

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)
Syed Adnan Ali Zaidi
Syed Abid Raza
Mr. Jehangir Bashir Nawaz
Mr. Hanif Daud
Mr. Sakib Berjees
Dr. Fahim Lashkarwala – Designate *
Mr. Shahid Suleman Jan – Designate *

Managing Director & Chief Executive

Mr. Naim Anwar

Management

Mr. Naim Anwar (Managing Director & CEO)
Mr. Akbar Naqi Zaidi (Advisor to Managing Director)
Mr. Tanveer Ahmed (Resident Director)
Mr. Suhail Elahi (Resident Director)
Mr. M. Omar Zubair (General Manager Operations)
Mr. Malik Mehdi Muhammad (CFO)
Mr. Aamir Ahmed (Head of Sales)
Syed Danish Hasan Rizvi (Head of Internal Audit)
Engr. Ehtesham ul Haq Malik (General Manager)

Board Audit Committee

Syed Adnan Ali Zaidi (Chairman)
Syed Abid Raza
Mr. Hanif Daud

Board H.R & Remuneration Committee

Mr. Jehangir Bashir Nawaz (Chairman)
Mr. Hanif Daud
Mr. Naim Anwar

Board Investment Committee

Mr. Hanif Daud (Chairman)
Mr. Naim Anwar
Syed Adnan Ali Zaidi

Company Secretary

Mr. Mehtab Alam

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

F. D. Registrar (SMC-Pvt.) Limited
Office No. 1705, 17th Floor, Saima Trade Tower – A
I. I. Chundrighar, Road, Karachi
Tel #: 35478192-93 / 32271906 Fax # : 32621233

Registered & Head Officer

2nd Floor, Nadir House
I. I. Chundrigar Road
P.O. BOX No. 4616, Karachi

* Sound and Prudent approval for appointment of directors are pending with SECP.

CRESCENT STAR INSURANCE LIMITED NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 59th Annual General Meeting of the shareholders of Crescent Star Insurance Limited will be held on April 30, 2016 at 9.00 a.m. at 2nd Floor, Nadir House I.I. Chundrigar Road, Karachi to transact the following business.

ORDINARY BUSINESS:

1. To confirm and approve the minutes of the Extra Ordinary General Meeting held on October 03, 2015.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2015 together with the Directors' and Auditors' reports thereon.
3. To appoint Auditors for the year ending December 31, 2016 and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, pass special resolution pursuant to Section 208 of the Companies Ordinance, 1984 (the "Ordinance") to authorize further investment in Share Capital of Crescent Star Foods (Private) Limited (CSF) up to a value of approximately Rs. 50 million in aggregate, this will enhance the total investment in CSF up to Rs. 120 million in aggregate.

"Resolved that pursuant to the requirements of Section 208 of the Ordinance, the Company be and is hereby authorized to further invest in Share Capital of, Crescent Star Foods (Private) Limited up to a value of approximately Rs. 50 million in aggregate."

"Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of the above transaction but not limited to filing of all the requisite statutory forms and all other documents with SECP, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolutions."

5. To consider and, if thought fit, pass special resolution pursuant to Section 208 of the Ordinance, to authorize investment in Share Capital of Pak-Kuwait Takaful Company Limited up to a value of approximately Rs. 50 million.

"Resolved that pursuant to the requirements of Section 208 of the Ordinance, the Company be and is hereby authorized to make investment in Share Capital of Pak-Kuwait Takaful Company Limited up to a value of approximately Rs. 50 million."

"Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of the above transaction but not

limited to filing of all the requisite statutory forms and all other documents with SECP, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolutions.”

6. To consider and, if thought fit, pass special resolution to amend Article of Association clause 63 regarding Directors remuneration.

“**Resolved that**, ordinary remuneration of a Director other than the regularly paid Chief Executive and full time working director for every meeting of the board attended by him shall be and is hereby amended from Rupees Two Hundred to such other sum as may be approved by the Board of Directors. The words and figures in Clause 63 of the Article of Association of the Company be and are hereby amended accordingly.”

7. To consider and, if thought fit, to make addition in Article of Association regarding attendance of Directors in the Board Meetings through Tele/Video conferencing as per Circular no 6 of 2010.

“**Resolved that**, Participation of Director in Board meetings in person or through tele/video conferencing enabling the use of technology, the Article of Association of the Company be and are hereby amended accordingly.”

A statement under section 160(1)(b) of the Ordinance, relating to the aforesaid special businesses to be transacted at the said Annual General Meeting is attached.

ANY OTHER BUSINESS

8. To consider any other business with the permission of Chairman.

Karachi: April 8, 2016

By order of the Board
Mehtab Alam
Secretary

Notes:

1. **CLOSURE OF SHARE TRANSFER BOOKS:**

The Share Transfer Books of the Company shall remain closed from April 24, 2016 to April 30, 2016 (both days inclusive). Transfers received at our registrar office M/s F. D. Registrar Services (SMC-Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi by the close of business on April 23, 2016 will be treated in time.

2. PROXY FORM:

A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her behalf at the meeting. Proxies, in order to be valid, must be received at the registered office of the Company not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy.

3. NOTICE FOR CDC SHAREHOLDERS:

Central Depository Company (CDC) shareholders are requested to bring their Computerized National Identity Cards, Account/Sub-Account and Participant's ID Number in the CDC for identification purpose when attending the meeting. In case of corporate entity, the Board's Resolution/Power of Attorney with specimen signature shall be furnished (unless it has been provided earlier) at the time of meeting.

4. NOTICE TO SHAREHOLDER'S WHO HAVE NOT PROVIDED THEIR CNIC'S:

Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.

5. NOTICE TO SHAREHOLDER FOR CHANGE IN THEIR ADDRESSES:

Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.

6. AUDITED FINANCIAL STATEMENT THROUGH E-MAIL:

Securities & Exchange Commission of Pakistan (SECP) through its Notification SRO 787(I)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General Meeting to the members of the Company through email. Therefore, all members who wish to receive the soft copy of Annual Report are requested to send their email addresses. The consent form for electronic transmission can be downloaded for the Company's website: <http://www.cstarinsurance.com/>.

The Company shall, however provide hard copy of the Audited Financial Statements to its shareholder, on request, free of cost, within seven days of receipt of such request.

The Company shall place the financial statements and reports on the Company's website at least twenty one days (21) days prior to the date of the Annual General Meeting.

STATEMENT UNDER SECTION 160(1)(b) OF THE ORDINANCE:

Agenda Item 1: Investment in Share Capital of Crescent Star Foods (Private) Limited

The Board of Directors have decided to further invest in Share Capital of Crescent Star Foods (Private) Limited to a value of approximately up to Rs.50 million in aggregate.

S. No.	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS) REGULATIONS, 2012	RELEVANT INFORMATION
Agenda 1	Investment in Share Capital	
1.	Name of the associated company or associated undertaking along with criteria based on which the relationship is established	Crescent Star Foods (Private) Limited (CFOODS) is a subsidiary of the Company. The relationship is established based on 100% holding of the Company.
2.	Purpose, benefits and period of investment	<p>Purpose & Benefit The objective of the Company is to enter the lucrative food business category through a maximum of 50% holding in a newly formed Company.</p> <p>Period of Investment Long Term</p>
3.	Maximum amount of investment	Previous PKR 70 million New PKR 50 million Total PKR 120 million
4.	Maximum price at which securities will be acquired	PKR 10/-
5.	Maximum number of securities to be acquired	12 million ordinary shares
6.	Number of securities/units and percentage thereof held before and after the proposed investment	Before Investment 0% After Investment 50%
7.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	N/A
8.	In case of investment in unlisted securities fair market value of such securities determined in terms of regulation 6(1)	Crescent Star Foods (Private) Limited is a newly set up company and the project is currently in formative phase. The current fair value of investment is assumed at PKR 10/- due to the above factor. The fair value of the investment will be applicable once the Company commences its operations.

9.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	N/A
10.	Earnings/(Loss) per share of the subsidiary company or associated undertaking for the last three years	N/A
11.	Sources of fund from which securities will be acquired	Through own resources
12.	If the securities are intended to be acquired using borrowed funds: a. justification for investment through borrowings; and b. detail of the guarantees and assets pledged for obtaining such funds	N/A
13.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	N/A
14.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Common Directorship. None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed acquisition, except to the extent of their shareholding in the Company and that certain directorship are the Nominee Directors on the Company's Board.
15.	Any other important details necessary for the members to understand the transaction	None
16.	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, disclose further information as follows: 1. Description of the project and its history since conceptualization. 2. Expected date of completion of work. 3. Time by which such project shall become commercially viable. 4. Expected time by which the project shall start paying return on investment.	30 food outlets to be rolled out in next 10 years across different cities of Pakistan. December 31, 2016. The project shall be commercially viable from the year 2016. The project shall start paying return from 3 rd year of its operation.

Agenda Item 2: Investment in Share Capital of Pak-Kuwait Takaful Company Limited

The Board of Directors have decided to further invest in Share Capital of Pak-Kuwait Takaful Company Limited to a value of approximately up to Rs.50 million in aggregate.

S. No.	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS) REGULATIONS, 2012	RELEVANT INFORMATION						
Agenda 2	Investment in Share Capital							
1.	Name of the associated company or associated undertaking along with criteria based on which the relationship is established	Pak-Kuwait Takaful Company Limited (PKTC) is a subsidiary of the Company. The relationship is established based on 62.5% holding of the Company.						
2.	Purpose, benefits and period of investment	<p>Purpose & Benefit The objective of the Company is to enter the Islamic insurance business through a maximum of 62.5% holding in the Company.</p> <p>Period of Investment Long Term</p>						
3.	Maximum amount of investment	PKR 50 million						
4.	Maximum price at which securities will be acquired	PKR 1.75/-						
5.	Maximum number of securities to be acquired	28.125 million ordinary shares						
6.	Number of securities/units and percentage thereof held before and after the proposed investment	<p>Before Investment Nil</p> <p>After Investment 62.5%</p>						
7.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	N/A						
8.	In case of investment in unlisted securities fair market value of such securities determined in terms of regulation 6(1)	<p>The break-up value for last three years are:</p> <table> <tr> <td>2014</td> <td>2013</td> <td>2012</td> </tr> <tr> <td>Rs. 1.28</td> <td>Rs. 4.37</td> <td>Rs. 4.41</td> </tr> </table>	2014	2013	2012	Rs. 1.28	Rs. 4.37	Rs. 4.41
2014	2013	2012						
Rs. 1.28	Rs. 4.37	Rs. 4.41						
9.	Earnings/(Loss) per share of the subsidiary company or associated undertaking for the last three years	<table> <tr> <td>2014</td> <td>2013</td> <td>2012</td> </tr> <tr> <td>Rs. 0.48</td> <td>Rs. 0.72</td> <td>Rs. 1.27</td> </tr> </table>	2014	2013	2012	Rs. 0.48	Rs. 0.72	Rs. 1.27
2014	2013	2012						
Rs. 0.48	Rs. 0.72	Rs. 1.27						
10.	Sources of fund from which securities will be acquired	Through own resources						

11.	<p>If the securities are intended to be acquired using borrowed funds:</p> <p>a. justification for investment through borrowings; and</p> <p>b. detail of the guarantees and assets pledged for obtaining such funds</p>	N/A
12.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	N/A
13.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	<p>Common Directorship.</p> <p>None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed acquisition, except to the extent of their shareholding in the Company and that certain directorship are the Nominee Directors on the Company's Board.</p>
14.	Any other important details necessary for the members to understand the transaction	None

Directors' Report

The Directors of your Company are pleased to present the 59th Annual Report and the Audited Financial Statements for the year ended December 31, 2015.

2015 has been an interesting year for Crescent Star Insurance Limited (CSI). The management was given approval by the shareholders at Annual General Meeting held on April 30, 2015 for implementing the strategy of diversification and to invest into exciting new ventures, such as Crescent Star Foods (Pvt) Ltd, for which the Company signed up Master Franchise Agreement with American Food Chain under name of Golden Chick for Pakistan including Azad Kashmir with the permission to allow sub franchise if required. It is heartening to see the potential in the value of the share price of the Company which touched a peak of Rs 17.85 during the year 2015. Positive response from the press and reports from brokerage houses made the Company's confidence even stronger. The Company later in the year announced issuance of right shares at par for PKR.207 million, which was fully underwritten as per underwriting rules. The right issuance was subsequently successfully completed in March 2016 and enhanced the Company's paid up capital to PKR.827 million. Hence at the time of approval of these accounts by the Board the paid up Capital of the Company stands at PKR.827 million. The management after approval from the shareholders also proceeded with intentions announced and approved for Dost Steel Limited. The management also moved ahead with the process for the tracker company as approved, however, the name of Crescent Star Tracker (Pvt) Ltd was not permitted by the Company registrar due to similar name already taken hence the management reserved the name and proceeded for incorporation of the same approval as CRESCENT STAR TECHNOLOGIES (PVT) LTD.

Your Company has made inroads to new distribution channels for growth of Insurance Business and has negotiated new orders which would fetch handsome premium growth in 2016. The efforts made in 2015 to enhance premium will reflect into reality in 2016 and thereafter. The Bank enlistments and limits still is a major hurdle in growth in Fire / Marine and Engineering Business, though the Company has made progress with many Banks who have finally accepted the Company into their list of approved companies, and we are grateful to those managements of the respective Banks. The Company is however disappointed with some Banks who neither list the Company nor give any valid reason for doing so which may reflect their position on this issue badly, as the Company feels its fundamental right of doing business in this competitive market is taken away by these Banks who do not announce for public consumption their criteria for enlistment and hence fall under TRADE ABUSE AND CARTELS. The management has been very active to establish top level contacts with all such Banks and leasing companies and is trying to patiently enter the ranks. With a rating of A- by Pacra, and a capital of PKR.827 million (at the time of writing of this report) or let us say PKR.620 million at the end of 2015, with Re-Insurance under the lead of Trust Re and other A rated securities and having met all compliances there should be no reason for Banks not to enlist the Company on their panels which is violation of Section 86 of the Insurance Ordinance, 2000.

The positive results helped the Company to reduce its accumulated losses from PKR.94.347 million to PKR.12.664 million. It is heartening to see EPS of Rs 1.32 at the end of the year.

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

Performance Highlights

	2015	2014	2013
Gross Premium	265,768,354	237,051,329	84,925,636
Net Premium	236,906,786	136,248,456	55,767,352
Profit / (Loss) Before Tax	89,855,142	(34,467,327)	2,068,250
Profit / (Loss) After Tax	81,682,351	(35,830,168)	1,466,683
Paid-up Capital	620,125,000	620,125,000	121,000,000
Total Assets	838,220,966	574,842,556	164,822,712
(Loss) / Earnings Per Share (EPS)	1.32	(0.70)	0.10

Future Outlook

The Company intends to introduce products for the general public and masses controlled through back end technology through its subsidiary and team of professionals with IT background to provide back up support through own Call Centre and other relevant equipment and knowledge to meet challenging new products and new markets. The Company intends to continue its investment policy and diversification towards profitable avenues hence improve the Company's performance and return to share holder.

Earnings per Share

Your Company has incurred a profit after tax of Rs. 81.682 million which translates into earning per share of Rs. 1.32 as compared to loss per share of Rs. (0.70) for the last year.

Dividend

The Board of Directors does not recommend any Dividend for the year ended December 31, 2015.

Auditors' Report

The auditors Rahman Sarfraz Rahim Iqbal Rafiq, Chartered Accountants after verifying available records shared by the management have issued unqualified opinion on the Financial Statements for year ended December 31, 2015.

Human Resource Initiatives

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

Compliance with the Code of Corporate Governance

The requirements of the code set out by the stock exchanges in the listing regulations, relevant for the year ended December 31, 2015, have been duly complied with. A statement to this effect is annexed with the report.

Statement of Directors Responsibilities under the Code of Corporate Governance

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

- a) The financial statements, prepared by the Company, present fairly, its state of affair, the results of its operations, cash flows and changes in equity.
- b) The Company has maintained proper books of accounts as required under the Companies Ordinance, 1984 and the Insurance Ordinance, 2000.
- c) The Company has followed consistently appropriate accounting policies in preparation of the financial statements, changes were made, have been adequately disclosed and accounting estimates area on the basis of prudent and reasonable judgment.
- d) Financial statements have been prepared by the Company in accordance with the International Accounting Standards, as applicable in Pakistan, requirement of Companies Ordinance, 1984, Insurance Ordinance, 2000, and the Securities and Exchange Commission (Insurance) Rules, 2002.
- e) The system of internal control is sound, effectively implemented and monitored. The process of review will continue to strengthen the system for its effective implementation.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.

The Company has followed the best practices of corporate governance, as laid down in the listing regulations of the stock exchanges and there has been no material departure.

Board Meetings and Attendance

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

Name of Director	Number of Board Meetings Attended
Mr. Naim Anwar	6
Mr. Sakib Berjees	1
Mr. Mudassar Zubair Mirza	3
Mr. Syed Adnan Ali Zaidi	5
Mr. Jehangir Bashir Nawaz	4
Mr. Syed Abid Raza	4
Mr. Hanif Daud	4

Auditors

The present auditors, M/s Rahman Sarfraz Rahim Iqbal Rafiq, Chartered Accountants shall retire at the conclusion of the Annual General Meeting, and being eligible, have offered themselves for re-appointment as external auditors for the year ending December 31, 2016.

Audit Committee

The Company has an Audit Committee, and had four meetings during the year 2015. The attendance of the meeting is as follows:

Names of Members		Meetings Attended
Mr. Mudassar Zubair Mirza	Chairman	3
Mr. Syed Adnan Ali Zaidi	Chairman / Member	4
Mr. Hanif Daud	Member	1

Human Resource and Remuneration Committee

The Company has a Human Resource and Remuneration Committee. The committee is responsible for recommending to the board human resource management policies of the Company. The committee had one meeting during the year 2015, the attendance of the meeting is as follows:

Names of Members		Meetings Attended
Mr. Mudassar Zubair Mirza	Chairman	1
Mr. Naim Anwar	Member	1

Investment Committee

The Company has an Investment Committee. The committee consists of the following board members:

Names of Members		Meetings Attended
Mr. Hanif Daud	Chairman	1
Mr. Syed Adnan Ali Zaidi	Member	1
Mr. Naim Anwar	Member	1

Statement of Ethics and Best Business Practices

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

Company Reporting

The Company reports to the shareholders 4 times a year with its 1st quarter, half-yearly, 3rd quarter and full year results, along with the director's reports on the operations and future outlook for the Company. All reports are sent to the Stock Exchanges and to the registered shareholders at the address registered with the Company.

The value of investment in respect of provident fund maintained by the Company based on latest financial statements as at December 31, 2015 is Rs. 10,526,995.

Pattern of Shareholding

A statement showing pattern of shareholding of the Company and additional information as at December 31, 2015 is annexed with the report.

Trading of shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children were:

Sell of shares	No. of shares
Mr. Sakib Berjees – Director	2,158,000

Directors Training Program

Please refer note 9 of the Statement of Compliance with the Code of Corporate Governance.

Acknowledgment

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

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

Naim Anwar
Managing Director & CEO

Karachi: April 5, 2016

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
CRESCENT STAR INSURANCE LIMITED
YEAR ENDED DECEMBER 31, 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Syed Adnan Ali Zaidi
Executive Directors	Mr. Naim Anwar CEO/Chairman
Non-Executive Directors	Syed Abid Raza Mr. Jehangir Bashir Nawaz Mr. Hanif Daud Mr. Sakib Berjees

The independent directors meet the criteria of independence under the CCG.

The Chief Executive and chairman of the company are same person and management expects to comply with the said requirement from next election of directors.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or being a broker of a stock exchange has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred on 27 April 2015 on the board when appointment of one of the directors was not approved by SECP and another casual vacancy occurred on the board on 1 September 2015 due to resignation of another director. Board has approved appointment of two directors on 16 February 2016 and 10 March 2016, subject to the approval of SECP. Company has applied to SECP for approval which is pending for decision.
5. The company has prepared a “statement of Ethics and Business Practices” as “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Directors are well conversant with the listing regulations, corporate requirements and as such are fully aware of their duties and responsibilities. No directors training program was arranged during the year.
10. The board has approved appointment of company secretary including his remuneration and terms and conditions of employment. No other new appointment of CFO and head of internal audit were made during the year. The person appointed as Head of Internal Audit has qualified exams of Association of Chartered Certified Accountants (ACCA) UK and has been working with the company for the past 3 years and is expected to apply for membership of ACCA in due course.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG. Mechanism for annual evaluation of the board's own performance is being developed. The criteria will be placed before board of directors for consideration, comments and adoption in forthcoming meeting.
15. The board has formed an Audit Committee. It presently comprises of three members which are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. Meetings of Underwriting, Claim & re-insurance committee were held at least once every quarter.
18. The board has formed an HR & Remuneration committee. It comprises of three members which are non executive directors and the chairman of the committee is a Non-Executive director.
19. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
20. All related party transactions entered during the year were at arm's length basis and these have been placed before the audit committee and Board of Directors. These transactions are duly reviewed and approved by the audit committee and Board of Directors alongwith pricing methods.
21. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
23. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, were determined and intimated to directors, employees and stock exchanges.
24. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
25. We confirm that all other material principles enshrined in the CCG have been complied with, except for the matters discussed in paragraph 1, 4, 9, 10 and 14 towards which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

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

Naim Anwar
Chief Executive
Karachi: April 5, 2016

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH
THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **CRESCENT STAR INSURANCE LIMITED** for the year ended 31 December 2015 to comply with the requirements of Listing Regulation of Pakistan Stock Exchange where the Company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2015.

Further, we highlight below instances of non-compliances with the requirements of the Code as reflected in the paragraph number 1[*directors*], 4[*Casual vacancies*], 9[*Training program*], 10[*Head of Internal Audit*] and 14[*Board evaluation criteria*] of statement of compliance.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: A. Rahman Mir
Lahore: April 5, 2016

KEY FINANCIAL HIGHLIGHTS

(RUPEES IN MILLION)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Gross Premium	265.77	237.05	84.93	68.62	81.87	105.08	132.58	175.57	197.21	207.38
Net Premium	236.91	136.25	55.77	40.99	60.23	74.16	105.36	140.80	170.28	146.58
Paid-up Capital	620.13	620.13	121.00	121.00	121.00	121.00	121.00	121.00	96.80	88.00
Reserve & Retained Earnings	13.60	(68.08)	(55.89)	(54.83)	(36.66)	(38.09)	(41.84)	(11.35)	26.38	35.34
Discount on Issue of Right Shares	(199.65)	(199.65)	-	-	-	-	-	-	-	-
Investments	78.06	270.00	14.68	21.97	24.11	29.74	35.22	70.86	49.38	68.54
Underwriting Provisions	185.98	159.55	61.31	59.74	71.13	79.20	107.22	14.66	164.37	146.47
Total Assets	838.22	574.84	164.82	176.02	202.38	214.61	237.78	286.69	310.80	278.83
Profit Before Tax	89.86	(34.47)	2.07	(17.84)	2.22	4.61	(43.38)	(37.40)	26.09	9.84
Profit After Tax	81.68	(35.83)	1.47	(18.16)	1.43	3.74	(30.48)	(37.73)	24.04	8.58
Distribution as percentage of paid-up capital- cash dividend	-	-	-	-	-	-	-	-	-	-
paid-up capital- cash dividend Interim	-	-	-	-	-	-	-	-	25.00	-
- bonus shares	-	-	-	-	-	-	-	-	-	10.00
- right shares	-	412.50	-	-	-	-	-	-	25.00	-
Return on Total Assets-%	9.74	(6.23)	0.89	(10.32)	0.71	1.74	(12.82)	(13.16)	7.73	3.08
Return on Shareholders' Equity-%	18.82	(10.17)	1.65	(27.45)	1.69	4.52	(38.51)	(34.41)	18.06	6.96
Break-up Value per Share	8.23	5.68	7.33	5.47	6.97	6.85	6.54	9.06	13.75	14.02
Earnings per Share in Rupees	1.32	(0.70)	0.10	(1.50)	0.12	0.31	(2.52)	(3.14)	2.16	0.98
Market Value of Share	12.99	4.69	7.80	4.00	2.00	6.68	9.00	15.45	25.45	12.90
P/E Ratio	9.86	(6.70)	78.00	(2.66)	16.95	15.12	3.57	(4.95)	10.25	13.23

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of:-

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income;
- (iv) statement of changes in equity;
- (v) cash flow statement;
- (vi) statement of premium;
- (vii) statement of claims;
- (viii) statement of expenses; and
- (ix) statement of investment income

of Crescent Star Insurance Limited as at December 31, 2015 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the Approved Accounting Standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the Auditing Standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion -

- a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with the accounting policies consistently applied;
- c) The financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with Approved Accounting Standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: A. Rahman Mir
LAHORE: April 5, 2016

CRESCENT STAR INSURANCE LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2015

		2015	2014			2015	2014
Note		----- (Rupees) -----	----- (Rupees) -----	Note		----- (Rupees) -----	----- (Rupees) -----
Share Capital and Reserves				Cash and Bank Deposits			
Authorised Capital				Cash and other equivalents	12	1,996,515	1,561,639
100,000,000 (2014: 65,000,000) ordinary shares of Rs. 10/- each		1,000,000,000	650,000,000	Current and other accounts	13	9,756,123	1,578,454
				Deposits maturing within 12 months	14	-	1,000,000
						11,752,638	4,140,093
Issued, subscribed and paid-up share capital	4	620,125,000	620,125,000				
Discount on Issue of right shares	5	(199,650,000)	(199,650,000)	Investments	15	78,060,666	86,064,384
Reserves	6	26,264,833	26,264,833	Investment Properties	16	-	183,932,750
Accumulated profit / (loss)		(12,664,264)	(94,346,615)	Deferred Taxation	17	13,543,178	13,543,178
		434,075,569	352,393,218				
Shares Deposit Money		76,000,000	-	Current Assets - Others			
Underwriting Provisions				Premiums due but unpaid	18	183,786,313	175,172,599
Provision for outstanding claims (including IBNR)		70,387,813	43,638,093	Amounts due from other insurers / reinsurers		55,530,575	39,816,899
Provision for unearned premium		115,587,391	115,877,861	Accrued investment income		2,558,219	3,314,894
Commission income unearned		-	33,983	Reinsurance recoveries against outstanding claims		8,552,929	23,010,767
Total underwriting provisions		185,975,204	159,549,937	Taxation - payments less provision	19	-	2,201,814
Creditors and Accruals				Deferred commission expense		10,667,237	5,369,172
Premiums received in advance		6,152,744	34,015	Prepaid reinsurance premium ceded		16,329,231	5,866,269
Amounts due to others insurers / reinsurers	7	23,441,229	15,724,531	Sundry receivables	20	436,392,157	15,132,171
Accrued expenses		20,785,015	11,295,673			713,816,661	269,884,585
Other creditors and accruals	8	81,515,909	29,849,287	Fixed Assets -	21		
Taxation - Provisions less payments	9	4,502,325	-	Tangible Owned			
Borrowings				Furniture and fixtures & office equipments		8,860,710	6,302,429
Borrowing under musharaka arrangements	10	5,354,762	5,577,686	Motor vehicles		12,187,113	10,975,137
		141,751,984	62,481,192			21,047,823	17,277,566
Other Liabilities							
Unpresented dividend warrants		418,209	418,209				
TOTAL LIABILITIES		328,145,397	222,449,338	TOTAL ASSETS		838,220,966	574,842,556
TOTAL EQUITY AND LIABILITIES		838,220,966	574,842,556				

Contingencies and Commitments 11

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	2015 Aggregate	2014 Aggregate
	----- (Rupees) -----						
Revenue Account							
Net premium revenue	1,794,206	7,885,657	139,047,170	75,203,089	12,976,664	236,906,786	136,248,456
Net claims	(8,553,993)	(3,835,315)	(31,614,567)	(45,755,765)	(2,573,024)	(92,332,664)	(25,172,083)
Management expenses	(4,606,465)	(4,945,909)	(38,387,268)	(30,587,806)	(10,352,332)	(88,879,780)	(69,118,760)
Net commission	(2,229,515)	(2,760,599)	(11,687,852)	(3,521,200)	(5,202,821)	(25,401,987)	(22,888,121)
Underwriting result	(13,595,767)	(3,656,166)	57,357,483	(4,661,682)	(5,151,513)	30,292,355	19,069,492
Investment income						9,056,271	6,643,656
Gain on sale investment properties						116,067,250	-
Other income						3,454,490	3,316,884
General and administrative expense						(69,015,224)	(63,497,359)
Profit / (loss) before tax						89,855,142	(34,467,327)
Provision for taxation						(8,172,791)	(1,362,841)
Profit / (loss) after tax						81,682,351	(35,830,168)
Profit and loss appropriation account							
Balance at commencement of the year						(94,346,615)	(58,516,447)
Profit / (loss) after tax for the year						81,682,351	(35,830,168)
Balance accumulated profit / (loss) at end of the Year						(12,664,264)	(94,346,615)
Earnings/(Loss) per share - basic and diluted						1.32	(0.70)

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

**CRESCENT STAR INSURANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	----- (Rupees) -----	
Profit / (loss) after tax for the period	81,682,351	(35,830,168)
Other comprehensive income:		
Items that may not be subsequently reclassified to Profit and Loss Account	-	-
Items that may be subsequently reclassified to Profit and Loss Account	-	-
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the Year	81,682,351	(35,830,168)

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
**Chief Executive
/Principal Officer**

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Share Capital</u> Issued, subscribed and paid-up Capital	Discount on issue of right issue	<u>Capital Reserve</u> Reserve for exceptional losses	<u>Revenue Reserve</u> General reserve	Accumulated (loss) / profit	Total
	------(Rupees)-----					
Balance as at January 01, 2014	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 @ Rs. 4/- per Share	-	(199,650,000)	-	-	-	(199,650,000)
Total comprehensive loss for the year	-	-	-	-	(35,830,168)	(35,830,168)
Balance as at December 31, 2014	620,125,000	(199,650,000)	1,767,568	24,497,265	(94,346,615)	352,393,218
Total comprehensive income for the year	-	-	-	-	81,682,351	81,682,351
Balance as at December 31, 2015	620,125,000	(199,650,000)	1,767,568	24,497,265	(12,664,264)	434,075,569

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
Note

	2015	2014
	------(Rupees)-----	
Operating Cash Flows		
a) Underwriting activities		
Premium received	263,273,369	106,310,668
Reinsurance premium paid	(47,611,978)	(22,948,837)
Claims paid	(73,938,561)	(28,124,251)
Reinsurance and other recoveries received	22,813,455	5,146,145
Commission paid	(30,734,035)	(25,252,536)
Commission received	-	110,150
Net cash inflow from underwriting activities	133,802,250	35,241,339
b) Other operating activities		
Income tax paid	(1,468,652)	(812,029)
General management expenses paid	(93,071,875)	(92,740,514)
Other operating payments	(417,955,739)	(4,422,590)
Net cash flows from other operating activities	(512,496,266)	(97,975,133)
Total cash inflow / (outflow) from all operating activities	(378,694,016)	(62,733,794)
Investing activities		
Profit / return received	9,786,693	3,016,992
Dividend received	3,604	3,560
Proceeds from / (Payments for) investments	24,305,416	(74,230,706)
Proceeds from / (Payments for) investments Property	300,000,000	(171,932,750)
Proceeds from / (Payments for) disposal of investments	(16,279,049)	3,685,091
Fixed capital expenditure	(10,905,179)	(10,697,061)
Proceeds from disposal of fixed assets	3,618,000	5,022,000
Total cash inflow / (outflow) from investing activities	310,529,485	(245,132,874)
Financing activities		
Borrowing under Musharaka arrangements	(222,924)	5,577,686
Share Deposit money	76,000,000	-
Proceeds from Right Share	-	299,475,000
Total cash inflow / (outflow) from financing activities	75,777,076	305,052,686
Total cash inflow / (outflow) from all activities	7,612,545	(2,813,982)
Add: Cash at beginning of the year	4,140,093	6,954,075
Cash at the end of the period	11,752,638	4,140,093
Reconciliation to the Profit and Loss Account		
Operating cash flows	(378,694,016)	(62,733,794)
Depreciation expense	(3,667,165)	(2,317,325)
Gain on disposal of fixed assets	150,243	2,816,884
Gain on sale investment properties	116,067,250	-
Other Income	-	500,000
(Decrease) / increase in assets other than cash	446,890,565	160,608,549
Decrease / (increase) in liabilities other than running finance	(101,416,658)	(140,797,326)
	79,330,219	(41,923,012)
Other Adjustments		
Profit/ return received	9,030,018	6,301,196
Reversal/ (Provision) for impairment in the value of investment	10,497	2,340,220
Dividend income	3,604	3,560
Capital Gain/(loss)	12,152	(2,001,320)
Income tax paid	1,468,652	812,029
Provision for taxation	(8,172,791)	(1,362,841)
(Loss)/ Profit after taxation	81,682,351	(35,830,168)
Definition of cash		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	12	1,996,515
Current and other accounts	13	9,756,123
Deposits maturing within 12 months	14	-
		1,000,000
		11,752,638
		4,140,093

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2015

Class of Business	Premiums written	Unearned		Premiums earned	Reinsurance ceded	Prepaid reinsurance		Reinsurance expense	2015	2014
		premium reserve				premium ceded			Net premium revenue	Net premium revenue
		Opening	Closing			Opening	Closing			
Direct and facultative ----- (Rupees) -----										
Fire and property damage	15,139,155	4,911,586	6,715,337	13,335,404	20,800,000	1,221,590	10,480,392	11,541,198	1,794,206	4,558,815
Marine, aviation and transport	16,485,217	1,817,701	2,282,151	16,020,767	9,180,000	15,715	1,060,605	8,135,110	7,885,657	12,475,471
Motor	100,716,676	92,393,039	48,304,620	144,805,095	4,875,000	3,343,773	2,460,848	5,757,925	139,047,170	76,679,582
Accident and health	98,684,918	12,343,188	35,825,017	75,203,089	-	-	-	-	75,203,089	39,589,983
Miscellaneous	34,742,388	4,412,347	22,460,266	16,694,469	4,760,000	1,285,191	2,327,386	3,717,805	12,976,664	2,944,605
Total	265,768,354	115,877,861	115,587,391	266,058,824	39,615,000	5,866,269	16,329,231	29,152,038	236,906,786	136,248,456

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF CLAIMS
FOR THE YEAR ENDED DECEMBER 31, 2015

Class of Business	Claims paid	Outstanding claims		Claim expense/ (income)	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	2015	2014
		Opening	Closing			Opening	Closing		Net Claims expense	Net Claims expense
Direct and facultative										
-----Rupees-----										
Fire and property damage	2,613,873	12,340,943	16,726,650	6,999,580	5,671,830	9,860,998	2,634,755	(1,554,413)	8,553,993	2,234,305
Marine, aviation and transport	3,718,365	3,471,611	5,171,557	5,418,311	1,612,968	1,460,332	1,430,360	1,582,996	3,835,315	(2,174,024)
Motor	35,938,470	18,280,992	22,011,834	39,669,312	15,322,381	9,567,636	2,300,000	8,054,745	31,614,567	11,669,806
Accident and health	30,524,260	5,897,659	21,129,164	45,755,765	-	-	-	-	45,755,765	14,083,036
Miscellaneous	1,143,593	3,646,888	5,348,608	2,845,313	206,276	2,121,801	2,187,814	272,289	2,573,024	(641,040)
Total	73,938,561	43,638,093	70,387,813	100,688,281	22,813,455	23,010,767	8,552,929	8,355,617	92,332,664	25,172,083

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

Class of Business	Commission paid or payable	Deferred commission		Net commission expense	Management expenses	Underwriting expense	Commissions from re-insurers	2015	2014
		Opening	Closing					Net Underwriting expense	Net Underwriting expense
Direct and facultative	----- (Rupees) -----								
Fire and property damage	2,596,900	982,317	1,343,067	2,236,150	4,606,465	6,842,615	6,635	6,835,980	5,673,619
Marine, aviation and transport	2,853,489	363,540	456,430	2,760,599	4,945,909	7,706,508	-	7,706,508	7,517,168
Motor	13,561,610	2,964,921	4,830,462	11,696,069	38,387,268	50,083,337	8,217	50,075,120	60,482,627
Accident and health	4,695,292	617,159	1,791,251	3,521,200	30,587,806	34,109,006	-	34,109,006	14,366,646
Miscellaneous	7,026,744	441,235	2,246,027	5,221,952	10,352,332	15,574,284	19,131	15,555,153	3,966,821
Total	<u>30,734,035</u>	<u>5,369,172</u>	<u>10,667,237</u>	<u>25,435,970</u>	<u>88,879,780</u>	<u>114,315,750</u>	<u>33,983</u>	<u>114,281,767</u>	<u>92,006,881</u>

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

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF INVESTMENT INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
	-----(<i>Rupees</i>)-----	
Income from Non-Trading Investments		
Held-to-maturity		
Return on government securities	6,738,309	5,235,081
Gain on disposal of Government Securities	2,109,790	-
Return on fixed income securities and deposits	181,919	1,066,115
	9,030,018	6,301,196
Available-for-sale		
Dividend income	3,604	3,560
Gain / (loss) on sale of available for sale investments	14,852	(1,920,310)
	18,456	(1,916,750)
Reversal / (provision) for impairment in Value of investments	10,497	2,340,220
Investment related expenses	(2,700)	(81,010)
Net investment income	9,056,271	6,643,656

The annexed notes from 1 to 35 form an integral part of these financial statements.

Naim Anwar
Chief Executive
/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

CRESCENT STAR INSURANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. STATUS AND NATURE OF BUSINESS

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

The Company is engaged in providing general insurance services mainly in spheres of Fire and property damage, Marine, aviation and transport, Motor, Accident & Health and Miscellaneous.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Insurance Ordinance 2000, the SEC (Insurance) Rules, 2002, the Companies Ordinance, 1984, directives issued by the Securities and Exchange Commission of Pakistan ("SECP"), and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as notified under the provisions of the Companies Ordinance. Wherever, the requirements of the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, the Companies Ordinance or directives issued by SECP differ with the requirements of these standards, the requirements of the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, the Companies Ordinance or the requirements of the said directives take precedence.

SECP has allowed insurance companies to defer the application of International Accounting Standard-39 (IAS 39) "Financial Instruments: Recognition and Measurement" in respect of investments available for sale until suitable amendments have been made in the laws. Accordingly, the requirements of IAS 39, to the extent allowed by the SECP, have not been considered in the preparation of these financial statements.

2.2 Standards and interpretations that became effective but are not relevant to the company:

Following standards, amendments to standards and interpretations including amendments to interpretations became effective during the year. However, the applications of these amendments and interpretations did not have any material effect on the Company's financial statements.

IFRS 2	Shared Based Payments (Amendments)
IFRS 3	Business Combinations (Amendments)
IFRS 8	Operating Segments (Amendments)
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosures of Interests in Other Entities (Amendments)
IFRS 13	Fair Value Measurement (Amended)
IAS 16	Property, Plant and Equipment (Amendments)
IAS 19	Employee Benefits (Amendments)
IAS 24	Related Party Disclosures (Amendments)
IAS 27	Separate financial statements (Amendments)
IAS 28	Investments in Associates and Joint Ventures
IAS 38	Intangible Assets (Amendments)
IAS 40	Investment Property (Amendments)

2.3 Forthcoming requirements not effective in current year and not considered relevant:

The following standards (revised or amended) and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than increased disclosures in certain cases:

Standard

IAS-1	Presentation of Financial Statements - (Amended)-(effective for annual periods beginning on or after 1 January 2016).
IAS-16	Property, Plant and Equipment - (Amended)-(effective for annual periods beginning on or after 1 January 2016).
IAS-19	Employee Benefits - (Amended)-(effective for annual periods beginning on or after 1 January 2016).
IAS-27	Separate financial statements-(Amended)- (effective for annual periods beginning on or after 1 January 2016).
IAS-28	Investments in Associates-(Amended)- (effective for annual periods beginning on or after 1 January 2016).
IAS-31	Interest in Joint Ventures -(Amended)- (effective for annual periods beginning on or after 1 January 2009) - Not notified by SECP.
IAS-34	Interim Financial Reporting-(Amended)- (effective for annual periods beginning on or after 1 January 2016).
IAS-38	Intangible Assets - (Amended)-(applicable for annual periods beginning on or after 1 January 2016).
IAS-41	Agriculture - (Amended) - (applicable for annual periods beginning on or after 1 January 2016).
IFRS-1	First-time Adoption of International Financial Reporting Standards - (Amended)-(effective for annual periods beginning on or after 1 January 2013) - Not notified by SECP.
IFRS-5	Non Current Assets Held for Sale and Discontinued Operations - (Amended)-(applicable for annual periods beginning on or after 1 January 2016).
IFRS-7	Financial Instruments: Disclosures (Amended) - (applicable for annual periods beginning on or after 1 January 2016).
IFRS-9	Financial Instruments: Classification and Measurements - (applicable for annual periods beginning on or after 1 January 2015 & 1 January 2018) - Not notified by SECP.
IFRS-10	Consolidated Financial Statements (Amended) - (applicable for annual periods beginning on or after 1 January 2016).
IFRS-11	Joint Arrangements (Amended) - (applicable for annual periods beginning on or after 1 January 2016).
IFRS-12	Disclosure of Interests in Other Entities (Amended) - (applicable for annual periods beginning on or after 1 January 2016).
IFRS-14	Regulatory Deferral Accounts - (applicable for annual periods beginning on or after 1 January 2016) - Not notified by SECP.
IFRS-15	Revenue from Contracts with Customers - (applicable for annual periods beginning on or after 1 January 2017) - Not notified by SECP.

2.4 Basis of measurement

These financial statements have been prepared under historical cost convention, except for valuation of certain financial instruments at fair value.

2.5 Use of judgments and estimates

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

The judgments, estimates and assumptions are based on historical experience, current trend and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying value of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

	Note
- Provision for outstanding claims (including IBNR)	3.3
- Premium deficiency reserve	3.4
- Useful lives and residual values of fixed assets	3.9
- Provision for doubtful receivables	3.6
- Provision of unearned premiums	3.10.2
- Premium due but unpaid	3.10.3
- Provision for Taxation and deferred tax	3.15

2.6 Functional and presentation currency

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

2.7 Figures

The comparative figures are reclassified/rearranged whenever necessary for better presentation and to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangements/reclassifications. The figures are rounded off to the nearest rupee.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless stated otherwise.

3.1 Insurance contracts

Insurance contracts are those contracts under which the Company as insurer has accepted insurance risk from the insurance contract holder (insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affect the insured. Once the contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

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

- Fire and property
- Marine, Aviation & Transport
- Motor
- Accident & Health
- Miscellaneous

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

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

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

Marine Insurance covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination.

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident.

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

The Company also accepts insurance risk pertaining to insurance contracts of other insurer as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the company as insurer. All reinsurance inward contracts are facultative (specific risk) acceptance contracts except retrocession business with Pakistan Reinsurance Company Limited (PRCL)

3.2 Claims

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

3.3 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred as at the balance sheet date which represents the estimates of the claims intimated or assessed before the end of the accounting year and measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

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

3.3.1 Claims reported but not settled

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

3.3.2 Claims incurred but not reported

The provision for claims incurred but not reported (IBNR) at balance sheet dated is based on an analysis of the past claims reporting pattern experienced by the company. The provision for IBNR has been accounted for on the basis whereby all claims incurred before preceding year but reported up to current year end were aggregated and the ratio of such claims to outstanding claims at preceding year has been applied to outstanding claims except exceptional losses at current year end to arrive at liability for IBNR. The analysis is carried out separately for each class of business. IBNR for Accident and health class of business is based on actuary report.

3.4 Premium deficiency reserve

The Company is required as per SEC (Insurance) Rules, 2002 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance from claims, and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense in the profit and loss account.

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

No provision has been made as the unearned premium reserve for each class of business as at the year end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at balance sheet date.

3.5 Reinsurance Contracts Held

These are contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued. These reinsurance contracts include both facultative and treaty arrangement contracts and are classified in same categories of insurance contracts for the purpose of these financial settlements. The Company recognizes the entitled benefits under the contract as various reinsurance assets.

3.6 Receivables and payables related to insurance contracts

Receivables and payables relating to insurance contracts are recognized when due. These include premiums due but unpaid, premium received in advance, premiums due and claims payable to insurance contract holders. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

If there is an objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in profit and loss account.

3.7 Staff retirement benefits

3.7.1 Defined contribution plan

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

3.7.2 Employees' compensated absences

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

3.8 Investments

3.8.1 Recognition

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

- Investment at fair value through profit or loss
- Held to maturity
- Available for sale

3.8.2 Measurement

a Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortized cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortized over the term of investment using the effective yield.

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

b Available for sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available for sale.

i Quoted

Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value (market value on an individual investment basis being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 vide S.R.O. 938 dated December 2002. The Company uses stock exchange quotation at the balance sheet date to determine the market value.

ii Unquoted

Unquoted investments are recorded at cost less accumulated impairment losses, if any.

iii Investment in associates/jointly controlled entities - equity method

Investments in associates/jointly controlled entities, where the Company has significant influence but not control, are accounted for by using the equity method of accounting. These investments are initially recognized at cost and the carrying amount is adjusted to recognize the investor's share of the profit and loss, distribution received and change in the comprehensive income and equity of the investee at the end of each reporting period. After application of the equity method, the Company determines whether it is necessary to recognize any impairment loss with respect to the Company's net investment in associate/jointly controlled entity.

3.8.3 Date of recognition

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

3.9 Fixed assets

3.9.1 Tangibles

These are stated at cost less accumulated depreciation and impairment loss, if any, except for the freehold land which is stated at cost. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the reducing balance method at the rates specified in note 21 to the financial statements.

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

Subsequent costs are included in the asset carrying amount or recognized as a separate assets, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account currently.

Surplus on revaluation of tangible fixed assets is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets the related surplus on revaluation of tangible fixed assets (net of deferred tax) is transferred directly to unappropriated profit.

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

3.9.2 Leased Asset

Lease is classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liabilities to the lessor are included in the balance sheet as liabilities against assets subject to finance lease. Lease payments are classified as current and long term depending upon the timing of payment. Lease payments are apportioned between finance charge and reduction of the liabilities against assets subject to finance lease, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Rentals payable under operating leases are charged to profit and loss account on the straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

3.9.3 Intangibles

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

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

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

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

3.10 Premiums

3.10.1 Premium income earned

Premium income under a policy is recognized over the period of insurance from the date of issue of the policy to which it relates to its expiry as follows:

- (a) for direct business, evenly over the period of the policy.
- (b) for retrocession business received from Pakistan Reinsurance Company Limited (PRCL), at the time when statement is received.

Where the pattern of incidence of risk carries over the period of the policies, premium is recognized as revenue in accordance with the pattern of the incidence of risk.

Administrative surcharge is recognized as premium at the time policies are written.

3.10.2 Provision for unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage and is recognized as a liability by the Company. This liability is calculated as follows:

- for marine cargo business, as a ratio of the unexpired period to the total period of the policy applied on the gross premium of the individual policies; and
- for other classes, by applying the twenty-fourths' method as specified in the SEC (Insurance) Rules, 2002, as majority of the remaining policies are issued for a period of one year.

3.10.3 Premiums due but unpaid

These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

3.11 Commissions

3.11.1 Deferred commission expense

Commission expense incurred in obtaining and recording policies is deferred and is recognized as an asset on attachment of the related risks. These costs are charged to profit and loss account based on the pattern of recognition of premium revenue.

3.11.2 Commission income unearned

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

3.11.3 Commission income

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

3.12 Investment income

Income from held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortised and taken to the profit and loss account over the term of the investment.

Dividend income is recognized when the company's right to receive the payment is established.

Gain / loss on sale of available for sale investments is included in income currently.

Return on fixed income securities classified as available for sale is recognised on a time proportionate basis taking into account the effective yield on the investments.

Return on bank deposit is recognized on a time proportionate basis taking into account the effective yield.

3.13 Dividend declaration and reserve appropriation

Dividend declaration and reserve appropriation are recognized when approved.

3.14 Expenses of management

Management expenses allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of gross premium written.

Expenses not allocable to the underwriting business are charged as administrative expenses.

3.15 Taxation

3.15.1 Current

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

3.15.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of the item credited or charged to equity in which case it is included in equity.

Deferred tax is provided on temporary differences arising on investments in associates stated under equity method of accounting.

3.16 Segment reporting

A business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 as the primary reporting format.

The Company has five primary business segments for reporting purposes namely Fire and Property Damage, Marine, aviation & transport, Motor, Accident & Health and Miscellaneous.

- The perils covered under fire segment include damages by fire, riot and strike, explosion, earthquake, atmospheric damages, floods, electrical fluctuation impact and other coverage.
- Marine insurance provides coverage against cargo risk, war risk and Strike Riot Civil Commotion (S.R.C.C.), for loss occurring whether cargo is transported by sea, air or by inland conveyance.
- Motor insurance provides comprehensive vehicle coverage and indemnity against third party loss.

- Accidents & Health provides cover against accident, basic hospitalization, maternity etc.
- Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit or on counter, fidelity guarantee, plate glass, householder's policy, engineering losses etc.

Assets and liabilities are allocated to particular segments on the basis of premium earned. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortisation are allocated to a particular segment on the basis of premium earned.

3.17 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange difference, if any, are taken to profit and loss account.

3.18 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.19 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

3.20 Provisions

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

3.21 Amounts due to / from other insurers / reinsurers

Amount due to / from other insurers / reinsurers are carried at cost less provision for impairment. Cost represents the fair value of the consideration to be received / paid in the future for the services rendered / received.

3.22 Creditors and accruals

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

3.23 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand, deposits with banks and short term placements with a maturity of less than three months.

3.24 Claims recoveries

Claims recoveries receivable from the reinsurers are recognised as an asset at the same time as the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

3.25 Prepaid reinsurance expense

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

3.26 Financial instruments

Financial instruments carried on the balance sheet include cash and bank, loans to employees, premiums due but unpaid, amount due from other insurers / reinsurers, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, amount due to other insurers/reinsurer, accrued expenses, other creditors and accruals, deposits and other payables and unclaimed dividends.

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprises the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At time of initial recognition all financial asset and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. Any gain or loss on derecognition of financial asset and financial liabilities is taken to income directly.

3.27 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss. Land is stated at cost. Depreciation is charged from the date the assets are available for sale and till date of disposal of assets.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.28 Earning per share

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

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015	2014	Note	2015	2014
---- (Number of shares) ----			----- (Rupees) -----	
		Ordinary shares of Rs.10 each fully paid in cash		
59,045,953	9,133,453	Opening Balance	590,459,530	91,334,530
-	49,912,500	Issued during the year	-	499,125,000
59,045,953	59,045,953	Closing Balance	590,459,530	590,459,530
2,966,547	2,966,547	Ordinary shares of Rs.10 each issued as fully paid bonus shares	29,665,470	29,665,470
62,012,500	62,012,500		620,125,000	620,125,000

- 4.1** The Company has only one class of ordinary shares. The holder of ordinary shares are entitled to receive dividend as declared and entitled to vote at meetings of the Company.
- 4.2** The Company has no reserved shares for issue under option and sales contracts.
- 4.3** As at 31 December 2015 37,391,966 shares are held by Associated companies, Undertakings & related parties.

5. DISCOUNT ON ISSUE OF RIGHT SHARES

199,650,000	199,650,000
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- 5.1** The company had issued right shares in the year 2014 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.

6. RESERVES

Reserve for exceptional losses	6.1	1,767,568	1,767,568
General reserve	6.2	24,497,265	24,497,265
		26,264,833	26,264,833

- 6.1** 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.

- 6.2** These represent distributable profits transferred and utilizable at the discretion of the board of directors.

7. AMOUNTS DUE TO OTHER INSURERS / REINSURERS

Foreign reinsurers	20,024,555	4,184,081
Local reinsurers	1,822,321	8,337,384
Co-insurers	1,594,353	3,203,066
	23,441,229	15,724,531

8. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	1,770,660	1,001,538
Federal excise duty	23,942,270	18,226,848
Withholding tax	19,723,904	6,156,826
Payable to staff provident fund	5,984,715	434,238
Unpresented cheques	19,017,995	736,563
Margin against performance bonds	697,901	3,293,274
Other	10,378,464	-
	81,515,909	29,849,287

- 8.1** This includes balance payable to Associated undertaking of Rs. 7,254,381/- (2014: Nil).

9. TAXATION - PROVISIONS LESS PAYMENTS

Balance at beginning of the year	(2,201,814)
Add: Charge for Current year	8,172,791
Less: Paid during the year	(1,468,652)
Balance at end of the year	4,502,325

Refer note 19 for comparatives.

	Note	2015	2014
		----- (Rupees) -----	-----
10. BORROWING UNDER MUSHARAKA ARRANGEMENTS		<u>5,354,762</u>	<u>5,577,686</u>
10.1	The Company has entered into diminishing musharka agreements with KASB Modarba to acquire vehicles. The borrowing is secured by demand promissory note, post dated cheques and personal guarantees of the directors of the Company. The effective mark up rate is 17% to 18% (2014:18%) p.a.and payable on monthly basis. Taxes, repairs, replacements and insurance costs are borne by the Company.		
	The amount payable:		
	Within twelve months	2,346,924	2,018,813
	Later than twelve months	3,007,838	3,558,873
		<u>5,354,762</u>	<u>5,577,686</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 million (2014: 8.290 million) against the Company.		
	- Suit before the Insurance Tribunal for Sindh Karachi filed by Ashfaq Brothers for recovery of Rs. 27.5 million (2014:27.5 million) 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 December 31, 2015 (2014: Rs. Nil).		
12. CASH AND OTHER EQUIVALENTS			
	Cash with State Bank of Pakistan	12.1 1,238,047	1,238,047
	Cash in hand	35,056	155,968
	Stamps in hand	723,412	167,624
		<u>1,996,515</u>	<u>1,561,639</u>
12.1 Cash with State Bank of Pakistan			
	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.		
13. CURRENT AND OTHER ACCOUNTS			
	Current accounts	7,282,990	1,522,328
	PLS savings accounts	13.1 2,473,133	56,126
		<u>9,756,123</u>	<u>1,578,454</u>
13.1	These carry mark-up at the rate of 5% (2014: 5%) per annum.		
14. DEPOSITS MATURING WITHIN 12 MONTHS			
	Term deposits	14.1 -	1,000,000
14.1	These represent term deposits placed with commercial banks carrying mark-up at the rate Nil (2014: 8.25%) per annum.		

	Note	2015 ----- (Rupees) -----	2014 -----
15. INVESTMENTS			
Held to maturity			
Government Securities	15.1	49,925,290	74,230,706
Available for sale			
Ordinary equity securities & Mutual funds	15.2	12,344,441	12,363,210
Less: Provision for impairment		(519,035)	(529,532)
		11,825,406	11,833,678
Investment in Jointly controlled entity			
Crescent Star Foods (Private) Limited	15.3	16,309,970	-
		<u>78,060,666</u>	<u>86,064,384</u>

15.1 This represents amortised cost of three years Pakistan Investment Bond (PIB) having face value of Rs. 50 Million (2014: 75 Million) issued by the State Bank of Pakistan through its authorized dealer MCB Arif Habib. PIB carry mark up at the effective rate of 11.25% per annum with maturity date up till 18 July 2016.

Government securities having amortised cost of Rs. 49.925 million (2014 : 49.789) 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.

15.2 Detail of available for sale investments is given in Annexure 15.2.1.

Securities having book value of Rs. 11.731 million (2014 : Rs. 11.731 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.

As per the Company's accounting policy and in accordance with the requirements of SEC (Insurance) Rules 2002 available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on December 31, 2015 would have been higher by Rs. 1,365,907/- (2014: higher by Rs. 595,392/-).

15.3 Investment in Jointly Controlled Entity

Crescent Star Food (Private) Limited is a private limited company and is engaged in food business.

Number of Shares	Face Value Per Share (Rupees)	Name of associate	2015		2014	
			2015	2014	2015	2014
1,630,997	-	10 Crescent Star Food (Private) Limited	16,309,970	-	-	-

15.3.1 Movement of investment in associate

	2015	2014
Opening Balance	-	-
Purchase during the year	16,309,970	-
Share in profit of associate*	-	-
Dividend received during the year	-	-
Closing Balance	<u>16,309,970</u>	<u>-</u>

* The company is in first year of its operations and has not commenced commercial activity, therefore no Profit & Loss Account has been prepared.

15.3.2 Summarized financial information in respect of the jointly controlled entity based on its **unaudited financial statements** as at December 31, 2015 is set out below:

Total assets	46,013,585	-
Total liabilities	(3,378,605)	-
Net Asset	42,634,980	-
Company's share of net assets of its associate	<u>16,309,970</u>	-

Break up value of the investment (at Rs. 10 per share) and percentage holding of the investment in the jointly controlled entity is Rs. 16,309,970 and 38.26% respectively (2014: Nil).

	Note	2015 ----- (Rupees) -----	2014 -----
16. INVESTMENT PROPERTIES- LAND (At Cost)			
Balance at the beginning of the year		183,932,750	-
Additions made during the year		-	233,932,750
Disposals made during the year		<u>(183,932,750)</u>	<u>(50,000,000)</u>
Balance at the end of the year		<u>-</u>	<u>183,932,750</u>
Land of Rs. 183,932,750/- was sold during the year for Rs. 300,000,000/- resulting in gain of Rs. 116,067,250/-			
17. DEFERRED TAXATION		<u>13,543,178</u>	<u>13,543,178</u>
Deferred tax is recognized in respect of all temporary differences arising from carrying values of assets and liabilities in financial statements and their tax base. The company has recognised deferred tax asset to the extent of the amount expected to be utilized in foreseeable future in line with the accounting policy and as matter of prudence further deferred tax asset of Rs. 37,766,991/- (2014: 33,945,681/-) on account of unused tax losses,adjustable minimum tax and temporary differences has not been recognised.			
18. PREMIUMS DUE BUT UNPAID			
Considered good		183,786,313	175,172,599
Considered doubtful		<u>48,261,694</u>	<u>34,749,823</u>
		<u>232,048,007</u>	<u>209,922,422</u>
Less: Provision for doubtful balances		<u>(48,261,694)</u>	<u>(34,749,823)</u>
		<u>183,786,313</u>	<u>175,172,599</u>
18.1. Provision for doubtful balances			
Balance at the beginning of the year		34,749,823	29,449,028
Add: Provision for doubtful receivable during the year		<u>13,511,871</u>	<u>5,300,795</u>
Balance at the end of the year		<u>48,261,694</u>	<u>34,749,823</u>
19. TAXATION - PAYMENTS LESS PROVISION			
Balance at beginning of the year			2,752,626
Add: Paid during the year			<u>812,029</u>
			3,564,655
Provision for taxation			<u>(1,362,841)</u>
Balance at end of the year			<u>2,201,814</u>
20. Sundry Receivables- Unsecured Advances			
Considered good			
To employees		175,988	225,534
Underwriting advance against issuance of shares		241,529,066	-
other advances		-	2,201,755
Deposits		5,666,299	5,632,695
Receivable against sale of property		133,495,834	-
Others	20.1	<u>55,524,970</u>	<u>7,072,187</u>
		<u>436,392,157</u>	<u>15,132,171</u>

20.1.(a) This include balance due from associate- Car 4U (Private) Limited amounting to Rs. 3,244,227/- (2014: Rs. Nil) and Crescent Star Foods (Private) Limited amounting to Rs. 314,479/- (2014: Nil)

20.1.(b) Includes an advance of Rs. 39.349 million which carries markup @ 1 year KIBOR plus 3%.

15.2.1 Available for sale investment

No. of shares / units		Face value	Market value Per Share		Name of entity	Book Value	Book Value	Market value	Market value	Lower of Cost or Market value	Lower of Cost or Market value
2015	2014		2015	2014		2015	2014	2015	2014	2015	2014
Quoted											
INVESTMENT COMPANIES / BANKS											
250	250	10	9.21	10.95	The Bank of Punjab	7,859	7,859	2,303	2,737	2,303	2,737
67	67	10	-	-	Innovative Investment Bank Limited	243,755	243,755	-	-	-	-
1,500	1,500	10	1.57	2.37	IGI Investment Bank Limited	19,002	19,002	2,355	3,554	2,355	3,554
500	15,500	10	1.90	2.32	NIB Bank Limited	990	32,878	950	35,960	950	32,878
INSURANCE											
200	200	10	20.05	22.00	Habib Insurance Company Limited	379	379	4,010	4,400	379	379
83	73	10	30.00	22.86	Premier Insurance Limited	631	631	2,490	1,669	631	631
TEXTILE COMPOSITE											
158	158	10	0.77	0.77	Service Fabrics Limited	1,859	1,859	122	122	122	122
FUEL AND ENERGY											
2,000	2,000	10	3.16	2.37	Southern Electric Power Company Limited	26,944	26,944	6,320	4,740	6,320	4,740
MUTUAL FUND											
236,096	222,061	50	55.31	55.36	Pakistan Income Fund (PIF)	11,731,083	11,731,083	13,058,462	12,293,303	11,731,083	11,731,083
69,750	69,750	10	-	-	First Dawood Mutual Fund	-	-	-	-	-	-
3,820	3,820	10	11.49	11.28	PICIC Energy Fund	18,044	18,044	43,892	43,075	18,044	18,044
INDUSTRIAL METAL AND MINING											
1,500	500	10	14.94	3.50	Dost Steels Limited	15,220	2,101	22,410	1,750	15,220	1,750
MODARABA											
16,000	16,000	10	3.00	2.36	Modaraba Al-Mali	278,675	278,675	48,000	37,760	48,000	37,760
331,924	331,879					12,344,441	12,363,210	13,191,314	12,429,070	11,825,406	11,833,678

Rupees

21. Fixed Assets - Tangible

Description	Owned				Total
	Furniture and fixtures	Office equipment	Computers and related equipment	★ Vehicles	
------(Rupees)-----					
COST					
Balance as at January 01, 2014	4,942,658	2,698,633	1,423,514	25,134,152	34,198,957
Additions	1,715,890	523,011	515,760	7,942,400	10,697,061
Disposals	(700,000)	-	-	(9,143,698)	(9,843,698)
Balance as at December 31, 2014	5,958,548	3,221,644	1,939,274	23,932,854	35,052,320
Balance as at January 01, 2015	5,958,548	3,221,644	1,939,274	23,932,854	35,052,320
Additions	1,188,350	1,500,126	1,507,653	6,709,050	10,905,179
Disposals	-	(736,000)	(340,885)	(3,405,350)	(4,482,235)
Balance as at December 31, 2015	7,146,898	3,985,770	3,106,042	27,236,554	41,475,264
DEPRECIATION					
Balance as at January 01, 2014	2,191,164	1,294,156	898,879	18,711,812	23,096,011
Charge for the year	403,303	159,782	312,118	1,442,122	2,317,325
On disposals	(442,365)	-	-	(7,196,217)	(7,638,582)
Balance as at December 31, 2014	2,152,102	1,453,938	1,210,997	12,957,717	17,774,754
Balance as at January 01, 2015	2,152,102	1,453,938	1,210,997	12,957,717	17,774,754
Charge for the year	463,093	230,763	560,245	2,413,064	3,667,165
Disposals	-	(369,451)	(323,687)	(321,340)	(1,014,478)
Balance as at December 31, 2015	2,615,195	1,315,250	1,447,555	15,049,441	20,427,441
Carrying amount - 2015	4,531,703	2,670,520	1,658,487	12,187,113	21,047,823
Carrying amount - 2014	3,806,446	1,767,706	728,277	10,975,137	17,277,566
RATE OF DEPRECIATION (%)	10%	10%	30%	20%	

★ These include vehicles costing Rs. 11,242,050/- (2014:Rs. 7,642,400/-) acquired under diminishing musharaka arrangement and are in the name of the Modarba.

21.1 Disposal of tangible fixed assets

Item	Cost/ Revaluation	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (loss)	Mode of Disposal	Particulars of the Purchaser
------(Rupees)-----							
Furniture and Fixtures							
2015	-	-	-	-	-		
2014	700,000	442,365	257,635	27,000	(230,635)		
Office Equipment							
Generator	736,000	369,451	366,549	380,000	13,451	Negotiation	Muhammad Ali
2015	736,000	369,451	366,549	380,000	13,451		
2014	-	-	-	-	-		
Computer and Related Equipment							
Sever Machine	219,885	212,099	7,786	15,000	7,214	Negotiation	Muhammad Zeshan
HP Server	121,000	111,588	9,412	15,000	5,588	Negotiation	Muhammad Zeshan
2015	340,885	323,687	17,198	30,000	12,802		
2014	-	-	-	-	-		
Vehicles							
Unique UD-70 CC Registration # KDD-1842	40,450	32,655	7,795	8,000	205	Negotiation	Syed Muhammad Aamir
Toyota Crown Registration # BBN-368	3,364,900	288,685	3,076,215	3,200,000	123,785	Replacement	KASB Modarda
2015	3,405,350	321,340	3,084,010	3,208,000	123,990		
2014	9,143,698	7,196,217	1,947,481	4,995,000	3,047,519		

	Note	2015 ----- (Rupees) -----	2014
22. MANAGEMENT EXPENSES			
Salaries, allowances and other benefits	22.1	57,017,187	43,898,137
Travelling and conveyance expenses		1,148,361	2,908,824
Repairs and maintenance		7,479,945	4,876,150
Rent, rates and taxes		13,550,460	8,456,370
Printing and stationery		1,231,054	923,482
Telephone and postage		3,313,284	2,032,817
Utilities		2,264,272	2,115,768
Entertainment		1,077,346	1,042,495
Others		1,797,871	2,864,717
		88,879,780	69,118,760

22.1 This includes contribution to provident fund amounting to Rs. 3.284 million (2014: Rs. 2.264 million).

23. OTHER INCOME

Income from Financial Assets:			
Markup on Other receivables		2,687,815	-
Income from other Operating activities:			
Gain on disposal of fixed assets		150,243	2,816,884
Gain on Third Party claim handling		616,432	-
Forfeiture of token money on cancellation of land sale agreement		-	500,000
		3,454,490	3,316,884

24. GENERAL AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits		30,572,115	34,704,873
Travelling and conveyance expenses		8,786,387	8,397,134
Depreciation		3,667,165	2,317,324
Provision against doubtful balances		13,511,871	5,328,675
Repairs and maintenance		1,063,581	1,673,307
Fees, subscription and periodicals		2,975,299	2,965,071
Telephone and postage		370,399	509,420
Legal and professional charges		3,828,006	4,105,487
Advertisement and promotion expenses		1,827,805	934,127
Entertainment		308,123	957,227
Auditors' remuneration	24.1	710,000	613,000
Markup on Musharaka		869,475	87,706
Penalty paid to SECP		-	500,000
Others		524,998	404,008
		69,015,224	63,497,359

24.1 Auditors' remuneration

Annual audit fee	420,000	363,000
Review of code of corporate governance	80,000	70,000
Half yearly review	87,000	70,000
Certification charges	123,000	110,000
	710,000	613,000

25. PROVISION FOR TAXATION

Current	8,172,791	1,362,841
Deferred	-	-
	8,172,791	1,362,841

25.1 The income tax returns of the Company have been filed up to tax year 2015 (corresponding to the income year ended December 31, 2014) and the same are deemed to be assessed under the provisions of the Income Tax Ordinance, 2001.

25.2 Relationship between tax

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements, as the total income of the Company falls under section 113 of the Income Tax Ordinance, 2001.

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

	2015	2014
	----- (Rupees) -----	
(Loss) / profit for the year attributable to Ordinary shareholders	<u>81,682,351</u>	<u>(35,830,168)</u>
Number of shares (Weighted Average)	<u>62,012,500</u>	<u>51,031,501</u>
(Loss) / Earnings per share	<u>1.32</u>	<u>(0.70)</u>

26.1 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.

27. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	2015			
	Chief Executive	Directors	Executives	Total
	----- (Rupees) -----			
Managerial remuneration	5,760,000	-	18,241,953	24,001,953
Retirement benefits	576,000	-	1,638,072	2,214,072
House rent	2,592,000	-	12,035,541	14,627,541
Utilities/Other	1,848,000	-	7,159,737	9,007,737
Total	<u>10,776,000</u>	<u>-</u>	<u>39,075,303</u>	<u>49,851,303</u>
Number of persons	<u>1</u>	<u>-</u>	<u>18</u>	<u>19</u>
	2014			
	Chief Executive	Directors	Executives	Total
	----- (Rupees) -----			
Managerial remuneration	5,760,000	-	12,307,725	18,067,725
Retirement benefits	576,000	-	1,013,652	1,589,652
House rent	2,592,000	-	7,342,170	9,934,170
Utilities/Other	3,660,000	-	3,656,158	7,316,158
Total	<u>12,588,000</u>	<u>-</u>	<u>24,319,705</u>	<u>36,907,705</u>
Number of persons	<u>1</u>	<u>-</u>	<u>12</u>	<u>13</u>

27.1 Non-Executive Directors were paid Rs. 0.084 (2014: Rs.0.060) million for attending board of directors meetings during the year.

27.2 In addition, Chief Executive Officer was also provided with free use of the Company maintained cars in accordance with his entitlements.

28. TRANSACTIONS WITH RELATED PARTIES

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

	2015	2014
	----- (Rupees) -----	
Associated undertakings		
Share Deposit Money	76,000,000	-
Key Management Personnel		
Remuneration paid to directors, chief executive and executives of the Company (note 27)	49,851,303	36,907,705
Advances to executives	-	2,754,500
Staff retirement benefits		
Provident fund contribution	3,283,973	2,263,585
Markup on outstanding balance of provident fund	321,605	89,616

The outstanding balance payable to staff retirement fund is disclosed in note 8, investment in jointly controlled entity is disclosed in note 15.3 and amount receivable from associated undertakings in note 20 to the financial statements.

29 SEGMENT REPORTING

The Company has five primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor, accident & health and miscellaneous. Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium earned by the segments.

	Fire and property damage		Marine, aviation and transport		Motor		Accident & Health		Miscellaneous		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	----- Rupees -----											
Revenue from external customers	13,335,404	11,208,727	16,020,767	15,123,392	144,805,095	78,447,546	75,203,089	39,589,983	16,694,469	4,782,791	266,058,824	149,152,439
Depreciation	183,806	174,031	220,819	234,977	1,995,890	1,218,912	1,036,546	615,018	230,104	74,386	3,667,165	2,317,324
Segment profit/(Loss)	(13,595,767)	(3,349,109)	(3,656,166)	7,132,327	57,357,483	4,527,149	(4,661,682)	11,140,301	(5,151,513)	(381,176)	30,292,355	19,069,492
Capital expenditure	546,590	803,349	656,657	1,084,682	5,935,249	5,626,654	3,082,413	2,839,000	684,270	343,376	10,905,179	10,697,061
Segment assets	14,831,811	20,015,147	17,818,507	27,024,446	161,054,123	140,185,981	83,641,860	70,732,622	18,567,807	8,555,076	295,914,108	266,513,272
Segment liabilities	11,820,137	14,854,489	14,200,370	20,056,527	128,351,275	104,040,763	66,657,961	52,495,092	14,797,521	6,349,257	235,827,264	197,796,128

2015 2014
----- Rupees -----

29.1 Reconciliations of reportable segments are as follows:

Revenue

Total revenue for reportable segments

Other revenue / (loss)

Entity's revenue

	30,292,355	19,069,492
	128,578,011	9,960,540
	158,870,366	29,030,032

Profit for the year

Total profit for reportable segments

Unallocated corporate income / (expenses)

General and administration expenses

(Loss)/profit before income tax expense

	158,870,366	29,030,032
	(69,015,224)	(63,497,359)
	89,855,142	(34,467,327)

Assets

Total assets for reportable segments

Other unallocated corporate assets

Entity's assets

	295,914,108	266,513,272
	542,306,858	308,329,284
	838,220,966	574,842,556

Liabilities

Total liabilities for reportable segments

Other unallocated corporate liabilities

Entity's liabilities

	235,827,264	197,796,128
	92,318,133	24,653,210
	328,145,397	222,449,338

The Company has no reportable geographical segment.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including interest / mark up rate risk and price risk)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

30.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

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

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

30.1.1 The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	Category of financial assets	2015	2014
----- Rupees -----			
Bank deposits	Loans & Receivables	9,756,123	2,578,454
Investments:			
Government Securities	Held to maturity	49,925,290	74,230,706
Equity & other securities	Available for sale	11,825,406	11,833,678
Investment in Jointly controlled entity	Available for sale	16,309,970	-
Premiums due but unpaid	Loans & Receivables	183,786,313	175,172,599
Accrued investment income	Loans & Receivables	2,558,219	3,314,894
Amount due from other insurers / reinsurers	Loans & Receivables	55,530,575	39,816,899
Reinsurance recoveries against outstanding claims	Loans & Receivables	8,552,929	23,010,767
Sundry receivables	Loans & Receivables	436,392,157	12,930,416
		774,636,982	342,888,413

Geographically there is no concentration of credit risk.

The Company does not hold collateral as security. There is no single significant customer in the receivables of the Company.

General provision is made for premium due but unpaid against doubtful receivable as disclosed in note 18 to these financial statements. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers/reinsurers for whom there is no recent history of default.

Age analysis of financial assets at the reporting date is as below:

	Carrying Amount	Upto One year	From 1 to 2 years	More than 2 years
Financial Assets - 2015	----- Rupees -----			
Premiums due but unpaid -net- unsecured	183,786,313	149,794,665	30,167,236	3,824,412
Amounts due from other insurers / reinsurers - unsecured	55,530,575	38,471,277	17,055,103	-
Accrued investment income	2,558,219	2,558,219	-	-
Reinsurance recoveries against outstanding claims	8,552,929	-	2,300,000	6,252,929
Sundry receivables	436,392,157	436,392,157	-	-
	686,820,193	627,216,318	49,522,339	10,077,341
Financial Assets - 2014	----- Rupees -----			
Premiums due but unpaid -net- unsecured	175,172,599	149,539,788	17,006,774	8,626,037
Amounts due from other insurers / reinsurers - unsecured	39,816,899	21,584,109	18,232,790	-
Accrued investment income	3,314,894	3,314,894	-	-
Reinsurance recoveries against outstanding claims	23,010,767	16,013,116	2,136,889	4,860,762
Sundry receivables	12,930,416	7,136,416	5,709,000	85,000
	254,245,575	197,588,323	43,085,453	13,571,799

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

			2015	2014
	Rating	Agency	----- Rupees -----	
National Bank of Pakistan	AAA	PACRA/JCR-VIS	4,126	4,126
Habib Bank Limited	AAA	JCR-VIS	222,469	200,822
Allied Bank Limited	AA+	PACRA	182,676	182,676
MCB Bank Limited	AAA	PACRA	-	1
The Bank of Punjab	AA-	PACRA	43,257	43,257
United Bank Limited	AA+	JCR-VIS	2,247,437	525,126
Soneri Bank Limited	AA-	PACRA	53,743	53,743
NIB Bank Limited	AA-	PACRA	143,076	33,702
Faysal Bank Limited	AA	PACRA/JCR-VIS	6,829,709	475,430
SILK Bank Limited	A-	JCR-VIS	4,819	34,819
Bank Alfalah Limited	AA	PACRA	2,327	2,327
Meezan Bank	AA	PACRA	22,484	22,425
			9,756,123	1,578,454

30.1.3 The credit quality of amount due from other insurers and reinsurers can be assessed with reference to external credit ratings as follows:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Other reinsurance asset	2015	2014
----- Rupees -----					
A or above	51,620,383	8,552,929	16,329,231	51,620,383	37,977,743
BBB	3,910,192	-	-	3,910,192	1,839,156
Others	-	-	-	-	-
Total	55,530,575	8,552,929	16,329,231	55,530,575	39,816,899

30.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company is financing its operations mainly through equity, working capital and musharaka to minimize risk.

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

	Carrying amount	Contractual cash flows	Up to one year	Greater than one year
----- Rupees -----				
As at December 31, 2015				
At amortised cost:				
Provision for outstanding claims	70,387,813	70,387,813	70,387,813	-
Amounts due to other insurers	23,441,229	23,441,229	23,441,229	-
Accrued expenses	20,785,015	20,785,015	20,785,015	-
Other creditors	81,515,909	81,515,909	81,515,909	-
Obligation under musharaka	5,354,762	7,045,208	3,429,768	3,615,440
Unpresented dividend warrants	418,209	418,209	418,209	-
	201,902,937	203,593,383	199,977,943	3,615,440
As at December 31, 2014				
At amortised cost:				
Provision for outstanding claims	43,638,093	43,638,093	43,638,093	-
Amounts due to other insurers	15,724,531	15,724,531	15,724,531	-
Accrued expenses	11,295,673	11,295,673	11,295,673	-
Other creditors	29,849,287	29,849,287	29,849,287	-
Obligation under musharaka	5,577,686	7,084,145	2,902,216	4,181,929
Unpresented dividend warrants	418,209	418,209	418,209	-
	106,503,479	108,009,938	103,828,009	4,181,929

30.3 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimising the return. The market risks associated with the Company's business activities are interest / mark up rate risk and price risk. The Company is not exposed to material currency risk.

a) Interest/mark up rate risk

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

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2015	2014	2015	2014
	Effective interest rate (%)		----- Rupees -----	
Financial assets				
Bank deposits	5.00%	5.00%	2,473,133	56,126
Deposits maturing within 12 months	-	8.25%	-	1,000,000
Investment in Government Securities	11.25%	11.25%	49,925,290	74,230,706

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate will not effect fair value of any financial instrument. The Company is not exposed to significant interest / mark-up rate risk as the Company has not entered into any significant variable rate instruments.

b) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities with fair value of Rs.13,191,314/- (2014: Rs. 12,429,070/-) at the balance sheet date.

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

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

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

Sensitivity analysis

The table below summarizes Company's equity price risk as on December 31, 2015 and 2014 shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be better or worse in Company's equity investment portfolio because of the nature of equity markets.

The impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase (decrease) in profit / (loss) before tax
	Rupees		----- Rupees -----		
December 31, 2015	13,191,314	10% increase	14,510,445	1,319,131	1,319,131
		10% decrease	11,872,183	(1,319,131)	(1,319,131)
December 31, 2014	12,429,070	10% increase	13,671,977	1,242,907	1,242,907
		10% decrease	11,186,163	(1,242,907)	(1,242,907)

Reinsurance arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of non-proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe, any loss over and above the retention amount would be recovered from the treaty which is very much in line with the risk management philosophy of the Company.

In compliance of the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

The concentration of risk by type of contracts (i.e. Fire and property damage, Marine, aviation and transport, Motor and Miscellaneous) is summarised below by reference to liabilities.

	Gross sum insured		Reinsurance		Net	
	2015	2014	2015	2014	2015	2014
	----- Rupees in thousands -----					
Fire	8,271,370	5,601,000	6,046,922	3,932,148	2,224,448	1,668,852
Marine	11,096,013	7,438,000	4,709,197	2,842,053	6,386,816	4,595,947
Motor	5,822,432	8,748,000	1,433,028	4,928,498	4,389,404	3,819,502
Health	339,232	251,000	-	-	339,232	251,000
Miscellaneous	15,963,973	1,127,000	2,503,013	469,527	13,460,960	657,473
	41,493,020	23,165,000	14,692,160	12,172,226	26,800,860	10,992,774

Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognised in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit/(loss) before tax net of reinsurance.

	Impact on pre tax profit/(loss)		Shareholders' equity	
	2015	2014	2015	2014
	----- Rupees in thousands -----			
± 10% variation in profit /(loss)				
Net				
Fire and property damage	855,399	223,431	581,671	145,230
Marine, aviation and transport	383,532	(217,402)	260,802	(141,311)
Motor	3,161,457	1,166,981	2,149,791	758,538
Accident and health	4,575,577	1,408,304	3,111,392	915,398
Miscellaneous	257,302	(64,104)	174,965	(41,668)
	9,233,267	2,517,210	6,278,621	1,636,187

Claims development tables

The following table shows the development of fire claims over a period of time. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For other classes of business the uncertainty about the amount and timings of claims payment is usually resolved within a year. Further, claims with significant uncertainties are not outstanding as at 31 December 2015.

Analysis on gross basis	2013	2014	2015
Accident year	----- Rupees -----		
Estimate of ultimate claims cost:			
At end of accident year	2,242,559	11,643,855	6,999,580
One year later	11,837,993	5,566,742	12,340,943
Cumulative payments to date	(8,513,810)	(4,869,654)	(2,613,873)
Liability recognised in the balance sheet	<u>5,566,742</u>	<u>12,340,943</u>	<u>16,726,650</u>

31 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for share holders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The Company's overall strategy remains unchanged from 2012. The company has not obtained long term finance and short term borrowings, therefore gearing ratio of the company is not applicable. In accordance with Circular No. 31 of 2015 of Securities and Exchange Commission of Pakistan (SECP), minimum paid up capital requirement to be complied with by Insurance Companies at the end of each year are as follows:

	2015	2014
	----- Rupees -----	
Minimum paid up capital required	300,000,000	300,000,000
Company's paid up capital	620,125,000	620,125,000

32 PROVIDENT FUND DISCLOSURE

The following information is based on the last unaudited financial statements of the fund:

	2015		2014	
	----- Rupees -----			
	Un-Audited		Audited	
Size of the fund - total assets	17,204,262		12,201,385	
Cost of Investments made	8,849,731		8,034,764	
Percentage of investments made	51.44%		65.85%	
Fair Value of investments	10,526,995		8,920,705	
The break-up of cost of investments is:				
	2015		2014	
	%	Rupees	%	Rupees
With PIBs	11.31	1,000,941	12.46	1,000,941
Fixed Deposit Receipts	-	-		-
Mutual Funds	88.69	7,848,790	87.54	7,033,823
	100	8,849,731	100	8,034,764

The investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the Rules formulated for this purpose.

33 NUMBER OF EMPLOYEES

Number of employees and average employees as at December 31, 2015 were 85 (2014: 89) and 113 (2014: 82) respectively.

34 EVENTS AFTER BALANCE SHEET DATE

The company has issued 20,670,833 right shares at par of Rs. 206,708,330/- with the approval of Board of Directors and Pakistan Stock Exchange Limited.

35 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and are authorised for issue on April 5, 2016.

Naim Anwar
Chief Executive/Principal Officer

Hanif Daud
Director

Syed Abid Raza
Director

Syed Adnan Ali Zaidi
Director

PATTERN OF SHAREHOLDINGS AS AT DECEMBER 31, 2015

Number of shareholders	Shareholdings		Shares Held
	From	To	
187	1	100	3,128
168	101	500	65,233
173	501	1000	164,507
401	1001	5000	1,187,147
161	5001	10000	1,348,936
49	10001	15000	637,647
35	15001	20000	651,746
35	20001	25000	816,506
18	25001	30000	513,686
11	30001	35000	369,091
6	35001	40000	238,000
7	40001	45000	299,250
9	45001	50000	441,000
4	50001	55000	216,000
7	55001	60000	412,615
3	70001	75000	223,500
1	75001	80000	78,000
3	80001	85000	245,002
1	85001	90000	90,000
1	90001	95000	93,000
1	90001	95000	94,000
6	95001	100000	599,128
2	100001	105000	201,500
2	105001	110000	217,500
4	110001	115000	454,000
2	115001	120000	237,500
2	130001	135000	265,285
2	135001	140000	276,985
1	140001	145000	141,000
2	145001	150000	295,780
1	160001	165000	162,000
1	170001	175000	173,937
2	175001	180000	352,557
1	180001	185000	181,000
2	195001	200000	400,000
1	200001	205000	201,833
1	215001	220000	220,000
1	250001	255000	250,439
1	265001	270000	267,000
1	270001	275000	275,000
3	295001	300000	897,000
1	300001	305000	305,000
1	305001	310000	310,000
1	345001	350000	350,000
2	360001	365000	720,879
1	385001	390000	390,000
1	495001	500000	500,000
1	500001	505000	505,000
1	555001	560000	560,000
2	600001	605000	1,207,491
1	750001	755000	753,500
1	1405001	1410000	1,410,000
1	1500001	1505000	1,500,726
1	1850001	1855000	1,850,500
1	11705001	11710000	11,707,770
1	25680001	25685000	25,684,196
1336			62,012,500

CATEGORIES OF SHAREHOLDERS

Particulars	No. of Shareholders	No. of Shares	Percentage
1. Individual	1,311	20,625,794	33.26
2. Charitable Trusts	3	75,250	0.12
3. Insurance Companies	2	611,409	0.99
4. Mutual Fund	2	481,000	0.78
5. Joint Stock Companies	18	40,219,047	64.86
	1,336	62,012,500	100

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors & Spouses & Executives			
Sakib Berjees	1	1,500,726	2.42004
Syed Adnan Ali Zaidi	1	15,375	0.02479
Syed Abid Raza	1	3,000	0.00484
Jehangir Bashir Nawaz	1	3,000	0.00484
Hanif Daud	1	3,000	0.00484
Chief Executive Officer			
Naim Anwar	1	390,000	0.62891
Associate Companies, Undertakings & Related Parties	2	37,391,966	60.29747
NIT and ICP	-	-	0.00000
Banks, DFIs and NBFIs	-	-	0.00000
Public Sector Companies and Corporations	-	-	0.00000
Insurance Companies			
Pakistan Reinsurance Company Limited (PRCL)	1	604,491	0.97479
Excel Insurance Company Limited	1	6,918	0.01116
Modaraba		-	0.00000
Mutual Funds	2	481,000	0.00000
General Public			
Local (Individuals)	1,305	18,710,693	30.17245
Foreign Companies / Organizations / Individuals		-	0.00000
Others			
Joint Stock Companies	16	2,827,081	4.55889
Pension Fund, Provident Fund, Trusts	3	75,250	0.12135
	1,336	62,012,500	100.00000
Shareholders Holding 5% or More Voting Interest			
Elahi Noor Enterprise (Pvt) Limited		11,707,770	18.87969%
Weavers Pakistan (Pvt) Limited		25,684,196	41.41777%

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: 32415471-3 FAX (92-21) 32415474

BRANCH NAME	ADDRESS	CONTACT NO
NADIR HOUSE	3RD FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
CENTRAL CORPORATE	2ND FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
HYDERABAD	OFFICE NO. 15, FIRST FLOOR, SHELTER SHOPPING MALL, HYDERABAD CANTT., HYDERABAD.	(022) 2786123
QUETTA	1ST FLOOR, ROOM NO. 2, GUL COMPLEX, M.A. JINNAH ROAD, QUETTA.	(081) 2828097
LAHORE CITY TOWER	81-Y COMMERCIAL BLOCK, DEFENCE HOUSING AUTHORITY, PHASE III, LAHORE.	(042) 35694717-9
ISLAMABAD	BABAR CENTRE, OFFICE #19, FIRST FLOOR, F-8 MARKAZ, ISLAMABAD.	(051) 2818073-5
FAISALABAD	P-14, 1ST FLOOR, CHENAB MARKET, MADINA TOWN, FAISALABAD.	(041) 8559696-7
MULTAN	OPP: HAJVERI ARCADE, KUTCHERY ROAD, MULTAN.	(061) 4571338
SIALKOT	FIRST FLOOR, AL-REHMAN CENTRE, DEFENCE ROAD SIALKOT.	(052) 3240271-3

Proxy Form

I/We _____

of _____ (full address)

being a member of Crescent Star Insurance hereby appoint _____

of _____

_____ (full address)

or failing him/her _____

of _____ (full address)

as my / our Proxy to attend and voice for me / us and on my / our behalf at the 59th Annual General Meeting of the Company to be held on 30th April, 2016 and at any adjournment thereof.

Signed this _____ of _____ 2016.
(day) (date, month)

Signature of Member: _____

Revenue Stamp

Folio Number: _____

Number of share held: _____

Witnesses:

1. _____

2. _____

Signature and Company Seal

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a Proxy to attend and vote instead of him / her.
2. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his / her attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A Proxy need not be a Member of the Company.
3. The instrument appointing a Proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Main Office of the Company at 2nd Floor, Nadir House, I.I. Chundrigar Road Karachi not later than 48 hours before the time of holding meeting, falling which, Proxy form will not be treated valid.
4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his / her National Identity Card with him / her as proof of his / her identity, and in case of Proxy, must enclose an attested copy of his / her National Identity Card. Representative of corporate entity, shall submit Board of Directors resolutions / power of attorney with specimen signature (unless it has been provided earlier) along with proxy form of the Company.