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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, prudent financial planning and maintaining reinsurance arrangements with world-class reinsurers.
- To ensure profitability to our reinsurers who afford us underwriting capacity.
- 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 (Managing Director & CEO) Mr. Sakib Berjees Mr. Mudassar Zubair Mirza Syed Adnan Ali Zaidi Mr. Monavar Karamat Ahmad Syed Abid Raza Mrs. Farzana Munaf
Managing Director & Chief Executive	Mr. Naim Anwar
Management	Mr. Naim Anwar (Managing Director & CEO) Mr. Akbar Naqi Zaidi (Deputy Managing Director) Mr. K ashif Naeem (Executive Director) Mr. Malik Mehdi Muhammad (CFO)
Board Audit Committee	Mr. Mudassar Zubair Mirza (Chairman) Mr. Monavar Karamat Ahmad Syed Adnan Ali Zaidi
Board H.R & Remuneration Committee	Mr. Monavar Karamat Ahmad (Chairman) Mr. Naim Anwar Mr. Mudassar Zubair Mirza
Board Investment Committee	Syed Adnan Ali Zaidi (Chairman) Mr. Naim Anwar Mr. Monavar Karamat Ahmad
Company Secretary	Mr. Khuzaima Hakimi
C F O	Mr. Malik Mehdi Muhammad
Auditors	Rahman Sarfarz Rahim Iqbal Rafiq Chartered Accountants
Legal Advisor	Jameel Khan
Bankers	United Bank Limited Faysal Bank Limited Habib Bank Limited
Share Registrar	MG Associates Private Limited 2, Mustafa Avenue, F/4, Block 9 Behind "The Forum", Clifton, Karachi Tel #: 35877806-09 Fax #: 35877810
Registered & Head Office	2 <sup>nd</sup> Floor, Nadir House I.I.Chundrigar Road P.O.BOX No. 4616, Karachi

# DIRECTOR'S REVIEW

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements for the nine months period ended 30 September 2014.

## General Review

The increase in growth reflects from the Gross Premium booked, and continues to grow in line with the strategy of the Company. It is essential here to note that the increase currently reflects in the gross premium but does not impact the results in the same proportion due to the provision of unearned premium. The benefit of the increased sales will reflect towards the end of 2014 and mainly in the June 2015 results. At the same time when the premium increase is impacted because of unearned premium, the expenses incurred in producing the premiums are booked on the incurred basis. The gross premium has been recorded at PKR. 200.051 million in comparison to PKR. 69.905 million during the corresponding figures last year, which is 186% higher. The net premium for the nine months has been recorded as PKR. 81.912 million as compared to 37.218 million of the corresponding period. The underwriting results for the quarter under review reflects the improved results

It is further very heartening to see addition of very valued corporate names on the client list of the Company.

## Performance Highlights

The comparative financial highlights for the nine months period ended 30 September 2014 and 2013 are presented below:-

Rupees in millions (except for EPS)	30 September 2014	30 September 2013	Increase / (Decrease)	
			Amount	%
Gross written premium	200.051	69.905	130.146	186
Net premium	81.912	37.218	44.694	120
(Loss) / profit before tax	(20.604)	12.072	(32.676)	(271)
(Loss) / profit after tax	(21.424)	11.678	(33.102)	(283)
Total assets	585.919	192.530	393.389	204
Paid-up capital	620.125	121.000	499.125	413
Earnings per share (EPS) Rs.	(0.45)	0.79	(1.24)	(157)

## Future Outlook

The underwriting results have been affected during 2014 due to the new treaty arrangement on non-proportional basis as most lead reinsurers are not offering proportional treaty to any new entrant and limiting their offer on this basis to Pakistan market. It however suits the Company to move on to non-proportional arrangements which gives larger treaty underwriting capacity without which the Company cannot cater the larger corporate client in line with the strategy of the Company.

The Bank enlistment has been the major hindrance in the growth of the premium. After completion of the paid up capital requirement it was expected that the Banks will enlist the Company of their respective panels, however it is a painful exercise as every Bank follows their own criteria and time lines, which is a major issue in the penetration of the Insurance Business in Pakistan. CSI is actively participating on the committees of Insurance Association of Pakistan to address this issue. It is however heartening to see CSI now on the panel of some major Banks and through slowly but is progressing with the enlistment. The management expects a major growth in Fire and Marine business as more and more Banks enlist the company of their respective panels.

#### آپنی مدد کے لیے

یہ تقریریں صرف سرکاری مقاصد کے لیے ہی تیار کی گئی ہیں۔ ان کے ساتھ ساتھ دیگر تمام ضروری دستاویزات، جیسے کہ پالیسی، ضابطہ کار، قواعد و ضوابط، معاہدے اور دیگر اسنادیں، ان کے ساتھ ساتھ فراہم کی گئی ہیں۔ ان کے ساتھ ساتھ دیگر تمام ضروری دستاویزات، جیسے کہ پالیسی، ضابطہ کار، قواعد و ضوابط، معاہدے اور دیگر اسنادیں، ان کے ساتھ ساتھ فراہم کی گئی ہیں۔

یہ تقریریں صرف سرکاری مقاصد کے لیے ہی تیار کی گئی ہیں۔ ان کے ساتھ ساتھ دیگر تمام ضروری دستاویزات، جیسے کہ پالیسی، ضابطہ کار، قواعد و ضوابط، معاہدے اور دیگر اسنادیں، ان کے ساتھ ساتھ فراہم کی گئی ہیں۔ ان کے ساتھ ساتھ دیگر تمام ضروری دستاویزات، جیسے کہ پالیسی، ضابطہ کار، قواعد و ضوابط، معاہدے اور دیگر اسنادیں، ان کے ساتھ ساتھ فراہم کی گئی ہیں۔

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Naim Anwar  
Managing Director & CEO

Karachi: October 24, 2014



		30 September 2014	31 December 2013
		(Rupees)	
<b>Trade and Bank Deposits</b>			
Trade receivables - related	12	1,350,771	1,350,000
Trade receivables - unrelated	12	9,211,201	1,000,000
Accounts receivable - related	12	-	1,000,000
		21,342,720	3,350,000
Bank deposits	17	21,110,506	2,000,000
Investment Properties	17	12,470,350	-
Investment contracts		2,520,100	2,000,000
<b>Current Assets - Other</b>			
Prepaid expenses and deposits	12	77,779,427	40,000,000
Accounts payable - related		58,111,716	20,000,000
Accounts payable - unrelated		1,302,057	200,000
Accounts receivable - related		72,641,100	2,000,000
Accounts receivable - unrelated		2,741,876	4,000,000
Trade receivable		2,622,742	2,700,000
Trade receivable		2,481,500	2,400,000
Accounts receivable - related		41,381,881	-
Accounts receivable - unrelated		20,520,100	22,000,000
		154,430,299	71,300,000
Notes receivable - long term and long term	10		
Owned		5,355,554	6,000,000
Notes receivable - long term and long term		5,200,000	5,000,000
Leased		45,000	-
		11,140,299	11,000,000
Leased			
Notes receivable		2,227,185	-
<b>TOTAL ASSETS</b>		898,918,774	84,020,000

  
 Monavar Karamat Ahmad  
 Director

  
 Syed Adnan Ali Zaidi  
 Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

	Three months period ended September 2014					30 Sept. 2014	30 Sept. 2013
	Fire & Property	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	Aggregate	Aggregate
Note: ----- (Rupees) -----							
<b>Revenue Account</b>							
Net premium revenue	1,149,095	3,257,605	23,252,417	22,994,368	(2,454,517)	<b>47,208,965</b>	15,098,153
Net claims	(430,033)	3,070,289	(4,397,729)	(6,055,808)	690,434	<b>(7,397,867)</b>	(3,430,852)
Management expenses	(990,769)	(1,250,909)	(7,609,319)	(7,248,484)	168,735	<b>(16,944,826)</b>	(7,050,899)
Net commission	(1,478,421)	(342,380)	(12,843,636)	(1,514,442)	992,369	<b>(18,136,412)</b>	(5,999,260)
	<b>(2,894,227)</b>	<b>1,417,698</b>	<b>(28,044,684)</b>	<b>(14,818,734)</b>	<b>1,841,458</b>	<b>(39,478,489)</b>	(16,350,957)
<b>Underwriting result</b>	<b>(1,705,132)</b>	<b>4,485,503</b>	<b>(1,812,267)</b>	<b>8,175,635</b>	<b>(1,613,059)</b>	<b>7,730,480</b>	(9,52,844)
Investment income						1,902,144	6,583,009
Gain on sale of fixed assets						192,774	12,258,346
Gain on sale investment property						9,544,110	-
Other income						-	-
General and administrative expense						<b>(28,509,680)</b>	(6,457,248)
<b>(Loss) / profit before tax</b>						<b>(1,140,149)</b>	11,521,263
Provision for taxation						<b>(472,081)</b>	(1,59,025)
<b>(Loss) / profit after tax</b>						<b>(1,612,238)</b>	11,352,238
<b>Earnings per share - basic and diluted</b>						<b>(0.03)</b>	0.77

	Nine months period ended September 2014					30 Sept. 2014	30 Sept. 2013
	Fire & Property	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	Aggregate	Aggregate
Note: ----- (Rupees) -----							
<b>Revenue Account</b>							
Net premium revenue	2,317,627	8,424,823	41,446,098	27,996,782	1,736,214	<b>81,911,536</b>	27,218,089
Net claims	(3,484,095)	2,920,326	(8,502,413)	(6,677,695)	65,100	<b>(16,679,068)</b>	(11,483,630)
Management expenses	(2,863,010)	(2,782,818)	(21,548,229)	(18,857,528)	(1,417,724)	<b>(47,469,309)</b>	(19,540,091)
Net commission	(2,123,561)	(2,140,401)	(8,251,639)	(1,514,442)	(920,794)	<b>(14,962,837)</b>	(9,784,451)
	<b>(8,473,166)</b>	<b>(2,002,683)</b>	<b>(38,302,281)</b>	<b>(27,049,664)</b>	<b>(2,273,418)</b>	<b>(78,101,214)</b>	(40,808,172)
<b>Underwriting result</b>	<b>(6,155,539)</b>	<b>6,422,140</b>	<b>3,143,817</b>	<b>997,118</b>	<b>(537,204)</b>	<b>3,810,334</b>	(3,590,083)
Investment income						4,114,112	8,354,847
Gain on sale of fixed assets						408,386	14,151,561
Gain on sale investment property						9,544,110	-
Other income						-	6,188,275
General and administrative expense						<b>(38,603,131)</b>	(13,052,346)
<b>(Loss) / profit before tax</b>						<b>(38,604,278)</b>	12,072,254
Provision for taxation						<b>(819,445)</b>	(393,784)
<b>(Loss) / profit after tax</b>						<b>(2,142,743)</b>	11,578,470
<b>Profit and loss appropriation account</b>							
Balance at commencement of the year						<b>(58,516,447)</b>	(81,090,631)
<b>(Loss) / profit after tax for the period</b>						<b>(2,142,743)</b>	11,578,470
<b>Balance of accumulated loss at end of the period</b>						<b>(79,940,190)</b>	(69,412,161)
<b>Earnings per share - basic and diluted</b>						<b>(0.45)</b>	0.79

The annexed notes from 1 to 24 form an integral part of these financial statements

  
**Naim Anwar**  
Chief Executive/Principal Officer

  
**Mudassar Zubair Mirza**  
Director

  
**Monavar Karamat Ahmad**  
Director

  
**Syed Adnan Ali Zaidi**  
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

	Quarter Ended		Nine Months Ended	
	30 Sept. 2014	30 Sept. 2013	30 Sept. 2014	30 Sept. 2013
	Aggregate	Aggregate	Aggregate	Aggregate
Profit or loss for the period	(1,612,236)	1,362,236	(21,423,743)	11,506,470
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>(1,612,236)</u></b>	<b><u>1,362,236</u></b>	<b><u>(21,423,743)</u></b>	<b><u>11,506,470</u></b>

The accompanying notes are an integral part of these financial statements.



Naim Anwar  
 Chief Executive/Principal Officer



Mudassar Zubair Mirza  
 Director



Monavar Karamat Ahmad  
 Director



Syed Adnan Ali Zaidi  
 Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

	Share Capital		Capital Reserve		Revenue Reserve		Total
	Issued, subscribed and paid-up Capital	Discount on issue of right issue	Reserve for exceptional losses	General reserve	Accumulated loss		
	(Rupees)						
<b>Balance as at January 01, 2013</b>	121,000,000	-	1,767,568	24,497,265	(81,090,630)		66,174,203
Total comprehensive profit for the period	-	-	-	-	1,466,683		1,466,683
Revaluation surplus realized on sale of land	-	-	-	-	21,107,500		21,107,500
<b>Balance as at December 31, 2013</b>	<u>121,000,000</u>	<u>-</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>(58,516,447)</u>		<u>88,748,386</u>
<b>Balance as at January 01, 2014</b>	121,000,000	-	1,767,568	24,497,265	(58,516,447)		88,748,386
Issue of right shares	499,125,000	-	-	-	-		499,125,000
Issue of right share at discount	-	(199,650,000)	-	-	-		(199,650,000)
Total comprehensive profit for the period	-	-	-	-	(21,423,743)		(21,423,743)
<b>Balance as at September 30, 2014</b>	<u>620,125,000</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>(79,940,190)</u>		<u>366,799,643</u>

The annexed notes from 1 to 24 form an integral part of these financial statements



Naim Anwar  
 Chief Executive/Principal Officer



Mudassar Zubair Mirza  
 Director



Monavar Karamat Ahmad  
 Director



Syed Adnan Ali Zaidi  
 Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

	30 Sep. 2014 ----- (Rupees) -----	30 Sep. 2013 -----
<b>Operating Cash Flows</b>		
<b>a) Underwriting activities</b>		
Premium received	65,383,626	47,519,860
Reinsurance premium paid	(18,094,661)	(33,812,439)
Claims paid	(18,447,645)	(24,721,161)
Reinsurance and other recoveries received	2,926,643	17,662,535
Commission paid	(15,148,974)	(12,579,462)
Commission received	86,931	3,241,994
Net cash inflow from underwriting activities	16,705,919	(2,688,673)
<b>b) Other operating activities</b>		
Income tax paid	(749,581)	(129,746)
General management expenses paid	(64,571,045)	(32,493,703)
Other operating receipts	(78,918,521)	(9,526,986)
Net cash flows from other operating activities	(144,239,147)	(42,150,435)
Total cash (outflow) from all operating activities	(127,533,228)	(44,839,108)
<b>Investing activities</b>		
Profit / return received	(415,464)	107,465
Dividend received	3,500	216,033
Payments for investments	(291,732,677)	(9,076,537)
Proceeds from disposal of investments	4,228,903	19,152,757
Proceeds from disposal of land	131,500,000	-
Fixed capital expenditure	(2,504,361)	(1,158,749)
Proceeds from disposal of fixed assets	1,067,000	42,877,000
Total cash (outflow) / inflow from investing activities	(157,853,119)	52,117,989
<b>Financing activities</b>		
Proceeds from Right Share	299,475,000	-
Total cash inflow from financing activities	299,475,000	-
Total cash inflow / (outflow) from all activities	14,088,653	7,278,881
Add: Cash at beginning of the year	6,954,075	8,665,555
Cash at the end of the year	21,042,728	15,944,436
<b>Reconciliation to the Profit and Loss Account</b>		
Operating cash flows	(127,533,228)	(44,839,108)
Depreciation expense	(1,554,240)	(1,377,341)
Profit on disposal of fixed assets	9,897,418	35,269,061
Investment Income	4,116,112	8,364,847
Increase in assets other than cash	234,692,249	40,195,937
Increase in liabilities other than running finance	(141,040,055)	(4,827,425)
<b>Profit / (loss) after taxation</b>	<b>(21,423,743)</b>	<b>32,785,971</b>

The annexed notes from 1 to 24 form an integral part of these financial statements

  
**Naim Anwar**  
 Chief Executive/Principal Officer

  
**Mudassar Zubair Mirza**  
 Director

  
**Monavar Karamat Ahmad**  
 Director

  
**Syed Adnan Ali Zaidi**  
 Director

## CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

Business underwritten inable Policies

Class of business	Three months period ended September 2014									
	Premiums written	Unearned premium reserve	Premiums earned	Reinsurance ceded	Opening	Prepaid reinsurance premium ceded	Closing	Reinsurance expense	30 Sept. 2014	30 Sept. 2013
Direct and facultative		Opening	Closing		(Rupees)	Opening	Closing		Net premium revenue	Net premium revenue
Fire and property damage	1,757,910	8,426,415	7,343,677	3,040,648	(16,384)	5,026,771	3,116,834	3,891,653	1,149,895	(1,147,610)
Marine aviation and transport	3,506,518	1,880,696	2,119,599	3,267,605	-	-	-	-	3,267,605	5,148,616
Motor	15,733,025	71,853,325	64,111,548	23,474,762	-	526,513	314,168	222,345	23,252,417	7,287,159
Accident and health	16,486,652	64,572,043	66,164,326	22,964,368	-	-	-	-	22,994,369	-
Miscellaneous	(2,490,749)	3,889,645	3,903,313	(3,004,997)	-	(1,219,751)	769,631	450,120	(3,454,517)	3,710,187
<b>Total</b>	<b>35,183,336</b>	<b>150,172,134</b>	<b>135,542,483</b>	<b>49,775,987</b>	<b>(16,384)</b>	<b>4,283,535</b>	<b>4,230,633</b>	<b>2,544,018</b>	<b>47,208,749</b>	<b>15,058,152</b>

Business underwritten inable Policies

Class of business	Nine months period ended September 2014									
	Premiums written	Unearned premium reserve	Premiums earned	Reinsurance ceded	Opening	Prepaid reinsurance premium ceded	Closing	Reinsurance expense	30 Sept. 2014	30 Sept. 2013
Direct and facultative		Opening	Closing		(Rupees)	Opening	Closing		Net premium revenue	Net premium revenue
Fire and property damage	12,162,217	3,213,772	7,343,677	7,284,906	-	1,544,619	3,116,834	5,714,691	2,317,621	23,076
Marine aviation and transport	11,756,926	1,580,628	2,119,599	2,391,041	-	602,093	-	2,993,134	8,424,823	6,468,660
Motor	91,002,386	35,084,749	64,111,568	42,035,567	853,125	30,512	314,160	589,469	41,446,998	20,122,616
Accident and health	78,790,026	7,261,052	36,164,326	27,866,282	-	-	-	-	27,896,282	-
Miscellaneous	6,019,543	638,740	3,903,313	1,646,675	-	403,712	769,631	1,278,756	1,736,214	8,183,204
<b>Total</b>	<b>200,261,100</b>	<b>27,978,971</b>	<b>135,542,483</b>	<b>92,467,988</b>	<b>12,175,747</b>	<b>2,467,796</b>	<b>4,230,633</b>	<b>10,576,059</b>	<b>81,911,638</b>	<b>37,218,090</b>

The annexed notes form 1 to 24 form an integral part of these financial statements



**Naim Anwar**  
Chief Executive/Principal Officer



**Mudassar Zubair Mirza**  
Director



**Monavar Karamat Ahmad**  
Director



**Syed Adnan Ali Zaidi**  
Director

## CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

Business underwritten inside Facilitar

Class of business	Three months period ended September 2014						
	Claims sold	Outstanding claims		Re-insurance and other recoveries in respect of outstanding claims	Re-insurance and other recoveries revenue	Net Claims expenses	
Direct and facultative	Opening	Closing	Re-insurance and other recoveries received	Opening	Closing	30 Sept. 2014	30 Sept. 2013
Fire and property damage	2,576,344	18,538,743	1,089,538	17,471,552	14,684,372	458,037	(98,452)
Marine aviation and transport	826,190	1,933,151	469,290	3,120,565	422,492	(3,610,285)	539,101
Motor	2,206,328	13,240,134	854,722	2,877,080	3,403,980	4,357,728	2,228,266
Accident and health	2,446,838	3,408,970	-	-	-	6,666,808	-
Miscellaneous	3,485,492	13,522,084	-	5,575,717	2,070,364	(480,434)	732,135
<b>Total</b>	<b>13,526,392</b>	<b>41,172,573</b>	<b>2,563,550</b>	<b>29,044,914</b>	<b>22,285,138</b>	<b>7,337,851</b>	<b>3,403,532</b>

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Business underwritten inside Facilitar

Class of business	Nine months period ended September 2014						
	Claims sold	Outstanding claims		Re-insurance and other recoveries in respect of outstanding claims	Re-insurance and other recoveries revenue	Net Claims expenses	
Direct and facultative	Opening	Closing	Re-insurance and other recoveries received	Opening	Closing	30 Sept. 2014	30 Sept. 2013
Fire and property damage	5,565,742	18,538,743	1,089,538	3,359,110	14,684,322	3,484,695	315,672
Marine aviation and transport	3,844,595	1,933,151	943,550	3,955,905	422,492	(2,450,534)	1,225,297
Motor	4,890,182	13,240,134	874,722	454,600	5,403,980	6,602,413	8,781,874
Accident and health	3,203,860	3,408,970	-	-	-	6,477,494	-
Miscellaneous	3,486,402	12,937,207	10,833	5,614,467	2,070,364	(46,100)	940,587
<b>Total</b>	<b>17,987,781</b>	<b>49,090,107</b>	<b>2,918,643</b>	<b>13,938,082</b>	<b>22,285,138</b>	<b>18,479,068</b>	<b>11,483,530</b>

The annexed tables from 1 to 24 form an integral part of these financial statements.



**Naim Anwar**

Chief Executive/Principal Officer



**Mudassar Zubair Mirza**

Director



**Monavar Karamat Ahmad**

Director



**Syed Adnan Ali Zaidi**

Director

# CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

Business underwritten inside Pakistan

Class of Business	Commission paid or payable		Deferred commission		Net commission expense	Other management expenses (Rupees)	Underwriting expenses	Commissions from reinsurers	Three months period ended September 2014	
	Opening	Closing	Opening	Closing					30 Sept. 2014 Net Underwriting expense	30 Sept. 2013 Net Underwriting expense
Direct and facultative										
Fire and property damage	367,602	1,468,735	1,468,735	604,150	864,585	990,749	1,594,919	(824,272)	2,419,191	2,176,839
Auto and aviation and transport	378,219	317,940	317,940	342,382	342,382	1,200,206	1,592,391	-	3,892,691	2,906,378
Motor	3,476,794	1,411,167	1,411,167	12,843,636	12,843,636	7,653,319	20,466,958	-	20,466,958	4,613,011
Accident and health	1,756,372	241,930	241,930	1,514,442	1,514,442	7,248,484	8,762,924	-	8,762,924	-
Arbitrations	(1,007,724)	780,663	780,663	(1,110,454)	(1,110,454)	(1,68,795)	(1,279,209)	(1,18,188)	(1,161,024)	3,141,717
Total	4,991,263	4,220,425	4,220,425	14,194,156	14,194,156	15,944,026	31,138,192	(942,457)	32,095,639	12,640,145

Note: Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.

Business underwritten inside Pakistan

Class of Business	Commission paid or payable		Deferred commission		Net commission expense	Other management expenses (Rupees)	Underwriting expenses	Commissions from reinsurers	Nine months period ended September 2014	
	Opening	Closing	Opening	Closing					30 Sept. 2014 Net Underwriting expense	30 Sept. 2013 Net Underwriting expense
Direct and facultative										
Fire and property damage	2,620,060	1,468,735	1,468,735	1,797,079	1,797,079	2,843,010	4,640,069	(520,482)	4,119,587	4,723,635
Auto and aviation and transport	2,084,608	317,940	317,940	2,503,842	2,503,842	2,782,818	8,286,650	363,441	4,923,219	6,358,478
Motor	7,400,064	1,411,167	1,411,167	8,291,639	8,291,639	21,548,229	29,799,848	-	29,799,848	(1,140,192)
Accident and health	1,756,372	241,930	241,930	1,514,442	1,514,442	10,057,528	20,371,970	-	20,371,970	-
Arbitrations	784,770	780,663	780,663	893,787	893,787	1,417,724	2,315,511	(23,007)	2,338,518	6,900,232
Total	15,148,074	4,220,425	4,220,425	14,962,789	14,962,789	17,609,309	62,341,068	(11,982)	62,623,146	29,358,542

Note: Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.  
The annexed notes form 1 to 24 form an integral part of these financial statements.



**Naim Anwar**  
Chief Executive/Principal Officer



**Mudassar Zubair Mirza**  
Director



**Monavar Karamat Ahmad**  
Director



**Syed Adnan Ali Zaidi**  
Director

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

	Three Months Ended		Nine Months Ended	
	30 Sept. 2014	30 Sept. 2013	30 Sept. 2014	30 Sept. 2013
	Rupees		Rupees	
<b>Income from investment</b>				
<b>In dividend</b>				
Participating Income	1,27,247	-	3,22,537	-
Dividend Income	95,278	1,56,225	298,291	30,000
	<u>1,852,433</u>	<u>1,56,225</u>	<u>3,737,533</u>	<u>30,000</u>
<b>Less: Expenses</b>				
Administrative Expenses	273,642	2,00,000	3,631	216,000
Interest on borrowings	273,642	5,00,000	290,421	2,37,000
	<u>1,54,284</u>	<u>1,56,225</u>	<u>60,554</u>	<u>2,37,000</u>
<b>Net Investment Income</b>	<u>300,887</u>	<u>-</u>	<u>34,237</u>	<u>-</u>
<b>Net Investment Income</b>	<u>1,532,147</u>	<u>6,60,000</u>	<u>3,703,282</u>	<u>30,000</u>

The above figures are subject to audit by the auditors.



Naim Anwar  
Chief Executive/Principal Officer



Mudassar Zubair Mirza  
Director



Monavar Karamat Ahmad  
Director



Syed Adnan Ali Zaidi  
Director

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

### **1. THE COMPANY AND ITS OPERATIONS**

Crescent Star Insurance Limited (the Company) formerly known as "The Crescent Star Insurance Company Limited" was incorporated as a Public Limited Company in the year 1957 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Company is listed on the Karachi and Lahore Stock Exchanges and its situated at 2nd Floor, Nadir House, J.I. Chundrigar road, Karachi, Pakistan.

The Company is engaged in providing general insurance services in spheres of fire and property damage, Marine, aviation and transport, Motor and Miscellaneous.

### **2. STATEMENT OF COMPLIANCE**

This condensed interim financial information of the Company for the nine months period ended September 30, 2014 has 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, the Insurance Ordinance, 2000 and SEC (Insurance) Rules 2002. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

### **3. BASIS OF PRESENTATION**

This condensed interim financial information has been prepared under historical cost convention using the accrual basis of accounting.

### **4. ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of this condensed interim financial information is in conformity with approved accounting standards which requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty where the same as those that applied to the financial statements as at and for the year ended December 31, 2013.

### **5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information is the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2013. 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, 2013.

### **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, 2013.



**7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

2014	2013		Un-Audited 30 September 2014	Audited 31 December 2013
---- (Number of shares) ----		Note	----- (Rupees) -----	
		Ordinary shares of Rs.10 each fully paid in cash		
9,133,453	9,133,453	Opening Balance	91,334,530	91,334,530
49,912,500	-	Issued during the period	499,125,000	-
59,045,953	9,133,453	Closing Balance	590,459,530	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>62,012,500</u>	<u>12,100,000</u>		<u>620,125,000</u>	<u>121,000,000</u>

**8. RESERVES**

Reserve for exceptional losses	8.1	1,767,568	1,767,568
General reserve		24,497,265	24,497,265
		<u>26,264,833</u>	<u>26,264,833</u>

- 8.1 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 Income Tax Ordinance, 1979, which did not permit the said deduction, the company discontinued the setting aside of amounts as reserved for exceptional losses.

**9. DISCOUNT ON ISSUE OF RIGHT SHARES**

199,650,000      -

The company has issued right shares with the approval of Board of Directors, SECP and KSE 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.

**10. AMOUNT DUE TO OTHER INSURERS/REINSURERS**

Foreign Reinsurers	11,639,434	3,932,341
Local Reinsurers	-	2,845,962
Co-insurers	3,240,521	3,360,041
	<u>14,879,955</u>	<u>10,138,364</u>

**11. OTHER CREDITORS AND ACCRUALS**

Federal insurance fee	1,025,067	119,601
Federal excise duty	11,580,185	671,678
Withholding tax	779,310	487,259
Payable to staff provident fund	616,156	5,470
Sundry creditors	2,621,971	157,555
Bank balance	-	154,809
	<u>16,622,689</u>	<u>1,596,372</u>

**12. CONTINGENCIES AND COMMITMENTS**

**12.1 CONTINGENCIES**

There have been no changes in the contingencies as disclosed in the annual financial statements of the company for the year ended December 31, 2013.

**12.2 COMMITMENTS**

There were no commitments as at September 30, 2014, (2013: Rs. 230.82 Million)

		Un-Audited 30 September 2014	Audited 31 December 2013
	Note	----- (Rupees) -----	
<b>13. CASH AND OTHER EQUIVALENTS</b>			
Cash with State Bank Of Pakistan	13.1	1,238,047	1,238,047
Cash in hand		433,578	137,933
Policy stamps		189,166	210,078
		<u>1,860,791</u>	<u>1,586,058</u>
<b>13.1</b> This represents deposit with State Bank of Pakistan pursuant to the requirements of clause (a) of sub - section 2 of section 29 of Insurance Ordinance, 2000.			
<b>14. CURRENT AND OTHER ACCOUNTS WITH BANKS</b>			
Current accounts		19,150,167	4,250,047
PLS savings accounts		31,770	117,970
		<u>19,181,937</u>	<u>4,368,017</u>
<b>15. DEPOSITS MATURING WITHIN 12 MONTHS</b>			
Term deposits	15.1	-	1,000,000
<b>15.1</b> This represents term deposits placed with various commercial banks carrying mark-up at the rates ranging between Nil (2013: 9% to 10%) per annum.			
<b>16. INVESTMENTS</b>			
<b>Held to maturity</b>			
Government Securities	16.1	59,521,002	-
<b>Available for sale</b>			
Ordinary equity securities & Mutual funds	16.2	12,119,025	17,549,625
Less: Provision for impairment		(532,402)	(2,869,756)
		11,586,623	14,679,869
		<u>71,107,625</u>	<u>14,679,869</u>
<b>16.1</b> Securities amounting to Rs. 49.326 million (2013 : Nil) 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.			
<b>16.2</b> Securities amounting to Rs. 11.487 million (2013 : Rs. 10.862 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.			
<b>17. INVESTMENT PROPERTY</b>			
		<u>112,476,860</u>	-
This represents acquisition cost of freehold land incurred during the period.			
<b>18. PREMIUM DUE BUT UNPAID</b>			
Considered Good		179,779,427	45,023,277
Considered doubtful		29,449,028	29,449,028
		<u>209,228,455</u>	<u>74,472,305</u>
Provision for doubtful balances		(29,449,028)	(29,449,028)
		<u>179,779,427</u>	<u>45,023,277</u>

Related parties of the Company comprise the Directors, major shareholders and the companies owned by such shareholders, entities owned by the Director of the Company where they also hold directorships, staff retirement funds and key management personnel.

	Un - Audited 30-Sep-14	Audited 31-Dec-13
<b>Key Management Personnel</b> Remuneration to directors, chief executive and executives of the Company	23,912,938	8,038,465
<b>Staff retirement benefits</b> Provident fund contribution [Refer note 11 for outstanding balance]	1,151,709	356,054
<b>Other Related Parties</b> Advance for expenses paid to Cor 4 U (Private) Limited	-	1,000,000
Balance receivable from Cor 4 U (Private) Limited	1,000,000	1,000,000

**21. TRANSACTIONS WITH RELATED PARTIES**

20.1 No figure for diluted earnings/(loss) per share has been presented as the Company has not issued an instrument which would have an impact on earnings/(loss) per share, when exercised.

	Un - Audited 30-Sep-14	Audited 31-Dec-13
Weighted average number of shares	47,503,669	14,784,702
Loss / Earnings Per share	(0.45)	0.79

[Loss / profit for the year attributable to Ordinary shareholders  
(21,423,743) / 11,678,470

**20. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED**

	Un - Audited 30-Sep-14	Audited 30-Sep-13
<b>Owned</b>		
Freehold Land	-	27,500,000
Furniture and fixture	1,506,900	329,031
Office equipment	308,251	219,932
Equipment	398,460	98,398
Motor Vehicles	-	1,193,924
Computer Software	68,000	-
<b>Leased</b>		
Motor Vehicles	2,227,500	-
<b>4,509,111</b>	<b>3,235,738</b>	<b>29,341,285</b>

**19.1 Additions & disposals**

	Un - Audited 30-Sep-14	Audited 31-Dec-13
Opening written down value	11,102,966	39,077,737
Additions during the period - at cost	4,509,111	3,235,738
Deposits during the period - at MDV	(713,694)	(29,341,285)
Depreciation charged	(1,556,240)	(1,869,244)
<b>13,342,124</b>	<b>11,102,966</b>	

**19. FIXED ASSETS - Tangible and Intangible**

22. SEGMENT REPORTING

	Fire & Property		Marine & Transport		Motor		Accident and Health		Miscellaneous		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	Un-Audited 30 September 2014	Audited 31 December 2013
Other Information												
Segment Assets	16,153,057	17,431,761	740,632	52,530,445	4,815,137	37,510,435	241,930	11,568,302	2,851,027	5,311,751	24,801,583	104,152,694
Unallocated corporate assets											559,117,191	60,620,018
Consolidated total assets											585,918,774	164,772,712
Segment liabilities	19,396,872	12,116,211	1,933,181	22,610,782	13,340,104	26,072,200	3,408,970	7,901,711	4,003,772	3,692,074	42,202,849	72,392,916
Unallocated corporate liabilities											543,715,904	92,429,794
Consolidated total liabilities											585,918,774	164,822,712
Unallocated capital expenditures											4,609,111	3,235,738
Unallocated depreciation / amortisation											1,556,240	1,369,244

23. GENERAL

23.1 Figures in these condensed interim financial statements have been rounded off to the nearest rupees.

23.2 The corresponding figures are rearranged wherever necessary for the purpose of comparison and are rounded off to nearest rupees. Appropriate disclosure is given in relevant note in case of material rearrangements.

24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in its meeting held on 24 October 2014.



Naim Anwar  
Chief Executive/Principal Officer



Mudassar Zubair Mirza  
Director



Monavar Karamat Ahmad  
Director



Syed Adnan Ali Zaidi  
Director

## BRANCH NETWORK

### HEAD OFFICE

2nd Floor, Nadir House, I.I. Chundrigr Road, Karachi, P.O. Box No. 4616 Karachi, Pakistan  
U.A.N.: 111-274-000 Phones: 32415471-73 Fax (92-21) 32415474

BRANCH NAME	ADDRESS	CONTACT NO	FAX NO
NADIR HOUSE	3rd Floor, Nadir House, I.I. Chundrigr Road, Karachi.	(021) 2415471-73	(021) 2415474
NEW UNIT	3rd Floor, Nadir House, I.I. Chundrigr Road, Karachi.	(021) 2415471-73	(021) 2415474
CORPORATE	2nd Floor, Nadir House, I.I. Chundrigr Road, Karachi.	(021) 2415471-73	(021) 2415474
QUETTA	1st Floor, Room No.2, Gul Complex, M.A. Jinnah Road, Quetta	(081) 2828097	(081) 2837363
CITY TOWER	801-C, City Tower, Main Boulevard, Lahore.	(042) 35788741-3	(042) 35788806
ISLAMABAD	Babar Centre, Office # 19, First Floor, F-8 Markaz, Islamabad.	(051) 2818073-74	(051) 2818075
FAISALABAD	Office No. 145, 1st Floor Centre Point, Jaranwalla Road	(041) 8559697	-
MULTAN	Opp: Hajveri Arcade, Kutchery Road, Multan	(061) 4571338	(061) 4514138
SIALKOT	Room Nos. 11 & 12, Al-Rehman Centre, Saga Chowk, Defence Road	(052) 3240271-3	-