



Your Security - Our Policy

Quarterly Report March 31, 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. 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	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
March 31, 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 unconsolidated financial statements for the three months ended 31 March 2021.

General Review

Although there has been a decline in the overall performance of the business but it is still encouraging to see the progress of your Company in the first quarter of the year. The Company is still showing a profitable trend reason being cutting off expenses and control on claim ratio has been a result of an extensive strategy followed by the management. The prudent underwriting policies and professional expertise of the management team has been successfully reflected in operational results of the Company in addition to support from other areas of business.

The gross premium written for the first quarter of the year has been Rs. 27.314 million as compared to Rs. 35.855 million for the corresponding period as there has been a marginal decline in the Company operational activities due to impact of Covid-19 on the overall performance of the industry but still Company has managed to retain its financial position. The net premium also shows a slight decline which has been recorded at Rs. 25.013 million against Rs. 27.565 million for the corresponding period. Profit after tax recorded at Rs. 13.652 million still showing an overall profit. Earnings per share stood at Rs. 0.13.

Performance Highlights

The comparative financial highlights for the first quarter ended 31 March 2021 and 2020 are presented below:-

Rupees in millions (except for EPS)	31 March	31 March	Increase / (Decrease)	
	2021	2020	Amount	%
Gross written premium	27.314	35.855	(8.541)	(24)
Net premium	25.013	27.565	(2.552)	(9)
Profit before tax	19.014	19.751	(0.737)	(4)
Profit after tax	13.652	19.200	(5.548)	(29)
Total assets	1,360.553	1,286.274	74.279	6
Paid-up capital	1,076.950	1,076.950	-	-
Earnings per share (EPS) Rs.	0.13	0.18	(0.05)	(28)

Future Outlook

The Company intends to expand its core business of underwriting, while continuing to voice its concerns on the underlying issues of Bank and Institutions / Departments enlistment and limits issue in sheer violation of Insurance Ordinance / Competition Act and SBP circular. Assistance by all relevant authorities on the fair concerns raised by the Insurance Sector will no doubt not only help your Company but will increase the penetration of Insurance in Pakistan which has been highlighted by the sector continuously over years. Fundamental Right of doing business is the only fair demand of the sector. The Company is confidently looking forward to the approval of the Scheme of Arrangement by the Honorable Sindh High Court of the merger of its subsidiary Crescent Star Foods (Private) Limited with and into PICIC Insurance Limited.

COVID-19 outbreak has caused an unprecedented economic shock to the global economy. Millions of people have been infected by the corona virus all over the world; the outbreak threatens to plunge the world into the deepest global recession in generations. The outbreak of COVID-19 is likely to have huge impact on consumption, production and trade flows raising concerns for Pakistan. In this extremely uncertain and unprecedented backdrop, the insurance industry is also likely to be affected but the management of the Company is willing to take all the necessary measures in order to mitigate those risks.

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
Karachi: April 23, 2021

Naim Anwar
Managing Director & CEO

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

میں بورڈ آف ڈائریکٹری کی جانب سے کرینٹ اسٹار انشورنس لمیٹڈ کے مجموعی مالیاتی گوشوارے برائے سہ ماہی مدت 31 مارچ 2021 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

عمومی جائزہ

اگرچہ کاروبار کی مجموعی کارکردگی میں کمی واقع ہوئی ہے لیکن سال کی پہلی سہ ماہی میں آپ کی کمپنی کی پیشرفت دیکھنا بہت حوصلہ افزا ہے۔ اخراجات میں کٹوتی اور کلیم کے تناسب پر قابو میں پانا انتظامیہ کی موثر حکمت عملی کا نتیجہ ہے۔ کاروبار کے دیگر شعبوں کی حمایت کے علاوہ، انتظامیہ کی ذہانت انڈر رائٹنگ پالیسیاں اور انتظامی ٹیم کی پیشہ ورانہ مہارت کامیابی کے ساتھ کمپنی کے آپریشنل نتائج میں بھی جھلکتی ہے۔

سال کی پہلی سہ ماہی مدت کا مجموعی خام پریمیم 27.314 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال 35.855 ملین روپے تھا۔ چونکہ کمپنی کی اپریٹنگ سرگرمیوں میں معمولی کمی واقع ہوئی ہے اور یہ Covid-19 وجہ سے ہے کہ صنعت کی مجموعی کارکردگی پر بھی اس کی اثرات مرتب ہوئے لیکن کمپنی اپنی مالی حیثیت برقرار رکھنے میں کامیاب رہی۔ خالص پریمیم میں معمولی کمی دیکھنے میں آئی اور 25.013 ملین روپے پر ریکارڈ ہوا جبکہ گزشتہ سال اسی مدت میں 27.565 ملین روپے تھا۔ بعد از ٹیکس منافع 13.652 ملین روپے رہا۔ فی حصص آمدنی 0.13 پیسے پر رہی۔

کارکردگی کی جھلکیاں

کمپنی کی متقابلہ مالیاتی جھلکیاں برائے سہ ماہی مدت 31 مارچ 2021 درج ذیل ہیں:

روپے بلین (ماسوائے EPS)	31 مارچ 2021	31 مارچ 2020	رقم	اضافہ / (کمی)
خام پریمیم	27.314	35.855	(8.541)	(24)%
خالص پریمیم	25.013	27.565	(2.552)	(9)
منافع قبل از ٹیکس	19.014	19.751	(0.737)	(4)
منافع بعد از ٹیکس	13.652	19.200	(5.548)	(29)
ادا شدہ سرمایہ	1,360.553	1,286.274	74.279	6
کل اثاثے	1,076.950	1,076.950	-	-
منافع فی حصص	0.13	0.18	(0.05)	(28)

مستقبل کی پیش بینی

کمپنی کا بنیادی کاروبار انڈر رائٹنگ ہے، جبکہ انشورنس آرڈیننس / مسابقت اور اسٹیٹ بینک سرکلر کی سراسر خلاف ورزی پر بینک اور اداروں / محکموں کے اندراج اور حد کے معاملے پر اپنے تحفظات جاری رکھے ہوئے ہے۔ انشورنس سیکٹر کی جانب سے اٹھائے جانے والے منصفانہ خدشات پر تمام متعلقہ حکام کی مدد سے کوئی شک نہیں کہ وہ نہ صرف آپ کی کمپنی کی مدد کریگا بلکہ پاکستان کے انشورنس کے دخول میں بھی اضافہ ہوگا جو اس شعبہ کے زریعہ کی سالوں سے نمایاں رہا ہے۔ کاروبار کرنے کا بنیادے حق اس شعبہ کا واحد منصفانہ مطالبہ ہے۔ کمپنی اس کے ماتحت ادارہ کرینٹ اسٹار فوڈز (پرائیوٹ) لمیٹڈ کے پبلک انشورنس لمیٹڈ کے ساتھ انضمام کیلئے معزز سندھ ہائی کورٹ کی کے زریعہ اسکیم آف ارجنٹ کی منظوری کیلئے پراعتماد طور پر منتظر ہے۔

کوویڈ 19 کے پھیلنے سے عالمی معیشت کو غیر معمولی دھچکا لگا ہے۔ پوری دنیا میں ہزاروں افراد کو رونا وائرس سے متاثر ہو چکے ہیں۔ اس وباء کی وجہ سے دنیا کو اب تک کی بڑی کساد بزاری میں ڈوبنے کا خطرہ ہے۔ کوویڈ 19 کے پھیلنے سے پاکستان کی کھپت، پیداوار اور تجارت کے بہاؤ پر بھی بہت زیادہ گہرے اثرات پڑنے کے خدشات ہیں، اس انتہائی بے یقینی صورت حال میں کے پس منظر میں انشورنس انڈسٹری کو بھی متاثر ہونے کا خدشہ ہے لیکن کمپنی کی انتظامیہ ان خطرات کو کم کرنے کیلئے تمام ضروری اقدامات اٹھانے پر راضی ہے۔

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 شکرگزار ہے۔

نعیم انور
مینجنگ ڈائریکٹر اینڈ سی ای او

تنویر احمد
ڈائریکٹر
کراچی: 23 اپریل 2021

Crescent Star Insurance Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at March 31, 2021

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
ASSETS	Note	----- (Rupees) -----	
Property and equipment	7	13,241,484	14,866,552
Investments in subsidiaries	8	150,019,600	150,019,600
Investments			
Equity securities	9	93,432,286	91,756,452
Loans and other receivables	10	882,570,485	866,799,951
Insurance / reinsurance receivables		202,376,462	190,398,461
Reinsurance recoveries against outstanding claims		2,595,202	2,595,202
Deferred commission expense / acquisition cost		6,911,466	6,569,234
Cash and bank	11	9,405,619	10,064,959
Total assets		<u>1,360,552,604</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	167,325,869	151,997,593
Total equity		<u>1,044,626,279</u>	<u>1,029,298,003</u>
 Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		61,825,698	61,977,955
Unearned premium reserves		47,818,572	45,517,153
Premium deficiency reserves		685,637	419,358
Borrowings		337,500	2,592,611
Premium received in advance		3,895,748	2,023,233
Other creditors and accruals	13	167,948,605	163,065,071
Provision for taxation		33,414,565	28,177,027
Total liabilities		<u>315,926,325</u>	<u>303,772,408</u>
Total equity and liabilities		<u>1,360,552,604</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 March 31, 2021

	Note	March 31, 2021	March 31, 2020 Restated
----- (Rupees) -----			
Net insurance premium	15	25,012,852	27,564,609
Net insurance claims	16	(1,269,196)	(1,711,381)
Premium deficiency		(266,279)	-
Net commission expense and other acquisition costs	17	(634,464)	(518,544)
Insurance claims and acquisition expenses		(2,169,939)	(2,229,925)
Management expenses		(15,340,630)	(20,857,465)
Underwriting results		7,502,283	4,477,219
Investment income	18	2,871	983
Other income		12,062,476	15,931,124
Other expenses		(480,700)	(495,691)
Results of operating activities		19,086,930	19,913,635
Finance costs		(72,732)	(162,051)
Profit / (loss) before tax		19,014,198	19,751,584
Taxation		(5,361,756)	(551,100)
Profit / (loss) after tax		13,652,442	19,200,484
Other comprehensive income / (loss)			
Unrealized gain on available for sale investments during the period - net of deferred tax		1,675,834	585,358
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		-	-
Other comprehensive income / (loss) for the period		1,675,834	585,358
Total comprehensive income for the period		15,328,276	19,785,842
Earning per share	19	0.13	0.18

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 March 31, 2021

	March 31, 2021	March 31, 2020 Restated
	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Insurance Premium received	18,038,061	28,581,880
Reinsurance premium paid	(829,276)	(346,776)
Claims paid	(1,421,453)	(2,383,368)
Commission paid	(976,696)	(1,725,704)
Commission received	-	-
Management expenses paid	(10,431,324)	(14,891,418)
Net cash flow from underwriting activities	4,379,312	9,234,614
(b) Other operating activities		
Income tax paid	(124,218)	(33,468)
Other operating payments	(4,789,462)	(2,530,581)
Net cash outflow from other operating activities	(4,913,680)	(2,564,049)
Total cash flow from all operating activities	(534,368)	6,670,565
Investment activities		
Profit received	2,871	983
Dividend received	-	-
Proceeds from investments	-	-
Fixed capital expenditure	-	-
Proceeds from sale of property and equipment	2,200,000	-
Total cash flow from investing activities	2,202,871	983
Financing activities		
Finance costs paid	(72,732)	(162,051)
Borrowing under Musharaka arrangements obtained - net	(2,255,111)	(379,425)
Total cash from financing activities	(2,327,843)	(541,476)
Net cash flow from all activities	(659,340)	6,130,072
Cash and cash equivalents at beginning of year	10,064,959	73,886,978
Cash and cash equivalents at end of period	9,405,619	80,017,050
Reconciliation to unconsolidated profit and loss account		
Operating cash flows	(534,368)	6,670,565
Depreciation expense	(506,472)	(614,821)
Amortization expense	-	(26,684)
Gain /(loss) on disposal of property and equipments	1,081,404	-
Dividend income	-	-
Other investment and other income	2,871	983
Finance costs	(72,732)	(162,051)
Increase in assets other than cash	28,090,767	25,428,958
(Decrease)/increase in liabilities other than borrowings	(9,171,490)	(11,578,834)
Provision for taxation	(5,237,538)	(517,632)
Profit after taxation for the period	13,652,442	19,200,484

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 March 31, 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 (Restated)	-	-	-	-	-	19,200,484	19,200,484
Other comprehensive income for the period	-	-	-	-	585,358	-	585,358
Balance as at March 31, 2020 (Restated)	1,076,950,410	(199,650,000)	1,767,568	24,497,265	1,036,528	89,296,071	993,897,842
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	-	-	-	-	-	13,652,442	13,652,442
Other comprehensive income for the period	-	-	-	-	1,675,834	-	1,675,834
Balance as at March 31, 2021	1,076,950,410	(199,650,000)	1,767,568	24,497,265	2,731,225	138,329,811	1,044,626,279

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 three months period ended March 31, 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 three months period ended March 31, 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.

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees) -----	
11 CASH AND BANK		
Cash and other equivalents		
Cash in hand	129,328	82,584
Policy and revenue stamps	85,430	23,460
	214,758	106,044
Cash at bank		
Current accounts	8,992,731	10,269,112
Savings accounts	520,549	12,222
	9,513,280	10,281,334
Less: provision against dormant accounts	(322,419)	(322,419)
	9,190,861	9,958,915
	9,405,619	10,064,959
11.1	These carry mark-up at the rate of 5.5% (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	138,329,811	124,677,369
Surplus on remeasurement of available for sale investments	2,731,225	1,055,391
	167,325,869	151,997,593
13 OTHER CREDITORS AND ACCRUALS		
Federal insurance fees	2,896,356	2,650,436
Federal excise duty	52,225,928	49,237,538
Payable to staff provident fund	8,589,382	8,425,198
Withholding tax	62,547,946	61,248,599
Accrued expenses	16,086,971	16,384,137
Unclaimed dividend	418,209	418,209
Others	25,183,813	24,700,954
	167,948,605	163,065,071
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	337,500	2,592,611

	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited) Restated
	----- (Rupees) -----	
15 NET INSURANCE PREMIUM		
Gross written premium	27,314,271	35,855,091
Add : Unearned contribution reserve opening	45,517,153	53,348,333
Less: Unearned contribution reserve closing	(47,818,572)	(61,551,986)
Premium earned	25,012,852	27,651,438
Less: Reinsurance premium ceded	-	-
Add: prepaid reinsurance premium ceded opening	-	260,154
Less: prepaid reinsurance premium ceded closing	-	(173,325)
Reinsurance expense	-	86,829
	25,012,852	27,564,609
16 NET INSURANCE CLAIMS EXPENSE		
Claim paid	1,421,453	2,383,368
Add : Outstanding claims including IBNR closing	61,825,698	60,570,137
Less: Outstanding claims including IBNR opening	(61,977,955)	(61,242,124)
Claims expense	1,269,196	1,711,381
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	-	-
	1,269,196	1,711,381
17 NET COMMISSION EXPENSE		
Commission paid or payable	976,696	1,725,704
Add : Deferred commission expense opening	6,569,234	6,986,821
Less: Deferred commission expense closing	(6,911,466)	(8,193,981)
Net commission expense	634,464	518,544
18 INVESTMENT INCOME		
Income from equity securities		
Available for sale financial assets		
Dividend income	-	-
Gain on sale of available for sale investments	-	-
	-	-
Income from bank balances		
Return on bank balances	2,871	983
	2,871	983
Less: Investment related expenses	-	-
Investment income	2,871	983

	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited) Restated
	----- (Rupees) -----	
19 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax for the period	<u>13,652,442</u>	<u>19,200,484</u>
	----- Number -----	
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>
	----- (Rupees) -----	
Earnings per share - basic and diluted	<u>0.13</u>	<u>0.18</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, 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:

	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	----- (Rupees) -----	
20.1 Subsidiary Companies		
Crescent Star Foods (Private) Limited		
Advance against issuance of shares	1,969,054	1,092,246
Crescent Star Luxury (Private) Limited		
Advance against issuance of shares	1,386,010	66,886
Remuneration to Key Management Personnel	6,107,100	6,948,600
Staff retirement benefits		
Provident fund contribution	293,490	331,500
Markup on outstanding balance of provident fund	220,721	220,980

21 SEGMENT INFORMATION

	For the three months period ended March 31, 2021						
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total
Current period	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	222,662	1,092,607	1,724,224	-	22,175,549	2,099,229	27,314,271
Insurance premium earned	201,263	1,135,268	2,758,642	-	19,891,195	1,026,484	25,012,852
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	201,263	1,135,268	2,758,642	-	19,891,196	1,026,484	25,012,852
Commission income	-	-	-	-	-	-	-
Net underwriting income	201,263	1,135,268	2,758,642	-	19,891,196	1,026,484	25,012,852
Insurance claims	-	(900,000)	(270,391)	(87,805)	-	(11,000)	(1,269,196)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	-	(900,000)	(270,391)	(87,805)	-	(11,000)	(1,269,196)
Commission expense	(26,540)	(396,171)	(196,288)	-	48,282	(63,747)	(634,464)
Management expense	(121,281)	(588,981)	(953,237)	-	(12,517,859)	(1,159,272)	(15,340,630)
Premium deficiency reversal / (expense)	-	(2,396)	(263,883)	-	-	-	(266,279)
Net insurance claims and expenses	(147,821)	(1,887,548)	(1,683,799)	(87,805)	(12,469,577)	(1,234,019)	(17,510,569)
Underwriting results	53,442	(752,280)	1,074,843	(87,805)	7,421,619	(207,535)	7,502,283
Net investment income							2,871
Other income							12,062,476
Other expenses							(480,700)
Result of operating activities							19,086,930
Finance costs							(72,732)
Profit before tax for the period							19,014,198

	For the three months period ended March 31, 2020						
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total
Prior period	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	290,044	801,602	12,377,417	-	22,185,478	200,550	35,855,091
Insurance premium earned	759,945	649,824	10,729,780	284,148	14,097,457	1,130,284	27,651,438
Insurance premium ceded to reinsurers	(19,329)	-	(67,500)	-	-	-	(86,829)
Net insurance premium	740,616	649,824	10,662,280	284,148	14,097,457	1,130,284	27,564,609
Commission income	-	-	-	-	-	-	-
Net underwriting income	740,616	649,824	10,662,280	284,148	14,097,457	1,130,284	27,564,609
Insurance claims	-	-	(1,539,020)	(305,424)	-	133,063	(1,711,381)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	-	-	(1,539,020)	(305,424)	-	133,063	(1,711,381)
Commission expense	(143,842)	(199,422)	(638,738)	(14,208)	588,900	(111,234)	(518,544)
Management expense	(167,121)	(456,505)	(7,366,817)	-	(12,754,356)	(112,666)	(20,857,465)
Premium deficiency reversal / (expense)	-	-	-	-	-	-	-
Net insurance claims and expenses	(310,963)	(655,927)	(9,544,575)	(319,632)	(12,165,456)	(90,837)	(23,087,390)
Underwriting results	429,653	(6,103)	1,117,705	(35,484)	1,932,001	1,039,447	4,477,219
Net investment income							983
Other income							15,931,124
Other expenses							(495,691)
Result of operating activities							19,913,635
Finance costs							(162,051)
Profit before tax for the period							19,751,584

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:

March 31, 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	-	93,432,286	-	-	93,432,286	93,432,286	-	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	9,405,619	-	9,405,619	-	-	-
Insurance / reinsurance receivable		-	-	202,376,462	-	202,376,462	-	-	-
Reinsurance recoveries against outstanding claims		-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	10	-	-	882,570,485	-	882,570,485	-	-	-
		-	93,432,286	1,096,947,768	-	1,190,380,054	93,432,286	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR		-	-	-	61,825,698	61,825,698	-	-	-
Other creditors and accruals	13	-	-	-	34,191,404	34,191,404	-	-	-
Borrowings		-	-	-	337,500	337,500	-	-	-
		-	-	-	96,354,602	96,354,602	-	-	-

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		-	-	-	61,977,955	61,977,955	-	-	-
Other creditors and accruals	13	-	-	-	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 April 23, 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
March 31, 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 March 31, 2021.

The condensed interim consolidated financial information reflects Rs. 0.10 (March 31, 2020: Rs. 0.17) earnings per share for the period under review.

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

	March 31, 2021	March 31, 2020
	----- Rupees -----	-----
Profit / (loss) before tax	15,851,138	18,592,452
Provision for taxation	(4,694,547)	(551,100)
Profit / (loss) after tax	<u>11,156,591</u>	<u>18,041,352</u>
Profit / (loss) attributable to non-controlling interest	(1,030,370)	(546,324)
Profit / (loss) attributable to ordinary shareholders	<u><u>12,186,961</u></u>	<u><u>18,587,676</u></u>
Loss per share	<u><u>0.10</u></u>	<u><u>0.17</u></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: April 23, 2021

اشتمال شدہ مالیاتی گوشواں پر ڈائریکٹران کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں کریڈٹ اسٹار انشورنس لمیٹڈ اور ذیلی کمپنیوں کریڈٹ اسٹار لکڑری (پرائیویٹ) لمیٹڈ، کریڈٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ اور کریڈٹ اسٹار ٹیکنالوجیز (پرائیویٹ) لمیٹڈ کے مختتمہ مالیاتی گوشوارے برائے سہ ماہی مدت 31 مارچ 2021 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

یہ متوسط معلومات زیر جائزہ مدت کے لئے 0.10 روپے (31 مارچ 2020 کو 0.17 روپے) منافع فی حصص ظاہر کیا گیا ہے۔

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

31 مارچ 2020	31 مارچ 2021	
----- روپے -----		
18,592,452	15,851,138	منافع / (خسارہ) قبل از ٹیکس
(551,100)	(4,694,547)	ٹیکس کے لئے اختصاص
18,041,352	11,156,591	منافع / (خسارہ) بعد از ٹیکس
(546,324)	(1,030,370)	منافع / (خسارہ) ناقابل گرفت سود سے متعلق
18,587,676	12,186,961	منافع / (خسارہ) عمومی حصص یافتگان سے متعلق
0.17	0.10	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: 23 اپریل 2021

Crescent Star Insurance Limited
Condensed Interim Consolidated Statement of Financial Position
As at March 31, 2021

ASSETS	Note	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
		----- (Rupees) -----	
Property and equipment	7	126,438,068	130,713,584
Intangible assets	8	44,179,318	44,596,520
Investments			
Equity securities	9	93,432,286	91,756,452
Loans and other receivables	10	661,666,989	649,201,519
Insurance / reinsurance receivables		202,376,462	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		6,911,466	6,569,234
Cash and bank	11	9,825,136	10,484,476
Total assets		<u>1,157,532,837</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	(112,297,200)	(126,159,995)
Equity attributable to equity holders of the Parent		765,003,210	751,140,415
Non-controlling interest		(28,911,844)	(27,881,474)
Total shareholders' equity		736,091,366	723,258,941
 Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		61,825,698	61,977,955
Unearned premium reserves		47,818,572	45,517,153
Premium deficiency reserves		685,637	419,358
Deferred taxation		1,803,003	2,470,212
Borrowings		337,500	2,592,611
Premium received in advance		3,895,748	2,023,233
Other creditors and accruals	13	272,597,069	270,923,189
Provision for taxation		32,478,244	27,240,706
Total liabilities		421,441,471	413,164,417
Total equity and liabilities		<u>1,157,532,837</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 March 31, 2021

	Note	March 31, 2021	March 31, 2020 Restated
----- (Rupees) -----			
Net insurance premium	15	25,012,852	27,564,609
Net insurance claims	16	(1,269,196)	(1,711,381)
Premium deficiency		(266,279)	-
Net commission expense and other	17	(634,464)	(518,544)
Insurance claims and acquisition expenses		(2,169,939)	(2,229,925)
Management expenses		(15,340,630)	(20,857,465)
Underwriting results		7,502,283	4,477,219
Investment income	18	2,871	983
Other income		12,062,476	15,931,124
Other expenses		(3,643,760)	(1,654,823)
Results of operating activities		15,923,870	18,754,503
Finance costs		(72,732)	(162,051)
Profit / (loss) before tax		15,851,138	18,592,452
Taxation		(4,694,547)	(551,100)
Profit / (loss) after tax		11,156,591	18,041,352
Attributable to:			
Owners of the Holding Company		12,186,961	18,587,676
Non-controlling interest		(1,030,370)	(546,324)
		11,156,591	18,041,352
Other comprehensive income / (loss)			
Unrealized gain on available for sale investments during the period - net of deferred tax		1,675,834	585,358
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		-	-
Other comprehensive income / (loss) for the period		1,675,834	585,358
Total comprehensive income for the period		12,832,425	18,626,710
Earning per share	19	0.10	0.17

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 March 31, 2021

	March 31, 2021	March 31, 2020 Restated
	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Insurance Premium received	18,038,061	28,581,880
Reinsurance premium paid	(829,276)	(346,776)
Claims paid	(1,421,453)	(2,383,368)
Commission paid	(976,696)	(1,725,704)
Commission received	-	-
Management expenses paid	(13,736,388)	(14,891,418)
Net cash flow from underwriting activities	1,074,248	9,234,614
(b) Other operating activities		
Income tax paid	(124,218)	(33,468)
Other operating payments	(1,484,398)	(2,530,581)
Net cash outflow from other operating activities	(1,608,616)	(2,564,049)
Total cash flow from all operating activities	(534,368)	6,670,565
Investment activities		
Profit received	2,871	983
Proceeds from sale of property and equipment	2,200,000	-
Total cash flow from investing activities	2,202,871	983
Financing activities		
Finance costs paid	(72,732)	(162,051)
Borrowing under Musharaka arrangements obtained - net	(2,255,111)	(379,425)
Total cash from financing activities	(2,327,843)	(541,476)
Net cash flow from all activities	(659,340)	6,130,072
Cash and cash equivalents at beginning of year	10,484,476	74,278,628
Cash and cash equivalents at end of period	9,825,136	80,408,700
Reconciliation to consolidated profit and loss account		
Operating cash flows	(534,368)	6,670,565
Depreciation expense	(3,156,920)	(614,821)
Amortization expense	(417,202)	(26,684)
Gain /(loss) on disposal of property and equipments	1,081,404	-
Other investment and other income	2,871	983
Finance costs	(72,732)	(162,051)
Increase in assets other than cash	24,785,703	24,269,825
(Decrease)/increase in liabilities other than borrowings	(5,294,627)	(11,578,833)
Provision for taxation	(5,237,538)	(517,632)
Profit after taxation for the period	11,156,591	18,041,352

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 March 31, 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 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 (Restated)	-	-	-	-	585,358	18,587,676	19,173,034	(546,324)	18,626,710
Balance as at March 31, 2020 (Restated)	<u>1,076,950,410</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>1,036,528</u>	<u>(183,803,411)</u>	<u>720,798,360</u>	<u>(23,212,327)</u>	<u>697,586,033</u>
Balance as at January 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	-	-	-	-	1,675,834	12,186,961	13,862,795	(1,030,370)	12,832,425
Balance as at March 31, 2021	<u>1,076,950,410</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>2,731,225</u>	<u>(141,293,258)</u>	<u>765,003,210</u>	<u>(28,911,844)</u>	<u>736,091,366</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, 2020.

3 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Company for the three months period ended March 31, 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.

Crescent Star Insurance Limited
Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the period ended March 31, 2021.

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees) -----	
7	PROPERTY AND EQUIPMENT		
	Operating assets	126,438,068	130,713,584
7.1	Operating assets		
	Opening written down value	130,713,584	143,333,097
	Add: Additions during the period / year - at cost		
	- Motor vehicles	-	1,216,233
	- Computers and related accessories	-	-
	- Office equipment	-	-
	- Furniture and fixtures	-	-
		-	1,216,233
	Less: Written down value of deletions	(1,118,596)	(2,089,738)
	Depreciation for the period / year	(3,156,920)	(11,746,008)
		(4,275,516)	(13,835,746)
		126,438,068	130,713,584
8	INTANGIBLE ASSETS		
	Goodwill at acquisition	28,742,849	28,742,849
	Franchise	13,266,290	13,427,371
	Computer software	2,170,179	2,426,300
		44,179,318	44,596,520
9	INVESTMENTS		
	Equity securities	93,432,286	91,756,452
	Debt securities	-	-
9.1	Equity securities		
	Available-for-sale	93,432,286	91,756,452
9.1.1	Others		
	Listed shares	44,016	49,771
	Mutual funds	93,388,270	91,706,681
		93,432,286	91,756,452
9.1.1.1	Securities having market value of Rs. 92.877 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		
	<i>Considered good</i>		
	Other Security deposits	9,704,159	10,159,645
	Loan to employees	27,500	54,000
	Advance to supplier	53,397,482	53,397,482
	Accrued interest on advance against issuance of share:	215,669,283	206,107,255
	Advance against issuance of shares	354,279,066	354,279,066
	Others	28,589,499	25,204,071
		661,666,989	649,201,519
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	9,562,028	42,776,917
	Balance at the end of the period / year	215,669,283	206,107,255

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees) -----	
11 CASH AND BANK		
Cash and other equivalents		
Cash in hand	478,336	431,593
Policy and revenue stamps	85,430	23,460
	563,766	455,053
Cash at bank		
Current accounts	9,063,240	10,339,620
Savings accounts	520,549	12,222
	9,583,789	10,351,842
Less: provision against dormant accounts	(322,419)	(322,419)
	9,261,370	10,029,423
	9,825,136	10,484,476
11.1	These carry mark-up at the rate of 5.5% (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	(141,293,258)	(153,480,219)
Surplus on remeasurement of available for sale investments	2,731,225	1,055,391
	(112,297,200)	(126,159,995)
13 OTHER CREDITORS AND ACCRUALS		
Trade and related payables	46,298,020	49,182,674
Federal insurance fees	2,896,356	2,650,436
Federal excise duty	52,225,928	49,237,538
Payable to staff provident fund	8,589,382	8,425,198
Withholding tax	81,527,183	80,227,836
Accrued expenses	53,237,468	53,969,634
Unclaimed dividend	418,209	418,209
Others	27,404,523	26,811,664
	272,597,069	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	337,500	2,592,611

Crescent Star Insurance Limited
Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the period ended March 31, 2021.

	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited) Restated
	----- (Rupees) -----	
15 NET INSURANCE PREMIUM		
Gross written premium	27,314,271	35,855,091
Add : Unearned contribution reserve opening	45,517,153	53,348,333
Less: Unearned contribution reserve closing	(47,818,572)	(61,551,986)
Premium earned	25,012,852	27,651,438
Less: Reinsurance premium ceded	-	-
Add: prepaid reinsurance premium ceded opening	-	260,154
Less: prepaid reinsurance premium ceded closing	-	(173,325)
Reinsurance expense	-	86,829
	25,012,852	27,564,609
16 NET INSURANCE CLAIMS EXPENSE		
Claim paid	1,421,453	2,383,368
Add : Outstanding claims including IBNR closing	61,825,698	60,570,137
Less: Outstanding claims including IBNR opening	(61,977,955)	(61,242,124)
Claims expense	1,269,196	1,711,381
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	-	-
	1,269,196	1,711,381
17 NET COMMISSION EXPENSE		
Commission paid or payable	976,696	1,725,704
Add : Deferred commission expense opening	6,569,234	6,986,821
Less: Deferred commission expense closing	(6,911,466)	(8,193,981)
Net commission expense	634,464	518,544
18 INVESTMENT INCOME		
Income from equity securities		
Available for sale financial assets		
Dividend income	-	-
Gain on sale of available for sale investments	-	-
	-	-
Income from bank balances		
Return on bank balances	2,871	983
	2,871	983
Less: Investment related expenses	-	-
Investment income	2,871	983

	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	----- (Rupees) -----	
19 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax for the period	<u>11,156,591</u>	<u>18,041,352</u>
	----- Number -----	
Weighted average number of Ordinary shares	<u>107,695,041</u>	<u>107,695,041</u>
	----- (Rupees) -----	
Earnings per share - basic and diluted	<u>0.10</u>	<u>0.17</u>

- 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:

	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	----- (Rupees) -----	
20.1 Remuneration to Key Management Personnel	6,107,100	6,948,600
Staff retirement benefits		
Provident fund contribution	293,490	331,500
Markup on outstanding balance of provident fund	220,721	220,980

21 SEGMENT INFORMATION

	For the three months period ended March 31, 2021										
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Foods	Technologies	Luxury	Aggregate
Current period	(Rupees)										
Gross written premium (inclusive of administrative surcharges)	222,662	1,092,607	1,724,224	-	22,175,549	2,099,229	27,314,271	-	-	-	27,314,271
Insurance premium earned	201,263	1,135,268	2,758,642	-	19,891,195	1,026,484	25,012,852	-	-	-	25,012,852
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net insurance premium	201,263	1,135,268	2,758,642	-	19,891,196	1,026,484	25,012,852	-	-	-	25,012,852
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	201,263	1,135,268	2,758,642	-	19,891,196	1,026,484	25,012,852	-	-	-	25,012,852
Insurance claims	-	(900,000)	(270,391)	(87,805)	-	(11,000)	(1,269,196)	-	-	-	(1,269,196)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	-	(900,000)	(270,391)	(87,805)	-	(11,000)	(1,269,196)	-	-	-	(1,269,196)
Commission expense	(26,540)	(396,171)	(196,288)	-	48,282	(63,747)	(634,464)	-	-	-	(634,464)
Management expense	(121,281)	(588,981)	(953,237)	-	(12,517,859)	(1,159,272)	(15,340,630)	-	-	-	(15,340,630)
Premium deficiency reversal / (expense)	-	(2,396)	(263,883)	-	-	-	(266,279)	-	-	-	(266,279)
Net insurance claims and expenses	(147,821)	(1,887,548)	(1,683,799)	(87,805)	(12,469,577)	(1,234,019)	(17,510,569)	-	-	-	(17,510,569)
Underwriting results	53,442	(752,280)	1,074,843	(87,805)	7,421,619	(207,535)	7,502,283	-	-	-	7,502,283
Net investment income	-	-	-	-	-	-	-	-	-	-	2,871
Other income	-	-	-	-	-	-	-	-	-	-	12,062,476
Other expenses	-	-	-	-	-	-	(480,700)	(2,725,322)	(2,691)	(435,047)	(3,643,760)
Result of operating activities											15,923,870
Finance costs	-	-	-	-	-	-	(72,732)	-	-	-	(72,732)
Profit before tax for the period											15,851,138

	For the three months period ended March 31, 2020										
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total	Foods	Technologies	Luxury	Aggregate
Prior period	(Rupees)										
Gross written premium (inclusive of administrative surcharges)	290,044	801,602	12,377,417	-	22,185,478	200,550	35,855,091	-	-	-	35,855,091
Insurance premium earned	759,945	649,824	10,729,780	284,148	14,097,457	1,130,284	27,651,438	-	-	-	27,651,438
Insurance premium ceded to reinsurers	(19,329)	-	(67,500)	-	-	-	(86,829)	-	-	-	(86,829)
Net insurance premium	740,616	649,824	10,662,280	284,148	14,097,457	1,130,284	27,564,609	-	-	-	27,564,609
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	740,616	649,824	10,662,280	284,148	14,097,457	1,130,284	27,564,609	-	-	-	27,564,609
Insurance claims	-	-	(1,539,020)	(305,424)	-	133,063	(1,711,381)	-	-	-	(1,711,381)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	-	-	(1,539,020)	(305,424)	-	133,063	(1,711,381)	-	-	-	(1,711,381)
Commission expense	(143,842)	(199,422)	(638,738)	(14,208)	588,900	(111,234)	(518,544)	-	-	-	(518,544)
Management expense	(167,121)	(456,505)	(7,366,817)	-	(12,754,356)	(112,666)	(20,857,465)	-	-	-	(20,857,465)
Premium deficiency reversal / (expense)	-	-	-	-	-	-	-	-	-	-	-
Net insurance claims and expenses	(310,963)	(655,927)	(9,544,575)	(319,632)	(12,165,456)	(90,837)	(23,087,390)	-	-	-	(23,087,390)
Underwriting results	429,653	(6,103)	1,117,705	(35,484)	1,932,001	1,039,447	4,477,219	-	-	-	4,477,219
Net investment income	-	-	-	-	-	-	-	-	-	-	983
Other income	-	-	-	-	-	-	-	-	-	-	15,931,124
Other expenses	-	-	-	-	-	-	(495,691)	(1,092,246)	-	(66,886)	(1,654,823)
Result of operating activities											18,754,503
Finance costs	-	-	-	-	-	-	(162,051)	-	-	-	(162,051)
Profit before tax for the period											18,592,452

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:

March 31, 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	-	93,432,286	-	-	93,432,286	93,432,286	-	-
Financial Assets - not measured at Fair Value									
Cash and bank	11	-	-	9,825,136	-	9,825,136	-	-	-
Insurance / reinsurance receivable		-	-	202,376,462	-	202,376,462	-	-	-
Reinsurance recoveries against outstanding claims		-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	10	-	-	661,666,989	-	661,666,989	-	-	-
		-	93,432,286	876,463,789	-	969,896,075	93,432,286	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR		-	-	-	61,825,698	61,825,698	-	-	-
Other creditors and accruals	13	-	-	-	36,412,114	36,412,114	-	-	-
Borrowings		-	-	-	337,500	337,500	-	-	-
		-	-	-	98,575,312	98,575,312	-	-	-

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	852,679,658	-	944,436,110	91,756,452	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities - not measured at Fair Value									
Provision for outstanding claims including IBNR		-	-	-	61,977,955	61,977,955	-	-	-
Other creditors and accruals	13	-	-	-	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 April 23, 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

2ND FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI P.O. BOX NO. 4616 KARACHI, PAKISTAN
PHONES: 32415471-3 FAX (92-21) 32415474

BRANCH NAME	ADDRESS	CONTACT NO
NADIR HOUSE	3RD FLOOR, NADIR HOUSE, I. I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
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
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



Crescent Star Insurance Limited

ESTD: 1957

Head Office:

2nd Floor, Nadir House, I.I Chundrigar Road, Karachi, Pakistan

Tel : +92 21 3241 5471-3
Fax : +92 21 3241 5474
Email : info@cstarinsurance.com
URL : www.cstarinsurance.com