



*Your Security - Our Policy*

Quarterly Report  
For the Nine Months Period  
Ended 30th September 2013  
(Un-audited)

**THE CRESCENT STAR INSURANCE COMPANY LIMITED**

MOTOR, HEALTH, ENGG., FIRE, MARINE, TRAVEL, PERSONAL LINES, LIVESTOCK & CROP

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## COMPANY INFORMATION

Board of Directors	Mr. Naim Anwar (Managing Director & CEO) Mr. Sakib Berjees Mr. Mudassar Zubair Mirza Syed Adnan Ali Zaidi Mr. Tariq Hussain Mr. Monavar Karamat Ahmad Syed Abid Raza
Managing Director & Chief Executive	Mr. Naim Anwar
Management	Mr. Naim Anwar (Managing Director & CEO) Mr. Moiz Ali (General Manager) Mr. Malik Mehdi Muhammad (Chief Financial Officer)
Board Audit Committee	Mr. Mudassar Zubair Mirza (Chairman) Mr. Monavar Karamat Ahmad Syed Adnan Ali Zaidi
Board H.R & Remuneration Committee	Mr. Naim Anwar (Chairman) Mr. Monavar Karamat Ahmad Mr. Mudassar Zubair Mirza
Company Secretary	Mr. Khuzaima Hakimi
CFO	Mr. Malik Mehdi Muhammad
Auditors	Naveed Zafar Ashfaq Jaffery & Company
Legal Advisor	Mr. Jameel Khan
Bankers	Habib Bank Limited United Bank Limited Faysal 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	2nd Floor, Nadir House I.I.Chundrigar Road P.O.BOX No. 4616, Karachi



## Directors' Review

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements for the nine month ended 30 September 2013.

## General Review

The gross premium written for the nine months has been Rs 69.9 million as compared to Rs 48.9 million over the corresponding period. The new team has managed to achieve 43% growth in gross premium over the corresponding period, while the growth recorded in net premium over the corresponding period is 19%. This achievement is recognized by the management considering the fact that the main lines of business viz a viz Fire / Marine and Engineering / Projects still have difficulties in writing due to the non enlistment with Banks. This will be achieved as soon as the formalities will be completed enhancing the Paid Up Capital to Rs 620 million. The Company is looking forward to the formal approval by the Securities and Exchange Commission of Pakistan (SECP) for the discount rate, while SECP has already approved and allowed the Company to issue Right Shares as per BUSINESS PLAN submitted to SECP. The approval of the BUSINESS PLAN was accorded by the regulator through letter dated 1 August 2013.

I have great pleasure to report that JCR (rating agency) has upgraded the Company rating from BB to BBB, with outlook being STABLE. JCR has also assured the management of the Company to go for early review and if found prudent to upgrade the rating once the process for the right share issue is completed and the Paid Up Capital is enhanced to the planned Rs 620 million. This will help the Company to write prudent and large risks including some new infrastructure projects recently announced by the new government.

I am also pleased to report further joining of very senior and professional staff at all levels who have joined The Crescent Star Insurance Company Limited (CSIL) from other companies and bring with them varied and vast experience in all fields of Sales & Operations and special area of business in MOTOR AND HEALTH / HOSPITALIZATION. I am also happy to confirm formation of MANAGEMENT CORE COMMITTEES which include MANAGEMENT COMMITTEE, STRATEGIC COMMITTEE, HUMAN RESOUCCE COMMITTEE, PURCHASE & SALVAGE COMMITTEE, UNDERWRITING & CLAIMS COMMITTEES AND BUSINESS DEVELOPMENT COMMITTEE, who have been assigned respective responsibilities and their scope has been defined to oversee / monitor and plan the various areas of the Company.

CSIL is also proud to have established new branches in major cities like Faisalabad & Islamabad where the Company did not have an effective presence through full functional branches headed by experienced Heads in their areas. The Company has also strategically planned the RE-ORGANIZATION OF THE BRANCH NETWORK in line with the new and expanded strategy of the Company as defined in the BUSINESS PLAN.

## Performance Highlights

The comparative financial highlights for the nine months period ended 30 September 2013 and 2012 are presented below:-

Rupees in millions (except for EPS)	30 September 2013	30 September 2012	Increase / Amount	(Decrease) %
Gross written premium	69.905	48.867	21.038	43
Net premium	37.218	31.279	5.939	19
Profit before tax	33.180	(5.205)	38.385	737
Profit after tax	32.786	(5.386)	38.172	709
Earnings per share (EPS) Rs.	2.71	(0.45)	3.16	702

## Future Outlook

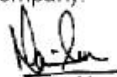
The Company and its management has geared up with the team / the network and the BUSINESS SYSTEMS required to implement the BUSINESS PLAN and STRATEGY for 2014. The Company is expecting and is very excited to enter 2014 and to find itself in the list of active companies with its strong presence and to target and achieve the Company's SLOGAN: THE FASTEST GROWING INSURANCE COMPANY OF PAKISTAN. Not only is expected that the economy will turning out more positive and will have more growth in the industrial activities, and the country will have new and major projects, we also expect support from the Company's strategy to introduce new INSURANCE PRODUCTS in Pakistan market as done INTERNATIONALLY.

## Acknowledgment

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

The Directors would also like to express their gratitude and appreciation for the support provided by our valued Re Insurers. The Directors would like to thank the consultants who have worked hard and are continuously supporting the Company in getting required approvals and to meet all regulatory requirements and compliances. The Company strategy includes to meet all regulations and compliances and the Company to be a fully complaint Company in all respects.

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.



**Naim Anwar**  
Managing Director & CEO

Karachi: 28 October 2013

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**As at 30 September 2013**

		Un-Audited 30 September 2013	Audited 31 December 2012
	Note	(Rupees)	
<b>Share Capital and Reserves</b>			
<b>Authorised Capital</b>			
35,000,000 (2012: 35,000,000) ordinary shares of Rs. 10/- each		350,000,000	350,000,000
Issued, subscribed and paid-up share capital	7	121,000,000	121,000,000
Accumulated loss		(48,304,659)	(81,090,630)
Reserves	8	26,264,833	26,264,833
		98,960,174	66,174,203
Surplus on Revaluation of Land		-	21,107,500
		98,960,174	87,281,703
<b>Underwriting Provisions</b>			
Provision for outstanding claims (including IBNR)		27,315,324	31,096,523
Provision for unearned premium		34,901,911	25,517,421
Commission income unearned		3,789,030	3,123,458
		66,006,265	59,737,402
<b>Creditors and accruals</b>			
Premium received in advance		456,454	579,568
Amount due to others insurers /reinsurers	9	24,499,339	24,539,055
Accrued expenses		931,436	2,095,220
Other creditors and accruals	10	1,258,265	1,373,089
		27,145,494	28,586,932
<b>Other Liabilities</b>			
Unclaimed Dividend		418,209	418,209
<b>TOTAL LIABILITIES</b>		93,569,968	88,742,543
<b>TOTAL EQUITY AND LIABILITIES</b>		192,530,142	176,024,246
<b>Contingencies and commitments</b>	11		

The annexed notes from 1 to 21 form an integral part of these condensed interim financial information

  
Naim Anwar  
Managing Director & CEO

  
Mudassar Zubair Mirza  
Director

		Un-Audited 30 September 2013	Audited 31 December 2012
	Note	(Rupees)	
<b>Cash and Bank Deposits</b>			
Cash and other equivalents	12	241,471	22,190
Current and other accounts with banks	13	13,702,965	3,393,365
Deposits maturing with in 12 months	14	2,000,000	5,250,000
		15,944,436	8,665,555
<b>Investments</b>	15	19,486,271	21,970,755
<b>Deferred taxation</b>		13,543,178	13,543,178
<b>Long term deposit</b>		5,400,000	5,000,000
<b>Current Assets - Others</b>			
Premium due but unpaid		53,203,588	24,753,024
Amounts due from other insurers / reinsurers		28,310,510	25,742,710
Accrued investment income		72,434	22,843
Reinsurance recoveries against outstanding claims		8,923,877	17,130,080
Deferred commission expense		4,579,971	4,361,380
Taxation - net		2,842,657	3,106,695
Prepayments		18,574,491	10,672,251
Sundry receivables		11,505,024	1,978,038
		128,012,552	87,767,021
<b>Fixed Assets</b>	16		
<b>Tangible</b>			
Free hold land		-	27,500,000
Furniture and fixture		3,141,132	2,876,868
Office equipment		1,625,145	1,461,113
Computer and related equipment		448,470	290,797
Motor vehicle		4,928,959	6,948,959
		10,143,706	39,077,737
<b>TOTAL ASSETS</b>		192,530,142	176,024,246

  
Monavar Karamat Ahmad  
Director

  
Syed Adnan Ali Zaidi  
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**For the three and nine months period ended 30 September 2013**

Three months period ended September 30, 2013

	Fire & Property	Marine & Transport	Motor	Miscellaneous	30 September 2013 Aggregate	30 September 2012 Aggregate
Note	(Rupees)					
<b>Revenue Account</b>						
Net premium revenue	(1,147,610)	5,148,518	7,387,059	3,710,187	15,098,153	10,263,407
Net claims	98,650	(559,101)	(2,228,266)	(732,135)	(3,420,852)	(4,890,478)
Management expenses	(741,997)	(2,843,518)	(2,713,562)	(751,802)	(7,050,879)	(6,856,875)
Net commission	(1,434,842)	34,940	(1,799,448)	(2,389,915)	(5,589,266)	(736,523)
	<b>(2,078,189)</b>	<b>(3,367,679)</b>	<b>(6,741,277)</b>	<b>(3,873,852)</b>	<b>(16,060,997)</b>	<b>(12,483,876)</b>
<b>Underwriting result</b>	<b>(3,225,799)</b>	<b>1,780,839</b>	<b>645,782</b>	<b>(163,665)</b>	<b>(962,844)</b>	<b>(2,220,469)</b>
Investment income					6,683,009	119,950
Gain on sale of fixed assets					33,365,846	382,245
Other income-net					-	506,186
General and administrative expense					(6,457,248)	(2,451,170)
<b>Profit / (Loss) before Tax</b>					<b>32,628,764</b>	<b>(3,663,258)</b>
Taxation					(159,025)	(58,421)
<b>Profit / (Loss) after Tax</b>					<b>32,469,739</b>	<b>(3,721,679)</b>
<b>Earnings per share - basic and diluted</b>					<b>2.68</b>	<b>(0.31)</b>

Nine months period ended September 30, 2013

	Fire & Property	Marine & Transport	Motor	Miscellaneous	30 September 2013 Aggregate	30 September 2012 Aggregate
Note	(Rupees)					
<b>Revenue Account</b>						
Net premium revenue	23,278	8,688,660	20,322,818	8,183,334	37,218,089	31,278,591
Net claims	(515,872)	(1,225,297)	(8,781,874)	(960,587)	(11,483,630)	(13,022,525)
Management expenses	(2,335,614)	(5,515,297)	(7,373,658)	(4,315,522)	(19,540,091)	(15,874,512)
Net commission	(2,388,021)	(1,043,181)	(3,766,533)	(2,586,715)	(9,784,451)	(2,009,032)
	<b>(5,239,507)</b>	<b>(7,783,775)</b>	<b>(19,922,066)</b>	<b>(7,862,824)</b>	<b>(40,808,172)</b>	<b>(30,906,069)</b>
<b>Underwriting result</b>	<b>(5,216,229)</b>	<b>904,885</b>	<b>400,752</b>	<b>320,510</b>	<b>(3,590,083)</b>	<b>372,522</b>
Investment income					8,364,847	1,394,600
Gain on sale of fixed assets					35,269,061	704,360
Other income-net					6,188,275	2,524,234
General and administrative expense					(13,052,346)	(10,200,310)
<b>Profit / (Loss) before tax</b>					<b>33,179,755</b>	<b>(5,204,594)</b>
Taxation					(393,784)	(181,645)
<b>Profit / (Loss) after tax</b>					<b>32,785,971</b>	<b>(5,386,239)</b>
<b>Profit and loss appropriation account</b>						
Balance at commencement of the year					(81,090,630)	(62,928,478)
Profit / (Loss) after tax for the period					32,785,971	(5,386,239)
<b>Balance of accumulated loss at end of the period</b>					<b>(48,304,659)</b>	<b>(68,314,717)</b>
<b>Earnings per share - basic and diluted</b>	17				<b>2.71</b>	<b>(0.45)</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial information

  
 Naim Anwar  
 Managing Director & CEO

  
 Mudassar Zubair Mirza  
 Director

  
 Monavar Karamat Ahmad  
 Director

  
 Syed Adnan Ali Zaidi  
 Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
For the three and nine months period ended 30 September 2013

	Three months ended		Nine months ended	
	30 September 2013	30 September 2012	September 30 2013	September 30 2012
Profit / (Loss) after tax for the period	32,469,739	(3,721,679)	32,785,971	(5,386,239)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>32,469,739</u>	<u>(3,721,679)</u>	<u>32,785,971</u>	<u>(5,386,239)</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial information

  
Naim Anwar  
Managing Director & CEO

  
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 ended 30 September 2013

	Share Capital Issued, Subscribed and paid-up capital	Capital Reserve Reserve for exceptional losses	Revenue Reserve General reserve	Accumulated loss	Total
	<b>(Rupees)</b>				
Balance as at January 01, 2012	121,000,000	1,767,568	24,497,265	(62,928,478)	84,336,355
Total comprehensive loss for the period	-	-	-	(5,386,239)	(5,386,239)
Balance as at September 30, 2012	121,000,000	1,767,568	24,497,265	(68,314,717)	78,950,116
Balance as at January 01, 2013	121,000,000	1,767,568	24,497,265	(81,090,630)	66,174,203
Total comprehensive Profit for the period	-	-	-	32,785,971	32,785,971
Balance as at September 30, 2013	121,000,000	1,767,568	24,497,265	(48,304,659)	98,960,174

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Naim Anwar  
Managing Director & CEO

  
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 ended 30 September 2013**

	30 September 2013	30 September 2012
	<b>(Rupees)</b>	
<b>Operating Cash Flows</b>		
<b>a) Underwriting activities</b>		
Premium received	47,519,860	50,947,281
Reinsurance premium paid	(33,812,439)	(14,716,254)
Claims paid	(24,721,161)	(24,256,163)
Reinsurance and other recoveries received	17,662,535	8,721,793
Commission paid	(12,579,462)	(6,689,649)
Commission Received	3,241,994	5,634,723
Net cash (outflow) / inflow from under writing activities	(2,688,674)	19,641,730
<b>b) Other operating activities</b>		
Income tax paid	(129,746)	39,067
General management expenses paid	(32,493,703)	(25,814,987)
Other operating receipts	(9,526,986)	(40,029)
Net cash flows from other operating activities	(42,150,435)	(25,815,949)
<b>Total cash outflows from all operating activities</b>	<b>(44,839,109)</b>	<b>(6,174,219)</b>
<b>Investing activities</b>		
Profit / return received	107,485	1,142,081
Dividend received	216,033	252,519
Payments for investments	(9,076,537)	(35,540)
Proceeds from disposal of investments	19,152,757	1,670,364
Fixed capital expenditure	(1,158,749)	(428,809)
Proceeds from disposal of fixed assets	42,877,000	1,370,000
<b>Total cash inflows from investing activities</b>	<b>52,117,989</b>	<b>3,970,615</b>
<b>Total cash inflow / (outflow) from all activities</b>	<b>7,278,881</b>	<b>(2,203,604)</b>
<b>Add: Cash at beginning of the period</b>	<b>8,665,555</b>	<b>10,456,763</b>
<b>Cash at the end of the period</b>	<b>15,944,436</b>	<b>8,253,159</b>
<b>Reconciliation to the Profit and Loss Account</b>		
Operating cash flows	(44,839,109)	(6,174,219)
Depreciation expense	(1,377,341)	(1,874,400)
Profit on disposal of fixed assets	35,269,061	704,360
Investment Income	8,364,847	1,394,600
Increase/decrease in assets other than cash	40,195,937	12,815,509
Increase/decrease in liabilities other than running finance	(4,827,425)	(12,252,088)
<b>Profit / (Loss) after taxation</b>	<b>32,785,971</b>	<b>(5,386,238)</b>

The annexed notes from 1 to 21 form an integral part of these financial Statements.

  
Naim Anwar  
Managing Director & CEO

  
Mudassar Zubair Mirza  
Director

  
Monavar Karamat Ahmad  
Director

  
Syed Adnan Ali Zaidi  
Director

**CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)**  
**For the three and nine months period ended 30 September 2013**

Business underwritten inside Pakistan

Business underwritten inside Pakistan		Three months period ended 30 September 2013									30 September 2012	
		Premiums written	Unearned premium reserve		Premiums earned	Re-insurance ceded	Prepaid reinsurance premium ceded		Re-insurance expense	Net premium revenue	Net premium revenue	
Opening	Closing		Opening	Closing								
Class		(Rupees)										
Direct and facultative												
1	Fire and property	1,629,181	7,220,233	5,505,323	3,344,091	5,874,725	9,915,580	11,298,604	4,491,701	(1,147,610)	1,516,614	
2	Marine and transport	8,508,148	4,025,187	5,034,458	7,498,877	6,100,741	1,562,903	5,313,285	2,350,359	5,148,518	2,574,514	
3	Motor	6,782,017	17,040,508	15,997,477	7,825,048	889,147	774,024	1,225,182	437,989	7,387,059	5,417,504	
4	Miscellaneous	412,097	12,012,773	8,364,652	4,060,218	191,412	896,040	737,421	350,031	3,710,187	754,775	
Sub total		17,331,443	40,298,701	34,901,911	22,728,233	13,056,025	13,148,547	18,574,491	7,630,081	15,098,153	10,263,407	

Class		Nine months period ended 30 September 2013									30 September 2013 Net premium revenue	30 September 2012 Net premium revenue
		Premiums written	Unearned premium reserve		Premiums earned	Re-insurance ceded	Prepaid reinsurance premium ceded		Re-insurance expense			
			Opening	Closing			Opening	Closing				
Direct and facultative		(Rupees)										
1	Fire and property	8,355,906	8,337,880	5,505,323	11,188,463	14,785,214	7,678,575	11,298,604	11,165,185	23,278	4,691,293	
2	Marine and transport	19,894,652	3,921,465	5,034,458	18,781,659	13,423,154	1,983,130	5,313,285	10,092,999	8,688,660	7,866,444	
3	Motor	26,521,039	10,920,617	15,997,477	21,444,179	1,695,397	651,146	1,225,182	1,121,361	20,322,818	16,526,263	
4	Miscellaneous	15,133,666	2,337,458	8,364,652	9,106,472	1,301,158	359,401	737,421	923,138	8,183,334	2,194,592	
Sub total		69,905,263	25,517,420	34,901,911	60,520,772	31,204,923	10,672,252	18,574,491	23,302,684	37,218,089	31,278,592	

The annexed notes from 1 to 21 form an integral part of these condensed interim financial information

  
**Naim Anwar**  
 Managing Director & CEO

  
**Mudassar Zubair Mirza**  
 Director

  
**Monavar Karamat Ahmad**  
 Director

  
**Syed Adnan Ali Zaidi**  
 Director



**CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)**  
For the three and nine months period ended 30 September 2013

Business underwritten inside Pakistan

Three months period ended 30 September 2013

Class	Claims paid	Outstanding claims Opening	Outstanding claims Closing	Claim expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	30 September 2013 Net Claims expenses	30 September 2012 Net Claims expenses
Direct and facultative						Opening	Closing			
	<b>(Rupees)</b>									
Fire and property	7,063,542	13,179,477	5,551,035	(564,900)	302,485	4,481,345	3,712,610	(466,250)	<b>(98,650)</b>	1,000,725
Marine and transport	5,853,860	13,537,254	8,490,594	807,200	19,030	3,667,462	3,896,531	248,099	<b>559,101</b>	808,764
Motor	4,454,077	7,762,633	5,536,822	2,228,266	1,032,400	1,687,000	654,600	-	<b>2,228,266</b>	2,986,489
Miscellaneous	201,889	2,156,627	7,736,873	5,782,135	5,000,000	610,136	660,136	5,050,000	<b>732,135</b>	94,500
<b>Sub total</b>	<b>17,573,368</b>	<b>36,635,991</b>	<b>27,315,324</b>	<b>8,252,701</b>	<b>6,353,915</b>	<b>10,445,943</b>	<b>8,923,877</b>	<b>4,831,849</b>	<b>3,420,852</b>	<b>4,890,478</b>

Nine months period ended 30 September 2013

Class	Claims paid	Outstanding claims Opening	Outstanding claims Closing	Claim expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	30 September 2013 Net Claims expenses	30 September 2012 Net Claims expenses
Direct and facultative						Opening	Closing			
	<b>(Rupees)</b>									
Fire and property	8,500,392	11,837,993	5,551,035	2,213,434	6,932,005	8,947,053	3,712,610	1,697,562	<b>515,872</b>	1,725,069
Marine and transport	6,582,419	12,127,494	8,490,594	2,945,519	4,547,297	6,723,606	3,896,531	1,720,222	<b>1,225,297</b>	1,952,567
Motor	9,059,415	4,892,363	5,536,822	9,703,874	1,032,400	765,000	654,600	922,000	<b>8,781,874</b>	8,907,980
Miscellaneous	578,935	2,238,673	7,736,873	6,077,135	5,150,833	694,421	660,136	5,116,548	<b>960,587</b>	436,909
<b>Sub total</b>	<b>24,721,161</b>	<b>31,096,523</b>	<b>27,315,324</b>	<b>20,939,962</b>	<b>17,662,535</b>	<b>17,130,080</b>	<b>8,923,877</b>	<b>9,456,332</b>	<b>11,483,630</b>	<b>13,022,525</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial information

  
Naim Anwar  
Managing Director & CEO

  
Mudassar Zubair Mirza  
Director

  
Monavar Karamat Ahmad  
Director

  
Syed Adnan Ali Zaidi  
Director

**CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)**  
**For the three and nine months period ended 30 September 2013**

Business underwritten inside Pakistan

Business underwritten inside Pakistan				Three months period ended 30 September 2013					
Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from Re-insurers	30 September 2013 Net Underwriting expense	30 September 2012 Net Underwriting expense
		Opening	Closing						
Direct and facultative									
(Rupees)									
Fire and property	(420,153)	1,444,047	1,101,065	(77,171)	741,997	664,826	(1,512,013)	2,176,839	1,609,226
Marine, aviation and transport	619,063	603,778	755,169	467,672	2,843,518	3,311,190	502,612	2,808,578	2,098,291
Motor	1,651,284	2,556,076	2,399,622	1,807,738	2,713,562	4,521,301	8,290	4,513,011	3,230,057
Miscellaneous	2,377,230	431,210	324,116	2,484,324	751,802	3,236,127	94,410	3,141,717	655,823
Sub total	4,227,424	5,035,111	4,579,971	4,682,564	7,050,878	11,733,443	(906,701)	12,640,145	7,593,397

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

Class Direct and facultative		Nine months period ended 30 September 2013								
		Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from Re-insurers	30 September 2013 Net Underwriting expense	30 September 2012 Net Underwriting expense
			Opening	Closing						
(Rupees)										
Fire and property	2,164,086	1,667,576	1,101,065	2,730,597	2,335,614	5,066,211	342,576	4,723,635	3,662,329	
Marine, aviation and transport	3,184,142	588,220	755,169	3,017,193	5,515,297	8,532,490	1,974,012	6,558,478	4,312,460	
Motor	4,536,352	1,638,093	2,399,622	3,774,823	7,373,658	11,148,482	8,290	11,140,192	8,113,655	
Miscellaneous	2,694,882	4,67,492	324,116	2,838,258	4,315,522	7,153,781	251,544	6,902,237	1,795,099	
Sub total	12,579,462	4,361,381	4,579,971	12,360,872	19,540,090	31,900,963	2,576,422	29,324,542	17,883,543	

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

The annexed notes from 1 to 21 form an integral part of these condensed interim financial information

  
**Naim Anwar**  
 Managing Director & CEO

  
**Mudassar Zubair Mirza**  
 Director

  
**Monavar Karamat Ahmad**  
 Director

  
**Syed Adnan Ali Zaidi**  
 Director

# **CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)**

For the three and nine months period ended 30 September 2013

	Three month ended		Nine month ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
<b>Income from Non-Trading Investments</b>	<b>(Rupees)</b>		<b>(Rupees)</b>	
<b>Held-to-maturity</b>				
Return on fixed income securities and deposits	15,425	53,535	157,076	303,220
<b>Available-for-sale</b>				
Dividend income	80,442	71,036	216,033	252,519
Gain / (Loss) on sale on available for sale investments	4,943,914	(4,621)	5,337,848	(636,639)
	5,024,356	66,415	5,553,881	(384,120)
Reversal / (Provision) for impairment available for sale investments-net	1,643,228	-	2,653,890	1,475,500
<b>Net investment income</b>	<b>6,683,009</b>	<b>119,950</b>	<b>8,364,847</b>	<b>1,394,600</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial information

  
Naim Anwar  
Managing Director & CEO

  
Mudassar Zubair Mirza  
Director

  
Monavar Karamat Ahmad  
Director

  
Syed Adnan Ali Zaidi  
Director



## NOTES TO THE CONDENCED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

### 1. The Company and its operations

- 1.1 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.
- 1.2 The Company has paid up capital of Rs. 121 million, however as per the circular no. 3 of 2007 dated 10 April 2007 of the SECP, paid up capital of the company should be Rs. 300 million as at 31 December 2011. The SECP had served a show cause notice for the compliance of the minimum capital requirement. The Board of Directors has submitted the business plan describing the road map for meeting the minimum capital requirement in response to the said notice. The SECP while accepting the submitted business plan via their letter dated 1 August 2013 has directed the Company to implement it in such a way to meet the minimum capital and solvency requirement by 30 November 2013. The Board of Directors has accordingly announced a 412.5% Right issue accordingly at a discount of Rs. 4/ per share which is subject to meeting all the requirements and conditions of the Law.
- 1.3 The Company has also sent notice to KSE showing its interest in acquisition of 21 percent shares of Shaheen Insurance Company Limited. The SECP has advised that all legal requirements are met before finalization of deal and the impact of this on the financial position and the solvency position must be ascertained.
- 1.4 The management of the Company is confident to meet all statutory requirements and steps has been taken to implement the business plan to meet the minimum capital requirement latest by 30 November 2013 as instructed by SECP.

### 2. STATEMENT OF COMPLIANCE

These interim condensed financial statements of the Company for the nine months period ended 30 September 2013 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 interim condensed 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 interim condensed financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2012.

#### 2.1 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.

IFRS 9 "Financial instruments", applies on a modified retrospective basis to annual periods beginning on or after 1 January 2015.

IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction

IAS 36, "Intangible assets", amendments resulting from recoverable amount disclosures for Non financial assets . Applicable to annual periods beginning on or after 1 January 2014.

### 3. BASIS OF MEASUREMENT

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

### 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 31 December 2012.

### 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 31 December 2012. 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 31 December 2012.

### 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 31 December 2012

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

2013 (Number of Shares)	2012		Un-Audited 30 September 2013	Audited 31 December 2012
			..... (Rupees) .....	
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>121,000,000</u>	<u>121,000,000</u>

### 8. 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>

- 8.1 The reserve for exceptional losses represents the amount set aside in prior years up to 31 December 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 reserve for exceptional losses.



	Un-Audited 30 September 2013	Audited 31 December 2012
	(Rupees)	
<b>9. AMOUNTS DUE TO OTHERS INSURERS / REINSURERS</b>		
Foreign reinsurers	5,743,396	4,486,025
Local reinsurers	10,108,709	11,412,888
Co- insurers	8,647,234	8,640,142
	<u>24,499,339</u>	<u>24,539,055</u>

**10. OTHER CREDITORS AND ACCRUALS**

Federal Insurance Fees	73,793	133,160
Federal Excise Duty	1,049,624	1,105,067
Withholding tax	131,331	131,345
Sundry creditors	3,517	3,517
	<u>1,258,265</u>	<u>1,373,089</u>

**11. CONTINGENCIES AND COMMITMENTS**

**11.1 CONTINGENCIES**

The Company is defendant in following:

Suit no. 06 of 2007 before the Insurance Tribunal for Sindh Karachi, filed by Allied & Co. for recovery of Rs. 8,290,000 against the Company.

Suit filed by Al-Rehman Traders through its proprietor Mohammad Waseem and Orix Leasing Pakistan Ltd. against the Company.

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 financial statements.

**11.2 COMMITMENTS**

There were no commitments as at 30 September 2013.

**12. CASH AND OTHER EQUIVALENTS**

	Un-Audited 30 September 2013	Audited 31 December 2012
	(Rupees)	
Cash in hand	149,022	4,640
Policy stamp	92,449	17,550
	<u>241,471</u>	<u>22,190</u>

**13. CURRENT AND OTHER ACCOUNTS WITH BANKS**

Current accounts	3,310,645	3,376,130
PLS savings accounts	10,392,320	17,235
	<u>13,702,965</u>	<u>3,393,365</u>

**14. DEPOSITS MATURING WITHIN 12 MONTHS**

Term deposits	2,000,000	5,250,000
	<u>2,000,000</u>	<u>5,250,000</u>

**15. INVESTMENTS**

Available for sale	Quoted shares	19,486,271	21,970,755
		<u>19,486,271</u>	<u>21,970,755</u>



## 16. FIXED ASSET

The details of additions and disposals during the nine months period ended 30 September 2013 are as follows:

	Additions (at cost) ..... Rupees .....		Disposals (at net book value) ..... Rupees .....	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Free hold Land	-	-	6,392,500	-
Furniture and Fixtur	532,143	51,370	65,000	-
Office Equipment	295,800	36,640	-	-
Equipment	245,806	-	-	-
Motor Vehicles	85,000	340,799	6,558,690	665,640
	<u>1,158,749</u>	<u>428,809</u>	<u>13,016,190</u>	<u>665,640</u>

## 17. EARNINGS PER SHARE - BASIC AND DILUTED

	Un-Audited 30 September 2013      30 September 2012 ..... Rupees .....	
Profit / (Loss) for the period attributable to Ordinary Shareholders	<u>32,785,971</u>	<u>(5,386,239)</u>
Number of shares	<u>12,100,000</u>	<u>12,100,000</u>
Profit / (Loss) per share	<u>2.71</u>	<u>(0.45)</u>

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

## 18. 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:

	Un-Audited 30 September 2013      30 September 2012 ..... Rupees .....	
	(Unaudited)	
Premium underwritten	<u>-</u>	<u>274,721</u>
Provident fund contribution	<u>-</u>	<u>7,200</u>

## 19. SEGMENT REPORTING

	Fire & Property		Marine & Transport		Motor		Miscellaneous		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	Un-Audited 30 September 2013	Audited 31 December 2012
Other Information Segment Assets	18,192,032	18,293,204	9,629,883	9,294,955	1,879,782	3,054,239	1,585,702	1,521,314	31,287,399	32,163,711
Unallocated corporate assets									161,242,743	143,860,535
Consolidated total assets									192,530,142	176,024,246
Segment Liabilities	12,157,423	22,479,446	14,280,221	16,743,055	23,933,921	15,812,980	16,425,640	4,701,922	66,797,205	59,737,402
Unallocated corporate liabilities									26,772,763	29,005,140
Consolidated total liabilities									93,569,968	88,742,542
Unallocated capital expenditures									1,158,749	444,809
Unallocated depreciation / amortization									1,377,341	2,499,163

## 20. 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 28 October 2013.

## 21. GENERAL

21.1 Figures in these condensed interim financial statements have been rounded off to the nearest rupee.

21.2 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangement have been made.

  
Naim Anwar  
Managing Director & CEO

  
Mudassar Zubair Mirza  
Director

  
Monavar Karamat Ahmad  
Director

  
Syed Adnan Ali Zaidi  
Director

# BRANCH NETWORK

## HEAD OFFICE

2nd Floor, Nadir House, I.I.Chundrigar Road, P.O.BOX No. 4616, Karachi (Pakistan)  
U.A.N.: 111-274-000 Phones: 32415471-73 Fax: (92-21) 32415474 - 32415475  
Email: info@cstarinsurance.com

BRANCHES IN PAKISTAN				
Branch Head / Incharge	Location	Cell No.	Phone No.	Fax No.
<b>KARACHI</b>				
Mr. Tahir Ali	2nd Floor, Nadir House I.I Chundrigar Road Karachi	0321-7659958	021-32428106	021-32415473
Mr. Azmatullah Shaikh	3rd Floor, Nadir House I.I Chundrigar Road Karachi	0314-2314013	021-38691253	021-38691253
<b>LAHORE</b>				
Mr. Muhammad Afzal Shehzad	801-C, 8th Floor City Tower Main Boulevard Gulberg Lahore.	0321-9417526	042-35788806	042-35788806
Mr. Rana Muhammad Arman	2nd Floor, Ghous Bakers, 120-Temple Road Lahore.	0321-9008800	042-37320540	042-37320554
<b>SIALKOT</b>				
Mr. Younus Shaheen	Room # 11 & 12, Al-Rehman Center, Saga Chowk, Defence Road, Sialkot.	0333-8624101	052-3240271-73	052-3240270
<b>MULTAN</b>				
Mr. Khalil Ahmed	Syed Khalil Ahmed, Crescent Star Insurance Limited, Kutchery Road Multan.	0300-7323292	061-4571338	061-4514138
<b>QUETTA</b>				
Mr. Nasir Khan	Office # 2 1st Floor Gul Complex, M.A. Jinnah Road Quetta.	0333-7825474	081-2828097	081-2837363
Mr. Atif	Perfection House, 1st Floor, M.A. Jinnah Road Quetta.	0300-9127077 / 0333-7878994	081-2820613	081-2820613
<b>PESHAWAR</b>				
Mr. Anwar Husain	9th Floor, Statelife Building The Mall Peshawar	0321-9108461	091-5275021	091-5275021
<b>RAHIM YAR KHAN</b>				
Mr. Ahsan-ul-Haq	6 Railway Road Rahim Yar Khan	0300-6731885	(068) 5876961	068-5876961
<b>BAHAWALPUR</b>				
Mr. Saleem Faruqui	5-Jameel Market Circular Road Bahawalpur	0300-9681288	(062) 2882038	062-2885997
<b>HASILPUR</b>				
Mr. Abdul Sattar Anjum	194-Mohallah Alamdar Abbas Ward # 28, Old Hasilpur City Hasilpur Dist. Bahawalpur	0300-7850667	(0622) 441108	
<b>SAHIWAL</b>				
Mr. Muzaffar Joya	House # 899, Block D, Farid Town Sahiwal	0302-3141140	(040) 4550899	
<b>HYDERABAD</b>				
Mr. Tanveer Hashim Khan	Office # 41 / 42, Al-Rahim Shopping Center, Mazzenine Floor, Phase - 1, Hyderabad	0300-9376541	(022) 2780624	
<b>TANDO ADAM</b>				
Mr. Rashid Husain	House # B-173, Gulshan-e-Suleman Hyderabad Road Tando Adam	0300-3038235	(023) 5572138	
<b>FAISALABAD</b>				
Mr. Akhtar Rao	Office No. 145, 1st Floor Center Point Jaranwala Road, Faisalabad	0300 8667670	(041) 8559696	041-8559696