

**March 31,
2019**
(Un-Audited)

59th
Year Of Continuous Services



BIBOJEE GROUP



**The Universal
Insurance Co. Ltd.**



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VISION STATEMENT

We, at Universal Insurance Company Limited recognize the importance of satisfying our customers by consistently providing quality insurance 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 ensure strict compliance by conducting regular internal audit and educating our employees about the law. We try to improve our services by continually assessing our systems and procedures based on customers and team feedback. We strive to maintain a customer focused approach by ensuring that our service is delivered to the customer on time, according to the customer required specifications and with 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.
	Dr. Shaheen Kuli Khan Khattak
	Mr. Muhammad Imran Malik
	Mr. Pervez Iftikhar Ahmed Khan
	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



BOARD AND MANAGEMENT COMMITTEES

Board Committees:

i) Ethics, Human Resource & Remuneration Committee

Mr. Muhammad Imran Malik	Chairman	Independent
Mr. Raza Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive
Mr. Mushtaq Ahmed Khan F.C.A	Member	Non-Executive
Mr. Pervez I. Khan	Member	Non-Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Liaqat Ali Shaukat	Secretary	

ii) Investment Committee

Mr. Mushtaq Ahmed Khan F.C.A	Chairman	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Khalid Kuli Khan Khattak	Member	Non-Executive
Mr. Ashfaq Ahmed	Member	Chief Financial Officer
Mr. Liaqat Ali Shaukat	Secretary	

iii) Audit Committee

Mr. Muhammad Imran Malik	Chairman	Independent
Mr. Mushtaq Ahmed Khan F.C.A	Member	Non-Executive
Mr. Pervez I. Khan	Member	Non-Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Muhammad Kuli Khan Khattak	Member	Non-Executive
Mr. Abdul Waheed Ch.	Secretary	

Management Committees:

iv) Underwriting, Reinsurance & Co-Insurance Committee;

Mr. Muhammad Kuli Khan Khattak	Chairman	Non-Executive
Mr. Sikandar Kuli Khan Khattak	Member	Non-Executive
Miss. Bushra Hina Mushtaq	Member	
Mr. Muhammad Alyas	Secretary	

v) Claims Settlement Committee;

Mr. Gohar Ayub Khan	Chairman	Executive
Mr. Mushtaq Ahmed Khan F.C.A	Member	Non-Executive
Dr. Shaheen Kuli Khan Khattak	Member	Non-Executive
Mr. Amir Raza	Member	
Mr. Abdul Waheed Ch.	Member	
Mr. Ashfaq Ahmed	Secretary	

vi) Risk Management & Compliance Committee

Mr. Sikandar Kuli Khan Khattak	Chairman	Non-Executive
Mr. Amir Raza	Member	
Mr. Ashfaq Ahmed	Member	
Miss. Bushra Hina Mushtaq	Secretary	



DIRECTOR'S REVIEW REPORT

On behalf of the Board of Directors, We feel pleasure in presenting the un-audited financial statements of the company for the period ended on 31st March, 2019.

Financial Performance

The gross premium of the Company shows a substantial increase over the corresponding period whereas due to decrease in investment income on account of high volatility in the market, profit after tax has diminished during the period under review.

	2019	2018
	-----Rupees in million-----	
Gross premium	8.023	4.593
Net premium	3.856	2.451
Net claims	785	118
Underwriting results	(11.664)	(12.585)
Investment & other income	5.486	10.613
Loss before taxation	(7.099)	(3.109)
Loss after taxation	(7.309)	(3.740)
Loss per share	(0.15)	(0.07)

Future Outlook

The Board of Directors has decided to keep its concentration on underwriting group /very selected business during the current financial year and will review its decision quarterly on the basis of financial performance of the Company.

Date: April 29, 2019

Place: Lahore

For & on behalf of the Board of Directors

Muhammad Imran Malik
Director

Gohar Ayub Khan
Chief Executive Officer



(یہ انگریزی رپورٹ کا ترجمہ ہے) **ڈائریکٹر کی نظر ثانی رپورٹ (Director's Review Report)**
بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ، 2019 کو ختم ہونے والی مدت کے غیر آڈٹ شدہ مالی تفصیلات پیش کرتے ہوئے ہمیں خوشی ہو رہی ہے۔

مالیاتی کارکردگی (Financial Performance)

کمپنی کا مجموعی پریٹنیم گزشتہ سال کی مدت کے مقابلے میں خاصہ بڑھا ہے جبکہ مارکیٹ میں بہت زیادہ اتار چڑھاؤ کی وجہ سے سرمایہ کاری آمدنی میں کمی اور بعد از ٹیکس منافع بھی زیر جائزہ مدت کے دوران کم ہوا ہے۔

<u>2019</u>	<u>2018</u>	
	(رقم ملین میں)	
8.023	4.593	- مجموعی پریٹنیم
3.856	2.451	- نیٹ پریٹنیم
785	118	- نیٹ کلیمز
(11.664)	(12.585)	- انڈر رائٹنگ نتائج
5.486	10.613	- سرمایہ کاری اور دیگر آمدنی
(7.099)	(3.109)	- قبل از ٹیکس نقصان
(7.309)	(3.740)	- بعد از ٹیکس نقصان
(0.15)	(0.07)	- فی شیئر نقصان

مستقبل کا جائزہ (Future Outlook)

بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ کمپنی موجودہ مالی سال کے دوران اپنی توجہ گروپ انڈر رائٹنگ اور مخصوص بزنس پرمکوز کرے اور کمپنی کی مالیاتی کارکردگی کی بنیاد پر اس فیصلہ کا سہ ماہی جائزہ لیا جائے گا۔

منجانب بورڈ

تاریخ: 29 اپریل، 2019

مقام: لاہور

گوہر ایوب خان
چیف ایگزیکٹو آفیسر

محمد عمران ملک
(ڈائریکٹر)



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
		Rupees in thousand	
Assets			
Property and equipment	5	190,700	191,519
Investment property		21,694	21,694
Investments in associates	6	267,554	267,554
Investments			
-Equity securities	7	125,494	121,780
-Debt securities	8	53,381	53,713
Loans and other receivables		32,786	32,140
Insurance / reinsurance receivables	9	123,915	123,349
Reinsurance recoveries against outstanding claims		34,483	34,747
Deferred Commission expense		2,398	2,436
Deferred taxation	10	33,191	33,191
Taxation - payments less provisions		9,505	9,411
Prepayments	11	9,935	8,929
Cash and bank balances	12	3,791	26,464
Total assets		908,827	926,927
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorized share capital			
75,000,000 (2018: 75,000,000) ordinary shares of Rs.10 each		750,000	750,000
Issued, subscribed and paid-up share capital		500,000	500,000
Capital reserves:			
- Share premium		13,824	13,824
- Others		18	18
- Surplus on revaluation of fixed assets		281,795	282,051
Fair value reserve on available-for-sale investments		257	235
Unappropriated profit		5,031	11,981
Total Equity		800,925	808,109
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		41,161	41,365
Unearned premium reserves		13,218	14,331
Unearned reinsurance Commission		1,593	1,849
Long term deposits		317	278
Insurance / reinsurance payables		38,020	32,843
Unclaimed dividends		555	555
Other creditors and accruals	13	13,038	27,597
Total Liabilities		107,902	118,818
Contingencies and commitments	14		
Total Equity and Liabilities		908,827	926,927

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


M. Imran Malik
DIRECTOR


Dr. Shaheen Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

		Quarter ended	
	Note	March 31, 2019	March 31, 2018
		Rupees in thousand	
Net insurance premium	15	3,856	2,451
Net insurance claims	16	(785)	(118)
Net Commission	17	(729)	(211)
Insurance claims		(1,514)	(329)
Management Expenses	18	(14,006)	(14,707)
Underwriting results		(11,664)	(12,585)
Investment income	19	4,809	9,356
Rental income		236	209
Other income	20	441	1,048
Other expenses	21	(921)	(1,128)
Results of operating activities		(7,099)	(3,100)
Share of loss of associates - net		-	(9)
Loss before taxation		(7,099)	(3,109)
Income tax expense		(210)	(631)
Loss after taxation		(7,309)	(3,740)
		----- Rupees -----	
Loss (after taxation) per share		(0.15)	(0.07)

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.


Raza Kuli Khan Khattak
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CHIEF EXECUTIVE


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DIRECTOR


Dr. Shaheen Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2019**

	Quarter ended	
	March 31, 2019	March 31, 2018
	Rupees in thousand	
Loss after taxation	(7,309)	(3,740)
Other comprehensive income:		
Unrealised gain on available-for-sale investments	30	44
Impact of deferred taxation on remeasurement of available-for-sale investments	(8)	(13)
	22	31
Total comprehensive loss for the period	(7,287)	(3,709)

The annexed notes 1 to 24 form an integral part of these financial statements.


Raza Kuli Khan Khattak
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CHIEF EXECUTIVE


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DIRECTOR


Dr. Shaheen Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH, 2019**

	Attributable to equity holders of the Company							
	Share capital	Capital Reserves			Revenue * reserve	Fair value reserve on available-for-sale investments	(Accumulated loss) / unappropriated profit	Total
		Share Premium reserve	Other	Surplus on revaluation of fixed assets				
	(Rupees in thousand)							
Balance as at 31 December, 2017 - (re-stated)	500,000	13,824	18	269,644	14,467	308	(18,640)	779,621
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(325)	-	-	325	-
Share of associates accounted for under equity method	-	-	-	-	-	-	-	-
Profit for the period ended 31 March, 2018	-	-	-	-	-	-	(3,740)	(3,740)
Other comprehensive income /(loss) for the period ended 31 March, 2018	-	-	-	-	-	31	-	31
Total comprehensive income / (Loss) for the period ended 31 March, 2018	-	-	-	-	-	31	(3,740)	(3,709)
Balance as at March 31, 2018 - (re-stated)	500,000	13,824	18	269,319	14,467	339	(22,055)	775,912
Transfer to accumulated loss	-	-	-	-	(14,467)	-	14,467	-
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(994)	-	-	994	-
Deferred tax adjustment	-	-	-	809	-	-	-	809
Miscellaneous items of Associates accounted for under equity method	-	-	-	(365)	-	-	535	170
Profit for the period ended 31 December, 2018	-	-	-	-	-	-	19,729	19,729
Other comprehensive income /(loss) for the period ended 31 December, 2018	-	-	-	13,282	-	(104)	(1,689)	11,489
Total comprehensive income / (Loss) for the period ended 31 December, 2018	-	-	-	13,282	-	(104)	18,040	31,218
Balance as at 31 December, 2018 - (audited)	500,000	13,824	18	282,051	-	235	11,981	808,109
Transfer from surplus on revaluation of buildings on account of incremental depreciation	-	-	-	(256)	-	-	359	103
Loss for the period ended March 31, 2019	-	-	-	-	-	-	(7,309)	(7,309)
Other comprehensive income for the period ended March 31, 2019	-	-	-	-	-	22	-	22
Total comprehensive income / (loss) for the period ended March 31, 2019	-	-	-	-	-	22	(7,309)	(7,287)
Balance as at March 31, 2019 - (un-audited)	500,000	13,824	18	281,795	-	257	5,031	800,925

* The management, during the preceding year, has transferred the balance lying in revenue reserve to accumulated loss for fair presentation of the Company's financial statements.

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


M. Imran Malik
DIRECTOR


Dr. Shaheen Kuli Khan Khattak
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

	Quarter ended	
	March 31, 2019	March 31, 2018
	Rupees in thousand	
(a) Operating Cash flows		
a) Underwriting activities		
Insurance premium received	8,023	4,593
Reinsurance premium paid	(5,647)	(3,398)
Claims paid	(2,251)	(275)
Reinsurance and other recoveries received	1,526	40
Commission paid	(1,812)	(645)
Commission received	612	516
Management expenses paid	(26,727)	(11,909)
Net cash outflow from underwriting activities	(26,276)	(11,078)
b) Other operating activities		
Income tax paid	(94)	(847)
Other operating payments	(771)	(1,001)
Other operating receipts	269	182
Loans and other receivables	(589)	(1,195)
Other receipts - net	3,098	3,459
Net cash inflow from other operating activities	1,913	598
Total cash outflow from all operating activities	(24,363)	(10,480)
Investment activities		
Profit/ return received	1,454	1,962
Rental received	236	209
Payment for investments	-	(70,000)
Fixed capital expenditure	-	(105)
Proceeds from sale of fixed assets	-	43
Total cash inflow / (outflow) from investing activities	1,690	(67,891)
Net cash outflow from all activities	(22,673)	(78,371)
Cash and cash equivalents at beginning of the period	26,464	90,165
Cash and cash equivalents at end of the period	3,791	11,794



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

	Quarter ended	
	March 31, 2019	March 31, 2018
	Rupees in thousand	
Reconciliation to Condensed Interim Statement of profit or loss		
Operating cash flows	(24,363)	(10,480)
Depreciation expense	(819)	(872)
Provision for doubtful insurance / reinsurance receivables	(789)	(590)
Provision for retirement benefit obligations - Provident Fund	(377)	(692)
Gain on disposal of fixed assets	-	16
Increase in assets other than cash	2,913	3,873
Decrease / (Increase) in liabilities	10,909	(4,808)
	(12,526)	(13,553)
Other adjustments		
Income on investments	4,809	9,356
Share of loss of associates - net of taxation	-	(9)
Assets written-off	-	(2)
Rental income	236	209
Profit on savings accounts	172	259
Loss after taxation	(7,309)	(3,740)

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	36	90
Stamps in hand	1	1
	37	91

Bank accounts

Current accounts	3,030	3,533
Savings accounts	724	8,170
Total cash and cash equivalents	3,754	11,703
	3,791	11,794

The annexed notes 1 to 24 form an integral part of these financial statements.


Raza Kuli Khan Khattak
 CHAIRMAN


Gohar Ayub Khan
 CHIEF EXECUTIVE


M. Imran Malik
 DIRECTOR


Dr. Shaheen Kuli Khan Khattak
 DIRECTOR


Amir Raza
 PRINCIPAL OFFICER


Ashfaq Ahmed
 CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019**

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 - Shahr-e-Quaid-e-Azam, Lahore. Presently, the Company is operating through one (2018: one) branch in Pakistan.

The Company is a Subsidiary of Bibojee Services (Pvt.) Limited (the Holding Company), which holds 42,981,788 (December 31, 2018: 42,981,788) ordinary shares of the Company at the period-end.

2. Basis of preparation and statement of compliance

2.1 Basis 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.

2.2 Where the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the Insurance Rules, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the Insurance Rules, 2017 have been followed.

2.3 These condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2018.

3. Accounting convention / Significant accounting policies

- These condensed interim financial statements have been prepared under the historical cost convention except for investments at fair value through profit or loss and available-for-sale investments, which are stated at fair value, held to maturity investments, which are stated at amortised cost, land & buildings, which are stated at revalued amounts.
- 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, 2018.

4. Accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

4.1 In preparing this condensed interim financial information, Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended December 31, 2018.

4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2018.

5. Property and equipment

Opening book value

191,519

Less: Depreciation charge for the period

819

Closing book value

190,700

Un-audited
March 31,
2019
(Rs. in
thousand)



6. Investments in associates - Quoted

Bannu Woollen Mills Ltd. (BWM)

Gandhara Industries Ltd. (GIL)

Un-audited March 31, 2019 Rupees in thousand	Audited December 31, 2018
2,428	2,428
265,126	265,126
267,554	267,554

6.1. Market values of investments in BWM and GIL as at March 31, 2019 were Rs. 427 thousand (December 31, 2018: Rs.431 thousand) and Rs. 409.857 million (December 31, 2018: Rs. 650.689 million) respectively.

7. Investments in equity securities

Available-for-sale investments (7.1)

Investments at fair value through profit or loss (7.2)

535	506
124,959	121,274
125,494	121,780

7.1 Available-for-sale - others

Listed shares

Hamid textile mills limited

Pakistan national
shipping corporation

Mutual funds

JS growth fund

No. of shares/ units as at March 31, 2019	March 31, 2019			No. of shares/ units as at December 31, 2018	December 31, 2018		
	Cost	Unrealized gain / (Impairment)	Carrying value		Cost	Unrealized gain / (Impairment)	Carrying value
----- (Rupees in thousand) -----							
49,000	490	(490)	-	49,000	490	(490)	-
888	24	29	53	888	24	27	51
2,867	135	347	482	2,867	135	320	455
	649	(114)	535		649	(143)	506

7.2 Investments at fair value through profit or loss

Mutual funds

HBL growth and Cash fund
(Formerly PICIC Growth Fund)

NAFA islamic stock fund

No. of shares/ units as at March 31, 2019	March 31, 2019			No. of shares/ units as at December 31, 2018	December 31, 2018		
	Cost	Un-realised gain / (loss)	Carrying value		Cost	Un-realised gain / (loss)	Carrying value
------(Rupees in thousand)-----							
13,602	520	(266)	254	13,600	520	(280)	240
11,817,196	125,036	(331)	124,705	11,817,196	125,036	(4,002)	121,034
	125,556	(597)	124,959		125,556	(4,282)	121,274

8. Investment in debt securities

Held to maturity

Pakistan Investment Bonds - PIBs
(including accrued interest)

No. of certificates	Face value	Value of certificates
March 31, 2019	Dec. 31, 2018	March 31, 2019 Dec. 31, 2018
(Rupees in thousand)		
8.00	8.00	51,500 53,381 53,713

8.1 These Investments, held with State Bank of Pakistan, have been made to meet the statutory requirement of section 29(2)(a) of the Insurance Ordinance, 2000.



	Un-audited March 31, 2019	Audited December 31, 2018
	Rupees in thousand	
9. Insurance / Reinsurance receivables		
Unsecured and considered good		
Due from insurance contract holders	87,511	87,511
Less: provision for impairment of receivables from insurance contract holders	(87,511)	(87,511)
	-	-
Due from other insurers	112,502	111,147
Due from reinsurers	37,118	37,118
Less: provision for impairment of due from other insurers / reinsurers	(25,705)	(24,916)
	123,915	123,349
	123,915	123,349
10. Deferred taxation		
Deferred tax recognised as at March 31, 2019 has been restricted to Rs.33.191 million (December 31, 2018: Rs.33.191 million) and balance deferred tax asset amounting Rs. 33.892 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	8,696	8,329
Other	1,239	600
	9,935	8,929
12. Cash and bank balances		
Cash and cash equivalent		
Cash in hand	36	35
Policy stamps	1	1
Cash at banks	37	36
- Current accounts	3,030	3,348
- Savings accounts	724	22,678
	3,754	26,026
Deposits maturing within 12 months		
Term deposit receipts	12.1 855	1,257
Provision for impairment	(855)	(855)
	-	402
	3,791	26,464
12.1		
The Company, has received Rs.402 thousand from the Joint Official Liquidator of Innovative Investment Bank Ltd. against the claims lodged in previous year. Accordingly, provision balance has been reduced.		
13.	Other creditors and accruals includes Rs. 754 thousand on account of provident fund balance payable. The Company has established employees' provident fund w.e.f. January 1st, 2019, in place of employees' gratuity scheme, which has been ceased w.e.f December 31, 2018. The Company has applied for registration of employees' provident fund trust before concerned Government Authorities which is yet pending for approval.	
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, 2018.	



	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
15. Net insurance premium		
Written gross premium	8,023	4,593
Add: Unearned premium reserve opening	14,331	6,232
Less: Unearned premium reserve closing	13,218	6,229
Premium earned	9,136	4,596
Less: Reinsurance premium ceded	5,647	3,398
Add: Prepaid reinsurance premium opening	8,329	2,415
Less: Prepaid reinsurance premium closing	8,696	3,668
Reinsurance expense	5,280	2,145
	3,856	2,451
16. Net insurance claims expense		
Claims paid	2,251	275
Add: Outstanding claims including IBNR closing	41,161	64,362
Less: Outstanding claims including IBNR opening	41,365	64,811
Claims expense	2,047	(174)
Less: Reinsurance and other recoveries received	1,526	40
Add: Reinsurance and other recoveries in respect of outstanding claims closing	34,483	53,985
Less: Reinsurance and other recoveries in respect of outstanding claims opening	34,747	54,317
Reinsurance and other recoveries revenue	1,262	(292)
	785	118
17. Net commission expense / acquisition cost		
Commission paid or payable	1,559	837
Add: Deferred commission expense opening	2,436	845
Less: Deferred commission expense closing	2,398	1,008
Net Commission	1,597	674
Less: Commission received or receivable	612	516
Add: Unearned reinsurance commission opening	1,849	796
Less: Unearned reinsurance commission closing	1,593	849
Commission from reinsurers	868	463
	729	211
18. Management expenses		
Employee benefit cost	10,657	10,285
Travelling and entertainment	115	203
Advertisement and sales promotion	13	-
Printing and stationery	39	53
Depreciation	819	872
Rent, Rates and Taxes	50	61
Legal and professional charges	454	1,484
Electricity, gas and water	242	238
Entertainment	197	167
Vehicle running expenses	223	172
Office repairs and maintenance	55	253
Bank charges	8	9
Postage, telegrams and telephone	218	230
Annual supervision fee SECP	25	25
Bad and doubtful debts	789	590
Miscellaneous	102	65
	14,006	14,707



	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
19. Investment income		
Income from debt securities		
- Return on fixed income securities	1,123	1,203
Net unrealised gains/(losses) on investments		
Held-for-trading		
Net unrealised gain on investments at fair value through profit or loss	3,686	8,153
Total investment income	4,809	9,356
20. Other income		
Income from financial assets		
Profit on bank saving accounts	172	259
Payable balances written-back	-	591
	172	850
Income from non-financial assets		
Fronting fee	267	162
Gain on disposal of fixed assets	-	16
Sale of scrap	2	20
	269	198
	441	1,048
21. Other expenses		
Legal and professional charges other than business related	305	374
Auditors' remuneration	150	151
Subscription	188	161
Insurance expenses	150	167
Office expenses	59	67
Computer repair and maintenance	17	116
Assets written-off	-	2
Others	52	90
	921	1,128
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. There are no transactions with key management personnel other than under the terms of employment. Details of significant transactions with related parties, are as follows.

Transactions during the period		March 31, 2019	March 31, 2018
Associated Companies		(Rupees in thousand)	
Janana De Malucho Textile Mills Ltd.	Salaries and benefits paid	429	367
	Expenses paid	25	21
Key management personnel			
Remuneration & benefits		6,462	5,682



23. SEGMENT INFORMATION

For the period ended March 31, 2019

	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 Administrative surcharge)	4,736	2,946	436	78	8,196
Less: Federal Excise Duty	-	100	52	9	161
Federal Insurance Fee	-	8	3	1	12
Gross written premium (inclusive of Administrative surcharge)	4,736	2,838	381	68	8,023
Gross direct premium	-	759	329	68	1,156
Facultative inward premium	4,736	2,066	43	-	6,845
Administrative surcharge	-	13	9	-	22
Insurance premium earned	4,736	2,838	381	68	8,023
Insurance premium ceded to reinsurers	4,339	2,402	1,947	448	9,136
Net insurance premium	3,418	1,434	111	317	5,280
Commission income	921	968	1,836	131	3,856
Net underwriting income	637	172	-	59	868
Insurance claims	1,558	1,140	1,836	190	4,724
Insurance claims recovered from reinsurers	1,209	422	628	(212)	2,047
Net claims	1,004	258	-	-	1,262
Commission expense	205	164	628	(212)	785
Management expenses	864	476	190	67	1,597
Net insurance claims and expenses	8,268	4,954	665	119	14,006
Underwriting results	9,337	5,594	1,483	(26)	16,388
	(7,779)	(4,454)	353	216	(11,664)
Net Investment income					4,809
Rental income					236
Other income					441
Other expenses					(921)
Loss before taxation					(7,099)
Segment assets	108,824	50,809	8,099	1,760	169,492
Unallocated assets					739,335
					908,827
Segment liabilities	61,975	23,181	7,488	1,348	93,992
Unallocated liabilities					13,910
					107,902



For the period ended March 31, 2018

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

Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee, and Administrative 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 profit of associates					(9)
Loss before taxation					(3,109)
as at December 31, 2018 (Audited)					
Segment assets	76,373	43,369	41,684	7,434	168,860
Unallocated assets					758,067
					926,927
Segment liabilities	54,081	19,620	12,731	3,956	90,388
Unallocated liabilities					28,430
					118,818

24. Corresponding figures

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

Date of authorisation for issue

- 24.2** This condensed interim financial information has been authorised for issue on April 29, 2019 by the Board of Directors of the Company.

 Raza Kuli Khan Khattak CHAIRMAN	 Gohar Ayub Khan CHIEF EXECUTIVE	 M. Imran Malik DIRECTOR	 Dr. Shaheen Kuli Khan Khattak DIRECTOR	 Amir Raza PRINCIPAL OFFICER	 Ashfaq Ahmed CHIEF FINANCIAL OFFICER
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-  Universal Insurance House
63-Shahrah-e-Quaid-e-Azam
Lahore-54000 Pakistan
-  +92-42-3735 5426, 3732 4244,
3732 4194, 3731 3878
-  Fax: 042-3723 0326
-  Email: info@uic.com.pk
-  Web: www.uic.com.pk