Your Security - Our Policy

68th Annual Report
2024

Crescent Star Insurance Ltd.

ESTD: 1957

NATION WIDE BRANCH NETWORK

MOTOR HEALTH FIRE MARINE ENGG TRAVEL LIVESTOCK CROP

CONTENTS

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 and prudent financial planning.
- 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 (Chief Executive Officer) Mr. Suhail Elahi Mr. Shaikh Waqar Ahmed Mr. Rashid Malik Ms. Naveeda Mahmud Ms. Huma Javaid Ms. Rabia Omar Hassan Ms. Saba Azam*
Chief Executive Officer	Mr. Naim Anwar
Management	Mr. Naim Anwar (Chief Executive Officer) Mr. Tanveer Ahmed (Resident Director) Mr. Suhail Elahi (Resident Director) Mr. Malik Mehdi Muhammad (CFO & Company Secretary) Syed Danish Hasan Rizvi (Head of Internal Audit)
Board Audit Committee	Mr. Shaikh Waqar Ahmed (Chairman) Ms. Naveeda Mahmud Ms. Huma Javaid
Board H.R & Remuneration Committee	Ms. Huma Javaid (Chairman) Mr. Naim Anwar Mr. Shaikh Waqar Ahmed
Board Investment Committee	Mr. Naim Anwar (Chairman) Mr. Shaikh Waqar Ahmed Ms. Huma Javaid
Chief Financial Officer & Company Secretary	Mr. Malik Mehdi Muhammad
Auditors	Crowe Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	Ms. Huma Naz, Soomro Law Associates
Bankers	Habib Bank Limited Faysal 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

*subject to Sound and prudent approval from the SECP.

CRESCENT STAR INSURANCE LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting (AGM) of the shareholders of Crescent Star Insurance Limited will be held on April 29, 2025 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 67th Annual General Meeting held on April 26, 2024.

2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2024 together with the Chairman's review, Directors' and Auditors' reports thereon.

   As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR enabled code:

   http://cstarinsurance.com/Investor-Information/Financial-Statements

3. To appoint Auditors for the year ending December 31, 2025 and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, approve the increase in Authorized Share Capital of the Company and to pass the following 'Special Resolutions' with or without modifications;

   "**RESOLVED THAT** the Authorized Capital of the Company be and is hereby increased from Rs. 1,150,000,000/- divided into 115,000,000 ordinary shares of Rs. 10/- each to Rs. 1,500,000,000/- divided into 150,000,000 ordinary shares of Rs. 10/- each and the words and figures in Clause V of the Memorandum of Association of the Company be and are hereby amended accordingly."

   "**RESOLVED FURTHER THAT** the Chief Executive or any one Director and/or the Company Secretary of the Company be and hereby authorized singly to complete all the necessary corporate and legal formalities in respect of the above."

5. To pass a special resolution pursuant to Section 83 of the Companies Act, 2017, for issuance of ordinary shares of the Company by way of Right. In this regard it is proposed to pass the following special resolutions, with or without modifications:

   "RESOLVED THAT the ordinary issued paid up share capital of the Company be increased by issue of a further 40,924,116 (Forty million Nine hundred Twenty Four thousand One hundred Sixteen only) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members of the Company in proportion of approximately 38 Right Shares for every 100 ordinary shares held i.e. approximately 38%, at discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share . The right shares will be offered in proportion to number of shares held by each shareholder immediately prior to the close of the share transfer books of the Company, in accordance with the provisions of Section 83 of the Companies Act, 2017 and subject to applicable laws and regulatory compliances, against payment to the Company of the price for the shares subscribed, which shares shall rank pan passu in all respects with the existing ordinary shares of the Company (the "Rights Issue"). The Right issue at discount proposed by the Board of Directors of the Company is subject to approval of the SECP."

"FURTHER RESOLVED THAT the quantum, size, price and purpose of the Rights Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Rights Issue, and the justification for the issue of shares at a discount in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020 are as given in the statement under section 134(3)."

"FURTHER RESOLVED THAT the letter of offer, as prescribed under Section 83(2) of the Companies Act, 2017 shall be issued / signed jointly by any two (2) directors of the Company in compliance with the applicable laws."

"FURTHER RESOLVED THAT that, any two (2) Directors of the Company, be and are hereby authorized to sign the circular accompanying the letter of offer, once finalized in accordance with the procedure stipulated under the Regulations."

"FURTHER RESOLVED THAT all fractional entitlements, if any, will be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer."

"FURTHER RESOLVED THAT any unsubscribed shares may be offered and allotted to such persons as the directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors / substantial shareholders, directors or associated undertakings of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares."

"FURTHER RESOLVED THAT the any Director and or the Company Secretary and / or the Chief Financial Officer, be and are hereby singly authorized to prepare finalize the draft offer document / letter and share it with the Securities and Exchange Commission of Pakistan ("SECP") and Pakistan Stock Exchange Limited ("PSX"), and revise the same including price, based on the observations and changes of the SECP and PSX as may be deemed fit by them, in the manner prescribed under the Companies (Further Issue of Shares) Regulations, 2020, along with preparing and submitting other necessary documents in this respect. Any amendment, modification, addition or deletion as may be suggested, directed and advised by the SECP and/or any other regulatory body which suggested, direction and advice shall be deemed to be part of these special resolution(s) without the need of the shareholders to pass fresh special resolution(s). While the draft offer letter shall be placed on the PSX, public comments on the same shall not be required to be solicited."

"FURTHER RESOLVED THAT the any Director, and/or the Chief Financial Officer, and/or the Company Secretary, be and each of them is hereby authorized, such that any one of them may do all or any of the following for and on behalf and in the name of the Company:

(i) Appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Rights Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third-party expenses and / or any other expenses relating to the Rights Issue;

(ii) to prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Rights Issue and ancillary matters thereto, as required by the SECP, PSX, Central Depository Company of Pakistan Limited ("CDC") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority/body;

(iii) to decide and announce the closure of the share transfer books of the Company, including the dates thereof, to determine entitlements of the shareholders of the Company with respect to the Right Issue;

(iv) to open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of rights shares;

(v) to credit right shares once allotted by the Board and file returns / documents as required by SECP/ PSX/ CDC along with the auditors' certificates; and

(vi) to take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular accompanying the offer letter as required under Section 83(3) of the Companies Act, 2017, schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions."

ANY OTHER BUSINESS:

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

A statement of material facts under Section 134(3) of the Companies Act, 2017 relating to the aforementioned Special Business to be transacted at the AGM is annexed with this Notice of AGM.

By order of the Board
Malik Mehdi Muhammad
CFO & Company Secretary

Karachi: March 26, 2025

Notes:

1. The Share Transfer Books of the Company shall remain closed from April 23, 2025 to April 29, 2025 (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 22, 2025 will be treated in time.

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

6. The Company has arranged for participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.). In this regard, the interested shareholders can request by providing the relevant information (i.e. Name of the Shareholder, CNIC Number, Folio / CDC Account Number, Cell Number, Email Address etc.) to the Company Secretary at least 48 hours before the time of AGM at Email Address: info@cstarinsurance.com.

7. It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

   i) E-Voting Procedure

   (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.

   (b) The web address: login details, will be communicated to members via email.

   (c) Identity of the members intending to cast vote through E-voting shall be authenticated through authenticated login.

(d) E-Voting lines will start from April 23, 2025 10:00 am and shall close on April 28, 2025 at 5 p.m. Members can cast their votes any time in the period.

ii) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 to 145 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered office one day before the AGM i.e. April 28, 2025 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

8. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended December 31, 2024 are also available on the Company’s website: www.cstarinsurance.com.

9. In accordance with the directive issued by the SECP vide it is S.R.O. 452(I)/2025 dated March 17, 2025 the Company would like to inform all the shareholder that no gifts will be distributed at the meeting.

10. Form of Proxy is enclosed.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS

The accompanying copy of the notice is for the purpose of convening the meeting of the members for passing of the Special Resolutions specified in the notice. The material facts relating to the Special Resolutions are as follows:

Agenda Item 4: Increase in the Authorized Share Capital of the Company

As per recommendations of the Board of Directors in their meeting held on March 26, 2025, the Authorized Share Capital of the Company is to be increased from PKR 1,150,000,000/- (Pak Rupees One billion One hundred Fifty million) to PKR 1,500,000,000/- (Pak Rupees One billion Five hundred million). This increase in capital will also necessitate amendments in clause V of the Memorandum of Association of the Company accordingly and after the proposed amendment will be read as under:

Clause V of the Memorandum of Association of the Company

“The authorized capital of the Company is Rs. 1,500,000,000/= (Rupees One Billion and Five Hundred million only) divided into 150,000,000 (Hundred and Fifty million) ordinary shares of Rs 10/- each. The Company shall have the powers to increase, reduce or reorganize the capital of the Company and divide shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.”

Agenda Item 5: Issuance of ordinary shares of the Company as per Section 83 of the Companies Act, 2017.

The ordinary issued paid up share capital of the Company be increased by issue of a further 40,924,116 (Forty million Nine hundred Twenty Four thousand One hundred Sixteen only) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members of the Company in proportion of approximately 38 Right Shares for every 100 ordinary shares held i.e. approximately 38%, at discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share.

The following are the quantum, size, price and purpose of the Rights Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Rights Issue, and the justification for the issue of shares at a discount in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020.

a) **Quantum of the Right Issue** (i.e. as a percentage of existing paid-up capital)
The quantum of the Right Issue is approximately 38% of the existing paid-up capital of the Company i.e. approximately 38 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

b) **Right Issue Size**
The Company shall issue 40,924,116 (Forty million Nine hundred Twenty Four thousand One hundred Sixteen only) ordinary shares, at discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share, aggregating to PKR 122,772,348 (One hundred Twenty Two million Seven hundred Seventy Two thousand Three hundred Forty Eight only)

c) **Issue Price Per Share**
PKR 3/- (Pak Rupees Three) per share (i.e. at at a discount of PKR 7/- (Pak Rupees Seven) to par).

d) **Purpose of the Right Issue**
The purpose of the Right Issue is to meet the working capital requirements related to expand the insurance business of the company including marketing and digitization of insurance products.

e) **Utilization of Proceeds of the Right Issue**
The proceeds from the Right Issue will be primarily utilized for working capital requirements related to expand the insurance business of the Company including marketing and digitization of insurance products.

f) **Benefits to the Company and Shareholders**
The Company will use the cash generated through Right Issue for working capital requirements related to expand the insurance business of the Company including marketing and digitization of insurance products thereby increasing profits and enhancing expected returns to the shareholders.

g) **Risk Factors associated with the Right Issue, if any**
The Right Issue of the Company is being carried out at a discount of PKR 7/- (Pak Rupees Seven) to par that is at a price of PKR 3/- (Pak Rupees Three) per Right Share which is calculated at 90 days weighted average price immediately preceding the right announcement, hence there is no major

investment risk associated with the Right Issue. The substantial shareholders and Directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue shall be fully underwritten as per requirements under applicable regulations. Normal risks associated with the business will remain.

h) **Minimum Subscription Amount**
Not Applicable.

i) **ASBA**
Not opted for.

Chairman's Review Report

I am pleased to present Chairman's Review report as required under section 192 of the Companies Act, 2017.

A Board of Directors forms the highest level of authority in the governance of a Company whose main purpose is to align the overall Company strategy to protect the rights of all the stakeholders and ensures that the strategies implemented throughout the Company are effective in utilizing the resources in most efficient way in order to achieve its overall objective.

For the financial year ended December 31, 2024, the Board's overall performance and effectiveness has been assessed as satisfactory, it is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business. Improvement is an ongoing process leading to action plans.

The Board during the year ended December 31, 2024 played effective role in managing the affairs of the Company in the following manner;

- The Board has ensured that sound system of internal controls are in place and appropriateness and effectiveness of same is considered by internal auditors on regular basis;

- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;

- The meetings of Board have held frequently enough to adequately discharge their responsibilities. The Non-Executive and independent directors are equally involved in important decisions.

Based on aforementioned it can reasonably be argued that Board of CSIL has played active role in ensuring that corporate objectives are achieved in line with the expectation of shareholders and other important stakeholders.

Naim Anwar
Chairman

Karachi: March 26, 2025

چیئرمین کی جائزہ رپورٹ

میں کمپینز ایکٹ 2017 کی دفعہ 192 کے تحت میں چیئرمین کی جائزہ رپورٹ پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

بورڈ آف ڈائریکٹرز کسی کمپنی کی حکمرانی میں اعلیٰ سطح کے اختیارات تشکیل دیتا ہے جس کا بنیادی مقصد تمام اسٹیک ہولڈرز کے حقوق کے تحفظ کے لئے کمپنی مجموعی حکمت عملی کو موافق بنانا ہے اور اس بات کو یقینی بنانا ہے کہ کمپنی میں نافذ کردہ حکمت عملی وسائل کو استعمال کرنے اور اپنے مجموعی مقصد کو حاصل کرنے کے لئے سب سے موثر طریقہ ثابت ہو۔

مالیاتی سال مختتمہ 31 دسمبر 2024 میں بورڈ کی مجموعی کارکردگی اور اثر پزیری تسلی بخش رہی، اس کی بنیاد منفرد اجزائے ترکیبی بشمول نصب العین، مشن اور اقدار، حکمت عملی سے بھرپور منصوبہ بندی، پالیسیوں کی تشکیل، ادارے کے مجموعی کاروبار کی نگرانی، مالیاتی وسائل کا انتظام، موثر مالیاتی نگرانی، ملازمین کی استعداد اور ان کے ساتھ یکساں سلوک کے ذریعے بورڈ کے کاموں کی تکمیل کرنا شامل ہے۔ بہتری ایک جاری عمل ہے جس سے منصوبوں پر عمل کرنے میں مدد ملتی ہے۔

سال مختتمہ 31 دسمبر 2024 کے دوران بورڈ نے کمپنی کے معاملات موثر انداز میں چلانے کے لئے اپنا کردار مندرجہ ذیل طریقے سے ادا کیا:

- ☆ بورڈ نے اندرونی گرفت کے نظام کو یقینی بنایا ہے اور اس کی افادیت اور اثر پزیری پر اندرونی آڈیٹرز باقائدگی سے غور وخوص کرتے ہیں۔
- ☆ پورے سال تمام اہم معاملات کو بورڈ یا اس کی کمیٹیوں کے روبرو پیش کیا گیا جس سے ادارتی فیصلہ سازی کا عمل مضبوط اور باضابطہ ہوا اور خاص طور پر ملحقہ پارٹیوں کے تمام سودوں کی منظوری بورڈ نے آڈٹ کمیٹی کی سفارش پر دی۔
- ☆ بورڈ کے مناسب تعداد میں اجلاس ہوئے جس سے وہ اپنی ذمہ داریوں سے احسن انداز میں عہدہ برآں ہوسکا۔ نان ایگزیکٹو اور خود مختار ڈائریکٹران یکساں طور پر اہم فیصلوں میں ملوث ہیں۔

مندرجہ بالا کو مدنظر رکھتے ہوئے اس بات کی تائید کی جاسکتی ہے کہ CSIL کے بورڈ نے ادارتی اہداف کو یقینی بنانے کے لئے اپنا محرکانہ کردار ادا کیا جس سے توقع حصص یافتگان اور دیگر اہم مستفیدان کر رہے تھے۔

نعیم انور
مینیجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر
کراچی: 26 مارچ 2025

UNCONSOLIDATED

Financial Statements
for the Year Ended
December 31, 2024

Directors' Report to the Members on Unconsolidated Financial Statements

The Directors of your Company are pleased to present the 68th Annual Report and the Audited Unconsolidated Financial Statements for the year ended December 31, 2024.

Business Performance Highlights

The Economic Conditions in the country have started improving which is a good sign. However some pressures continue to impact the business world in general. Traditional Insurance business classes like Fire, Marine, Motor and Health are directly related to Economic Conditions and Industrial Performance including activity of imports and exports. However the insurance industry in Pakistan needs to look at the global products which have a vast range which can interestingly turn around the insurance penetration in Pakistan. A larger and deeper support from Insurance Association of Pakistan is the key requirement felt by the smaller insurance companies. Support from the regulatory authorities is badly required by the companies to grow. Overreach of SECP at times discourages the growth. Insurance in Pakistan is a developing industry and while strict regulatory measures mostly make the industry more disciplined but at the same time, flexibility in growing industry is also equally required with a time frame. Products like Credit & Surety should be supported rather than discouraged. Guarantees in the western world can facilitate working capital requirements being a instrument leading the untapped financial product on factoring and discounting credit sales & receivables of the industry. This can automatically generate much required working capital needed by the industry to grow without finance costs and borrowing. Concerned Ministries and authorities / regulators must look at the options available and support the idea while exploring the suggestions.

The Guarantee Business has the best loss ratio in the industry, with your company achieving a remarkable zero loss ratio in this segment and just 2.5% across all business classes—the best in the industry. However, despite issuing 21,500 guarantees (the highest in the sector), the authorities perceive this as a concern rather than a contribution to industry support.

The Government of Pakistan through FBR put heavy conditions on Afghan Transit and without any logical reason disallowed insurance guarantee to cover the transit scheme and replaced it with 100% Bank Guarantee depriving the insurance sector its fundamental right of doing business under the constitution of Pakistan. Your Company was handling this sector of business in a healthy way over years and this business was giving the Company healthy growth and profitability. Sadly since October 3, 2023 the restrictions were imposed this hurt the Company in the last quarter of 2023 and the full year of 2024 in terms of premium and profitability and affected the cash flow as collections were badly affected.

Representations have been made by all stake holders with the concerned authorities and the Company and the industry expects the new government in office to address the issue and resolve the deadlock in this trade which will be helpful for all stake holders of the trade.

Bank Enlistment and Limits issue continues with no assistance to the industry from relevant quarters. Your Company continues its efforts to raise voice against this violation of legislation and hopes to get some assistance in the future. One of the major issues for lower penetration of insurance is due to enlistment and limits which is against the fair trading conditions and competition rules and fundamental right of doing business.

The Company expects the merger of its subsidiary Crescent Star Foods (Private) Limited with and into PICIC Insurance Limited (PICIC) at an early stage and is continuously making efforts in this respect. The case has been delayed at judicial courts for 7 years however now it has started to be heard and company expects a result during this year.

The regulators have issued a circular for increase of Minimum Paid-Up Capital requirements, raising it to 2 billion by 2030. In response, the Board and management have already initiated strategic planning to ensure compliance with the new regulations.

The resolution to investment in Dost Steels Ltd was made and a group of investors has paid partially and is committed to continue to pay off the long outstanding matter, which has been resolved through negotiations.

Financial Highlights

We are pleased to report that Company has delivered a reasonable financial performance in the current period. The Company has posted a net profit, which is a testament to the Company's commitment to maintaining its financial stability, while also delivering value to its customers.

The Company's net premium has declined by 19% in the current period compared to last year due to stoppage of Afghan transit business. However, Profit Before Tax has significantly increased by 139%, reflecting effective expense management. Additionally, strong investment income has further enhanced the Company's overall financial performance, rising by 42% from the previous year. Prudent investment decisions have contributed to these impressive returns, adding to the Company's profitability.

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

Financial Position at a Glance (Amount in Rs)

	2024	2023	2022
Gross Premium	79,725,407	359,258,112	177,075,539
Net Premium	224,369,263	277,821,497	118,287,466
Profit Before Tax	94,793,053	39,741,574	35,674,621
Profit After Tax	87,158,719	68,103,151	26,932,992
Paid-up Capital	1,076,950,410	1,076,950,410	1,076,950,410
Total Assets	1,522,523,739	1,588,442,027	1,467,091,466
Break-up Value per Share	11.78	10.99	10.30
(Loss) / Earnings Per Share (EPS)	0.81	0.63	0.25

Future Outlook

The Company intends to expand the core business and has taken steps to enter the more developing individual client market. The management expects to make the Investment Portfolio active for earnings after the expected merger of its subsidiary CSF with and into PICIC, which is still pending before the Honorable Sindh High Court for approval of the SCHEME OF ARRANGEMENT, which once approved will benefit your Company in the investment side.

Earnings per Share

The EPS of the Company stands at Rs. 0.81.

Dividend

The Board of Directors does not recommend any Dividend for the year ended December 31, 2024.

Auditors' Report

- The Company has charged interest amounting to Rs. 330.235 million on the advance amount and demanded the same from DSL. However, due to non-availability of any written agreement between DSL and CSIL for charging of mark-up, the auditors have expressed their reservation in the auditors' report.
- Due to non-availability of impairment testing for investment made in subsidiary companies Crescent Star Technologies (Private) Limited and Crescent Star Luxury (Private) Limited (being private limited) the auditors have expressed their reservations in the auditor's report.

Sustainability and Corporate Social Responsibility

Crescent Star Insurance Limited is fully committed to play its role as a responsible corporate citizen and fulfills its responsibility through;

Occupational safety & health

There are adequate fire extinguishers installed at various points within the working premises. Further, the Company has a dedicate medical facility which is being supervised by a full time Chief Medical Officer posted at Head Office, to take care of employees and their families' health matters and also advise on preventive health care.

Business ethics & anti-corruption measures

The Board has adopted the Statement of Ethics, Anti Money Laundering and Business Practices. All employees are informed of this and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and Business Practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

Energy Conservation

The Company is well aware with its responsibility towards the energy conservation. The Company has installed energy saving devices in the office premises. The Company also ensures minimum utilization of electricity during lunch breaks and after office hours besides making full use of natural day light.

Industrial Relations

The Company is fully aware with its responsibilities with respect to industrial relations. The Human Resource Department of the Company is responsible to adhere and implement all the applicable laws, regulations, and conventions in order to keep the work place at its higher professional standards.

Communities:

The Company continuously assesses stakeholder needs and refines engagement strategies to maintain long-term relationships, ethical business practices, and contributions to societal well-being and business sustainability.

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 statement of Compliance as at December 31, 2024 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 Act, 2017 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 Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017.

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.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) Information about taxes and levies is given in the notes to and forming part of financial statements.

i) Report on gender pay gap data is annexed.

The Company has followed the best practices of corporate governance, as laid down by the Securities and Exchange Commission of Pakistan and there has been no material departure.

Board Meetings and Attendance

During the year five 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	4
Mr. Tanveer Ahmed	4
Mr. Suhail Elahi	4
Mr. Shaikh Waqar Ahmed	3
Mr. Rashid Malik	0
Ms. Huma Javaid	4
Ms. Rabia Omar Hassan	4
Ms. Naveeda Mahmud	3

Auditors

The present auditors, M/s Crowe Hussain Chaudhury & Co., Chartered Accountants shall retire at the conclusion of the Annual General Meeting, and M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants appointed as external auditors for the year ending December 31, 2025.

Audit Committee

The Company has an Audit Committee, and had four meetings during the year 2024. The attendance of the meeting is as follows:

Names of Members		Meetings Attended
Mr. Shaikh Waqar Ahmed	Chairman	3
Ms. Huma Javaid	Member	4
Ms. Naveeda Mahmud	Member	3

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 2024; the attendance of the meeting is as follows:

Names of Members		Meetings Attended
Ms. Huma Javaid	Chairman	1
Mr. Shaikh Waqar Ahmed	Member	1
Mr. Naim Anwar	Member	1

Investment Committee

The Company has an Investment Committee. The committee had four meetings during the year 2024; the attendance of the meeting is as follows:

Names of Members		Meetings Attended
Mr. Naim Anwar	Chairman	4
Mr. Shaikh Waqar Ahmed	Member	3
Ms. Huma Javaid	Member	4
Mr. Malik Mehdi Muhammad	Member	4

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 annual results, along with the director's reports on the operations and future outlook for the Company.

The value of investment in respect of provident fund maintained by the Company based on latest financial statements as at December 31, 2024 is Rs. 46,348,020.

Pattern of Shareholding

A statement showing pattern of shareholding of the Company and additional information as at December 31, 2024 is annexed with the report.

There have been no transactions carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children in the shares of the Company during the year.

Directors Training Program

Please refer note 11 of the Statement of Compliance with the Code of Corporate Governance.

Subsidiary Companies

The Company has annexed its consolidated financial statements along with its separate financial statements. Crescent Star Foods (Private) Limited, Crescent Star Luxury (Private) Limited and Crescent Star Technologies (Private) Limited are the subsidiary of the Company.

Subsequent Events

No material changes effecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

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 CSIL team for their devotion, dedication and hard work and their contribution to the growth of their Company.

Shaikh Waqar Ahmed Director	**Naim Anwar** Managing Director & CEO

Karachi: March 26, 2025

ممبران کے لئے غیر اشتمال شدہ مالیاتی گوشواروں پر ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹران 68ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے مختتمہ سال 31دسمبر 2024 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کاروباری کارکردگی کی جھلکیاں

ملک میں معاشی حالات میں بہتری آنا شروع ہوگئی ہے جو ایک اچھی علامت ہے، تاہم کچھ دباؤ عام طور پر کاروباری دنیا کو متاثر کرتے رہتے ہیں۔ روایتی بزنس کلاسز جیسے فائر، میرین، موٹر اور ہیلتھ کا براہ راست تعلق اقتصادی حالات اور صنعتی کارکردگی سے ہے جس میں درآمدات اور برآمدات کی سرگرمیاں شامل ہے۔ تاہم پاکستان میں انشورنس انڈسٹری کو عالمی مصنوعات کو دیکھنے کی ضرورت ہے جن کی ایک وسیع رینج ہے جو پاکستان میں انشورنس کی رسائی کو دلچسپ طریقے سے بدل سکتی ہے۔ انشورنس ایسوسی ایشن کی جانب سے ایک بڑی گہری حمایت چھوٹی انشورنس کمپنیوں کی طرف سے محسوس کی جانے والی کلیدی ضرورت ہے۔ کمپنیوں کو بڑھنے کے لئے ریگولیٹری حکام کے تعاون کی بری طرح ضرورت ہے۔ بعض اوقات ایس ای سی پی کی حد سے زیادہ رسائی ترقی کی حوصلہ شکنی کرتی ہے۔ پاکستان میں انشورنس ایک ترقی پزیر صنعت ہے اور جبکہ سخت ریگولیٹری اقدامات زیادہ تر صنعت کو مزید نظم وضبط کا حامل بناتے ہیں لیکن ساتھ ساتھ بڑھتی ہوئی صنعت میں لچک بھی ایک ٹائم فریم کے ساتھ یکساں طور پر درکار ہے۔ کریڈٹ اور ضمانت جیسی مصنوعات کی حوصلہ شکنی کی بجائے حمایت کرنی چاہیے۔ مغربی دنیا میں ضمانتیں ورکنگ کیپیٹل کی ضروریات کو آسان بناسکتی ہیں جو کہ صنعت کے کریڈٹ سیلز اور وصولیوں کی فیکٹرنگ اور رعایت پر غیر استعمال شدہ مالیاتی مصنوعات کی رہنمائی کرتا ہے۔ یہ خود بخود بہت زیادہ مطلوبہ ورکنگ کیپیٹل پیدا کرسکتا ہے جس کی صنعت کو فنانس لاگت اور قرض لئے بغیر ترقی کے لئے درکار ہے۔ متعلقہ وزارتوں اور حکام / ریگولیٹرز کو دستیاب آپشنز کو دیکھنا چاہیے اور تجاویز کی تلاش کے دوران خیال کی حمایت کرنی چاہیے۔

گارنٹی کے بزنس کے پاس انڈسٹری میں بہترین نقصان کا تناسب ہے، آپکی کمپنی نے اس سیگمنٹ میں نمایا صفر نقصان کا تناسب حاصل کیا ہے اور تمام کاروباری کلاسز میں 2.5 فیصد ہے جو کہ انڈسٹری میں بہترین ہے۔ تاہم 21,500 گارنٹیاں (سیکٹر میں سب سے زیادہ) جاری کرنے کے باوجود حکام اسے صنعت کی حمایت میں شراکت کے بجائے تشویش کے طور پر سمجھتے ہیں۔

حکومت پاکستان نے فیڈرل بورڈ آف ریونیو (FBR) کے ذریعے افغان ٹرانزٹ پر بھاری پابندیاں عائد کیں اور بغیر کسی منطقی وجہ کے ٹرانزٹ اسکیم کو پورا کرنے کے لئے انشورنس گارنٹی کو اجازت نہیں دی اور اسکی جگہ 100% بنک گارنٹی دے کر انشورنس سیکٹر کو پاکستان کے آئین کے تحت کاروبار کرنے کے لئے اس کے بنیادی حق سے محروم کردیا گیا ہے۔ آپ کی کمپنی سالوں سے کاروبار کے اس شعبے کو اچھے طریقے سے سنبھال رہی تھی اور یہ کاروبار کمپنی کو ترقی و منافع بخش رہا تھا لیکن افسوس یہ ہے کہ 3 اکتوبر 2023 کاروبار کے اس شعبے پر پابندیاں لگائیں گئی جس کی وجہ سے کمپنی کو آخری سہ ماہی میں پریمیم اور منافع میں نقصان پہنچا اور کلیکشن بری طرح متاثر ہونے کی وجہ سے کیش فلو متاثر ہوا۔

متعلقہ حکام کے ساتھ تمام اسٹیک ہولڈرز کی طرف سے نمائندگی کی گئی ہے اور کمپنی اور صنعت نئی حکومت سے توقع رکھتی ہے کہ اس مسلہ ء کو حل اور اس تجارت میں تعطل کو دور کریں جو کہ تجارت کے تمام اسٹیک ہولڈرز کے لئے مددگار ثابت ہوگا۔

صنعت میں بینک کے اندراج اور حدود کا مسئلہ جاری ہے، جس کے سلسلے میں متعلقہ حلقوں کی جانب سے کوئی مدد فراہم نہیں کی گئی۔ آپ کی کمپنی اس قانون کے خلاف آواز اٹھانے کے لئے اپنی کوشش جای رکھے ہوئے ہے اور مستقبل میں کچھ مدد حاصل ہونے کی امید رکھتی ہے۔ انشورنس کی کم رسائی کے لئے ایک بڑا مسئلہ اندراج اور حدود کی وجہ سے ہے، جو منصفانہ تجارتی حالات اور مسابقت کے قوائد اور کاروبار کرنے کے بنیادی حق کے خلاف ہے۔

کمپنی اپنی ذیلی کمپنی کریسنٹ اسٹارفوڈز (پرائیوٹ) لیمیٹڈ کا پک انشورنس لیمیٹڈ کے ساتھ انضمام کی توقع رکھتی ہے اور اس سلسلے میں مسلسل کوشش کررہی ہے اور یہ کیس 7 سال سے عدالتوں میں التوا کا شکار ہے تاہم اب اس کی سماعت شروں ہوگئی ہے اور کمپنی کو اس سال کے دوران نتیجہ کی توقع ہے۔

ریگولیٹرز نے کم ازکم اداشدہ سرمائے کی ضرورت کے لئے ایک سرکلر جاری کیا ہے، جس سے اسے 2030 تک بڑھا کر 2 بلین کردیا جائے گا۔ جواب میں بورڈ اور انتظامیہ نے نئے ضوابط کی تعمیل کو یقینی بنانے کے لئے پہلے ہی اسٹریٹجک منصوبہ بندی شروع کردی ہے۔

دوست اسٹیل لیمیٹڈ (DSL) میں سرمایہ کاری کی کرارداد کی گئی تھی اور سرمایہ کاروں کے ایک گروپ نے جزوی طور پر ادائیگی کردی ہے اور طویل عرصے سے باقی رہ جانے والے معاملے کی ادائیگی جاری رکھنے کے لئے پرعزم ہے، جسے بات چیت کے ذریعے حل کرلیا گیا ہے۔

مالیاتی جھلکیاں

ہمیں یہ بتاتے ہوئے خوشی محسوس ہورہی ہے کہ ہماری انشورنس کمپنی نے موجودہ مدت میں معقول کارکردگی پیش کی ہے۔ کمپنی نے جو خالص منافع کمایا ہے وہ اپنے مالی استحکام کو برقرار رکھنے کے ساتھ ساتھ صارفین کو قدر فراہم کرنے کے لئے عزم کا ثبوت ہے۔

افغان ٹرانزٹ کا کاروبار بند ہونے کی وجہ سے کمپنی کے خالص پریمیم میں گزشتہ سال کے مقابلے میں موجودہ مدت میں 19 فیصد کی کمی واقع ہوئی ہے۔ منافع قبل ازٹیکس میں 139 فیصد کا نمایا اضافہ ہوا ہے، جو اخراجات کے موئثر انتظام کی عکاسی کرتا ہے۔ مزید برآں، مضبوط سرمایہ کاری کی آمدنی نے کمپنی کی مجموعی مالی کارکردگی میں اضافہ کیا ہے، جو گزشتہ

سال کے مقابلے میں 42 فیصد زیادہ ہے۔ سرمایہ کاری کے دانشمندانہ فیصلوں نے کمپنی کے منافع میں اضافہ کرتے ہوئے ان متاثر کن منافعوں میں حصہ ڈالا ہے۔

گزشتہ تین سالوں کی کاروباری تفصیلات درج ذیل ہیں۔ مزید گزشتہ دس سالوں کے اہم مالیاتی اعداد و شمار بھی منسلک کئے گئے ہیں۔

مالی حالت ایک نظر میں (رقم روپے میں)

	2024	2023	2022
خام پریمیم	79,725,407	359,258,112	177,075,539
خالص پریمیم	224,369,263	277,821,497	118,287,466
منافع/(خسارہ) قبل از ٹیکس	94,793,053	39,741,574	35,674,621
منافع/(خسارہ) بعد از ٹیکس	87,158,719	68,103,151	26,932,992
اداشدہ سرمایہ	1,076,950,410	1,076,950,410	1,076,950,410
کل اثاثے	1,522,523,739	1,588,442,027	1,467,091,466
حصص کی بریک اپ ویلیو	11.78	10.99	10.30
منافع/(خسارہ) فی حصص	0.81	0.63	0.25

مستقبل کی پیش بینی

کمپنی کا ارادہ ہے کہ اپنے بنیادی انشورنس کے کاروبار میں توسیع کرے اور اسی لئے ایسے اقدامات کر رہی ہے جس سے وہ ترقی پذیر انفرادی کلائنٹ کی مارکیٹ میں داخل ہو جائے۔ کمپنی کو توقع ہے کہ CSF کی PICIC میں اور اس کے ساتھ الحاق سرمایہ کاری کے پورٹ فولیو کی آمدنی کے لئے متحرک بنائے گی جو کہ اہتمامی اسکیم کی عدالت عالیہ سندھ سے منظوری کی وجہ سے زیر التوا ہے جس کے منظور ہوتے ہی سرمایہ کاری کے لحاظ سے کمپنی کو فائدہ ہوگا۔

فی حصص آمدن

کمپنی کی فی حصص آمدنی (EPS) 0.81 روپے رہی۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے سال مختتمہ 31 دسمبر 2024 کے لئے کسی منافع منقسمہ کی سفارش نہیں کی۔

آڈیٹرز کی رپورٹ

☆ کمپنی نے ایڈوانس کی رقم پر 330.235 ملین روپے کا سود لگایا ہے اور DSL سے اس کا مطالبہ کیا ہے۔ تاہم CSIL اور DSL کے درمیان ایڈوانس کی رقم پر سود سے متعلق کوئی تحریری معاہدہ دستیاب نہیں ہے، اس لئے آڈیٹرز نے اپنے تحفظات کا اظہار کیا ہے۔

☆ ذیلی کمپنیوں کریسنٹ اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ اور کریسنٹ اسٹار لگژری (پرائیویٹ) لمیٹڈ (جو کہ پرائیویٹ لمیٹڈ ہیں) میں سرمایہ کاری کی قدری نقصان کی آزمائش دستیاب نہیں ہے، لہذا آڈیٹرز نے اپنی آڈٹ رپورٹ میں تحفظات کا اظہار کیا ہے۔

ادارتی سماجی ذمہ داری

کریسنٹ اسٹار انشورنس لمیٹڈ ذمہ دار کاروباری ادارے کی حیثیت سے مکمل طور پر اپنے کردار سے آگاہ ہے اور درج ذیل طریقوں سے اپنی ذمہ داریاں پوری کر رہی ہے:

☆ کام کے دوران حفاظت اور صحت

کام کی جگہ پر مختلف مقامات پر آگ بجھانے والے آلات نصب کئے گئے ہیں۔ مزید کمپنی کے پاس ایک وقف طبی سہولت موجود ہے جس کی نگرانی ہیڈ آفس میں موجود کل وقتی چیف میڈیکل آفیسر کرتا ہے جو کہ ملازمین اور ان کے خاندان کو طبی نگہداشت فراہم کرتا ہے اور انہیں حفاظتی صحت کے نگہداشت کے حوالے سے مشورہ دیتا ہے۔

☆ کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

بورڈ نے اخلاقیات، انسداد منی لانڈرنگ اور کاروباری طور طریقوں سے متعلق بیانیہ کو اختیار رہے۔ تمام ملازمین کو ان سے مطلع کر دیا گیا ہے اور انہیں ہدایت کی گئی ہے کہ کاروباری طرز اخلاق کے قواعد وضوابط کی پیروی کریں۔ اخلاقیات اور کاروباری طور طریقوں کے گوشوارے محنت، دیانت، شاندار کلچر اور اخلاقیات پر مبنی ہیں جن کا تعلق گاہکوں، ساتھیوں اور عام عوام سے ہے۔

☆ توانائی کی بچت

کمپنی توانائی کی بچت سے متعلق اپنی ذمہ داری سے مکمل آگاہ ہے۔ کمپنی نے دفتری احاطے میں توانائی بچت کے آلات نصب کئے ہیں۔ کمپنی اس بات کو یقینی بناتی ہے کہ لنچ کے وقفے اور دفتری اوقات کے بعد بجلی کم سے کم خرچ ہو اور زیادہ سے زیادہ دن کی قدرتی روشنی سے بھی استفادہ کیا جائے۔

☆ صنعتی تعلقات

صنعتی تعلقات سے متعلق کمپنی اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ کمپنی کا شعبہ انسانی وسائل تمام لاگو قوانین، ضوابط اور رواج پر عمل اور نفاذ کا ذمہ دار ہے تاکہ کام کی جگہ پر اعلیٰ پیشہ ورانہ معیارات کو برقرار رکھا جا سکے۔

☆ کمیونٹیز

کمپنی اسٹیک ہولڈرز کی ضروریات کا مسلسل جائزہ لیتی ہے اور طویل مدتی تعلقات، اخلاقی کاروباری طریقوں، اور سماجی بہبود اور کاروباری پائیداری میں شراکت کو برقرار رکھنے کے لئے مشغولیت کی حکمت عملیوں کو بہتر کرتی ہے۔

انسانی وسائل کے لئے پیش قدمیاں

آپ کی کمپنی کی انتظامیہ انسانی وسائل کے مشن اور نصب العین پر مضبوط یقین رکھتی ہے جو کہ کسی بھی ادارے کے کاروباری اہداف کی کامیاب حصولی میں معاونت فراہم کرتی ہے۔ آج کے مسابقتی ماحول میں ہم اس بات کو تسلیم کرتے ہیں کہ موجودہ عملہ پر توجہ دیتے ہوئے اس کی ترویج کی جائے اور موثر انداز میں اس کی کارکردگی کا جائزہ لیا جائے۔ آپ کی کمپنی مارکیٹنگ، فنانس اور کاروباری ترقی کے میدان میں معیاری پیشہ ور ماہرین کو بھرتی کرنے میں کامیاب رہی ہے۔ ہماری توجہ تسلسل کے ساتھ میرٹ پر کام کا ماحول فراہم کے ساتھ ہر ملازم کو اس کے متعلقہ شعبہ میں معلومات، تجربہ اور مہارت کے حصول کے یکساں مواقع فراہم کرنا ہے اور ملازمین ہمارا سب سے قابل قدر اثاثہ ہیں۔

ادارتی نظم ونسق کے ضابطے کی پاسداری

سال 31 دسمبر 2024 میں پاسداری سے متعلق بیانیہ اس رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹران کا ادارتی نظم ونسق کے ضابطے کے تحت ذمہ داریوں سے متعلق بیانیہ

ڈائریکٹران ادارتی اور مالیاتی رپورٹنگ کی ساخت سے متعلق ایس ای سی پی کے ادارتی نظم ونسق کے ضابطے کی پاسداری کی توثیق کرتے ہوئے بیان کرتے ہیں کہ

a کمپنی کی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشوارے کمپنی کی حالت کار، اس کی سرگرمیوں، امور کے نتائج، حصص میں تبدیلی اور نقد بہاؤ کو شفاف انداز میں پیش کرتے ہیں۔

b کمپنی کے کھاتوں کی کتابیں کمپنیز ایکٹ 2017 اور انشورنس آرڈیننس 2000 کے تحت مناسب انداز میں رکھی گئی ہیں۔

c کمپنی کے مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ مناسب حساباتی پالیسیاں اختیار کی گئی ہیں۔ جہاں تبدیلیاں ہوئی ہیں ان کو مناسب انداز میں منکشف کیا گیا اور حساباتی تخمینوں کی بنیاد محتاط اور مناسب فیصلوں پر ہے۔

d منظور شدہ رپورٹنگ کے عالمی مالیاتی معیارات جو پاکستان میں نافذ ہیں کمپنیز ایکٹ 2017، انشورنس آرڈیننس 2000، انشورنس رولز 2017 انشورنس اکاؤنٹنگ ریگولیشنز 2017 کی ضروریات کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے۔

e اندرونی گرفت کے نظام کو مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طور پر نفاذ کیا گیا ہے اور نگرانی کی جاتی ہے۔ اس کی نظر ثانی کا عمل جاری رہتا ہے تاکہ نظام کو مضبوط کرتے ہوئے موثر انداز میں نافذ کیا جائے۔

f کمپنی کے مسلسل چلتے ہوئے ادارے کی حیثیت میں کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

g ادارتی نظم ونسق کے بہترین طور طریقے جن کی وضاحت لسٹنگ ریگولیشنز میں کی گئی ہے، ان سے کوئی بڑا انحراف نہیں ہوا۔

h ٹیکسوں اور محصولات کے متعلق معلومات نوٹس میں دی گئی ہیں اور مالیاتی گوشواروں کا حصہ بنایا گیا ہے۔

i صنفی تنخواہ کے فرق کے اعداد وشمار پر رپورٹ منسلک ہے۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بتائے گئے ادارتی نظم ونسق کے بہترین طور طریقوں پر کمپنی عمل پیرا ہے اور کسی قسم کا کوئی بڑا انحراف نہیں ہوا۔

بورڈ کے اجلاس اور ان میں حاضری

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے اور ہر ڈائریکٹر کے حاضری درج ذیل رہی:

ڈائریکٹر کا نام	بورڈ کے حاضر اجلاسوں کی تعداد
جناب نعیم انور	4
جناب تنویر احمد	4
جناب سہیل الہی	4
جناب شیخ وقار احمد	3
جناب راشد ملک	0
محترمہ ہما جاوید	4
محترمہ رابعہ عمر حسن	4
محترمہ نویدہ محمود	3

آڈیٹرز

موجودہ آڈیٹر کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے، اور میسرز نوید ظفر اشفاق جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2025 کو ختم ہونے والے سال کے لئے بطور بیرونی آڈیٹرز مقرر کیا ہے۔

آڈٹ کمیٹی

کمپنی کی اپنی آڈٹ کمیٹی ہے اور سال 2024 کے دوران اس کے چار اجلاس ہوئے۔ حاضری درج ذیل رہی:

ممبر کا نام		حاضر اجلاسوں کی تعداد
جناب شیخ وقار احمد	چیئرمین	3

محترمہ ہما جاوید	ممبر	4
محترمہ نویدہ محمود	ممبر	3

انسانی وسائل اور معاوضہ کمیٹی

کمپنی کی اپنی انسانی وسائل اور معاوضہ کمیٹی ہے۔اس کمیٹی کی ذمہ داری ہے کہ وہ بورڈ کو کمپنی کی انسانی وسائل کی پالیسیوں کی سفارش کرے۔سال 2024 کے دوران کمپنی کا ایک اجلاس ہوا،جس میں حاضری درج ذیل رہی:

ممبر کا نام		حاضر اجلاسوں کی تعداد
محترمہ ہما جاوید	چیئرمین	1
جناب شیخ وقار احمد	ممبر	1
جناب نعیم انور	ممبر	1

سرمایہ کاری کمیٹی

کمپنی کی اپنی سرمایہ کاری کمیٹی ہے۔سال 2024 کے دوران کمیٹی کے چار اجلاس ہوئے جن میں حاضری درج ذیل رہی:

ممبر کا نام		حاضر اجلاسوں کی تعداد
جناب نعیم انور	چیئرمین	4
جناب شیخ وقار احمد	ممبر	3
محترمہ ہما جاوید	ممبر	4
جناب ملک مہدی محمد	ممبر	4

اخلاقیات اور بہترین کاروباری طور طریقوں سے متعلق بیانیہ

بورڈ نے ''اخلاقیات اور بہترین کاروباری طور طریقوں سے متعلق بیانیہ'' کو اختیار کیا ہے اور اسے تمام ڈائریکٹران اور ملازمین میں تقسیم کیا گیا ہے جس کو انہوں نے تسلیم اور قبول کر لیا ہے۔

کمپنی کی رپورٹنگ

کمپنی سال میں چار مرتبہ حصص یافتگان کو رپورٹ کرتی ہے یعنی پہلی سہ ماہی،دوسری ششماہی،تیسری سہ ماہی اور سالانہ نتائج کے ہمراہ کاروباری افعال پر ڈائریکٹران کی رپورٹ اور کمپنی کا مستقبل کا منظر نامہ پیش کرتی ہے۔

کمپنی کے تشکیل دیئے گئے پروویڈنٹ فنڈ میں سرمایہ کاری 46,348,020 روپے رہی جو کہ اس کے حالیہ مالیاتی گوشوارے مختتمہ 31 دسمبر 2024 کے مطابق ہے۔

حصص داری کی ساخت

مختتمہ سال 31 دسمبر 2024 پر کمپنی کی حصص داری کی ساخت اور دیگر معلومات پر مشتمل گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔

سال کے دوران ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اوران کے شریک حیات یا چھوٹے بچوں کی طرف سے کمپنی کے حصص کی خرید وفروخت نہیں کی گئی۔

ڈائریکٹران کے لئے تربیتی پروگرام

بحوالہ نوٹ نمبر 11 جس میں ادارتی نظم ونسق کے ضابطے کی پاسداری سے متعلق بیان دیا گیا ہے۔

ذیلی کمپنیاں

کمپنی نے اپنے مجموعی مالیاتی گوشواروں کے ساتھ علیحدہ مالیاتی گوشوارے منسلک کئے ہیں- کریسنٹ اسٹارفوڈز (پرائیویٹ) لمیٹڈ، کریسنٹ اسٹارلگژری (پرائیویٹ) لمیٹڈ اور کریسنٹ اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کمپنی کی ذیلی کمپنیاں ہیں-

بعدازاں واقعات

مالیاتی سال کے اختتام اوراس رپورٹ کی تاریخ کے دوران کوئی اہم تبدیلیاں رونما نہیں ہوئیں جن سے کمپنی کی مالیاتی پوزیشن متاثر ہوتی ہو-

اعتراف

آپ کی کمپنی کے ڈائریکٹران اس موقع پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، انشورنس ایسوسی ایشن آف پاکستان، اسٹیٹ بینک آف پاکستان، بینکوں اور مالیاتی اداروں کے مسلسل تعاون اور مدد پران کے مشکور ہیں۔

ہم تمام حصص یافتگان، گاہکوں/ پالیسی ہولڈراور تمام مستفیدان کے تعاون اوراعتماد کے بھی شکرگزار ہیں جوانھوں نے کمپنی اوراس کی انتظامیہ پرکیا۔ کمپنی اوراس کے ڈائریکٹران خصوصی طور پرافسران اورعملہ کے ممبران اور CSIL کی پوری ٹیم کوان کی جدوجہداورسخت محنت اور کمپنی کی نمو کے لئے ان کے تعاون پر اپنی شکرگزاریاں اورتہنیت پیش کرتے ہیں۔

شیخ وقاراحمد	**نعیم انور**
ڈائریکٹر	مینیجنگ ڈائریکٹراینڈ سی ای او

کراچی: 26 مارچ 2025

KEY FINANCIAL HIGHLIGHTS

(RUPEES IN MILLION)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Gross Premium	**79.73**	359.26	177.08	91.61	105.07	115.99	114.62	113.28	190.29	265.77
Net Premium	**224.37**	277.82	118.29	95.59	112.64	110.85	111.27	109.61	206.35	236.91
Paid-up Capital	**1,076.95**	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	826.83	826.83	620.13
Reserve & Retained Earnings	**391.86**	306.35	232.12	201.30	152.00	96.81	49.86	112.43	37.16	13.60
Discount on Issue of Right Shares	**(199.65)**	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)
Investments	**405.67**	429.61	259.62	247.52	241.78	167.16	165.58	241.15	188.47	78.06
Underwriting Provisions	**96.53**	264.03	165.41	109.44	107.91	114.61	109.01	123.76	143.20	185.98
Total Assets	**1,522.52**	1,588.44	1,467.09	1,404.57	1,333.07	1,254.77	1,179.59	1,243.01	1,009.12	838.22
Profit Before Tax	**94.79**	39.74	35.67	51.88	66.16	63.58	(49.24)	40.02	25.62	89.86
Profit After Tax	**87.16**	68.10	26.93	46.84	54.58	49.13	(63.10)	73.17	23.56	81.68
Right shares issued-%	**-**	-	-	-	-	-	-	-	33.33	-
Return on Total Assets-%	**5.72**	4.29	1.84	3.34	4.09	3.92	(5.35)	5.89	2.33	9.74
Return on Shareholders' Equity-%	**6.87**	5.75	2.43	4.34	5.30	5.04	(6.81)	9.89	3.55	18.82
Break-up Value per Share	**11.78**	10.99	10.30	10.02	9.56	9.05	8.61	8.94	8.03	8.32
Earnings per Share in Rupees	**0.81**	0.63	0.25	0.43	0.51	0.46	(0.60)	0.88	0.30	1.33
Market Value of Share	**2.88**	2.29	1.56	2.05	2.82	2.15	1.71	4.09	10.52	12.99
P/E Ratio	**3.56**	3.62	6.24	4.71	5.56	4.67	(2.85)	4.65	35.07	9.77

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Crescent Star Insurance Limited

Review Report on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations') and the Code of Corporate Governance for Insurers, 2016 (the 'Code') prepared by the Board of Directors of Crescent Star Insurance Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of Regulation 36 of the Regulations and provision Ixxvi of the Code.

The responsibility for compliance with the Code and Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations and 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 Regulations require 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 length transaction and transactions which are not executed at arm lengths price and recording proper justification for using such alternative pricing mechanism and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. 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 audit committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations and the Code as applicable to the Company for the year ended December 31, 2024.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Date: 04 APR 2025
Karachi
UDIN Number: CR202410207KSGo6biwq

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 & LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

CRESCENT STAR INSURANCE LIMITED (“the Company”)
FOR THE YEAR ENDED DECEMBER 31, 2024

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance, whereby the Insurer is managed in compliance with the best practices of corporate governance and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are eight (8), as per the following:
   a) Male: 4
   b) Female: 4

2. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	**Names**
Independent Directors	Mr. Shaikh Waqar Ahmed Ms. Naveeda Mahmud Ms. Huma Javaid
Executive Directors	Mr. Naim Anwar, CEO/Chairman Mr. Suhail Elahi
Non-Executive Directors	Mr. Rashid Malik Ms. Rabia Omer Hassan Ms. Saba Azam*

*Subject to approval of sound and prudent management regulation 2012

The independent director meets the criteria of independence as laid down under the Code, Regulations and Companies Act, 2017.

** The post of Chairman comes with a lot of responsibilities and increased public engagement and none of the directors have expressed willingness to be appointed as Chairman of the Board, as such Mr. Naim Anwar continues to occupy the post of Chairman and CEO as well.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company;

4. 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 NBFI or being a member of a stock exchange has been declared as a defaulter by that stock exchange.

5. There was one casual vacancy occurred during the year 2024 where Mr. Tanveer Ahmed resigned and Ms. Saba Azam was appointed on October 31, 2024.

6. The Company has prepared a "Code of Conduct" which has been disseminated among all directors and employees of Company along with its supporting policies and procedures.

7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of significant policies along with the dates on which they were approved or amended has been maintained by the Company.

8. All 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 Chief Executive Officer, other executive directors and the key officers, have been taken by the Board. Decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

9. The meetings of the Board were presided over by the Chairman and, in absence, by a Director elected by the Board for this purpose 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 (7) days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

10. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and Regulations.

11. While almost all the directors are professionals and senior executives who possess wide experience of duties of directors, the Company apprises its directors of new laws and regulations and amendments in the existing ones. The Board plans to arrange directors' training program.

12. There was no new appointment of Chief Financial Officer (CFO) or Company Secretary or Head of Internal Audit during the year.

13. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

14. The Board has formed the following Management Committees:

a) Underwriting, Reinsurance and Co-insurance Committee

Names	Category
Mr. Tanveer Ahmed	Chairman
Mr. Naim Anwar	Member
Mr. Anand Teja	Secretary

b) Claims Settlement Committee

Names	Category
Mr. Naim Anwar	Chairman
Dr. Atif Rais	Member
Mr. Ashraf Dhedhi	Secretary

c) Risk Management & Compliance Committee

Names	Category
Mr. Naim Anwar	Chairman
Mr. Malik Mehdi Muhammad	Member
Mr. Ashraf Dhedhi	Member

15. The Board has formed the following Board Committees comprising of members given below;

a) Nomination, Ethics, Human Resource & Remuneration Committee

Names	Category
Ms. Huma Javaid	Chairman
Mr. Shaikh Waqar Ahmed	Member
Mr. Naim Anwar	Member

b) Investment Committee

Names	Category
Mr. Naim Anwar	Chief Executive Officer / Chairman
Mr. Shaikh Waqar Ahmed	Independent Director / Member
Ms. Huma Javaid	Independent Director / Member
Mr. Malik Mehdi Muhammad	Chief Financial Officer

16. The Board has formed an Audit Committee. It presently comprises of three members and all of them are independent director including the chairman of the committee. The Composition of the audit committee is as follows:

Names	Category
Mr. Shaikh Waqar Ahmed	Independent Director / Chairman
Ms. Naveeda Mahmud	Independent Director / Member
Ms. Huma Javaid	Independent Director / Member

17. The meetings of the committees except Nomination, Ethics, Human Resource & Remuneration Committee were held at least once every quarter prior to approval of interim and final results of the Company. The terms of references of the Committees have been formed and advised to the Committees for compliance.

18. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company includes all the necessary aspects of internal control given in the Code.

19. The statutory auditors of the Company have been appointed from the panel of auditor approved by the Commission in term of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, 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 Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulation, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The Directors' report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.

22. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

23. The Company has complied with all the corporate and financial reporting requirements of the Code.

24. The Board has set up an effective internal audit function and the head of internal audit is conversant with the policies and procedures of the Company.

25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under this Code. Moreover, the persons heading the underwriting, claims, reinsurance, risk management and grievance functions possess qualification and experience of direct relevance to their functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No .XXXIX of 2000):

Names	Designation
Mr. Naim Anwar	Chief Executive Officer
Mr. Tanveer Ahmed	Head of Underwriting, Reinsurance, Risk Management & Grievance Department
Mr. Malik Mehdi Muhammad	Chief Financial Officer & Company Secretary*
Syed Danish Hasan Rizvi	Head of Internal Audit
Mr. Ashraf Dhedhi	Head of Claims and Compliance Officer

* As the operations and business of the Company is affected by the economic conditions. The Company is looking to cut cost in all related departments. As such the functions of the CFO and Company Secretary are being performed by the same person.

26. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provision of the Code.

27. The Board ensures that the risk management system of the Company is in place as per Code.

28. The Company has set up a risk management function, which carries out its tasks as covered under the Code.

29. The Board ensures that as part of the risk management system, the Company gets itself rated from PACRA which is being used by its management function/department and the respective committee as a risk monitoring tool. The rating assigned by the rating agency on January 26, 2024 is A with Outlook Stable.

30. The Board has set up a grievance department/function, which fully complies with the requirements of the Code.

31. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan (SECP) in respect of the requirements of the Code.

32. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulation and all material requirement of Code have been complied.

Regulation	**Requirement**	**Explanation for not meeting Non-mandatory requirements**
10A	Environmental, Social and Governance (ESG) matters The board takes appropriate measures to proactively address the sustainability risks and opportunities and assess their potential financial and operational impacts and implement strategies for management and mitigation thereof. The committee shall also submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	At present the Board provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced by SECP through notification dated June 12, 2024 will be complied with in due course.

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

Naim Anwar
Managing Director & CEO

Karachi: March 26, 2025

INDEPENDENT AUDITORS' REPORT
To the members of Crescent Star Insurance Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Crescent Star Insurance Limited** (the Company), which comprise of the statement of financial position as at December 31, 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis of Qualified Opinion section of the report, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

a) As stated in note 8.1 to the financial statements, the Company has recorded accrued interest amounting to Rs. 330.235 million (2023: Rs. 330.235 million) at the rate of one-year KIBOR plus three percent on the advance against issuance of shares to Dost Steels Limited. We have not been provided any documentary evidence to substantiate the Company's claim therefore recoverability of the accrued interest income could not be ascertained. Accordingly, total assets / solvency of the Company is overstated by Rs. 330.235 million (2023: Rs. 330.235 million) respectively.

b) As stated in note 8.2 to the financial statements, the Company's carrying value of receivables on account of advance against issuance of shares amounts to Rs. 86.374 million (2023: Rs. 82.467 million). The management has not carried out impairment testing as required by IAS – 36 "Impairment of Assets". No provision for loss, if any, that may result, has been incorporated in the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our qualified opinion thereon, we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	How the matter was addressed in our audit
01	**Revenue Recognition** Refer note 3.14 and 19 to the annexed financial statements The Company revenue primarily based on premiums and investment income from insurance policies which comprises 86.72% of total income. We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of premium income; • Assessed the appropriateness of the Company's accounting policy for recording of premiums in line with requirements of applicable accounting and reporting standards; • Tested the policies on sample basis where premium was recorded close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; • Recalculated the unearned portion of the premium income and ensured that amount has been recorded as provision for unearned premium in liabilities. • Consider the adequacy of disclosures as per 'Insurance Rules 2017'.
S.No	**Key Audit Matter**	**How the matter was addressed in our audit**
02	**Valuation of claim liabilities** **Refer note 3.3.1 and 'Outstanding claims including IBNR" to the annexed financial statements** The Company's claim liabilities represent 22.77% of its total liabilities. Valuation of these claim liabilities involves significant management judgment regarding uncertainty in the estimation of claims payments and assessment of frequency and severity of claims. Claim liabilities are recognized on intimation of the insured event based on management judgment and estimation. The Company maintains	• Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to the claims; • Assessed the appropriateness of the Company's accounting policy for recording of claims in line with requirements of laws, applicable accounting and reporting

	provision for claims incurred but not reported (IBNR) based on the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions. We have identified the valuation of claim liabilities as key audit matter because estimation of claim liabilities involves a significant degree of judgment.	standards in Pakistan; • Tested claims transactions on sample basis with underlying documentations to evaluate that whether the claims reported during the year are recorded in accordance with the requirements of the Company's policy and insurance regulations; • Assessed the sufficiency of reserving of claim liabilities, by testing calculations on the relevant data including recoveries from reinsurers based on their respective arrangements; • Tested specific claims transactions on sample basis recorded close to year end and subsequent to year end with underlying documentation to assess whether claims had been recognized in the appropriate accounting period; and • Considered the adequacy of Company's disclosures about the estimates used and the sensitivity to key assumptions.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. For the matters described in the Basis for Qualified Opinion section above, we are unable to obtain sufficient appropriate evidence. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matter described in the basis for qualified section of report, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditors' report is Imran Shaikh.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi
Date: 04 APR 2025

UDIN: AR202410207Rk0J5lFxi

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	**2024**	2023
ASSETS		----------- **Rupees**	-----------
Property and equipment	5	**17,018,212**	8,934,244
Investments in subsidiaries	6	**213,071,700**	213,071,700
Investments in equity securities	7	**192,600,406**	216,536,400
Loans and other receivables	8	**896,083,416**	899,716,811
Insurance / reinsurance receivables	9	**173,693,950**	227,474,188
Deferred commission expense / acquisition cost	20	**3,335,750**	18,268,029
Deferred taxation	10	**-**	-
Cash and bank	11	**26,720,305**	4,440,655
Total assets		**1,522,523,739**	1,588,442,027
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital	12	**1,076,950,410**	1,076,950,410
Discount on issue of right shares	13	**(199,650,000)**	(199,650,000)
Reserves	14	**391,862,675**	306,354,015
Total equity		**1,269,163,085**	1,183,654,425
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		**57,702,853**	65,000,330
Unearned premium reserves		**31,968,305**	176,612,161
Premium deficiency reserves		**6,861,318**	22,412,657
Premium received in advance		**3,203,907**	1,326,989
Other creditors and accruals	15	**151,616,602**	136,727,354
Provision for taxation	16	**2,007,669**	2,708,111
Total liabilities		**253,360,654**	404,787,602
Total equity and liabilities		**1,522,523,739**	1,588,442,027
Contingencies and commitments	18		

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		----------- Rupees -----------	
Net insurance premium	18	**224,369,263**	277,821,497
Net insurance claims	19	**3,021,101**	(129,907,437)
Premium deficiency		**15,551,338**	(20,533,700)
Net commission expense and other acquisition costs	20	**(21,421,900)**	(18,130,192)
Insurance claims and acquisition expenses		**(2,849,461)**	(168,571,329)
Management expenses	21	**(154,040,545)**	(108,599,668)
Underwriting results		**67,479,257**	650,500
Investment income	22	**29,974,469**	21,153,198
Other income	23	**4,377,867**	22,837,645
Other expenses	24	**(7,038,540)**	(4,899,769)
Results of operating activities		**94,793,053**	39,741,574
Profit before tax		**94,793,053**	39,741,574
Taxation	25	**(7,634,334)**	28,361,577
Profit after tax		**87,158,719**	68,103,151
Other comprehensive income / (loss)			
Unrealized gain/(loss) through other comprehensive income - net of deferred tax		**(1,650,060)**	6,133,400
Other comprehensive income / (loss) for the year		**(1,650,060)**	6,133,400
Total comprehensive income for the year		**85,508,659**	74,236,551
Earning per share	26	**0.81**	0.63

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Operating cash flows	----------- Rupees -----------	
(a) Underwriting activities		
Insurance Premium received	**135,333,160**	324,994,064
Reinsurance premium adjusted / (paid)	**49,402**	(6,177,130)
Claims paid	**(4,276,376)**	(130,472,092)
Commission paid	**(6,489,621)**	(23,221,071)
Commission received	**-**	488,245
Management expenses paid	**(144,485,913)**	(129,722,165)
Net cash flow from underwriting activities	**(19,869,348)**	35,889,851
(b) Other operating activities		
Income tax paid	**(8,334,775)**	(4,934,867)
Other operating payments	**6,301,013**	111,191,151
Net cash outflow from other operating activities	**(2,033,762)**	106,256,284
Total cash inflow / (outflow) from all operating activities	**(21,903,110)**	142,146,135
Investment activities		
Profit on saving account	**486,947**	1,712,930
Dividend received	**29,487,522**	21,539,106
Payments for investments	**(303,386,982)**	(166,384,206)
Proceeds from disposal of investments	**325,672,917**	40,000
Fixed capital expenditure	**(10,153,644)**	432,868
Proceeds from sale of property and equipment	**2,076,000**	(652,475)
Total cash (outflow) / inflow from investing activities	**44,182,761**	(143,311,777)
Net cash inflow / (outflow) from all activities	**22,279,651**	(1,165,641)
Cash and cash equivalents at beginning of year	**4,440,655**	5,606,296
Cash and cash equivalents at end of year	**26,720,305**	4,440,655
Reconciliation to profit and loss account		
Operating cash flows	**(21,903,110)**	142,146,135
Depreciation expense	**(1,703,924)**	(1,435,447)
Gain / (loss) on disposal of property and equipments	**1,710,249**	(1,245)
(Loss) / profit on disposal of investments	**(2,710,600)**	1,111,469
Dividend income	**32,198,122**	18,328,799
Other investment and other income	**486,947**	1,712,930
Decrease in assets other than cash	**(72,345,913)**	(46,645,481)
Decrease / (increase) in liabilities other than borrowings	**150,726,507**	(80,410,454)
Reversal in taxation	**700,441**	33,296,444
Profit after taxation for the year	**87,158,719**	68,103,151

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Share capital	Discount on issue of right shares	Capital reserves	Revenue reserves		Unappropriated profit	Total equity
			Reserve for exceptional losses	General reserve	Surplus on remeasurement of available for sale investments		
	-- Rupees --						
Balance as at January 01, 2023	1,076,950,410	(199,650,000)	1,767,568	24,497,265	9,903,300	195,949,331	1,109,417,874
Profit after tax for the year	-	-	-	-	-	68,103,151	68,103,151
Other comprehensive income for the year	-	-	-	-	6,133,400	-	6,133,400
Balance as at December 31, 2023	1,076,950,410	(199,650,000)	1,767,568	24,497,265	16,036,700	264,052,482	1,183,654,425
Balance as at January 01, 2024	**1,076,950,410**	**(199,650,000)**	**1,767,568**	**24,497,265**	**16,036,700**	**264,052,482**	**1,183,654,425**
Profit after tax for the year	-	-	-	-	**-**	**87,158,720**	**87,158,720**
Other comprehensive income for the year	-	-	-	-	**(1,650,060)**	-	**(1,650,060)**
Balance as at December 31, 2024	**1,076,950,410**	**(199,650,000)**	**1,767,568**	**24,497,265**	**14,386,640**	**351,211,202**	**1,269,163,085**

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

Chief Executive/ Principal Officer	**Director**	**Director**	**Director**	**Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1 LEGAL 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 Defunct Companies Act, 1913, now the Companies Act, 2017. 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 non-life general insurance services mainly in spheres of fire and property damage, marine, aviation and transport, motor, credit and suretyship, accident and health and miscellaneous insurance.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accounts of Pakistan (ICAP), as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017,the Insurance Ordinance, 2000, Insurance Rules 2017 and the Insurance Accounting Regulations, 2017.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, shall prevail.

These financial statements are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Consolidated financial statements of the Company are prepared and presented separately.

These financial statements have been prepared as per the prescribed format of presentation of annual financial statements for general insurance companies issued by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 89(1)/2017 dated February 9, 2017.

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain obligations under employee retirement benefits which are measured at present value, certain financial instruments which are stated at their fair values and provision for incurred but not reported (IBNR) is made on the basis of actuarial valuation.

In these financial statements, except for the statement of cash flows, all the transactions have been accounted for on an accrual basis.

2.2 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 Pakistani Rupee, unless otherwise stated.

STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS

2.3 Standards, interpretations of and amendments to the existing accounting standards that have become effective during the year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these financial statements.

2.3.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts - Applying IFRS 9 with IFRS 4'

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

Temporary Exemption from Application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for the financial assets with contractual cash flows that meet the 'Solely for Payment of Principal and Interest' (SPPI) criteria excluding those held for trading and for the financial assets that do not meet the SPPI criteria for being eligible to apply the temporary exemption from the application of IFRS 9.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The table below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

(a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

(b) all other financial assets

	December 31, 2024			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
	---------------------------- Rupees ----------------------------			
Financial assets				
Investments				
Equity securities *	**192,600,406**	**14,386,640**	**-**	**-**
Debt securities *	**-**	**-**	**-**	**-**
Term deposit receipts *	**-**	**-**	**-**	**-**
Loans and other receivable *	**-**	**-**	**890,591,978**	**-**
Insurance / reinsurance receivables *	**-**	**-**	**173,693,950**	**-**
	192,600,406	**14,386,640**	**1,064,285,928**	**-**

* The carrying amounts of these financial assets measured applying IAS 39 are a reasonable approximation of their fair value.

	December 31, 2024
	Gross carrying amount of financial assets that pass SPPI test
	Not rated
Loans and other receivable	**890,591,978**
Insurance / reinsurance receivables	**173,693,950**
	1,064,285,928

2.3.2 Impact of IFRS 3 – Business Combinations

Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2021). The Board has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test.

2.3.3 Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2021). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the Board has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

2.4 Standards, interpretations and amendments not effective at year end

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan have not become effective during current year:

Standards, amendments or interpretation	Effective date (annual periods beginning on or after)
- IAS 21 - 'The effects of changes in foreign exchange rates' (amendments)	January 01, 2025
- IFRS 9 - 'Financial instruments'	January 01, 2026

2.5 In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards, amendments or interpretation		Effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts	January 01, 2026

2.6 Standards, interpretations and amendments becoming effective in future period but not relevant:

There are certain new standards, amendments to standards and interpretations that are effective for different future periods but are considered not to be relevant to Company's operations, therefore not disclosed in these financial statements.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below.

3.1 Property and equipment

3.1.1 Owned

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to statement of comprehensive income applying the reducing balance method at the rates specified in note 5.1 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's carrying amount or recognized as 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 the statement of comprehensive income.

The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of operating fixed assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

An item of property and equipment 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 property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the statement of comprehensive income in the year the asset is derecognized.

3.2 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policy holders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

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 and transport;
- Motor;
- Accident and health;
- Credit and suretyship; and
- 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 for example. vehicles 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, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and liabilities to third parties and passengers arising from their use.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

Accident and health insurance contract mainly compensate hospitalization and outpatient medical coverage to the insured. These contracts are generally one year contracts.

Credit and suretyship insurance contracts protects the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

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.

3.3 Claims

Claims are charged to statement of comprehensive 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.

3.3.1 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred as at the reporting 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 are recognized as an asset and measured at the amount expected to be received.

i) Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the reporting 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.

ii) Claims incurred but not reported

The provision for claims incurred but not reported is made at the reporting date in accordance with SECP circular no. 9 dated March 09, 2016. The Company has changed its method of estimation of IBNR. The Company now takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using 'Chain Ladder' (CL) and 'Expected Loss Ratio' methodology. The CL method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine cumulative development factor (CDF), which represents the extent of future development of claims to reach their ultimate level.

3.4 Premium deficiency reserve / liability adequacy test

At each financial statement date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability,after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after financial statement date in respect of policies in force at financial statement date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.

The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The expected ultimate net claim ratios for the unexpired periods of policies in force at financial statement date for each class of business is as follows:

	2024	2023
- Fire and property damage	**28%**	30%
- Marine, aviation and transport	**44%**	56%
- Motor	**15%**	16%
- Accident & health	**-60%**	-23%
- Credit & Suretyship	**0%**	1%
- Miscellaneous	**48%**	91%

3.5 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired.

An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

3.6 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the profit and loss account.

Provision for impairment in premium receivables is estimated on a systematic basis after analyzing the receivables as per their ageing.

3.7 Insurance / Reinsurance receivable

Receivables under insurance contracts are recognized when due at the fair value of consideration receivable less provision for doubtful debts, 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.

3.8 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.

3.9 Reinsurance recoveries against outstanding claims

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

3.10 Deferred commission expense/ Acquisition cost

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the 1/24th method.

3.11 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely Fire and Property Damage, Marine Aviation and Transport, Motor, Crop and Miscellaneous. The nature and business activities of these segments are disclosed in respective notes to the financial statements.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities.

3.12 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise of the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the statement of financial position date include cash and bank deposits, investments, insurance/reinsurance receivables, premium and claim reserves detained by cedants, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, provision for outstanding claims, insurance/reinsurance payables, other creditors and accruals and liabilities against assets subject to finance lease.

3.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks.

3.14 Revenue recognition

3.14.1 Premium income earned

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from policy holders in respect of policies issued.

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

3.14.2 Provision for unearned premium

Majority of the insurance contracts entered into by the Company are for a period of twelve months. 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:

- 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;
- Contracts of twelve months tenure, by applying the twenty-fourths' method as specified in the Insurance Rules, 2017, as majority of the remaining policies are issued for a period of one year; and
- Contracts having tenure of more than twelve months, the Company maintains provision for unearned premium net of reinsurance expense to the unexpired period of coverage at the reporting date.

3.14.3 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 if any, which the Company may be entitled under the terms of reinsurance is recognized on accrual basis.

3.14.4 Commission income unearned

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

3.14.5 Investment income

- Return on investments and term deposits are recognized using the effective interest rate method. Profit or loss on sale of investments is recognized at the time of sale. Dividend income is recognized when right to receive such dividend is established.
- Gain / (loss) on sale of investments is charged in statement of comprehensive income.

3.14.6 Dividend income and other income

- Dividend income and entitlement of bonus shares are recognized when the Company's right to receive such dividend and bonus shares is established. Rental and other income are recognized as and when accrued.
- Return on bank deposits is recognized on a time proportionate basis taking into account the effective yield.

3.15 Investments

3.15.1 Recognition

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

- In subsidiary and associates
- In equity securities
- In debt securities

3.15.2 Measurement

In subsidiary and associates

Entities in which the Company has significant influence but not control and which are neither its subsidiary nor joint ventures are associates and are accounted for by using the equity method of accounting.

Under equity method of accounting, the investments are initially recognised at cost; thereafter its carrying amount is increased or decreased for the Company's share of post acquisition changes in the net assets of the associate and dividend distributions. Goodwill relating to an associate is included in carrying amount of the investment and is not amortized. The Company's share of the profit and loss of the associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognised in the associates' profit and loss account are recognised directly in other comprehensive income of the Company.

After application of equity method, the carrying amount of investment in associate is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit and loss account.

In equity securities - Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity. At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial measurement, these are remeasured at fair value. Surplus / (deficit) on revaluation from one reporting date to other is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for the period within Statement of Comprehensive Income. Whereas, any reversal in impairment is taken in Statement of Comprehensive Income.

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

In debt security - Held to maturity

At the time of acquisition, investments with fixed maturity, where management has both the intent and the ability to held to maturity, are classified as held to maturity.

Subsequently, these are measured at amortized cost less provision for impairment in value, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition using the effective yield method.

The difference between the redemption value and the purchase price of the held to maturity investments is amortized and taken to the profit and loss account over the term of investment. These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the profit and loss account.

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

- Held to Maturity investments;
- Available for Sale investments;
- Held for Trading investments.

3.15.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.15.4 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is an objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty; or
• breach of contract, such as a default or delinquency in interest or principal payments; or
• it is becoming probable that the borrower will enter bankruptcy or financial re-organization; or
• the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at Held to Maturity, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in statement of comprehensive income.

When an Available for sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to statement of comprehensive income.

For financial assets measured at held to maturity, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss account to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available for sale equity securities, impairment losses previously recognized in profit and loss account are not reversed through profit and loss account. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit and loss account if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

a) Quoted

Subsequent to initial recognition, these investments are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognised in statement of comprehensive income.

b) Unquoted

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

c) Investment in equity instruments of subsidiaries companies

Investment in subsidiaries are accounted for at cost less accumulated impairment losses. Dividend income from these investments is recognized in profit or loss and included in other income when the Company's right to receive payments has been established.

3.15.5 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.

3.16 Dividend declaration

Final dividend distribution to the Company's shareholders is recognized as a liability in the balance sheet in the period in which the dividends are approved, while interim dividend distributions are recognized in the period in which the dividends are declared by the Board of Directors. However, if these are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

3.17 Dividend distribution

Profit distribution to share holders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Board of Directors.

3.18 Management expenses

Management expenses include expenses incurred for the purpose of business and are recorded in the financial statements as and when accrued.

3.19 Workers' Welfare Fund

Following the 18th Amendment to the Constitution, the Governments of Sindh, Punjab, and Baluchistan introduced the Workers Welfare Fund (WWF) levy through the Sindh WWF Act, 2014, the Punjab Workers Welfare Fund Act, 2019 and the Baluchistan Workers Welfare Fund Act, 2022. Notably, the Sindh WWF Act, 2014 was further amended in 2022 to encompass entities under the Shops Act. As a result of this amendment, insurance companies, which were previously exempt, are now required to contribute to the WWF under the provisions of the Sindh WWF Act.

3.20 Creditors, accruals and provisions

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.

Provisions are recognised in the statement of financial position 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 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 reporting date. Exchange difference, if any, are taken to statement of comprehensive income.

3.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) 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 average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

3.23 Taxation

3.23.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001 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.

3.23.2 Deferred

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent of taxable timing differences or it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.24 Staff retirement benefits

3.24.1 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 members to the fund at the rate of 10% of basic salary.

3.24.2 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.

3.25 Impairment

A financial asset is assessed at each financial statement date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

If a decline in fair value is significant or prolonged, then there is objective evidence of impairment, regardless of how long management intends to hold the investment. If there has been a significant or prolonged decline in the market price of subsidiary/associate at the reporting date, then the impairment test is performed in accordance with IAS 36.

The carrying amount of non-financial assets is reviewed at each financial statement date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognized in the profit and loss account. Provisions for impairment are reviewed at each financial statement date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense.

3.26 Related party transactions

Party is said to be related, if they are able to influence the operating and financial decisions of the Company and vice versa. The Company in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price and are carried out at arm's length prices.

3.27 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat and Ushr Ordinance, 1980.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The judgments, estimates and assumptions are based on historical experience, current trends 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)	3.3.1
- Premium deficiency reserve	3.4
- Provision for doubtful receivables	9.1
- Useful lives and residual values of property and equipment	3.1
- Provision for unearned premium	3.14.2
- Premium due but unpaid	9
- Provision for taxation and deferred tax	3.23
- Segment reporting	3.11

		Note	2024	2023
			---------- Rupees ----------	
5	**PROPERTY AND EQUIPMENT**			
	Operating assets	5.1	**17,018,212**	8,934,244

5.1 PROPERTY AND EQUIPMENT

2 0 2 4

Description	Cost				Depreciation				Written down as at December 31,	Depreciation rate
	As at January 01,	Additions	(Disposal)	As at December 31,	As at January 01,	For the year	(Disposal)	As at December 31,		
	----- Rupees -----									
- Furniture and fixtures	8,724,868	-	-	8,724,868	4,718,441	400,644	-	5,119,085	3,605,783	10%
- Office equipment	3,474,212	306,644	-	3,780,856	1,792,627	188,219	-	1,980,846	1,800,010	10%
- Computers equipment	1,099,116	347,000	302,680	1,143,436	761,875	145,452	196,691	710,636	432,800	30%
- Vehicles	20,517,071	9,500,000	1,152,900	28,864,171	17,608,081	969,608	893,138	17,684,551	11,179,620	20%
	33,815,267	10,153,644	1,455,580	42,513,331	24,881,024	1,703,923	1,089,829	25,495,118	17,018,212	

5.1 2 0 2 3

Description	Cost				Depreciation				Written down value as at December 31,	Depreciation rate
	As at January 01,	Additions	(Disposal)	As at December 31,	As at January 01,	For the year	(Disposal)	As at December 31,		
	----- Rupees -----									
- Furniture and fixtures	8,724,869	-	-	8,724,869	4,273,281	445,160	-	4,718,441	4,006,428	10%
- Office equipment	3,211,737	363,475	101,000	3,474,212	1,672,196	180,186	59,755	1,792,627	1,681,585	10%
- Computers equipment	810,116	289,000	-	1,099,116	679,023	82,852	-	761,875	337,241	30%
- Vehicles	20,517,071	-	-	20,517,071	16,880,832	727,249	-	17,608,081	2,908,990	20%
	33,263,793	652,475	101,000	33,815,268	23,505,332	1,435,447	59,755	24,881,024	8,934,244	

5.1.1 Disposal of fixed assets

Particulars	Year	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain/(Loss) On Disposal	Mode of Disposal	Particulars Of Purchaser
		----- Rupees -----						
Motor Car	**2011**	**1,152,900**	**893,138**	**259,762**	**2,000,000**	**1,740,238**	**Company Policy**	**Abdul Qadir Jilani**
Computers	**2016**	**75,000**	**70,776**	**4,224**	**5,000**	**776**	**Company Policy**	**Scrapper**
Computers	**2017**	**79,680**	**74,506**	**5,174**	**5,000**	**(174)**	**Company Policy**	**Scrapper**
Computers	**2023**	**148,000**	**51,409**	**96,591**	**66,000**	**(30,591)**	**Company Policy**	**Scrapper**
Sub- Total	**2024**	**1,455,580**	**1,089,829**	**365,751**	**2,076,000**	**1,710,249**		
Sub- Total	2023	101,000	(59,755)	-	40,000	1,245		

6 INVESTMENTS IN SUBSIDIARIES

	Holding	Equity held	2024 Investment at cost (Rupees)	2023 Investment at cost (Rupees)
Crescent Star Foods (Private) Limited	**71%**	**21,305,176**	**213,051,760**	213,051,760
Crescent Star Technologies (Private) Limited	**99%**	**997**	**9,970**	9,970
Crescent Star luxury (Private) Limited	**99%**	**997**	**9,970**	9,970
		21,307,170	**213,071,700**	213,071,700

7 INVESTMENTS IN EQUITY SECURITIES

	Note	2024 (Rupees)	2023 (Rupees)
Fair value through other comprehensive income - FVTOCI:			
Investment in equity securities	7.1	**192,600,406**	216,536,400

7.1 Investments In Equity Securities

	Note	2024	2023
Listed shares			
Cost		**50,281,501**	9,267,742
Less: unrealized loss on revaluation of investment		**(4,348,827)**	(481,031)
Carrying value	7.1.1	**45,932,674**	8,786,711
Mutual Funds			
Cost		**194,783,376**	99,646,142
Add: additions to mutual funds		**(66,851,111)**	91,585,260
Add: unrealized gain on revaluation of investment		**18,735,467**	16,518,287
Carrying value	7.1.2	**146,667,732**	207,749,689
		192,600,406	216,536,400

7.1.1 Ordinary shares of quoted companies

Number of shares (fully paid up shares of Rs. 10/- each) 2024	2023	Market value per share 2024	2023	Sector and name of investee companies	2024 (Rupees)	2023 (Rupees)
				Engineering		
84,890	1,425,520	**6.79**	5.70	Dost Steel Limited	**576,403**	8,125,464
				Power Generation & Distribution		
2,000	2,000	**2.21**	2.21	Southern Electric Power Company Limited	**4,420**	4,420
2,071,919	-	**5.72**	-	Tri-Star Power Limited	**11,851,377**	-
1,690,379	-	**9.94**	-	S.G. Power Limited	**16,802,367**	-
				Textile Weaving		
158	158	**8.58**	8.58	G3 technologies /Service Fabrics Limited	**1,356**	1,356
106,000	-	**18.90**	-	Quetta Textile Mills Limited	**2,003,400**	-
				Insurance		
200	200	**8.50**	6.20	Habib Insurance Company Limited	**1,700**	1,240
117	117	**5.43**	7.05	Premier Insurance Limited	**635**	825
2,538,000	721,000	**1.95**	0.90	Picic Insurance Limited	**4,949,100**	648,900
18	18	**174.21**	110.35	IGI holdings Limited	**3,136**	1,986
				Commercial Banks		
309	309	**10.81**	6.48	The Bank of Punjab	**3,340**	2,002
3	3	**281.30**	172.55	MCB Bank Limited	**844**	518
				Chemical		
256,241	-	**37.99**	-	Bawany Air Products Limited	**9,734,596**	-
6,750,234	2,149,325				**45,932,674**	8,786,711

7.1.1.1 Cost of ordinary shares of quoted companies as at December 31, 2024 is Rs. 50,281,501/- (2023: Rs. 9,267,742/-).

7.1.2 Mutual fund certificates

Number of Units 2024	Number of Units 2023	Unit Price Rupees 2024	Unit Price Rupees 2023	Name of the entity	Note	2024 Rupees	2023 Rupees
-	16,000	**-**	4.52	Modarba Al - Mali		**-**	72,320
15,688	-	**6.45**	-	LSE capital limited		**101,189**	-
1,040	-	**15.70**	-	LSE financial service limited		**16,328**	-
3,820	3,820	**30.67**	9.81	HBL energy fund		**117,177**	37,492
2,270,595	2,069,529	**60.87**	60.49	Pakistan income fund	7.1.2.2	**138,212,686**	125,182,941
65	230,930	**59.25**	54.19	Alfalah ghp income multiplier fund		**3,851**	12,514,040
68	364,367	**108.50**	109.49	Alfalah FSIP plan 1		**7,407**	39,895,789
2	-	**119.02**	0.00	Alfalah ghp sovereign fund		**286**	-
-	104,732	**-**	104.94	JS money market fund		**-**	10,990,546
245,269	1,819,433	**10.37**	10.47	NBP islamic saving fund		**2,544,027**	19,056,561
-	-	**10.68**	-	NBP Govt. securities plan IV		**-**	-
50,878	-	**111.34**	-	Al Habib income fund		**5,664,781**	-
-	-	**104.70**	-	Faysal islamic cash fund		**-**	-
						146,667,732	207,749,689

7.1.2.1 Cost of Mutual fund certificates as at December 31, 2024 is Rs. 127,932,265/- (2023: Rs.191,231,402/-).

7.1.2.2 These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

8 LOANS AND OTHER RECEIVABLES

	Note	2024 Rupees	2023 Rupees
Considered good			
Other Security deposits		**5,143,438**	5,159,438
Advance to supplier		**260,000**	260,000
Loan to employees		**88,000**	132,136
Accrued interest on advance against issuance of shares	8.1	**330,235,136**	330,235,136
Advance against issuance of shares	8.2	**303,095,679**	534,697,127
Other receivable	8.3	**257,261,163**	29,232,974
		896,083,416	899,716,811

8.1 This represents accrued interest on advance against issue of shares, given to Dost Steels Limited. Movement in advances is as follows:

	2024 Rupees	2023 Rupees
Balance as at beginning of the year	**330,235,136**	310,639,040
Income for the year	**-**	19,596,096
Balance as at the end of the year	**330,235,136**	330,235,136

8.2 This represents advances against issue of shares given to the following parties:

Name of the Company	Note	2024 Rupees	2023 Rupees
Dost Steels Limited	8.2.1	**-**	236,511,066
Crescent Star Foods (Private) Limited - Subsidiary	8.2.2	**216,720,805**	215,718,155
Crescent Star Luxury (Private) Limited - Subsidiary	8.2.3	**78,662,460**	75,482,196
Crescent Star Technology (Private) Limited - Subsidiary	8.2.4	**7,712,414**	6,985,710
		303,095,679	534,697,127

8.2.1 In prior years, the Company made an advance against issuance of shares to Dost Steel Limited (DSL). Subsequently, pursuant to a settlement between the Company and DSL, the above mentioned advances for issue of shares were assigned to a group of investors.

		2024	2023
	Movement during the year in:	----------- Rupees -----------	
8.2.2	**Crescent Star Foods (Private) Limited**		
	Advance against issuance of shares	**1,002,650**	5,063,053
8.2.3	**Crescent Star Luxury (Private) Limited**		
	Advance against issuance of shares	**3,180,264**	1,722,640
8.2.4	**Crescent Star Technology (Private) Limited**		
	Advance against issuance of shares	**726,704**	587,779

8.3 This includes Rs. 211,511,066/- from 'group of investors' as mentioned in note 8.2.1 as at reporting date.

9 INSURANCE / REINSURANCE RECEIVABLES

	2024	2023
Unsecured and considered good		
Due from insurance contract holders	**219,373,520**	264,055,269
Less : Provision for impairment of receivables from insurance contract holders	**(48,584,004)**	(39,534,917)
Due from other insurers / reinsurers	**2,904,434**	2,953,836
	173,693,950	227,474,188

9.1 Provision for impairment of receivables from insurance contract holders

	2024	2023
Balance at the beginning of the year	**39,534,917**	104,064,799
Provision made during the year	**38,583,890**	-
Less: Receivable written off	**(29,534,803)**	(64,529,882)
	48,584,004	39,534,917

10 DEFERRED TAXATION

10.1 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, deferred tax asset of Rs. 25,830,563 (2023: Rs. 7,455,095) on account of temporary differences have not been recognised.

11 CASH & BANK

	Note	2024	2023
		----------- Rupees -----------	
Cash and cash equivalent			
Cash in hand		**23,726**	43,960
Policy and revenue stamps		**41,370**	11,500
		65,096	55,460
Cash at bank			
Current accounts		**1,526,839**	578,941
Savings accounts	11.1	**25,268,113**	3,945,997
		26,794,952	4,524,938
Less: provision against dormant accounts		**(139,743)**	(139,743)
		26,655,209	4,385,195
		26,720,305	4,440,655

11.1 These carry mark-up at the rate of 14.33% (2023: 12.39%) per annum.

12 ORDINARY SHARE CAPITAL

12.1 Authorized share capital

December 31 2024	December 31 2023	2024	2023
---- Number of shares -----		----------- Rupees -----------	
115,000,000	115,000,000	**1,150,000,000**	1,150,000,000

12.2 Issued, Subscribed and paid-up share capital

December 31 2024	December 31, 2023		2024	2023
---- Number of shares -----			----------- Rupees -----------	
104,728,494	104,728,494	Ordinary shares of Rs. 10 each fully paid in cash	**1,047,284,940**	1,047,284,940
2,966,547	2,966,547	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**29,665,470**	29,665,470
107,695,041	107,695,041		**1,076,950,410**	1,076,950,410

13 DISCOUNT ON ISSUE OF RIGHT SHARES

The Company had issued right shares in the year 2014 with the approval of Board of Directors, SECP and KSE (now PSX) 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.

14 RESERVES

	2024	2023
	----------- Rupees -----------	
Capital reserves		
Reserve for exceptional losses	**1,767,568**	1,767,568
Revenue reserves		
General reserve	**24,497,265**	24,497,265
Unappropriated profit	**351,211,202**	264,052,482
Surplus on remeasurement of available for sale investment	**14,386,640**	16,036,700
	391,862,675	306,354,015

15 OTHER CREDITORS AND ACCRUALS

	2024	2023
Federal insurance fees	**5,011,527**	4,275,941
Federal excise duty	**67,672,268**	59,858,237
Payable to staff provident fund	**299,424**	497,990
Withholding tax	**58,865,524**	52,163,456
Accrued expenses	**15,042,030**	15,779,360
Unclaimed dividend	**418,209**	418,209
Others	**4,307,620**	3,734,161
	151,616,602	136,727,354

16 PROVISION FOR TAXATION

	2024	2023
Balance at beginning of the year	**2,708,111**	36,004,555
Add: charge for the year	**7,634,334**	(28,361,577)
Less: paid during the year	**(8,334,776)**	(4,934,866)
Balance at end of the year	**2,007,669**	2,708,111

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

The Company is defendant in following:

17.1.1 The Company filed a petition No. 1027/2022 against Federal Board of Revenue (FBR) in respect of notice of encashment of guarantee given for the duties and taxes under Afghan Transit Rules amounting to Rs. 26 million. The Custom authorities claim that there was pilferage and the goods did not cross Afghan border. The company stand is that the primary responsibility for pilferage is on the bonded carrier. The High Court has granted stay against the notice of encashment.

17.1.2 Phillip Morris (Pakistan) Limited has filed suit 33/2021 against the Company for encashment of performance bond given amounting to Rs. 100 million. The party on whose behalf the bond was given has obtained stay order against encashment of guarantee. Further the company is secured by counter guarantee and cheque in respect of the bond amount.

17.1.3 Suit 6/2022 has been filed by the legal heirs of insured Farzana Akhlaq in relation to travel policy claims amounting to Rs. 11 million. The suit was filed against Company's repudiation of the travel claim on the grounds of pre-existing condition. As per terms of policy pre-existing conditions were not covered.

17.1.4 Suit 1036/2019 was filed by Pakistan Reinsurance Company Limited for recovery of outstanding amount against CSIL amounting to Rs. 75 million. The amount claimed by Pakistan Reinsurance is disputed by the Company.

17.1.5 The Company is defending various law suits in the court of law. In these cases, claims against the company amounted to less than Rs.10 million. The Company, based on the opinion of its legal advisors, is confident that the ultimate outcome of all of the matters provided above will be in its favor. Accordingly, no provision in respect of any above mentioned liabilities has been made in these financial statements.

18 NET INSURANCE PREMIUM

	Note	2 0 2 4	2 0 2 3
		----------- Rupees -----------	
Written gross premium		**79,725,407**	359,258,112
Add : Unearned premium reserve - opening		**176,612,161**	97,965,518
Less: Unearned premium reserve - closing		**(31,968,305)**	(176,612,161)
Premium earned		**224,369,263**	280,611,469
Less: Reinsurance premium ceded		**-**	2,789,972
Add: prepaid reinsurance premium - opening		**-**	-
Less: prepaid reinsurance premium - closing		**-**	-
Reinsurance expense		**-**	(2,789,972)
		224,369,263	277,821,497

19 NET INSURANCE CLAIMS EXPENSE

	Note	2 0 2 4	2 0 2 3
Claim paid		**4,276,376**	130,472,092
Add : Outstanding claims including IBNR - closing	19.1	**57,702,853**	65,000,330
Less: Outstanding claims including IBNR - opening		**(65,000,330)**	(65,564,985)
Claims expense		**(3,021,101)**	129,907,437
Add: Reinsurance and others recoveries in respect of outstanding claims - closing		**-**	-
Less: Reinsurance and others recoveries in respect of outstanding claims - opening		**-**	-
		-	-
Reinsurance and recoveries revenue		**(3,021,101)**	129,907,437

19.1 Claims development

The following table shows the development of claims of all classes 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.

Accident year	2019 and prior	2020	2021	2022	2023	2024 including IBNR
	---------------------------------			(Rupees)	---------------------------------	
Estimate of ultimate claims cost:						
At end of accident year	63,028,532	3,153,931	12,446,510	1,369,827	126,769,622	12,192,591
One year later	65,520,695	3,467,825	1,063,469	2,244,256	126,898,769	-
Two year later	68,300,402	3,402,852	1,063,469	2,209,256	-	-
Three year later	75,399,160	3,428,113	1,063,469	-	-	-
Four year later	74,824,685	3,428,113	-	-	-	-
Five year later	74,442,683		-	-	-	-
Current estimate of cumulative claims	74,442,683	3,428,113	1,063,469	2,209,256	126,898,769	12,192,591
Cumulative payments to date	29,699,273	2,232,973	913,469	1,960,456	126,659,169	1,066,688
Liability recognised in the balance sheet	44,743,410	1,195,140	150,000	248,800	239,600	11,125,903

20 NET COMMISSION EXPENSE

	2 0 2 4	2 0 2 3
	----------- Rupees -----------	
Commission paid or payable	**6,489,621**	23,221,071
Add : Deferred commission expense opening	**18,268,029**	13,665,395
Less: Deferred commission expense closing	**(3,335,750)**	(18,268,029)
	21,421,900	18,618,437
Less: Commission received or recoverable	**-**	(488,245)
Add: Unearned Reinsurance commission opening	**-**	-
Less: Unearned Reinsurance commission closing	**-**	-
Commission from reinsurers	**-**	(488,245)
Net commission (income) /expense	**21,421,900**	18,130,192

		Note	2024	2023
21	**MANAGEMENT EXPENSES**		----------- Rupees -----------	
	Employee benefit cost	21.1	**79,485,465**	72,695,054
	Travelling expense		**12,591,577**	14,884,250
	Advertisement and sales promotion		**61,520**	95,570
	Printing and stationery		**877,605**	2,499,287
	Depreciation expenses		**1,703,924**	1,435,447
	Rent, rates and taxes		**2,462,147**	2,546,138
	Legal and professional fee - business related		**3,692,841**	2,243,249
	Electricity, gas and water		**3,981,561**	3,062,697
	Entertainment		**1,903,754**	1,385,954
	Vehicle running expenses		**607,355**	867,740
	Repairs and maintenance		**1,742,193**	2,384,043
	Bank charges		**47,122**	27,973
	Postages, telegrams and telephone		**1,784,232**	1,954,706
	Bad and doubtful debts		**38,583,890**	(183,676)
	Miscellaneous		**4,515,359**	2,701,236
			154,040,545	108,599,668

21.1 This includes contribution to provident fund amounting to Rs. 1.687 million (2023: Rs.1.538 million).

		Note	2024	2023
			----------- Rupees -----------	
21.1.1	Employee benefit cost			
	Salaries, allowance and other benefits		**79,485,465**	72,695,054
	Charges for post employment benefits		**-**	-
			79,485,465	72,695,054
21.1.2	**Remuneration to key management personnel**			
	Remuneration paid to Chief Executive, Executive Director and Executives of the Company (note 27)		**20,622,588**	36,490,248
	Staff retirement benefits			
	Provident fund contribution		**1,686,855**	1,538,881
	Markup on outstanding balance of provident fund		**-**	882,716
22	**INVESTMENT INCOME**			
	Income from equity securities			
	Available for sale financial assets:			
	Dividend income		**32,198,122**	18,328,799
	Gain / (loss) on sale of available for sale investments		**(2,710,600)**	1,111,469
			29,487,522	19,440,268
	Income from debt securities			
	Held to maturity:			
	Profit on saving account		**486,947**	1,712,930
	Total investment income		**29,974,469**	21,153,198
23	**OTHER INCOME**			
	Gain on sale of property and equipments		**1,710,249**	(1,245)
	Markup on other receivables		**-**	19,596,096
	Other income		**2,667,618**	3,242,794
			4,377,867	22,837,645
24	**OTHER EXPENSES**			
	Auditors' remuneration	24.1	**1,498,887**	1,668,590
	Subscription and fee		**27,534**	469,003
	Workers' welfare fund		**1,934,552**	-
	Registration fee		**3,577,567**	2,762,176
			7,038,540	4,899,769
24.1	**Auditors' remuneration**			
	Annual audit fee		**589,875**	786,500
	Consolidation		**302,500**	302,500
	Review of code of corporate governance		**151,250**	151,250
	Half yearly review		**194,810**	186,340
	Out of pocket expenses		**127,352**	108,900
	Certification charges		**133,100**	133,100
			1,498,887	1,668,590

25	TAXATION	2024	2023
		----------- Rupees -----------	
	For the year		
	Current	**7,634,334**	6,222,089
	Prior year tax	**-**	(34,583,666)
		7,634,334	(28,361,577)

25.1 The income tax returns of the Company have been filed up to Tax Year 2024 (corresponding year ended December 31, 2023) and the same are deemed to be assessed under the provisions of the Income Tax Ordinance, 2001.

26	EARNING PER SHARE	2024	2023
		----------- Rupees -----------	
	Profit for the year	**87,158,720**	68,103,151
	Weighted average number of ordinary shares	**107,695,041**	107,695,041
	Earnings per share basic and diluted (restated)	**0.81**	0.63

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

27 COMPENSATION OF DIRECTORS AND EXECUTIVES

Description	Chief Executive		Directors		Executives	
	2024	2023	**2024**	2023	**2024**	2023
	(Rupees)					
Managerial remuneration	**7,935,000**	7,417,500	**1,649,688**	3,182,112	**10,225,944**	7,294,374
Retirement benefits		-		-	**819,348**	729,444
House rent	**3,795,000**	3,547,500	**1,099,794**	2,121,402	**6,817,296**	4,862,916
Utilities/Other	**5,070,000**	4,935,000		480,000	**2,760,000**	1,920,000
Total	**16,800,000**	15,900,000	**2,749,482**	5,783,514	**20,622,588**	14,806,734
Number of persons	**1**	1	**2**	2	**3**	3

27.1 Non-Executive Directors were paid Rs. 0.17 million (2023: Rs. 0.15 million) for attending Board of Directors meetings during the year. In addition, Chief Executive Officer was also provided with free use of the Company maintained cars in accordance with his entitlements. Chief executive, directors and executives are also provided provident fund facility in which contribution of both employer and employee is at a rate of 10%.

28 RELATED PARTY RELATIONSHIPS

Name of related parties	Relationship
Crescent Star Foods (Private) Limited	Subsidiary
Crescent Star Luxury (Private) Limited	Subsidiary
Crescent Star Technology (Private) Limited	Subsidiary

29 RELATED PARTY TRANSACTIONS

Related parties comprise of group companies, directors and their close family members its staff retirement funds, key management personnel and major shareholders of the Company. The associated companies are associated either based on its holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes.

Balances, including subsidiaries, are disclosed in relevant notes to these financial statements.

30 SEGMENT INFORMATION

The operator has six primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor, accident & health, credit and suretyship & miscellaneous.

Description	For the year ended December 31, 2024						
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total
	---------- Rupees ----------						
Gross written premium (inclusive of administrative surcharges)	530,620	9,954,978	13,345,613	-	12,185,577	43,708,618	79,725,406
Gross direct premium	517,085	9,602,980	13,174,250	-	11,719,382	42,293,818	77,307,515
Facultative inward premium	-	-	-	-	-	-	-
Administrative surcharge	13,535	351,998	171,363	-	466,195	1,414,800	2,417,891
Insurance premium earned	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263
Commission income	-	-	-	-	-	-	-
Net underwriting income	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263
Insurance claims	(219,315)	2,756,652	(1,591,494)	-	(237,003)	2,312,261	3,021,101
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Commission expense	(955,135)	(3,619,631)	(1,562,893)	-	(8,036,800)	(7,247,441)	(21,421,900)
Management expense	(1,030,327)	(19,134,599)	(26,250,600)	-	(23,351,675)	(84,273,344)	(154,040,545)
Premium deficiency - income	1,878	1,244,271	927,852	-	500,801	12,876,537	15,551,339
Net insurance claims and expenses	(2,202,899)	(18,753,307)	(28,477,135)	-	(31,124,677)	(76,331,987)	(156,890,005)
Underwriting results	2,588,467	(8,380,153)	(9,873,308)	-	46,088,247	37,056,005	67,479,258
Net investment income							29,974,469
Other income							4,377,867
Other expenses							(7,038,540)
Result of operating activities							94,793,054
Finance costs							-
Profit before tax for the year							94,793,054
Segment assets	4,143,859	8,971,322	16,089,698	-	66,778,339	98,064,694	194,047,912
Unallocated corporate assets	-	-	-	-	-	-	1,328,475,827
Total assets	4,143,859	8,971,322	16,089,698	-	66,778,339	98,064,694	1,522,523,739
Segment liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	169,216,271
Unallocated corporate liabilities	-	-	-	-	-	-	84,144,384
Total liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	253,360,655

Description	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total
	For the year ended December 31, 2023						
	-- Rupees --						
Gross written premium (inclusive of administrative surcharges)	4,949,277	10,395,892	19,191,892	-	153,835,885	170,885,166	359,258,112
Gross direct premium	431,328	9,646,569	10,132,176	-	151,668,320	38,013,406	209,891,799
Facultative inward premium	4,504,729	368,396	8,886,955	-	88,955	131,494,497	145,343,532
Administrative surcharge	13,220	380,927	172,761	-	2,078,610	1,377,263	4,022,781
Insurance premium earned	624,175	9,831,637	14,159,370	-	159,390,349	96,605,938	280,611,469
Insurance premium ceded to reinsurers	-	-	-	-	(2,789,972)	-	(2,789,972)
Net insurance premium	624,175	9,831,637	14,159,370	-	156,600,377	96,605,938	277,821,497
Commission income	-	-	-	-	488,245	-	488,245
Net underwriting income	624,175	9,831,637	14,159,370	-	157,088,622	96,605,938	278,309,742
Insurance claims	(3,082,066)	689,002	(10,233,627)	-	234,998	(117,515,744)	(129,907,437)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Commission expense	(366,945)	(3,561,698)	(2,104,398)	-	(6,354,241)	(6,231,155)	(18,618,437)
Management expense	(1,509,011)	(3,061,694)	(5,814,375)	-	(46,394,005)	(51,820,583)	(108,599,668)
Premium deficiency (expense)	-	561,427	409,383	-	-	(21,504,510)	(20,533,700)
Net insurance claims and expenses	(4,958,022)	(5,372,963)	(17,743,017)	-	(52,513,248)	(197,071,992)	(277,659,242)
Underwriting results	(4,333,847)	4,458,674	(3,583,647)	-	104,575,374	(100,466,054)	650,500
Net investment income							21,153,198
Other income							22,837,645
Other expenses							(4,899,769)
Result of operating activities							39,741,574
Finance costs							-
Profit before tax for the year							39,741,574
Segment assets	572,176	9,012,573	12,979,767	-	143,554,154	88,557,792	254,676,461
Unallocated corporate assets	-	-	-	-	-	-	1,333,765,566
Total assets	572,176	9,012,573	12,979,767	-	143,554,154	88,557,792	1,588,442,027
Segment liabilities	737,268	11,613,008	16,724,873	-	184,974,434	114,109,742	328,159,326
Unallocated corporate liabilities	-	-	-	-	-	-	76,628,276
Total liabilities	737,268	11,613,008	16,724,873	-	184,974,434	114,109,742	404,787,602

31 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

Insurance Risk

The Company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased where necessary to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital.

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The Company minimizes its exposure by prudent underwriting and reinsuring policies where necessary.

Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy and proactive claim handling procedures.

The Company's class wise major risk exposure is as follows:

	Maximum Gross Risk Exposure	
	2024	2023
	----------- Rupees -----------	
Class		
Fire and property damage	**209,238**	2,886,440
Marine, aviation and transport	**4,865,726**	4,968,888
Motor	**2,781,158**	1,309,008
Credit and suretyship	**7,163,088**	305,825,687
Miscellaneous	**63,942,539**	63,378,601
	78,961,749	378,368,624

Uncertainty in the estimation of future claims payments

Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract including the event reported after the expiry of the insurance contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims IBNR, the Company follows the recommendation of actuary.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount. Similarly, the provision for claims incurred but not reported is based on historic reporting pattern of the claims other then exceptional losses. Hence, actual amount of incurred but not reported claims may differ from the amount estimated.

Key assumptions

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors for example. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

At the year end, actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required/ allowed by the circular 9 of 2016 . IBNR is determined by using Chain Ladder Method for all class of business The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for health which is made on a quarterly basis. The methods used, and the estimates made, are reviewed regularly.

The Company determines adequacy of liability of premium deficiency reserves by carrying out analysis of its loss ratio of expired periods of the contracts. 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 ratio to be applied on unearned premium.

The assumed net of reinsurance loss ratios for each class of business for estimation of premium deficiency reserves is as follows:

Class	Assumed net loss ratio	
	2024	2023
	------- Percentage (%) -------	
Fire and property	**28%**	30%
Marine, aviation and transport	**44%**	56%
Motor	**15%**	16%
Accident and health	**-60%**	-23%
Credit and suretyship	**0.12%**	1%
Miscellaneous	**48%**	91%

Sensitivities

The insurance claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact of variation in incidence of insured events on gross claim liabilities, net claim liabilities, profit before tax and equity is as follows:

Particulars	Change in assumption	Impact on gross liabilities	Impact on net liabilities	Impact on profit before tax	Impact on equity
		------------------------ Rupees ------------------------			
Average claim costs					
2024	**+ 10%**	**(302,110)**	**(302,110)**	**(302,110)**	**(214,498)**
2023	+ 10%	12,990,744	12,990,744	12,990,744	9,223,428

Statement of age-wise breakup of unclaimed insurance benefits

Particulars	Age-wise Breakup				
	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	------------------------ Rupees ------------------------				
Claims not encashed	-	-	-	-	-

31.1 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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 (the Board) 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 reviews and agrees policies for managing each of these risks.

The Company's Board 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.

31.2 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 against outstanding claims and other financial assets.

a) The carrying amount of financial assets represents the maximum credit exposure as specified below:

	Category of financial assets		
Bank deposits	Loans and receivables	**26,720,305**	4,440,655
Investments:			
Government securities	Held to maturity	**-**	-
Equity & other securities	Available for sale	**192,600,406**	216,536,400
Premiums due but unpaid	Loans and receivables	**170,789,516**	224,520,352
Accrued investment income	Loans and receivables	**-**	-
Amount due from other insurers / reinsurers	Loans and receivables	**2,904,434**	2,953,836
Loans and other receivables	Loans and receivables	**896,083,416**	899,716,811
		1,289,098,077	1,348,168,054

Geographically there is no concentration of credit risk.

The Company does not held 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 receivables as disclosed in note 9 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:

2 0 2 4	**Carrying Amount**	**Upto 1 year**	**From 1 to 2 years**	**More than 2 years**
	-------------------- Rupees			**--------------------**
Financial assets				
Premiums due but unpaid	**170,789,516**	**8,204,473**	**176,747,025**	**(14,161,982)**
Amounts due from other insurers/ reinsurers	**2,904,434**	**-**	**49,402**	**2,855,032**
Accrued investment income	**-**	**-**	**-**	**-**
Reinsurance recoveries against outstanding claims	**-**	**-**	**-**	**-**
Loans and other receivables	**896,083,416**	**(3,633,395)**	**168,173,430**	**731,543,381**
	1,069,777,366	**4,571,078**	**344,969,857**	**720,236,431**

2 0 2 3	Carrying Amount	Upto 1 year	From 1 to 2 years	More than 2 years
	-------------------- Rupees			--------------------
Financial assets				
Premiums due but unpaid	224,520,352	187,181,446	47,871,166	(10,532,260)
Amounts due from other insurers/ reinsurers	2,953,836	-	75,403	2,878,433
Accrued investment income	-	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-
Loans and other receivables	899,716,811	72,888,888	168,173,430	658,654,493
	1,127,190,999	260,070,334	216,119,999	651,000,666

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

	Rating	**Agency**	**2 0 2 4**	2 0 2 3
			----------- Rupees	**-----------**
Faysal Bank Limited	AA	PACRA/JCR-VIS	**303,608**	720,129
Habib Bank Limited	AAA	JCR-VIS	**26,216,716**	3,590,823
Allied Bank Limited	AAA	PACRA	**88,746**	7,966
Soneri Bank Limited	AA-	PACRA	**53,743**	53,743
The Bank of Punjab	AA+	PACRA	**43,257**	43,257
Meezan Bank Limited	AAA	JCR-VIS	**22,482**	22,482
Silk Bank Limited	A-	JCR-VIS	**4,819**	4,819
National Bank of Pakistan	AAA	PACRA/JCR-VIS	**4,126**	4,126
Bank Alfalah Limited	AA+	PACRA	**2,327**	2,327
MCB Bank Limited	AAA	PACRA	**265**	265
Samba Bank Limited	AA	VIS	**54,863**	75,001
			26,794,952	4,524,938

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

Particulars	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Other reinsurance asset	2024	2023
	----------	----------	Rupees	----------	----------
A or above	-	-	-	-	-
BBB	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

Particulars	2024			
	Carrying amount	Contractual cash flows	Up to 1 year	Greater than 1 year
	----------	---------- Rupees	----------	----------
Financial liabilities measured at Held to Maturity:				
Provision for outstanding claims	57,702,853	57,702,853	57,702,853	-
Other creditors	4,307,620	4,307,620	4,307,620	-
Unpresented dividend warrants	418,209	418,209	-	418,209
	62,428,682	62,428,682	62,010,473	418,209

Particulars	2023			
	Carrying amount	Contractual cash flows	Up to 1 year	Greater than 1 year
	----------	---------- Rupees	----------	----------
Financial liabilities measured at amortised cost:				
Provision for outstanding claims	65,000,330	65,000,330	65,000,330	-
Other creditors	3,734,161	3,734,161	3,734,161	-
Unpresented dividend warrants	418,209	418,209	-	418,209
	69,152,700	69,152,700	68,734,491	418,209

31.4 Market risk

Market risk means that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing 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 rate risk exposure

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 reporting date, the interest rate profile of the Company's significant interest bearing financial instruments are as follows:

Particulars	**2024**					
	Interest / mark-up bearing financial instruments				**Non-interest / mark-up bearing financial instruments**	**Total**
	Effective rate % per anum	**Maturity upto one year**	**Maturity over one year**	**Sub-total**		
	------------------	**------------------**	**------------------**	**Rupees**	**------------------**	**------------------**
Financial assets						
Investments	-	-	-	-	**192,600,406**	**192,600,406**
Equity securities	-	-	-	-	-	-
Loans and other receivables	-	-	-	-	**896,083,416**	**896,083,416**
Insurance / reinsurance receivables						
Premium due but unpaid	-	-	-	-	**170,789,516**	**170,789,516**
Amounts due from other insurers / reinsurers	-	-	-	-	**2,904,434**	**2,904,434**
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-
Cash and bank	-	-	-	-	**26,720,305**	**26,720,305**
		-	-	-	**1,289,098,077**	**1,289,098,077**
Financial liabilities						
Outstanding claims including IBNR	-	-		-	**57,702,853**	**57,702,853**
Insurance / reinsurance payables	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	**4,307,620**	**4,307,620**
Borrowings		-	-	-	-	-
Unclaimed dividend	-	-	-	-	**418,209**	**418,209**
		-	-	-	**62,428,682**	**62,428,682**
On balance sheet gap		-	-	-	**1,226,669,395**	**1,226,669,395**

Particulars	2023					
	Interest / mark-up bearing financial instruments				Non-interest / mark-up bearing financial instruments	Total
	Effective rate % per anum	Maturity upto one year	Maturity over one year	Sub-total		
	------------------	------------------	------------------	Rupees	------------------	------------------
Financial assets						
Investments	-	-	-	-	216,536,400	216,536,400
Equity securities	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Loans and other receivables	12.07%	236,511,066	-	236,511,066	663,205,745	899,716,811
Insurance / reinsurance receivables	-	-	-	-		
Premium due but unpaid	-	-	-	-	224,520,352	224,520,352
Amounts due from other insurers / reinsurers	-	-	-	-	2,953,836	2,953,836
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-
Cash and bank	-	-	-	-	4,440,655	4,440,655
		236,511,066	-	236,511,066	1,111,656,988	1,348,168,054
Financial liabilities						
Outstanding claims including IBNR	-	-	-	-	65,000,330	65,000,330
Insurance / reinsurance payables	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	3,734,161	3,734,161
Borrowings		-	-	-	-	-
Unclaimed dividend	-	-	-	-	418,209	418,209
	-	-	-	-	69,152,700	69,152,700
On balance sheet gap	-	236,511,066	-	236,511,066	1,042,504,288	1,279,015,354

31.5 Sensitivity analysis

Change in interest rate will not effect fair value of any financial instrument. The Company is not exposed to significant mark-up rate risk as the Company has not entered into any significant variable rate instruments.

a) 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. 192,600,406 (2023: Rs. 216,536,400) at the reporting 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 reporting 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, 2024 and 2023 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:

Particulars	Hypothetical price change	Fair value	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) before tax
		---------------------------- Rupees ----------------------------			
December 31, 2024	**10% increase**	**192,600,406**	**211,860,447**	**19,260,041**	**19,260,041**
	10% decrease		**173,340,365**	**(19,260,041)**	**(19,260,041)**
December 31, 2023	10% increase	216,536,400	238,190,040	21,653,640	21,653,640
	10% decrease		194,882,760	(21,653,640)	(21,653,640)

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 statement of financial position 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.

Particulars	Impact on pre tax profit/(loss)		Shareholders' equity	
	2024	2023	**2024**	2023
± 10% variation in profit /(loss)	---------- Rupees ----------			
Fire and property damage	**2,588,467**	(4,333,847)	**2,459,044**	(2,990,354)
Marine, aviation and transport	**(8,380,153)**	4,458,674	**(7,961,145)**	3,076,485
Motor	**(9,873,308)**	(3,583,647)	**(9,379,643)**	(2,472,716)
Accident and health	**-**	-	**-**	-
Credit and suretyship	**46,088,247**	104,575,374	**43,783,835**	72,157,008
Miscellaneous	**37,056,005**	(100,466,054)	**35,203,205**	(69,321,577)
	67,479,258	650,500	**64,105,296**	448,846

31.6 CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

In accordance with Insurance Rules, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 89(1)/2017, minimum paid-up capital requirement to be complied with by Insurance as at December 31, 2018 and subsequent year is Rs. 500 million. As at December 31, 2023 the Company's paid-up capital is in excess of the prescribed limit.

31.7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

31.7.1 The management considers the carrying amount of all financial assets and liabilities not measured at fair value at the end of the reporting period to approximate their fair value as at the reporting date.

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value is an amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, difference may arise between the carrying values and fair values estimates.

The Company measures the fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly observable.

Level 3 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly unobservable.

Particulars	2024								
	Carrying Amount						Fair Value		
	Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-balance sheet	------------------------------ Rupees ------------------------------								
Financial assets									
Cash and bank	-	-	-	26,720,305	-	26,720,305	-	-	-
Investments	-	-	192,600,406	-	-	192,600,406	192,600,406	-	-
Premiums due but unpaid	-	-	-	170,789,516	-	170,789,516	-	-	-
Amounts due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	896,083,416	-	896,083,416	-	-	-
	-	-	192,600,406	1,096,497,671	-	1,289,098,077	192,600,406	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-	-
Financial liabilities									
Provision for outstanding claims (including IBNR)	-	-	-	-	57,702,853	57,702,853	-	-	-
Amounts due to others insurers / reinsurers	-	-	-	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	151,616,602	151,616,602	-	-	-
Borrowing under musharaka arrangements	-	-	-	-	-	-	-	-	-
Unclaimed dividend	-	-	-	-	418,209	418,209	-	-	-
	-	-	-	-	209,737,664	209,737,664	-	-	-

Particulars	2023 Carrying Amount: Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Fair Value: Level 1	Level 2	Level 3
On-balance sheet				Rupees					
Financial assets									
Cash and bank	-	-	-	4,440,655	-	4,440,655	-	-	-
Investments	-	-	216,536,400	-	-	216,536,400	216,536,400	-	-
Premiums due but unpaid	-	-	-	224,569,754	-	227,474,188	-	-	-
Amounts due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	899,716,811	-	899,716,811	-	-	-
	-	-	216,536,400	1,131,631,654	-	1,351,072,488	216,536,400	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-	-
Financial liabilities									
Provision for outstanding claims (including IBNR)	-	-	-	-	65,000,330	65,000,330	-	-	-
Amounts due to others insurers / reinsurers	-	-	-	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	136,309,145	136,309,145	-	-	-
Borrowing under musharaka arrangements	-	-	-	-	-	-	-	-	-
Unclaimed dividend	-	-	-	-	418,209	418,209	-	-	-
	-	-	-	-	201,727,684	201,727,684	-	-	-

32 STATEMENT OF SOLVENCY

	2024	2023
	Rupees	
Assets		
Property and equipment	**17,018,212**	8,934,244
Investment in subsidiary and associate (applicable where equity accounting is followed)	**213,071,700**	213,071,700
Investments in equity securities	**192,600,406**	216,536,400
Loans and other receivables	**896,083,416**	899,716,811
Insurance / reinsurance receivables	**173,693,950**	227,474,188
Deferred commission expense	**3,335,750**	18,268,029
Cash and Bank	**26,720,305**	4,440,655
Total Assets (A)	**1,522,523,739**	1,588,442,027
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance , 2000		
(d) & (g)	**303,183,679**	298,318,197
(n) to (t)	**192,788,095**	191,591,295
(h)	**168,953,808**	192,189,171
(u)	**17,018,212**	8,934,244
Total of in-admissible assets (B)	**681,943,794**	691,032,907
Total admissible assets (C= A-B)	**840,579,945**	897,409,120
Liabilities		
Underwriting provisions		
Outstanding claims including IBNR	**57,702,853**	65,000,330
Unearned premium reserves	**31,968,305**	176,612,161
Premium deficiency reserves	**6,861,318**	22,412,657
Premium received in advance	**3,203,907**	1,326,989
Insurance/reinsurance payables	**-**	-
Other creditors and accruals	**151,616,602**	136,727,354
Taxation - provision less payment	**2,007,669**	2,708,111
Total liabilities (D)	**253,360,654**	404,787,602
Total Net Admissible Assets (E=C-D)	**587,219,291**	492,621,518
Minimum solvency requirements (higher of)	**150,000,000**	150,000,000
Method A - U/s 36(3)(a) **150,000,000**		
Method B - U/s 36(3)(b) **44,873,853**		
Method C U/s 36(3)(c) **18,784,361**		
Excess in net admissible assets over minimum requirements	**437,219,291**	342,621,518

33 PROVIDENT FUND RELATED DISCLOSURE

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for this purpose. The salient information of the fund is as follows:

	Note	**2024**	2023
		----------- Rupees -----------	
		(Un-audited)	(Audited)
Size of the fund - Total net assets		**49,308,744**	38,165,540
Cost of investments	33.1	**38,080,218**	31,905,764
Percentage of investments made		**94.00%**	95.40%
Fair value of investments		**46,348,020**	36,411,813

33.1 The break-up cost of investments is as follows:

	Amount 2024	**Percentage of total fund**	Amount 2023	Percentage of total fund
Mutual funds	**46,348,020**	**98%**	36,411,813	100%
Bank account - saving	**806,415**	**2%**	98,031	0%
	47,154,435	**100%**	36,509,844	100%

34 NUMBER OF EMPLOYEES

	2024	2023
	------- Numbers -------	
Number of employees at the December 31,	**35**	38
Average number of employees during the year	**35**	39

35 GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 of 2024

Following is gender pay gap calculated for the year ended December 2024

(i)	Mean Gender Pay Gap	25%
(ii)	Median Gender Pay Gap	-64%
(iii)	Any other data/ details as deemed relevant	Nil

36 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification have been made.

37 SUBSEQUENT EVENTS

There are no subsequent adjusting figures which require disclosure.

38 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved for issue on March 26, 2025 by the Board of Directors of the Company.

39 GENERAL

The figures in the financial statements have been rounded off to the nearest rupee.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CONSOLIDATED

Financial Statements
for the Year Ended
December 31, 2024

Directors' Report to the Members on Consolidated Financial Statements

On behalf of the Board of Directors, I am pleased to present the consolidated financial statements of Crescent Star Insurance Limited and its subsidiaries, Crescent Star Luxury (Private) Limited (CSL), Crescent Star Foods (Private) Limited (CSF) and Crescent Star Technologies (Private) Limited for year ended December 31, 2024.

The consolidated gross premium recorded this year was Rs. 79.725 million as compared to Rs. 359.258 million in the year 2023. The net premium was Rs. 224,369 million and the profit after tax was Rs. 33.699 million. The consolidated total assets were Rs. 1,121.443 million.

Auditors' Report

- The Company has charged interest amounting to Rs. 330.235 million on the advance amount and demanded the same from DSL. However, due to non-availability of any written agreement between DSL and CSIL for charging of mark-up, the auditors have expressed their reservation in the auditors' report.
- Keeping in view the projections of its subsidiary CSF impairment of goodwill was not provided.
- The auditors have expressed reservations on the verification of balances of subsidiary companies as reflected in their unaudited financial statements due to difference in the year end. The balances were however available for verification by the auditors.

The following appropriation of profit has been recommended by the Board of Directors:

	December 31, 2024	December 31, 2023
	-------------------- Rupees --------------------	
Profit / (loss) before tax	41,691,911	21,980,440
Provision for taxation	(7,992,046)	31,353,637
Profit / (loss) after tax	33,699,865	53,334,077
Profit / (loss) attributable to non-controlling interest	(12,108,161)	(3,584,391)
Profit / (loss) attributable to ordinary shareholders	32,049,805	56,918,468
Profit / (loss) per share	0.31	0.50

The Directors of your Company would like to take this opportunity to thank all the stakeholders for their continued support and cooperation.

Shaikh Waqar Ahmed
Director

Naim Anwar
Managing Director & CEO

Karachi: March 26, 2025

ممبران کے لئے مجموعی مالیاتی گوشواروں پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے میں کریسنٹ اسٹارانشورنس لمیٹڈ اوراس کی ذیلی کمپنیوں کریسنٹ اسٹارلگژری (پرائیویٹ) لمیٹڈ (CSL)، کریسنٹ اسٹارفوڈز (پرائیویٹ) لمیٹڈ (CSF) اور کریسنٹ اسٹارٹیکنالوجیز (پرائیویٹ) لمیٹڈ کے مختتمہ سال 31 دسمبر 2024 کے مجموعی عبوری مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

مجموعی خام پریمیم 79.725 ملین روپے رہا جبکہ گزشتہ سال 2023 میں 359.258 ملین روپے تھا۔ خالص پریمیم 224.369 ملین روپے رہا، اور بعد از ٹیکس منافع 33.699 ملین روپے رہا۔ مجموعی اثاثہ جات کی مالیت 1,121.443 ملین روپے رہی۔

آڈیٹرز کی رپورٹ

☆ کمپنی نے دوست اسٹیل ملز کو حصص جاری کر کے 330.235 ملین روپے کا ایڈوانس دیا ہے۔ تاہم CSIL اور DSL کے درمیان ایڈوانس کی رقم پر سود سے متعلق کوئی تحریری معاہدہ دستیاب نہیں ہے، اس لئے آڈیٹرز نے اپنے تحفظات کا اظہار کیا ہے

☆ اپنی ذیلی کمپنی CSF کے قوی امکانات کو مدنظر رکھتے ہوئے ساکھ کی فرسودگی مختص نہیں کی گئی۔

☆ آڈیٹرز نے ماتحت کمپنیوں کے غیر آڈٹ شدہ مالیاتی گوشواروں میں ظاہر کئے گئے بقایا جات کی تصدیق پر تحفظات کا اظہار کیا ہے جن میں سال کے اختتام پر فرق ملا ہے۔ تاہم بقایا جات آڈیٹرز کی تصدیق کے لئے دستیاب ہیں۔

بورڈ آف ڈائریکٹرز نے منافع کے مندرجہ ذیل مصارف کی سفارش کی ہے:

	31 دسمبر 2024	31 دسمبر 2023
	روپے	
منافع/(خسارہ) قبل از ٹیکس	41,691,911	21,980,440
ٹیکس کے لئے اختصاص	(7,992,046)	31,353,637
منافع/(خسارہ) بعد از ٹیکس	33,699,865	53,334,077
منافع/(خسارہ) جو کہ ناقابل گرفت سود سے متعلق ہے	(12,108,161)	(3,584,391)
منافع/(خسارہ) جن کا تعلق حصص یافتگان سے ہے	32,049,805	56,918,468
منافع/(خسارہ) فی حصص	0.31	0.50

آپ کی کمپنی کے ڈائریکٹران اس موقع پر تمام مستفیدان کے مسلسل تعاون اور مدد پر ان کے مشکور ہیں۔

شیخ وقار احمد
ڈائریکٹر

نعیم انور
مینیجنگ ڈائریکٹر اینڈ سی ای او

کراچی: 26 مارچ 2025

INDEPENDENT AUDITOR'S REPORT
To the members of Crescent Star Insurance Limited
Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the annexed consolidated financial statements of Crescent Star Insurance Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, except for the matters stated in the basis for qualified opinion paragraph below, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

- As stated in note 8.1 to the consolidated financial statements, the Group has recorded accrued interest amounting to Rs. 330.235 million (2023: Rs. 330.235 million) at a rate of one year KIBOR plus three percent on the advance against issue of shares to Dost Steels Limited. We have not been provided any documentary evidence to substantiate the Group's claim against accrued interest and under the circumstances the recoverability of the interest income accrued could not be ascertained. Accordingly, profit for the year and total assets/solvency of the Group are overstated by Rs. 'Nil' (2023: Rs. 19.569 million) and Rs. 330.235 million (2023: Rs. 330.235 million) respectively.

- As stated in note 6 to the consolidated financial statements, the Group has goodwill amounting to Rs. 28.743 million. Management has not carried out any impairment testing as per the requirement of IAS 36 "Impairment of Assets" due to which we are unable to determine the recoverable amount and impairment loss, if any.

- Assets of the consolidated financial statements include property and equipment amounting to Rs. 5.872 million (2023: Rs. 39.583 million), loans and other receivables amounting to Rs. 61.575 million (2023: Rs. 64.810 million), and stock in trade amounting to Rs. 8.183 million (2023: Rs. 8.837 million), cash and bank amounting to Rs. 0.435 million (2023: Rs. 0.424 million), intangibles amounting to Rs. 'Nil', deferred tax asset amounting to Rs. 10.278 million (2023: Rs. 10.560 million), and advance tax amounting to Rs. 0.794 million (2023: Rs. 1.651 million). Liabilities of the consolidated financial statements include creditor and accruals amounting to Rs 96.783 million (2023: Rs 96.550 million), provision for taxation amounting to Rs. 0.860 million. Expense of the consolidated financial statements include general and administration expenses amounting to Rs. 53.062 million (2023: Rs. 17.364 million) are based on unaudited balances in respective financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	How the matter was addressed in our audit
01	**Revenue Recognition** Refer note 4.15 and 20 to the annexed financial statements The Company revenue primarily based on premiums and investment income from insurance policies which comprises 86.72% of total income. We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of premium income; • Assessed the appropriateness of the Company's accounting policy for recording of premiums in line with requirements of applicable accounting and reporting standards; • Tested the policies on sample basis where premium was recorded close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; and • Recalculated the unearned portion of the premium income and ensured that amount has been recorded as provision for unearned premium in liabilities. • Consider the adequacy of disclosures as per 'Insurance Rules 2017'.
S. No	**Key Audit Matter**	**How the matter was addressed in our audit**
02	**Valuation of claim liabilities** **Refer note 4.4.1 and 'Outstanding claims in IBNR" to the annexed financial statements** The Company's claim liabilities represent 16.52% of its total liabilities. Valuation of these claim liabilities involves significant management judgment regarding uncertainty in the estimation of claims payments and assessment of frequency and severity of claims. Claim liabilities are recognized on intimation of the insured event based on management judgment and estimation. The Company maintains provision for claims incurred but not reported (IBNR) based on	• Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to the claims; • Inspected significant arrangements with reinsurer to obtain an understanding of contracts terms and assessed that recoveries from reinsurance on account of claims reported has been accounted for based on terms and conditions; • Assessed the appropriateness of the

	the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions. We have identified the valuation of claim liabilities as key audit matter because estimation of claim liabilities involves a significant degree of judgment.	Company's accounting policy for recording of claims in line with requirements of applicable accounting and reporting standards; • Tested claims transactions on sample basis with underlying documentations to evaluate that whether the claims reported during the year are recorded in accordance with the requirements of the Company's policy and insurance regulations; • Assessed the sufficiency of reserving of claim liabilities, by testing calculations on the relevant data including recoveries from reinsurers based on their respective arrangements; • Tested specific claims transactions on sample basis recorded close to year end and subsequent to year end with underlying documentation to assess whether claims had been recognized in the appropriate accounting period; and • Considered the adequacy of Company's disclosures about the estimates used and the sensitivity to key assumptions.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. For the matters described in the Basis for Qualified Opinion section above, we are unable to obtain sufficient appropriate evidence. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Insurance Ordinance, 2000 and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when
it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi
Dated: 04 APR 2025

UDIN Number: AR202410207bTmAZJMfO

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024	2023
ASSETS		----------- Rupees -----------	
Property and equipment	6	**22,890,827**	48,527,731
Intangible assets		**28,742,849**	39,317,003
Investments in equity securities	7	**192,600,406**	216,536,400
Loans and other receivables	8	**654,563,148**	666,373,664
Insurance / reinsurance receivables	9	**173,693,950**	227,474,188
Deferred commission expense / acquisition cost	20	**3,335,750**	18,268,029
Stock-in-trade		**8,183,247**	8,837,066
Deferred taxation	10	**10,278,332**	10,560,104
Cash and bank	11	**27,155,364**	4,877,117
Total assets		**1,121,443,873**	1,240,771,303
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital	12	**1,076,950,410**	1,076,950,410
Discount on issue of right shares		**(199,650,000)**	(199,650,000)
Reserves	14	**30,696,058**	(13,461,908)
Equity attributable to equity holders of the Parent		**907,996,468**	863,838,502
Non-controlling interest		**(135,836,492)**	(123,728,331)
Total shareholders' equity		**772,159,976**	740,110,171
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		**57,702,853**	65,000,330
Unearned premium reserves		**31,968,305**	176,612,161
Premium deficiency reserves		**6,861,318**	22,412,657
Premium received in advance		**3,203,907**	1,326,989
Other creditors and accruals	15	**248,400,227**	233,537,205
Provision for taxation	16	**1,147,287**	1,771,790
Total liabilities		**349,283,897**	500,661,132
Total equity and liabilities		**1,121,443,873**	1,240,771,303
Contingencies and commitments	18		

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		----------- Rupees	-----------
Net insurance premium	18	**224,369,263**	277,821,497
Net insurance claims	19	**3,021,101**	(129,907,437)
Premium deficiency		**15,551,339**	(20,533,700)
Net commission expense and other acquisition costs	20	**(21,421,900)**	(18,130,192)
Insurance claims and acquisition expenses		**(2,849,460)**	(168,571,329)
Management expenses	21	**(154,040,545)**	(108,599,668)
Underwriting results		**67,479,258**	650,500
Investment income	22	**29,974,469**	21,153,198
Other income	23	**4,377,867**	22,837,645
Other expenses	24	**(60,139,683)**	(22,660,903)
Results of operating activities		**41,691,911**	21,980,440
Profit before tax		**41,691,911**	21,980,440
Taxation	25	**(7,992,046)**	31,353,637
Profit after tax		**33,699,865**	53,334,077
Attributable to:			
Owners of the Holding Company		**45,808,026**	56,918,468
Non-controlling interest		**(12,108,161)**	(3,584,391)
		33,699,865	53,334,077
Other comprehensive income / (loss)			
Unrealized gain/(loss) through other comprehensive income - net of deferred tax		**(1,650,060)**	6,133,400
Other comprehensive income / (loss) for the year		**(1,650,060)**	6,133,400
Total comprehensive income for the year		**32,049,805**	59,467,477
Earning per share	26	**0.31**	0.50

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Operating cash flows	------------- Rupees	-------------
(a) Underwriting activities		
Insurance Premium received	**135,333,160**	324,994,064
Reinsurance premium adjusted / (paid)	**49,402**	(6,177,130)
Claims paid	**(4,276,376)**	(130,472,092)
Commission paid	**(6,489,621)**	(23,221,071)
Commission received	**-**	488,245
Management expenses paid	**(194,136,624)**	(145,969,929)
Net cash flow from underwriting activities	**(69,520,059)**	19,642,087
(b) Other operating activities		
Income tax paid	**(8,334,776)**	(4,934,867)
Provision for impairment	**41,472,187**	10,537,359
Other operating payments	**14,478,132**	118,564,624
Net cash outflow from other operating activities	**47,615,543**	124,167,116
Total cash (outflow) / inflow from all operating activities	**(21,904,516)**	143,809,203
Investment activities		
Profit on saving account	**486,947**	1,712,930
Dividend received	**29,487,522**	18,328,799
Payments for investments	**(303,386,982)**	(100,121,799)
Proceeds from disposal of investments	**325,672,917**	432,868
Fixed capital expenditure	**(10,153,644)**	(652,475)
Proceeds from sale of property and equipment	**2,076,000**	40,000
Total cash inflow / (outflow) from investing activities	**44,182,761**	(80,259,677)
Financing activities		
Increase / (decrease) in non-controlling interest	**-**	(64,720,500)
Total cash (outflow) from financing activities	**-**	(64,720,500)
Net cash inflow / (outflow) from all activities	**22,278,246**	(1,170,974)
Cash and cash equivalents at beginning of year	**4,877,118**	6,048,092
Cash and cash equivalents at end of year	**27,155,364**	4,877,118
Reconciliation to profit and loss account		
Operating cash flows	**(21,904,516)**	143,809,203
Depreciation expense	**(3,374,207)**	(5,626,962)
Amortization expense	**(1,806,375)**	(1,153,700)
Provision for impairment	**(41,472,187)**	(10,537,359)
Loss on disposal of property and equipments	**1,710,249**	(1,245)
Profit on disposal of investments	**(2,710,600)**	1,111,469
Dividend income	**32,198,122**	18,328,799
Other investment and other income	**486,947**	1,712,930
Decrease in assets other than cash	**(80,804,802)**	(51,026,894)
Decrease / (increase) in liabilities other than borrowings	**150,752,732**	(76,578,608)
Reversal / (provision) for taxation	**624,502**	33,296,444
Profit after taxation for the year	**33,699,865**	53,334,077

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Share capital	Discount on issue of right shares	Capital reserves	Revenue reserves		Unappropriated profit	Attributable to the owners of the Holding Company	Non-controlling interest	Total equity
			Reserve for exceptional losses	General reserve	Surplus on remeasurement of available for sale investments				
					-- Rupees --				
Balance as at January 01, 2023	1,076,950,410	(199,650,000)	1,767,568	24,497,265	9,903,300	(112,681,909)	800,786,634	(55,423,440)	745,363,194
Further acquisition by holding company	-	-	-	-	-	-	-	(63,052,100)	(63,052,100)
Advance against issue of shares	-	-	-	-	-	-	-	(1,668,400)	(1,668,400)
Total comprehensive income for the year	-	-	-	-	6,133,400	56,918,468	63,051,868	(3,584,391)	59,467,477
Balance as at December 31, 2023	1,076,950,410	(199,650,000)	1,767,568	24,497,265	16,036,700	(55,763,441)	863,838,502	(123,728,331)	740,110,171
Balance as at January 01, 2024	**1,076,950,410**	**(199,650,000)**	**1,767,568**	**24,497,265**	**16,036,700**	**(55,763,441)**	**863,838,502**	**(123,728,331)**	**740,110,171**
							-		
Total comprehensive income for the year	-	-	-	-	**(1,650,060)**	**45,808,026**	**44,157,966**	**(12,108,161)**	**32,049,805**
Balance as at December 31, 2024	**1,076,950,410**	**(199,650,000)**	**1,767,568**	**24,497,265**	**14,386,640**	**(9,955,415)**	**907,996,468**	**(135,836,492)**	**772,159,976**

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

The Group Consists of:

Name of the Company	Status in the Group	Percentage of holding	Acquisition date
Crescent Star Insurance Limited	Holding Company	-	
Crescent Star Foods (Private) Limited	Subsidiary Company	71%	June 30, 2016
Crescent Star Technologies '(Private) Limited	Subsidiary Company	99.7%	February 23, 2016
Crescent Star Luxury (Private) Limited	Subsidiary Company	99.7%	December 15, 2016

- **Crescent Star Insurance Limited**

Crescent Star Insurance Limited ("the Holding Company") was incorporated in Pakistan as a Public Limited Company in the year 1957 under the Defunct Companies Act, 1913, now the Companies Act, 2017. The Holding 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 Holding Company is engaged in providing non-life general insurance services mainly in spheres of fire and property damage, marine, aviation and transport, motor, credit and suretyship, accident and health and miscellaneous insurance.

- **Crescent Star Foods (Private) Limited**

Crescent Star Foods (Private) Limited (the Subsidiary Company) is a private limited company incorporated on February 20, 2015 in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the company is located at 2nd floor, Nadir House, I.I. Chundrigar Road, Karachi, Pakistan. The Subsidiary Company has the business objective of running the Fast Food Restaurants throughout Pakistan and other ancillary activities.

- **Crescent Star Technologies (Private) Limited**

Crescent Star Technologies (Private) Limited (the Subsidiary Company) was incorporated in Pakistan as a private limited company on February 23, 2016 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The object of the Subsidiary Company is to carry on business of vehicle tracking, fleet management services including supply and installation/trading of devices based on various technologies such as GPS and GSM. Its registered office is located at 2nd Floor, Nadir House, I.I Chundrigar Road, Karachi.

- **Crescent Star Luxury (Private) Limited**

Crescent Star Luxury (Private) Limited (the Subsidiary Company) was incorporated in Pakistan as a private limited company on December 15, 2016 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The objective of the Subsidiary Company is to carry on business of beauty, skincare products and fashion accessories as permissible under the law and such other allied business. Its registered office is located at 2nd Floor, Nadir House, I.I Chundrigar Road, Karachi.

2 BASIS OF CONSOLIDATION

The consolidated financial statements includes the financial statements of Holding Company and its subsidiary companies, comprising together 'the Group'. Control is achieved when the Holding Company:

- has a power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Holding Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary companies begins when the Holding Company obtains control over the subsidiary companies and ceases when the Holding Company loses control of the subsidiary companies. Specifically, income and expenses of a subsidiary companies acquired or disposed-off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary companies. These consolidated financial statements include Crescent Star Insurance Limited and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of the subsidiary companies' directors.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with the Group's accounting policies.

The assets, liabilities, income and expenses of the subsidiary companies have been consolidated on a line by line basis and the carrying value of the investment held by the Holding Company has been eliminated against corresponding Holding in subsidiary companies' shareholders' equity in the consolidated financial statements. All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiary companies are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Holding Company.

2.2 Loss of control

When the Group losses control of a subsidiary, a gain or loss is recognized in the consolidated profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in the consolidated other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to consolidated profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.3 Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The Group treat transactions with non-controlling interest as that do not results in loss of control as an equity transaction with owner of the Group. The difference between the fair value of consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary companies is recorded in equity. Gain and loss on disposal to non-controlling interest is recorded directly in equity.

2.4 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

2.5 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated profit or loss account as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated profit or loss account. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Associates

Associates are all entities over which the Group has significant influence but not control. Investment in associate is accounted for using equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate. The consolidated profit and loss account reflects the Group share of the results of the operations of the associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss account where applicable. The gain / loss arising on dilution of interest in an equity accounted investee is recognized in the consolidated profit and loss account.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the same in the consolidated profit and loss account.

Crescent Star Insurance Limited ('the Company') was incorporated in Pakistan as a Public Limited Company in the year 1957 under the Defunct Companies Act, 1913, now the Companies Act, 2017. 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 non-life general insurance services mainly in spheres of fire and property damage, marine, aviation and transport, motor, credit and suretyship, accident and health and miscellaneous insurance.

3 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accounts of Pakistan (ICAP), as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017,the Insurance Ordinance, 2000, Insurance Rules 2017 and the Insurance Accounting Regulations, 2017

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, shall prevail.

These consolidated financial statements are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Consolidated financial statements of the Company are prepared and presented separately.

These consolidated financial statements have been prepared as per the prescribed format of presentation of annual financial statements for general insurance companies issued by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 89(1)/2017 dated February 9, 2017.

3.1 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain obligations under employee retirement benefits which are measured at present value, certain financial instruments which are stated at their fair values and provision for incurred but not reported (IBNR) is made on the basis of actuarial valuation.

In these consolidated financial statements, except for the consolidated statement of cash flows, all the transactions have been accounted for on an accrual basis.

3.2 Functional and presentation currency

These consolidated 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.

STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS

3.3 Standards, interpretations of and amendments to the existing accounting standards that have become effective during the year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these financial statements.

3.3.1 Impact of IFRS 9 – Financial Instruments

IFRS-9 'Financial Instruments' and amendments (effective for period ending June 30, 2019) replaces the existing guidance in IAS-39 Financial Instruments: Recognition and measurement.

IFRS-4 provides two alternative options inrelation to application of IFRS-09 for entities issuing contracts within the sope of IFRS-4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS-9. The overlay approach allows an entity applying IFRS-9 from the effective date to remove from the profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS-9 before IFRS-17 is applied. The Company has adopted for a temporary exemption from application of IFRS 9.

The effective date of the amendments permitting the temporary exemption is for annual periods beginning on or after 01 January 2018. The temporary exemption is available for annual reporting periods beginning before 01 January 2022 and will expire once IFRS 17 becomes effective.

3.3.2 Impact of IFRS 3 – Business Combinations

Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2021). The Board has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test.

3.3.3 Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2021). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the Board has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

3.4 Standards, interpretations and amendments not effective at year end

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan have not become effective during current year:

Standards, amendments or interpretation	Effective date (annual periods beginning on or after)
- IAS 21 - 'The effects of changes in foreign exchange rates' (amendments)	January 01, 2025
- IFRS 9 - 'Financial instruments'	January 01, 2026

3.5 In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards, amendments or interpretation		Effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts	January 01, 2026

3.6 Standards, interpretations and amendments becoming effective in future period but not relevant:

There are certain new standards, amendments to standards and interpretations that are effective for different future periods but are considered not to be relevant to Company's operations, therefore not disclosed in these financial statements.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

4.1 Property and equipment

4.1.1 Owned

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to consolidated statement of comprehensive income applying the reducing balance method at the rates specified in note 4 to the consolidated 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's carrying amount or recognized as 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 the consolidated statement of comprehensive income.

The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of operating fixed assets ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

An item of property and equipment 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 property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognized.

4.2 Intangibles - Computer Software

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 consolidated statement of comprehensive 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 reporting 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.

4.3 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policy holders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

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 and transport;
- Motor;
- Accident and health;
- Credit and suretyship; and
- 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 for example. vehicles 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, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and liabilities to third parties and passengers arising from their use.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

Accident and health insurance contract mainly compensate hospitalization and outpatient medical coverage to the insured. These contracts are generally one year contracts.

Credit and suretyship insurance contracts protects the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

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.

4.4 Claims

Claims are charged to consolidated statement of comprehensive 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.

4.4.1 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred as at the reporting 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 are recognized as an asset and measured at the amount expected to be received.

i) Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the reporting 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.

ii) Claims incurred but not reported

The provision for claims incurred but not reported is made at the reporting date in accordance with SECP circular no. 9 dated March 09, 2016. The Company has changed its method of estimation of IBNR. The Company now takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using 'Chain Ladder' (CL) and 'Expected Loss Ratio' methodology. The CL method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine cumulative development factor (CDF), which represents the extent of future development of claims to reach their ultimate level.

4.5 Premium deficiency reserve / liability adequacy test

At each financial statement date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability,after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after financial statement date in respect of policies in force at financial statement date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.

The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The expected ultimate net claim ratios for the unexpired periods of policies in force at financial statement date for each class of business is as follows:

	2024	2023
- Fire and property damage	**28%**	-80%
- Marine, aviation and transport	**44%**	63%
- Motor	**15%**	22%
- Accident & health	**-60%**	-6%
- Credit & Suretyship	**0%**	1%
- Miscellaneous	**48%**	18%

4.6 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired.

An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

4.7 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the profit and loss account.

Provision for impairment in premium receivables is estimated on a systematic basis after analyzing the receivables as per their ageing.

4.8 Insurance / Reinsurance receivable

Receivables under insurance contracts are recognized when due at the fair value of consideration receivable less provision for doubtful debts, 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.

4.9 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.

4.10 Reinsurance recoveries against outstanding claims

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

4.11 Deferred commission expense/ Acquisition cost

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the 1/24th method.

4.12 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely Fire and Property Damage, Marine Aviation and Transport, Motor, Crop and Miscellaneous. The nature and business activities of these segments are disclosed in respective notes to the financial statements.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities.

4.13 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise of the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the statement of financial position date include cash and bank deposits, investments, insurance/reinsurance receivables, premium and claim reserves detained by cedants, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, provision for outstanding claims, insurance/reinsurance payables, other creditors and accruals and liabilities against assets subject to finance lease.

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purpose of consolidated cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks.

4.15 Revenue recognition

4.15.1 Premium income earned

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from policy holders in respect of policies issued.

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

4.15.2 Provision for unearned premium

Majority of the insurance contracts entered into by the Company are for a period of twelve months. 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:

- 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;
- Contracts of twelve months tenure, by applying the twenty-fourths' method as specified in the Insurance Rules, 2017, as majority of the remaining policies are issued for a period of one year; and
- Contracts having tenure of more than twelve months, the Company maintains provision for unearned premium net of reinsurance expense to the unexpired period of coverage at the reporting date.

4.15.3 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 if any, which the Company may be entitled under the terms of reinsurance is recognized on accrual basis.

4.15.4 Commission income unearned

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the consolidated statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premiums.

4.15.5 Investment income

- Return on investments and term deposits are recognized using the effective interest rate method. Profit or loss on sale of investments is recognized at the time of sale. Dividend income is recognized when right to receive such dividend is established.
- Gain / (loss) on sale of investments is charged in consolidated statement of comprehensive income.

4.15.6 Dividend income and other income

- Dividend income and entitlement of bonus shares are recognized when the Company's right to receive such dividend and bonus shares is established. Rental and other income are recognized as and when accrued.
- Return on bank deposits is recognized on a time proportionate basis taking into account the effective yield.

4.16 Investments

4.16.1 Recognition

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

- In subsidiary and associates
- In equity securities
- In debt securities

4.16.2 Measurement

In subsidiary and associates

Entities in which the Company has significant influence but not control and which are neither its subsidiary nor joint ventures are associates and are accounted for by using the equity method of accounting.

Under equity method of accounting, the investments are initially recognised at cost; thereafter its carrying amount is increased or decreased for the Company's share of post acquisition changes in the net assets of the associate and dividend distributions. Goodwill relating to an associate is included in carrying amount of the investment and is not amortized. The Company's share of the profit and loss of the associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognised in the associates' profit and loss account are recognised directly in other comprehensive income of the Company.

After application of equity method, the carrying amount of investment in associate is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit and loss account.

In equity securities - Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity. At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial measurement, these are remeasured at fair value. Surplus / (deficit) on revaluation from one reporting date to other is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for the period within Statement of Comprehensive Income. Whereas, any reversal in impairment is taken in Statement of Comprehensive Income.

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

In debt security - Held to maturity

At the time of acquisition, investments with fixed maturity, where management has both the intent and the ability to held to maturity, are classified as held to maturity.

Subsequently, these are measured at amortized cost less provision for impairment in value, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition using the effective yield method.

The difference between the redemption value and the purchase price of the held to maturity investments is amortized and taken to the profit and loss account over the term of investment. These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the profit and loss account.

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

- Held to Maturity investments;
- Available for sale investments;
- Held for Trading investments.

4.16.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.16.4 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is an objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at Held to Maturity, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in consolidated statement of comprehensive income.

When an Available for sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to consolidated statement of comprehensive income.

For financial assets measured at held to maturity, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through consolidated profit and loss account to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available for sale equity securities, impairment losses previously recognized in consolidated profit and loss account are not reversed through consolidated profit and loss account. Any increase in fair value subsequent to an impairment loss is recognized in consolidated other comprehensive income. In respect of available for sale debt securities, impairment losses are subsequently reversed through consolidated profit and loss account if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

a) Quoted

Subsequent to initial recognition, these investments are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognised in consolidated statement of comprehensive income.

b) Unquoted

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

c) Investment in equity instruments of subsidiaries companies

Investment in subsidiaries are accounted for at cost less accumulated impairment losses. Dividend income from these investments is recognized in consolidated profit or loss and included in other income when the Company's right to receive payments has been established.

4.16.5 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.

4.17 Dividend declaration

Final dividend distribution to the Company's shareholders is recognized as a liability in the consolidated balance sheet in the period in which the dividends are approved, while interim dividend distributions are recognized in the period in which the dividends are declared by the Board of Directors. However, if these are approved after the reporting period but before the consolidated financial statements are authorized for issue, they are disclosed in the notes to the consolidated financial statements.

4.18 Dividend distribution

Profit distribution to share holders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed / unpaid, in the Company's financial statements in the year in which the dividends are approved by the Board of Directors.

4.19 Management expenses

Management expenses include expenses incurred for the purpose of business and are recorded in the financial statements as and when accrued.

4.20 Creditors, accruals and provisions

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.

Provisions are recognised in the consolidated statement of financial position 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.

4.21 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 reporting date. Exchange difference, if any, are taken to consolidated statement of comprehensive income.

4.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) 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 average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

4.23 Taxation

4.23.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001 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.

4.23.2 Deferred

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent of taxable timing differences or it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.24 Staff retirement benefits

4.24.1 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 members to the fund at the rate of 10% of basic salary.

4.24.2 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.

4.25 Impairment

A financial asset is assessed at each financial statement date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

If a decline in fair value is significant or prolonged, then there is objective evidence of impairment, regardless of how long management intends to hold the investment. If there has been a significant or prolonged decline in the market price of subsidiary/associate at the reporting date, then the impairment test is performed in accordance with IAS 36.

The carrying amount of non-financial assets is reviewed at each financial statement date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognized in the profit and loss account. Provisions for impairment are reviewed at each financial statement date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense.

4.26 Related party transactions

Party is said to be related, if they are able to influence the operating and financial decisions of the Company and vice versa. The Company in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price and are carried out at arm’s length prices.

4.27 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat and Ushr Ordinance, 1980.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The judgments, estimates and assumptions are based on historical experience, current trends 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 consolidated financial statements are:

	Note
- Provision for outstanding claims (including IBNR)	4.4.1
- Premium deficiency reserve	4.5
- Provision for doubtful receivables	9
- Useful lives and residual values of property and equipment	4.1
- Provision for unearned premium	4.15.2
- Premium due but unpaid	9
- Provision for taxation and deferred tax	4.23
- Segment reporting	4.12

	Note	2024	2023
		---------- Rupees ----------	
6 PROPERTY AND EQUIPMENT			
Operating assets	6.1	**22,890,827**	48,527,731

6.1 PROPERTY AND EQUIPMENT

2024

Description	Cost				Depreciation				Impairment during the year	Written down as at December 31,	Depreciation rate
	As at January 01,	Additions	(Disposal)	As at December 31,	As at January 01,	For the year	(Disposal)	As at December 31,			
	---------- Rupees ----------										
- Furniture and fixtures	**82,253,830**	**-**	**-**	**82,253,830**	**54,192,857**	**1,730,122**	**-**	**55,922,979**	**(17,299,615)**	**9,031,236**	**10%**
- Office equipment	**8,720,744**	**306,644**	**-**	**9,027,388**	**5,675,260**	**222,317**	**-**	**5,897,577**	**(1,329,801)**	**1,800,010**	**10%**
- Computers equipment	**10,854,373**	**347,000**	**302,680**	**10,898,693**	**9,787,105**	**195,030**	**196,691**	**9,785,444**	**(639,737)**	**473,512**	**30%**
- Leasehold improvements	**25,426,519**	**-**	**-**	**25,426,519**	**12,483,293**	**161,790**	**-**	**12,645,083**	**(12,781,436)**	**-**	**5%**
- Vehicles	**23,517,071**	**9,500,000**	**1,152,900**	**31,864,171**	**20,106,291**	**1,064,948**	**893,138**	**20,278,101**	**-**	**11,586,070**	**20%**
	150,772,537	**10,153,644**	**1,455,580**	**159,470,601**	**102,244,806**	**3,374,207**	**1,089,829**	**104,529,184**	**(32,050,589)**	**22,890,827**	

6.1 **2023**

Description	Cost				Depreciation				Impairment during the year	Written down value as at December 31,	Depreciation rate
	As at January 01,	Additions	(Disposal)	As at December 31,	As at January 01,	For the year	(Disposal)	As at December 31,			
	---------- Rupees ----------										
- Furniture and fixtures	87,419,687	-	-	87,419,687	50,838,711	3,354,146	-	54,192,857	(5,165,856)	28,060,974	10%
- Office equipment	8,936,831	363,475	101,000	9,199,306	5,382,295	352,720	59,755	5,675,260	(478,562)	3,045,484	10%
- Computers equipment	10,817,822	289,000	-	11,106,822	9,497,689	289,416	-	9,787,105	(252,449)	1,067,268	30%
- Leasehold improvements	29,851,554			29,851,554	11,697,566	785,727	-	12,483,293	(4,425,035)	12,943,226	5%
- Vehicles	23,517,071	-	-	23,517,071	19,261,338	844,953	-	20,106,291	-	3,410,780	20%
	160,542,965	652,475	101,000	161,094,440	96,677,599	5,626,962	59,755	102,244,806	(10,321,902)	48,527,731	

6.1.1 Disposal of fixed assets

Particulars	Year	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain/(Loss) On Disposal	Mode of Disposal	Particulars Of Purchaser
		----------	----------	Rupees	----------	----------		
Motor Car	**2011**	**1,152,900**	**893,138**	**259,762**	**2,000,000**	**1,740,238**	**Company Policy**	**Abdul Qadir Jilani**
Computers	**2016**	**75,000**	**70,776**	**4,224**	**5,000**	**776**	**Company Policy**	**Scrapper**
	2017	**79,680**	**74,506**	**5,174**	**5,000**	**(174)**	**Company Policy**	**Scrapper**
	2023	**148,000**	**51,409**	**96,591**	**66,000**	**(30,591)**	**Company Policy**	**Scrapper**
Sub- Total	**2024**	**1,455,580**	**1,089,829**	**365,751**	**2,076,000**	**1,710,249**		
Sub- Total	2023	101,000	(59,755)	-	40,000	1,245		

	2024	2023
	---------- **Rupees**	----------
Goodwill at acquisition	**28,742,849**	28,742,849
Franchise	**-**	9,960,099
Computer software	**-**	614,055
	28,742,849	39,317,003

Description	Cost: As at January 01,	Cost: Additions	Cost: (Disposal)	Cost: As at December 31,	Depreciation: As at January 01,	Depreciation: For the year	Depreciation: As at December 31,	Impairment during the year	Written down as at December 31, 2024	Amortisation rate
Finite Useful life										
Franchise	**23,349,852**	**-**	**-**	**23,349,852**	**13,389,753**	**1,791,023**	**15,180,776**	**(8,169,076)**	**-**	
Computer software	**9,889,949**	**-**	**-**	**9,889,949**	**9,275,894**	**15,352**	**9,291,246**	**(598,703)**	**-**	**33% & 10%**
2024	**33,239,801**	**-**	**-**	**33,239,801**	**22,665,647**	**1,806,375**	**24,472,022**	**(8,767,779)**	**-**	
Franchise	23,152,382	-	-	23,152,382	12,313,731	1,076,022	13,389,753	197,470	9,960,099	
Computer software	10,302,876	-	-	10,302,876	9,198,216	77,678	9,275,894	(412,927)	614,055	33% & 10%
2023	33,455,258	-	-	33,455,258	21,511,947	1,153,700	22,665,647	(215,457)	10,574,154	

		Note	2024	2023
7	**INVESTMENTS IN EQUITY SECURITIES**	**Note**	----------- Rupees -----------	
	Fair value through other comprehensive income - FVTOCI:			
	Investment in equity securities	7.1	**192,600,406**	216,536,400

		Note	2024	2023
7.1	**Investments In Equity Securities**			
	Listed shares			
	Cost		**50,281,501**	9,267,742
	Less: unrealized loss on revaluation of investment		**(4,348,827)**	(481,031)
	Carrying value	7.1.1	**45,932,674**	8,786,711
	Mutual Funds			
	Cost		**194,783,376**	99,646,142
	Add: additions to mutual funds		**(66,851,111)**	91,585,260
	Add: unrealized gain on revaluation of investment		**18,735,467**	16,518,287
	Carrying value	7.1.2	**146,667,732**	207,749,689
			192,600,406	216,536,400

7.1.1 Ordinary shares of quoted companies

Number of shares (fully paid up shares of Rs. 10/- each) 2024	2023	Market value per share 2024	2023	Sector and name of investee companies	2024	2023
					----------- Rupees -----------	
				Engineering		
84,890	1,425,520	**6.79**	5.70	Dost Steel Limited	**576,403**	8,125,464
				Power Generation & Distribution		
2,000	2,000	**2.21**	2.21	Southern Electric Power Company Limited	**4,420**	4,420
2,071,919	-	**5.72**	-	Tri-Star Power Limited	**11,851,377**	-
1,690,379	-	**9.94**	-	S.G. Power Limited	**16,802,367**	-
				Textile Weaving		
158	158	**8.58**	8.58	G3 technologies /Service Fabrics Limited	**1,356**	1,356
106,000	-	**18.90**	0	Quetta Textile Mills Limited	**2,003,400**	-
				Insurance		
200	200	**8.50**	6.20	Habib Insurance Company Limited	**1,700**	1,240
117	117	**5.43**	7.05	Premier Insurance Limited	**635**	825
2,538,000	721,000	**1.95**	0.90	Picic Insurance Limited	**4,949,100**	648,900
				Investment Bank		
18	18	**174.21**	110.35	IGI holdings Limited	**3,136**	1,986
				Commercial Banks		
309	309	**10.81**	6.48	The Bank of Punjab	**3,340**	2,002
3	3	**281.30**	172.55	MCB Bank Limited	**844**	518
				Chemical		
256,241	-	**37.99**	-	Bawany Air Products Limited	**9,734,596**	-
6,750,234	2,149,325				**45,932,674**	8,786,711

7.1.1.1 Cost of ordinary shares of quoted companies as at December 31, 2024 is Rs. 50,281,501/- (2023: Rs. 9,267,742/-).

7.1.2 Mutual fund certificates

Number of Units 2024	Number of Units 2023	Unit Price Rupees 2024	Unit Price Rupees 2023	Name of the entity	Note	2024 Rupees	2023 Rupees
-	16,000	**-**	4.52	Modaraba Al-Mali		**-**	72,320
15,688	-	**6.45**	-	LSE Capital Ltd		**101,189**	-
1,040	-	**15.70**	-	LSE Financial Service Ltd		**16,328**	-
3,820	3,820	**30.67**	9.81	HBL Energy Fund		**117,177**	37,492
2,270,595	2,069,529	**60.87**	60.49	Pakistan Income Fund	7.1.2.2	**138,212,686**	125,182,941
65	230,930	**59.25**	54.19	Alfalah ghp Income multiplier fund		**3,851**	12,514,040
68	364,367	**108.50**	109.49	Alfalah FSIP Plan 1		**7,407**	39,895,789
2	-	**119.02**	0.00	Alfalah ghp sovereign fund		**286**	-
-	104,732	**-**	104.94	JS Money Market Fund		**-**	10,990,546
-	-	**106.66**	-	JS Microfinance Sector Fund		**-**	-
245,269	1,819,433	**10.37**	10.47	NBP Islamic Saving Fund		**2,544,027**	19,056,561
-	-	**10.68**	-	NBP Govt Securities Plan IV		**-**	-
50,878	-	**111.34**	-	Al Habib Income fund		**5,664,781**	-
-	-	**104.70**	-	Faysal Islamic Cash Fund		**-**	-
						146,667,732	207,749,689

7.1.2.1 Cost of Mutual fund certificates as at December 31, 2024 is Rs. 127,932,265/- (2023: Rs.191,231,402/-).

7.1.2.2 These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

8 LOANS AND OTHER RECEIVABLES

	Note	2024 Rupees	2023 Rupees
Considered good			
Other Security deposits		**10,083,645**	10,099,645
Advance to supplier		**53,644,903**	53,397,482
Loan to employees		**88,000**	132,136
Accrued interest on advance against issuance of shares	8.1	**330,235,136**	330,235,136
Advance against issuance of shares	8.2	**-**	236,511,065
Other receivable	8.3	**260,511,464**	35,998,200
		654,563,148	666,373,664

8.1 This represents accrued interest on advance against issue of shares, given to Dost Steels Limited. Movement in advances is as follows:

	2024 Rupees	2023 Rupees
Balance as at beginning of the year	**330,235,136**	310,639,040
Income for the year	**-**	19,596,096
Balance as at the end of the year	**330,235,136**	330,235,136

8.2 This represents advances against issue of shares given to the following parties:

Name of the Company	Note	2024 Rupees	2023 Rupees
Dost Steels Limited	8.2.1	**-**	236,511,066

8.2.1 In prior years, the Company made an advance against issuance of shares to Dost Steel Limited (DSL). Subsequently, pursuant to a settlement between the Company and DSL, the above mentioned advances for issue of shares were assigned to a group of investors.

8.3 This includes Rs. 211,511,066/- from 'group of investors' as mentioned in note 8.2.1 as at reporting date.

9 INSURANCE / REINSURANCE RECEIVABLES

	2024	2023
	----------- Rupees -----------	
Unsecured and considered good		
Due from insurance contract holders	**219,373,520**	264,055,269
Less : Provision for impairment of receivables from insurance contract holders	**(48,584,004)**	(39,534,917)
Due from other insurers / reinsurers	**2,904,434**	2,953,836
	173,693,950	227,474,188

9.1 Provision for impairment of receivables from insurance contract holders

	2024	2023
Balance at the beginning of the year	**39,534,917**	104,064,799
Provision made during the year	**38,583,890**	-
Less: Receivable written off	**(29,534,803)**	(64,529,882)
	48,584,004	39,534,917

10 DEFERRED TAXATION

10.1 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, deferred tax asset of Rs. 25,830,563 (2023: Rs. 7,455,095) on account of temporary differences have not been recognised.

11 CASH & BANK

	Note	2024	2023
		----------- Rupees -----------	
Cash and cash equivalent			
Cash in hand		**372,734**	392,968
Policy and revenue stamps		**41,370**	11,500
		414,104	404,468
Cash at bank			
Current accounts		**1,612,890**	666,395
Savings accounts	11.1	**25,268,113**	3,945,997
		26,881,003	4,612,392
Less: provision against dormant accounts		**(139,743)**	(139,743)
		26,741,260	4,472,649
		27,155,364	4,877,117

11.1 These carry mark-up at the rate of 14.33% (2023: 12.39%) per annum.

12 ORDINARY SHARE CAPITAL

12.1 Authorized share capital

December 31 2024	December 31 2023		2024	2023
---- Number of shares -----			----------- Rupees -----------	
115,000,000	115,000,000		**1,150,000,000**	1,150,000,000

12.2 Issued, Subscribed and paid-up share capital

December 31 2024	December 31, 2023		2024	2023
---- Number of shares -----			----------- Rupees -----------	
104,728,494	104,728,494	Ordinary shares of Rs. 10 each fully paid in cash	**1,047,284,940**	1,047,284,940
2,966,547	2,966,547	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**29,665,470**	29,665,470
107,695,041	107,695,041		**1,076,950,410**	1,076,950,410

13 DISCOUNT ON ISSUE OF RIGHT SHARES

The Company had issued right shares in the year 2014 with the approval of Board of Directors, SECP and KSE (now PSX) 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.

14 RESERVES

	2024	2023
	----------- Rupees -----------	
Capital reserves		
Reserve for exceptional losses	**1,767,568**	1,767,568
Revenue reserves		
General reserve	**24,497,265**	24,497,265
Unappropriated profit	**(9,955,415)**	(55,763,441)
Surplus on remeasurement of available for sale investment	**14,386,640**	16,036,700
	30,696,058	(13,461,908)

15 OTHER CREDITORS AND ACCRUALS

Trade and related payables	**41,760,374**	41,661,599
Federal insurance fees	**5,011,527**	4,275,941
Federal excise duty	**67,672,268**	59,858,237
Payable to staff provident fund	**299,424**	497,990
Withholding tax	**76,088,192**	69,386,124
Accrued expenses	**50,686,203**	51,793,534
Unclaimed dividend	**418,209**	418,209
Others	**6,464,030**	5,645,571
	248,400,227	233,537,205

16 PROVISION FOR TAXATION

Balance at beginning of the year	**1,771,790**	35,068,233
Add: charge for the year	**7,710,274**	(28,361,577)
Less: paid during the year	**(8,334,776)**	(4,934,866)
Balance at end of the year	**1,147,287**	1,771,790

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

The Company is defendant in following:

17.1.1 The Company filed a petition No. 1027/2022 against Federal Board of Revenue (FBR) in respect of notice of encashment of guarantee given for the duties and taxes under Afghan Transit Rules amounting to Rs. 26 million. The Custom authorities claim that there was pilferage and the goods did not cross Afghan border. The company stand is that the primary responsibility for pilferage is on the bonded carrier. The High Court has granted stay against the notice of encashment.

17.1.2 Phillip Morris (Pakistan) Limited has filed suit 33/2021 against the Company for encashment of performance bond given amounting to Rs. 100 million. The party on whose behalf the bond was given has obtained stay order against encashment of guarantee. Further the company is secured by counter guarantee and cheque in respect of the bond amount.

17.1.3 Suit 6/2022 has been filed by the legal heirs of insured Farzana Akhlaq in relation to travel policy claims amounting to Rs. 11 million. The suit was filed against Company's repudiation of the travel claim on the grounds of pre-existing condition. As per terms of policy pre-existing conditions were not covered.

17.1.4 Suit 1036/2019 was filed by Pakistan Reinsurance Company Limited for recovery of outstanding amount against CSIL amounting to Rs. 75 million. The amount claimed by Pakistan Reinsurance is disputed by the Company.

17.1.5 The Company is defending various law suits in the court of law. In these cases, claims against the company amounted to less than Rs.10 million. The Company, based on the opinion of its legal advisors, is confident that the ultimate outcome of all of the matters provided above will be in its favor. Accordingly, no provision in respect of any above mentioned liabilities has been made in these financial statements.

18 NET INSURANCE PREMIUM

	Note	2024	2023
		----------- Rupees -----------	
Written gross premium		**79,725,407**	359,258,112
Add : Unearned premium reserve - opening		**176,612,161**	97,965,518
Less: Unearned premium reserve - closing		**(31,968,305)**	(176,612,161)
Premium earned		**224,369,263**	280,611,469
Less: Reinsurance premium ceded		**-**	2,789,972
Add: prepaid reinsurance premium - opening		**-**	-
Less: prepaid reinsurance premium - closing		**-**	-
Reinsurance expense		**-**	(2,789,972)
		224,369,263	277,821,497

19 NET INSURANCE CLAIMS EXPENSE

	Note	2024	2023
Claim paid		**4,276,376**	130,472,092
Add : Outstanding claims including IBNR - closing	19.1	**57,702,853**	65,000,330
Less: Outstanding claims including IBNR - opening		**(65,000,330)**	(65,564,985)
Claims expense		**(3,021,101)**	129,907,437
Add: Reinsurance and others recoveries in respect of outstanding claims - closing		**-**	-
Less: Reinsurance and others recoveries in respect of outstanding claims - opening		**-**	-
		-	-
Reinsurance and recoveries revenue		**(3,021,101)**	129,907,437

19.1 Claims development

The following table shows the development of claims of all classes 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.

Accident year	2019 and prior	2020	2021	2022	2023	2024 including IBNR
	-----------------	-----------------	-----------------	(Rupees)	-----------------	-----------------
Estimate of ultimate claims cost:						
At end of accident year	63,028,532	3,153,931	12,446,510	1,369,827	126,769,622	12,192,591
One year later	65,520,695	3,467,825	1,063,469	2,244,256	126,898,769	-
Two year later	68,300,402	3,402,852	1,063,469	2,209,256	-	-
Three year later	75,399,160	3,428,113	1,063,469	-	-	-
Four year later	74,824,685	3,428,113	-	-	-	-
Five year later	74,442,683		-	-	-	-
Current estimate of cumulative claims	74,442,683	3,428,113	1,063,469	2,209,256	126,898,769	12,192,591
Cumulative payments to date	29,699,273	2,232,973	913,469	1,960,456	126,659,169	1,066,688
Liability recognised in the balance sheet	44,743,410	1,195,140	150,000	248,800	239,600	11,125,903

20 NET COMMISSION EXPENSE

	2024	2023
	----------- Rupees -----------	
Commission paid or payable	**6,489,621**	23,221,071
Add : Deferred commission expense opening	**18,268,029**	13,665,395
Less: Deferred commission expense closing	**(3,335,750)**	(18,268,029)
	21,421,900	18,618,437
Less: Commission received or recoverable	**-**	(488,245)
Add: Unearned Reinsurance commission opening	**-**	-
Less: Unearned Reinsurance commission closing	**-**	-
Commission from reinsurers	**-**	(488,245)
Net commission (income) /expense	**21,421,900**	18,130,192

		Note	2024	2023
21	**MANAGEMENT EXPENSES**		----------- Rupees -----------	
	Employee benefit cost	21.1	**79,485,465**	72,695,054
	Travelling expense		**12,591,577**	14,884,250
	Advertisement and sales promotion		**61,520**	95,570
	Printing and stationery		**877,605**	2,499,287
	Depreciation expenses		**1,703,924**	1,435,447
	Rent, rates and taxes		**2,462,147**	2,546,138
	Legal and professional fee - business related		**3,692,841**	2,243,249
	Electricity, gas and water		**3,981,561**	3,062,697
	Entertainment		**1,903,754**	1,385,954
	Vehicle running expenses		**607,355**	867,740
	Repairs and maintenance		**1,742,193**	2,384,043
	Bank charges		**47,122**	27,973
	Postages, telegrams and telephone		**1,784,232**	1,954,706
	Bad and doubtful debts		**38,583,890**	(183,676)
	Miscellaneous		**4,515,359**	2,701,236
			154,040,545	108,599,668

21.1 This includes contribution to provident fund amounting to Rs. 1.687 million (2023: Rs.1.538 million).

		Note	2024	2023
			----------- Rupees -----------	
21.1.1	Employee benefit cost			
	Salaries, allowance and other benefits		**79,485,465**	72,695,054
	Charges for post employment benefits		**-**	-
			79,485,465	72,695,054
21.1.2	**Remuneration to key management personnel**			
	Remuneration paid to Chief Executive, Executive Director and Executives of the Company (note 27)		**20,622,588**	36,490,248
	Staff retirement benefits			
	Provident fund contribution		**1,686,855**	1,538,881
	Markup on outstanding balance of provident fund		**-**	882,716
22	**INVESTMENT INCOME**			
	Income from equity securities			
	Available for sale financial assets:			
	Dividend income		**32,198,122**	18,328,799
	Gain / (loss) on sale of available for sale investments		**(2,710,600)**	1,111,469
			29,487,522	19,440,268
	Income from debt securities			
	Held to maturity:			
	Profit on saving account		**486,947**	1,712,930
	Total investment income		**29,974,469**	21,153,198
23	**OTHER INCOME**			
	Gain on sale of property and equipments		**1,710,249**	(1,245)
	Markup on other receivables		**-**	19,596,096
	Other income		**2,667,618**	3,242,794
			4,377,867	22,837,645
24	**OTHER EXPENSES**			
	Salaries and allowances		**2,753,262**	1,204,752
	Printing and stationery		**9,200**	9,200
	Depreciation		**1,670,285**	4,191,515
	Amortisation		**1,806,374**	1,153,700
	Legal and professional charges - business related		**25,000**	25,000
	Entertainment		**61,300**	-
	Bank charges		**1,228**	1,252
	Bad and doubful debts/ Asset written off		**44,739,691**	10,537,359
	Auditors' remuneration	24.1	**1,893,887**	1,907,340
	Subscription and fee		**66,159**	523,758
	Registration fee		**3,577,567**	2,762,176
	Workers' welfare fund		**1,934,552**	-
	Other		**1,601,178**	344,851
			60,139,683	22,660,903

24.1 Auditors' remuneration	2024	2023
	----------- Rupees -----------	
Annual audit fee	**589,875**	786,500
Annual audit fee of the Subsidiary Companies	**395,000**	238,750
Consolidation	**302,500**	302,500
Review of code of corporate governance	**151,250**	151,250
Half yearly review	**194,810**	186,340
Out of pocket expenses	**127,352**	108,900
Certification charges	**133,100**	133,100
	1,893,887	1,907,340

25 TAXATION

For the year		
Current	**7,634,334**	6,222,089
Deferred	**281,772**	(2,992,060)
Prior year tax	**75,940**	(34,583,666)
	7,992,046	(31,353,637)

25.1 The income tax returns of the Company have been filed up to Tax Year 2024 (corresponding year ended December 31, 2023) and the same are deemed to be assessed under the provisions of the Income Tax Ordinance, 2001.

26 EARNING PER SHARE	2024	2023
	----------- Rupees -----------	
Profit for the year	**33,699,865**	53,334,077
Weighted average number of ordinary shares	**107,695,041**	107,695,041
Earnings per share basic and diluted (restated)	**0.31**	0.50

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

27 COMPENSATION OF DIRECTORS AND EXECUTIVES

Description	Chief Executive		Directors		Executives	
	2024	2023	**2024**	2023	**2024**	2023
	------------ (Rupees) ------------					
Managerial remuneration	**7,935,000**	7,417,500	**1,649,688**	3,182,112	**10,225,944**	7,294,374
Retirement benefits		-		-	**819,348**	729,444
House rent	**3,795,000**	3,547,500	**1,099,794**	2,121,402	**6,817,296**	4,862,916
Utilities/Other	**5,070,000**	4,935,000		480,000	**2,760,000**	1,920,000
Total	**16,800,000**	15,900,000	**2,749,482**	5,783,514	**20,622,588**	14,806,734
Number of persons	**1**	1	**2**	2	**3**	3

27.1 Non-Executive Directors were paid Rs. 0.17 million (2023: Rs. 0.15 million) for attending Board of Directors meetings during the year. In addition, Chief Executive Officer was also provided with free use of the Company maintained cars in accordance with his entitlements. Chief executive, directors and executives are also provided provident fund facility in which contribution of both employer and employee is at a rate of 10%.

28 RELATED PARTY RELATIONSHIPS

Name of related parties	Relationship
Crescent Star Foods (Private) Limited	Subsidiary
Crescent Star Luxury (Private) Limited	Subsidiary
Crescent Star Technology (Private) Limited	Subsidiary

29 RELATED PARTY TRANSACTIONS

Related parties comprise of group companies, directors and their close family members its staff retirement funds, key management personnel and major shareholders of the Company. The associated companies are associated either based on its holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes.

Balances, including subsidiaries, are disclosed in relevant notes to these financial statements.

30 SEGMENT INFORMATION

The operator has six primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor, accident & health, credit and suretyship & miscellaneous.

Description	For the year ended December 31, 2024										
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Foods	Technologies	Luxury	Total
	---------- Rupees ----------										
Gross written premium (inclusive of administrative surcharges)	530,620	9,954,978	13,345,613	-	12,185,577	43,708,618	79,725,406	-	-	-	79,725,406
Gross direct premium	517,085	9,602,980	13,174,250	-	11,719,382	42,293,818	77,307,515	-	-	-	77,307,515
Administrative surcharge	13,535	351,998	171,363	-	466,195	1,414,800	2,417,891	-	-	-	2,417,891
Insurance premium earned	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263	-	-	-	224,369,263
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net insurance premium	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263	-	-	-	224,369,263
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	4,791,366	10,373,154	18,603,827	-	77,212,924	113,387,992	224,369,263	-	-	-	224,369,263
Insurance claims	(219,315)	2,756,652	(1,591,494)	96,517	(237,003)	2,215,744	3,021,101	-	-	-	3,021,101
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Commission expense	(955,135)	(3,619,631)	(1,562,893)	-	(8,036,800)	(7,247,441)	(21,421,900)	-	-	-	(21,421,900)
Management expense	(1,030,327)	(19,134,599)	(26,250,600)	-	(23,351,675)	(84,273,344)	(154,040,545)	-	-	-	(154,040,545)
Premium deficiency (expense)	1,878	1,244,271	927,852	-	500,801	12,876,537	15,551,339	-	-	-	15,551,339
Net insurance claims and expenses	(2,202,899)	(18,753,307)	(28,477,135)	96,517	(31,124,677)	(76,428,504)	(156,890,005)	-	-	-	(156,890,005)
Underwriting results	2,588,467	(8,380,153)	(9,873,308)	96,517	46,088,247	36,959,488	67,479,258	-	-	-	67,479,258
Net investment income								-	-	-	29,974,469
Other income								-	-	-	4,377,867
Other expenses							(7,038,540)	(41,348,141)	(754,842)	(10,998,160)	(60,139,683)
Result of operating activities											41,691,911
Finance costs							-	-	-	-	-
Profit before tax for the year											41,691,911
Segment assets	4,269,268	9,242,828	16,576,633	-	68,799,301	101,032,499	199,920,528	445,284	7,319	5,420,012	205,793,143
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	915,650,731
Total assets	4,269,268	9,242,828	16,576,633	-	68,799,301	101,032,499	1,115,571,259	445,284	7,319	5,420,012	1,121,443,874
Segment liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	169,216,271	-	-	-	169,216,271
Unallocated corporate liabilities	-	-	-	-	-	-	180,067,627				180,067,627
Total liabilities	3,613,584	7,823,293	14,030,755	-	58,232,945	85,515,694	349,283,898	-	-	-	349,283,898

Description	For the year ended December 31, 2023										
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Foods	Technologies	Luxury	Total
	------------------------------ Rupees ------------------------------										
Gross written premium (inclusive of administrative surcharges)	4,949,277	10,395,892	19,191,892	-	153,835,885	170,885,166	359,258,112	-	-	-	359,258,112
Gross direct premium	431,328	9,646,569	10,132,176	-	151,668,320	38,013,406	209,891,799	-	-	-	355,235,331
Facultative inward premium	4,504,729	368,396	8,886,955	-	88,955	131,494,497	145,343,532	-	-	-	-
Administrative surcharge	13,220	380,927	172,761	-	2,078,610	1,377,263	4,022,781	-	-	-	4,022,781
Insurance premium earned	624,175	9,831,637	14,159,370	-	159,390,349	96,605,938	280,611,469	-	-	-	280,611,469
Insurance premium ceded to reinsurers	-	-	-	-	(2,789,972)	-	(2,789,972)	-	-	-	(2,789,972)
Net insurance premium	624,175	9,831,637	14,159,370	-	156,600,377	96,605,938	277,821,497	-	-	-	277,821,497
Commission income	-	-	-	-	488,245	-	488,245	-	-	-	488,245
Net underwriting income	624,175	9,831,637	14,159,370	-	157,088,622	96,605,938	278,309,742	-	-	-	278,309,742
Insurance claims	(3,082,066)	689,002	(10,233,627)	-	234,998	(117,515,744)	(129,907,437)	-	-	-	(129,907,437)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Commission expense	(366,945)	(3,561,698)	(2,104,398)	-	(6,354,241)	(6,231,155)	(18,618,437)	-	-	-	(18,618,437)
Management expense	(1,509,011)	(3,061,694)	(5,814,375)	-	(46,394,005)	(51,820,583)	(108,599,668)	-	-	-	(108,599,668)
Premium deficiency (expense)	-	561,427	409,383	-	-	(21,504,510)	(20,533,700)	-	-	-	(20,533,700)
Net insurance claims and expenses	(4,958,022)	(5,372,963)	(17,743,017)	-	(52,513,248)	(197,071,992)	(277,659,242)	-	-	-	(277,659,242)
Underwriting results	(4,333,847)	4,458,674	(3,583,647)	-	104,575,374	(100,466,054)	650,500	-	-	-	650,500
Net investment income								-	-	-	21,153,198
Other income								-	-	-	22,837,645
Other expenses							(4,899,769)	(15,326,846)	(397,261)	(2,037,027)	(22,660,903)
Result of operating activities											21,980,440
Finance costs								-	-	-	-
Profit before tax for the year											21,980,440
Segment assets	661,129	10,413,720	14,997,677	-	165,871,920	102,325,503	294,269,949	30,261,702	10,457	9,321,328	333,863,436
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	906,907,867
Total assets	661,129	10,413,720	14,997,677	-	165,871,920	102,325,503	1,201,177,816	30,261,702	10,457	9,321,328	1,240,771,303
Segment liabilities	737,268	11,613,008	16,724,873	-	184,974,434	114,109,742	328,159,325	-	-	-	328,159,326
Unallocated corporate liabilities	-	-	-	-	-	-	-				172,501,806
Total liabilities	737,268	11,613,008	16,724,873	-	184,974,434	114,109,742	328,159,325	-	-	-	500,661,132

31 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

Insurance Risk

The Company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased where necessary to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital.

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The Company minimizes its exposure by prudent underwriting and reinsuring policies where necessary.

Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy and proactive claim handling procedures.

The Company's class wise major risk exposure is as follows:

	Maximum Gross Risk Exposure	
	2024	2023
	----------- Rupees -----------	
Class		
Fire and property damage	**209,238**	2,886,440
Marine, aviation and transport	**4,865,726**	4,968,888
Motor	**2,781,158**	1,309,008
Credit and suretyship	**7,163,088**	305,825,687
Miscellaneous	**63,942,539**	63,378,601
	78,961,749	378,368,624

Uncertainty in the estimation of future claims payments

Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract including the event reported after the expiry of the insurance contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims IBNR, the Company follows the recommendation of actuary.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount. Similarly, the provision for claims incurred but not reported is based on historic reporting pattern of the claims other then exceptional losses. Hence, actual amount of incurred but not reported claims may differ from the amount estimated.

Key assumptions

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors for example. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

At the year end, actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required/ allowed by the circular 9 of 2016 . IBNR is determined by using Chain Ladder Method for all class of business The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for health which is made on a quarterly basis. The methods used, and the estimates made, are reviewed regularly.

The Company determines adequacy of liability of premium deficiency reserves by carrying out analysis of its loss ratio of expired periods of the contracts. 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 ratio to be applied on unearned premium.

The assumed net of reinsurance loss ratios for each class of business for estimation of premium deficiency reserves is as follows:

Class	Assumed net loss ratio	
	2024	2023
	------- Percentage (%) -------	
Fire and property	**28%**	30%
Marine, aviation and transport	**44%**	56%
Motor	**15%**	16%
Accident and health	**-60%**	-23%
Credit and suretyship	**0.12%**	1%
Miscellaneous	**48%**	91%

Sensitivities

The insurance claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact of variation in incidence of insured events on gross claim liabilities, net claim liabilities, profit before tax and equity is as follows:

Particulars	Change in assumption	Impact on gross liabilities	Impact on net liabilities	Impact on profit before tax	Impact on equity
		----------------------- Rupees -----------------------			
Average claim costs					
2024	**+ 10%**	**(302,110)**	**(302,110)**	**(302,110)**	**(214,498)**
2023	+ 10%	12,990,744	12,990,744	12,990,744	9,223,428

Statement of age-wise breakup of unclaimed insurance benefits

Particulars	Age-wise Breakup				
	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	----------------------- Rupees -----------------------				
Claims not encashed	-	-	-	-	-

31.1 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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 (the Board) 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 reviews and agrees policies for managing each of these risks.

The Company's Board 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.

31.2 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 against outstanding claims and other financial assets.

a) The carrying amount of financial assets represents the maximum credit exposure as specified below:

	Category of financial assets		
Bank deposits	Loans and receivables	**27,155,364**	4,877,117
Investments:			
Government securities	Held to maturity	**-**	-
Equity & other securities	Available for sale	**192,600,406**	216,536,400
Premiums due but unpaid	Loans and receivables	**170,789,516**	227,474,188
Accrued investment income	Loans and receivables	**-**	-
Amount due from other insurers / reinsurers	Loans and receivables	**2,904,434**	2,953,836
Loans and other receivables	Loans and receivables	**654,563,148**	666,373,664
		1,048,012,868	1,118,215,205

Geographically there is no concentration of credit risk.

The Company does not held 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 receivables as disclosed in note 9 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:

2024	**Carrying Amount**	**Upto 1 year**	**From 1 to 2 years**	**More than 2 years**
	Rupees			
Financial assets				
Premiums due but unpaid	**170,789,516**	**8,204,473**	**176,747,025**	**(14,161,982)**
Amounts due from other insurers/ reinsurers	**2,904,434**	**-**	**49,402**	**2,855,032**
Accrued investment income	**-**	**-**	**-**	**-**
Reinsurance recoveries against outstanding claims	**-**	**-**	**-**	**-**
Loans and other receivables	**654,563,148**	**23,709,997**	**168,173,430**	**462,679,721**
	828,257,098	**31,914,470**	**344,969,857**	**451,372,771**

2023	Carrying Amount	Upto 1 year	From 1 to 2 years	More than 2 years
	Rupees			
Financial assets				
Premiums due but unpaid	227,474,188	187,181,446	47,871,166	(10,532,260)
Amounts due from other insurers/ reinsurers	2,953,836	-	75,403	2,878,433
Accrued investment income	-	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-
Loans and other receivables	666,373,664	72,888,888	168,173,430	425,311,346
	896,801,688	260,070,334	216,119,999	417,657,519

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

	Rating	**Agency**	**2024**	2023
			Rupees	
Faysal Bank Limited	AA	PACRA/JCR-VIS	**303,608**	720,129
Habib Bank Limited	AAA	JCR-VIS	**26,216,716**	3,590,823
Allied Bank Limited	AAA	PACRA	**88,746**	7,966
Soneri Bank Limited	AA-	PACRA	**53,743**	53,743
The Bank of Punjab	AA+	PACRA	**43,257**	43,257
Meezan Bank Limited	AAA	JCR-VIS	**22,482**	22,482
Silk Bank Limited	A-	JCR-VIS	**4,819**	4,819
National Bank of Pakistan	AAA	PACRA/JCR-VIS	**4,126**	4,126
Bank Alfalah Limited	AA+	PACRA	**2,327**	2,327
MCB Bank Limited	AAA	PACRA	**265**	265
Samba Bank Limited	AA	VIS	**54,863**	75,001
			26,794,952	4,524,938

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

Particulars	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Other reinsurance asset	2024	2023
	------ Rupees ------				
A or above	-	-	-	-	-
BBB	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

Particulars	2024			
	Carrying amount	**Contractual cash flows**	**Up to 1 year**	**Greater than 1 year**
	------ Rupees ------			
Financial liabilities measured at Held to Maturity:				
Provision for outstanding claims	**57,702,853**	**57,702,853**	**57,702,853**	**-**
Other creditors	**6,464,030**	**6,464,030**	**6,464,030**	**-**
Unpresented dividend warrants	**418,209**	**418,209**	**-**	**418,209**
	64,585,092	**64,585,092**	**64,166,883**	**418,209**

Particulars	2023			
	Carrying amount	Contractual cash flows	Up to 1 year	Greater than 1 year
	------ Rupees ------			
Financial liabilities measured at amortised cost:				
Provision for outstanding claims	65,000,330	65,000,330	65,000,330	-
Other creditors	5,645,571	3,734,161	3,734,161	-
Unpresented dividend warrants	418,209	418,209	-	418,209
	71,064,110	69,152,700	68,734,491	418,209

31.4 Market risk

Market risk means that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing 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 rate risk exposure

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 reporting date, the interest rate profile of the Company's significant interest bearing financial instruments are as follows:

Particulars	2024					
	Interest / mark-up bearing financial instruments				Non-interest / mark-up bearing financial instruments	Total
	Effective rate % per anum	Maturity upto one year	Maturity over one year	Sub-total		
	---------- Rupees ----------					
Financial assets						
Investments	-	-	-	-	192,600,406	192,600,406
Equity securities	-	-	-	-	-	-
Loans and other receivables	-	-	-	-	654,563,148	654,563,148
Insurance / reinsurance receivables						
Premium due but unpaid	-	-	-	-	170,789,516	170,789,516
Amounts due from other insurers / reinsurers	-	-	-	-	2,904,434	2,904,434
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-
Cash and bank	-	-	-	-	27,155,364	27,155,364
		-	-	-	1,048,012,868	1,048,012,868
Financial liabilities						
Outstanding claims including IBNR	-	-		-	57,702,853	57,702,853
Insurance / reinsurance payables	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	6,464,030	6,464,030
Borrowings		-	-	-	-	-
Unclaimed dividend	-	-	-	-	418,209	418,209
		-	-	-	64,585,092	64,585,092
On balance sheet gap		-	-	-	983,427,776	983,427,776

Particulars	2023					
	Interest / mark-up bearing financial instruments				Non-interest / mark-up bearing financial instruments	Total
	Effective rate % per anum	Maturity upto one year	Maturity over one year	Sub-total		
	---------- Rupees ----------					
Financial assets						
Investments	-	-	-	-	216,536,400	216,536,400
Equity securities	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Loans and other receivables	12.07%	236,511,066	-	236,511,066	663,205,745	899,716,811
Insurance / reinsurance receivables	-	-	-	-		
Premium due but unpaid	-	-	-	-	224,520,352	224,520,352
Amounts due from other insurers / reinsurers	-	-	-	-	2,953,836	2,953,836
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-
Cash and bank	-	-	-	-	4,440,655	4,440,655
		236,511,066	-	236,511,066	1,111,656,988	1,348,168,054
Financial liabilities						
Outstanding claims including IBNR	-	-	-	-	62,187,737	62,187,737
Insurance / reinsurance payables	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	3,734,161	3,734,161
Borrowings		-	-	-	-	-
Unclaimed dividend	-	-	-	-	418,209	418,209
	-	-	-	-	66,340,107	66,340,107
On balance sheet gap	-	236,511,066	-	236,511,066	1,045,316,881	1,281,827,947

31.5 Sensitivity analysis

Change in interest rate will not effect fair value of any financial instrument. The Company is not exposed to significant mark-up rate risk as the Company has not entered into any significant variable rate instruments.

a) 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. 192,600,406 (2023: Rs. 216,536,400) at the reporting 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 reporting 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, 2024 and 2023 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:

Particulars	Hypothetical price change	Fair value	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) before tax
		---------------------------- Rupees ----------------------------			
December 31, 2024	**10% increase**	**192,600,406**	**211,860,447**	**19,260,041**	**19,260,041**
	10% decrease		**173,340,365**	**(19,260,041)**	**(19,260,041)**
December 31, 2023	10% increase	216,536,400	238,190,040	21,653,640	21,653,640
	10% decrease		194,882,760	(21,653,640)	(21,653,640)

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 statement of financial position 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.

Particulars	Impact on pre tax profit/(loss)		Shareholders' equity	
	2024	2023	**2024**	2023
± 10% variation in profit /(loss)	---------- Rupees ----------			
Fire and property damage	**2,588,467**	(4,333,847)	**2,459,044**	(2,990,354)
Marine, aviation and transport	**(8,380,153)**	4,458,674	**(7,961,145)**	3,076,485
Motor	**(9,873,308)**	(3,583,647)	**(9,379,643)**	(2,472,716)
Accident and health	**-**	-	**-**	-
Credit and suretyship	**46,088,247**	104,575,374	**43,783,835**	72,157,008
Miscellaneous	**37,056,005**	(100,466,054)	**35,203,205**	(69,321,577)
	67,479,258	650,500	**64,105,296**	448,846

31.6 CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

In accordance with Insurance Rules, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 89(1)/2017, minimum paid-up capital requirement to be complied with by Insurance as at December 31, 2018 and subsequent year is Rs. 500 million. As at December 31, 2023 the Company's paid-up capital is in excess of the prescribed limit.

31.7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

31.7.1 The management considers the carrying amount of all financial assets and liabilities not measured at fair value at the end of the reporting period to approximate their fair value as at the reporting date.

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value is an amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, difference may arise between the carrying values and fair values estimates.

The Company measures the fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly observable.

Level 3 : Valuation techniques for which the lower level input that is significant to the fair value measurement is either directly or indirectly unobservable.

Particulars	2024								
	Carrying Amount						Fair Value		
	Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-balance sheet	-- Rupees --								
Financial assets									
Cash and bank	-	-	-	27,155,364	-	27,155,364	-	-	-
Investments	-	-	192,600,406	-	-	192,600,406	192,600,406	-	-
Premiums due but unpaid	-	-	-	170,789,516	-	170,789,516	-	-	-
Amounts due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	654,563,148	-	654,563,148	-	-	-
	-	-	192,600,406	855,412,462	-	1,048,012,868	192,600,406	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-	-
Financial liabilities									
Provision for outstanding claims (including IBNR)	-	-	-	-	57,702,853	57,702,853	-	-	-
Amounts due to others insurers / reinsurers	-	-	-	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	248,400,227	248,400,227	-	-	-
Borrowing under musharaka arrangements	-	-	-	-	-	-	-	-	-
Unclaimed dividend	-	-	-	-	418,209	418,209	-	-	-
	-	-	-	-	306,521,289	306,521,289	-	-	-

Particulars	2023								
	Carrying Amount						Fair Value		
	Held to maturity	Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-balance sheet	-- Rupees --								
Financial assets									
Cash and bank	-	-	-	4,440,655	-	4,440,655	-	-	-
Investments	-	-	216,536,400	-	-	216,536,400	216,536,400	-	-
Premiums due but unpaid	-	-	-	224,569,754	-	227,474,188	-	-	-
Amounts due from other insurers / reinsurers	-	-	-	2,904,434	-	2,904,434	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	899,716,811	-	899,716,811	-	-	-
	-	-	216,536,400	1,131,631,654	-	1,351,072,488	216,536,400	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-	-
Financial liabilities									
Provision for outstanding claims (including IBNR)	-	-	-	-	65,000,330	65,000,330	-	-	-
Amounts due to others insurers / reinsurers	-	-	-	-	-	-	-	-	-
Other creditors and accruals	-	-	-	-	136,309,145	136,309,145	-	-	-
Borrowing under musharaka arrangements	-	-	-	-	-	-	-	-	-
Unclaimed dividend	-	-	-	-	418,209	418,209	-	-	-
	-	-	-	-	201,727,684	201,727,684	-	-	-

32 STATEMENT OF SOLVENCY

	2024	2023
	----------- Rupees -----------	
Assets		
Property and equipment	**17,018,212**	8,934,244
Investment in subsidiary and associate (applicable where equity accounting is followed)	**213,071,700**	213,071,700
Investments in equity securities	**192,600,406**	216,536,400
Loans and other receivables	**896,083,416**	899,716,811
Insurance / reinsurance receivables	**173,693,950**	227,474,188
Deferred commission expense	**3,335,750**	18,268,029
Cash and Bank	**26,720,305**	4,440,655
Total Assets (A)	**1,522,523,739**	1,588,442,027
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance , 2000		
(d) & (g)	**303,183,679**	298,318,197
(n) to (t)	**192,788,095**	191,591,295
(h)	**168,953,808**	192,189,171
(u)	**17,018,212**	8,934,244
Total of in-admissible assets (B)	**681,943,794**	691,032,907
Total admissible assets (C= A-B)	**840,579,945**	897,409,120
Liabilities		
Underwriting provisions		
Outstanding claims including IBNR	**57,702,853**	65,000,330
Unearned premium reserves	**31,968,305**	176,612,161
Premium deficiency reserves	**6,861,318**	22,412,657
Premium received in advance	**3,203,907**	1,326,989
Insurance/reinsurance payables	**-**	-
Other creditors and accruals	**151,616,602**	136,727,354
Taxation - provision less payment	**2,007,669**	2,708,111
Total liabilities (D)	**253,360,654**	404,787,602
Total Net Admissible Assets (E=C-D)	**587,219,291**	492,621,518
Minimum solvency requirements (higher of)	**150,000,000**	150,000,000

Method A - U/s 36(3)(a)	**150,000,000**
Method B - U/s 36(3)(b)	**44,873,853**
Method C U/s 36(3)(c)	**18,784,361**

	2024	2023
Excess in net admissible assets over minimum requirements	**437,219,291**	342,621,518

33 PROVIDENT FUND RELATED DISCLOSURE

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for this purpose. The salient information of the fund is as follows:

	Note	**2024**	2023
		----------- Rupees -----------	
		(Un-audited)	(Audited)
Size of the fund - Total net assets		**49,308,744**	38,165,540
Cost of investments	33.1	**38,080,218**	31,905,764
Percentage of investments made		**94.00%**	95.40%
Fair value of investments		**46,348,020**	36,411,813

33.1 The break-up cost of investments is as follows:

	Amount 2024	**Percentage of total fund**	Amount 2023	Percentage of total fund
Mutual funds	**46,348,020**	**98%**	36,411,813	100%
Bank account - saving	**806,415**	**2%**	98,031	0%
	47,154,435	**100%**	36,509,844	100%

34 NUMBER OF EMPLOYEES

	2024	2023
	------- Numbers -------	
Number of employees at the December 31,	**35**	38
Average number of employees during the year	**35**	39

35 GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 of 2024

Following is gender pay gap calculated for the year ended December 2024

(i)	Mean Gender Pay Gap	25%
(ii)	Median Gender Pay Gap	-64%
(iii)	Any other data/ details as deemed relevant	Nil

36 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification have been made.

37 SUBSEQUENT EVENTS

There are no subsequent adjusting figures which require disclosure.

38 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved for issue on March 26, 2025 by the Board of Directors of the Company.

39 GENERAL

The figures in the financial statements have been rounded off to the nearest rupee.

Chief Executive/ Principal Officer **Director** **Director** **Director** **Chief Financial Officer**

CRESCENT STAR INSURANCE LIMITED
PATTERN OF SHAREHOLDINGS AS AT DECEMBER 31, 2024

Number of Sharehoders	Shareholding From	Shareholding To	Number of Shares Held
255	1	100	4,793
207	101	500	79,312
199	501	1000	186,014
492	1001	5000	1,468,023
256	5001	10000	2,097,358
109	10001	15000	1,432,647
83	15001	20000	1,538,259
54	20001	25000	1,291,839
37	25001	30000	1,064,738
37	30001	35000	1,216,504
26	35001	40000	1,003,481
22	40001	45000	941,682
45	45001	50000	2,230,748
13	50001	55000	682,984
19	55001	60000	1,110,515
7	60001	65000	445,648
10	65001	70000	684,216
15	70001	75000	1,084,344
9	75001	80000	704,329
4	80001	85000	333,900
11	85001	90000	968,041
5	90001	95000	466,227
32	95001	100000	3,179,760
12	100001	105000	1,229,714
5	105001	110000	545,500
4	110001	115000	454,000
3	115001	120000	359,000
4	120001	125000	491,000
6	125001	130000	770,997
1	130001	135000	133,785
2	135001	140000	277,872
2	140001	145000	285,358
10	145001	150000	1,500,000
3	150001	155000	463,000
3	155001	160000	474,000
1	160001	165000	162,000
3	165001	170000	509,537
2	170001	175000	348,937
5	175001	180000	884,255
2	180001	185000	368,500
1	185001	190000	187,101
1	190001	195000	194,000
13	195001	200000	2,598,500
2	215001	220000	435,544
2	220001	225000	450,000
1	225001	230000	229,000
1	230001	235000	232,246
1	240001	245000	242,548
2	245001	250000	500,000
1	260001	265000	264,500
1	265001	270000	270,000
1	270001	275000	270,500
4	285001	290000	1,154,362
4	295001	300000	1,200,000
1	300001	305000	302,000
1	305001	310000	305,997
1	320001	325000	322,000
1	330001	335000	330,500
1	340001	345000	342,900
3	345001	350000	1,047,697
1	350001	355000	353,364
2	355001	360000	712,089
1	375001	380000	380,000
2	385001	390000	780,000
1	390001	395000	390,500
2	395001	400000	799,856
1	410001	415000	411,500
2	425001	430000	855,790
2	445001	450000	899,000
1	450001	455000	455,000
1	455001	460000	460,000
1	470001	475000	471,000
1	485001	490000	488,487
1	495001	500000	500,000
1	520001	525000	524,002
1	525001	530000	528,000
1	640001	645000	643,500
1	695001	700000	700,000
2	745001	750000	1,493,332
1	800001	805000	800,100
1	815001	820000	817,500
1	845001	850000	847,000
1	895001	900000	897,500
1	930001	935000	931,000
5	995001	1000000	4,998,547
1	1035001	1040000	1,036,000
1	1045001	1050000	1,050,000
1	1110001	1115000	1,112,000
1	1295001	1300000	1,300,000
1	1345001	1350000	1,345,044
1	1495001	1500000	1,500,000
1	1585001	1590000	1,587,000
1	1605001	1610000	1,607,628
1	1640001	1645000	1,644,000
1	1685001	1690000	1,687,001
1	1995001	2000000	2,000,000
1	2340001	2345000	2,343,000
1	2425001	2430000	2,425,691
1	2595001	2600000	2,600,000
1	2620001	2625000	2,625,000
1	2795001	2800000	2,797,390
1	3750001	3755000	3,753,000
1	4690001	4695000	4,694,966
1	5095001	5100000	5,098,042
2112			**107,695,041**

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors & Spouses & Executives			
Mr. Shaikh Waqar Ahmed	1	2,000	0.00%
Mr. Rashid Malik	1	2,000	0.00%
Mr. Suhail Elahi	1	2,000	0.00%
Ms. Naveeda Mahmud	1	2,000	0.00%
Ms. Huma Javaid	1	2,000	0.00%
Ms. Rabia Omer Hassan	1	3,000	0.00%
Chief Executive Officer			
Mr. Naim Anwar	1	390,500	0.36%
Associate Companies, Undertakings & Related Parties	-	-	0.00%
NIT and ICP	-	-	0.00%
Banks, DFIs and NBFIs	-	-	0.00%
Public Sector Companies and Corporations	-	-	0.00%
Insurance Companies	-	-	0.00%
Modaraba	-	-	0.00%
Mutual Funds	-	-	0.00%
General Public			
Local (Individuals)	2,081	93,245,828	86.58%
Foreign Companies / Organizations / Individuals	-	-	0.00%
Others			
Joint Stock Companies	22	14,014,855	13.01%
Pension Fund, Provident Fund, Trusts	2	30,858	0.03%
	2,112	**107,695,041**	**100.00%**

Shareholders Holding 5% or More Voting Interest Nil

CATEGORIES OF SHAREHOLDERS

Particulars	No. of Shareholders	No. of Shares	Percentage
Individuals	2,088	93,649,328	86.96%
Joint Stock Companies	22	14,014,855	13.01%
Pension Fund, Provident Fund, Trust and others	2	30,858	0.03%
	2,112	**107,695,041**	**100%**

www.jamapunji.pk

Jama Punji

سرمایہ کاری سمجھداری کے ساتھ

Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

jamapunji.pk @jamapunji_pk

Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan

SECP

*Mobile apps are also available for download for android and ios devices

HEAD OFFICE

2ND FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI P.O. BOX NO. 4616 KARACHI, PAKISTAN
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	3RD FLOOR, NADIR HOUSE, I. I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
LAHORE MAIN	OFFICE # 9, 4TH FLOOR, AL-HAFEEZ TOWER, M. M. ALAM ROAD, GULBERG III, LAHORE.	042-35785337-38
ISLAMABAD	OFFICE NO. 05, 2ND FLOOR, HAQ CENTER, D- BLOCK, 5TH ROAD, SATLLITE TOWN, RAWALPINDI.	0312-5595674
SIALKOT	SALEEM HOUSE NO 7., BOTA ROAD, MALIK SHAN STREET, PAKKA GHARHA, SIALKOT.	0300-6150051

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 68th Annual General Meeting of the Company to be held on 29th April, 2025 and at any adjournment thereof.

Signed this _________________________ of __________________________ 2025.
(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.

اختیاراتی فارم

میں/ہم ____________________

واقع (مکمل پتہ) ____________________

کریسنٹ اسٹارانشورنس لیمیٹڈ کے ممبر کی حیثیت سے جناب ____________________

واقع (مکمل پتہ) ____________________

اورانکی غیر موجودگی میں جناب ____________________

واقع (مکمل پتہ) ____________________

کو ہمارے نائب کی حیثیت سے اختیار دیتے ہیں کہ وہ میرے/ہماری جانب سے کمپنی کی 29 اپریل 2025 کو منعقد ہونے والی 68ویں سالانہ جنرل میٹنگ میں شرکت کریں۔

دستخط کردہ: بروز ____________________ مورخہ ____________________ 2025

ممبر کے دستخط: ____________________

فولیو نمبر: ____________________

شیئرز کی تعداد: ____________________

ریوینیو اسٹیمپ

گواہان:

ا۔ ____________________

۲۔ ____________________

(دستخط اور کمپنی کی مہر)

ا۔ ممبر کو اختیار ہے کہ وہ جنرل میٹنگ میں شرکت کرکے ووٹ دے اس کے علاوہ کسی اور کو نائب کے طور پر میٹنگ میں شرکت کے لئے تقرر کرے۔

۲۔ تقرر کرنے کے دستاویز کو تحریر میں لایا جائے گا جس پر تعین کرنے والا اور نائب اپنے دستخط کریں گے۔ اگر تقرر کرنے والا کارپوریشن ہے تو وہ اپنی مہر ثابت کریگا اور آفیسر یا آتارنی دستخط کریگا۔ نائب کے لئے یہ ضروری نہیں کہ وہ کمپنی کا ممبر ہو۔

۳۔ نائب تقرری کی دستاویز، پاور آف آٹارنی اگر کوئی ہو تو اس پر دستخط کرکے یا اس کی مصدقہ کاپی کو نوٹری سے تصدیق کرواکر کمپنی کے مین مرکزی آفس واقع دوسری منزل، نادر ہاؤس، آئی آئی چندریگر روڈ، کراچی میں میٹنگ کے وقت سے 48 گھنٹے قبل جمع کوانا ہوگا۔ 48 گھنٹے بعد اختیاراتی فارم قبول نہیں کیا جائیگا۔

۴۔ کوئی بھی انفرادی مالک برائے سینٹرل ڈیپازٹری کمیٹی کو یہ حق حاصل ہے کہ وہ اس میٹنگ میں ووٹ دے لیکن اپنی شناخت کے لئے اپنے ساتھ شناختی کارڈ لائے اور نائب کی صورت میں اس کے شناختی کارڈ کی کاپی منسلک کرے۔ کسی ادارے کے نمائندے کی صورت میں قرارداد/پاور آف آتارنی، دستخط کے نمانے کے سات، بورڈ اف ڈائریکٹران کے پاس جمع کرائے جس کے ساتھ کمپنی کا اختیاراتی فارم بھی مست کیا جائے۔

Your Security - Our Policy

Crescent Star Insurance Limited

ESTD: 1957

Head Office:
2nd Floor, Nadir House, I.I Chundrigar Road, Karachi, Pakistan

Tel : +92 21 3241 5471-3
Fax : +92 21 3241 5474
Email : info@cstarinsurance.com
URL : www.cstarinsurance.com