

2021
MARCH 31,
(Un-Audited)



61st

YEAR OF CONTINUOUS SERVICES

BIBOJEE GROUP



**The Universal
Insurance Co. Ltd.**



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VISION STATEMENT

We, at Universal Insurance Company Limited recognize the importance of satisfying our customers by consistently providing quality insurance service in accordance with their needs and expectations. We strive to be competent partner of our customers against insured perils.

MISSION STATEMENT QUALITY POLICY

We, strive to provide our customers cost effective insurance cover by continually increasing the productivity of our employees. To increase productivity, we conduct regular training programs during which employees are assessed and allocated a career path in accordance with their performance.

We diligently follow the applicable laws ensure strict compliance by conducting regular internal audit and educating our employees about the law.

We try to improve our services by continually assessing our systems and procedures bases on customers and team feedback. We strive to maintain a customer focused approach by ensuring that our service is delivered to the customer on time, according to the customer required specifications and with in our stipulated Cost.



CORPORATE INFORMATION

Board of Directors	Mr. Raza Kuli Khan Khattak	Chairman
	Mr. Gohar Ayub Khan	Chief Executive
	Mr. Ahmed Kuli Khan Khattak	
	Mrs. Shahnaz Sajjad Ahmed	
	Mr. Muhammad Imran Malik	
	Mr. Haroon Ahmed Zuberi	
	Mr. Khalid kuli Khan Khattak	
Principal Officer	Mr. Amir Raza	
Chief Financial Officer	Mr. Ashfaq Ahmed	
Company Secretary	Mr. Liaqat Ali Shaukat	
Internal Auditor	Mr. Abdul Waheed Chaudhry	
Auditors	M/s. Junaidy Shoaib Asad Chartered Accountants	
Legal Adviosor	Rana Muhammad Aamir Zulfiqar (Advocate)	
Share Registrar	M/s. Hameed Majeed Associates (Pvt.) Ltd. H.M House, 7-Bank Square, Lahore Phone # 042-37235081-82 Fax: # 042-37358817	
Registered Office:	Universal Insurance House 63-Shahrah-e-Quaid-e-Azam, Lahore, 54000 Pakistan Ph: 042-37353453-37353458 Fax: 042-37230326 Web: www.uic.com.pk Email: info@uic.com.pk	



BOARD AND MANAGEMENT COMMITTEES

Board Committees:

i) Ethics, Human Resource & Remuneration Committee

Mr. Haroon Ahmed Zuberi	Chairman	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive
Mr. Muhammad Imran Malik	Member	Independent
Mr. Liaqat Ali Shaukat	Secretary	

ii) Investment Committee

Mr. Haroon Ahmed Zuberi	Chairman	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive (CEO)
Mr. Muhammad Imran Malik	Member	Independent
Mr. Ashfaq Ahmed	Member/Secretary	Chief Financial Officer

iii) Audit Committee

Mr. Muhammad Imran Malik	Chairman	Independent
Mr. Haroon Ahmed Zuberi	Member	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mrs. Shahnaz Sajjad Ahmed	Member	Non-Executive
Mr. Abdul Waheed Ch.	Secretary	

Management Committees:

iv) Underwriting, Reinsurance & Co-Insurance Committee;

Mr. Muhammad Imran Malik	Chairman	Independent
Mr. Gohar Ayub Khan	Member	Executive
Mr. Muhammad Alyas	Member/Secretary	

v) Claims Settlement Committee;

Mr. Haroon Ahmed Zuberi	Chairman	Independent
Mr. Gohar Ayub Khan	Member	Executive
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Amir Raza	Member	
Mr. Abdul Waheed Ch.	Secretary	

vi) Risk Management & Compliance Committee

Mr. Gohar Ayub Khan	Chairman	Executive
Mrs. Shahnaz Sajjad Ahmed	Member	Non-Executive
Mr. Amir Raza	Member	
Mr. Ashfaq Ahmed	Member	
Mr. Muhammad Alyas	Secretary	



DIRECTORS' REVIEW REPORT

We are pleased to represent on behalf of the Board of Directors financial statements of the company for the period ended on 31st March, 2021.

Financial Performance

The gross written premium during the period under review has significantly increased and similarly net premium has also shows reasonable growth. However, management expense has increased over the previous period. The financial statements reflects investment income against the investment loss incurred over the 1st quarter 2020. Hence, the Company shows profit after tax amounting to Rs. 14.172 million as the result of profit earned by our associate company.

	2021	2020
	----- (Rupees in million) -----	
Written Gross premium	12.325	5.956
Net Insurance premium	19.463	13.166
Net Insurance claims	5.875	0.167
Underwriting results	(10.922)	(6.075)
Investment and other income / (loss)	3.902	(35.891)
Profit / (loss) before taxation	14.340	(63.184)
Profit / (loss) after taxation	14.172	(63.690)
Earnings / (loss) per share	0.28	(1.27)

Future Outlook

We are anticipating more improvements in the 2nd quarter of current financial year in term of gross written premium as well as profitability of the company.

Acknowledgement


We would like to thank the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Co. Ltd., State Bank of Pakistan, other Reinsurers and Co-Insurers for their continued cooperation and guidance through-out the period and our valued clients for their continued patronage extended to us.

For & on behalf of the Board of Directors

Date: April 30, 2021

Place: Lahore


Khalid Kuli Khan Khattak
Director


Gohar Ayub Khan
Chief Executive Officer



ڈائریکٹرز کی جائزہ رپورٹ

(یہ انگریزی رپورٹ کا ترجمہ ہے)

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2021 کو ختم ہونے والی مدت کے لئے کمپنی کے مالی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالیاتی کارکردگی (Financial Performance)

زیر جائزہ مدت کے دوران مجموعی تحریری پریئم میں نمایاں اضافہ ہوا ہے اور اسی طرح نیٹ پریئم میں بھی مناسب اضافہ دیکھا گیا ہے۔ تاہم انتظامیہ کے اخراجات میں پچھلی مدت کے مقابلے میں اضافہ ہوا ہے۔ مالیاتی گوشوارے پہلی سہ ماہی 2020 میں ہونے والے سرمایہ کاری کے نقصان کے مقابلے میں سرمایہ کاری آمدنی کی عکاسی کر رہے ہیں۔ لہذا کمپنی 14.172 ملین روپے کا بعد از ٹیکس منافع ظاہر کرتی ہے جو کہ ہماری ایسوسی ایٹس کمپنی کے منافع کمانے کی وجہ سے ہے۔

2021	2020	
-----	-----	روپے '000)
12.325	5.956	- تحریری مجموعی پریئم
19.463	13.166	- نیٹ انشورنس پریئم
5.875	0.167	- نیٹ انشورنس کلیمز
(10.922)	(6.075)	- انڈر رائٹنگ نتائج
3.902	(35.981)	- سرمایہ کاری اور دیگر آمدنی / (نقصان)
14.340	(63.184)	- قبل از ٹیکس منافع / (نقصان)
14.172	(63.690)	- بعد از ٹیکس منافع / (نقصان)
0.28	(1.27)	- آمدنی / (نقصان) فی شیئر

مستقبل کا نظریہ (Future Outlook)

ہم موجودہ مالی سال کی دوسری سہ ماہی میں کمپنی کے مجموعی تحریری پریئم اور اس کے ساتھ ساتھ منافع کی مد میں زیادہ بہتری کی توقع کر رہے ہیں۔

اعتراف (Acknowledgement)

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ، سٹیٹ بینک آف پاکستان اور دوسری ری انشوررز اور کو انشوررز کی پورے سال کے دوران مسلسل مدد اور رہنمائی کے شکر گزار ہیں اور ہم اپنے معزز کلائنٹس کے مسلسل اعتماد پر ان کے بھی شکر گزار ہیں۔

منجانب بورڈ

تاریخ: 30 اپریل، 2021

مقام: لاہور

گوہر ایوب خان
(چیف ایگزیکٹو آفیسر)

خالد قلی خان خٹک
(ڈائریکٹر)



STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021	Audited December 31, 2020
		Rupees in thousand	
Assets			
Property and equipment	7	187,712	188,466
Investment property		30,660	30,660
Investments in associates	8	307,434	284,720
Investments			
-Equity securities	9	137,057	134,987
-Debt securities	10	54,959	55,362
Loans and other receivables		35,027	35,063
Insurance / reinsurance receivables	11	105,945	122,451
Reinsurance recoveries against outstanding claims		25,749	26,175
Deferred Commission expense		6,642	9,967
Deferred taxation	12	58,315	57,007
Taxation - payments less provisions		7,951	8,811
Prepayments	13	16,744	22,507
Cash and bank balances	14	4,160	9,332
Total assets		978,355	985,508
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
75,000,000 (2020: 75,000,000) ordinary shares of Rs.10 each		750,000	750,000
Issued, subscribed and paid-up share capital		500,000	500,000
Capital reserves:			
- Share premium		13,824	13,824
- Others		18	18
- Surplus on revaluation of fixed assets		384,742	385,135
Fair value reserve on available-for-sale investments		304	313
Accumulated loss		(54,930)	(69,589)
Total Equity		843,958	829,701
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		33,928	35,472
Unearned premium reserves		40,853	62,720
Unearned reinsurance commission		2,700	3,791
Long term deposits		73	62
Insurance / reinsurance payables		42,618	41,059
Unclaimed dividends		555	555
Other creditors and accruals		13,670	12,148
Total Liabilities		134,397	155,807
Contingencies and commitments	15	-	-
Total Equity and Liabilities		978,355	985,508

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

 Raza Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Mrs. Shahnaz Sajjad Ahmed DIRECTOR	 Khalid Kuli Khan Khattak DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021**

		1st Quarter ended	
		March 31, 2021	March 31, 2020
	Note	Rupees in thousand	
Net insurance premium	16	19,463	13,166
Net insurance claims	17	(5,875)	(167)
Net commission	18	(3,176)	(2,501)
Insurance claims and expense		(9,051)	(2,668)
Management expenses	19	(21,334)	(16,555)
Underwriting results		(10,922)	(6,057)
Investment (loss) / income	20	3,413	(37,219)
Rental income		282	260
Other income	21	207	1,068
Other expenses	22	(1,354)	(1,247)
Results of operating activities		(8,374)	(43,195)
Share of profit / (loss) of associates - net		22,714	(19,989)
Profit / (loss) before taxation		14,340	(63,184)
Income tax expense		(168)	(506)
Profit / (loss) after taxation		14,172	(63,690)
		----- Rupees -----	
Earnings / (loss) (after taxation) per share		0.28	(1.27)

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.


 Raza Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Mrs. Shahnaz Sajjad Ahmed DIRECTOR	 Khalid Kuli Khan Khattak DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR PERIOD ENDED 31 MARCH 2021**

	1st Quarter ended	
	March 31, 2021	March 31, 2020
	Rupees in thousand	
Profit / (loss) after taxation	14,172	(63,690)
Other comprehensive income:		
Unrealised loss on available-for-sale investments	(13)	(171)
Impact of deferred taxation on remeasurement of available-for-sale investments	4	50
	(9)	(121)
Total comprehensive Income / (loss) for the period	14,163	(63,811)

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

 Raza Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Mrs. Shahnaz Sajjad Ahmed DIRECTOR	 Khalid Kuli Khan Khattak DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH, 2021

	Attributable to equity holders of the Company						
	Share capital	Capital Reserves			Fair value reserve on available-for-sale investments	(Accumulated loss) / unappropriated profit	Total
		Share Premium reserve	Other	Surplus on revaluation of fixed assets			
	(Rupees in thousand)						
Balance as at 31 December, 2019 - (audited)	500,000	13,824	18	291,636	280	16,356	822,114
Transfer from surplus on revaluation of buildings on	-	-	-	(244)	-	344	100
Miscellaneous items of Associates accounted for under equity method	-	-	-	(112)	-	112	-
Loss for the period ended 31 March, 2020	-	-	-	-	-	(63,690)	(63,690)
Other comprehensive loss for the period ended 31 March, 2020	-	-	-	-	(121)	-	(121)
Total comprehensive loss for the period ended 31 March, 2019	-	-	-	-	(121)	(63,690)	(63,811)
Balance as at March 31, 2020 - (un-audited)	500,000	13,824	18	291,280	159	(46,878)	758,403
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(1,139)	-	1,039	(100)
Deferred tax adjustment	-	-	-	401	-	-	401
Miscellaneous items of Associates accounted for under equity method	-	-	-	94,593	-	400	94,993
Loss for the period ended 31 December, 2020	-	-	-	-	-	(24,155)	(24,155)
Other comprehensive income for the period ended 31 December, 2020	-	-	-	-	154	5	159
Total comprehensive income / (loss) for the period ended 31 December, 2020	-	-	-	-	154	(24,150)	(23,996)
Balance as at 31 December, 2020 - (audited)	500,000	13,824	18	385,135	313	(69,589)	829,701
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(324)	-	324	-
Deferred tax adjustment	-	-	-	94	-	-	94
Miscellaneous items of Associates accounted for under equity method	-	-	-	(163)	-	163	-
Profit for the period ended March 31, 2021	-	-	-	-	-	14,172	14,172
Other comprehensive loss for the period ended March 31, 2021	-	-	-	-	(9)	-	(9)
Total comprehensive Income / (loss) for the period ended March 31, 2021	-	-	-	-	(9)	14,172	14,163
Balance as at March 31, 2021 - (un-audited)	500,000	13,824	18	384,742	304	(54,930)	843,958

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

 Raza Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Mrs. Shahnaz Sajjad Ahmed DIRECTOR	 Khalid Kuli Khan Khattak DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

	1st Quarter ended	
	March 31, 2021	March 31, 2020
	Rupees in thousand	
Operating Cash flows		
a) Underwriting activities		
Insurance premium received	12,325	5,956
Reinsurance premium paid	(9,049)	(4,873)
Claims paid	(8,098)	(1,283)
Reinsurance and other recoveries received	1,105	701
Commission paid	(2,717)	(974)
Commission received	1,396	500
Management expenses paid	(15,524)	(14,656)
Net cash outflow from underwriting activities	(20,562)	(14,629)
b) Other operating activities		
Income tax paid	(345)	(379)
Other operating payments	(1,186)	(1,097)
Loans and other receivables	256	263
Other receipts - net	14,665	4,811
Net cash inflow from other operating activities	13,390	3,598
Total cash outflow from all operating activities	(7,172)	(11,031)
Investment activities		
Profit/ return received	1,904	2,668
Rental received	155	260
Proceeds from investments	-	5,500
Fixed capital expenditure	(59)	(392)
Total cash inflow from investing activities	2,000	8,036
Net cash outflow from all activities	(5,172)	(2,995)
Cash and cash equivalents at beginning of the period	9,332	46,376
Cash and cash equivalents at end of the period	4,160	43,381



1st Quarter ended

March 31, 2021 March 31, 2020

Rupees in thousand

Reconciliation to Condensed Interim Profit and Loss Account

Operating cash flows	(7,172)	(11,031)
Depreciation expense	(813)	(928)
Provision for doubtful insurance / reinsurance receivables	(1,842)	(918)
Decrease in assets other than cash	(23,992)	(8,584)
Decrease in liabilities	21,411	13,651
	<u>(12,408)</u>	<u>(7,810)</u>

Other adjustments

Income / (loss) income on investments	3,413	(37,219)
Share of profit / (loss) of associates - net of taxation	22,714	(19,989)
Rental income	282	260
Profit on savings accounts	171	1,068
Profit / (loss) after taxation	<u>14,172</u>	<u>(63,690)</u>

Definition of cash:

Cash comprises of cash-in-hand, bank balances and other deposits, which are readily convertible to cash and which are used in the cash management function on day-to-day basis.

Cash for the purposes of cash flow statement consists of:

Cash and cash equivalents

Cash in hand	92	352
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Deposit with State Bank of Pakistan

-	5,500
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Bank accounts

Current accounts	3,826	2,536
Savings accounts	242	34,993
	<u>4,068</u>	<u>37,529</u>
Total cash and cash equivalents	<u>4,160</u>	<u>43,381</u>

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

					
Raza Kuli Khan Khattak CHAIRMAN	Gohar Ayub Khan CHIEF EXECUTIVE	Mrs. Shahnaz Sajjad Ahmed DIRECTOR	Khalid Kuli Khan Khattak DIRECTOR	Amir Raza PRINCIPAL OFFICER	Ashfaq Ahmed CHIEF FINANCIAL OFFICER



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2021

1. Legal status and nature of business

The Universal Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on May 09, 1958 under the Companies Act, 1913 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited and is engaged in non-life insurance business. The registered office of the Company is situated at Universal Insurance House, 63 - Shahrah-e-Quaid-e-Azam, Lahore. Presently, the Company is operating through one (2020: one) branch in Pakistan.

The Company is a Subsidiary of Bibojee Services (Pvt.) Limited (the Holding Company), which holds 42,981,788 (December 31, 2020: 42,981,788) ordinary shares of the Company at the period-end.

2. Basis of preparation and statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim financial reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017.

Where the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 have been followed.

- ### 3.
- These condensed interim financial statements are being submitted to the shareholders as required under section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020.

4. Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for investments at fair value through profit or loss and available-for-sale investments, which are stated at fair value, held to maturity investments, which are stated at amortised cost and land & buildings, which are stated at revalued amounts.

5. Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended December 31, 2020.

6. Accounting estimates, judgments and financial risk management

- #### 6.1
- The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.



- 6.2 Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended December 31, 2020.
- 6.3 The Company's financial and insurance risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2020.

	Un-audited March 31, 2021	Audited Dec. 31, 2020
	Rupees in thousand	
7. Property and equipment		
Opening book value	188,466	191,912
Additions made during the period:		
- Vehicles	-	353
- Computer equipment	59	186
- Office equipment	-	56
- Furniture and fixtures	-	16
	59	611
Less: Book value of assets disposed - Vehicles	-	306
Less: Depreciation charge for the period	813	3,751
Closing book value	187,712	188,466
	Un-audited	Audited
	March 31,	December 31,
	2021	2020
	Rupees in thousand	
8. Investments in associates - Quoted		
Bannu Woollen Mills Ltd. (BWM)		
Carrying value at beginning of the year		
8,940 (2020: 8,940) ordinary shares of Rs. 10 each	2,603	2,610
Share of loss after taxation	(5)	(6)
Other changes in comprehensive income / (loss)	-	46
Share of items directly recognised in equity	-	(47)
	2,598	2,603
Ghandhara Industries Ltd. (GIL)		
Carrying value at beginning of the year		
2,368,296 (2020: 2,368,296) ordinary shares of Rs. 10 each	282,117	252,309
Share of profit / (loss) after taxation	22,719	(65,191)
Other changes in comprehensive income / (loss)	-	(41)
Share of surplus on revaluation of property, plant and equipment	-	95,040
	304,836	282,117
	307,434	284,720
8.1 Market values of investments in BWM and GIL as at March 31, 2021 were Rs. 429 thousand (December 31, 2020: Rs. 420 thousand) and Rs. 597.450 million (December 31, 2020: Rs. 773.059 million) respectively.		
9. Investments in equity securities		
Available-for-sale investments (9.1)	602	615
Investments at fair value through profit or loss (9.2)	136,455	134,372
	137,057	134,987



9.1 Available-for-sale - others

No. of shares/ units as at March 31, 2021	March 31, 2021			No. of shares/ units as at December 31, 2020	December 31, 2020		
	Cost	Unrealised gain / (Impairment)	Carrying value		Cost	Unrealised gain / (Impairment)	Carrying value

----- (Rupees in thousand) -----

Listed shares

Hamid textile mills limited	49,000	490	(490)	-	49,000	490	(490)	-
Pakistan national shipping corporation	888	24	42	66	888	24	57	81
Mutual funds								
JS growth fund	2,968	135	401	536	2,968	135	399	534
		649	(47)	602		649	(34)	615

9.2 Investments at fair value through profit or loss

No. of shares/ units as at March 31, 2021	March 31, 2021			No. of shares/ units as at December 31, 2020	December 31, 2020		
	Cost	Unrealised gain / (loss)	Carrying value		Cost	Unrealised gain / (loss)	Carrying value

----- (Rupees in thousand) -----

Mutual funds

HBL growth and Cash fund	13,963	520	(247)	273	13,962	520	(255)	265
NBP islamic Mahana Amdani fund	12,936,963	130,984	5,198	136,182	12,936,963	130,984	3,123	134,107
		131,504	4,951	136,455		131,504	2,868	134,372

10. Investment in debt securities (Held to maturity)

No. of certificates		Face value	Value of certificates	
March 31, 2021	Dec. 31, 2020		March 31, 2021	Dec. 31, 2020

----- (Rupees in thousand) -----

Pakistan Investment Bonds - PIBs (including accrued interest)	8.00	8.00	54,500	54,959	55,362
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10.1 These Investments, held with State Bank of Pakistan, have been made to meet the statutory requirement of section 29(2)(a) of the Insurance Ordinance, 2000.



	Un-audited March 31, 2021 Rupees in thousand	Audited December 31, 2020
11. Insurance / Reinsurance receivables -		
Unsecured and considered good		
Due from insurance contract holders	65,633	70,009
Less: provision for impairment of receivables from insurance contract holders	(65,633)	(70,009)
	-	-
Due from other insurers	125,765	140,548
Due from reinsurers	21,561	21,443
Less: provision for impairment of due from other insurers / reinsurers	(41,381)	(39,540)
	105,945	122,451
	105,945	122,451
12. Deferred taxation - net		
This is composed of the following:		
Taxable temporary differences arising in respect of:		
- accelerated tax depreciation allowances	1,752	1,766
- surplus on revaluation of buildings	12,264	12,363
- surplus on revaluation of investment property	3,880	3,880
	17,896	18,009
Deductible temporary differences arising in respect of:		
- unused tax losses	39,791	36,904
- provision for doubtful insurance / reinsurance receivables and others	31,424	32,159
- employee's retirement benefits	558	969
- minimum tax recoverable against normal tax charge in future years	4,438	4,984
	76,211	75,016
Net deferred tax asset recognised	58,315	57,007
13. Prepayments		
Prepaid reinsurance premium ceded	15,960	21,640
Other	784	867
	16,744	22,507
14. Cash and bank balances		
Cash and cash equivalents		
Cash-in-hand	92	124
Cash at banks		
- Current accounts	3,826	2,652
- Savings accounts	242	6,556
	4,068	9,208
Deposits maturing within 12 months		
Term deposit receipts	855	855
Provision for impairment	(855)	(855)
	0	0
	4,160	9,332
15. Contingencies and commitments		
15.1 There has been no significant change in the status of contingencies and commitments as disclosed in notes 22.1 to 22.12 to the Company's audited financial statements for the year ended December 31, 2020.		



Un-audited Un-audited
March 31, March 31,
2021 2020
Rupees in thousand

16. Net insurance premium

Written gross premium	12,325	5,956
Add: Unearned premium reserve opening	62,720	41,338
Less: Unearned premium reserve closing	40,853	23,461
Premium earned	34,192	23,833
Less: Reinsurance premium ceded	9,049	4,873
Add: Prepaid reinsurance premium opening	21,640	17,678
Less: Prepaid reinsurance premium closing	15,960	11,884
Reinsurance expense	14,729	10,667
	19,463	13,166

17. Net insurance claims expense

Claims paid	8,098	1,283
Add: Outstanding claims including IBNR closing	33,928	39,286
Less: Outstanding claims including IBNR opening	35,472	35,375
Claims expense	6,554	5,194
Less: Reinsurance and other recoveries received	1,105	701
Add: Reinsurance and other recoveries in respect of outstanding claims closing	25,749	30,528
Less: Reinsurance and other recoveries in respect of outstanding claims opening	26,175	26,202
Reinsurance and other recoveries revenue	679	5,027
	5,875	167

18. Net commission expense / acquisition cost

Commission paid or payable	2,338	1,143
Add: Deferred commission expense opening	9,967	6,794
Less: Deferred commission expense closing	6,642	3,980
Net Commission	5,663	3,957
Less: Commission received or receivable	1,396	500
Add: Unearned reinsurance commission opening	3,791	2,594
Less: Unearned reinsurance commission closing	2,700	1,638
Commission from reinsurers	2,487	1,456
	3,176	2,501



	Un-audited March 31, 2021 Rupees in thousand	Un-audited March 31, 2020
19. Management expenses		
Employee benefit cost	13,346	12,285
Travelling and entertainment	196	253
Advertisement and sales promotion	-	15
Printing and stationery	85	43
Depreciation	813	928
Rent, Rates and Taxes	72	75
Legal and professional charges	3,494	596
Electricity, gas and water	393	368
Entertainment	316	185
Vehicle running expenses	317	270
Office repairs and maintenance	118	111
Bank charges	17	14
Postage, telegrams and telephone	209	241
Annual supervision fee SECP	25	25
Bad and doubtful debts	1,842	918
Miscellaneous	91	228
	21,334	16,555
20. Investment (loss) / income		
Income from debt securities (held to maturity)		
- Return on fixed income securities and deposits	1,330	1,423
Net unrealised income / (loss) on investments at fair value through profit or loss	2,083	(38,642)
Total investment income	3,413	(37,219)
21. Other income		
Income from financial assets		
Payable balances written-back	36	-
Profit on bank saving accounts	171	1,068
	207	1,068
22. Other expenses		
Legal and professional charges other than business related	420	146
Auditors' remuneration	168	150
Subscription	108	213
Insurance expenses	462	404
Office expenses	79	88
Computer repair and maintenance	27	45
Others	90	201
	1,354	1,247
23. Transactions with related parties		

Related parties comprise of the Holding Company, Associated Companies and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Details of significant transactions with related parties during the first quarter ended are as follows:



Transactions during the period

Associated Companies

Janana De Malucho Textile Mills Ltd.	Salaries and benefits	540	488
	Expenses paid	30	25

Key management personnel

Remuneration & benefits	7,966	7,476
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Period end balances

Janana De Malucho Textile Mills Ltd.	Salaries and benefits - Payable	570	-
Contributions to provident fund - payable	212	-	-
Loan - receivable	1,550	-	-

24. SEGMENT INFORMATION

For the period ended March 31, 2021

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees in thousand)				
Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee, and Administration Surcharge)	9,259	2,428	755	117	12,559
Less: Federal Excise Duty	-	116	88	13	217
Federal Insurance Fee	-	9	7	1	17
Gross written premium (inclusive of Administrative Surcharge)	9,259	2,303	660	103	12,325
Gross direct premium	-	881	646	102	1,629
Facultative inward premium	9,259	1,412	-	-	10,671
Administrative surcharge	-	10	14	1	25
Insurance premium earned	9,259	2,303	660	103	12,325
Insurance premium ceded to reinsurers	14,545	2,944	15,012	1,691	34,192
Net insurance premium	11,751	1,742	298	938	14,729
Commission income	2,794	1,202	14,714	753	19,463
Net underwriting income	2,048	323	-	116	2,487
Insurance claims	4,842	1,525	14,714	869	21,950
Insurance claims recovered from reinsurers	(304)	1,570	5,274	14	6,554
Net claims	(426)	1,105	-	-	679
Commission expense	122	465	5,274	14	5,875
Management expenses	2,907	547	1,925	284	5,663
Net insurance claims and expenses	16,028	3,986	1,142	178	21,334
Underwriting results	19,057	4,998	8,341	476	32,872
Net Investment loss	(14,215)	(3,473)	6,373	393	(10,922)
Rental income					3,413
Other income					282
Other expenses					207
Share of profit of associates					(1,354)
Profit before taxation					22,714
Segment assets	115,956	26,191	8,107	4,042	14,340
Unallocated assets					154,296
					824,059
Segment liabilities	74,376	14,436	27,067	4,220	978,355
Unallocated liabilities					120,099
					14,298
					134,397



For the period ended March 31, 2020

Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee, and Administration Surcharge)

Less: Federal Excise Duty

Federal Insurance Fee

Gross written premium (inclusive of Administrative Surcharge)

Gross direct premium

Facultative inward premium

Administrative surcharge

Insurance premium earned

Insurance premium ceded to reinsurers

Net insurance premium

Commission income

Net underwriting income

Insurance claims

Insurance claims recovered from reinsurers

Net claims

Commission expense

Management expenses

Net insurance claims and expenses

Underwriting results

Net Investment income

Rental income

Other income

Other expenses

Share of loss of associates

Loss before taxation

As at December 31, 2020 (audited)

Segment assets

Unallocated assets

Segment liabilities

Unallocated liabilities

Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
(Rupees in thousand)				
4,872	701	432	104	6,109
-	80	50	12	142
-	6	4	1	11
4,872	615	378	91	5,956
-	602	368	87	1,057
4,872	-	-	-	4,872
-	13	10	4	27
4,872	615	378	91	5,956
10,435	999	9,857	2,542	23,833
8,491	569	330	1,277	10,667
1,944	430	9,527	1,265	13,166
1,210	85	-	161	1,456
3,154	515	9,527	1,426	14,622
7,966	773	(2,787)	(758)	5,194
6,587	564	(1,419)	(705)	5,027
1,379	209	(1,368)	(53)	167
2,075	209	1,268	405	3,957
13,542	1,709	1,051	253	16,555
16,996	2,127	951	605	20,679
(13,842)	(1,612)	8,576	821	(6,057)
				(37,219)
				260
				1,068
				(1,247)
				(19,989)
				(63,184)
99,764	17,283	49,302	13,884	180,233
				805,275
				985,508
77,590	12,632	43,968	8,852	143,042
				12,765
				155,807

25. Corresponding figures

25.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year 2020, whereas, condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of the immediately preceding financial year.

Date of authorisation for issue

25.2 This condensed interim financial information has been authorised for issue on April 30, 2021 by the Board of Directors of the Company.

     
Raza Kuli Khan **Gohar Ayub Khan** **Mrs. Shahnaz Sajjad Ahmed** **Khalid Kuli Khan Khattak** **Amir Raza** **Ashfaq Ahmed**
CHAIRMAN **CHIEF EXECUTIVE** **DIRECTOR** **DIRECTOR** **PRINCIPAL OFFICER** **CHIEF FINANCIAL OFFICER**

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