



CONDENSED INTERIM
FINANCIAL INFORMATION
OF
SINDH INSURANCE LIMITED
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2021

Directors' Review

On behalf of the Board of Directors, I am pleased to present the results of your Company for the half year ended June 30, 2021.

COMPANY PERFORMANCE REVIEW

During the half year ended June 30, 2021, the company net insurance premium of Rs. 59.023 million as compared to the corresponding period of Rs. 194.943 million. Decrease in net insurance premium is because of decrease in UAIS premium from 263.157 million to Rs. 1. The investment income generated was Rs. 224.308 million during the half year under review as compared to the Rs. 198.614 million in corresponding period in last year. The increase in investment income was due to capital gain of Rs. 79.656 million on sale of Pakistan Investment Bonds. Profit before tax stood at Rs. 234.800 million as on June 30, 2021 as compared to Rs. 238.429 million of the corresponding period last year. The Company posted a profit after tax of Rs. 167.656 million for the half year ended June 30, 2021 as compared with profit of Rs. 169.386 million in corresponding period. Retained earnings increased from Rs. 1,125.578 million as at the year ended December 31, 2020 to Rs. 1,293.233 million for the half year ended June 30, 2021.

The total assets of the company reached to Rs. 4,551.320 million. Total equity of the Company stands over Rs. 2,292.917 million.

INDUSTRY OVERVIEW

Pakistan's economy has started to rebound in 2021 despite the third and fourth wave of Covid pandemic. Due to development in economy, consumer and business confidence have risen and inflation expectations have fallen resulting in real GDP growth of 3.94 percent in FY 2021. It is expected that economy will keep its trajectory of higher growth without any macroeconomic imbalances. Pakistan's economic recovery continues, driven by industry particularly large-scale manufacturing and construction and services. Several high-frequency indicators show strong year-on-year growth which is stabilizing Pakistan Stock Exchange, while monetary policy is expected to remain the same. Some increase in Covid cases is noted recently however smart lockdown as earlier will protect both economic activities and human lives.

Despite challenging global conditions, the outlook for external sector broadly remains stable. The current account deficit should remain bounded and the recent increase in inflows will help the rupee position in global forex market.

FUTURE OUTLOOK

Our strategy for future is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain a growing position in the industry. We continue to invest in our people and making Sindh Insurance Limited a great place to build their career. The Company achieved to spread its network in the Sindh by appointing coordinators in each district of Sindh. Our business module is to focus to increase captive business of government to make the company's footing stronger. Your Company, due to a strong balance sheet, liquidity and above all a competent and proactive management will be able to explore and write any business that meets its criteria for safe and sustainable growth without compromising our high standards in future.

ACKNOWLEDGEMENT

The Board would like to thank its shareholder for the confidence reposed in the company and expresses its sincere thanks to the strategic partners, vendors, suppliers and customers. As always the support and guidance provided by the Securities and Exchange Commission of Pakistan and the commitment and dedication of our staff is appreciated.

Further, the Board also wishes to record its appreciation for the Insurance Association of Pakistan (IAP) for its valuable support and contribution to the insurance industry.

For and on behalf of
Board of Directors


M. Faisal Siddiqui
Chief Executive Officer

Karachi.

August 24, 2021



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Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SINDH INSURANCE LIMITED ("the Company") as at June 30, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six month period ended June 30, 2021 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarter ended June 30, 2021 and June 30, 2020 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 24 AUG 2021

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

		June 30 2021 (Unaudited)	December 31 2020 (Audited)
	Note	Rupees-----	
ASSETS			
Property and equipment	6	27,010,889	29,334,824
Intangible assets	7	1,114,594	1,556,316
Investments			
Debt securities	8	3,452,241,781	3,366,363,486
Term deposit receipts	9	200,000,000	200,000,000
Loans and other receivables	10	61,680,460	83,544,606
Insurance / reinsurance receivables	11	566,229,347	596,296,725
Reinsurance recoveries against outstanding claims		21,667,604	18,671,953
Deferred commission expense		327,581	31,991
Deferred taxation		2,683,697	-
Prepayments	12	73,307,992	263,081,911
Cash and bank	13	77,726,903	110,727,509
		4,483,990,848	4,669,609,321
Total assets of Window takaful operations - Operator's Fund		67,328,719	68,012,124
TOTAL ASSETS		4,551,319,567	4,737,621,445
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		1,000,000,000	1,000,000,000
Revaluation reserve on available for sale investments		(315,953)	76,732,497
Unappropriated profit		1,293,233,454	1,125,577,693
TOTAL EQUITY		2,292,917,501	2,202,310,190
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	19	1,921,354,003	1,968,966,259
Unearned premium reserves	18	101,226,055	329,005,265
Premium deficiency reserves		9,158,090	18,318,949
Unearned reinsurance commission	20	5,613,307	7,724,103
		2,037,351,455	2,324,014,576
Premium received in advance		1,390,369	2,096,180
Insurance / reinsurance payables	14	160,571,463	137,988,778
Other creditors and accruals	15	24,681,621	19,539,055
Lease liabilities	16	8,833,311	8,258,540
Deferred taxation		-	30,280,345
Taxation - net		20,560,595	6,848,136
TOTAL LIABILITIES		2,253,388,814	2,529,025,610
Total liabilities of Window takaful operations - Operator's Fund		5,013,252	6,285,645
TOTAL EQUITY AND LIABILITIES		4,551,319,567	4,737,621,445
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

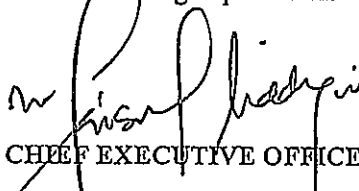
DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

	Note	Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2021	2020	2021	2020
		----- Rupees-----		----- Rupees-----	
Net insurance premium	18	59,022,946	194,943,419	30,844,354	99,540,231
Net insurance claims	19	(3,209,754)	(146,671,867)	8,458,384	(69,006,052)
Premium deficiency		9,160,858	15,143,450	2,739,471	6,906,753
Net commission	20	(8,880,463)	7,754,012	(12,986,806)	3,988,616
Insurance claims and acquisition expenses		(2,929,359)	(123,774,405)	(1,788,951)	(58,110,683)
Management expenses	21	(44,542,506)	(40,084,280)	(23,300,751)	(21,912,963)
Underwriting results		11,551,081	31,084,734	5,754,652	19,516,585
Investment income	22	224,307,913	198,614,018	69,403,992	114,746,929
Other income	23	3,936,619	8,982,894	1,653,445	5,134,669
Other expenses		(6,400,770)	(3,223,406)	(2,891,204)	(2,515,328)
General Insurance Operations		233,394,843	235,458,240	73,920,885	136,882,854
Profit before tax from					
Window Takaful Operations		1,405,198	2,970,468	688,309	1,469,516
Profit before tax		234,800,041	238,428,708	74,609,194	138,352,370
Income tax expense		(67,144,280)	(69,042,685)	(20,896,832)	(33,704,997)
Profit after taxation		167,655,761	169,386,023	53,712,362	104,647,373
Earnings per share - basic and diluted	24	1.68	1.69	0.54	1.05

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021


	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2021	2020	2021	2020
	Rupees		Rupees	
Profit after taxation	167,655,761	169,386,023	53,712,362	104,647,373

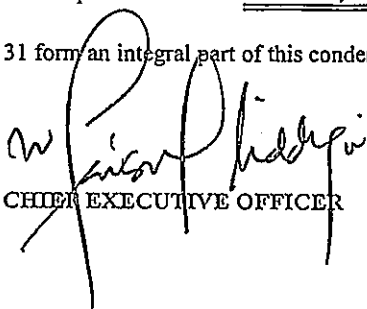
Other comprehensive income:


Items that may be reclassified subsequently
to profit or loss account


Unrealised (loss)/gain on available for sale inves	(108,073,939)	150,160,163	-	45,302,120
Deferred tax on available for sale investments	31,341,442	(43,546,448)	-	(13,137,615)
	(76,732,497)	106,613,715	-	32,164,505
Net unrealised loss from window takaful operations - Operator's Fund (net of deferred tax)	(315,953)	(198,286)	(315,953)	(198,286)
Total comprehensive income for the period	90,607,311	275,801,452	53,396,409	136,613,592

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.


 CHAIRMAN


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	June 30 2021	June 30 2020
	----- Rupees -----	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Insurance premium received	76,937,677	195,769,128
Reinsurance premium paid	(22,836,130)	(162,892,913)
Claims paid	(61,685,934)	(71,226,456)
Reinsurance and other recoveries received	7,868,272	15,351,110
Commission paid	(836,737)	(62,269)
Commission received	7,087,946	5,194,417
Underwriting payments	(6,400,770)	(36,683,825)
Net cash flow from underwriting activities	134,324	(54,550,808)
(b) Other operating activities		
Income tax paid	(54,639,696)	(52,283,175)
Compensated absences paid	-	(50,234)
Management and administrative expenses paid	(32,967,619)	
Other operating payments	(11,676,342)	1,555,501
Net cash used in other operating activities	(99,283,656)	(50,777,908)
Total cash flow from / (used in) all operating activities	(99,149,332)	(105,328,716)
INVESTMENT ACTIVITIES		
Profit / return received	252,756,092	140,515,441
Other income	3,936,619	8,982,894
Payment against investments	(5,152,221,200)	(294,514,500)
Proceeds from investment	4,962,747,400	97,471,600
Proceeds from sale of property and equipment	18,300	6,860
Fixed capital expenditure	(1,663,256)	(689,850)
Total cash (used in) / flow from investing activities	65,573,955	(48,227,555)
FINANCING ACTIVITIES		
Principal Repayment of lease liability	574,771	-
	574,771	-
Net cash (used in) / generated from all activities	(33,000,606)	(153,556,271)
Cash and cash equivalents at beginning of the period	310,727,509	462,870,278
Cash and cash equivalents at end of the period	277,726,903	309,314,007

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

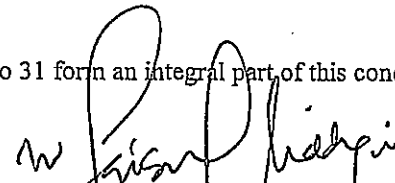
DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	June 30 2021	June 30 2020
	----- Rupees-----	
Reconciliation to profit and loss account		
Operating cash flows	(99,149,332)	(105,328,716)
Depreciation expense	(3,987,191)	(2,892,460)
Amortization of intangible	(491,722)	(585,647)
(Increase)/ decrease in current assets other than cash	(207,223,799)	(331,325,830)
Increase / (decrease) in operating liabilities	261,362,659	415,710,806
Investment income	224,307,913	198,614,018
Other income	3,936,619	8,982,894
Profit for the period	178,755,147	183,175,065
Other adjustments:		
Income tax paid	54,639,696	52,283,175
Profit before taxation	233,394,843	235,458,240
Provision for taxation	(67,144,280)	(69,042,685)
Profit after taxation from conventional insurance operations	166,250,563	166,415,555
Profit from Window Takaful Operations	1,405,198	2,970,468
Profit after tax	167,655,761	169,386,023

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

SINDH INSURANCE LIMITED

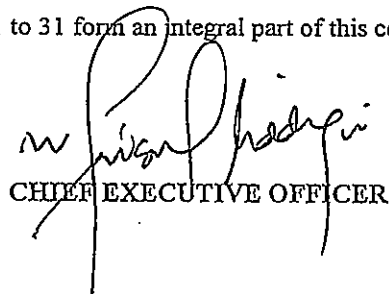
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

	Share capital Issued, subscribed and paid-up	Revaluation reserve on available for sale investments	Unappropri- ate profit	Total
	Rupees			
Balance as at 1 January 2020	1,000,000,000	13,562,528	805,182,303	1,818,744,831
Total comprehensive income for the year				
Profit after tax	-	-	320,395,390	320,395,390
Other comprehensive income	-	63,169,969	-	63,169,969
Total comprehensive income for the year	-	63,169,969	320,395,390	383,565,359
Balance as at December 31, 2020	1,000,000,000	76,732,497	1,125,577,693	2,202,310,190
Balance as at January 01, 2021	1,000,000,000	76,732,497	1,125,577,693	2,202,310,190
Total comprehensive income for the period				
Profit after tax	-	-	167,655,761	167,655,761
Other comprehensive income	-	(77,048,450)	-	(77,048,450)
Total comprehensive income for the period	-	(77,048,450)	167,655,761	90,607,311
Balance as at June 30, 2021	1,000,000,000	(315,953)	1,293,233,454	2,292,917,501

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

SINDH INSURANCE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc.
- 1.2 The Company was granted authorisation on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3 SECP carried out an onsite inspection of the Company under Section 59A of the Insurance Ordinance, 2000. Based on the inspection, SECP highlighted various non-compliances with the insurance Ordinance, 2000 and various SROs of SECP in its letter of findings of the Company dated January 4, 2019. These non-compliances (among other compliance, risk management and internal control issues) mainly pertain to accounting treatment of Universal Accident Insurance and Social Benefit Scheme (the Scheme) of the Government of Sindh (GoS). Whereby, the recognition and measurement of premium, claims and commission relating to the Scheme under the Insurance Contract has been challenged on account of the immunity given by GoS to the Company where the Company will not suffer any loss under the Scheme if claims and other related expenditures exceed the revenue of the Company from the Scheme. The management of the Company vide its letter to SECP dated February 4, 2019 conveyed that the said accounting treatment was adopted based on a legal opinion and strongly believes that the adopted treatment is in line with the Insurance Ordinance, 2000. Further, the management assured in its response that most of the issues highlighted by SECP have been complied whereas the management is fully committed to ensure compliance with rest of the non-compliances in due course. No further correspondence has been made by SECP in this regard, during the reporting period.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors as required under Code of Corporate Governance for Insurers, 2016. This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2020 which have been prepared in accordance with accounting and reporting standards as applicable to insurance companies in Pakistan.

This condensed interim financial information has been prepared in accordance with the accounting and reporting standard 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 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Regulation, 2019.

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Regulation, 2019 differ with the requirements of IAS 34, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019, have been followed.

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated February 9, 2017 has prescribed the format of the presentation of annual financial statements for the general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2019, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the six months period ended June 30, 2019.

In terms of the requirement of the Takaful Rules 2012, read with SECP circular 25 of 2015 dated July 9, 2015, the assets, liabilities and profit and loss of the Operator's fund of the General Takaful Operations of the Company have been presented as single line item in the condensed interim statement of financial position and condensed interim statement of profit or loss account of the Company respectively.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments available-for-sale that have been measured at their fair values.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3.3 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency.

4 USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information in conformity with the requirements of accounting and reporting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimate about carrying amount of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the preceding annual audited financial statements of the Company for the year ended December 31, 2020.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual audited financials statements for the year ended December 31, 2020 except as disclosed below.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after January 01, 2021. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 5.1 below.

5.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

Temporary Exemption from Application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for the financial assets with contractual cash flows that meet the 'Solely for Payment of Principal and Interest' (SPPI) criteria excluding those held for trading and for the financial assets that do not meet the SPPI criteria for being eligible to apply the temporary exemption from the application of IFRS 9.

As at reporting date, the fair value of the financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

		June 30 2021 (Unaudited)	December 31 2020 (Audited)
	Note	Rupees	
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	20,352,598	21,128,431
Right-of-use assets - Office premises	6.2	6,658,291	8,206,393
		<u>27,010,889</u>	<u>29,334,824</u>
6.1 Operating fixed assets			
Opening balance as at January 01		21,128,431	24,419,234
Additions during the period / year			
Furniture and fixtures		-	43,500
Office equipment		1,068,070	419,650
Computers		595,186	910,362
Vehicles		-	-
		<u>1,663,256</u>	<u>1,373,512</u>
Less:			
Written down value of assets disposed off during the period / year		-	-
Depreciation charge for the period / year		(2,439,089)	(4,664,315)
		<u>20,352,598</u>	<u>21,128,431</u>
6.2 Right-of-use assets - Office premises			
Office premises		<u>6,658,291</u>	<u>8,206,393</u>
Balance as at January 01		8,206,393	2,992,848
Additions during the year		-	8,363,039
Depreciation charge during the period / year		(1,548,102)	(3,149,494)
		<u>6,658,291</u>	<u>8,206,393</u>
7 INTANGIBLE ASSETS			
Intangible assets		<u>1,114,594</u>	<u>1,556,316</u>
Opening balance as at January 1		1,556,316	2,694,276
Additions during the period / year		50,000	-
Less: Amortization charge for the period / year		(491,722)	(1,137,960)
		<u>1,114,594</u>	<u>1,556,316</u>

		June 30 2021 (Unaudited)	December 31 2020 (Audited)
	Note	Rupees	
8 INVESTMENTS IN DEBT SECURITIES			
Held To Maturity			
Government Securities			
Pakistan Investment Bonds	8.1 & 8.3	112,719,277	111,647,390
Treasury bills	8.1 & 8.2	-	860,408,225
Others			
Corporate sukuk			
TPL Trakker Limited	8.1 & 8.4	14,583,334	18,750,000
Available for sale			
Government Securities			
Pakistan Investment Bonds	8.1	-	1,800,557,871
Treasury bills	8.1 & 8.2	2,749,939,170	-
Others			
Term Finance Certificates	8.1 & 8.5	575,000,000	575,000,000
		3,452,241,781	3,366,363,486

8.1 Detail of investments in debt securities is as follows

	June 30, 2021 (Unaudited)				December 31, 2020 (Audited)			
	Cost	Impairment / provision	Surplus on revaluation	Carrying value	Cost	Impairment / Provision	Surplus on revaluation	Carrying value
Rupees								
Held to maturity								
Government securities								
Pakistan Investment Bonds	112,719,277	-	-	112,719,277	111,647,390	-	-	111,647,390
Treasury Bills	-	-	-	-	860,408,225	-	-	860,408,225
	112,719,277	-	-	112,719,277	972,055,615	-	-	972,055,615
Others								
Corporate Sukuk								
TPL Trakker Limited	14,583,334	-	-	14,583,334	18,750,000	-	-	18,750,000
	127,302,611	-	-	127,302,611	990,805,615	-	-	990,805,615
Available for sale								
Government securities								
Pakistan Investment Bonds	-	-	-	-	1,691,053,847	-	109,504,025	1,800,557,871
Treasury Bills	2,749,939,170	-	-	2,749,939,170	-	-	-	-
Others								
Term Finance Certificate - Unquoted								
Meezan Bank Limited	143,000,000	-	-	143,000,000	143,000,000	-	-	143,000,000
Bank Al Habib Limited	132,000,000	-	-	132,000,000	132,000,000	-	-	132,000,000
Soneri Bank Limited	150,000,000	-	-	150,000,000	150,000,000	-	-	150,000,000
United Bank Limited	150,000,000	-	-	150,000,000	150,000,000	-	-	150,000,000
	575,000,000	-	-	575,000,000	575,000,000	-	-	575,000,000
	575,000,000	-	-	3,324,939,170	2,266,053,847	-	109,504,025	2,375,557,871
	3,452,241,781	-	-	3,452,241,781	3,256,859,462	-	109,504,025	3,366,363,486

8.2 These represent Market Treasury Bills (MTBs) having a face value of Rs. 2,820 million (December 31, 2020: Rs. 780 million) and carrying purchase yield of 7.33% to 7.44% per annum (December 31, 2020: 7.98% to 12..84% per annum).

8.3 This represents Pakistan Investment Bonds having carrying value amounting to Rs. 112.719 million (December 31, 2020: Rs. 111.647 million) which are pledged with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.

- 8.4 These represent Sukuk of TPL Tracker Limited having face value of Rs. 14.583 million (December 31, 2020: Rs. 18.750 million) and carry interest yield of 12.71% per annum (December 31, 2020: 14.70% per annum).
- 8.5 These represent Term Finance Certificates issued by various banks having face value of Rs. 575 million (December 31, 2020: Rs. 575 million) and carry interest yield of 8.85% to 9.70% per annum (December 31, 2020: 7.68% to 13.56%) per annum. These term finance certificates have maturities upto January 29, 2039 and perpetuity.

	Note	June 30 2021 (Unaudited)	December 31 2020 (Audited)
----- (Rupees) -----			
9 INVESTMENTS IN TERM DEPOSIT RECEIPTS			
Deposits maturing within 12 months		200,000,000	200,000,000
Opening balance		200,000,000	396,000,000
Less: Matured during the period / year		(400,000,000)	(396,000,000)
Closing balance		200,000,000	200,000,000

- 9.1 These represent term deposit receipts (TDRs) in local currency with commercial bank carrying markup ranging from 7.35% (December 31, 2020: 7.20% to 14.25%) per annum.

10 LOANS AND OTHER RECEIVABLES

(Unsecured - considered good)

Accrued investment income	44,340,332	77,291,832
Loan to employees	1,839,992	69,612
Other receivables	15,500,136	6,183,162
	61,680,460	83,544,606

11 INSURANCE / REINSURANCE RECEIVABLES

(Unsecured - considered good)

Due from insurance contract holders	11.1	483,286,014	523,903,316
Provision for impairment of receivables from insurance contract holders		-	-
		483,286,014	523,903,316
Due from other insurers / reinsurers		82,943,333	72,393,409
		566,229,347	596,296,725

- 11.1 This includes gross amount of Rs. 10.336 Million (December 31, 2020: Rs. .221 Million) due from related parties.

		June 30 2021 (Unaudited)	December 31 2020 (Audited)
	Note	(Rupees)	
12 PREPAYMENTS			
Prepaid reinsurance premium ceded		70,578,692	259,020,819
Prepaid rent		-	-
Prepaid insurance expense		2,042,380	3,723,202
Others		686,920	337,890
		<u>73,307,992</u>	<u>263,081,911</u>
13 CASH AND BANK			
Cash and cash equivalents			
Cash in hand		34,130	5,180
Policy stamps		937,678	1,103,926
Cash at bank			
Savings accounts	13.1	76,755,095	109,618,403
		<u>77,726,903</u>	<u>110,727,509</u>
13.1 These accounts carry interest rates ranging from 6.65% to 11.30% (December 31, 2020: 5.65% to 11.30%) per annum.			
14 INSURANCE / REINSURANCE PAYABLE			
Due to other insurers / reinsurers			
Local		121,206,069	112,128,198
Foreign		39,365,394	25,860,580
		<u>160,571,463</u>	<u>137,988,778</u>
15 OTHER CREDITORS AND ACCRUALS			
Agent commission payable		153,244	143,755
Federal excise duty / sales tax		3,328,915	-
Federal insurance fee		259,971	346,868
Accrued expenses		8,533,642	8,208,822
Other tax payables		889,421	499,625
Provision for compensated leave absences		3,560,363	3,113,778
Auditors' remuneration		853,144	1,054,328
Provision for gratuity	15.1	7,102,921	6,171,879
		<u>24,681,621</u>	<u>19,539,055</u>

- 15.1 Gratuity was approved by the Board of Directors of Sindh Insurance Limited in 24th Board of Director meeting dated 02 October 2019. As per the gratuity rules, gratuity is payable to eligible employees on retirement on the basis of product of last drawn basic salary and number of years of service. Gratuity fund approval is under process; therefore Company has accounted for the provision on the basis of current employees.

	June 30 2021 (Unaudited)	December 31 2020 (Audited)
Note	----- (Rupees) -----	

16 LEASE LIABILITY

Lease liabilities recognized as at January 1	8,258,540	3,281,886
Add: Additions during the year	-	7,480,041
Interest accrued	574,771	1,383,125
Less: Repayment of lease liabilities	-	(3,886,512)
	<u>8,833,311</u>	<u>8,258,540</u>

16.1 Break up of lease liabilities

Lease liabilities	8,833,311	8,258,540
Less: Current portion	(3,987,072)	(3,987,072)
	<u>4,846,239</u>	<u>4,271,468</u>

Maturity analysis - contractual undiscounted cash flows:

Less than one year	4,105,734	4,087,633
One to five year	4,864,857	5,795,469
Total undiscounted lease liability	<u>8,970,591</u>	<u>9,883,102</u>

- 16.2 When measuring lease liabilities, the Company discounted lease payments using incremental borrowing rate of 10.51%. (2020: 10.51% to 16.39%)

17 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2021 (December 31, 2020: Nil).

18 NET INSURANCE PREMIUM

	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Rupees)		(Rupees)	
Written gross premium	54,554,755	43,052,337	32,525,460	24,120,967
Add: Unearned premium reserve - opening	329,005,265	508,573,604	213,350,260	338,487,492
Less: Unearned premium reserve - closing	(101,226,055)	(171,040,523)	(101,226,055)	(171,040,523)
Premium earned	282,333,965	380,585,418	144,649,665	191,567,936
Less: Reinsurance premium ceded	(34,868,891)	(23,430,298)	(20,071,598)	(12,441,900)
Prepaid reinsurance premium- opening	(259,020,820)	(276,803,366)	(164,312,405)	(194,177,470)
Prepaid reinsurance premium- closing	70,578,692	114,591,665	70,578,692	114,591,665
Reinsurance expense	(223,311,019)	(185,641,999)	(113,805,311)	(92,027,705)
	59,022,946	194,943,419	30,844,354	99,540,231

19 NET INSURANCE CLAIMS EXPENSE

Claims paid	61,685,934	71,226,456	34,039,504	26,512,020
Add: Outstanding claims including IBNR - closing	1,921,354,003	2,098,651,265	1,921,354,003	2,098,651,265
Less: Outstanding claims including IBNR - opening	(1,968,966,259)	(2,018,435,227)	(1,955,567,354)	(2,055,883,434)
Claims expense	14,073,678	151,442,494	(173,847)	69,279,851
Less: Reinsurance and other recoveries	(7,868,272)	(15,351,110)	(4,542,770)	(7,788,060)
Less: received				
Reinsurance and other recoveries in respect of outstanding claims - opening	18,671,953	33,671,939	17,925,838	30,605,717
Reinsurance and other recoveries in respect of outstanding claims - closing	(21,667,604)	(23,091,456)	(21,667,604)	(23,091,456)
Reinsurance and other recoveries revenue	(10,863,924)	(4,770,627)	(8,284,537)	(273,799)
	3,209,754	146,671,867	(8,458,384)	69,006,052

19.1 This includes Provision for incurred but not reported claims (IBNR) amounting to 1,767.187 million (2020: Rs 2,002,398 million).

20 NET COMMISSION

Commission paid or payable	18,374,795	55,925	18,307,599	(42,862)
Add: Deferred commission expense - opening	31,991	40,969	50,428	75,808
Less: Deferred commission expense - closing	(327,581)	(42,726)	(327,581)	(42,726)
Net commission	18,079,205	54,168	18,030,446	(9,780)

	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Rupees)		(Rupees)	
Less: Commission received or recoverable	(7,087,946)	(5,194,417)	(3,682,942)	(3,978,836)
Add: Unearned reinsurance commission - closing	5,613,307	3,930,681	5,613,307	6,544,444
Less: Unearned reinsurance Commission - opening	(7,724,103)	(6,544,444)	(6,974,005)	(6,544,444)
Commission from reinsurers	(9,198,742)	(7,808,180)	(5,043,640)	(3,978,836)
	8,880,463	(7,754,012)	12,986,806	(3,988,616)

21 MANAGEMENT EXPENSES

Salaries, allowance and other benefits	22,968,980	20,674,358	11,803,346	11,835,356
Travelling expense	908,964	853,311	561,427	226,265
Advertisement and sales promotion	519,591	453,794	219,920	372,244
Printing and stationery	634,820	1,014,018	460,188	145,390
Depreciation	3,987,191	2,892,460	2,021,347	1,407,981
Amortization	491,722	585,647	223,899	292,824
Rent, rates and taxes	92,300	1,187,171	-	510,553
Interest expense	574,771	185,226	276,885	97,856
Legal and professional charges	605,899	1,161,577	127,077	340,218
Electricity, gas and water	655,047	430,869	395,247	204,642
Entertainment	632,528	458,849	257,394	188,092
Vehicle running expense	14,620	7,380	11,260	2,820
Office repairs and maintenance	1,615,392	1,113,904	657,618	453,015
Insurance expense	2,331,742	2,377,799	1,182,311	967,031
Office expense	115,760	261,404	66,708	221,254
Bank charges	32,200	63,858	12,445	28,269
Postage, telegrams and telephones	542,903	484,177	257,113	252,931
Annual supervision fee SECP	832,582	243,872	638,181	121,936
Service charges (Health Econnex)	4,671,477	2,966,215	2,313,097	1,933,233
Gratuity expense	941,042	2,097,193	617,760	2,097,193
Miscellaneous	1,372,975	571,198	1,197,528	213,860
	44,542,506	40,084,280	23,300,751	21,912,963

22 INVESTMENT INCOME

Return on investments:				
classified at held to maturity				
Return on Treasury bills	5,302,863	33,676,902	432,886	
Return on sukuk	1,001,856	1,374,349	470,822	687,175
Return on term deposits receipt	7,117,687	18,650,605	2,580,701	5,055,454
Return on debt securities (PIBs)	7,038,068	6,947,215	3,581,173	515,616
classified as available for sale				
Return on Treasury bills	75,620,347	-	49,229,122	21,135,326
Return on debt securities (PIBs)	102,282,299	98,667,289	-	67,704,529
Return on term finance certificates	25,944,793	39,297,658	13,109,288	19,648,829
	224,307,913	198,614,018	69,403,992	114,746,929

23 OTHER INCOME

	Six months period ended		Three months period ended	
	June 30 2021 (Unaudited)	June 30 2020 (Unaudited)	June 30 2021 (Unaudited)	June 30 2020 (Unaudited)
	(Rupees)		(Rupees)	
Interest on savings accounts	3,357,421	6,981,216	1,391,673	3,393,507
Income on generator sharing	218,430	218,430	109,215	109,215
Other	360,768	1,783,248	152,557	1,631,947
	3,936,619	8,982,894	1,653,445	5,134,669

24 EARNINGS PER SHARE - basic and diluted

Profit for the period (Rupees)	167,655,761	169,386,023	53,712,362	104,647,373
Weighted average number of ordinary shares of Rs. 10 each (Number)	100,000,000	100,000,000	100,000,000	100,000,000
Earnings per share - (Rupees)	1.68	1.69	0.54	1.05

24.1 There is no dilutive effect on basic earnings per share of the Company.

25 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, shareholder and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices except for compensation to key management personnel which is carried out on basis of employment terms and conditions. The transactions with related parties are as follows:

Transactions during

Name of related party	Nature of relationship	Nature of transaction	Six months period ended		Three months period ended	
			June 30 2021 (Unaudited)	June 30 2020 (Unaudited)	June 30 2021 (Unaudited)	June 30 2020 (Unaudited)
			(Rupees)		(Rupees)	
Sindh Bank Limited	Companies having common directorship	Income on saving accounts	3,332,134	6,955,921	1,366,386	3,368,212
		Income on term deposits	7,117,687	13,595,151	2,580,701	6,963,370
		Premium written	2,232,531	1,316,979	873,990	849,930
		Claim paid	16,869,421	15,863,367	-	9,125,361
Sindh Modarba Management Limited	Companies having common directorship	Premium written	40,677	16,350	40,677	-
		Claim paid	677,500	-	42,500	-
		Income on sharing of generator	218,430	218,430	109,215	109,215
Sindh Leasing Company	Companies having common directorship	Premium written	551,395	317,054	-	-
		Claim paid	542,388	214,225	224,408	10,200
Sindh Microfinance Bank Limited Directors	Companies having common directorship Directors	Premium written	415,825	2,046,012	1,837,499	2,256,469
		Claim paid	544,646	59,352	359,913	-
		Premium written	156,668	176,609	6,336	17,500
		Claim paid	110,480	26,545	110,480	-
		Meeting Fee	5,925,000	3,000,000	2,550,000	2,400,000
Provident fund	Employees' fund	Contribution to provident fund	751,679	643,780	386,878	367,847
Shareholder	Government of Sindh	Claim paid	32,939,500	33,262,500	20,028,500	8,410,500

Balances outstanding			June 30 2021 (Unaudited)	December 31 2020 (Audited)
			Rupees	
Sindh Bank Limited	Companies having common directorship	Bank accounts	75,937,972	186,989,914
		Term Deposits	200,000,000	200,000,000
		Due from insurance contract holder	10,367,304	14,045,474
		Claim payable	27,113,826	18,527,790
Sindh Modarba Management Limited	Companies having common directorship	Premium received in advance	(25,410)	16,514
		Claim payable	222,487	-
		Amount receivable for sharing of generator	218,530	111,715
Sindh Leasing Company Limited	Companies having common directorship	Due from insurance contract holder	-	6,264
		Claims payable	167,298	130,289
Sindh Microfinance Bank Limited	Companies having common directorship	Due from insurance contract holder	(12,315)	39,975
		Claim (receivable) / payable	176,298	130,289
Directors	Directors	Due from insurance contract	7,278	-
		Claim payable	59,520	18,455
Receivable From Sindh Insurance Limited - Window Takaful Operations			2,021,211	7,648,257

26 SEGMENT REPORTING

Following are the segment assets, liabilities, revenue and expenses of the Company:

Segment Current Period	Fire and property damage	Marine, Aviation & Transport	Motor	Accident and health	Engineering	Miscellaneous	Treaty	TOTAL
	Rupees							
	Six months period ended June 30, 2021							
Premium receivable	5,010,115	12,443,039	34,054,669	3,076,337	1,184,752	5,907,986	-	61,676,898
Less: Federal exercise duty	576,449	1,414,942	3,850,345	-	103,515	621,138	-	6,566,389
Federal insurance fee	43,912	108,841	296,199	46,346	7,964	52,492	-	555,754
Gross written premium	4,389,754	10,919,256	29,908,125	3,029,991	1,073,273	5,234,356	-	54,554,755
Direct premium earned	25,128,209	12,556,188	26,128,458	26,577,923	172,019,284	18,884,270	-	281,294,332
Facultative inward premium earned	-	(30,712)	(145,597)	-	-	-	-	(176,309)
Administrative surcharge earned	82,467	74,687	825,395	28,208	26,963	178,220	-	1,215,940
Insurance premium earned	25,210,676	12,600,163	26,808,256	26,606,131	172,046,247	19,062,490	-	282,333,963
Insurance premium ceded to reinsurers	22,547,906	11,996,666	13,919,022	-	81,008,640	93,838,785	-	223,311,019 *
Net insurance premium	2,662,770	603,497	12,889,234	26,606,131	91,037,607	(74,776,295)	-	59,022,944
Commission income	2,938,331	421,963	4,140,902	-	203,302	1,494,244	-	9,198,742
Net underwriting income	5,601,101	1,025,460	17,030,136	26,606,131	91,240,909	(73,282,051)	-	68,221,686
Insurance claims	(329,202)	(340,115)	4,806,981	(2,662,122)	4,459,973	8,138,164	-	14,073,679
Insurance claims recovered from reinsurers	(467,926)	(14)	2,125,166	797,099	3,567,978	4,841,625	-	10,863,926
Net claims	138,726	(340,101)	2,681,815	(3,459,221)	891,995	3,296,539	-	3,209,753
Commission expense	451,491	671	29,982	17,528,569	47,696	20,796	-	18,079,205
Management expense	3,413,326	8,490,450	23,255,556	4,478,572	834,541	4,070,061	-	44,542,506
Premium deficiency expense	-	162,033	-	(1,156,497)	-	(8,166,394)	-	(9,160,858)
Net insurance claims and expenses	4,003,543	8,313,053	25,967,553	17,391,422	1,774,232	(778,998)	-	56,670,605
Underwriting result	1,597,558	(7,287,593)	(8,937,217)	9,214,709	89,466,677	(72,503,053)	-	11,551,081
Net investment income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	224,307,913
Other expenses	-	-	-	-	-	-	-	3,936,619
Profit from Window Takaful Operation	-	-	-	-	-	-	-	(6,400,770)
Profit before tax	-	-	-	-	-	-	-	1,405,198
	-	-	-	-	-	-	-	234,800,041
	-	-	-	-	-	-	-	As at
	-	-	-	-	-	-	-	June 30, 2021
	-	-	-	-	-	-	-	(Unaudited)
Segment assets	56,726,574	141,104,031	386,487,596	39,155,044	13,869,365	67,640,939	-	704,983,548
Un-allocated assets	-	-	-	-	-	-	-	3,846,336,019
	-	-	-	-	-	-	-	4,551,319,567
Segment liabilities	178,634,712	444,343,385	1,217,068,040	123,301,117	43,675,298	213,004,573	-	2,220,027,125
Un-allocated liabilities	-	-	-	-	-	-	-	38,374,940
	-	-	-	-	-	-	-	2,258,402,065

Segment Prior Period	Fire and property damage	Marine, Aviation & Transport	Motor	Accident and health	Engineering	Miscellaneous	Treaty	TOTAL
	June 30, 2020							
	Rupees							
Premium receivable	6,075,495	12,649,363	21,473,086	3,155,476	(5,033,627)	4,565,925	-	42,885,718
Less: Federal exercise duty	523,728	1,437,347	2,449,515	-	(4,995,858)	401,280	-	(183,988)
Federal insurance fee	39,731	111,010	388,430	31,389	(384,296)	31,105	-	17,369
Gross written premium	5,512,036	11,101,006	18,835,141	3,124,087	346,527	4,133,540	-	43,052,337
Direct premium earned	19,189,996	13,737,815	21,373,444	157,348,609	153,713,595	14,101,475	-	379,464,934
Facultative inward premium earned	552,752	65,543	-	-	-	-	-	618,295
Administrative surcharge earned	38,289	34,692	341,205	11,291	12,504	64,208	-	502,189
Insurance premium earned	19,781,037	13,838,050	21,714,649	157,359,900	153,726,099	14,165,683	-	380,585,418
Insurance premium ceded to reinsurers	17,554,769	10,817,540	10,551,590	-	137,617,572	9,100,528	-	185,641,999
Net insurance premium	2,226,268	3,020,510	11,163,059	157,359,900	16,108,527	5,065,155	-	194,943,419
Commission income	2,518,919	596,672	3,273,362	-	221,592	1,197,635	-	7,808,180
Net underwriting income	4,745,187	3,617,182	14,436,421	157,359,900	16,330,119	6,262,790	-	202,751,599
Insurance claims	452,964	(527,835)	9,637,134	149,750,589	462,550	(8,332,907)	-	151,442,494
Insurance claims recovered from reinsurers	346,101	(113)	4,507,766	33,740	358,132	(474,995)	-	4,770,631
Net claims	106,863	(527,722)	5,129,368	149,716,849	104,418	(7,857,912)	-	146,671,863
Commission expense	38,316	740	15,112	-	-	-	-	54,168
Management expense	4,338,869	8,738,298	14,882,310	8,597,949	266,597	3,260,261	-	40,084,285
Premium deficiency expense	-	(263,832)	-	(10,595,834)	-	(4,283,784)	-	(15,143,450)
Net insurance claims and expenses	4,484,048	7,947,484	20,026,790	147,718,964	371,015	(8,881,435)	-	171,566,866
Underwriting result	261,139	(4,330,302)	(5,590,369)	9,640,936	15,959,104	15,144,225	-	31,084,734
Net investment income	-	-	-	-	-	-	-	198,614,018
Other income	-	-	-	-	-	-	-	8,982,894
Other expenses	-	-	-	-	-	-	-	(3,223,406)
Profit from Window Takaful Operation	-	-	-	-	-	-	-	2,970,468
Profit before tax	-	-	-	-	-	-	-	238,428,708
Segment assets	113,614,451	228,814,671	388,231,174	64,393,888	7,078,384	78,122,416	-	880,254,984
Un-allocated assets	-	-	-	-	-	-	-	3,680,891,369
Segment liabilities	314,960,912	634,317,878	1,076,250,807	178,512,131	19,639,285	216,553,572	-	2,440,234,585
Un-allocated liabilities	-	-	-	-	-	-	-	2,120,911,768
	-	-	-	-	-	-	-	4,561,146,353

As at
June 30, 2020
(Unaudited)

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of all financial assets and liabilities reflected in this condensed interim financial information approximate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each reporting date.

27.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at June 30, 2021.

	As at June 30, 2021 (Unaudited)		As at December 31, 2020 (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rupees		Rupees	
Financial Assets				
Investments				
Debt securities	3,282,979,463	3,452,241,781	3,347,261,331	3,366,363,486
Term deposit receipts	200,000,000	200,000,000	200,000,000	200,000,000
Insurance / reinsurance receivables	566,229,347	566,229,347	596,296,725	596,296,725
Reinsurance recoveries against outstanding claims	21,667,604	21,667,604	18,671,953	18,671,953
Cash at bank	76,755,095	76,755,095	110,727,509	110,727,509
Financial Liabilities				
Outstanding claims including IBNR	1,921,354,003	1,921,354,003	1,968,966,259	1,968,966,259
Insurance / reinsurance payables	160,571,463	160,571,463	137,988,778	137,988,778
Other creditors and accruals	24,681,621	24,681,621	19,539,055	19,539,055

27.2 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. There were no such transfers during the reporting period.

As at 30 June 2021 (Unaudited)								
Carrying amount				Fair Value				
Held-to-maturity	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)				
127,302,611	3,324,939,170	200,000,000	-	-	-	127,302,611	3,324,939,170	3,452,241,781
-	-	61,680,460	-	-	-	-	-	-
-	-	566,229,347	-	-	-	-	-	-
-	-	21,667,604	-	-	-	-	-	-
-	-	327,581	-	-	-	-	-	-
-	-	73,307,992	-	-	-	-	-	-
-	-	-	77,726,903	-	-	-	-	-
-	-	67,328,719	-	-	-	-	-	-
127,302,611	3,324,939,170	990,541,703	77,726,903	-	-	127,302,611	3,324,939,170	3,452,241,781
-	-	-	-	(1,921,354,003)	-	-	-	-
-	-	-	-	(160,571,463)	-	-	194,406,232	-
-	-	-	-	(13,100,393)	-	-	14,412,066	-
127,302,611	3,324,939,170	990,541,703	77,726,903	(2,095,025,859)	-	127,302,611	3,533,757,468	3,466,653,847
As at 31 December 2020 (Audited)								
Carrying amount				Fair Value				
Held-to-maturity	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)				
-	2,375,557,871	-	-	-	-	1,800,557,871	575,000,000	2,375,557,871
990,805,615	-	-	200,000,000	-	-	-	-	-
-	-	83,544,606	-	-	-	-	-	-
-	-	596,296,725	-	-	-	-	-	-
-	-	18,671,953	-	-	-	-	-	-
-	-	-	110,727,509	-	-	-	-	-
990,805,615	2,375,557,871	698,513,284	310,727,509	-	-	1,800,557,871	575,000,000	2,375,557,871
-	-	-	-	(1,968,966,259)	-	-	-	-
-	-	-	-	(137,988,778)	-	-	-	-
-	-	-	-	(12,520,683)	-	-	-	-
990,805,615	2,375,557,871	698,513,284	310,727,509	(2,119,475,720)	-	1,800,557,871	575,000,000	2,375,557,871

The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences may arise between the carrying values and the fair value estimates.

28 OTHER NON FINANCIAL INFORMATION

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Company's financial condition or results of operations.

29 CORRESPONDING FIGURES

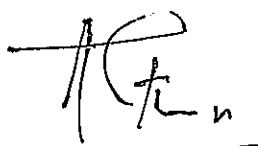
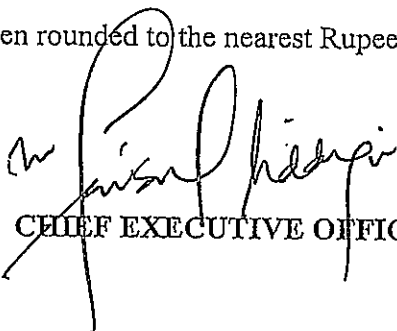


Corresponding figures may be rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no such reclassifications have been made during the reporting period.

30 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors meeting of the Company held on 24 AUG 2021

31 GENERAL

Figures have been rounded to the nearest Rupee.

			
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR



CONDENSED INTERIM
FINANCIAL INFORMATION
OF
SINDH INSURANCE LIMITED
(WINDOW TAKAFUL OPERATIONS)
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2021

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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Pakistan

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SINDH INSURANCE LIMITED (WINDOW TAKAFUL OPERATIONS)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SINDH INSURANCE LIMITED (WINDOW TAKAFUL OPERATION) ("the Operator") as at June 30, 2021 and condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended June 30, 2021 and June 30, 2020 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 24 AUG 2021


CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	Operator's Fund		Participant's Takaful Fund	
		June 30,	December 31,	June 30,	December 31,
		2021 (Unaudited)	2020 (Audited)	2021 (Unaudited)	2020 (Audited)
		Rupees		Rupees	
ASSETS					
Property and equipment	6	29,516	32,328	-	-
Intangible assets	7	-	152,501	-	-
Investments					
Equity securities	8	13,441,023	13,201,876	1,866,564	1,829,286
Term deposits	9	25,810,000	25,000,000	35,918,000	35,000,000
		39,251,023	38,201,876	37,784,564	36,829,286
Loan and other receivables	10	388,814	937,850	876,288	1,218,635
Takaful / retakaful receivables	11	-	-	1,537,523	1,720,785
Qard-e-Hasna to Participants' Takaful Fund (PTF)	12	18,500,000	18,000,000	-	-
Receivable from PTF	13	3,571,602	2,814,110	-	-
Deferred wakala fee expense		-	-	1,127,302	2,601,745
Deferred commission expense	21	24,236	1,312	-	-
Prepayments	14	15,125	8,527	39,165	286,180
Taxation - payment less provision		-	-	694,780	501,862
Cash and bank	15	5,548,402	7,863,620	1,918,329	1,924,087
TOTAL ASSETS		67,328,718	68,012,124	43,977,951	45,082,580
EQUITY AND LIABILITIES					
Operator's fund					
Statutory fund		50,000,000	50,000,000	-	-
Revaluation reserve on available for sale investment		(226,464)	89,489	-	-
Accumulated profit		12,541,931	11,636,990	-	-
Total Operators Fund		62,315,467	61,726,479	-	-
Participants' takaful fund					
Ceded money		-	-	500,000	500,000
Revaluation reserve on available for sale investment		-	-	4,358	79,643
Accumulated surplus		-	-	5,643,642	5,335,169
Balance of Participant Takaful Fund		-	-	6,148,000	5,914,812
Qard-e-Hasna from Operator's Fund	12	-	-	18,500,000	18,000,000
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR	20	-	-	6,190,327	5,729,876
Unearned contribution reserve	19	-	-	3,342,930	7,818,904
Unearned retakaful rebate	21	-	-	9,008	60,719
		-	-	9,542,265	13,609,499
Unearned wakala fee		1,127,302	2,601,745	-	-
Contribution received in advance		-	-	108,232	108,232
Takaful / re-takaful payables	16	-	-	4,019,156	2,645,355
Payable to OPF	13	-	-	3,571,602	2,814,110
Other creditors and accruals	17	797,233	750,571	2,088,696	1,990,572
Deferred taxation		56,857	974	-	-
Taxation - payment less provision		3,031,859	2,932,355	-	-
TOTAL LIABILITIES		5,013,251	6,285,645	19,329,951	21,167,768
TOTAL EQUITY AND LIABILITIES		67,328,718	68,012,124	43,977,951	45,082,580
CONTINGENCIES AND COMMITMENTS	18				

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

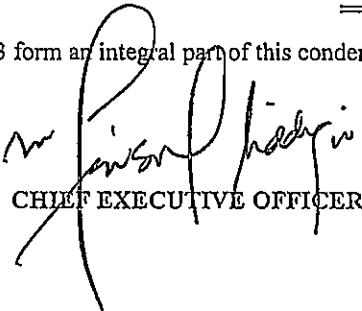
DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021

		Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2021	2020	2021	2020
Note		-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund					
	19	4,288,133	5,931,948	2,125,452	3,011,784
	19	(1,696,655)	(626,820)	(838,903)	(1,190,396)
		2,591,478	5,305,128	1,286,549	1,821,388
	21	61,705	56,750	31,234	93,780
		2,653,183	5,361,878	1,317,783	1,915,168
	20	(2,819,628)	(1,704,573)	(3,083,148)	(752,801)
		(209,850)	(1,411)	(1)	(1,011)
		(376,295)	3,655,894	(1,765,366)	1,161,356
	23	463,717	143,582	97,287	487,430
	24	221,051	836,495	40,245	83,485
		308,473	4,635,971	(1,627,834)	1,732,271
Operator's Fund					
		2,097,516	2,894,382	1,032,792	1,472,815
	21	(18,203)	(33,654)	(14,086)	17,373
	22	(1,777,685)	(1,703,853)	(838,901)	(805,892)
		301,628	1,156,875	179,805	684,296
		134,179	188,453	29,519	121,858
	23	980,864	2,260,600	644,371	1,798,195
	25	(160,465)	(152,991)	(103,469)	(76,091)
		148,992	797,745	57,301	172,637
		1,405,198	4,250,682	807,527	2,700,895
		(500,257)	(1,280,213)	(232,277)	(1,231,379)
		904,941	2,970,468	575,250	1,469,516

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021

	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2021	2020	2021	2020
	-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund				
Surplus / (deficit) for the period	308,473	4,635,971	(1,627,834)	1,732,271
Other comprehensive loss				
Items that may be reclassified subsequently to profit and loss account				
Unrealised loss on 'available for sale' investments	(75,285)	(94,649)	(103,818)	(160,055)
Deferred tax on available for sale investment	-	-	-	-
	(75,285)	(94,649)	(103,818)	(160,055)
Total comprehensive income / (loss) for the period	233,188	4,541,322	(1,731,652)	1,572,216
Operator's Fund				
Profit after taxation	904,941	2,970,468	575,250	1,469,516
Other comprehensive loss				
Items that may be reclassified subsequently to profit and loss account				
Unrealised loss on 'available for sale' investments	(385,306)	(725,322)	(553,219)	(725,322)
Deferred tax on available for sale investment	69,353	527,036	118,048	527,036
	(315,953)	(198,286)	(435,171)	(198,286)
Total comprehensive income for the period	588,988	2,772,182	140,079	1,271,230

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR

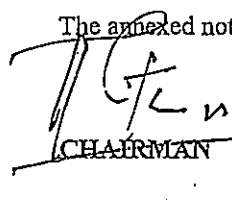
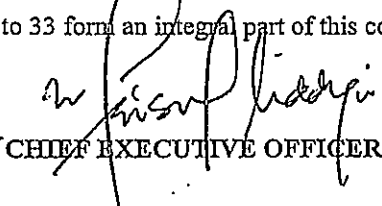
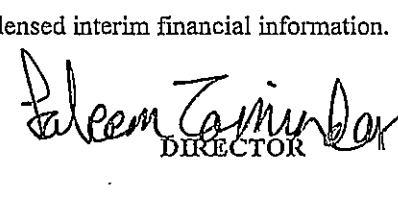


DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021

Operator's Funds				
Statutory fund	Unrealised loss on revaluation of available for sale investments - net	Accumulated profit	Total	
Rupees				
Balance as at January 01, 2020 (Audited)	50,000,000	1,104,851	6,122,607	57,227,458
Total comprehensive income for the period	-	-	2,970,468	2,970,468
Profit for the period	-	(198,286)	-	(198,286)
Other comprehensive loss	-	(198,286)	2,970,468	2,772,182
Balance as at June 30, 2020 (Unaudited)	50,000,000	906,565	9,093,075	59,999,640
Balance as at January 01, 2021 (Audited)	50,000,000	89,489	11,636,990	61,726,479
Total comprehensive income for the period	-	-	904,941	904,941
Profit for the period	-	(315,953)	-	(315,953)
Other comprehensive loss	-	(315,953)	904,941	588,988
Balance as at June 30, 2021 (Unaudited)	50,000,000	(226,464)	12,541,931	62,315,467

Participants' Takaful Fund				
Ceded Money	Unrealised loss on revaluation of available for sale investments - net	Accumulated (deficit) / surplus	Total	
Rupees				
Balance as at January 01, 2020 (Audited)	500,000	85,124	123,143	708,267
Total comprehensive income for the period	-	-	4,635,971	4,635,971
Surplus for the period	-	(94,649)	-	(94,649)
Other comprehensive loss	-	(94,649)	4,635,971	4,541,322
Balance as at June 30, 2020 (Unaudited)	500,000	(9,525)	4,759,114	5,249,589
Balance as at January 01, 2021 (Audited)	500,000	79,643	5,335,169	5,914,812
Total comprehensive income for the period	-	-	308,473	308,473
Surplus for the period	-	(75,285)	-	(75,285)
Other comprehensive loss	-	(75,285)	308,473	233,188
Balance as at June 30, 2021 (Unaudited)	500,000	4,358	5,643,642	6,148,000

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.

 CHAIRMAN
 CHIEF EXECUTIVE OFFICER
 DIRECTOR
 DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021

	Operator's Fund		Participant Takaful Fund	
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	Rupees			
OPERATING CASH FLOWS				
a) Takaful activities				
Contribution received	-	-	1,530,405	693,635
Retakaful contribution paid	-	-	276,844	(1,835,384)
Wakala fee received / (paid)	-	-	-	-
Claims paid	-	-	(2,017,047)	(1,270,405)
Re-takaful and other recoveries received	-	-	342,130	12,565
Commission paid	-	(23,016)	-	-
Rebate received	-	-	113,416	(45,385)
Other underwriting payments	-	(5,200,067)	-	-
Net cash flows (used in) / generated from takaful activities	-	(5,223,083)	245,748	(2,444,974)
b) Other operating activities				
Income tax paid	(275,518)	(857,956)	(192,918)	(93,456)
General and other expenses paid	(1,883,187)	-	-	(1,411)
Other operating payment	(164,812)	(152,991)	(482,728)	(1,078,234)
Other operating receipts	-	-	98,364	9,897
Net cash used in other operating activities	(2,323,517)	(1,010,947)	(577,282)	(1,163,204)
Total cash flow from all operating activities	(2,323,517)	(6,234,030)	(331,534)	(3,608,178)
INVESTMENT ACTIVITIES				
Profit / return received on investment	1,687,875	2,260,600	635,288	750,991
Other income receipt	148,992	797,745	221,051	-
Payment for investment	(1,328,568)	(55,000,000)	(1,030,563)	(25,000,000)
Proceeds from disposal of investments	-	68,214,120	-	-
Modarib fee (paid) / received	-	(42,501)	-	42,501
Total cash flow from investing activities	508,299	16,229,964	(174,224)	(24,206,508)
FINANCING ACTIVITIES				
Inter fund Qard-e-Hasna Transfer	(500,000)	(18,000,000)	500,000	18,000,000
Total cash flow from financing activities	(500,000)	(18,000,000)	500,000	18,000,000
Net cash flow from all activities	(2,315,218)	(8,004,066)	(5,758)	(9,814,686)
Cash and cash equivalents at the beginning of period	7,863,620	14,047,271	1,924,087	16,975,390
Cash and cash equivalents at end of the period	5,548,402	6,043,205	1,918,329	7,160,704
Reconciliation to profit and loss account				
Operating cash flows	(2,323,517)	(6,234,030)	(331,534)	(3,608,178)
Depreciation	(2,812)	(4,396)	-	-
Amortization	(152,500)	(309,111)	-	-
Income tax paid	275,518	857,956	192,918	93,456
Other income	283,171	986,198	221,051	836,495
Increase / (decrease) in assets other than cash	237,978	868,664	(2,054,149)	(887,858)
Increase in liabilities	2,106,496	5,824,801	1,682,291	7,870,020
Investment income	980,864	2,260,600	597,896	332,035
Profit before taxation for the period	1,405,198	4,250,682	308,473	4,635,971

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc.
- 1.2 The Company was granted authorization on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3 For the purpose of carrying on the takaful business, the Operator has formed a Participants' Takaful Fund (PTF) under the Waqf deed with the ceded money of Rs. 500,000. The Waqf deed and PTF policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund are approved by the Shari'ah Advisor of the Operator.
- 1.4 The registered office and principal place of business of the Operator is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the accounting and reporting standard 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 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provision of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting regulation, 2019 shall prevail.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Operator as at and for the year ended December 31, 2020 which have been prepared in accordance with accounting and reporting standards as applicable to insurance companies in Pakistan.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Operator for the year ended December 31, 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2020.

2.1 Basis of measurement

This condensed interim financial information has been prepared under the historical cost basis except that certain investments are stated at their fair values. This condensed interim financial information has been prepared following the accrual basis of accounting except for the cash flow information.

2.2 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Operator's functional and presentation currency.

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of this condensed interim financial information in conformity with accounting and reporting standards 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 this condensed interim financial information, the significant judgments made by management in applying the Operators' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Operator as at and for the year ended December 31, 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same and are consistent with those followed in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2020.

There are certain standards, interpretations and amendments to the accounting and reporting standards which have been published and are mandatory for the Company's accounting period beginning on or after January 01, 2021. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial information.

4.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Operator has determined that it is eligible for the temporary exemption option since the Operator has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Operator doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Operator can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms 'principal' as being the fair value of the financial asset at initial recognition, and the 'interest' as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets

June 30, 2021			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
Rupees			

Financial assets - Operator's Fund

Qard-e-Hasna to Participants' Takaful Fund	-	-	18,500,000	-
Investments				
Equity securities *	13,441,023	(385,306)	-	-
Term deposit receipts*	-	-	25,810,000	-
Loans and other receivable *	-	-	388,814	-
Receivable from PTF *	-	-	3,571,602	-
Cash at bank *	-	-	5,548,402	-
	<u>13,441,023</u>	<u>(385,306)</u>	<u>53,818,818</u>	<u>-</u>

Financial assets - Participant's Takaful Fund

Investments				
Equity securities*	1,866,564	(75,285)	-	-
Term deposit receipts*	-	-	35,918,000	-
Loan and other receivable *	-	-	876,288	-
Takaful / retakaful receivables *	-	-	1,537,523	-
Cash at bank *	-	-	1,911,879	-
	<u>1,866,564</u>	<u>(75,285)</u>	<u>40,243,690</u>	<u>-</u>

* The carrying amounts of these financial assets measured applying IAS 39 are a reasonable approximation of their fair value.

June 30, 2021			
Gross carrying amount of financial assets that pass SPPI test			
AAA	A+	A	Not rated
Rupees			

Operator's fund				
Qard-e-Hasna to Participants' Takaful Fund	-	-	-	18,500,000
Loans and other receivable	-	-	-	388,814
Receivable from PTF	-	-	-	3,571,602
Cash at bank	-	5,502,452	45,950	-
Term deposit receipts within maturing 12 months	25,810,000	-	-	-
	<u>25,810,000</u>	<u>5,502,452</u>	<u>45,950</u>	<u>22,460,416</u>
Participant's Takaful Fund				
Loan and other receivable	-	-	-	876,288
Takaful / retakaful receivables	-	-	-	1,537,523
Cash at bank	831	1,910,721	328	6,450
Term deposit receipts within maturing 12 months	35,918,000	-	-	-
	<u>35,918,831</u>	<u>1,910,721</u>	<u>328</u>	<u>2,420,261</u>

5 INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in annual audited financial statements of the Operator for the year ended December 31, 2020.

6 PROPERTY AND EQUIPMENT - OPERATOR'S FUND

There are no additions or disposal during the six month period ended June 30, 2021 (2020: Nil).

7 INTANGIBLE ASSETS - OPERATOR'S FUND

There are no additions or disposal during the six month period ended June 30, 2021 (2020: Nil).

8 INVESTMENTS IN EQUITY SECURITIES

	June 30, 2021 (Unaudited)				December 31, 2020 (Audited)			
	Cost	Impairment / provision	Deficit on revaluation	Carrying value	Cost	Impairment / provision	Surplus on revaluation	Carrying value
	Rupees				Rupees			
Operator's Fund								
Available for sale								
Others - Mutual fund								
ABL Islamic Income Fund	13,826,329	-	(385,306)	13,441,023	13,075,833	-	126,043	13,201,876
Participants' Takaful Fund								
Available for sale								
Others - Mutual fund								
Meezan Sovereign Fund	1,941,849	-	(75,285)	1,866,564	1,792,002	-	37,284	1,829,286

9 INVESTMENTS IN TERM DEPOSITS

	Operator's Fund		Participants Takaful Fund	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees			
Held to maturity: Term deposits (note 9.1)	25,810,000	25,000,000	35,918,000	35,000,000

- 9.1 These represented term deposit receipts (TDRs) in local currency, issued by local banks, that carried profit ranging from 5.52% to 6.52% per annum (2020: 5.52% to 6.52%).

10 LOANS AND OTHER RECEIVABLES

(Unsecured - considered good)

Advance against bonus	93,856	-	-	-
Accrued investment income	50,742	757,752	145,552	760,778
Sales tax on services refund	134,030	75,921	311,980	233,461
Receivable from Sindh Insurance Limited	17,550	-	418,756	224,396
Other receivables	92,636	104,177	-	-
	<u>388,814</u>	<u>937,850</u>	<u>876,288</u>	<u>1,218,635</u>

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees	

11 TAKAFUL / RE-TAKAFUL RECEIVABLES

Participants' Takaful Fund

Due from takaful participant holders	1,204,529	825,259
Less: provision for impairment of receivables from takaful participant holders	(440,714)	(230,865)
	<u>763,815</u>	<u>594,394</u>
Due from other takaful / re-takaful operators	773,708	1,126,391
	<u>1,537,523</u>	<u>1,720,785</u>

- 11.1 Due from takaful contract holders includes Rs 0.335 million due from related parties (December 31, 2020: Rs 0.320 million).

12 QARD-E-HASNA TO PARTICIPANTS' TAKAFUL FUND (PTF)

Opening balance	18,000,000	-
Qard-e-hasna transferred from OPF during the period / year	500,000	18,000,000
Qard-e-hasna returned by PTF during the period / year	-	-
Closing balance	<u>18,500,000</u>	<u>18,000,000</u>

13 RECEIVABLE FROM PTF / PAYABLE TO OPF

	Operator's Fund		Participants Takaful Fund	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees			
Wakala fee receivable / payable	3,420,192	2,797,119	(3,420,192)	(2,797,119)
Modarib share receivable / payable	218,936	84,757	(218,936)	(84,757)
Other receivable / payable	(67,526)	(67,766)	67,526	67,766
	<u>3,571,602</u>	<u>2,814,110</u>	<u>(3,571,602)</u>	<u>(2,814,110)</u>

14 PREPAYMENTS

Prepaid retakaful contribution ceded	-	-	39,165	286,180
Prepaid expenses	15,125	8,527	-	-
	<u>15,125</u>	<u>8,527</u>	<u>39,165</u>	<u>286,180</u>

Note	Operator's Fund		Participants Takaful Fund	
	June 30,	December 31,	June 30,	December 31,
	2021 (Unaudited)	2020 (Audited)	2021 (Unaudited)	2020 (Audited)
	-----Rupees-----			

15 CASH AND BANK

Cash and cash equivalent				
Policy and revenue stamps		-	6,450	7,050
Cash at bank				
Saving accounts	15.1	5,548,402	7,863,620	1,911,879
		5,548,402	7,863,620	1,918,329
				1,917,037
				1,924,087

15.1 These saving accounts carry profit ranging from 3% to 4.25% per annum (December 31, 2020: 3.4% to 6.75%) per annum.

June 30,	December 31,
2021	2020
(Unaudited)	(Audited)
----- Rupees -----	

16 TAKAFUL / RETAKAFUL PAYABLE

Participants' Takaful Fund				
Due to other takaful / re-takaful				
Local			1,968,532	1,541,074
Foreign			2,050,624	1,104,281
			4,019,156	2,645,355

	Operator's Fund		Participants Takaful Fund	
	June 30,	December 31,	June 30,	December 31,
	2021 (Unaudited)	2020 (Audited)	2021 (Unaudited)	2020 (Audited)
	-----Rupees-----			

17 OTHER CREDITORS AND ACCRUALS

Provincial sales tax on services	2,754	-	5,660	218,932
Federal insurance fee	-	-	388	30,607
Tax deducted / collected at source	31,291	13,262	28,383	59,517
Commission payable	94,635	53,508	-	-
Payable to Sindh Insurance Limited	326,122	145,213	2,043,265	1,245,516
Sundry creditors	8,427	8,427	11,000	436,000
Accrued expenses	166,740	409,513	-	-
Provision for compensated leave absences	29,823	16,857	-	-
Gratuity payable	137,441	103,791	-	-
	797,233	750,571	2,088,696	1,990,572

17.1 This amount includes expenses paid by Sindh Insurance Limited on behalf of Window Takaful Operations related to regular expenses of electricity, telephone, water, fuel charges and taxes including FED, FIF.

18 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2021 (December 31, 2020: Nil).

		Six months period ended		Three months period ended		
		June 30	June 30	June 30	June 30	
		2021	2020	2021	2020	
Note		Rupees		Rupees		
		Unaudited				
19 NET TAKAFUL CONTRIBUTION						
	Written gross contribution	1,909,675	5,806,191	407,821	303,428	
	Less: wakala fee	(2,097,516)	(2,894,382)	(1,032,792)	(1,472,815)	
	Contribution net of wakala fee	(187,841)	2,911,809	(624,971)	(1,169,387)	
	Add: unearned contribution reserve - opening	7,818,904	8,713,210	-	9,874,242	
	Less: unearned contribution reserve - closing	(3,342,930)	(5,693,071)	2,750,423	(5,693,071)	
	Contribution earned	4,288,133	5,931,948	2,125,452	3,011,784	
	Less: Re-takaful contribution ceded	(1,449,640)	(487,151)	(704,186)	(688,808)	
	Prepaid re-takaful contribution ceded - opening	(286,180)	(758,346)	-	(1,120,265)	
	Prepaid re-takaful contribution ceded - closing	39,165	618,677	(134,717)	618,677	
	Re-takaful contribution expense	(1,696,655)	(626,820)	(838,903)	(1,190,396)	
		2,591,478	5,305,128	1,286,549	1,821,388	
20 NET TAKAFUL CLAIMS EXPENSE						
	Claim paid	2,017,047	1,270,405	462,737	475,861	
	Outstanding claims including IBNR - opening	(5,729,876)	(2,843,968)	-	(3,000,259)	
	Outstanding claims including IBNR - closing	6,190,327	3,277,197	2,607,236	3,277,197	
	Claim expense	2,477,498	1,703,634	3,069,973	752,799	
	Less: Re-takaful and other recoveries received	520,377	(12,565)	9,325	-	
	Re-takaful and other recoveries in respect of outstanding claims - opening	(937,496)	88,500	-	74,998	
	Re-takaful and other recoveries in respect of outstanding claims - closing	74,989	(74,996)	(22,500)	(74,996)	
	Re-takaful and other recoveries revenue	(342,130)	939	(13,175)	2	
		2,819,628	1,704,573	3,083,148	752,801	
20.1 This includes provision for incurred but not reported (IBNR) amounting to Rs. Rs. 2.260847 million (December 31, 2020: Rs. 2.396 million).						
21 NET COMMISSION EXPENSE						
	Commission paid or payable	41,127	23,016	33,646	-	
	Deferred commission expense - opening	1,312	34,442	-	41,177	
	Deferred commission expense - closing	(24,236)	(23,804)	(19,560)	(23,804)	
	Net commission	18,203	33,654	14,086	17,373	
	Less: Retakaful rebate received or recoverable	113,416	158,885	62,219	175,380	
	Unearned retakaful rebate - opening	(60,719)	(174,421)	-	(153,886)	
	Unearned retakaful rebate - closing	9,008	72,286	(30,985)	72,286	
	Rebate from takaful operator	61,705	56,750	31,234	93,780	
		(43,502)	(23,096)	(17,148)	(76,407)	
22 MANAGEMENT EXPENSES						
	Employee benefit cost	22.1	630,603	1,108,291	329,313	575,917
	Printing and stationary expenses		125,000	-	125,000	-
	Depreciation	6	2,812	4,396	1,406	2,198
	Amortisation	7	152,500	309,111	-	153,528
	Legal and professional charges		523,714	-	294,937	-
	Employee health insurance		4,654	-	2,326	-
	Miscellaneous		338,402	282,055	85,919	74,249
			1,777,685	1,703,853	838,901	805,892

		Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2021	2020	2021	2020
		Rupees		Rupees	
		Unaudited			
22.1	Employee benefit cost				
	Salaries, allowance and other benefits	602,443	1,059,249	313,951	555,693
	Charges for post employment benefit	28,160	40,154	15,362	20,224
		630,603	1,099,403	329,313	575,917
23	INVESTMENT INCOME				
23.1	Operator's Fund				
	Income from equity securities				
	Available for sale				
	Dividend income	734,651	1,019,913	734,651	1,019,913
	Capital gain on sale of investment	-	1,116,864	-	279,685
	Income from debt securities				
	Held to maturity				
	Return on debt securities	-	49,298	-	8,904
	Income from term deposits				
	Return on term deposits	246,213	74,525	86,213	65,484
		980,864	2,260,600	820,864	1,373,986
23.2	Participants' Takaful fund				
	Income from equity securities				
	Available for sale	132,427	177,094	132,427	177,094
	Dividend income				
	Income from term deposits	465,469	154,941	105,469	58,055
	Return on term deposits	597,896	332,035	237,896	235,149
	Investment related expenses - modarib fee	(134,179)	(188,453)	(29,519)	(121,858)
		463,717	143,582	208,377	113,291
23.3	The operator manages the participants' investments as a Modarib and charge 20% Modarib's share of the investment income and profit on bank deposits earned by PTF.				
24	OTHER INCOME				
24.1	Operator's Fund				
	Profit on bank deposits	148,992	625,108	57,301	424,209
	Others	-	172,637	-	172,637
		148,992	797,745	57,301	596,846
24.2	Participants' Takaful Fund				
	Profit on bank deposits	72,999	610,229	20,789	374,139
	Others	148,052	226,266	19,456	83,485
		221,051	836,495	40,245	457,624
25	OTHER EXPENSES				
	Auditors' remuneration	160,465	103,469	103,469	51,735
		160,465	103,469	103,469	51,735

TRANSACTIONS WITH RELATED PARTIES

Related parties comprises, associated companies, companies under common control, companies with common directors, shareholder, employees' retirement benefit plans, directors and key management personnel of the management. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Balances and transaction with related party are disclosed in relevant notes to the financial statements.

Transactions during the period

Name of related party	Nature of relationship	Nature of transaction	Participants Takaful Fund			
			Six months period ended		Three months period ended	
			June 30 2021	June 30 2020	June 30 2021	June 30 2020
			Rupees		Rupees	
			Unaudited			
Sindh Bank Limited	Common directorship	Income on saving accounts Net contribution	72,999 (8,444)	1,163,831	20,789 (23,228)	728,423 168
		Gross contribution	(7,013)	2,527	(21,945)	168
		Claims paid	10,362	20,125	10,362	-
Sindh Modarba Management Limited	Common directorship	Net contribution	51,074	95,416	51,074	33,905
		Gross contribution	33,508	91,254	33,508	32,303
		Claims paid	105,716	240,172	26,890	202,500

Transactions during the period

Name of related party	Nature of relationship	Nature of transaction	Operator's Fund			
			Six months period ended		Three months period ended	
			June 30 2021	June 30 2020	June 30 2021	June 30 2020
			Rupees		Rupees	
			Unaudited			
Sindh Bank Limited	Common directorship	Income on saving accounts	-	200,899	-	-

Balances outstanding as at

		Operator's Fund				Participant Takaful Fund			
		June 30, 2021		December 31, 2020		June 30, 2021		December 31, 2020	
		(Unaudited) Rupees	(Audited) Rupees	(Unaudited) Rupees	(Audited) Rupees	(Unaudited) Rupees	(Audited) Rupees	(Unaudited) Rupees	(Audited) Rupees
		Unaudited							
Sindh Bank Limited	Common directorship	5,502,452	7,818,903	1,910,721	331,554	7,818,903	312,476	7,818,903	312,476
					263,525		123,850		123,850
Sindh Modarba Management Limited	Common directorship				195,000		838		278,663

27.1 Operator's Fund

Wakala fee	39,943	4,453	1,788,229	194,239	70,652	-	2,097,516
Management expenses	(39,339)	(79,591)	(1,435,704)	(28,022)	(195,029)	-	(1,777,685)
Commission expenses	-	(2,672)	(4,676)	-	(10,855)	-	(18,203)
Net commission and expenses	(39,339)	(82,263)	(1,440,380)	(28,022)	(205,884)	-	(1,795,888)
	604	(77,810)	347,849	166,217	(135,232)	-	301,628
Modarib's share of PTF investment income							134,179
Net investment income							980,864
Other income							148,992
Other expenses							(160,465)
Profit before tax							1,405,198

As at June 30,
2021
(Unaudited)

Corporate segment assets	498,560	1,008,682	18,195,229	355,139	2,471,683	-	22,529,293
Corporate un-allocated assets							44,799,425
Total assets							<u>67,328,718</u>
Corporate segment liabilities	93,298	188,760	3,404,963	66,459	462,538	-	4,216,018
Corporate un-allocated liabilities							797,233
Total liabilities							<u>5,013,251</u>

Six months period ended June 30, 2020 (Unaudited)					
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty
Rupees					

Wakala fee	(134,537)	(18,328)	(2,457,295)	(208,593)	(75,629)	-	(2,894,382)
Management expenses	(19,789)	-	(1,603,955)	(15,430)	(64,679)	-	(1,703,853)
Commission expenses	(391)	-	(31,681)	(305)	(1,278)	-	(33,655)
Net commission and expenses	(20,180)	-	(1,635,636)	(15,734)	(65,957)	-	(1,737,508)
Modarib's share of PTF investment income	(154,717)	(18,328)	(4,092,931)	(224,327)	(141,586)	-	(4,631,889)
Net investment income							188,453
Other income							2,260,600
Other expenses							797,745
Profit before tax							(152,991) *
							(1,538,082)

As at June 30,
2020
(Audited)

Corporate segment assets	685,278	-	55,542,649	534,303	2,239,745	-	59,001,976
Corporate un-allocated assets							6,043,205
Total assets							65,045,181
Corporate segment liabilities	46,126	-	3,738,535	35,964	150,756	-	3,971,380
Corporate un-allocated liabilities							1,074,161
Total liabilities							5,045,541

7.2 Participants' Takaful Fund

	Six months period ended June 30, 2021 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	Total
-----Rupees-----							
Segment results							
Contribution receivable	49,180	85,500	1,733,097	30,251	209,510	-	2,107,538
Less: Federal exercise duty	(6,427)	-	(177,167)	-	-	-	(183,594)
Federal insurance fee	(493)	-	(13,628)	(148)	-	-	(14,269)
Gross written contribution	42,260	85,500	1,542,302	30,103	209,510	-	1,909,675
Direct contribution	40,257	-	1,444,505	30,103	1,303	-	1,516,168
Facultative inward contribution	-	85,500	74,813	-	208,207	-	368,520
Administrative surcharge	2,003	-	22,984	-	-	-	24,987
Wakala expense	42,260	85,500	1,542,302	30,103	209,510	-	1,909,675
Takaful contribution earned	(39,943)	(4,453)	(1,788,229)	(194,239)	(70,652)	-	(2,097,516)
Re-takaful expense	121,826	13,360	3,343,966	582,715	226,266	-	4,288,133
	(112,162)	-	(1,436,491)	-	(148,002)	-	(1,696,655)
Net takaful contribution	9,664	13,360	1,907,475	582,715	78,264	-	2,591,478
Rebate from re-takaful operators	25,792	-	1,874	-	34,039	-	61,705
Net underwriting income	35,456	13,360	1,909,349	582,715	112,303	-	2,653,183
Takaful claims	(45,390)	(5,954)	(1,870,916)	(532,664)	(22,574)	-	(2,477,498)
Re-takaful and other recoveries	9,319	-	(351,449)	-	-	-	(342,130)
Net claims	(36,071)	(5,954)	(2,222,365)	(532,664)	(22,574)	-	(2,819,628)
Direct expenses							(209,850)
Surplus before investment income	(615)	7,406	(313,016)	50,051	89,729	-	(376,295)
Investment income							463,717
Other Income							221,051
Surplus for the period							308,473
As at June 30, 2021 (unaudited)							
Corporate segment assets	96,638	195,517	3,526,854	68,837	479,096	-	4,366,942
Corporate un-allocated assets							39,611,009
Total assets							43,977,951
Corporate segment liabilities	792,967	1,604,322	28,939,753	564,853	3,931,245	-	35,833,140
Corporate un-allocated liabilities							1,996,811
Total liabilities							37,829,951

Six months period ended June 30, 2020 (Unaudited)					
Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Treaty
Rupees					
84,788	-	6,230,978	52,579	221,885	-
(16,111)	-	(710,550)	-	(1,372)	-
(1,241)	-	(54,658)	-	(107)	-
67,436	-	5,465,770	52,579	220,406	-
117,956	-	5,376,801	52,579	10,554	-
(56,419)	-	55,464	-	209,852	-
5,899	-	33,505	-	-	-
67,436	-	5,465,770	52,579	220,406	-
(134,537)	(18,328)	(2,457,295)	(208,593)	(75,629)	-
409,525	54,985	4,598,681	(57,808)	926,565	-
(247,117)	(65,981)	(149,418)	-	(164,304)	-
162,408	(10,996)	4,449,263	(57,808)	762,261	-
73,109	15,176	(69,322)	-	37,787	-
235,517	4,180	4,379,941	(57,808)	800,048	-
(19,781)	(458)	(1,450,774)	(227,039)	(5,582)	-
(939)	-	-	-	-	-
(20,720)	(458)	(1,450,774)	(227,039)	(5,582)	-
214,797	3,722	2,929,167	(284,847)	794,466	-
360,978	-	29,257,714	281,450	1,179,811	-
133,267	-	12,422,480	119,500	500,934	-
Corporate segment assets					
Corporate un-allocated assets					
Total assets					
Corporate segment liabilities					
Corporate un-allocated liabilities					
Total liabilities					

As at June 30,
2020

(Audited)

31,079,953
7,160,704
38,240,657
13,196,181
1,794,887
14,991,068

28 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Total
	Rupees		
Operator's Fund			
As at January 01, 2020	-	41,556,128	41,556,128
Additions	25,000,000	28,480,295	53,480,295
Fair Value net gain	-	126,043	126,043
As at December 31, 2020	25,000,000	13,201,876	38,201,876
Deletion	(25,000,000)	-	(25,000,000)
Additions	25,810,000	624,453	26,434,453
Fair value net gains (excluding net realised gains)	-	(385,306)	(385,306)
	810,000	239,147	1,049,147
As at June 30, 2021	25,810,000	13,441,023	39,251,023

Participants' Takaful fund

As at January 01, 2020	-	1,792,002	1,792,002
Additions	35,000,000	150,530	35,150,530
Fair Value net loss	-	(113,246)	(113,246)
As at December 31, 2020	35,000,000	1,829,286	36,829,286
Deletions	(35,000,000)	-	(35,000,000)
Additions	35,918,000	112,563	36,030,563
Fair value net gains (excluding net realised gains)	-	(75,285)	(75,285)
	918,000	37,278	955,278
As at June 30, 2021	35,918,000	1,866,564	37,784,564

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. Consequently, differences can arise between carrying amounts and the fair value estimates.

Underlying the definition of fair value is the presumption that the Operator is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Operator is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Operator to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Operator's Fund	As at December 31, 2020 (Audited)						Fair value			
	Carrying amount						Level 1	Level 2	Level 3	Total
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total				
(Rupees)										
Financial assets measured at fair value										
Investments										
Equity securities	-	41,556,128	-	-	-	41,556,128	41,556,128			41,556,128
Financial assets not measured at fair value										
Investments										
Debt securities	9,628,373	-	-	-	-	-	9,628,373			9,628,373
Loans and other receivable*	-	-	1,409,244	-	-	-	1,409,244			-
Takaful / re-takaful receivable*	-	-	-	-	-	-	-			-
Wakala fee receivables	-	-	732,219	-	-	-	732,219			-
Cash and bank balance*	-	-	-	14,047,271	-	14,047,271	-			-
	9,628,373	41,556,128	2,141,463	14,047,271	-	67,373,235	51,184,501	-	-	51,184,501
Financial liabilities not measured at fair value										
Other creditors and accruals*	-	-	-	-	(5,995,043)	(5,995,043)				
	9,628,373	41,556,128	1,451,745	14,047,271	(5,995,043)	60,688,474	51,184,501	-	-	51,184,501

Participants' Takaful Fund	As at June 30, 2021 (Unaudited)						
	Carrying amount				Fair value		
	(Rupees)				(Rupees)		
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Total
Financial assets measured at fair value							
Investments							
Equity securities		1,866,564	-	-	-	1,866,564	1,866,564
Financial assets not measured at fair value							
Investments							
Term deposits	35,918,000	-	-	-	-	35,918,000	
Loans and other receivable*	-	-	564,308	-	-	564,308	
Takaful / re-takaful receivable*	-	-	1,537,523	-	-	1,537,523	
Deferred wakala fee expense*	-	-	1,127,302	-	-	1,127,302	
Prepayments*	-	-	39,165	-	-	39,165	
Cash and bank balance*	-	-	-	1,918,329	-	1,918,329	
	35,918,000	1,866,564	3,268,298	1,918,329	-	42,971,191	1,866,564
Financial liabilities not measured at fair value							
Outstanding claims including IBNR	-	-	-	-	(6,190,327)	(6,190,327)	
Unearned contribution reserve	-	-	-	-	(3,342,930)	(3,342,930)	
Qard-e-Hasna to Participants'	-	-	-	-	(18,500,000)	(18,500,000)	
Takaful Fund (PTF)	-	-	-	-	(3,571,602)	(3,571,602)	
Payable to OPF	-	-	-	-	(4,019,156)	(4,019,156)	
Takaful / retakaful payable	-	-	-	-	(2,088,696)	(2,088,696)	
Other creditors and accruals*	-	-	-	-	(37,712,711)	(37,712,711)	
	35,918,000	1,866,564	3,268,298	1,918,329	5,258,480		1,866,564
							1,866,564
Participants' Takaful Fund	As at December 31, 2020 (Audited)						
	Carrying amount				Fair value		
	(Rupees)				(Rupees)		
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Total
Financial assets measured at fair value							
Investments							
Equity securities	-	1,696,521	-	-	-	1,696,521	1,696,521
Financial assets not measured at fair value							
Loans and other receivable*	-	-	100,697	-	-	100,697	
Takaful / re-takaful receivable*	-	-	955,662	-	-	955,662	
Cash and bank balance*	-	-	-	16,975,390	-	16,975,390	
	-	1,696,521	1,056,359	16,975,390	-	19,728,270	1,696,521
							1,696,521
Financial liabilities not measured at fair value							
Outstanding claims including IBNR	-	-	-	-	(2,843,968)	(2,843,968)	
Takaful / retakaful payable	-	-	-	-	(3,512,717)	(3,512,717)	
Wakala and modarib fee payable	-	-	-	-	(42,501)	(42,501)	
Other creditors and accruals*	-	-	-	-	(2,873,121)	(2,873,121)	
	-	1,696,521	1,056,359	16,975,390	(9,272,307)	10,455,963	1,696,521
							1,696,521

* The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences may arise between the carrying values and the fair value estimates.

30 OTHER NON FINANCIAL INFORMATION

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Operator's financial condition or results of operations.

31 CORRESPONDING FIGURES

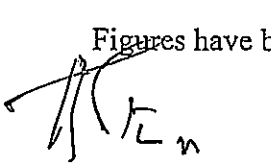
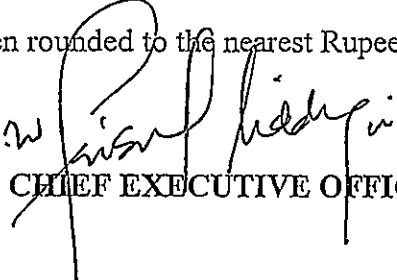


Corresponding figures might be rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

32 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 24 AUG 2021 by the Board of Directors of the Company.

33 GENERAL

Figures have been rounded to the nearest Rupees.

 CHAIRMAN	 CHIEF EXECUTIVE OFFICER	 DIRECTOR	 DIRECTOR
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SINDH INSURANCE

POWER TO THE PEOPLE
PATTERN OF SHAREHOLDINGS
HELD BY THE SHAREHOLDERS OF
SINDH INSURANCE LIMITED

AS AT JUNE 30, 2021

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
1	From 1	To 49,999,993	49,999,993	49.999993
8	From 49,999,994	To 50,000,000	7	0.000007
1	From 50,000,001	To 100,000,000	50,000,000	50.000000
9			100,000,000	100.000000

Categories of Shareholders	Shareholders	Shares Held	Percentage
<u>Associated Company</u>	-	-	-
<u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas</u>	-	-	-
<u>Mutual Funds</u>	-	-	-
<u>Other Companies</u>	-	-	-
<u>Shareholding Above 5%</u>			
Governamet of Sindh	1	99,999,992	99.999992
<u>Directors, CEO, Executives and their Spouses and Minor Childrens</u>			
Muhammad Bilal Sheikh	1	1	0.000001
Syed Hassan Naqvi	1	1	0.000001
Mushtaq Malik	1	1	0.000001
Syed Akhtar Ul Islam	1	1	0.000001
Saleem Zamindar	1	1	0.000001
Zahid Hussain	1	1	0.000001
Raja Muhammad Abbas	1	1	0.000001
Hina Marvi	1	1	0.000001
<u>Individuals</u>	-	-	-
Total	9	100,000,000	100.000000