



Your Security - Our Policy

Quarterly Report September 30, 2021 (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. Huma Javaid Mr. Syed Sarocsh Ahmed
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	Crowe Hussain Chaudhury & 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, 2021

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 nine months period ended 30 September 2021.

General Review

The gross premium written for the nine months has been Rs.72.557 million as compared to Rs.76.717 million for the corresponding figures last year. The net premium for the period has been recorded as Rs.71.364 million against Rs.85.403 million of the corresponding period. The profit after tax recorded at Rs.30.594 million. Earnings per share stood at Rs.0.28.

The Company continues to have the view on the following factors and hence continues its efforts in all respective areas identified as:

- 1) Bank Enlistment / limits faced by smaller companies and the failure of the industry to resolve and regulators to provide fair playing grounds keeping in view Competition Act and various related law including but not limited to the unlawful practice and gross violation of the Insurance Ordinance. It is disappointing to note that enlistment is denied by Banks and departments hence denying a fundamental right of doing business. Even if the view of bankers is accepted and the limit given by them to Insurance Companies based on their financials even then the enlistment on the panel of acceptable companies is a right of all the companies who maintain minimum paid up capital requirements and meet all statutory compliances.
- 2) Efforts to continue protecting the Company's / stake holders legal and logical right to continue serving the industry. The Company has successfully defended its stance on various area of business.
- 3) Merger petition of Crescent Star Foods (Private) Limited with and into PICIC Insurance Limited was filed in the Honorable Sindh High Court on December 31, 2017, and is pending since then due to various reasons, such as Covid 19, and long court holidays, however, the major reason for delay has been the fact that cases come up on the basis of filing dates, and accordingly serial numbers are fixed. Slowly the serial number on every date is improving; as such the Company is very hopeful of an early hearing leading to approval decision.
- 4) The management has been very actively involved with the sponsors and management of Dost Steels Limited (DSL) and is actively trying to find a third party solution; however, due to the complex shareholding and sponsors of DSL attitude, most efforts have failed to produce results. CSIL management has, however, started efforts to aggressively look at the options of exercising the right of having majority on DSL Board leading to the approval of issuance of shares to CSIL as per shareholders agreement. CSIL has also filed litigation for this purpose in the Honorable Lahore High Court and is very hopeful of an early relief through the Court.
- 5) The management continues to protect the loss ratio by **PRUDENT UNDERWRITING** as a result of which your Company enjoys on the best loss ratio in the industry.
- 6) CSIL asset to liability ratio also is very encouraging and the management continues its efforts to protect this.

Performance Highlights

The comparative financial highlights for the nine months period ended 30 September 2021 and 2020 are presented below:-

Rupees in millions (except for EPS)	30 September	30 September	Increase / (Decrease)	
	2021	2020	Amount	%
Gross written premium	72.557	76.717	(4.160)	(5)
Net premium	71.364	85.403	(14.039)	(16)
Profit / (loss) before tax	42.515	53.779	(11.264)	(21)
Profit / (loss) after tax	30.594	43.183	(12.589)	(29)
Total assets	1,382.574	1,308.969	73.605	6
Paid-up capital	1,076.950	1,076.950	-	-
Earnings per share (EPS)	0.28	0.40	(0.120)	(30)

Future Outlook

Your Company is looking forward to the positive outcome of the merger and investment in DSL which can give a strong future strategy to open up areas of interest which can produce positive results favoring the stakeholders.

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 22, 2021

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

میں بورڈ آف ڈائریکٹری کی جانب سے کریڈنٹ اسٹار انشورنس لمیٹڈ کے مجموعی مالیاتی گوشوارے برائے سہ ماہی مدت 30 ستمبر 2021 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

عمومی جائزہ

سال کی تیسری سہ ماہی مدت کا مجموعی خام پریمیوم 72.557 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال 76.717 ملین روپے تھا۔ پہلی سہ ماہی میں خالص پریمیوم 71.364 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 85.403 ملین روپے تھا۔ بعد از ٹیکس منافع 30.594 ملین روپے رہا۔ فی حصص آمدنی 0.28 پیسے پر رہی۔

کمپنی درج ذیل عوامل پر نظر رکھتی ہے اور اسی وجہ سے تمام متعلقہ شعبوں میں اپنی کوششیں جاری رکھے ہوئے ہے۔

(۱) چھوٹی کمپنیوں کو بینک انلٹمنٹ / بینک اندراج کے مسئلہ کا سامنا ہے اور صنعت اسکے حل میں ناکام رہی ریگولیٹرز کو چاہئے کہ مسابقتی ایکٹ اور مختلف قانون کو مدنظر رکھتے ہوئے مصفاہ کھیل کے مواقع فراہم کرنے بشمول غیر قانونی عمل اور انشورنس آرڈیننس کی سنگین خلاف ورزی تک محدود نہیں۔ یہ مایوس کن بات ہے کہ بینکوں اور دیگر حکاموں کی طرف سے اندراج / انلٹمنٹ سے انکار کیا جاتا ہے۔ جو کہ کاروبار کرنے کی بنیادی حق سے انکار ہے۔ اگر بینک کا یہ نظریہ مان بھی لیا جائے کہ انشورنس کمپنیوں کو دی جانے والی حدان کے مالیات کی بنیاد پر دی گئی ہے تب بھی قابل قبول کمپنیوں کی لسٹ میں اندراج ان تمام کمپنیوں کا حق ہے جو کم از کم سرمائے کی حد اور تمام قانونی تقاضے پورا کرتی ہیں۔

(۲) کمپنی کا اپنے اسٹیک ہولڈرز کو قانونی طور پر تحفظ فراہم کرنے کی کوشش اور صنعت کی خدمت جاری رکھنے کا منطقی حق ہے۔ کمپنی نے کاروبار کے مختلف شعبوں میں اپنے موقف کا کامیابی سے دفاع کیا ہے۔

(۳) کریڈنٹ اسٹار فوڈز (پرائیوٹ) لمیٹڈ کا پبلک انشورنس لمیٹڈ کے ساتھ انضمام کی درخواست ۳۱ دسمبر ۲۰۱۹ سے معزز سندھ ہائی کورٹ میں دائر کی گئی اور مختلف وجوہات کی بنا پر تب سے زیر التواء ہے جیسے کووڈ-19 اور عدالتی تعطیلات، تاہم بڑی وجہ یہ رہی کہ مقدمات دائر کی گئی تاریخوں کی بنیاد پر آتے ہیں اور اس ہی کے مطابق سیریل نمبر طے کئے جاتے ہیں۔ ہر تاریخ کا سیریل نمبر بہتر ہو رہا ہے۔ اس طرح کمپنی جلد سماعت کے لئے بہت پر امید ہے جس کے نتیجے میں منظوری کا فیصلہ ہوگا

(۴) انتظامیہ، دوست اسٹیل لمیٹڈ (DSL) کے اسپانسرز اور دوست اسٹیل لمیٹڈ کی انتظامیہ کے ساتھ فعال طور پر شامل ہے اور تیسری پارٹی کے حل کو تلاش کرنے کی کوشش کر رہی ہے تاہم پیچیدہ شیئرز ہولڈنگ اور DSL کے اسپانسرز کے رویوں کی وجہ سے زیادہ تر کوششیں نتائج پیدا کرنے میں ناکام رہی ہیں۔ تاہم CSIL انتظامیہ نے دوست اسٹیل لمیٹڈ بورڈ پر اکثریت کے حق کو استعمال کرنے کے لئے تیزی سے کوشش شروع کر دی ہے تاکہ حصص یافتگان معاہدہ کے مطابق CSIL کو حصص جاری کیے جائے۔ CSIL نے اس ہی مقصد کے لئے معزز لاہور ہائی کورٹ میں قانونی چارہ جوئی بھی کی ہے اور عدالت کے ذریعے جلد ریلیف کی بہت امید ہے۔

(۵) انتظامیہ محتاط اندر رائٹنگ کے ذریعے نقصان کے تناسب کی حفاظت جاری رکھے ہوئے ہے جس کے نتیجے میں آپ کی کمپنی انڈسٹری میں بہترین نقصان کے تناسب سے لطف اندوز ہو رہی ہے۔

(۶) CSIL اثاثہ سے ذمہ داری کا تناسب بھی بہت حوصلہ افزاء ہے۔ اور انتظامیہ اس کے تحفظ کے لئے کوشش جاری رکھے ہوئے ہے۔

کارکردگی کی جھلکیاں

کمپنی کی مقابلہ مالیاتی جھلکیاں برائے سہ ماہی مدت 30 ستمبر 2021 اور 2020 درج ذیل ہیں:

روپے ملین (ماسوائے EPS)	30 ستمبر 2021	30 ستمبر 2020	اضافہ (کمی)	رقم	%
خام پریمیوم	72.557	76.717	(4.160)	(5)	
خالص پریمیوم	71.364	85.403	(14.039)	(16)	

(21)	(11.264)	53.779	42.515	منافع قبل از ٹیکس
(29)	(12.589)	43.183	30.594	منافع بعد از ٹیکس
6	73.605	1,308.969	1,382.574	اداشدہ سرمایہ
-	-	1,076.950	1,076.950	کل اثاثے
(30)	(0.120)	0.40	0.28	منافع فی حصص

مستقبل کی پیش بینی

آپ کی کمپنی دوست اسٹیل لیمیٹڈ کے انضمام اور سرمایہ کاری کے مثبت نتائج کی منتظر ہے جو کہ ایک مضبوط سرمایہ کاری کا پورٹ فولیو دے سکتی ہے جس سے منافع بخش ریٹرن حاصل ہوگا۔ انتظامیہ کے پاس سرحد پار صورتحال سے مثبت اشارے بھی ہیں جو کہ پاکستان / افغانستان کے درمیان تجارت کی صلاحیت رکھتے ہیں، جو کہ آپ کی کمپنی کے بنیادی کاروبار کو اچھا فروغ دے سکتا ہے۔

اعتراف

کمپنی کے ڈائریکٹر ان 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 شکرگزار ہے۔

نعیم انور

مینجنگ ڈائریکٹر اینڈ سی ای او

تنویر احمد

ڈائریکٹر

کراچی: 22 اکتوبر 2021

Crescent Star Insurance Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at September 30, 2021

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
ASSETS	Note	----- (Rupees) -----	
Property and equipment	7	11,712,539	14,866,552
Intangible assets		-	-
Investments in subsidiaries	8	150,019,600	150,019,600
Investments			
Equity securities	9	95,814,491	91,756,452
Loans and other receivables	10	903,938,573	866,799,951
Insurance / reinsurance receivables		209,810,455	190,398,461
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Deferred commission expense / acquisition cost		6,433,547	6,569,234
Deferred taxation		-	-
Prepayments		-	-
Cash and bank	11	2,249,597	10,064,959
Total assets		<u>1,382,574,004</u>	<u>1,333,070,411</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to the 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	183,373,895	151,997,593
Total equity		1,060,674,305	1,029,298,003
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		61,513,944	61,977,955
Unearned premium reserves		45,800,553	45,517,153
Premium deficiency reserves		1,199,759	419,358
Borrowings		-	2,592,611
Premium received in advance		3,362,964	2,023,233
Other creditors and accruals	13	171,771,370	163,065,071
Provision for taxation		38,251,109	28,177,027
Total liabilities		321,899,699	303,772,408
Total equity and liabilities		<u>1,382,574,004</u>	<u>1,333,070,411</u>
Contingencies and commitments	14		

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, 2021

		Quarter ended		Nine Months Period Ended	
	Note	September 30, 2021 ----- (Rupees) -----	September 30, 2020	September 30, 2021 ----- (Rupees) -----	September 30, 2020
Net insurance premium	15	24,252,632	28,726,799	71,364,055	85,402,742
Net insurance claims	16	(599,293)	(1,338,770)	(2,866,980)	(4,050,143)
Premium deficiency		-	-	(780,401)	(1,050,269)
Net commission expense and other acquisition costs	17	(1,127,234)	(2,205,777)	(2,730,160)	(4,669,256)
Insurance claims and acquisition expenses		(1,726,527)	(3,544,547)	(6,377,541)	(9,769,668)
Management expenses		(23,470,032)	(20,671,859)	(59,575,024)	(59,123,762)
Underwriting results		(943,927)	4,510,393	5,411,490	16,509,312
Investment income	18	25,476	553	4,715,346	2,063,020
Other income		11,830,180	10,545,687	34,885,229	37,248,262
Other expenses		(1,210,963)	(593,741)	(2,411,973)	(1,548,137)
Results of operating activities		9,700,767	14,462,892	42,600,092	54,272,457
Finance costs		(2,531)	(259,682)	(85,388)	(493,650)
Profit / (loss) before tax		9,698,236	14,203,210	42,514,704	53,778,807
Taxation		(3,012,512)	(4,319,983)	(11,920,205)	(10,595,536)
Profit / (loss) after tax		6,685,724	9,883,227	30,594,499	43,183,271
Other comprehensive income / (loss)					
Unrealized gain on available for sale investments during the period - net of deferred tax		2,113,819	415,604	4,053,589	1,215,232
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		-	-	(3,271,787)	(1,751,518)
Other comprehensive income / (loss) for the period		2,113,819	415,604	781,802	(536,286)
Total comprehensive income for the period		8,799,543	10,298,831	31,376,301	42,646,985
Earning per share	19	0.06	0.09	0.28	0.40

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, 2021

	September 30, 2021	September 30, 2020
Operating cash flows	----- (Rupees) -----	
(a) Underwriting activities		
Insurance Premium received	53,956,146	65,552,244
Reinsurance premium paid	(380,954)	(487,848)
Claims paid	(3,330,991)	(4,992,825)
Commission paid	(2,753,610)	(3,939,072)
Commission received	159,137	-
Management expenses paid	(51,551,406)	(50,525,339)
Net cash flow from underwriting activities	(3,901,678)	5,607,160
(b) Other operating activities		
Income tax paid	(1,846,123)	(412,172)
Other operating payments	(3,501,671)	3,878,973
Net cash outflow from other operating activities	(5,347,794)	3,466,801
Total cash flow from all operating activities	(9,249,472)	9,073,961
Investment activities		
Profit received	21,163	2,410
Dividend received	4,694,183	2,060,610
Proceeds from investments	(3,276,237)	(1,751,518)
Fixed capital expenditure	(27,000)	(1,241,234)
Proceeds from sale of property and equipment	2,700,000	-
Total cash flow from investing activities	4,112,109	(929,732)
Financing activities		
Finance costs paid	(85,388)	(493,650)
Borrowing under Musharaka arrangements obtained - net	(2,592,611)	(1,785,944)
Total cash from financing activities	(2,677,999)	(2,279,594)
Net cash flow from all activities	(7,815,362)	5,864,635
Cash and cash equivalents at beginning of year	10,064,959	73,886,978
Cash and cash equivalents at end of period	2,249,597	79,751,613
Reconciliation to unconsolidated profit and loss account		
Operating cash flows	(9,249,472)	9,073,961
Depreciation expense	(1,729,293)	(1,981,040)
Amortization expense	-	(98,802)
Gain /(loss) on disposal of property and equipments	1,248,278	-
Dividend income	4,694,183	2,060,610
Other investment and other income	21,163	2,410
Finance costs	(85,388)	(493,650)
Increase in assets other than cash	56,414,929	47,956,353
(Decrease)/increase in liabilities other than borrowings	(10,645,820)	(3,153,208)
Provision for taxation	(10,074,082)	(10,183,364)
Profit after taxation for the period	30,594,498	43,183,271

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, 2021

Description	Share capital	Discount on issue of right shares	Capital reserves	Revenue reserves		Unappropriated profit	Total equity
			Reserve for exceptional losses	General reserve	Surplus on remeasurement of available for sale investments		
----- (Rupees) -----							
Balance as at January 01, 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	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(85,116)	113,278,859	1,016,758,986
Balance as at January 01, 2021	1,076,950,410	(199,650,000)	1,767,568	24,497,265	1,055,391	124,677,369	1,029,298,003
Profit after tax for the period	-	-	-	-	-	30,594,499	30,594,499
Other comprehensive income for the period	-	-	-	-	781,802	-	781,802
Balance as at September 30, 2021	1,076,950,410	(199,650,000)	1,767,568	24,497,265	1,837,193	155,271,869	1,060,674,305

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 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, 2021 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, 2020.

3 STATEMENT OF COMPLIANCE

These condensed interim unconsolidated financial statements of the Company for the nine months period ended September 30, 2021 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, 2020.

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, 2020. 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, 2020.

			September 30, 2021 (Un-audited) ----- (Rupees) -----	December 31, 2020 (Audited)
7	PROPERTY AND EQUIPMENT	Note		
	Operating assets	7.1	<u>11,712,539</u>	<u>14,866,552</u>
7.1	Operating assets			
	Opening written down value		14,866,552	17,507,940
	Add: Additions during the period / year - at cost			
	- Motor vehicles		7,136,210	-
	- Computers and related accessories		27,000	-
	- Office equipment		-	-
	- Furniture and fixtures		-	-
			7,163,210	-
	Less: Written down value of deletions		(8,587,930)	-
	Depreciation for the period / year		(1,729,293)	(2,641,388)
			(10,317,223)	(2,641,388)
			<u>11,712,539</u>	<u>14,866,552</u>
8	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>
9	INVESTMENTS			
	Equity securities	9.1	<u>95,814,491</u>	<u>91,756,452</u>
9.1	Equity securities			
	Available-for-sale	9.1.1	<u>95,814,491</u>	<u>91,756,452</u>
9.1.1	Others			
	Listed shares		45,156	49,771
	Mutual funds	9.1.1.1	95,769,335	91,706,681
			<u>95,814,491</u>	<u>91,756,452</u>
9.1.1.1	Securities having market value of Rs. 94.992 million (2020: Rs. 91.193 million) are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.			
10	LOAN AND OTHER RECEIVABLES			
	Considered good			
	Other Security deposits		4,763,952	5,219,438
	Loan to employees		-	54,000
	Advance to supplier		260,000	260,000
	Accrued interest on advance against issuance of shares	10.1	235,353,004	206,107,255
	Advance against issuance of shares	10.2	641,861,116	636,693,794
	Others		21,700,501	18,465,464
			<u>903,938,573</u>	<u>866,799,951</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		206,107,255	163,330,338
	Income for the period / year		29,245,749	42,776,917
	Balance at the end of the period / year		<u>235,353,004</u>	<u>206,107,255</u>
10.2	This represents advances against issue of shares given to the following parties:			
	Name of the Company			
	Dost Steels Limited		354,279,066	354,279,066
	Crescent Star Foods (Private) Limited - Subsidiary		208,072,505	204,592,294
	Crescent Star Luxury (Private) Limited - Subsidiary		73,143,979	71,456,868
	Crescent Star Technologies (Private) Limited - Subsidiary		6,365,566	6,365,566
			<u>641,861,116</u>	<u>636,693,794</u>

		September 30, 2021 (Un-audited) ----- (Rupees) -----	December 31, 2020 (Audited)
11 CASH AND BANK			
Cash and other equivalents			
Cash in hand		117,999	82,584
Policy and revenue stamps		49,850	23,460
		<u>167,849</u>	<u>106,044</u>
Cash at bank			
Current accounts		2,127,871	10,269,112
Savings accounts	11.1	276,296	12,222
		<u>2,404,167</u>	<u>10,281,334</u>
Less: provision against dormant accounts		<u>(322,419)</u>	<u>(322,419)</u>
		<u>2,081,748</u>	<u>9,958,915</u>
		<u>2,249,597</u>	<u>10,064,959</u>
11.1	These carry mark-up at the rate of 6.5% (2020: 7.5%) per annum.		
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		155,271,869	124,677,369
Surplus on remeasurement of available for sale investments		1,837,193	1,055,391
		<u>183,373,895</u>	<u>151,997,593</u>
13 OTHER CREDITORS AND ACCRUALS			
Federal insurance fees		3,302,257	2,650,436
Federal excise duty		57,190,424	49,237,538
Payable to staff provident fund		9,712,748	8,425,198
Withholding tax		64,924,554	61,248,599
Accrued expenses		17,761,943	16,384,137
Unclaimed dividend		418,208	418,209
Others		18,461,236	24,700,954
		<u>171,771,370</u>	<u>163,065,071</u>
14 CONTINGENCIES AND COMMITMENTS			
14.1 CONTINGENCIES			
	The status of contingencies remain unchanged as disclosed in the annual unconsolidated financial statements as of December 31, 2020.		
14.2 COMMITMENTS			
Post dated cheques		-	2,592,611

	Quarter ended		Nine Months Period Ended	
	September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)	September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)
----- (Rupees) -----				
15 NET INSURANCE PREMIUM				
Gross written premium	22,357,463	23,113,415	72,556,811	76,717,122
Add : Unearned contribution reserve opening	47,695,722	50,115,699	45,517,153	53,348,333
Less: Unearned contribution reserve closing	(45,800,553)	(44,434,814)	(45,800,553)	(44,434,814)
Premium earned	24,252,632	28,794,300	72,273,411	85,630,641
Less: Reinsurance premium ceded	-	-	909,356	-
Add: prepaid reinsurance premium ceded opening	-	99,756	-	260,154
Less: prepaid reinsurance premium ceded closing	-	(32,255)	-	(32,255)
Reinsurance expense	-	67,501	909,356	227,899
	24,252,632	28,726,799	71,364,055	85,402,742
16 NET INSURANCE CLAIMS EXPENSE				
Claim paid	728,356	1,377,577	3,330,991	4,992,825
Add : Outstanding claims including IBNR closing	61,513,944	60,299,442	61,513,944	60,299,442
Less: Outstanding claims including IBNR opening	(61,643,007)	(60,338,249)	(61,977,955)	(61,242,124)
Claims expense	599,293	1,338,770	2,866,980	4,050,143
Less: Reinsurance and others recoveries received	-	-	-	-
Less: Reinsurance and others recoveries in respect of outstanding claims closing	-	-	(2,595,202)	(2,595,202)
Add: Reinsurance and others recoveries in respect of outstanding claims opening	-	-	2,595,202	2,595,202
Reinsurance and recoveries revenue	-	-	-	-
	599,293	1,338,770	2,866,980	4,050,143
17 NET COMMISSION EXPENSE				
Commission paid or payable	758,907	1,606,625	2,753,610	3,939,072
Add : Deferred commission expense opening	6,801,874	6,855,789	6,569,234	6,986,821
Less: Deferred commission expense closing	(6,433,547)	(6,256,637)	(6,433,547)	(6,256,637)
	1,127,234	2,205,777	2,889,297	4,669,256
Commission from reinsurers	-	-	(159,137)	-
Net commission expense	1,127,234	2,205,777	2,730,160	4,669,256
18 INVESTMENT INCOME				
Income from equity securities				
Available for sale financial assets				
Dividend income	20,201	-	4,694,183	2,060,610
Gain on sale of available for sale investments	-	-	-	-
	20,201	-	4,694,183	2,060,610
Income from bank balances				
Return on bank balances	5,275	553	21,163	2,410
	5,275	553	21,163	2,410
Less: Investment related expenses	-	-	-	-
Investment income	25,476	553	4,715,346	2,063,020

	Quarter ended		Nine Months Period Ended	
	September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)	September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)
	----- (Rupees) -----			
19 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	6,685,724	9,883,227	30,594,499	43,183,271
	----- Number -----			
Weighted average number of Ordinary shares	107,695,041	107,695,041	107,695,041	107,695,041
	----- (Rupees) -----			
Earnings per share - basic and diluted	0.06	0.09	0.28	0.40

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, 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, 2021 (Un-audited)	September 30, 2020 (Un-audited)
	----- (Rupees) -----	
20.1 Subsidiary Companies		
Crescent Star Foods (Private) Limited		
Advance against issuance of shares	3,480,211	2,169,947
Crescent Star Luxury (Private) Limited		
Advance against issuance of shares	1,687,111	248,886
Remuneration to Key Management Personnel	18,608,010	20,845,800
Staff retirement benefits		
Provident fund contribution	646,506	980,100
Markup on outstanding balance of provident fund	237,845	755,612

21 SEGMENT INFORMATION

	For the period ended September 30, 2021					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous
Current period	(Rupees)					
Gross written premium (inclusive of administrative surcharges)	375,683	3,310,945	8,324,136	-	54,070,559	6,475,488
Insurance premium earned	495,764	3,298,383	7,020,473	-	57,136,036	4,322,755
Insurance premium ceded to reinsurers	-	-	-	-	(909,356)	-
Net insurance premium	495,764	3,298,383	7,020,473	-	56,226,681	4,322,755
Commission income	-	-	-	-	-	-
Net underwriting income	495,764	3,298,383	7,020,473	-	56,226,681	4,322,755
Insurance claims	-	(1,926,156)	(827,769)	(87,805)	-	(25,250)
Insurance claims recovered from reinsurers	-	-	-	-	-	-
Net claims	-	(1,926,156)	(827,769)	(87,805)	-	(25,250)
Commission expense	(83,920)	(1,205,813)	(471,564)	-	(772,129)	(196,734)
Management expense	(298,719)	(2,603,847)	(6,781,076)	-	(44,685,676)	(5,205,706)
Premium deficiency reversal / (expense)	-	(142,712)	(637,689)	-	-	-
Net insurance claims and expenses	(382,639)	(5,878,528)	(8,718,098)	(87,805)	(45,457,805)	(5,427,690)
Underwriting results	113,125	(2,580,145)	(1,697,625)	(87,805)	10,768,876	(1,104,935)
Net investment income						4,715,346
Other income						34,885,229
Other expenses						(2,411,973)
Result of operating activities						42,600,092
Finance costs						(85,388)
Profit before tax for the period						42,514,704

	For the period ended September 30, 2020					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous
Prior period	(Rupees)					
Gross written premium (inclusive of administrative surcharges)	679,866	3,243,550	16,692,919	-	54,377,565	1,723,222
Insurance premium earned	1,530,001	2,742,572	26,230,029	710,371	51,166,242	3,251,426
Insurance premium ceded to reinsurers	(25,399)	-	(202,500)	-	-	-
Net insurance premium	1,504,602	2,742,572	26,027,529	710,371	51,166,242	3,251,426
Commission income	-	-	-	-	-	-
Net underwriting income	1,504,602	2,742,572	26,027,529	710,371	51,166,242	3,251,426
Insurance claims	-	(1,000,000)	(1,797,619)	(742,218)	(500,000)	(10,306)
Insurance claims recovered from reinsurers	-	-	-	-	-	-
Net claims	-	(1,000,000)	(1,797,619)	(742,218)	(500,000)	(10,306)
Commission expense	(294,491)	(1,017,239)	(2,130,255)	(35,519)	(829,288)	(362,464)
Management expense	(518,563)	(2,454,398)	(13,142,502)	-	(41,694,176)	(1,314,123)
Premium deficiency reversal / (expense)	-	(38,866)	(1,011,403)	-	-	-
Net insurance claims and expenses	(813,054)	(4,510,503)	(18,081,779)	(777,737)	(43,023,464)	(1,686,893)
Underwriting results	691,548	(1,767,931)	7,945,750	(67,366)	8,142,778	1,564,533
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

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 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, 2021									
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	-	-	95,814,491	-	-	95,814,491	95,814,491	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	2,249,597	-	2,249,597	-	-	-
Insurance / reinsurance receivable		-	-	209,810,455	-	209,810,455	-	-	-
Reinsurance recoveries against outstanding claims		-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	10	-	-	903,938,573	-	903,938,573	-	-	-
		-	-	95,814,491	1,118,593,827	1,214,408,318	95,814,491	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR	13	-	-	-	61,513,944	61,513,944	-	-	-
Other creditors and accruals		-	-	-	28,592,192	28,592,192	-	-	-
Borrowings		-	-	-	-	-	-	-	-
		-	-	-	90,106,136	90,106,136	-	-	-
December 31, 2020									
Note	Held to maturity	Fair Value through profit and loss	Available for Sale	Carrying Amount			Fair Value of Gain		
				Advances, Deposits and Prepayments	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
Rupees									
Financial Assets - measured at Fair Value									
Investments	9	-	-	91,756,452	-	-	91,756,452	91,756,452	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	10,064,959	-	10,064,959	-	-	-
Insurance / reinsurance receivable		-	-	190,398,461	-	190,398,461	-	-	-
Reinsurance recoveries against outstanding claims		-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	10	-	-	866,799,951	-	866,799,951	-	-	-
		-	-	91,756,452	1,069,858,573	1,161,615,025	91,756,452	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR	13	-	-	-	61,977,955	61,977,955	-	-	-
Other creditors and accruals		-	-	-	33,544,361	33,544,361	-	-	-
Borrowings		-	-	-	2,592,611	2,592,611	-	-	-
		-	-	-	98,114,927	98,114,927	-	-	-

23 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 22, 2021.

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

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, 2021

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, 2021.

The condensed interim consolidated financial information reflects Rs. 0.18 (September 30, 2020: Rs. 0.35) earnings per share for the period under review.

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

	September 30, 2021	September 30, 2020
	----- Rupees -----	
Profit / (loss) before tax	32,974,905	46,595,079
Provision for taxation	(13,373,323)	(9,010,601)
Profit / (loss) after tax	<u>19,601,582</u>	<u>37,584,478</u>
Profit / (loss) attributable to non-controlling interest	(4,840,607)	(2,752,770)
Profit / (loss) attributable to ordinary shareholders	<u>24,442,189</u>	<u>40,337,248</u>
Loss per share	<u>0.18</u>	<u>0.35</u>

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 22, 2021

اشتمال شدہ مالیاتی گوشواں پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں کریسٹل اسٹار انشورنس لمیٹڈ اور ذیلی کمپنیوں کریسٹل اسٹار گزٹری (پرائیویٹ) لمیٹڈ، کریسٹل اسٹار فوڈز (پرائیویٹ) لمیٹڈ اور کریسٹل اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کے مختتمہ مالیاتی گوشوارے برائے تیسری سہ ماہی مدت 30 ستمبر 2021 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

یہ متوسط معلومات زیر جائزہ مدت کے لئے 0.18 روپے (30 ستمبر 2020 کو 0.35 روپے) منافع فی حصص ظاہر کیا گیا ہے۔

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

30 ستمبر 2021	30 ستمبر 2020	
روپے	روپے	
32,974,905	46,595,079	منافع / (خسارہ) قبل از ٹیکس
(13,373,323)	(9,010,601)	ٹیکس کے لئے اختصاص
19,601,582	37,584,478	منافع / (خسارہ) بعد از ٹیکس
(4,840,607)	(2,752,770)	منافع / (خسارہ) ناقابل گرفت سود سے متعلق
24,442,189	40,337,248	منافع / (خسارہ) عمومی حصص یافتگان سے متعلق
0.18	0.35	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

تویر احمد
ڈائریکٹر

کراچی: 22 اکتوبر 2021

Crescent Star Insurance Limited
Condensed Interim Consolidated Statement of Financial Position
As at September 30, 2021

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
ASSETS	Note	----- (Rupees) -----	
Property and equipment	7	119,875,608	130,713,584
Intangible assets	8	43,386,636	44,596,520
Investments			
Equity securities	9	95,814,491	91,756,452
Loans and other receivables	10	681,222,819	649,201,519
Insurance / reinsurance receivables		209,810,455	190,398,461
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Stock-in-trade		10,107,910	10,107,910
Deferred commission expense / acquisition cost		6,433,547	6,569,234
Cash and bank	11	2,668,382	10,484,476
Total assets		<u>1,171,915,050</u>	<u>1,136,423,358</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to the 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	(100,936,004)	(126,159,995)
Equity attributable to equity holders of the Parent		<u>776,364,406</u>	<u>751,140,415</u>
Non-controlling interest		(32,722,081)	(27,881,474)
Total shareholders' equity		<u>743,642,325</u>	<u>723,258,941</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		61,513,944	61,977,955
Unearned premium reserves		45,800,553	45,517,153
Premium deficiency reserves		1,199,759	419,358
Deferred taxation		3,923,330	2,470,212
Borrowings		-	2,592,611
Premium received in advance		3,362,964	2,023,233
Other creditors and accruals	13	275,157,387	270,923,189
Provision for taxation		37,314,788	27,240,706
Total liabilities		<u>428,272,725</u>	<u>413,164,417</u>
Total equity and liabilities		<u>1,171,915,050</u>	<u>1,136,423,358</u>
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, 2021

		Quarter ended		Nine Months Period Ended	
	Note	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	15	24,252,632	28,726,801	71,364,055	85,402,742
Net insurance claims	16	(599,293)	(1,338,770)	(2,866,980)	(4,050,143)
Premium deficiency		-	-	(780,401)	(1,050,269)
Net commission expense and other acquisition costs	17	(1,127,234)	(2,205,777)	(2,730,160)	(4,669,256)
Insurance claims and acquisition expenses		(1,726,527)	(3,544,547)	(6,377,541)	(9,769,668)
Management expenses		(23,470,032)	(20,671,859)	(59,575,024)	(59,123,762)
Underwriting results		(943,927)	4,510,395	5,411,490	16,509,312
Investment income	18	25,476	553	4,715,346	2,063,020
Other income		11,830,180	10,545,687	34,885,229	37,248,262
Other expenses		(4,136,477)	(4,011,367)	(11,951,772)	(8,731,865)
Results of operating activities		6,775,252	11,045,268	33,060,293	47,088,729
Finance costs		(2,531)	(259,682)	(85,388)	(493,650)
Profit / (loss) before tax		6,772,721	10,785,586	32,974,905	46,595,079
Taxation		(4,267,007)	(3,645,644)	(13,373,323)	(9,010,601)
Profit / (loss) after tax		2,505,714	7,139,942	19,601,582	37,584,478
Attributable to:					
Owners of the Holding Company		4,439,978	8,255,121	24,442,189	40,337,248
Non-controlling interest		(1,934,264)	(1,115,179)	(4,840,607)	(2,752,770)
		2,505,714	7,139,942	19,601,582	37,584,478
Other comprehensive income / (loss)					
Unrealized gain on available for sale investments during the period - net of deferred tax		2,113,819	415,604	4,053,589	1,215,232
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		-	-	(3,271,787)	(1,751,518)
Other comprehensive income / (loss) for the period		2,113,819	415,604	781,802	(536,286)
Total comprehensive income for the period		4,619,533	7,555,546	20,383,384	37,048,192
Earning per share	19	0.02	0.07	0.18	0.35

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, 2021

	September 30, 2021	September 30, 2020
Operating cash flows	----- (Rupees) -----	
(a) Underwriting activities		
Insurance Premium received	53,956,146	65,552,244
Reinsurance premium paid	(380,954)	(487,848)
Claims paid	(3,330,991)	(4,992,825)
Commission paid	(2,753,610)	(3,939,072)
Commission received	159,137	-
Management expenses paid	(56,669,458)	(57,434,107)
Net cash flow from underwriting activities	(9,019,730)	(1,301,608)
(b) Other operating activities		
Income tax paid	(1,846,123)	(412,172)
Other operating payments	1,615,651	10,815,658
Net cash outflow from other operating activities	(230,472)	10,403,486
Total cash flow from all operating activities	(9,250,202)	9,101,878
Investment activities		
Profit received	21,163	2,410
Dividend received	4,694,183	2,060,610
Proceeds from investments	(3,276,239)	(1,751,518)
Fixed capital expenditure	(27,000)	(1,241,234)
Proceeds from sale of property and equipment	2,700,000	-
Total cash flow from investing activities	4,112,107	(929,732)
Financing activities		
Finance costs paid	(85,388)	(493,650)
Borrowing under Musharaka arrangements obtained - net	(2,592,611)	(1,785,944)
Total cash from financing activities	(2,677,999)	(2,279,594)
Net cash flow from all activities	(7,816,094)	5,892,552
Cash and cash equivalents at beginning of year	10,484,476	74,278,628
Cash and cash equivalents at end of period	2,668,382	80,171,180
Reconciliation to unconsolidated profit and loss account		
Operating cash flows	(9,250,202)	9,101,878
Depreciation expense	(9,413,256)	(8,582,728)
Amortization expense	(1,209,884)	(1,032,097)
Gain /(loss) on disposal of property and equipments	1,248,278	-
Dividend income	4,694,183	2,060,610
Other investment and other income	21,163	2,410
Finance costs	(85,388)	(493,650)
Increase in assets other than cash	51,297,607	41,019,668
(Decrease)/increase in liabilities other than borrowings	(7,626,837)	5,691,750
Provision for taxation	(10,074,082)	(10,183,363)
Profit after taxation for the period	19,601,582	37,584,478

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, 2021

	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 Januarv 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	1,076,950,410	(199,650,000)	1,767,568	24,497,265	(85,116)	(162,053,839)	741,426,288	(25,418,773)	716,007,515
Balance as at Januarv 01, 2021	1,076,950,410	(199,650,000)	1,767,568	24,497,265	1,055,391	(153,480,219)	751,140,415	(27,881,474)	723,258,941
Total comprehensive income for the period	-	-	-	-	781,802	24,442,189	25,223,991	(4,840,607)	20,383,384
Balance as at September 30, 2021	1,076,950,410	(199,650,000)	1,767,568	24,497,265	1,837,193	(129,038,030)	776,364,406	(32,722,081)	743,642,325

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 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.

- 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, 2020.

3 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Company for the nine months period ended September 30, 2021 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, 2020.

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, 2020. 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, 2020.

			September 30, 2021 (Un-audited) ----- (Rupees) -----	December 31, 2020 (Audited)
7	PROPERTY AND EQUIPMENT	Note		
	Operating assets	7.1	<u>119,875,608</u>	<u>130,713,584</u>
7.1	Operating assets			
	Opening written down value		130,713,584	143,333,097
	Add: Additions during the period / year - at cost			
	- Motor vehicles		7,136,210	1,216,233
	- Computers and related accessories		27,000	-
	- Office equipment		-	-
	- Furniture and fixtures		-	-
			7,163,210	1,216,233
	Less: Written down value of deletions		(8,587,930)	(2,089,738)
	Depreciation for the period / year		(9,413,256)	(11,746,008)
			(18,001,186)	(13,835,746)
			<u>119,875,608</u>	<u>130,713,584</u>
8	INTANGIBLE ASSETS			
	Goodwill at acquisition		28,742,849	28,742,849
	Franchise		12,585,050	13,427,371
	Computer software		2,058,737	2,426,300
			<u>43,386,636</u>	<u>44,596,520</u>
9	INVESTMENTS			
	Equity securities	9.1	<u>95,814,491</u>	<u>91,756,452</u>
9.1	Equity securities			
	Available-for-sale	9.1.1	<u>95,814,491</u>	<u>91,756,452</u>
9.1.1	Others			
	Listed shares		45,156	49,771
	Mutual funds	9.1.1.1	95,769,335	91,706,681
			<u>95,814,491</u>	<u>91,756,452</u>
9.1.1.1	Securities having market value of Rs. 94.992 million (2020: Rs. 91.193 million) are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.			
10	LOAN AND OTHER RECEIVABLES			
	Considered good			
	Other Security deposits		9,704,159	10,159,645
	Loan to employees		-	54,000
	Advance to supplier		53,397,482	53,397,482
	Accrued interest on advance against issuance of shares	10.1	235,353,004	206,107,255
	Advance against issuance of shares		354,279,066	354,279,066
	Others		28,489,108	25,204,071
			<u>681,222,819</u>	<u>649,201,519</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		206,107,255	163,330,338
	Income for the period / year		29,245,749	42,776,917
	Balance at the end of the period / year		<u>235,353,004</u>	<u>206,107,255</u>

		September 30, 2021 (Un-audited) ----- (Rupees) -----	December 31, 2020 (Audited) -----
11	CASH AND BANK		
	Cash and other equivalents		
	Cash in hand	467,007	431,593
	Policy and revenue stamps	49,850	23,460
		516,857	455,053
	Cash at bank		
	Current accounts	2,197,648	10,339,620
	Savings accounts	276,296	12,222
		2,473,944	10,351,842
	Less: provision against dormant accounts	(322,419)	(322,419)
		2,151,525	10,029,423
		2,668,382	10,484,476
11.1	These carry mark-up at the rate of 6.5% (2020: 7.5%) per annum.		
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	(129,038,030)	(153,480,219)
	Surplus on remeasurement of available for sale investments	1,837,193	1,055,391
		(100,936,004)	(126,159,995)
13	OTHER CREDITORS AND ACCRUALS		
	Trade and related payables	45,848,746	49,182,674
	Federal insurance fees	3,302,257	2,650,436
	Federal excise duty	57,190,424	49,237,538
	Payable to staff provident fund	9,712,748	8,425,198
	Withholding tax	83,294,918	80,227,836
	Accrued expenses	54,722,440	53,969,634
	Unclaimed dividend	418,208	418,209
	Others	20,667,646	26,811,664
		275,157,387	270,923,189
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, 2020.		
14.2	COMMITMENTS		
	Post dated cheques	-	2,592,611

	Quarter ended		Nine Months Period Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
----- (Rupees) -----				
15 NET INSURANCE PREMIUM				
Gross written premium	22,357,463	23,113,415	72,556,811	76,717,122
Add : Unearned contribution reserve opening	47,695,722	50,115,699	45,517,153	53,348,333
Less: Unearned contribution reserve closing	(45,800,553)	(44,434,814)	(45,800,553)	(44,434,814)
Premium earned	24,252,632	28,794,300	72,273,411	85,630,641
Less: Reinsurance premium ceded	-	-	909,356	-
Add: prepaid reinsurance premium ceded opening	-	99,756	-	260,154
Less: prepaid reinsurance premium ceded closing	-	(32,255)	-	(32,255)
Reinsurance expense	-	67,501	909,356	227,899
	24,252,632	28,726,799	71,364,055	85,402,742
16 NET INSURANCE CLAIMS EXPENSE				
Claim paid	728,356	1,377,577	3,330,991	4,992,825
Add : Outstanding claims including IBNR closing	61,513,944	60,299,442	61,513,944	60,299,442
Less: Outstanding claims including IBNR opening	(61,643,007)	(60,338,249)	(61,977,955)	(61,242,124)
Claims expense	599,293	1,338,770	2,866,980	4,050,143
Less: Reinsurance and others recoveries received	-	-	-	-
Less: Reinsurance and others recoveries in respect of outstanding claims closing	-	-	(2,595,202)	(2,595,202)
Add: Reinsurance and others recoveries in respect of outstanding claims opening	-	-	2,595,202	2,595,202
Reinsurance and recoveries revenue	-	-	-	-
	599,293	1,338,770	2,866,980	4,050,143
17 NET COMMISSION EXPENSE				
Commission paid or payable	758,907	1,606,625	2,753,610	3,939,072
Add : Deferred commission expense opening	6,801,874	6,855,789	6,569,234	6,986,821
Less: Deferred commission expense closing	(6,433,547)	(6,256,637)	(6,433,547)	(6,256,637)
	1,127,234	2,205,777	2,889,297	4,669,256
Commission from reinsurers	-	-	(159,137)	-
Net commission expense	1,127,234	2,205,777	2,730,160	4,669,256
18 INVESTMENT INCOME				
Income from equity securities				
Available for sale financial assets				
Dividend income	20,201	-	4,694,183	2,060,610
Gain on sale of available for sale investments	-	-	-	-
	20,201	-	4,694,183	2,060,610
Income from bank balances				
Return on bank balances	5,275	553	21,163	2,410
	5,275	553	21,163	2,410
Less: Investment related expenses	-	-	-	-
Investment income	25,476	553	4,715,346	2,063,020

	Quarter ended		Nine Months Period Ended	
	September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)	September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)
	----- (Rupees) -----			
19 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	2,505,714	7,139,942	19,601,582	37,584,478
	----- Number -----			
Weighted average number of Ordinary shares	107,695,041	107,695,041	107,695,041	107,695,041
	----- (Rupees) -----			
Earnings per share - basic and diluted	0.02	0.07	0.18	0.35

19.1 No figure for diluted earnings per share has been presented as the Group 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 Group. 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 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:

	September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)
	----- (Rupees) -----	
20.1 Remuneration to Key Management Personnel	18,608,010	20,845,800
Staff retirement benefits		
Provident fund contribution	646,506	980,100
Markup on outstanding balance of provident fund	237,845	755,612

[illegible]

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, 2021									
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	-	-	95,814,491	-	-	95,814,491	95,814,491	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	2,668,382	-	2,668,382	-	-	-
Insurance / reinsurance receivable		-	-	209,810,455	-	209,810,455	-	-	-
Reinsurance recoveries against outstanding claims		-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	10	-	-	681,222,819	-	681,222,819	-	-	-
		-	-	95,814,491	-	992,111,349	95,814,491	-	-
		-	-	896,296,858	-	-	-	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR	13	-	-	-	61,513,944	61,513,944	-	-	-
Other creditors and accruals		-	-	-	30,798,602	30,798,602	-	-	-
Borrowings		-	-	-	-	-	-	-	-
		-	-	-	92,312,546	92,312,546	-	-	-
December 31, 2020									
Note	Held to maturity	Fair Value through profit and loss	Available for Sale	Carrying Amount			Fair Value of Gain		
				Advances, Deposits and Prepayments	Other Financial Liabilities	Total	Level 1	Level 2	Level 3
Rupees									
Financial Assets - measured at Fair Value									
Investments	9	-	-	91,756,452	-	-	91,756,452	91,756,452	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	10,484,476	-	10,484,476	-	-	-
Insurance / reinsurance receivable		-	-	190,398,461	-	190,398,461	-	-	-
Reinsurance recoveries against outstanding claims		-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	10	-	-	649,201,519	-	649,201,519	-	-	-
		-	-	91,756,452	-	944,436,110	91,756,452	-	-
		-	-	852,679,658	-	-	-	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR	13	-	-	-	61,977,955	61,977,955	-	-	-
Other creditors and accruals		-	-	-	35,655,071	35,655,071	-	-	-
Borrowings		-	-	-	2,592,611	2,592,611	-	-	-
		-	-	-	100,225,637	100,225,637	-	-	-

23 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements have been approved by the Board of Directors of the Group and are authorised for issue on October 22, 2021.

24 IMPACT OF COVID-19 ON OPERATIONS

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

25 GENERAL

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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ISLAMABAD	OFFICE NO.05, 2ND FLOOR, HAQ CENTER, D- BLOCK, 5TH ROAD, SATLLITE TOWN, RAWALPINDI.	0312-5595674
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



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