


SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	31 March 2019 Rupees Un-audited	31 December 2018 Rupees Audited
Assets			
Property and equipment	5	17,315,111	18,229,032
Intangible assets	6	889,061	1,070,781
Investments			
Equity securities		-	-
Debt securities	7	303,315,515	279,915,200
Term deposits	8	2,827,101,841	2,827,101,841
Loans and other receivable	9	146,890,637	63,316,123
Insurance / reinsurance receivables	10	409,990,498	409,851,141
Re-insurance recoveries against outstanding claims		47,099,795	56,158,251
Deferred commission expense / acquisition cost		137,133	119,779
Deferred taxation	11	8,112,526	8,231,479
Prepayments	12	52,522,038	79,910,167
Cash and bank	13	38,446,631	53,916,001
		<u>3,851,820,786</u>	<u>3,797,819,795</u>
Total assets of Window Takaful Operations - Operator's Fund		62,896,047	62,187,100
Total Assets		<u><u>3,914,716,833</u></u>	<u><u>3,860,006,895</u></u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	1,000,000,000	1,000,000,000
Reserves			
Revenue reserves - Unappropriate profit		555,486,604	479,355,722
Total Equity		<u>1,555,486,604</u>	<u>1,479,355,722</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		1,985,142,614	1,935,311,565
Unearned premium reserves		165,782,457	271,787,924
Premium deficiency reserves		29,176,346	29,176,346
Unearned reinsurance commission		5,994,576	7,157,807
Premium received in advance		480,637	1,851,899
Insurance / reinsurance payables	15	105,655,129	88,486,754
Other creditors and accruals	16	26,653,658	27,341,591
Taxation - payment less provisions		31,271,374	10,725,322
Total liabilities		<u>2,350,156,791</u>	<u>2,371,839,208</u>
Total liabilities of Window Takaful Operations - Operator's Fund		9,073,438	8,811,965
Total Equity and Liabilities		<u><u>3,914,716,833</u></u>	<u><u>3,860,006,895</u></u>

Contingencies and commitments

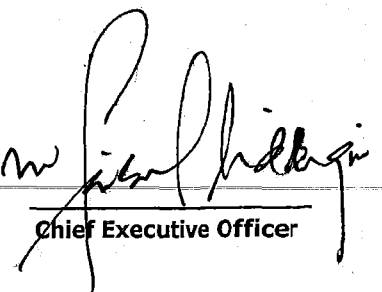
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The annexed notes from 1 to 30 form an integral part of this interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THREE MONTHS PERIOD ENDED 31 MARCH 2019 (Un-audited)

	Note	Three months Period ended 31 March	
		2019 Rupees	2018 Rupees
Net insurance premium	18	91,631,364	89,160,723
Net insurance claims	19	(75,611,091)	39,589,731
Premium deficiency		-	2,283,153
Net commission and other acquisition cost	20	10,499,426	(84,430,474)
Insurance claims and acquisition expenses		(65,111,665)	(42,557,590)
Management expenses	21	(11,916,274)	(11,779,088)
Underwriting results		14,603,425	34,824,044
Investment income	22	87,890,467	62,411,597
Other income	23	2,894,703	1,071,924
Other expenses	24	(102,094)	(148,020)
Results of operating activities		105,286,501	98,159,545
Profit from Window Takaful Operations		447,474	710,977
Profit before tax		105,733,975	98,870,522
Income tax expense	25	(29,603,093)	(30,230,325)
Profit after tax		76,130,882	68,640,197

Other comprehensive income:

Items that will be reclassified subsequently to profit and loss account

- Fair value adjustment on remeasurement of available for sale investments - net of deferred tax
- Fair value reserve reclassified to profit and loss account on disposal of available for sale investments - net of deferred tax
- Other comprehensive income from Window Takaful Operations

-	-
-	-
-	-
-	-

Items that will not be reclassified subsequently to profit and loss account

Total comprehensive income for the period

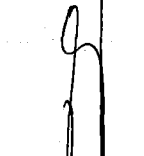
76,130,882	68,640,197
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Earnings (after tax) per share - basic & diluted


26	0.76	0.69
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The annexed notes from 1 to 30 form an integral part of this interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THREE MONTHS PERIOD ENDED 31 MARCH 2019 (Un-audited)

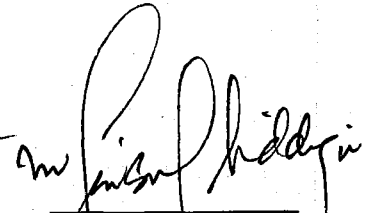
	Attributable to equity holders of the Company			Total
	Share capital	Capital reserve	Revenue reserve	
		Available for sale investment revaluation reserve	Unappropriated profit	
Rupees	Rupees	Rupees	Rupees	
Balance as at 31 December 2016	500,000,000	-	156,050,784	656,050,784
Restatement due to change in accounting policy	-	2,526,628	-	2,526,628
Balance as at 31 December 2016 - restated	500,000,000	2,526,628	156,050,784	658,577,412
Profit for the year ended 31 December 2017	-	-	124,875,511	124,875,511
Other comprehensive income	-	(1,973,740)	-	(1,973,740)
Total comprehensive income	-	(1,973,740)	124,875,511	122,901,771
Transaction with owners recorded directly in equity				
Issuance of share capital	500,000,000	-	-	500,000,000
Balance as at 31 December 2017 - restated	1,000,000,000	552,888	280,926,295	1,281,479,183
Profit for the year ended 31 December 2018	-	-	198,429,427	198,429,427
Other comprehensive income	-	(552,888)	-	(552,888)
Total comprehensive income	-	(552,888)	198,429,427	197,876,539
Balance as at 31 December 2018 (Audited)	1,000,000,000	-	479,355,722	1,479,355,722
Profit for the quarter ended 31 March 2019	-	-	76,130,882	76,130,882
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	76,130,882	76,130,882
Balance as at 31 March 2019	1,000,000,000	-	555,486,604	1,555,486,604

The annexed notes from 1 to 30 form an integral part of this interim financial information.


 Chairman


 Director


 Director


 Chief Executive Officer


SINDH INSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THREE MONTHS PERIOD ENDED 31 MARCH 2019 (Un-audited)


	31 March 2019	31 March 2018
OPERATING ACTIVITIES	Rupees	Rupees
<i>a) Underwriting activities</i>		
Insurance premiums received	33,798,437	112,483,435
Reinsurance premiums paid	(4,965,705)	(4,798,447)
Claims paid	(30,236,473)	(25,672,713)
Reinsurance and other recoveries received	13,514,887	3,539,372
Commissions paid	(75,847)	(87,457,854)
Commissions received	3,135,778	2,105,519
Other underwriting payments	(5,498,836)	(148,020)
Net cash flows from underwriting activities	9,672,241	51,293
<i>b) Other operating activities</i>		
Income tax paid	(8,938,088)	(5,765,797)
Management and administrative expenses paid	(102,094)	(22,265,729)
Compensated absences paid	-	-
Other operating payments	(1,689,052)	(2,276,001)
Net cash used in other operating activities	(10,729,234)	(30,307,526)
Net cash used in operating activities	(1,056,993)	(30,256,234)
INVESTMENT ACTIVITIES		
Profit / return received on investment	6,005,005	4,224,692
Other income received	2,894,703	1,071,924
Payments for investments	(386,479,885)	-
Proceeds from disposal of investments	363,349,570	-
Proceeds from disposal of fixed assets	-	-
Fixed capital expenditure	(181,770)	-
Net cash (used in) / flows from investing activities	(14,412,377)	5,296,616
FINANCING ACTIVITIES		
Issuance of share capital	-	-
Net cash flows from financing activities	-	-
Net cash used in all activities	(15,469,370)	(24,959,618)
Cash and cash equivalents at the beginning of the period	2,881,017,842	2,917,446,630
Cash and cash equivalents at end of the the period	13.1 2,865,548,472	2,892,487,012

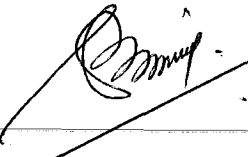
Reconciliation to profit and loss account

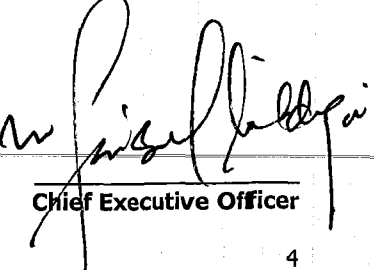
Operating cash flows	(1,056,993)	(30,256,234)
Depreciation on fixed assets	(1,095,691)	(750,282)
Amortization of intangibles	(181,720)	(376,992)
Income tax paid	8,938,088	5,765,797
Increase / decrease in assets other than cash	(34,069,349)	(12,089,926)
Increase / decrease in liabilities	41,966,996	72,383,661
Investment income	87,890,467	62,411,597
Profit from Window Takaful Operations	447,474	710,977
Other income	2,894,703	1,071,924
Profit before taxation	105,733,975	98,870,522

The annexed notes from 1 to 30 form an integral part of this interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THREE MONTHS PERIOD ENDED 31 MARCH 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Sindh Insurance Limited (the Company) was incorporated under the Companies Ordinance, 1984, (now Companies Act, 2017) as a Public Limited Company on 20 December 2013 and obtained the certificate of commencement of business on 22 September 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. The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

The Company was granted authorization on 22 September 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the three months period ended 31 March 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. In case requirements differ, the provisions of or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

Change in the presentation of financial statements

During the year, Companies Act, 2017, Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 have been implemented. The SECP has prescribed format for presentation of annual financial statements for general insurance companies in Insurance Rules, 2017 issued vide S.R.O. 89(I)/2017 dated 09 February 2017. Accordingly, this condensed interim financial information has been prepared in accordance with the format prescribed by SECP. Previously, the financial statements were being prepared following the format prescribed by SECP through Securities and Exchange Commission (Insurance) Rules, 2002 {SEC (Insurance) Rules, 2002}, vide S.R.O. 938 dated 12 December 2002 and the provisions of or directives issued under the Companies Ordinance, 1984. Following major changes have been made in the presentation format as prescribed by the new Rules and Regulations:

- Nomenclature of balance sheet changed to statement of financial position. Furthermore, previously separately presented profit and loss account and statement of comprehensive income have been presented in a single statement of comprehensive income, the option adopted by the Company.
- Changes in sequence of assets / liabilities in the statement of financial position.
- Discontinuation of separate statements of premiums, claims, expenses and investment income, which are now presented separately on aggregate basis in to the notes to the condensed interim financial information (note 18, 19, 20 and 22).
- Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented separately (note 28).
- Corresponding figures have been reclassified / rearranged for the purpose of comparison where necessary to ensure compliance with new format for reporting issued by SECP.

2.2 Total assets, total liabilities, statement of comprehensive income of Window Takaful Operations (WTO) of the Company referred to as Operator's Fund have been presented in this condensed interim financial information in accordance with the requirements of Circular No. 25 of 2015 dated 09 July 2015. Separate set of condensed interim financial information of the Window Takaful Operations of the Company has been annexed to this condensed interim financial information as per the requirements of the Takaful Rules, 2012.

- 2.3** This condensed interim financial information does not include all the information and disclosures required in the full financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2018.
- 2.4** This condensed interim financial information is being prepared and submitted to shareholders in accordance with the requirements of Code of Corporate Governance for Insurers, 2016.

3. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost basis except for certain investments that have been measured at fair value. Accrual basis of accounting has been used except for cash flow information.

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 Company for the year ended 31 December 2018 except for (i) format for preparation of financials statements as disclosed in note 2.1 above; and (ii) treatment of available-for-sale investments as follows:

Change in accounting policy

Up to previous year, investments classified as 'available for sale' was previously being stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) subsequent to initial recognition at cost following the requirements under the repealed Securities and Exchange Commission (Insurance) Rules, 2002. The resultant impairment loss, if any, was being charged to profit and loss account.

The accounting treatment of 'available for sale investments' prescribed in Securities and Exchange Commission (Insurance) Rules, 2002 stands repealed on implementation of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 during the period. Following the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017, investments classified as 'available for sale' have been accounted for in this condensed interim financial information following the treatment prescribed in International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement". Under IAS 39, the quoted 'available-for-sale' investments are valued at market value and any unrealised gains or losses arising on revaluation of 'available-for-sale' investments are taken to other comprehensive income and transferred to revaluation reserves, whereas unquoted 'available-for-sale' investments are valued at cost less impairment in value, if any. On derecognition or impairment of 'available-for-sale' investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account for the period. This change in accounting policy has been applied retrospectively in accordance with the requirements of IAS 8 "Accounting policy, change in accounting estimates and errors" and corresponding figures have been restated to conform to the changed policy as follows:

Impact on statement of financial position	31 December 2017		
	Balance previously reported	Adjustment	Balance restated
	Rupees	Rupees	Rupees
Assets:			
Investments			
Equity securities	-	-	-
Debt securities	130,487,997	-	130,487,997
Total assets of Window Takaful Operations - Operator's	52,634,900	789,840	53,424,740
Liabilities:			
Total liabilities of Window Takaful Operations - Operator	2,009,316	236,952	2,246,268
Deferred taxation	1,889,543	-	1,889,543
Capital and reserves attributable to Company's equity holders:			
Available for sale investment revaluation reserve	-	552,888	552,888

Impact on statement of financial position	31 December 2016		
	Balance previously reported	Adjustment	Balance restated
	Rupees	Rupees	Rupees
Assets:			
Investments			
Equity securities	460,034,004	1,545,961	461,579,965
Debt securities	434,891,863	523,310	435,415,173
Total assets of Window Takaful Operations - Operator's	50,514,362	1,540,197	52,054,559
Liabilities:			
Total liabilities of Window Takaful Operations - Operator	1,288,645	462,059	1,750,704
Deferred taxation	1,923,811	620,781	2,544,592
Capital and reserves attributable to Company's equity holders:			
Available for sale investment revaluation reserve	-	2,526,628	2,526,628
Impact on statement of comprehensive income		31 December 2017	31 December 2016
		Rupees	Rupees
Other comprehensive income:			
Fair value adjustment on remeasurement of available for sale investments - net of deferred tax		(1,448,490)	(123,480)
Other comprehensive income of Window Takaful Operations - Operator's		(525,250)	1,078,138
		<u>(1,973,740)</u>	<u>954,658</u>

There was no impact on cash flows and segment reporting as a result of the change in accounting policy.

Had the accounting policy not been changed, available-for sale investments, reserves, deferred taxation, total assets of window takaful operations - operators fund, and total liabilities of window takaful operations - operator's fund would have been lower by Rupees Nil, Rupees Nil, Rupees Nil, Rupees Nil and Rupees Nil (31 December 2018: Rupees Nil, Rupees Nil, Rupees Nil, Rupees Nil and Rupees Nil) respectively.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting 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 Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company as at and for the year ended 31 December 2018.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company for the year ended 31 December 2018.

5. PROPERTY AND EQUIPMENT

Particulars	2019						Net book value as at 31 March	Depreciation rate	
	Cost			Depreciation					
	As at 1 January	Additions / (Disposals)	Adjustments	As at 31 March	As at 1 January	For the period			As at 31 March
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Leasehold Improvements	12,161,075	-	-	12,161,075	2,678,350	154,289	2,832,639	9,328,436	5%
Furniture and fixture	3,049,753	-	-	3,049,753	1,127,955	80,298	1,208,253	1,841,500	10%
Office equipment	8,695,355	181,770	-	8,877,125	3,727,767	449,721	4,177,488	4,699,637	10%-20%
Computers	2,505,986	-	-	2,505,986	2,046,198	132,778	2,178,976	327,010	33.33%
Vehicles	5,549,513	-	-	5,549,513	4,152,380	278,605	4,430,985	1,118,528	20%
	31,961,682	181,770	-	32,143,452	13,732,650	1,095,692	14,828,341	17,315,111	

2018

Particulars	2018						Net book value as at 31 December	Depreciation rate	
	Cost			Depreciation					
	As at 1 January	Additions / Disposals	Adjustments	As at 31 December	As at 1 January	For the year			As at 31 December
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Leasehold Improvements	12,161,075	-	-	12,161,075	2,085,909	592,441	2,678,350	9,482,725	5%
Furniture and fixture	2,956,553	93,200	-	3,049,753	812,063	315,892	1,127,955	1,921,798	10%
Office equipment	8,433,821	261,534	-	8,695,355	1,971,472	1,756,295	3,727,767	4,967,588	10%
Computers	2,380,236	125,750	-	2,505,986	1,211,315	834,883	2,046,198	459,788	33.33%
Vehicles	6,608,513	(1,059,000)	-	5,549,513	3,587,585	1,235,495	4,152,380	1,397,133	20%
	32,540,198	(578,516)	-	31,961,682	9,668,344	4,735,006	13,732,650	18,229,032	

6. INTANGIBLE ASSETS

Particulars	2019						Net book value as at 31 March	Amortization rate	
	Cost			Amortization					
	As at 1 January	Additions / Disposals	Adjustments	As at 31 March	As at 1 January	For the period			As at 31 March
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Computer Softwares	5,508,091	-	-	5,508,091	4,437,310	181,720	4,619,030	889,061	33.33%
Website	24,000	-	-	24,000	24,000	-	24,000	-	33.33%
	5,532,091	-	-	5,532,091	4,461,310	181,720	4,643,030	889,061	
	4,591,446	940,871	(226)	5,532,091	3,358,394	1,102,915	4,461,310	1,070,781	

7. INVESTMENTS IN DEBT SECURITIES

		31 March 2019		
		Amortized cost	Impairment / provision	Carrying value
		Rupees	Rupees	Rupees
Held To Maturity	Note			
Government securities:	7.1			
Pakistan Investment Bonds		-	-	-
Treasury Bills		278,315,515	-	278,315,515
Others:				
Sukuk		25,000,000	-	25,000,000
		303,315,515	-	303,315,515
31 December 2018				
		Amortized cost	Impairment / provision	Carrying value
		Rupees	Rupees	Rupees
Held To Maturity	Note			
Government securities:	7.1			
Pakistan Investment Bonds		-	-	-
Treasury Bills		254,915,200	-	254,915,200
Others:				
Sukuk		25,000,000	-	25,000,000
		279,915,200	-	279,915,200

7.1 Of these securities, Treasury bills and PIBs having carrying value of Rupees 107,452,620 (2018: 102,701,567) is pledged with State Bank of Pakistan under provisions of the Insurance Ordinance, 2000 (XXXIX of 2000).

	31 March 2018	31 December 2018
	Rupees	Rupees
8. INVESTMENT IN TERM DEPOSITS		
Deposits maturing within 12 months - local currency	2,827,101,841	2,827,101,841
These represents term deposits with different microfinance banks and carry markup ranging from 9.50% to 13.00% (2018: 9.50% to 13.00%).		
9. LOANS AND OTHER RECEIVABLES - Considered good		
Accrued investment income	133,886,307	52,000,845
Loans to employees	302,112	329,423
Other receivable	12,702,218	10,985,855
	146,890,637	63,316,123
10. INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good		
Due from insurance contract holders	394,153,594	400,285,275
Less: provision for impairment of receivables from Insurance contract holders	(30,239,953)	(31,486,545)
Due from other Insurers / reinsurers	46,076,857	41,052,411
Less: provision for impairment of due from other Insurers / reinsurers	-	-
	409,990,498	409,851,141
10.1 Due from insurance contract holders includes Rupees 31,805,535 due from related parties (2018: Rupees 31,869,204).		
11. DEFERRED TAXATION		
Deffered debits arising in respect of		
Provision for compensated leave absences	650,410	580,172
provision for impairment of receivables from Insurance contract holders	8,467,187	8,816,233
Deffered credits arising in respect of		
accelerated depreciation	(1,005,071)	(1,164,926)
	8,112,526	8,231,479
12. PREPAYMENTS		
Prepaid reinsurance premium ceded	51,482,140	77,784,627
Prepaid rent	272,314	811,153
Prepaid insurance expense	673,007	885,606
Prepaid miscellaneous expense	94,577	428,781
	52,522,038	79,910,167

	Note	31 March 2019 Rupees	31 December 2018 Rupees
13. CASH AND BANK DEPOSITS			
Cash and cash equivalents			
Cash in hand		25,705	26,451
Policy stamps		822,290	832,619
Cash at bank			
Saving accounts	13.2	37,598,636	53,056,931
		<u>38,446,631</u>	<u>53,916,001</u>

13.1 Cash and cash equivalent include the following for the purpose of Cash Flow Statement:

Cash And Bank Deposits	38,446,631	53,916,001
Term deposits	2,827,101,841	2,827,101,841
	<u>2,865,548,472</u>	<u>2,881,017,842</u>

13.2 The rate of return on these accounts ranges from 5.75% to 8% (2018: 5.75% to 8%).

14. SHARE CAPITAL

14.1 Authorized share capital

2019	2018		2019	2018
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary shares of Rupees 10 each	<u>1,500,000,000</u>	<u>1,500,000,000</u>

14.2 Issued, subscribed and paid up share capital

2019	2018		2019	2018
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rupees 10	<u>1,000,000,000</u>	<u>1,000,000,000</u>

As at 31 March 2019, all the shares are beneficially held by Government of Sindh directly and through nominee directors.

15. INSURANCE / REINSURANCE PAYABLES

Due to insurance contract holders	-	-
Due to other insurers / reinsurers	105,655,129	88,486,754
	<u>105,655,129</u>	<u>88,486,754</u>
Due to other insurers / reinsurers Considered good		
- Foreign	34,086,240	34,086,240
- Local	71,568,889	54,400,514
	<u>105,655,129</u>	<u>88,486,754</u>

16. OTHER CREDITORS AND ACCRUALS

Agent commission payable	660,659	600,738
Provincial sales tax	17,347,542	17,116,673
Federal insurance fee	77,257	61,972
Accrued expenses	5,290,394	6,627,269
Other tax payables	432,842	433,272
Provision for compensated leave absences	2,242,795	2,000,592
Auditors' remuneration	602,169	501,075
	<u>26,653,658</u>	<u>27,341,591</u>

17. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments as at the reporting date (2018: Nil).

	Three months Period ended 31 March	
	2019 Rupees	2018 Rupees
18. NET INSURANCE PREMIUM		
Written gross premium	29,038,018	21,995,876
Add: Unearned premium reserve opening	271,787,924	360,660,322
Less: Unearned premium reserve closing	(165,782,457)	(257,645,877)
Premium earned	<u>135,043,485</u>	<u>125,010,321</u>
Less :Reinsurance premium ceded	(17,109,634)	(7,588,152)
Less:Prepaid reinsurance premium opening	(77,784,627)	(159,244,082)
Add:Prepaid reinsurance premium closing	51,482,140	130,982,635
Reinsurance expense	<u>(43,412,121)</u>	<u>(35,849,599)</u>
	<u>91,631,364</u>	<u>89,160,723</u>

Three months Period ended 31

March

19. NET INSURANCE CLAIMS EXPENSE

	2019 Rupees	2018 Rupees
Claim paid	30,236,473	25,672,713
Add: Outstanding claims including IBNR closing	1,985,142,614	1,134,317,221
Less: Outstanding claims including IBNR opening	<u>(1,935,311,565)</u>	<u>(1,191,759,126)</u>
Claim expense	80,067,522	(31,769,192)
Reinsurance and other recoveries received	(13,514,887)	(3,539,372)
Add: Reinsurance and other recoveries in respect of outstanding claims (opening)	56,158,251	16,932,824
Less: Reinsurance and other recoveries in respect of outstanding claims (closing)	(47,099,795)	(21,213,991)
Reinsurance and other recoveries revenue	(4,456,431)	(7,820,539)
	<u>75,611,091</u>	<u>(39,589,731)</u>

19.1 This includes Provision for incurred but not reported (IBNR) amounting to Rupees 1,895,695,178 (2018: 1,812,952,188).

20. NET COMMISSION EXPENSE / ACQUISITION COST

Commission paid or payable	(6,183,063)	87,058,921
Add: Deferred commission expense opening	119,779	1,980,048
Less: Deferred commission expense closing	(137,133)	(1,581,115)
Net commission	(6,200,417)	87,457,854
Less: Commission received or recoverable	(3,135,778)	(2,105,519)
Add: Unearned reinsurance commission	5,994,576	5,574,869
Less: Unearned reinsurance commission	(7,157,807)	(6,496,730)
Commission from reinsurers	(4,299,009)	(3,027,380)
	<u>(10,499,426)</u>	<u>84,430,474</u>

21. MANAGEMENT EXPENSES

Salaries, allowance and other benefits	6,357,871	7,165,642
Travelling expense	9,650	17,200
Advertisement and sales promotion	5,000	158,401
Printing and stationery	220,039	94,406
Depreciation	1,095,691	750,282
Amortization	181,720	376,992
Rent, rates and taxes	538,839	880,774
Legal and professional charges	408,451	58,924
Electricity, gas and water	210,346	208,685
Entertainment	215,347	39,920
Vehicle running expense	50,472	-
Office repair, maintenance and Insurance	503,738	255,152
Office expense	61,103	-
Bank charges	9,221	10,940
Postage, telegrams and telephones	269,753	273,150
Annual supervision fee SECP	210,097	133,216
Service charges (Health Econnex)	1,419,536	426,049
Miscellaneous	149,400	929,355
	<u>11,916,274</u>	<u>11,779,088</u>

Three months Period ended 31 March

	2019 Rupees	2018 Rupees
22. INVESTMENT INCOME		
Income from equity securities		
Available for sale		
- Dividend income	-	-
- Capital gain	-	-
Income from debt securities		
Available for sale		
- Return on debt securities	-	-
- Amortisation of premium on PIBs	-	-
Held to maturity		
- Return on debt securities	7,159,158	2,847,576
- Discount on purchase of PIBs	-	89,117
	7,159,158	2,936,693
Income from term deposits		
- Return on deposit	80,731,309	59,474,904
Total investment income	87,890,467	62,411,597
Less: Impairment in value of available for sale securities	-	-
- Equity securities	-	-
	87,890,467	62,411,597
23. OTHER INCOME		
Profit on bank deposit	1,321,259	721,769
Income on generator sharing	109,215	109,215
Liabilities no more payable	-	-
Other	1,464,229	240,940
	2,894,703	1,071,924
24. OTHER EXPENSES		
Auditors' remuneration	102,094	148,020
Legal and professional charges	-	-
Others	-	-
	102,094	148,020
24.1 Auditors' remuneration		
Audit fee	102,094	148,020
Special certifications and sundry advisory services	-	-
Out-of-pocket expenses	-	-
	102,094	148,020
25. TAXATION		
For Current period		
Current	29,484,140	30,256,813
Deferred	118,953	(26,488)
	29,603,093	30,230,325
For Prior period(s)		
Current	-	-
Deferred	-	-
	-	-
26. EARNINGS (AFTER TAX) PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Net profit after tax for the period - Rupees	76,130,882	68,640,197
Weighted average number of ordinary shares- Number	100,000,000	100,000,000
Basic earnings per share - Rupees	0.76	0.69

27. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices determined under "Comparable controlled price method". Transactions and balances with related parties have been disclosed in relevant notes to the financial statements. Other transactions and balances not elsewhere disclosed are summarized as follows:

	31 March 2019 Rupees	31 March 2018 Rupees
Companies having common directorship		
Sindh Bank Limited (SBL)		
Income on saving accounts	1,321,259	721,769
Premium written	228,528	668,505
Claim paid	9,877,114	9,882,483
Sindh Modarba Management Limited (SMML)		
Premium written	23,107	-
Claim paid	-	32,680
Income on sharing of generator	109,215	109,215
Sindh Leasing Company Limited (SLCL)		
Premium written	842,525	1,185,314
Claim paid	127,253	6,880
Sindh Microfinance Bank Limited		
Premium written	85,033	342,739
Claim paid	29,826	114,637
Health Econnex (Private) Limited		
Health claims paid on behalf of Company	7,971,185	1,136,340
Service charges	1,201,637	426,049
Directors		
Premium written	316,932	-
Claim paid	74,554	-
Meeting Fee	-	-
Employees' fund		
Contribution to provident fund	270,523	290,298
Government of Sindh - Shareholder		
Premium written	-	-
Claims paid	7,912,000	10,920,000
Balances		
	Balance as on 31 March 2019	Balance as on 31 March 2018
Companies having common directorship		
Sindh Bank Limited (SBL)		
Bank accounts	35,630,459	26,862,754
Due from insurance contract holder	31,630,724	23,542,638
Claim payable	13,976,744	711,929
Payable to Sindh Bank Limited	-	4,243,331
Sindh Modarba Management Limited (SMML)		
Premium received in advance	-	456,749
Claim payable	-	30,000
Amount receivable for sharing of generator	218,430	104,145
Sindh Leasing Company Limited (SLCL)		
Premium received in advance/Due from insurance	-	3,001
Due from insurance contract holder	88,230	-
Claim payable	-	7,710
Payable to Sindh Leasing Company Limited	-	-
Sindh Micro Finance Bank Limited		
Due from insurance contract holder	86,581	-
Claim (receivable) / payable	614,552	-
Health Econnex (Private) Limited		
Advance for health claim expense	3,000,000	1,608,779
Directors		
Claim payable	50,000	-
Receivable From Sindh Insurance Limited - Window Takaful Operations	6,262,227	98,360

29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue on **30 APR 2019** by the Board of Directors of the Company.

30. GENERAL

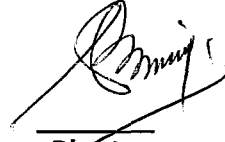
30.1 Figures in this condensed interim financial information have been rounded to the nearest Rupees, unless otherwise stated.



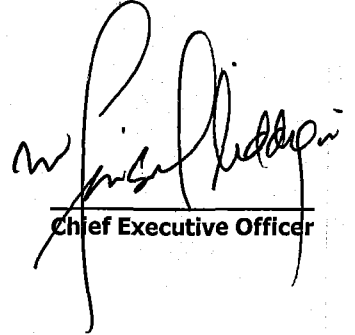
Chairman



Director



Director



Chief Executive Officer


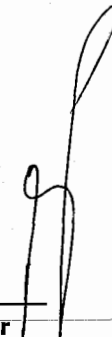

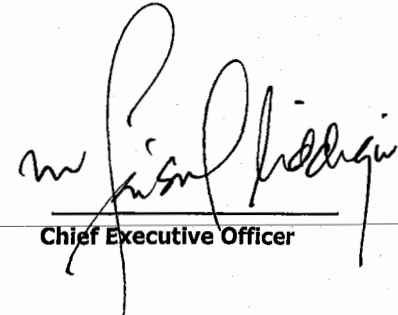
SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

Note	31 MARCH 2019			31 DECEMBER 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			Rupees Restated

ASSETS

Qard-e-hasna to Participant Takaful Fund		11,000,000	-	11,000,000	11,000,000
Property and equipment	7	53,455	-	53,455	58,228
Intangible assets	8	1,233,361	-	1,233,361	1,388,944
Investments					
Equity securities	9	-	1,577,467	1,577,467	1,551,927
Debt Securities		-	-	-	-
Term Deposits	10	40,000,000	19,900,000	59,900,000	59,900,000
Loans and other receivable	11	2,902,533	1,048,617	3,951,150	2,542,161
Takaful / retakaful receivable	12	-	324,406	324,406	1,328,310
Deferred commission expense	20	7,502	-	7,502	19,569
Wakala and modarib fee receivable		4,979,934	-	4,979,934	4,397,296
Deferred wakala fee expense		-	2,247,177	2,247,177	2,830,891
Taxation - payment less provision		-	26,881	26,881	24,622
Prepayments	13	88,383	294,067	382,450	598,469
Cash and bank	14	2,630,880	2,457,387	5,088,267	4,815,676
		51,896,048	27,876,002	79,772,050	79,456,093
TOTAL ASSETS		62,896,048	27,876,002	90,772,050	90,456,093

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.

 _____ Chairman	 _____ Director	 _____ Director	 _____ Chief Executive Officer
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SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

Note	31 MARCH 2019			31 December 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			Rupees

EQUITY AND LIABILITIES

OPERATOR'S FUND

Statutory fund	50,000,000	-	50,000,000	50,000,000
Revenue reserve - Accumulated profit	3,822,609	-	3,822,609	3,375,135
	53,822,609	-	53,822,609	53,375,135

WAQF / PARTICIPANTS' TAKAFUL FUND

Ceded money	-	500,000	500,000	500,000
Capital reserve-Available for sale				
investment revaluation reserve	-	30,074	30,074	30,074
Revenue reserve - Accumulated deficit	-	(2,352,855)	(2,352,855)	(3,543,480)
	-	(1,822,781)	(1,822,781)	(3,013,406)

LIABILITIES

Qard-e-hasna from Operator's Fund	-	11,000,000	11,000,000	11,000,000
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Underwriting provisions

Outstanding claims including IBNR	19	-	1,114,717	1,114,717	907,918
Unearned contribution reserve	18	-	6,747,802	6,747,802	8,619,640
Unearned re-takaful rebate	20	-	59,012	59,012	104,883
Provision for unearned wakala fee	21	2,247,177	-	2,247,177	2,830,891
Deferred taxation		1,343	12,284	13,627	18,061
Contribution received in advance		-	4,943	4,943	-
Takaful / re-takaful payables	15	-	3,913,243	3,913,243	3,355,782
Wakala and modarib fee payable		-	4,979,934	4,979,934	4,397,296
Other creditors and accruals	16	5,611,903	1,866,848	7,478,751	8,239,242
Taxation - provision less payment		1,213,015	-	1,213,015	620,651
		9,073,438	18,698,783	27,772,221	29,094,364
TOTAL LIABILITIES		9,073,438	29,698,783	38,772,221	40,094,364
TOTAL FUND AND LIABILITIES		62,896,048	27,876,002	90,772,050	90,456,093

CONTINGENCIES AND COMMITMENTS

17

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


Chairman


Director


Director

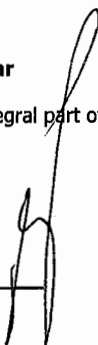

Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)**

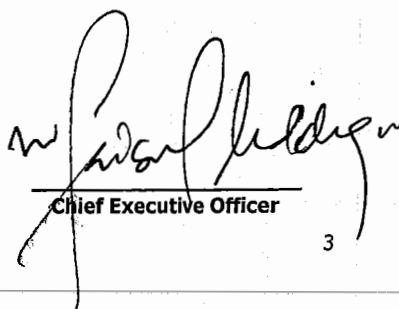
		Three months period ended 31 March 2019	Three months period ended 31 March 2018
	Note	2019 Rupees	2018 Rupees Restated
Participants' Takaful Fund - revenue account			
Net contribution revenue	18	2,492,241	796,450
Wakala fee expense	21	(1,065,459)	(485,926)
Net claims	19	(625,803)	(400,486)
Rebate on retakaful	20	47,299	154,821
		<u>(1,643,963)</u>	<u>(731,591)</u>
Underwriting results		848,278	64,859
Direct expenses		(123,925)	-
Investment Income	22	403,575	-
Other Income		62,697	15,636
(Deficit) / surplus for the period		1,190,625	80,495
Other comprehensive income:			
Items that will be reclassified subsequently to revenue account			
Fair value adjustment on remeasurement of 'available for sale' investments		-	-
Total comprehensive (loss) / income for the period		1,190,625	80,495
Operator's Fund - revenue account			
Wakala fee	21	1,065,459	485,926
Commission expense	20	(12,067)	(134,481)
Management expenses	23	(752,927)	(478,544)
		<u>300,465</u>	<u>(127,099)</u>
Modarib's share of PTF investment income	22.1	100,893	3,865
Net investment income	22.2	959,509	820,333
Other income		-	369,172
		<u>1,360,867</u>	<u>1,066,271</u>
Other expenses	24	(321,238)	(50,589)
Profit before tax		1,039,629	1,015,682
Taxation	25	(592,155)	(304,705)
Profit after tax		447,474	710,977
Other comprehensive income:			
Items that will be reclassified subsequently to revenue account			
Fair value adjustment on remeasurement of 'available for sale' investments - net of deferred tax		-	-
Fair value reserve reclassified to profit and loss account on disposal of available for sale investments - net of deferred tax		-	-
Total comprehensive income for the year		447,474	710,977

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


Chairman


Director


Director



Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)

	Operator's Funds			Total
	Capital reserve	Revenue reserve		
	Available for sale investment revaluation reserve	Accumulated losses		
Statutory fund				
Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 31 December 2016	50,000,000	-	(774,283)	49,225,717
Effect of restatement on remeasurement of available for sale investment	-	1,078,138	-	1,078,138
Balance as at 31 December 2016 - restated	50,000,000	1,078,138	(774,283)	50,303,855
Profit for the year ended 31 December 2017	-	-	1,399,867	1,399,867
Other comprehensive income	-	(525,250)	-	(525,250)
Total comprehensive income	-	(525,250)	1,399,867	874,617
Balance as at 31 December 2017 - restated	50,000,000	552,888	625,584	51,178,472
Profit for the year ended 31 December 2018	-	-	2,749,551	2,749,551
Other comprehensive income	-	(552,888)	-	(552,888)
Total comprehensive income	-	(552,888)	2,749,551	2,196,663
Balance as at 31 December 2018 (Audited)	50,000,000	-	3,375,135	53,375,135
Profit/(Deficit) for the period ended 31 March 2019	-	-	447,474	447,474
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	447,474	447,474
Balance as at 31 March 2019	50,000,000	-	3,822,609	53,822,609

	Participants' Takaful Fund			Total
	Capital reserve	Revenue reserve		
	Available for sale investment revaluation reserve	Accumulated profit		
Ceded Money				
Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 31 December 2016	500,000	-	(700,751)	(200,751)
Surplus for the year ended 31 December 2017	-	-	643,398	643,398
Other comprehensive income	-	-	-	-
Balance as at 31 December 2017	500,000	-	(57,353)	442,647
Deficit for the year ended 31 December 2018	-	-	(3,486,127)	(3,486,127)
Other comprehensive income	-	30,074	-	30,074
Balance as at 31 December 2018 (Audited)	500,000	30,074	(3,543,480)	(3,013,406)
Surplus for the period ended 31 March 2019	-	-	1,190,625	1,190,625
Other comprehensive income	-	-	-	-
Balance as at 31 March 2019	500,000	30,074	(2,352,855)	(1,822,781)

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)

	31 MARCH 2019			31 MARCH 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees	Rupees	Rupees	Rupees
OPERATING CASH FLOWS				
a) Takaful activities				
Contribution received	-	2,412,530	2,412,530	803,326
Retakaful contribution paid	-	2,322	2,322	(506,028)
Wakala fee received / (paid)	151,571	(151,571)	-	-
Claims paid	-	(419,643)	(419,643)	(110,242)
Commissions paid	-	-	-	(134,481)
Rebate received	-	1,428	1,428	114,892
Retakaful and other recoveries in respect of outstanding claims	-	639	639	-
Other underwriting payments	(1,272,965)	-	(1,272,965)	(1,368,971)
Net cash flows from / (used in) takaful activities	(1,121,394)	1,845,705	724,311	(1,201,505)
b) Other operating activities				
Income tax paid	(163,409)	(2,259)	(165,668)	(44,398)
General, administration and management expenses paid	-	-	-	-
Ceded money to participants' takaful fund	-	-	-	-
Direct Expense	-	(123,925)	(123,925)	-
Other operating payment	(321,238)	(349,815)	(671,053)	-
Other operating receipts	-	(1,017,748)	(1,017,748)	553,423
Net cash (used in) / flows from other operating activities	(484,647)	(1,493,747)	(1,978,394)	509,025
Net cash used in operating activities	(1,606,041)	351,958	(1,254,083)	(692,480)
INVESTMENT ACTIVITIES				
Profit / return received on investment	959,509	567,165	1,526,674	388,500
Other income receipt	-	-	-	-
Payment for investment	-	-	-	-
Proceeds from disposal of investments	-	-	-	51,889,940
Modarib fee received / (paid)	-	-	-	-
Fixed capital expenditure	-	-	-	-
Net cash flows from investing activities	959,509	567,165	1,526,674	52,278,440
FINANCING ACTIVITIES				
Contribution to operator's fund	-	-	-	-
Ceded money	-	-	-	-
Inter fund Qarz-e-Hasna Transer	-	-	-	-
Net cash flows from financing activities	-	-	-	-
Net cash (used in) / flows from all activities	(646,532)	919,123	272,591	51,585,960
Cash and cash equivalents at the beginning of period	43,277,412	21,438,264	64,715,676	2,383,608
Cash and cash equivalents at end of the period	42,630,880	22,357,387	64,988,267	53,969,568
Reconciliation to profit and loss account				
Operating cash flows	(1,606,041)	351,958	(1,254,083)	(692,480)
Depreciation	(4,774)	-	(4,774)	(3,696)
Amortization	(155,583)	-	(155,583)	(2,398)
Income tax paid	163,409	2,259	165,668	44,399
Other income	100,893	62,697	163,590	388,673
Increase/(decrease) in assets other than cash	1,263,372	(194,474)	1,068,898	(506,575)
(Increase) / decrease in liabilities	318,844	564,610	883,454	1,047,821
Investment income	959,509	403,575	1,363,084	820,333
Loss / deficit before taxation for the period	1,039,629	1,190,625	2,230,254	1,096,077

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)**

1. LEGAL STATUS AND NATURE OF BUSINESS

Sindh Insurance Limited (the Company) was incorporated under the Companies Ordinance, 1984, (now Companies Act, 2017) as a Public Limited Company on 20 December 2013 and obtained the certificate of commencement of business on 22 September 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. The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

The Company was granted authorization on 22 September 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1** This condensed interim financial information of the Company for three months period ended 31 March 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. In case requirements differ, the provisions of or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

Change in the presentation of financial statements

In previous year, Companies Act, 2017, Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 have been implemented. The SECP has prescribed format for presentation of annual financial statements for general insurance companies in Insurance Rules, 2017 issued vide S.R.O. 89(I)/2017 dated 09 February 2017. Accordingly, this condensed interim financial information has been prepared in accordance with the format prescribed by SECP. Previously, the financial statements were being prepared following the format prescribed by SECP through Securities and Exchange Commission (Insurance) Rules, 2002 {SEC (Insurance) Rules, 2002}, vide S.R.O. 938 dated 12 December 2002 and the provisions of or directives issued under the Companies Ordinance, 1984. Following major changes have been made in the presentation format as prescribed by the new Rules and Regulations:

- Nomenclature of balance sheet changed to statement of financial position. Furthermore, previously separately presented profit and loss account and statement of comprehensive income have been presented in a single statement of comprehensive income, the option adopted by the Company.
- Changes in sequence of assets / liabilities in the statement of financial position.
- Discontinuation of separate statements of contributions, claims, expenses and investment income, which are now presented separately on aggregate basis in to the notes to the condensed interim financial information (note 18, 19, 20 and 22).
- Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented separately (note 27).
- Corresponding figures have been reclassified / rearranged for the purpose of comparison where necessary to ensure compliance with new format for reporting issued by SECP.

- 2.2** This condensed interim financial information reflects the financial position and results of operations of both the Operator's Fund and Participants' Takaful Fund in a manner that the assets, liabilities, income and expenses of the Operator's Fund and Participants' Takaful Fund remain separately identifiable. This condensed interim financial information does not include all the information and disclosures required in the full financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2018.

2.3 This condensed interim financial information is being prepared and submitted to shareholders in accordance with the requirements of Code of Corporate Governance for Insurers, 2016.

3. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost basis except for certain investments that have been measured at fair value. Accrual basis of accounting has been used except for cash flow information.

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 Company for the year ended 31 December 2018 except for (i) format for preparation of financials statements as disclosed in note 2.1 above; and (ii) treatment of available-for-sale investments as follows:

Change in accounting policy

Up to previous year, investments classified as 'available for sale' was previously being stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) subsequent to initial recognition at cost following the requirements under the repealed Securities and Exchange Commission (Insurance) Rules, 2002. The resultant impairment loss, if any, was being charged to profit and loss account.

The accounting treatment of 'available for sale investments' prescribed in Securities and Exchange Commission (Insurance) Rules, 2002 stands repealed on implementation of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 during the period. Following the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017, investments classified as 'available for sale' have been accounted for in this condensed interim financial information following the treatment prescribed in International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement". Under IAS 39, the quoted 'available-for-sale' investments are valued at market value and any unrealised gains or losses arising on revaluation of 'available-for-sale' investments are taken to other comprehensive income and transferred to revaluation reserves, whereas unquoted 'available-for-sale' investments are valued at cost less impairment in value, if any. On derecognition or impairment of 'available-for-sale' investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account for the period. This change in accounting policy has been applied retrospectively in accordance with the requirements of IAS 8 "Accounting policy, change in accounting estimates and errors" and corresponding figures have been restated to conform to the changed policy as follows:

Impact on statement of financial position - operator's fund	31 December 2017		
	Balance previously reported	Adjustment	Balance restated
	Rupees	Rupees	Rupees
Assets:			
Investments			
Equity securities	51,069,607	789,840	51,859,447
Liabilities:			
Deferred taxation	-	236,952	236,952
Capital and reserves attributable to operator fund holders:			
Available for sale investment revaluation reserve	-	552,888	552,888

Impact on statement of financial position - operator's fund	31 December 2016		
	Balance previously reported	Adjustment	Balance restated
	Rupees	Rupees	Rupees
Assets:			
Investments			
Equity securities	50,035,752	1,540,197	51,575,949
Liabilities:			
Deferred taxation	-	462,059	462,059
Capital and reserves attributable to operator fund holders:			
Available for sale investment revaluation reserve	-	1,078,138	1,078,138
		31 December 2017	31 December 2016
Impact on statement of comprehensive income - operator's fund		Rupees	Rupees
Other comprehensive income:			
Fair value adjustment on remeasurement of available for sale investments - net of deferred tax		(525,250)	1,078,138
		<u>(525,250)</u>	<u>1,078,138</u>

There was no impact statement of financial position, statements of comprehensive income, cash flows and segment reporting of participant's fund as a result of the change in accounting policy.

Had the accounting policy not been changed, aggregate balances of available-for sale investments, reserves, and deferred taxation would have been lower by Rupees 42,358, Rupees 30,074, and Rupees 12,284 (31 December 2018: Rupees 42,358, Rupees 30,074, and Rupees 12,284) respectively.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting 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 Operator's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Operator as at and for the year ended 31 December 2018.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Operator for the year ended 31 December 2018.

7. PROPERTY AND EQUIPMENT

	2019							
	Cost			Depreciation				
	As at 1 January	Addition/ (disposals)	As at 31 March	As at 1 January	For the period/ (disposals)	As at 31 March	Written down value	Depreciation rate %
Tangible								
Furniture & Fixture	56,062	-	56,062	12,490	1,406	13,896	42,166	10.00%
Computer equipments	39,500	-	39,500	24,844	3,368	28,212	11,288	33.33%
Total	95,562	-	95,562	37,334	4,773	42,107	53,455	

	2018							
	Cost			Depreciation				
	As at 1 January	Addition/ (disposals)	As at 31 December	As at 1 January	For the year/ (disposals)	As at 31 December	Written down value	Depreciation rate %
Tangible								
Furniture & Fixture	56,062	-	56,062	6,868	5,622	12,490	43,572	10.00%
Computer equipments	39,500	-	39,500	11,374	13,470	24,844	14,656	33.33%
Total	95,562	-	95,562	18,242	19,092	37,334	58,228	

8. INTANGIBLE ASSETS

	2019							
	Cost			Depreciation				
Particulars	As at 1 January	Addition/ (disposals)	As at 31 March	As at 1 January	For the period/ (disposals)	As at 31 March	Written down value	Depreciation rate %
Computer Software	1,867,000	-	1,867,000	478,056	155,583	633,639	1,233,361	33.33%
Total	37,000.00	1,830,000	1,867,000	8,222	469,834	478,056	1,388,944	

9. INVESTMENTS IN EQUITY SECURITIES

31 March 2019 (Unaudited)			31 December 2018 (Audited)		
Cost	Fair value adjustment	Carrying market value	Cost	Fair value adjustment	Carrying market value
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees

AVAILABLE FOR SALE

Operator's Fund

Others - mutual fund Fund

Participants' Takaful Fund

Others - mutual fund

Meezan Sovereign Fund

	1,551,927	25,540	1,577,467	1,509,569	42,358	1,551,927
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10. INVESTMENTS IN TERM DEPOSITS

31 March 2019 (Unaudited)

31 December 2018 (Audited)

	Cost	Impairment/ Provision Rupees	Carrying value	Carrying value Rupees
Held to maturity				
Operator's Fund				
Deposits maturing within 12 months - local currency	40,000,000	-	40,000,000	40,000,000
Participants' Takaful Fund				
Deposits maturing within 12 months - local currency	19,900,000	-	19,900,000	19,900,000

10.1 These represents term deposits with different microfinance banks and carry mark-up ranging from 9.50% to 13.00%.

11. LOANS AND OTHER RECEIVABLES-Considered good

	31 March 2019 (Unaudited)			31 December 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			Rupees
Advance against bonus	3,031	-	3,031	3,031
Accrued investment income	2,697,084	1,029,109	3,726,193	2,352,595
Sales tax on services refund	52,131	3,141	55,272	52,131
Receivable from Sindh Insurance Limited	-	-	-	-
Receivable from Participant Takaful Fund	119,077	-	119,077	119,282
Receivable from Shareholder Fund	-	16,367	16,367	-
Other receivable	11,378	-	11,378	15,122
	2,902,533	1,048,617	3,951,150	2,542,161

12. TAKAFUL / RE-TAKAFUL RECEIVABLES - Unsecured and considered good

	31 March 2019 (Unaudited)	31 December 2018 (Audited)
	Rupees	Rupees
Due from Takaful contract holders	822,946	1,722,247
Less: provision for impairment of receivables from Takaful contract holders	(638,998)	(536,717)
	183,948	1,185,530
Due from other takaful / re-takaful companies	140,458	142,780
Less: provision for impairment of due from other takaful / re-takaful companies	-	-
	140,458	142,780
	324,406	1,328,310

12.1 Due from takaful contract holders includes Rupees 188,629 due from related parties (2018: Rupees 894,750).

13. PREPAYMENTS

Prepaid expenses	88,383	-	88,383	76,261
Prepaid re-takaful contribution ceded	-	294,067	294,067	522,208
	88,383	294,067	382,450	598,469

	31 March 2019 (Unaudited)			31 December 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			Rupees
14. CASH AND BANK				
Cash at bank				
Saving accounts	2,630,880	2,457,387	5,088,267	4,815,676
14.1 Saving accounts carry expected profit ranging from 2.25% to 5.91% per annum (2018: 2.25% to 5.91%) per annum.				
14.2 Cash and cash equivalent include the following for the purpose of Cash Flow Statement:				
Cash at bank	2,630,880	2,457,387	5,088,267	4,815,676
Term Deposits	40,000,000	19,900,000	59,900,000	59,900,000
	42,630,880	22,357,387	64,988,267	64,715,676
15. TAKAFUL / RETAKAFUL PAYABLE				
Due to takaful contract holders	-	-	-	-
Due to other takaful / re-takaful	-	3,913,243	3,913,243	3,355,782
	-	3,913,243	3,913,243	3,355,782
16. OTHER CREDITORS AND ACCRUALS				
Provincial sales tax on services	-	200,747	200,747	1,128,473
Federal insurance fee	-	14,061	14,061	13,537
Tax deducted / collected at source	-	47,521	47,521	-
Commission payable	213,281	-	213,281	229,648
Payable to Sindh Insurance Limited	4,727,107	1,427,892	6,154,999	5,981,117
Payable to Shareholders' Fund	-	119,282	119,282	119,282
Payable to Participant Takaful Fund	16,367	-	-	-
Sundry creditors	8,427	57,345	65,772	377,721
Accrued expenses	646,721	-	646,721	389,464
	5,611,903	1,866,848	7,462,384	8,239,242
17. CONTINGENCIES AND COMMITMENTS				
There were no contingencies or commitments as at the reporting date. (2018: NIL)				
18. NET CONTRIBUTION REVENUE		Three months period ended 31 March		
		2019	2018	
		Rupees	Rupees	
Written Gross Contribution		1,406,005	1,738,184	
Add: Unearned Contribution reserve opening		8,619,640	2,553,329	
Less: Unearned Contribution reserve closing		(6,747,802)	(2,806,977)	
Contribution Earned		3,277,843	1,484,536	
Less :Re-takaful contribution ceded		(557,461)	(636,655)	
Less: Prepaid Re-takaful contribution ceded opening		(522,208)	(1,550,150)	
Add: Prepaid Re-takaful contribution ceded closing		294,067	1,498,719	
Re-takaful contribution expense		(785,602)	(688,086)	
		2,492,241	796,450	
19. NET TAKAFUL CLAIMS EXPENSE				
Claim paid		419,643	110,242	
Add: Outstanding claims including IBNR closing		1,114,717	489,414	
Less: Outstanding claims including IBNR Opening		(907,918)	(199,170)	
Claim expense		626,442	400,486	
Re-takaful and other recoveries received		(4,389)	-	
Add: Re-takaful and other recoveries in respect of outstanding claims (Opening)		3,750	-	
Less: Re-takaful and other recoveries in respect of outstanding claims (closing)		-	-	
Re-takaful and other recoveries revenue		(639)	-	
		625,803	400,486	

19.1 This includes Provision for incurred but not reported (IBNR) amounting to Rupees 245,111 (2018: 394,418).

		Three months period ended 31 March	
		2019	2018
		Rupees	Rupees
20. NET COMMISSION EXPENSE / ACQUISITION COST			
Commission paid or payable		-	125,567
Add: Deferred Commission expense opening		19,569	323,237
Less: Deferred Commission expense closing		(7,502)	(314,323)
Net commission		<u>12,067</u>	134,481
Retakaful rebate received or recoverable		93,170	194,750
Add: Unearned retakaful rebate closing		59,012	327,170
Less: Unearned retakaful rebate opening		(104,883)	(367,099)
Rebate on retakaful		47,299	154,821
		<u>(35,232)</u>	<u>(20,340)</u>
21. WAKALA FEE EXPENSE/INCOME			
Gross wakala fee		481,745	485,923
Add: Deferred/unearned wakala fee opening		2,830,891	709,801
Add: Deferred/unearned wakala fee closing		(2,247,177)	(709,798)
Net Wakala Expense/ Income		<u>1,065,459</u>	<u>485,926</u>
22. INVESTMENT INCOME			
22.1 Participants' Takaful fund			
Income from equity securities-Available for Sale			
Dividend Income on Meezan Sovereign Fund		25,540	-
Income from term deposits			
Return on term deposits		456,338	-
Profit on bank deposit		22,590	19,328
		<u>504,468</u>	<u>19,328</u>
Less: modarib's fee		100,893	3,865
Less: Impairment		-	-
		<u>403,575</u>	<u>15,463</u>
22.2 Operator's Fund			
Income from equity securities-Available for Sale			
Realized Gain on Equity Securities		-	-
Income from term deposits			
Profit on bank deposit		42,249	369,172
Income on term deposit		917,260	-
Capital Gain		-	820,333
Total Investment Income		<u>959,509</u>	<u>1,189,505</u>
Less: Impairment		-	-
		<u>959,509</u>	<u>1,189,505</u>
23. MANAGEMENT EXPENSES			
Employee benefit cost	23.1	559,887	472,550
Depreciation		4,774	3,596
Amortization		155,583	2,398
Miscellaneous		32,683	-
		<u>752,927</u>	<u>478,544</u>
23.1 Employee Benefit cost			
Salaries, allowance and other benefits		540,279	472,550
Charges for post employment benefit		19,608	-
		<u>559,887</u>	<u>472,550</u>
24. OTHER EXPENSES			
Auditors' Remuneration	24.1	47,031	50,589
Employee Health Insurance		32,004	-
Compensated leave absences		242,203	-
		<u>321,238</u>	<u>50,589</u>

	Three months period ended 31 March	
	2019 Rupees	2018 Rupees
24.1 Auditor's Remuneration		
Annual audit fee	47,031	50,589
	47,031	50,589
25. TAXATION		
Current	596,589	304,705
Deferred	(4,434)	-
	592,155	304,705

26. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise the Operator, associated companies, companies under common control, companies with common directors, major shareholders, 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 these condensed financial information.

	Three months period ended 31 March	
	2019 Rupees	2018 Rupees
<u>Transactions</u>		
Common Directorship		
Sindh Bank Limited (SBL)	2019	2018
Income on saving accounts	64,839	388,500
Net Contribution	15,143	713,488
Gross Contribution	15,143	708,488
Claim paid	173,182	57,327
Sindh Modarba		
Net Contribution	45,570	61,641
Gross Contribution	43,400	58,706
Claim	23,050	-
	31 March 2019 (Unaudited)	31 December 2018 (Audited)
<u>Balances</u>		
Common Directorship		
Sindh Bank Limited (SBL)		
Bank accounts	5,087,345	2,542,161
Due from takaful contract holder	183,581	889,702
Claim payable	219,206	148,000
Sindh Modarba		
Due from takaful contract holder	5,048	5,048
Claim payable	-	25,000

27. OPERATING SEGMENTS

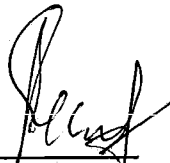
	Fire and Property Damage		Marine, Aviation & Transport		Motor		Accident and health		Miscellaneous		Treaty		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Segment results														
Contribution receivable	20,834	439,694	-	-	1,564,749	681,960	16,735	812,960	-	416	-	-	1,602,318	1,935,030
Less: Federal exercise duty	2,376	1,541	-	-	178,436	89,365	1,440	92,706	-	47	-	-	182,252	183,659
Federal insurance fee	182	119	-	-	13,727	5,933	152	7,131	-	4	-	-	14,061	13,187
Gross written contribution	18,276	438,034	-	-	1,372,586	586,662	15,143	713,123	-	365	-	-	1,406,005	1,738,184
Direct contribution earned	91,894	96,751	316	4,470	2,499,983	488,202	444,097	713,123	83,803	(371,095)	-	-	3,120,093	931,451
Facultative inward contribution earned	46,096	485,592	11,975	-	-	-	-	-	-	-	-	-	58,071	485,592
Administrative surcharge earned	9,654	14,432	120	1,503	75,137	48,777	11,250	-	3,518	2,781	-	-	99,679	67,493
Contribution earned	147,644	596,775	12,411	5,973	2,575,120	536,979	455,347	713,123	87,321	(368,314)	-	-	3,277,843	1,484,536
Re-takaful expense	(123,580)	(538,125)	(11,152)	(5,120)	(582,471)	(74,431)	-	-	(68,399)	(70,410)	-	-	(785,602)	(688,086)
Net contribution earned	24,064	58,650	1,259	853	1,992,649	462,548	455,347	713,123	18,922	(438,724)	-	-	2,492,241	796,450
Rebate from re-takaful operators	25,652	119,759	2,564	1,178	3,352	17,691	-	-	15,731	16,193	-	-	47,299	154,821
Net underwriting income	49,716	178,409	3,823	2,031	1,996,001	480,239	455,347	713,123	34,653	(422,531)	-	-	2,539,540	951,271
Takaful claims	(2,406)	(2,921)	(126)	(325)	(332,096)	(227,267)	(289,922)	(167,909)	(1,892)	(2,064)	-	-	(626,442)	(400,486)
Re-takaful and other recoveries	-	-	-	-	(639)	-	-	-	-	-	-	-	(639)	-
Net claims	(2,406)	(2,921)	(126)	(325)	(331,457)	(227,267)	(289,922)	(167,909)	(1,892)	(2,064)	-	-	(625,803)	(400,486)
Wakala expense	(36,300)	(109,368)	(3,098)	-	(892,477)	(199,433)	-	-	(133,584)	(177,125)	-	-	(1,065,459)	(485,926)
Underwriting result	11,010	66,120	599	1,706	772,067	53,539	165,425	545,214	(100,823)	(601,720)	-	-	848,278	64,859
Direct expenses													(123,925)	-
Investment Income													403,575	-
Other Income													62,697	15,636
(Deficit) / surplus for the period													1,190,625	80,495
Segment assets	330,405	1,840,208	-	-	24,814,446	2,464,603	273,763	2,995,873	-	1,533	-	-	25,418,614	7,302,217
Un-allocated assets														
- Participant Takaful fund													2,457,388	2,817,037
- Operator's Fund													62,896,048	53,634,552
													90,772,050	63,753,806
Segment liabilities	386,041	2,418,285	-	-	28,992,880	3,238,826	319,863	3,936,988	-	2,015	-	-	29,698,783	9,596,113
Un-allocated liabilities														
- Operator's Fund													9,073,438	2,297,990
													38,772,221	11,894,103


28. DATE OF AUTHORIZATION FOR ISSUE

This condensed Interim financial information was approved and authorized for issue on 30 APR 2019 by the Board of Directors of the Company.

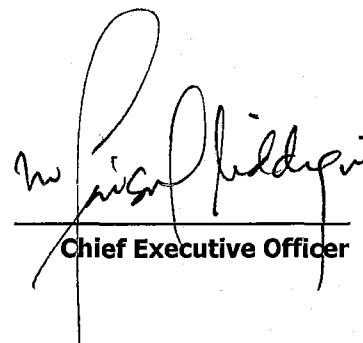
29. GENERAL

Figures have been rounded to the nearest Rupees.



Chairman

Director

Director

Chief Executive Officer