



Condensed Interim
Financial Information
For the Period Ended
**March 31,
2023**

63rd

**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	Lt. Gen (Retd.) Ali Kuli Khan Khattak	Chairman
	Mr. Gohar Ayub Khan	Chief Executive
	Mr. Ahmed Kuli Khan Khattak	
	Mrs. Shahnaz Sajjad Ahmed	
	Mr. Khalid kuli Khan Khattak	
	Wing Commander (Retd.) Javaid Ahmad Afzal	
	Dr. Hassan Iqbal	
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: 042-37355426-37324244 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

Wing Commander (R) Javaid Ahmad Afzal	Chairman	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive
Mr. Liaqat Ali Shaukat	Secretary	

ii) Investment Committee

Dr. Hassan Iqbal	Chairman	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive (CEO)
Mr. Ashfaq Ahmed	Member/ Secretary	Chief Financial Officer

iii) Audit Committee

Dr. Hassan Iqbal	Chairman	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mrs. Shahnaz Sajjad Ahmed	Member	Non-Executive
Mr. Khalid Kuli Khan Khattak	Member	Non-Executive
Mr. Abdul Waheed Ch.	Secretary	

Management Committees:

iv) Underwriting, Reinsurance & Co-Insurance Committee;

Dr. Hassan Iqbal	Chairman	Independent
Mr. Gohar Ayub Khan	Member	Executive
Mr. Muhammad Imran Mehmood	Member	
Mr. Muhammad Alyas	Member/ Secretary	

v) Claims Settlement Committee;

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

vi) Risk Management & Compliance Committee

Mr. Gohar Ayub Khan	Chairman	Executive
Wing Commander (R) Javaid Ahmad Afzal	Member	Independent
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, 2023.

Financial Performance

The gross written premium of the company has reduced significantly due to restricted reinsurance arrangements whereas net insurance premium has also reduced but very slightly as compared to last year. There is a profit after tax of Rs. 0.926 million over the loss of Rs. 19.941 million during the period under review.

	2023	2022
	----- (Rupees in million) -----	
Written gross premium	2.933	13.503
Net insurance premium	12.705	14.917
Net insurance claims	1.010	40.970
Underwriting results	(9.978)	(47.915)
Investment and other income	3.876	3.894
Loss before taxation	(0.242)	(32.644)
Profit / (loss) after taxation	0.926	(19.941)
Earnings / (loss) per share	0.02	(0.40)

Future Outlook

The management of the company has been perusing the reinsurance companies as well as reinsurer brokers for enhancement of insurance underwriting capacity. We are hopeful the same will be increased appreciably.

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: May 25, 2023

Place: Lahore

Dr. Hassan Iqbal
Director

Gohar Ayub Khan
Chief Executive Officer



ڈائریکٹرز کی جائزہ رپورٹ (Directors' Review Report) (یہ انگریزی رپورٹ کا ترجمہ ہے)

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2023 کو ختم ہونے والی مدت کے لئے کمپنی کے مالی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالیاتی کارکردگی (Financial Performance)

ری انشورنس کے محدود انتظامات کی وجہ سے کمپنی کا مجموعی تحریری پریمئیم نمایاں طور پر کم ہوا ہے جبکہ نیٹ انشورنس پریمئیم بھی کم ہوا ہے لیکن گزشتہ سال کے مقابلے میں بہت کم ہے۔ زیر جائزہ مدت کے دوران 19.941 ملین روپے نقصان پر 0.926 ملین روپے بعد از ٹیکس منافع ہے۔

2023	2022	
(رقم ملین میں)		
2.933	13.503	- مجموعی تحریری پریمئیم
12.705	14.917	- نیٹ انشورنس پریمئیم
1.010	40.970	- نیٹ انشورنس کلیمز
(9.978)	(47.915)	- انڈر رائٹنگ نتائج
3.876	3.894	- سرمایہ کاری اور دیگر آمدنی
(0.242)	(32.644)	- قبل از ٹیکس نقصان
0.926	(19.941)	- بعد از ٹیکس منافع (نقصان)
0.02	(0.40)	- آمدنی (نقصان) فی شیئر

مستقبل کا نظریہ (Future Outlook)

کمپنی کی انتظامیہ بیمہ کی انڈرائٹنگ کی صلاحیت کو بڑھانے کے لیے ری انشورنس کمپنیوں کے ساتھ ساتھ ری انشورر بروکرز کو بھی استعمال کرنے کی کوشش کر رہی ہے۔ ہمیں اُمید ہے کہ اس میں قابل قدر اضافہ کیا جائے گا۔

اعتراف (Acknowledgement)

ہم سیکورٹی ریٹری اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ، سٹیٹ بینک آف پاکستان اور دوسری ری انشوررز اور کو انشوررز کی اس مدت کے دوران مسلسل مدد اور ہنمائی کے شکر گزار ہیں اور ہم اپنے معزز کلائنٹس کے مسلسل اعتماد پر ان کے بھی شکر گزار ہیں۔

منجانب بورڈ

بتاریخ: 25 مئی، 2023

مقام: لاہور

گوہر ایوب خان
(چیف ایگزیکٹو آفیسر)

ڈاکٹر حسن اقبال
(ڈائریکٹر)



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Note	Un-audited March 31, 2023	Audited December 31, 31, 2022
Rupees in thousand			
Assets			
Property and equipment	7	157,043	157,919
Investment property		41,782	41,782
Investments in associates	8	371,643	363,050
Investments			
-Equity securities	9	29,568	59,934
-Debt securities	10	55,876	55,363
Loans and other receivables		34,638	33,445
Insurance / reinsurance receivables	11	66,534	83,239
Reinsurance recoveries against outstanding claims		35,367	21,717
Deferred Commission expense		2,695	5,154
Deferred taxation	12	96,638	95,101
Taxation - payments less provisions		9,001	8,964
Prepayments	13	8,419	12,450
Cash and bank balances	14	17,257	10,071
Total assets		926,461	948,189
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
75,000,000 (2022: 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		352,574	352,945
Fair value reserve on available-for-sale investments		239	237
Accumulated loss		(135,921)	(137,303)
Total Equity		730,734	729,721
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		84,152	84,091
Unearned premium reserves		17,883	34,477
Premium deficiency reserves		2,354	3,844
Unearned reinsurance commission		1,252	2,380
Long term deposits		89	75
Insurance / reinsurance payables		79,967	82,798
Unclaimed dividends		555	555
Other creditors and accruals		9,475	10,248
Total Liabilities		195,727	218,468
Contingencies and commitments	15	-	-
Total Equity and Liabilities		926,461	948,189

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

					
Lt. Gen (R) Ali Kuli Khan Khattak CHAIRMAN	Gohar Ayub Khan CHIEF EXECUTIVE	Dr. Hassan Iqbal DIRECTOR	Wing Commander (R) Javaid Ahmad Afzal 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, 2023**

	Note	1st Quarter ended	
		March 31, 2023	March 31, 2022
Rupees in thousand			
Net insurance premium	16	12,705	14,917
Net insurance claims	17	(1,010)	(40,970)
Premium deficiency		1,490	-
Net commission	18	(1,681)	(2,139)
Insurance claims and expense		(1,201)	(43,109)
Management expenses	19	(21,482)	(19,723)
Underwriting results		(9,978)	(47,915)
Investment income	20	3,265	3,465
Rental income		319	290
Other income	21	292	139
Other expenses	22	(2,733)	(1,498)
Results of operating activities		(8,835)	(45,519)
Share of profit of associates - net		8,593	12,875
Loss before taxation		(242)	(32,644)
Income tax		1,168	12,703
Profit / (loss) after taxation		926	(19,941)
		----- Rupees -----	
Earnings / (loss) (after taxation) per share		0.02	(0.40)

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

Lt. Gen (R) Ali Kuli Khan Khattak CHAIRMAN	Gohar Ayub Khan CHIEF EXECUTIVE	Dr. Hassan Iqbal DIRECTOR	Wing Commander (R) Javid Ahmad Afzal DIRECTOR	Amir Raza PRINCIPAL OFFICER	Ashfaq Ahmed CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023**

	<u>1st Quarter ended</u>	
	March 31, 2023	March 31, 2022
	Rupees in thousand	
Profit / (loss) after taxation	926	(19,941)
Other comprehensive income / (loss):		
Unrealised profit / (loss) on available-for-sale investments	3	(8)
Impact of deferred taxation on remeasurement of available-for-sale investments	(1)	2
	2	(6)
Total comprehensive profit / (loss) for the period	928	(19,947)

The annexed notes 1 to 27 form an integral part of these financial statements.

 Lt. Gen (R) Ali Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Dr. Hassan Iqbal DIRECTOR	 Wing Commander (R) Javid Ahmad Afzal DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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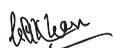


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023**

	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, 2021 - (audited)	500,000	13,824	18	353,541	260	(27,399)	840,244
Transfer from surplus on revaluation of buildings	-	-	-	(308)	-	308	-
Deferred tax adjustment	-	-	-	89	-	-	89
Miscellaneous items of associates accounted for under equity method	-	-	-	(34)	-	34	-
Loss for the period ended 31 March, 2022	-	-	-	-	-	(19,941)	(19,941)
Other comprehensive loss for the period ended 31 March, 2022	-	-	-	-	(6)	-	(6)
Total comprehensive loss for the period ended 31 March, 2022	-	-	-	-	(6)	(19,941)	(19,947)
Balance as at March 31, 2022 - (un-audited)	500,000	13,824	18	353,288	254	(46,998)	820,386
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(940)	-	940	-
Deferred tax adjustment	-	-	-	273	-	-	273
Miscellaneous items of associates accounted for under equity method	-	-	-	324	-	652	976
Loss for the nine months period ended 31 December, 2022	-	-	-	-	-	(91,076)	(91,076)
Other comprehensive loss for the nine months period ended 31 December, 2022	-	-	-	-	(17)	(821)	(838)
Total comprehensive loss for the nine months period ended 31 December, 2022	-	-	-	-	(17)	(91,897)	(91,914)
Balance as at 31 December, 2022 - (audited)	500,000	13,824	18	352,945	237	(137,303)	729,721
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(292)	-	292	-
Deferred tax adjustment	-	-	-	85	-	-	85
Miscellaneous items of associates accounted for under equity method	-	-	-	(164)	-	164	-
Profit for the period ended March 31, 2023	-	-	-	-	-	926	926
Other comprehensive income for the period ended March 31, 2023	-	-	-	-	2	-	2
Total comprehensive income for the period ended March 31, 2023	-	-	-	-	2	926	928
Balance as at March 31, 2023 - (un-audited)	500,000	13,824	18	352,574	239	(135,921)	730,734

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.


Lt. Gen (R) Ali Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Dr. Hassan Iqbal
DIRECTOR


Wing Commander (R) Javid Ahmad Afzal
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023

	1st Quarter ended	
	March 31, 2023	March 31, 2022
	Rupees in thousand	
Operating Cash flows		
a) Underwriting activities		
Insurance premium received	2,933	13,503
Reinsurance premium paid	(3,059)	(9,892)
Claims paid	(952)	(34,693)
Reinsurance and other recoveries received	(13,647)	24,006
Commission paid	-	(2,811)
Commission received	-	1,496
Management expenses paid	(19,302)	(18,006)
Net cash outflow from underwriting activities	(34,027)	(26,397)
b) Other operating activities		
Income tax paid	(322)	(410)
Other operating payments	(2,522)	(1,329)
Loans and other receivables	234	299
Other receipts - net	10,155	3,071
Net cash inflow from other operating activities	7,545	1,631
Total cash outflow from all operating activities	(26,482)	(24,766)
Investment activities		
Profit / return received	1,455	2,272
Rental received	319	290
Proceeds from investments	31,956	12,271
Fixed capital expenditure	(63)	-
Proceeds from sale of fixed assets	1	-
Total cash inflow from investing activities	33,668	14,833
Net cash inflow / (outflow) from all activities	7,186	(9,933)
Cash and cash equivalents at beginning of the period	10,071	13,398
Cash and cash equivalents at end of the period	17,257	3,465



1st Quarter ended

March 31, 2023 **March 31, 2022**
Rupees in thousand

Reconciliation to Condensed Interim Profit or Loss

Operating cash flows	(26,482)	(24,766)
Depreciation expense	(921)	(734)
Provision for doubtful insurance / reinsurance receivables	-	(1,520)
(Decrease) / Increase in assets other than cash	(6,864)	88,215
Decrease / (Increase) in liabilities	21,251	(97,905)
	(13,016)	(36,710)

Other adjustments

Gain on investments - net	3,265	3,465
Share of profit of associates - net	8,593	12,875
Change in premium deficiency reserve	1,490	-
Loss on disposal of fixed assets	(17)	-
Rental income	319	290
Profit on savings accounts	292	139

Profit / (loss) after taxation

926 **(19,941)**

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 **152** 95

Bank accounts

Current accounts	4,628	3,338
Savings accounts	12,477	32
	17,105	3,370

Total cash and cash equivalents

17,257 **3,465**

The annexed notes 1 to 27 form an integral part of these financial statements.

 Lt. Gen (R) Ali Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Dr. Hassan Iqbal DIRECTOR	 Wing Commander (R) Javaid Ahmad Afzal DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2023

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 (2022: one) branch in Pakistan.

The Company is a Subsidiary of Bibojee Services (Pvt.) Limited (the Holding Company), which holds 42,981,788 (December 31, 2022: 42,981,788) ordinary shares of the Company at the period-end.

2. Basis of preparation

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,

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.

Accounting convention

3. 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.

4. 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, 2022.

5. Standards, amendments and interpretations to approved accounting standards that are effective in current period

- 5.1 Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on January 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.



- 5.2 In addition to above, the following standards, amendments and interpretations to accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments and interpretations:

	Effective date (accounting period beginning on or after)
- IFRS 17, Insurance Contracts (yet to be notified by SECP)	January 01, 2023
- IFRS 9, Financial instruments	June 30, 2024*

* The company has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details / disclosure required to opt for temporary exemption from the application of IFRS 9 are given in note 25 to these condensed interim financial statements.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) All other financial assets

	March 31, 2023				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in un-realized gain / (loss) during the period	Carrying value	Cost less Impairment	Change in un-realized gain / (loss) during the period
Rupees in thousand					
Financial assets					
Cash and Bank*	17,257	-	-	-	-
Investments in associates	371,643	-	-	-	-
Investment in equity securities-available for sale	29,568	(1,108)	-	-	-
Investment in debt securities-held to maturity*	-	-	55,876	-	-
Loan and other receivables*	34,638	-	-	-	-
	<u>453,106</u>	<u>(1,108)</u>	<u>55,876</u>	<u>-</u>	<u>-</u>

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

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 prospectively commencing from the period of revision.
- 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, 2022.
- 6.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2022.

	Un-audited March 31, 2023	Audited Dec 31, 2022
	Rupees in thousand	
7. Property and equipment		
Opening book value	157,919	155,443
Additions made during the period:		
- Vehicles	-	5,711
- Computer equipment	-	36
- Office equipment	63	-
	63	5,747
Less: Book value of assets disposed		
Furniture and fixtures	-	16
Office equipments	18	116
Computer equipments	-	6
Motor cycles	-	100
	18	238
Less: Depreciation charge for the period	921	3,033
Closing book value	<u>157,043</u>	<u>157,919</u>



8. Investments in associates - Quoted

Bannu Woollen Mills Ltd. (BWM)

	Un-audited March 31, 2023	Audited Dec 31, 2022
Carrying value at beginning of the year		
8,940 (2022: 8,940) ordinary shares of Rs. 10 each	2,985	2,666
Share of profit after taxation	(35)	(645)
Other changes in comprehensive income / (loss)	-	(12)
Share of items directly recognised in equity	-	32
Share of surplus on revaluation of property, plant and equipment	-	944
	2,950	2,985
Less: Impairment	(711)	(711)
	2,239	2,274

Ghandhara Industries Ltd. (GIL)

	Un-audited March 31, 2023	Audited Dec 31, 2022
Carrying value at beginning of the year		
2,368,296 (2022: 2,368,296) ordinary shares of Rs. 10 each	360,776	368,473
Share of profit / (loss) after taxation	8,628	(6,888)
Other changes in comprehensive income / (loss)	-	(809)
	369,404	360,776
	371,643	363,050

- 8.1 Market values of investments in BWM and GIL as at March 31, 2023 were Rs. 190 thousand (December 31, 2022: Rs.199 thousand) and Rs. 203.218 million (December 31, 2022: Rs. 257.363 million) respectively.

The Company, as at 31st December 2022, has carried out impairment testing of its investments in BWM and GIL as required under IAS 36, 'Impairment of Assets, and it was concluded that carrying value of BWM and GIL does not exceed its recoverable amount. During 1st quarter 2023, the Company considers not to carry out impairment testing as these accounts are condensed in nature.

9. Investments in equity securities

Available-for-sale investments (9.1)	512	508
Investments at fair value through profit or loss (9.2)	29,056	59,426
	29,568	59,934

9.1 Available-for-sale - others

	No. of shares/ units as at March 31, 2023	March 31, 2023			No. of shares/ units as at December 31, 2022	December 31, 2022		
		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	888	24	62	86	888	24	66	90
Mutual funds								
JS growth fund	2,968	135	291	426	2,968	135	283	418
		649	(137)	512		649	(141)	508

Investments at fair value through profit or loss



9.2 Investments at fair value through profit or loss

	No. of shares/ units as at March 31, 2023	March 31, 2023			No. of shares/ units as at December 31, 2022	December 31, 2022		
		Cost	Unrealised gain / (loss)	Carrying value		Cost	Unrealised gain / (loss)	Carrying value
Mutual funds								
HBL growth and Cash fund	13,988	520	(341)	179	13,984	520	(337)	183
NBP Islamic Mahana Amdani fund	2,595,396	26,056	2,821	28,877	5,509,806	55,314	3,929	59,243
		<u>26,576</u>	<u>2,480</u>	<u>29,056</u>		<u>55,834</u>	<u>3,592</u>	<u>59,426</u>

10. Investment in debt securities (Held to maturity)

	No. of certificates		Face value	Value of certificates	
	March 31, 2023	Dec 31, 2022		March 31, 2023	Dec 31, 2022
Pakistan Investment Bonds - PIBs (including accrued interest)	6	6	59,500	55,876	55,363

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	Audited
	March 31, 2023	Dec 31, 2022
11. Insurance / Reinsurance receivables -		
Unsecured and considered good		
Due from insurance contract holders	30,629	35,005
Less: provision for impairment of receivables from insurance contract holders	(30,629)	(35,005)
Due from other insurers	103,284	103,284
Due from reinsurers	84,147	100,852
Less: provision for impairment of due from other insurers / reinsurers	(120,897)	(120,897)
	<u>66,534</u>	<u>83,239</u>
	<u>66,534</u>	<u>83,239</u>



Un-audited Audited
March 31, Dec 31,
2023 2022
Rupees in thousand

12. Deferred taxation - net

This is composed of the following:

Taxable temporary differences arising in respect of:

- accelerated tax depreciation allowances	1,749	1,783
- surplus on revaluation of buildings	11,530	11,615
- surplus on revaluation of investment property	7,105	7,105
	20,384	20,503

Deductible temporary differences arising in respect of:

- unused tax losses	72,097	68,707
- provision for doubtful insurance / reinsurance receivables and others	44,333	45,602
- employee's retirement benefits	592	1,295
	117,022	115,604

Net deferred tax asset recognised

96,638	95,101
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13. Prepayments

Prepaid reinsurance premium ceded	7,607	11,370
Other	812	1,080
	8,419	12,450

14. Cash and bank balances

Cash and cash equivalents

Cash-in-hand	152	-
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Cash at banks

- Current accounts	4,628	4,643
- Savings accounts	12,477	5,428
	17,105	10,071

Deposits maturing within 12 months

Term deposit receipts	855	855
Provision for impairment	(855)	(855)
	-	-
	17,257	10,071



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 22.13 to the Company's audited financial statements for the year ended December 31, 2022.

	Un-audited March 31, 2023	Un-audited March 31, 2022
	Rupees in thousand	
16. Net insurance premium		
Written gross premium	2,933	13,503
Add: Unearned premium reserve opening	34,477	48,384
Less: Unearned premium reserve closing	17,883	35,305
Premium earned	19,527	26,582
Less: Reinsurance premium ceded	3,059	9,892
Add: Prepaid reinsurance premium opening	11,370	18,278
Less: Prepaid reinsurance premium closing	7,607	16,505
Reinsurance expense	6,822	11,665
	12,705	14,917
17. Net insurance claims expense		
Claims paid	952	34,693
Add: Outstanding claims including IBNR closing	84,152	168,376
Less: Outstanding claims including IBNR opening	84,091	46,833
Claims expense	1,013	156,236
Less: Reinsurance and other recoveries received	(13,647)	24,006
Add: Reinsurance and other recoveries in respect of outstanding claims closing	35,367	128,693
Less: Reinsurance and other recoveries in respect of outstanding claims opening	21,717	37,433
Reinsurance and other recoveries revenue	3	115,266
	1,010	40,970
18. Net commission expense		
Commission paid or payable	350	2,528
Add: Deferred commission expense opening	5,154	7,254
Less: Deferred commission expense closing	2,695	5,630
Net Commission	2,809	4,152
Less: Commission received or receivable	-	1,496
Add: Unearned reinsurance commission opening	2,380	3,337
Less: Unearned reinsurance commission closing	1,252	2,820
Commission from reinsurers	1,128	2,013
	1,681	2,139
19. Management expenses		
Employee benefit cost	14,865	12,985
Travelling and entertainment	143	221
Printing and stationery	39	57
Depreciation	921	734
Rent, Rates and Taxes	190	181
Legal and professional charges	1,338	383
Electricity, gas and water	811	872
Entertainment	226	311
Vehicle running expenses	2,384	1,917
Office repairs and maintenance	80	75
Bank charges	10	27
Postage, telegrams and telephone	344	310
Annual supervision fee SECP	25	25
Provision for doubtful insurance / reinsurance receivables	-	1,520
Miscellaneous	106	105
	21,482	19,723



	Un-audited March 31, 2023	Un-audited March 31, 2022
	Rupees in thousand	
20. Investment income - net		
Income from equity securities		
Dividend income	4	-
- Realised gain on investments at fair value through profit or loss	2,697	625
Income from debt securities (held to maturity)		
Held-to-maturity		
- Return on fixed income securities and deposits	1,675	1,381
Net unrealised income / (loss) on investments at fair value through profit or loss	(1,111)	1,459
Total investment income	3,265	3,465
21. Other income		
Income from financial assets		
Profit on bank saving accounts	292	139
	292	139
22. Other expenses		
Legal and professional charges other than business related	1,500	486
Auditors' remuneration	194	169
Subscription	226	216
Insurance expenses	471	349
Office expenses	124	93
Computer repair and maintenance	66	50
Loss on disposal of fixed assets	17	-
Others	135	135
	2,733	1,498
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	562
	Expenses paid	60
	Salaries and benefits recovered	398
Bannu Woollen Mills Ltd.	Salaries and benefits recovered	398
Gandhara Nissan Ltd.	Salaries and benefits recovered	398
Rehman Cotton Mills Ltd.	Salaries and benefits recovered	398
		581
		60
		-
		-
		-
		-
Key management personnel		
	Remuneration & benefits	9,665
		8,295
Period end balances		
Gandhara Industries Ltd.	Salaries and benefits	398
Loan - receivable		350
		950



24. SEGMENT INFORMATION

For the period ended March 31, 2023

	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)	-	1,475	1,860	17	3,352
Less: Federal Excise Duty	-	168	219	2	389
Federal Insurance Fee	-	13	17	-	30
Gross written premium (inclusive of Administrative Surcharge)	-	1,294	1,624	15	2,933
Gross direct premium	-	1,277	1,566	14	2,857
Facultative inward premium	-	-	-	-	-
Administrative surcharge	-	17	58	1	76
	-	1,294	1,624	15	2,933
Insurance premium earned	6,864	1,188	10,499	976	19,527
Insurance premium ceded to reinsurers	5,987	150	89	596	6,822
Net insurance premium	877	1,038	10,410	380	12,705
Commission income	1,016	18	-	94	1,128
Net underwriting income	1,893	1,056	10,410	474	13,833
Insurance claims	61	112	840	-	1,013
Insurance claims recovered from reinsurers	3	-	-	-	3
Net claims	58	112	840	-	1,010
Commission expense	1,404	181	1,075	149	2,809
Management expenses	-	9,478	11,894	110	21,482
Premium deficiency expense	(1,614)	(8)	-	132	(1,490)
Net insurance claims and expenses	(152)	9,763	13,809	391	23,811
Underwriting results	2,045	(8,707)	(3,399)	83	(9,978)
Net Investment					3,265
Rental income					319
Other income					292
Other expenses					(2,733)
Share of profit of associates - net					8,593
Loss before taxation					(242)
Segment assets	91,411	8,471	1,004	11,317	112,203
Unallocated assets					814,258
					926,461
Segment liabilities	73,726	42,721	57,180	11,981	185,608
Unallocated liabilities					10,119
					195,727



For the period ended March 31, 2022

Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
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------(Rupees in thousand)-----

Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee, and Administration Surcharge)	11,107	1,622	1,021	55	13,805
Less: Federal Excise Duty	-	159	122	-	281
Federal Insurance Fee	-	12	9	-	21
Gross written premium (inclusive of Administrative Surcharge)	11,107	1,451	890	55	13,503
Gross direct premium	-	1,206	859	-	2,065
Facultative inward premium	11,107	226	-	55	11,388
Administrative surcharge	-	19	31	-	50
	11,107	1,451	890	55	13,503
Insurance premium earned	11,590	1,129	11,432	2,431	26,582
Insurance premium ceded to reinsurers	9,263	672	260	1,470	11,665
Net insurance premium	2,327	457	11,172	961	14,917
Commission income	1,663	113	-	237	2,013
Net underwriting income	3,990	570	11,172	1,198	16,930
Insurance claims	151,578	1,106	2,497	1,055	156,236
Insurance claims recovered from reinsurers	113,791	663	-	812	115,266
Net claims	37,787	443	2,497	243	40,970
Commission expense	2,323	166	1,261	402	4,152
Management expenses	16,224	2,119	1,300	80	19,723
Net insurance claims and expenses	56,334	2,728	5,058	725	64,845
Underwriting results	(52,344)	(2,158)	6,114	473	(47,915)
Net Investment					3,465
Rental income					290
Other income					139
Other expenses					(1,498)
Share of profit of associates - net					12,875
Loss before taxation					(32,644)
As at December 31, 2022 (Audited)					
Segment assets	78,550	23,803	3,674	15,453	121,480
Unallocated assets					826,709
					948,189
Segment liabilities	113,924	16,362	60,002	17,302	207,590
Unallocated liabilities					10,878
					218,468



25. Fair value measurement of financial instruments

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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3). Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

31 March, 2023											
Particulars	Note	Carrying value					Fair value hierarchy				
		Available for sale / FVTPL	Held to maturity	Other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees in thousand -----											
Financial assets - measured at fair value											
Equity share - Quoted	9.1	86	-	-	-	-	86	86	-	-	86
Mutual funds - JS Growth fund	9.1	426	-	-	-	-	426	-	-	-	-
Mutual funds	9.2	29,056	-	-	-	-	29,056	-	-	-	-
Financial assets - not measured at fair value*											
Debt securities	10	-	55,876	-	-	-	55,876	-	-	-	-
Loans and other receivables	-	-	-	34,638	-	-	34,638	-	-	-	-
Insurance / reinsurance receivables	11	-	-	66,534	-	-	66,534	-	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	35,367	-	-	35,367	-	-	-	-
Prepayments	13	-	-	8,419	-	-	8,419	-	-	-	-
Cash and bank	14	-	-	-	17,257	-	17,257	-	-	-	-
		29,568	55,876	144,958	17,257	-	247,659	86	-	-	86
Financial liabilities - not measured at fair value*											
Underwriting provisions:											
Outstanding claims (including IBNR)	-	-	-	-	-	84,152	-	-	-	-	-
Long term deposits	-	-	-	-	-	89	-	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	79,967	-	-	-	-	-
Unclaimed dividend	-	-	-	-	-	555	-	-	-	-	-
Other creditors and accruals	-	-	-	-	-	9,475	-	-	-	-	-
		-	-	-	-	174,238	-	-	-	-	-



* The fair value of these financial assets are not significantly different from their carrying amounts since these assets are either short term in nature or are frequently repriced to market rate.

31 December, 2022											
Particulars	Carrying value						Fair value hierarchy				
	Note	Available for sale / FVTPL	Held to maturity	Other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees in thousand -----											
Financial assets - measured at fair value											
Equity share - Quoted	9.1	90	-	-	-	-	90	90	-	-	90
Mutual funds - JS Growth fund	9.1	418	-	-	-	-	418	-	-	-	-
Mutual funds	9.2	59,426	-	-	-	-	59,426	-	-	-	-
Financial assets - not measured at fair value*											
Debt securities	10	-	55,363	-	-	-	55,363	-	-	-	-
Loans and other receivables		-	-	33,445	-	-	33,445	-	-	-	-
Insurance / reinsurance receivables	11	-	-	83,239	-	-	83,239	-	-	-	-
Reinsurance recoveries against outstanding claims		-	-	21,717	-	-	21,717	-	-	-	-
Prepayments	13	-	-	12,450	-	-	12,450	-	-	-	-
Cash and bank	14	-	-	-	10,071	-	10,071	-	-	-	-
		59,934	55,363	150,851	10,071	-	276,219	90	-	-	90

Financial liabilities - not measured at fair value*

Underwriting provisions:

Outstanding claims (including IBNR)	-	-	-	-	84,091	
Long term deposits	-	-	-	-	75	
Insurance / reinsurance payables	-	-	-	-	82,798	
Unclaimed dividend	-	-	-	-	555	
Other creditors and accruals	-	-	-	-	10,248	
	-	-	-	-	177,767	

* The fair value of these financial assets are not significantly different from their carrying amounts since these assets are either short term in nature or are frequently repriced to market rate.

26. Corresponding figures

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 2022, 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.



27. Date of authorisation for issue

This condensed interim financial information has been authorised for issue on May 25, 2023 by the Board of Directors of the Company.

 Lt. Gen (R) Ali Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 Dr. Hassan Iqbal DIRECTOR	 Wing Commander (R) Javid Ahmad Afzal DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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