



Your Security - Our Policy

# Quarterly Report March 31, 2023 (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)<br>Mr. Tanveer Ahmed<br>Mr. Suhail Elahi<br>Mr. Shaikh Waqar Ahmed<br>Mr. Rashid Malik<br>Ms. Naveeda Mahmud<br>Ms. Huma Javaid<br>Ms. Rabia Omar Hassan                                   |
| Chief Executive Officer                     | Mr. Naim Anwar  |
| Management                                  | Mr. Naim Anwar (Chief Executive Officer)<br>Mr. Tanveer Ahmed (Resident Director)<br>Mr. Suhail Elahi (Resident Director)<br>Mr. Malik Mehdi Muhammad (CFO & Company Secretary)<br>Syed Danish Hasan Rizvi (Head of Internal Audit) |
| Board Audit Committee                       | Mr. Shaikh Waqar Ahmed (Chairman)<br>Ms. Naveeda Mahmud<br>Ms. Huma Javaid  |
| Board H.R & Remuneration Committee          | Ms. Huma Javaid (Chairman)<br>Mr. Naim Anwar<br>Mr. Shaikh Waqar Ahmed  |
| Board Investment Committee                  | Mr. Naim Anwar (Chairman)<br>Mr. Shaikh Waqar Ahmed<br>Ms. Huma Javaid  |
| Chief Financial Officer & Company Secretary | Mr. Malik Mehdi Muhammad  |
| Auditors                                    | Crowe Hussain Chaudhury & Co.<br>Chartered Accountants  |
| Legal Advisor                               | Ms. Huma Naz, Soomro Law Associates   |
| Bankers                                     | Habib Bank Limited<br>Faysal Bank Limited   |
| Share Registrar                             | F. D. Registrar (SMC-Pvt.) Limited<br>Office No. 1705, 17th Floor, Saima Trade Tower – A<br>I. I. Chundrighar Road, Karachi<br>Tel #: 35478192-93 / 32271906 Fax #: 32621233  |
| Registered & Head Officer                   | 2 <sup>nd</sup> Floor, Nadir House<br>I. I. Chundrighar Road<br>P.O. BOX No. 4616, Karachi  |

# **UNCONSOLIDATED**

Financial Statements  
for the Period Ended  
March 31, 2023

## 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 2023.

### General Review

The Company's financial performance in the current period has been impressive, with the Company reporting a profit after tax of Rs. 43.660 million, representing a 314% increase over the previous year. The Company is 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. 117.548 million as compared to Rs. 28.239 million for the corresponding period a 316% increase. The net premium shows an increase which has been recorded at Rs. 52.427 million against Rs. 23.621 million for the corresponding period. Earnings per share stood at Rs. 0.41.

### Performance Highlights

The comparative financial highlights for the first quarter ended 31 March 2023 and 2022 are presented below:-

| Rupees in millions (except for EPS) | 31 March  | 31 March  | Increase / (Decrease) |     |
|-------------------------------------|-----------|-----------|-----------------------|-----|
|                                     | 2023      | 2022      | Amount                | %   |
| Gross written premium               | 117.548   | 28.239    | 89.30                 | 316 |
| Net premium                         | 52.427    | 23.621    | 28.80                 | 122 |
| Profit before tax                   | 44.315    | 14.407    | 29.90                 | 208 |
| Profit after tax                    | 43.660    | 10.542    | 33.11                 | 314 |
| Total assets                        | 1,588.796 | 1,424.708 | 164.08                | 12  |
| Paid-up capital                     | 1,076.950 | 1,076.950 | -                     | -   |
| Earnings per share (EPS) Rs.        | 0.41      | 0.10      | 0.31                  | 310 |

### Future Outlook

The Company intends to expand the core business and has taken steps to enter the more developing individual client market. The management expects to make the Investment Portfolio active for earnings after the expected merger of CSF with and into PICIC, which is still pending before the Honorable Sindh High Court for approval of the SCHEME OF ARRANGEMENT, which once approved will benefit your Company in the investment side.

### 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 28, 2023

**Naim Anwar**  
Managing Director & 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 سہ ماہی مدت 31 مارچ 2023 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

### عمومی جائزہ

موجودہ مدت میں کمپنی کی مالی کارکردگی متاثر کن رہی کمپنی نے بعد از ٹیکس منافع 43.660 ملین روپے کی اطلاع دی جو کہ پچھلے سال کی نسبت 314 فیصد زیادہ ہے۔ کمپنی منافع بخش رجحان دکھا رہی ہے جسکی وجہ 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 پریمیوم 117.548 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال 28.239 ملین روپے تھا، جو کہ پچھلے سال کی نسبت 316 فیصد زیادہ ہے۔ خالص پریمیوم میں اضافہ دیکھنے میں آیا اور 52.427 ملین روپے ریکارڈ ہوا جبکہ گزشتہ سال اسی مدت میں 23.621 ملین روپے تھا۔ فی حصص آمدنی 0.41 پیسے پر رہی۔

### کارکردگی کی جھلکیاں

کمپنی کی متقابلہ مالیاتی جھلکیاں برائے سہ ماہی مدت 31 مارچ 2023 درج ذیل ہیں:

| روپے ملین (ماسوائے EPS) | 31 مارچ 2023 | 31 مارچ 2022 | رقم    | اضافہ / (کمی) | %   |
|-------------------------|--------------|--------------|--------|---------------|-----|
| خام پریمیوم             | 117.548      | 28.239       | 89.30  |               | 316 |
| خالص پریمیوم            | 52.427       | 23.621       | 28.80  |               | 122 |
| منافع قبل از ٹیکس       | 44.315       | 14.407       | 29.90  |               | 208 |
| منافع بعد از ٹیکس       | 43.660       | 10.542       | 33.11  |               | 314 |
| ادا شدہ سرمایہ          | 1,588.796    | 1,424.708    | 164.08 |               | 12  |
| کل اثاثے                | 1,076.950    | 1,076.950    | -      |               | -   |
| منافع فی حصص            | 0.41         | 0.10         | 0.31   |               | 310 |

### مستقبل کی پیش بینی

کمپنی بنیادی کاروبار کو وسعت دینے کا ارادہ رکھتی ہے اور اس نے مزید ترقی پزیر انفرادی کلائنٹ مارکیٹ میں داخل ہونے کے لئے اقدامات کئے ہیں۔ انتظامیہ مدنی کے لئے سرمایہ کاری کے پورٹ فولیو بنانے کی توقع رکھتی ہے جو کہ CSF کے PICIC کے ساتھ انتظام ہونے کے بعد متوقع ہے، اور یہ انتظام ابھی تک سندھ ہائی کورٹ کے پاس اسکیم آف ریمڈی کی منظوری کے لئے زیر التواء ہے، جس کی منظوری کے بعد آپکی کمپنی کو سرمایہ کاری کے حوالے سے فائدہ ہوگا۔

### 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: 28 اپریل 2023

**Crescent Star Insurance Limited**  
**Condensed Interim Unconsolidated Statement of Financial Position**  
**As at March 31, 2023**

| <b>ASSETS</b>  | <b>Note</b> | <b>March 31,<br/>2023<br/>(Un-audited)</b> | <b>December 31,<br/>2022<br/>(Audited)</b> |
|--|-------------|--|--|
| ----- (Rupees) -----   |             |  |  |
| Property and equipment   | 7           | <b>9,513,870</b>                           | 9,758,461                                  |
| Investments in subsidiaries  | 8           | <b>150,019,600</b>                         | 150,019,600                                |
| Investments  |             |  |  |
| Equity securities  | 9           | <b>113,165,008</b>                         | 109,602,600                                |
| Loans and other receivables  | 10          | <b>1,014,144,555</b>                       | 988,042,672                                |
| Insurance / reinsurance receivables                                      |             |  |  |
| Premium due but unpaid   |             | <b>217,780,381</b>                         | 190,370,042                                |
| Amounts due from other insurers / reinsurers                             |             | <b>52,356,383</b>                          | -  |
| Deferred commission expense / acquisition cost                           |             | <b>20,360,291</b>                          | 13,665,395                                 |
| Prepayments  |             | <b>6,600</b>                               | 26,400                                     |
| Cash and bank  | 11          | <b>11,449,031</b>                          | 5,606,296                                  |
| <b>Total assets</b>  |             | <b><u>1,588,795,719</u></b>                | <b><u>1,467,091,466</u></b>                |
| <br>   |             |  |  |
| <b>EQUITY AND LIABILITIES</b>  |             |  |  |
| <br>   |             |  |  |
| <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>279,339,788</b>                         | 232,117,465                                |
| <b>Total equity</b>  |             | <b><u>1,156,640,198</u></b>                | <b><u>1,109,417,875</u></b>                |
| <br>   |             |  |  |
| <b>Liabilities</b>   |             |  |  |
| <b>Underwriting Provisions</b>   |             |  |  |
| Outstanding claims including IBNR  |             | <b>64,583,192</b>                          | 65,564,985                                 |
| Unearned premium reserves  |             | <b>163,086,541</b>                         | 97,965,519                                 |
| Premium deficiency reserves  |             | <b>1,878,957</b>                           | 1,878,957                                  |
| Deferred taxation  |             | -  | -  |
| Borrowings   |             | -  | -  |
| Premium received in advance  |             | <b>1,199,444</b>                           | 1,440,726                                  |
| Insurance / reinsurance payables   |             | -  | 433,322                                    |
| Other creditors and accruals   | 13          | <b>166,368,084</b>                         | 154,385,528                                |
| Provision for taxation   |             | <b>35,039,303</b>                          | 36,004,554                                 |
| <b>Total liabilities</b>   |             | <b><u>432,155,521</u></b>                  | <b><u>357,673,591</u></b>                  |
| <b>Total equity and liabilities</b>                                      |             | <b><u>1,588,795,719</u></b>                | <b><u>1,467,091,466</u></b>                |
| <br>   |             |  |  |
| <b>Contingencies and commitments</b>                                     | 14          |  |  |

The annexed notes from 1 to 24 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, 2023**

|  |             | <b>March 31,<br/>2023</b>   | March 31,<br>2022 |
|--|-------------|-----------------------------|-------------------|
|  | <b>Note</b> | ----- <b>(Rupees)</b> ----- |                   |
| Net insurance premium  | 15          | <b>52,427,265</b>           | 23,620,878        |
| Net insurance claims   | 16          | <b>(1,126,917)</b>          | (573,716)         |
| Premium deficiency   |             | -                           | -                 |
| Net commission expense and other acquisition costs   | 17          | <b>(1,467,182)</b>          | (1,096,418)       |
| Insurance claims and acquisition expenses  |             | <b>(2,594,099)</b>          | (1,670,134)       |
| Management expenses  |             | <b>(25,294,488)</b>         | (21,239,400)      |
| Underwriting results   |             | <b>24,538,678</b>           | 711,344           |
| Investment income  | 18          | <b>92,905</b>               | 8,745             |
| Other income   |             | <b>20,290,051</b>           | 14,099,524        |
| Other expenses   |             | <b>(606,378)</b>            | (412,532)         |
| Results of operating activities  |             | <b>44,315,256</b>           | 14,407,081        |
| Finance costs  |             | -                           | -                 |
| <b>Profit before tax</b>   |             | <b>44,315,256</b>           | 14,407,081        |
| Taxation   |             | <b>(655,341)</b>            | (3,865,172)       |
| <b>Profit after tax</b>  |             | <b>43,659,915</b>           | 10,541,909        |
| <b>Other comprehensive income / (loss)</b>   |             |                             |                   |
| Unrealized gain on available for sale investments during the period - net of deferred tax                  |             | <b>3,562,409</b>            | 2,309,182         |
| Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax |             | -                           | -                 |
| <b>Other comprehensive income / (loss) for the period</b>  |             | <b>3,562,409</b>            | 2,309,182         |
| <b>Total comprehensive income for the period</b>   |             | <b>47,222,324</b>           | 12,851,091        |
| Earning per share  | 19          | <b>0.41</b>                 | 0.10              |

The annexed notes from 1 to 24 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, 2023**

|   | March 31,<br>2023    | March 31,<br>2022  |
|---|----------------------|--------------------|
|   | ----- (Rupees) ----- |                    |
| <b>Operating cash flows</b>                                     |                      |                    |
| <b>(a) Underwriting activities</b>                              |                      |                    |
| Insurance Premium received                                      | 89,896,666           | 20,042,320         |
| Reinsurance premium paid  | (52,789,705)         | -                  |
| Claims paid   | (2,108,710)          | (1,226,940)        |
| Commission paid   | (8,162,078)          | (1,514,418)        |
| Commission received   | -                    | -                  |
| Management expenses paid  | (13,576,718)         | (25,822,010)       |
| Net cash flow from underwriting activities                      | 13,259,455           | (8,521,048)        |
| <b>(b) Other operating activities</b>                           |                      |                    |
| Income tax paid   | (1,620,593)          | (30,897)           |
| Other operating payments  | (5,792,032)          | 785,002            |
| Net cash outflow from other operating activities                | (7,412,625)          | 754,105            |
| <b>Total cash inflow from all operating activities</b>          | <b>5,846,830</b>     | <b>(7,766,943)</b> |
| <b>Investment activities</b>                                    |                      |                    |
| Profit received   | 92,905               | 8,745              |
| Dividend received   | -                    | -                  |
| Proceeds from investments                                       | -                    | (2,000,000)        |
| Proceeds from / (Payments for) disposal of investments          | -                    | -                  |
| Fixed capital expenditure                                       | (97,000)             | (15,500)           |
| Proceeds from sale of property and equipment                    | -                    | -                  |
| <b>Total cash inflow/(outflow) from investing activities</b>    | <b>(4,095)</b>       | <b>(2,006,755)</b> |
| <b>Financing activities</b>                                     |                      |                    |
| Finance costs paid  | -                    | -                  |
| Borrowing under Musharaka arrangements obtained - net           | -                    | -                  |
| <b>Total cash (outflow) from financing activities</b>           | <b>-</b>             | <b>-</b>           |
| <b>Net cash inflow / (outflow) from all activities</b>          | <b>5,842,735</b>     | <b>(9,773,698)</b> |
| <b>Cash and cash equivalents at beginning of year</b>           | <b>5,606,296</b>     | <b>13,868,323</b>  |
| <b>Cash and cash equivalents at end of period</b>               | <b>11,449,031</b>    | <b>4,094,625</b>   |
| <b>Reconciliation to unconsolidated profit and loss account</b> |                      |                    |
| Operating cash flows  | 5,846,830            | (7,766,943)        |
| Depreciation expense  | (341,591)            | (404,910)          |
| Amortization expense  | -                    | -                  |
| Profit on disposal of property and equipments                   | -                    | -                  |
| Dividend income   | -                    | -                  |
| Other investment and other income                               | 92,905               | 8,745              |
| Finance costs   | -                    | -                  |
| Increase in assets other than cash                              | 112,543,701          | 25,995,911         |
| (Decrease) in liabilities other than borrowings                 | (75,447,182)         | (3,456,619)        |
| Provision for taxation  | 965,252              | (3,834,275)        |
| <b>Profit after taxation for the period</b>                     | <b>43,659,915</b>    | <b>10,541,909</b>  |

The annexed notes from 1 to 24 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, 2023**

| 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, 2022</b>     | <b>1,076,950,410</b> | <b>(199,650,000)</b>              | <b>1,767,568</b>               | <b>24,497,265</b> | <b>3,515,706</b>   | <b>171,521,505</b>    | <b>1,078,602,454</b> |
| Profit after tax for the period           | -                    | -                                 | -                              | -                 | -  | 10,541,909            | 10,541,909           |
| Other comprehensive income for the period | -                    | -                                 | -                              | -                 | 2,309,182  | -                     | 2,309,182            |
| <b>Balance as at March 31, 2022</b>       | <b>1,076,950,410</b> | <b>(199,650,000)</b>              | <b>1,767,568</b>               | <b>24,497,265</b> | <b>5,824,888</b>   | <b>182,063,414</b>    | <b>1,091,453,545</b> |
| <b>Balance as at January 01, 2023</b>     | <b>1,076,950,410</b> | <b>(199,650,000)</b>              | <b>1,767,568</b>               | <b>24,497,265</b> | <b>7,398,134</b>   | <b>198,454,497</b>    | <b>1,109,417,874</b> |
| Profit after tax for the period           | -                    | -                                 | -                              | -                 | -  | <b>43,659,915</b>     | <b>43,659,915</b>    |
| Other comprehensive income for the period | -                    | -                                 | -                              | -                 | <b>3,562,409</b>   | -                     | <b>3,562,409</b>     |
| <b>Balance as at March 31, 2023</b>       | <b>1,076,950,410</b> | <b>(199,650,000)</b>              | <b>1,767,568</b>               | <b>24,497,265</b> | <b>10,960,543</b>  | <b>242,114,412</b>    | <b>1,156,640,198</b> |

The annexed notes from 1 to 24 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, 2023 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, 2022.

## **3 STATEMENT OF COMPLIANCE**

These condensed interim unconsolidated financial statements of the Company for the three months period ended March 31, 2023 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, 2022.

## **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, 2022. 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, 2022.

|                |   | <b>March 31,<br/>2023<br/>(Un-audited)</b> | December 31,<br>2022<br>(Audited) |
|----------------|---|--|-----------------------------------|
|                |   | ----- (Rupees) -----                       | -----                             |
| <b>7</b>       | <b>PROPERTY AND EQUIPMENT</b>   |  |                                   |
|                | Operating assets  | <b>9,513,870</b>                           | 9,758,461                         |
| <b>7.1</b>     | <b>Operating assets</b>   |  |                                   |
|                | Opening written down value  | <b>9,758,461</b>                           | 11,336,340                        |
|                | Add: Additions during the period / year - at cost   |  |                                   |
|                | - Motor vehicles  | -  | -                                 |
|                | - Computers and related accessories   | <b>97,000</b>                              | 45,500                            |
|                | - Office equipment  | -  | -                                 |
|                | - Furniture and fixtures  | -  | -                                 |
|                |   | <b>97,000</b>                              | 45,500                            |
|                | Less: Written down value of deletions   |  |                                   |
|                | Depreciation for the period / year  | <b>(341,591)</b>                           | (1,623,379)                       |
|                |   | <b>(341,591)</b>                           | (1,623,379)                       |
|                |   | <b>9,513,870</b>                           | 9,758,461                         |
| <b>8</b>       | <b>INVESTMENTS IN SUBSIDIARIES - at cost</b>  |  |                                   |
|                |   | <b>Holdings</b>                            |                                   |
|                | Crescent Star Foods (Private) Limited   | <b>149,999,660</b>                         | 149,999,660                       |
|                | Crescent Star Technologies (Private) Limited  | <b>9,970</b>                               | 9,970                             |
|                | Crescent Star Luxury (Private) Limited  | <b>9,970</b>                               | 9,970                             |
|                |   | <b>150,019,600</b>                         | 150,019,600                       |
| <b>9</b>       | <b>INVESTMENTS</b>  |  |                                   |
|                | Equity securities   | <b>113,165,008</b>                         | 109,602,600                       |
|                | Debt securities   | -  | -                                 |
| <b>9.1</b>     | <b>Equity securities</b>  |  |                                   |
|                | Available-for-sale  | <b>113,165,008</b>                         | 109,602,600                       |
| <b>9.1.1</b>   | <b>Others</b>   |  |                                   |
|                | Listed shares   | <b>53,645</b>                              | 45,807                            |
|                | Mutual funds  | <b>113,111,363</b>                         | 109,556,793                       |
|                |   | <b>113,165,008</b>                         | 109,602,600                       |
| <b>9.1.1.1</b> | Securities having market value of Rs. 110.232 million (2022: Rs. 101.059 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>   |  |                                   |
|                | <i>Considered good</i>  |  |                                   |
|                | Other Security deposits   | <b>4,763,952</b>                           | 5,159,438                         |
|                | Loan to employees   | <b>97,728</b>                              | 38,717                            |
|                | Advance to supplier   | <b>260,000</b>                             | 260,000                           |
|                | Accrued interest on advance against issuance of shares  | <b>330,235,136</b>                         | 310,639,040                       |
|                | Advance against issuance of shares  | <b>646,120,399</b>                         | 645,091,655                       |
|                | Others  | <b>32,667,340</b>                          | 26,853,822                        |
|                |   | <b>1,014,144,555</b>                       | 988,042,672                       |
| <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>310,639,040</b>                         | 247,374,404                       |
|                | Income for the period / year  | <b>19,596,096</b>                          | 63,264,636                        |
|                | Balance at the end of the period / year   | <b>330,235,136</b>                         | 310,639,040                       |
| <b>10.2</b>    | This represents advances against issue of shares given to the following parties:  |  |                                   |
|                | <b>Name of the Company</b>  |  |                                   |
|                | Dost Steels Limited   | <b>354,279,066</b>                         | 354,279,066                       |
|                | Crescent Star Foods (Private) Limited - Subsidiary  | <b>211,382,939</b>                         | 210,655,102                       |
|                | Crescent Star Luxury (Private) Limited - Subsidiary   | <b>73,925,463</b>                          | 73,759,556                        |
|                | Crescent Star Technologies (Private) Limited - Subsidiary   | <b>6,532,931</b>                           | 6,397,931                         |
|                |   | <b>646,120,399</b>                         | 645,091,655                       |

|  | <b>March 31,<br/>2023<br/>(Un-audited)</b>   | December 31,<br>2022<br>(Audited) |
|--|--|-----------------------------------|
|  | ----- (Rupees) -----   |                                   |
| <b>11 CASH AND BANK</b>                                    |  |                                   |
| <b>Cash and other equivalents</b>                          |  |                                   |
| Cash in hand   | <b>31,392</b>  | 14,567                            |
| Policy and revenue stamps                                  | <b>63,210</b>  | 10,810                            |
|  | <b>94,602</b>  | 25,377                            |
| <b>Cash at bank</b>  |  |                                   |
| Current accounts   | <b>1,347,159</b>   | 1,331,217                         |
| Savings accounts   | <b>10,329,689</b>  | 4,572,121                         |
|  | <b>11,676,848</b>  | 5,903,338                         |
| Less: provision against dormant accounts                   | <b>(322,419)</b>   | (322,419)                         |
|  | <b>11,354,429</b>  | 5,580,919                         |
|  | <b>11,449,031</b>  | 5,606,296                         |
| <b>11.1</b>  | These carry mark-up at the rate of 10% (2022: 8.82%) 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>242,114,412</b>   | 198,454,498                       |
| Surplus on remeasurement of available for sale investments | <b>10,960,543</b>  | 7,398,134                         |
|  | <b>279,339,788</b>   | 232,117,465                       |
| <b>13 OTHER CREDITORS AND ACCRUALS</b>                     |  |                                   |
| Federal insurance fees                                     | <b>4,099,528</b>   | 3,516,185                         |
| Federal excise duty  | <b>54,836,911</b>  | 47,515,253                        |
| Payable to staff provident fund                            | <b>7,741,049</b>   | 7,971,250                         |
| Withholding tax  | <b>57,366,934</b>  | 55,715,172                        |
| Accrued expenses   | <b>14,714,651</b>  | 18,980,260                        |
| Unclaimed dividend   | <b>418,209</b>   | 418,209                           |
| Others   | <b>27,190,802</b>  | 20,269,199                        |
|  | <b>166,368,084</b>   | 154,385,528                       |
| <b>14 CONTINGENCIES AND COMMITMENTS</b>                    |  |                                   |
|  | The status of contingencies remain unchanged as disclosed in the annual unconsolidated financial statements as of December 31, 2022. |                                   |

|   | <b>March 31,<br/>2023<br/>(Un-audited)</b> | March 31,<br>2022<br>(Un-audited) |
|---|--|-----------------------------------|
| ----- (Rupees) -----  |  |                                   |
| <b>15 NET INSURANCE PREMIUM</b>   |  |                                   |
| Gross written premium   | <b>117,548,287</b>                         | 28,238,907                        |
| Add : Unearned contribution reserve opening   | <b>97,965,519</b>                          | 40,631,852                        |
| Less: Unearned contribution reserve closing   | <b>(163,086,541)</b>                       | (45,249,881)                      |
| Premium earned  | <b>52,427,265</b>                          | 23,620,878                        |
| Less: Reinsurance premium ceded   | -  | -                                 |
| Add: prepaid reinsurance premium ceded opening                                      | -  | -                                 |
| Less: prepaid reinsurance premium ceded closing                                     | -  | -                                 |
| Reinsurance expense   | -  | -                                 |
|   | <b>52,427,265</b>                          | 23,620,878                        |
| <b>16 NET INSURANCE CLAIMS EXPENSE</b>  |  |                                   |
| Claim paid  | <b>2,108,710</b>                           | 1,226,940                         |
| Add : Outstanding claims including IBNR closing                                     | <b>64,583,192</b>                          | 67,049,135                        |
| Less: Outstanding claims including IBNR opening                                     | <b>(65,564,985)</b>                        | (67,702,359)                      |
| Claims expense  | <b>1,126,917</b>                           | 573,716                           |
| Less: Reinsurance and others recoveries received                                    | -  | -                                 |
| Less: Reinsurance and others recoveries in<br>respect of outstanding claims closing | -  | (2,595,202)                       |
| Add: Reinsurance and others recoveries in<br>respect of outstanding claims opening  | -  | 2,595,202                         |
| Reinsurance and recoveries revenue  | -  | -                                 |
|   | <b>1,126,917</b>                           | 573,716                           |
| <b>17 NET COMMISSION EXPENSE</b>  |  |                                   |
| Commission paid or payable  | <b>8,162,078</b>                           | 1,514,418                         |
| Add : Deferred commission expense opening   | <b>13,665,395</b>                          | 5,699,999                         |
| Less: Deferred commission expense closing   | <b>(20,360,291)</b>                        | (6,117,999)                       |
| Net commission expense  | <b>1,467,182</b>                           | 1,096,418                         |
| <b>18 INVESTMENT INCOME</b>   |  |                                   |
| <b>Income from equity securities</b>  |  |                                   |
| Available for sale financial assets   |  |                                   |
| Dividend income   | -  | -                                 |
| Gain on sale of available for sale investments                                      | -  | -                                 |
|   | -  | -                                 |
| <b>Income from bank balances</b>  |  |                                   |
| Return on bank balances   | <b>92,905</b>                              | 8,745                             |
|   | <b>92,905</b>                              | 8,745                             |
| Less: Investment related expenses   | -  | -                                 |
| Investment income   | <b>92,905</b>                              | 8,745                             |

|  | <b>March 31,<br/>2023<br/>(Un-audited)</b> | March 31,<br>2022<br>(Un-audited) |
|--|--|-----------------------------------|
|  | ----- (Rupees) -----                       |                                   |
| <b>19 EARNINGS PER SHARE -<br/>BASIC AND DILUTED</b> |  |                                   |
| Profit after tax for the period                      | <u><b>43,659,915</b></u>                   | <u>10,541,909</u>                 |
|  | ----- <b>Number</b> -----                  |                                   |
| Weighted average number<br>of Ordinary shares        | <u><b>107,695,041</b></u>                  | <u>107,695,041</u>                |
|  | ----- (Rupees) -----                       |                                   |
| Earnings per share -<br>basic and diluted            | <u><b>0.41</b></u>                         | <u>0.10</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:

|   | <b>March 31,<br/>2023<br/>(Un-audited)</b> | March 31,<br>2022<br>(Un-audited) |
|---|--|-----------------------------------|
|   | ----- (Rupees) -----                       |                                   |
| <b>20.1 Subsidiary Companies</b>                    |  |                                   |
| <b>Crescent Star Foods (Private) Limited</b>        |  |                                   |
| Advance against issuance of shares                  | <b>727,837</b>                             | 345,548                           |
| <b>Crescent Star Luxury (Private) Limited</b>       |  |                                   |
| Advance against issuance of shares                  | <b>165,907</b>                             | 110,000                           |
| <b>Crescent Star Technologies (Private) Limited</b> |  |                                   |
| Advance against issuance of shares                  | <b>135,000</b>                             | -                                 |
| <b>Remuneration to Key Management Personnel</b>     | <b>7,590,288</b>                           | 6,393,810                         |
| <b>Staff retirement benefits</b>                    |  |                                   |
| Provident fund contribution                         | <b>370,389</b>                             | 287,434                           |
| Markup on outstanding balance of provident fund     | <b>391,714</b>                             | 332,070                           |



**21 SEGMENT INFORMATION**

|  | For the three months period ended March 31, 2023 |                                |                    |                   |                       |                     |                     |
|--|--|--------------------------------|--------------------|-------------------|-----------------------|---------------------|---------------------|
|  | Fire and property damage                         | Marine, aviation and transport | Motor              | Accident & health | Credit and suretyship | Miscellaneous       | Total               |
| <b>Current period</b>  | ----- (Rupees) -----                             |                                |                    |                   |                       |                     |                     |
| Gross written premium (inclusive of administrative surcharges) | 232,719  | 2,736,445                      | 7,390,672          | -                 | 37,663,221            | 69,525,230          | 117,548,287         |
| Insurance premium earned                                       | 106,029  | 2,490,773                      | 2,744,410          | -                 | 34,752,055            | 12,333,998          | 52,427,265          |
| Insurance premium ceded to reinsurers                          | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| Net insurance premium  | 106,029  | 2,490,773                      | 2,744,410          | -                 | 34,752,056            | 12,333,998          | 52,427,265          |
| Commission income  | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| <b>Net underwriting income</b>                                 | <b>106,029</b>                                   | <b>2,490,773</b>               | <b>2,744,410</b>   | <b>-</b>          | <b>34,752,056</b>     | <b>12,333,998</b>   | <b>52,427,265</b>   |
| Insurance claims   | (100)  | (144,748)                      | (342,068)          | -                 | -                     | (640,001)           | (1,126,917)         |
| Insurance claims recovered from reinsurers                     | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| Net claims   | (100)  | (144,748)                      | (342,068)          | -                 | -                     | (640,001)           | (1,126,917)         |
| Commission expense   | (23,110)   | (920,087)                      | (121,800)          | -                 | (338,605)             | (63,580)            | (1,467,182)         |
| Management expense   | (49,531)   | (570,140)                      | (1,586,744)        | -                 | (8,077,764)           | (15,010,309)        | (25,294,488)        |
| Premium deficiency reversal / (expense)                        | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| <b>Net insurance claims and expenses</b>                       | <b>(72,741)</b>                                  | <b>(1,634,975)</b>             | <b>(2,050,612)</b> | <b>-</b>          | <b>(8,416,369)</b>    | <b>(15,713,890)</b> | <b>(27,888,587)</b> |
| <b>Underwriting results</b>                                    | <b>33,288</b>                                    | <b>855,798</b>                 | <b>693,798</b>     | <b>-</b>          | <b>26,335,687</b>     | <b>(3,379,892)</b>  | <b>24,538,678</b>   |
| Net investment income  |  |                                |                    |                   |                       |                     | 92,905              |
| Other income   |  |                                |                    |                   |                       |                     | 20,290,051          |
| Other expenses   |  |                                |                    |                   |                       |                     | (606,378)           |
| <b>Result of operating activities</b>                          |  |                                |                    |                   |                       |                     | <b>44,315,256</b>   |
| Finance costs  |  |                                |                    |                   |                       |                     | -                   |
| <b>Profit before tax for the period</b>                        |  |                                |                    |                   |                       |                     | <b>44,315,256</b>   |
|  | ----- (Rupees) -----                             |                                |                    |                   |                       |                     |                     |
|  | For the three months period ended March 31, 2022 |                                |                    |                   |                       |                     |                     |
| <b>Prior period</b>  | Fire and property damage                         | Marine, aviation and transport | Motor              | Accident & health | Credit and suretyship | Miscellaneous       | Total               |
| Gross written premium (inclusive of administrative surcharges) | 124,827  | 1,739,919                      | 4,273,604          | -                 | 15,134,117            | 6,966,440           | 28,238,907          |
| Insurance premium earned                                       | 112,330  | 1,661,075                      | 2,340,083          | -                 | 16,192,887            | 3,314,503           | 23,620,878          |
| Insurance premium ceded to reinsurers                          | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| Net insurance premium  | 112,330  | 1,661,075                      | 2,340,083          | -                 | 16,192,887            | 3,314,503           | 23,620,878          |
| Commission income  | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| Net underwriting income  | 112,330  | 1,661,075                      | 2,340,083          | -                 | 16,192,887            | 3,314,503           | 23,620,878          |
| Insurance claims   | -  | -                              | (518,716)          | -                 | (55,000)              | -                   | (573,716)           |
| Insurance claims recovered from reinsurers                     | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| Net claims   | -  | -                              | (518,716)          | -                 | (55,000)              | -                   | (573,716)           |
| Commission expense   | (20,963)   | (599,284)                      | (188,456)          | -                 | (398,385)             | 110,670             | (1,096,418)         |
| Management expense   | (92,790)   | (1,274,489)                    | (3,220,603)        | -                 | (11,545,333)          | (5,106,185)         | (21,239,400)        |
| Premium deficiency reversal / (expense)                        | -  | -                              | -                  | -                 | -                     | -                   | -                   |
| <b>Net insurance claims and expenses</b>                       | <b>(113,753)</b>                                 | <b>(1,873,773)</b>             | <b>(3,927,775)</b> | <b>-</b>          | <b>(11,998,718)</b>   | <b>(4,995,515)</b>  | <b>(22,909,534)</b> |
| <b>Underwriting results</b>                                    | <b>(1,423)</b>                                   | <b>(212,698)</b>               | <b>(1,587,692)</b> | <b>-</b>          | <b>4,194,169</b>      | <b>(1,681,012)</b>  | <b>711,344</b>      |
| Net investment income  |  |                                |                    |                   |                       |                     | 8,745               |
| Other income   |  |                                |                    |                   |                       |                     | 14,099,524          |
| Other expenses   |  |                                |                    |                   |                       |                     | (412,532)           |
| <b>Result of operating activities</b>                          |  |                                |                    |                   |                       |                     | <b>14,407,081</b>   |
| Finance costs  |  |                                |                    |                   |                       |                     | -                   |
| <b>Profit before tax for the period</b>                        |  |                                |                    |                   |                       |                     | <b>14,407,081</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:

| March 31, 2023  |                  |                                    |                    |                                    |                             |               |             |         |         |
|---|------------------|------------------------------------|--------------------|------------------------------------|-----------------------------|---------------|-------------|---------|---------|
| 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                | -                                  | 113,165,008        | -                                  | -                           | 113,165,008   | 113,165,008 | -       | -       |
| <b>Financial Assets - not measured at Fair Value</b>      |                  |                                    |                    |                                    |                             |               |             |         |         |
| Cash and bank   | 11               | -                                  | -                  | 11,449,031                         | -                           | 11,449,031    | -           | -       | -       |
| Insurance / reinsurance receivable                        |                  | -                                  | -                  | 217,780,381                        | -                           | 217,780,381   | -           | -       | -       |
| Reinsurance recoveries against outstanding claims         |                  | -                                  | -                  | -                                  | -                           | -             | -           | -       | -       |
| Loans and other receivables                               | 10               | -                                  | -                  | 1,014,144,555                      | -                           | 1,014,144,555 | -           | -       | -       |
|   |                  | -                                  | 113,165,008        | 1,243,373,967                      | -                           | 1,356,538,975 | 113,165,008 | -       | -       |
| <b>Financial liabilities measured at fair value</b>       |                  |                                    |                    |                                    |                             |               |             |         |         |
|   |                  | -                                  | -                  | -                                  | -                           | -             | -           | -       | -       |
| <b>Financial liabilities - not measured at Fair Value</b> |                  |                                    |                    |                                    |                             |               |             |         |         |
| Provision for outstanding claims including IBNR           |                  | -                                  | -                  | -                                  | 64,583,192                  | 64,583,192    | -           | -       | -       |
| Other creditors and accruals                              | 13               | -                                  | -                  | -                                  | 166,368,084                 | 166,368,084   | -           | -       | -       |
| Borrowings  |                  | -                                  | -                  | -                                  | -                           | -             | -           | -       | -       |
|   |                  | -                                  | -                  | -                                  | 230,951,276                 | 230,951,276   | -           | -       | -       |

| December 31, 2022   |                  |                                    |                    |                                    |                             |               |                    |         |         |
|---|------------------|------------------------------------|--------------------|------------------------------------|-----------------------------|---------------|--------------------|---------|---------|
| 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                | -                                  | 109,602,600        | -                                  | -                           | 109,602,600   | 109,602,600        | -       | -       |
| <b>Financial Assets - not measured at Fair Value</b>      |                  |                                    |                    |                                    |                             |               |                    |         |         |
| Cash and bank   | 11               | -                                  | -                  | 5,606,296                          | -                           | 5,606,296     | -                  | -       | -       |
| Insurance / reinsurance receivable                        |                  | -                                  | -                  | 202,376,462                        | -                           | 202,376,462   | -                  | -       | -       |
| Reinsurance recoveries against outstanding claims         |                  | -                                  | -                  | -                                  | -                           | -             | -                  | -       | -       |
| Loans and other receivables                               | 10               | -                                  | -                  | 988,042,672                        | -                           | 988,042,672   | -                  | -       | -       |
|   |                  | -                                  | 109,602,600        | 1,196,025,430                      | -                           | 1,305,628,030 | 109,602,600        | -       | -       |
| <b>Financial liabilities measured at fair value</b>       |                  |                                    |                    |                                    |                             |               |                    |         |         |
|   |                  | -                                  | -                  | -                                  | -                           | -             | -                  | -       | -       |
| <b>Financial liabilities - not measured at Fair Value</b> |                  |                                    |                    |                                    |                             |               |                    |         |         |
| Provision for outstanding claims including IBNR           |                  | -                                  | -                  | -                                  | 65,564,985                  | 65,564,985    | -                  | -       | -       |
| Other creditors and accruals                              | 13               | -                                  | -                  | -                                  | 154,385,528                 | 154,385,528   | -                  | -       | -       |
| Borrowings  |                  | -                                  | -                  | -                                  | -                           | -             | -                  | -       | -       |
|   |                  | -                                  | -                  | -                                  | 219,950,513                 | 219,950,513   | -                  | -       | -       |

**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 28, 2023.

**24 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, 2023

## 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, 2023.

The condensed interim consolidated financial information reflects Rs. 0.38 (March 31, 2022: Rs. 0.08) earnings per share for the period under review.

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

|  | March 31, 2023           | March 31, 2022          |
|--|--------------------------|-------------------------|
|  | ----- Rupees -----       | -----                   |
| Profit / (loss) before tax                               | 42,266,795               | 11,598,524              |
| Provision for taxation                                   | (1,014,305)              | (3,264,492)             |
| Profit / (loss) after tax                                | <u>41,252,490</u>        | <u>8,334,032</u>        |
| Profit / (loss) attributable to non-controlling interest | (1,065,122)              | (948,993)               |
| Profit / (loss) attributable to ordinary shareholders    | <u><u>42,317,612</u></u> | <u><u>9,283,025</u></u> |
| Loss per share   | <u><u>0.38</u></u>       | <u><u>0.08</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 28, 2023

## 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 2023 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

یہ متوسط معلومات زیر جائزہ مدت کے لئے 0.38 روپے (31 مارچ 2021 کو 0.08 روپے) منافع فی حصص ظاہر کیا گیا ہے۔

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

| 31 مارچ 2022     | 31 مارچ 2023 |  |
|------------------|--------------|--|
| ----- روپے ----- |              |  |
| 11,598,524       | 42,266,795   | منافع / (خسارہ) قبل از ٹیکس                |
| (3,264,492)      | (1,014,305)  | ٹیکس کے لئے اختصاص                         |
| 8,334,032        | 41,252,490   | منافع / (خسارہ) بعد از ٹیکس                |
| (948,993)        | (1,065,122)  | منافع / (خسارہ) ناقابل گرفت سود سے متعلق   |
| 9,283,025        | 42,317,612   | منافع / (خسارہ) عمومی حصص یافتگان سے متعلق |
| 0.08             | 0.38         | منافع / (خسارہ) فی حصص                     |

کمپنی کے ڈائریکٹران اس موقع پر تمام مستفیدان کے مسلسل تعاون اور مدد پر ان کے مشکور ہیں۔

نعیم انور  
مینیجنگ ڈائریکٹر اینڈ سی ای او

تویر احمد  
ڈائریکٹر  
کراچی: 28 اپریل 2023

**Crescent Star Insurance Limited**  
**Condensed Interim Consolidated Statement of Financial Position**  
**As at March 31, 2023**

| <b>ASSETS</b>  | <b>Note</b> | <b>March 31,<br/>2023<br/>(Un-audited)</b> | <b>December 31,<br/>2022<br/>(Audited)</b> |
|--|-------------|--|--|
| ----- (Rupees) -----   |             |  |  |
| Property and equipment   | 7           | <b>62,077,906</b>                          | 63,865,366                                 |
| Intangible assets  | 8           | <b>40,363,904</b>                          | 40,686,160                                 |
| Investments  |             |  |  |
| Equity securities  | 9           | <b>113,165,008</b>                         | 109,602,600                                |
| Loans and other receivables  | 10          | <b>787,146,137</b>                         | 762,072,998                                |
| Insurance / reinsurance receivables                                      |             |  |  |
| Premium due but unpaid   |             | <b>217,780,381</b>                         | 190,370,042                                |
| Amounts due from other insurers / reinsurers                             |             | <b>52,356,383</b>                          | -  |
| Deferred commission expense / acquisition cost                           |             | <b>20,360,291</b>                          | 13,665,395                                 |
| Stock-in-trade   |             | <b>8,837,066</b>                           | 8,837,066                                  |
| Deferred taxation  |             | <b>7,209,080</b>                           | 7,568,044                                  |
| Prepayments  |             | <b>6,600</b>                               | 26,400                                     |
| Cash and bank  | 11          | <b>11,890,828</b>                          | 6,048,092                                  |
| <b>Total assets</b>  |             | <b><u>1,321,193,584</u></b>                | <b><u>1,202,742,163</u></b>                |
| <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>(30,633,755)</b>                        | (76,513,775)                               |
| <b>Equity attributable to equity holders of the Parent</b>               |             | <b>846,666,655</b>                         | 800,786,635                                |
| Non-controlling interest   |             | <b>(56,488,562)</b>                        | (55,423,440)                               |
| <b>Total shareholders' equity</b>  |             | <b>790,178,093</b>                         | 745,363,195                                |
| <b>Liabilities</b>   |             |  |  |
| <b>Underwriting Provisions</b>   |             |  |  |
| Outstanding claims including IBNR  |             | <b>64,583,192</b>                          | 65,564,985                                 |
| Unearned premium reserves  |             | <b>163,086,541</b>                         | 97,965,519                                 |
| Premium deficiency reserves  |             | <b>1,878,957</b>                           | 1,878,957                                  |
| Premium received in advance  |             | <b>1,199,444</b>                           | 1,440,726                                  |
| Insurance / reinsurance payables   |             | -  | 433,323                                    |
| Other creditors and accruals   | 13          | <b>266,164,375</b>                         | 255,027,225                                |
| Provision for taxation   |             | <b>34,102,982</b>                          | 35,068,233                                 |
| <b>Total liabilities</b>   |             | <b>531,015,491</b>                         | 457,378,968                                |
| <b>Total equity and liabilities</b>                                      |             | <b><u>1,321,193,584</u></b>                | <b><u>1,202,742,163</u></b>                |
| <b>Contingencies and commitments</b>                                     | 14          |  |  |

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.

**Chief Executive/ Principal Officer      Director      Director      Director      Chief Financial Officer**

**Crescent Star Insurance Limited**  
**Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)**  
**For the period ended March 31, 2023**

|  |      | March 31,<br>2023    | March 31,<br>2022 |
|--|------|----------------------|-------------------|
|  | Note | ----- (Rupees) ----- | -----             |
| Net insurance premium  | 15   | <b>52,427,265</b>    | 23,620,878        |
| Net insurance claims   | 16   | <b>(1,126,917)</b>   | (573,716)         |
| Premium deficiency   |      | -                    | -                 |
| Net commission expense and other acquisition costs   | 17   | <b>(1,467,182)</b>   | (1,096,418)       |
| Insurance claims and acquisition expenses  |      | <b>(2,594,099)</b>   | (1,670,134)       |
| Management expenses  |      | <b>(25,294,488)</b>  | (21,239,401)      |
| Underwriting results   |      | <b>24,538,678</b>    | 711,343           |
| Investment income  | 18   | <b>92,905</b>        | 8,745             |
| Other income   |      | <b>20,290,051</b>    | 14,099,524        |
| Other expenses   |      | <b>(2,654,839)</b>   | (3,221,088)       |
| Results of operating activities  |      | <b>42,266,795</b>    | 11,598,524        |
| Finance costs  |      | -                    | -                 |
| <b>Profit before tax</b>   |      | <b>42,266,795</b>    | 11,598,524        |
| Taxation   |      | <b>(1,014,305)</b>   | (3,264,492)       |
| <b>Profit after tax</b>  |      | <b>41,252,490</b>    | 8,334,032         |
| <b>Attributable to:</b>  |      |                      |                   |
| Owners of the Holding Company  |      | <b>42,317,612</b>    | 9,283,025         |
| Non-controlling interest   |      | <b>(1,065,122)</b>   | (948,993)         |
|  |      | <b>41,252,490</b>    | 8,334,032         |
| <b>Other comprehensive income / (loss)</b>   |      |                      |                   |
| Unrealized gain on available for sale investments during the period - net of deferred tax                  |      | <b>3,562,409</b>     | 2,309,182         |
| Reclassification adjustments relating to available for sale investments disposed off - net of deferred tax |      | -                    | -                 |
| <b>Other comprehensive income / (loss) for the period</b>  |      | <b>3,562,409</b>     | 2,309,182         |
| <b>Total comprehensive income for the period</b>   |      | <b>44,814,899</b>    | 10,643,214        |
| Earning per share  | 19   | <b>0.38</b>          | 0.08              |

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.

**Chief Executive/ Principal Officer      Director      Director      Director      Chief Financial Officer**



**Crescent Star Insurance Limited**  
**Condensed Interim Consolidated Cash Flow Statement (Un-audited)**  
**For the period ended March 31, 2023**

|   | March 31,<br>2023    | March 31,<br>2022  |
|---|----------------------|--------------------|
|   | ----- (Rupees) ----- |                    |
| <b>Operating cash flows</b>                                   |                      |                    |
| <b>(a) Underwriting activities</b>                            |                      |                    |
| Insurance Premium received                                    | 89,896,666           | 20,042,320         |
| Reinsurance premium paid                                      | (52,789,705)         | -                  |
| Claims paid   | (2,108,710)          | (1,226,940)        |
| Commission paid   | (8,162,078)          | (1,514,418)        |
| Commission received   | -                    | -                  |
| Management expenses paid                                      | (13,576,718)         | (26,276,159)       |
| Net cash flow from underwriting activities                    | 13,259,455           | (8,975,197)        |
| <b>(b) Other operating activities</b>                         |                      |                    |
| Income tax paid   | (1,620,593)          | (30,896)           |
| Other operating payments                                      | (5,792,031)          | 1,239,150          |
| Net cash outflow from other operating activities              | (7,412,624)          | 1,208,254          |
| <b>Total cash inflow from all operating activities</b>        | <b>5,846,831</b>     | <b>(7,766,943)</b> |
| <b>Investment activities</b>                                  |                      |                    |
| Profit received   | 92,905               | 8,745              |
| Proceeds from investments                                     | -                    | (2,000,000)        |
| Fixed capital expenditure                                     | (97,000)             | (15,500)           |
| <b>Total cash inflow/(outflow) from investing activities</b>  | <b>(4,095)</b>       | <b>(2,006,755)</b> |
| <b>Financing activities</b>                                   |                      |                    |
| Finance costs paid  | -                    | -                  |
| Borrowing under Musharaka arrangements obtained - net         | -                    | -                  |
| <b>Total cash (outflow) from financing activities</b>         | <b>-</b>             | <b>-</b>           |
| <b>Net cash inflow /(outflow) from all activities</b>         | <b>5,842,736</b>     | <b>(9,773,698)</b> |
| <b>Cash and cash equivalents at beginning of year</b>         | <b>6,048,092</b>     | <b>14,286,739</b>  |
| <b>Cash and cash equivalents at end of period</b>             | <b>11,890,828</b>    | <b>4,513,041</b>   |
| <b>Reconciliation to consolidated profit and loss account</b> |                      |                    |
| Operating cash flows  | 5,846,831            | (7,766,943)        |
| Depreciation expense  | (1,884,460)          | (2,787,984)        |
| Amortization expense  | (322,255)            | (375,482)          |
| Profit on disposal of property and equipments                 | -                    | -                  |
| Dividend income   | -                    | -                  |
| Other investment and other income                             | 92,905               | 8,745              |
| Finance costs   | -                    | -                  |
| Increase in assets other than cash                            | 111,155,993          | 25,515,363         |
| (Decrease) in liabilities other than borrowings               | (74,601,774)         | (2,425,392)        |
| Provision for taxation  | 965,250              | (3,834,276)        |
| <b>Profit after taxation for the period</b>                   | <b>41,252,490</b>    | <b>8,334,032</b>   |

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.

**Chief Executive/ Principal Officer      Director      Director      Director      Chief Financial Officer**

**Crescent Star Insurance Limited**  
**Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)**  
**For the period ended March 31, 2023**

| Share capital                                | Discount on issue of right shares | Capital reserves               | Attributable to equity holder of the Group |                          |  | Unappropriated profit       | Attributable to the owners of the Holding Company | Non-controlling interest   | Total shareholders equity restated |
|--|-----------------------------------|--------------------------------|--|--------------------------|--|-----------------------------|---|----------------------------|------------------------------------|
|  |                                   |                                | Revenue reserves                           | General reserve          | Surplus on remeasurement of available for sale investments |                             |   |                            |                                    |
| Issued, subscribed and paid-up share capital |                                   | Reserve for exceptional losses |  |                          |  |                             |   |                            |                                    |
| ----- (Rupees) -----                         |                                   |                                |  |                          |  |                             |   |                            |                                    |
| <b>Balance as at January 01, 2022</b>        | <b>1,076,950,410</b>              | <b>(199,650,000)</b>           | <b>1,767,568</b>                           | <b>24,497,265</b>        | <b>3,515,706</b>   | <b>(114,685,823)</b>        | <b>792,395,126</b>                                | <b>(34,304,918)</b>        | <b>758,090,208</b>                 |
| Total comprehensive income for the period    | -                                 | -                              | -  | -                        | 2,309,182  | 9,283,025                   | 11,592,207  | (948,993)                  | 10,643,214                         |
| <b>Balance as at March 31, 2022</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>5,824,888</u></b>                                    | <b><u>(105,402,798)</u></b> | <b><u>803,987,333</u></b>                         | <b><u>(35,253,911)</u></b> | <b><u>768,733,422</u></b>          |
| <b>Balance as at January 01, 2023</b>        | <b>1,076,950,410</b>              | <b>(199,650,000)</b>           | <b>1,767,568</b>                           | <b>24,497,265</b>        | <b>7,398,134</b>   | <b>(110,176,743)</b>        | <b>800,786,634</b>                                | <b>(55,423,440)</b>        | <b>745,363,194</b>                 |
| Total comprehensive income for the period    | -                                 | -                              | -  | -                        | 3,562,409  | 42,317,612                  | 45,880,021  | (1,065,122)                | 44,814,899                         |
| <b>Balance as at March 31, 2023</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>10,960,543</u></b>                                   | <b><u>(67,859,131)</u></b>  | <b><u>846,666,655</u></b>                         | <b><u>(56,488,562)</u></b> | <b><u>790,178,093</u></b>          |

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.

Chief Executive/ Principal Officer

Director

Director

Director

Chief Financial Officer

## 1 STATUS AND NATURE OF BUSINESS

The Group Consists of:

| Name of the Company                          | Status in the Group | Percentage of |                   |
|--|---------------------|---------------|-------------------|
|  |                     | holding       | Acquisition date  |
| Crescent Star Insurance Limited              | Holding Company     | -             |                   |
| Crescent Star Foods (Private) Limited        | Subsidiary Company  | 50%           | June 30, 2016     |
| Crescent Star Technologies (Private) Limited | Subsidiary Company  | 99.7%         | February 23, 2016 |
| Crescent Star Luxury (Private) Limited       | Subsidiary Company  | 99.7%         | December 15, 2016 |

### - Crescent Star Insurance Limited

Crescent Star Insurance Limited ("the Holding Company") was incorporated in Pakistan as a Public Limited Company in the year 1957 under the 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

### - 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, 2022.

## 3 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Company for the three months period ended March 31, 2023 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, 2022.

## 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, 2022. 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, 2022.

|                |   | <b>March 31,<br/>2023</b> | December 31,<br>2022 |
|----------------|---|---------------------------|----------------------|
|                |   | <b>(Un-audited)</b>       | (Audited)            |
|                |   | ----- (Rupees) -----      |                      |
| <b>7</b>       | <b>PROPERTY AND EQUIPMENT</b>   |                           |                      |
|                | Operating assets  | <b>62,077,906</b>         | 63,865,366           |
| <b>7.1</b>     | <b>Operating assets</b>   |                           |                      |
|                | Opening written down value  | <b>63,865,366</b>         | 117,116,332          |
|                | Add: Additions during the period / year - at cost   |                           |                      |
|                | - Motor vehicles  | -                         | -                    |
|                | - Computers and related accessories   | <b>97,000</b>             | 45,500               |
|                | - Office equipment  | -                         | -                    |
|                | - Furniture and fixtures  | -                         | -                    |
|                |   | <b>97,000</b>             | 45,500               |
|                | Less: Written down value of deletions   | -                         | -                    |
|                | Depreciation for the period / year  | <b>(1,884,460)</b>        | (9,475,264)          |
|                |   | <b>(1,884,460)</b>        | (9,475,264)          |
|                | Less: Impairment of asset   | -                         | (43,821,202)         |
|                |   | <b>62,077,906</b>         | 63,865,366           |
| <b>8</b>       | <b>INTANGIBLE ASSETS</b>  |                           |                      |
|                | Goodwill at acquisition   | <b>28,742,849</b>         | 28,742,849           |
|                | Franchise   | <b>10,745,696</b>         | 11,036,121           |
|                | Computer software   | <b>875,359</b>            | 907,190              |
|                |   | <b>40,363,904</b>         | 40,686,160           |
| <b>9</b>       | <b>INVESTMENTS</b>  |                           |                      |
|                | Equity securities   | <b>113,165,008</b>        | 109,602,600          |
|                | Debt securities   | -                         | -                    |
| <b>9.1</b>     | <b>Equity securities</b>  |                           |                      |
|                | Available-for-sale  | <b>113,165,008</b>        | 109,602,600          |
| <b>9.1.1</b>   | <b>Others</b>   |                           |                      |
|                | Listed shares   | <b>53,645</b>             | 45,807               |
|                | Mutual funds  | <b>113,111,363</b>        | 109,556,793          |
|                |   | <b>113,165,008</b>        | 109,602,600          |
| <b>9.1.1.1</b> | Securities having market value of Rs. 110.232 million (2022: Rs. 101.059 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>   |                           |                      |
|                | <i>Considered good</i>  |                           |                      |
|                | Other Security deposits   | <b>9,704,159</b>          | 10,099,645           |
|                | Loan to employees   | <b>97,728</b>             | 53,397,482           |
|                | Advance to supplier   | <b>53,397,482</b>         | 38,717               |
|                | Accrued interest on advance against issuance of shares  | <b>330,235,136</b>        | 310,639,040          |
|                | Advance against issuance of shares  | <b>354,279,066</b>        | 354,279,066          |
|                | Others  | <b>39,432,566</b>         | 33,619,048           |
|                |   | <b>787,146,137</b>        | 762,072,998          |
| <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>310,639,040</b>        | 247,374,404          |
|                | Income for the period / year  | <b>19,596,096</b>         | 63,264,636           |
|                | Balance at the end of the period / year   | <b>330,235,136</b>        | 310,639,040          |

|  | <b>March 31,<br/>2023<br/>(Un-audited)</b> | December 31,<br>2022<br>(Audited) |
|--|--|-----------------------------------|
|  | ----- (Rupees) -----                       |                                   |
| <b>11 CASH AND BANK</b>  |  |                                   |
| <b>Cash and other equivalents</b>  |  |                                   |
| Cash in hand   | <b>384,781</b>                             | 363,575                           |
| Policy and revenue stamps  | <b>63,210</b>                              | 10,810                            |
|  | <b>447,991</b>                             | 374,385                           |
| <b>Cash at bank</b>  |  |                                   |
| Current accounts   | <b>1,435,567</b>                           | 1,424,005                         |
| Savings accounts   | <b>10,329,689</b>                          | 4,572,121                         |
|  | <b>11,765,256</b>                          | 5,996,126                         |
| Less: provision against dormant accounts   | <b>(322,419)</b>                           | (322,419)                         |
|  | <b>11,442,837</b>                          | 5,673,707                         |
|  | <b>11,890,828</b>                          | 6,048,092                         |
| <b>11.1</b> These carry mark-up at the rate of 10% (2022: 8.82%) 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>(67,859,131)</b>                        | (110,176,742)                     |
| Surplus on remeasurement of available for sale investments   | <b>10,960,543</b>                          | 7,398,134                         |
|  | <b>(30,633,755)</b>                        | (76,513,775)                      |
| <b>13 OTHER CREDITORS AND ACCRUALS</b>   |  |                                   |
| Trade and related payables   | <b>44,419,599</b>                          | 44,705,141                        |
| Federal insurance fees   | <b>4,099,528</b>                           | 3,516,185                         |
| Federal excise duty  | <b>54,836,911</b>                          | 47,515,253                        |
| Payable to staff provident fund  | <b>7,741,049</b>                           | 44,705,141                        |
| Withholding tax  | <b>74,572,442</b>                          | 7,971,250                         |
| Accrued expenses   | <b>50,893,175</b>                          | 72,905,680                        |
| Unclaimed dividend   | <b>418,209</b>                             | 418,209                           |
| Others   | <b>29,183,462</b>                          | 22,261,859                        |
|  | <b>266,164,375</b>                         | 510,054,450                       |
| <b>14 CONTINGENCIES AND COMMITMENTS</b>  |  |                                   |
| The status of contingencies remain unchanged as disclosed in the annual consolidated financial statements as of December 31, 2022. |  |                                   |

|   | <b>March 31,<br/>2023<br/>(Un-audited)</b> | March 31,<br>2022<br>(Un-audited) |
|---|--|-----------------------------------|
| ----- (Rupees) -----  |  |                                   |
| <b>15 NET INSURANCE PREMIUM</b>   |  |                                   |
| Gross written premium   | <b>117,548,287</b>                         | 28,238,907                        |
| Add : Unearned contribution reserve opening   | <b>97,965,519</b>                          | 40,631,852                        |
| Less: Unearned contribution reserve closing   | <b>(163,086,541)</b>                       | (45,249,881)                      |
| Premium earned  | <b>52,427,265</b>                          | 23,620,878                        |
| Less: Reinsurance premium ceded   | -  | -                                 |
| Add: prepaid reinsurance premium ceded opening                                      | -  | -                                 |
| Less: prepaid reinsurance premium ceded closing                                     | -  | -                                 |
| Reinsurance expense   | -  | -                                 |
|   | <b>52,427,265</b>                          | 23,620,878                        |
| <b>16 NET INSURANCE CLAIMS EXPENSE</b>  |  |                                   |
| Claim paid  | <b>2,108,710</b>                           | 1,226,940                         |
| Add : Outstanding claims including IBNR closing                                     | <b>64,583,192</b>                          | 67,049,135                        |
| Less: Outstanding claims including IBNR opening                                     | <b>(65,564,985)</b>                        | (67,702,359)                      |
| Claims expense  | <b>1,126,917</b>                           | 573,716                           |
| Less: Reinsurance and others recoveries received                                    | -  | -                                 |
| Less: Reinsurance and others recoveries in<br>respect of outstanding claims closing | -  | (2,595,202)                       |
| Add: Reinsurance and others recoveries in<br>respect of outstanding claims opening  | -  | 2,595,202                         |
| Reinsurance and recoveries revenue  | -  | -                                 |
|   | <b>1,126,917</b>                           | 573,716                           |
| <b>17 NET COMMISSION EXPENSE</b>  |  |                                   |
| Commission paid or payable  | <b>8,162,078</b>                           | 1,514,418                         |
| Add : Deferred commission expense opening   | <b>13,665,395</b>                          | 5,699,999                         |
| Less: Deferred commission expense closing   | <b>(20,360,291)</b>                        | (6,117,999)                       |
| Net commission expense  | <b>1,467,182</b>                           | 1,096,418                         |
| <b>18 INVESTMENT INCOME</b>   |  |                                   |
| <b>Income from equity securities</b>  |  |                                   |
| Available for sale financial assets   |  |                                   |
| Dividend income   | -  | -                                 |
| Gain on sale of available for sale investments                                      | -  | -                                 |
|   | -  | -                                 |
| <b>Income from bank balances</b>  |  |                                   |
| Return on bank balances   | <b>92,905</b>                              | 8,745                             |
|   | <b>92,905</b>                              | 8,745                             |
| Less: Investment related expenses   | -  | -                                 |
| Investment income   | <b>92,905</b>                              | 8,745                             |

|  | <b>March 31,<br/>2023<br/>(Un-audited)</b>  | March 31,<br>2022<br>(Un-audited) |
|--|---|-----------------------------------|
|  | ----- (Rupees) -----  |                                   |
| <b>19 EARNINGS PER SHARE -<br/>BASIC AND DILUTED</b>   |   |                                   |
| Profit after tax for the period  | <u><b>41,252,490</b></u>  | <u>8,334,032</u>                  |
|  | ----- <b>Number</b> -----   |                                   |
| Weighted average number<br>of Ordinary shares  | <u><b>107,695,041</b></u>   | <u>107,695,041</u>                |
|  | ----- (Rupees) -----  |                                   |
| Earnings per share -<br>basic and diluted  | <u><b>0.38</b></u>  | <u>0.08</u>                       |
| <b>19.1</b>  | 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. |                                   |
| <b>20 TRANSACTIONS WITH RELATED PARTIES</b>  |   |                                   |
| Related parties comprise of group companies, directors and their close family members its staff retirement funds, key management personnel and major shareholders of the Company. The associated companies are associated either based on its holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes. |   |                                   |
| Balances are disclosed in relevant notes to these 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:  |   |                                   |
|  | <b>March 31,<br/>2023<br/>(Un-audited)</b>  | March 31,<br>2022<br>(Un-audited) |
|  | ----- (Rupees) -----  |                                   |
| <b>20.1 Remuneration to Key Management Personnel</b>   | <b>7,590,288</b>  | 6,393,810                         |
| <b>Staff retirement benefits</b>   |   |                                   |
| Provident fund contribution  | <b>370,389</b>  | 287,434                           |
| Markup on outstanding balance of provident fund  | <b>391,714</b>  | 332,070                           |





**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, 2023  |                  |                                    |                    |                                    |                             |               |             |         |         |
|---|------------------|------------------------------------|--------------------|------------------------------------|-----------------------------|---------------|-------------|---------|---------|
| 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                | -                                  | 113,165,008        | -                                  | -                           | 113,165,008   | 113,165,008 | -       | -       |
| <b>Financial Assets - not measured at Fair Value</b>      |                  |                                    |                    |                                    |                             |               |             |         |         |
| Cash and bank   | 11               | -                                  | -                  | 11,890,828                         | -                           | 11,890,828    | -           | -       | -       |
| Insurance / reinsurance receivable                        |                  | -                                  | -                  | 217,780,381                        | -                           | 217,780,381   | -           | -       | -       |
| Reinsurance recoveries against outstanding claims         |                  | -                                  | -                  | -                                  | -                           | -             | -           | -       | -       |
| Loans and other receivables                               | 10               | -                                  | -                  | 787,146,137                        | -                           | 787,146,137   | -           | -       | -       |
|   |                  | -                                  | 113,165,008        | 1,016,817,346                      | -                           | 1,129,982,354 | 113,165,008 | -       | -       |
| <b>Financial liabilities measured at fair value</b>       |                  |                                    |                    |                                    |                             |               |             |         |         |
|   |                  | -                                  | -                  | -                                  | -                           | -             | -           | -       | -       |
| <b>Financial liabilities - not measured at Fair Value</b> |                  |                                    |                    |                                    |                             |               |             |         |         |
| Provision for outstanding claims including IBNR           |                  | -                                  | -                  | -                                  | 64,583,192                  | 64,583,192    | -           | -       | -       |
| Other creditors and accruals                              | 13               | -                                  | -                  | -                                  | 266,164,375                 | 266,164,375   | -           | -       | -       |
| Borrowings  |                  | -                                  | -                  | -                                  | -                           | -             | -           | -       | -       |
|   |                  | -                                  | -                  | -                                  | 330,747,567                 | 330,747,567   | -           | -       | -       |

| December 31, 2022   |                  |                                    |                    |                                    |                             |               |                    |         |         |
|---|------------------|------------------------------------|--------------------|------------------------------------|-----------------------------|---------------|--------------------|---------|---------|
| 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                | -                                  | 109,602,600        | -                                  | -                           | 109,602,600   | 109,602,600        | -       | -       |
| <b>Financial Assets - not measured at Fair Value</b>      |                  |                                    |                    |                                    |                             |               |                    |         |         |
| Cash and bank   | 11               | -                                  | -                  | 6,048,092                          | -                           | 6,048,092     | -                  | -       | -       |
| Insurance / reinsurance receivable                        |                  | -                                  | -                  | 190,370,042                        | -                           | 190,370,042   | -                  | -       | -       |
| Reinsurance recoveries against outstanding claims         |                  | -                                  | -                  | -                                  | -                           | -             | -                  | -       | -       |
| Loans and other receivables                               | 10               | -                                  | -                  | 762,072,998                        | -                           | 762,072,998   | -                  | -       | -       |
|   |                  | -                                  | 109,602,600        | 958,491,132                        | -                           | 1,068,093,732 | 109,602,600        | -       | -       |
| <b>Financial liabilities measured at fair value</b>       |                  |                                    |                    |                                    |                             |               |                    |         |         |
|   |                  | -                                  | -                  | -                                  | -                           | -             | -                  | -       | -       |
| <b>Financial liabilities - not measured at Fair Value</b> |                  |                                    |                    |                                    |                             |               |                    |         |         |
| Provision for outstanding claims including IBNR           |                  | -                                  | -                  | -                                  | 65,564,985                  | 65,564,985    | -                  | -       | -       |
| Other creditors and accruals                              | 13               | -                                  | -                  | -                                  | 255,027,225                 | 255,027,225   | -                  | -       | -       |
| Borrowings  |                  | -                                  | -                  | -                                  | -                           | -             | -                  | -       | -       |
|   |                  | -                                  | -                  | -                                  | 320,592,210                 | 320,592,210   | -                  | -       | -       |

**23 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements have been approved by the Board of Directors of the Holding Company and are authorised for issue on April 28, 2023.

**24 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

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



# Crescent Star Insurance Limited

ESTD: 1957

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