

THE CRESCENT STAR INSURANCE COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT JUNE 30, 2012

Note	(Un-Audited) June 30, 2012 ------(Rupees)-----	(Audited) December 31, 2011 ------(Rupees)-----
Share Capital and Reserves		
Authorised share capital 35,000,000 (December 2011: 35,000,000) ordinary shares of Rs. 10/- each	<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up 12,100,000 (December 2011: 12,100,000) ordinary shares of Rs. 10/- each	# <u>121,000,000</u>	<u>121,000,000</u>
Unappropriated loss	(64,593,038)	(62,928,478)
Reserve for exceptional losses	1,767,568	1,767,568
General reserves	<u>24,497,265</u>	<u>24,497,265</u>
	82,671,795	84,336,355
Surplus on Revaluation of Land	<u>21,107,500</u>	<u>21,107,500</u>
	103,779,295	105,443,855
Underwriting Provisions		
Provision for outstanding claims(including IBNR)	<u>35,148,104</u>	<u>36,830,460</u>
Provision for unearned premium	27,124,823	30,284,163
Commission income unearned	<u>3,079,061</u>	<u>4,013,053</u>
Total underwriting provision	65,351,989	71,127,676
Creditors and accruals		
Premium received in advance	<u>1,085,559</u>	<u>1,992,985</u>
Amount due to others insurers /reinsurers	17,084,482	20,174,219
Accrued expenses	1,293,202	1,680,700
Other creditors	<u>1,480,447</u>	<u>1,540,160</u>
	20,943,690	25,388,064
Other Liabilities		
Unclaimed Dividend	# <u>418,209</u>	<u>418,209</u>
TOTAL LIABILITIES	<u>86,713,887</u>	<u>96,933,949</u>
TOTAL EQUITY AND LIABILITIES	<u>190,493,182</u>	<u>202,377,804</u>

Contingencies and commitments 10

The annexed notes form an integral part of these condensed interim financial information.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

Note	(Un-Audited) June 30, 2012 ------(Rupees)-----	(Audited) December 31, 2011 ------(Rupees)-----
Cash and Bank Deposits		
Cash and other equivalents	<u>32,816</u>	<u>16,670</u>
Cash and other accounts with banks	4,563,245	5,454,819
Deposits maturing with in 12 months-		
Held-to-maturity	<u>5,318,009</u>	<u>4,985,274</u>
	9,914,070	10,456,763
Investments	7 19,146,401	24,105,918
Deferred taxation	13,543,178	13,543,178
Long term deposit	7.1 5,000,000	-
Other Assets		
Premium due but unpaid	<u>41,905,904</u>	<u>42,426,515</u>
Amount due from other insurers and reinsurers	19,441,205	25,672,399
Reinsurance recoveries against outstanding claims	16,865,788	16,538,342
Prepaid reinsurance premium ceded	<u>10,496,866</u>	<u>13,660,170</u>
Pre Payment	19,116	-
Accrued investment income	82,428	79,086
Advance Taxation	3,133,471	3,155,280
Deferred commision expense	4,741,593	5,323,531
Sundry receivables	8 <u>5,709,055</u>	<u>5,618,890</u>
	102,395,425	112,474,213
Fixed Assets	9	
Tangible		
Free hold land	<u>27,500,000</u>	<u>27,500,000</u>
Furniture and fixture	3,036,695	3,145,151
Office equipment	1,540,477	1,583,201
Computer and related equipment	352,673	414,548
Motor vehicle	<u>8,009,695</u>	<u>9,045,694</u>
Intangible		
Computer software	<u>54,569</u>	<u>109,138</u>
	40,494,108	41,797,732
TOTAL ASSETS	<u>190,493,182</u>	<u>202,377,804</u>

THE CRESCENT STAR INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012

	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous	Quarter ended	
					June 30, 2012 Aggregate	June 30, 2011 Aggregate
-----Rupees-----						
Revenue Account						
Net premium revenue	1,483,170	2,414,136	5,609,311	669,940	10,176,557	16,066,449
Net claims	(340,003)	(1,038,694)	(3,446,108)	(269,915)	(5,094,720)	(4,006,126)
	<u>1,143,167</u>	<u>1,375,442</u>	<u>2,163,203</u>	<u>400,025</u>	<u>5,081,837</u>	<u>12,060,323</u>
Management expenses	(1,483,282)	(1,275,828)	(1,512,941)	(481,904)	(4,753,955)	(7,396,613)
Net commission	700,771	434,756	(862,963)	(175,689)	96,875	(1,722,146)
	<u>(782,511)</u>	<u>(841,072)</u>	<u>(2,375,904)</u>	<u>(657,593)</u>	<u>(4,657,080)</u>	<u>(9,118,759)</u>
Underwriting result	360,656	534,369	(212,701)	(257,567)	424,757 #	2,941,565
Investment income					28,927	350,445
Gain on sale of fixed assets					322,115	229,793
Other income-net					16,602	23,704
General and administrative expense					(3,977,300)	(3,483,115)
(Loss)/Profit before tax					<u>(3,184,899)</u>	<u>62,392</u>
Taxation						
- Current					(13,042)	(212,992)
Loss after tax					<u>(3,197,941)</u>	<u>(150,600)</u>

	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous	Half year ended	
					June 30, 2012 Aggregate	June 30, 2011 Aggregate
-----Rupees-----						
Revenue Account						
Net premium revenue	3,174,678	5,291,930	11,108,759	1,439,817	21,015,184	31,859,509
Net claims	(724,344)	(1,143,803)	(5,921,491)	(342,409)	(8,132,047)	(9,229,159)
	<u>2,450,334</u>	<u>4,148,127</u>	<u>5,187,268</u>	<u>1,097,408</u>	<u>12,883,137 #</u>	<u>22,630,350</u>
Management expenses	(2,536,373)	(2,524,627)	(3,138,085)	(818,552)	(9,017,637)	(14,427,701)
Net commission	483,270	310,458	(1,745,513)	(320,724)	(1,272,509)	(3,359,462)
	<u>(2,053,103)</u>	<u>(2,214,169)</u>	<u>(4,883,598)</u>	<u>(1,139,276)</u>	<u>(10,290,146)</u>	<u>(17,787,163)</u>
Underwriting result	397,231	1,933,957	303,670	(41,867)	2,592,991 #	4,843,187

Investment income	1,274,650	5,136
Gain on sale of fixed assets	322,115	229,793
Other income-net	2,018,048	4,064,004
General and administrative expense	<u>(7,749,140)</u>	<u>(7,782,742)</u>
(Loss)/Profit before tax	<u>(1,541,336)</u>	<u>1,359,378</u>
Taxation		
- Current	(123,224)	(370,923)
(Loss)/Profit after tax	<u>(1,664,560)</u>	<u>988,455</u>
Balance at commencement of the year	(62,928,478)	(64,355,999)
(Loss)/Profit after tax for the period	(1,664,560)	988,455
Balance unappropriated loss at end of the period	<u>(64,593,038)</u>	<u>(63,367,544)</u>
Earning per share - Basic and diluted (Note 11)	<u>(0.14)</u>	<u>0.08</u>

The annexed notes form an integral part of these condensed interim financial information.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

This version of Total Excel Converter is unregistered

Tax Working

Underwriting Profit	2,592,991		
Less:			
General and administrative expense	(7,749,140)		
Profit on sale of fixed Assets	322,115		
	<u>(4,834,034)</u>	35	
<u>Investment Income:</u>			
Profit on Term Deposit	249,685	35	87,390
			87,390
Dividend Income	181,483	10	18,148
Capital Gain	(632,018)	Exempt	-
	<u>(5,034,884)</u>		<u>105,538</u>

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THE CRESCENT STAR INSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2012

	June 30, 2012	June 30, 2011
	------(Rupees)-----	
Operating Cash Flows		
a) Underwriting activities		
Premium received	34,090,394	50,976,800
Reinsurance premium paid	(10,316,601)	(27,757,318)
Claims paid	(16,197,190)	(20,274,575)
Reinsurance and other recoveries received	5,727,895	11,231,971
Commission paid	(4,627,655)	(7,067,305)
Commission received	3,790,462	4,825,714
Net cash inflows from underwriting activities	12,467,305	11,935,288
b) Other operating activities		
Income tax paid	(101,415)	(204,058)
General management expenses paid	(17,154,275)	(20,416,312)
Other operating receipts	2,603,205	1,207,764
Net cash flows from other operating activities	(14,652,484)	(19,412,606)
Total cash (outflow) from all operating activities	(2,185,179)	(7,477,318)
Investing activities		
Profit/return received	246,343	527,174
Dividend received	181,483	523,276
Payments for investments	(35,520)	(590,703)
Proceeds from disposal of investments	881,988	7,147,045
Fixed capital expenditure	(386,808)	(1,033,526)
Proceeds from disposal of fixed assets	755,000	504,201
Total cash inflow from investing activities	1,642,486	7,077,467
Total cash (outflow) from all activities	(542,693)	(399,851)
Add: Cash at beginning of the period	10,456,763	15,068,289
Cash at the end of the period	<u>9,914,070</u>	<u>14,668,437</u>
Reconciliation to the Profit and Loss Account		

	June 30, 2012	June 30, 2011
	----- (Rupees) -----	
Operating cash flows	(2,185,179)	(7,477,318)
Depreciation expense	(1,257,546)	(1,445,360)
Profit on disposal of fixed assets	322,115	229,793
Investment Income	1,274,650	5,137
Decrease in assets other than cash	(10,082,130)	(4,066,008)
Other Income	2,018,048	4,064,004
Decrease in liabilities other than running finance	8,245,482	9,678,210
Profit / (loss) after taxation	<u>(1,664,561)</u>	<u>988,456</u>

The annexed notes form an integral part of these condensed interim financial information.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

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THE CRESCENT STAR INSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2012

	Quarter ended		Half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	----- (Rupees) -----			
(Loss) / Profit after tax for the period	(3,197,941)	(150,600)	(1,664,560)	988,455
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(3,197,941)</u>	<u>(150,600)</u>	<u>(1,664,560)</u>	<u>988,455</u>

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Munir I. Millwala
 Chairman

Moiz Madrasswala
 Chief Executive

M.H. Millwala
 Director

Hussaini I. Millwala
 Director

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THE CRESCENT STAR INSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2012

	Capital Reserves		Revenue Reserves		Total
	Paid up share capital	Reserve for exceptional losses	General reserve	Retained earnings	
-----Rupees-----					
Balance as at January 01, 2011	121,000,000	1,767,568	24,497,265	(64,356,000)	82,908,833
Profit for the period	-	-	-	988,455	988,455
Balance as at June 30, 2011	121,000,000	1,767,568	24,497,265	(63,367,545)	83,897,288
Balance as at January 01, 2012	121,000,000	1,767,568	24,497,265	(62,928,478)	84,336,355
Loss for the period	-	-	-	(1,664,560)	(1,664,560)
Balance as at June 30, 2012	121,000,000	1,767,568	24,497,265	(64,593,038)	82,671,795

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M.H. Millwala
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Hussaini I. Millwala
Director

THE CRESCENT STAR INSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2012

Business underwritten inside Pakistan

Class	Premium				Reinsurance			Net Premium revenue		
	Premiums written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Quarter ended	
		Opening	Closing			Opening	Closing		June 30, 2012	June 30, 2011
-----Rupees-----										
Fire and property damage	5,665,006	10,374,902	10,414,830	5,625,078	3,153,352	8,138,207	7,149,651	4,141,908	1,483,170	4,447,589
Marine, aviation and transport	4,930,306	2,434,040	2,440,439	4,923,908	2,207,007	1,441,931	1,139,166	2,509,772	2,414,135	4,114,064
Motor	5,810,724	11,397,622	11,227,002	5,981,344	327,938	722,264	678,169	372,033	5,609,311	6,126,328
Miscellaneous	1,806,517	2,718,049	3,042,553	1,482,013	821,099	1,520,854	1,529,880	812,073	669,940	1,378,467
Sub total	18,212,553	26,924,613	27,124,824	18,012,342	6,509,396	11,823,256	10,496,866	7,835,786	10,176,556 ₨	16,066,448

Class	Premium				Reinsurance			Net Premium revenue		
	Premiums written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Half year ended	
		Opening	Closing			Opening	Closing		June 30, 2012	June 30, 2011
-----Rupees-----										
Fire and property damage	9,707,292	12,510,327	10,414,830	11,802,789	5,969,164	9,808,598	7,149,651	8,628,111	3,174,678	9,543,387
Marine, aviation and transport	9,717,296	3,313,134	2,440,439	10,589,991	5,132,524	1,304,703	1,139,166	5,298,061	5,291,930	7,032,477
Motor	11,987,670	11,352,875	11,227,002	12,113,542	889,876	793,076	678,169	1,004,783	11,108,759	12,351,937
Miscellaneous	3,064,951	3,107,827	3,042,553	3,130,225	1,466,494	1,753,793	1,529,880	1,690,407	1,439,817	2,931,708
Sub total	34,477,209	30,284,162	27,124,824	37,636,547	13,458,058	13,660,171	10,496,866	16,621,363	21,015,184 ₨	31,859,509

The annexed notes form an integral part of these condensed interim financial information.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

THE CRESCENT STAR INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012

Business underwritten inside Pakistan

Class	Claims paid	Outstanding claims		Claim expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net Claims expense	
		Opening	Closing			Opening	Closing		Quarter ended	June 30, 2012
Direct and facultative										
-----Rupees-----										
Fire and property damage	(1,425,000)	20,452,045	19,405,747	(2,471,298)	41,649	9,183,331	11,795,412	2,653,730	(5,125,028)	266,133
Marine, aviation and transport	(91,437)	3,764,707	6,762,529	2,906,385	10,671	1,673,548	3,720,742	2,057,865	848,520	926,268
Motor	(6,175,839)	7,474,485	6,586,587	(7,063,737)	-	550,000	550,000	-	(7,063,737)	2,872,343
Miscellaneous	(13,770)	1,920,791	2,393,241	458,680	22,875	601,604	799,634	220,905	237,775	(58,618)
Sub total	(7,706,046)	33,612,028	35,148,104	(6,169,970)	75,195	12,008,483	16,865,788	4,932,500 #	(11,102,470) †	4,006,126

Class	Claims paid	Outstanding claims		Claim expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net Claims expense	
		Opening	Closing			Opening	Closing		Half year ended	June 30, 2012
Direct and facultative										
-----Rupees-----										
Fire and property damage	-	20,191,019	19,405,747	(785,272)	3,871,614	12,011,611	11,795,412	3,655,415	(4,440,687)	1,393,351
Marine, aviation and transport	-	3,695,281	6,762,529	3,067,248	554,959	1,862,082	3,720,742	2,413,619	653,629	1,634,117
Motor	-	11,174,941	6,586,587	(4,588,354)	1,593,500	2,143,500	550,000	-	(4,588,354)	6,036,656
Miscellaneous	-	1,769,219	2,393,241	624,022	35,268	521,149	799,634	313,753	310,269	165,034
Sub total	-	36,830,460	35,148,104	(1,682,356)	6,055,341	16,538,342	16,865,788	6,382,787 #	(8,065,143) †	9,229,158

The annexed notes form an integral part of these condensed interim financial information.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

THE CRESCENT STAR INSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2012

Business underwritten inside Pakistan

Class	Commission paid or payable	Deferred Commission		Net Commission expenses	Other management expenses	Underwriting expenses	Commissions from re-insurers	Net Claims expense	
		Opening	Closing					Quarter ended	
								June 30, 2012	June 30, 2011
Direct and facultative									
-----Rupees-----									
Fire and property damage	1,086,541	2,074,980	2,082,966	1,078,555	1,483,282	2,561,837	1,344,324	1,217,513	1,811,265
Marine, aviation and transport	693,220	365,106	366,066	692,260	1,275,828	1,968,088	878,420	1,089,668	3,360,313
Motor	837,370	1,709,643	1,684,050	862,963	1,512,941	2,375,904	-	2,375,904	2,893,466
Miscellaneous	360,107	543,610	608,511	295,206	481,904	777,110	119,517	657,593	1,053,714
Sub Total	2,977,238	4,693,339	4,741,593	2,928,984	4,753,955	7,682,939	2,342,261 #	5,340,678 #	9,118,758

Class	Commission paid or payable	Deferred Commission		Net Commission expenses	Other management expenses	Underwriting expenses	Commissions from re-insurers	Net Claims expense	
		Opening	Closing					Half year ended	
								June 30, 2012	June 30, 2011
Direct and facultative									
-----Rupees-----									
Fire and property damage	1,849,614	2,502,065	2,082,966	2,268,713	2,536,373	4,805,086	2,751,983	2,053,103	5,009,578
Marine, aviation and transport	1,337,781	496,970	366,066	1,468,685	2,524,627	3,993,312	1,779,143	2,214,169	5,310,677
Motor	1,726,632	1,702,931	1,684,050	1,745,513	3,138,085	4,883,598	-	4,883,598	6,051,993
Miscellaneous	615,965	621,565	608,511	629,019	818,552	1,447,571	308,295	1,139,276	1,414,915
Sub Total	5,529,992	5,323,531	4,741,593	6,111,930	9,017,637	15,129,567	4,839,421 #	10,290,146 #	17,787,163

The annexed notes form an integral part of these condensed interim financial information.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

THE CRESCENT STAR INSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2012

	Quarter ended		Half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Income from Non-Trading Investments				
Held-to-maturity				
Return on fixed income securities and deposits	94,745	240,478	249,685	527,174
	<u>94,745</u>	<u>240,478</u>	<u>249,685</u>	<u>527,174</u>
Available-for-sale				
Dividend income	163,525	523,276	181,483	523,276
Loss on sale on available-for -sale investments	(229,343)	(534,814)	(632,018)	(4,698,644)
	(65,818)	(11,538)	(450,535)	(4,175,368)
Appreciation in value of available for sale investments-net	-	121,506	1,475,500	3,653,331
Net investment income	<u>28,927</u>	<u>350,446</u>	<u>1,274,650</u>	<u>5,137</u>

The annexed notes form an integral part of these condensed interim financial information.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

THE CRESCENT STAR INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED JUNE 30, 2012
(UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

The Crescent Star Insurance Company Limited (the Company) was incorporated as a Public Limited Company in the year 1957 under the Companies Act, 1913 (now the Companies Ordinance, 1984) and registered as a non life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. It is engaged in providing all classes of non-life insurance business. The Company is listed on the Karachi and Lahore Stock Exchanges and is situated at 2nd floor, Nadir House, I.I. Chundrigar Road, Karachi.

The company has paid up capital of Rs. 121 million, however as per the circular No.3 of 2007 dated 10th April 2007 of the SECP, paid up capital of the company should be Rs. 300 million as at December 31, 2011. The SECP has served a show cause notice to the company and its directors dated 1st February 2012 in which it has enquired the reason for the non-compliance and about its future strategy to comply with the regulation. The SECP has also laid down actions to cease the company to entering into new contracts of insurance in case of continuous default. The company has responded this vide a letter dated 24th February 2012.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the six months period ended June 30, 2012 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2011.

Further, during the period, following new / revised standards became effective:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 7 - Financial Instruments: Disclosures - (Amendment)	July 01, 2011
IAS 12 - Income Taxes (Amendment) - Recovery of underlying assets	January 01, 2012

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention

This condensed interim financial information has been prepared using the accrual basis of accounting except for cash flow information.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these interim condensed financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2011.

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2011. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2011.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company for the year ended December 31, 2011

	Note	June 30, 2011	December 31, 2011
		-----Rupees-----	
		(Unaudited)	(Audited)
7. INVESTMENTS			
Held to maturity			
Government securities	7.1	-	5,000,000
Available for sale			
Quoted equity securities / mutual funds	7.2	42,209,396	43,644,413
Less: Provision for impairment in value of investments		(23,062,995)	(24,538,495)
		19,146,401	19,105,918
Unquoted equity securities		30,000	30,000
Less: Provision for impairment in value of investments		(30,000)	(30,000)
		-	-
		<u>19,146,401</u>	<u>24,105,918</u>

7.1 These included Pakistan Investment Bonds amounted to Rs. Nil (December 2011: 5.00 million) were 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 and upon maturity are currently classified as Long term deposit.

7.2 These include securities amounting to Rs. 7.35 million (December 2011: 7.35 million) 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. SUNDRY RECEIVABLES

To Employees	212,300	126,200
Commission advance	5,113,609	4,407,744
Deposits	295,146	380,146
Others	88,000	704,800
	<u>5,709,055</u>	<u>5,618,890</u>

9. FIXED ASSETS

The details of additions and disposals during the six months period ended June 30, 2012 are as follows:

	Additions (at cost)		Disposals (at net book value)	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
-----Rupees-----				
Tangible				
Furniture and fixture	51,370	116,215	-	-
Office equipment	36,640	76,425	-	-
Computer and related equipment	-	3,730	-	-
Motor vehicle	298,799	837,156	432,885	274,408
Intangible				
Computer software	-	-	-	-
	<u>386,809</u>	<u>1,033,526</u>	<u>432,885</u>	<u>274,408</u>

10. CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

The Company is a defendant in certain law suits pending in various court of law aggregation to Rs.5.795 million (2011: Rs.5.795 million). The Management believes that the outcome of above lawsuits will be in favour of the Company and, accordingly, no provision for the same has been made in these condensed interim financial statements.

10.2 COMMITMENTS

There were no commitments as at June 30, 2012 (December 31, 2011: Rs. Nil)

11. EARNING / (LOSS) PER SHARE

Basic earnings / (loss) are calculated by dividing the net profit / (loss) for the period by weighted average number of shares as at the period end as follows:

	Quarter ended		Half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	-----Rupees-----			
(Loss) / Profit after tax for the period	<u>(3,197,941)</u>	<u>(150,600)</u>	<u>(1,664,560)</u>	<u>988,455</u>
	-----Number-----			
Weighted average number of shares of Rs. 10 each	<u>12,100,000</u>	<u>12,100,000</u>	<u>12,100,000</u>	<u>12,100,000</u>
	-----Rupees-----			
Basic (loss) / earnings per share	<u>(0.26)</u>	<u>(0.01)</u>	<u>(0.14)</u>	<u>0.08</u>

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of Company comprise of directors, entities with common directors, major shareholders and entities owned by such shareholders and key management personnel. Material transactions with related parties under the normal terms of employment, are given below:

	June 30, 2012	June 30, 2011
	-----Rupees----- (Unaudited)	
Premium underwritten	<u>274,721</u>	<u>229,753</u>
Provident fund contribution	<u>7,200</u>	<u>11,760</u>

13. SEGMENT REPORTING

	June 30, 2012			December 31, 2011		
	(Unaudited)			(Audited)		
	Segment assets	Unallocated assets	Total assets	Segment assets	Unallocated assets	Total assets
	------(Rupees)-----					
Fire and property	21,028,029	-	21,028,029	24,322,274	-	24,322,274
Marine and transport	5,225,973	-	5,225,973	3,663,755	-	3,663,755
Motor	2,912,219	-	2,912,219	4,639,507	-	4,639,507
Miscellaneous	2,938,024	-	2,938,024	2,896,507	-	2,896,507
Unallocated	-	144,845,758	144,845,758	-	153,312,583	153,312,583
	<u>32,104,246</u>	<u>144,845,758</u>	<u>176,950,004</u>	<u>35,522,043</u>	<u>153,312,583</u>	<u>188,834,626</u>

	June 30, 2012			December 31, 2011		
	(Unaudited)			(Audited)		
	Segment liabilities	Unallocated liabilities	Total liabilities	Segment liabilities	Unallocated liabilities	Total liabilities
	----- (Rupees) -----					
Fire and property	29,820,577	-	29,820,577	35,643,925	-	35,643,925
Marine and transport	9,202,968	-	9,202,968	7,465,061	-	7,465,061
Motor	17,813,589	-	17,813,589	22,527,816	-	22,527,816
Miscellaneous	5,435,794	-	5,435,794	5,490,874	-	5,490,874
Unallocated	-	24,440,960	24,440,960	-	25,806,273	25,806,273
	<u>62,272,928</u>	<u>24,440,960</u>	<u>86,713,888</u>	<u>71,127,676</u>	<u>25,806,273</u>	<u>96,933,949</u>

14. AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors of the Company on _____.

15. GENERAL

15.1 Figures have been rounded off to the nearest thousand rupee.

15.2 Figures for the quarter ended June 30, 2012 and the corresponding figures for the quarter and the half year ended June 30, 2011 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

Munir I. Millwala
Chairman

Moiz Madrasswala
Chief Executive

M.H. Millwala
Director

Hussaini I. Millwala
Director

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14.

2012 (Number of shares)	2011		2012	2011
9,133,453	9,133,453	Ordinary shares of Rs.10 each fully paid in cash	91,334,530	91,334,530
2,966,547	2,966,547	Ordinary shares of Rs.10 each issued as fully paid bonus shares	29,665,470	29,665,470
<u>12,100,000</u>	<u>12,100,000</u>		<u>########</u>	<u>121,000,000</u>

15. RESERVES

Reserve for exceptional losses	1,767,568	1,767,568
General reserve	24,497,265	24,497,265
	<u>26,264,833</u>	<u>26,264,833</u>

15.1

The reserve for exceptional losses represents the amount set aside in prior years upto December 31, 1978, in order to avail the deduction while computing the taxable income under the old Income Tax Act of 1922. Subsequent to the introduction of repealed I

16. SURPLUS ON REVALUATION OF FIXED ASSETS

Balance as at January 01	21,107,500	-
Surplus for the period	-	21,107,500
Balance as at March 31	<u>21,107,500</u>	<u>21,107,500</u>

17. AMOUNTS DUE TO OTHER INSURERS / REINSURERS

Foreign reinsurers	6,733,024	6,733,072
Local reinsurers	8,624,048	9,596,762
Co-insurers	5,754,801	3,844,385
	<u>21,111,873</u>	<u>20,174,219</u>

18. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	76,980	73,447
Federal excise duty	1,089,422	975,238
Withholding tax	296,500	491,475
	<u>1,462,902</u>	<u>1,540,160</u>

2012 2011
----- (Rupees)

19. CASH AND OTHER EQUIVALENTS

Cash and other equivalents

Cash in hand	27,657	15,301
Policy stamps	5,159	1,369
	32,816	16,670

20. CURRENT AND OTHER ACCOUNTS WITH BANKS

Current accounts	4,545,809	5,437,584
PLS savings accounts	17,436	17,235
	4,563,245	5,454,819

20.1 This includes Rs. 0.4 million (2009: Rs. 0.4 million) 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.

21. DEPOSITS MATURING WITHIN 12 MONTHS

Term deposits	5,318,009	6,812,523
	9,914,070	12,284,012

22. INVESTMENTS

Held to maturity	5,633,766	12,353,886	12,553,886
Available for sale		11,792,515	17,185,798
		24,146,401	29,739,684

22.1 Held to maturity

Government securities/Cash	5,000,000	5,200,000	
Arif Habib Investment	7,353,886	7,353,886	
	12,353,886	12,553,886	

22.2 Available for sale

Quoted shares	11,792,515	17,185,798	
	24,146,401	29,739,684	

Held to maturity

22.1.1 Government securities

Pakistan Investment Bonds/Cash	5,000,000	5,000,000	
	5,000,000	5,000,000	

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 30-08-2012

24. GENERAL

Figures have been rounded off to the nearest rupee.

Munir I.Millwala
Chairman & CEO

M.H. Millwala
Director

Fayyaz F. Millwala
Director

Hussaini I.Millwala
Director

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