



**TIC** TRAFCO  
Insurance  
Company Ltd.  
Secure Tomorrow, **Today**

**1<sup>ST</sup> Quarter 2018**  
**Condensed Interim Financial Statements**  
**(Un-audited)**

**Trafco**  
**Insurance Company**  
**Limited**

## Company Information

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**Chairman**                      **Mr.Tahir Malik**

**Chief Executive**              Mr. Muhammad Nawaz Shahid

**Directors**                      Mrs. Saboohi Tahir  
Mr. Asif Malik  
Mr. Kashif Malik  
Mrs. Mahnoor Asif  
Mrs.Sadia Atif  
Ms. Sundus Malik

**Chief Operating Officer**    Mr. Usman Arif

<b>Audit Committee</b>	Mr. Asif Malik	Chairman
	Mrs. Sadia Atif	Member
	Ms. Sundus Malik	Member
	Mr. Usman Arif	Member
	Mr. Abdul Rehman	Secretary

**Company Secretary/C.F.O** **Mr.Khurram Javed (ACMA)**

<b>Management at Head Office</b>	Mr. Majid Ali	Manager-Reinsurance
	Mr. Zafar Iqbal	Manager Claims
	Mr. Emmanuel Gulzar	Deputy Manager Underwriting

**Auditors**                      **Horwath Hussain Chaudhury & Co**  
**Chartered Accountants**

**Legal Advisor**                **Mr. Shahzad Bashir**  
**Advocate High Court**

**Registered &  
Head Office**                      Trafco House-1-C-1, Canal Bank Road,  
Canal Park, Gulberg II, Lahore,  
Phones: 92-42-111-872-326, 92-42-111-811-911  
Fax: 92-42-35871172, Email- info@trafcoinsurance.com.pk

## **Vision Statement**

Elevate the Company as an organization of scrupulous, prudent values and virtues along with professionalism and skills.

## **Mission Statement**

To develop the status of our company as law abiding moderate and consistently going-on Insurance concern carrying the interests and risks of shareholders as well as valued clientele by a breasting with the requirements of state's law and gradual but timely fulfillment and implantations of them.

## **List of Board Committees**

### **Investment Committees**

<b>Mr. Tahir Malik</b>	<b>Chairman</b>
<b>Mrs. Saboohi Tahir</b>	<b>Member</b>
<b>Mr. Asif Malik</b>	<b>Member</b>
<b>Mr. Kashif Malik</b>	<b>Member</b>
<b>Mrs. Mahnoor Asif</b>	<b>Member</b>
<b>Mr. Usman Arif</b>	<b>Member</b>
<b>Mr. Muhammad Nawaz Shahid</b>	<b>Member</b>
<b>Mr. Khurram Javed</b>	<b>Member</b>

### **Underwriting Committees**

<b>Mrs. Saboohi Tahir</b>	<b>Chairperson</b>
<b>Mr. Asif Malik</b>	<b>Member</b>
<b>Mr. Usman Arif</b>	<b>Member</b>
<b>Mr. Emmanuel Gulzar</b>	<b>Secretary</b>

### **Claim Settlement Committees**

<b>Mr. Kashif Malik</b>	<b>Chairman</b>
<b>Mr. Asif Malik</b>	<b>Member</b>
<b>Mr. Usman Arif</b>	<b>Member</b>
<b>Mr. Zafar Iqbal</b>	<b>Secretary</b>

### **Re-Insurance/Co-Insurance Committees**

<b>Mr. Tahir Malik</b>	<b>Chairman</b>
<b>Mrs. Saboohi Tahir</b>	<b>Member</b>
<b>Mr. Usman Arif</b>	<b>Member</b>
<b>Mr. Majid Ali</b>	<b>Secretary</b>

## **Directors' Report to the Shareholders**

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**On behalf of your directors' it is my pleasure to present you condensed interim financial statement and the Directors' report for the First Quarter Ended March 31, 2018.**

Your Company has underwritten premium of **Rs. 7,721,567/-** during the First Quarter ended March.31, 2018 of current year. The directors are thankful to the Insurance Division of Security Exchange Commission of Pakistan, PRCL and Banks for their support and cooperation. Thanks are also due to our esteemed and valued clients for their continued patronage.

### **Acknowledgement**

The above results would not have been possible without the dedication & day and night efforts of officers, staff and field force of your company. Your directors record their appreciation and thanks to all of them for their hard work and dedication.

**Chairman**

# TRAFCO INSURANCE COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION(UNAUDITED)

AS AT MARCH 31, 2018

		<b>31-03-2018</b>	<b>31-12-2017</b>
	Note	Rupees	Rupees
<b>ASSETS</b>			
Property and equipment	16	83,872,648	83,977,839
Intangible assets		6,675,000	5,625,000
Loans and other receivables		33,970,807	33,203,137
Reinsurance receivables		29,785	500,983
Reinsurance recoveries against outstanding claims		-	-
Deferred commission expense and acquisition costs		1,242,591	1,980,552
Taxation - Advance Tax		-	-
Prepayments		2,930,646	3,572,244
Cash and bank		715,358	4,103,251
<b>Total Assets</b>		<b>129,436,835</b>	<b>132,963,006</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		200,000,000	200,000,000
Accumulated loss		(115,516,841)	(115,359,556)
<b>Total Equity</b>		84,483,159	84,640,444
<b>Surplus on Revaluation of Property and Equipment</b>		7,181,560	7,181,560
<b>LIABILITIES</b>			
Underwriting Provisions			
- Outstanding claims including IBNR		5,478,200	8,636,014
- Unearned premium reserves		13,275,771	14,194,857
- Unearned reinsurance commission		46,044	82,807
Deferred taxation		597,047	597,047
Borrowings		3,206,668	3,206,668
Premium received in advance		149,341	-
Reinsurance payable		330,245	330,245
Other creditors and accruals		14,416,628	13,887,878
Taxation - provision less payment		272,172	205,486
<b>Total Liabilities</b>		37,772,116	41,141,002
<b>Total Equity and Liabilities</b>		<b>129,436,835</b>	<b>132,963,006</b>
<b>Contingencies and Commitments</b>	7	-	-

The annexed notes 1-20 form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**CHAIRMAN**

# TRAFCO INSURANCE COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2018

		<b>31-03-2018</b>	<b>31-12-2017</b>
	Note	Rupees	Rupees
Net insurance premium	8	7,340,930	37,465,078
Net insurance claims	9	(4,158,340)	(24,562,255)
Net commission and other acquisition costs	10	(701,199)	(2,996,405)
Insurance claims and acquisition expenses		(4,859,539)	(27,558,660)
Management expenses	11	(2,300,272)	(13,247,111)
<b>Underwriting Results</b>		181,119	(3,340,693)
Other income	13	2,120	2,521,062
Other expenses	14	(228,550)	(344,650)
<b>Results of Operating Activities</b>		(45,311)	(1,164,281)
Finance costs	15	(38,565)	(77,938)
<b>Loss before Taxation</b>		(83,876)	(1,242,219)
Provision for Tax		(73,409)	(297,320)
<b>Loss for the Period</b>		(157,285)	(1,539,539)
<b>Other Comprehensive Income for the period</b>		-	-
<b>Total Comprehensive Loss for the Period</b>		(157,285)	(1,539,539)
Loss (after tax) per share- Rupees		(0.0079)	(0.077)

The annexed notes 1-20 form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**CHAIRMAN**

# TRAFCO INSURANCE COMPANY LIMITED

## STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2018

	<b>31-03-2018</b>	<b>31-12-2017</b>
	Rupees	Rupees
<b>Operating Cash Flows</b>		
a) Underwriting activities		
Insurance premiums received	7,870,908	35,885,433
Reinsurance premiums paid	(186,927)	(7,410,483)
Claims paid	(7,437,192)	(28,350,069)
Reinsurance and other recoveries received	121,038	6,068,347
Commissions paid	-	(2,911,091)
Commissions received	-	165,056
General management expenses paid	(1,821,389)	(7,120,858)
Net Cash flow from underwriting activities	(1,453,562)	(3,673,665)
b) Other operating activities		
Other operating receipts / (payments)	(767,670)	12,242,360
Income tax paid	(6,723)	(169,165)
Other income	2,120	
Loan recovered / (paid)	-	40,000
Net cash flow from other operating activities	(772,273)	12,113,195
<b>Total Cash flow from all Operating Activities</b>	<b>(2,225,835)</b>	<b>8,439,530</b>
<b>Investment Activities</b>		
Fixed capital expenditure	(73,493)	(1,228,720)
Intangibles	(1,050,000)	(3,775,000)
Proceeds from disposal of property and equipment	-	156,000
<b>Total Cash flow from Investing Activities</b>	<b>(1,123,494)</b>	<b>(4,847,720)</b>
<b>Financing Activities</b>		
Loans repaid - net	-	(4,007,106)
Financial charges paid	(38,565)	(77,938)
<b>Total Cash flow from Financing Activities</b>	<b>(38,565)</b>	<b>(4,085,044)</b>
<b>Net Cash (Outflow) / Inflow from all Activities</b>	<b>(3,387,893)</b>	<b>(493,234)</b>
Cash and cash equivalent at the beginning of the year	4,103,251	4,596,485
<b>Cash and Cash Equivalent at the End of the Year</b>	<b>715,358</b>	<b>4,103,251</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(2,225,835)	8,439,530
Depreciation expense	(178,683)	(835,806)
Financial charges expense	(38,565)	(77,938)
Gain on disposal of property and equipment	-	14,050
Other Income	2,120	2,507,012
Taxation	43,905	(257,337)
Deferred taxation	(39,983)	(39,983)
(Decrease) / increase in assets other than cash	(1,083,087)	(13,813,412)
Decrease / (increase) in liabilities other than running finance	3,362,844	2,524,345
<b>Loss after Taxation</b>	<b>(157,285)</b>	<b>(1,539,539)</b>

The annexed notes 1-20 form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**CHAIRMAN**



# TRAFICO INSURANCE COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2018

	<b>Attributable to Equity Holders of the Company</b>		
	<b>Share Capital</b>	<b>Accumulated Loss</b>	<b>Total</b>
Note	Rupees	Rupees	Rupees
<b>Balance as at December 31, 2015 as per previously reported</b>	<b>200,000,000</b>	<b>(100,563,911)</b>	<b>99,436,089</b>
Effect of changing of accounting policy	-	(599,474)	(599,474)
Balance as at December 31, 2015 - as restated	200,000,000	(101,163,385)	98,836,615
Total comprehensive loss for the year	-	(12,656,632)	(12,656,632)
<b>Balance as at December 31, 2016- as restated</b>	<b>200,000,000</b>	<b>(113,820,017)</b>	<b>86,179,983</b>
<b>Balance as at December 31, 2016 as per previously reported</b>	<b>200,000,000</b>	<b>(113,262,953)</b>	<b>86,737,047</b>
Effect of changing of accounting policy	-	(557,064)	(557,064)
<b>Balance as at December 31, 2016 - as restated</b>	<b>200,000,000</b>	<b>(113,820,017)</b>	<b>86,179,983</b>
Total comprehensive loss for the year	-	(1,539,539)	(1,539,539)
<b>Balance as at December 31, 2017</b>	<b>200,000,000</b>	<b>(115,359,556)</b>	<b>84,640,444</b>
Total comprehensive loss for the Quarter		(157,285)	(157,285)
<b>Balance as at March 31, 2018</b>	<b>200,000,000</b>	<b>(115,516,841)</b>	<b>84,483,159</b>

The annexed notes 1-20 form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

**CHAIRMAN**

**Notes to the Condensed Interim Financial Statements (UNAUDITED)  
For the Period Ended March 31, 2018**

**1 STATUS AND NATURE OF BUSINESS**

The Trafco Insurance Company Limited was incorporated in Pakistan as a Public Limited Company in 1979 and is engaged in General Insurance business since 1979. Its registered office is situated at Trafco House-1-C-1, Canal Bank Road, Canal Park, Gurlberg II, Lahore.

**2 BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention except for certain assets which are measures at revalued amount.

**3 STATEMENT OF COMPLIANCE**

These financial statements are prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, 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 Ordinance, 1984, Insurance Ordinance, 2000 the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

**4 SIGNIFICANT ACCOUNTING POLICIES**

- 4.1 Accounting policies and estimates adopted for the preparation of these condensed interim financial report are the same as those applied in preparation of the financial statements for the year ended 31 December 2017.
- 4.2 Previous period's figures have been re-arranged where necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangement.

**5 AUTHORIZED SHARE CAPITAL**

Unaudited March 31, 2018	Audited Dec 31, 2017	Unaudited March 31, 2018	Audited Dec 31, 2017
<b>No. of Shares</b>		<b>Rupees</b>	
70,000,000	70,000,000	700,000,000	700,000,000
Ordinary Share of Rs. 10/- each			
<u>70,000,000</u>	<u>70,000,000</u>	<u>700,000,000</u>	<u>700,000,000</u>

	<b>Unaudited</b> 31-03-2018 Rupees	<b>Audited</b> 31-12-2017 Rupees
<b>6</b> <u><b>PROVISION FOR OUTSTANDING CLAIMS (INCLUDING IBNR)</b></u>	5,478,200	8,636,014
<b>7</b> <u><b>CONTINGENCIES AND COMMITMENTS</b></u>		
<b>7.1</b> Contingencies	-	-

There has been no change since December 31, 2017

	<b>Unaudited</b> 31-03-2018 Rupees	<b>Audited</b> 31-12-2017 Rupees
<b>8</b> <u><b>Net Insurance Premium</b></u>		
Written gross premium	7,721,567	35,909,275
Add: Unearned premium reserves opening	14,194,857	20,960,140
Less: Unearned premium reserves closing	(13,275,771)	(14,194,857)
Premium earned	<b>8,640,653</b>	<b>42,674,558</b>
<b>Less:</b> Reinsurance premium ceded	658,125	5,153,926
Add: Prepaid reinsurance premium opening	3,572,244	3,627,798
Less: Prepaid reinsurance premium closing	(2,930,646)	(3,572,244)
Reinsurance expense	1,299,723	5,209,480
	<b>7,340,930</b>	<b>37,465,078</b>
<b>9</b> <u><b>Net Insurance Claims Expense</b></u>		
Claim paid	7,437,192	28,350,069
Claims written back	-	1,880,000
Add: Outstanding claims including IBNR closing	5,478,200	8,636,014
Less: Outstanding claims including IBNR opening	(8,636,014)	(9,966,981)
Claims expense	<b>4,279,378</b>	<b>28,899,102</b>
<b>Less:</b> Reinsurance and other recoveries received	121,038	6,028,347
Claims written off	-	40,000
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment closing	-	-
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment opening	-	(1,731,500)
Reinsurance and other recoveries revenue	121,038	4,336,847
	<b>4,158,340</b>	<b>24,562,255</b>

Note

		<b>Unaudited</b> 31-03-2018 Rupees	<b>Audited</b> 31-12-2017 Rupees
<b>10 <u>Net Commission Expense and Acquisition Costs</u></b>			
Commission paid / payable		-	2,911,091
Add: Deferred commission expense opening		1,980,552	2,211,483
Less: Deferred commission expense closing		(1,242,591)	(1,980,552)
Net commission		<b>737,961</b>	<b>3,142,022</b>
<b>Less:</b> Commission received / recoverable		-	165,056
Add: Unearned reinsurance commission opening		82,807	63,368
Less: Unearned reinsurance commission closing		(46,044)	(82,807)
Commission from reinsurers		36,763	145,617
		<b>701,199</b>	<b>2,996,405</b>
		<b>701,199</b>	<b>2,996,405</b>
		<b>Unaudited</b> 31-03-2018 Rupees	<b>Audited</b> 31-12-2017 Rupees
<b>11 <u>Management Expenses</u></b>	Note		
Employee benefit cost	12	1,893,811	9,678,189
Travelling expenses		34,000	297,524
Advertisements and sales promotion		-	119,000
Printing and stationery		18,302	450,567
Depreciation	16	178,683	835,806
Rent, rates and taxes		-	190,000
Electricity, gas and water		-	227,409
Entertainment		24,657	410,946
Office repairs and maintenance		3,560	527,803
Postage, telegrams and telephone		81,919	338,365
Annual supervision fee SECP		-	100,000
Website Hosting		21,924	-
Inspection cost		22,106	37,115
Miscellaneous		21,310	34,387
		<b>2,300,272</b>	<b>13,247,111</b>
<b>12 <u>Employee benefit cost</u></b>			
Salaries, allowance and other benefits		1,893,811	9,678,189
		<b>1,893,811</b>	<b>9,678,189</b>
		<b>Unaudited</b> 31-03-2018 Rupees	<b>Audited</b> 31-12-2017 Rupees
<b>13 <u>Other Income</u></b>			
Liabilities written back		-	2,507,012
Gain on disposal of property and equipment		-	14,050
Miscellaneous		2,120	-
		<b>2,120</b>	<b>2,521,062</b>
		<b>2,120</b>	<b>2,521,062</b>

	<b>Unaudited</b> 31-03-2018 Rupees	<b>Audited</b> 31-12-2017 Rupees
<b>14 Other Expenses</b>		
Legal and professional other than business related	128,550	147,050
Auditors' remuneration	-	175,000
Director Fuel Expenses	100,000	-
Donations	-	22,600
	<b>228,550</b>	<b>344,650</b>

	<b>Unaudited</b> 31-03-2018 Rupees	<b>Audited</b> 31-12-2017 Rupees
<b>15 Finance Cost</b>		
Bank charges	38,565	77,938

	<b>Unaudited</b> <b>March 31,</b> <b>2018</b>	<b>Audited</b> <b>Dec 31,</b> <b>2017</b>
<b>16 FIXED ASSETS - Tangible</b>		
OWNED ASSETS:	<b>Rupees</b>	
Opening Book Value	83,977,839	83,726,875
Additions during the year	73,493	1,228,720
Revaluation Surplus for the Period	-	-
	<b>84,051,332</b>	<b>84,955,595</b>
Book value of fixed assets disposed off during the period	-	(156,000)
Depreciation charged during the period	(178,683)	(821,756)
Closing Book value	<b>83,872,648</b>	<b>83,977,839</b>

	<b>31/03/2018</b>		<b>31/12/2017</b>	
<b>16.1 Particulars</b>	<u>Additions</u>	<u>Disposals</u>	<u>Additions</u>	<u>Disposals</u>
	Rupees			
Furniture & Fixtures	-	-	826,000	-
Office Equipment	600	-	242,000	106,000
Vehicle	-	-	-	-
Computer and accessories	72,893	-	160,720	50,000
	<b>73,493</b>	<b>-</b>	<b>1,228,720</b>	<b>156,000</b>

	<b>Unaudited For the Period ended 31 March 2018 Rupees</b>	<b>Unaudited For the Period ended 31 March 2017 Rupees</b>
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**17 TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties are as follows:

<b><u>Relation</u></b>	<b><u>Transactions</u></b>
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Key Management Personnel:

Director	Remuneration Payable/Paid	600,000	600,000
Executives	Salary Payable/Paid	1,057,442	960,000
Associates			
	Trafco Tracking (Pvt.) Li	2,845,807	11,719,810
	Trafco Logistic (Pvt.) Ltd	(106,716)	120,660

**18 EVENTS AFTER BALANCE SHEET**

There are no events after balance sheet date causing any adjustment or disclosure in the condensed interim financial information.

**19 DATE OF AUTHORIZATION**

These financial statements have been authorised for issue by the board of Directors on 28 April 2018.

**20 GENERAL**

Figures in the financial statements have been rounded off to the nearest rupee.

**Chairman**

**Director**

**Director**

**Chief Executive Officer**

# List of Branches

## **Lahore**

Trafco House,  
2<sup>nd</sup> Floor, 1-C-1, Canal Bank Road, Canal Park,  
Gulberg-II, Lahore.  
UAN- 92-42-111-872-326, Fax- 92-42-5871166

## **FAISALABAD**

2<sup>ND</sup> Floor, 63 Chenab Market,  
Madina Town, Main Susan Road, Faisalabad  
UAN: 92-42-111-872-326 Fax- 92-42-5871166

## **Karachi**

Trafco House 245/1-w, Block-6, P.E.C.H.S.  
Shahra-e-Faisal, Karachi.  
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## **SIALKOT**

Trafco House  
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Ph: 92-52-3257181-3, Fax-92-52-3257184

## **MULTAN**

House no. 6, Galaxy Town,  
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Ph: 92-61-4007030, 6520580, 6210401  
Fax- 92-61-6520585

## **Rawalpindi**















Flat no. 06, 1st Floor, Rajpot Plaza,  
Chaklala Airport Service Road, Rawalpindi  
Ph: 92-51-5591215, 5591202, Fax-92-51-5591206



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