



Your Security - Our Policy

## Half Yearly Report June 30, 2019 (Un-Audited)

# Crescent Star Insurance Ltd.

ESTD: 1957

### NATION WIDE BRANCH NETWORK

MOTOR

HEALTH

FIRE

MARINE

ENGG

TRAVEL

LIVESTOCK

CROP

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# Company Vision

- To serve with excellence.
- Excellence achieved through our corporate mission.
- The brand name of CSI with a vision to expand with prudent approach and provide the Insurance Service to Pakistan Industry on sound footing.

# Company Mission

- First and foremost to secure the interest of our policy holders by adopting proper risk management techniques, prudent financial planning and maintaining reinsurance arrangements with world-class reinsurers.
- To ensure profitability to our reinsurers who afford us underwriting capacity.
- To recognize human resources as the key element in progress and to provide our officers and field force due recompense for their efforts in building up the company.
- To generate operational profits and dividend return for our shareholders of the Company.

# Values

- Integrity
- Transparency
- Passion
- Team Work
- Corporate Social Responsibility

## Company Information

Board of Directors	Mr. Naim Anwar (Chief Executive Officer) Dr. Fahim Lashkarwala Ms. Shaiyanne Malik Mr. Tanveer Ahmed Mr. Suhail Elahi
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)
Board Audit Committee	Dr. Fahim Lashkarwala (Chairman) Mr. Tanveer Ahmed Ms. Shaiyanne Malik
Board H.R & Remuneration Committee	Mr. Tanveer Ahmed (Chairman) Mr. Naim Anwar Ms. Shaiyanne Malik
Board Investment Committee	Mr. Naim Anwar (Chairman) Dr. Fahim Lashkarwala Mr. Tanveer Ahmed
Chief Financial Officer & Company Secretary	Mr. Malik Mehdi Muhammad
Auditors	Ilyas Saeed & Co. Chartered Accountants
Legal Advisor	Ms. Huma Naz, Soomro Law Associates
Bankers	Habib Bank Limited Faysal Bank Limited United 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	2 <sup>nd</sup> Floor, Nadir House I. I. Chundrigar Road P.O. BOX No. 4616, Karachi

# **UNCONSOLIDATED**

Financial Statements  
for the Period Ended  
June 30, 2019

## Directors' Report to the Members on Condensed Interim Unconsolidated Financial Information

On behalf of the Board of Directors, I am pleased to present to you the unaudited condensed interim unconsolidated financial statements for the half year ended 30 June 2019.

### General Review

The gross premium written for the half year has been Rs.53.626 million as compared to Rs.71.413 million for the corresponding figures last year. The net premium for the period has been recorded as Rs.51.118 million against Rs.51.913 million of the corresponding period. The profit after tax recorded at Rs.19.453 million. Earnings per share stood at Rs.0.18.

The Company has raised voice at all forums available drawing the attention of the forums to the major issue faced by smaller Insurance Companies (with all compliances in place) trying to compete. Bank Enlistment / Limits / and delisting from Bank / departments Panels. The law strictly prohibits any entity to have a panel of selected insurers, and is unlawful to do so under Insurance Ordinance and also Competition Act does not allow such practice. However, Banks and organizations awarding contracts continue to ignore the law. The Company after having tried through all available forums has strongly taken up the matter not only through the platform of Insurance Association of Pakistan, has decided to go for a legal remedy even if it has to go solo. Until and unless such illegal acts stop it is difficult for a Company to grow its insurance business, even after meeting all compliances. Your Company has successfully managed to keep the pace and still produce a positive result with the strength of prudent underwriting and careful managed portfolio.

Keeping in view and with full understanding that the struggle to fight the limits and enlistment issue will take the usual time, and while continuing to fight against the practice legally, the Company maintains its strategy to grow and expand through the investment arm and is fully geared to see positive outcome upon successful completion of the merger of its subsidiary Crescent Star Foods (Pvt) Ltd with and into PICIC Insurance Ltd. The Company expects its investment portfolio to grow and earn and will support the financials.

Meantime the Company expects a growth in core business through online sales of individual products.

### Performance Highlights

The comparative financial highlights for the half year ended 30 June 2019 and 2018 are presented below:-

Rupees in millions (except for EPS)	30 June	30 June	Increase / (Decrease)	
	2019	2018	Amount	%
Gross written premium	53.626	71.413	(17.787)	(25)
Net premium	51.118	51.913	(0.795)	(2)
Profit / (loss) before tax	20.220	(7.942)	28.162	355
Profit / (loss) after tax	19.453	(8.591)	28.044	326
Total assets	1,210.811	1,325.176	(114.365)	(9)
Paid-up capital	1,076.950	1,076.950	-	-
Earnings per share (EPS)	0.18	(0.08)	0.260	325

### Future Outlook

Your Company is looking forward to the positive outcome of the merger, which will lead to the opening of the larger strategy of the group and unfold the plans leading a long term business plan.

### Acknowledgments

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 and to all the stakeholders for their continued support and cooperation.

**Tanveer Ahmed**  
Director

**Naim Anwar**  
Managing Director & CEO

Karachi: August 26, 2019

## غیر اشتغال شدہ عبوری اختصاری مالیاتی نتائج پر ممبران کے لئے ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کو غیر آڈٹ شدہ غیر اشتغال شدہ عبوری اختصاری مالیاتی نتائج فراہم کرتے ہوئے اظہار مسرت کرتا ہوں۔

### عمومی جائزہ

ششماہی کے دوران خام تحریری پریمیم 53.626 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 71.413 ملین روپے تھا۔ مدت کا خالص پریمیم 51.118 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 51.118 روپے تھا۔ منافع بعد از ٹیکس 19.453 ملین روپے ریکارڈ کیا گیا اس طرح فی حصص آمدن 0.18 روپے رہی۔

کمپنی نے تمام دستیاب فورمز پر آواز اٹھائی ہے اور تمام فورمز کی توجہ (موجودہ تمام پاسدار یوں) ایک بڑے مسئلے کی طرف دلائی ہے جس کا سامنا چھوٹی انشورنس کمپنیوں کو ہے جو شدید مسابقت کی کوششیں کر رہی ہیں۔ بینک ان لسمٹ / حدود اور بینک سے ڈی لسنڈ / تحکموں کے پیٹنز وغیرہ۔ قانون کسی بھی ادارے کو ممانعت کرتا ہے کہ اس کے بینل میں چند منتخب بیمہ کنندگان ہوں اور یہ انشورنس آرڈیننس کے تحت غیر قانونی ہے اور مینجیشن ایکٹ بھی اس طور طریقے کی اجازت نہیں دیتا۔ تاہم بینک اور ادارے قانون کو نظر انداز کرتے ہوئے اس قسم کے معاہدے کر رہے ہیں۔ کمپنی نے تمام دستیاب فورمز بشمول انشورنس ایسوسی ایشن آف پاکستان پر اس معاملے کو سختی کے ساتھ اٹھایا ہے لیکن اب اس نے قانونی ازالہ کا فیصلہ کیا ہے چاہے اسے یہ کام تنہا ہی نہ کرنا پڑے۔ تمام پاسدار یوں پر عمل کرنے کے باوجود بھی جب تک کہ یہ غیر قانونی افعال رک نہیں جاتے اس وقت تک کمپنی کے لئے انشورنس برنس کو صحیح معنوں میں ترقی نہیں مل سکتی۔ تاہم ان مشکلات کے باوجود آپ کی کمپنی نے کامیابی سے ترقی کی اور محتاط ذمہ داری اور باریک بینی سے ترتیب دینے گئے پورٹ فولیو سے مضبوط مثبت نتائج حاصل کئے۔

اس بات کو مد نظر رکھتے ہوئے کہ حدود اور ان لسمٹ کے معاملہ اور قانونی جنگ لڑنے کی جدوجہد میں غیر معمولی وقت درکار ہوتا ہے، تاہم اس دوران کمپنی اپنی حکمت عملی کے تحت اپنے سرمایہ کاری شعبہ کو مستحکم اور وسعت دینے کے لئے کوشاں ہے اور مکمل طور پر اپنی ذیلی کمپنی کریڈٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ کے PICIC انشورنس لمیٹڈ کے ساتھ اور اس میں کامیاب انضمام کے مثبت نتائج سے آگاہ ہے۔ کمپنی کو توقع ہے کہ سرمایہ کاری پورٹ فولیو سے ترقی اور آمدن حاصل ہوگی اور اسے سے مالیاتی سہارا ملے گا۔ اس کے علاوہ کمپنی کو توقع ہے کہ ہم اپنی انفرادی مصنوعات کی آن لائن فروخت کے ذریعے اپنے بنیادی کاروبار میں اضافہ کریں گے۔

### مالیاتی جھلکیاں

متقابلہ مالیاتی جھلکیاں مختتمہ 30 جون 2019 اور 2018 درج ذیل ہیں:

اضافہ/ (کمی)	30 جون 2018	30 جون 2019	
فیصد	رقم		
(25)	(17.787)	71.413	53.626 خام تحریری پریمیم
(2)	(0.795)	51.913	51.118 خالص پریمیم
355	28.162	(7.942)	20.220 منافع/ (خسارہ) قبل از ٹیکس
326	28.044	(8.591)	19.453 منافع/ (خسارہ) بعد از ٹیکس
(9)	(114.365)	1,325.176	1,210.811 کل اثاثے
-	-	1,076.950	1,076.950 ادا شدہ سرمایہ
325	0.260	(0.08)	0.18 فی حصص آمدن (ای پی ایس)

### مستقبل کی پیش بینی

آپ کی کمپنی مستقبل میں انضمام کے بعد مثبت نتائج دیکھ رہی ہے جس سے گروپ کی بڑی حکمت عملی کا آغاز ہوگا اور طویل مدتی کاروباری منصوبے سامنے آئیں گے۔

### اعتراف

اس موقع پر آپ کی کمپنی کے ڈائریکٹر ان سکیورٹیز اینڈ ایکسچینج کمپنی آف پاکستان، پاکستان اسٹاک ایکسچینج، انشورنس ایسوسی ایشن آف پاکستان، اسٹیٹ بینک آف پاکستان، بینکوں اور مالیاتی اداروں اور تمام مستفیدان کے مسلسل تعاون اور مدد پر ان کے مشکور ہیں۔

نعیم انور  
مینجنگ ڈائریکٹر اینڈ سی ای او

تنویر احمد  
ڈائریکٹر

کراچی، 26 اگست 2019

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Crescent Star Insurance Limited**

**Report on review of Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Crescent Star Insurance Limited as at June 30, 2019 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated cash flow statement, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim unconsolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for qualified opinion**

As stated in note 11.1 to the condensed interim unconsolidated financial statements, the Company has accrued interest of Rs. 133,286,557 (2018: 106,348,503) at one year KIBOR plus 3 percent on the advance against issue of shares to Dost Steels Limited (an associated undertaking). Agreement with the associated undertaking to support the accrued interest could not be made available to us and the transaction could not be substantiated otherwise. Under the circumstances the validity of the interest income accrued could not be ascertained, consequently, profit for the period and total assets of the Company are overstated by Rs. 26,938,054 (2018: 39,765,586) and Rs. 133,286,557 (2018: 106,348,503) respectively.

### **Basis for qualified conclusion**

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other Matters**

The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the three months period ended June 30, 2019, have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2019.

The financial statements of the Company for the year ended December 31, 2018, and half year ended June 30, 2018, were audited and reviewed respectively by another auditor who expressed qualified opinion / conclusion for reasons, inter alia, of accrued interest on advance against issue of shares to Dost Steels Limited (an associated undertaking) on those statements on April 09, 2019, and August 20, 2018, respectively.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ilyas**.

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**ILYAS SAEED & CO.**

Chartered Accountants

LAHORE

Date: August 26, 2019

**Crescent Star Insurance Limited**  
**Condensed Interim Unconsolidated Statement of Financial Position**  
**As at June 30, 2019**

		<b>30 June 2019 (Un-audited)</b>	<b>31 December 2018 (Audited)</b>
		<b>------(Rupees)-----</b>	
<b>ASSETS</b>	<b>Note</b>		
Property and equipment	7	<b>18,066,786</b>	19,781,656
Intangible assets	8	<b>842,901</b>	1,571,970
Investments in subsidiaries	9	<b>150,019,600</b>	150,019,600
Investments	10		
Equity securities		<b>15,976,933</b>	15,558,992
Loans and other receivables	11	<b>784,979,888</b>	754,322,286
Insurance / reinsurance receivable			
Premium due but unpaid	12	<b>149,043,591</b>	153,519,309
Amounts due from other insurers / reinsurers		<b>1,688,963</b>	-
Reinsurance recoveries against outstanding claims		<b>2,595,202</b>	2,595,202
Deferred commission expense/ acquisition cost		<b>6,496,400</b>	6,293,238
Prepayments		<b>3,959,134</b>	2,792,024
Cash and bank	13	<b>77,141,378</b>	73,138,809
<b>Total assets</b>		<b><u>1,210,810,776</u></b>	<b><u>1,179,593,086</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to</b>			
<b>Company's equity holders</b>			
Ordinary share capital		<b>1,076,950,410</b>	1,076,950,410
Discount on issue of right shares		<b>(199,650,000)</b>	(199,650,000)
Reserves	14	<b>26,677,781</b>	28,894,635
Unappropriated profit		<b>40,415,609</b>	20,962,220
<b>Total equity</b>		<b><u>944,393,800</u></b>	<b><u>927,157,265</u></b>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Outstanding claims including IBNR		<b>60,925,152</b>	60,680,433
Unearned premium reserves		<b>50,836,319</b>	48,328,460
Premium deficiency reserves		<b>181,129</b>	-
Borrowings		<b>5,204,671</b>	6,427,350
Premium received in advance		<b>2,017,111</b>	1,793,455
Other creditors and accruals	15	<b>143,028,485</b>	131,647,209
Unclaimed dividend		<b>418,209</b>	418,209
Taxation - provision less payments		<b>3,805,900</b>	3,140,705
<b>Total liabilities</b>		<b><u>266,416,976</u></b>	<b><u>252,435,821</u></b>
<b>Total equity and liabilities</b>		<b><u>1,210,810,776</u></b>	<b><u>1,179,593,086</u></b>
<b>Contingencies and commitments</b>	16		

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

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

**Crescent Star Insurance Limited**  
**Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)**  
**For the period ended June 30, 2019**

		Quarter ended		Half year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Note					
Net insurance premium	17	26,044,549	27,820,920	51,118,277	51,913,259
Net insurance claims	18	(6,301,842)	(7,407,033)	(10,846,043)	(1,342,864)
Premium deficiency		131,486	-	(181,129)	1,313,595
Net commission and other acquisition costs	19	(2,931,535)	(6,530,895)	(5,772,415)	(10,271,379)
Insurance claims and other acquisition expense		(9,101,891)	(13,937,928)	(16,799,587)	(10,300,648)
Management expenses		(10,646,933)	(20,158,665)	(23,146,936)	(38,747,374)
Underwriting results		6,295,725	(6,275,673)	11,171,754	2,865,237
Investment income	20	38,667	(229,210)	2,673,461	396,445
Other income		15,586,679	11,223,678	29,468,678	19,935,327
Other expenses		(10,338,369)	(13,760,035)	(22,695,592)	(30,726,051)
Results of operating activities		11,582,702	(9,041,240)	20,618,301	(7,529,042)
Finance costs		(187,076)	(236,412)	(398,138)	(413,147)
<b>Profit before tax</b>		<b>11,395,626</b>	<b>(9,277,652)</b>	<b>20,220,163</b>	<b>(7,942,189)</b>
Taxation		(453,352)	(347,762)	(766,774)	(648,916)
<b>Profit after tax</b>		<b>10,942,274</b>	<b>(9,625,414)</b>	<b>19,453,389</b>	<b>(8,591,105)</b>
<b>Other Comprehensive Income / (Loss)</b>					
Unrealized gain on available for sale investments during the period - net of tax		87,151	67,612	417,940	249,336
Reclassification adjustments relating to available for sale investments - net		-	-	(2,634,794)	-
<b>Other comprehensive income for the period</b>		<b>87,151</b>	<b>67,612</b>	<b>(2,216,854)</b>	<b>249,336</b>
<b>Total comprehensive income for the period</b>		<b>11,029,425</b>	<b>(9,557,802)</b>	<b>17,236,535</b>	<b>(8,341,769)</b>
Earning per share	21	0.10	(0.09)	0.18	(0.08)

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

**Crescent Star Insurance Limited**  
**Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)**  
**For the period ended June 30, 2019**

	30 June 2019	30 June 2018
Note	----- (Rupees) -----	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance Premium received	58,325,510	62,533,758
Reinsurance premium paid	(1,688,963)	(541,004)
Claims paid	(10,601,324)	(13,743,676)
Commission paid	(5,975,577)	(11,134,319)
Management expenses paid	(32,181,774)	16,348,863
Net cash flow from underwriting activities	7,877,872	53,463,622
<b>(b) Other operating activities</b>		
Income tax paid	(101,579)	(267,648)
Other operating payments	(2,216,575)	(47,673,749)
Net cash outflow from other operating activities	(2,318,154)	(47,941,397)
<b>Total cash flow from all operating activities</b>	<b>5,559,718</b>	<b>5,522,225</b>
<b>Investment activities</b>		
Profit / return received	38,667	743,024
Dividend received	2,634,794	24
Proceeds from / (payments for) investments	(2,634,794)	11,265,737
Fixed capital expenditure	-	(3,868,960)
Proceeds from sale of property and equipment	25,000	2,852,000
<b>Total cash flow from investing activities</b>	<b>63,667</b>	<b>10,991,825</b>
<b>Financing activities</b>		
Proceeds from issuance for shares	-	104,350
Finance costs paid	(398,138)	2,079,850
Borrowing under Musharaka arrangements obtained - net	(1,222,679)	(413,147)
<b>Total cash flow from financing activities</b>	<b>(1,620,817)</b>	<b>1,771,053</b>
<b>Net cash flow from all activities</b>	<b>4,002,568</b>	<b>18,285,103</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>73,138,809</b>	<b>57,570,630</b>
<b>Cash and cash equivalents at end of period</b>	<b>77,141,378</b>	<b>75,855,733</b>
<b>Reconciliation to unconsolidated profit and loss account</b>		
Operating cash flows	5,559,718	5,522,225
Depreciation expense	(1,550,410)	(1,863,585)
Amortization expense	(729,069)	(679,250)
Gain/ (loss) on disposal of property and equipments	(139,459)	444,823
Profit on disposal of investments	-	396,445
Dividend income	2,634,794	-
Other investment and other income	38,667	-
Finance costs	(398,138)	(413,147)
Increase in assets other than cash	29,241,119	76,628,074
(Decrease) / increase in liabilities other than borrowings	(14,538,637)	(88,245,423)
Provision for taxation	(665,195)	(381,268)
<b>Profit after taxation for the period</b>	<b>19,453,390</b>	<b>(8,591,105)</b>

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Chief Executive/ Principal Officer      Director      Director      Director      Chief Financial Officer

Crescent Star Insurance Limited  
Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)  
For the period ended June 30, 2019

	Attributable to equity holder of the Company						
	Share capital	Discount on issue of right shares	Capital reserves	Revenue reserves	Unappropriated profit	Surplus on remeasurement of available for sale investments	Total shareholders' equity Restated
	Issued, subscribed and paid-up share capital		Reserve for exceptional losses	General reserve			
----- (Rupees) -----							
Balance as at January 01, 2018	826,833,330	(199,650,000)	1,767,568	24,497,265	84,059,629	-	737,507,792
Effect of change in accounting policy net of tax.	-	-	-	-	-	1,801,657	1,801,657
Balance as at January 01, 2018 as restated	826,833,330	(199,650,000)	1,767,568	24,497,265	84,059,629	1,801,657	739,309,449
Issue of right shares at par	250,117,080	-	-	-	-	-	250,117,080
Profit after tax for the period	-	-	-	-	(8,591,105)	-	(8,591,105)
Other comprehensive income for the period	-	-	-	-	-	249,336	249,336
Balance as at June 30, 2018	<u>1,076,950,410</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>75,468,524</u>	<u>2,050,993</u>	<u>981,084,760</u>
Balance as at January 01, 2019	1,076,950,410	(199,650,000)	1,767,568	24,497,265	20,962,220	2,629,802	927,157,265
Profit after tax for the period	-	-	-	-	19,453,389	-	19,453,389
Other comprehensive income for the period	-	-	-	-	-	(2,216,854)	(2,216,854)
Balance as at June 30, 2019 (Un-audited)	<u>1,076,950,410</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>40,415,609</u>	<u>412,948</u>	<u>944,393,800</u>

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

**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 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 & suretyship, Accident & health and Miscellaneous.

**2 BASIS OF PREPARATION**

The disclosures made in these condensed interim unconsolidated financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O. 89(I)2017 and International Accounting Standard 34 - Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim unconsolidated financial statements should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended December 31, 2018.

**3 STATEMENT OF COMPLIANCE**

These condensed interim unconsolidated financial statements of the Company for the six months period ended June 30, 2019 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000 and Insurance Rules, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000 and Insurance Rules, 2017 shall prevail.

**4 BASIS OF MEASUREMENT**

These condensed interim unconsolidated financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values. Accrual basis of accounting has been used except for cash flow information.

These are separate condensed interim unconsolidated financial statements of the Company in which investments in subsidiaries are accounted for on the basis of cost of investment rather than on the basis of reported results. Consolidated financial statements of the Company are prepared and presented separately.

**5 ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of this condensed interim unconsolidated financial information is in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim unconsolidated financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual unconsolidated financial statements as at and for the year ended December 31, 2018.

**6 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements for the year ended December 31, 2018. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements of the Company for the year ended December 31, 2018.

		30 June 2019 (Un-audited)	31 December 2018 (Audited)
	Note	----- (Rupees) -----	
<b>7 PROPERTY AND EQUIPMENT</b>			
Operating assets at net book value - Owned	7.1	11,110,396	12,052,335
Operating assets at net book value - Leased	7.2	6,956,390	7,729,321
		<u>18,066,786</u>	<u>19,781,656</u>
<b>7.1 Operating assets - Owned</b>			
Opening written down value		12,052,334	21,738,159
Add: Additions during the period / year - at cost			
- Motor vehicles		-	5,996,210
- Computers and related accessories		-	139,150
- Office equipment		-	155,000
- Furniture and fixtures		-	215,600
		-	6,505,960
Less: Written down value of deletions		(164,459)	(4,586,228)
Depreciation for the period / year		(777,479)	(3,876,235)
		<u>(941,938)</u>	<u>(8,462,463)</u>
		<u>11,110,396</u>	<u>19,781,656</u>
<b>7.2 Operating assets - Leased</b>			
Opening written down value		7,729,321	4,679,873
Add: Additions during the period / year - at cost			
- Motor vehicles		-	5,996,210
- Computers and related accessories		-	
- Office equipment		-	
- Furniture and fixtures		-	
		-	5,996,210
Less: Written down value of deletions		-	(1,198,529)
Depreciation for the period / year		(772,931)	(1,748,232)
		<u>(772,931)</u>	<u>(2,946,761)</u>
		<u>6,956,390</u>	<u>7,729,321</u>
<b>8 INTANGIBLE ASSETS</b>			
Computer software		1,571,970	3,015,913
Less: amortizaion for the period / year		(729,069)	(1,443,943)
		<u>842,901</u>	<u>1,571,970</u>
<b>9 INVESTMENTS IN SUBSIDIARIES - at cost</b>			
	<b>Holdings</b>		
Crescent Star Foods (Private) Limited	50%	149,999,660	149,999,660
Crescent Star Technologies (Private) Limited	99%	9,970	9,970
Crescent Star luxury (Private) Limited	99%	9,970	9,970
		<u>150,019,600</u>	<u>150,019,600</u>
<b>10 INVESTMENTS</b>			
Equity securities	10.1	15,976,933	15,558,992
Debt securities		-	-
<b>10.1 Equity securities</b>			
Available-for-sale	10.1.1	15,976,933	15,558,992
<b>10.1.1 Others</b>			
Listed shares	10.1.1.1	101,233	53,673
Mutual funds	10.1.1.2	15,875,700	15,505,319
		<u>15,976,933</u>	<u>15,558,992</u>
<b>10.1.1.1</b>	Investment in Dost Steels Limited, a related party represents 7,020 shares (2018: 7,020 shares) having book value of Rs. 32,002 (2018: Rs. 32,002) and market value of Rs. 24,149 (2018: Rs. 70,621) with 0.002% (2018: 0.002%) of total equity of that company.		
<b>10.1.1.2</b>	Securities having book value of Rs. 14,366 million (2018: Rs. 11,731 million) and market value of Rs. 15,455 million (2018: Rs. 14,184 million) are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of se (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.		

		30 June 2019 (Un-audited)	31 December 2018 (Audited)
	Note	----- (Rupees) -----	
<b>11 LOAN AND OTHER RECEIVABLES</b>			
Security deposits		5,579,962	5,645,962
Advance to employees		229,744	265,233
Advance against expenses		260,000	260,000
Accrued interest on advance against issuance of shares	11.1	133,286,557	106,348,503
Advance against issuance of shares	11.2	633,596,013	631,582,849
Others		12,027,612	10,219,739
		<u>784,979,888</u>	<u>754,322,286</u>
<b>11.1</b>	This represents accrued interest on advances against issue of shares given to Dost Steels Limited (a related party). Movement in advances is as follows:		
	<b>Movement</b>		
	Balance as at beginning of the year	106,348,503	66,582,917
	Income for the period / year	26,938,054	39,765,586
	Balance at the end of the period / year	<u>133,286,557</u>	<u>106,348,503</u>
<b>11.2</b>	This represents advances against issue of shares given to the following related parties:		
	<b>Name of the Company</b>		
	Dost Steels Limited	354,279,066	354,279,066
	Crescent Star Foods (Private) Limited - Subsidiary	202,401,758	200,839,163
	Crescent Star Luxury (Private) Limited - Subsidiary	70,561,453	70,132,883
	Crescent Star Technologies (Private) Limited - Subsidiary	6,353,736	6,331,737
		<u>633,596,013</u>	<u>631,582,849</u>
<b>11.2.1</b>	It carries markup @ 1 year KIBOR plus 3% p.a.		
<b>12 PREMIUMS DUE BUT UNPAID</b>		149,043,591	153,519,309
	It includes amount of Rs. 11,410,788 (2018: Rs. 11,410,788) due from related parties.		
<b>13 CASH AND BANK</b>			
	<b>Cash and other equivalents</b>		
	Cash with State Bank of Pakistan	72,238,047	72,238,047
	Cash in hand	100,971	89,637
	Policy and revenue stamps	1,146,381	728,028
		<u>73,485,399</u>	<u>73,055,712</u>
	<b>Cash at bank</b>		
	Current accounts	3,955,973	383,092
	Savings accounts	22,424	22,424
		<u>3,978,397</u>	<u>405,516</u>
	Less: provision against dormant accounts	(322,418)	(322,419)
		<u>3,655,979</u>	<u>83,097</u>
		<u>77,141,378</u>	<u>73,138,809</u>
<b>13.1</b>	This represents deposit with State Bank of Pakistan pursuant to the requirements of clause (a) of sub - section 2 of section 29 of Insurance Ordinance, 2000.		
<b>13.2</b>	These carry mark-up at the rate of 12.5% (2018: 5.5%) per annum.		



	30 June 2019 (Un-audited) ----- (Rupees) -----	31 December 2018 (Audited) -----
<b>14 RESERVES</b>		
<b>Capital reserves</b>		
Reserve for exceptional losses	1,767,568	1,767,568
<b>Revenue reserves</b>		
General reserve	24,497,265	24,497,265
Surplus on remeasurement of available for sale investments	412,948	2,629,802
	<u>26,677,781</u>	<u>28,894,635</u>
<b>15 OTHER CREDITORS AND ACCRUALS</b>		
Federal insurance fees	1,132,476	604,511
Federal excise duty	29,505,592	22,716,366
Margin against performance bonds	1,907,241	3,900,841
Payable to staff provident fund	4,018,826	3,045,546
Withholding tax	53,248,648	51,059,610
Accrued expenses	24,265,284	25,187,989
Unpresented cheques	1,452,192	1,140,419
Others	27,498,226	23,991,927
	<u>143,028,485</u>	<u>131,647,209</u>
<b>16 CONTINGENCIES AND COMMITMENTS</b>		
<b>16.1 CONTINGENCIES</b>		
The status of contingencies remain unchanged as disclosed in the annual unconsolidated financial statements as of December 31, 2018.		
	30 June 2019 (Un-audited) ----- (Rupees) -----	31 December 2018 (Audited) -----
<b>16.2 COMMITMENTS</b>		
Post dated cheques	<u>5,204,671</u>	<u>6,427,350</u>

**Crescent Star Insurance Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the period ended June 30, 2019.**

	Quarter ended		Half year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (Rupees) -----			
<b>17 NET INSURANCE PREMIUM</b>				
Gross written premium	30,436,380	36,910,001	53,626,136	71,412,945
Add : Unearned contribution reserve opening	46,444,488	-	48,328,460	55,822,934
Less: Unearned contribution reserve closing	(50,836,319)	(2,303,081)	(50,836,319)	(62,925,562)
Premium earned	26,044,549	34,606,920	51,118,277	64,310,317
Less: Reinsurance premium ceded	-	6,083,010	-	12,166,020
Add: prepaid reinsurance premium ceded opening	-	-	-	10,842,633
Less: prepaid reinsurance premium ceded closing	-	702,990	-	(10,611,595)
Reinsurance expense	-	6,786,000	-	12,397,058
	26,044,549	27,820,920	51,118,277	51,913,259
<b>18 NET INSURANCE CLAIMS EXPENSE</b>				
Claim paid	7,258,372	5,586,317	10,601,324	13,743,676
Add : Outstanding claims including IBNR closing	(61,881,682)	1,820,716	60,925,152	54,021,223
Less: Outstanding claims including IBNR opening	60,925,152	-	(60,680,433)	(66,422,035)
Claims expense	6,301,842	7,407,033	10,846,043	(1,342,864)
Less: Reinsurance and others recoveries received	-	-	-	-
Less: Reinsurance and others recoveries in respect of outstanding claims closing	(2,595,202)	-	(2,595,202)	(2,595,202)
Add: Reinsurance and others recoveries in respect of outstanding claims opening	2,595,202	-	2,595,202	2,595,202
Reinsurance and recoveries revenue	-	-	-	-
	6,301,842	7,407,033	10,846,043	(1,342,864)
<b>19 NET COMMISSION EXPENSE</b>				
Commission paid or payable	3,375,893	6,759,198	5,975,577	11,134,319
Add : Deferred commission expense opening	6,052,042	-	6,293,238	6,807,589
Less: Deferred commission expense closing	(6,496,400)	(228,303)	(6,496,400)	(7,670,529)
Net commission expense	2,931,535	6,530,895	5,772,415	10,271,379
<b>20 INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
Available for sale financial assets				
Dividend income	-	24	2,634,794	24
Gain on sale of available for sale investments	-	-	-	-
	-	24	2,634,794	24
<b>Income from debt securities</b>				
Held to maturity				
Return on debt securities	38,667	(265,737)	38,667	306,410
Return on bank deposits	-	36,503	-	90,011
	38,667	(229,234)	38,667	396,421
Less: Investment related expenses	-	-	-	-
Investment income	38,667	(229,210)	2,673,461	396,445

**Crescent Star Insurance Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the period ended June 30, 2019.**

	Quarter ended		Half year ended	
	30 June 2019 (Un-audited)	30 June 2018 (Un-audited)	30 June 2019 (Un-audited)	30 June 2018 (Un-audited)
	----- (Rupees) -----		----- (Rupees) -----	
<b>21 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit after tax for the period	<u>10,942,274</u>	<u>(9,625,414)</u>	<u>19,453,389</u>	<u>(8,591,105)</u>
	----- Number -----			
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>	<u>103,549,454</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>0.10</u>	<u>(0.09)</u>	<u>0.18</u>	<u>(0.08)</u>

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

**22 TRANSACTIONS WITH RELATED PARTIES**

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 unconsolidated financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	Half year ended 2019 (Un-audited)	Half year ended 2018 (Un-audited)
	----- (Rupees) -----	----- (Rupees) -----
<b>22.1 Subsidiary Companies</b>		
<b>Crescent Star Foods (Private) Limited</b>		
Advance against issuance of shares	1,562,595	43,910,760
<b>Crescent Star Luxury (Private) Limited</b>		
Advance against issuance of shares	428,570	10,391,370
<b>22.2 Dost Steels Limited</b>		
Markup on advance given	26,938,054	17,453,678
<b>Remuneration to Key Management Personnel</b>	10,329,000	12,370,080
<b>Staff retirement benefits</b>		
Provident fund contribution	874,596	1,063,610
Markup on outstanding balance of provident fund	271,722	-

23 SEGMENT INFORMATION

	For the six months period ended June 30, 2019						Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	
<b>Current period</b>	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	2,572,543	3,132,410	29,221,122	-	17,063,292	1,636,769	53,626,136
Insurance premium earned	3,096,907	3,835,998	23,590,918	610,801	16,170,638	3,813,015	51,118,277
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	3,096,907	3,835,998	23,590,918	610,801	16,170,639	3,813,015	51,118,277
Commission income	-	-	-	-	-	-	-
<b>Net underwriting income</b>	3,096,907	3,835,998	23,590,918	610,801	16,170,639	3,813,015	51,118,277
Insurance claims	(891,901)	(332,000)	(6,781,455)	(136,259)	(2,338,856)	(365,572)	(10,846,043)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	(891,901)	(332,000)	(6,781,455)	(136,259)	(2,338,856)	(365,572)	(10,846,043)
Commission expense	(401,968)	(859,556)	(2,270,866)	(30,540)	(1,709,710)	(499,775)	(5,772,415)
Management expense	(1,116,304)	(1,345,494)	(12,813,020)	-	(702,735)	(7,169,382)	(23,146,935)
Premium deficiency reversal / (expense)	-	(181,129)	-	-	-	-	(181,129)
<b>Net insurance claims and expenses</b>	(2,410,173)	(2,718,179)	(21,865,341)	(166,799)	(4,751,301)	(8,034,729)	(39,946,522)
<b>Underwriting results</b>	686,734	1,117,819	1,725,577	444,002	11,419,338	(4,221,714)	11,171,755
Net investment income							2,673,461
Other income							29,468,678
Other expenses							(22,695,592)
<b>Result of operating activities</b>							20,618,302
Finance costs							(398,138)
<b>Profit before tax for the period</b>							20,220,164

  

	For the six months period ended June 30, 2018						Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	
<b>Prior period</b>	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	5,119,520	8,111,557	40,546,816	-	9,261,729	8,373,323	71,412,945
Insurance premium earned	5,447,170	5,793,499	32,440,034	1,263,435	11,452,473	7,913,705	64,310,316
Insurance premium ceded to reinsurers	(3,101,739)	(2,105,137)	(2,290,239)	-	(2,737,859)	(2,162,084)	(12,397,058)
Net insurance premium	2,345,431	3,688,362	30,149,795	1,263,435	8,714,614	5,751,621	51,913,258
Commission income	-	-	-	-	-	-	-
Net underwriting income	2,345,431	3,688,362	30,149,795	1,263,435	8,714,614	5,751,621	51,913,258
Insurance claims	13,491,831	1,145,067	(14,353,035)	1,558,155	(934,018)	(2,250,864)	(1,342,864)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	13,491,831	1,145,067	(14,353,035)	1,558,155	(934,018)	(2,250,864)	(1,342,864)
Commission expense	(1,873,551)	(1,551,065)	(2,679,745)	(63,171)	(1,321,158)	(2,782,689)	(10,271,379)
Management expense	(2,250,125)	(3,573,733)	(25,332,372)	-	(3,986,521)	(3,604,623)	(38,747,374)
Premium deficiency reversal / (expense)	1,367,890	(54,295)	-	-	-	-	1,313,595
<b>Net insurance claims and expenses</b>	10,736,045	(4,034,026)	(42,365,152)	1,494,984	(6,241,697)	(8,638,176)	(49,048,022)
<b>Underwriting results</b>	13,081,476	(345,664)	(12,215,357)	2,758,419	2,472,917	(2,886,555)	2,865,236
Net investment income							396,445
Other income							19,935,327
Other expenses							(30,726,051)
<b>Result of operating activities</b>							(7,529,043)
Finance costs							(413,147)
<b>Profit before tax for the period</b>							(7,942,190)

**24 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim unconsolidated financial statements have been approved by the Board of Directors of the Company and are authorised for issue on August 26, 2019.

**25** Figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest rupee, unless otherwise stated.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

**CONSOLIDATED**  
Financial Statements  
for the Period Ended  
June 30, 2019

## Directors' Report to the Members on Consolidated Condensed Interim Financial Information

On behalf of the Board of Directors, I am pleased to present the condensed Interim consolidated financial statements of Crescent Star Insurance Limited and its subsidiaries, Crescent Star Foods (Private) Limited, Crescent Star Technologies (Private) Limited and Crescent Star Luxury (Private) Limited for the half year ended June 30, 2019.

The condensed interim consolidated financial information reflects Rs. 0.08 (June 30, 2018: Rs. (0.92)) earnings per share for the period under review.

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

	June 30, 2019	June 30, 2018
	----- Rupees -----	
Profit / (loss) before tax	8,223,300	(94,175,084)
Provision for taxation	108,949	(1,114,905)
Profit / (loss) after tax	8,332,249	(95,289,989)
Profit / (loss) attributable to non-controlling interest	(3,099,425)	(21,384,225)
Profit / (loss) attributable to ordinary shareholders	11,431,674	(73,905,764)
Loss per share	0.08	(0.92)

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

**Tanveer Ahmed**  
Director

**Naim Anwar**  
Managing Director & CEO

Karachi: August 26, 2019

## اشتمال شدہ مالیاتی گوشواں پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں کریسٹل اسٹار انشورنس لمیٹڈ اور ذیلی کمپنیوں کریسٹل اسٹار گزری (پرائیویٹ) لمیٹڈ، کریسٹل اسٹار فوڈز (پرائیویٹ) لمیٹڈ اور کریسٹل اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کے مختتمہ مالیاتی گوشوارے برائے نصف سال 30 جون 2019 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

یہ متوسط معلومات زیر جائزہ مدت کے لئے 0.08 روپے (30 جون 2018 کو) (0.92 روپے) منافع فی حصص ظاہر کیا گیا ہے۔

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

30 جون 2018	30 جون 2019	
----- روپے -----		
(94,175,084)	8,223,300	منافع / (خسارہ) قبل از ٹیکس
(1,114,905)	108,949	ٹیکس کے لئے اختصاص
(95,289,989)	8,332,249	منافع / (خسارہ) بعد از ٹیکس
(21,384,225)	(3,099,425)	منافع / (خسارہ) ناقابل گرفت سود سے متعلق
(73,905,764)	11,431,674	منافع / (خسارہ) عمومی حصص یافتگان سے متعلق
(0.92)	0.08	منافع / (خسارہ) فی حصص

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

نعیم انور

مینجنگ ڈائریکٹر اینڈ سی ای او

تنویر احمد

ڈائریکٹر

کراچی: 26 اگست 2019



**Crescent Star Insurance Limited**  
**Condensed Interim Consolidated Statement of Financial Position**  
**As at June 30, 2019**

		<b>30 June 2019 (Un-audited)</b>	<b>31 December 2018 (Audited)</b>
<b>ASSETS</b>	<b>Note</b>	<b>------(Rupees)-----</b>	
Property and equipment	7	203,669,845	215,337,925
Intangible assets	8	48,128,057	50,172,961
Investments	9		
Equity securities		15,976,933	15,558,992
Loans and other receivables	10	538,817,670	509,973,661
Insurance / reinsurance receivable			
Premium due but unpaid	11	149,043,591	153,519,309
Amounts due from other insurers / reinsurers		1,688,963	-
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Deferred commission expense/ acquisition cost		6,496,400	6,293,238
Stock-in-trade		11,133,168	14,515,761
Prepayments		3,959,134	2,792,024
Cash and bank	12	77,512,871	73,396,297
<b>Total assets</b>		<b>1,059,021,834</b>	<b>1,044,155,370</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to to Holding Company's equity holders</b>			
Ordinary share capital		1,076,950,410	1,076,950,410
Discount on issue of right shares		(199,650,000)	(199,650,000)
Reserves	13	(195,042,992)	(204,257,812)
<b>Attributable to the owners of the Holding Company</b>		<b>682,257,418</b>	<b>673,042,598</b>
Non-controlling interest		(14,495,988)	(11,396,563)
<b>Total shareholders' equity</b>		<b>667,761,430</b>	<b>661,646,035</b>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Outstanding claims including IBNR		60,925,152	60,680,433
Unearned premium reserves		50,836,319	48,328,460
Premium deficiency reserves		181,129	-
Deferred taxation		4,420,388	4,420,388
Borrowings		5,204,671	6,427,350
Premium received in advance		2,017,111	1,793,455
Other creditors and accruals	14	264,398,220	256,421,822
Unclaimed dividend		418,209	418,209
Taxation - provision less payments		2,859,205	4,019,218
<b>Total liabilities</b>		<b>391,260,404</b>	<b>382,509,335</b>
<b>Total equity and liabilities</b>		<b>1,059,021,834</b>	<b>1,044,155,370</b>
<b>Contingencies and commitments</b>	15		

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

Chief Executive/ Principal Officer    Director    Director    Director    Chief Financial Officer

**Crescent Star Insurance Limited**  
**Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)**  
**For the period ended June 30, 2019**

	Note	Quarter ended		Half year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Net insurance premium	16	26,044,549	27,820,920	51,118,277	51,913,259
Net insurance claims	17	(6,301,842)	(7,407,033)	(10,846,043)	(1,342,864)
Premium deficiency		131,486	-	(181,129)	1,313,595
Net commission and other acquisition costs	18	(2,931,535)	(6,530,895)	(5,772,415)	(10,271,379)
Insurance claims and other acquisition expense		(9,101,891)	(13,937,928)	(16,799,587)	(10,300,648)
Management expenses		791,530	(20,158,665)	(23,146,936)	(38,747,374)
Underwriting results		17,734,188	(6,275,673)	11,171,754	2,865,237
Sales		1,549,000	19,844,766	1,549,000	37,279,186
Cost of sales		(2,498,950)	(54,377,878)	(2,498,950)	(87,231,771)
Investment income	19	38,667	(229,210)	2,673,461	396,445
Other income		15,586,679	11,223,678	29,468,678	19,935,327
Other expenses		(28,351,119)	(33,096,831)	(33,742,505)	(67,006,361)
Results of operating activities		4,058,465	(62,911,148)	8,621,438	(93,761,937)
Finance costs		(187,076)	(236,412)	(398,138)	(413,147)
<b>Profit before tax</b>		<b>3,871,389</b>	<b>(63,147,560)</b>	<b>8,223,300</b>	<b>(94,175,084)</b>
Taxation		(472,715)	(595,821)	108,949	(1,114,905)
<b>Profit after tax</b>		<b>3,398,674</b>	<b>(63,743,381)</b>	<b>8,332,249</b>	<b>(95,289,989)</b>
<b>Attributable to:</b>					
Owners of the Holding Company		5,812,745	(50,309,633)	11,431,674	(73,905,764)
Non-controlling interest		(2,414,071)	(13,433,748)	(3,099,425)	(21,384,225)
		<b>3,398,674</b>	<b>(63,743,381)</b>	<b>8,332,249</b>	<b>(95,289,989)</b>
<b>Other Comprehensive Income / (Loss)</b>					
Unrealized gain on available for sale investments during the period - net of tax		87,151	67,612	417,940	249,336
Reclassification adjustments relating to available for sale investments - net		-	-	(2,634,794)	-
<b>Other comprehensive income for the period</b>		<b>87,151</b>	<b>67,612</b>	<b>(2,216,854)</b>	<b>249,336</b>
<b>Total comprehensive income for the period</b>		<b>3,485,825</b>	<b>(63,675,769)</b>	<b>6,115,395</b>	<b>(95,040,653)</b>
Earning per share	20	0.03	(0.59)	0.08	(0.92)

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

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

**Crescent Star Insurance Limited**  
**Condensed Interim Consolidated Cash Flow Statement (Un-audited)**  
**For the period ended June 30, 2019**

	30 June 2019	30 June 2018
Note	----- (Rupees) -----	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance Premium received	58,325,510	62,533,757
Reinsurance premium paid	(1,688,963)	(541,004)
Claims paid	(10,601,324)	(13,743,676)
Commission paid	(5,975,577)	(11,134,319)
Management expenses paid	(37,156,643)	19,071,756
Net cash flow from underwriting activities	2,903,003	56,186,514
<b>(b) Other operating activities</b>		
Proceeds from customers	1,549,000	37,279,186
Payments to suppliers	883,643	(76,418,927)
Income tax paid	(1,051,065)	(369,096)
Other operating payments	(402,982)	(31,189,095)
Net cash outflow from other operating activities	978,596	(70,697,932)
<b>Total cash flow from all operating activities</b>	<b>3,881,599</b>	<b>(14,511,418)</b>
<b>Investment activities</b>		
Profit / return received	38,667	743,024
Dividend received	2,634,794	24
Proceeds from / (payments for) investments	(2,634,794)	11,265,737
Fixed capital expenditure	1,792,125	16,359,722
Proceeds from sale of property and equipment	25,000	2,852,000
<b>Total cash flow from investing activities</b>	<b>1,855,792</b>	<b>31,220,507</b>
<b>Financing activities</b>		
Proceeds from issuance for shares	-	104,350
Finance costs paid	(398,138)	2,079,850
Borrowing under Musharaka arrangements obtained - net	(1,222,679)	(413,147)
<b>Total cash from financing activities</b>	<b>(1,620,817)</b>	<b>1,771,053</b>
<b>Net cash flow from all activities</b>	<b>4,116,574</b>	<b>18,480,142</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>73,396,297</b>	<b>69,291,048</b>
<b>Cash and cash equivalents at end of period</b>	<b>77,512,871</b>	<b>87,771,190</b>
<b>Reconciliation to unconsolidated profit and loss account</b>		
Operating cash flows	3,881,599	(14,511,418)
Depreciation expense	(9,711,496)	(9,135,950)
Amortization expense	(2,044,904)	(1,995,086)
Gain/ (loss) on disposal of property and equipments	(139,459)	444,823
Profit on disposal of investments	-	396,445
Dividend income	2,634,794	-
Other investment and other income	38,667	-
Finance costs	(398,138)	(413,147)
Increase in assets other than cash	24,044,933	49,330,578
(Decrease) / increase in liabilities other than borrowings	(11,133,761)	(118,660,425)
Provision for taxation	1,160,014	(745,809)
<b>Profit after taxation for the period</b>	<b>8,332,249</b>	<b>(95,289,989)</b>

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

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

Crescent Star Insurance Limited  
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)  
For the period ended June 30, 2019

	Attributable to equity holder of the Company								
	Share capital	Discount on issue of right shares	Capital reserves	Revenue reserves		Surplus on remeasurement of available for sale investments	Attributable to the owners of the Holding Company	Non-controlling interest	Total shareholders' equity restated
	Issued, subscribed and paid-up share capital		Reserve for exceptional losses	General reserve	Unappropriated profit				
(Rupees)									
Balance as at January 01, 2018	826,833,330	(199,650,000)	1,767,568	24,497,265	(92,724,346)	-	560,723,817	(6,942,401)	553,781,416
Effect of change in accounting policy net of tax.	-	-	-	-	-	2,108,166	2,108,166	-	2,108,166
Balance as at January 01, 2018 as restated	826,833,330	(199,650,000)	1,767,568	24,497,265	(92,724,346)	2,108,166	562,831,983	(6,942,401)	555,889,582
Issue of right shares at par	250,117,080	-	-	-	-	-	250,117,080	-	250,117,080
Transaction with owners									
Further acquisition by holding company	-	-	-	-	-	-	-	(10,000,000)	(10,000,000)
Total comprehensive loss for the period	-	-	-	-	(73,905,764)	249,336	(73,656,428)	(21,384,225)	(95,040,653)
Balance as at June 30, 2018	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(166,630,110)	2,357,502	739,292,635	(38,326,626)	700,966,009
Balance as at January 01, 2019	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(233,152,447)	2,629,802	673,042,598	(11,396,563)	661,646,035
Total comprehensive income for the period	-	-	-	-	11,431,674	(2,216,854)	9,214,820	(3,099,425)	6,115,395
Balance as at June 30, 2019	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(221,720,773)	412,948	682,257,418	(14,495,988)	667,761,430

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

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

## 1 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	50%	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 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 & Suretyship, Accident & Health and Miscellaneous.

### - 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. Chandigarh 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 object 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 PREPARATION

The disclosures made in these condensed interim consolidated financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O. 89(I)2017 and International Accounting Standard 34 - Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2018.

## 3 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Company for the six months period ended June 30, 2019 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000 and Insurance Rules, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000 and Insurance Rules, 2017 shall prevail.

## 4 BASIS OF MEASUREMENT

These condensed interim consolidated financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values. Accrual basis of accounting has been used except for cash flow information.

## 5 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim consolidated financial information is in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual consolidated financial statements as at and for the year ended December 31, 2018.

## 6 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2018. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2018.

		30 June 2019 (Un-audited)	31 December 2018 (Audited)
	Note	----- (Rupees) -----	
<b>7</b>	<b>PROPERTY AND EQUIPMENT</b>		
Operating assets at net book value - Owned	7.1	151,400,784	160,503,808
Operating assets at net book value - Leased	7.2	6,956,390	7,729,321
Capital work-in-progress		45,312,671	47,104,796
		<u>203,669,845</u>	<u>215,337,925</u>
<b>7.1</b>	<b>Operating assets - Owned</b>		
Opening written down value		160,503,808	153,201,779
Add: Additions during the period / year - at cost			
- Motor vehicles		-	-
- Computers and related accessories		-	626,898
- Office equipment		-	155,000
- Leasehold improvements		-	11,846,550
- Furniture and fixtures		-	17,616,691
		-	30,245,139
Less: Written down value of deletions		(164,459)	(5,311,339)
Depreciation for the period / year		(8,938,565)	(17,631,772)
		<u>(9,103,024)</u>	<u>(22,943,111)</u>
		<u>151,400,784</u>	<u>160,503,808</u>
<b>7.2</b>	<b>Operating assets - Leased</b>		
Opening written down value		7,729,321	4,679,873
Add: Additions during the period / year - at cost			
- Motor vehicles		-	5,996,210
- Computers and related accessories		-	-
- Office equipment		-	-
- Furniture and fixtures		-	-
		-	5,996,210
Less: Written down value of deletions		-	(1,198,529)
Depreciation for the period / year		(772,931)	(1,748,232)
		<u>(772,931)</u>	<u>(2,946,761)</u>
		<u>6,956,390</u>	<u>7,729,321</u>
<b>8</b>	<b>INTANGIBLE ASSETS</b>		
Goodwill at acquisition		28,742,849	28,742,849
Franchise		15,845,475	17,424,573
Computer software		3,539,733	4,005,539
		<u>48,128,057</u>	<u>50,172,961</u>
<b>9</b>	<b>INVESTMENTS</b>		
Equity securities	9.1	15,976,933	15,558,992
Debt securities		-	-
<b>9.1</b>	<b>Equity securities</b>		
Available-for-sale	9.1.1	15,976,933	15,558,992
<b>9.1.1</b>	<b>Others</b>		
Listed shares	9.1.1.1	101,233	53,673
Mutual funds	9.1.1.2	15,875,700	15,505,319
		<u>15,976,933</u>	<u>15,558,992</u>
<b>9.1.1.1</b>	Investment in Dost Steels Limited, a related party represents 7,020 shares (2018: 7,020 shares) having book value of Rs. 32,002 (2018: Rs. 32,002) and market value of Rs. 24,149 (2018: Rs. 70,621) with 0.002% (2018: 0.002%) of total equity of that company.		
<b>9.1.1.2</b>	Securities having book value of Rs. 14.366 million (2018: Rs. 11.731 million) and market value of Rs. 15.455 million (2018: Rs. 14.184 million) are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of se (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.		

		30 June 2019 (Un-audited)	31 December 2018 (Audited)
	Note	----- (Rupees) -----	
<b>10 LOAN AND OTHER RECEIVABLES</b>			
Deposits		17,410,638	16,566,169
Advance to employees		229,744	265,233
Advance against expenses		260,000	260,000
Advance to supplier		10,022,592	15,423,550
Accrued interest on advance against issuance of shares	10.1	133,286,557	106,348,503
Advance against issuance of shares	10.2	354,279,066	354,279,066
Others		23,329,073	16,831,140
		<u>538,817,670</u>	<u>509,973,661</u>
<b>10.1</b>	This represents accrued interest on advances against issue of shares given to Dost Steels Limited (a related party). Movement in advances is as follows:		
	<b>Movement</b>		
	Balance as at beginning of the year	106,348,503	66,582,917
	Income for the period / year	26,938,054	39,765,586
	Balance at the end of the period / year	<u>133,286,557</u>	<u>106,348,503</u>
<b>10.2</b>	This represents advances against issue of shares given to Dost Steels Limited, a related party. It carries markup @ 1 year KIBOR plus 3% p.a.		
<b>11 PREMIUMS DUE BUT UNPAID</b>		<u>149,043,591</u>	<u>153,519,309</u>
	It includes amount of Rs. 11,410,788 (2018: Rs. 11,410,788) due from related parties.		
<b>12 CASH AND BANK</b>			
<b>Cash and other equivalents</b>			
Cash with State Bank of Pakistan	12.1	72,238,047	72,238,047
Cash in hand		449,979	231,987
Policy and revenue stamps		1,146,381	728,028
		<u>73,834,407</u>	<u>73,198,062</u>
<b>Cash at bank</b>			
Current accounts		3,978,458	498,230
Savings accounts	12.2	22,424	22,424
		4,000,882	520,654
Less: provision against dormant accounts		(322,418)	(322,419)
		<u>3,678,464</u>	<u>198,235</u>
		<u>77,512,871</u>	<u>73,396,297</u>
<b>12.1</b>	This represents deposit with State Bank of Pakistan pursuant to the requirements of clause (a) of sub - section 2 of section 29 of Insurance Ordinance, 2000.		
<b>12.2</b>	These carry mark-up at the rate of 12.5% (2018: 5.5%) per annum.		

	30 June 2019 (Un-audited)	31 December 2018 (Audited)
	----- (Rupees) -----	
<b>13 RESERVES</b>		
<b>Capital reserves</b>		
Reserve for exceptional losses	1,767,568	1,767,568
<b>Revenue reserves</b>		
General reserve	24,497,265	24,497,265
Unappropriated profit	(221,720,773)	(233,152,447)
Surplus on remeasurement of available for sale investments	412,948	2,629,802
	<u>(195,042,992)</u>	<u>(204,257,812)</u>
<b>14 OTHER CREDITORS AND ACCRUALS</b>		
Trade and related payables	47,898,909	49,784,744
Federal insurance fees	1,132,476	604,511
Federal excise duty	29,505,592	22,716,366
Margin against performance bonds	1,907,241	3,900,841
Payable to staff provident fund	4,018,826	3,045,546
Withholding tax	53,256,148	68,544,628
Accrued expenses	24,392,944	69,264,643
Unpresented cheques	1,452,192	4,928,142
Others	100,833,892	33,632,401
	<u>264,398,220</u>	<u>256,421,822</u>
<b>15 CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 CONTINGENCIES</b>		
The status of contingencies remain unchanged as disclosed in the annual unconsolidated financial statements as of December 31, 2018.		
	30 June 2019 (Un-audited)	31 December 2018 (Audited)
	----- (Rupees) -----	
<b>15.2 COMMITMENTS</b>		
Post dated cheques	<u>5,204,671</u>	<u>6,427,350</u>



	Quarter ended		Half year ended	
	30 June 2019 (Un-audited)	30 June 2018 (Un-audited)	30 June 2019 (Un-audited)	30 June 2018 (Un-audited)
	----- (Rupees) -----			
<b>16 NET INSURANCE PREMIUM</b>				
Gross written premium	30,436,380	36,910,001	53,626,136	71,412,945
Add : Unearned contribution reserve opening	46,444,488	-	48,328,460	55,822,934
Less: Unearned contribution reserve closing	(50,836,319)	(2,303,081)	(50,836,319)	(62,925,562)
Premium earned	26,044,549	34,606,920	51,118,277	64,310,317
Less: Reinsurance premium ceded	-	6,083,010	-	12,166,020
Add: prepaid reinsurance premium ceded opening	-	-	-	10,842,633
Less: prepaid reinsurance premium ceded closing	-	702,990	-	(10,611,595)
Reinsurance expense	-	6,786,000	-	12,397,058
	26,044,549	27,820,920	51,118,277	51,913,259
<b>17 NET INSURANCE CLAIMS EXPENSE</b>				
Claim paid	7,258,372	5,586,317	10,601,324	13,743,676
Add : Outstanding claims including IBNR closing	(61,881,682)	1,820,716	60,925,152	54,021,223
Less: Outstanding claims including IBNR opening	60,925,152	-	(60,680,433)	(66,422,035)
Claims expense	6,301,842	7,407,033	10,846,043	(1,342,864)
Less: Reinsurance and others recoveries received	-	-	-	-
Less: Reinsurance and others recoveries in respect of outstanding claims closing	(2,595,202)	-	(2,595,202)	(2,595,202)
Add: Reinsurance and others recoveries in respect of outstanding claims opening	2,595,202	-	2,595,202	2,595,202
Reinsurance and recoveries revenue	-	-	-	-
	6,301,842	7,407,033	10,846,043	(1,342,864)
<b>18 NET COMMISSION EXPENSE</b>				
Commission paid or payable	3,375,893	6,759,198	5,975,577	11,134,319
Add : Deferred commission expense opening	6,052,042	-	6,293,238	6,807,589
Less: Deferred commission expense closing	(6,496,400)	(228,303)	(6,496,400)	(7,670,529)
Net commission expense	2,931,535	6,530,895	5,772,415	10,271,379
<b>19 INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
Available for sale financial assets				
Dividend income	-	24	2,634,794	24
Gain on sale of available for sale investments	-	-	-	-
	-	24	2,634,794	24
<b>Income from debt securities</b>				
Held to maturity				
Return on debt securities	38,667	(265,737)	38,667	306,410
Return on bank deposits	-	36,503	-	90,011
	38,667	(229,234)	38,667	396,421
Less: Investment related expenses	-	-	-	-
Investment income	38,667	(229,210)	2,673,461	396,445

**Crescent Star Insurance Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)**  
**For the period ended June 30, 2019.**

	Quarter ended		Half year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
<b>20 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit after tax for the period	<u>3,398,674</u>	<u>(63,743,381)</u>	<u>8,332,249</u>	<u>(95,289,989)</u>
	----- Number -----			
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>	<u>103,549,454</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>0.03</u>	<u>(0.59)</u>	<u>0.08</u>	<u>(0.92)</u>

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

**21 TRANSACTIONS WITH RELATED PARTIES**

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 unconsolidated financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	Half year ended 2019 (Un-audited) ----- (Rupees) -----	Half year ended 2018 (Un-audited) ----- (Rupees) -----
<b>21.1 Dost Steels Limited</b>		
Markup on advance given	26,938,054	17,453,678
<b>Remuneration to Key Management Personnel</b>	10,329,000	12,370,080
<b>Staff retirement benefits</b>		
Provident fund contribution	874,596	1,063,610
Markup on outstanding balance of provident fund	271,722	-

22 SEGMENT INFORMATION

For the six months period ended June 30, 2019

	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Food	Technologies	Luxury	Aggregate
(Rupees)											
<b>Current period</b>											
Gross written premium (inclusive of administrative surcharges)	2,572,543	3,132,410	29,221,122	-	17,063,292	1,636,769	53,626,136	-	-	-	53,626,136
Insurance premium earned	3,096,907	3,835,998	23,590,918	610,801	16,170,638	3,813,015	51,118,277	-	-	-	51,118,277
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net insurance premium	3,096,907	3,835,998	23,590,918	610,801	16,170,639	3,813,015	51,118,277	-	-	-	51,118,277
Commission income	-	-	-	-	-	-	-	-	-	-	-
<b>Net underwriting income</b>	<b>3,096,907</b>	<b>3,835,998</b>	<b>23,590,918</b>	<b>610,801</b>	<b>16,170,639</b>	<b>3,813,015</b>	<b>51,118,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,118,277</b>
Insurance claims	(891,901)	(332,000)	(6,781,455)	(136,259)	(2,338,856)	(365,572)	(10,846,043)	-	-	-	(10,846,043)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	(891,901)	(332,000)	(6,781,455)	(136,259)	(2,338,856)	(365,572)	(10,846,043)	-	-	-	(10,846,043)
Commission expense	(401,968)	(859,556)	(2,270,866)	(30,540)	(1,709,710)	(499,775)	(5,772,415)	-	-	-	(5,772,415)
Management expense	(1,116,304)	(1,345,494)	(12,813,021)	-	(702,735)	(7,169,382)	(23,146,936)	-	-	-	(23,146,936)
Premium deficiency reversal / (expense)	-	(181,129)	-	-	-	-	(181,129)	-	-	-	(181,129)
<b>Net insurance claims and expenses</b>	<b>(2,410,173)</b>	<b>(2,718,179)</b>	<b>(21,865,342)</b>	<b>(166,799)</b>	<b>(4,751,301)</b>	<b>(8,034,729)</b>	<b>(39,946,523)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,946,523)</b>
<b>Underwriting results</b>	<b>686,734</b>	<b>1,117,819</b>	<b>1,725,576</b>	<b>444,002</b>	<b>11,419,338</b>	<b>(4,221,714)</b>	<b>11,171,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,171,754</b>
Sales	-	-	-	-	-	-	-	-	-	1,549,000	1,549,000
Cost of sales	-	-	-	-	-	-	-	-	-	(2,498,950)	(2,498,950)
Net investment income	-	-	-	-	-	-	2,673,461	-	-	-	2,673,461
Other income	-	-	-	-	-	-	29,468,678	-	-	-	29,468,678
Other expenses	-	-	-	-	-	-	(22,695,592)	(7,064,224)	(27,593)	(3,955,096)	(33,742,505)
<b>Result of operating activities</b>							<b>20,618,301</b>	<b>(7,064,224)</b>	<b>(27,593)</b>	<b>(4,905,046)</b>	<b>8,621,438</b>
Finance costs	-	-	-	-	-	-	(398,138)	-	-	-	(398,138)
<b>Profit before tax for the period</b>							<b>20,220,163</b>	<b>(7,064,224)</b>	<b>(27,593)</b>	<b>(4,905,046)</b>	<b>8,223,300</b>

For the six months period ended June 30, 2018

	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Food	Technologies	Luxury	Aggregate
(Rupees)											
<b>Prior period</b>											
Gross written premium (inclusive of administrative surcharges)	5,119,520	8,111,557	40,546,816	-	9,261,729	8,373,323	71,412,945	-	-	-	71,412,945
Insurance premium earned	5,447,170	5,793,499	32,440,035	1,263,435	11,452,473	7,913,705	64,310,317	-	-	-	64,310,317
Insurance premium ceded to reinsurers	(3,101,739)	(2,105,137)	(2,290,239)	-	(2,737,859)	(2,162,084)	(12,397,058)	-	-	-	(12,397,058)
Net insurance premium	2,345,431	3,688,362	30,149,796	1,263,435	8,714,614	5,751,621	51,913,259	-	-	-	51,913,259
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	2,345,431	3,688,362	30,149,796	1,263,435	8,714,614	5,751,621	51,913,259	-	-	-	51,913,259
Insurance claims	13,491,831	1,145,067	(14,353,035)	1,558,155	(934,018)	(2,250,864)	(1,342,864)	-	-	-	(1,342,864)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	13,491,831	1,145,067	(14,353,035)	1,558,155	(934,018)	(2,250,864)	(1,342,864)	-	-	-	(1,342,864)
Commission expense	(1,873,551)	(1,551,065)	(2,679,745)	(63,171)	(1,321,158)	(2,782,689)	(10,271,379)	-	-	-	(10,271,379)
Management expense	(2,250,125)	(3,573,733)	(25,332,372)	-	(3,986,521)	(3,604,623)	(38,747,374)	-	-	-	(38,747,374)
Premium deficiency reversal / (expense)	1,367,890	(54,295)	-	-	-	-	1,313,595	-	-	-	1,313,595
<b>Net insurance claims and expenses</b>	<b>10,736,045</b>	<b>(4,034,026)</b>	<b>(42,365,152)</b>	<b>1,494,984</b>	<b>(6,241,697)</b>	<b>(8,638,176)</b>	<b>(49,048,022)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49,048,022)</b>
<b>Underwriting results</b>	<b>13,081,476</b>	<b>(345,664)</b>	<b>(12,215,356)</b>	<b>2,758,419</b>	<b>2,472,917</b>	<b>(2,886,555)</b>	<b>2,865,237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,865,237</b>
Sales	-	-	-	-	-	-	-	35,186,035	-	2,093,151	37,279,186
Cost of sales	-	-	-	-	-	-	-	(85,288,853)	-	(1,942,918)	(87,231,771)
Net investment income	-	-	-	-	-	-	396,445	-	-	-	396,445
Other income	-	-	-	-	-	-	19,935,327	-	-	-	19,935,327
Other expenses	-	-	-	-	-	-	(30,726,051)	(25,717,747)	(57,254)	(10,505,309)	(67,006,361)
<b>Result of operating activities</b>							<b>(7,529,042)</b>	<b>(75,820,565)</b>	<b>(57,254)</b>	<b>(10,355,076)</b>	<b>(93,761,937)</b>
Finance costs	-	-	-	-	-	-	(413,147)	-	-	-	(413,147)
<b>Profit before tax for the period</b>							<b>(7,942,189)</b>	<b>(75,820,565)</b>	<b>(57,254)</b>	<b>(10,355,076)</b>	<b>(94,175,084)</b>

**23 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements have been approved by the Board of Directors of the Company and are authorised for issue on August 26, 2019.

**24** Figures in these condensed interim consolidated financial statements have been rounded off to the nearest rupee, unless otherwise stated.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

**HEAD OFFICE**

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CAPITAL BRANCH ISLAMABAD	FLAT # 01, 4TH FLOOR, ARIES TOWER / MARRIYAM HALL, SHAMSABAD, MUREE ROAD, RAWALPINDI.	0312-5595674
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