

**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**INTERIM CONDENCED BALANCE SHEET AS AT 30TH SEPTEMBER 2012 (UN-AUDITED)**

	Un-Audited 2012 RUPEES	Audited 2011 RUPEES		Un-Audited 2012 RUPEES	Audited 2011 RUPEES
<b>Share Capital and Reserves</b>			<b>Cash and Bank Deposits</b>		
<b>Authorised Capital</b>	<u>350,000,000</u>	<u>350,000,000</u>	Cash and other equivalents	164,909	16,670
Issued, subscribed and paid-up	121,000,000	121,000,000	Cash and other accounts with banks	2,838,251	5,454,819
Share premium	(68,314,716)	(62,928,478)	Deposits maturing with in 12 months- Held-to-maturity	5,250,000	4,985,274
Unappropriated profit	1,767,568	1,767,568	Total cash and bank deposits	8,253,160	10,456,763
Reserve for exceptional losses	24,497,265	24,497,265	<b>Investments</b>	18,308,316	24,105,918
General reserves	78,950,117	84,336,355	<b>Long term Deposit</b>	5,000,000	-
			<b>Deferred taxation</b>	13,543,178	13,543,178
Surplus on Revaluation of Land	<u>21,107,500</u>	<u>21,107,500</u>	<b>Other Assets</b>		
	100,057,617	105,443,855	Premium due but unpaid	40,086,219	42,426,515
<b>Underwriting Provisions</b>			Amount due from other insurers and reinsurers	19,833,305	25,672,399
Provision for outstanding claims(including IBNR)	35,560,202	36,830,460	Reinsurance recoveries against outstanding claims	17,779,929	16,538,342
Provision for unearned premium	24,042,671	30,284,163	Prepaid reinsurance premium ceded	9,041,048	13,660,170
Commission income unearned	2,650,337	4,013,053	Pre Payment	-	-
Premium deficiency Reserve	-	-	Accrued investment income	58,009	79,086
Total underwriting provision	62,253,210	71,127,676	Advance Taxation	3,116,213	3,155,280
<b>Deferred taxation</b>	-	-	Deferred commission expense	4,165,120	5,323,531
<b>Creditors and accruals</b>			Sundry receivables	5,578,861	5,618,890
Premium received in advance	1,732,667	1,992,985		99,658,704	112,474,213
Amount due to others insurers /reinsurers	18,829,951	20,174,219	<b>Fixed Assets</b>		
Accrued expenses	597,356	1,680,700	<b>Tangible</b>		
Provision for Taxation	979,056	1,540,160	Free hold land	27,500,000	27,500,000
Other creditors	22,139,030	25,388,064	Furniture and fixture	2,956,781	3,145,151
<b>Other Liabilities</b>			Office equipment	1,500,795	1,583,201
Unclaimed Dividend	-	418,209	Computer and related equipment	321,735	414,548
<b>TOTAL LIABILITIES</b>	<u>84,392,240</u>	<u>96,933,949</u>	Motor vehicle	7,379,903	9,045,694
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>184,449,857</u>	<u>202,377,804</u>	<b>Intangible</b>		
			Computer software	27,284	109,138
				39,686,499	41,797,732
			<b>TOTAL ASSETS</b>	<u>184,449,857</u>	<u>202,377,804</u>

Munir I. Millwala  
Chairman

Moiz Madrasswala Moiz Madrasswala  
Chief Executive Chief Executive

M.H. Millwala  
Director

Hussaini I.Millwala  
Director

**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous	Quarter ended	
					Sept 30, 2012 Aggregate	Sept 30, 2011 Aggregate
-----Rupees-----						
<b>Revenue Account</b>						
Net premium revenue	1,516,615	2,574,514	5,417,504	754,775	<b>10,263,407</b>	10,878,136
Net claims	(1,000,725)	(808,764)	(2,986,489)	(94,500)	<b>(4,890,478)</b>	(2,804,320)
Premium deficiency Reserve	-	-	-	-	-	-
Management expenses	(1,741,973)	(2,246,582)	(2,365,225)	(503,096)	<b>(6,856,875)</b>	(5,633,818)
Net commission	132,747	148,290	(864,833)	(152,727)	<b>(736,523)</b>	(478,034)
	<b>(2,609,951)</b>	<b>(2,907,055)</b>	<b>(6,216,546)</b>	<b>(750,323)</b>	<b>(12,483,876)</b>	<b>(8,916,172)</b>
<b>Underwriting result</b>	<b>(1,093,336)</b>	<b>(332,542)</b>	<b>(799,042)</b>	<b>4,452</b>	<b>(2,220,469)</b>	<b>1,961,964</b>
Investment income					<b>119,950</b>	1,365,437
Gain on sale of fixed assets					<b>382,245</b>	393,418
Other income-net					<b>506,186</b>	10,689
General and administrative expense					<b>(2,451,170)</b>	(4,395,654)
<b>(Loss)/Profit before tax</b>					<b>(3,663,258)</b>	<b>(664,146)</b>
<b>Taxation</b>						
Current					<b>(58,421)</b>	(115,893)
Deferred						
<b>(Loss)/Profit after tax</b>					<b>(3,721,679)</b>	<b>(780,039)</b>

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**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous	3rd Quarter ended	
					Sept 30, 2012 Aggregate	Sept 30, 2011 Aggregate
-----Rupees-----						
<b>Revenue Account</b>						
Net premium revenue	4,691,293	7,866,444	16,526,263	2,194,592	<b>31,278,591</b>	42,737,646
Net claims	(1,725,069)	(1,952,567)	(8,907,980)	(436,909)	<b>(13,022,525)</b>	(12,033,478)
Premium deficiency Reserve			-		-	
Management expenses	(4,278,346)	(4,771,209)	(5,503,310)	(1,321,648)	<b>(15,874,512)</b>	(20,061,519)
Net commission	616,017	458,748	(2,610,346)	(473,451)	<b>(2,009,032)</b>	(3,837,497)
	<b>(5,387,398)</b>	<b>(6,265,027)</b>	<b>(17,021,635)</b>	<b>(2,232,008)</b>	<b>(30,906,069)</b>	<b>(35,932,494)</b>
<b>Underwriting result</b>	<b>(696,105)</b>	<b>1,601,416</b>	<b>(495,372)</b>	<b>(37,416)</b>	<b>372,522</b>	<b>6,805,152</b>
Investment income					<b>1,394,600</b>	1,370,573
Gain on sale of fixed assets					<b>704,360</b>	623,211
Other income-net					<b>2,524,234</b>	4,074,693
General and administrative expense					<b>(10,200,310)</b>	(12,178,396)
<b>(Loss)/Profit before tax</b>					<b>(5,204,594)</b>	<b>695,233</b>
<b>Taxation</b>						
Current					<b>(181,645)</b>	(486,816)
Deferred						
<b>(Loss)/Profit after tax</b>					<b>(5,386,239)</b>	<b>208,417</b>

**Profit and loss appropriation account**

Balance at commencement of the year	<b>(62,928,478)</b>	(64,355,999)
(Loss)/Profit after tax for the period	<b>(5,386,239)</b>	208,417
<b>Balance unappropriated (loss)/profit at end of the period</b>	<b><u>(68,314,717)</u></b>	<b><u>(64,147,582)</u></b>
<b>Basic earnings per share</b>	<b><u>(0.45)</u></b>	<b><u>0.02</u></b>

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**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE 3RD QUARTER ENDED 30, SEPTEMBER 2012**

<b>Operating Cash Flows</b>	<b>2012</b>	<b>2011</b>
a) Underwriting activities	<b>Rupees</b>	<b>Rupees</b>
Premium received	50,947,281	67,796,629
Reinsurance premium paid	(14,716,254)	(38,319,286)
Claims paid	(24,256,163)	(25,954,233)
Reinsurance and other recoveries received	8,721,793	15,264,593
Commission paid	(6,689,649)	(8,688,020)
Commission received	5,634,723	7,034,873
Net cash inflows from underwriting activities	<b>19,641,730</b>	<b>17,134,556</b>
b) Other operating activities		
Income tax paid	39,067	(255,145)
General management expenses paid	(25,814,987)	(31,484,845)
Other operating receipts	(40,029)	379,039
Net cash flows from other operating activities	<b>(25,815,949)</b>	<b>(31,360,950)</b>
<b>Total cash inflows from all operating activities</b>	<b>(6,174,219)</b>	<b>(14,226,394)</b>
<b>Investing activities</b>		
Profit/return received	1,142,081	830,779
Dividend received	252,519	1,594,399
Payments for investments	(35,540)	(720,703)
Proceeds from disposal of investments	1,670,364	7,234,088
Fixed capital expenditure	(428,809)	(2,445,026)
Proceeds from disposal of fixed assets	1,370,000	1,054,201
<b>Total cash (outflows) from investing activities</b>	<b>3,970,615</b>	<b>7,547,738</b>
<b>Financing activities</b>		
Right Share	-	-
Dividend Paid	-	-
<b>Total cash (outflow) from all activities</b>	<b>(2,203,603)</b>	<b>(6,678,656)</b>
<b>Add: Cash at beginning of the year</b>	<b>10,456,763</b>	<b>15,068,288</b>
<b>Cash at the end of the Quarter</b>	<b>8,253,160</b>	<b>8,389,632</b>
Operating cash flows	(6,174,219)	(14,226,394)
Depreciation expense	(1,874,400)	(2,265,605)
Profit/(Loss) on disposal of fixed assets	704,360	623,211
Investment Income	1,394,600	1,370,573

	Increase in assets other than cash	12,815,509	(5,763,171)
	Increase in liabilities other than running finance	<u>(12,252,088)</u>	<u>20,469,803</u>
<b>Profit after taxation</b>		<u><b>(5,386,238)</b></u>	<u><b>208,417</b></u>

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**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**INTERIM CONDENSED STATEMENT OF PREMIUMS (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

Business underwritten inside Pakistan

Class	Premium			Premium earned Rupees	Reinsurance			Reinsurance expense Rupees	2012	2011	
	Premium written Rupees	Unearned premium reserve			Reinsurance ceded Rupees	Prepaid reinsurance premium ceded			Net Premium Revenue Aggregate	Net Premium Revenue Aggregate	
		Opening Rupees	Closing Rupees			Opening Rupees	Closing Rupees				
Direct and facultative											
Fire and property damage	3,473,474	10,414,830	8,632,967	5,255,337	2,345,153	7,149,651	5,756,081	3,738,723	1,516,614	1,753,944	
Marine, aviation and transport	5,054,680	2,440,439	2,470,930	5,024,189	2,671,635	1,139,166	1,361,126	2,449,675	2,574,514	4,865,062	
Motor	4,947,593	11,227,002	10,397,343	5,777,252	327,938	678,169	646,359	359,748	5,417,504	4,139,009	
Miscellaneous	914,347	3,042,553	2,541,431	1,415,469	408,296	1,529,880	1,277,482	660,694	754,775	120,120	
<b>Sub total</b>	<b>14,390,094</b>	<b>27,124,824</b>	<b>24,042,671</b>	<b>17,472,247</b>	<b>5,753,022</b>	<b>10,496,866</b>	<b>9,041,048</b>	<b>7,208,840</b>	<b>10,263,407</b>	<b>-</b>	<b>10,878,135</b>

**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

Business underwritten inside Pakistan

Class	Premium			Premium earned Rupees	Reinsurance			Reinsurance expense Rupees	Nine Months Period Ended		
	Premium written Rupees	Unearned premium reserve			Reinsurance ceded Rupees	Prepaid reinsurance premium ceded			Net Premium Revenue Aggregate	Net Premium Revenue Aggregate	
		Opening Rupees	Closing Rupees			Opening Rupees	Closing Rupees				
Direct and facultative											
Fire and property damage	13,180,766	12,510,327	8,632,967	17,058,127	8,314,317	9,808,598	5,756,081	12,366,834	4,691,293	11,297,332	
Marine, aviation and transport	14,771,976	3,313,134	2,470,930	15,614,179	7,804,159	1,304,703	1,361,126	7,747,736	7,866,444	11,897,539	
Motor	16,935,263	11,352,875	10,397,343	17,890,795	1,217,814	793,076	646,359	1,364,532	16,526,263	16,490,946	
Miscellaneous	3,979,298	3,107,827	2,541,431	4,545,693	1,874,790	1,753,793	1,277,482	2,351,101	2,194,592	3,051,828	
<b>Sub total</b>	<b>48,867,303</b>	<b>30,284,162</b>	<b>24,042,671</b>	<b>55,108,794</b>	<b>19,211,080</b>	<b>13,660,171</b>	<b>9,041,048</b>	<b>23,830,203</b>	<b>31,278,591</b>	<b>-</b>	<b>42,737,645</b>

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**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**INTERIM CONDENSED STATEMENT OF CLAIMS (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

**Business underwritten inside Pakistan**

Class

Direct and facultative

	Claims paid	Outstanding claims		Claims expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Three Months Period Ended	
		Opening	Closing			Opening	Closing		2012 Net Claims expenses Aggregate	2011 Net Claims expenses Aggregate
-----Rupees-----										
Fire and property damage	4,850,108	19,405,747	16,264,297	1,708,658	515,044	11,795,412	11,988,301	707,933	1,000,725	129,684
transport	1,170,433	6,762,529	8,973,020	3,380,924	2,151,408	3,720,742	4,141,494	2,572,160	808,764	21,647
Motor	1,998,932	6,586,587	7,789,144	3,201,489	-	550,000	765,000	215,000	2,986,489	2,503,023
Miscellaneous	39,500	2,393,241	2,533,741	180,000	-	799,634	885,134	85,500	94,500	149,966
<b>Sub total</b>	<b>8,058,973</b>	<b>35,148,104</b>	<b>35,560,202</b>	<b>8,471,071</b>	<b>2,666,452</b>	<b>16,865,788</b>	<b>17,779,929</b>	<b>3,580,593</b>	<b>4,890,478</b>	<b>2,804,320</b>

**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

**Business underwritten inside Pakistan**

Class

Direct and facultative

	Claims paid	Outstanding claims		Claims expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Nine Months Period Ended	
		Opening	Closing			Opening	Closing		2012 Net Claims expenses Aggregate	2011 Net Claims expenses Aggregate
-----Rupees-----										
Fire and property damage	10,015,139	20,191,019	16,264,297	6,088,417	4,386,658	12,011,611	11,988,301	4,363,348	1,725,069	1,523,035
transport	1,660,607	3,695,281	8,973,020	6,938,346	2,706,367	1,862,082	4,141,494	4,985,779	1,952,567	1,655,764
Motor	12,508,777	11,174,941	7,789,144	9,122,980	1,593,500	2,143,500	765,000	215,000	8,907,980	8,539,679
Miscellaneous	71,640	1,769,219	2,533,741	836,162	35,268	521,149	885,134	399,253	436,909	315,000
<b>Sub total</b>	<b>24,256,163</b>	<b>36,830,460</b>	<b>35,560,202</b>	<b>22,985,905</b>	<b>8,721,793</b>	<b>16,538,342</b>	<b>17,779,929</b>	<b>9,963,380</b>	<b>13,022,525</b>	<b>12,033,478</b>

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**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**INTERIM CONDENSED STATEMENT OF EXPENSES (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

Business underwritten inside Pakistan

Class	Commission paid or payable	Opening deferred commission	Closing deferred commission	Net commission expenses	Other management expenses	Underwriting expenses	Commissions from re-insurers	Three Months Period Ended				
								2012 Net Underwriting Expense	2011 Net Underwriting Expense			
Direct and facultative					Rupees							
Fire and property damage	680,604	2,082,966	1,726,593	1,036,977	1,741,973	2,778,950	1,169,724	1,609,226	2,153,714			
Marine, aviation and transport	713,669	366,066	370,640	709,095	2,246,582	2,955,677	857,386	2,098,291	1,030,525			
Motor	740,384	1,684,050	1,559,601	864,833	2,365,225	3,230,057	-	3,230,057	2,578,362			
Miscellaneous	183,411	608,511	508,286	283,636	503,096	786,732	130,908	655,823	349,251			
Sub Total	<b>2,318,068</b>	<b>4,741,593</b>	<b>4,165,120</b>	<b>2,894,541</b>	<b>6,856,875</b>	<b>9,751,416</b>	-	<b>2,158,018</b>	-	<b>7,593,398</b>	-	<b>6,111,852</b>

**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

Business underwritten inside Pakistan

Class	Commission paid or payable	Opening deferred commission	Closing deferred commission	Net commission expenses	Other management expenses	Underwriting expenses	Commissions from re-insurers	Nine Months Period Ended				
								2012 Net Underwriting Expense	2011 Net Underwriting Expense			
Direct and facultative					Rupees							
Fire and property damage	2,530,218	2,502,065	1,726,593	3,305,690	4,278,346	7,584,036	3,921,707	3,662,329	7,163,292			
Marine, aviation and transport	2,051,450	496,970	370,640	2,177,780	4,771,209	6,948,989	2,636,529	4,312,460	6,341,202			
Motor	2,467,016	1,702,931	1,559,601	2,610,346	5,503,310	8,113,655	-	8,113,655	8,630,356			
Miscellaneous	799,376	621,565	508,286	912,655	1,321,648	2,234,303	439,203	1,795,099	1,764,166			
Sub Total	<b>7,848,060</b>	<b>5,323,531</b>	<b>4,165,120</b>	<b>9,006,471</b>	<b>15,874,512</b>	<b>24,880,983</b>	-	<b>6,997,439</b>	-	<b>17,883,544</b>	-	<b>23,899,016</b>

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Director

Hussaini I. Millwala  
Director



**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

	Quarter ended		3rd Quarter ended	
	Sept 30, 2012	Sept 30, 2011	Sept 30, 2012	Sept 30, 2011
<b>Income from Non-Trading Investments</b>				
<b>Held-to-maturity</b>				
Return on government securities				
Return on fixed income securities and deposits	<u>53,535</u>	<u>303,605</u>	<u>303,220</u>	<u>830,779</u>
	<b>53,535</b>	<b>303,605</b>	<b>303,220</b>	<b>830,779</b>
<b>Available-for-sale</b>				
Dividend income	<u>71,036</u>	<u>1,071,123</u>	<u>252,519</u>	<u>1,594,399</u>
(Loss)/Gain on sale on available-for-sale investments	<u>(4,621)</u>	<u>(9,292)</u>	<u>(636,639)</u>	<u>(4,707,936)</u>
	<b>66,415</b>	<b>1,061,831</b>	<b>(384,120)</b>	<b>(3,113,537)</b>
Provision for impairment in value of available for sale investments-net	-		<b>1,475,500</b>	<b>3,653,331</b>
<b>Net investment income</b>	<u><u>119,950</u></u>	<u><u>1,365,436</u></u>	<u><u>1,394,600</u></u>	<u><u>1,370,573</u></u>

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**THE CRESCENT STAR INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2012**

	Share capital	Capital Reserves	Revenue Reserves		Total
	Issued	Reserve for	General	Retained	
	subscribed and	exceptional			
	paid-up Capital	losses	reserve	earnings	
-----Rupees-----					
<b>Balance as at January 01, 2011</b>	<b>121,000,000</b>	<b>1,767,568</b>	<b>24,497,265</b>	<b>(64,356,000)</b>	<b>82,908,833</b>
Profit/(Loss) for the year				<b>1,427,522</b>	<b>1,427,522</b>
<b>Balance as at December 31, 2011</b>	<b>121,000,000</b>	<b>1,767,568</b>	<b>24,497,265</b>	<b>(62,928,478)</b>	<b>84,336,355</b>
Profit/(Loss) for the period				<b>(5,386,238)</b>	<b>(5,386,238)</b>
<b>Balance as at March 31, 2012</b>	<b>121,000,000</b>	<b>1,767,568</b>	<b>24,497,265</b>	<b>(68,314,716)</b>	<b>78,950,117</b>
Munir I. Millwala	Moiz Madrasswala	M.H. Millwala	Hussaini I. Millwala		
Chairman	Chief Executive	Director	Director		

This version of Total Excel Converter is unregistered.

THE CRESCENT STAR INSURANCE COMPANY LIMITED  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE 3RD QUARTER ENDED SEPTEMBER 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.

Exchanges. The Company is engaged in the general Insurance business.

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 nine months period ended, September 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	Sept 30, 2012	December 31, 2011
		-----Rupees-----	
		(Unaudited)	(Audited)
<b>7. INVESTMENTS</b>			
Held to maturity			
Government securities	7.1	5,400,000	5,400,000
Arif Habib Investment	7.2	7,353,886	7,353,886
		7,353,886	12,753,886
Available for sale			
Quoted equity securities / mutual funds		34,017,425	36,290,527
Less: Provision for impairment in value of investments		(23,062,995)	(24,538,495)
		10,954,430	11,752,032
Unquoted equity securities			
Less: Provision for impairment in value of investments		30,000	30,000
		(30,000)	(30,000)
		-	-
		<u>18,308,316</u>	<u>24,505,918</u>

7.1 These included Cash deposits of Rs.5.00 million (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 Arif Habib Investment securities of 130,551.5715 units amounting to Rs. 6.917 million (December 2011: 6.917 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. Further Arif Habib Investment company has issued 61,100.488 bonus units, increasing the total units to 191,652.0595. The repurchase price of these units as on 5th September 2012, according to statement of account issued by the AHIC was Rs. 10,117,312.22 The difference of Rs. 3,199,847.34 is not booked in the accounts.

8. SUNDRY RECEIVABLES

To Employees	258,600	126,200
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Against purchase of Shares	-	-
Commission advance	4,937,115	4,407,744
Deposits	295,146	380,146
Others	88,000	704,800
	<u>5,578,861</u>	<u>5,618,890</u>

## 9. FIXED ASSETS

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

	Additions (at cost)		Disposals (at net book value)	
	Sept 30, 2012	Sept 30, 2011	Sept 30, 2012	Sept 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	340,799	2,248,656	665,640	430,990
Intangible				
Computer software	-	-	-	-
	<u>428,809</u>	<u>2,445,026</u>	<u>665,640</u>	<u>430,990</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 prov

### 10.2 COMMITMENTS

There were no commitments as at September 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		3rd Quarter ended	
	Sept 30, 2012	Sept 30, 2011	Sept 30, 2012	Sept 30, 2011
	-----Rupees-----			
(Loss) / Profit after tax for the period	<u>(4,139,909)</u>	<u>(780,040)</u>	<u>(5,804,469)</u>	<u>208,417</u>
	-----Number-----			

Weighted average number of shares  
of Rs. 10 each

12,100,000      12,100,000      12,100,000      12,100,000

-----Rupees-----

Basic (loss) / earnings per share

(0.34)      (0.06)      (0.48)      0.02

## 12 AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors of the Company on 31st October 2012.

## 13 GENERAL

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

13.2 Figures for the quarter ended September 30, 2012 and the corresponding figures for the quarter and the 3rd quarter ended September 30, 2011 as reported in these condensed interim financial statements have not been subject to limited scope review by the external audit

Munir I. Millwala  
Chairman

Moiz Madrasswala  
Chief Executive

M.H. Millwala  
Director

Hussaini I. Millwala  
Director

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