

58th

Year of Continuous Services



**THE UNIVERSAL
INSURANCE CO. LTD.**

**March 31,
2018**
(Un-Audited)

BIBOJEE GROUP





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VISION STATEMENT

We at Universal Insurance Company limited recognize the importance of satisfying our customers by consistently providing quality insurance services in accordance with their needs and expectations. We strive to be competent partner of our customers against insured perils.



MISSION STATEMENT QUALITY POLICY

We strive to provide our customers cost effective insurance cover by continually increasing the productivity of our employees. To increase productivity, we conduct regular training programs during which employees are assessed and allocated a career path in accordance with their performance. We diligently follow the applicable laws and ensure strict compliance by conducting regular internal audits and educating our employees about the law.

We try to improve our services by continually assessing our systems and procedures 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 wish in our stipulated cost.



CORPORATE INFORMATION

Board of Directors	Mr. Raza Kuli Khan Khattak (Chairman)
	Mr. Gohar Ayub Khan (Chief Executive)
	Mr. Mushtaq Ahmed Khan F.C.A.
	Mrs. Shahnaz Sajjad Ahmad
	Dr. Shaheen Kuli Khan Khattak
	Mr. Muhammad Imran Malik
	Mr. Khalid Kuli Khan Khattak
	Mr. Muhammad Kuli Khan Khattak
	Mr. Sikandar Kuli Khan Khattak
Principal Officer	Mr. Amir Raza
Chief Financial Officer	Mr. Ashfaq Ahmed
Company Secretary	Mr. Liaqat Ali Shaukat
Internal Auditor	Mr. Abdul Waheed Chaudhry
Auditors	M/S. Shinewing Hameed Chaudhri & Co. Chartered Accountants
Legal Advisor	Rana Muhammad Aamir Zulfiqar (Advocate)
Share Registrar	M/S Hameed Majeed Associates (Pvt) Ltd. H.M House, 7-Bank Square, Lahore Phone # 042-37235081-82 Fax: # 042-37358817
Registered Office:	Universal Insurance House 63-Shahrah-e-Quaid-e-Azam Lahore, 54000 Pakistan. Ph: 042-37353453-37353458 Fax: 042-37230326 Web: www.uic.com.pk Email: info@uic.com.pk



DIRECTOR'S REVIEW REPORT

We on behalf of the Board of Directors are pleased to present the Un-audited Financial Statements of the Company for the period ended on 31st March, 2018.

FINANCIAL PERFORMANCE

The financial results of the company are showing an increase in investment income by Rs. 4.227 million and loss after tax of Rs. 3.740 million. The gross premium of the company has also increased by Rs. 2.381 million over the period of last year.

	2018	2017
	-----Rupees in million-----	
Gross premium	4.593	2.212
Net premium	2.451	2.853
Profit/ (Loss) from underwriting business	(12.585)	(3.567)
Net claims expense	118	(5.113)
Management / administrative expenses	15.835	13.515
Capital and reserves	506.593	383.269
Profit/ (Loss) before taxation	(3.109)	1.253
Profit/ (Loss) after taxation	(3.740)	0.798
Earnings/(Loss) per share	(0.07)	0.02

FUTURE OUTLOOK

The company has been underwriting very selective business and has primarily focused on its captive business. The board has been considering the proposal of the management to expand business by setting up branch network during the current financial year.

For & on behalf of the Board of Directors

Dated: April 27, 2018

Place: Lahore

Muhammad Kuli Khan Khattak
Director

Gohar Ayub Khan
Chief Executive Officer



ڈائریکٹر کی جائزہ رپورٹ (Director's Review Report) (یہ انگریزی رپورٹ کا ترجمہ ہے)

ہمیں بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ، 2018 کو ختم ہونے والی مدت کے لیے غیر آڈٹ شدہ مالی تفصیلات پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالیاتی کارکردگی (Financial Performance)

کمپنی کے مالیاتی نتائج سرمایہ کاری کی آمدنی میں 4.227 ملین روپے کا اضافہ اور 3.740 ملین روپے کا بعد از ٹیکس نقصان ظاہر کر رہے ہیں۔ کمپنی کے مجموعی پریمیم میں گزشتہ سال کی مدت کے مقابلے میں 2.381 ملین روپے کا اضافہ ہوا ہے۔

<u>2018</u>	<u>2017</u>	
(رقم ملین میں)		
4.593	2.212	- مجموعی پریمیم
2.451	2.853	- نیٹ پریمیم
(12.585)	(3.567)	- انڈر رائٹنگ کاروبار سے منافع/(نقصان)
118	(5.113)	- نیٹ کلیمز اخراجات
15.835	13.515	- منجمنٹ/انتظامی اخراجات
506.593	383.269	- سرمایہ اور ذخائر
(3.109)	1.253	- قبل از ٹیکس منافع/(نقصان)
(3.740)	(0.798)	- بعد از ٹیکس منافع/(نقصان)
(0.07)	0.02	- فی شیئر آمدنی/(نقصان)

مستقبل کا جائزہ (Future Outlook)

کمپنی بہت ہی منتخب شدہ انڈر رائٹنگ بزنس کر رہی ہے اور بنیادی طور پر کمپنی کی توجہ مخصوص بزنس پر مرکوز ہے۔ بورڈ موجودہ مالی سال کے دوران منجمنٹ کی تجویز پر برانچ نیٹ ورک قائم کرنے کے ذریعے کاروبار کو بڑھانے پر غور کر رہا ہے۔

تاریخ: 27 اپریل، 2018

مقام: لاہور

بورڈ آف ڈائریکٹرز کی طرف سے

Mudhaffar
محمد قلی خان خٹک
(ڈائریکٹر)

Muhammad
گوہرا یوب خان
(چیف ایگزیکٹو آفیسر)



STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
		Rupees in thousand	
Assets			
Property and equipment	5	179,663	180,459
Investment property		20,201	20,201
Investments in associates	6	239,236	239,245
Investments			
-Equity securities	7	156,198	78,001
-Debt securities	8	53,091	53,593
Loans and other receivables		35,255	32,880
Insurance / reinsurance receivables	9	123,718	125,014
Reinsurance recoveries against outstanding claims		53,985	54,317
Deferred Commission expense		1,008	845
Deferred taxation	10	33,191	33,191
Taxation - payments less provisions		8,945	9,246
Prepayments	11	5,537	2,779
Cash and bank balances	12	11,794	90,165
Total assets		921,822	919,936
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorized share capital			
75,000,000 (2017: 75,000,000) ordinary shares of Rs.10 each		750,000	750,000
Issued, subscribed and paid-up share capital	13	500,000	500,000
Share premium reserve		13,824	13,824
Reserves		14,485	14,485
Fair value reserve on available-for-sale investments		339	308
Accumulated loss		(22,054)	(18,639)
Total Equity		506,593	509,978
Surplus on revaluation of fixed assets		268,666	268,895
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		64,362	64,811
Unearned premium reserves		6,229	6,232
Unearned reinsurance Commission		849	796
Long term deposits		176	125
Retirement benefit obligations		11,631	10,940
Insurance / reinsurance payables		42,625	39,501
Other creditors and accruals		20,691	18,658
Total Liabilities		146,563	141,063
Total Equity and Liabilities		921,822	919,936
Contingencies and commitments	14		

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


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Muhammad Kuli Khan Khattak
DIRECTOR


Dr. Shaheen Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018

	Note	March 31, 2018	March 31, 2017
		Rupees in thousand	
Net insurance premium	15	2,451	2,853
Net insurance claims	16	(118)	5,113
Premium deficiency		-	72
Net Commission	17	(211)	104
Insurance claims		(329)	5,289
Management Expenses	18	(14,707)	(11,709)
Underwriting results		(12,585)	(3,567)
Investment income	19	9,356	5,129
Rental income		209	195
Other income	20	1,048	1,302
Other expenses	21	(1,128)	(1,775)
Results of operating activities		(3,100)	1,284
Finance costs		-	(31)
Share of loss of associates - net		(9)	-
(Loss) / profit before taxation		(3,109)	1,253
Income tax expense		(631)	(455)
(Loss) / profit after taxation		(3,740)	798
		----- Rupees -----	
(Loss) / earnings (after taxation) per share		(0.07)	0.02

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


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**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2018**

	March 31, 2018	March 31, 2017
	Rupees in thousand	
(Loss) / profit after taxation	(3,740)	798
Other comprehensive income / (loss):		
Items that will not be reclassified to profit or loss:		
Unrealised gains on available-for-sale investments	44	-
Deferred tax asset / (liability) on remeasurement of available-for-sale investments	(13)	-
	31	-
Total comprehensive (loss) / income for the period	(3,710)	798

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


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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH, 2018**

	Attributable to equity holders of the Company						
	Share capital	Capital Reserves		Revenue reserve	Fair value reserve on available-for-sale investment	Accumul-ated loss	Total
		Share Premium reserve	Other capital reserve				
----- (Rupees in thousand) -----							
Balance as at 31 December 2016 - (audited)	416,180	13,824	18	14,467	429	(62,310)	382,608
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	-	486	486
Profit for the period ended March 31, 2017	-	-	-	-	-	798	798
Total comprehensive income for the ended March 31, 2017	-	-	-	-	-	798	798
Balance as at March 31, 2017 - (un-audited)	416,180	13,824	18	14,467	429	(61,026)	383,892
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	-	655	655
Share of associates accounted for under equity method	-	-	-	-	-	453	453
Transaction with owners:							
Shares issued during the period	83,820	-	-	-	-	-	83,820
Profit for the period ended 31 December 2017	-	-	-	-	-	40,654	40,654
Other comprehensive (Loss) / profit for the period ended 31 December 2017	-	-	-	-	(121)	625	504
Total comprehensive (Loss) / profit for the period ended 31 December 2017	-	-	-	-	(121)	41,279	41,158
Balance as at 31 December 2017 - (audited)	500,000	13,824	18	14,467	308	(18,639)	509,978
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	-	325	325
Profit / (loss) for the period ended March 31, 2018	-	-	-	-	31	(3,740)	(3,710)
Total comprehensive icome / (loss) for the period ended March 31, 2018	-	-	-	-	31	(3,740)	(3,710)
Balance as at March 31, 2018 - (un-audited)	500,000	13,824	18	14,467	339	(22,054)	506,593

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



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018

March 31, 2018 March 31, 2017
Rupees in thousand

(a) Operating Cash flows

a) Underwriting activities

Insurance premium received	4,593	2,213
Reinsurance premium paid	(3,398)	(1,161)
Claims paid	(275)	(2,946)
Reinsurance and other recoveries received	40	1,973
Commission paid	(645)	(203)
Commission received	516	355
Management expenses paid	(11,909)	(10,602)
Net cash outflow from underwriting activities	(11,078)	(10,371)

b) Other operating activities

Income tax paid	(848)	(412)
Other operating payments	(1,001)	(1,650)
Other operating receipts	182	150
Loans and other receivables	(1,195)	34
Other receipts - net	3,459	15,731
Net cash inflow from other operating activities	598	13,853
Total cash (outflow) / inflow from all operating activities	(10,480)	3,482

Investment activities

Profit/ return received	1,962	1,722
Rental received	209	195
Payment for investments	(70,000)	-
Fixed capital expenditure	(105)	-
Proceeds from sale of fixed assets	43	1,417
Total cash (outflow) / inflow from investing activities	(67,891)	3,334

Financing activities

Financial charges paid	-	(31)
Total cash outflow from financing activities	-	(31)
Net cash (outflow) / inflow from all activities	(78,371)	6,785
Cash and cash equivalents at beginning of the period	90,165	5,916
Cash and cash equivalents at end of the period	11,794	12,701


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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018

March 31, 2018 **March 31, 2017**

Rupees in thousand

Reconciliation to Condensed Interim Profit & loss Account

Operating cash flows	(10,480)	3,482
Depreciation expense	(872)	(1,159)
Provision for doubtful insurance / reinsurance receivables	(590)	(620)
Provision for retirement benefit obligations - Gratuity	(692)	(677)
Financial charges	-	(31)
Gain on disposal of fixed assets	16	836
Increase/ (Decrease) in assets other than cash	3,873	(14,179)
(Increase) /Decrease in liabilities	(4,808)	7,750
	<u>(13,553)</u>	<u>(4,598)</u>

Other adjustments

Income on investments	9,356	5,129
Share of loss of associates - net of taxation	(9)	-
Change in premium deficiency reserve	-	72
Assets written-off	(2)	-
Rental income	209	195
Profit on savings accounts	259	-

Loss after taxation

<u>(3,740)</u>	<u>798</u>
----------------	------------

Definition of cash:

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

Cash for the purposes of cash flow statement consists of:

Cash and cash equivalents

Cash in hand	90	-
Stamps in hand	1	1
	<u>91</u>	<u>1</u>

Bank accounts

Current accounts	3,533	24,126
Savings accounts	8,170	66,038
Total cash and cash equivalents	<u>11,703</u>	<u>90,164</u>
	<u>11,794</u>	<u>90,165</u>

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


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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2018

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. Bibojee Services (Pvt.) Limited (the Holding Company) holds 42,981,788 ordinary shares i.e. 85.96% of the Company's paid-up capital as at March 31, 2018.

2. Basis of preparation and statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' - as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 have been followed.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the as year ended December 31, 2017.

2.1 Basis of measurement

This condensed interim financial information has 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, land & buildings, which are stated at revalued amounts and the obligation under the employee benefit, which is measured at present value.

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2017.

4. Accounting estimates and judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing this condensed interim financial information, the significant judgments and estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2017.



Un-audited **Audited**
March 31, **December 31,**
2018 **2017**
Rupees in thousand

5. Property and equipment

Opening book value

180,459 173,831

Additions made during the period:

- motor cycles
- computer equipment
- Furniture, fixtures and office equipment

54	489
51	199
-	72
105	760

Book values of assets disposed-off during the period:

- motor vehicles
- motor cycles
- furniture, fixtures and office equipment

-	448
27	-
-	133
27	581

180,537 174,010

Less: Depreciation charge for the period

872 3,897

Written-off

2 483

Add: Surplus on revaluation

- 10,829

6. Investments in associates - Quoted

Bannu Woollen Mills Ltd. (BWM)

- Carrying value at beginning of the year
8,940 (2017: 8,940) ordinary shares of Rs. 10 each
- Share of (loss)/profit after taxation
- Less: dividend received
- Changes in comprehensive income
- Share of items directly recognised in equity

1,693	1,694
(9)	33
-	(45)
-	3
-	8

Ghandhara Industries Ltd. (GIL)

1,684 1,693

- Carrying value as at December 31, 2017

1,184,148 (2017: 1,184,148) ordinary shares of Rs. 10 each

- Share of profit after taxation

- Less: dividend received

237,552 184,378

- Changes in comprehensive loss

- 71,011

- (17,762)

- (75)

237,552 237,552

239,236 239,245

- 6.1** Market values of investments in BWM and GIL as at March 31, 2018 were Rs. 474 thousand (December 31, 2017: Rs.492 thousand) and Rs. 988.373 million (December 31, 2017: Rs. 653.744 million) respectively.



Un-audited Audited
March 31, December 31,
2018 2017
Rupees in thousand

7. Investments in equity securities

Available-for-sale investments (7.1)

Investments at fair value through profit or loss (7.3)

652	609
155,546	77,392
156,198	78,001

7.1 Available-for-sale - others

Listed shares

Hamid textile mills limited

Pakistan national shipping corporation

Unlisted shares

Nowshera engineering works limited

Fawad textile mills limited

Mutual funds

JS growth fund

No. of shares as at December 31, 2018	March 31, 2018			No. of shares as at December 31, 2017	December 31, 2017		
	Cost	Unrealized gain / (Impairment)	Carrying value		Cost	Unrealized gain / (Impairmen t)	Carrying value
------(Rupees in thousand)-----							
49,000	490	(490)	-	49,000	490	(490)	-
888	24	68	92	888	24	68	92
------(Rupees in thousand)-----							
-	-	-	-	1,106	11	(11)	-
-	-	-	-	26,740	268	(268)	-
-	-	-	-	-	-	-	-
2,867	135	425	560	2,867	135	382	517
	649	3	652		928	(319)	609

7.2 Investments in Nowshera engineering works limited and Fawad textile mills limited having cost amounting to Rs. 11 Thousand (No. of shares 1,106) and 268 thousand (No. of shares 26,740) respectively and having carrying value Nil written-back during this period.

7.3 Investments at fair value through profit or loss

Mutual funds

PICIC growth fund

NAFA islamic stock fund

No. of shares as at December 31, 2017	March 31, 2018			No. of shares as at December 31, 2017	December 31, 2017		
	Cost	Un-realised gain / (loss)	Carrying value		Cost	Un-realised gain / (loss)	Carrying value
(Rupees in thousand)							
13,500	510	(105)	405	13,500	509	(126)	383
12,729,621	134,691	20,450	155,141	6,898,329	64,691	12,318	77,009
	135,201	20,345	155,546		65,200	12,192	77,392

8. Investment in debt securities

Held to maturity

Pakistan Investment

(including accrued interest)

No. of certificates		Face value	Value of certificates	
March 31, 2018	Dec. 31, 2017		March 31, 2018	Dec. 31, 2017
-----'(Rupees in thousand)-----				
7.00	7.00	51,500	53,091	53,593

9. Insurance / Reinsurance receivables

Unsecured and considered good

Due from insurance contract holders

Less: provision for impairment of receivables from

insurance contract holders

Due from other insurers

Due from reinsurers

Less: provision for impairment of due from other

insurers / reinsurers

87,511	87,511
(87,501)	(87,501)
10	10
111,925	112,634
34,944	34,941
(23,161)	(22,571)
123,708	125,004
123,718	125,014

9.1 The balances as at March 31, 2018 relating to amounts due to / from other insurers and re-insurers and premiums due but unpaid are although unconfirmed but are considered to be accurately stated by the management.



Un-audited Audited
March 31, 2018 **December 31, 2017**
Rupees in thousand

10. Deferred taxation

Deferred tax recognised as at March 31, 2018 has been restricted to Rs.33.191 million (December 31, 2017: Rs.33.191 million) and balance deferred tax asset amounting Rs. 65.211 million approximately has not been recognised in this condensed interim financial information as the taxable profits will not probably be available in the foreseeable future against which the temporary differences can be utilised.

11. Prepayments

Prepaid reinsurance premium ceded	3,668	2,415
Other	1,869	364
	5,537	2,779

12. Cash and bank balances

Cash and cash equivalent

Cash in hand	90	-
Policy stamps	1	1
	91	1

Cash at banks

- Current accounts	3,533	24,126
- Savings accounts	8,170	66,038
	11,703	90,164

Deposits maturing within 12 months

Term deposit receipts	1,257	1,257
Provision for impairment	(1,257)	(1,257)
	-	-
	11,794	90,165

13. Share capital

13.1 Authorised share capital

31 March, 2018

31 December, 2017

75.000 Million	75.000 Million	Ordinary shares of Rs. 10 each	750,000	750,000
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This represents 75 million (2017: 75 million) ordinary shares of Rs. 10 each amounting to Rs 750 million (2017: 750 million).

13.2 Issued, subscribed and paid-up share capital

2018	2017		2018	2017
			Rupees in thousand	Rupees in thousand
	Number of shares			
34,720,000	34,720,000	Ordinary shares of	347,200	347,200
		Rs 10 each fully paid in cash		
15,280,000	15,280,000	Ordinary shares of Rupees	152,800	152,800
		Rs 10 each issued as fully paid bonus shares		
50,000,000	50,000,000		500,000	500,000

14. Contingencies and commitments

14.1 There is no significant change in the status of contingencies as disclosed in the financial statements for the year ended December 31, 2017.

March 31, 2018 **March 31, 2017**
(Rupees in thousand)

15. Net insurance premium

Written gross premium	4,593	2,212
Add: Unearned premium reserve opening	6,232	7,858
Less: Unearned premium reserve closing	6,229	4,610
Premium earned	4,596	5,460
Less: Reinsurance premium ceded	3,398	1,161
Add: Prepaid reinsurance premium opening	2,415	3,559
Less: Prepaid reinsurance premium closing	3,668	2,113
Reinsurance expense	2,145	2,607
	2,451	2,853



	March 31, 2018	March 31, 2017
	(Rupees in thousand)	
16. Net insurance claims expense		
Claims paid	275	2,946
Add: Outstanding claims including IBNR closing	64,362	72,076
Less: Outstanding claims including IBNR opening	64,811	78,056
Claims expense	(174)	(3,034)
Less: Reinsurance and other recoveries received	40	1,973
Add: Reinsurance and other recoveries in respect of outstanding claims closing	53,985	54,268
Less: Reinsurance and other recoveries in respect of outstanding claims opening	54,317	54,162
Reinsurance and other recoveries revenue	(292)	2,079
	118	(5,113)
17. Net commission expense / acquisition cost		
Commission paid or payable	837	362
Add: Deferred commission expense opening	845	1,231
Less: Deferred commission expense closing	1,008	712
Net Commission	674	881
Less: Commission received or receivable	516	355
Add: Unearned reinsurance commission opening	796	1,448
Less: Unearned reinsurance commission closing	849	818
Commission from reinsurers	463	985
	211	(104)
18. Management expenses		
Employee benefit cost	9,870	7,626
Travelling and entertainment	203	111
Printing and stationery	53	30
Depreciation	872	1,159
Rent, Rates and Taxes	61	14
Legal and professional charges	1,484	868
Electricity, gas and water	238	181
Entertainment	167	148
Vehicle running expenses	587	546
Office repairs and maintenance	253	48
Bank charges	9	23
Postage, telegrams and telephone	230	220
Annual supervision fee SECP	25	25
Bad and doubtful debts	590	620
Miscellaneous	65	90
	14,707	11,709
19. Investment income		
Income from debt securities		
- Return on fixed income securities	1,203	1,100
Net unrealised gains/(losses) on investments		
Held-for-trading		
Net unrealised gain on investments at fair value through profit or loss	8,153	4,029
Total investment income	9,356	5,129



	March 31, 2018	March 31, 2017
	(Rupees in thousand)	
20. Other income		
Income from financial assets		
Profit on bank saving accounts	259	19
Payable balances written-back	591	298
	850	317
Income from non-financial assets		
Fronting fee	162	147
Gain on disposal of fixed assets	16	837
Federal excise duty - written-back	0	0
Sale of scrap	20	1
	198	985
	1,048	1,302
21. OTHER EXPENSES		
Legal and professional charges other than business related	374	329
Auditors' remuneration	151	125
Subscription	161	859
Insurance expenses	167	234
Office expenses	67	60
Computer repair and maintenance	116	35
Assets written-off	2	-
Others	90	133
	1,128	1,775
22. 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. Details of significant transactions with related parties, other than those which have been specifically disclosed else where in these financial statements, are as follows.		
Transactions during the period		
Associated Companies		
Janana De Malucho Textile Mills Ltd.	Salaries and benefits paid	367 698
	Expenses paid	21 20
Key management personnel		
Remuneration & benefits		5,758 4,030



23. SEGMENT INFORMATION

Segment information have been prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017.

For the period ended March 31, 2018

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees in thousand)				
Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee, and Administration Surcharge)	3,043	885	478	359	4,765
Less: Federal Excise Duty	-	100	60	-	160
Federal Insurance Fee	=	- 8	- 4	=	- 12
Gross written premium (inclusive of Administrative Surcharge)	3,043	777	414	359	4,593
Gross direct premium	-	771	406	-	1,177
Facultative inward premium	3,043	-	-	359	3,402
Administrative surcharge	-	6	8	-	14
	3,043	777	414	359	4,593
Insurance premium earned	1,402	752	1,980	462	4,596
Insurance premium ceded to reinsurers	1,162	473	195	315	2,145
Net insurance premium	240	279	1,785	147	2,451
Commission income	284	104	-	75	463
Net underwriting income	524	383	1,785	222	2,914
Insurance claims	(1,043)	937	194	(262)	(174)
Insurance claims recovered from reinsurers	(996)	703	-	1	(292)
Net claims	(47)	234	194	(263)	118
Commission expense	284	145	191	54	674
Management expenses	9,743	2,488	1,326	1,150	14,707
Net insurance claims and expenses	9,980	2,867	1,711	941	15,499
Underwriting results	(9,456)	(2,484)	74	(719)	(12,585)
Net Investment income					9,356
Rental income					209
Other income					1,048
Other expenses					(1,128)
Share of loss of associates - net					(9)
Loss before taxation					(3,109)
Segment assets	113,097	45,227	13,670	10,385	182,379
Unallocated assets					739,443
					921,822
Segment liabilities	63,210	35,103	11,153	4,599	114,065
Unallocated liabilities					32,498
					146,563



For the period ended March 31, 2017

	Fire and property damage	Marine, aviation and	Motor	Miscellaneous	Total
(Rupees in thousand)					
Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee, and Administration Surcharge)	-	1,501	892	-	2,393
Less: Federal Excise Duty	-	64	104	-	168
Federal Insurance Fee	-	5	8	-	13
Gross written premium (inclusive of Administrative Surcharge)	-	1,432	780	-	2,212
Gross direct premium	-	491	761	-	1,252
Facultative inward premium	-	939	-	-	939
Administrative surcharge	-	2	19	-	21
Insurance premium earned	-	1,432	780	-	2,212
Insurance premium ceded to reinsurers	2,045	1,303	1,508	604	5,460
Net insurance premium	1,309	896	215	187	2,607
Commission income	736	407	1,293	417	2,853
Commission income	623	310	-	52	985
Net underwriting income	1,359	717	1,293	469	3,838
Insurance claims	811	1,259	(3,544)	(1,560)	(3,034)
Insurance claims recovered from reinsurers	726	1,268	-	85	2,079
Net claims	85	(9)	(3,544)	(1,645)	(5,113)
Commission expense	431	271	146	33	881
Management expenses	-	7,580	4,129	-	11,709
Premium deficiency expense	-	-	-	(72)	(72)
Net insurance claims and expenses	516	7,842	731	(1,684)	7,405
Underwriting results	843	(7,125)	562	2,153	(3,567)
Net Investment income					5,129
Rental income					195
Other income					1,302
Other expenses					(1,775)
Finance cost					(31)
Profit before taxation					1,253
Segment assets	68,382	74,975	27,355	11,879	182,591
Unallocated assets					737,345
					919,936
Segment liabilities	45,331	46,234	14,135	5,639	111,339
Unallocated liabilities					29,724
					141,063

24. Date of authorisation for issue

This condensed interim financial information was authorised for issue on April 27, 2018 by the Board of Directors of the Company.

25. Corresponding figures

- 25.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of the immediately preceding financial year.
- 25.2 Corresponding figures, to comply with the requirements of Insurance Accounting Regulations, 2017 and the Insurance Rules, 2017 promulgated by SECP vide S.R.O. Notifications 88 (I) /2017 and 89 (I) / 2017 dated February 09, 2017 respectively, have been re-arranged and re-classified, wherever necessary, for the purposes of comparison.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Muhammad Kuli Khan Khattak
DIRECTOR


Dr. Shaheen Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


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