



Condensed Interim  
Financial Information  
For the Six Months Period Ended

**JUNE 30,  
2023**

**63<sup>rd</sup>**

**YEAR OF  
CONTINUOUS  
SERVICES**

BIBOJEE GROUP



**The Universal  
Insurance Co. Ltd.**



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## VISION STATEMENT

*We, at The 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 to 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 based 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 within our stipulated Cost.*



# CORPORATE INFORMATION

|                                |  |                        |
|--------------------------------|--|------------------------|
| <b>Board of Directors</b>      | <b>Lt. Gen (Retd.) Ali Kuli Khan Khattak</b>   | <b>Chairman</b>        |
|                                | <b>Mr. Gohar Ayub Khan</b>   | <b>Chief Executive</b> |
|                                | <b>Mr. Ahmed Kuli Khan Khattak</b>   |                        |
|                                | <b>Mrs. Shahnaz Sajjad Ahmed</b>   |                        |
|                                | <b>Mr. Khalid kuli Khan Khattak</b>  |                        |
|                                | <b>Wing Commander (Retd.) Javaid Ahmad Afzal</b>   |                        |
|                                | <b>Dr. Hassan Iqbal</b>  |                        |
| <b>Principal Officer</b>       | <b>Mr. Amir Raza</b>   |                        |
| <b>Chief Financial Officer</b> | <b>Mr. Abdul Waheed Chaudhry</b>   |                        |
| <b>Company Secretary</b>       | <b>Mr. Liaqat Ali Shaukat</b>  |                        |
| <b>Internal Auditor</b>        | <b>Mr. Ashfaq Ahmed</b>  |                        |
| <b>Auditors</b>                | <b>M/s. Junaidy Shoaib Asad<br/>Chartered Accountants</b>  |                        |
| <b>Legal Advisor</b>           | <b>Rana Muhammad Aamir Zulfiqar (Advocate)</b>   |                        |
| <b>Share Registrar</b>         | <b>M/s. Hameed Majeed Associates (Pvt.) Ltd.<br/>H.M House, 7-Bank Square, Lahore<br/>Phone # 042-37235081-82 Fax: # 042-37358817</b>  |                        |
| <b>Registered Office:</b>      | <b>Universal Insurance House<br/>63-Shahrah-e-Quaid-e-Azam, Lahore, 54000<br/>Pakistan<br/>Ph: 042-37355426-37324244<br/>Fax: 042-37230326<br/>Web: <a href="http://www.uic.com.pk">www.uic.com.pk</a><br/>Email: <a href="mailto:info@uic.com.pk">info@uic.com.pk</a></b> |                        |



## BOARD AND MANAGEMENT COMMITTEES

### Board Committees:

#### i) Ethics, Human Resource & Remuneration Committee

Wing Commander (R) Javaid Ahmad Afzal  
Mr. Ahmed Kuli Khan Khattak  
Mr. Gohar Ayub Khan  
Mr. Liaqat Ali Shaukat

Chairman  
Member  
Member  
Secretary

Independent  
Non-Executive  
Executive

#### ii) Investment Committee

Dr. Hassan Iqbal  
Mr. Ahmed Kuli Khan Khattak  
Mr. Gohar Ayub Khan  
Mr. Abdul Waheed Ch.

Chairman  
Member  
Member  
Member/ Secretary

Independent  
Non-Executive  
Executive (CEO)  
Chief Financial Officer

#### iii) Audit Committee

Dr. Hassan Iqbal  
Mr. Ahmed Kuli Khan Khattak  
Mrs. Shahnaz Sajjad Ahmed  
Mr. Khalid Kuli Khan Khattak  
Mr. Ashfaq Ahmed

Chairman  
Member  
Member  
Member  
Secretary

Independent  
Non-Executive  
Non-Executive  
Non-Executive

### Management Committees:

#### iv) Underwriting, Reinsurance & Co-Insurance Committee;

Dr. Hassan Iqbal  
Mr. Gohar Ayub Khan  
Mr. Muhammad Imran Mehmood  
Mr. Muhammad Alyas

Chairman  
Member  
Member  
Member/ Secretary

Independent  
Executive

#### v) Claims Settlement Committee;

Mr. Ahmed Kuli Khan Khattak  
Mr. Gohar Ayub Khan  
Mr. Amir Raza  
Mr. Ashfaq Ahmed

Chairman  
Member  
Member  
Secretary

Non-Executive  
Executive

#### vi) Risk Management & Compliance Committee

Mr. Gohar Ayub Khan  
Wing Commander (R) Javaid Ahmad Afzal  
Mr. Amir Raza  
Mr. Abdul Waheed Ch.  
Ms. Bushra Hina Mushtaq

Chairman  
Member  
Member  
Member  
Secretary

Executive  
Independent



## DIRECTOR'S REVIEW REPORT

The directors have pleasure in submitting the half yearly report of the Company together with the un-audited accounts, reviewed by the auditors, and the auditors review report thereon for the period ended June 30, 2023.

### **Financial Performance**

Although, written gross premium has significantly reduced but underwriting loss has been declined by 57% over same period last year mainly due to decrease in Insurance claims and expenses by 76% over corresponding period Loss after-taxation was Rs. 12.094 million compared to post-tax loss for Rs. 33.345 million over same period last year, down by 64%.

|                             | 2023                | 2022     |
|-----------------------------|---------------------|----------|
|                             | (Rupees in million) |          |
| Written gross premium       | 15.323              | 33.762   |
| Net insurance premium       | 29.023              | 34.786   |
| Net insurance claims        | 12.834              | 54.182   |
| Underwriting results        | (29.111)            | (68.165) |
| Investment and other income | 7.283               | 8.221    |
| (Loss) before taxation      | (16.939)            | (50.189) |
| (Loss) after taxation       | (12.094)            | (33.345) |
| (Loss) per share            | (0.24)              | (0.67)   |

### **Future Outlook**

The Company, over the years, has shown strong resilience despite persistent decline in premium growth and occurrence of major fire loss of M/s Bulleh Shah Packaging, Kasur which has not only hit hard to the revenues of the Company, in particular, but also adversely impacted the revenues of insurance industry at large.

Going forward, in order to arrest the phenomenon of persistent decline in premium coupled with cash resources, the Board has given go-ahead for execution of Company's Financial & Revival Strategy, as put forward by the management, which will hopefully (In Shaa Allah) result in turnaround from the current state of affairs of the Company.

### **Acknowledgement**

We would like to thank 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 throughout the period and our valued clients for their continued patronage extended to us.

**Date: August 28, 2023**

**Place: Lahore**

For & on behalf of the Board of Directors

**Khalid Kuli Khan Khattak**  
Director

**Gohar Ayub Khan**  
Chief Executive Officer



## ڈائریکٹرز کی جائزہ رپورٹ (یہ انگریزی رپورٹ کا ترجمہ ہے) DIRECTOR'S REVIEW REPORT

ڈائریکٹرز 30 جون 2023 کو ختم ہونے والی ششماہی مدت کے لئے غیر آڈٹ شدہ مالیاتی حسابات اور آڈیٹرز کی جائزہ رپورٹ پیش کرنے پر مسرت کا اظہار کیا ہے۔

### مالیاتی کارکردگی

اگرچہ مجموعی پریئم میں نمایاں طور پر کمی ہوئی ہے لیکن اس کے ساتھ انڈر رائٹنگ نقصان میں گزشتہ سال کی اسی مدت کے مقابلے میں 57% کمی واقع ہوئی ہے جس کی بنیادی وجہ پچھلے سال اسی مدت کے دوران انشورنس کلیمز اور اخراجات میں 76% کمی واقع ہوئی ہے۔ بعد از ٹیکس نقصان 12.094 ملین روپے تھا جو کہ گزشتہ سال کی اسی مدت میں بعد از ٹیکس نقصان 33.345 ملین روپے ہے جو کہ پچھلی مدت کے مقابلے میں 64% کم ہے۔

| 2022     | 2023            |                              |
|----------|-----------------|------------------------------|
|          | (روپے ملین میں) |                              |
| 33.762   | 15.323          | - مجموعی پریئم               |
| 34.786   | 29.023          | - نیٹ پریئم                  |
| (54.182) | (12.834)        | - نیٹ کلیمز                  |
| (68.165) | (29.111)        | - انڈر رائٹنگ نتائج          |
| 8.221    | 7.283           | - سرمایہ کاری اور دیگر آمدنی |
| (50.189) | (16.939)        | - قبل از ٹیکس (نقصان)        |
| (33.345) | (12.094)        | - بعد از ٹیکس (نقصان)        |
| (0.67)   | (0.24)          | - (نقصان) فی شیئر            |

### مستقبل کا جائزہ


کمپنی ہذا عرصہ دراز سے پریئم کی بڑھتی میں مسلسل کمی اور میسرز بلھے شاہ پیکیجنگ، قصور میں آتشزدگی کے بڑے واقعے کے باوجود سخت حالات کا مقابلہ کر رہی ہے جس سے نہ صرف کمپنی کی آمدنی میں کمی ہوئی بلکہ بڑے پیمانے پر انشورنس انڈسٹری کی آمدنی پر بھی منفی اثر پڑا۔ مزید برآں نقد وسائل کے ساتھ ساتھ پریئم میں مسلسل کمی کے رجحان کو روکنے کے لئے کمپنی کی مالیاتی اور بحالی کی حکمت عملی پر عمل درآمد کے لئے بورڈ نے انتظامیہ کی رپورٹ پر منظوری دی ہے۔ امید ہے کہ (انشاء اللہ) کمپنی کی موجودہ صورتحال میں خوش آمدت تبدیلی آئے گی۔

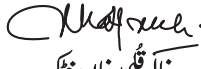
### اظہار تشکر

ہم PRCL، SBP، اور دوسری ری انشوررز اور کوانٹوررز کمپنیز کے تعاون کے مشکور ہیں اور ہم اپنے معزز کلائنٹس کے بھی شاکر و ممنون ہیں۔  
مجاہد بورڈ

مورخہ: 28 اگست، 2023

مقام: لاہور

  
گوہر ایوب خان  
(چیف ایگزیکٹو آفیسر)

  
خالد قری خان  
(ڈائریکٹر)



## Independent auditor's review report to the members of The Universal Insurance Company Limited

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **The Universal Insurance Company Limited (the company)** as at **June 30, 2023** and the related 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 and notes to the condensed financial statements for the six-month period then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed financial statements based on our review. The figures for the quarters ended June 30, 2023 and June 30, 2022 in the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income and relevant notes have not been reviewed and we do not express a conclusion on them.


#### Scope of Review

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

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in the independent auditor's report is **Shoaib Ahmad Waseem**.

  
JUNAIDY SHOAIB ASAD  
CHARTERED ACCOUNTANTS

Lahore

Dated: August 28, 2023

UDIN: RR202310196qWtsnOMB4





## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

|  |             | Un-audited<br>June 30,<br>2023 | Audited<br>Dec. 31,<br>2022 |
|--|-------------|--------------------------------|-----------------------------|
|  |             | Rupees in thousand             |                             |
| <b>Assets</b>  | <b>Note</b> |                                |                             |
| Property and equipment   | 7           | 157,041                        | 157,919                     |
| Investment property  |             | 41,782                         | 41,782                      |
| Investments in Associates  | 8           | 372,354                        | 363,050                     |
| Investments  |             |                                |                             |
| - equity securities  | 9           | 19,117                         | 59,934                      |
| - debt securities  | 10          | 56,369                         | 55,363                      |
| Loans and other receivables  |             | 34,157                         | 33,445                      |
| Insurance / reinsurance receivables                                      | 11          | 66,185                         | 83,239                      |
| Reinsurance recoveries against outstanding claims                        |             | 38,098                         | 21,717                      |
| Deferred commission expense  |             | 851                            | 5,154                       |
| Deferred taxation  | 12          | 101,048                        | 95,101                      |
| Taxation - payments less provisions                                      |             | 9,067                          | 8,964                       |
| Prepayments  | 13          | 2,265                          | 12,450                      |
| Cash and bank balances   | 14          | 4,882                          | 10,071                      |
| <b>Total Assets</b>  |             | <b>903,216</b>                 | <b>948,189</b>              |
| <b>Equity and Liabilities</b>  |             |                                |                             |
| <b>Capital and reserves attributable to<br/>Company's equity holders</b> |             |                                |                             |
| Authorised share capital   |             | 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                          |
| - revaluation surplus on fixed assets                                    |             | 352,364                        | 352,945                     |
| Fair value reserve on available-for-sale investments                     |             | 268                            | 237                         |
| Accumulated loss   |             | (148,645)                      | (137,303)                   |
| <b>Total Equity</b>  |             | <b>717,829</b>                 | <b>729,721</b>              |
| <b>Liabilities</b>   |             |                                |                             |
| <b>Underwriting Provisions</b>   |             |                                |                             |
| Outstanding claims including IBNR  |             | 97,430                         | 84,091                      |
| Unearned premium reserves  |             | 6,904                          | 34,477                      |
| Premium deficiency reserves  |             | 1,518                          | 3,844                       |
| Unearned reinsurance commission  |             | 180                            | 2,380                       |
| Long term deposits   |             | 102                            | 75                          |
| Insurance / reinsurance payables   | 11.1        | 69,442                         | 82,798                      |
| Unclaimed dividends  |             | 555                            | 555                         |
| Other creditors and accruals   |             | 9,256                          | 10,248                      |
| <b>Total Liabilities</b>   |             | <b>185,387</b>                 | <b>218,468</b>              |
| <b>Contingencies and Commitments</b>                                     | 15          |                                |                             |
| <b>Total Equity and Liabilities</b>                                      |             | <b>903,216</b>                 | <b>948,189</b>              |

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

|   |   |   |   |  |   |
|---|---|---|---|--|---|
|  |  |  |  |  |  |
| Lt. Gen (R) Ali Kuli Khan Khattak<br>CHAIRMAN                                       | Gohar Ayub Khan<br>CHIEF EXECUTIVE  | Ahmad Kuli Khan Khattak<br>DIRECTOR   | Khalid Kuli Khan Khattak<br>DIRECTOR  | Amir Raza<br>PRINCIPAL OFFICER   | Abdul Waheed Ch.<br>CHIEF FINANCIAL OFFICER   |



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

|  | Note | Three month period ended |                 | Six month period ended |                 |
|--|------|--------------------------|-----------------|------------------------|-----------------|
|  |      | June 30                  | June 30         | June 30                | June 30         |
|  |      | 2023                     | 2022            | 2023                   | 2022            |
|  |      | (Unaudited)              | (Unaudited)     | (Unaudited)            | (Unaudited)     |
| <b>Note ----- (Rupees in thousand) -----</b> |      |                          |                 |                        |                 |
| Net insurance premium                        | 16   | 16,318                   | 19,869          | 29,023                 | 34,786          |
| Net insurance claims                         | 17   | (11,824)                 | (13,212)        | (12,834)               | (54,182)        |
| Premium deficiency                           |      | 836                      | -               | 2,326                  | -               |
| Net commission                               | 18   | (1,972)                  | (2,926)         | (3,653)                | (5,065)         |
| Insurance claims and expense                 |      | (12,960)                 | (16,138)        | (14,161)               | (59,247)        |
| Management expenses                          | 19   | (22,491)                 | (23,981)        | (43,973)               | (43,704)        |
| <b>Underwriting results</b>                  |      | <b>(19,133)</b>          | <b>(20,250)</b> | <b>(29,111)</b>        | <b>(68,165)</b> |
| Income on Investments                        | 20   | 2,669                    | 3,843           | 5,934                  | 7,308           |
| Rental income                                |      | 132                      | 302             | 451                    | 592             |
| Other income                                 | 21   | 606                      | 182             | 898                    | 321             |
| Other expenses                               | 22   | (1,682)                  | (1,622)         | (4,415)                | (3,120)         |
| <b>Results of operating activities</b>       |      | <b>(17,408)</b>          | <b>(17,545)</b> | <b>(26,243)</b>        | <b>(63,064)</b> |
| Share of profit of associates - net          | 8    | 711                      | -               | 9,304                  | 12,875          |
| <b>Loss before taxation</b>                  |      | <b>(16,697)</b>          | <b>(17,545)</b> | <b>(16,939)</b>        | <b>(50,189)</b> |
| <b>Taxation</b>                              |      |                          |                 |                        |                 |
| - current                                    |      | (659)                    | (438)           | (904)                  | (770)           |
| - prior year                                 |      | -                        | -               | (40)                   | -               |
| - deferred                                   |      | 4,336                    | 4,579           | 5,789                  | 17,614          |
|  |      | <b>3,677</b>             | <b>4,141</b>    | <b>4,845</b>           | <b>16,844</b>   |
| <b>Loss after taxation</b>                   |      | <b>(13,020)</b>          | <b>(13,404)</b> | <b>(12,094)</b>        | <b>(33,345)</b> |
| <b>----- Rupee -----</b>                     |      |                          |                 |                        |                 |
| <b>Loss per share (after taxation)</b>       |      | <b>(0.26)</b>            | <b>(0.27)</b>   | <b>(0.24)</b>          | <b>(0.67)</b>   |

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

|  |   |  |   |  |  |
|--|---|--|---|--|--|
| <br>Lt. Gen (R) Ali Kuli Khan Khattak<br>CHAIRMAN | <br>Gohar Ayub Khan<br>CHIEF EXECUTIVE | <br>Ahmad Kuli Khan Khattak<br>DIRECTOR | <br>Khalid Kuli Khan Khattak<br>DIRECTOR | <br>Amir Raza<br>PRINCIPAL OFFICER | <br>Abdul Waheed Ch.<br>CHIEF FINANCIAL OFFICER |
|--|---|--|---|--|--|



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR SIX MONTHS PERIOD ENDED JUNE 30, 2023**

|  | Three month period ended       |                                | Six month period ended         |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | June 30<br>2023<br>(Unaudited) | June 30<br>2022<br>(Unaudited) | June 30<br>2023<br>(Unaudited) | June 30<br>2022<br>(Unaudited) |
| ----- (Rupees in thousand) -----   |                                |                                |                                |                                |
| <b>Loss for the period after taxation</b>  | <b>(13,020)</b>                | (13,404)                       | <b>(12,094)</b>                | (33,345)                       |
| <b>Other comprehensive gain / (loss)</b>   |                                |                                |                                |                                |
| Unrealised profit / (loss) on available-for-sale investments                       | 40                             | (49)                           | 43                             | (57)                           |
| Deferred tax asset/ (liability) on remeasurement of available-for-sale investments | (11)                           | 15                             | (12)                           | 17                             |
|  | <b>29</b>                      | (34)                           | <b>31</b>                      | (40)                           |
| <b>Total comprehensive loss for the period</b>                                     | <b>(12,991)</b>                | (13,438)                       | <b>(12,063)</b>                | (33,385)                       |

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

|  |   |  |   |  |  |
|--|---|--|---|--|--|
| <br>Lt. Gen (R) Ali Kuli Khan Khattak<br>CHAIRMAN | <br>Gohar Ayub Khan<br>CHIEF EXECUTIVE | <br>Ahmad Kuli Khan Khattak<br>DIRECTOR | <br>Khalid Kuli Khan Khattak<br>DIRECTOR | <br>Amir Raza<br>PRINCIPAL OFFICER | <br>Abdul Waheed Ch.<br>CHIEF FINANCIAL OFFICER |
|--|---|--|---|--|--|



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

|   | Attributable to equity holders of the Company |                  |        |                                     |  |                                     | Total    |
|---|---|------------------|--------|-------------------------------------|--|-------------------------------------|----------|
|   | Share capital                                 | Capital Reserves |        |                                     | Fair value reserve on available-for-sale investments | (Accumulated loss) / unappropriated |          |
|   |   | Share premium    | Others | Revaluation surplus on fixed assets |  |                                     |          |
|   | (Rupees in thousand)                          |                  |        |                                     |  |                                     |          |
| Balance as at December 31, 2021 - audited   | 500,000                                       | 13,824           | 18     | 353,541                             | 260  | (27,399)                            | 840,244  |
| Transfer from revaluation surplus on buildings on account of incremental depreciation | -   | -                | -      | (619)                               | -  | 619                                 | -        |
| Deferred tax adjustment   | -   | -                | -      | 180                                 | -  | -                                   | 180      |
| Miscellaneous items of associates accounted for under equity method                   | -   | -                | -      | (196)                               | -  | 196                                 | -        |
| Loss for the six months period ended June 30, 2022                                    | -   | -                | -      | -                                   | -  | (33,345)                            | (33,345) |
| Other comprehensive loss for the six months period ended June 30, 2022                | -   | -                | -      | -                                   | (40)   | -                                   | (40)     |
| Total comprehensive loss for the six months period ended June 30, 2022                | -   | -                | -      | -                                   | (40)   | (33,345)                            | (33,385) |
| Balance as at June 30, 2022 - un-audited  | 500,000                                       | 13,824           | 18     | 352,906                             | 220  | (59,929)                            | 807,039  |
| Transfer to accumulated loss  | -   | -                | -      | -                                   | -  | -                                   | -        |
| Loss for the six months period ended December 31, 2022                                | -   | -                | -      | -                                   | -  | (77,672)                            | (77,672) |
| Other comprehensive income / (loss) for the six months period ended December 31, 2022 | -   | -                | -      | -                                   | 17   | (821)                               | (804)    |
| Total comprehensive income / (loss) for the six months period ended December 31, 2022 | -   | -                | -      | -                                   | 17   | (78,493)                            | (78,476) |
| Transfer from revaluation surplus on buildings on account of incremental depreciation | -   | -                | -      | (629)                               | -  | 629                                 | -        |
| Deferred tax adjustment   | -   | -                | -      | 182                                 | -  | -                                   | 182      |
| Miscellaneous items of associates accounted for under equity method                   | -   | -                | -      | 486                                 | -  | 490                                 | 976      |
| Balance as at December 31, 2022 - audited   | 500,000                                       | 13,824           | 18     | 352,945                             | 237  | (137,303)                           | 729,721  |
| Transfer from revaluation surplus on buildings on account of incremental depreciation | -   | -                | -      | (588)                               | -  | 588                                 | -        |
| Deferred tax adjustment   | -   | -                | -      | 171                                 | -  | -                                   | 171      |
| Miscellaneous items of associates accounted for under equity method                   | -   | -                | -      | (164)                               | -  | 164                                 | -        |
| Loss for the six months period ended June 30, 2023                                    | -   | -                | -      | -                                   | -  | (12,094)                            | (12,094) |
| Other comprehensive income for the six months period ended June 30, 2023              | -   | -                | -      | -                                   | 31   | -                                   | 31       |
| Total comprehensive income / (loss) for the six months period ended June 30, 2023     | -   | -                | -      | -                                   | 31   | (12,094)                            | (12,063) |
| Balance as at June 30, 2023 - Un-audited  | 500,000                                       | 13,824           | 18     | 352,364                             | 268  | (148,645)                           | 717,829  |

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

|   |  |   |  |                                    |   |
|---|--|---|--|------------------------------------|---|
| <br>Lt. Gen (R) Ali Kuli Khan Khattak<br>CHAIRMAN | <br>Gohar Ayub Khan<br>CHIEF EXECUTIVE | <br>Ahmad Kuli Khan Khattak<br>DIRECTOR | <br>Khalid Kuli Khan Khattak<br>DIRECTOR | <br>Amir Raza<br>PRINCIPAL OFFICER | <br>Abdul Waheed Ch.<br>CHIEF FINANCIAL OFFICER |
|---|--|---|--|------------------------------------|---|



**CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

|  | <b>Six months period ended</b> |                      |
|--|--------------------------------|----------------------|
|  | <b>June 30, 2023</b>           | <b>June 30, 2022</b> |
|  | <b>Rupees in thousand</b>      |                      |
| <b>Operating Cash Flows</b>                              |                                |                      |
| <b>a) Underwriting activities</b>                        |                                |                      |
| Insurance premium received                               | 15,323                         | 33,762               |
| Reinsurance premium paid                                 | (3,592)                        | (14,741)             |
| Claims paid  | (2,229)                        | (49,439)             |
| Reinsurance and other recoveries received                | (13,647)                       | 30,000               |
| Commission paid  | (1,139)                        | (5,666)              |
| Commission received                                      | 80                             | 2,272                |
| Management expenses paid                                 | (41,448)                       | (39,353)             |
| <b>Net cash outflows from underwriting activities</b>    | <b>(46,652)</b>                | <b>(43,165)</b>      |
| <b>b) Other operating activities</b>                     |                                |                      |
| Income tax paid  | (1,047)                        | (1,545)              |
| Other operating payments                                 | (4,635)                        | (3,253)              |
| Loan received  | 428                            | 379                  |
| Other receipts - net                                     | 579                            | (559)                |
| <b>Net cash inflows from other operating activities</b>  | <b>(4,675)</b>                 | <b>(4,978)</b>       |
| <b>Total cash outflows from all operating activities</b> | <b>(51,327)</b>                | <b>(48,143)</b>      |
| <b>Investment activities</b>                             |                                |                      |
| Profit / return received                                 | 3,262                          | 2,844                |
| Rental received  | 451                            | 592                  |
| Proceeds from redemption of investments                  | 43,426                         | 35,397               |
| Fixed capital expenditure                                | (1,002)                        | -                    |
| Proceeds from sale of fixed assets                       | 1                              | 68                   |
| <b>Total cash inflows from investing activities</b>      | <b>46,138</b>                  | <b>38,901</b>        |
| <b>Cash flows from financing activities</b>              | <b>-</b>                       | <b>-</b>             |
| <b>Net cash outflows from all activities</b>             | <b>(5,189)</b>                 | <b>(9,242)</b>       |
| Cash and cash equivalents at beginning of the period     | 10,071                         | 13,398               |
| <b>Cash and cash equivalents at end of the period</b>    | <b>4,882</b>                   | <b>4,156</b>         |



## Reconciliation to Condensed Interim Statement of Profit or Loss

|  | <b>Six months period ended</b> |                      |
|--|--------------------------------|----------------------|
|  | <b>June 30, 2022</b>           | <b>June 30, 2021</b> |
| <b>Rupees in thousand</b>                                  |                                |                      |
| Operating cash flows                                       | <b>(51,327)</b>                | (48,143)             |
| Depreciation expense                                       | <b>(1,862)</b>                 | (1,476)              |
| Provision for doubtful insurance / reinsurance receivables | -                              | (3,054)              |
| (Loss) / gain on disposal of fixed assets                  | <b>(17)</b>                    | 22                   |
| Increase /( Decrease) in assets other than cash            | <b>(8,556)</b>                 | 79,728               |
| (Increase) / Decrease in liabilities                       | <b>30,755</b>                  | (81,496)             |
|  | <b>(31,007)</b>                | (54,419)             |
| <b>Other adjustments</b>                                   |                                |                      |
| Profit on investments                                      | <b>5,934</b>                   | 7,308                |
| Share of profit of associates - net                        | <b>9,304</b>                   | 12,875               |
| Change in premium deficiency reserve                       | <b>2,326</b>                   | -                    |
| Rental income  | <b>451</b>                     | 592                  |
| Profit on savings accounts                                 | <b>898</b>                     | 299                  |
|  | <b>18,913</b>                  | 21,074               |
| <b>Loss after taxation</b>                                 | <b>(12,094)</b>                | (33,345)             |

### **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 a day-to-day basis.

### **Cash for the purposes of the Condensed Interim Statement of Cash Flows consists of:**

#### **Cash and cash equivalents**

|                                |     |     |
|--------------------------------|-----|-----|
| Cash-in-hand and policy stamps | 187 | 322 |
|--------------------------------|-----|-----|

#### **Current and other accounts**

|                  |              |       |
|------------------|--------------|-------|
| Current accounts | 4,562        | 3,764 |
| Saving accounts  | 133          | 70    |
|                  | <b>4,695</b> | 3,834 |

#### **Total cash and cash equivalents**

|  |              |       |
|--|--------------|-------|
|  | <b>4,882</b> | 4,156 |
|--|--------------|-------|

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


  
Lt. Gen (R) Ali Kuli Khan Khattak  
CHAIRMAN

  
Gohar Ayub Khan  
CHIEF EXECUTIVE

  
Ahmad Kuli Khan Khattak  
DIRECTOR

  
Khalid Kuli Khan Khattak  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER

  
Abdul Waheed Ch.  
CHIEF FINANCIAL OFFICER



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 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, 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.

These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017. The figures of the condensed interim statement of profit or loss and statement of other comprehensive income for the quarters ended June 30, 2023 and 2022 have not been reviewed by the statutory auditors of the Company as the auditors have reviewed the cumulative figures for the six months period ended June 30, 2023. 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, 2022.

### 3. 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.

### 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:

| <b>Standards, amendments and interpretations</b>            | <b>Effective date<br/>(accounting period<br/>beginning on or after)</b> |
|---|---|
| - IFRS 17, Insurance contracts (yet to be notified by SECP) | January 01, 2023  |
| - IFRS 9, Financial instruments                             | June 30, 2024*  |

\* The Company has opted for 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 relating to temporary exemption from the application of IFRS 9 are given below.

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

|  | June 30, 2023      |  |                    |                      |  |
|--|--------------------|--|--------------------|----------------------|--|
|  | Fail the SPPI test |  | Pass the SPPI test |                      |  |
|  | Fair value         | Change in unrealized gain / (loss) during the period | Carrying value     | Cost less Impairment | Change in unrealized gain / (loss) during the period |
| Rupees in thousands                                |                    |  |                    |                      |  |
| Financial assets                                   |                    |  |                    |                      |  |
| Cash and Bank*                                     | 4,882              | -  | -                  | -                    | -  |
| Investments in associates                          | 372,354            | -  | -                  | -                    | -  |
| Investment in equity securities-available for sale | 19,117             | (3,756)  | -                  | -                    | -  |
| Investment in debt securities-held to maturity*    | -                  | -  | 56,369             | -                    | -  |
| Loan and other receivables*                        | 34,157             | -  | -                  | -                    | -  |
|  | <u>430,510</u>     | <u>(3,756)</u>                                       | <u>56,369</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 which 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.

7. **Property and equipment** - Operating assets

|  | <b>Un-audited<br/>June 30,<br/>2023</b> | Audited<br>Dec. 31,<br>2022 |
|--|---|-----------------------------|
|  | <b>Rupees in thousand</b>               |                             |
| Opening book value   | <b>157,919</b>                          | 155,443                     |
| Additions / revaluation made during the period / year:       |   |                             |
| - furniture and fixture                                      | 29                                      | -                           |
| - office equipment   | 845                                     | -                           |
| - computer equipment   | 128                                     | 36                          |
| - vehicles   | -                                       | 5,711                       |
|  | <b>1,002</b>                            | 5,747                       |
| Book values of assets disposed-off during the period / year: |   |                             |
| - Furniture and fixtures                                     | -                                       | 16                          |
| - Office equipment   | 18                                      | 116                         |
| - computer equipment   | -                                       | 6                           |
| - Motor cycle  | -                                       | 100                         |
|  | <b>18</b>                               | 238                         |
| Depreciation charge for the period / year                    | <b>1,862</b>                            | 3,033                       |
| <b>Closing book value</b>                                    | <b>157,041</b>                          | 157,919                     |

8. **Investments in Associates- Quoted**

**Bannu Woollen Mills Ltd.(BWM)**

|  |              |       |
|--|--------------|-------|
| Carrying value at beginning of the year                                    | <b>2,985</b> | 2,666 |
| 8,940 (2022: 8,940) ordinary shares of Rs. 10 each                         |              |       |
| Share of loss after taxation   | <b>(35)</b>  | (645) |
| Other changes in comprehensive income / (loss)                             | -            | (12)  |
| Share of items directly recognised in equity                               | -            | 32    |
| Share of surplus on revaluation of property,<br>plant and equipment of BWM | -            | 944   |
|  | <b>2,950</b> | 2,985 |
| Less: Impairment   | -            | (711) |
|  | <b>2,950</b> | 2,274 |

8.1 Movement in Impairment

|                    |              |       |
|--------------------|--------------|-------|
| Impairment-Opening | <b>(711)</b> | -     |
| (Reversal)/charge  | 711          | (711) |
| Impairment-Closing | -            | (711) |

**Ghandhara Industries Ltd.(GIL)**

|  |                |         |
|--|----------------|---------|
| Carrying value at beginning of the year                    | <b>360,776</b> | 368,473 |
| 2,368,296 (2022: 2,368,296) ordinary shares of Rs. 10 each |                |         |
| Share of profit after taxation                             | <b>8,628</b>   | (6,888) |
| Other changes in comprehensive loss                        | -              | (809)   |
|  | <b>369,404</b> | 360,776 |
|  | <b>372,354</b> | 363,050 |

8.2 Market values of the Company's investments in BWM and GIL as at June 30, 2023 were Rs. 200 thousand (December 31, 2022: Rs.199 thousand) and Rs. 190.743 million (December 31, 2022: Rs. 257.363 million) respectively.



- 8.3** In order to perform impairment testing of its investments in BWM and GIL under IAS 36, the management based on the share valuation report of M/s. Yasir & Co. Chartered Accountant, has concluded that the carrying value of BWM and GIL does not exceed its recoverable amount. Further, the recoverable amount of investment has been determined using the 'value-in-use' computation which estimates the value per ordinary share by using discounted future cash flows method.

|  | Note | Un-audited         | Audited       |
|--|------|--------------------|---------------|
|  |      | June 30, 2023      | Dec. 31, 2022 |
|  |      | Rupees in thousand |               |
| Available-for-sale investments                   | 9.1  | 551                | 508           |
| Investments at fair value through profit or loss | 9.2  | 18,566             | 59,426        |
|  |      | <u>19,117</u>      | <u>59,934</u> |

**9.1 Available-for-sale investments**

|  | No. of shares / units as at June 30, 2023 | June 30, 2023                    |                                |                | No. of shares / units as at Dec. 31, 2022 | December 31, 2022 |                                |                |
|--|---|----------------------------------|--------------------------------|----------------|---|-------------------|--------------------------------|----------------|
|  |   | Cost                             | Unrealised gain / (impairment) | Carrying value |   | Cost              | Unrealised gain / (impairment) | Carrying value |
|  |   | ----- (Rupees in thousand) ----- |                                |                |   |                   |                                |                |
| <b>Listed shares</b>                   |   |                                  |                                |                |   |                   |                                |                |
| Hamid Textile Mills Ltd.               | 49000                                     | 490                              | (490)                          | -              | 49000                                     | 490               | (490)                          | -              |
| Pakistan National Shipping Corporation | 888                                       | 24                               | 94                             | 118            | 888                                       | 24                | 66                             | 90             |
| <b>Mutual fund</b>                     |   |                                  |                                |                |   |                   |                                |                |
| JS Growth Fund                         | 2968                                      | 135                              | 298                            | 433            | 2968                                      | 135               | 283                            | 418            |
|  |   | <u>649</u>                       | <u>(98)</u>                    | <u>551</u>     |   | <u>649</u>        | <u>(141)</u>                   | <u>508</u>     |

**9.2 Investments at fair value through profit or loss**

| Mutual funds                   | No. of units | Cost                             | Un-                    | Carrying       |
|--------------------------------|--------------|----------------------------------|------------------------|----------------|
|                                |              |                                  | realised (loss) / gain | and fair value |
| <b>June 30, 2023</b>           |              | ----- (Rupees in thousand) ----- |                        |                |
| HBL Growth and Cash Fund       | 13,996       | 520                              | (322)                  | 198            |
| NBP Islamic Mahana Amdani Fund | 1,817,580    | 18,253                           | 115                    | 18,368         |
|                                |              | <u>18,773</u>                    | <u>(207)</u>           | <u>18,566</u>  |
| <b>December 31, 2022</b>       |              |                                  |                        |                |
| HBL Growth and Cash Fund       | 13,984       | 520                              | (337)                  | 183            |
| NBP Islamic Mahana Amdani Fund | 5,509,806    | 55,314                           | 3,929                  | 59,243         |
|                                |              | <u>55,834</u>                    | <u>3,592</u>           | <u>59,426</u>  |

**10. Investments in debt securities (Held to maturity)**

|   | No. of certificates |               | Face value    | Value of certificates |               |
|---|---------------------|---------------|---------------|-----------------------|---------------|
|   | Un-audited          | Audited       |               | Un-audited            | Audited       |
|   | June 30, 2023       | Dec. 31, 2022 |               | June 30, 2023         | Dec. 31, 2022 |
| ----- (Rupees in thousand) -----                              |                     |               |               |                       |               |
| Pakistan Investment Bonds - PIBs (including accrued interest) | <u>6</u>            | <u>6</u>      | <u>59,500</u> | <u>56,369</u>         | <u>55,363</u> |

- 10.1** Investments in PIBs have been made to meet the statutory requirements of section 29(2)(a) of the Insurance Ordinance, 2000.



|   | <b>Un-audited<br/>June 30,<br/>2023</b> | <b>Audited<br/>Dec. 31,<br/>2022</b> |
|---|---|--------------------------------------|
|   | <b>Rupees in thousand</b>               |                                      |
| <b>11. Insurance / reinsurance receivables</b>  |   |                                      |
| Unsecured and considered good   |   |                                      |
| Due from insurance contract holders   | <b>26,253</b>                           | 35,005                               |
| Less: provision for impairment of receivables from insurance contract holders   | <b>(26,253)</b>                         | (35,005)                             |
| Due from other insurers   | <b>103,284</b>                          | 103,284                              |
| Due from reinsurers   | <b>83,797</b>                           | 100,852                              |
| Less: provision for impairment of due from other insurers / reinsurers  | <b>(120,896)</b>                        | (120,897)                            |
|   | <b>66,185</b>                           | 83,239                               |
|   | <b>66,185</b>                           | 83,239                               |
| <b>11.1</b> The balances as at June 30, 2023 relating to insurance / reinsurance receivables and payables are, although unconfirmed but considered to be accurately stated by the management. |   |                                      |
| <b>11.2</b> No balance was due from Associated Companies as at June 30, 2023 and December 31, 2022.   |   |                                      |
|   | <b>Un-audited<br/>June 30,<br/>2023</b> | <b>Audited<br/>Dec. 31,<br/>2022</b> |
|   | <b>Rupees in thousand</b>               |                                      |
| <b>12. Deferred taxation - net</b>  |   |                                      |
| This is composed of the following:  |   |                                      |
| <b>Taxable temporary differences arising in respect of:</b>   |   |                                      |
| - accelerated tax depreciation allowances   | 1,790                                   | 1,783                                |
| - surplus on revaluation of buildings   | 11,444                                  | 11,615                               |
| - surplus on revaluation of investment property   | 7,105                                   | 7,105                                |
|   | <b>20,339</b>                           | 20,503                               |
| <b>Deductible temporary differences arising in respect of:</b>  |   |                                      |
| - unused tax losses   | 77,552                                  | 68,707                               |
| - provision for doubtful insurance / reinsurance receivables and others   | 43,063                                  | 45,602                               |
| - employee's retirement benefits  | 772                                     | 1,295                                |
|   | <b>121,387</b>                          | 115,604                              |
|   | <b>101,048</b>                          | 95,101                               |
| <b>13. Prepayments</b>  |   |                                      |
| Prepaid reinsurance premium ceded   | 1,089                                   | 11,370                               |
| Others  | 1,176                                   | 1,080                                |
|   | <b>2,265</b>                            | 12,450                               |
| <b>14. Cash and bank balances</b>   |   |                                      |
| <b>Cash and cash equivalents</b>  |   |                                      |
| Cash-in-hand  | 187                                     | -                                    |
| <b>Cash at commercial banks</b>   |   |                                      |
| - Current accounts  | 4,562                                   | 4,643                                |
| - Savings accounts  | 133                                     | 5,428                                |
|   | 4,695                                   | 10,071                               |
| <b>Deposits maturing within 12 months</b>   |   |                                      |
| Term deposit receipts   | 855                                     | 855                                  |
| Provision for impairment  | (855)                                   | (855)                                |
|   | -                                       | -                                    |
|   | <b>4,882</b>                            | 10,071                               |



## 15. Contingencies and commitments

15.1 There has been no significant change in the status of contingencies as disclosed in notes 22.1 to 22.13 of the Company's annual audited financial statements for the year ended December 31, 2022 except for the following:

15.2 The plaintiff M/s Toyota Capital Motors filed suit for recovery for Rs. 1.197million against the Company before Civil Judge, Islamabad. During last year, the Company entered into a compromise settlement with the plaintiff for an amount of Rs.0.750million and accordingly, during the current period, the Honorable Civil judge, in view of joint statement of the parties regarding aforementioned settlement, has dismissed the suit being withdrawn.

15.3 No commitments were outstanding as at June 30, 2023 and December 31, 2022.

## 16. Net insurance premium

|   | Three month period ended |                 | Six month period ended |                 |
|---|--------------------------|-----------------|------------------------|-----------------|
|   | June 30<br>2023          | June 30<br>2022 | June 30<br>2023        | June 30<br>2022 |
|   | Unaudited                | Unaudited       | Unaudited              | Unaudited       |
| ----- (Rupees in thousand) -----          |                          |                 |                        |                 |
| Written gross premium                     | 12,390                   | 20,259          | 15,323                 | 33,762          |
| Add: unearned premium reserve opening     | 17,883                   | 35,305          | 34,477                 | 48,384          |
| Less: unearned premium reserve closing    | 6,904                    | 20,528          | 6,904                  | 20,528          |
| Premium earned                            | 23,369                   | 35,036          | 42,896                 | 61,618          |
| Less: reinsurance premium ceded           | 533                      | 4,849           | 3,592                  | 14,741          |
| Add: prepaid reinsurance premium opening  | 7,607                    | 16,505          | 11,370                 | 18,278          |
| Less: prepaid reinsurance premium closing | 1,089                    | 6,187           | 1,089                  | 6,187           |
| Reinsurance expense                       | 7,051                    | 15,167          | 13,873                 | 26,832          |
|   | <b>16,318</b>            | <b>19,869</b>   | <b>29,023</b>          | <b>34,786</b>   |

## 17. Net insurance claims expense

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Claims paid   | 1,277         | 14,746        | 2,229         | 49,439        |
| Add: outstanding claims including IBNR closing                                  | 97,430        | 171,338       | 97,430        | 171,338       |
| Less: outstanding claims including IBNR opening                                 | 84,152        | 168,376       | 84,091        | 46,833        |
| Claims expense  | 14,555        | 17,708        | 15,568        | 173,944       |
| Less: reinsurance and other recoveries received                                 | -             | 5,994         | (13,647)      | 30,000        |
| Add: reinsurance and other recoveries in respect of outstanding claims closing  | 38,098        | 127,195       | 38,098        | 127,195       |
| Less: reinsurance and other recoveries in respect of outstanding claims opening | 35,367        | 128,693       | 21,717        | 37,433        |
| Reinsurance and other recoveries revenue  | 2,731         | 4,496         | 2,734         | 119,762       |
|   | <b>11,824</b> | <b>13,212</b> | <b>12,834</b> | <b>54,182</b> |

## 18. Net commission expense

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Commission paid or payable                    | 1,280        | 2,715        | 1,630        | 5,243        |
| Add: deferred commission expense opening      | 2,695        | 5,630        | 5,154        | 7,254        |
| Less: deferred commission expense closing     | 851          | 2,897        | 851          | 2,897        |
| Net commission                                | 3,124        | 5,448        | 5,933        | 9,600        |
| Less: commission received or recoverable      | 80           | 776          | 80           | 2,272        |
| Add: unearned reinsurance commission opening  | 1,252        | 2,820        | 2,380        | 3,337        |
| Less: unearned reinsurance commission closing | 180          | 1,074        | 180          | 1,074        |
| Commission from reinsurers                    | 1,152        | 2,522        | 2,280        | 4,535        |
|   | <b>1,972</b> | <b>2,926</b> | <b>3,653</b> | <b>5,065</b> |



## 19. Management expenses

|   | Three month period ended |                 | Six month period ended |                 |
|---|--------------------------|-----------------|------------------------|-----------------|
|   | June 30<br>2023          | June 30<br>2022 | June 30<br>2023        | June 30<br>2022 |
|   | Unaudited                | Unaudited       | Unaudited              | Unaudited       |
| ----- Rupees in thousand -----                                |                          |                 |                        |                 |
| Employees' benefit cost                                       | 15,019                   | 16,855          | 29,884                 | 29,840          |
| Travelling  | 227                      | 147             | 370                    | 368             |
| Advertisements and business promotion                         | 100                      | 68              | 100                    | 68              |
| Printing and stationery                                       | 309                      | 230             | 348                    | 287             |
| Depreciation  | 941                      | 742             | 1,862                  | 1,476           |
| Rent, rates and taxes   | 114                      | 108             | 304                    | 289             |
| Legal and professional charges - business related             | 600                      | 521             | 1,938                  | 904             |
| Electricity, gas and water                                    | 1,181                    | 1,092           | 1,992                  | 1,964           |
| Entertainment   | 262                      | 159             | 488                    | 470             |
| Vehicles' running   | 3,075                    | 1,928           | 5,459                  | 3,845           |
| Office repairs and maintenance                                | 180                      | 123             | 260                    | 198             |
| Bank charges  | 16                       | 17              | 26                     | 44              |
| Postage, telegrams and telephone                              | 353                      | 312             | 697                    | 622             |
| Annual supervision fee SECP                                   | 25                       | 25              | 50                     | 50              |
| Provision for doubtful insurance /<br>reinsurance receivables | -                        | 1,534           | -                      | 3,054           |
| Miscellaneous   | 89                       | 120             | 195                    | 225             |
|   | <b>22,491</b>            | <b>23,981</b>   | <b>43,973</b>          | <b>43,704</b>   |

## 20. Income on investments

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| <b>Income from equity securities</b> (available-for-sale)                          |                |                |                |                |
| - Dividend income  | 2,449          | 6,485          | 2,453          | 6,485          |
| - Realized gain on investments at<br>fair value through profit or loss             | 1,215          | 1,560          | 3,912          | 2,185          |
| <b>Income from debt securities</b> (held to maturity)                              |                |                |                |                |
| - Return on fixed income securities and deposits                                   | 1,693          | 1,396          | 3,368          | 2,777          |
| <b>Net unrealised loss on investments at<br/>fair value through profit or loss</b> | <b>(2,688)</b> | <b>(5,598)</b> | <b>(3,799)</b> | <b>(4,139)</b> |
|  | <b>2,669</b>   | <b>3,843</b>   | <b>5,934</b>   | <b>7,308</b>   |

## 21. Other income

### Income from financial assets

Profit on savings accounts 606 160 898 299

### Income from non-financial assets

Gain on disposal of fixed assets - 22 - 22

**606 182 898 321**

## 22. Other expenses

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Legal & professional fees other than business related | 60           | 110          | 1560         | 596          |
| Auditors' remuneration                                | 571          | 547          | 765          | 716          |
| Subscription  | 195          | 196          | 421          | 412          |
| Insurance   | 568          | 415          | 1,039        | 764          |
| Office expenses                                       | 120          | 250          | 244          | 343          |
| Repair and maintenance of computer equipment          | 67           | 26           | 133          | 76           |
| Loss on disposal of fixed assets                      | -            | -            | 17           | -            |
| Others  | 101          | 78           | 236          | 213          |
|   | <b>1,682</b> | <b>1,622</b> | <b>4,415</b> | <b>3,120</b> |



### 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 period of six months ended are as follows:

|   |                               | June 30,<br>2023          | June 30,<br>2022 |
|---|-------------------------------|---------------------------|------------------|
| <b>i) Associated Companies due to common directorship</b> | <b>Nature of transaction</b>  | <b>Rupees In thousand</b> |                  |
| Janana De Malucho Textile Mills Ltd.                      | Salaries & benefits paid      | 1,184                     | 1,141            |
|   | Expenses paid                 | 120                       | 120              |
|   | Salaries & benefits recovered | 775                       | -                |
| Bannu Woolen Mills Ltd                                    | Salaries & benefits recovered | 775                       | -                |
| Ghandhara Nissan Ltd                                      | Salaries & benefits recovered | 775                       | -                |
| Ghandhara Industries Ltd                                  | Salaries & benefits recovered | 775                       | -                |
| Rehman Cotton Mills Ltd                                   | Salaries & benefits recovered | 775                       | -                |
| <b>ii) Key management personnel</b>                       |                               |                           |                  |
| Salary and other employment benefits                      |                               | 19,898                    | 19,245           |
| <b>Period end balances</b>                                |                               |                           |                  |
| Contribution to provident fund - payable                  |                               | -                         | 369              |
| Loan - receivable   |                               | 200                       | 800              |

### 24. Segment Information

Six months period ended June 30, 2023

|   | Fire and<br>property<br>damage   | Marine<br>and<br>transport | Motor    | Others  | Total    |
|---|----------------------------------|----------------------------|----------|---------|----------|
|   | ----- (Rupees in thousand) ----- |                            |          |         |          |
| Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge) | -                                | 2,662                      | 13,260   | 89      | 16,011   |
| Less: Federal excise duty   | -                                | 304                        | 324      | 12      | 640      |
| Federal insurance fee   | -                                | 23                         | 24       | 1       | 48       |
| Gross written premium (inclusive of administrative surcharge)   | -                                | 2,335                      | 12,912   | 76      | 15,323   |
| Gross direct premium  | -                                | 2,305                      | 2,339    | 75      | 4,719    |
| Facultative inward premium  | -                                | -                          | 10,482   | -       | 10,482   |
| Administrative surcharge  | -                                | 30                         | 90       | 2       | 122      |
|   | -                                | 2,335                      | 12,911   | 77      | 15,323   |
| Insurance premium earned  | 13,666                           | 2,056                      | 25,227   | 1,947   | 42,896   |
| Insurance premium ceded to reinsurers   | 11,972                           | 502                        | 227      | 1,172   | 13,873   |
| Net insurance premium   | 1,694                            | 1,554                      | 25,000   | 775     | 29,023   |
| Commission income   | 2,010                            | 83                         | -        | 187     | 2,280    |
| Net underwriting income   | 3,704                            | 1,637                      | 25,000   | 962     | 31,303   |
| Insurance claims  | 9,774                            | 2,694                      | 6,287    | (3,187) | 15,568   |
| Insurance claims recovered from reinsurers  | 6,035                            | 750                        | -        | (4,051) | 2,734    |
| Net claims  | 3,739                            | 1,944                      | 6,287    | 864     | 12,834   |
| Commission expense  | 2,778                            | 306                        | 2,550    | 299     | 5,933    |
| Management expenses   | -                                | 6,701                      | 37,051   | 221     | 43,973   |
| Premium deficiency expense  | (3,582)                          | (8)                        | 1,374    | (110)   | (2,326)  |
| Net insurance claims and expenses   | 2,935                            | 8,943                      | 47,262   | 1,274   | 60,414   |
| Underwriting result   | 769                              | (7,306)                    | (22,262) | (312)   | (29,111) |
| Net income on investments   |                                  |                            |          |         | 5,934    |
| Rental income   |                                  |                            |          |         | 451      |
| Other income  |                                  |                            |          |         | 898      |
| Other expenses  |                                  |                            |          |         | (4,415)  |
| Share of profit of associates - net   |                                  |                            |          |         | 9,304    |
| Loss before taxation  |                                  |                            |          |         | (16,939) |
| As at June 30, 2023 (Un-audited)  |                                  |                            |          |         |          |
| Segment assets  | 80,526                           | 16,711                     | 2,530    | 6,456   | 106,223  |
| Unallocated assets  |                                  |                            |          |         | 796,993  |
|   |                                  |                            |          |         | 903,216  |
| Segment liabilities   | 95,343                           | 12,971                     | 56,865   | 10,295  | 175,474  |
| Unallocated liabilities   |                                  |                            |          |         | 9,913    |
|   |                                  |                            |          |         | 185,387  |



Six months period ended June 30, 2022

|   | Fire and property damage         | Marine and transport | Motor   | Others | Total    |
|---|----------------------------------|----------------------|---------|--------|----------|
|   | ----- (Rupees in thousand) ----- |                      |         |        |          |
| Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge) | 12,491                           | 8,207                | 13,629  | 77     | 34,404   |
| Less: Federal excise duty   | -                                | 362                  | 233     | 2      | 597      |
| Federal insurance fee   | -                                | 28                   | 17      | -      | 45       |
| Gross written premium (inclusive of administrative surcharge)   | 12,491                           | 7,817                | 13,379  | 75     | 33,762   |
| Gross direct premium  | -                                | 2,744                | 1,634   | 14     | 4,392    |
| Facultative inward premium  | 12,491                           | 5,034                | 11,676  | 60     | 29,261   |
| Administrative surcharge  | -                                | 39                   | 69      | 1      | 109      |
|   | 12,491                           | 7,817                | 13,379  | 75     | 33,762   |
| Insurance premium earned  | 23,610                           | 7,738                | 25,605  | 4,665  | 61,618   |
| Insurance premium ceded to reinsurers   | 19,022                           | 4,580                | 421     | 2,809  | 26,832   |
| Net insurance premium   | 4,588                            | 3,158                | 25,184  | 1,856  | 34,786   |
| Commission income   | 3,329                            | 749                  | -       | 457    | 4,535    |
| Net underwriting income   | 7,917                            | 3,907                | 25,184  | 2,313  | 39,321   |
| Insurance claims  | 155,031                          | 2,239                | 14,420  | 2,254  | 173,944  |
| Insurance claims recovered from reinsurers  | 116,700                          | 1,380                | -       | 1,682  | 119,762  |
| Net claims  | 38,331                           | 859                  | 14,420  | 572    | 54,182   |
| Commission expense  | 4,686                            | 1,387                | 2,755   | 772    | 9,600    |
| Management expenses   | 16,169                           | 10,119               | 17,319  | 97     | 43,704   |
| Net insurance claims and expenses   | 59,186                           | 12,365               | 34,494  | 1,441  | 107,486  |
| Underwriting result   | (51,269)                         | (8,458)              | (9,310) | 872    | (68,165) |
| Net loss on investments   |                                  |                      |         |        | 7,308    |
| Rental income   |                                  |                      |         |        | 592      |
| Other income  |                                  |                      |         |        | 321      |
| Other expenses  |                                  |                      |         |        | (3,120)  |
| Share of loss of associates - net   |                                  |                      |         |        | 12,875   |
| Loss before taxation  |                                  |                      |         |        | (50,189) |
| 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.

| 30 June, 2023  |                |                            |                  |                        |                           |                             |         |                      |         |         |        |
|--|----------------|----------------------------|------------------|------------------------|---------------------------|-----------------------------|---------|----------------------|---------|---------|--------|
| 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 -----                             |                |                            |                  |                        |                           |                             |         |                      |         |         |        |
| <b>Financial assets - measured at fair value</b>           |                |                            |                  |                        |                           |                             |         |                      |         |         |        |
| Equity share - Quoted                                      | 9.1            | 118                        | -                | -                      | -                         | -                           | 118     | 118                  | -       | -       | 118    |
| Mutual funds - JS Growth fund                              | 9.1            | 433                        | -                | -                      | -                         | -                           | 433     | 433                  | -       | -       | 433    |
| Mutual funds   | 9.2            | 18,566                     | -                | -                      | -                         | -                           | 18,566  | 18,566               | -       | -       | 18,566 |
| <b>Financial assets - not measured at fair value*</b>      |                |                            |                  |                        |                           |                             |         |                      |         |         |        |
| Debt securities  | 10             | -                          | 56,369           | -                      | -                         | -                           | 56,369  | -                    | 56,369  | -       | 56,369 |
| Loans and other receivables                                |                | -                          | -                | 34,157                 | -                         | -                           | 34,157  | -                    | -       | -       | -      |
| Insurance / reinsurance receivables                        | 11             | -                          | -                | 66,185                 | -                         | -                           | 66,185  | -                    | -       | -       | -      |
| Reinsurance recoveries against outstanding claims          |                | -                          | -                | 38,098                 | -                         | -                           | 38,098  | -                    | -       | -       | -      |
| Prepayments  | 13             | -                          | -                | 2,265                  | -                         | -                           | 2,265   | -                    | -       | -       | -      |
| Cash and bank  | 14             | -                          | -                | -                      | 4,882                     | -                           | 4,882   | -                    | -       | -       | -      |
|  |                | 19,117                     | 56,369           | 140,705                | 4,882                     | -                           | 221,073 | 19,117               | 56,369  | -       | 75,486 |
| <b>Financial liabilities - not measured at fair value*</b> |                |                            |                  |                        |                           |                             |         |                      |         |         |        |
| <b>Underwriting provisions:</b>                            |                |                            |                  |                        |                           |                             |         |                      |         |         |        |
| Outstanding claims (including IBNR)                        |                | -                          | -                | -                      | -                         | 97,430                      | -       | -                    | -       | -       | -      |
| Long term deposits   |                | -                          | -                | -                      | -                         | 102                         | -       | -                    | -       | -       | -      |
| Insurance / reinsurance payables                           | 11.1           | -                          | -                | -                      | -                         | 69,442                      | -       | -                    | -       | -       | -      |
| Unclaimed dividend   |                | -                          | -                | -                      | -                         | 555                         | -       | -                    | -       | -       | -      |
| Other creditors and accruals                               |                | -                          | -                | -                      | -                         | 9,256                       | -       | -                    | -       | -       | -      |
|  |                | -                          | -                | -                      | -                         | 176,785                     | -       | -                    | -       | -       | -      |

\* 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 value.





| 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 |

----- Rupees in thousand -----

**Financial assets - measured at fair value**

|                               |     |        |   |   |   |   |        |        |   |   |        |
|-------------------------------|-----|--------|---|---|---|---|--------|--------|---|---|--------|
| Equity share - Qouted         | 9.1 | 90     | - | - | - | - | 90     | 90     | - | - | 90     |
| Mutual funds - JS Growth fund | 9.1 | 418    | - | - | - | - | 418    | 418    | - | - | 418    |
| Mutual funds                  | 9.2 | 59,426 | - | - | - | - | 59,426 | 59,426 | - | - | 59,426 |

**Financial assets - not measured at fair value\***

|   |    |        |        |         |        |   |         |        |        |   |         |
|---|----|--------|--------|---------|--------|---|---------|--------|--------|---|---------|
| Debt securities                                   | 10 | -      | 55,363 | -       | -      | - | 55,363  | -      | 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 | 59,934 | 55,363 | - | 115,297 |

**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 value.

**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, whereas, condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

**27. Date of authorisation for issue**

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on August 28, 2023.

  
Lt. Gen (R) Ali Kuli Khan Khattak  
CHAIRMAN

  
Gohar Ayub Khan  
CHIEF EXECUTIVE

  
Ahmad Kuli Khan Khattak  
DIRECTOR

  
Khalid Kuli Khan Khattak  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER

  
Abdul Waheed Ch.  
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