



PICIC
INSURANCE

PICIC INSURANCE LIMITED

Interim Financial Report
(Un-Audited)
Half Yearly Ended
June 30, 2023

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Vision Statement

PICIC Insurance shall emerge as the leading insurance and risk management services organization in Pakistan. We are in the business of providing solutions to mitigate insurable risk exposure of our clients. We shall do this on the basis of thorough risk evaluation and product knowledge.

Mission Statement

PICIC Insurance shall fully satisfy the needs and expectations of all its stakeholders:

- We shall put the interest of our clients first and ensure that they make informed decisions with respect to the products and services that we offer them.
- We shall give our employees a congenial work environment and shall give them opportunities for personal growth and development strictly on the basis of merit.
- We shall strive to continually provide above average returns to our shareholders.
- We shall support the development of the communities in which we live and work.

Company Information

Board of Directors

Mr. Irshad Ali Shaban Ali Kassim
Mr. Abu Ahmed
Mr. Munawar Ali Kassim
Mr. Muzaffar Ali Shah Bukhari
Mr. Moiz Ali*
Mr. Haji Ashraf Dhedhi*
Ms. Nudrat Fatima*
Mr. Hafiz Muhammad Hassan Saeed*
Mr. Muhammad Abdul Rasheed*
Mr. Muhammad Afzal Shehzad*
Mr. Muhammad Ali*

Managing Director / CEO

Mr. Moiz Ali

Board Audit Committee

Mr. Muzaffar Ali Shah Bukhari
Mr. Muhammad Afzal Shehzad
Mr. Muhammad Ali

Board Human Resources & Remuneration Committee

Mr. Muzaffar Ali Shah Bukhari
Mr. Muhammad Afzal Shehzad
Mr. Moiz Ali

Acting CFO & Company Secretary

Mr. Abdul Muhammad

Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisor

Soomro Law Associates

Bankers

Habib Metropolitan Bank Limited

Shares Registrar

F.D. Registrar Services (SMC- Pvt) Ltd.
1705, 17th Floor, Saima Trade Tower –A,
I.I. Chundrigar Road,
Karachi

Registered & Head Office

3rd Floor, Nadir House, I.I. Chundrigar Road,
Karachi
Tel: 021-32410781
Fax: 021-32410782
www.picicinsurance.com

(*Pending SECP approval)



DIRECTORS' REPORT

The Directors would like to present the condensed interim un-audited financial statements of the Company for the six month period ended June 30, 2023.

Please note that the Company's external auditor's review of the financial statements was limited in scope.

For the 2nd quarter ended June 30, 2023, the Board's overall performance and effectiveness has been assessed as satisfactory, it is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; monitor financial resource management. Improvement is an ongoing process leading to action plans.

The Company has stopped underwriting and is in the process of merger with Crescent Star Foods (Private) Limited which is pending before The High Court of Sindh. The Board has full confidence that once the merger is completed your company will unfold the Business Plan and strategy after approval from the Board.

Crescent Star Foods (Pvt.) Limited is in the process of merger with and into the Company which is pending approval by The Sind High Court. Further the Company has applied for surrender of its insurance license after which the Company will no longer remain in the insurance sector and rules and regulation of the Insurance Ordinance such as maintaining solvency etc. will not be applicable on the Company.

The management is confident that after the merger, the Company will have adequate resources to effectively enter a new phase with diversified interests to protect stake holders interest. The Company will unfold the Business Plan and strategy after the merger is approved enabling the Company to remain a going concern.

Future Plan

The management is confident that after the merger, the company will have adequate resources to effectively enter a new phase with diversified interests to protect stake holders interest

Financial Highlights

The comparative financial highlights of your Company for the half year ended June 30, 2023 are as follows:

	2023	2022
	Rupees in '000.....	
Gross Premium Written	-	-
Net Premium Revenue	-	-
Net Claims including IBNR	-	-
Loss from underwriting business	-	-
Investment Income	8,247	6,059
Profit after Taxation	16,002	611
Profit per share (Rupees)	0.46	0.07

Acknowledgement

The Board of Directors would like to express its sincere appreciation to the Company's valued clients, reinsurers, +- brokers, business partners and other stakeholders. The Board would also like to thank the Securities and Exchange Commission of Pakistan, the Stock Exchanges and the Central Depository Company for their continued guidance and support. The Company's accomplishments would not have been possible without the dedication and commitment of the Company's motivated & dedicated employees; they deserve special recognition on behalf of the Board.

DIRECTOR

DIRECTOR

Karachi

Date: August 29, 2023

ڈائریکٹر رپورٹ

ڈائریکٹر ان کمپنی کے غیر آڈٹ شدہ عبوری اختصاری مالیاتی گوشوارے برائے ختمہ مدت 30 جون 2023 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

یہ بات نوٹ فرمائیں کہ کمپنی کے بیرونی آڈیٹرز کا مالیاتی گوشواروں کا جائزہ بلحاظ وسعت محدود ہے۔

دوسری سہ ماہی ختمہ 30 جون 2023 میں بورڈ کی مجموعی کارکردگی اور اثر پذیر تسلی بخش رہی جس کی بنیاد انفرادی اجزاء ہیں جن میں نصب العین، مشن اور اقدار، کلیدی منصوبہ بندی میں مصروفیت، مالیاتی وسائل کی انتظامی نگرانی شامل ہیں۔ بہتری ایک جاری عمل ہے جو عملی منصوبہ بندی پر مبنی ہوتا ہے۔

کمپنی نے ذمہ داری کا کام روک دیا ہے اور کریڈٹ اسٹارٹ اپ (پرائیویٹ) لمیٹڈ میں اس کے الحاق کا عمل جاری ہے جو کہ عدالت عالیہ سندھ کے روبرو زیر التواء ہے۔ بورڈ کو مکمل اعتماد ہے کہ جیسے ہی آپ کی کمپنی کے الحاق کا مکمل ہو جائے گا تو بورڈ کی منظوری سے آپ کی کمپنی نیا کاروباری منصوبہ اور حکمت عملی واضح کرے گی۔

کمپنی کریڈٹ اسٹارٹ اپ (پرائیویٹ) لمیٹڈ کے ساتھ انضمام کے عمل میں ہے جسکی منظوری سندھ ہائی کورٹ میں زیر التواء ہے۔ مزید یہ کہ کمپنی نے اپنے انشورنس لائسنس منسوخ / حوالے کرنے کی درخواست دائر کی ہوئی ہے جس کے بعد کمپنی کی انشورنس کے کاروبار سے وابستگی ختم ہو جائے گی اور اس عمل کے ساتھ ہی انشورنس کے قواعد و ضوابط جیسے سالوینسی وغیرہ برقرار رکھنا بھی لاگو نہیں ہوگا۔

انتظامیہ کو یقین ہے کہ کمپنی کے انضمام کے بعد اسٹیک ہولڈرز کے مفادات کے تحفظ کے ساتھ کمپنی موثر طریقے سے اور کافی وسائل کے ساتھ نئے مرحلے میں داخل ہوگی۔ انضمام کی منظوری کے بعد کمپنی کا کاروباری منصوبہ بندی اور حکمت عملی کو واضح کرے گی اور کمپنی کو مستقل روانی رکھنے کے قابل بنائے گی۔

مستقبل کی منصوبہ بندی

انتظامیہ پر اعتماد ہے کہ انضمام کے بعد کمپنی کے پاس کافی وسائل دستیاب ہونگے جس سے وہ ایک نئے مرحلے میں متنوع مفادات کے ساتھ داخل ہوتے ہوئے مستقبل کے مفادات کا تحفظ ہوگا۔

مالیاتی جھلکیاں

آپ کی کمپنی کی متبادل مالیاتی جھلکیاں برائے ششماہی 30 جون 2023 درج ذیل ہیں:

2022 2023

روپے '000 میں

خام تحریری پریمیم		
خالص پریمیم ماحصلات		
خالص مطالبے بشمول IBNR		
ذمہ داری کا روبرو کا خسارہ		
سرماہ کار آمدن	8,247	6,059
نفع / (خسارہ) بعد از ٹیکس	16,002	611
فی حصص نفع / (خسارہ) (روپے)	0.46	0.07

اعتراف

اس موقع پر بورڈ آف ڈائریکٹرز اپنی مخلصانہ ستائش کمپنی کے قابل قدر کلائنٹس، ری انشورز، بروکرز، کاروباری شراکت داور دیگر مستقبل دان کو پیش کرتا ہے۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمپنی آف پاکستان، اسٹاک ایکسچینج اور سینٹرل ڈپازٹری کمپنی آف پاکستان کی رہنمائی اور تعاون پر ان کا مشکور ہے۔ کمپنی کی کامیابیاں ممکن نہ ہوتیں اگر کمپنی کے متحرک اور مخلص ملازم جہد اور محنت نہ کرتے وہ بورڈ کی جانب سے خصوصی ستائش کے مستحق ہیں۔

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF PICIC INSURANCE LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENT

Introduction:

We have reviewed the accompanying condensed interim statement of financial position of **PICIC Insurance Limited** ("the Company") as at June 30, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months 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 approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures for the quarters ended 30 June 2023 and 30 June 2022 in the condensed interim statement of profit or loss account and other comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial statements Performed by the Independent Auditor of the Entity." A review of 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.

Basis for Adverse Conclusion:

- a) The Company is required to maintain minimum paid up capital of Rs. 500 million net of discount offered on issue of shares. Whereas the current paid-up capital of the company amounts to Rs. 350 million only thus making it non-compliant.
- b) The minimum solvency requirement is Rs. 150 million. Whereas the company has negative minimum solvency of Rs. 7.23 million making it non-compliant.
- c) The company has discontinued the insurance business and applied for surrendering of its insurance license to the Securities & Exchange Commission of Pakistan (SECP). However, the application was rejected by SECP. Consequently, the company has filed a petition in the Honourable High Court of Sindh against the order of SECP, which is still pending.

- d) On July 06 2017, shareholders of the company had resolved to approve the scheme of merger of PICIC Insurance Limited and Crescent Star Foods (Private) Limited a subsidiary company of Crescent Star Insurance Limited and a going concern. However, the merger process is pending sanction in the High Court.
- e) As disclosed in the note 12 to the financial statements, the company has written back liabilities amounting to Rs. 11.499 million and has accounted for the same as other income as the management does not acknowledge the same as debt anymore.
- f) The company earned profit of Rs. 16.002 million during the six months period ended June 30, 2023 mainly due to writing back the liabilities as mentioned in para (e) above resulting in accumulated loss of Rs. 357.198 million as on June 30, 2023 which has turned the equity into negative. Further, as of June 30, 2023 the Company's current liabilities have exceeded its current assets by Rs. 7.236 million and the operating cash flows of the Company are also negative since 2011.

The above circumstances, along with sizeable decline in business activities, indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Further, due to the matters stated in paragraph (a) to (f) above, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, as stated in Note 1.6, the financial statements have been prepared on a going concern basis. However, under the circumstances, management's use of the going concern assumption in the financial statements is considered inappropriate and the financial statements should have been prepared on realization basis.

Adverse Conclusion

Based on our review, due to significance of matter described in the preceding paragraph, the accompanying condensed interim financial information as at June 30, 2023 is not prepared in all material aspects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Azeem Hussain Siddiqui**.

Chartered Accountants

Karachi: August 29, 2023
UDIN: RR202310232jtknoayx9

PICIC INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		June 30, 2023 (Un-audited) ----- (Rupees in '000') -----	December 31, 2022 (Audited)
	Note		
ASSETS			
Property and equipment	6	1	1
Investments - Mutual funds	7	60,102	56,820
Taxation - net		26,308	26,308
Cash and bank	8	138	38
Total Assets		86,549	83,167
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Authorized share capital			
125,000,000 ordinary shares of Rs.10 each		1,250,000	1,250,000
Issued, subscribed and paid up share capital			
Ordinary Share Capital		350,000	350,000
Reserves		(38)	3,690
Accumulated loss		(357,198)	(373,200)
		(7,236)	(19,510)
Liabilities			
Underwriting provisions		-	-
Outstanding claims including IBNR		54,216	54,216
Amounts due to other insurers / reinsurers		17,658	17,658
Other creditors and accruals	9	21,911	30,803
Total Liabilities		93,785	102,677
Total Equity and Liabilities		86,549	83,167
Contingencies and Commitments	10	-	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Managing Director/CEO

Director

Director

Director

Chief Financial Officer

PICIC INSURANCE LIMTIED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIOD ENDED JUNE 30, 2023

		Quarter ended		Half Year ended	
	Note	June, 30 2023	June, 30 2022	June, 30 2023	June, 30 2022
----- (Rupees in '000') -----					
Net insurance premium		-	-	-	-
Net insurance claims		-	-	-	-
Net commission and other acquisition costs		-	-	-	-
Insurance claims and acquisition expenses		-	-	-	-
Management expenses		(1,308)	(1,137)	(2,432)	(2,032)
Underwriting results		(1,308)	(1,137)	(2,432)	(2,032)
Investment income	11	8,247	6,058	8,247	6,059
Other income	12	11,499	-	11,499	-
Other expenses		(75)	(75)	(75)	(75)
Profit before tax		18,363	4,846	17,239	3,952
Taxation		(1,237)	(1,398)	(1,237)	(1,398)
Profit after tax		17,126	3,448	16,002	2,554
Other Comprehensive Income					
Item to be reclassified to profit and loss account in subsequent period					
Unrealised losses on available-for-sale investments		(5,582)	(3,152)	(3,728)	(1,943)
Total comprehensive income for the year		11,544	296	12,274	611
Earning per share - basic and diluted	13	0.49	0.10	0.46	0.07

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Managing Director/CEO

Director

Director

Director

Chief Financial Officer

PICIC INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Issued, subscribed and paid up capital	Accumulated loss	Surplus on remeasurment- available for sale investment	Total
----- (Rupees in '000') -----				
Balance as at December 31, 2021 (audited)	350,000	(370,131)	1,693	(18,438)
Total comprehensive income for six months period ended June 30, 2022				
Profit for the six months period ended June 30, 2022	-	2,554	-	2,554
Other Comprehensive loss	-	-	(1,943)	(1,943)
Total Comprehensive income for the period	-	2,554	(1,943)	611
Balance as at June 30, 2022	350,000	(367,577)	(250)	(17,827)
Balance as at December 31, 2022 (audited)	350,000	(373,200)	3,690	(19,510)
Total comprehensive income for six months period ended June 30, 2023	-	-	-	-
Profit for the six months period ended June 30, 2023	-	16,002	-	16,002
Other Comprehensive loss	-	-	(3,728)	(3,728)
Total Comprehensive income for the period	-	16,002	(3,728)	12,274
Balance as at June 30, 2023	350,000	(357,198)	(38)	(7,236)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Managing Director/CEO

Director

Director

Director

Chief Financial Officer

PICIC INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	----- (Rupees in '000') -----	
OPERATING ACTIVITIES		
a) Underwriting activities		
Premiums received	-	-
Reinsurance premiums paid	-	-
Claims paid	-	-
Reinsurance and other recoveries received	-	-
Commissions paid	-	-
Commission received	-	-
Net cash inflow from underwriting activities	-	-
b) Other operating activities		
Income tax paid	(1,237)	(1,398)
General management expenses paid	(11,399)	5
Net cash (used in) other operating activities	(12,636)	(1,393)
Total cash (used in) operating activities	(12,636)	(1,393)
INVESTMENT ACTIVITIES		
Dividend received	8,247	4,661
Investment in mutual funds	(8,247)	(4,661)
Receipts for investments	1,237	1,398
Other income	11,499	-
Total cash generated from investing activities	12,736	1,398
Net cash generated from all activities	100	5
Cash and cash equivalents at the beginning of the period	38	22
Cash and cash equivalents at the end of the period	138	27
Reconciliation to profit and loss account		
Operating cash flows	(12,636)	(1,393)
Investment income	8,247	6,059
Other income	11,499	-
Decrease in liabilities	8,892	(2,112)
Profit after taxation	16,002	2,554
Definition of cash		
Cash comprises of cash in hand and at banks, stamps in hand and short term placements with banks		
Cash for the purpose of statement of cash flows consists of:		
Cash and other equivalents		
- cash in hand	-	-
- stamps in hand	-	-
Current and other accounts		
- current accounts	138	38
- saving accounts	-	-
Deposits maturing within 12 months	138	38
Total cash and cash equivalents	138	38

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Managing Director/CEO

Director

Director

Director

Chief Financial Office

PICIC INSURANCE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

1. STATUS AND NATURE OF BUSINESS

- 1.1** PICIC Insurance Limited (the Company) was incorporated on April 23, 2004 as a public limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act 2017) and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. It is engaged in providing all classes of non-life insurance business. The Company is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 3rd Floor, Nadir House, I.I. Chundrigar Road, Karachi.
- 1.2** As per Section 11 of the Insurance Rules 2017, the company is required to maintain minimum paid up capital of Rs. 500 million net off any discount offered on issue of shares. Currently, the company does not meet the said requirement.
- 1.3** In accordance with the requirements of the Insurance Ordinance, 2000 and as mentioned in the Insurance Rules, 2017, the minimum solvency requirement (i.e excess of admissible assets over liabilities) is Rs 150 million. The Company is not meeting the minimum solvency requirement as at December 31, 2022.
- 1.4** The company has discontinued the insurance business and applied for surrendering of insurance license to SECP. However, SECP has rejected the application for surrendering of license and company has filed a petition in Honourable High court against the order of SECP.
- 1.5** During the period ended June 30, 2023 the company earned profit after taxation of Rupees 16.002 million. The company has suffered accumulated loss of Rupees 357.198 million as on June 30, 2023 which has turned equity into negative equity of Rupees 357.198 million. Further, as of June 30, 2023 the Company's current liabilities decreased its current assets by Rupees 7.236 million.
- 1.6 Merger of Crescent Star Foods (Private) Limited into PICIC Insurance Limited**

The shareholders of the Company have approved in an EOGM dated July 06, 2017 the scheme of merger of PICIC Insurance Limited and Crescent Star Foods (Private) Limited (CSF), whereby CSF will be merged with and into the Company. The intention of the management is to convert the Company into a FMCG Company. Keeping in line with the above intention the management has commenced proceedings for surrendering the insurance license and has filed a petition before the Honourable High Court for the merger scheme which is pending till date.

In this regard, the Company has also entered into an agreement with Crescent Star Insurance Limited (parent company of CSF) for the transfer of insurance related assets and liabilities subject to approval from the SECP and successful surrender of insurance license.

The merger process with Crescent Star Foods (Private) Limited, which is a going concern, has not been completed so far due to SECP's rejection of surrender of insurance license. The management is confident about the favourable outcome of its appeal to the High Court of Sindh against the rejection. Accordingly, these financial statements have been prepared on going concern basis.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the six months period ended June 30, 2023 have been prepared in accordance with the requirements accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IAS) 34, interim Financial Reporting issued by the International Accounting Standards Board (IASB) as for interim Financial Reporting notified under the Companies Act, 2017;
- Provisions of and directives issued under the provision of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017.

In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017 shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan-Insurance Rules, 2017 and International Accounting Standard 34 - Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2022.

2.1 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pakistani Rupees, which is also the Company's functional currency

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values. Accrual basis of accounting has been used except for cash flow information.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information is in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2022.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial information are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2022.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on the accounting policies of the Company.

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	----- (Rupees in '000') -----	
6 PROPERTY AND EQUIPMENT			
Cost		6,173	6,173
Accumulated depreciation		(6,172)	(6,172)
Written down value		<u>1</u>	<u>1</u>

7 INVESTMENTS - AVAILABLE-FOR-SALE**Available for sale investment**

Mutual fund - Pakistan Income fund	7.1	<u>60,102</u>	<u>56,820</u>
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7.1 Available for sale investment

	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
Name of fund	June 30, 2023	December 31, 2022	Cost	Carrying Value
	----- Number of units -----		----- (Rupees in '000') -----	

Pakistan Income fund	<u>1,101,564</u>	<u>972,682</u>	<u>36,000</u>	<u>60,102</u>	<u>36,000</u>	<u>56,820</u>
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The mutual fund investments includes Rs.60.1 million invested in Pakistan Income Fund and deposited with the State Bank of Pakistan in compliance with the requirement of section 29 of the Insurance Ordinance, 2000.

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	----- (Rupees in '000') -----	
8 CASH AND BANK BALANCES		
- Cash and other equivalents		
Cash in hand	-	-
Policy stamps and bond papers in hand	-	-
	-	-
Cash at bank		
Current accounts	<u>138</u>	<u>38</u>
Saving accounts	<u>-</u>	<u>-</u>
	<u>138</u>	<u>38</u>
	<u>138</u>	<u>38</u>

9 OTHER CREDITORS AND ACCRUALS

Unclaimed dividend		195	195
Others	9.1	<u>21,716</u>	<u>30,608</u>
		<u>21,911</u>	<u>30,803</u>

9.1 This includes Rs. 15.092 million on account of expenses of the Company met by Crescent Star Insurance Limited (CSIL) in view of merger of the Company with Crescent Star Foods (Pvt) Limited (CSF), a subsidiary of CSIL.

10 CONTINGENCIES AND COMMITMENTS**10.1 Contingencies**

10.1.1 The tax assessment of the Company has been finalised upto and including the tax year 2022.

While finalising the tax audit for the tax year 2007, the Tax Officer has disallowed certain expenses claimed by the company and increased the tax charge by Rs. 3.128 million. The company has contested the amended order by filing an appeal before Commissioner Inland Revenue (Appeal) which has been decided whereby substantial relief has been allowed. However, a second appeal has been filed before the Appellate Tribunal Inland Revenue for the remaining disallowed amount which is pending Adjudication.

Further, the Inland Revenue Department has passed amended orders for the tax year 2008, 2014, 2015 and 2016 on accounts of minimum taxation on gross receipts of the Company and thereby raising the aggregate tax of Rs. 13.85 million. The Company has preferred appeal against the amended order, before the Commissioner Inland Revenue (Appeals) which are pending adjudication.

The management, based on the advice of its tax advisor, is confident of a favourable outcome in both cases and, accordingly, no provision in this respect has been made in these financial statements.

10.1.2 Sindh Revenue Board has passed an Order-in-original relating to year 2012 to 2015, whereby a total tax demand of Rs. 542,658,790 has been raised, The Company has preferred appeals before the Commissioner against the said orders which are pending for decision.

10.2 Commitment

There were no commitment as on June 30, 2023 (2022: Nil)

11 INVESTMENT INCOME

	For three months period ended		For six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees in '000') -----			
Income from debt securities				
No figure for diluted loss per share has been presented a	8,247	6,058	8,247	6,059
Term finance certificate	-	-	-	-
	8,247	6,058	8,247	6,059

12 OTHER INCOME

Other income	11,499	-	11,499	-
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12.1 This represent liabilities written back in respect of insurance liabilities which the management now consider not to be payable anymore.

13 EARNING PER SHARE - basic and diluted

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares as at the period end as follows:

	For three months period ended		For six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees in '000') -----			
Profit after tax for the period	17,126	3,448	16,002	2,554
	---- Number in thousand ----			
Weighted average number of shares	35,000	35,000	35,000	35,000
	----- Rupees -----			
Earning per share of Rs. 10 each	0.49	0.10	0.46	0.07

No figure for diluted loss per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

14 SEGMENT INFORMATION

	For the six months period ended June 30, 2023						Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	
	----- (Rupees in '000') -----						
Current period							
Gross written premium (inclusive of administrative surcharges)	-	-	-	-	-	-	-
Insurance premium earned	-	-	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	-	-	-	-	-	-	-
Commission income	-	-	-	-	-	-	-
Net underwriting income	-	-	-	-	-	-	-
Insurance claims	-	-	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	-	-	-	-	-	-	-
Commission expense	-	-	-	-	-	-	-
Management expense	-	-	-	-	-	-	(2,432)
Net insurance claims and expenses	-	-	-	-	-	-	(2,432)
Underwriting results	-	-	-	-	-	-	(2,432)
Net investment income							8,247
Return on bank balances							-
Other income							11,499
Other expenses							(75)
Result of operating activities							17,239
Finance costs							-
Profit before tax for the period							17,239

For the six months period ended June 30, 2022

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	Aggregate
	----- (Rupees in '000') -----						
Gross written premium (inclusive of administrative surcharges)	-	-	-	-	-	-	-
Insurance premium earned	-	-	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	-	-	-	-	-	-	-
Commission income	-	-	-	-	-	-	-
Net underwriting income	-	-	-	-	-	-	-
Insurance claims	-	-	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	-	-	-	-	-	-	-
Commission expense	-	-	-	-	-	-	-
Management expense	-	-	-	-	-	-	(2,032)
Net insurance claims and expenses	-	-	-	-	-	-	(2,032)
Underwriting results	-	-	-	-	-	-	(2,032)
Net investment income							6,059
Return on bank balances							-
Other income							-
Loss on Diposal of Assets							-
Other expenses							(75)
Result of operating activities							3,952
Finance costs							-
Loss before tax for the period							3,952

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

16 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on August 29, 2023.

17 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of

Reclassified from	Amount (Rs in '000')	Reclassified to	Amount (Rs in '000')
Other creditors and accruals	54,216	Underwriting provisions Outstanding claims including IBNR	54,216
Other creditors and accruals	17,658	Amounts due to other insurers / reinsurers	17,658
Investment income - net	4,661	Investment income - gross Taxation	6,059 (1,398)

Managing Director/CEO

Director

Director

Director

Chief Financial Officer



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