



Your Security - Our Policy

Quarterly Report September 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 Mr. Shaikh Waqar Ahmed Mr. Rashid Malik
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 nd Floor, Nadir House I. I. Chundrigar Road P.O. BOX No. 4616, Karachi

UNCONSOLIDATED

Financial Statements
for the Period Ended
September 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 period ended September 30, 2019.

General Review

The Net Premium for the nine months is Rs. 74.251 million as compared to Rs. 91.617 million in corresponding period, however the underwriting results for the period is Rs. 20.752 million as compared to Rs. 4.011 million is encouraging and confirm the prudent underwriting policies of the management team. The management of your Company believes in prudent underwriting for profitable business rather than premium based on risk factor being high, and under the current strained business environment the management believes in exercising the best possible policies in the larger interest of the Company on long term. It is also heartening to report profit after tax to Rs. 35.125 million as compared to corresponding period loss of Rs. 11.525 million, resulting EPS for the period September 30, 2019 is reported as Rs. 0.33 compared to Rs. (0.11).

The Company continues to raise its voice on all forums and is determined to fight the WAR against the unlawful practice of Banks and Departments with their practice of ENLISTMENT / BANK LIMITS / DELISTING of Insurance Companies. The practice adopted by each entity is purely against the Insurance Ordinance and Competition Act. With the hard earned support from Insurance Association of Pakistan the Company has the support through letters to Banks / SECP and SBP by the Association. The Company is still hopeful that the concerned institutions will support smaller companies for fair competition and assist Insurance penetration of Pakistan to increase from current 0.80 of the GDP to around 4.0 of GDP in neighboring country and much higher in other world economies. Your Company is proud to be one of the oldest Insurance Companies of Pakistan and being fully compliant has all the ability to expand and compete with the support of the system developing for fair competition with regards to policies of transparency from Banks which your Company is vocal for the cause and making all efforts for a success.

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

Performance Highlights

The comparative financial highlights for the period ended 30 September 2019 and 2018 are presented below:-

Rupees in millions (except for EPS)	30 September	30 September	Increase / (Decrease)	
	2019	2018	Amount	%
Gross written premium	74.251	91.617	(17.366)	(19)
Net premium	74.905	81.588	(6.683)	(8)
Profit / (loss) before tax	36.248	(10.505)	46.753	445
Profit / (loss) after tax	35.125	(11.525)	46.650	405
Total assets	1,223.975	1,179.593	44.382	4
Paid-up capital	1,076.950	1,076.950	-	-
Earnings per share (EPS)	0.33	(0.11)	0.440	400

Future Outlook

Your Company is looking forward to the positive outcome of the merger, of our subsidiary Crescent Star Foods (Private) Limited, with and into PICIC Insurance Limited, which will lead to the opening of the larger strategy of the group and unfold the plans leading a long term business plan. Your Company expects positive support once the merger takes place in the near future.

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: October 28, 2019

ممبران کے لئے اختصاری عبوری غیر اشتمال مالیاتی معلومات پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم غیر آڈٹ شدہ اختصاری عبوری غیر اشتمال مالیاتی گوشوارے برائے مختتمہ مدت 30 ستمبر 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

عمومی جائزہ

نوامی مدت کا خالص پربیم 74.251 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 91.617 ملین روپے تھا، تاہم ذمہ نویسی کے نتائج حوصلہ افزا رہے جو کہ گزشتہ سال کے 4.011 ملین روپے کے مقابلہ میں اس مدت میں بڑھ کر 20.752 ملین روپے ہو گئے اور جس سے انتظامیہ کی ذمہ نویسیوں سے متعلق محتاط پالیسیوں کی تصدیق ہوتی ہے۔ آپ کی کمپنی کی انتظامیہ پربیم کی بنیاد پر خطرات سے بھرپور کاروبار کے بجائے محتاط ذمہ نویسی کی بنیاد پر منافع بخش کاروبار اختیار کرنے پر یقین رکھتی ہے اور موجودہ ایتر کاروباری ماحول میں طویل مدتی بنیاد پر بہترین ممکنہ پالیسیوں کو کمپنی کے وسیع مفاد میں جاری رکھنے پر یقین رکھتی ہے۔ یہ بات بھی انتہائی خوش کن ہے کہ کمپنی کا بعد از ٹیکس منافع 35.125 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں نقصان 11.525 ملین روپے تھا جس کے نتیجے میں مدت مختتمہ 30 ستمبر 2019 کی EPS 0.33 روپے رہی جبکہ گزشتہ مدت میں (0.11) روپے تھی۔

کمپنی تسلسل کے ساتھ تمام فورمز پر اپنی آواز اٹھا رہی ہے اور بینکوں اور ڈپازٹمنٹ میں رائج کئے گئے ان لسمٹ / بینک لمٹس / ڈی لسننگ کے غیر قانونی طور طریقوں کے خلاف لڑنے کا مصمم ارادہ رکھتی ہے۔ ہر ادارے کی اختیار کردہ پالیسی خالصتاً انشورنس آرڈیننس اور کمپنیشن ایکٹ کے خلاف ہے۔ انشورنس ایسوسی ایشن آف پاکستان کی طرف سے بہت مشکلات کے بعد حاصل کردہ تعاون کے تحت بینکوں / SBP / SECP کو ایسوسی ایشن کی طرف سے خط لکھے گئے۔ کمپنی ابھی بھی پرامید ہے کہ متعلقہ ادارے چھوٹی کمپنیوں کے ساتھ تعاون کرتے ہوئے انہیں شفاف مسابقت فراہم کریں گے اور انشورنس کو پاکستان میں قدم جمائے میں مدد کریں گے تاکہ پڑوسی ممالک کی طرح GDP میں اس کا حصہ 0.80 سے بڑھ کر 4.0 یا اس سے زیادہ ہو جائے جیسا کہ دنیا کی دیگر معیشتوں میں ہے۔ آپ کی کمپنی فخریہ طور پر پاکستان کی ایک قدیم ترین کمپنی ہے اور بینکوں کی پالیسیوں میں شفافیت کے لئے ایسے نظام کو ترویج کرنا چاہتی ہے سے میں شفاف مسابقت کو تائید حاصل ہو، کمپنی اس مقصد کے لئے پرعزم ہے اور کامیابی کے حصول کے لئے تمام کوششیں بروئے کار لارہی ہے۔

اس کے ساتھ کمپنی توقع کرتی ہے کہ بنیادی کاروباری میں انفرادی مصنوعات کی آن لائن فروخت سے نمو ہوگی۔

کارکردگی کی جھلکیاں

30 ستمبر 2019 اور 2018 کی مقابلہ مالیاتی جھلکیاں مختصراً درج ذیل ہیں:

روپے ملین میں (سوائے EPS کے)		اضافہ/کمی	
30 ستمبر 2019	30 ستمبر 2018	رقم	فیصد
74.251	91.617	(17.366)	(19)
خام تحریری پربیم			

خالص پریمیم	74.905	81.588	(6.683)	(8)
منافع/خسارہ (قبل از ٹیکس)	36.248	(10.505)	46.753	445
منافع/خسارہ بعد از ٹیکس	35.125	(11.525)	46.650	405
کل اثاثے	1,223.975	1,179.593	44.382	4
اداشدہ سرمایہ	1,076.950	1,076.950	-	-
فی حصص آمدن (EPS)	0.33	(0.11)	0.440	400

مستقبل کی پیش بینی

آگے کی جانب آپ کی کمپنی الحاق کے مثبت نتائج دیکھ رہی جس میں ذیلی کمپنی کریسٹل اسٹار فوڈز (پرائیویٹ) لمیٹڈ، PICIC انشورنس کمپنی کے ساتھ اور اس میں ضم ہو جائے گی جس کے نتیجے میں گروپ کی وسیع حکمت عملی سامنے آئے گی اور طویل مدتی کاروبار منصوبے مکشف ہوں گے۔ آپ کی کمپنی مستقبل قریب میں انضمام کے بعد اس سے مثبت نتائج حاصل ہوں گے۔

اعتراف

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

نعیم انور
مینجنگ ڈائریکٹر اینڈ سی ای او

تنویر احمد
ڈائریکٹر

کراچی: 28 اکتوبر 2019

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

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		------(Rupees)-----	
ASSETS	Note		
Property and equipment	7	17,079,312	19,781,655
Intangible assets	8	473,043	1,571,970
Investments in subsidiaries	9	150,019,600	150,019,600
Investments	10		
Equity securities		16,512,466	15,558,992
Loans and other receivables	11	800,352,908	754,322,286
Insurance / reinsurance receivable			
Premium due but unpaid	12	149,965,109	153,519,309
Amounts due from other insurers / reinsurers		1,358,974	-
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Deferred commission expense		6,177,534	6,293,238
Prepayments		1,716,777	2,792,024
Cash and bank	13	77,723,866	73,138,810
Total assets		1,223,974,791	1,179,593,086
EQUITY AND LIABILITIES			
Capital and reserves attributable to			
Company's equity holders			
Ordinary share capital		1,076,950,410	1,076,950,410
Discount on issue of right shares		(199,650,000)	(199,650,000)
Reserves	14	82,298,719	49,856,855
Total equity		959,599,129	927,157,265
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		62,292,693	60,680,433
Unearned premium reserves		47,567,858	48,328,460
Premium deficiency reserves		181,129	-
Borrowings		4,712,021	6,427,350
Premium received in advance		2,630,267	1,793,455
Other creditors and accruals	15	142,470,301	131,647,209
Unclaimed dividend		418,209	418,209
Taxation - provision less payments		4,103,184	3,140,705
Total liabilities		264,375,662	252,435,821
Total equity and liabilities		1,223,974,791	1,179,593,086
Contingencies and commitments	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 September 30, 2019

	Note	Quarter ended		Nine Months Period Ended	
		September 30,	September 30,	September 30,	September 30,
		2019	2018	2019	2018
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Net insurance premium	17	23,786,560	29,675,133	74,904,837	81,588,392
Net insurance claims	18	(1,987,817)	(3,624,912)	(12,833,860)	(4,967,776)
Premium deficiency		-	-	(181,129)	1,313,595
Net commission and other acquisition costs	19	(1,418,193)	(4,697,077)	(7,190,608)	(14,968,456)
Insurance claims and other acquisition expense		(3,406,010)	(8,321,989)	(20,205,597)	(18,622,637)
Management expenses		(10,800,339)	(20,207,407)	(33,947,275)	(58,954,781)
Underwriting results		9,580,211	1,145,737	20,751,965	4,010,974
Investment income	20	1,001,384	23,509	3,674,845	419,954
Other income		16,854,543	10,940,859	46,323,221	30,876,186
Other expenses		(11,263,150)	(14,672,851)	(33,958,742)	(45,398,902)
Results of operating activities		16,172,988	(2,562,746)	36,791,289	(10,091,788)
Finance costs		(145,009)	-	(543,147)	(413,147)
Profit before tax		16,027,979	(2,562,746)	36,248,142	(10,504,935)
Taxation		(356,799)	(370,939)	(1,123,573)	(1,019,855)
Profit after tax		15,671,180	(2,933,685)	35,124,569	(11,524,790)
Other Comprehensive Income / (Loss)					
Unrealized gain on available for sale investments during the period - net of tax		535,533	(304,583)	953,473	(55,247)
Reclassification adjustments relating to available for sale investments - net		(1,001,384)	-	(3,636,178)	-
Other comprehensive income for the period		(465,851)	(304,583)	(2,682,705)	(55,247)
Total comprehensive income for the period		15,205,329	(3,238,268)	32,441,864	(11,580,037)
Earning per share	21	0.15	(0.03)	0.33	(0.11)

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 September 30, 2019

	September 30, 2019	September 30, 2018
Note	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Insurance Premium received	78,641,983	90,460,644
Reinsurance premium paid	(1,465,710)	(610,608)
Claims paid	(11,221,600)	(16,980,422)
Commission paid	(7,074,904)	(13,802,221)
Management expenses paid	(53,692,530)	(51,720,782)
Net cash flow from underwriting activities	5,187,239	7,346,611
(b) Other operating activities		
Income tax paid	(161,094)	(364,503)
Other operating payments	1,640,920	(69,333,191)
Net cash outflow from other operating activities	1,479,826	(69,697,694)
Total cash flow from all operating activities	6,667,065	(62,351,083)
Investment activities		
Profit / return received	38,667	765,706
Dividend received	3,636,178	851
Proceeds from / (payments for) investments	(3,636,178)	76,265,708
Fixed capital expenditure	-	(4,078,960)
Proceeds from sale of property and equipment	137,800	4,782,000
Total cash flow from investing activities	176,467	77,735,305
Financing activities		
Proceeds from issuance for shares	-	104,350
Finance costs paid	(543,147)	1,133,346
Borrowing under Musharaka arrangements obtained - net	(1,715,329)	(413,147)
Total cash from financing activities	(2,258,476)	824,549
Net cash flow from all activities	4,585,056	16,208,771
Cash and cash equivalents at beginning of year	73,138,810	57,570,630
Cash and cash equivalents at end of period	77,723,866	73,779,401
Reconciliation to unconsolidated profit and loss account		
Operating cash flows	6,667,065	(62,351,083)
Depreciation expense	(2,291,470)	(2,761,557)
Amortization expense	(1,098,927)	(1,018,875)
Gain/ (loss) on disposal of property and equipments	(273,073)	1,394,301
Profit on disposal of investments	-	419,954
Dividend income	3,636,178	-
Other investment and other income	38,667	-
Finance costs	(543,147)	(413,147)
Increase in assets other than cash	42,644,444	95,379,710
(Decrease) / increase in liabilities other than borrowings	(12,692,689)	(41,518,742)
Provision for taxation	(962,479)	(655,352)
Profit after taxation for the period	35,124,569	(11,524,791)

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 September 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	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	84,059,628	-	737,507,791
Effect of change in accounting policy net of tax.	-	-	-	-	-	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	84,059,628	2,108,166	739,615,957
Issue of right shares at par	250,117,080	-	-	-	-	-	250,117,080
Profit after tax for the period	-	-	-	-	(11,524,790)	-	(11,524,790)
Other comprehensive income for the period	-	-	-	-	-	(55,247)	(55,247)
Balance as at September 30, 2018 - (Un-audited)	1,076,950,410	(199,650,000)	1,767,568	24,497,265	72,534,838	2,052,919	978,153,000
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	-	-	-	-	35,124,569	-	35,124,569
Other comprehensive income for the period	-	-	-	-	-	(2,682,705)	(2,682,705)
Balance as at September 30, 2019 (Un-audited)	1,076,950,410	(199,650,000)	1,767,568	24,497,265	56,086,789	(52,903)	959,599,129

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 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 nine months period ended September 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.

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

			September 30, 2019 (Un-audited) ----- (Rupees) -----	December 31, 2018 (Audited) -----
7	PROPERTY AND EQUIPMENT	Note		
	Operating assets	7.1	<u>17,079,312</u>	<u>19,781,655</u>
7.1	Operating assets			
	Opening written down value		19,781,655	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		(410,873)	(4,586,228)
	Depreciation for the period / year		(2,291,470)	(3,876,236)
			<u>(2,702,343)</u>	<u>(8,462,464)</u>
			<u>17,079,312</u>	<u>19,781,655</u>
8	INTANGIBLE ASSETS			
	Computer software		1,571,970	3,015,913
	Less: amortizaion for the period / year		(1,098,927)	(1,443,943)
			<u>473,043</u>	<u>1,571,970</u>
9	INVESTMENTS IN SUBSIDIARIES - at cost			
		Holdings		
	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>
10	INVESTMENTS			
	Equity securities	10.1	<u>16,512,466</u>	<u>15,558,992</u>
	Debt securities		-	-
10.1	Equity securities			
	Available-for-sale	10.1.1	<u>16,512,466</u>	<u>15,558,992</u>
10.1.1	Others			
	Listed shares	10.1.1.1	88,535	53,673
	Mutual funds	10.1.1.2	16,423,931	15,505,319
			<u>16,512,466</u>	<u>15,558,992</u>
10.1.1.1	Investment in Dost Steels Limited, a related party represents 7,020 shares (2019: 7,020 shares) having book value of Rs. 32,002 (2018: Rs. 32,002) and market value of Rs. 22,394 (2018: Rs. 45,770) with 0.002% (2018: 0.002%) of total equity of that company.			
10.1.1.2	Securities having book value of Rs. 15.367 million (2018: Rs. 11.731 million) and market value of Rs. 16.001 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.			

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

			September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note		----- (Rupees) -----	
11	LOAN AND OTHER RECEIVABLES			
		Security deposits	5,730,962	5,645,962
		Advance to employees	12,000	265,233
		Advance against expenses	260,000	260,000
	11.1	Accrued interest on advance against issuance of shares	148,614,392	106,348,503
	11.2	Advance against issuance of shares	632,319,881	631,582,849
		Others	13,415,673	10,219,739
			<u>800,352,908</u>	<u>754,322,286</u>
11.1	This represents accrued interest on advances against issue of shares given to Dost Steels Limited (a related party). Movement in advances is as follows:			
	Movement			
		Balance as at beginning of the year	106,348,503	66,582,917
		Income for the period / year	42,265,889	39,765,586
		Balance at the end of the period / year	<u>148,614,392</u>	<u>106,348,503</u>
11.2	This represents advances against issue of shares given to the following related parties:			
	Name of the Company			
	11.2.1	Dost Steels Limited	354,279,066	354,279,066
		Crescent Star Foods (Private) Limited - Subsidiary	200,625,435	200,839,163
		Crescent Star Luxury (Private) Limited - Subsidiary	71,061,644	70,132,883
		Crescent Star Technologies (Private) Limited - Subsidiary	6,353,736	6,331,737
			<u>632,319,881</u>	<u>631,582,849</u>
11.2.1	It carries markup @ 1 year KIBOR plus 3% p.a.			
12	PREMIUMS DUE BUT UNPAID		<u>149,965,109</u>	<u>153,519,309</u>
	It includes amount of Rs. 11,410,788 (2018: Rs. 11,410,788) due from related parties.			
13	CASH AND BANK			
	Cash and other equivalents			
	13.1	Cash with State Bank of Pakistan	72,238,047	72,238,047
		Cash in hand	107,264	89,637
		Policy and revenue stamps	1,330,691	728,028
			<u>73,676,002</u>	<u>73,055,712</u>
	Cash at bank			
		Current accounts	4,347,859	383,092
	13.2	Savings accounts	22,424	22,424
			4,370,283	405,516
		Less: provision against dormant accounts	(322,419)	(322,419)
			<u>4,047,864</u>	<u>83,097</u>
			<u>77,723,866</u>	<u>73,138,809</u>
13.1	This represents deposit with State Bank of Pakistan pursuant to the requirements of clause (a) of sub - section 2 of section 29 of Insurance Ordinance, 2000.			
13.2	These carry mark-up at the rate of 11.25% (2018: 5.5%) per annum.			

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

	September 30, 2019 (Un-audited) ----- (Rupees) -----	December 31, 2018 (Audited) -----
14 RESERVES		
Capital reserves		
Reserve for exceptional losses	1,767,568	1,767,568
Revenue reserves		
General reserve	24,497,265	24,497,265
Unappropriated profit	56,086,789	20,962,220
Surplus on remeasurement of available for sale investments	(52,903)	2,629,802
	<u>82,298,719</u>	<u>49,856,855</u>
15 OTHER CREDITORS AND ACCRUALS		
Federal insurance fees	1,301,670	604,511
Federal excise duty	31,698,544	22,716,366
Margin against performance bonds	1,907,241	3,900,841
Payable to staff provident fund	5,096,916	3,045,546
Withholding tax	55,018,265	51,059,610
Accrued expenses	23,387,436	25,187,989
Unpresented cheques	1,049,968	1,140,419
Others	23,010,261	23,991,927
	<u>142,470,301</u>	<u>131,647,209</u>
16 CONTINGENCIES AND COMMITMENTS		
16.1 CONTINGENCIES		
The status of contingencies remain unchanged as disclosed in the annual unconsolidated financial statements as of December 31, 2018.		
	September 30, 2019 (Un-audited) ----- (Rupees) -----	December 31, 2018 (Audited) -----
16.2 COMMITMENTS		
Post dated cheques	<u>4,712,021</u>	<u>6,427,350</u>

	Quarter ended		Nine months period ended	
	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
	----- (Rupees) -----			
17 NET INSURANCE PREMIUM				
Gross written premium	20,624,835	20,204,271	74,250,971	91,617,216
Add : Unearned contribution reserve opening	50,836,319	-	48,328,460	55,822,934
Less: Unearned contribution reserve closing	(47,567,858)	14,370,542	(47,567,858)	(48,555,020)
Premium earned	23,893,296	34,574,813	75,011,573	98,885,130
Less: Reinsurance premium ceded	106,736	-	106,736	12,166,020
Add: prepaid reinsurance premium ceded opening	-	-	-	10,842,633
Less: prepaid reinsurance premium ceded closing	-	4,899,680	-	(5,711,915)
Reinsurance expense	106,736	4,899,680	106,736	17,296,738
	23,786,560	29,675,133	74,904,837	81,588,392
18 NET INSURANCE CLAIMS EXPENSE				
Claim paid	620,276	3,236,746	11,221,600	16,980,422
Add : Outstanding claims including IBNR closing	(60,925,152)	388,166	62,292,693	54,409,389
Less: Outstanding claims including IBNR opening	62,292,693	-	(60,680,433)	(66,422,035)
Claims expense	1,987,817	(3,624,912)	12,833,860	(4,967,776)
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	-	-	-	-
	1,987,817	(3,624,912)	12,833,860	(4,967,776)
19 NET COMMISSION EXPENSE				
Commission paid or payable	1,099,327	2,667,902	7,074,904	13,802,111
Add : Deferred commission expense opening	6,496,400	-	6,293,238	6,807,589
Less: Deferred commission expense closing	(6,177,534)	2,029,175	(6,177,534)	(5,641,354)
Net commission expense	1,418,193	4,697,077	7,190,608	14,968,346
20 INVESTMENT INCOME				
Income from equity securities				
Available for sale financial assets				
Dividend income	1,001,384	827	3,636,178	851
Gain on sale of available for sale investments	-	-	-	-
	1,001,384	827	3,636,178	851
Income from debt securities				
Held to maturity				
Return on debt securities	-	-	-	306,410
Return on bank deposits	-	22,682	38,667	112,693
	-	22,682	38,667	419,103
	1,001,384	23,509	3,674,845	419,954
Less: Investment related expenses	-	-	-	-
Investment income	1,001,384	23,509	3,674,845	419,954

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

	Quarter ended		Nine months period ended	
	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2018 (Un-audited)	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2018 (Un-audited)
21 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	<u>15,671,180</u>	<u>(2,933,685)</u>	<u>35,124,569</u>	<u>(11,524,790)</u>
	----- Number -----			
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>	<u>104,946,502</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>0.15</u>	<u>(0.03)</u>	<u>0.33</u>	<u>(0.11)</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:

	Nine months period ended 2019 (Un-audited) ----- (Rupees) -----	Nine months period ended 2018 (Un-audited)
22.1 Subsidiary Companies		
Crescent Star Foods (Private) Limited		
Advance against issuance of shares	(213,728)	54,793,655
Crescent Star Luxury (Private) Limited		
Advance against issuance of shares	928,761	12,830,350
Crescent Star Technologies (Private) Limited		
Advance against issuance of shares	21,999	105,210
22.2 Dost Steels Limited		
Markup on advance given	42,265,889	27,637,552
Remuneration to Key Management Personnel	15,493,500	16,756,200
Staff retirement benefits		
Provident fund contribution	1,328,244	1,920,837
Markup on outstanding balance of provident fund	459,576	-

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 October 28, 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
September 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 period ended September 30, 2019.

The condensed interim consolidated financial information reflects Rs. 0.21 (September 30, 2018: Rs. (1.23)) earnings per share for the period under review.

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

	September 30, 2019	September 30, 2018
	----- Rupees -----	
Profit / (loss) before tax	23,215,419	(127,141,836)
Provision for taxation	(258,224)	(1,613,474)
Profit / (loss) after tax	22,957,195	(128,755,310)
Profit / (loss) attributable to non-controlling interest	(3,102,564)	(50,785,140)
Profit / (loss) attributable to ordinary shareholders	26,059,759	(77,970,170)
Loss per share	0.21	(1.23)

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: October 28, 2019

اشتمال شدہ مالیاتی گوشواں پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں کریڈٹ اسٹار انشورنس لمیٹڈ اور ذیلی کمپنیوں کریڈٹ اسٹار گزری (پرائیویٹ) لمیٹڈ، کریڈٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ اور کریڈٹ اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کے مختتمہ مالیاتی گوشوارے برائے نو ماہی مختتمہ مدت 30 ستمبر 2019 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

یہ متوسط معلومات زیر جائزہ مدت کے لئے 0.21 روپے (30 ستمبر 2018 کو) (1.23 روپے) منافع فی حصص ظاہر کیا گیا ہے۔

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

30 ستمبر 2018	30 ستمبر 2019	
----- روپے -----		
(127,141,836)	23,215,419	منافع / (خسارہ) قبل از ٹیکس
(1,613,474)	(258,224)	ٹیکس کے لئے اختصاص
(128,755,310)	22,957,195	منافع / (خسارہ) بعد از ٹیکس
(50,785,140)	(3,102,564)	منافع / (خسارہ) ناقابل گرفت سود سے متعلق
(77,970,170)	26,059,759	منافع / (خسارہ) عمومی حصص یافتگان سے متعلق
(1.23)	0.21	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: 28 اکتوبر، 2019

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

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		------(Rupees)-----	
ASSETS	Note		
Property and equipment	7	202,289,034	215,337,925
Intangible assets	8	47,758,199	50,172,961
Investments	9		
Equity securities		16,512,466	15,558,992
Loans and other receivables	10	553,690,498	509,973,661
Insurance / reinsurance receivable			
Premium due but unpaid	11	149,965,109	153,519,309
Amounts due from other insurers / reinsurers		1,358,974	-
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Deferred commission expense		6,177,534	6,293,238
Stock-in-trade		11,133,168	14,515,761
Prepayments		1,716,777	2,792,024
Cash and bank	12	78,095,124	73,396,297
Total assets		1,071,292,085	1,044,155,370
EQUITY AND LIABILITIES			
Capital and reserves attributable to Holding Company's equity holders			
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	(180,880,758)	(204,257,812)
Attributable to the owners of the Holding Company		696,419,652	673,042,598
Non-controlling interest		(14,499,127)	(11,396,563)
Total shareholders' equity		681,920,525	661,646,035
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		62,292,693	60,680,433
Unearned premium reserves		47,567,858	48,328,460
Premium deficiency reserves		181,129	-
Deferred taxation		4,420,388	4,420,388
Borrowings		4,712,021	6,427,350
Premium received in advance		2,630,267	1,793,455
Other creditors and accruals	14	263,982,132	256,421,822
Unclaimed dividend		418,209	418,209
Taxation - provision less payments		3,166,863	4,019,218
Total liabilities		389,371,560	382,509,335
Total equity and liabilities		1,071,292,085	1,044,155,370
Contingencies and commitments	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 September 30, 2019

	Note	Quarter ended		Nine Months Period Ended	
		September 30,	September 30,	September 30,	September 30,
		2019	2018	2019	2018
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Net insurance premium	16	23,786,560	29,675,133	74,904,837	81,588,392
Net insurance claims	17	(1,987,817)	(3,624,912)	(12,833,860)	(4,967,776)
Premium deficiency		-	-	(181,129)	1,313,595
Net commission and other acquisition costs	18	(1,418,193)	(4,697,077)	(7,190,608)	(14,968,456)
Insurance claims and other acquisition expense		(3,406,010)	(8,321,989)	(20,205,597)	(18,622,637)
Management expenses		(10,800,339)	(20,207,407)	(33,947,275)	(58,954,781)
Underwriting results		9,580,211	1,145,737	20,751,965	4,010,974
Sales		-	10,210,345	1,549,000	47,489,531
Cost of sales		-	(30,442,837)	(2,498,950)	(117,674,608)
Investment income	19	1,001,384	23,509	3,674,845	419,954
Other income		16,854,543	10,940,859	46,323,221	30,876,186
Other expenses		(12,299,010)	(24,844,365)	(46,041,515)	(91,850,726)
Results of operating activities		15,137,128	(32,966,752)	23,758,566	(126,728,689)
Finance costs		(145,009)	-	(543,147)	(413,147)
Profit before tax		14,992,119	(32,966,752)	23,215,419	(127,141,836)
Taxation		(367,173)	(498,569)	(258,224)	(1,613,474)
Profit after tax		14,624,946	(33,465,321)	22,957,195	(128,755,310)
Attributable to:					
Owners of the Holding Company		14,628,085	(4,064,406)	26,059,759	(77,970,170)
Non-controlling interest		(3,139)	(29,400,915)	(3,102,564)	(50,785,140)
		14,624,946	(33,465,321)	22,957,195	(128,755,310)
Other Comprehensive Income / (Loss)					
Unrealized gain on available for sale investments during the period - net of tax		535,533	(304,583)	953,473	(55,247)
Reclassification adjustments relating to available for sale investments - net		(1,001,384)	-	(3,636,178)	-
Other comprehensive income for the period		(465,851)	(304,583)	(2,682,705)	(55,247)
Total comprehensive income for the period		14,159,095	(33,769,904)	20,274,490	(128,810,557)
Earning per share	20	0.14	(0.31)	0.21	(1.23)

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 September 30, 2019

	September 30, 2019	September 30, 2018
Note	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Insurance Premium received	78,641,983	90,460,644
Reinsurance premium paid	(1,465,710)	(610,608)
Claims paid	(11,221,600)	(16,980,422)
Commission paid	(7,074,904)	(13,802,221)
Management expenses paid	(59,167,825)	(42,626,785)
Net cash flow from underwriting activities	(288,056)	16,440,608
(b) Other operating activities		
Proceeds from customers	1,549,000	47,489,531
Payments to suppliers	883,643	(107,627,946)
Income tax paid	(1,110,580)	(869,082)
Other operating payments	3,954,704	(40,768,339)
Net cash outflow from other operating activities	5,276,767	(101,775,836)
Total cash flow from all operating activities	4,988,711	(85,335,228)
Investment activities		
Profit / return received	38,667	765,706
Dividend received	3,636,178	851
Proceeds from / (payments for) investments	(3,636,178)	76,265,707
Fixed capital expenditure	1,792,125	16,149,722
Proceeds from sale of property and equipment	137,800	6,705,640
Total cash flow from investing activities	1,968,592	99,887,626
Financing activities		
Proceeds from issuance for shares	-	104,350
Finance costs paid	(543,147)	1,133,346
Borrowing under Musharaka arrangements obtained - net	(1,715,329)	(413,147)
Total cash from financing activities	(2,258,476)	824,549
Net cash flow from all activities	4,698,827	15,376,947
Cash and cash equivalents at beginning of year	73,396,297	69,291,048
Cash and cash equivalents at end of period	78,095,124	84,667,995
Reconciliation to unconsolidated profit and loss account		
Operating cash flows	4,988,711	(85,335,228)
Depreciation expense	(10,845,893)	(13,185,951)
Amortization expense	(2,414,762)	(3,009,280)
Gain/ (loss) on disposal of property and equipments	(273,073)	1,394,301
Profit on disposal of investments	-	419,954
Dividend income	3,636,178	-
Other investment and other income	38,667	-
Finance costs	(543,147)	(413,147)
Increase in assets other than cash	36,948,067	56,768,196
(Decrease) / increase in liabilities other than borrowings	(9,429,909)	(84,649,763)
Provision for taxation	852,356	(744,392)
Profit after taxation for the period	22,957,195	(128,755,310)

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 September 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)
Shares disposed by holding company	-	-	-	-	-	-	-	64,999,970	64,999,970
Total comprehensive loss for the period	-	-	-	-	(77,970,170)	(55,247)	(78,025,417)	(50,785,140)	(128,810,557)
Balance as at September 30, 2018	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(170,694,516)	2,052,919	734,923,646	(2,727,571)	732,196,075
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	-	-	-	-	26,059,759	(2,682,705)	23,377,054	(3,102,564)	20,274,490
Balance as at September 30, 2019	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(207,092,688)	(52,903)	696,419,652	(14,499,127)	681,920,525

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 nine months period ended September 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.

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

		September 30, 2019 (Un-audited) ----- (Rupees) -----	December 31, 2018 (Audited) -----
7	PROPERTY AND EQUIPMENT		
	Operating assets at net book value - Owned	7.1 150,406,438	160,503,807
	Operating assets at net book value - Leased	7.2 6,569,925	7,729,322
	Capital work-in-progress	45,312,671	47,104,796
		202,289,034	215,337,925
7.1	Operating assets		
	Opening written down value	160,503,807	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	(410,873)	(5,311,339)
	Depreciation for the period / year	(9,686,496)	(17,631,772)
		(10,097,369)	(22,943,111)
		150,406,438	160,503,807
7.2	Operating assets - Leased		
	Opening written down value	7,729,322	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	(1,159,397)	(1,198,529)
	Depreciation for the period / year	(1,159,397)	(1,748,232)
		(2,946,761)	(2,946,761)
		6,569,925	7,729,322
8	INTANGIBLE ASSETS		
	Goodwill at acquisition	28,742,849	28,742,849
	Franchise	15,845,475	17,424,573
	Computer software	3,169,875	4,005,539
		47,758,199	50,172,961
9	INVESTMENTS		
	Equity securities	9.1 16,512,466	15,558,992
	Debt securities	-	-
9.1	Equity securities		
	Available-for-sale	9.1.1 16,512,466	15,558,992
9.1.1	Others		
	Listed shares	9.1.1.1 88,535	53,673
	Mutual funds	9.1.1.2 16,423,931	15,505,319
		16,512,466	15,558,992
9.1.1.1	Investment in Dost Steels Limited, a related party represents 7,020 shares (2019: 7,020 shares) having book value of Rs. 32,002 (2018: Rs. 32,002) and market value of Rs. 22,394 (2018: Rs. 45,770) with 0.002% (2018: 0.002%) of total equity of that company.		
9.1.1.2	Securities having book value of Rs. 15.367 million (2018: Rs. 11.731 million) and market value of Rs. 16.001 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.		

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

			September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note		----- (Rupees) -----	
10	LOAN AND OTHER RECEIVABLES			
		Deposits	17,561,638	16,566,169
		Advance to employees	12,000	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	10.1 148,614,392	106,348,503
		Advance against issuance of shares	10.2 354,279,066	354,279,066
		Others	22,940,810	16,831,140
			<u>553,690,498</u>	<u>509,973,661</u>
10.1	This represents accrued interest on advances against issue of shares given to Dost Steels Limited (a related party). Movement in advances is as follows:			
	Movement			
		Balance as at beginning of the year	106,348,503	66,582,917
		Income for the period / year	42,265,889	39,765,586
		Balance at the end of the period / year	<u>148,614,392</u>	<u>106,348,503</u>
10.2	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.			
11	PREMIUMS DUE BUT UNPAID		<u>149,965,109</u>	<u>153,519,309</u>
	It includes amount of Rs. 11,410,788 (2018: Rs. 11,410,788) due from related parties.			
12	CASH AND BANK			
		Cash and other equivalents		
		Cash with State Bank of Pakistan	12.1 72,238,047	72,238,047
		Cash in hand	456,272	231,987
		Policy and revenue stamps	1,330,691	728,028
			<u>74,025,010</u>	<u>73,198,062</u>
		Cash at bank		
		Current accounts	4,370,109	498,230
		Savings accounts	12.2 22,424	22,424
			4,392,533	520,654
		Less: provision against dormant accounts	(322,419)	(322,419)
			<u>4,070,114</u>	<u>198,235</u>
			<u>78,095,124</u>	<u>73,396,297</u>
12.1	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.			
12.2	These carry mark-up at the rate of 11.25% (2018: 5.5%) per annum.			

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

	September 30, 2019 (Un-audited) ----- (Rupees) -----	December 31, 2018 (Audited) -----
13 RESERVES		
Capital reserves		
Reserve for exceptional losses	1,767,568	1,767,568
Revenue reserves		
General reserve	24,497,265	24,497,265
Unappropriated profit	(207,092,688)	20,962,220
Surplus on remeasurement of available for sale investments	(52,903)	2,629,802
	<u>(180,880,758)</u>	<u>49,856,855</u>
14 OTHER CREDITORS AND ACCRUALS		
Trade and related payables	48,041,005	49,784,744
Federal insurance fees	1,301,670	604,511
Federal excise duty	31,698,544	22,716,366
Margin against performance bonds	1,907,241	3,900,841
Payable to staff provident fund	5,096,916	3,045,546
Withholding tax	55,025,765	68,544,628
Accrued expenses	23,515,096	69,264,643
Unpresented cheques	4,712,021	4,928,142
Others	92,683,874	33,632,401
	<u>263,982,132</u>	<u>256,421,822</u>
15 CONTINGENCIES AND COMMITMENTS		
15.1 CONTINGENCIES		
The status of contingencies remain unchanged as disclosed in the annual consolidated financial statements as of December 31, 2018.		
	September 30, 2019 (Un-audited) ----- (Rupees) -----	December 31, 2018 (Audited) -----
15.2 COMMITMENTS		
Post dated cheques	<u>4,712,021</u>	<u>6,427,350</u>

	Quarter ended		Nine months period ended	
	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
	----- (Rupees) -----			
16 NET INSURANCE PREMIUM				
Gross written premium	20,624,835	20,204,271	74,250,971	91,617,216
Add : Unearned contribution reserve opening	50,836,319	-	48,328,460	55,822,934
Less: Unearned contribution reserve closing	(47,567,858)	14,370,542	(47,567,858)	(48,555,020)
Premium earned	23,893,296	34,574,813	75,011,573	98,885,130
Less: Reinsurance premium ceded	106,736	-	106,736	12,166,020
Add: prepaid reinsurance premium ceded opening	-	-	-	10,842,633
Less: prepaid reinsurance premium ceded closing	-	4,899,680	-	(5,711,915)
Reinsurance expense	106,736	4,899,680	106,736	17,296,738
	23,786,560	29,675,133	74,904,837	81,588,392
17 NET INSURANCE CLAIMS EXPENSE				
Claim paid	620,276	3,236,746	11,221,600	16,980,422
Add : Outstanding claims including IBNR closing	(60,925,152)	388,166	62,292,693	54,409,389
Less: Outstanding claims including IBNR opening	62,292,693	-	(60,680,433)	(66,422,035)
Claims expense	1,987,817	(3,624,912)	12,833,860	(4,967,776)
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	-	-	-	-
	1,987,817	(3,624,912)	12,833,860	(4,967,776)
18 NET COMMISSION EXPENSE				
Commission paid or payable	1,099,327	2,667,902	7,074,904	13,802,111
Add : Deferred commission expense opening	6,496,400	-	6,293,238	6,807,589
Less: Deferred commission expense closing	(6,177,534)	2,029,175	(6,177,534)	(5,641,354)
Net commission expense	1,418,193	4,697,077	7,190,608	14,968,346
19 INVESTMENT INCOME				
Income from equity securities				
Available for sale financial assets				
Dividend income	1,001,384	827	3,636,178	851
Gain on sale of available for sale investments	-	-	-	-
	1,001,384	827	3,636,178	851
Income from debt securities				
Held to maturity				
Return on debt securities	-	-	-	306,410
Return on bank deposits	-	22,682	38,667	112,693
	-	22,682	38,667	419,103
	1,001,384	23,509	3,674,845	419,954
Less: Investment related expenses	-	-	-	-
Investment income	1,001,384	23,509	3,674,845	419,954

	Quarter ended		Nine months period ended	
	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2018 (Un-audited)	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2018 (Un-audited)
20 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	<u>14,624,946</u>	<u>(33,465,321)</u>	<u>22,957,195</u>	<u>(128,755,310)</u>
	----- Number -----			
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>	<u>104,946,502</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>0.14</u>	<u>(0.31)</u>	<u>0.21</u>	<u>(1.23)</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 investments in associates, are disclosed in relevant notes to these consolidated financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

	Nine months period ended 2019 (Un-audited) ----- (Rupees) -----	Nine months period ended 2018 (Un-audited)
21.1 Dost Steels Limited		
Markup on advance given	42,265,889	27,637,552
Remuneration to Key Management Personnel	15,493,500	16,756,200
Staff retirement benefits		
Provident fund contribution	1,328,244	1,920,837
Markup on outstanding balance of provident fund	459,576	-

	For the nine months period ended September 30, 2018										
Prior period	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Food	Technologies	Luxury	Aggregate
	(Rupees)										
Gross	6,566,867	8,477,421	47,378,787	-	17,362,736	11,831,405	91,617,216	-	-	-	91,617,216
Insurance premium earned	8,544,380	11,624,418	47,847,078	1,418,188	17,320,184	12,130,252	98,885,130	-	-	-	98,885,130
Insurance premium ceded to reinsurers	(4,295,328)	(2,636,080)	(3,046,672)	-	(4,206,589)	(3,092,069)	(17,296,738)	-	-	-	(17,296,738)
Net insurance premium	4,249,052	8,968,338	44,800,406	1,418,188	13,114,225	9,038,183	81,588,392	-	-	-	81,588,392
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	4,249,052	8,968,338	44,800,406	1,418,188	13,114,225	9,038,183	81,588,392	-	-	-	81,588,392
Insurance claims	13,471,831	1,115,067	(17,731,567)	1,309,515	(934,018)	(2,198,604)	(4,967,776)	-	-	-	(4,967,776)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	13,471,831	1,115,067	(17,731,567)	1,309,515	(934,018)	(2,198,604)	(4,967,776)	-	-	-	(4,967,776)
Commission expense	(2,507,019)	(2,794,142)	(3,915,561)	(70,909)	(2,141,605)	(3,539,220)	(14,968,456)	-	-	-	(14,968,456)
Management expense	(3,452,250)	(4,440,705)	(35,988,726)	-	(8,944,375)	(6,128,525)	(58,954,781)	-	-	-	(58,954,781)
Premium deficiency reversal / (expense)	1,367,890	(54,295)	-	-	-	-	1,313,595	-	-	-	1,313,595
Net insurance claims and expenses	8,880,452	(6,174,075)	(57,635,854)	1,238,606	(12,020,198)	(11,866,349)	(77,577,418)	-	-	-	(77,577,418)
Underwriting results	13,129,504	2,794,263	(12,835,448)	2,656,794	1,094,027	(2,828,166)	4,010,974	-	-	-	4,010,974
Sales	-	-	-	-	-	-	-	44,775,916	-	2,713,615	47,489,531
Cost of sales	-	-	-	-	-	-	-	(115,380,219)	-	(2,294,389)	(117,674,608)
Net investment income	-	-	-	-	-	-	-	419,954	-	-	419,954
Other income	-	-	-	-	-	-	-	30,876,186	-	-	30,876,186
Other expenses	-	-	-	-	-	-	-	(45,398,902)	(30,318,583)	(81,045)	(91,850,726)
Result of operating activities	-	-	-	-	-	-	(10,091,788)	#####	(81,045)	(15,632,970)	(126,728,689)
Finance costs	-	-	-	-	-	-	(413,147)	-	-	-	(413,147)
Profit before tax for the period	-	-	-	-	-	-	(10,504,935)	#####	(81,045)	(15,632,970)	(127,141,836)

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 October 28, 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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U.A.N.: 111-274-000 PHONES: 32415471-3 FAX (92-21) 32415474

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CENTRAL CORPORATE	2ND 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	FLAT # 01, 4TH FLOOR, ARIES TOWER / MARRIYAM HALL, SHAMSABAD, MUREE ROAD, RAWALPINDI.	0312-5595674
FAISALABAD	MEZZANINE FLOOR MZ-7, 22 & 23, PEARL CITY TOWERS MANAGEMENT, SARGODHA ROAD, FAISALABAD.	0321-9666100
MULTAN	TRUST PLAZA, ROOM NO. 9, 3RD FLOOR OPP TELEPHONE EXCHANGE LMQ ROAD, MULTAN.	-
SIALKOT	2ND FLOOR BANKS ISLAMIC BUILDING OPPOSITE SAIN MANA DARABAR KASHMIR ROAD SIALKOT.	(052) 4290275-76



Crescent Star Insurance Limited

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