



alpha

Insurance Company Limited

A subsidiary of State Life Insurance Corporation of Pakistan

## **FINANCIAL STATEMENTS**

(Unaudited)

**1st Quarter ended March 31, 2021.**

# ALPHA INSURANCE COMPANY LTD

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# ALPHA INSURANCE COMPANY LTD

## *Company Information*

### **Board of Directors**

**Chairman** : Ms. Nargis Ghaloo

**Directors** : Mr. Muhammad Izqar Khan

Mr. Muhammad Yahya

Mr. Muhammad Rashid

Mr. Faisal Mumtaz

Mr. Mushtaq Ahmad

Mr. Muhammad Sohaib Usmani

**Chief Executive Officer** : Mr. Nadeem Bessey

**Chief Financial Officer & Company Secretary** : Mr. Faraz Ahmed

**Registered Officer** : 4th Floor, State Life Building No. 1-B,  
State Life Square, I.I. Chundrigar Road,  
Karachi.

Tel. : 32416041 - 45

Fax : 32419968, 32422478

E-mail : [info@alphainsurance.com.pk](mailto:info@alphainsurance.com.pk)

Website : [www.alphainsurance.com.pk](http://www.alphainsurance.com.pk)

## Directors' Review

We are presenting the unaudited interim condensed financial statements of the Company for three months ended on March 31, 2021.

### Business Overview:

The summarized results for Three months are as follows:

	March 31,	
	2021	2020
	----- (Rupees) -----	
Premium Written	30,268,860	19,095,841
Net premium revenue	20,140,680	15,146,238
Management expenses	18,970,337	18,821,233
Underwriting profit / (loss)	(8,534,969)	(17,907,275)
Net investment income	7,672,662	(14,388,002)
Other income	905,901	2,023,740
Profit / (loss) before tax	(1,624,313)	(31,286,771)
Profit / (loss) after tax	(502,691)	(25,969,788)
Earning per share (EPS)	(0.01)	(0.52)

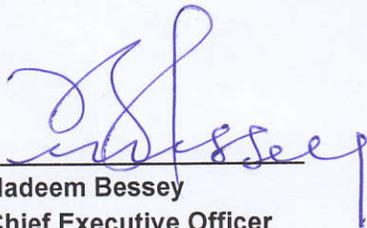
During the three months period ending on March 31, 2021 inspite of continued adverse effect of COVID-19 the company managed a significant growth. In comparison from the corresponding period of last year, the Gross premium increased by 59 percent which increased to Rs. 30 million from Rs. 19 million. Similarly, the net premium also increased to Rs. 20 million from Rs. 15 million registering a growth of 33 percent.

The above growth is the result of the successful efforts made by the management during the last two years to add new business distribution channels in the company. It may be noted that the net premium revenue surpassed the management expenses of the company which is an encouraging development.

The underwriting results showed a loss due to the fact that the company is still to reach the necessary volume of business to cover its management and claim expenses.

The business results of first quarter- 2021 indicate that the company has gone into growth phase after going through stabilization phase. If the economics conditions remain normal the company is expected to achieve outstanding business results during the year.

In the end our Board would like to thank our valued clients/customers, shareholders, the Securities and Exchange Commission of Pakistan, the Management and the staff for their continuous trust, support and hard work.



Nadeem Bessey  
Chief Executive Officer

Karachi : May 26, 2021



Muhammad Sohaib Usmani  
Director

## ڈائریکٹرز کا جائزہ

31 مارچ 2021ء کے ختم شدہ تین ماہ کیلئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے آپ کے پیش نظر ہیں۔

### کمپنی کی کارکردگی

زیر جائزہ سہ ماہی کیلئے مختصراً نتائج مندرجہ ذیل ہیں

#### 31 مارچ

2020ء	2021ء	
-----	-----	روپے
19,095,841	30,268,860	خام پریمیوم
15,146,238	20,140,680	خالص پریمیوم آمدنی
18,821,233	18,970,337	انتظامی اخراجات
(17,907,275)	(8,534,969)	انڈر رائٹنگ نقصان
(14,388,002)	7,672,662	سرمایہ کاری کی آمدنی
2,023,740	905,901	دیگر آمدنی
(31,286,771)	(1,624,313)	نقصان قبل از ٹیکس
(25,969,788)	(502,691)	نقصان بعد از ٹیکس
(0.52)	(0.01)	بنیادی منافع فی شیئر (EPS)

31 مارچ، 2021 کو ختم ہونے والے تین ماہ کی مدت کے دوران، کووڈ-19 کے مسلسل منفی اثرات کے باوجود کمپنی نے برنس کی خاص نمونہ کو حاصل کیا۔ گذشتہ سال کے اسی عرصے کے مقابلے میں، مجموعی پریمیوم میں 59 فیصد اضافہ کے ساتھ 19 ملین روپے سے بڑھ کر 30 ملین روپے ہو گیا۔ اسی طرح، خالص پریمیوم 33 فیصد اضافہ کے ساتھ 15 ملین روپے سے بڑھ کر 20 ملین روپے ہو گیا۔

متذکرہ بالا نمونہ، بینجمنٹ کی گزشتہ دو سال کی محنت کا پھل ہے، جس کے باعث کمپنی کے ڈسٹری بیوشن چینلز میں اضافہ کیا گیا۔ یہاں یہ بات بھی قابل ذکر ہے کہ کمپنی کا خالص ریونیو پریمیوم، بینجمنٹ اخراجات سے تجاوز کر گیا جو کہ ایک حوصلہ افزاء پیش رفت ہے۔

انڈر رائٹنگ کے نتائج منفی رہے جس کی وجہ یہ ہے کہ کمپنی ابھی وہ کاروباری حجم حاصل نہیں کر پائی کہ جہاں بینجمنٹ اور کلیم اخراجات پورے کر سکے۔

2021 کی پہلی سہ ماہی کے مالیاتی نتائج سے ظاہر ہوتا ہے کہ کمپنی اب استحکام کے مرحلے سے آگے بڑھ کر نمونہ کے مرحلے میں داخل ہو گئی ہے۔ اگر معاشی صورت حال نارمل رہتی ہے تو توقع ہے کہ سال کے دارن کمپنی غیر معمولی کاروباری نتائج حاصل کرنے میں کامیاب رہے گی۔

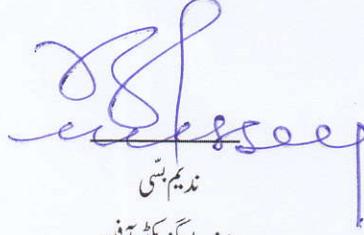
آخر میں ہمارا بورڈ اپنے کلائنٹس، کسٹمرز، شیئر ہولڈرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، انتظامیہ اور اسٹاف کا ان کے مسلسل بھروسہ، تعاون اور انتھک محنت کیلئے شکر

گزار ہے۔



محمد صہیب عثمانی

ڈائریکٹر



ندیم ہتھی

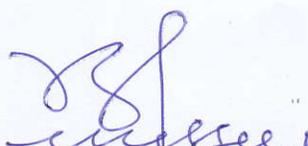
چیف ایگزیکٹو آفیسر

کراچی: بدھ 26 مئی 2021ء

Alpha Insurance Company Limited  
 Condensed Interim Statement of Financial Position (Unaudited)  
 As at March 31, 2021

	Notes	(Unaudited) March 31, 2021	(Audited) December 31, 2020
(Rupees)			
<b>Assets</b>			
Property and equipment	7	14,720,272	16,062,921
Investments			
Equity securities	8	208,422,864	223,053,525
Debt securities	9	518,621,755	531,595,948
Loans and other receivables	10	2,695,625	8,483,776
Insurance / Reinsurance receivables	11	38,047,427	26,126,107
Reinsurance recoveries against outstanding claims	22	113,203,421	120,357,112
Salvage recoveries accrued		15,882	7,882
Deferred Commission Expense / Acquisition cost	23	7,605,171	7,434,266
Staff retirement benefits		1,180,437	1,180,437
Deferred taxation	12	15,788,683	9,736,170
Taxation - payment less provisions	13	76,484,985	75,847,643
Prepayments	14	16,642,263	16,653,665
Cash and bank	15	43,177,459	46,387,469
<b>Total assets</b>		<b>1,056,606,244</b>	<b>1,082,926,921</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Authorised share capital: [51,000,000 (December 31, 2020: 51,000,000) Ordinary shares of Rs. 10 each]		510,000,000	510,000,000
Issued, subscribed and paid-up capital [50,000,000 (2020: 50,000,000) Ordinary shares of Rs. 10 each]		500,000,000	500,000,000
Reserves		88,937,188	97,536,846
Unappropriated profit		102,078,509	102,581,200
<b>Total equity</b>		<b>691,015,697</b>	<b>700,118,046</b>
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	22	199,354,847	216,107,225
Unearned premium reserves	21	42,479,018	41,115,050
Premium deficiency reserves	16	878,323	1,262,740
Unearned reinsurance commission	23	205,834	234,162
Lease Liabilities	17	11,022,385	11,830,644
Premium received in advance		3,119,234	5,828,942
Reinsurance / Co-Insurance payables	18	38,636,200	37,807,462
Other creditors and accruals	19	69,894,706	68,622,651
<b>Total liabilities</b>		<b>365,590,547</b>	<b>382,808,876</b>
<b>Total equity and liabilities</b>		<b>1,056,606,244</b>	<b>1,082,926,922</b>
<b>Contingencies and commitments</b>	20		

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Chairperson

  
 Director

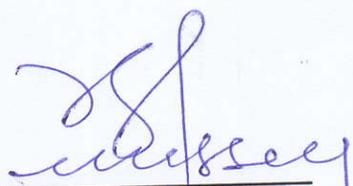
  
 Director

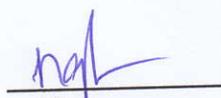


**Alpha Insurance Company Limited**  
**Condensed Interim Profit and Loss Account (Unaudited)**  
*For the three months period ended March 31, 2021*

	Notes	March 31, 2021	March 31, 2020
		----- (Rupees) -----	
Net insurance premium	21	20,140,680	15,146,238
Net insurance claims	22	(5,045,620)	(9,653,578)
Premium Deficiency	16	384,417	2,040,848
Net commission and other acquisition cost	23	(5,044,109)	(6,619,550)
Insurance claims and acquisition expenses		(9,705,312)	(14,232,280)
Management expenses	24	(18,970,337)	(18,821,233)
Underwriting results		(8,534,969)	(17,907,275)
Investment income	25	7,672,662	(14,388,002)
Other income	26	905,901	2,023,740
Other expenses	27	(1,222,902)	(425,000)
		7,355,661	(12,789,262)
<b>Results of operating activities</b>		(1,179,308)	(30,696,537)
Finance cost	17	(445,005)	(590,234)
<b>Profit / (loss) before tax</b>		(1,624,313)	(31,286,771)
Provision for taxation - current		(1,418,355)	(417,027)
- deferred		2,539,977	5,734,010
		1,121,622	5,316,983
<b>Profit / (loss) after tax</b>		(502,691)	(25,969,788)
<b>Earnings per share</b>	28	(0.01)	(0.52)

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Chairperson

  
 Director

  
 Director



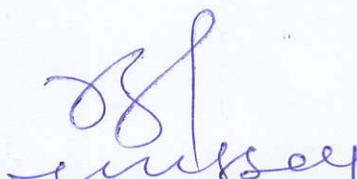
# Alpha Insurance Company Limited

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months period ended March 31, 2021

	March 31, 2021 ----- (Rupees) -----	March 31, 2020 -----
<b>Profit / (loss) after taxation</b>	<b>(502,691)</b>	<b>(25,969,788)</b>
<b>Other comprehensive income for the period</b>		
Unrealised (loss) / gain on revaluation of available-for-sale investments	<b>(12,112,194)</b>	<b>(30,062,453)</b>
Reclassification adjustment relating to available-for-sale investment gain/(loss) transferred to profit & loss on disposal	-	-
<b>Total unrealized (loss) / gain on available-for-sale investment</b>	<b>(12,112,194)</b>	<b>(30,062,453)</b>
Deferred tax on available-for-sale investment	<b>3,512,536</b>	<b>8,718,111</b>
	<b>(8,599,658)</b>	<b>(21,344,342)</b>
<b>Total comprehensive income for the period</b>	<b>(9,102,349)</b>	<b>(47,314,130)</b>

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

  
 \_\_\_\_\_  
 Chief Executive Officer

  
 \_\_\_\_\_  
 Chairperson

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director



Alpha Insurance Company Limited  
 Condensed Interim Cash Flow Statement (Unaudited)  
 For the three months period ended March 31, 2021

	March 31, 2021	March 31, 2020
	----- (Rupees) -----	
<b>OPERATING ACTIVITIES</b>		
<b>Underwriting activities</b>		
Premiums received	22,824,513	12,218,959
Reinsurance premiums paid	(15,370,598)	(1,313,229)
Claims paid	(20,652,548)	(5,004,933)
Reinsurance and other recoveries received	6,008,242	151
Commission paid	(4,151,988)	(3,846,597)
Commission received	85,796	16,559
Management Expenses paid	(17,610,283)	(19,395,363)
<b>Net cash (used in) underwriting activities</b>	<b>(28,866,867)</b>	<b>(17,324,453)</b>
<b>Other operating activities</b>		
Income tax paid	(2,055,696)	(3,094,878)
Operating payments	(498,599)	(1,626,815)
Operating receipts	-	-
Loans advanced	(23,836)	(412,181)
<b>Net cash used in other operating activities</b>	<b>(2,578,131)</b>	<b>(5,133,874)</b>
<b>Net cash used in all operating activities</b>	<b>(31,444,998)</b>	<b>(22,458,327)</b>
<b>INVESTMENT ACTIVITIES</b>		
Profit / return received	18,354,208	17,364,047
Dividends received	1,342,332	500,788
Payments made against purchase of investment	(5,930,467)	(134,010,342)
Proceeds from disposal of investments	15,748,976	248,919,862
Fixed capital expenditure	(26,800)	(94,340)
<b>Net cash generated from investing activities</b>	<b>29,488,249</b>	<b>132,680,015</b>
<b>FINANCING ACTIVITIES</b>		
Unclaimed dividend paid during the period	-	-
Operating lease payments	(1,253,261)	(1,144,680)
<b>Net cash used in financing activities</b>	<b>(1,253,261)</b>	<b>(1,144,680)</b>
<b>Net cash flow from all activities</b>	<b>(3,210,010)</b>	<b>109,077,008</b>
Cash and cash equivalents at the beginning of the period	46,387,469	141,979,813
<b>Cash and cash equivalents at the end of the period</b>	<b>43,177,459</b>	<b>251,056,821</b>

Alpha Insurance Company Limited  
 Condensed Interim Cash Flow Statement (Unaudited)  
 For the three months period ended March 31, 2021

	March 31, 2021	March 31, 2020
	----- (Rupees) -----	
<b>Reconciliation to Profit and Loss account</b>		
Operating cash flows	(31,444,998)	(22,458,327)
Depreciation expense	(1,369,449)	(1,387,479)
Increase / (decrease) in assets other than cash	1,648,969	(21,508,125)
(Increase) / decrease in liabilities	16,410,073	6,335,103
Other investment income	12,004,481	10,524,512
Other Income	905,901	2,023,740
Dividend Income	1,342,332	500,788
<b>Profit / (Loss) after taxation</b>	<u>(502,691)</u>	<u>(25,969,788)</u>

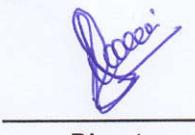
**Definition of cash:**

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

**Cash for the purposes of the Statement of Cash Flows consists of:**

Cash and other equivalents	375,130	322,411
Current and other accounts	42,802,329	250,734,410
<b>Total</b>	<u>43,177,459</u>	<u>251,056,821</u>

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

 _____ Chief Executive Officer	 _____ Chairperson	 _____ Director	 _____ Director
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**Alpha Insurance Company Limited**  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
*For the three months period ended March 31, 2021*

	Issued, subscribed and paid-up capital	Capital Reserve for exceptional losses *	Revenue reserves			Total Share holders' equity
			General reserve	Revaluation Reserve	Unappropriated profit	
----- (Rupees) -----						
Balance as at January 01, 2020	500,000,000	3,355,000	6,820,000	95,568,093	99,782,600	705,525,693
Total comprehensive income for the period						
Loss for the three month ended March 31, 2020	-	-	-	-	(25,969,788)	(25,969,788)
Other comprehensive income / (loss)	-	-	-	(21,344,342)	-	(21,344,342)
	-	-	-	(21,344,342)	(25,969,788)	(47,314,130)
Balance as at March 31, 2020	500,000,000	3,355,000	6,820,000	74,223,751	73,812,812	658,211,563
Balance as at January 01, 2021	500,000,000	3,355,000	6,820,000	87,361,846	102,581,200	700,118,046
Total comprehensive income for the period						
Loss for the Three month ended March 31, 2021	-	-	-	-	(502,691)	(502,691)
Other comprehensive income / (loss)	-	-	-	(8,599,658)	-	(8,599,658)
	-	-	-	(8,599,658)	(502,691)	(9,102,349)
Balance as at March 31, 2021	500,000,000	3,355,000	6,820,000	78,762,188	102,078,509	691,015,697

\* The reserve for exceptional losses represents amounts set aside till December 31, 1978 to avail deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of the Repealed Income Tax Ordinance, 1979, which did not permit the said deduction, the Company discontinued the setting aside of amounts thereafter as reserve for exceptional losses.

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Chairperson

  
 Director

  
 Director



# Alpha Insurance Company Limited

## Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months period ended March 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Alpha Insurance Company Limited ("the Company") was incorporated in Pakistan on December 24, 1951 under the Indian Companies Act VII of 1913 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The Company is engaged in providing non-life insurance business comprising fire, marine, motor, health, credit and suretyship and miscellaneous. The Company commenced its commercial operations on January 23, 1952.

The registered office of the Company is situated at 4th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi. The Company has 11 (December 31, 2020: 12) branches in Pakistan. The parent entity of the Company is State Life Insurance Corporation of Pakistan holding 95.15% (December 31, 2020: 95.15%) shares of the Company.

### 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, and Insurance Accounting Regulations, 2017. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, 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, Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020.

### 3 BASIS OF MEASUREMENT

These condensed interim financial statements has been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortised cost as applicable. In addition, obligation in respect of staff retirement benefits is carried at present value.

These condensed interim financial statements have been prepared using the accrual basis of accounting.

### 4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates and that such estimates and judgments are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2020.



## 6 INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2020.

7	PROPERTY AND EQUIPMENT		(Un-audited)	(Audited)
			March 31, 2021	December 31, 2020
(Rupees)				
		7.1	5,177,632	5,621,244
	Operating assets			
	Right-of-use assets	7.2	9,542,640	10,441,677
			<u>14,720,272</u>	<u>16,062,921</u>
<b>7.1</b>	<b>Operating assets</b>			
	Opening book value		5,621,245	6,923,663
	Add: Additions during the period		26,800	796,340
	Less: Deletions during the period		-	(236,502)
			<u>5,648,045</u>	<u>7,483,501</u>
	Less: Depreciation for the period		(470,413)	(1,862,257)
			<u>5,177,632</u>	<u>5,621,244</u>
<b>7.2</b>	<b>Right-of-use assets</b>			
	Opening Balance		10,441,677	16,211,617
	Depreciation charge for the period		(899,037)	(3,664,124)
	Less: Disposal during the year - WDV		-	(2,105,816)
	Ending Balance		<u>9,542,640</u>	<u>10,441,677</u>

## 8 INVESTMENTS IN EQUITY SECURITIES - Available for sale

	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)		
	Cost	Impairment / provision (Rupees)	Carrying value	Cost	Impairment / provision (Rupees)	Carrying value
Listed equity securities	129,655,103	(28,484,743)	101,170,360	125,868,299	(22,179,472)	103,688,827
Surplus on revaluation	-	-	107,252,504	-	-	119,364,698
	<u>129,655,103</u>	<u>(28,484,743)</u>	<u>208,422,864</u>	<u>125,868,299</u>	<u>(22,179,472)</u>	<u>223,053,525</u>

## 9 INVESTMENTS IN DEBT SECURITIES - Held to maturity

Note	March 31, 2021 (Unaudited)			31 December 2020 (Audited)			
	Cost	Impairment / provision (Rupees)	Carrying value	Cost	Impairment / provision (Rupees)	Carrying value	
<b>Government securities</b>							
- Pakistan investment bonds	9.1	225,459,657	-	225,459,657	221,790,180	-	224,828,537
- Treasury bills	9.2	293,162,098	-	293,162,098	292,547,550	-	306,767,411
		<u>518,621,755</u>	<u>-</u>	<u>518,621,755</u>	<u>514,337,730</u>	<u>-</u>	<u>531,595,948</u>

9.1 Pakistan Investment Bonds carry profit at rates ranging from 9.5% to 10%.

9.2 Treasury Bills carries profit rate of 7.17% to 9.57%.

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees) -----	
<b>10 LOANS AND OTHER RECEIVABLES - Considered good</b>		
Accrued Investment Income	823,100	6,693,926
Security Deposit	266,120	266,120
Advance against commission to agents	72,854	72,854
Loans To Employees	1,055,357	1,031,521
Other Receivables	478,194	419,355
	<u>2,695,625</u>	<u>8,483,776</u>
<b>11 INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good</b>		
Due from insurance contract holders	100,210,930	95,476,294
Less: provision for impairment of receivables from insurance contract holders	(90,988,925)	(90,798,336)
	9,222,005	4,677,958
Due from other insurers / reinsurers	64,382,698	56,707,510
Less: provision for impairment of due from other insurers / reinsurers	(35,557,276)	(35,259,361)
	28,825,422	21,448,149
	<u>38,047,427</u>	<u>26,126,107</u>
<b>12 DEFERRED TAXATION</b>		
<b>Deferred Debits arising in respect of :</b>		
Accelerated tax depreciation on fixed assets	1,839,629	1,296,171
Lease liabilities	3,196,492	3,430,887
Provision against premium due but unpaid	26,386,788	26,331,517
Provision for diminution in value of investment	8,260,575	6,432,047
Provision against amount due from other insurers / reinsurers	10,311,610	10,225,215
Minimum tax	107,463	107,463
<b>Deferred Credits arising in respect of :</b>		
Right-of-use assets	(2,767,366)	(3,028,086)
Provision for employees' benefits plan	(443,282)	(443,282)
Unrealized gain/(loss) on revaluation of AFS	(31,103,226)	(34,615,762)
	<u>15,788,683</u>	<u>9,736,170</u>
<b>13 TAXATION - Payment less provision</b>		
Opening Balance	75,847,644	69,571,058
Tax paid including deducted at source	2,055,696	8,332,636
Provision for taxation	(1,418,355)	(2,056,051)
Closing Balance	<u>76,484,985</u>	<u>75,847,643</u>
<b>14 PREPAYMENTS</b>		
Prepaid reinsurance premium ceded	16,001,505	16,241,569
Prepaid rent	254,051	203,217
Prepaid miscellaneous expenses	386,707	208,879
	<u>16,642,263</u>	<u>16,653,665</u>
<b>15 CASH AND BANK DEPOSITS</b>		
<b>Cash and other equivalents</b>		
- cash in hand	156,855	87,127
- stamps in hand	218,275	188,070
<b>Current and other accounts</b>		
- current accounts	593,688	9,246,278
- saving accounts	42,208,641	36,865,994
	<u>43,177,459</u>	<u>46,387,469</u>

16	PREMIUM DEFICIENCY RESERVES	March 31,	December 31,
		2021	2020
		(Un-audited)	(Audited)
		----- (Rupees) -----	
	Opening balance	1,262,740	27,251,570
	Provision for the period appreciation/(reduction)	(384,417)	(25,988,830)
	Closing balance	<u>878,323</u>	<u>1,262,740</u>

**17 Lease Liabilities**

Lease liabilities included in the statement of financial position	11,022,385	11,830,644
Current	3,317,629	3,482,487
Non current	7,704,756	8,348,157

Finance cost on lease liabilities for the period ended March 31, 2021 was Rs 0.45 million (March 31, 2020: Rs.0.59 million). Total cash outflow for leases was Rs 1.253 million.

18	REINSURANCE / CO-INSURANCE PAYABLES	March 31,	December 31,
		2021	2020
		(Un-audited)	(Audited)
		----- (Rupees) -----	
	Due to other insurers / reinsurers	28,030,760	27,202,022
	Cash margins against performance bonds	10,605,440	10,605,440
		<u>38,636,200</u>	<u>37,807,462</u>

**19 OTHER CREDITORS AND ACCRUALS**

Agents Commission Payable	40,091,744	38,914,594
Federal Excise Duty	14,898,621	14,638,660
Workers' Welfare Fund	2,197,746	2,197,746
Salaries & Wages Payable	704,842	1,793,006
Accrued Expenses	2,455,041	2,381,645
Compensated absences	2,265,905	2,265,905
Income Tax Liabilities	213,092	180,765
Other Tax Payables	132,448	60,594
Unpaid and Unclaimed Dividend	3,001,450	3,001,450
Accounts payable for goods & services	951,248	205,717
Other creditors & accruals	2,982,569	2,982,569
	<u>69,894,706</u>	<u>68,622,651</u>

**20 CONTINGENCIES AND COMMITMENTS**

The status of contingencies and commitments remained unchanged as disclosed in the financial statement as of December 31, 2020.

	(Un-audited) March 31 2021	(Un-audited) March 31 2020
	(Unaudited) ----- (Rupees) -----	
<b>21 NET INSURANCE PREMIUM</b>		
Written Gross Premium	30,268,860	19,095,841
Add: Unearned premium reserve opening	41,115,050	48,770,068
Less: Unearned premium reserve closing	<u>(42,479,018)</u>	<u>(44,217,079)</u>
Premium earned	28,904,892	23,648,830
Less: Reinsurance premium ceded	<u>8,524,148</u>	<u>8,269,468</u>
Add: Prepaid reinsurance premium opening	16,241,569	14,724,208
Less: Prepaid reinsurance premium closing	<u>(16,001,505)</u>	<u>(14,491,084)</u>
Reinsurance expense	8,764,212	8,502,592
	<u>20,140,680</u>	<u>15,146,238</u>
<b>22 NET INSURANCE CLAIMS EXPENSE</b>		
Claims paid	20,652,548	5,004,933
Add: Outstanding claims including IBNR closing	199,354,847	205,362,707
Less: Outstanding claims including IBNR opening	<u>(216,107,225)</u>	<u>(199,813,911)</u>
Claim expense	3,900,170	10,553,729
Less: Reinsurance and other recoveries received	<u>6,008,242</u>	<u>151</u>
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	113,203,421	119,366,336
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	<u>(120,357,112)</u>	<u>(118,466,336)</u>
Reinsurance and other recoveries revenue	(1,145,450)	900,151
	<u>5,045,620</u>	<u>9,653,578</u>
<b>23 NET COMMISSION / ACQUISITION COST</b>		
Commission paid or payable	5,329,138	3,939,690
Add: Deferred commission expense opening	7,434,266	10,888,561
Less: Deferred commission expense closing	<u>(7,605,171)</u>	<u>(8,073,220)</u>
Net Commission	5,158,233	6,755,031
Less: Commission received or recoverable	<u>85,796</u>	<u>16,559</u>
Add: Unearned reinsurance commission opening	234,162	228,490
Less: Unearned reinsurance commission closing	<u>(205,834)</u>	<u>(109,568)</u>
Commission from reinsurance	114,124	135,481
	<u>5,044,109</u>	<u>6,619,550</u>
<b>24 MANAGEMENT EXPENSES</b>		
Employees benefit cost	24.1 11,548,083	11,203,007
Travel expense	101,145	776,897
Advertisement & sales promotion	53,481	249,900
Printing and stationery	298,213	195,283
Depreciation expense	1,369,449	1,387,479
Rent, rates and taxes	109,612	47,620
Legal and professional charges - business related	1,867,736	1,590,458
Electricity, gas and water	180,481	185,552
Entertainment	342,973	355,828
Vehicle running expenses	1,782,414	1,423,678
Office repair and maintenance	100,761	287,422
Bank charges	92,657	70,045
Postages, telegrams and telephone	505,343	388,202
Annual supervision fee SECP	-	-
Bad and doubtful debts	488,504	500,677
Co-insurance service charges	105,344	87,821
Miscellaneous	24,141	71,364
	<u>18,970,337</u>	<u>18,821,233</u>

	(Un-audited) March 31 2021	(Un-audited) March 31 2020
	(Unaudited)	
	----- (Rupees) -----	
<b>24.1 Employee benefit cost</b>		
Salaries, allowance and other benefits	11,268,584	10,925,507
Charges for post employment benefit	279,499	277,500
	<u>11,548,083</u>	<u>11,203,007</u>
<b>25 INVESTMENT INCOME</b>		
<b>Income from equity securities - available for sale</b>		
Dividend income	1,342,332	500,788
Gain on sales of investment	-	-
<b>Income from debt securities - held to maturity</b>		
Return on government securities	12,004,481	10,524,512
Return on term finance certificates	-	-
Amortization of (discount) / premium on government securities / term finance certificates	631,120	(393,465)
	<u>13,977,933</u>	<u>10,631,835</u>
<b>Income from term deposits</b>		
Return on term deposits	-	-
<b>Realised gains on investments</b>		
- Equity securities	-	-
Total investment income	<u>13,977,933</u>	<u>10,631,835</u>
Less: (Impairment) / Reversal in value of available for sale securities- equity securities	(6,305,271)	(25,019,837)
	<u>7,672,662</u>	<u>(14,388,002)</u>
<b>Net investment income</b>		
<b>26 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on bank balances	478,901	2,021,740
<b>Income from non-financial assets</b>		
Miscellaneous income / (loss)	427,000	2,000
	<u>905,901</u>	<u>2,023,740</u>
<b>27 OTHER EXPENSES</b>		
Auditors' remuneration	697,902	-
Directors' Fees	480,000	380,000
Directors Training and Development Fees & Subscription	45,000	45,000
	<u>1,222,902</u>	<u>425,000</u>
<b>28 EARNINGS PER SHARE</b>		
Profit after tax for the period	<u>(502,691)</u>	<u>(25,969,788)</u>
	----- (Number of Shares) -----	
Wighted average number of ordinary shares	<u>50,000,000</u>	<u>50,000,000</u>
Basic earnings per share (Rupees)	<u>(0.01)</u>	<u>(0.52)</u>

29 SEGMENT INFORMATION

The class wise revenues and results are as follows:

Three months ended March 31, 2021 (Unaudited)

March 31, 2021	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2021 Aggregate
(Rupees)							
<b>Premium receivable</b> (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	9,709,702	8,585,638	11,989,855	197,786	-	3,064,265	<b>33,547,246</b>
Less : Federal excise duty / Sales Tax	645,543	809,466	1,037,922	-	-	199,693	<b>2,692,624</b>
Federal insurance fee	45,877	71,760	75,380	-	-	13,288	<b>206,305</b>
Others	3,405	363,768	9,165	-	-	3,120	<b>379,458</b>
<b>Gross written premium</b> (inclusive of administrative surcharge)	<b>9,014,877</b>	<b>7,340,644</b>	<b>10,867,388</b>	<b>197,786</b>	<b>-</b>	<b>2,848,164</b>	<b>30,268,859</b>
Gross direct premium	4,474,250	6,891,043	7,258,307	197,786	-	1,287,765	<b>20,109,151</b>
Facultative inward premium	4,427,026	166,188	3,349,332	-	-	1,518,984	<b>9,461,530</b>
Administrative surcharge	113,601	283,413	259,749	-	-	41,415	<b>698,178</b>
	<b>9,014,877</b>	<b>7,340,644</b>	<b>10,867,388</b>	<b>197,786</b>	<b>-</b>	<b>2,848,164</b>	<b>30,268,859</b>
Insurance premium earned	9,875,972	6,655,326	7,274,619	3,012,238	1	2,086,736	<b>28,904,892</b>
Reinsurance expense	(4,923,724)	(2,108,346)	(975,285)	-	(28,789)	(728,068)	<b>(8,764,212)</b>
<b>Net insurance premium</b>	<b>4,952,248</b>	<b>4,546,980</b>	<b>6,299,334</b>	<b>3,012,238</b>	<b>(28,788)</b>	<b>1,358,668</b>	<b>20,140,680</b>
Net commission	66,029	-	39,838	-	4,919	3,337	<b>114,123</b>
<b>Net Underwriting income</b>	<b>5,018,277</b>	<b>4,546,980</b>	<b>6,339,172</b>	<b>3,012,238</b>	<b>(23,869)</b>	<b>1,362,005</b>	<b>20,254,803</b>
Insurance claims	2,467,150	44,789	(2,262,020)	(1,828,921)	-	(2,321,169)	<b>(3,900,171)</b>
Insurance claims recovered from reinsurers	(1,242,078)	-	96,629	-	-	-	<b>(1,145,449)</b>
<b>Net claims</b>	<b>1,225,072</b>	<b>44,789</b>	<b>(2,165,391)</b>	<b>(1,828,921)</b>	<b>-</b>	<b>(2,321,169)</b>	<b>(5,045,620)</b>
Commission expense	(2,271,152)	(1,488,729)	(872,421)	(150,612)	-	(375,318)	<b>(5,158,232)</b>
Management expenses	(5,649,874)	(4,600,586)	(6,810,895)	(123,958)	-	(1,785,024)	<b>(18,970,337)</b>
Premium deficiency expense	30,492	-	-	353,925	-	-	<b>384,417</b>
<b>Net insurance claims and expenses</b>	<b>(6,665,462)</b>	<b>(6,044,526)</b>	<b>(9,848,707)</b>	<b>(1,749,566)</b>	<b>-</b>	<b>(4,481,511)</b>	<b>(28,789,772)</b>
<b>Underwriting result</b>	<b>(1,647,185)</b>	<b>(1,497,546)</b>	<b>(3,509,535)</b>	<b>1,262,672</b>	<b>(23,869)</b>	<b>(3,119,506)</b>	<b>(8,534,969)</b>
Investment income							<b>7,672,662</b>
Other income							<b>905,901</b>
other expenses							<b>(1,222,902)</b>
							<b>7,355,661</b>
<b>Results of operating activities</b>							<b>(1,179,308)</b>
Segment Assets	57,079,734	35,003,733	45,203,243	12,191,053	473,974	24,921,670	<b>174,873,407</b>
Unallocated Assets							<b>881,732,837</b>
	<b>57,079,734</b>	<b>35,003,733</b>	<b>45,203,243</b>	<b>12,191,053</b>	<b>473,974</b>	<b>24,921,670</b>	<b>1,056,606,244</b>
Segment liabilities	191,627,602	21,687,191	36,229,911	11,926,469	8,916,638	14,285,646	<b>284,673,457</b>
Unallocated liabilities							<b>80,917,090</b>
	<b>191,627,602</b>	<b>21,687,191</b>	<b>36,229,911</b>	<b>11,926,469</b>	<b>8,916,638</b>	<b>14,285,646</b>	<b>365,590,547</b>

Three months ended March 31, 2020 (Unaudited)

March 31, 2020	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2020 Aggregate
(Rupees)							
<b>Premium receivable</b> (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	4,830,120	8,384,650	5,861,332	67,652	1,108,042	1,758,282	<b>22,010,078</b>
Less : Federal excise duty / Sales Tax	523,666	805,115	687,643	-	140,959	223,812	<b>2,381,195</b>
Federal insurance fee	35,689	66,527	51,018	-	9,518	13,069	<b>175,821</b>
Others	10,885	298,409	30,416	-	5,632	11,879	<b>357,221</b>
<b>Gross written premium</b> (inclusive of administrative surcharge)	<b>4,259,880</b>	<b>7,214,599</b>	<b>5,092,255</b>	<b>67,652</b>	<b>951,933</b>	<b>1,509,522</b>	<b>19,095,841</b>
Gross direct premium	3,458,465	6,420,084	4,897,895	67,652	941,984	1,270,217	<b>17,056,297</b>
Facultative inward premium	691,099	561,629	-	-	-	202,765	<b>1,455,493</b>
Administrative surcharge	110,316	232,886	194,360	-	9,949	36,540	<b>584,051</b>
	<b>4,259,880</b>	<b>7,214,599</b>	<b>5,092,255</b>	<b>67,652</b>	<b>951,933</b>	<b>1,509,522</b>	<b>19,095,841</b>
Insurance premium earned	10,092,059	5,863,791	5,134,912	80,345	952,016	1,525,707	<b>23,648,830</b>
Reinsurance expense	(4,824,943)	(1,929,070)	(887,848)	-	(18,077)	(842,654)	<b>(8,502,592)</b>
<b>Net insurance premium</b>	<b>5,267,116</b>	<b>3,934,721</b>	<b>4,247,064</b>	<b>80,345</b>	<b>933,939</b>	<b>683,053</b>	<b>15,146,238</b>
Net commission	80,789	3,877	26,758	-	4,595	19,462	<b>135,481</b>
<b>Net Underwriting income</b>	<b>5,347,905</b>	<b>3,938,598</b>	<b>4,273,822</b>	<b>80,345</b>	<b>938,534</b>	<b>702,515</b>	<b>15,281,719</b>
Insurance claims	(1,192,525)	(2,774,364)	(527,917)	(1,905,585)	-	(4,153,338)	<b>(10,553,729)</b>
Insurance claims recovered from reinsurers	1	150	900,000	-	-	-	<b>900,151</b>
<b>Net claims</b>	<b>(1,192,524)</b>	<b>(2,774,214)</b>	<b>372,083</b>	<b>(1,905,585)</b>	<b>-</b>	<b>(4,153,338)</b>	<b>(9,653,578)</b>
Commission expense	(2,374,938)	(2,724,875)	(837,665)	(117,900)	(112,836)	(586,817)	<b>(6,755,031)</b>
Management expenses	(4,198,621)	(7,110,849)	(5,019,026)	(66,679)	(938,244)	(1,487,814)	<b>(18,821,233)</b>
Premium deficiency expense	3,254,766	(1,211,720)	(14,127)	(6,422)	-	18,351	<b>2,040,848</b>
<b>Net insurance claims and expenses</b>	<b>(4,511,317)</b>	<b>(13,821,658)</b>	<b>(5,498,735)</b>	<b>(2,096,586)</b>	<b>(1,051,080)</b>	<b>(6,209,618)</b>	<b>(33,188,994)</b>
<b>Underwriting result</b>	<b>836,588</b>	<b>(9,883,060)</b>	<b>(1,224,913)</b>	<b>(2,016,241)</b>	<b>(112,546)</b>	<b>(5,507,103)</b>	<b>(17,907,275)</b>
Investment income							<b>(14,388,002)</b>
Other income							<b>2,023,740</b>
other expenses							<b>(425,000)</b>
<b>Results of operating activities</b>							<b>(12,789,262)</b>
							<b>(30,696,537)</b>

December 31, 2020 (Audited)

Decemebr 31, 2020	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2020 Aggregate
(Rupees)							
Segment Assets	56,479,728	33,793,656	43,349,326	11,951,581	487,898	24,104,748	<b>170,166,937</b>
Unallocated Assets							<b>912,759,984</b>
	<b>56,479,728</b>	<b>33,793,656</b>	<b>43,349,326</b>	<b>11,951,581</b>	<b>487,898</b>	<b>24,104,748</b>	<b>1,082,926,921</b>
Segment liabilities	207,063,925	21,447,231	34,766,446	15,967,252	9,033,782	14,076,948	<b>302,355,584</b>
Unallocated liabilities							<b>80,453,291</b>
	<b>207,063,925</b>	<b>21,447,231</b>	<b>34,766,446</b>	<b>15,967,252</b>	<b>9,033,782</b>	<b>14,076,948</b>	<b>382,808,875</b>

**30 CORRESPONDING FIGURES**

Corresponding figures have been rearranged or reclassified, wherever necessary, to align them with the presentation requirements of the Insurance Accounting Regulations, 2017 and Insurance Rules, 2017.

**31 DATE OF AUTHORIZATION**

This condensed interim financial statements was authorized for issue on 26-05-2021 by the Board of Directors of the Company.

  
Chief Executive Officer

  
Chairperson

  
Director

  
Director

