



Your Security - Our Policy

Quarterly Report September 30, 2020 (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) Mr. Tanveer Ahmed Mr. Suhail Elahi Mr. Shaikh Waqar Ahmed Mr. Rashid Malik Ms. Naveeda Mahmud* Ms. Asma Kashif* Mr. Sheikh Shiraz Mubashir*
Chief Executive Officer	Mr. Naim Anwar
Management	Mr. Naim Anwar (Chief Executive Officer) Mr. Tanveer Ahmed (Resident Director) Mr. Suhail Elahi (Resident Director) Mr. Malik Mehdi Muhammad (CFO & Company Secretary) Syed Danish Hasan Rizvi (Head of Internal Audit)
Board Audit Committee	Mr. Shaikh Waqar Ahmed (Chairman) Mr. Rashid Malik Mr. Tanveer Ahmed
Board H.R & Remuneration Committee	Mr. Rashid Malik (Chairman) Mr. Naim Anwar Mr. Shaikh Waqar Ahmed
Board Investment Committee	Mr. Naim Anwar (Chairman) Mr. Shaikh Waqar Ahmed Mr. Rashid Malik
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. Chundrighar Road P.O. BOX No. 4616, Karachi

*subject to Sound and prudent approval from the SECP.

UNCONSOLIDATED

Financial Statements
for the Period Ended
September 30, 2020

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, 2020.

General Review

The net premium for nine months is Rs. 85.403 million in comparison to Rs. 74.905 million in corresponding period which is equivalent to 14 % increase, although considerable period has been under Covid19 lockdown. The underwriting results are very encouraging as it stands at Rs. 16.509 million opposed to loss of Rs. 10.397 million in the corresponding period (259% increase). The results confirm the prudent underwriting policies and strategy of the management of profitable business opposed to high premium growth. The profit after tax is Rs. 43.183 million compared to Rs. 35.125 million 23% increase, resulting in EPS for the period reported at Rs. 0.40 compared to Rs. 0.33 in the corresponding period.

By the grace of God the Company continues to operate successfully against all odds and non-cooperation of the Banks & Departments violating the Competition Act with continuation of unlawful practice of Banks and Departments towards their policy of ENLISTMENT / BANK LIMITS / DELISTING. The penetration of Insurance in Pakistan is one of the lowest because of the basic issues which Company has been highlighting at all forums including Insurance Association of Pakistan / SECP / State Bank of Pakistan and Competition Commission of Pakistan.

Performance Highlights

The comparative financial highlights for the period ended 30 September 2020 and 2019 are presented below:-

Rupees in millions (except for EPS)	30 September 2020	30 September 2019	Increase / (Decrease)	
			Amount	%
Gross written premium	76.717	74.251	2.466	3
Net premium	85.403	74.905	10.498	14
Profit / (loss) before tax	53.779	36.248	17.531	48
Profit / (loss) after tax	43.183	35.125	8.058	23
Total assets	1,308.969	1,223.975	85.000	7
Paid-up capital	1,076.950	1,076.950	-	-
Earnings per share (EPS)	0.40	0.33	0.07	21

Future Outlook

The Covid situation further delayed the outcome of the merger petition of its subsidiary Crescent Star Foods (Pvt) Ltd with and into Picic Insurance Ltd, however, the management is hopeful of the outcome of the petition in the near future. Your Company expects to benefit from the merger. The Company also continues to be involved with Dost Steels Ltd management and is very hopeful of a positive outcome. Meanwhile the Company's core business of Insurance is expected to grow with prudent policies and maintain the pace.

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 23, 2020

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

میں بورڈ آف ڈائریکٹری کی جانب سے کریڈٹ اسٹار انشورنس لمیٹڈ کے مجموعی مالیاتی گوشوارے برائے سہ ماہی مدت 30 ستمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

عمومی جائزہ

سال کی تیسری سہ ماہی مدت کا مجموعی خام پربیم گزشتہ سال کی نسبت % 14 اضافہ کیا ساتھ 85.403 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال اسی مدت میں 74.905 ملین روپے ریکارڈ ہوا تھا۔ جبکہ رواں سال کا بیشتر حصہ کوویڈ 19 کی وجہ سے لاک ڈاؤن کی زد میں رہا۔ انڈر رائٹنگ کے نتائج بھی بہت حوصلہ افزاء ہیں، جو کہ % 259 اضافہ کیا ساتھ 16.509 ملین روپے ریکارڈ ہوئے جبکہ گزشتہ سال اسی مدت میں منفی 10.397 ملین روپے ریکارڈ ہوئے تھے۔ یہ نتائج بڑے پربیم نمو پر انتظامیہ کی مخالفت کی حکمت عملی، بہترین اوسط انڈر رائٹنگ پالیسیوں کی تصدیق کرتے ہیں۔ منافع بعد از ٹیکس % 23 اضافہ کیا ساتھ 43.183 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال اسی مدت میں 35.125 ملین روپے ریکارڈ ہوا تھا جس کے نتیجے میں فی حصص آمدنی (EPS) 0.40 پیسے رہی جبکہ گزشتہ سال اسی مدت یہ آمدنی 0.33 پیسے ریکارڈ ہوئی تھی۔

خدا کے فضل و کرم سے کمپنی تمام تر مشکلات کے باوجود بھی بک اورڈیپارٹمنٹ کے عدم تعاون، کمیشن ایکٹ کی خلاف ورزی اور بک اورڈیپارٹمنٹس کے انٹرنسٹ / لمٹس کی غیر قانونی پالیسیوں کی خلاف کامیابی کیساتھ کام کر رہی ہے۔ پاکستان میں انشورنس کے مسائل میں سے ایک بنیادی مسئلہ اسکی رسائی ہے جو کہ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، کمیشن کمیشن آف پاکستان سمیت تمام فورمز پر جا کر کر رہی ہے۔

کارکردگی کی جھلکیاں

کمپنی کی مقابلہ مالیاتی جھلکیاں برائے سہ ماہی مدت 30 ستمبر 2019 اور 2020 درج ذیل ہیں:

روپے ملین (ماسوائے EPS)	30 ستمبر 2020	30 ستمبر 2019	رقم	اضافہ / (کمی)
خام پربیم	76.717	74.251	2.466	3%
خالص پربیم	85.403	74.905	10.498	14%
منافع قبل از ٹیکس	53.779	36.248	17.531	48%
منافع بعد از ٹیکس	43.183	35.125	8.058	23%
اداشدہ سرمایہ	1,308.969	1,223.975	85.000	7%
کل اثاثے	1,076.950	1,076.950	-	-
منافع فی حصص	0.40	0.33	0.07	21%

مستقبل کی پیش بینی

کوویڈ کی صورتحال کی وجہ سے کمپنی کے ماتحت ادارہ کریڈٹ اسٹار فوڈز (پرائیوٹ) لمیٹڈ کا پبلک انشورنس لمیٹڈ کیساتھ انضمام کی درخواست میں بھی مزید تاخیر ہوئی ہے تاہم انتظامیہ مستقبل قریب میں اس پیشینہ کے مثبت نتائج کیلئے پرامید ہے۔ آپ کی کمپنی کو اس انضمام کے اس عمل سے فائدہ کی توقع ہے۔ کمپنی دوست اسٹیل لمیٹڈ کی انتظامیہ کیساتھ رابطے میں ہے اور اس سے بھی مثبت نتائج پر پرامید ہے۔ دریں اثنا کمپنی محتاط حکمت عملی کے تحت اپنے بنیادی انشورنس کے کاروبار میں ترقی کرے گی اور اس کو برقرار رکھے گی۔

اعتراف

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

نعیم انور

مینجنگ ڈائریکٹر اینڈ سی ای او

تنویر احمد

ڈائریکٹر

کراچی: 23 اکتوبر 2020

Crescent Star Insurance Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at September 30, 2020

		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Property and equipment	7	15,526,900	16,291,707
Intangible assets	8	32,932	106,735
Investments in subsidiaries	9	150,019,600	150,019,600
Investments			
Equity securities	10	18,357,107	17,141,873
Debt securities		-	-
Loans and other receivables	11	850,137,665	813,608,971
Insurance / reinsurance receivables		183,407,056	168,089,807
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Deferred commission expense / acquisition cost		6,256,637	6,986,821
Deferred taxation		-	-
Prepayments		2,884,254	6,043,657
Cash and bank	12	79,751,613	73,886,978
Total assets		1,308,968,966	1,254,771,351
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	13	139,458,576	96,811,590
Total equity		1,016,758,986	974,112,000
Share deposit money		-	-
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		60,299,442	61,242,125
Unearned premium reserves		44,434,814	53,348,333
Premium deficiency reserves		1,065,175	14,906
Deferred taxation		-	-
Borrowings		3,227,708	5,013,650
Premium received in advance		6,003,176	2,110,755
Insurance / reinsurance payables		-	-
Other creditors and accruals	14	149,947,877	141,881,158
Taxation - provision less payments		27,231,788	17,048,424
Total liabilities		292,209,980	280,659,351
Total equity and liabilities		1,308,968,966	1,254,771,351
Contingencies and commitments	15		

The annexed notes from 1 to 26 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, 2020

	Note	Quarter ended		Nine Months Period Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	16	28,726,799	23,786,560	85,402,742	74,904,837
Net insurance claims	17	(1,338,770)	(1,987,817)	(4,050,143)	(12,833,860)
Premium deficiency		-	-	(1,050,269)	(181,129)
Net commission expense and other acquisition costs	18	(2,205,777)	(1,418,193)	(4,669,256)	(7,190,608)
Insurance claims and acquisition expenses		(3,544,547)	(3,406,010)	(9,769,668)	(20,205,597)
Management expenses		(20,671,859)	(10,800,339)	(59,123,762)	(65,096,555)
Underwriting results		4,510,393	9,580,211	16,509,312	(10,397,315)
Investment income	19	553	1,001,384	2,063,020	3,674,845
Other income		10,545,687	16,854,543	37,248,262	46,323,221
Other expenses		(593,741)	(11,263,150)	(1,548,137)	(2,809,462)
Results of operating activities		14,462,892	16,172,988	54,272,457	36,791,289
Finance costs		(259,682)	(145,009)	(493,650)	(543,147)
Profit / (Loss) before tax		14,203,210	16,027,979	53,778,807	36,248,142
Taxation		(4,319,983)	(356,799)	(10,595,536)	(1,123,573)
Profit / (Loss) after tax		9,883,227	15,671,180	43,183,271	35,124,569
Other Comprehensive Income / (Loss)					
Unrealized gain on available for sale investments during the period - net of deferred tax		415,604	535,533	1,215,232	953,473
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		-	(1,001,384)	(1,751,518)	(3,636,178)
Other comprehensive income/ (loss) for the period		415,604	(465,851)	(536,286)	(2,682,705)
Total comprehensive profit for the period		10,298,831	15,205,329	42,646,985	32,441,864
Earning / (loss) per share	20	0.09	0.15	0.40	0.33

The annexed notes from 1 to 26 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, 2020

	Note	September 30, 2020 ----- (Rupees) -----	September 30, 2019 -----
Operating cash flows			
(a) Underwriting activities			
Insurance Premium received		65,552,244	78,641,983
Reinsurance premium paid		(487,848)	(1,465,710)
Claims paid		(4,992,825)	(11,221,600)
Commission paid		(3,939,072)	(7,074,904)
Commission received		-	-
Management expenses paid		(50,525,339)	(53,692,530)
Net cash flow from underwriting activities		5,607,160	5,187,239
(b) Other operating activities			
Income tax paid		(412,172)	(161,094)
Other operating payments		3,878,973	1,640,920
Net cash outflow from other operating activities		3,466,801	1,479,826
Total cash flow from all operating activities		9,073,961	6,667,065
Investment activities			
Profit / return received		2,410	38,667
Dividend received		2,060,610	3,636,178
Proceeds from investments		(1,751,518)	(3,636,178)
Fixed capital expenditure		(1,241,234)	-
Proceeds from sale of property and equipment		-	137,800
Total cash flow from investing activities		(929,732)	176,467
Financing activities			
Finance costs paid		(493,650)	(543,147)
Borrowing under Musharaka arrangements obtained - net		(1,785,944)	(1,715,329)
Total cash from financing activities		(2,279,594)	(2,258,476)
Net cash flow from all activities		5,864,635	4,585,056
Cash and cash equivalents at beginning of year		73,886,978	73,138,810
Cash and cash equivalents at end of period		79,751,613	77,723,866
Reconciliation to unconsolidated profit and loss account			
Operating cash flows		9,073,961	6,667,065
Depreciation expense		(1,981,040)	(2,291,470)
Amortization expense		(98,802)	(1,098,927)
Gain/ (loss) on disposal of property and equipments		-	(273,073)
Profit on disposal of investments		-	-
Dividend income		2,060,610	3,636,178
Other investment and other income		2,410	38,667
Finance costs		(493,650)	(543,147)
Increase in assets other than cash		47,956,353	42,644,444
(Decrease) / increase in liabilities other than borrowings		(3,153,208)	(12,692,689)
Provision for taxation		(10,183,364)	(962,479)
Profit after taxation for the period		43,183,271	35,124,569

The annexed notes from 1 to 26 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, 2020

	Attributable to equity holder of the Company						
	Share capital	Discount on issue of right shares	Capital reserves	Revenue reserves		Unappropriated profit	Total shareholders equity
			Reserve for exceptional losses	General reserve	Surplus on remeasurement of available for sale investments		
	(Rupees)						
Balance as at January 01, 2019	1,076,950,410	(199,650,000)	1,767,568	24,497,265	2,629,802	20,962,220	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	(52,903)	56,086,789	959,599,129
Balance as at January 01, 2020	1,076,950,410	(199,650,000)	1,767,568	24,497,265	451,170	70,095,587	974,112,000
Profit after tax for the period	-	-	-	-	-	43,183,271	43,183,271
Other comprehensive income for the period	-	-	-	-	(536,286)	-	(536,286)
Balance as at September 30, 2020 (Un-audited)	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(85,116)	113,278,859	1,016,758,986

The annexed notes from 1 to 26 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 Defunct Companies Act, 1913, now the Companies Act, 2017. The Company is listed on the Pakistan Stock Exchange and its registered office is situated at 2nd Floor, Nadir House, I.I. Chundrigar road, Karachi, Pakistan.

The Company is engaged in providing non-life general insurance services mainly in spheres of fire and property damage, marine, aviation and transport, motor, credit and suretyship, accident and health and miscellaneous insurance.

2 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements of the Company for the nine months period ended September 30, 2020 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

- International Accounting Standard 34 - "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Where the provisions of and directives issued under the Companies Act, 2017 differ, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended December 31, 2019

3 STATEMENT OF COMPLIANCE

These condensed interim unconsolidated financial statements of the Company for the nine months period ended September 30, 2020 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 obligations under employee retirement benefits which are measured at present value and 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.

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is also the Company's functional currency.

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, 2019.

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, 2019. 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, 2019.

Crescent Star Insurance Limited
Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the period ended September 30, 2020

			September 30, 2020 (Un-audited) ----- (Rupees) -----	December 31, 2019 (Audited) -----
7	PROPERTY AND EQUIPMENT	Note		
	Operating assets	7.1	<u>15,526,900</u>	<u>16,291,707</u>
7.1	Operating assets			
	Opening written down value		16,291,707	19,781,656
	Add: Additions during the period / year - at cost			
	- Motor vehicles		1,216,233	-
	- Computers and related accessories		-	-
	- Office equipment		-	-
	- Furniture and fixtures		-	-
			<u>1,216,233</u>	<u>-</u>
	Less: Written down value of deletions		-	(436,354)
	Depreciation for the period / year		<u>(1,981,040)</u>	<u>(3,053,595)</u>
			<u>(1,981,040)</u>	<u>(3,489,949)</u>
			<u>15,526,900</u>	<u>16,291,707</u>
8	INTANGIBLE ASSETS			
	Computer software		106,734	1,571,969
	Add: Additions during the period / year - at cost		25,000	-
	Less: Amortizaion for the period / year		<u>(98,802)</u>	<u>(1,465,235)</u>
			<u>32,932</u>	<u>106,734</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>18,357,107</u>	<u>17,141,873</u>
	Debt securities		<u>-</u>	<u>-</u>
10.1	Equity securities			
	Available-for-sale	10.1.1	<u>18,357,107</u>	<u>17,141,873</u>
10.1.1	Others			
	Listed shares		143,558	48,090
	Mutual funds	10.1.1.1	<u>18,213,549</u>	<u>17,093,783</u>
			<u>18,357,107</u>	<u>17,141,873</u>
10.1.1.1	Securities having book value of Rs. 17.244 million (2019: Rs. 15.493 million) and market value of Rs. 17.805 million (2019: Rs. 16.613 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, 2020

		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees) -----	
11	LOAN AND OTHER RECEIVABLES		
Security deposits		4,873,952	5,644,143
Advance to employees		99,500	-
Advance against expenses		260,000	260,000
Accrued interest on advance against issuance of shares	11.1	196,699,320	163,330,338
Advance against issuance of shares	11.2	636,404,804	633,985,971
Others		11,800,089	10,388,519
		<u>850,137,665</u>	<u>813,608,971</u>
11.1	This represents accrued interest on advances against issue of shares, given to Dost Steels Limited. Movement in advances is as follows:		
	Movement		
Balance as at beginning of the year		163,330,338	106,348,503
Income for the period / year		33,368,982	56,981,835
Balance at the end of the period / year		<u>196,699,320</u>	<u>163,330,338</u>
11.2	This represents advances against issue of shares given to the following parties:		
	Name of the Company		
Dost Steels Limited	11.2.1	354,279,066	354,279,066
Crescent Star Foods (Private) Limited - Subsidiary		204,352,904	202,182,957
Crescent Star Luxury (Private) Limited - Subsidiary		71,419,098	71,170,212
Crescent Star Technologies (Private) Limited - Subsidiary		6,353,736	6,353,736
		<u>636,404,804</u>	<u>633,985,971</u>
11.2.1	The Company has made an advance against issuance of shares to Dost Steel limited (DSL), of which an aggregate amount of Rs. 247,995,000 /- and Rs. 57,768,000/- has been assigned to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited respectively under an assignment agreement. No consideration has been received either from Dynasty Trading (Private) Limited or Din Corporation (Private) Limited, therefore these balances are still shown in the title of Dost Steel Limited. These balances carry mark-up at the rate of 1 year KIBOR plus 3% per annum (2019: 1 year KIBOR plus 3%).		
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		99,947	80,036
Policy and revenue stamps		152,867	229,621
		<u>72,490,861</u>	<u>72,547,704</u>
	Cash at bank		
Current accounts		7,583,171	1,639,269
Savings accounts	12.2	-	22,424
		7,583,171	1,661,693
Less: provision against dormant accounts		(322,419)	(322,419)
		<u>7,260,752</u>	<u>1,339,274</u>
		<u>79,751,613</u>	<u>73,886,978</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 9.50% (2019: 10.75%) per annum.		

Crescent Star Insurance Limited
Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the period ended September 30, 2020

	September 30, 2020 (Un-audited) ----- (Rupees) -----	December 31, 2019 (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	113,278,859	70,095,587
Surplus on remeasurement of available for sale investments	(85,116)	451,170
	<u>139,458,576</u>	<u>96,811,590</u>
14 OTHER CREDITORS AND ACCRUALS		
Federal insurance fees	2,354,815	1,678,831
Federal excise duty	45,773,062	37,059,567
Payable to staff provident fund	7,781,054	6,018,538
Withholding tax	60,124,146	56,450,292
Accrued expenses	15,766,357	20,487,819
Unpresented cheques	435,591	657,382
Unclaimed dividend	418,209	418,209
Others	17,294,643	19,110,520
	<u>149,947,877</u>	<u>141,881,158</u>
15 CONTINGENCIES AND COMMITMENTS		
15.1 CONTINGENCIES		
The status of contingencies remain unchanged as disclosed in the annual unconsolidated financial statements as of December 31, 2019.		
	September 30, 2020 (Un-audited) ----- (Rupees) -----	December 31, 2019 (Audited) -----
15.2 COMMITMENTS		
Post dated cheques	<u>1,427,708</u>	<u>3,141,289</u>

Crescent Star Insurance Limited
Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the period ended September 30, 2020

	Quarter ended		Nine months period ended	
	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----
16 NET INSURANCE PREMIUM				
Gross written premium	23,113,415	20,624,835	76,717,122	74,250,971
Add : Unearned contribution reserve opening	50,115,699	50,836,319	53,348,333	48,328,460
Less: Unearned contribution reserve closing	(44,434,814)	(47,567,858)	(44,434,814)	(47,567,858)
Premium earned	<u>28,794,300</u>	<u>23,893,296</u>	<u>85,630,641</u>	<u>75,011,573</u>
Less: Reinsurance premium ceded	-	106,736	-	106,736
Add: prepaid reinsurance premium ceded opening	99,756	-	260,154	-
Less: prepaid reinsurance premium ceded closing	(32,255)	-	(32,255)	-
Reinsurance expense	<u>67,501</u>	<u>106,736</u>	<u>227,899</u>	<u>106,736</u>
	<u>28,726,799</u>	<u>23,786,560</u>	<u>85,402,742</u>	<u>74,904,837</u>
17 NET INSURANCE CLAIMS EXPENSE				
Claim paid	1,377,577	620,276	4,992,825	11,221,600
Add : Outstanding claims including IBNR closing	60,299,442	62,292,693	60,299,442	62,292,693
Less: Outstanding claims including IBNR opening	(60,338,249)	(60,925,152)	(61,242,124)	(60,680,433)
Claims expense	<u>1,338,770</u>	<u>1,987,817</u>	<u>4,050,143</u>	<u>12,833,860</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,338,770</u>	<u>1,987,817</u>	<u>4,050,143</u>	<u>12,833,860</u>
18 NET COMMISSION EXPENSE				
Commission paid or payable	1,606,625	1,099,327	3,939,072	7,074,904
Add : Deferred commission expense opening	6,855,789	6,496,400	6,986,821	6,293,238
Less: Deferred commission expense closing	(6,256,637)	(6,177,534)	(6,256,637)	(6,177,534)
Net commission expense	<u>2,205,777</u>	<u>1,418,193</u>	<u>4,669,256</u>	<u>7,190,608</u>
19 INVESTMENT INCOME				
Income from equity securities				
Available for sale financial assets				
Dividend income	-	1,001,384	2,060,610	3,636,178
Gain on sale of available for sale investments	-	-	-	-
	<u>-</u>	<u>1,001,384</u>	<u>2,060,610</u>	<u>3,636,178</u>
Income from bank balances				
Return on bank balances	553	-	2,410	38,667
	<u>553</u>	<u>-</u>	<u>2,410</u>	<u>38,667</u>
Less: Investment related expenses	-	-	-	-
Investment income	<u>553</u>	<u>1,001,384</u>	<u>2,063,020</u>	<u>3,674,845</u>

	Quarter ended		Nine months period ended	
	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----
20 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	<u>9,883,227</u>	<u>15,671,180</u>	<u>43,183,271</u>	<u>35,124,569</u>
	----- Number -----			
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>
Earnings per share - basic and diluted	<u>0.09</u>	<u>0.15</u>	<u>0.40</u>	<u>0.33</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:

	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----
21.1 Subsidiary Companies		
Crescent Star Foods (Private) Limited		
Advance against issuance of shares	2,169,947	(213,728)
Crescent Star Luxury (Private) Limited		
Advance against issuance of shares	248,886	928,761
21.2 Remuneration to Key Management Personnel	20,845,800	15,493,500
Staff retirement benefits		
Provident fund contribution	980,100	1,328,244
Markup on outstanding balance of provident fund	755,612	459,576

	For the nine months period ended September 30, 2020						
Current period	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total
	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	679,866	3,243,550	16,692,919	-	54,377,565	1,723,222	76,717,122
Insurance premium earned	1,530,001	2,742,572	26,230,029	710,371	51,166,242	3,251,426	85,630,641
Insurance premium ceded to reinsurers	(25,399)	-	(202,500)	-	-	-	(227,899)
Net insurance premium	1,504,602	2,742,572	26,027,529	710,371	51,166,243	3,251,426	85,402,742
Commission income	-	-	-	-	-	-	-
Net underwriting income	1,504,602	2,742,572	26,027,529	710,371	51,166,243	3,251,426	85,402,742
Insurance claims	-	(1,000,000)	(1,797,619)	(742,218)	(500,000)	(10,306)	(4,050,143)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	-	(1,000,000)	(1,797,619)	(742,218)	(500,000)	(10,306)	(4,050,143)
Commission expense	(294,491)	(1,017,239)	(2,130,255)	(35,519)	(829,288)	(362,464)	(4,669,256)
Management expense	(518,563)	(2,454,398)	(13,142,502)	-	(41,694,176)	(1,314,123)	(59,123,762)
Premium deficiency reversal / (expense)	-	(38,866)	(1,011,403)	-	-	-	(1,050,269)
Net insurance claims and expenses	(813,054)	(4,510,503)	(18,081,779)	(777,737)	(43,023,464)	(1,686,893)	(68,893,430)
Underwriting results	691,548	(1,767,931)	7,945,750	(67,366)	8,142,779	1,564,533	16,509,312
Net investment income							2,063,020
Other income							37,248,262
Other expenses							(1,548,137)
Result of operating activities							54,272,457
Finance costs							(493,650)
Profit before tax for the period							53,778,807
	For the nine months period ended September 30, 2019						
Prior period	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total
	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	2,845,635	3,847,226	34,744,256	1,136,594	29,810,030	1,867,230	74,250,971
Insurance premium earned	4,203,258	4,545,852	34,402,486	905,575	26,259,379	4,695,023	75,011,573
Insurance premium ceded to reinsurers	(94,700)	(12,036)	-	-	-	-	(106,736)
Net insurance premium	4,108,558	4,533,816	34,402,486	905,575	26,259,379	4,695,023	74,904,837
Commission income	-	-	-	-	-	-	-
Net underwriting income	4,108,558	4,533,816	34,402,486	905,575	26,259,379	4,695,023	74,904,837
Insurance claims	(996,502)	(496,000)	(8,190,604)	(368,607)	(2,348,856)	(433,291)	(12,833,860)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	(996,502)	(496,000)	(8,190,604)	(368,607)	(2,348,856)	(433,291)	(12,833,860)
Commission expense	(620,727)	(1,017,486)	(3,132,970)	11,551	(1,821,056)	(609,920)	(7,190,608)
Management expense	(2,505,172)	(3,363,435)	(30,758,464)	(1,009,718)	(13,353,177)	(14,106,589)	(65,096,555)
Premium deficiency reversal / (expense)	-	(181,129)	-	-	-	-	(181,129)
Net insurance claims and expenses	(4,122,401)	(5,058,050)	(42,082,038)	(1,366,774)	(17,523,089)	(15,149,800)	(85,302,152)
Underwriting results	(13,843)	(524,234)	(7,679,552)	(461,199)	8,736,290	(10,454,777)	(10,397,315)
Net investment income							3,674,845
Other income							46,323,221
Other expenses							(2,809,462)
Result of operating activities							36,791,289
Finance costs							(543,147)
Profit before tax for the period							36,248,142

23 FAIR VALUE

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

23.2 All assets and liabilities for which fair value is measured or disclosed in the condensed interim unconsolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

September 30, 2020									
Note	Held to maturity	Fair Value through profit and loss	Available for Sale	Advances, Deposits and Prepayments	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
Rupees									

Financial Assets - measured at Fair Value

Investments	10	-	-	18,357,107	-	-	18,357,107	18,357,107	-	-
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Financial Assets - not measured at Fair Value

Cash and bank	12	-	-	-	79,751,613	-	79,751,613	-	-	-
Insurance / reinsurance receivable		-	-	-	183,407,056	-	183,407,056	-	-	-
Reinsurance recoveries against outstanding claims		-	-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	11	-	-	-	850,137,665	-	850,137,665	-	-	-
		-	-	18,357,107	1,115,891,536	-	1,134,248,643	18,357,107	-	-

Financial liabilities measured at fair value

		-	-	-	-	-	-	-	-	-
Provision for outstanding claims including IBNR		-	-	-	-	60,299,442	60,299,442	-	-	-
Other creditors and accruals	14	-	-	-	-	25,493,906	25,493,906	-	-	-
Borrowings		-	-	-	-	3,227,708	3,227,708	-	-	-
		-	-	-	-	89,021,056	89,021,056	-	-	-

December 31, 2019									
Note	Held to maturity	Fair Value through profit and loss	Carrying Amount				Fair Value of Gain		
			Available for Sale	Advances, Deposits and Prepayments	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
Rupees									

Financial Assets - measured at Fair Value

Investments	10	-	-	17,141,873	-	-	17,141,873	17,141,873	-	-
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Financial Assets - not measured at Fair Value

Cash and bank	12	-	-	-	73,886,978	-	73,886,978	-	-	-
Insurance / reinsurance receivable		-	-	-	168,089,807	-	168,089,807	-	-	-
Reinsurance recoveries against outstanding claims		-	-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	11	-	-	-	813,348,971	-	813,348,971	-	-	-
		-	-	17,141,873	1,057,920,958	-	1,075,062,831	17,141,873	-	-

Financial liabilities measured at fair value

		-	-	-	-	-	-	-	-	-
Provision for outstanding claims including IBNR		-	-	-	-	61,242,125	61,242,125	-	-	-
Other creditors and accruals	14	-	-	-	-	25,547,267	25,547,267	-	-	-
Borrowings		-	-	-	-	5,013,650	5,013,650	-	-	-
		-	-	-	-	91,803,042	91,803,042	-	-	-

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 23, 2020.

25 IMPACT OF COVID-19 ON OPERATIONS

The Company followed the development of Covid-19 corona virus and evaluated the extent to which this affected the operations in short and long term. The Company has concluded that there are no significant implications of pandemic over the operations of the entity.

26 GENERAL

26.1 Corresponding figures of management expenses and other expenses as given in condensed interim unconsolidated financial statements (unaudited) of September 30, 2019 have been rearranged and reclassified to align with the requirements of SRO 89(1) 2017. Except for this change, no material rearrangement or reclassification have been made in these accounts.

26.2 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, 2020

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, 2020.

The condensed interim consolidated financial information reflects Rs. 0.35 (September 30, 2019: Rs. 0.21) earnings per share for the period under review.

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

	September 30, 2020	September 30, 2019
	----- Rupees -----	
Profit / (loss) before tax	46,595,079	23,215,419
Provision for taxation	(9,010,601)	(258,224)
Profit / (loss) after tax	37,584,478	22,957,195
Profit / (loss) attributable to non-controlling interest	(2,752,770)	(3,102,564)
Profit / (loss) attributable to ordinary shareholders	40,337,248	26,059,759
Loss per share	0.35	0.21

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 23, 2020

اشتمال شدہ مالیاتی گوشواں پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں کریسینٹ اسٹار انشورنس لمیٹڈ اور ذیلی کمپنیوں کریسینٹ اسٹار گزری (پرائیویٹ) لمیٹڈ، کریسینٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ اور کریسینٹ اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کے مختتمہ مالیاتی گوشوارے برائے سہ ماہی مدت 30 ستمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

یہ متوسط معلومات زیر جائزہ مدت کے لئے 0.35 روپے (30 ستمبر 2019 کو 0.21 روپے) منافع فی حصص ظاہر کیا گیا ہے۔

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

30 ستمبر 2019	30 ستمبر 2020	
----- روپے -----		
23,215,419	46,595,079	منافع/(خسارہ) قبل از ٹیکس
(258,224)	(9,010,601)	ٹیکس کے لئے اختصاص
22,957,195	37,584,478	منافع/(خسارہ) بعد از ٹیکس
(3,102,564)	(2,752,770)	منافع/(خسارہ) ناقابل گرفت سود سے متعلق
26,059,759	40,337,248	منافع/(خسارہ) عمومی حصص یافتگان سے متعلق
0.21	0.35	منافع/(خسارہ) فی حصص

کمپنی کے ڈائریکٹران مسلسل تعاون اور مدد پر تمام اسٹیک ہولڈرز کے مشکور ہیں۔

نعیم انور

مینجنگ ڈائریکٹر اینڈ سی ای او

تویر احمد

ڈائریکٹر

کراچی: 23 اکتوبر 2020

Crescent Star Insurance Limited
Condensed Interim Consolidated Statement of Financial Position
As at September 30, 2020

		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
ASSETS	Note	----- (Rupees) -----	
Property and equipment	7	135,966,602	143,333,097
Intangible assets	8	45,046,654	46,053,751
Investments			
Equity securities	9	18,357,107	17,141,873
Debt securities		-	-
Loans and other receivables	10	632,873,223	603,281,217
Insurance / reinsurance receivables		183,407,056	168,089,807
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Deferred commission expense / acquisition cost		6,256,637	6,986,821
Stock-in-trade		10,107,910	10,107,910
Deferred taxation		-	-
Prepayments		2,884,254	6,043,657
Cash and bank	11	80,171,180	74,278,628
Total assets		1,117,665,825	1,077,911,963
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	12	(135,874,122)	(175,675,084)
Equity Attributable to equity holders of the Parent		741,426,288	701,625,326
Non-controlling interest		(25,418,773)	(22,666,003)
Total shareholders' equity		716,007,515	678,959,323
Share deposit money		-	-
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		60,299,442	61,242,125
Unearned premium reserves		44,434,814	53,348,333
Premium deficiency reserves		1,065,175	14,906
Deferred taxation		2,395,533	3,980,469
Borrowings		3,227,708	5,013,650
Premium received in advance		6,003,176	2,110,755
Insurance / reinsurance payables		-	-
Other creditors and accruals	13	257,936,995	257,130,299
Taxation - provision less payments		26,295,467	16,112,103
Total liabilities		401,658,310	398,952,640
Total equity and liabilities		1,117,665,825	1,077,911,963
Contingencies and commitments	14		

The annexed notes from 1 to 25 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, 2020

	Note	Quarter ended		Nine Months Period Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Net insurance premium	15	28,726,801	23,786,560	85,402,742	74,904,837
Net insurance claims	16	(1,338,770)	(1,987,817)	(4,050,143)	(12,833,860)
Premium deficiency		-	-	(1,050,269)	(181,129)
Net commission expense and other acquisition costs	17	(2,205,777)	(1,418,193)	(4,669,256)	(7,190,608)
Insurance claims and acquisition expenses		(3,544,547)	(3,406,010)	(9,769,668)	(20,205,597)
Management expenses		(20,671,859)	(10,800,339)	(59,123,762)	(65,096,555)
Underwriting results		4,510,395	9,580,211	16,509,312	(10,397,315)
Sales		-	-	-	1,549,000
Cost of sales		-	-	-	(2,498,950)
Investment income	18	553	1,001,384	2,063,020	3,674,845
Other income		10,545,687	16,854,543	37,248,262	46,323,221
Other expenses		(4,011,367)	(12,299,010)	(8,731,865)	(14,892,235)
Results of operating activities		11,045,268	15,137,128	47,088,729	23,758,566
Finance costs		(259,682)	(145,009)	(493,650)	(543,147)
Profit / (Loss) before tax		10,785,586	14,992,119	46,595,079	23,215,419
Taxation		(3,645,644)	(367,173)	(9,010,601)	(258,224)
Profit / (Loss) after tax		7,139,942	14,624,946	37,584,478	22,957,195
Attributable to:					
Owners of the Holding Company		8,255,121	14,628,085	40,337,248	26,059,759
Non-controlling interest		(1,115,179)	(3,139)	(2,752,770)	(3,102,564)
		7,139,942	14,624,946	37,584,478	22,957,195
Other Comprehensive Income / (Loss)					
Unrealized gain on available for sale investments during the period - net of deferred tax		415,604	535,533	1,215,232	953,473
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		-	(1,001,384)	(1,751,518)	(3,636,178)
Other comprehensive income/ (loss) for the period		415,604	(465,851)	(536,286)	(2,682,705)
Total comprehensive profit for the period		7,555,546	14,159,095	37,048,192	20,274,490
Earning / (loss) per share	19	0.07	0.14	0.35	0.21

The annexed notes from 1 to 25 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, 2020

	Note	September 30, 2020	September 30, 2019
		----- (Rupees) -----	
Operating cash flows			
(a) Underwriting activities			
Insurance Premium received		65,552,244	78,641,983
Reinsurance premium paid		(487,848)	(1,465,710)
Claims paid		(4,992,825)	(11,221,600)
Commission paid		(3,939,072)	(7,074,904)
Commission received		-	-
Management expenses paid		(57,434,107)	(59,167,825)
Net cash flow from underwriting activities		(1,301,608)	(288,056)
(b) Other operating activities			
Proceeds from customers		-	1,549,000
Payments to suppliers		-	883,643
Income tax paid		(412,173)	(1,110,580)
Other operating payments		10,815,659	3,954,704
Net cash outflow from other operating activities		10,403,486	5,276,767
Total cash flow from all operating activities		9,101,878	4,988,711
Investment activities			
Profit / return received		2,410	38,667
Dividend received		2,060,610	3,636,178
Proceeds from investments		(1,751,518)	(3,636,178)
Fixed capital expenditure		(1,241,234)	1,792,125
Proceeds from sale of property and equipment		-	137,800
Total cash flow from investing activities		(929,732)	1,968,592
Financing activities			
Finance costs paid		(493,650)	(543,147)
Borrowings - net		(1,785,944)	(1,715,329)
Total cash from financing activities		(2,279,594)	(2,258,476)
Net cash flow from all activities		5,892,552	4,698,827
Cash and cash equivalents at beginning of year		74,278,628	73,396,297
Cash and cash equivalents at end of period		80,171,180	78,095,124
Reconciliation to consolidated profit and loss account			
Operating cash flows		9,101,878	4,988,711
Depreciation expense		(8,582,728)	(10,845,893)
Amortization expense		(1,032,097)	(2,414,762)
Gain/ (loss) on disposal of property and equipments		-	(273,073)
Dividend income		2,060,610	3,636,178
Other investment and other income		2,410	38,667
Finance costs		(493,650)	(543,147)
Increase in assets other than cash		41,019,668	36,948,067
(Decrease) / increase in liabilities other than borrowings		5,691,750	(9,429,909)
Provision for taxation		(10,183,363)	852,356
Profit after taxation for the period		37,584,478	22,957,195

The annexed notes from 1 to 25 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, 2020

	Attributable to equity holder of the Group								
	Share capital	Discount on issue of right shares	Capital reserves	Revenue reserves		Unappropriated profit	Attributable to the owners of the Holding Company	Non-controlling interest	Total shareholders' equity restated
	Issued, subscribed and paid-up share capital		Reserve for exceptional losses	General reserve	Surplus on remeasurement of available for sale investments				
	(Rupees)								
Balance as at January 01, 2019	1,076,950,410	(199,650,000)	1,767,568	24,497,265	2,629,802	(233,152,447)	673,042,598	(11,396,563)	661,646,035
Total comprehensive income for the period	-	-	-	-	(2,682,705)	26,059,759	23,377,054	(3,102,564)	20,274,490
Balance as at September 30, 2019	<u>1,076,950,410</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>(52,903)</u>	<u>(207,092,688)</u>	<u>696,419,652</u>	<u>(14,499,127)</u>	<u>681,920,525</u>
Balance as at January 01, 2020	1,076,950,410	(199,650,000)	1,767,568	24,497,265	451,170	(202,391,087)	701,625,326	(22,666,003)	678,959,323
Total comprehensive income for the period	-	-	-	-	(536,286)	40,337,248	39,800,962	(2,752,770)	37,048,192
Balance as at September 30, 2020	<u>1,076,950,410</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>(85,116)</u>	<u>(162,053,839)</u>	<u>741,426,288</u>	<u>(25,418,773)</u>	<u>716,007,515</u>

The annexed notes from 1 to 25 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 Defunct Companies Act, 1913, now the Companies Act, 2017. The Holding Company is listed on the Pakistan Stock Exchange and its registered office is situated at 2nd Floor, Nadir House, I.I. Chundrigar road, Karachi, Pakistan.

The Holding Company is engaged in providing non-life general insurance services mainly in spheres of fire and property damage, marine, aviation and transport, motor, credit and suretyship, accident and health and miscellaneous insurance.

- Crescent Star Foods (Private) Limited

Crescent Star Foods (Private) Limited (the Subsidiary Company) is a private limited company incorporated on February 20, 2015 in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the company is located at 2nd floor, Nadir House, I.I. 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, 2019.

3 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Company for the nine months period ended September 30, 2020 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, 2019.

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, 2019. 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, 2019.

			September 30, 2020 (Un-audited) ----- (Rupees) -----	December 31, 2019 (Audited) -----
7	PROPERTY AND EQUIPMENT	Note		
	Operating assets	7.1	<u>135,966,602</u>	<u>143,333,097</u>
7.1	Operating assets			
	Opening written down value		143,333,097	168,233,129
	Add: Additions during the period / year - at cost			
	- Motor vehicles		1,216,233	-
	- Computers and related accessories		-	-
	- Office equipment		-	-
	- Furniture and fixtures		-	-
			<u>1,216,233</u>	<u>-</u>
	Less: Written down value of deletions		-	(5,740,005)
	Depreciation for the period / year		<u>(8,582,728)</u>	<u>(19,160,027)</u>
			<u>(8,582,728)</u>	<u>(24,900,032)</u>
			<u>135,966,602</u>	<u>143,333,097</u>
8	INTANGIBLE ASSETS			
	Goodwill at acquisition		28,742,849	28,742,849
	Franch Additions during the period / year - at cost		13,983,387	14,777,866
	Computer software		2,320,418	2,533,036
			<u>45,046,654</u>	<u>46,053,751</u>
9	INVESTMENTS			
	Equity securities	9.1	<u>18,357,107</u>	<u>17,141,873</u>
	Debt securities		<u>-</u>	<u>-</u>
9.1	Equity securities			
	Available-for-sale	9.1.1	<u>18,357,107</u>	<u>17,141,873</u>
9.1.1	Others			
	Listed shares		143,558	48,090
	Mutual funds	9.1.1.1	<u>18,213,549</u>	<u>17,093,783</u>
			<u>18,357,107</u>	<u>17,141,873</u>
9.1.1.1	Securities having book value of Rs. 17.244 million (2019: Rs. 15.493 million) and market value of Rs. 17.805 million (2019: Rs. 16.613 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.			

		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees) -----	
10	LOAN AND OTHER RECEIVABLES		
Security deposits		9,814,159	10,584,350
Advance to employees		53,397,482	53,397,482
Advance against expenses		99,500	-
Accrued interest on advance against issuance of shares	10.1	196,699,320	163,330,338
Advance against issuance of shares	10.2	354,279,066	354,279,066
Others		18,583,696	21,689,981
		<u>632,873,223</u>	<u>603,281,217</u>
10.1	This represents accrued interest on advances against issue of shares, given to Dost Steels Limited. Movement in advances is as follows:		
	Movement		
	Balance as at beginning of the year	163,330,338	106,348,503
	Income for the period / year	33,368,982	56,981,835
	Balance at the end of the period / year	<u>196,699,320</u>	<u>163,330,338</u>
10.2	The Holding Company has made an advance against issuance of shares to Dost Steel limited (DSL), of which an aggregate amount of Rs. 247,995,000 /- and Rs. 57,768,000/- has been assigned to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited respectively under an assignment agreement. No consideration has been received either from Dynasty Trading (Private) Limited or Din Corporation (Private) Limited, therefore these balances are still shown in the title of Dost Steel Limited. These balances carry mark-up at the rate of 1 year KIBOR plus 3% per annum (2019: 1 year KIBOR plus 3%).		
11	CASH AND BANK		
	Cash and other equivalents		
Cash with State Bank of Pakistan	11.1	72,238,047	72,238,047
Cash in hand		448,956	429,044
Policy and revenue stamps		152,867	229,621
		<u>72,839,870</u>	<u>72,896,712</u>
	Cash at bank		
Current accounts		7,653,729	1,681,911
Savings accounts	11.2	-	22,424
		<u>7,653,729</u>	<u>1,704,335</u>
Less: provision against dormant accounts		(322,419)	(322,419)
		<u>7,331,310</u>	<u>1,381,916</u>
		<u>80,171,180</u>	<u>74,278,628</u>
11.1	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.		
11.2	These carry mark-up at the rate of 9.50% (2019: 10.75%) per annum.		

Crescent Star Insurance Limited
Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the period ended September 30, 2020

	September 30, 2020 (Un-audited) ----- (Rupees) -----	December 31, 2019 (Audited) -----
12 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	(162,053,839)	(202,391,087)
Surplus on remeasurement of available for sale investments	(85,116)	451,170
	<u>(135,874,122)</u>	<u>(175,675,084)</u>
13 OTHER CREDITORS AND ACCRUALS		
Trade and related payables	49,287,674	51,572,527
Federal insurance fees	2,354,815	1,678,831
Federal excise duty	45,773,062	37,059,567
Payable to staff provident fund	7,781,054	6,018,538
Withholding tax	79,103,383	75,429,529
Accrued expenses	53,377,854	63,074,486
Unpresented cheques	435,591	657,382
Unclaimed dividend	418,209	418,209
Others	19,405,353	21,221,230
	<u>257,936,995</u>	<u>257,130,299</u>
14 CONTINGENCIES AND COMMITMENTS		
14.1 CONTINGENCIES		
The status of contingencies remain unchanged as disclosed in the annual consolidated financial statements as of December 31, 2019.		
	September 30, 2020 (Un-audited) ----- (Rupees) -----	December 31, 2019 (Audited) -----
14.2 COMMITMENTS		
Post dated cheques	<u>1,427,708</u>	<u>3,141,289</u>

	Quarter ended		Nine months period ended	
	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----
15 NET INSURANCE PREMIUM				
Gross written premium	23,113,416	20,624,835	76,717,122	74,250,971
Add : Unearned contribution reserve opening	50,115,699	50,836,319	53,348,333	48,328,460
Less: Unearned contribution reserve closing	(44,434,814)	(47,567,858)	(44,434,814)	(47,567,858)
Premium earned	28,794,301	23,893,296	85,630,641	75,011,573
Less: Reinsurance premium ceded	-	106,736	-	106,736
Add: prepaid reinsurance premium ceded opening	99,755	-	260,154	-
Less: prepaid reinsurance premium ceded closing	(32,255)	-	(32,255)	-
Reinsurance expense	67,500	106,736	227,899	106,736
	28,726,801	23,786,560	85,402,742	74,904,837
16 NET INSURANCE CLAIMS EXPENSE				
Claim paid	1,377,577	620,276	4,992,825	11,221,600
Add : Outstanding claims including IBNR closing	60,299,442	62,292,693	60,299,442	62,292,693
Less: Outstanding claims including IBNR opening	(60,338,249)	(60,925,152)	(61,242,124)	(60,680,433)
Claims expense	1,338,770	1,987,817	4,050,143	12,833,860
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	-	-	-	-
	1,338,770	1,987,817	4,050,143	12,833,860
17 NET COMMISSION EXPENSE				
Commission paid or payable	1,606,625	1,099,327	3,939,072	7,074,904
Add : Deferred commission expense opening	6,855,789	6,496,400	6,986,821	6,293,238
Less: Deferred commission expense closing	(6,256,637)	(6,177,534)	(6,256,637)	(6,177,534)
Net commission expense	2,205,777	1,418,193	4,669,256	7,190,608
18 INVESTMENT INCOME				
Income from equity securities				
Available for sale financial assets				
Dividend income	-	1,001,384	2,060,610	3,636,178
Gain on sale of available for sale investments	-	-	-	-
	-	1,001,384	2,060,610	3,636,178
Income from bank balances				
Return on bank balances	553	-	2,410	38,667
	553	-	2,410	38,667
Less: Investment related expenses	-	-	-	-
Investment income	553	1,001,384	2,063,020	3,674,845

	Quarter ended		Nine months period ended	
	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----
19 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	<u>7,139,942</u>	<u>14,624,946</u>	<u>37,584,478</u>	<u>22,957,195</u>
	----- Number -----			
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>	<u>107,695,041</u>
Earnings per share - basic and diluted	<u>0.07</u>	<u>0.14</u>	<u>0.35</u>	<u>0.21</u>

- 19.1** 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.

20 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 are disclosed in relevant notes to these financial statements. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	September 30, 2020 (Un-audited) ----- (Rupees) -----	September 30, 2019 (Un-audited) ----- (Rupees) -----
20.1 Remuneration to Key Management Personnel	20,845,800	15,493,500
Staff retirement benefits		
Provident fund contribution	980,100	1,328,244
Markup on outstanding balance of provident fund	755,612	459,576

	For the nine months period ended September 30, 2020										
Current period	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Food	Technologies	Luxury	Aggregate
	(Rupees)										
Gross written premium (inclusive of administrative surcharges)	679,866	3,243,550	16,692,919	-	54,377,565	1,723,222	76,717,122	-	-	-	76,717,122
Insurance premium earned	1,530,001	2,742,572	26,230,029	710,371	51,166,242	3,251,426	85,630,641	-	-	-	85,630,641
Insurance premium ceded to reinsurers	(25,399)	(202,500)	(202,500)	-	-	-	(227,899)	-	-	-	(227,899)
Net insurance premium	1,504,602	2,742,572	26,027,529	710,371	51,166,243	3,251,426	85,402,742	-	-	-	85,402,742
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	1,504,602	2,742,572	26,027,529	710,371	51,166,243	3,251,426	85,402,742	-	-	-	85,402,742
Insurance claims	-	(1,000,000)	(1,797,619)	(742,218)	(500,000)	(10,306)	(4,050,143)	-	-	-	(4,050,143)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	-	(1,000,000)	(1,797,619)	(742,218)	(500,000)	(10,306)	(4,050,143)	-	-	-	(4,050,143)
Commission expense	(294,491)	(1,017,239)	(2,130,255)	(35,519)	(829,288)	(362,464)	(4,669,256)	-	-	-	(4,669,256)
Management expense	(518,563)	(2,454,398)	(13,142,502)	-	(41,694,176)	(1,314,123)	(59,123,762)	-	-	-	(59,123,762)
Premium deficiency reversal / (expense)	-	(38,866)	(1,011,403)	-	-	-	(1,050,269)	-	-	-	(1,050,269)
Net insurance claims and expenses	(813,054)	(4,510,503)	(18,081,779)	(777,737)	(43,023,464)	(1,686,893)	(68,893,430)	-	-	-	(68,893,430)
Underwriting results	691,548	(1,767,931)	7,945,750	(67,366)	8,142,779	1,564,533	16,509,312	-	-	-	16,509,312
Investment income	-	-	-	-	-	-	-	-	-	-	2,063,020
Other income	-	-	-	-	-	-	-	-	-	-	37,248,262
Other expenses	-	-	-	-	-	-	(1,548,137)	(7,089,913)	(110,479)	16,664	(8,731,865)
Result of operating activities	-	-	-	-	-	-	-	-	-	-	47,088,729
Finance costs	-	-	-	-	-	-	-	-	-	-	(493,650)
Profit before tax for the period	-	-	-	-	-	-	-	-	-	-	46,595,079
	For the nine months period ended September 30, 2019										
Prior period	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Food	Technologies	Luxury	Aggregate
	(Rupees)										
Gross written premium (inclusive of administrative surcharges)	2,845,635	3,847,226	34,744,256	1,136,594	29,810,030	1,867,230	74,250,971	-	-	-	74,250,971
Insurance premium earned	4,203,258	4,545,852	34,402,486	905,575	26,259,379	4,695,023	75,011,573	-	-	-	75,011,573
Insurance premium ceded to reinsurers	(94,700)	(12,036)	-	-	-	-	(106,736)	-	-	-	(106,736)
Net insurance premium	4,108,558	4,533,816	34,402,486	905,575	26,259,379	4,695,023	74,904,837	-	-	-	74,904,837
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	4,108,558	4,533,816	34,402,486	905,575	26,259,379	4,695,023	74,904,837	-	-	-	74,904,837
Insurance claims	(996,502)	(496,000)	(8,190,604)	(368,607)	(2,348,856)	(433,291)	(12,833,860)	-	-	-	(12,833,860)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	(996,502)	(496,000)	(8,190,604)	(368,607)	(2,348,856)	(433,291)	(12,833,860)	-	-	-	(12,833,860)
Commission expense	(620,727)	(1,017,486)	(3,132,970)	11,551	(1,821,056)	(609,920)	(7,190,608)	-	-	-	(7,

22 FAIR VALUE

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

22.2 All assets and liabilities for which fair value is measured or disclosed in the condensed interim consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

September 30, 2020									
Note	Held to maturity	Fair Value through profit and loss	Available for Sale	Advances, Deposits and Prepayments	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
Rupees									
Financial Assets - measured at Fair Value									
Investments	9	-	-	18,357,107	-	-	18,357,107	18,357,107	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	-	80,171,180	-	80,171,180	-	-
Insurance / reinsurance receivable		-	-	-	183,407,056	-	183,407,056	-	-
Reinsurance recoveries against outstanding claims		-	-	-	2,595,202	-	2,595,202	-	-
Loans and other receivables	10	-	-	-	632,873,223	-	632,873,223	-	-
		-	-	18,357,107	899,046,661	-	917,403,768	18,357,107	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR		-	-	-	-	60,299,442	60,299,442	-	-
Other creditors and accruals	13	-	-	-	-	27,604,616	27,604,616	-	-
Borrowings		-	-	-	-	3,227,708	3,227,708	-	-
		-	-	-	-	91,131,766	91,131,766	-	-
December 31, 2019									
		Carrying Amount					Fair Value of Gain		
Note	Held to maturity	Fair Value through profit and loss	Available for Sale	Advances, Deposits and Prepayments	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
Rupees									
Financial Assets - measured at Fair Value									
Investments	9	-	-	17,141,873	-	-	17,141,873	17,141,873	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	-	74,278,628	-	74,278,628	-	-
Insurance / reinsurance receivable		-	-	-	168,089,807	-	168,089,807	-	-
Reinsurance recoveries against outstanding claims		-	-	-	2,595,202	-	2,595,202	-	-
Loans and other receivables	10	-	-	-	813,348,971	-	813,348,971	-	-
		-	-	17,141,873	1,058,312,608	-	1,075,454,481	17,141,873	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR		-	-	-	-	61,242,125	61,242,125	-	-
Other creditors and accruals	13	-	-	-	-	27,657,977	27,657,977	-	-
Borrowings		-	-	-	-	5,013,650	5,013,650	-	-
		-	-	-	-	93,913,752	93,913,752	-	-

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 23, 2020.

24 IMPACT OF COVID-19 ON OPERATIONS

The Company followed the development of Covid-19 corona virus and evaluated the extent to which this affected the operations in short and long term. The Company has concluded that there are no significant implications of pandemic over the operations of the entity.

25 GENERAL

25.1 Corresponding figures of management expenses and other expenses as given in condensed interim consolidated financial statements (unaudited) of September 30, 2019 have been rearranged and reclassified to align with the requirements of SRO 89(1) 2017. Except for this change, no material rearrangement or reclassification have been made in these accounts.

25.2 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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CENTRAL CORPORATE	3RD FLOOR, NADIR HOUSE, I. I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
LAHORE MAIN	OFFICE # 9, 4TH FLOOR, AL-HAFEEZ TOWER, M. M. ALAM ROAD, GULBERG III, LAHORE.	042-35785337-38
ISLAMABAD	OFFICE NO.05, 2ND FLOOR, HAQ CENTER, D- BLOCK, 5TH ROAD, SATLLITE TOWN, RAWALPINDI.	0312-5595674
FAISALABAD	MAIN SUSAN ROAD HOCKEY STADIUM, ADJACENT TO GRAND HOTEL, 1ST FLOOR ALI MOTOR PLAZA MADINA TOWN, FAISALABAD.	0321-9666100
MULTAN	OFFICE NO 16-A FIRST FLOOR ALI ARKEED NEAR CHOCK KATACHERY MULTAN.	0300-7303037
SIALKOT	OFFICE # 309-310, SECOND FLOOR, TARIQ SQUARE, KASHMIR ROAD, SIALKOT.	0300-6150051
GUJRANWALA BRANCH	NEAR SUI GAS GRID STATION, SHAHRA-E-QAID E AZAM, GUJRANWALA CANTT.	0308-7387788



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