



Your Security - Our Policy

# Half Yearly Report June 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 <sup>nd</sup> 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  
June 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 half year ended 30 June 2021.

### General Review

The gross premium written for the half year has been Rs.50.199 million as compared to Rs.53.604 million for the corresponding figures last year. The net premium for the period has been recorded as Rs.47.111 million against Rs.56.676 million of the corresponding period. The profit after tax recorded at Rs.23.909 million. Earnings per share stood at Rs.0.22.

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.
- 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) One of effects of Covid 19 has been the delay in the proceedings pending for approval related to merger of Crescent Star Foods (Pvt) Ltd with and into PICIC Insurance Ltd, as the Court is following the Covid Related Policy to hear the cases. The Company is now hopeful of an early approval as soon as the matter is heard by the Honorable Sindh Court for the approval of the Scheme, which can give the expected benefit to your Company, leading to the strategy that the Board has considered.
- 4) The management has been very actively involved with the sponsors and management of Dost Steels Ltd (DSL) and is very hopeful to find a solution to revive DSL for the benefit of the stake of your Company invested in DSL. The management has strong reasons to rely on the recent proposals floated for discussion. Pending the finalization and joint selection of the various proposals under discussion between both managements, your Company is successfully protecting its stake-holders interest.
- 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) Considering the effects of Covid 19 / Lockdowns the management is pleased to report positive results of the Company.

### Performance Highlights

The comparative financial highlights for the half year ended 30 June 2021 and 2020 are presented below:-

Rupees in millions (except for EPS)	30 June	30 June	Increase / (Decrease)	
	2021	2020	Amount	%
Gross written premium	50.199	53.604	(3.405)	(6)
Net premium	47.111	56.676	(9.565)	(17)
Profit / (loss) before tax	32.816	39.741	(6.925)	(17)
Profit / (loss) after tax	23.909	33.465	(9.556)	(29)
Total assets	1,375.327	1,300.735	74.592	6
Paid-up capital	1,076.950	1,076.950	-	-
Earnings per share (EPS)	0.22	0.31	(0.090)	(29)

### Auditors' Review Report

The Company has made an advance of Rs.354.279 million for issuance of shares to DSL. Prudent management policy and in the interest of the Company, the Company has charged interest amounting to Rs. 225.392 million on the advance amount and demanded the same from DSL. However, due to non-availability of any written agreement between DSL and CSIL for charging of mark-up, the auditors have expressed their reservation in the auditors' review report. The management strongly believes that the interest charged will be accepted by DSL through revival of DSL once both managements decide on the progress of the various proposals floated for consideration.

**Future Outlook**

Your Company is looking forward to the positive outcome of the merger and investment in DSL which can give a strong investment portfolio leading to profitable returns. The management also has positive indicators from cross border situation which has the potential the trade between Pakistan / Afghanistan, which can give a good boost to the core business of your Company.

**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: August 20, 2021

**Naim Anwar**

Managing Director &amp; CEO

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

میں بورڈ آف ڈائریکٹری کی جانب سے کریڈٹ اسٹار انشورنس لمیٹڈ کے مجموعی مالیاتی گوشوارے برائے سماہی مدت 30 جون 2021 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

### عمومی جائزہ

سال کی دوسری سماہی مدت کا مجموعی خام پربیمیم 50.199 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال 53.604 ملین روپے تھا۔ پہلی سماہی میں خالص پربیمیم 47.111 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 56.676 ملین روپے تھا۔ بعد از ٹیکس منافع 23.909 ملین روپے رہا۔ فی حصص آمدنی 0.22 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 انٹسٹنٹ اینڈ انڈر ورائٹ کے مسئلہ کا سامنا ہے اور صنعت اسکے حل میں ناکام رہی ریگولیزرز کو چاہئے کہ مسابقتی ایکٹ اور مختلف قانون کو مدنظر رکھتے ہوئے منصفانہ کھیل کے مواقع فراہم کرے بشمول غیر قانونی عمل اور انشورنس آرڈیننس کی سنگین خلاف ورزی تک محدود نہیں۔

(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) کوویڈ-19 کے اثرات میں سے ایک کریڈٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ کا پبلک انشورنس لمیٹڈ کے ساتھ انضمام سے متعلق زیر التوا کاروائیوں میں تاخیر ہے کیونکہ عدالت سماعت کے لئے کوویڈ سے متعلقہ پالیسیوں پر عمل پیرا ہے۔ کمپنی کو امید ہے کہ جب عزت ما آب سندھ ہائی کورٹ اس اسکیم کی منظوری کے لئے سماعت کرے گی تو جلد از جلد اس کی منظوری مل جائے گی۔

(۴) انتظامیہ، دوست اسٹیل لمیٹڈ (DSL) کے اسپانسرز اور دوست اسٹیل لمیٹڈ کی انتظامیہ کے ساتھ فعال طور پر شامل ہے اور دوست اسٹیل لمیٹڈ میں سرمایہ کاری کرنے والی آپکی کمپنی کے حصص کے فائدہ کے لئے دوبارہ فعال کرنے کے حل تلاش کرنے کے لئے بہت پر امید ہے۔ انتظامیہ کے پاس بحث کے لئے پیش کی گئی حالیہ تجاویز پر انحصار کرنے کی منظوری و جوابات ہے۔ دونوں انتظامات کے مابین زیر بحث مختلف تجاویز کو حتمی شکل دینے اور مشورہ کا انتخاب کے لئے آپکی کمپنی کامیابی سے اپنے اسٹیک ہولڈرز کے مفادات کا تحفظ کر رہی ہے۔

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

(۶) کوویڈ-19 اور لاک ڈاؤن کے باوجود کمپنی کے مثبت نتائج پیش کرنے پر انتظامیہ خوش ہے۔

### کارکردگی کی جھلکیاں

کمپنی کی متقابلہ مالیاتی جھلکیاں برائے سماہی مدت 30 جون 2021 اور 2020 درج ذیل ہیں:

روپے پلین (ماسوائے EPS)	30 جون 2021	30 جون 2020	رقم	اضافہ/(کمی)
خام پربیمیم	50.199	53.604	(3.405)	(6)
خالص پربیمیم	47.111	56.676	(9.565)	(17)
منافع قبل از ٹیکس	32.816	39.741	(6.925)	(17)
منافع بعد از ٹیکس	23.909	33.465	(9.556)	(29)
ادا شدہ سرمایہ	1,375.327	1,300.735	74.592	6
کل اثاثے	1,076.950	1,076.950	-	-
منافع فی حصص	0.22	0.31	(0.090)	(29)

### آڈیٹرز کی رپورٹ

کمپنی نے دوست اسٹیل لمیٹڈ کو حصص جاری کر کے 354.279 ملین روپے کا ایڈوانس دیا ہے۔ محتاط انتظامی پالیسی اور کمپنی ایڈوانس کی رقم پر 225.392 ملین روپے کا سود لگایا ہے اور دوست اسٹیل لمیٹڈ سے اس کا مطالبہ کیا ہے۔ تاہم DSL اور CSIL کے درمیان ایڈوانس کی رقم سے سوسے متعلق کوئی تحریری معاہدہ دستیاب نہیں ہے، اس لئے آڈیٹرز نے اپنے تحفظات کا اظہار کیا ہے۔ انتظامیہ کا پختہ یقین ہے کہ لگایا گیا سود دوست اسٹیل لمیٹڈ کی بحالی کے ذریعے قبول کر لیا جائے گا ایک بار جب دونوں انتظامیہ مختلف تجاویز پر پیشرفت کے بارے میں فیصلہ کر لیں۔

## مستقبل کی پیش بینی

آپ کی کمپنی دوست اسٹیل لمیٹڈ 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 ڈائریکٹران اس موقع پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، انٹرنس 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: 20 اگست 2021

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

### **TO THE MEMBERS OF CRESENT STAR INSURANCE LIMITED**

### **REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED**

### **FINANCIAL STATEMENTS**

#### **Introduction**

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Crescent Star Insurance Limited (the 'Company'), as at June 30, 2021 and the related condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "condensed unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### **Scope of Review**

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

#### **Basis for qualified conclusion**

- a) As stated in note 10.2 to the unconsolidated financial statements, the Company's carrying value of receivables on account of advance against issue of shares amounts to Rs.79.455 million (as at December 31, 2020: Rs.77.822 million). The management has not carried out impairment testing as required by IAS – 36 "Impairment of Assets". No provision for any loss, if any, that may result, has been incorporated in the unconsolidated financial statements
  
- b) As stated in note 10.1 to the condensed interim unconsolidated financial statements as at June 30, 2021, the Company has accrued interest of Rs. 225.392 million (as at December 31, 2020 of Rs. 206.107 million) at the rate of 1 year KIBOR plus 3 percent per annum (as at December 31, 2020: 1 year KIBOR plus 3 percent per annum), accrued on advance against issuance of shares to Dost Steels Limited (an associated company). Agreement with the associated company to support the accrued interest could not be made available to us and the transaction could not be substantiated otherwise. Under the circumstances the validity of the interest income accrued could not be ascertained, consequently, profit for the period

ended June 30, 2021 is overstated by Rs. 19.285 million (for the year ended December 31, 2020 by Rs. 42.777 million) and total assets of the Company as at June 30, 2021 are overstated by Rs. 225.392 million (as at December 31, 2020 of Rs. 206.107 million)

- c) As disclosed in the unconsolidated financial statements, the Company has recorded premium receivable amounting to Rs. 290.178 million (as at December 31, 2020: Rs. 264.754 million) out of which Rs. 75.613 million (as at December 31, 2020: Rs. 75.613 million) have been provided as bad debts. However, in the absence of reconciliation, correspondence with the customer and subsequent clearance we are unable to verify the remaining balance of Rs. 214.564 million. Any adjustment to the amount of the above receivable found to be necessary would affect the Company's profit for the year then ended.

### **Qualified Conclusion**

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

### **Other Matters**

The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the three months period ended June 30, 2021 and related comprehensive information have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

**Crowe Hussain Chaudhury & Co.**  
**Karachi**

**Date: August 23, 2021**

**CRESCENT STAR INSURANCE LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

<b>ASSETS</b>	<b>Note</b>	<b>June 30, 2021 (Un-audited)</b>	<b>December 31, 2020 (Audited)</b>
<b>----- (Rupees) -----</b>			
Property and equipment	7	<b>12,574,155</b>	14,866,552
Investments in subsidiaries	8	<b>150,019,600</b>	150,019,600
Investments			
Equity securities	9	<b>93,696,222</b>	91,756,452
Loans and other receivables	10	<b>900,273,977</b>	866,799,951
Insurance / reinsurance receivables		<b>201,582,497</b>	190,398,461
Reinsurance recoveries against outstanding claims		<b>2,595,202</b>	2,595,202
Deferred commission expense / acquisition cost		<b>6,801,874</b>	6,569,234
Cash and bank	11	<b>7,783,550</b>	10,064,959
<b>Total assets</b>		<b><u>1,375,327,077</u></b>	<u>1,333,070,411</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Ordinary share capital		<b>1,076,950,410</b>	1,076,950,410
Discount on issue of right shares		<b>(199,650,000)</b>	(199,650,000)
Reserves	12	<b>174,574,353</b>	151,997,593
<b>Total equity</b>		<b><u>1,051,874,763</u></b>	<u>1,029,298,003</u>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Outstanding claims including IBNR		<b>61,643,007</b>	61,977,955
Unearned premium reserves		<b>47,695,722</b>	45,517,153
Premium deficiency reserves		<b>1,199,759</b>	419,358
Borrowings		<b>135,000</b>	2,592,611
Premium received in advance		<b>2,117,305</b>	2,023,233
Other creditors and accruals	13	<b>175,366,857</b>	163,065,071
Provision for taxation		<b>35,294,664</b>	28,177,027
<b>Total liabilities</b>		<b><u>323,452,314</u></b>	<u>303,772,408</u>
<b>Total equity and liabilities</b>		<b><u>1,375,327,077</u></b>	<u>1,333,070,411</u>
<b>Contingencies and commitments</b>	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 JUNE 30, 2021**

	Note	Quarter ended		Half year ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	15	<b>22,098,571</b>	29,111,332	<b>47,111,423</b>	56,675,941
Net insurance claims	16	<b>(998,491)</b>	(999,992)	<b>(2,267,687)</b>	(2,711,373)
Premium deficiency		<b>(514,122)</b>	(1,050,269)	<b>(780,401)</b>	(1,050,269)
Net commission expense and other acquisition costs	17	<b>(968,462)</b>	(1,944,935)	<b>(1,602,926)</b>	(2,463,479)
Insurance claims and acquisition expenses		<b>(2,481,075)</b>	(3,995,196)	<b>(4,651,014)</b>	(6,225,121)
Management expenses		<b>(20,764,362)</b>	(17,594,438)	<b>(36,104,992)</b>	(38,451,903)
Underwriting results		<b>(1,146,866)</b>	7,521,698	<b>6,355,417</b>	11,998,917
Investment income	18	<b>4,686,999</b>	2,061,484	<b>4,689,870</b>	2,062,467
Other income		<b>10,992,573</b>	10,771,451	<b>23,055,049</b>	26,702,575
Other expenses		<b>(720,310)</b>	(458,705)	<b>(1,201,010)</b>	(954,396)
Results of operating activities		<b>13,812,397</b>	19,895,928	<b>32,899,326</b>	39,809,563
Finance costs		<b>(10,125)</b>	(71,917)	<b>(82,857)</b>	(233,968)
<b>Profit / (loss) before tax</b>		<b>13,802,272</b>	19,824,011	<b>32,816,469</b>	39,575,595
Taxation		<b>(3,545,937)</b>	(5,724,453)	<b>(8,907,693)</b>	(6,275,553)
<b>Profit / (loss) after tax</b>		<b>10,256,335</b>	14,099,558	<b>23,908,776</b>	33,300,042
<b>Other comprehensive income / (loss)</b>				<b>22,576,760</b>	1,332,016
Unrealized gain on available for sale investments during the period - net of deferred tax		<b>263,936</b>	214,270	<b>1,939,770</b>	799,628
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		<b>(3,271,787)</b>	(1,751,518)	<b>(3,271,787)</b>	(1,751,518)
<b>Other comprehensive income / (loss) for the period</b>		<b>(3,007,851)</b>	(1,537,248)	<b>(1,332,017)</b>	(951,890)
<b>Total comprehensive income for the period</b>		<b>7,248,484</b>	12,562,310	<b>22,576,759</b>	32,348,152
Earning per share	19	<b>0.10</b>	0.13	<b>0.22</b>	0.31

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

Chief Executive/ Principal Officer    Director    Director    Director    Chief Financial Officer

**CRESCENT STAR INSURANCE LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 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) -----							
<b>Balance as at January 01, 2020</b>	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	-	-	-	-	-	33,300,042	33,300,042
Other comprehensive income for the period	-	-	-	-	(951,890)	-	(951,890)
<b>Balance as at June 30, 2020</b>	<u>1,076,950,410</u>	<u>(199,650,000)</u>	<u>1,767,568</u>	<u>24,497,265</u>	<u>(500,720)</u>	<u>103,395,630</u>	<u>1,006,460,153</u>
<b>Balance as at January 01, 2021</b>	<b>1,076,950,410</b>	<b>(199,650,000)</b>	<b>1,767,568</b>	<b>24,497,265</b>	<b>1,055,391</b>	<b>124,677,369</b>	<b>1,029,298,003</b>
Profit after tax for the period	-	-	-	-	-	23,908,776	23,908,776
Other comprehensive income for the period	-	-	-	-	(1,332,017)	-	(1,332,017)
<b>Balance as at June 30, 2021</b>	<b><u>1,076,950,410</u></b>	<b><u>(199,650,000)</u></b>	<b><u>1,767,568</u></b>	<b><u>24,497,265</u></b>	<b><u>(276,626)</u></b>	<b><u>148,586,146</u></b>	<b><u>1,051,874,763</u></b>

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

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

**CRESCENT STAR INSURANCE LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2021**

	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance Premium received	<b>38,580,982</b>	39,621,522
Reinsurance premium paid	<b>(380,954)</b>	(420,348)
Claims paid	<b>(2,602,635)</b>	(3,615,248)
Commission paid	<b>(1,994,703)</b>	(2,332,447)
Commission received	<b>159,137</b>	-
Management expenses paid	<b>(23,803,414)</b>	(27,160,682)
Net cash flow from underwriting activities	<b>9,958,413</b>	6,092,797
<b>(b) Other operating activities</b>		
Income tax paid	<b>(1,790,056)</b>	(365,124)
Other operating payments	<b>(11,500,381)</b>	1,075,086
Net cash outflow from other operating activities	<b>(13,290,437)</b>	709,962
<b>Total cash flow from all operating activities</b>	<b>(3,332,024)</b>	6,802,759
<b>Investment activities</b>		
Profit received	<b>15,888</b>	1,857
Dividend received	<b>4,673,982</b>	2,060,610
Proceeds from investments	<b>(3,271,787)</b>	(1,751,518)
Fixed capital expenditure	<b>(4,736,210)</b>	(1,241,233)
Proceeds from sale of property and equipment	<b>6,909,210</b>	-
<b>Total cash flow from investing activities</b>	<b>3,591,083</b>	(930,284)
<b>Financing activities</b>		
Finance costs paid	<b>(82,857)</b>	(233,968)
Borrowing under Musharaka arrangements obtained - net	<b>(2,457,611)</b>	(549,078)
<b>Total cash from financing activities</b>	<b>(2,540,468)</b>	(783,046)
<b>Net cash flow from all activities</b>	<b>(2,281,409)</b>	5,089,429
<b>Cash and cash equivalents at beginning of year</b>	<b>10,064,959</b>	73,886,978
<b>Cash and cash equivalents at end of period</b>	<b>7,783,550</b>	78,976,407
<b>Reconciliation to unconsolidated profit and loss account</b>		
Operating cash flows	<b>(3,332,024)</b>	6,802,759
Depreciation expense	<b>(1,200,802)</b>	(1,320,693)
Amortization expense	-	(65,868)
Gain /(loss) on disposal of property and equipments	<b>1,081,404</b>	-
Dividend income	<b>4,673,982</b>	2,060,610
Other investment and other income	<b>15,888</b>	1,857
Finance costs	<b>(82,857)</b>	(233,968)
Increase in assets other than cash	<b>44,890,702</b>	40,220,157
(Decrease)/increase in liabilities other than borrowings	<b>(15,019,880)</b>	(8,254,383)
Provision for taxation	<b>(7,117,637)</b>	(5,910,429)
<b>Profit after taxation for the period</b>	<b>23,908,776</b>	33,300,042

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**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED JUNE 30, 2021**

**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 six months period ended June 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 six months period ended June 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.

		<b>June 30, 2021 (Un-audited)</b>	December 31, 2020 (Audited)
	<b>Note</b>	----- <b>(Rupees)</b> -----	-----
<b>7</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating assets	<b>12,574,155</b>	14,866,552
<b>7.1</b>	<b>Operating assets</b>		
	Opening written down value	<b>14,866,552</b>	17,507,940
	Add: Additions during the period / year - at cost		
	- Motor vehicles	<b>4,709,211</b>	-
	- Computers and related accessories	<b>27,000</b>	-
		<b>4,736,211</b>	-
	Less: Written down value of deletions	<b>(5,827,806)</b>	-
	Depreciation for the period / year	<b>(1,200,802)</b>	(2,641,388)
		<b>(7,028,608)</b>	(2,641,388)
		<b>12,574,155</b>	14,866,552
<b>8</b>	<b>INVESTMENTS IN SUBSIDIARIES - at cost</b>		
		<b>Holdings</b>	
	Crescent Star Foods (Private) Limited	50% <b>149,999,660</b>	149,999,660
	Crescent Star Technologies (Private) Limited	99% <b>9,970</b>	9,970
	Crescent Star Luxury (Private) Limited	99% <b>9,970</b>	9,970
		<b>150,019,600</b>	150,019,600
<b>9</b>	<b>INVESTMENTS</b>		
	Equity securities	9.1 <b>93,696,222</b>	91,756,452
<b>9.1</b>	<b>Equity securities</b>		
	Available-for-sale	9.1.1 <b>93,696,222</b>	91,756,452
<b>9.1.1</b>	<b>Others</b>		
	Listed shares	9.1.1.1 <b>53,859</b>	49,771
	Mutual funds	<b>93,642,363</b>	91,706,681
		<b>93,696,222</b>	91,756,452
<b>9.1.1.1</b>	Securities having market value of Rs. 93.070 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.		
		<b>June 30, 2021 (Un-audited)</b>	December 31, 2020 (Audited)
		----- <b>(Rupees)</b> -----	-----
<b>10</b>	<b>LOAN AND OTHER RECEIVABLES</b>		
	<b>Considered good</b>		
	Accrued investment income	-	-
	Other Security deposits	<b>4,763,952</b>	5,219,438
	Loan to employees	<b>12,000</b>	54,000
	Advance to supplier	<b>260,000</b>	260,000
	Accrued interest on advance against issuance	10.1 <b>225,392,223</b>	206,107,255
	Advance against issuance of shares	10.2 <b>640,872,008</b>	636,693,794
	Others	<b>28,973,794</b>	18,465,464
		<b>900,273,977</b>	866,799,951
<b>10.1</b>	This represents accrued interest on advances against issue of shares, given to Dost Steels Limited. Movement in advances is as follows:		

	<b>June 30, 2021 (Un-audited)</b>	December 31, 2020 (Audited)
	----- (Rupees) -----	-----
<b>Movement</b>		
Balance as at beginning of the year	<b>206,107,255</b>	163,330,338
Income for the period / year	<b>19,284,968</b>	42,776,917
Balance at the end of the period / year	<b>225,392,223</b>	206,107,255

**10.2** This represents advances against issue of shares given to the following parties:

**Name of the Company**

Dost Steels Limited	<b>354,279,066</b>	354,279,066
Crescent Star Foods (Private) Limited - Subsidiary	<b>207,137,998</b>	204,592,294
Crescent Star Luxury (Private) Limited - Subsidiary	<b>73,089,378</b>	71,456,868
Crescent Star Technologies (Private) Limited - Subsidiary	<b>6,365,566</b>	6,365,566
	<b>640,872,008</b>	636,693,794

**10.2.1** The Company has made an advance against issuance of shares to Dost Steel limited (DSL), of which an aggregate amount of Rs. 247,995,000 /- and Rs. 57,768,000/- has been assigned to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited respectively under an assignment agreement. No consideration has been received either from Dynasty Trading (Private) Limited or Din Corporation (Private) Limited, therefore these balances are still shown in the title of Dost Steel Limited. These balances carry mark-up at the rate of 1 year KIBOR plus 3% per annum (2020: 1 year KIBOR plus 3%).

	<b>June 30, 2021 (Un-audited)</b>	December 31, 2020 (Audited)
	----- (Rupees) -----	-----
<b>11 CASH AND BANK</b>		
<b>Cash and other equivalents</b>		
Cash in hand	<b>79,623</b>	82,584
Policy and revenue stamps	<b>21,121</b>	23,460
	<b>100,744</b>	106,044
<b>Cash at bank</b>		
Current accounts	<b>7,464,300</b>	10,269,112
Savings accounts	<b>540,925</b>	12,222
	<b>8,005,225</b>	10,281,334
Less: provision against dormant accounts	<b>(322,419)</b>	(322,419)
	<b>7,682,806</b>	9,958,915
	<b>7,783,550</b>	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
 **148,586,146** | 124,677,369 |

Surplus on remeasurement of available for sale investments
 **(276,626)** | 1,055,391 |

 **174,574,353** | 151,997,593 |

	<b>June 30, 2021 (Un-audited)</b>	December 31, 2020 (Audited)
<b>Note</b>	----- <b>(Rupees)</b> -----	-----
<b>13 OTHER CREDITORS AND ACCRUALS</b>		
Federal insurance fees	<b>3,095,699</b>	2,650,436
Federal excise duty	<b>54,739,631</b>	49,237,538
Payable to staff provident fund	<b>9,013,397</b>	8,425,198
Withholding tax	<b>63,698,021</b>	61,248,599
Accrued expenses	<b>13,946,373</b>	16,384,137
Unclaimed dividend	<b>418,209</b>	418,209
Others	<b>30,455,527</b>	24,700,954
	<b><u>175,366,857</u></b>	<u>163,065,071</u>
<b>14 CONTINGENCIES AND COMMITMENTS</b>		
<b>14.1 CONTINGENCIES</b>		
The status of contingencies remain unchanged as disclosed in the annual unconsolidated financial statements as of December 31, 2020.		
<b>14.2 COMMITMENTS</b>		
Post dated cheques	<b><u>135,000</u></b>	<u>2,592,611</u>

	Quarter ended		Half year ended	
	June 30, 2021 (Un-audited)	June 30, 2020 Restated (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
----- (Rupees) -----				
<b>15 NET INSURANCE PREMIUM</b>				
Gross written premium	<b>22,885,077</b>	17,748,615	<b>50,199,348</b>	53,603,706
Add : Unearned contribution reserve opening	<b>47,818,572</b>	61,551,986	<b>45,517,153</b>	53,348,333
Less: Unearned contribution reserve closing	<b>(47,695,722)</b>	(50,115,699)	<b>(47,695,722)</b>	(50,115,699)
Premium earned	<b>23,007,927</b>	29,184,902	<b>48,020,779</b>	56,836,340
Less: Reinsurance premium ceded	<b>909,356</b>	-	<b>909,356</b>	-
Add: prepaid reinsurance premium ceded opening	-	173,325	-	260,154
Less: prepaid reinsurance premium ceded closing	-	(99,755)	-	(99,755)
Reinsurance expense	<b>909,356</b>	73,570	<b>909,356</b>	160,399
	<b>22,098,571</b>	29,111,332	<b>47,111,423</b>	56,675,941
<b>16 NET INSURANCE CLAIMS EXPENSE</b>				
Claim paid	<b>1,181,182</b>	1,231,880	<b>2,602,635</b>	3,615,248
Add : Outstanding claims including IBNR closing	<b>61,643,007</b>	60,338,249	<b>61,643,007</b>	60,338,249
Less: Outstanding claims including IBNR opening	<b>(61,825,698)</b>	(60,570,137)	<b>(61,977,955)</b>	(61,242,124)
Claims expense	<b>998,491</b>	999,992	<b>2,267,687</b>	2,711,373
Less: Reinsurance and others recoveries received	-	-	-	-
Less: Reinsurance and others recoveries in respect of outstanding claims closing	-	-	<b>(2,595,202)</b>	(2,595,202)
Add: Reinsurance and others recoveries in respect of outstanding claims opening	-	-	<b>2,595,202</b>	2,595,202
Reinsurance and recoveries revenue	-	-	-	-
	<b>998,491</b>	999,992	<b>2,267,687</b>	2,711,373
<b>17 NET COMMISSION EXPENSE</b>				
Commission paid or payable	<b>1,018,007</b>	606,743	<b>1,994,703</b>	2,332,447
Add : Deferred commission expense opening	<b>6,911,466</b>	8,193,981	<b>6,569,234</b>	6,986,821
Less: Deferred commission expense closing	<b>(6,801,874)</b>	(6,855,789)	<b>(6,801,874)</b>	(6,855,789)
	<b>1,127,599</b>	1,944,935	<b>1,762,063</b>	2,463,479
Commission from reinsurers	(159,137)	-	(159,137)	-
Net commission expense	<b>968,462</b>	1,944,935	<b>1,602,926</b>	2,463,479
<b>18 INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
Available for sale financial assets				
Dividend income	<b>4,673,982</b>	2,060,610	4,673,982	2,060,610
Gain on sale of available for sale investments	-	-	-	-
	<b>4,673,982</b>	2,060,610	<b>4,673,982</b>	2,060,610
<b>Income from bank balances</b>				
Return on bank balances	<b>13,017</b>	874	<b>15,888</b>	1,857
	<b>13,017</b>	874	<b>15,888</b>	1,857
Less: Investment related expenses	-	-	-	-
Investment income	<b>4,686,999</b>	2,061,484	<b>4,689,870</b>	2,062,467

	Quarter ended		Half year ended	
	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
	----- (Rupees) -----			
<b>19 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit after tax for the period	<b>10,256,335</b>	14,099,558	<b>23,908,776</b>	33,300,042
	----- Number -----			
Weighted average number of Ordinary shares	<b>107,695,041</b>	107,695,041	<b>107,695,041</b>	107,695,041
	----- (Rupees) -----			
Earnings per share - basic and diluted	<b>0.10</b>	0.13	<b>0.22</b>	0.31

- 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:

	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited) Restated
	----- (Rupees) -----	
<b>20.1 Subsidiary Companies</b>		
<b>Crescent Star Foods (Private) Limited</b>		
Advance against issuance of shares	<b>2,545,704</b>	1,657,799
<b>Crescent Star Luxury (Private) Limited</b>		
Advance against issuance of shares	<b>1,632,510</b>	141,886
<b>Remuneration to Key Management Personnel</b>	<b>12,214,200</b>	13,897,200
<b>Staff retirement benefits</b>		
Provident fund contribution	<b>586,980</b>	331,500
Markup on outstanding balance of provident fund	<b>460,756</b>	220,980

## 21 SEGMENT INFORMATION

	For the six months period ended June 30, 2021						
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total
	----- (Rupees) -----						
<b>Current period</b>							
Gross written premium (inclusive of administrative surcharges)	337,273	1,949,994	5,800,251	-	38,084,991	4,026,839	50,199,348
Insurance premium earned	366,246	1,420,192	4,913,237	-	38,790,971	2,530,133	48,020,779
Insurance premium ceded to reinsurers	-	-	-	-	(909,356)	-	(909,356)
Net insurance premium	366,246	1,420,192	4,913,237	-	37,881,616	2,530,133	47,111,423
Commission income	-	-	-	-	-	-	-
<b>Net underwriting income</b>	<b>366,246</b>	<b>1,420,192</b>	<b>4,913,237</b>	<b>-</b>	<b>37,881,616</b>	<b>2,530,133</b>	<b>47,111,423</b>
Insurance claims	-	(1,500,000)	(654,632)	(87,805)	-	(25,250)	(2,267,687)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	-	(1,500,000)	(654,632)	(87,805)	-	(25,250)	(2,267,687)
Commission expense	(58,638)	(610,638)	(408,099)	-	(367,930)	(157,621)	(1,602,926)
Management expense	(235,065)	(1,340,480)	(4,132,041)	-	(27,560,081)	(2,837,325)	(36,104,992)
Premium deficiency reversal / (expense)	-	(142,712)	(637,689)	-	-	-	(780,401)
<b>Net insurance claims and expenses</b>	<b>(293,703)</b>	<b>(3,593,830)</b>	<b>(5,832,461)</b>	<b>(87,805)</b>	<b>(27,928,011)</b>	<b>(3,020,196)</b>	<b>(40,756,006)</b>
<b>Underwriting results</b>	<b>72,543</b>	<b>(2,173,638)</b>	<b>(919,224)</b>	<b>(87,805)</b>	<b>9,953,605</b>	<b>(490,063)</b>	<b>6,355,417</b>
Net investment income							4,689,870
Other income							23,055,049
Other expenses							(1,201,010)
<b>Result of operating activities</b>							<b>32,899,326</b>
Finance costs							(82,857)
<b>Profit before tax for the period</b>							<b>32,816,469</b>



**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:

June 30, 2021										
Not e	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-----										
<b>Financial Assets - measured at Fair Value</b>										
	9	-	-	93,696,222	-	-	93,696,222	93,696,222	-	-
<b>Financial Assets - not measured at Fair Value</b>										
	11	-	-	-	7,783,550	-	7,783,550	-	-	-
		-	-	-	201,582,497	-	201,582,497	-	-	-
		-	-	-	2,595,202	-	2,595,202	-	-	-
	10	-	-	-	900,273,977	-	900,273,977	-	-	-
		-	-	93,696,222	1,112,235,226	-	1,205,931,448	93,696,222	-	-
<b>Financial liabilities measured at fair value</b>										
		-	-	-	-	-	-	-	-	-
<b>Financial liabilities - not measured at Fair Value</b>										
		-	-	-	-	61,643,007	61,643,007	-	-	-
	13	-	-	-	-	39,887,133	39,887,133	-	-	-
		-	-	-	-	135,000	135,000	-	-	-
		-	-	-	-	101,665,140	101,665,140	-	-	-

December 31, 2020										
Note	Carrying Amount						Fair Value of Gain			
	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-----										
<b>Financial Assets - measured at Fair Value</b>										
Investments	9	-	-	91,756,452	-	-	91,756,452	91,756,452	-	-
<b>Financial Assets - not measured at Fair Value</b>										
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	-	-
<b>Financial liabilities measured at fair value</b>										
		-	-	-	-	-	-	-	-	-
<b>Financial liabilities - not measured at Fair Value</b>										
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 August 20, 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  
June 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 June 30, 2021.

The condensed interim consolidated financial information reflects Rs. 0.16 (June 30, 2020: Rs. 0.28) earnings per share for the period under review.

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

	June 30, 2021	June 30, 2020
	----- Rupees -----	-----
Profit / (loss) before tax	26,202,184	35,809,493
Provision for taxation	(9,106,316)	(5,364,957)
Profit / (loss) after tax	<u>17,095,868</u>	<u>30,444,536</u>
Profit / (loss) attributable to non-controlling interest	(2,906,343)	(1,637,591)
Profit / (loss) attributable to ordinary shareholders	<u><u>20,002,211</u></u>	<u><u>32,082,127</u></u>
Loss per share	<u><u>0.16</u></u>	<u><u>0.28</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: August 20, 2021

## اشتمال شدہ مالیاتی گوشواں پر ڈائریکٹران کی رپورٹ

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

یہ متوسط معلومات زیر جائزہ مدت کے لئے 0.16 روپے (30 جون 2020 کو 0.28 روپے) منافع فی حصص ظاہر کیا گیا ہے۔

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

30 جون 2020	30 جون 2021	
----- روپے -----		
35,809,493	26,202,184	منافع / (خسارہ) قبل از ٹیکس
(5,364,957)	(9,106,316)	ٹیکس کے لئے اختصاص
30,444,536	17,095,868	منافع / (خسارہ) بعد از ٹیکس
(1,637,591)	(2,906,343)	منافع / (خسارہ) ناقابل گرفت سود سے متعلق
32,082,127	20,002,211	منافع / (خسارہ) عمومی حصص یافتگان سے متعلق
0.28	0.16	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: 20 اگست 2021

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

<b>ASSETS</b>	<b>Note</b>	<b>June 30, 2021 (Un-audited)</b>	<b>December 31, 2020 (Audited)</b>
----- (Rupees) -----			
Property and equipment	7	<b>123,120,297</b>	130,713,584
Intangible assets	8	<b>43,762,116</b>	44,596,520
Investments			
Equity securities	9	<b>93,696,222</b>	91,756,452
Loans and other receivables	10	<b>678,547,331</b>	649,201,519
Insurance / reinsurance receivables		<b>201,582,497</b>	190,398,461
Reinsurance recoveries against outstanding claims		<b>2,595,202</b>	2,595,202
Stock-in-trade		<b>10,107,910</b>	10,107,910
Deferred commission expense / acquisition cost		<b>6,801,874</b>	6,569,234
Cash and bank	11	<b>8,202,335</b>	10,484,476
<b>Total assets</b>		<b><u>1,168,415,784</u></b>	<u>1,136,423,358</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Ordinary share capital		<b>1,076,950,410</b>	1,076,950,410
Discount on issue of right shares		<b>(199,650,000)</b>	(199,650,000)
Reserves	12	<b>(107,489,801)</b>	(126,159,995)
<b>Equity attributable to equity holders of the Parent</b>		<b>769,810,609</b>	751,140,415
Non-controlling interest		<b>(30,787,817)</b>	(27,881,474)
<b>Total shareholders' equity</b>		<b>739,022,792</b>	723,258,941
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Outstanding claims including IBNR		<b>61,643,007</b>	61,977,955
Unearned premium reserves		<b>47,695,722</b>	45,517,153
Premium deficiency reserves		<b>1,199,759</b>	419,358
Deferred taxation		<b>2,668,835</b>	2,470,212
Borrowings		<b>135,000</b>	2,592,611
Premium received in advance		<b>2,117,305</b>	2,023,233
Other creditors and accruals	13	<b>279,575,021</b>	270,923,189
Provision for taxation		<b>34,358,343</b>	27,240,706
<b>Total liabilities</b>		<b>429,392,992</b>	413,164,417
<b>Total equity and liabilities</b>		<b><u>1,168,415,784</u></b>	<u>1,136,423,358</u>
<b>Contingencies and commitments</b>	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 June 30, 2021**

	Note	Quarter ended		Half year ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	15	<b>22,098,571</b>	29,111,332	<b>47,111,423</b>	56,675,941
Net insurance claims	16	<b>(998,491)</b>	(999,992)	<b>(2,267,687)</b>	(2,711,373)
Premium deficiency		<b>(514,122)</b>	(1,050,269)	<b>(780,401)</b>	(1,050,269)
Net commission expense and other acquisition costs	17	<b>(968,462)</b>	(1,944,935)	<b>(1,602,926)</b>	(2,463,479)
Insurance claims and acquisition expenses		<b>(2,481,075)</b>	(3,995,196)	<b>(4,651,014)</b>	(6,225,121)
Management expenses		<b>(20,764,362)</b>	(17,594,438)	<b>(36,104,992)</b>	(38,451,903)
Underwriting results		<b>(1,146,866)</b>	7,521,698	<b>6,355,417</b>	11,998,917
Investment income	18	<b>4,686,999</b>	2,061,484	<b>4,689,870</b>	2,062,467
Other income		<b>10,992,573</b>	10,771,451	<b>23,055,049</b>	26,702,575
Other expenses		<b>(4,171,535)</b>	(3,065,675)	<b>(7,815,295)</b>	(4,720,498)
Results of operating activities		<b>10,361,171</b>	17,288,958	<b>26,285,041</b>	36,043,461
Finance costs		<b>(10,125)</b>	(71,917)	<b>(82,857)</b>	(233,968)
<b>Profit / (loss) before tax</b>		<b>10,351,046</b>	17,217,041	<b>26,202,184</b>	35,809,493
Taxation		<b>(4,411,769)</b>	(4,813,857)	<b>(9,106,316)</b>	(5,364,957)
<b>Profit / (loss) after tax</b>		<b>5,939,277</b>	12,403,184	<b>17,095,868</b>	30,444,536
<b>Attributable to:</b>					
Owners of the Holding Company		<b>7,815,250</b>	13,494,451	<b>20,002,211</b>	32,082,127
Non-controlling interest		<b>(1,875,973)</b>	(1,091,267)	<b>(2,906,343)</b>	(1,637,591)
		<b>5,939,277</b>	12,403,184	<b>17,095,868</b>	30,444,536
<b>Other comprehensive income / (loss)</b>					
Unrealized gain on available for sale investments during the period - net of deferred tax		<b>263,936</b>	214,270	<b>1,939,770</b>	799,628
Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax		<b>(3,271,787)</b>	(1,751,518)	<b>(3,271,787)</b>	(1,751,518)
<b>Other comprehensive income / (loss) for the period</b>		<b>(3,007,851)</b>	(1,537,248)	<b>(1,332,017)</b>	(951,890)
<b>Total comprehensive income for the period</b>		<b>2,931,426</b>	10,865,936	<b>15,763,851</b>	29,492,646
Earning per share	19	<b>0.06</b>	0.12	<b>0.16</b>	0.28

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 June 30, 2021**

	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance Premium received	<b>38,580,982</b>	39,621,521
Reinsurance premium paid	<b>(380,954)</b>	(420,348)
Claims paid	<b>(2,602,635)</b>	(3,615,248)
Commission paid	<b>(1,994,703)</b>	(2,332,447)
Commission received	<b>159,137</b>	-
Management expenses paid	<b>(27,932,360)</b>	(28,956,558)
Net cash flow from underwriting activities	<b>5,829,467</b>	4,296,920
<b>(b) Other operating activities</b>		
Income tax paid	<b>(1,790,056)</b>	(365,124)
Other operating payments	<b>(7,372,167)</b>	2,874,771
Net cash outflow from other operating activities	<b>(9,162,223)</b>	2,509,647
<b>Total cash flow from all operating activities</b>	<b>(3,332,756)</b>	6,806,567
<b>Investment activities</b>		
Profit received	<b>15,888</b>	1,857
Dividend received	<b>4,673,982</b>	2,060,610
Proceeds from investments	<b>(3,271,787)</b>	(1,751,518)
Fixed capital expenditure	<b>(4,736,210)</b>	(1,216,233)
Proceeds from sale of property and equipment	<b>6,909,210</b>	-
<b>Total cash flow from investing activities</b>	<b>3,591,083</b>	(905,284)
<b>Financing activities</b>		
Finance costs paid	<b>(82,857)</b>	(233,968)
Borrowing under Musharaka arrangements obtained - net	<b>(2,457,611)</b>	(549,078)
<b>Total cash from financing activities</b>	<b>(2,540,468)</b>	(783,046)
<b>Net cash flow from all activities</b>	<b>(2,282,141)</b>	5,118,237
<b>Cash and cash equivalents at beginning of year</b>	<b>10,484,476</b>	74,278,628
<b>Cash and cash equivalents at end of period</b>	<b>8,202,335</b>	79,396,865
<b>Reconciliation to unconsolidated profit and loss account</b>		
Operating cash flows	<b>(3,332,756)</b>	6,806,567
Depreciation expense	<b>(6,501,692)</b>	(5,247,347)
Amortization expense	<b>(834,404)</b>	(556,961)
Gain /(loss) on disposal of property and equipments	<b>1,081,405</b>	-
Dividend income	<b>4,673,982</b>	2,060,610
Other investment and other income	<b>15,888</b>	1,857
Finance costs	<b>(82,857)</b>	(233,968)
Increase in assets other than cash	<b>40,762,488</b>	38,420,474
(Decrease)/increase in liabilities other than borrowings	<b>(11,568,549)</b>	(4,896,267)
Provision for taxation	<b>(7,117,637)</b>	(5,910,429)
<b>Profit after taxation for the period</b>	<b>17,095,868</b>	30,444,536

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 June 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) -----								
<b>Balance as at January 01, 2020</b>	<b>1,076,950,410</b>	<b>(199,650,000)</b>	<b>1,767,568</b>	<b>24,497,265</b>	<b>451,170</b>	<b>(202,391,087)</b>	<b>701,625,326</b>	<b>(22,666,003)</b>	<b>678,959,323</b>
Total comprehensive income for the period (Restated)	-	-	-	-	(951,890)	32,082,127	31,130,237	(1,637,591)	29,492,646
<b>Balance as at June 30, 2020</b>	<b><u>1,076,950,410</u></b>	<b><u>(199,650,000)</u></b>	<b><u>1,767,568</u></b>	<b><u>24,497,265</u></b>	<b><u>(500,720)</u></b>	<b><u>(170,308,960)</u></b>	<b><u>732,755,563</u></b>	<b><u>(24,303,594)</u></b>	<b><u>708,451,969</u></b>
<b>Balance as at January 01, 2021</b>	<b>1,076,950,410</b>	<b>(199,650,000)</b>	<b>1,767,568</b>	<b>24,497,265</b>	<b>1,055,391</b>	<b>(153,480,219)</b>	<b>751,140,415</b>	<b>(27,881,474)</b>	<b>723,258,941</b>
Total comprehensive income for the period	-	-	-	-	(1,332,017)	20,002,211	18,670,194	(2,906,343)	15,763,851
<b>Balance as at June 30, 2021</b>	<b><u>1,076,950,410</u></b>	<b><u>(199,650,000)</u></b>	<b><u>1,767,568</u></b>	<b><u>24,497,265</u></b>	<b><u>(276,626)</u></b>	<b><u>(133,478,008)</u></b>	<b><u>769,810,609</u></b>	<b><u>(30,787,817)</u></b>	<b><u>739,022,792</u></b>

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:

<b>Name of the Company</b>	<b>Status in the Group</b>	<b>Percentage of holding</b>	<b>Acquisition date</b>
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 six months period ended June 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.

		<b>June 30, 2021 (Un-audited)</b>	December 31, 2020 (Audited)
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>7</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating assets	<b>123,120,297</b>	130,713,584
<b>7.1</b>	<b>Operating assets</b>		
	Opening written down value	<b>130,713,584</b>	143,333,097
	Add: Additions during the period / year - at cost		
	- Motor vehicles	<b>4,709,211</b>	1,216,233
	- Computers and related accessories	<b>27,000</b>	-
	- Office equipment	<b>-</b>	-
	- Furniture and fixtures	<b>-</b>	-
		<b>4,736,211</b>	1,216,233
	Less: Written down value of deletions	<b>(5,827,806)</b>	(2,089,738)
	Depreciation for the period / year	<b>(6,501,692)</b>	(11,746,008)
		<b>(12,329,498)</b>	(13,835,746)
		<b>123,120,297</b>	130,713,584
<b>8</b>	<b>INTANGIBLE ASSETS</b>		
	Goodwill at acquisition	<b>28,742,849</b>	28,742,849
	Franchise	<b>12,907,744</b>	13,427,371
	Computer software	<b>2,111,523</b>	2,426,300
		<b>43,762,116</b>	44,596,520
<b>9</b>	<b>INVESTMENTS</b>		
	Equity securities	<b>93,696,222</b>	91,756,452
<b>9.1</b>	<b>Equity securities</b>		
	Available-for-sale	<b>93,696,222</b>	91,756,452
<b>9.1.1</b>	<b>Others</b>		
	Listed shares	<b>53,859</b>	49,771
	Mutual funds	<b>93,642,363</b>	91,706,681
		<b>93,696,222</b>	91,756,452
<b>9.1.1.1</b>	Securities having market value of Rs. 93.070 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.		
<b>10</b>	<b>LOAN AND OTHER RECEIVABLES</b>		
	<b>Considered good</b>		
	Other Security deposits	<b>9,704,159</b>	10,159,645
	Loan to employees	<b>12,000</b>	54,000
	Advance to supplier	<b>53,397,482</b>	53,397,482
	Accrued interest on advance against issuance of shares	<b>225,392,223</b>	206,107,255
	Advance against issuance of shares	<b>354,279,066</b>	354,279,066
	Others	<b>35,762,401</b>	25,204,071
		<b>678,547,331</b>	649,201,519
<b>10.1</b>	This represents accrued interest on advances against issue of shares, given to Dost Steels Limited. Movement in advances is as follows:		
	<b>Movement</b>		
	Balance as at beginning of the year	<b>206,107,255</b>	163,330,338
	Income for the period / year	<b>19,284,968</b>	42,776,917
	Balance at the end of the period / year	<b>225,392,223</b>	206,107,255

	<b>June 30, 2021 (Un-audited)</b>	December 31, 2020 (Audited)
	----- (Rupees) -----	
<b>11 CASH AND BANK</b>		
<b>Cash and other equivalents</b>		
Cash in hand	<b>428,631</b>	431,593
Policy and revenue stamps	<b>21,121</b>	23,460
	<b>449,752</b>	455,053
<b>Cash at bank</b>		
Current accounts	<b>7,534,077</b>	10,339,620
Savings accounts	<b>540,925</b>	12,222
	<b>8,075,002</b>	10,351,842
Less: provision against dormant accounts	<b>(322,419)</b>	(322,419)
	<b>7,752,583</b>	10,029,423
	<b>8,202,335</b>	10,484,476
<b>11.1</b>	These carry mark-up at the rate of 5.5% (2020: 7.5%) per annum.	
<b>12 RESERVES</b>		
<b>Capital reserves</b>		
Reserve for exceptional losses	<b>1,767,568</b>	1,767,568
<b>Revenue reserves</b>		
General reserve	<b>24,497,265</b>	24,497,265
Unappropriated profit	<b>(133,478,008)</b>	(153,480,219)
Surplus on remeasurement of available for sale investments	<b>(276,626)</b>	1,055,391
	<b>(107,489,801)</b>	(126,159,995)
<b>13 OTHER CREDITORS AND ACCRUALS</b>		
Trade and related payables	<b>46,042,020</b>	49,182,674
Federal insurance fees	<b>3,095,699</b>	2,650,436
Federal excise duty	<b>54,739,631</b>	49,237,538
Payable to staff provident fund	<b>9,013,397</b>	8,425,198
Withholding tax	<b>82,677,258</b>	80,227,836
Accrued expenses	<b>51,061,870</b>	53,969,634
Unclaimed dividend	<b>418,209</b>	418,209
Others	<b>32,526,937</b>	26,811,664
	<b>279,575,021</b>	270,923,189
<b>14 CONTINGENCIES AND COMMITMENTS</b>		
<b>14.1 CONTINGENCIES</b>		
	The status of contingencies remain unchanged as disclosed in the annual consolidated financial statements as of December 31, 2020.	
<b>14.2 COMMITMENTS</b>		
Post dated cheques	<b>135,000</b>	2,592,611

	Quarter ended		Half year ended	
	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
----- (Rupees) -----				
<b>15 NET INSURANCE PREMIUM</b>				
Gross written premium	<b>22,885,077</b>	17,748,615	<b>50,199,348</b>	53,603,706
Add : Unearned contribution reserve opening	<b>47,818,572</b>	61,551,986	<b>45,517,153</b>	53,348,333
Less: Unearned contribution reserve closing	<b>(47,695,722)</b>	(50,115,699)	<b>(47,695,722)</b>	(50,115,699)
Premium earned	<b>23,007,927</b>	29,184,902	<b>48,020,779</b>	56,836,340
Less: Reinsurance premium ceded	<b>909,356</b>	-	<b>909,356</b>	-
Add: prepaid reinsurance premium ceded opening	-	173,325	-	260,154
Less: prepaid reinsurance premium ceded closing	-	(99,755)	-	(99,755)
Reinsurance expense	<b>909,356</b>	73,570	<b>909,356</b>	160,399
	<b>22,098,571</b>	29,111,332	<b>47,111,423</b>	56,675,941
<b>16 NET INSURANCE CLAIMS EXPENSE</b>				
Claim paid	<b>1,181,182</b>	1,231,880	<b>2,602,635</b>	3,615,248
Add : Outstanding claims including IBNR closing	<b>61,643,007</b>	60,338,249	<b>61,643,007</b>	60,338,249
Less: Outstanding claims including IBNR opening	<b>(61,825,698)</b>	(60,570,137)	<b>(61,977,955)</b>	(61,242,124)
Claims expense	<b>998,491</b>	999,992	<b>2,267,687</b>	2,711,373
Less: Reinsurance and others recoveries received	-	-	-	-
Less: Reinsurance and others recoveries in respect of outstanding claims closing	-	-	<b>(2,595,202)</b>	(2,595,202)
Add: Reinsurance and others recoveries in respect of outstanding claims opening	-	-	-	-
Reinsurance and recoveries revenue	-	-	<b>2,595,202</b>	2,595,202
	<b>998,491</b>	999,992	<b>2,267,687</b>	2,711,373
<b>17 NET COMMISSION EXPENSE</b>				
Commission paid or payable	<b>1,018,007</b>	606,743	<b>1,994,703</b>	2,332,447
Add : Deferred commission expense opening	<b>6,911,466</b>	8,193,981	<b>6,569,234</b>	6,986,821
Less: Deferred commission expense closing	<b>(6,801,874)</b>	(6,855,789)	<b>(6,801,874)</b>	(6,855,789)
	<b>1,127,599</b>	1,944,935	<b>1,762,063</b>	2,463,479
Commission from reinsurers	(159,137)	-	(159,137)	-
Net commission expense	<b>968,462</b>	1,944,935	<b>1,602,926</b>	2,463,479
<b>18 INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
Available for sale financial assets				
Dividend income	<b>4,673,982</b>	2,060,610	4,673,982	2,060,610
Gain on sale of available for sale investments	-	-	-	-
	<b>4,673,982</b>	2,060,610	<b>4,673,982</b>	2,060,610
<b>Income from bank balances</b>				
Return on bank balances	<b>13,017</b>	874	<b>15,888</b>	1,857
	<b>13,017</b>	874	<b>15,888</b>	1,857
Less: Investment related expenses	-	-	-	-
Investment income	<b>4,686,999</b>	2,061,484	<b>4,689,870</b>	2,062,467

	Quarter ended		Half year ended	
	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
	----- (Rupees) -----			
<b>19 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit after tax for the period	<b>5,939,277</b>	12,403,184	<b>17,095,868</b>	30,444,536
	----- Number -----			
Weighted average number of Ordinary shares	<b>107,695,041</b>	107,695,041	<b>107,695,041</b>	107,695,041
	----- (Rupees) -----			
Earnings per share - basic and diluted	<b>0.06</b>	0.12	<b>0.16</b>	0.28

**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:

	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
	----- (Rupees) -----	
<b>20.1 Remuneration to Key Management Personnel</b>	<b>12,214,200</b>	13,897,200
<b>Staff retirement benefits</b>		
Provident fund contribution	<b>586,980</b>	331,500
Markup on outstanding balance of provident fund	<b>460,756</b>	220,980

21 SEGMENT INFORMATION

	For the six months period ended June 30, 2021							Foods	Technologies	Luxury	Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total				
(Rupees)											
<b>Current period</b>											
Gross written premium (inclusive of administrative surcharges)	337,273	1,949,994	5,800,251	-	38,084,991	4,026,839	50,199,348	-	-	-	50,199,348
Insurance premium earned	366,246	1,420,192	4,913,237	-	38,790,971	2,530,133	48,020,779	-	-	-	48,020,779
Insurance premium ceded to reinsurers	-	-	-	-	(909,356)	-	(909,356)	-	-	-	(909,356)
Net insurance premium	366,246	1,420,192	4,913,237	-	37,881,616	2,530,133	47,111,423	-	-	-	47,111,423
Commission income	-	-	-	-	-	-	-	-	-	-	-
<b>Net underwriting income</b>	<b>366,246</b>	<b>1,420,192</b>	<b>4,913,237</b>	<b>-</b>	<b>37,881,616</b>	<b>2,530,133</b>	<b>47,111,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,111,423</b>
Insurance claims	-	(1,500,000)	(654,632)	(87,805)	-	(25,250)	(2,267,687)	-	-	-	(2,267,687)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	-	(1,500,000)	(654,632)	(87,805)	-	(25,250)	(2,267,687)	-	-	-	(2,267,687)
Commission expense	(58,638)	(610,638)	(408,099)	-	(367,930)	(157,621)	(1,602,926)	-	-	-	(1,602,926)
Management expense	(235,065)	(1,340,480)	(4,132,041)	-	(27,560,081)	(2,837,325)	(36,104,992)	-	-	-	(36,104,992)
Premium deficiency reversal / (expense)	-	(142,712)	(637,689)	-	-	-	(780,401)	-	-	-	(780,401)
<b>Net insurance claims and expenses</b>	<b>(293,703)</b>	<b>(3,593,830)</b>	<b>(5,832,461)</b>	<b>(87,805)</b>	<b>(27,928,011)</b>	<b>(3,020,196)</b>	<b>(40,756,006)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,756,006)</b>
<b>Underwriting results</b>	<b>72,543</b>	<b>(2,173,638)</b>	<b>(919,224)</b>	<b>(87,805)</b>	<b>9,953,605</b>	<b>(490,063)</b>	<b>6,355,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,355,417</b>
Net investment income	-	-	-	-	-	-	-	-	-	-	4,689,870
Other income	-	-	-	-	-	-	-	-	-	-	23,055,049
Other expenses	-	-	-	-	-	-	(1,201,010)	(5,608,025)	(105,381)	(900,879)	(7,815,295)
<b>Result of operating activities</b>											<b>26,285,041</b>
Finance costs	-	-	-	-	-	-	(82,857)	-	-	-	(82,857)
<b>Profit before tax for the period</b>											<b>26,202,184</b>

	For the six period ended June 30, 2020							Food	Technologies	Luxury	Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Total				
(Rupees)											
<b>Prior period</b>											
Gross written premium (inclusive of administrative surcharges)	680,039	1,674,034	14,785,816	-	35,648,364	815,454	53,603,707	-	-	-	53,603,707
Insurance premium earned	1,251,794	1,464,277	19,728,199	568,297	31,648,024	2,175,749	56,836,340	-	-	-	56,836,340
Insurance premium ceded to reinsurers	(25,399)	-	(135,000)	-	-	-	(160,399)	-	-	-	(160,399)
Net insurance premium	1,226,395	1,464,277	19,593,199	568,297	31,648,024	2,175,749	56,675,941	-	-	-	56,675,941
Commission income	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	1,226,395	1,464,277	19,593,199	568,297	31,648,024	2,175,749	56,675,941	-	-	-	56,675,941
Insurance claims	-	(1,000,000)	(902,144)	(295,923)	(500,000)	(13,306)	(2,711,373)	-	-	-	(2,711,373)
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	-	-
Net claims	-	(1,000,000)	(902,144)	(295,923)	(500,000)	(13,306)	(2,711,373)	-	-	-	(2,711,373)
Commission expense	(243,792)	(486,326)	(1,481,867)	(28,415)	(6,150)	(216,929)	(2,463,479)	-	-	-	(2,463,479)
Management expense	(485,141)	(1,180,442)	(10,870,300)	-	(25,346,312)	(569,708)	(38,451,903)	-	-	-	(38,451,903)
Premium deficiency reversal / (expense)	-	(38,866)	(1,011,403)	-	-	-	(1,050,269)	-	-	-	(1,050,269)
<b>Net insurance claims and expenses</b>	<b>(728,933)</b>	<b>(2,705,634)</b>	<b>(14,265,714)</b>	<b>(324,338)</b>	<b>(25,852,462)</b>	<b>(799,943)</b>	<b>(44,677,024)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,677,024)</b>
<b>Underwriting results</b>	<b>497,462</b>	<b>(1,241,357)</b>	<b>5,327,485</b>	<b>243,959</b>	<b>5,795,562</b>	<b>1,375,806</b>	<b>11,998,917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,998,917</b>
Net investment income	-	-	-	-	-	-	-	-	-	-	2,062,467
Other income	-	-	-	-	-	-	-	-	-	-	26,702,575
Other expenses	-	-	-	-	-	-	(789,196)	(4,187,314)	(107,788)	363,800	(4,720,498)
<b>Result of operating activities</b>											<b>36,043,461</b>
Finance costs	-	-	-	-	-	-	(233,968)	-	-	-	(233,968)
<b>Profit before tax for the period</b>											<b>35,809,493</b>

## 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:

June 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									
<b>Financial Assets - measured at Fair Value</b>									
Investments	9	-	93,696,222	-	-	93,696,222	93,696,222	-	-
<b>Financial Assets - not measured at Fair Value</b>									
Cash and bank	11	-	-	8,202,335	-	8,202,335	-	-	-
Insurance / reinsurance receivable		-	-	201,582,497	-	201,582,497	-	-	-
Reinsurance recoveries against outstanding claims		-	-	2,595,202	-	2,595,202	-	-	-
Loans and other receivables	10	-	-	678,547,331	-	678,547,331	-	-	-
		-	93,696,222	890,927,365	-	984,623,587	93,696,222	-	-
<b>Financial liabilities measured at fair value</b>									
		-	-	-	-	-	-	-	-
<b>Financial liabilities - not measured at Fair Value</b>									
Provision for outstanding claims including IBNR		-	-	-	61,643,007	61,643,007	-	-	-
Other creditors and accruals	13	-	-	-	41,958,543	41,958,543	-	-	-
Borrowings		-	-	-	135,000	135,000	-	-	-
		-	-	-	103,736,550	103,736,550	-	-	-

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									
<b>Financial Assets - measured at Fair Value</b>									
Investments	9	-	91,756,452	-	-	91,756,452	91,756,452	-	-
<b>Financial Assets - not measured at Fair Value</b>									
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	-	-
<b>Financial liabilities measured at fair value</b>									
		-	-	-	-	-	-	-	-
<b>Financial liabilities - not measured at Fair Value</b>									
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 August 20, 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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<b>BRANCH NAME</b>	<b>ADDRESS</b>	<b>CONTACT NO</b>
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<b>CENTRAL CORPORATE</b>	3RD FLOOR, NADIR HOUSE, I. I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
<b>LAHORE MAIN</b>	OFFICE # 9, 4TH FLOOR, AL-HAFEEZ TOWER, M. M. ALAM ROAD, GULBERG III, LAHORE.	042-35785337-38
<b>ISLAMABAD</b>	OFFICE NO.05, 2ND FLOOR, HAQ CENTER, D- BLOCK, 5TH ROAD, SATLLITE TOWN, RAWALPINDI.	0312-5595674
<b>MULTAN</b>	OFFICE NO 16-A FIRST FLOOR ALI ARKEED NEAR CHOCK KATACHERY MULTAN.	0300-7303037
<b>SIALKOT</b>	OFFICE # 309-310, SECOND FLOOR, TARIQ SQUARE, KASHMIR ROAD, SIALKOT.	0300-6150051
<b>GUJRANWALA BRANCH</b>	NEAR SUI GAS GRID STATION, SHAHRA-E-QAID E AZAM, GUJRANWALA CANTT.	0308-7387788



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