



March 31,
2020
(Un-Audited)

60th

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 and ensure strict compliance by conducting regular internal audits 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. Mushtaq Ahmed Khan F.C.A	
	Dr. Shaheen Kuli Khan Khattak	
	Mr. Muhammad Imran Malik	
	Mr. Pervez Iftikhar Ahmed Khan	
	Mr. Khalid Kuli Khan Khattak	
	Mr. Muhammad Kuli Khan Khattak	
	Mr. Sikandar 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. Muhammad Imran Malik	Chairman	Independent
Mr. Raza Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive
Mr. Mushtaq Ahmed Khan F.C.A	Member	Non-Executive
Mr. Pervez I. Khan	Member	Non-Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Liaqat Ali Shaukat	Secretary	

ii) Investment Committee

Mr. Mushtaq Ahmed Khan F.C.A	Chairman	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Khalid Kuli Khan Khattak	Member	Non-Executive
Mr. Ashfaq Ahmed	Member	Chief Financial Officer
Mr. Liaqat Ali Shaukat	Secretary	

iii) Audit Committee

Mr. Muhammad Imran Malik	Chairman	Independent
Mr. Mushtaq Ahmed Khan F.C.A	Member	Non-Executive
Mr. Pervez I. Khan	Member	Non-Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Muhammad Kuli Khan Khattak	Member	Non-Executive
Mr. Abdul Waheed Ch.	Secretary	

Management Committees:

iv) Underwriting, Reinsurance & Co-Insurance Committee;

Mr. Muhammad Kuli Khan Khattak	Chairman	Non-Executive
Mr. Sikandar Kuli Khan Khattak	Member	Non-Executive
Miss. Bushra Hina Mushtaq	Member	
Mr. Muhammad Alyas	Secretary	

v) Claims Settlement Committee;

Mr. Gohar Ayub Khan	Chairman	Executive
Mr. Mushtaq Ahmed Khan F.C.A	Member	Non-Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Amir Raza	Member	
Mr. Abdul Waheed Ch.	Member	
Mr. Ashfaq Ahmed	Secretary	

vi) Risk Management & Compliance Committee

Mr. Sikandar Kuli Khan Khattak	Chairman	Non-Executive
Mr. Amir Raza	Member	
Mr. Ashfaq Ahmed	Member	
Miss. Bushra Hina Mushtaq	Secretary	



DIRECTORS' REVIEW REPORT

We are pleased to represent on behalf of the Board of Directors financial statement of the company for the period ended on 31st March, 2020.

Financial Performance

The gross written premium of the company has reduced on account of lock down of the different offices in the country. However net premium has been increased substantially in view of earning of unearned premium. Further the investment income of the company has also reduced on account of high volatility in the stock market due to Covid 19. Further the losses of investment in associates also enhanced the losses of the company.

	2020	2019
	----- Rupees in million -----	
Gross premium	5.956	8.023
Net premium	13.166	3.856
Net claims	0.167	0.785
Underwriting results	(6.057)	(11.664)
Investment and other (loss) / income	(35.891)	5.486
Loss before taxation	(63.184)	(7.099)
Loss after taxation	(63.690)	(7.309)
Loss per share	(1.27)	(0.15)

Future Outlook

We are hopeful in the 2nd quarter of financial year the gross premium income will enhance which will definitely impact the profitability of the company positively. Further we feel that stock exchange will also improve and resultantly this will contribute toward deducing the losses of the Company incurred during 1st Quarter of current financial year.

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.

Dated: May 21, 2020

For & on behalf of the Board of Directors

Place: Lahore

Khalid Kuli Khan Khattak
Director

Gohar Ayub Khan
Chief Executive Officer



ڈائریکٹرز کی جائزہ رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2020 کو ختم ہونے والی مدت کے لئے کمپنی کے مالی گوشوارہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالیاتی کارکردگی (Financial Performance)

کمپنی کا مجموعی تحریری پریمیم ملک بھر میں مختلف دفاتر کو لاک ڈاؤن کرنے کی وجہ سے کم ہوا ہے۔ تاہم غیر حاصل شدہ کمائی کے پیش نظر نیٹ پریمیم میں کافی حد تک اضافہ ہوا ہے۔ کوویڈ-19 کی وجہ سے اسٹاک مارکیٹ میں اعلیٰ اتار چڑھاؤ کے سبب کمپنی کی سرمایہ کاری کی آمدنی میں بھی کمی واقع ہوئی ہے۔ مزید یہ کہ ایسوسی ایٹس سے منسلک سرمایہ کاری کے نقصانات نے کمپنی کے نقصانات میں بھی اضافہ کیا ہے۔

2020	2019	
(رقم ملین میں)		
5.956	8.023	- مجموعی پریمیم
13.166	3.856	- نیٹ پریمیم
0.167	0.785	- نیٹ کلیمز
(6.057)	(11.664)	- انڈر رائٹنگ نتائج
(35.981)	5.486	- سرمایہ کاری اور دیگر (نقصان) آمدنی
(63.184)	(7.099)	- قبل از ٹیکس نقصان
(63.690)	(7.309)	- بعد از ٹیکس نقصان
(1.27)	(0.15)	- نقصان فی شیئر

مستقبل کا نظریہ (Future Outlook)

ہمیں امید ہے کہ مالی سال کی دوسری سہ ماہی میں مجموعی پریمیم آمدنی میں اضافہ ہوگا جس سے یقینی طور پر کمپنی کے منافع پر بھی مثبت اثر پڑے گا۔ مزید ہم پُر امید ہیں کہ اسٹاک ایکسیج میں بھی بہتری آئے گی اور اس کے نتیجے میں یہ موجودہ مالی سال کی پہلی سہ ماہی کے دوران ہونے والے کمپنی کے نقصانات کو کم کرنے میں معاون ثابت ہوگی۔

اعتراف (Acknowledgement)

ہم سکیورٹیز اینڈ ایکسیج 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

بتاریخ: 21 مئی، 2020

مقام: لاہور

گوہر ایوب خان
(چیف ایگزیکٹو آفیسر)

خالد علی خان خٹک
(ڈائریکٹر)



STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020 (UN-AUDITED)

	Note	Un-audited March 31, 2020	Audited December 31, 2019
Rupees in thousand			
Assets			
Property and equipment	7	191,376	191,912
Investment property		26,177	26,177
Investments in associates	8	234,930	254,919
Investments			
-Equity securities	9	91,922	130,736
-Debt securities	10	49,003	54,680
Loans and other receivables		33,346	32,844
Insurance / reinsurance receivables	11	117,314	122,692
Reinsurance recoveries against outstanding claims		30,528	26,203
Deferred Commission expense		3,980	6,796
Deferred taxation	12	33,191	33,191
Taxation - payments less provisions		8,788	8,766
Prepayments	13	12,542	18,550
Cash and bank balances	14	43,381	46,376
Total assets		876,478	953,842
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
75,000,000 (2019: 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		291,280	291,636
Fair value reserve on available-for-sale investments		159	280
(Accumulated loss) / Unappropriated profit		(46,878)	16,356
Total Equity		758,403	822,114
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		39,286	35,375
Unearned premium reserves		23,461	41,338
Unearned reinsurance commission		1,638	2,594
Long term deposits		449	388
Insurance / reinsurance payables		43,031	39,627
Unclaimed dividends		555	555
Other creditors and accruals		9,655	11,851
Total Liabilities		118,075	131,728
Contingencies and commitments	15		
Total Equity and Liabilities		876,478	953,842

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


Khalid Kuli Khan Khattak
DIRECTOR


Muhammad Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020**

	Note	1st Quarter ended	
		March 31, 2020	March 31, 2019
Rupees in thousand			
Net insurance premium	16	13,166	3,856
Net insurance claims	17	(167)	(785)
Net commission	18	(2,501)	(729)
Insurance claims		(2,668)	(1,514)
Management expenses	19	(16,555)	(14,006)
Underwriting results		(6,057)	(11,664)
Investment (loss) / income	20	(37,219)	4,809
Rental income		260	236
Other income	21	1,068	441
Other expenses	22	(1,247)	(921)
Results of operating activities		(43,195)	(7,099)
Share of loss of associates - net		(19,989)	-
Loss before taxation		(63,184)	(7,099)
Income tax expense		(506)	(210)
Loss after taxation		(63,690)	(7,309)
		----- Rupees -----	
Loss (after taxation) per share		(1.27)	(0.15)

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


Raza Kuli Khan Khattak
CHAIRMAN


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PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020**

	1st Quarter ended March 31, 2020	March 31, 2019
	Rupees in thousand	
Loss after taxation	(63,690)	(7,309)
Other comprehensive income:		
Unrealised (loss) / gain on available-for-sale investments	(171)	30
Impact of deferred taxation on remeasurement of available-for-sale investments	50	(8)
	(121)	22
Total comprehensive loss for the period	(63,811)	(7,287)

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


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Khalid Kuli Khan Khattak
DIRECTOR


Muhammad Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH, 2020**

	Attributable to equity holders of the Company						Total
	Share capital	Capital Reserves			Fair value reserve on available-for-sale investments	(Accumulated loss) / unappropriated profit	
		Share Premium reserve	Other	Surplus on revaluation of fixed assets			
(Rupees in thousand)							
Balance as at 31 December, 2018 - (audited)	500,000	13,824	18	282,051	235	11,981	808,109
Transfer from surplus on revaluation of buildings	-	-	-	(256)	-	359	103
Loss for the period ended 31 March, 2019	-	-	-	-	-	(7,309)	(7,309)
Other comprehensive income for the period ended 31 March, 2019	-	-	-	-	22	-	22
Total comprehensive income / (Loss) for the period ended 31 March, 2019	-	-	-	-	22	(7,309)	(7,287)
Balance as at March 31, 2019 - (un-audited)	500,000	13,824	18	281,795	257	5,031	800,925
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(1,200)	-	1,097	(103)
Deferred tax adjustment	-	-	-	422	-	-	422
Miscellaneous items of Associates accounted for under equity method	-	-	-	10,619	-	634	11,253
Profit for the period ended 31 December, 2019	-	-	-	-	-	9,644	9,644
Other comprehensive income /(loss) for the period ended 31 December, 2019	-	-	-	-	23	(50)	(27)
Total comprehensive income for the period ended 31 December, 2019	-	-	-	-	23	9,594	9,617
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 account of incremental depreciation	-	-	-	(244)	-	344	100
Miscellaneous items of Associates accounted for under equity method	-	-	-	(112)	-	112	-
Loss for the period ended March 31, 2020	-	-	-	-	-	(63,690)	(63,690)
Other comprehensive loss for the period ended March 31, 2020	-	-	-	-	(121)	-	(121)
Total comprehensive loss for the period ended March 31, 2020	-	-	-	-	(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

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


Khalid Kuli Khan Khattak
DIRECTOR


Muhammad Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020**

	1st Quarter ended	
	March 31, 2020	March 31, 2019
	Rupees in thousand	
Operating Cash flows		
a) Underwriting activities		
Insurance premium received	5,956	8,023
Reinsurance premium paid	(4,873)	(5,647)
Claims paid	(1,283)	(2,251)
Reinsurance and other recoveries received	701	1,526
Commission paid	(974)	(1,812)
Commission received	500	612
Management expenses paid	<u>(14,656)</u>	<u>(26,727)</u>
Net cash outflow from underwriting activities	(14,629)	(26,276)
b) Other operating activities		
Income tax paid	(379)	(94)
Other operating payments	(1,097)	(771)
Other operating receipts	-	269
Loans and other receivables	263	(589)
Other receipts - net	4,811	3,098
Net cash inflow from other operating activities	3,598	1,913
Total cash outflow from all operating activities	(11,031)	(24,363)
Investment activities		
Profit/ return received	2,668	1,454
Rental received	260	236
Proceeds from investments	5,500	-
Fixed capital expenditure	(392)	-
Total cash inflow from investing activities	8,036	1,690
Net cash outflow from all activities	(2,995)	(22,673)
Cash and cash equivalents at beginning of the period	46,376	26,464
Cash and cash equivalents at end of the period	43,381	3,791



Reconciliation to Condensed Interim Profit and Loss Account

	<u>1st Quarter ended</u>	
	March 31, 2020	March 31, 2019
	Rupees in thousand	
Operating cash flows	(11,031)	(24,363)
Depreciation expense	(928)	(819)
Provision for doubtful insurance / reinsurance receivables	(918)	(789)
(Decrease) / Increase in assets other than cash	(8,584)	2,913
Decrease in liabilities	<u>13,651</u>	<u>10,532</u>
	(7,810)	(12,526)
Other adjustments		
(Loss) / income on investments	(37,219)	4,809
Share of loss of associates - net of taxation	(19,989)	-
Rental income	260	236
Profit on savings accounts	<u>1,068</u>	<u>172</u>
Loss after taxation	<u>(63,690)</u>	<u>(7,309)</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	352	36
Stamps in hand	-	1
	<u>352</u>	<u>37</u>
Deposit with State Bank of Pakistan	5,500	-
Bank accounts		
Current accounts	2,536	3,030
Savings accounts	<u>34,993</u>	<u>724</u>
	<u>37,529</u>	<u>3,754</u>
Total cash and cash equivalents	<u>43,381</u>	<u>3,791</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


Khalid Kuli Khan Khattak
DIRECTOR


Muhammad 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, 2020

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 (2019: one) branch in Pakistan.

The Company is a Subsidiary of Bibojee Services (Pvt.) Limited (the Holding Company), which holds 42,981,788 (December 31, 2019: 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, 2019.

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, 2019.

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, 2019.

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, 2019.

	Un-audited March 31, 2020	Audited Dec. 31, 2019
	Rupees in thousand	
7. Property and equipment		
Opening book value	191,912	191,519
Additions made during the period:		
- Vehicles	353	3,872
- Computer equipment	23	49
- Office equipment	-	87
- Furniture and fixtures	16	-
	392	4,008
Less: Book value of assets disposed - Vehicles	-	211
Less: Depreciation charge for the period	928	3,404
Closing book value	<u>191,376</u>	<u>191,912</u>

	Un-audited March 31, 2020	Audited December 31, 2019
	Rupees in thousand	
8. Investments in associates - Quoted		
Bannu Woollen Mills Ltd. (BWM)		
Carrying value at beginning of the year	2,610	2,610
8,940 (2019: 8,940) ordinary shares of Rs. 10 each		
Share of loss after taxation	<u>(24)</u>	-
	2,586	2,610
Ghandhara Industries Ltd. (GIL)		
Carrying value at beginning of the year	252,309	252,309
2,368,296 (2019: 2,368,296) ordinary shares of Rs. 10 each		
Share of loss after taxation	<u>(19,965)</u>	-
	<u>232,344</u>	<u>252,309</u>
	<u>234,930</u>	<u>254,919</u>

8.1 Market values of investments in BWM and GIL as at March 31, 2020 were Rs. 365 thousand (December 31, 2019: Rs.311 thousand) and Rs. 153.039 million (December 31, 2019: Rs. 315.646 million) respectively.

8.2 The fall in the market value of investment in GIL and BWM as at March 31, 2020 is because of pandemic COVID-19 which is considered a temporary phenomenon. Further, the management as at December 31, 2019 had carried-out internal impairment testing of its investments as required under IAS 36, 'Impairment of assets'. The Company intends to carry-out impairment testing of its investments in GIL and BWL as at June 30, 2020.



Un-audited
March 31,
2020

Audited
Dec. 31,
2019

Rupees in thousand

9. Investments in equity securities

Available-for-sale investments (9.1)	397	569
Investments at fair value through profit or loss (9.2)	91,525	130,167
	<u>91,922</u>	<u>130,736</u>

9.1 Available-for-sale - others

No. of shares/ units as at March 31, 2019	March 31, 2020			No. of shares/ units as at December 31, 2018	December 31, 2019			
	Cost	Unrealized gain / (Impairment)	Carrying value		Cost	Unrealized 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	23	47	888	24	59	83
Mutual funds								
JS growth fund	2,867	135	215	350	2,867	135	351	486
		<u>649</u>	<u>(252)</u>	<u>397</u>		<u>649</u>	<u>(80)</u>	<u>569</u>

9.2 Investments at fair value through profit or loss

No. of shares/ units as at March 31, 2019	March 31, 2020			No. of shares/ units as at December 31, 2018	December 31, 2019			
	Cost	Un-realised gain / (loss)	Carrying value		Cost	Un-realised gain / (loss)	Carrying value	
------(Rupees in thousand)-----								
Mutual funds								
HBL growth and Cash fund	13,602	520	(324)	196	13,600	520	(251)	269
NBP islamic stock fund	11,817,196	125,036	(33,707)	91,329	11,817,196	125,036	4,862	129,898
		<u>125,556</u>	<u>(34,031)</u>	<u>91,525</u>		<u>125,556</u>	<u>4,611</u>	<u>130,167</u>

10. Investment in debt securities (Held to maturity)

	No. of certificates		Face value	Value of certificates	
	March 31, 2020	Dec. 31, 2019		March 31, 2020	Dec. 31, 2019

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

Pakistan Investment Bonds - PIBs (including accrued interest)	7.00	8.00	49,000	49,003	54,680
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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, 2020	Audited December 31, 2019
11. Insurance / Reinsurance receivables -		
Unsecured and considered good		
Due from insurance contract holders	87,511	87,511
Less: provision for impairment of receivables from insurance contract holders	<u>(87,511)</u>	<u>(87,511)</u>
	0	0
Due from other insurers	112,058	116,538
Due from reinsurers	34,875	34,855
Less: provision for impairment of due from other insurers / reinsurers	<u>(29,619)</u>	<u>(28,701)</u>
	<u>117,314</u>	<u>122,692</u>
	<u>117,314</u>	<u>122,692</u>
12. Deferred taxation		
Deferred tax recognised as at March 31, 2020 has been restricted to Rs.33.191 million (December 31, 2019: Rs.33.191 million) and balance deferred tax asset amounting Rs.23.200 million (December 31, 2019: Rs.22.743 million) approximately has not been recognised in these condensed interim financial statements as the taxable profits will not probably be available in the foreseeable future against which the temporary differences can be utilised.		
13. Prepayments		
Prepaid reinsurance premium ceded	11,884	17,678
Other	<u>658</u>	<u>872</u>
	<u>12,542</u>	<u>18,550</u>
14. Cash and bank balances		
Cash and cash equivalents		
Cash-in-hand	352	33
Deposit with State Bank of Pakistan	14.1 5,500	0
Cash at banks		
- Current accounts	<u>2,536</u>	<u>4,901</u>
- Savings accounts	<u>34,993</u>	<u>41,442</u>
	37,529	46,343
Deposits maturing within 12 months		
Term deposit receipts	<u>855</u>	<u>855</u>
Provision for impairment	<u>(855)</u>	<u>(855)</u>
	0	0
	<u>43,381</u>	<u>46,376</u>
14.1 This amount is kept with State Bank of Pakistan to meet the statutory requirements of section 29(2)(a) of the Insurance Ordinance, 2000.		
15. Contingencies and commitments		
15.1 There has been no significant change in the status of contingencies and commitments as disclosed in notes 23.1 to 23.9 to the Company's audited financial statements for the year ended December 31, 2019.		
16. Net insurance premium	Un-audited March 31, 2020	Un-audited March 31, 2019
Written gross premium	5,956	8,023
Add: Unearned premium reserve opening	41,338	14,331
Less: Unearned premium reserve closing	<u>23,461</u>	<u>13,218</u>
Premium earned	23,833	9,136
Less: Reinsurance premium ceded	<u>4,873</u>	<u>5,647</u>
Add: Prepaid reinsurance premium opening	17,678	8,329
Less: Prepaid reinsurance premium closing	<u>11,884</u>	<u>8,696</u>
Reinsurance expense	<u>10,667</u>	<u>5,280</u>
	<u>13,166</u>	<u>3,856</u>



	Un-audited March 31, 2020	Un-audited March 31, 2019
	Rupees in thousand	
17. Net insurance claims expense		
Claims paid	1,283	2,251
Add: Outstanding claims including IBNR closing	39,286	41,161
Less: Outstanding claims including IBNR opening	35,375	41,365
Claims expense	5,194	2,047
Less: Reinsurance and other recoveries received	701	1,526
Add: Reinsurance and other recoveries in respect of outstanding claims closing	30,528	34,483
Less: Reinsurance and other recoveries in respect of outstanding claims opening	26,202	34,747
Reinsurance and other recoveries revenue	5,027	1,262
	167	785
18. Net commission expense / acquisition cost		
Commission paid or payable	1,143	1,559
Add: Deferred commission expense opening	6,794	2,436
Less: Deferred commission expense closing	3,980	2,398
Net Commission	3,957	1,597
Less: Commission received or receivable	500	612
Add: Unearned reinsurance commission opening	2,594	1,849
Less: Unearned reinsurance commission closing	1,638	1,593
Commission from reinsurers	1,456	868
	2,501	729
19. Management expenses		
Employee benefit cost	12,285	10,657
Travelling and entertainment	253	115
Advertisement and sales promotion	15	13
Printing and stationery	43	39
Depreciation	928	819
Rent, Rates and Taxes	75	50
Legal and professional charges	596	454
Electricity, gas and water	368	242
Entertainment	185	197
Vehicle running expenses	270	223
Office repairs and maintenance	111	55
Bank charges	14	8
Postage, telegrams and telephone	241	218
Annual supervision fee SECP	25	25
Bad and doubtful debts	918	789
Miscellaneous	228	102
	16,555	14,006



	March 31, 2020	March 31, 2019
	(Rupees in thousand)	
20. Investment (loss) / income		
Income from debt securities (held to maturity)		
- Return on fixed income securities and deposits	1,423	1,123
Net unrealised (loss) / income on investments at fair value through profit	(38,642)	3,686
Total investment income	<u>(37,219)</u>	<u>4,809</u>
21. Other income		
Income from financial assets		
Profit on bank saving accounts	1,068	172
Income from non-financial assets		
Fronting fee	-	267
Sale of scrap	-	2
	<u>-</u>	<u>269</u>
	<u>1,068</u>	<u>441</u>
22. Other expenses		
Legal and professional charges other than business related	146	305
Auditors' remuneration	150	150
Subscription	213	188
Insurance expenses	404	150
Office expenses	88	59
Computer repair and maintenance	45	17
Others	201	52
	<u>1,247</u>	<u>921</u>
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 paid	488 429
	Expenses paid	25 25
Key management personnel		
Remuneration & benefits		7,476 6,462



24. SEGMENT INFORMATION

For the period ended March 31, 2020

	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)	4,872	701	432	104	6,109
Less: Federal Excise Duty	-	80	50	12	142
Federal Insurance Fee	-	6	4	1	11
Gross written premium (inclusive of Administrative Surcharge)	4,872	615	378	91	5,956
Gross direct premium	-	602	368	87	1,057
Facultative inward premium	4,872	-	-	-	4,872
Administrative surcharge	-	13	10	4	27
	4,872	615	378	91	5,956
Insurance premium earned	10,435	999	9,857	2,542	23,833
Insurance premium ceded to reinsurers	8,491	569	330	1,277	10,667
Net insurance premium	1,944	430	9,527	1,265	13,166
Commission income	1,210	85	-	161	1,456
Net underwriting income	3,154	515	9,527	1,426	14,622
Insurance claims	7,966	773	(2,787)	(758)	5,194
Insurance claims recovered from reinsurers	6,587	564	(1,419)	(705)	5,027
Net claims	1,379	209	(1,368)	(53)	167
Commission expense	2,075	209	1,268	405	3,957
Management expenses	13,542	1,709	1,051	253	16,555
Net insurance claims and expenses	16,996	2,127	951	605	20,679
Underwriting results	(13,842)	(1,612)	8,576	821	(6,057)
Net Investment loss					(37,219)
Rental income					260
Other income					1,068
Other expenses					(1,247)
Loss before taxation					(63,184)
Segment assets	132,476	17,668	9,766	3,796	163,706
Unallocated assets					712,772
					876,478
Segment liabilities	76,179	11,272	15,972	3,993	107,416
Unallocated liabilities					10,659
					118,075



For the period ended March 31, 2019

	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)	4,736	2,946	436	78	8,196
Less: Federal Excise Duty	-	100	52	9	161
Federal Insurance Fee	-	8	3	1	12
Gross written premium (inclusive of Administrative Surcharge)	4,736	2,838	381	68	8,023
Gross direct premium	-	759	329	68	1,156
Facultative inward premium	4,736	2,066	43	-	6,845
Administrative surcharge	-	13	9	-	22
	4,736	2,838	381	68	8,023
Insurance premium earned	4,339	2,402	1,947	448	9,136
Insurance premium ceded to reinsurers	3,418	1,434	111	317	5,280
Net insurance premium	921	968	1,836	131	3,856
Commission income	637	172	-	59	868
Net underwriting income	1,558	1,140	1,836	190	4,724
Insurance claims	1,209	422	628	(212)	2,047
Insurance claims recovered from reinsurers	1,004	258	-	-	1,262
Net claims	205	164	628	(212)	785
Commission expense	864	476	190	67	1,597
Management expenses	8,268	4,954	665	119	14,006
Net insurance claims and expenses	9,337	5,594	1,483	(26)	16,388
Underwriting results	(7,779)	(4,454)	353	216	(11,664)
Net Investment income					4,809
Rental income					236
Other income					441
Other expenses					(921)
Profit before taxation					(7,099)
As at December 31, 2019 (audited)					
Segment assets	89,926	23,796	45,551	14,096	173,369
Unallocated assets					780,473
					<u>953,842</u>
Segment liabilities	63,330	14,467	30,434	10,703	118,934
Unallocated liabilities					12,794
					<u>131,728</u>

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 2019, 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 May 21, 2020 by the Board of Directors of the Company.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Khalid Kuli Khan Khattak
DIRECTOR


Muhammad Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


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