupees -----		
104,728,494		104,728,494	Ordinary shares of Rs. 10 each fully paid in cash	1,047,284,940	1,047,284,940
2,966,547		2,966,547	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	29,665,470	29,665,470
107,695,041		107,695,041		1,076,950,410	1,076,950,410

12.2.1 All shares carry one vote per share without restriction. The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares, as the case may be, as and when declared by the Company.

13 DISCOUNT ON ISSUE OF RIGHT SHARES

This represent right shares issued by the Company in the year 2014 with the approval of Board of Directors, SECP and KSE (now PSX) amounting to Rs. 499.125 million comprising of 49,912,500 ordinary shares of Rs. 10/- each at a discount of Rs. 4 per share.

		2025	2024
14 RESERVES	Note	----- Rupees -----	
Capital reserves			
Reserve for exceptional losses	14.1	1,767,568	1,767,568
Surplus on remeasurement of available for sale investments		61,968,734	14,386,640
Revenue reserves			
General reserve		24,497,265	24,497,265
Unappropriated profit		372,146,973	351,211,202
		<u>460,380,540</u>	<u>391,862,675</u>

14.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

15 OTHER CREDITORS AND ACCRUALS

Federal insurance fees		5,747,251	5,011,527
Excise duty - net of sales tax		75,081,954	67,672,268
Contribution payable to staff provident fund		270,352	299,424
Leave encashment payable		727,812	1,231,906
Withholding tax		65,908,722	58,865,524
Accrued expenses		14,366,519	11,801,392
Auditors' remuneration payable		1,100,000	1,306,086
Workers' welfare fund payable		2,634,014	1,934,552
Unclaimed dividend		418,209	418,209
Payable to related parties	15.1	24,425,555	-
Others		29,847,173	3,075,714
		<u>220,527,561</u>	<u>151,616,602</u>

15.1 This includes an amount of Rs. 22.056 million (2024: Nil) payable to Weavers Pakistan (Private) Limited, a related party. The amount was obtained to meet working capital requirements and carries markup at KIBOR plus 3% per annum. The amount is repayable on mutual consent of both parties. The maximum outstanding balance during the year was Rs. 24.979 million in March (2024: Rs. 30.798 million receivable in September).

16 PROVISION FOR TAXATION

Balance at beginning of the year		2,007,670	2,708,111
Current tax expense		13,337,885	7,634,334
Advance tax paid during the year		(7,429,721)	(8,334,776)
		<u>7,915,834</u>	<u>2,007,670</u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

- 17.1.1 The Company filed a petition No. 1027/2022 against Federal Board of Revenue (FBR) in respect of notice of encashment of guarantee given for the duties and taxes under Afghan Transit Rules amounting to Rs. 26 million. The Custom authorities claim that there was pilferage and the goods did not cross Afghan border. The company stand is that the primary responsibility for pilferage is on the bonded carrier. The High Court has granted stay against the notice of encashment.
- 17.1.2 Phillip Morris (Pakistan) Limited has filed suit 33/2021 against the Company for encashment of performance bond given amounting to Rs. 100 million. The party on whose behalf the bond was given has obtained stay order against encashment of guarantee. Further the company is secured by counter guarantee and cheque in respect of the bond amount.
- 17.1.3 Suit No. 6/2022 has been filed by the legal heirs of insured Farzana Akhlaq in relation to travel policy claims amounting to Rs. 11 million. The suit was filed against Company's repudiation of the travel claim on the grounds of pre-existing condition. As per terms of policy pre-existing conditions were not covered.
- 17.1.4 Suit No. 1036/2019 was filed by Pakistan Reinsurance Company Limited for recovery of outstanding amount against CSIL amounting to Rs. 75 million. The amount claimed by Pakistan Reinsurance is disputed by the Company.
- 17.1.5 The Sindh Revenue Board (SRB) order has served a demand for Rs. 19,485,132 including penalty amount being Sales Tax on Reinsurance ceded. The matter is disputed and several companies have filed petitions in Supreme Court and have obtained stay against the demand. The management has filed an appeal on the same grounds to Appellate Bench of SRB.
- 17.1.6 Suit No. 11119/2025 has been filed by Eduljee Dinshaw (Private) Limited against the Company seeking recovery of an amount of Rs. 12,475,257 being the outstanding rent toward Eduljee Dinshaw as per the tenancy agreement executed between the parties. The matter is disputed and pending before the Civil Court, Karachi.
- 17.1.7 Suit No. 5/2025 filed by Abdul Fateh against the Company before the Insurance Tribunal Karachi whereby the Applicant is seeking recovery of an amount of 50,000 USD along with two million in compensation under the travel insurance policy. CSIL had repudiated the claim for failure to disclose his pre-existing medical condition which vitiated the issuance of policy. The matter remains pending before the Insurance
- 17.1.8 The Assistant/Deputy Commissioner Inland Revenue issued tax demand for Rs. 27,530,283. The company filed an appeal before the Appellate Tribunal against the order. As per the order of the Appellate Tribunal Inland Revenue, the case has been remanded back to Commissioner Inland Revenue Appeals which is pending adjudication.

17.1.9 The Company is defending various law suits in the court of law. In these cases, claims against the company amounted to less than Rs.10 million. The Company, based on the opinion of its legal advisors, is confident that the ultimate outcome of all of the matters provided above will be in its favor. Accordingly, no provision in respect of any above mentioned liabilities has been made in these financial statements.

	2025	2024
	----- Rupees -----	
18 NET INSURANCE PREMIUM		
Written gross premium	79,287,687	79,725,407
Add : Unearned premium reserve - opening	31,968,305	176,612,161
Less: Unearned premium reserve - closing	(13,470,304)	(31,968,305)
Premium earned	<u>97,785,688</u>	<u>224,369,263</u>
Less: Reinsurance expense	-	-
	<u>97,785,688</u>	<u>224,369,263</u>
19 NET INSURANCE CLAIMS		
Claims paid	4,483,168	4,276,376
Add : Outstanding claims including IBNR - closing	51,957,318	57,702,853
Less: Outstanding claims including IBNR - opening	(57,702,853)	(65,000,330)
Claim income - net	<u>(1,262,367)</u>	<u>(3,021,101)</u>
Less: Reinsurance and recoveries revenue	-	-
	<u>(1,262,367)</u>	<u>(3,021,101)</u>

19.1 Claims development

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

Accident year	2020 and prior	2021	2022	2023	2024	2025 including IBNR
	----- (Rupees) -----					
Estimate of ultimate claims cost:						
At end of accident year	55,281,415	12,446,510	1,369,827	126,769,622	1,517,407	12,482,085
One year later	58,375,016	1,063,469	2,244,256	126,898,769	1,712,855	-
Two year later	65,408,801	1,063,469	2,209,256	126,743,769	-	-
Three year later	64,859,587	1,063,469	2,004,256	-	-	-
Four year later	64,477,585	1,063,469	-	-	-	-
Five year later	65,779,359	-	-	-	-	-
Current estimate of cumulative claims	65,779,359	1,063,469	2,004,256	126,743,769	1,712,855	12,482,085
Cumulative payments to date	21,239,040	913,469	1,960,456	126,659,169	1,479,255	1,370,601
Liability recognised in the balance sheet	44,540,319	150,000	43,800	84,600	233,600	11,111,484

	2025	2024
	----- Rupees -----	
20 NET COMMISSION EXPENSE		
	Note	
Commission paid or payable	5,070,356	6,489,621
Add : Deferred commission expense - opening	3,335,750	18,268,029
Less: Deferred commission expense - closing	(1,477,533)	(3,335,750)
Net commission	<u>6,928,573</u>	<u>21,421,900</u>
Less: Commission from reinsurers	-	-
	<u>6,928,573</u>	<u>21,421,900</u>

21 MANAGEMENT EXPENSES

Employee benefit cost	21.1	81,866,017	79,155,465
Directors' fee		175,000	175,000
Travelling expense		11,451,100	12,591,577
Advertisement and sales promotion		435,965	61,520
Printing and stationery		650,990	877,605
Depreciation		3,176,585	1,703,923
Rent, rates and taxes		3,903,840	2,462,147
Legal and professional fee - business related		6,018,167	3,692,841
Utilities		2,093,572	3,981,561
Entertainment		1,210,749	1,903,754
Vehicle running		1,106,324	607,355
Repairs and maintenance		3,305,685	3,285,393
Postages, telegrams and telephone		1,933,381	1,784,232
Bad and doubtful debts		22,817,834	38,583,890
Insurance		330,145	330,000
Bank charges		13,340	47,122
Miscellaneous		3,000,785	4,515,360
		<u>143,489,479</u>	<u>155,758,745</u>

	Note	2025 ----- Rupees -----	2024
21.1 Employee benefit cost			
Salaries, allowances and other benefits		80,117,407	77,207,639
Charges for post employment benefits	21.1.1	1,748,610	1,947,826
		<u>81,866,017</u>	<u>79,155,465</u>
21.1.1 This amount represents contribution to staff provident fund.			
22 INVESTMENT INCOME			
Income from equity securities - available for sale financial assets:			
Dividend income		18,893,498	32,198,122
Gain / (loss) on sale of available for sale investments		49,281,261	(2,710,600)
		<u>68,174,759</u>	<u>29,487,522</u>
23 OTHER INCOME			
Profit on savings accounts		124,065	486,947
Gain on sale of property and equipments		-	1,710,249
Interest income - net	23.1	20,234,436	-
Other income		1,792,443	2,667,618
		<u>22,150,944</u>	<u>4,864,814</u>
23.1 This includes net interest income relating to PICIC Insurance Limited for the period from 2016 to 2025, and to Weavers Pakistan (Private) Limited for the period from 2023 to 2025. The recognition of interest on these loans was finalized during the year following approval by the Board of Directors and execution of a mutual agreement in December; accordingly, the entire amount has been recorded in the current period.			
24 OTHER EXPENSES	Note	2025 ----- Rupees -----	2024
Auditors' remuneration	24.1	1,200,000	1,498,887
Subscription and fee		256,697	27,534
Workers' welfare fund		699,462	1,934,552
Registration fee		4,422,241	1,859,367
Loss on disposal of fixed assets		13,439	-
		<u>6,591,839</u>	<u>5,320,340</u>
24.1 Auditors' remuneration			
Annual audit fee		500,000	589,875
Consolidation fee		250,000	302,500
Review of Code of Corporate Governance		120,000	151,250
Half yearly review		100,000	194,810
Out of pocket expenses		130,000	127,352
Certification charges		100,000	133,100
		<u>1,200,000</u>	<u>1,498,887</u>
25 TAXATION			
Current		<u>13,337,885</u>	<u>7,634,334</u>
25.1 Relationship between tax expense and accounting profit			
Profit before taxation		<u>34,273,656</u>	<u>94,793,053</u>
Applicable tax rate		<u>29%</u>	<u>29%</u>
Tax at the applicable rate		9,939,360	27,489,985
Effect of minimum tax		(8,717,039)	(24,685,370)
Effect of dividend income taxed at reduced rate		(755,740)	(4,507,737)
Effect of capital gain taxed as SBOI		7,392,189	-
Effect of tax credit, inadmissible expenses and Others		5,479,115	9,337,455
		<u>13,337,885</u>	<u>7,634,334</u>

26 EARNINGS PER SHARE - BASIC AND DILLUTED

	2025	2024
Profit for the year (Rupees)	20,935,771	87,158,720
Weighted average number of ordinary shares (Numbers)	107,695,041	107,695,041
Earnings per share - basic and diluted (Rupee)	0.19	0.81

27 COMPENSATION OF DIRECTORS AND EXECUTIVES

Description	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
----- (Rupees) -----						
Managerial remuneration	7,935,000	7,935,000	1,987,476	1,649,688	10,415,452	10,225,944
Retirement benefits	-	-	25,926	-	809,394	819,348
House rent	3,795,000	3,795,000	1,324,992	1,099,794	6,943,642	6,817,296
Utilities / Others	5,070,000	5,070,000	105,000	-	2,661,935	2,760,000
Total	16,800,000	16,800,000	3,443,394	2,749,482	20,830,423	20,622,588
Number of persons	1	1	2	2	4	3

27.1 Non-Executive Directors were paid Rs. 0.175 million (2024: Rs. 0.175 million) for attending Board of Directors meetings during the year.

27.2 Chief Executive and other executives were also provided with the Company maintained cars in accordance with their entitlements.

27.3 Directors and other executives are also provided provident fund facility in which contribution of both employer and employee is at a rate of 10%.

28 RELATED PARTY DISCLOSURES

Related parties comprise of group companies, directors and their close family members its staff retirement funds, key management personnel and major shareholders of the Company. The associated companies are associated either based on its holding in equity or due to the same management and/or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions at arms length.

28.1 Following are the particulars of the related parties other than employee retirement benefit plans, key management personnel and Directors of the Company at the reporting date.

Name of related parties	Basis of relationship	Aggregate % of Shareholding
Crescent Star Foods (Private) Limited	Subsidiary Company	71.00%
Crescent Star Luxury (Private) Limited	Subsidiary Company	99.00%
Crescent Star Technology (Private) Limited	Subsidiary Company	99.00%
Dost Steels Limited	Common Directorship	0.11%
Bawany Air Products Limited	Common Directorship	7.62%
Weavers Pakistan (Private) Limited	Director being ultimate beneficial owner	Nil
Elahi Noor Enterprises (Private) Limited	Director being ultimate beneficial owner	Nil
KM Enterprises (Private) Limited	Director being ultimate beneficial owner	Nil

28.2 Transactions with the related parties

(Amount in Rupees)

Name of related parties	Nature of transaction	2025	2024
Crescent Star Foods (Private) Limited	Paid for advance against shares	726,485	1,002,650
Crescent Star Luxury (Private) Limited	Paid for advance against shares	1,053,187	3,180,264
Crescent Star Technology (Private) Limited	Paid for advance against shares	624,157	726,704
Weavers Pakistan (Private) Limited	Repayment of loan	(87,121,014)	(39,848,000)
	Loan disbursed	65,064,459	39,848,000
	Interest on loan - net	3,186,149	-
Key Management Personnel	Remuneration	41,073,817	40,172,070
	Premium underwritten	4,459,523	-
Staff Provident Fund	Contribution to staff provident fund	1,748,610	1,947,826
	Contribution paid	1,777,682	2,146,392

28.3 Balances with the related parties

(Amount in Rupees)

Name of related parties	Nature of balance	2025	2024
Crescent Star Foods (Private) Limited	Advance against issuance of shares	217,447,290	216,720,805
Crescent Star Luxury (Private) Limited	Advance against issuance of shares	79,715,647	78,662,460
Crescent Star Technology (Private) Limited	Advance against issuance of shares	8,336,571	7,712,414
Dost Steels Limited	Accrued interest on advance against issuance of shares	330,235,136	330,235,136
Weavers Pakistan (Private) Limited	Payable to related party	21,118,999	-
	Payable to related party	2,369,000	-
Key Management Personnel	Remuneration payable	7,368,750	1,058,750
	Outstanding premium	10,564	-
	Premium received in advance	112,500	-
Staff Provident Fund	Contribution payable to staff provident fund	270,352	299,424

29 MOVEMENT IN INVESTMENTS

	Investment in subsidiary	Available for sale investments
	----- Rupees -----	
As at January 01, 2024	213,071,700	216,536,400
Additions	-	303,386,982
Disposals (sales and redemptions)	-	(325,672,918)
Fair value net loss (excluding net realized loss)	-	(1,650,060)
Impairment losses	-	-
As at December 31, 2024	<u>213,071,700</u>	<u>192,600,406</u>
As at January 01, 2025	213,071,700	192,600,406
Additions	-	1,011,818,848
Disposals (sales and redemptions)	-	(990,189,523)
Fair value net gain (excluding net realized gain)	-	47,582,094
Impairment losses	-	-
As at December 31, 2025	<u>213,071,700</u>	<u>261,811,826</u>

30 SEGMENT INFORMATION

The operator has six primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor, accident and health, credit and suretyship and, miscellaneous.

Description	2025						Total
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Credit and Suretyship	Miscellaneous	
	----- Rupees -----						
Gross written premium (inclusive of administrative surcharges)	333,242	10,092,651	11,484,701	-	-	57,377,093	79,287,687
Gross direct premium	320,655	9,779,245	11,333,218	-	-	55,777,948	77,211,066
Administrative surcharge	12,587	313,406	151,483	-	-	1,599,145	2,076,621
	333,242	10,092,651	11,484,701	-	-	57,377,093	79,287,687
Insurance premium earned	371,734	10,138,339	12,464,117	-	4,437,493	70,374,005	97,785,688
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	371,734	10,138,339	12,464,117	-	4,437,493	70,374,005	97,785,688
Commission income	-	-	-	-	-	-	-
Net underwriting income	371,734	10,138,339	12,464,117	-	4,437,493	70,374,005	97,785,688
Insurance claims	495,980	(6,038,707)	4,082,560	(96,514)	727,625	2,091,423	1,262,367
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net insurance claims	495,980	(6,038,707)	4,082,560	(96,514)	-	2,091,423	1,262,367
Commission expense	(71,557)	(3,690,707)	(1,096,669)	-	(443,749)	(1,625,891)	(6,928,573)
Management expense	(595,907)	(18,173,804)	(21,061,716)	-	-	(103,658,052)	(143,489,479)
Premium deficiency - income	(18,844)	(259,444)	(442,645)	-	1,802,308	828,415	1,909,789
Net insurance claims and expenses	(190,328)	(28,162,662)	(18,518,470)	(96,514)	1,358,559	(102,364,105)	(147,245,896)
Underwriting results	181,406	(18,024,323)	(6,054,353)	(96,514)	5,796,052	(31,990,100)	(49,460,208)
Net investment income							68,174,759
Other income							22,150,944
Other expenses							(6,591,839)
Result of operating activities							34,273,656
Finance costs							-
Profit before tax for the year							34,273,656
Assets							
Segment assets	667,133	18,194,795	22,368,758	-	7,963,757	126,296,881	175,491,325
Unallocated corporate assets	-	-	-	-	-	-	1,462,882,634
Total assets	667,133	18,194,795	22,368,758	-	7,963,757	126,296,881	1,638,373,959
Liabilities							
Segment liabilities	574,821	15,677,157	19,273,563	-	6,861,802	108,821,013	151,208,356
Unallocated corporate liabilities	-	-	-	-	-	-	149,484,653
Total liabilities	574,821	15,677,157	19,273,563	-	6,861,802	108,821,013	300,693,009

Description	2024						Total
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Credit and Suretyship	Miscellaneous	
	----- Rupees -----						
Gross written premium (inclusive of administrative surcharges)	530,620	9,954,978	13,345,613	-	12,185,577	43,708,618	79,725,406
Gross direct premium	517,085	9,602,980	13,174,250	-	11,719,382	42,293,818	77,307,515
Administrative surcharge	13,535	351,998	171,363	-	466,195	1,414,800	2,417,891
	530,620	9,954,978	13,345,613	-	12,185,577	43,708,618	79,725,406
Insurance premium earned	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263
Commission income	-	-	-	-	-	-	-
Net underwriting income	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263
Insurance claims	(219,315)	2,756,652	(1,591,494)	-	(237,003)	2,312,261	3,021,101
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
	(219,315)	2,756,652	(1,591,494)	-	(237,003)	2,312,261	3,021,101
Commission expense	(955,135)	(3,619,631)	(1,562,893)	-	(8,036,800)	(7,247,441)	(21,421,900)
Management expense	(1,030,327)	(19,134,599)	(26,250,600)	-	(23,351,675)	(84,448,344)	(154,215,545)
Premium deficiency (expense)	1,878	1,244,271	927,852	-	500,801	12,876,537	15,551,339
Net insurance claims and expenses	(2,202,899)	(18,753,307)	(28,477,135)	-	(31,124,677)	(76,506,987)	(157,065,005)
Underwriting results	2,588,467	(8,380,153)	(9,873,308)	-	46,088,247	36,881,005	67,304,258
Net investment income							29,487,522
Other income							4,864,814
Other expenses							(5,320,340)
Result of operating activities							96,336,254
Finance costs							-
Profit before tax for the year							96,336,254
Assets							
Segment assets	4,143,859	8,971,322	16,089,698	-	66,778,339	98,064,694	194,047,912
Unallocated corporate assets	-	-	-	-	-	-	1,328,475,828
Total assets	4,143,859	8,971,322	16,089,698	-	66,778,339	98,064,694	1,522,523,740
Liabilities							
Segment liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	169,216,272
Unallocated corporate liabilities	-	-	-	-	-	-	84,144,383
Total liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	253,360,655

31 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

31.1 Insurance Risk

The Company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased where necessary to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital.

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The Company minimizes its exposure by prudent underwriting and reinsuring policies where necessary.

31.1.1 Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy and proactive claim handling procedures.

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

Class	Maximum Gross Risk Exposure	
	2025	2024
	----- Rupees -----	
Fire and property damage	131,772	209,238
Marine, aviation and transport	4,877,780	4,865,726
Motor	734,451	2,781,158
Credit and suretyship	-	7,163,088
Miscellaneous	89,974,314	63,942,539
	95,718,317	78,961,749

31.1.2 Uncertainty in the estimation of future claims payments

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 claims incurred but not reported is based on historic reporting pattern of the claims other than exceptional losses. Hence, actual amount of incurred but not reported claims may differ from the amount estimated.

31.1.3 Key assumptions

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors for example. 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.

At the year end, actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required/ allowed by the circular 9 of 2016 . IBNR is determined by using Chain Ladder Method for all class of business The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for health which is made on a quarterly basis. The methods used, and the estimates made, are reviewed regularly.

The Company determines adequacy of liability of premium deficiency reserves by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium.

The assumed net of reinsurance loss ratios for each class of business for estimation of premium deficiency reserves is as follows:

Class	Assumed Net Loss Ratio	
	2025	2024
	----- Percentage% -----	
Fire and property	58%	28%
Marine, aviation and transport	118%	44%
Motor	110%	15%
Accident and health	0%	-47%
Credit and suretyship	66%	0%
Miscellaneous	88%	48%

31.1.4 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:

Average claim costs	Change in assumption	Impact on gross claim liabilities	Impact on net claim liabilities	Impact on profit before tax	Impact on equity
	----- Rupees -----				
2025	10%	(126,237)	(126,237)	(126,237)	(89,628)
2024	10%	(302,110)	(302,110)	(302,110)	(214,498)

31.1.5 Statement of age-wise breakup of unclaimed insurance benefits

All the insurance claims and benefits are settled during the year. The entity does not have any unclaimed insurance benefits as at the reporting date. Hence, an age-wise analysis of unclaimed insurance benefits is not provided.

31.2 Financial Risk

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

31.2.1 Concentration of credit risk and credit exposure of the financial instruments

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

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

The Company is exposed to credit risk from its operating activities primarily for premiums due but unpaid, amount due from other insurers/reinsurers, and other financial assets.

- (a) The carrying amount of financial assets represents the maximum credit exposure as specified below:

Financial assets	Note	2025	2024
		----- Rupees -----	
Loans and other receivables	8	985,312,720	896,083,416
Net due from insurance contract holders	9	138,215,790	170,789,516
Due from other insurers / reinsurers	9	2,904,434	2,904,434
Cash and bank balances	11	2,686,386	26,720,305
		1,129,119,330	1,096,497,671

Geographically there is no concentration of credit risk.

The Company does not held any such collateral as security.

General provision of doubtful receivables is made against premium due but unpaid as disclosed in note 9 to these financial statements. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers/reinsurers for whom there is no recent history of default.

- (b) Age analysis of financial assets at the reporting date is as below:

Particulars	Carrying Amount	Upto 1 year	From 1 to 2 years	More than 2 years
Loans and other receivables	985,312,720	-	-	-
Net due from insurance contract holders	138,215,790	4,087,052	2,365,793	131,762,945
Due from other insurers / reinsurers	2,904,434	-	-	2,904,434
Cash and bank balances	2,686,386	2,686,386	-	-
	1,129,119,330	6,773,438	2,365,793	134,667,379

Particulars	Carrying Amount	Upto 1 year	From 1 to 2 years	More than 2 years
Loans and other receivables	896,083,416			
Net due from insurance contract holders	170,789,516	8,204,473	150,234,971	12,350,072
Due from other insurers / reinsurers	2,904,434	-	49,402	2,855,032
Cash and bank balances	26,720,305	26,720,305	-	-
	1,096,497,671	34,924,778	150,284,373	15,205,104

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

	Short term	Long term	Agency	2025	2024
				----- Rupees -----	
Faysal Bank Limited	A-1+	AA/AA+	PACRA/JCR-VIS	1,294,093	303,608
Habib Bank Limited	A-1+	AAA	JCR-VIS	960,416	26,216,716
Allied Bank Limited	A-1+	AAA	PACRA	38,578	88,746
Soneri Bank Limited	A-1+	AA-	PACRA	53,743	53,743
The Bank of Punjab	A-1+	AA+	PACRA	43,257	43,257
Meezan Bank Limited	A-1+	AAA	JCR-VIS	22,482	22,482
Silk Bank Limited (Merged with UBL)	A-1+	AAA	JCR-VIS	4,819	4,819
National Bank of Pakistan	A-1+	AAA	PACRA/JCR-VIS	4,126	4,126
Bank Alfalah Limited	A-1+	AAA	PACRA	2,327	2,327
MCB Bank Limited	A-1+	AAA	PACRA	265	265
Samba Bank Limited	A-1	AA	PACRA	211,941	54,863
Bank Al-Habib Limited	A-1+	AAA	PACRA	109,158	-
				2,745,205	26,794,952

- (d) The Company is not exposed to reinsurance risk as it has no reinsurance contracts outstanding at the end of the year. Hence, an analysis of reinsurance assets by credit rating of reinsurers is not provided.

31.2.2 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. The Company is financing its operations mainly through equity, working capital and musharaka to minimize risk.

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

Particulars	2025			
	Carrying amount	Contractual cash flows	Up to 1 year	Greater than 1 year
	----- Rupees -----			
Provision for outstanding claims	51,957,318	51,957,318	51,957,318	
Other creditors	72,791,470	72,791,470	72,791,470	-
	124,748,789	124,748,789	124,748,789	-

Particulars	2024			
	Carrying amount	Contractual cash flows	Up to 1 year	Greater than 1 year
	----- Rupees -----			
Provision for outstanding claims	57,702,853	57,702,853	57,702,853	-
Other creditors	18,535,953	18,535,953	18,535,953	-
	76,238,806	76,238,806	76,238,806	-

31.2.3 Market risk

Market risk means that the fair value or future cash flows of 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 and price risk. The Company is not exposed to material currency risk.

(a) Interest rate risk exposure

Interest/mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments are as follows:

Particulars	2025						Total
	Interest / mark-up bearing			Non-interest / mark-up bearing			
	Maturity upto one year	Maturity over one year	Sub-total	Maturity upto one year	Maturity over one year	Sub-total	
	----- Rupees -----						
Financial assets							
Investments in subsidiaries	-	-	-	-	213,071,700	213,071,700	213,071,700
Investments in equity securities	-	-	-	-	261,811,828	261,811,828	261,811,828
Loans and other receivables	985,312,720	-	985,312,720	-	-	-	985,312,720
Premium due but unpaid	138,215,790	-	138,215,790	-	-	-	138,215,790
Amounts due from other insurers/reinsurers	2,904,434	-	2,904,434	-	-	-	2,904,434
Deferred commission expense	1,477,533	-	1,477,533	-	-	-	1,477,533
Cash and bank	1,776,816	-	1,776,816	909,570	-	909,570	2,686,386
	1,129,687,293	-	1,129,687,293	909,570	474,883,528	475,793,098	1,605,480,391
Financial liabilities							
Outstanding claims including IBNR	-	-	-	51,957,318	-	51,957,318	51,957,318
Other creditors and accruals	-	-	-	220,527,561	-	220,527,561	220,527,561
	-	-	-	272,484,879	-	272,484,879	272,484,879

Particulars	2024						Total
	Interest / mark-up bearing			Non-interest / mark-up bearing			
	Maturity upto one year	Maturity over one year	Sub-total	Maturity upto one year	Maturity over one year	Sub-total	
----- Rupees -----							
Financial assets							
Investments in subsidiaries	-	-	-	-	213,071,700	213,071,700	213,071,700
Investments in equity securities	-	-	-	-	192,600,406	192,600,406	192,600,406
Loans and other receivables	896,083,416	-	896,083,416	-	-	-	896,083,416
Premium due but unpaid	170,789,516	-	170,789,516	-	-	-	170,789,516
Amounts due from other insurers/reinsurers	2,904,434	-	2,904,434	-	-	-	2,904,434
Deferred commission expense	3,335,750	-	3,335,750	-	-	-	3,335,750
Cash and bank	1,474,616	-	1,474,616	25,245,689	-	25,245,689	26,720,305
	<u>1,074,587,732</u>	<u>-</u>	<u>1,074,587,732</u>	<u>25,245,689</u>	<u>405,672,106</u>	<u>430,917,795</u>	<u>1,505,505,527</u>
Financial liabilities							
Outstanding claims including IBNR	-	-	-	57,702,853	-	57,702,853	57,702,853
Other creditors and accruals	-	-	-	151,616,602	-	151,616,602	151,616,602
	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,319,455</u>	<u>-</u>	<u>209,319,455</u>	<u>209,319,455</u>

Sensitivity analysis

Change in interest rate will not effect fair value of any financial instrument. The Company is not exposed to significant mark-up rate risk as the Company has not entered into any significant variable rate instruments.

(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 factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities with fair value of Rs. 236,402,868 (2024: Rs. 192,600,406) at the reporting date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

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

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

Sensitivity analysis

The table below summarizes Company's equity price risk as on December 31, 2024 and 2023 shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be better or worse in Company's equity investment portfolio because of the nature of equity markets.

The impact of hypothetical change would be as follows:

Particulars	Hypothetical price change	Fair value	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) before tax
----- Rupees -----					
December 31, 2025	10% increase	261,811,828	287,993,011	26,181,183	26,181,183
	10% decrease		235,630,645	(26,181,183)	(26,181,183)
December 31, 2024	10% increase	192,600,406	211,860,447	19,260,041	19,260,041
	10% decrease		173,340,365	(19,260,041)	(19,260,041)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

31.3 Capital Management

The Company's objective when managing capital is 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 other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

In accordance with Insurance Rules, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 89(1)/2017, minimum paid-up capital requirement to be complied with by Insurance Companies as at December 31, 2017 and subsequent year is Rs. 500 million. As at December 31, 2025, the Company's paid-up capital is in excess of the prescribed limit.

31.4 Fair Value Measurement of Financial Instruments

The management considers the carrying amount of all financial assets and liabilities not measured at fair value at the end of the reporting period to approximate their fair value as at the reporting date.

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.

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, difference may arise between the carrying values and fair values estimates.

The Company measures the fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly observable.

Level 3 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly unobservable.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	2025								
	Carrying Amount						Fair Value		
	Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- Rupees -----								
Financial assets measured at fair value									
Equity investments	-	-	261,811,828	-	-	261,811,828	261,811,828	-	-
Financial assets not measured at fair value									
Net due from insurance contract holders	-	-	-	138,215,790	-	138,215,790	-	-	-
Due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	985,312,720	-	985,312,720	-	-	-
Cash and bank	-	-	-	2,686,386	-	2,686,386	-	-	-
	-	-	<u>261,811,828</u>	<u>1,129,119,330</u>	-	<u>1,390,931,158</u>	<u>261,811,828</u>	-	-
Financial liabilities measured at fair value									
	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)	-	-	-	-	51,957,318	51,957,318	-	-	-
Premium received in advance	-	-	-	-	1,870,463	1,870,463	-	-	-
Other creditors and accruals	-	-	-	-	220,527,561	220,527,561	-	-	-
	-	-	-	-	<u>274,773,551</u>	<u>274,773,551</u>	-	-	-

Particulars	2024								
	Carrying Amount						Fair Value		
	Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- Rupees -----								
Financial assets measured at fair value									
Equity investments	-	-	192,600,406	-	-	192,600,406	192,600,406	-	-
Financial assets not measured at fair value									
Net due from insurance contract holders	-	-	-	170,789,516	-	170,789,516	-	-	-
Due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Loans and other receivables	-	-	-	896,083,416	-	896,083,416	-	-	-
Cash and bank	-	-	-	26,720,305	-	26,720,305	-	-	-
	-	-	<u>192,600,406</u>	<u>1,096,497,671</u>	-	<u>1,289,098,077</u>	<u>192,600,406</u>	-	-
Financial liabilities measured at fair value									
	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)	-	-	-	-	57,702,853	57,702,853	-	-	-
Premium received in advance	-	-	-	-	3,203,907	3,203,907	-	-	-
Other creditors and accruals	-	-	-	-	151,616,602	151,616,602	-	-	-
	-	-	-	-	<u>212,523,362</u>	<u>212,523,362</u>	-	-	-

		2025	2024
		----- Rupees -----	
32 STATEMENT OF SOLVENCY			
Assets			
Property and equipment		32,893,568	17,018,213
Investment in subsidiary and associate		213,071,700	213,071,700
Investments in equity securities		261,811,828	192,600,406
Loans and other receivables		985,312,720	896,083,416
Insurance / reinsurance receivables		141,120,224	173,693,950
Deferred commission expense		1,477,533	3,335,750
Deferred taxation		-	-
Cash and Bank		2,686,386	26,720,305
Total assets	A	1,638,373,959	1,522,523,740
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000			
(d) & (g)		305,604,508	303,183,679
(n) to (t)		189,327,524	192,788,095
(h)		136,269,755	168,953,808
(u)		32,893,568	17,018,213
Total in-admissible assets	B	664,095,355	681,943,795
Total admissible assets	C = A - B	974,278,604	840,579,945
Liabilities			
Outstanding claims including IBNR		51,957,318	57,702,853
Unearned premium reserves		13,470,304	31,968,305
Premium deficiency reserves		4,951,529	6,861,318
Premium received in advance		1,870,463	3,203,907
Other creditors and accruals		220,527,561	151,616,602
Taxation - provision less payment		7,915,834	2,007,670
Total liabilities	D	300,693,009	253,360,655
Total net admissible assets	E = C - D	673,585,595	587,219,291
Minimum solvency requirements (higher of below)	F	150,000,000	150,000,000
Method A - U/s 36(3)(a)		150,000,000	150,000,000
Method B - U/s 36(3)(b)		19,557,138	44,873,853
Method C U/s 36(3)(c)		13,085,524	17,934,232
Excess in net admissible assets over minimum requirements	G = E - F	523,585,595	437,219,291

33 PROVIDENT FUND RELATED DISCLOSURE

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for this purpose. The brief information of the fund is as follows:

		2025	2024
	Note	----- Rupees -----	
		(Un-audited)	(Audited)
Size of the fund - Total Net Assets		49,896,956	49,308,744
Cost of investments		38,080,218	38,080,218
Fair value of investments	33.1	47,978,031	47,154,435
Percentage of investments in proportion to size of fund		96.15%	95.63%

33.1 The break-up cost of investments is as follows:

		2025	Percentage %	2024	Percentage %
Mutual funds		47,961,396	100%	46,348,020	98%
Bank account - saving		16,635	0%	806,415	2%
		47,978,031	100%	47,154,435	100%

33.1.1 As at the reporting date, the management has made an investment of an amount of Rs. 47,961,396 in mutual fund (money market and income fund), representing approximately 100% of the total size of the Fund. Section 3 of the Employee Contributory Fund (Investment in Listed Securities) Regulations, employee contributory funds are required to adhere to prescribed investment limits to ensure diversification and risk management. However, the management has made this investment decision considering that these funds offer relatively stable and fixed returns with low risk exposure.

	2025	2024
	----- Number -----	
34 NUMBER OF EMPLOYEES		
Number of employees at the December 31	<u>37</u>	<u>36</u>
Average number of employees during the year	<u>35</u>	<u>35</u>

35 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification have been made other than those that are disclosed below:

Nature	Reclassified from	Reclassified to	Note	Amount
Server hosting expense	Registration fee	Repairs and maintenance	21 & 23	1,543,200

36 EVENTS AFTER REPORTING PERIOD

The Board of Directors of the Company approved the issuance of right shares on March 27, 2025 which were approved by the shareholders of the Company on April 29, 2025. Under the right issue, the Company offered 40,924,116 ordinary shares having face value of PKR 10/- at a price of PKR 3/- per share, aggregating to PKR 122,772,348/-, representing 38% of total paid-up capital of the Company, in the ratio of 38 right shares for every 100 shares held. The book closure date were decided to be January 20, 2026 and the subscription period was from January 22, 2026 to February 13, 2026, with allotment scheduled thereafter. Accordingly, in accordance with IAS 10 – Events after the Reporting Period, the transaction has been treated as a non-adjusting event and therefore no adjustment has been made in these regard in the financial statements.

37 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved for issue on 03 April, 2026 by the Board of Directors of the Company.

38 GENERAL

The figures in the financial statements have been rounded off to the nearest rupee.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CONSOLIDATED
Financial Statements
for the Year Ended
December 31, 2025

Directors' Report to the Members on Consolidated Financial Statements

On behalf of the Board of Directors, I am pleased to present the consolidated financial statements of Crescent Star Insurance Limited and its subsidiaries, Crescent Star Luxury (Private) Limited (CSL), Crescent Star Foods (Private) Limited (CSF) and Crescent Star Technologies (Private) Limited for year ended December 31, 2025.

The consolidated gross premium recorded this year was Rs. 79.288 million as compared to Rs. 79.725 million in the year 2024. The net premium was Rs. 97.786 million and the profit after tax was Rs. 16.638 million. The consolidated total assets were Rs. 1,232.254 million.

Auditors' Report

- The Company has charged interest amounting to Rs. 330.235 million on the advance amount and demanded the same from DSL. However, due to non-availability of any written agreement between DSL and CSIL for charging of mark-up, the auditors have expressed their reservation in the auditors' report.
- Keeping in view the projections of its subsidiary CSF impairment of goodwill was not provided.
- The Company has entered into agreements with Weavers Pakistan (Private) Limited and PICIC Insurance Limited during the year, to charge interest on loan at KIBOR plus 3% from the date of first disbursement. As the agreement was made in the current year the interest was charged in the current year, however, the auditors have expressed their reservations on this in the auditor's report.
- The auditors have expressed reservations on the verification of balances of subsidiary companies as reflected in their unaudited financial statements due to difference in the year end. The balances were however available for verification by the auditors.

The following appropriation of profit has been recommended by the Board of Directors:

	December 31, 2025	December 31, 2024
	----- Rupees -----	-----
Profit / (loss) before tax	31,703,455	41,691,911
Provision for taxation	(15,065,084)	(7,992,046)
Profit / (loss) after tax	<u>16,638,371</u>	<u>33,699,865</u>
Profit / (loss) attributable to non-controlling interest	(656,559)	(12,108,161)
Profit / (loss) attributable to ordinary shareholders	<u>17,294,930</u>	<u>45,808,026</u>
Profit / (loss) per share	<u>0.15</u>	<u>0.31</u>

The Directors of your Company would like to take this opportunity to thank all the stakeholders for their continued support and cooperation.

Komal Sajid Lodhi
Director

Naim Anwar
Managing Director & CEO

Karachi: April 3, 2026

ممبران کے لئے مجموعی مالیاتی گوشواروں پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے میں کریڈنٹ اسٹار انشورنس لمیٹڈ اور اس کی ذیلی کمپنیوں کریڈنٹ اسٹار لگژری (پرائیویٹ) لمیٹڈ (CSL)، کریڈنٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ (CSF) اور کریڈنٹ اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کے اختتام سال 31 دسمبر 2025 کے مجموعی عبوری مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

مجموعی خام پریمیم 79.288 ملین روپے رہا جبکہ گزشتہ سال 2024 میں 79.725 ملین روپے تھا۔ خالص پریمیم 97.786 ملین روپے رہا، اور بعد از ٹیکس منافع 16.638 ملین روپے رہا۔ مجموعی اثاثہ جات کی مالیت 1,232.254 ملین روپے رہی۔

آڈیٹرز کی رپورٹ

☆ کمپنی نے دوست اسٹیل ملز کو حصص جاری کر کے 330.235 ملین روپے کا ایڈوانس دیا ہے۔ تاہم CSIL اور DSL کے درمیان ایڈوانس کی رقم پر سود سے متعلق کوئی تحریری معاہدہ دستیاب نہیں ہے، اس لئے آڈیٹرز نے اپنے تحفظات کا اظہار کیا ہے

☆ اپنی ذیلی کمپنی CSF کے قوی امکانات کو مد نظر رکھتے ہوئے ساکھ کی فرسودگی مختص نہیں کی گئی۔

☆ وپورز پاکستان (پرائیویٹ) لمیٹڈ اور پبلک انشورنس لمیٹڈ کے ساتھ معاہدہ کیا ہے جس کے تحت قرض پر پہلی ادائیگی کی تاریخ سے KIBOR کے ساتھ 3% اضافی شرح سے منافع وصول کیا جائے گا، چونکہ یہ معاہدہ موجودہ سال میں کیا گیا ہے، اس لئے منافع بھی اس ہی سال وصول کیا گیا تاہم اس لئے آڈیٹرز نے اپنی رپورٹ میں تحفظات کا اظہار کیا ہے۔

☆ آڈیٹرز نے ماتحت کمپنیوں کے غیر آڈٹ شدہ مالیاتی گوشواروں میں ظاہر کئے گئے بقایا جات کی تصدیق پر تحفظات کا اظہار کیا ہے جن میں سال کے اختتام پر فرق ملا ہے۔ تاہم بقایا جات آڈیٹرز کی تصدیق کے لئے دستیاب ہیں۔

بورڈ آف ڈائریکٹرز نے منافع کے مندرجہ ذیل مصارف کی سفارش کی ہے:

31 دسمبر 2024	31 دسمبر 2025	
41,691,911	31,703,455	منافع / (خسارہ) قبل از ٹیکس
(7,992,046)	(15,065,084)	ٹیکس کے لئے اختصاص
33,699,865	16,638,371	منافع / (خسارہ) بعد از ٹیکس
(12,108,161)	(656,559)	منافع / (خسارہ) جو کہ ناقابل گرفت سود سے متعلق ہے
32,049,805	17,294,930	منافع / (خسارہ) جن کا تعلق حصص یافتگان سے ہے
0.31	0.15	منافع / (خسارہ) فی حصص

آپ کی کمپنی کے ڈائریکٹران اس موقع پر تمام مستفیدان کے مسلسل تعاون اور مدد پر ان کے مشکور ہیں۔

نعیم انور
مینجنگ ڈائریکٹر ایڈیسی ای او

کول ساجد لودھی
ڈائریکٹر

کراچی: 3 اپریل 2026

INDEPENDENT AUDITORS' REPORT

To the Members of Crescent Star Insurance Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the annexed consolidated financial statements of Crescent Star Insurance Limited (the 'Company'), which comprises the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary 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, except for the effects of the matters discussed in the Basis for Qualified Opinion section of our report, the consolidated statement of financial position, the consolidated statement of profit or loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the statement consolidated of cashflows 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, in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2025 and of total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- i. As stated in note 8.1 to the consolidated financial statements, the Company has recorded accrued interest amounting to Rs. 330.235 million (2024: Rs. 330.235 million) at the rate of one-year KIBOR plus three percent on the advance against issuance of shares to Dost Steels Limited. We have not been provided any documentary evidence to substantiate the Company's claim therefore recoverability of the accrued interest income could not be ascertained. Accordingly, total assets/ solvency of the Company is overstated by Rs. 330.235 million (2024: Rs. 330.235 million) respectively.
- ii. As stated in note 6 to the consolidated financial statements, the Group has goodwill amounting to Rs. 28.743 million. Management has not carried out any impairment testing as per the requirement of "IAS 36 - Impairment of Assets" due to which we are unable to determine the recoverable amount and impairment loss, if any.
- iii. As disclosed in Note 8.4 to the consolidated financial statements, the Company entered into an agreement during the year, to charge interest on loan at KIBOR plus 3% from the date of first disbursement, i.e., from 2016 to 2025. By virtue of this agreement, the Company has recognized net interest income and receivable amounting to Rs. 17.048 million during the year. However, this treatment has resulted in an overstatement of interest income by Rs. 11.804 million, as disclosed in Note 23.1 to the consolidated financial statements. Had the Company accounted for the interest by restating comparative figures and adjusting opening retained earnings, the interest income for the year ended December 31, 2025 would have

been lower by Rs. 11.804 million. Furthermore, the opening balance of loans and other receivables as at January 1, 2025 would have been higher by Rs. 11.804 million, with a corresponding increase in retained earnings by the same amount.

- iv. As disclosed in Note 15.1 to the consolidated financial statements, the Company entered into an agreement during the year, to charge interest on loan at KIBOR plus 3% from the date of first disbursement, i.e., from 2016 to 2025. By virtue of this agreement, the Company has recognized net interest income and receivable (net of payable) amounting to Rs. 3.186 million during the year. However, this treatment has resulted in an overstatement of interest income by Rs. 2.452 million, as disclosed in Note 23.1 to the consolidated financial statements. Had the Company accounted for the interest by restating comparative figures and adjusting opening retained earnings, the interest income for the year ended December 31, 2025 would have been lower by Rs. 2.452 million. Furthermore, the opening balance of loans and other receivables as at January 1, 2025 would have been higher by Rs. 2.452 million, with a corresponding increase in retained earnings by the same amount.
- v. Assets of the consolidated financial statements include property and equipment amounting to Rs. 4.963 million (2024: 5.872 million), loans and other receivables amounting to Rs. 61.575 million (2024: Rs. 61.575 million), and stock in trade amounting to Rs. 8.183 million (2024: Rs. 8.183 million), cash and bank amounting to Rs. 0.435 million (2024: Rs. 0.435 million), intangibles amounting to Rs. "Nil", deferred tax asset amounting to Rs. 8.551 million (2024: Rs. 10.278 million), and advance tax amounting to Rs. 0.860 million (2024: Rs. 0.794 million). Liabilities of the consolidated financial statements include creditor and accruals amounting to Rs. 96.041 million (2024: Rs 96.783 million). Expense of the consolidated financial statements include general and administration expenses amounting to Rs. 2.570 million (2024: Rs. 53.062 million) are based on unaudited balances in respective consolidated financial statements.

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

Key Audit Matters

S. No	Key Audit Matter	How the matter was addressed in our audit
1.	Premium	
	<p>Refer note 3.14.1 and 18 to the annexed consolidated financial statements.</p> <p>The Company revenue primarily based on premium from insurance policies which comprises 51.98% of total income.</p> <p>We identified net insurance premium as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of premium income. • Assessed the appropriateness of the Company's accounting policy for

S. No	Key Audit Matter	How the matter was addressed in our audit
	<p>that revenue transactions may not be recognized in the appropriate period.</p>	<p>recording of premiums in line with requirements of applicable accounting and reporting standards;</p> <ul style="list-style-type: none"> • Tested the policies on sample basis where premium was recorded close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; • Recalculated the unearned portion of the premium income and ensured that amount has been recorded as provision for unearned premium in liabilities • Consider the adequacy of disclosures as per "Insurance Rules, 2017".
2.	Valuation of outstanding claims including incurred but not reported (IBNR)	
	<p>Refer note 3.3.1 and 'Outstanding claims including IBNR' to the annexed consolidated financial statements</p> <p>The Company's claim liabilities represent 17.28% of its total liabilities.</p> <p>The provision for incurred But Not Reported (IBNR) claims is calculated by the Company in compliance with Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP'). As per the circular, insurers are required to estimate and maintain IBNR provisions for each business class using the prescribed "Chain Ladder Method" or an alternative method permitted under the SECP Guidelines.</p> <p>Valuation of these claim liabilities involves significant management judgment regarding uncertainty in the estimation of claims payments and assessment of frequency and severity of claims. Claim liabilities are recognized on intimation of the insured event based on management judgment and estimation.</p> <p>The Company maintains provision for claims incurred but not reported (IBNR) based on the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions. The determination</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to the claims; • Assessed the appropriateness of the Company's accounting policy for recording of claims in line with requirements of laws, applicable accounting and reporting standards in Pakistan; • Tested claims transactions on sample basis with underlying documentations to evaluate that whether the claims reported during the year are recorded in accordance with the requirements of the Company's policy and insurance regulations • Assessed the sufficiency of reserving of claim liabilities, by testing calculations on the relevant data including recoveries from reinsurers based on their respective arrangements

S. No	Key Audit Matter	How the matter was addressed in our audit
	<p>and application of the methodology and performance of the calculations are also complex.</p> <p>We have identified the valuation of claim liabilities as key audit matter because estimation of claim liabilities involves a significant degree of judgment.</p>	<ul style="list-style-type: none"> • Tested specific claims transactions on sample basis recorded close to year end and subsequent to year end with underlying documentation to assess whether claims had been recognized in the appropriate accounting period; and • Considered the adequacy of Company's disclosures about the estimates used and the sensitivity to key assumptions.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, management use of going concern is inappropriate. Accordingly, we have concluded that the other information is materially misstated with respect to this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), however are in agreement with the books of account;
- c) 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).

Other Matter

The annual consolidated financial statements of the company for the year ended December 31, 2024 were audited by another firm of chartered accountants, whose audit report date April 4, 2025 expressed a **Qualified opinion** on the aforementioned consolidated financial statements.

The engagement partner on the audit resulting in this independent auditor's report is **Azeem Hussain Siddiqui – FCA**.

Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

Karachi

Date : 03 April, 2026

UDIN: AR202510232oXCSNj6rB

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025 ----- Rupees -----	2024
ASSETS			
Property and equipment	5	37,856,918	22,890,828
Intangible assets	6	28,742,850	28,742,850
Investments in equity securities	7	261,811,828	192,600,406
Loans and other receivables	8	741,388,623	654,563,148
Insurance / reinsurance receivables	9	141,120,224	173,693,950
Deferred commission expense / acquisition cost	20	1,477,533	3,335,750
Stock-in-trade		8,183,247	8,183,247
Deferred taxation	10	8,551,133	10,278,332
Cash and bank balances	11	3,121,445	27,155,364
Total Assets		<u>1,232,253,801</u>	<u>1,121,443,875</u>
EQUITY AND LIABILITIES			
Capital and Reserves Attributable to the Company's Equityholders			
Ordinary share capital	12	1,076,950,410	1,076,950,410
Discount on issue of right shares	13	(199,650,000)	(199,650,000)
Reserves	14	95,573,082	30,696,058
Equity attributable to equity holders of the Parent		<u>972,873,492</u>	<u>907,996,468</u>
Non-controlling interest		(136,493,051)	(135,836,492)
Total shareholders' equity		<u>836,380,441</u>	<u>772,159,976</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		51,957,318	57,702,853
Unearned premium reserves		13,470,304	31,968,305
Premium deficiency reserves		4,951,529	6,861,318
Premium received in advance		1,870,463	3,203,907
Other creditors and accruals	15	316,568,294	248,400,229
Provision for taxation	16	7,055,452	1,147,287
Total Liabilities		<u>395,873,360</u>	<u>349,283,899</u>
Total Equity and Liabilities		<u>1,232,253,801</u>	<u>1,121,443,875</u>
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 ----- Rupees -----	2024
Net insurance premium	18	97,785,688	224,369,263
Net insurance claims	19	1,262,367	3,021,101
Premium deficiency		1,909,789	15,551,339
Net commission expense and other acquisition costs	20	(6,928,573)	(21,421,900)
Insurance claims and acquisition expenses		(3,756,417)	(2,849,460)
Management expenses	21	(143,489,479)	(155,758,745)
Underwriting results		(49,460,208)	65,761,058
Investment income	22	68,174,759	29,487,522
Other income	23	22,150,944	4,864,814
Other expenses	24	(9,162,040)	(58,421,483)
Results of operating activities		31,703,455	41,691,911
Profit before taxation		31,703,455	41,691,911
Taxation	25	(15,065,084)	(7,992,046)
Profit after taxation		16,638,371	33,699,865
Attributable to:			
Owners of the Holding Company		17,294,930	45,808,026
Non-controlling interest		(656,559)	(12,108,161)
		16,638,371	33,699,865
Earnings per share - basic and diluted	26	0.15	0.31

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 ----- Rupees -----	2024
Net profit for the year		16,638,371	33,699,865
Other comprehensive income / (loss)			
Items that may be reclassified to the statement of profit and loss subsequently			
Unrealized gain/(loss) on available for sale investments - net of deferred tax	7	47,582,094	(1,650,060)
Items that will not be reclassified to the statement of profit and loss subsequently		-	-
Other comprehensive income / (loss) for the year		47,582,094	(1,650,060)
Total comprehensive income for the year		64,220,465	32,049,805

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Description	Attributable to equity holders of the Company								
	Ordinary share capital	Discount on issue of right shares	Capital Reserves		Revenue Reserves		Attributable to the owners of the Holding Company	Non-controlling interest	Total equity
			Reserve for exceptional losses	Surplus on remeasurement of available for sale investments	General reserve	Unappropriated profit			
----- Rupees -----									
Balance as at January 01, 2024	1,076,950,410	(199,650,000)	1,767,568	16,036,700	24,497,265	(55,763,441)	863,838,502	(123,728,331)	740,110,171
Total Comprehensive Income									
Profit after taxation	-	-	-	-	-	45,808,026	45,808,026	(12,108,161)	33,699,865
Other comprehensive income for the year	-	-	-	(1,650,060)	-	-	(1,650,060)	-	(1,650,060)
	-	-	-	(1,650,060)	-	45,808,026	44,157,966	(12,108,161)	32,049,805
Balance as at December 31, 2024	1,076,950,410	(199,650,000)	1,767,568	14,386,640	24,497,265	(9,955,415)	907,996,468	(135,836,492)	772,159,976
Total Comprehensive Income									
Owner's share of Profit	-	-	-	-	-	17,294,930	17,294,930	(656,559.00)	16,638,371
Other comprehensive income for the year	-	-	-	47,582,094	-	-	47,582,094	-	47,582,094
	-	-	-	47,582,094	-	17,294,930	64,877,024	(656,559)	64,220,465
Balance as at December 31, 2025	1,076,950,410	(199,650,000)	1,767,568	61,968,734	24,497,265	7,339,515	972,873,492	(136,493,051)	836,380,441

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- Rupees -----	
Operating Cash Flows		
(a) Underwriting activities		
Insurance premium received	110,527,969	135,333,160
Reinsurance premium adjusted / (paid)	-	49,402
Claims paid	(4,483,168)	(4,276,376)
Commission paid	(5,070,356)	(6,489,621)
Management expenses paid	(80,384,168)	(194,136,624)
Net cash generated from / (used) in underwriting activities	20,590,277	(69,520,059)
(b) Other operating activities		
Income taxes paid	(7,429,720)	(8,334,776)
Provision for impairment	-	41,472,187
Other operating (payments) / receipts	(64,798,596)	14,478,132
Net cash (used) in other operating activities	(72,228,316)	47,615,543
Total cash (used) in all operating activities	(51,638,039)	(21,904,516)
Investment Activities		
Profit on saving account	124,065	486,947
Dividend received	18,893,498	32,198,122
Payments for investments	(1,011,818,848)	(303,386,981)
Proceeds from disposal of investments	1,039,470,783	322,962,318
Fixed capital expenditures	(19,182,980)	(10,153,644)
Proceeds from sale of property and equipment	117,601	2,076,000
Total cash generated from investing activities	27,604,120	44,182,762
Financing Activities		
	-	-
Net cash (used) in / generated from all activities	(24,033,919)	22,278,246
Cash and cash equivalents at the beginning of year	27,155,364	4,877,118
Cash and cash equivalents at the end of year	3,121,445	27,155,364

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- Rupees -----	
Reconciliation to Profit and Loss Account		
Operating cash flows	(51,638,039)	(21,904,516)
Depreciation expense	(4,085,849)	(3,374,207)
Amortization expense	-	(1,806,374)
Provision for impairment	-	(41,472,187)
(Loss) / gain on disposal of property and equipments	(13,439)	1,710,249
Gain / (loss) on disposal of investments	49,281,262	(2,710,600)
Dividend income	18,893,498	32,198,122
Other investment income	124,065	486,947
Provision for taxation	(5,908,165)	624,502
Increase / (decrease) in assets other than cash	50,666,334	(80,804,802)
(Increase) / decrease in liabilities other than borrowings and taxation	(40,681,296)	150,752,732
Profit after taxation	<u>16,638,371</u>	<u>33,699,865</u>

Cash and cash equivalents include the following for the purpose of the cash flow statement:

Cash and other equivalents

Cash in hand	421,162	372,734
Policy and revenue stamps, bond papers	8,770	41,370
	429,932	414,104

Current and other accounts

Current accounts	1,759,519	1,473,147
Savings accounts	931,994	25,268,113
	2,691,513	26,741,260
	<u>3,121,445</u>	<u>27,155,364</u>

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Group Consists of:	Note	Status in the Group	Percentage of holding	Acquisition date
Crescent Star Insurance Limited	1.1.1	Holding Company	-	-
Crescent Star Foods (Private) Limited	1.1.2	Subsidiary Company	71.0%	June 30, 2016
Crescent Star Technologies (Private) Limited	1.1.3	Subsidiary Company	99.7%	February 23, 2016
Crescent Star Luxury (Private) Limited	1.1.4	Subsidiary Company	99.7%	December 15, 2016

1.1.1 Crescent Star Insurance Limited

Crescent Star Insurance Limited (the Company) was incorporated in Pakistan as a Public Limited Company in the year 1957 under the defunct Companies Act, 1913 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged in providing non-life general insurance services mainly in spheres of fire and property damage, marine, aviation and transport, motor, credit and suretyship, accident and health, and miscellaneous insurance.

The registered and principal office of the Company is situated at 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi, Pakistan.

1.1.2 Crescent Star Foods (Private) Limited

The Company holds 71% of the shares in Crescent Star Foods (Private) Limited, thereby establishing it as a subsidiary of the Company. The subsidiary was incorporated in Pakistan as a private limited company on 20 February, 2015 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its principal business activity is the running fast food restaurants chain and other related ancillary activities.

1.1.3 Crescent Star Technologies (Private) Limited

The Company holds 99.7% of the shares in Crescent Star Technologies (Private) Limited, thereby establishing it as a wholly owned subsidiary of the Company. The subsidiary was incorporated in Pakistan as a private limited company on 23 February, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its principal business activity is to carry on business of vehicle tracking, fleet management services including supply and installation/trading of devices based on various technologies such as GPS and GSM.

1.1.4 Crescent Star Luxury (Private) Limited

The Company holds 99.7% of the shares in Crescent Star Luxury (Private) Limited, thereby establishing it as a wholly owned subsidiary of the Company. The subsidiary was incorporated in Pakistan as a private limited company on 15 December, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its principal business activity is to trade in beauty, skincare and fashion accessories related

1.2 Basis of Consolidation - Business Combination

The consolidated financial statements includes the financial statements of Holding Company and its subsidiary companies, comprising together 'the Group'. Control is achieved when the Holding Company:

- has a power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Holding Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary companies begins when the Holding Company obtains control over the subsidiary companies and ceases when the Holding Company loses control of the subsidiary companies. Specifically, income and expenses of a subsidiary companies acquired or disposed-off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary companies. These consolidated financial statements include Crescent Star Insurance Limited and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of the subsidiary companies' directors.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with the Group's accounting policies and also the financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company.

The assets, liabilities, income and expenses of the subsidiary companies have been consolidated on a line by line basis and the carrying value of the investment held by the Holding Company has been eliminated against corresponding Holding in subsidiary companies' shareholders' equity in the consolidated financial statements. All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.2.1 Changes in the group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiary companies are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Holding Company.

1.2.2 Loss of control

When the Group loses control of a subsidiary, a gain or loss is recognized in the consolidated profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest, and;
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in the consolidated other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to consolidated profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.2.3 Non-controlling interest

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The Group treat transactions with non-controlling interest as that do not results in loss of control as an equity transaction with owner of the Group. The difference between the fair value of consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary companies is recorded in equity. Gain and loss on disposal to non-controlling interest is recorded directly in equity.

1.2.4 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

1.2.5 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated profit or loss account as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated profit or loss account. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.2.6 Associates

Associates are all entities over which the Group has significant influence but not control. Investment in associate is accounted for using equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate. The consolidated profit and loss account reflects the Group share of the results of the operations of the associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss account where applicable. The gain / loss arising on dilution of interest in an equity accounted investee is recognized in the consolidated profit and loss account.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the same in the consolidated profit and loss account.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of, and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, and the Insurance Accounting Regulations, 2017.
- Directives issued by the Securities and Exchange Commission of Pakistan.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, shall prevail.

2.2 Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments which are stated at their fair values and provision for outstandings claims incurred but not reported (IBNR) is made on the basis of actuarial valuation.

2.3 Consolidated Financial Statement

These financial statements are the consolidated financial statements of the Company in which investment in subsidiary is accounted for on the basis of reported results.

2.4 Functional and Presentation Currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to nearest Pakistani Rupee, unless otherwise stated.

2.5 Standards, Amendments and Interpretations to Accounting and Reporting Standards

2.5.1 Standards, interpretations of and amendments to the existing accounting standards that have become effective during the year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025.

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

2.5.2 Standards, interpretations and amendments not effective at year end

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

Standards, amendments or interpretation	Effective date (annual periods beginning on or after)
- IFRS 18 - Presentation and disclosure of financial statements	January 01, 2027
- IFRS 19 - Subsidiaries without public accountability - disclosure	January 01, 2027
- IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 01, 2026

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

- (b) Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

- (c) Adoption of IFRS 17 & IFRS 9 is likely to have a significant impact on the Company's consolidated financial statements and the Company is in the process of assessing the impact of these standards on the financial statements in accordance with the directives of SECP as explained in note 2.5.3 of these financial statements.

2.5.3 Temporary exemptions from IFRS 17 and IFRS 09

(a) IFRS 17 - Insurance Contracts

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

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

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

SECP through its S.R.O.506(1)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 Financial Instruments as given in para 20A of IFRS 4 Insurance Contracts is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

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

(c) IFRS 9 - Financial Instruments

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

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

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

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

Description	As at December 31, 2025			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
	----- Rupees -----			
Financial assets				
Cash and bank balances *	-	-	3,121,445	-
Investments in equity securities - available for sale	261,811,828	61,968,734	-	-
Loans and other receivable *	741,388,623	-	-	-
Insurance / reinsurance receivables *	141,120,224	-	-	-
	1,144,320,675	61,968,734	3,121,445	-

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

Description	As at December 31, 2024			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
	----- Rupees -----			
Financial assets				
Cash and bank balances *	-	-	27,155,364	-
Investments in equity securities - available for sale	192,600,406	14,386,640	-	-
Loans and other receivable *	896,083,416	-	-	-
Insurance / reinsurance receivables *	173,693,950	-	-	-
	1,262,377,772	14,386,640	27,155,364	-

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

3.1 Property and equipment

Owned

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to statement of comprehensive income applying the reducing balance method at the rates specified in note 5.1 to the consolidated financial statements.

Depreciation on additions is charged from the date the assets are available for use. While on disposal, depreciation is charged up to the date on which the assets are disposed off.

Subsequent costs are included in the asset's carrying amount or recognized as separate assets, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the statement of comprehensive income.

The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of operating fixed assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the statement of comprehensive income in the year the asset is derecognized.

3.2 Intangibles

These are stated at cost less accumulated amortization and impairment loss. Amortization is charged over the estimated useful life of the asset on a systematic basis to unconsolidated statement of comprehensive income applying the straight line method.

Amortization is calculated from the date the assets are available for use. While on disposal, amortization is charged up to the date in which the assets are disposed off.

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

The carrying amounts are reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amounts.

3.2 Insurance contracts

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

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

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

Fire and property damage

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

Marine, 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 liabilities to third parties and passengers arising from their use.

Motor

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

Accident and health

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

Credit and suretyship

Credit and suretyship insurance contracts protects the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

Miscellaneous

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

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

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

3.3 Claims

Claims are charged to statement of comprehensive income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.3.1 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized 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 accounting year 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.

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

i. Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the reporting date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claims amount are adequate to cover expected future payments including expected claims settlement cost and are updated as and when new information becomes available.

ii. Claims incurred but not reported

The provision for claims incurred but not reported is made at the reporting date in accordance with SECP circular no. 9 dated March 09, 2016. The Company has changed its method of estimation of IBNR. The Company now takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using 'Chain Ladder' (CL) and 'Expected Loss Ratio' methodology. The CL method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine cumulative development factor (CDF), which represents the extent of future development of claims to reach their ultimate level.

3.4 Premium deficiency reserve (liability adequacy test)

At each financial statement date, liability adequacy tests are performed separately for each class of business 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 financial statement date in respect of policies in force at consolidated financial statement date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.

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

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The expected ultimate net claim ratios for the unexpired periods of policies at consolidated financial statement date for each class of business is as follows:

Class	2025	2024
	Percentage%	
Fire and property damage	58%	28%
Marine, aviation and transport	118%	44%
Motor	110%	15%
Accident & health	0%	-47%
Credit & Suretyship	66%	0%
Miscellaneous	88%	48%

Based on analysis of combined operating ratio for the expired period of each reportable segment, the management considers that the unearned premium reserves for all the classes of business as at the year end is adequate to meet the expected future liability, after reinsurance, from claims and other expenses expected to be incurred after the statement of financial position date in respect of policies in those classes of business in force at the statement of financial position date.

3.5 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

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

An impairment review of reinsurance assets is performed at each consolidated financial statement date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

3.6 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the profit and loss account.

The provision for impairment of premium receivables is determined on a systematic basis after evaluating the outstanding balances according to their ageing profile. Receivables outstanding for a period exceeding three years are considered doubtful of recovery and have been fully provided for. Furthermore, a provision equivalent to 25% of receivables falling within the third year of ageing has been recognized in these consolidated financial statements. The management reviews the adequacy of the provision at each reporting date to ensure that it appropriately reflects the expected recoverability of the outstanding balances.

3.7 Insurance / Reinsurance receivable

Receivables under insurance contracts are recognized when due at the fair value of consideration receivable less provision for doubtful debts, if any. If there is an objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in profit and loss account.

3.8 Prepaid reinsurance expense

Premium for reinsurance contracts operative on a proportional and non-proportional basis is recorded as a liability on attachment of the underlying risks reinsured or on inception of the reinsurance contract respectively. For proportional reinsurance contracts, the reinsurance expense is recognized evenly in the period of indemnity. The portion of reinsurance premium not recognized as an expense is shown as a prepayment.

3.9 Reinsurance recoveries against outstanding claims

Reinsurance recoveries receivable from reinsurers are recognized as an asset at the same time as and when 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.

3.10 Deferred commission expense/ Acquisition cost

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the 1/24th method.

3.11 Segment reporting

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

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely Fire and Property Damage, Marine Aviation and Transport, Motor, Crop and Miscellaneous. The nature and business activities of these segments are disclosed in respective notes to the consolidated financial statements.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount 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.

3.12 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise of 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 derecognizing of the financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the statement of financial position date include cash and bank deposits, investments, insurance/reinsurance receivables, premium and claim reserves detained by cedants, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, provision for outstanding claims, insurance/reinsurance payables, other creditors and accruals and liabilities against assets subject to finance lease.

3.13 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 consists of cash in hand, stamps in hand and deposits with banks.

3.14 Revenue recognition

3.14.1 Premium income earned

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from policy holders in respect of policies issued.

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

3.14.2 Provision for unearned premium

Majority of the insurance contracts entered into by the Company are for a period of twelve months. Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage and is recognized as a liability by the Company. This liability is calculated as follows:

- Marine cargo business, as a ratio of the unexpired period to the total period of the policy applied on the gross premium of the individual policies;
- Contracts of twelve months tenure, by applying the twenty-fourths' method as specified in the Insurance Rules, 2017, as majority of the remaining policies are issued for a period of one year; and
- Contracts having tenure of more than twelve months, the Company maintains provision for unearned premium net of reinsurance expense to the unexpired period of coverage at the reporting date.

3.14.3 Commission income

Commission income from reinsurers / co-insurers / others is recognized at the time of issuance of the underlying insurance policy by the Company. This income is deferred and accounted for as revenue in accordance with the pattern of recognition of reinsurance/ co-insurance / other premium to which they relate. Profit commission if any, which the Company may be entitled under the terms of reinsurance is recognized on accrual basis.

3.14.4 Commission income unearned

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premiums.

3.14.5 Investment income

- Return on investments and term deposits are recognized using the effective interest rate method. Profit or loss on sale of investments is recognized at the time of sale. Dividend income is recognized when right to receive such dividend is established.
- Gain / (loss) on sale of investments is charged in statement of comprehensive income.

3.14.6 Dividend income and other income

- Dividend income and entitlement of bonus shares are recognized when the Company's right to receive such dividend and bonus shares is established. Rental and other income are recognized as and when accrued.
- Return on bank deposits is recognized on a time proportionate basis taking into account the effective yield.

3.15 Investments

3.15.1 Initial recognition and classification

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

- In equity securities (available for sale)

3.15.2 Measurement

(a) In equity securities (available for sale)

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity. At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates 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 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.

These are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to the profit and loss account.

3.15.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.15.4 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is an objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at Held to Maturity, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in statement of comprehensive income.

When an available for sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to statement of comprehensive income.

For financial assets measured at held to maturity, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss account to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available for sale equity securities, impairment losses previously recognized in profit and loss account are not reversed through profit and loss account. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit and loss account if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3.15.5 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

3.16 Dividend distribution and reserve appropriation

Dividend to shareholders is recognised as liability in the period in which it is approved. Similarly, reserve appropriation is recognised when approved.

3.17 Share capital

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

3.18 Management expenses

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

3.19 Creditors, accruals and provisions

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

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

3.20 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Exchange difference, if any, are taken to statement of comprehensive income.

3.21 Earnings per share

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

3.22 Taxation

3.22.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001 for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, relating to prior year which arises from assessments framed/ finalized during the year or required by any other reason.

3.22.2 Deferred

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent of taxable timing differences or it is probable that taxable profits for the foreseeable future will be available against which the assets 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.

3.23 Staff retirement benefits

3.23.1 Defined contribution plan

The Company contributes to an approved provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the members to the fund at the rate of 10% of basic salary.

3.23.2 Employees' compensated absences

The Company accounts for accumulated compensated absences on the basis of the un-availed leave balances at the end of the year.

3.24 Related party transactions

Party is said to be related, if they are able to influence the operating and financial decisions of the Company and vice versa. The Company in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price and are carried out at arm's length prices.

3.25 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat and Ushr Ordinance, 1980.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and 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 value 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 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.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	Note
- Rate of depreciation of property and equipment	3.1
- Provision for outstanding claims (including IBNR)	3.3.1
- Premium deficiency reserve	3.4
- Segment reporting	3.11
- Provision for unearned premium	3.14.2
- Provision for taxation and deferred tax	3.22
- Premium due but unpaid	9
- Provision for doubtful receivables	9.1

	2025	2024
Note	Rupees	

5 PROPERTY AND EQUIPMENT

Operating fixed assets	5	<u><u>37,856,918</u></u>	<u><u>17,018,213</u></u>
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5.1 Operating Fixed Assets

Description	2025										
	Cost				Depreciation				Impairment during the year	Written Down Value	Depreciation Rate
	As at January 01,	Additions	(Disposals)	As at December 31,	As at January 01,	For the year	(On disposals)	As at December 31,			
Rupees											%
Furniture and fixtures	64,954,215	-	-	64,954,215	55,922,979	1,176,339	-	57,099,318	-	7,854,896	10
Office equipment	7,697,587	352,500	78,051	7,972,036	5,897,577	197,233	54,564	6,040,246	-	1,931,790	10
IT equipments	10,258,956	325,500	667,936	9,916,520	9,785,444	161,847	560,383	9,386,908	-	529,612	30
Vehicles	31,864,171	18,504,980	-	50,369,151	20,278,101	2,550,430	-	22,828,531	-	27,540,620	20
	<u>114,774,929</u>	<u>19,182,980</u>	<u>745,987</u>	<u>133,211,922</u>	<u>91,884,101</u>	<u>4,085,849</u>	<u>614,947</u>	<u>95,355,003</u>	<u>-</u>	<u>37,856,918</u>	

Description	2024										
	Cost				Depreciation				Impairment during the year	Written Down Value	Depreciation rate
	As at January 01,	Additions	(Disposals)	As at December 31,	As at January 01,	For the year	(On disposals)	As at December 31,			
Rupees											%
Leasehold improvements	25,426,519	-	-	25,426,519	12,483,293	161,790	-	12,645,083	12,781,436	-	5
Furniture and fixtures	82,253,830	-	-	82,253,830	54,192,857	1,730,122	-	55,922,979	17,299,615	9,031,236	10
Office equipments	8,720,744	306,644	-	9,027,388	5,675,260	222,317	-	5,897,577	1,329,801	1,800,010	10
IT equipments	10,854,373	347,000	302,680	10,898,693	9,787,105	195,030	196,691	9,785,444	639,737	473,512	30
Vehicles	23,517,071	9,500,000	1,152,900	31,864,171	20,106,291	1,064,948	893,138	20,278,101	-	11,586,070	20
	<u>150,772,537</u>	<u>10,153,644</u>	<u>1,455,580</u>	<u>159,470,601</u>	<u>102,244,806</u>	<u>3,374,207</u>	<u>1,089,829</u>	<u>104,529,184</u>	<u>32,050,589</u>	<u>22,890,828</u>	

5.1.1 Details of fixed assets disposed off during the year are as follows:

Particulars	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars Of Buyer or Relationship
	Rupees						
Office equipment							
Air conditioner	78,051	54,564	23,487	40,000	16,513	Negotiation	Mehboob Khan
IT equipments							
IT equipments having cost of less than Rs. 50,000	131,586	126,353	5,233	5,233	-	Negotiation	Al-Rahman Traders
Computer	62,800	61,483	1,317	1,317	-	Negotiation	Al-Rahman Traders
Server	262,000	255,849	6,151	6,151	-	Negotiation	Al-Rahman Traders
Laptop	71,550	66,808	4,742	4,900	158	Negotiation	Al-Rahman Traders
Laptop	140,000	49,890	90,110	60,000	(30,110)	Negotiation	Wajahat Traders
Total - 2025	<u>745,987</u>	<u>614,947</u>	<u>131,040</u>	<u>117,601</u>	<u>(13,439)</u>		
Total - 2024	<u>1,455,580</u>	<u>1,089,829</u>	<u>365,751</u>	<u>2,076,000</u>	<u>1,710,249</u>		

5.1.2 The depreciation of Rs. 3,176,585 (2024: 1,703,923) allocated to management expenses and Rs. 909,265 (2024: 1,670,285) allocated to other expenses.

CRESCENT STAR INSURANCE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		2025	2024
Note		----- Rupees -----	
6 INTANGIBLE ASSETS			
Goodwill	6.1	28,742,850	28,742,850
Franchise	6.1 & 6.2	-	-
Computer software	6.1 & 6.2	-	-
		28,742,850	28,742,850
6.1 Breakup of Intangibles			
Cost	6.1.1	28,742,850	28,742,850
Accumulated amortization	6.1.2	-	-
Net book value		28,742,850	28,742,850
6.1.1 Cost			
As at January 01,		28,742,850	61,982,651
Additions/(Disposals) during the year		-	-
Written-off (Franchise)	6.2	-	(23,349,852)
Written-off (Computer Software)	6.2	-	(9,889,949)
As at December 31,		28,742,850	28,742,850
6.1.2 Less: Accumulated amortization - franchise and computer software			
As at January 01,		-	22,665,647
Charged during the year		-	1,806,375
Reversal on written-off (Franchise)	6.2	-	(15,180,776)
Reversal on written-off (Computer Software)	6.2	-	(9,291,246)
As at December 31,		-	-
Net Book Value		28,742,850	28,742,850
6.2			
The Company recognized an impairment loss on franchise and computer software in accordance with IAS 36, as management assessed that the recoverable amount of these assets was lower than their carrying amount due to reduced expected future economic benefits and technological obsolescence. Accordingly, the assets were written down to their recoverable amounts and fully written-off with an impairment loss of Rs. Nil (2024: Rs. 8.676 million) was recognized in profit or loss.			
7 INVESTMENTS IN EQUITY SECURITIES			
Fair value through other comprehensive income - FVTOCI:			
Listed Shares - Related Parties			
Cost		25,681,177	9,839,752
Unrealized gain / (loss) on revaluation of investments		3,293,758	471,247
Provision for impairment		-	-
Carrying / Fair value		28,974,935	10,310,999
Listed Shares - Others			
Cost		41,587,679	40,781,429
Unrealized gain / (loss) on revaluation of investments		48,301,917	(5,042,237)
Provision for impairment		-	-
Carrying / Fair value		89,889,596	35,739,192
	7.1	118,864,531	46,050,191
Mutual Funds - Others			
Cost		132,574,237	127,592,585
Unrealized gain on revaluation of investment		10,373,059	18,957,630
Provision for impairment		-	-
Carrying / Fair value		142,947,297	146,550,215
	7.2	261,811,828	192,600,406

7.1 Breakup of Investment in Listed Shares

2025	2024	2025	2024	Sector and name of investee companies	2025	2024
Number of shares		Market value per share			----- Rupees -----	
				Engineering		
472,228	84,890	7.37	6.79	Dost Steel Limited	3,480,320	576,403
				Chemical		
571,500	256,241	44.61	37.99	Bawany Air Products Limited	25,494,615	9,734,596
				Power Generation & Distribution		
2,000	2,000	2.21	2.21	Southern Electric Power Company Limited	4,420	4,420
3,076,057	2,071,919	14.76	5.72	Tri-Star Power Limited	45,402,600	11,851,377
1,339,857	1,690,379	33.04	9.94	S.G. Power Limited	44,268,875	16,802,367
				Textile Weaving		
158	158	4.50	8.58	G3 Technologies Limited	711	1,356
-	106,000	-	18.90	Quetta Textile Mills Limited	-	2,003,400
				Insurance		
200	200	12.45	8.50	Habib Insurance Company Limited	2,490	1,700
117	117	10.43	5.43	Premier Insurance Limited	1,220	635
-	2,538,000	5.57	1.95	PICIC Insurance Limited	-	4,949,100
18	18	253.56	174.21	IGI holdings Limited	4,564	3,136
				Commercial Banks		
309	309	38.56	10.81	The Bank of Punjab	11,915	3,340
3	3	379.38	281.30	MCB Bank Limited	1,138	844
				Financial Services		
33,246.00	15,688.00	5.19	6.45	LSE Capital Limited	172,548	101,189
787.00	1,040.00	24.29	15.70	LSE Financial Service Limited	19,115	16,328
5,496,480	6,766,962				118,864,531	46,050,191

7.1.1 The investments in Dost Steels Limited amounting to Rs. 3,480,320 (2024: Rs. 576,403) and Bawany Air Products Limited amounting to Rs. 25,494,615 (2024: Rs. 9,734,596) represent investments in listed shares of related parties.

7.2 Mutual Funds - Others

2025	2024	2025	2024	Name of funds	2025	2024
Number of Units		Unit Price			----- Rupees -----	
3,820.00	3,820.00	34.69	30.67	HBL Energy Fund	132,516	117,177
2,174,623.14	2,270,594.66	57.95	60.87	Pakistan Income Fund	126,009,842	138,212,686
73.44	64.99	61.16	59.25	Alfalah GHP Income Multiplier	4,491	3,851
77.03	68.27	105.66	108.50	Alfalah AFSIP Plan-I	8,139	7,407
2.37	2.40	113.45	119.02	Alfalah GHP Sovereign Fund	269	286
0.05	-	528.89	-	Alfalah GHP Cash Fund	29	-
49,857.74	-	104.01	-	Alfalah GHP Money Market Fund	5,185,844	-
177,869.21	245,268.91	10.05	10.37	NBP Islamic Saving Fund	1,787,070	2,544,027
328,012.24	-	11.24	-	NBP Financial Sector Income Fund	3,687,546	-
56,980.32	50,877.53	107.58	111.34	Al Habib Income Fund	6,129,754	5,664,781
16.63	-	108.06	104.70	Faysal Islamic Cash Fund	1,797	-
8,323,870	9,356,411				142,947,297	146,550,215

7.2.1 Total of 2,173,331 (2024: 1,926,845) units of Pakistan Income Fund are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

8 LOANS AND OTHER RECEIVABLES (Considered good - unsecured)	Note	2025	2024
		----- Rupees -----	
Security deposits		10,067,769	10,083,645
Loan to employees		105,000	88,000
Advance to supplier		53,644,903	53,644,903
Accrued interest on advance against issuance of shares	8.1	330,235,136	330,235,136
Advance against vehicle		9,349,112	-
Receiveable from group of investors	8.2	161,511,316	211,511,066
Receiveable against sale of shares	8.3	105,106,028	-
Other receivable	8.4	71,369,359	49,000,398
		741,388,623	654,563,148

8.1 This represents accrued interest on advance against issue of shares, given to Dost Steels Limited.

	2025	2024
	----- Rupees -----	
8.1.1 Movement in accrued interest on advance against issuance of shares		
Balance as at beginning of the year	330,235,136	330,235,136
Interest accrued	-	-
Balance as at the end of the year	330,235,136	330,235,136

8.2 In prior years, the Company paid an advance to Dost Steel Limited (DSL) against the proposed issuance of shares. Subsequently, pursuant to a settlement agreement between the Company, Din Corporation Limited, and DSL, the advance for the issuance of shares was assigned to a group of investors and is now receivable from those investors.

8.3 During the year, the Company entered into Negotiable Direct Market Agreements (NDMA) with six different counterparties for the sale of shares of SG Power Limited (listed company) through the Negotiated Deal Market (NDM). The aggregate value of the transactions executed under these agreements during the year amounted to Rs. 105.106 million. The transactions were undertaken at mutually agreed prices between the respective counterparties and were reported to the exchange in accordance with the applicable regulatory framework and were subsequently cleared and settled through the National Clearing and Settlement System (NCSS) in January, 2026.

8.4 This includes an amount of Rs. 56.922 million (2024: Rs. 32.468 million) receivable from PICIC Insurance Limited. The amount was provided to meet working capital requirements and carries markup at KIBOR plus 3% per annum. It is receivable on mutual consent of both parties. The maximum amount outstanding during the year was Rs. 39.874 million in December (2024: Rs. 32.468 million in December).

		2025		2024
	Note	----- Rupees -----		
9 INSURANCE / REINSURANCE RECEIVABLES				
(Considered good - unsecured)				
Due from insurance contract holders		209,617,628		219,373,520
Less: Provision for impairment of receivables from insurance contract holders	9.1	(71,401,838)		(48,584,004)
Net due from insurance contract holders		138,215,790		170,789,516
Due from other insurers / reinsurers		2,904,434		2,904,434
		141,120,224		173,693,950

9.1 Provision for impairment of receivables from insurance contract holders

Balance at the beginning of the year		48,584,004	39,534,917
Provision made during the year		22,817,834	38,583,890
Receivables written off		-	(29,534,803)
		71,401,838	48,584,004

10 DEFERRED TAXATION

Accelerated tax depreciation		(4,893,790)	(7,056,859)
Accelerated tax amortization		(2,185,740)	(2,280,481)
Surplus on remeasurement on Available for Sale Investment		17,970,933	4,172,126
Provision for premium due but unpaid		(20,706,533)	(14,089,361)
Brought forward losses		-	(19,491,226)
		(9,815,130)	(38,745,801)

10.1 Deferred tax is recognized in respect of all temporary differences arising from carrying values of assets and liabilities in financial statements and their tax base. The Company has recognised deferred tax asset to the extent of the amount expected to be utilized in foreseeable future in line with the accounting policy and as matter of prudence, deferred tax asset of Rs. 8,551,133 (2024: Rs. 10,278,332) pertains to subsidiary have been recognized and deferred tax asset of Rs. 1,263,997 (2024: Rs. 28,467,469) on account of temporary differences have not been

		2025		2024
	Note	----- Rupees -----		
11 CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash in hand		421,162		372,734
Policy and revenue stamps		8,770		41,370
		429,932		414,104
Cash at bank				
Current accounts		1,899,262		1,612,890
Savings accounts	11.1	931,994		25,268,113
Less: Provision against dormant accounts		(139,743)		(139,743)
		2,691,513		26,741,260
		3,121,445		27,155,364

11.1 These carry mark-up at the rate of 9.10% (2024: 14.33%) per annum.

12 ORDINARY SHARE CAPITAL

12.1 Authorized share capital

2025	2024	2025	2024
----- Number of shares -----		----- Rupees -----	
<u>150,000,000</u>	<u>115,000,000</u>	<u>1,500,000,000</u>	<u>1,150,000,000</u>

12.2 Issued, subscribed and paid-up share capital

2025	2024	2025	2024
----- Number of shares -----		----- Rupees -----	
104,728,494	104,728,494	1,047,284,940	1,047,284,940
Ordinary shares of Rs. 10 each fully paid in cash			
2,966,547	2,966,547	29,665,470	29,665,470
Ordinary shares of Rs. 10 each issued as fully paid bonus shares			
<u>107,695,041</u>	<u>107,695,041</u>	<u>1,076,950,410</u>	<u>1,076,950,410</u>

12.2.1 All shares carry one vote per share without restriction. The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares, as the case may be, as and when declared by the Company.

13 DISCOUNT ON ISSUE OF RIGHT SHARES

This represent right shares issued by the Company in the year 2014 with the approval of Board of Directors, SECP and KSE (now PSX) amounting to Rs. 499.125 million comprising of 49,912,500 ordinary shares of Rs. 10/- each at a discount of Rs. 4 per share.

14 RESERVES	Note	2025	2024
		----- Rupees -----	
Capital reserves			
Reserve for exceptional losses	14.1	1,767,568	1,767,568
Surplus on remeasurement of available for sale investment		61,968,734	14,386,640
Revenue reserves			
General reserve		24,497,265	24,497,265
Unappropriated profit		7,339,515	(9,955,415)
		<u>95,573,082</u>	<u>30,696,058</u>

14.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

15 OTHER CREDITORS AND ACCRUALS

Trade and related payables	41,217,481	41,760,374
Federal insurance fees	5,747,251	5,011,527
Federal excise duty	75,081,954	67,672,268
Contribution payable to staff provident fund	270,352	299,424
Leave encashment payable	727,812	1,231,906
Withholding tax	83,131,390	76,088,192
Accrued expenses	49,810,692	50,686,203
Auditors' remuneration payable	1,100,000	1,306,086
Workers' welfare fund payable	2,634,014	1,934,552
Unclaimed dividend	418,209	418,209
Payable to related parties	24,425,555	-
Others	32,003,584	1,991,488
	<u>316,568,294</u>	<u>248,400,229</u>

15.1 This includes an amount of Rs. 22.056 million (2024: Nil) payable to Weavers Pakistan (Private) Limited, a related party. The amount was obtained to meet working capital requirements and carries markup at KIBOR plus 3% per annum. The amount is repayable on mutual consent of both parties. The maximum outstanding balance during the year was Rs. 24.979 million in March (2024: Rs. 30.798 million receivable in September).

16 PROVISION FOR TAXATION

Balance at beginning of the year	1,147,287	1,771,789
Current tax expense	13,337,885	7,710,274
Advance tax paid during the year	(7,429,720)	(8,334,776)
	<u>7,055,452</u>	<u>1,147,287</u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

The Company is defendant in following:

- 17.1.1** The Company filed a petition No. 1027/2022 against Federal Board of Revenue (FBR) in respect of notice of encashment of guarantee given for the duties and taxes under Afghan Transit Rules amounting to Rs. 26 million. The Custom authorities claim that there was pilferage and the goods did not cross Afghan border. The company stand is that the primary responsibility for pilferage is on the bonded carrier. The High Court has granted stay against the notice of encashment.
- 17.1.2** Phillip Morris (Pakistan) Limited has filed suit 33/2021 against the Company for encashment of performance bond given amounting to Rs. 100 million. The party on whose behalf the bond was given has obtained stay order against encashment of guarantee. Further the company is secured by counter guarantee and cheque in respect of the bond amount.
- 17.1.3** Suit No. 6/2022 has been filed by the legal heirs of insured Farzana Akhlaq in relation to travel policy claims amounting to Rs. 11 million. The suit was filed against Company's repudiation of the travel claim on the grounds of pre-existing condition. As per terms of policy pre-existing conditions were not covered.
- 17.1.4** Suit No. 1036/2019 was filed by Pakistan Reinsurance Company Limited for recovery of outstanding amount against CSIL amounting to Rs. 75 million. The amount claimed by Pakistan Reinsurance is disputed by the Company.
- 17.1.5** The Sindh Revenue Board (SRB) order has served a demand for Rs. 19,485,132 including penalty amount being Sales Tax on Reinsurance ceded. The matter is disputed and several companies have filed petitions in Supreme Court and have obtained stay against the demand. The management has filed an appeal on the same grounds to Appellate Bench of SRB.
- 17.1.6** Suit No. 11119/2025 has been filed by Eduljee Dinshaw (Private) Limited against the Company seeking recovery of an amount of Rs. 12,475,257 being the outstanding rent toward Eduljee Dinshaw as per the tenancy agreement executed between the parties. The matter is disputed and pending before the Civil Court, Karachi.
- 17.1.7** Suit No. 5/2025 filed by Abdul Fateh against the Company before the Insurance Tribunal Karachi whereby the Applicant is seeking recovery of an amount of 50,000 USD along with two million in compensation under the travel insurance policy. CSIL had repudiated the claim for failure to disclose his pre-existing medical condition which vitiated the issuance of policy. The matter remains pending before the Insurance Tribunal.
- 17.1.8** The Assistant/Deputy Commissioner Inland Revenue issued tax demand for Rs. 27,530,283. The company filed an appeal before the Appellate Tribunal against the order. As per the order of the Appellate Tribunal Inland Revenue, the case has been remanded back to Commissioner Inland Revenue Appeals which is pending adjudication.
- 17.1.9** The Company is defending various law suits in the court of law. In these cases, claims against the company amounted to less than Rs.10 million. The Company, based on the opinion of its legal advisors, is confident that the ultimate outcome of all of the matters provided above will be in its favor. Accordingly, no provision in respect of any above mentioned liabilities has been made in these financial statements.

The following cases related to subsidiaries of the Group:

- 17.1.10** Suit No.639/2019 (M/s Crescent Star Food (Private) Limited V/S Pakistan Defense Housing Authority and others) related to the arrears of rental is pending before the Hon'ble High Court of Sindh Karachi.
- 17.1.11** Suit No.108/2019 (M/s Crescent Star Food (Private) Limited V/S Central Depository Company) related to the arrears pending before the Hon'ble High Court of Sindh Karachi.
- 17.1.12** Cr. Revision No. 165/2022 (M/s Crescent Star Food (Private) Limited V/S Lt. Colonel (R) Muhammad Tayyab and others) related to dislocation from premises is pending before the Hon'ble High Court of Sindh Karachi.

	Note	2025	2024
		----- Rupees -----	
18 NET INSURANCE PREMIUM			
Written gross premium		79,287,687	79,725,407
Add : Unearned premium reserve - opening		31,968,305	176,612,161
Less: Unearned premium reserve - closing		<u>(13,470,304)</u>	<u>(31,968,305)</u>
Premium earned		97,785,688	224,369,263
Less: Reinsurance expense		-	-
		<u>97,785,688</u>	<u>224,369,263</u>
19 NET INSURANCE CLAIMS			
Claims paid		4,483,168	4,276,376
Add : Outstanding claims including IBNR - closing		51,957,318	57,702,853
Less: Outstanding claims including IBNR - opening		<u>(57,702,853)</u>	<u>(65,000,330)</u>
Claim income - net		(1,262,367)	(3,021,101)
Less: Reinsurance and recoveries revenue		-	-
		<u>(1,262,367)</u>	<u>(3,021,101)</u>

19.1 Claims development

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

Accident year	2020 and prior	2021	2022	2023	2024	2025 including IBNR
	----- (Rupees) -----					
Estimate of ultimate claims cost:						
At end of accident year	55,281,415	12,446,510	1,369,827	126,769,622	1,517,407	12,482,085
One year later	58,375,016	1,063,469	2,244,256	126,898,769	1,712,855	-
Two year later	65,408,801	1,063,469	2,209,256	126,743,769	-	-
Three year later	64,859,587	1,063,469	2,004,256	-	-	-
Four year later	64,477,585	1,063,469	-	-	-	-
Five year later	65,779,359	-	-	-	-	-
Current estimate of cumulative claims	65,779,359	1,063,469	2,004,256	126,743,769	1,712,855	12,482,085
Cumulative payments to date	21,239,040	913,469	1,960,456	126,659,169	1,479,255	1,370,601
Liability recognised in the balance sheet	44,540,319	150,000	43,800	84,600	233,600	11,111,484

	Note	2025	2024
		----- Rupees -----	
20 NET COMMISSION EXPENSE			
Commission paid or payable		5,070,356	6,489,621
Add : Deferred commission expense - opening		3,335,750	18,268,029
Less: Deferred commission expense - closing		<u>(1,477,533)</u>	<u>(3,335,750)</u>
Net commission		6,928,573	21,421,900
Less: Commission from reinsurers		-	-
		<u>6,928,573</u>	<u>21,421,900</u>

21 MANAGEMENT EXPENSES

Employee benefit cost	21.1	81,866,017	79,155,465
Directors' fee		175,000	175,000
Travelling expense		11,451,100	12,591,577
Advertisement and sales promotion		435,965	61,520
Printing and stationery		650,990	877,605
Depreciation		3,176,585	1,703,923
Rent, rates and taxes		3,903,840	2,462,147
Legal and professional fee - business related		6,018,167	3,692,841
Utilities		2,093,572	3,981,561
Entertainment		1,210,749	1,903,754
Vehicle running		1,106,324	607,355
Repairs and maintenance		3,305,685	3,285,393
Postages, telegrams and telephone		1,933,381	1,784,232
Bad and doubtful debts		22,817,834	38,583,890
Insurance		330,145	330,000
Bank charges		13,340	47,122
Miscellaneous		3,000,785	4,515,360
		<u>143,489,479</u>	<u>155,758,745</u>

	Note	2025	2024
		----- Rupees -----	
21.1 Employee benefit cost			
Salaries, allowances and other benefits		80,117,407	77,207,639
Charges for post employment benefits	21.1.1	1,748,610	1,947,826
		<u>81,866,017</u>	<u>79,155,465</u>
21.1.1 This amount represents contribution to staff provident fund.			
22 INVESTMENT INCOME			
Income from equity securities - available for sale financial assets:			
Dividend income		18,893,498	32,198,122
Gain / (loss) on sale of available for sale investments		49,281,261	(2,710,600)
		<u>68,174,759</u>	<u>29,487,522</u>
23 OTHER INCOME			
Profit on savings accounts		124,065	486,947
Gain on sale of property and equipments		-	1,710,249
Markup on other receivables		20,234,436	-
Other income		1,792,443	2,667,618
		<u>22,150,944</u>	<u>4,864,814</u>
23.1 This includes net interest income relating to PICIC Insurance Limited for the period from 2016 to 2025, and to Weavers Pakistan (Private) Limited for the period from 2023 to 2025. The recognition of interest on these loans was finalized during the year following approval by the Board of Directors and execution of a mutual agreement in December; accordingly, the entire amount has been recorded in the current period.			
24 OTHER EXPENSES	Note	2025	2024
		----- Rupees -----	
Auditors' remuneration	24.1	1,595,000	1,893,887
Subscription and fee		335,352	66,159
Workers' welfare fund		699,462	1,934,552
Registration fee		4,422,241	1,859,366
Loss on disposal of fixed assets		13,439	-
Salaries and allowances		875,539	2,753,262
Printing and stationery		-	9,200
Depreciation		909,265	1,670,285
Amortisation		-	1,806,374
Legal and professional charges - business related		25,000	25,000
Entertainment		-	61,300
Assets written off		-	44,739,691
Bank charges		75	1,228
Other		286,667	1,601,179
		<u>9,162,040</u>	<u>58,421,483</u>
24.1 Auditors' remuneration			
Annual audit fee		500,000	589,875
Annual audit fee of subsidiary companies		395,000	395,000
Consolidation fee		250,000	302,500
Review of Code of Corporate Governance		120,000	151,250
Half yearly review		100,000	194,810
Out of pocket expenses		130,000	127,352
Certification charges		100,000	133,100
		<u>1,595,000</u>	<u>1,893,887</u>
25 TAXATION			
For the year			
Current		13,337,885	7,634,334
Deferred		1,727,199	281,772
Prior year			
Current		-	75,940
		<u>15,065,084</u>	<u>7,992,046</u>

25.1 Relationship between tax expense and accounting profit	Note	2025	2024
		----- Rupees -----	
Profit before taxation		<u>31,703,455</u>	<u>41,691,911</u>
Applicable tax rate		<u>29%</u>	<u>29%</u>
Tax at the applicable rate		<u>9,194,002</u>	27,489,985
Effect of minimum tax		<u>(7,971,681)</u>	(24,685,370)
Effect of dividend income taxed at reduced rate		<u>(755,740)</u>	(4,507,737)
Effect of capital gain taxed as SBOI		<u>7,392,189</u>	-
Effect of tax credit, inadmissible expenses and Others		<u>5,479,115</u>	9,337,455
		<u>13,337,885</u>	<u>7,634,334</u>

26 EARNINGS PER SHARE - BASIC AND DILLUTED

Profit for the year (Rupees)	<u>16,638,371</u>	<u>33,699,865</u>
Weighted average number of ordinary shares (Numbers)	<u>107,695,041</u>	<u>107,695,041</u>
Earnings per share - basic and diluted (Rupees)	<u>0.15</u>	<u>0.31</u>

27 COMPENSATION OF DIRECTORS AND EXECUTIVES

Description	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	----- (Rupees) -----					
Managerial remuneration	7,935,000	7,935,000	1,987,476	1,649,688	10,415,452	10,225,944
Retirement benefits	-	-	25,926	-	809,394	819,348
House rent	3,795,000	3,795,000	1,324,992	1,099,794	6,943,642	6,817,296
Utilities / Others	5,070,000	5,070,000	105,000	-	2,661,935	2,760,000
Total	<u>16,800,000</u>	<u>16,800,000</u>	<u>3,443,394</u>	<u>2,749,482</u>	<u>20,830,423</u>	<u>20,622,588</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>3</u>

- 27.1 Non-Executive Directors were paid Rs. 0.175 million (2024: Rs. 0.175 million) for attending Board of Directors meetings during the year.
- 27.2 Chief Executive and other executives were also provided with the Company maintained cars in accordance with their entitlements.
- 27.3 Directors and other executives are also provided provident fund facility in which contribution of both employer and employee is at a rate of 10%.

28 RELATED PARTY DISCLOSURES

Related parties comprise of group companies, directors and their close family members its staff retirement funds, key management personnel and major shareholders of the Company. The associated companies are associated either based on its holding in equity or due to the same management and/or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions at arms length.

- 28.1 Following are the particulars of the related parties other than employee retirement benefit plans, key management personnel and Directors of the Company at the reporting date.

Name of related parties	Basis of relationship	Aggregate % of Shareholding
Crescent Star Foods (Private) Limited	Subsidiary Company	71%
Crescent Star Luxury (Private) Limited	Subsidiary Company	99%
Crescent Star Technology (Private) Limited	Subsidiary Company	99%
Dost Steels Limited	Common Directorship	0.11%
Bawany Air Products Limited	Common Directorship	7.62%
Weavers Pakistan (Private) Limited	Director being ultimate beneficial owner	Nil
Elahi Noor Enterprises (Private) Limited	Director being ultimate beneficial owner	Nil
KM Enterprises (Private) Limited	Director being ultimate beneficial owner	Nil

28.2 Transactions with the related parties		(Amount in Rupees)	
Name of related parties	Nature of transaction	2025	2024
Weavers Pakistan (Private) Limited	Receipt of loan	87,121,014	(39,848,000)
	Repayment of loan	(66,002,015)	39,848,000
	Interest on loan - net	3,186,149	-
Key Management Personnel	Remuneration paid	41,073,817	40,172,070
	Premium underwritten	4,459,523	-
Staff Provident Fund	Contribution to staff provident fund	1,748,610	1,947,826
	Contribution paid	1,777,682	2,146,392

28.3 Balances with the related parties		(Amount in Rupees)	
Name of related parties	Nature of balance	2025	2024
Crescent Star Foods (Private) Limited	Advance against issuance of shares	-	-
Crescent Star Luxury (Private) Limited	Advance against issuance of shares	-	-
Crescent Star Technology (Private) Limited	Advance against issuance of shares	-	-
Dost Steels Limited	Accrued interest on advance against issuance of shares	330,235,136	330,235,136
Weavers Pakistan (Private) Limited	Payable to related party	21,118,999	-
	Payable to related party	2,369,000	-
Key Management Personnel	Remuneration payable	7,368,750	-
	Outstanding premium	10,564	-
	Premium received in advance	112,500	-
Staff Provident Fund	Contribution payable to staff provident fund	270,352	299,424

29 MOVEMENT IN INVESTMENTS	Available for sale investments
	----- Rupees -----
As at January 01, 2024	216,536,400
Additions	303,386,981
Disposals (sales and redemptions)	(325,672,918)
Fair value net loss (excluding net realized loss)	(1,650,060)
Impairment losses	-
As at December 31, 2024	<u>192,600,405</u>
As at January 01, 2025	192,600,405
Additions	1,011,818,848
Disposals (sales and redemptions)	(990,189,522)
Fair value net gain (excluding net realized gain)	47,582,094
Impairment losses	-
As at December 31, 2025	<u>261,811,826</u>

30 SEGMENT INFORMATION

The operator has six primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor, accident and health, credit and suretyship and, miscellaneous.

Description	2025										
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Credit and Suretyship	Miscellaneous	Total - CSIL	Total - CSF	Total - CST	Total - CSL	Total
	----- Rupees -----										
Gross written premium (inclusive of administrative surcharges)	333,242	10,092,651	11,484,701	-	-	57,377,093	79,287,687	-	-	-	79,287,687
Gross direct premium	320,655	9,779,245	11,333,218	-	-	55,777,948	77,211,066	-	-	-	77,211,066
Administrative surcharge	12,587	313,406	151,483	-	-	1,599,145	2,076,621	-	-	-	2,076,621
	333,242	10,092,651	11,484,701	-	-	57,377,093	79,287,687	-	-	-	79,287,687
Insurance premium earned	371,734	10,138,339	12,464,117	-	4,437,493	70,374,005	97,785,688	-	-	-	97,785,688
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net insurance premium	371,734	10,138,339	12,464,117	-	4,437,493	70,374,005	97,785,688	-	-	-	97,785,688
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	371,734	10,138,339	12,464,117	-	4,437,493	70,374,005	97,785,688	-	-	-	97,785,688
Insurance claims	495,980	(6,038,707)	4,082,560	(96,514)	727,625	2,091,423	1,262,367	-	-	-	1,262,367
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net insurance claims	495,980	(6,038,707)	4,082,560	(96,514)	-	2,091,423	1,262,367	-	-	-	1,262,367
Commission expense	(71,557)	(3,690,707)	(1,096,669)	-	(443,749)	(1,625,891)	(6,928,573)	-	-	-	(6,928,573)
Management expense	(595,907)	(18,173,804)	(21,061,716)	-	-	(103,658,052)	(143,489,479)	-	-	-	(143,489,479)
Premium deficiency - income	(18,844)	(259,444)	(442,645)	-	1,802,308	828,415	1,909,790	-	-	-	1,909,790
Net insurance claims and expenses	(190,328)	(28,162,662)	(18,518,470)	(96,514)	1,358,559	(102,364,105)	(147,245,895)	-	-	-	(147,245,895)
Underwriting results	181,406	(18,024,323)	(6,054,353)	(96,514)	5,796,052	(31,990,100)	(49,460,208)	-	-	-	(49,460,208)
Net investment income	-	-	-	-	-	-	-	-	-	-	68,174,759
Other income	-	-	-	-	-	-	-	-	-	-	22,150,944
Other expenses	-	-	-	-	-	-	(6,591,839)	(515,542)	(726,353)	(1,328,306)	(9,162,040)
Result of operating activities											31,703,455
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Profit before tax for the year											31,703,455
Assets											
Segment assets	667,133	18,194,794	22,368,757	-	7,963,757	126,296,877	175,491,319	356,227	5,123	4,602,000	180,454,669
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	1,051,799,132
Total assets	667,133	18,194,794	22,368,757	-	7,963,757	126,296,877	175,491,319	356,227	5,123	4,602,000	1,232,253,801
Liabilities											
Segment liabilities	590,999	16,118,378	19,816,002	-	7,054,921	111,883,694	155,463,995	-	-	-	155,463,995
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	240,409,365
Total liabilities	590,999	16,118,378	19,816,002	-	7,054,921	111,883,694	155,463,995	-	-	-	395,873,360

Description	2024										
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Credit and Suretyship	Miscellaneous	Total	Foods	Technologies	Luxury	Total
	----- Rupees -----										
Gross written premium (inclusive of administrative surcharges)	530,620	9,954,978	13,345,613	-	12,185,577	43,708,618	79,725,406	-	-	-	79,725,406
Gross direct premium	517,085	9,602,980	13,174,250	-	11,719,382	42,293,818	77,307,515	-	-	-	77,307,515
Administrative surcharge	13,535	351,998	171,363	-	466,195	1,414,800	2,417,891	-	-	-	2,417,891
	530,620	9,954,978	13,345,613	-	12,185,577	43,708,618	79,725,406	-	-	-	79,725,406
Insurance premium earned	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263	-	-	-	224,369,263
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net insurance premium	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263	-	-	-	224,369,263
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263	-	-	-	224,369,263
Insurance claims	(219,315)	2,756,652	(1,591,494)	-	(237,003)	2,312,261	3,021,101	-	-	-	3,021,101
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
	(219,315)	2,756,652	(1,591,494)	-	(237,003)	2,312,261	3,021,101	-	-	-	3,021,101
Commission expense	(955,135)	(3,619,631)	(1,562,893)	-	(8,036,800)	(7,247,441)	(21,421,900)	-	-	-	(21,421,900)
Management expense	(1,030,327)	(19,134,599)	(26,250,600)	-	(23,351,675)	(85,991,544)	(155,758,745)	-	-	-	(155,758,745)
Premium deficiency (expense)	1,878	1,244,271	927,852	-	500,801	12,876,536	15,551,338	-	-	-	15,551,338
Net insurance claims and expenses	(2,202,899)	(18,753,307)	(28,477,135)	-	(31,124,677)	(78,050,188)	(158,608,206)	-	-	-	(158,608,206)
Underwriting results	2,588,467	(8,380,153)	(9,873,308)	-	46,088,247	35,337,804	65,761,057	-	-	-	65,761,057
Net investment income											29,487,522
Other income											4,864,814
Other expenses							(5,320,340)	(41,348,140)	(754,842)	(10,998,160)	(58,421,482)
Result of operating activities											41,691,911
Finance costs											
Profit before tax for the year											41,691,911
Assets											
Segment assets	4,269,268	9,242,828	16,576,633	-	68,799,301	101,032,499	199,920,529	445,284	7,319	5,420,012	205,793,144
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	915,650,731
Total assets	4,269,268	9,242,828	16,576,633	-	68,799,301	101,032,499	1,115,571,260	445,284	7,319	5,420,012	1,121,443,875
Liabilities											
Segment liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	169,216,272	-	-	-	169,216,272
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	180,067,625
Total liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	349,283,897	-	-	-	349,283,897

31 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

31.1 Insurance Risk

The Company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased where necessary to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital.

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The Company minimizes its exposure by prudent underwriting and reinsuring policies where necessary.

31.1.1 Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy and proactive claim handling procedures.

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

Class	Maximum Gross Risk Exposure	
	2025	2024
	----- Rupees -----	
Fire and property damage	131,772	209,238
Marine, aviation and transport	4,877,780	4,865,726
Motor	734,451	2,781,158
Credit and suretyship	-	7,163,088
Miscellaneous	89,974,314	63,942,539
	95,718,317	78,961,749

31.1.2 Uncertainty in the estimation of future claims payments

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 claims incurred but not reported is based on historic reporting pattern of the claims other than exceptional losses. Hence, actual amount of incurred but not reported claims may differ from the amount estimated.

31.1.3 Key assumptions

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors for example, 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.

At the year end, actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required/ allowed by the circular 9 of 2016. IBNR is determined by using Chain Ladder Method for all class of business. The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for health which is made on a quarterly basis. The methods used, and the estimates made, are reviewed regularly.

The Company determines adequacy of liability of premium deficiency reserves by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium.

The assumed net of reinsurance loss ratios for each class of business for estimation of premium deficiency reserves is as follows:

Class	Assumed Net Loss Ratio	
	2025	2024
	----- Percentage% -----	
Fire and property	58%	28%
Marine, aviation and transport	118%	44%
Motor	110%	15%
Accident and health	0%	-47%
Credit and suretyship	66%	0%
Miscellaneous	88%	48%

31.1.4 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:

Average claim costs	Change in assumption	Impact on gross claim liabilities	Impact on net claim liabilities	Impact on profit before tax	Impact on equity
----- Rupees -----					
2025	10%	(126,237)	(126,237)	(126,237)	(89,628)
2024	10%	(302,110)	(302,110)	(302,110)	(214,498)

31.1.5 Statement of age-wise breakup of unclaimed insurance benefits

All the insurance claims and benefits are settled during the year. The entity does not have any unclaimed insurance benefits as at the reporting date. Hence, an age-wise analysis of unclaimed insurance benefits is not provided.

31.2 Financial Risk

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

31.2.1 Concentration of credit risk and credit exposure of the financial instruments

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

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

The Company is exposed to credit risk from its operating activities primarily for premiums due but unpaid, amount due from other insurers/reinsurers, and other financial assets.

- (a) The carrying amount of financial assets represents the maximum credit exposure as specified below:

Financial assets	Note	2025	2024
		----- Rupees -----	
Loans and other receivables	8	741,388,623	654,563,148
Net due from insurance contract holders	9	138,215,790	170,789,516
Due from other insurers / reinsurers	9	2,904,434	2,904,434
Cash and bank balances	11	3,121,445	27,155,364
		885,630,292	855,412,462

Geographically there is no concentration of credit risk.

The Company does not held any such collateral as security.

General provision of doubtful receivables is made against premium due but unpaid as disclosed in note 9 to these financial statements. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers/reinsurers for whom there is no recent history of default.

- (b) Age analysis of financial assets at the reporting date is as below:

Particulars	Carrying Amount	Upto 1 year	From 1 to 2 years	More than 2 years
Loans and other receivables	741,388,623	-	-	-
Net due from insurance contract holders	138,215,790	4,087,052	2,365,793	131,762,945
Due from other insurers / reinsurers	2,904,434	-	-	2,904,434
Cash and bank balances	3,121,445	3,121,445	-	-
	885,630,292	7,208,497	2,365,793	134,667,379

Particulars	Carrying Amount	Upto 1 year	From 1 to 2 years	More than 2 years
Loans and other receivables	654,563,148			
Net due from insurance contract holders	170,789,516	8,204,473	150,234,971	12,350,072
Due from other insurers / reinsurers	2,904,434	-	49,402	2,855,032
Cash and bank balances	27,155,364	27,155,364	-	-
	855,412,462	35,359,837	150,284,373	15,205,104

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

	Short term	Long term	Agency	2025	2024
				----- Rupees -----	
Faysal Bank Limited	A-1+	AA/AA+	PACRA/JCR-VIS	1,294,093	303,608
Habib Bank Limited	A-1+	AAA	JCR-VIS	960,416	26,216,716
Allied Bank Limited	A-1+	AAA	PACRA	38,578	88,746
Soneri Bank Limited	A-1+	AA-	PACRA	53,743	53,743
The Bank of Punjab	A-1+	AA+	PACRA	43,257	43,257
Meezan Bank Limited	A-1+	AAA	JCR-VIS	22,482	22,482
Silk Bank Limited (Merged with UBL)	A-1+	AAA	JCR-VIS	4,819	4,819
National Bank of Pakistan	A-1+	AAA	PACRA/JCR-VIS	4,126	4,126
Bank Alfalah Limited	A-1+	AAA	PACRA	2,327	2,327
MCB Bank Limited	A-1+	AAA	PACRA	265	265
Samba Bank Limited	A-1	AA	PACRA	211,941	54,863
Bank Al-Habib Limited	A-1+	AAA	PACRA	109,158	-
				2,745,205	26,794,952

- (d) The Company is not exposed to reinsurance risk as it has no reinsurance contracts outstanding at the end of the year. Hence, an analysis of reinsurance assets by credit rating of reinsurers is not provided.

31.2.2 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. The Company is financing its operations mainly through equity, working capital and musharaka to minimize risk.

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

Particulars	2025			Greater than 1 year
	Carrying amount	Contractual cash flows	Up to 1 year	
----- Rupees -----				
Provision for outstanding claims	51,957,318	51,957,318	51,957,318	
Other creditors	82,232,485	82,232,485	82,232,485	-
	134,189,803	134,189,803	134,189,803	-

Particulars	2024			Greater than 1 year
	Carrying amount	Contractual cash flows	Up to 1 year	
----- Rupees -----				
Provision for outstanding claims	57,702,853	57,702,853	57,702,853	-
Other creditors	53,095,900	53,095,900	53,095,900	-
	110,798,753	110,798,753	110,798,753	-

31.2.3 Market risk

Market risk means that the fair value or future cash flows of 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 and price risk. The Company is not exposed to material currency risk.

(a) Interest rate risk exposure

Interest/mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments are as follows:

Particulars	2025						Total
	Interest / mark-up bearing			Non-interest / mark-up bearing			
	Maturity upto one year	Maturity over one year	Sub-total	Maturity upto one year	Maturity over one year	Sub-total	
----- Rupees -----							
Financial assets							
Investments in subsidiaries	-	-	-	-	-	-	-
Investments in equity securities	-	-	-	261,811,828	261,811,828	-	261,811,828
Loans and other receivables	741,388,623	-	741,388,623	-	-	-	741,388,623
Premium due but unpaid	138,215,790	-	138,215,790	-	-	-	138,215,790
Amounts due from other insurers/reinsurers	2,904,434	-	2,904,434	-	-	-	2,904,434
Deferred commission expense	1,477,533	-	1,477,533	-	-	-	1,477,533
Cash and bank	2,211,875	-	2,211,875	909,570	-	909,570	3,121,445
	886,198,255	-	886,198,255	909,570	261,811,828	262,721,398	1,148,919,653
Financial liabilities							
Outstanding claims including IBNR	-	-	-	51,957,318	-	51,957,318	51,957,318
Other creditors and accruals	-	-	-	316,568,294	-	316,568,294	316,568,294
	-	-	-	368,525,612	-	368,525,612	368,525,612

Particulars	2024						Total
	Interest / mark-up bearing			Non-interest / mark-up bearing			
	Maturity upto one year	Maturity over one year	Sub-total	Maturity upto one year	Maturity over one year	Sub-total	
----- Rupees -----							
Financial assets							
Investments in subsidiaries	-	-	-	-	-	-	-
Investments in equity securities	-	-	-	-	192,600,406	192,600,406	192,600,406
Loans and other receivables	654,563,148	-	654,563,148	-	-	-	654,563,148
Premium due but unpaid	170,789,516	-	170,789,516	-	-	-	170,789,516
Amounts due from other insurers/reinsurers	2,904,434	-	2,904,434	-	-	-	2,904,434
Deferred commission expense	3,335,750	-	3,335,750	-	-	-	3,335,750
Cash and bank	1,909,675	-	1,909,675	25,245,689	-	25,245,689	27,155,364
	833,502,523	-	833,502,523	25,245,689	192,600,406	217,846,095	1,051,348,618
Financial liabilities							
Outstanding claims including IBNR	-	-	-	57,702,853	-	57,702,853	57,702,853
Other creditors and accruals	-	-	-	248,400,229	-	248,400,229	248,400,229
	-	-	-	306,103,082	-	306,103,082	306,103,082

Sensitivity analysis

Change in interest rate will not effect fair value of any financial instrument. The Company is not exposed to significant mark-up rate risk as the Company has not entered into any significant variable rate instruments.

(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 factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities with fair value of Rs. 236,402,868 (2024: Rs. 192,600,406) at the reporting date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

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

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

Sensitivity analysis

The table below summarizes Company's equity price risk as on December 31, 2024 and 2023 shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be better or worse in Company's equity investment portfolio because of the nature of equity markets.

The impact of hypothetical change would be as follows:

Particulars	Hypothetical price change	Fair value	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) before tax
----- Rupees -----					
December 31, 2025	10% increase	261,811,828	287,993,011	26,181,183	26,181,183
	10% decrease				
December 31, 2024	10% increase	192,600,406	211,860,447	19,260,041	19,260,041
	10% decrease				

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

31.3 Capital Management

The Company's objective when managing capital is 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 other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

In accordance with Insurance Rules, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 89(1)/2017, minimum paid-up capital requirement to be complied with by Insurance Companies as at December 31, 2017 and subsequent year is Rs. 500 million. As at December 31, 2025, the Company's paid-up capital is in excess of the prescribed limit.

31.4 Fair Value Measurement of Financial Instruments

The management considers the carrying amount of all financial assets and liabilities not measured at fair value at the end of the reporting period to approximate their fair value as at the reporting date.

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.

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, difference may arise between the carrying values and fair values estimates.

The Company measures the fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly observable.

Level 3 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly unobservable.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	2025								
	Carrying Amount					Fair Value			
	Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- Rupees -----								
Financial assets measured at fair value									
Equity investments	-	-	261,811,828	-	-	261,811,828	261,811,828	-	-
Financial assets not measured at fair value									
Net due from insurance contract holders	-	-	-	138,215,790	-	138,215,790	-	-	-
Due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	741,388,623	-	741,388,623	-	-	-
Cash and bank	-	-	-	3,121,445	-	3,121,445	-	-	-
	-	-	261,811,828	885,630,292	-	1,147,442,120	261,811,828	-	-
Financial liabilities measured at fair value									
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)	-	-	-	-	51,957,318	51,957,318	-	-	-
Other creditors and accruals	-	-	-	-	316,568,294	316,568,294	-	-	-
Premium received in advance	-	-	-	-	1,870,463	1,870,463	-	-	-
	-	-	-	-	370,814,284	370,814,284	-	-	-

Particulars	2024								
	Carrying Amount					Fair Value			
	Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- Rupees -----								
Financial assets measured at fair value									
Equity investments	-	-	192,600,406	-	-	192,600,406	192,600,406	-	-
Financial assets not measured at fair value									
Net due from insurance contract holders	-	-	-	170,789,516	-	170,789,516	-	-	-
Due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Loans and other receivables	-	-	-	654,563,148	-	654,563,148	-	-	-
Cash and bank	-	-	-	27,155,364	-	27,155,364	-	-	-
	-	-	192,600,406	855,412,462	-	1,048,012,868	192,600,406	-	-
Financial liabilities measured at fair value									
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)	-	-	-	-	57,702,853	57,702,853	-	-	-
Other creditors and accruals	-	-	-	-	248,400,229	248,400,229	-	-	-
Premium received in advance	-	-	-	-	3,203,907	3,203,907	-	-	-
	-	-	-	-	309,306,989	309,306,989	-	-	-

		2025	2024
		----- Rupees -----	
32 STATEMENT OF SOLVENCY - HOLDING COMPANY			
Assets			
Property and equipment		32,893,568	17,018,213
Investment in subsidiary and associate		213,071,700	213,071,700
Investments in equity securities		261,811,828	192,600,406
Loans and other receivables		985,312,720	896,083,416
Insurance / reinsurance receivables		141,120,224	173,693,950
Deferred commission expense		1,477,533	3,335,750
Deferred taxation		-	-
Cash and Bank		2,686,386	26,720,305
Total assets	A	1,638,373,959	1,522,523,740
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance , 2000			
(d) & (g)		305,604,508	303,183,679
(n) to (t)		189,327,524	192,788,095
(h)		136,269,755	168,953,808
(u)		32,893,568	17,018,213
Total in-admissible assets	B	664,095,355	681,943,795
Total admissible assets	C = A - B	974,278,604	840,579,945
Liabilities			
Outstanding claims including IBNR		51,957,318	57,702,853
Unearned premium reserves		13,470,304	31,968,305
Premium deficiency reserves		4,951,529	6,861,318
Premium received in advance		1,870,463	3,203,907
Other creditors and accruals		220,527,561	151,616,602
Taxation - provision less payment		7,915,834	2,007,670
Total liabilities	D	300,693,009	253,360,655
Total net admissible assets	E = C - D	673,585,595	587,219,291
Minimum solvency requirements (higher of below)	F	150,000,000	150,000,000
Method A - U/s 36(3)(a)		150,000,000	150,000,000
Method B - U/s 36(3)(b)		19,557,138	44,873,853
Method C U/s 36(3)(c)		13,085,524	17,934,232
Excess in net admissible assets over minimum requirements	G = E - F	523,585,595	437,219,291

33 PROVIDENT FUND RELATED DISCLOSURE

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for this purpose. The brief information of the fund is as follows:

		2025	2024
		----- Rupees -----	
	Note	(Un-audited)	(Audited)
Size of the fund - Total Net Assets		49,896,956	49,308,744
Cost of investments		38,080,218	38,080,218
Fair value of investments	33.1	47,978,031	47,154,435
Percentage of investments in proportion to size of fund		96.15%	95.63%

33.1 The break-up cost of investments is as follows:

	2025	Percentage %	2024	Percentage %
Mutual funds	47,961,396	100%	46,348,020	98%
Bank account - saving	16,635	0%	806,415	2%
	47,978,031	100%	47,154,435	100%

33.1.1 As at the reporting date, the management has made an investment of an amount of Rs. 47,961,396 in mutual fund (money market and income fund), representing approximately 100% of the total size of the Fund. Section 3 of the Employee Contributory Fund (Investment in Listed Securities) Regulations, employee contributory funds are required to adhere to prescribed investment limits to ensure diversification and risk management. However, the management has made this investment decision considering that these funds offer relatively stable and fixed returns with low risk exposure.

	2025	2024
	----- Number -----	
34 NUMBER OF EMPLOYEES		
Number of employees at the December 31	<u>37</u>	<u>36</u>
Average number of employees during the year	<u>35</u>	<u>35</u>

35 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification have been made other than those that are disclosed below:

Nature	Reclassified from	Reclassified to	Note	Amount
Server housing expense	Registration fee	Repairs and maintenance	21 & 23	1,543,200

36 EVENTS AFTER REPORTING PERIOD

The Board of Directors of the Company approved the issuance of right shares on March 27, 2025 which were approved by the shareholders of the Company on April 29, 2025. Under the right issue, the Company offered 40,924,116 ordinary shares having face value of PKR 10/- at a price of PKR 3/- per share, aggregating to PKR 122,772,348/-, representing 38% of total paid-up capital of the Company, in the ratio of 38 right shares for every 100 shares held. The book closure date were decided to be January 20, 2026 and the subscription period was from January 22, 2026 to February 13, 2026, with allotment scheduled thereafter. Accordingly, in accordance with IAS 10 – Events after the Reporting Period, the transaction has been treated as a non-adjusting event and therefore no adjustment has been made in these regard in the financial statements.

37 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved for issue on 03 April, 2026 by the Board of Directors of the Company.

38 GENERAL

The figures in the financial statements have been rounded off to the nearest rupee.

Chief Executive/Principal Officer

Director

Director

Director

Chief Financial Officer

CRESCENT STAR INSURANCE LIMITED PATTERN OF SHAREHOLDINGS AS AT DECEMBER 31, 2025			
Number of Shareholders	Shareholding		Number of Shares Held
	From	To	
612	1	100	15,343
350	101	500	124,602
298	501	1000	268,923
656	1001	5000	1,955,838
277	5001	10000	2,312,841
117	10001	15000	1,510,475
81	15001	20000	1,516,038
58	20001	25000	1,360,279
31	25001	30000	893,562
29	30001	35000	947,824
24	35001	40000	932,151
13	40001	45000	555,193
28	45001	50000	1,395,500
13	50001	55000	696,510
14	55001	60000	821,240
3	60001	65000	192,790
7	65001	70000	476,935
11	70001	75000	809,837
11	75001	80000	868,587
1	80001	85000	82,000
3	85001	90000	263,762
7	90001	95000	661,118
25	95001	100000	2,499,550
5	100001	105000	516,000
3	105001	110000	325,701
2	110001	115000	230,000
4	115001	120000	475,000
3	120001	125000	368,000
2	125001	130000	257,646
3	130001	135000	402,785
4	135001	140000	560,000
2	140001	145000	286,700
13	145001	150000	1,941,816
1	155001	160000	156,000
1	165001	170000	170,000
4	170001	175000	695,437
1	175001	180000	176,000
3	180001	185000	547,603
10	195001	200000	1,996,000
1	205001	210000	210,000
1	215001	220000	215,544
1	220001	225000	225,000
1	225001	230000	228,028
3	230001	235000	701,769
3	245001	250000	750,000
2	270001	275000	543,672
2	285001	290000	577,000
5	295001	300000	1,500,000
1	310001	315000	311,000
1	330001	335000	335,000
1	335001	340000	337,500
1	350001	355000	352,773
1	360001	365000	365,000
1	365001	370000	369,300
1	405001	410000	408,603
1	440001	445000	445,000
1	445001	450000	450,000
1	485001	490000	490,000
3	495001	500000	1,500,000
1	525001	530000	528,000
1	575001	580000	578,500
1	590001	595000	592,079
2	595001	600000	1,200,000
1	600001	605000	602,500
1	625001	630000	627,000
1	660001	665000	662,500
1	695001	700000	700,000
1	735001	740000	739,000
3	745001	750000	2,243,332
1	780001	785000	780,254
2	795001	800000	1,600,000
1	875001	880000	877,000
2	895001	900000	1,797,500
1	930001	935000	931,000
2	995001	1000000	2,000,000
1	1025001	1030000	1,028,789
1	1245001	1250000	1,245,254
1	1255001	1260000	1,260,000
1	1395001	1400000	1,400,000
1	1480001	1485000	1,480,624
1	1575001	1580000	1,578,500
1	1720001	1725000	1,725,000
1	1910001	1915000	1,911,111
1	1995001	2000000	2,000,000
1	2200001	2205000	2,201,250
1	2595001	2600000	2,600,000
1	2665001	2670000	2,666,868
1	2995001	3000000	3,000,000
3	3495001	3500000	10,500,000
1	3660001	3665000	3,664,605
1	3890001	3895000	3,893,600
1	8495001	8500000	8,500,000
2803			107,695,041

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors & Spouses & Executives			
Mr. Shaikh Waqar Ahmed	1	2,000	0.00%
Mr. Rashid Malik	1	2,000	0.00%
Mr. Suhail Elahi	1	2,000	0.00%
Ms. Naveeda Mahmud	1	2,000	0.00%
Ms. Rabia Omer Hassan	1	3,000	0.00%
Ms. Huma Javaid	1	2,000	0.00%
Ms. Komal Sajid Lodhi	1	2,000	0.00%
Chief Executive Officer			
Mr. Naim Anwar	1	390,500	0.36%
Associate Companies, Undertakings & Related Parties			
Weavers Pakistan (Private) Limited	1	7,121,477	6.61%
Elahi Noor Enterprises (Private) Limited	1	349,697	0.32%
KM Enterprises (Private) Limited	1	234,966	0.22%
NIT and ICP	-	-	0.00%
Banks, DFIs and NBFIs	-	-	0.00%
Public Sector Companies and Corporations	-	-	0.00%
Insurance Companies			
GHAF Limited	1	9,224	0.01%
Modaraba	-	-	0.00%
Mutual Funds	-	-	0.00%
General Public			
Local (Individuals)	2,763	82,480,671	76.59%
Foreign Companies / Organizations / Individuals	1	1,500.00	0.00%
Others			
Joint Stock Companies	24	15,815,894	14.69%
Pension Fund, Provident Fund, Trusts	3	1,276,112	1.18%
2,803	107,695,041	100.00%	
Shareholders Holding 5% or More Voting Interest			
Weavers Pakistan (Private) Limited	7,121,477	6.61%	

CATEGORIES OF SHAREHOLDERS			
Particulars	No. of Shareholders	No. of Shares	Percentage
Individuals	2,772	82,887,671	76.97%
Insurance Companies	1	9,224	0.01%
Public Sector Companies and Corporations	3	7,706,140	7.16%
Joint Stock Companies	24	15,815,894	14.69%
Pension Fund, Provident Fund, Trust and ot	3	1,276,112	1.18%
2,803	107,695,041	100%	

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HEAD OFFICE

2ND FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI P.O. BOX NO. 4616 KARACHI, PAKISTAN
PHONES: 32415471-3 FAX (92-21) 32415474

BRANCH NAME	ADDRESS	CONTACT NO
NADIR HOUSE	3RD FLOOR, NADIR HOUSE, I. I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
CENTRAL CORPORATE	3RD FLOOR, NADIR HOUSE, I. I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
LAHORE MAIN	OFFICE # 9, 4TH FLOOR, AL-HAFEEZ TOWER, M. M. ALAM ROAD, GULBERG III, LAHORE.	042-35785337-38
ISLAMABAD	OFFICE NO. 05, 2ND FLOOR, HAQ CENTER, D- BLOCK, 5TH ROAD, SATLLITE TOWN, RAWALPINDI.	0312-5595674
SIALKOT	SALEEM HOUSE NO 7., BOTA ROAD, MALIK SHAN STREET, PAKKA GHARHA, SIALKOT.	0300-6150051

Proxy Form

I/We _____

of _____ (full address)

being a member of Crescent Star Insurance hereby appoint _____

of _____

_____ (full address)

or failing him/her _____

of _____ (full address)

as my / our Proxy to attend and voice for me / us and on my / our behalf at the 69th Annual General Meeting of the Company to be held on 30th April, 2026 and at any adjournment thereof.

Signed this _____ of _____ 2026.
(day) (date, month)

Signature of Member: _____

Revenue Stamp

Folio Number: _____

Number of share held: _____

Witnesses:

1. _____

2. _____

Signature and Company Seal

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a Proxy to attend and vote instead of him / her.
2. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his / her attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A Proxy need not be a Member of the Company.
3. The instrument appointing a Proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Main Office of the Company at 2nd Floor, Nadir House, I.I. Chundrigar Road Karachi not later than 48 hours before the time of holding meeting, falling which, Proxy form will not be treated valid.
4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his / her National Identity Card with him / her as proof of his / her identity, and in case of Proxy, must enclose an attested copy of his / her National Identity Card. Representative of corporate entity, shall submit Board of Directors resolutions / power of attorney with specimen signature (unless it has been provided earlier) along with proxy form of the Company.

اختیاراتی فارم

میں / ہم

واقع (مکمل پتہ)

کرلسنٹ اسٹار انشورنس لمیٹڈ کے ممبر کی حیثیت سے جناب

واقع (مکمل پتہ)

اور انکی غیر موجودگی میں جناب

واقع (مکمل پتہ)

کو ہمارے نائب کی حیثیت سے اختیار دیتے ہیں کہ وہ میرے / ہماری جانب سے کمپنی کی 30 اپریل 2026 کو منعقد ہونے والی 69 ویں سالانہ جنرل میٹنگ میں شرکت کریں۔

دستخط کردہ: بروز _____ مورخہ _____ 2026

ریونیو اسٹیٹمپ

ممبر کے دستخط:

فولیو نمبر:

شیر کی تعداد:

دستخط اور کمپنی کی مہر

گواہان:

۱-

۲-

۱- ممبر کو اختیار ہے کہ وہ جنرل میٹنگ میں شرکت کر کے ووٹ دے اس کے علاوہ کسی اور کو نائب کے طور پر میٹنگ میں شرکت کے لئے تقرر کرے۔

۲- تقرر کرنے کے دستاویز کو تحریر میں لایا جائے گا جس پر تعین کرنے والا اور نائب اپنے دستخط کریں گے۔ اگر تقرر کرنے والا کارپوریشن ہے تو وہ اپنی مہر ثابت کریگا اور آفیسر یا اتارنی دستخط کریگا۔ نائب کے لئے یہ ضروری نہیں کہ وہ کمپنی کا ممبر ہو۔

۳- نائب تقرری کی دستاویز، پاور آف آٹارنی اگر کوئی ہو تو اس پر دستخط کر کے یا اس کی مصدقہ کاپی کو نوٹری سے تصدیق کروا کر کمپنی کے مین مرکزی آفس واقع دوسری منزل، نادر ہاؤس، آئی آئی چندریگر روڈ، کراچی میں میٹنگ کے وقت سے 48 گھنٹے قبل جمع کو آنا ہوگا۔ 48 گھنٹے بعد اختیاراتی فارم قبول نہیں کیا جائیگا۔

۴- کوئی بھی انفرادی مالک برائے سینٹرل ڈیپازٹری کمیٹی کو یہ حق حاصل ہے کہ وہ اس میٹنگ میں ووٹ دے لیکن اپنی شناخت کے لئے اپنے ساتھ شناختی کارڈ لائے اور نائب کی صورت میں اس کے شناختی کارڈ کی کاپی منسلک کرے۔ کسی ادارے کے نمائندے کی صورت میں قرارداد/ پاور آف آٹارنی، دستخط کے نمائندے کے ساتھ، بورڈ آف ڈائریکٹران کے پاس جمع کرائے جس کے ساتھ کمپنی کا اختیاراتی فارم بھی مست کیا جائے۔



Crescent Star Insurance Limited

ESTD: 1957

Head Office:

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