

November 13, 2017

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

**Subject: Announcement - Right Shares**

Dear Sir,


With reference to our announcement dated May 2, 2017 with respect to issuance of right shares. Due to uncertain market condition the Company was unable to conclude underwriting arrangement within the prescribed period of time. As per rule 5(vi) of Companies (Issue of Capital) Rules, 1996 ***“the book closure shall be made within thirty days from the date of the resolution by the Board of Directors”***, subsequently the Company was able to arrange underwriting arrangement and as such an application was made to SECP to condone the delay in announcement of the book closure which was declined. Accordingly the Board of Directors of our Company in their emergent meeting held on November 10, 2017 at 04.30 p.m., at Nadir House, 2<sup>nd</sup> Floor, I. I. Chundrigar Karachi resolved to issue 25,011,708 Right Shares at par i.e. at a price of Rs. 10 per share, in proportion of 121 (one hundred and twenty one) Right Share for every 400 (four hundred) shares held of the Company.

Please note that the statement in accordance with the Companies (Issue of Capital) Rules, 1996 containing purpose of right issue, benefits to the Company and use of funds and financial projections duly signed by the directors present in the Board meeting is enclosed herewith.

In this respect, the Share Transfer book of Crescent Star Insurance Limited will remain closed from **November 20, 2017 to November 26, 2017 (both days inclusive)** in order to determine entitlement of shareholders to the said Right Shares. Transfers received at the office of Registrar, M/s F.D Registrar (SMC-Private) Limited, Room no. 1705-A, Saima Trade Tower, I.I Chundrigar Road, Karachi at the close of business on November 19, 2017 will be treated in time for the purpose of any entitlement to the transferees.

Yours Sincerely

For and on behalf of Crescent Star Insurance Limited



Naim Anwar  
Managing Director & CEO

c.c The Commissioner  
Securities Market Division  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Islamabad

The Commissioner  
Insurance Division  
Securities and Exchange Commission of Pakistan  
4th Floor, State Life Building # 2, Karachi

**CRESCENT STAR INSURANCE LIMITED  
ANNEXURE**

Board of Directors' Meeting dated November 10, 2017  
Information on Right Issue of Ordinary Shares for Stock Exchange

**1. NEED FOR ISSUE OF RIGHT SHARES AND ITS BENEFITS TO THE COMPANY**

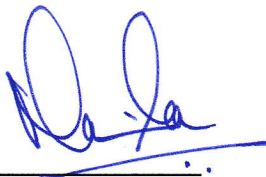
**Amount of the proposed issue:** 30.25% Rs 250,117,080 divided into 25,011,708 ordinary shares of Rs 10/- each.

**Purpose of Right Shares:** To diversify into current and other businesses which would complement, provide new avenues for earning and will improve the profitability of the Company to benefit all the stakeholders.

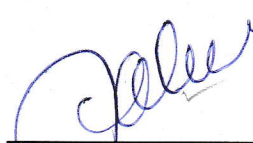
**Benefits to the Company:** Major part of the proceeds from issue would be utilized to make new investments allowing the Company to generate additional investment income in line with the Company's strategy to invest in Food, Luxury and Technology businesses.

Reinsurers also have better comfort on insurers with large capital base. Increase in capital would allow Company to better negotiate the terms of reinsurance treaties in future.

**Use of Funds:** Funds will be partially utilized to meet up working capital requirement and to further expand the operational and investing activities.



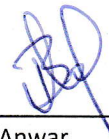
Naim Anwar  
Chief Executive Officer/Director



Dr. Fahim Lashkarwala  
Director



Shahid Suleman Jan  
Director



Bilal Anwar  
Director

## ANNEXURE

Board of Directors' Meeting dated November 10, 2017  
Information on Right Issue of Ordinary Shares for Stock Exchange

### 2. FINANCIAL PROJECTIONS

#### Profit & Loss Account

	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
(----- Rupees in '000 -----)						
Gross Premium	209,317	230,249	259,030	291,408	335,120	385,388
<b>Revenue account</b>						
Net premium revenue	160,033	198,014	216,545	238,778	264,609	295,733
Net claims	(59,100)	(73,416)	(80,494)	(86,935)	(93,506)	(106,104)
Net commission	(16,430)	(20,878)	(24,747)	(29,504)	(35,873)	(41,696)
Expenses	(63,795)	(66,985)	(69,664)	(71,754)	(73,189)	(74,653)
<b>Underwriting Results</b>	<b>20,708</b>	<b>36,735</b>	<b>41,640</b>	<b>50,585</b>	<b>62,041</b>	<b>73,280</b>
General and admin exp.	(62,557)	(65,265)	(59,124)	(60,365)	(61,168)	(62,034)
Other income	34,781	36,520	38,346	40,264	42,277	44,391
<b>Operational Results</b>	<b>(7,068)</b>	<b>7,990</b>	<b>20,862</b>	<b>30,484</b>	<b>43,150</b>	<b>55,637</b>
Investment income	7,013	46,418	88,120	89,834	117,647	122,574
<b>Profit/(Loss) before tax</b>	<b>(55)</b>	<b>54,408</b>	<b>108,982</b>	<b>120,318</b>	<b>160,797</b>	<b>178,211</b>
Provision for taxation	(2,865)	(28,710)	(34,111)	(37,536)	(50,008)	(55,340)
<b>Profit/(Loss) after tax</b>	<b>(2,920)</b>	<b>25,698</b>	<b>74,871</b>	<b>82,782</b>	<b>110,789</b>	<b>122,871</b>

## Balance Sheet

	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
(----- Rupees in '000 -----)						
<b>Share capital and reserves</b>						
Authorized Capital	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Paid-up share capital	1,076,950	1,076,950	1,076,950	1,076,950	1,076,950	1,076,950
Discount on Issue of Right Shares	(199,650)	(199,650)	(199,650)	(199,650)	(199,650)	(199,650)
Reserves	26,265	26,265	26,265	26,265	26,265	26,265
Accumulated profit / (loss)	8,111	33,808	108,679	191,459	302,248	425,118
	(165,274)	(139,577)	(64,706)	18,074	128,863	251,733
<b>TOTAL EQUITY</b>	<b>911,676</b>	<b>937,373</b>	<b>1,012,244</b>	<b>1,095,024</b>	<b>1,205,813</b>	<b>1,328,683</b>
<b>Underwriting Provisions</b>						
Provision for outstanding claims (including IBNR)	93,011	81,224	83,241	86,832	103,555	119,088
Provision for unearned premium	101,263	108,210	118,178	128,942	143,676	165,226
Commission income unearned	-	-	-	-	-	-
	<b>194,274</b>	<b>189,434</b>	<b>201,419</b>	<b>215,774</b>	<b>247,231</b>	<b>284,314</b>
<b>Creditors and Accruals</b>						
Premiums received in advance	728	838	963	1,108	1,274	1,465
Amounts due to other insurers / reinsurers	30,612	36,735	42,245	48,582	53,440	58,784
Accrued expenses	11,095	12,759	14,673	16,874	19,405	22,316
Other creditors and accruals	80,325	85,431	90,963	96,959	103,461	110,514
	<b>122,760</b>	<b>135,763</b>	<b>148,844</b>	<b>163,523</b>	<b>177,580</b>	<b>193,079</b>
<b>Borrowing under musharaka arrangement</b>	828	497	298	179	107	-
<b>Other Liabilities</b>						
Unclaimed dividend	418	418	418	418	418	418
<b>TOTAL LIABILITIES</b>	<b>318,280</b>	<b>326,112</b>	<b>350,979</b>	<b>379,894</b>	<b>425,336</b>	<b>477,811</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,229,956</b>	<b>1,263,485</b>	<b>1,363,223</b>	<b>1,474,918</b>	<b>1,631,149</b>	<b>1,806,494</b>

Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
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(----- Rupees in '000 -----)

## Cash and Bank Deposits

Cash and other equivalents	51,926	51,995	52,070	52,154	52,245	52,346
Current and other accounts	8,056	5,609	8,730	10,140	10,544	13,508
	<b>59,982</b>	<b>57,604</b>	<b>60,800</b>	<b>62,294</b>	<b>62,789</b>	<b>65,854</b>

## Investments

	<b>574,407</b>	<b>924,407</b>	<b>999,407</b>	<b>1,084,407</b>	<b>1,204,407</b>	<b>1,334,407</b>
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## Deferred taxation

	<b>11,223</b>	-	-	-	-	-
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## Current Assets – Others

Premiums due but unpaid	52,329	76,750	86,343	97,136	111,705	128,461
Amounts due from other insurers / reinsurers	66,608	73,934	84,008	95,340	110,639	128,233
Accrued investment income	426	511	613	736	883	1,060
Reinsurance recoveries against outstanding claims	5,513	10,617	9,458	12,532	16,476	19,958
Deferred commission expense	6,819	8,376	10,784	12,860	14,862	16,930
Prepayments	13,411	15,966	11,971	9,936	9,590	11,424
Sundry receivables	423,199	81,663	83,296	84,962	86,662	88,395
	<b>568,305</b>	<b>267,817</b>	<b>286,473</b>	<b>313,502</b>	<b>350,817</b>	<b>394,461</b>

## Fixed Assets -

### Tangible Owned

Furniture and fixtures	3,670	3,303	7,472	6,725	6,053	5,447
Office equipment	2,329	2,096	1,886	1,698	1,528	1,375
Computers and related equipment	1,240	1,218	1,553	1,787	1,951	2,066
Motor vehicles	8,800	7,040	5,632	4,505	3,604	2,884
	<b>16,039</b>	<b>13,657</b>	<b>16,543</b>	<b>14,715</b>	<b>13,136</b>	<b>11,772</b>

## TOTAL ASSETS

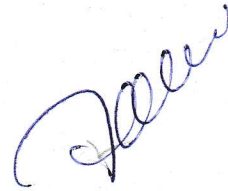
	<b>1,229,956</b>	<b>1,263,485</b>	<b>1,363,223</b>	<b>1,474,918</b>	<b>1,631,149</b>	<b>1,806,494</b>
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**Note**

The attached projections reflect the current and future business perception and fair judgment of the directors. Neither the Company nor the Directors accept any responsibility for the conclusion drawn or investment decisions made by any member or any other person based upon the aforementioned information.



Naim Anwar  
Chief Executive Officer/Director



Dr. Fahim Lashkarwala  
Director



Shahid Suleman Jan  
Director



Bilal Anwar  
Director