

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



SINDH INSURANCE
POWER TO THE PEOPLE

**Accounts for the Quarter ended
31 March 2015 (Unaudited)**

CONTENTS

Company Information

Directors' Review

Balance Sheet

Profit and Loss Account

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Statement of Premiums

Statement of Claims

Statement of Expenses

Statement of Investment Income

Notes to the Financial Statements

Board of Directors

Muhammad Bilal Sheikh (Chairman)
 Mohammad Sohail Khan Rajput
 Syed Shahnawaz Nadir
 Muhammad Naimuddin Farooqui
 Shamsuddin Khan

Chief Executive Officer

Muhammad Faisal Siddiqui

Chief financial Officer & Company Secretary

Nadeem Akhter

Audit Committee

Muhammad Naimuddin Farooqui
 Mohammad Sohail Khan Rajput
 Syed Shahnawaz Nadir

Risk Management/Operations Committee

Mohammad Sohail Khan Rajput
 Muhammad Naimuddin Farooqui
 Muhammad Faisal Siddiqui

Human Resources Committee

Muhammad Bilal Sheikh
 Shamsuddin Khan
 Muhammad Faisal Siddiqui

Procurement & Information Technology Committee

Muhammad Bilal Sheikh
 Shamsuddin Khan
 Muhammad Faisal Siddiqui

Underwriting Committee

Muhammad Faisal Siddiqui
 Mohammad Raza
 Nadeem Akhter

Claim Committee

Muhammad Faisal Siddiqui
 Mohammad Raza
 Nadeem Akhter

Reinsurance Committee

Muhammad Faisal Siddiqui
 Mohammad Raza
 Nadeem Akhter
 Nadeem haider Sheikh

Auditors

M/s. Riaz Ahmad, Chartered Accountants

Legal Advisor

Muhammad Nadeem Khan

Bankers

Sindh Bank Limited

IFA Rating

A- by Pakistan Credit Rating Agency (PACRA)

Company Incorporate Number

0086229

National Tax Number

4231500-0

Membership

The Insurance Association of Pakistan (IAP)

Registered Office/Head Office

1st Floor, Imperial Court,
 Dr. Ziauddin Ahmed Road,
 Karachi, Pakistan

Contact

Tel : (92-21) 35840715-17
 Fax : (92-21) 35840714
 Email : info@sindhinsuranceld.com
 Website : www.sindhinsuranceld.com

Key Management Personnel

Mohammad Raza
 Nadeem Haider Sheikh

SINDH INSURANCE LIMITED
BALANCE SHEET
AS AT 31 MARCH 2015 - (UNAUDITED)

	31 March 2015 Rupees	31 December 2014 Rupees	Note	31 March 2015 Rupees	31 December 2014 Rupees
Share capital and reserve					
Issued, subscribed and paid-up share capital	500,000,000	500,000,000		374,820,347	35,288,507
Retained earnings	67,638,426	32,025,082		25,000,000	100,000,000
TOTAL EQUITY	567,638,426	532,025,082		399,820,347	135,288,507
Underwriting provisions				152,303,441	355,227,003
Provision for outstanding claims (including IBNR)	250,615	115,991		3,341,924	2,102,755
Provision for unearned premium	3,722,336	2,089,532		747,812	447,485
Commission income unearned	527,570	408,809		2,806,850	16,534,001
	4,500,521	2,615,332		450,544	443,811
Deferred liabilities				2,767,235	2,758,581
Deferred tax	2,423,736	1,463,032		1,293,596	1,910,573
	10,961	-		809,989	1,650,509
Creditors and accruals				12,217,950	27,947,725
Premium received in advance	5,621,302	2,959,552			
Amount due to other insurers/reinsurers	3,612,492	3,376,641			
Others creditors and accruals	6,808,396	1,350,326			
Provision for taxation less payments	16,053,151	7,606,519			
TOTAL LIABILITIES	22,977,407	11,764,883		11,528,407	11,674,335
CONTINGENCIES AND COMMITMENTS				2,021,313	1,902,549
				5,853,585	5,997,718
				682,061	649,713
				5,873,656	5,105,217
				279,939	47,825
TOTAL EQUITY AND LIABILITIES	590,635,833	543,789,965		26,238,961	25,377,358
				590,580,699	543,740,593

The printed notes from 1 to 15 form an integral part of these financial statements.


Chairman


Director


Chief Executive Officer


Chief Executive Officer


SINDH INSURANCE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2015 - (UNAUDITED)

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	January to March 2015	January to March 2014
Note	----- Rupees -----						
Net premium revenue	(22,569)	1,018	(749,213)	(110,490)	-	(881,254)	-
Net claims	(82,536)	-	(125,550)	(7,788)	-	(195,874)	-
Management expenses	(2,085,962)	-	(2,155,103)	(281,010)	-	(4,512,075)	-
Net commission	(370,794)	(53,354)	(45,254)	8,615	-	(460,587)	-
Underwriting results	(2,551,861)	(52,336)	(3,075,120)	(370,473)	-	(6,049,790)	-
Investment income						62,701,715	12,471,485
Other income						139,215	-
						56,791,140	12,471,485
General and administration expenses					11	(3,607,045)	(312,949)
Profit before tax						53,184,095	12,158,536
Taxation						(17,550,751)	(4,133,902)
Profit for the period						35,633,344	8,024,634
Profit and loss appropriation:							
Balance at beginning of the period						32,025,082	-
Profit for the period						35,633,344	8,024,634
Balance unappropriated profit at the end of the period						67,658,426	8,024,634
Earnings per share - basic and diluted					12	0.71	0.16

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2015 - UNAUDITED

	January to March 2015	January to March 2014
Profit for the period	Rupees 35,633,344	Rupees 8,024,634
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit and loss account	-	-
Items that may be reclassified subsequently to profit and loss account	-	-
Total comprehensive income for the period	35,633,344	8,024,634

The annexed notes from 1 to 15 form an integral part of these financial statements.


 Chairman


 Director


 Director


 Chief Executive Officer

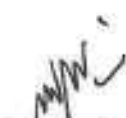
SINDH INSURANCE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2015 - UNAUDITED

	Issued, subscribed and paid up share capital	Retained earnings	Total shareholders' equity
Balance as at December 20, 2013	-	-	-
Profit after tax for the period ended March 31, 2014	-	8,024,634	8,024,634
Other Comprehensive income	-	-	-
Total comprehensive income	-	8,024,634	8,024,634
Transactions with owners			
Issuance of ordinary shares during the period	500,000,000	-	500,000,000
Balance as at March 31, 2014	500,000,000	8,024,634	508,024,634
Profit after tax for the nine months ended December 31, 2014	-	24,000,448	24,000,448
Other Comprehensive income	-	-	-
Total comprehensive income	-	24,000,448	24,000,448
Balance as at December 31, 2014	500,000,000	32,025,082	532,025,082
Profit for the period	-	35,633,344	35,633,344
Other comprehensive income	-	-	-
	-	35,633,344	35,633,344
Balance as at March 31, 2015	500,000,000	67,658,426	567,658,426

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2015 - (UNAUDITED)

	January to March 2015	January to March 2014
	Rupees	Rupees
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Premiums received	1,464,254	-
Reinsurance premiums paid	(411,866)	-
Claims paid	(65,000)	-
Reinsurance and other recoveries received	3,750	-
Commissions paid	(649,228)	-
Commissions received	181,908	-
Other underwriting payments	(4,512,075)	-
Net cash used in underwriting activities	(3,988,257)	-
<i>b) Other operating activities</i>		
Income tax paid	(11,131,977)	(1,197,833)
Management and administrative expenses paid	(2,673,738)	(3,335,951)
Others	2,516,881	270,343
Net cash flows used in other operating activities	(11,288,834)	(4,263,441)
Net cash used in operating activities	(15,277,091)	(4,263,441)
INVESTING ACTIVITIES		
Profit / return received on investment	25,526,778	12,158,535
Investment related expenses paid	(7,536)	-
Payments for investments	(833,759,247)	(450,000,000)
Proceeds from disposal of investments	1,089,613,757	-
Fixed capital expenditure	(1,559,059)	(2,156,000)
Net cash used in investing activities	279,814,693	(439,997,465)
FINANCING ACTIVITIES		
Issue of shares	-	500,000,000
Net cash flow from financing activities	-	500,000,000
Net cash flows from all activities	264,537,602	55,739,094
Cash and cash equivalents at the beginning of year	135,337,879	-
Cash and cash equivalents at end of the year	399,875,481	55,739,094

Handwritten signatures

Handwritten signature

5 *Handwritten signature*

	Rupees	Rupees
Reconciliation to profit and loss account		
Operating cash flows	(15,277,091)	(4,263,441)
Depreciation on fixed assets	(691,681)	-
Amortization of intangibles	(5,775)	-
Investment related expenses	(7,536)	-
Income tax paid	11,131,977	1,197,833
Decrease in assets other than cash	(1,766,488)	5,491,951
Increase in liabilities	(2,908,562)	(2,739,292)
Investment income	62,709,251	12,471,485
Profit before taxation	<u>53,184,095</u>	<u>12,158,536</u>

Definition of cash

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

Cash for the purpose of the statement of cash flows consists of:

	31 March 2015 Rupees	31 March 2014 Rupees
Cash and other equivalents		
- Cash in hand	44,248	-
- Policy stamps in hand	10,886	-
	<u>55,134</u>	<u>-</u>
Current and saving accounts		
- Current accounts	-	-
- Savings accounts	374,820,347	55,739,094
	<u>374,820,347</u>	<u>55,739,094</u>
Deposits maturing within 12 months		
- Term deposit - local currency	25,000,000	-
	<u>399,875,481</u>	<u>55,739,094</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
STATEMENT OF PREMIUMS
FOR THE PERIOD ENDED MARCH 31, 2015 (UN-AUDITED)

Class	Premium written	Unearned premium reserve		Premium earned	Prepaid reinsurance premium ceded		Reinsurance expense	January to March 2015 Net premium revenue	
		Opening	Closing		Opening	Closing		2015 Net premium revenue	2015 Net premium revenue
Business underwritten inside Pakistan									
Direct and facultative									
Fire and property damage	1,250,710	1,636,421	2,169,095	718,036	1,246,737	1,550,353	2,056,485	740,605	(22,569)
Marine, aviation and transport	-	213,482	146,915	66,567	-	207,571	142,022	65,549	1,018
Motor	1,286,001	239,629	1,266,818	258,812	548,013	1,000,667	540,655	1,008,025	(749,213)
Miscellaneous	155,751	-	139,508	16,243	154,806	-	28,073	126,733	(110,490)
Sub total	2,692,462	2,089,532	3,722,336	1,059,658	1,949,556	2,758,591	2,767,235	1,940,912	(881,254)
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Sub total									
Grand total	2,692,462	2,089,532	3,722,336	1,059,658	1,949,556	2,758,591	2,767,235	1,940,912	(881,254)

Note: The Company does not underwrite business outside Pakistan.

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chairman


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
STATEMENT OF CLAIMS
FOR THE PERIOD ENDED MARCH 31, 2015 (UN-AUDITED)

Business underwritten inside Pakistan	Class	Total claims paid	Outstanding claims	Claims expenses	Reinsurance and other recoveries	Reinsurance and other recoveries in respect of outstanding claims	Reinsurance and other recoveries	Rupees	
								2015 Net claims expense	January to March 2014 Net claims expense
Direct and facultative									
	Fire and property damage	-	88,985	151,521	62,536	-	-	62,536	-
	Marine, aviation and transport	-	13,468	13,468	-	-	-	-	-
	Motor	65,000	13,538	77,838	129,300	3,750	3,750	125,550	-
	Miscellaneous	-	-	7,788	7,788	-	-	7,788	-
	Sub total	65,000	115,991	250,615	199,624	-	3,750	195,874	-
Treaty									
	Proportional	-	-	-	-	-	-	-	-
	Sub total	-	-	-	-	-	-	-	-
	Grand total	65,000	115,991	250,615	199,624	-	3,750	195,874	-

Note: The Company does not underwrite business outside Pakistan.

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
STATEMENT OF EXPENSES
FOR THE PERIOD ENDED MARCH 31, 2015 (UN-AUDITED)

Business underwritten inside Pakistan	Class	Commission paid or payable		Deferred commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurance	January to March	
		Opening	Closing	Opening	Closing					2015 Net underwriting expense	2014 Net underwriting expense
Direct and facultative											
Fire and property damage		483,965	334,320	387,327	334,320	536,972	2,095,962	2,632,934	166,178	2,466,756	-
Marine, aviation and transport		46,621	25,397	37,046	25,397	58,270	-	58,270	4,916	53,354	-
Motor		99,889	74,073	19,438	74,073	45,254	2,155,103	2,200,357	-	2,200,357	-
Miscellaneous		18,753	16,754	-	16,754	1,999	261,010	263,009	10,814	252,195	-
Sub-total		649,228	450,544	443,811	450,544	642,495	4,512,075	5,154,570	181,908	4,972,662	-
Treaty											
Proportional		-	-	-	-	-	-	-	-	-	-
Sub total		-	-	-	-	-	-	-	-	-	-
Grand total		649,228	450,544	443,811	450,544	642,495	4,512,075	5,154,570	181,908	4,972,662	-

Note: The Company does not underwrite business outside Pakistan.

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
STATEMENT OF INVESTMENT INCOME
FOR THE PERIOD ENDED MARCH 31, 2015 (UN-AUDITED)

	31 March 2015 Rupees	31 March 2014 Rupees
Income from non-trading investments		
Held-to-maturity		
Return on Government Securities	339,964	-
Return on other fixed income securities and deposits	5,153,890	12,471,485
	5,493,854	12,471,485
Available-for-sale		
Return on Government Securities	6,910,181	-
Gain on sale of available-for-sale investments	50,305,216	-
	57,215,397	-
	62,709,251	12,471,485
Investment related expenses	(7,536)	-
Net investment income	62,701,715	12,471,485

The annexed notes from 1 to 15 form an integral part of these financial statements.



 Chairman



 Director



 Director



 Chief Executive Officer

SINDH INSURANCE LIMITED
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD MARCH 31, 2015

1. THE COMPANY AND ITS OPERATIONS

Sindh Insurance Limited (the Company) was incorporated under the Companies Ordinance, 1984, 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 by Government of Sindh. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation etc. The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

2. BASIS OF PREPARATION

These un-audited interim condensed financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and under the provisions of and directives issued under Companies Ordinance 1984 with format prescribed under SEC(Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except certain investments which are stated at lower of cost and market 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 these interim condensed financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2014 except general and administration expenses equivalent to an amount of forty percent were charged to underwriting activities for proper distribution of expenses effective from January 1st, 2015.

5. OTHER CREDITORS AND ACCRUALS	31 March 2015	31 December 2014
Commission payable	456,393	415,282
Federal excise duty payable	81,673	265,382
Federal insurance fee payable	3,561	17,669
Withholding tax payable	130,572	95,152
Provident fund contributions payable	298,860	482,988
Sundry creditors	544,558	1,022,318
Provision for Audit fee	28,875	100,000
Provision for Workers Welfare Fund	2,068,000	977,850
	3,612,492	3,376,641

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments as at the balance sheet date.

Raisul

[Signatures]

	31 March 2015 Rupees	31 December 2014 Rupees
7. INVESTMENTS		
Held-to-maturity		
Government securities	50,778,900	50,717,456
Available-for-sale		
Government securities	101,524,541	304,509,547
	<u>152,303,441</u>	<u>355,227,003</u>
7.1 Held-to-maturity		
Pakistan Investment Bonds - cost	50,717,456	50,481,320
Add: Amortization of discount for the period	61,444	236,136
	<u>50,778,900</u>	<u>50,717,456</u>
7.2 Available-for-sale		
Pakistan Investment Bonds - cost	101,607,309	304,797,902
Less: Amortization of premium for the period	(82,768)	(288,355)
	<u>101,524,541</u>	<u>304,509,547</u>
8. SUNDRY RECEIVABLES		
Considered good		
Advance for purchase of vehicle	-	1,627,500
Advance for purchase of software	500,000	-
Other receivables	309,989	23,009
	<u>809,989</u>	<u>1,650,509</u>
9. FIXED ASSETS - Owned		
Tangible	25,959,022	25,329,533
Intangible	279,939	47,825
	<u>26,238,961</u>	<u>25,377,358</u>

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

11. GENERAL AND ADMINISTRATIVE EXPENSES

Salaries, wages, allowance and benefits	2,487,691	-
Directors meeting fee	30,000	30,000
Rent, rates and taxes	535,665	133,200
Legal and professional charges	120,695	-
Auditors' remuneration	28,875	-
Depreciation	691,681	-
Amortization of intangibles	5,775	-
Printing and stationery	85,202	-
Repair and maintenance	136,884	-
Travelling, conveyance and entertainment	43,855	-
Advertising	4,000	32,330
Utilities	229,543	-
Communication	114,780	9,530
Office expenses	260,392	-
Other charges	5,550	107,889
Insurance expenses	140,804	-
Provision for Workers Welfare Fund	1,090,150	-
Expense share charged to management expenses	(2,404,697)	-
	<u>3,607,045</u>	<u>312,949</u>

12. EARNINGS PER SHARE - BASIC AND DILUTED

31 March 2015

31 March 2014

There is no dilutive effect on the basic earnings per share which is based on:

Net profit after tax for the period - Rupees	<u>35,466,503</u>	<u>8,024,634</u>
Weighted average number of ordinary shares - Number	<u>50,000,000</u>	<u>50,000,000</u>
Basic earnings per share - Rupees	<u>0.71</u>	<u>0.16</u>

13. 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 uncontrolled 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:

	Balance as on March 31, 2015	Transactions for the period ended 31 March 2014
Companies having common directorship		
Sindh Bank Limited (SBL)		
Investment in Pakistan Investment Bond	101,524,541	
Investment in Term Deposit	25,000,000	
Bank Accounts	374,820,347	
Sale of Pakistan Investment Bond (PIB) to SBL		205,979,966
Purchase of Term Deposit Receipt (TDR) from SBL		25,000,000
Maturity of Term Deposit Receipt (TDR) held with SBL		100,000,000
Income on Pakistan Investment Bond		7,271,469
Income on term deposit		396,575
Income on bank account		4,757,315
Payment made to Sindh Leasing Company Limited against expenses paid on behalf of the Company		69,072
Amount receivable for sharing of generator with Sindh Modarba Management Limited		109,215
Key Management Personnel		
Remuneration & benefits paid to key Management Personal		3,122,133
Retirement benefits		154,690
Directors		
Meeting Fees		30,000

14. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on _____ by the Board of Directors of the

15. GENERAL

- Figures have been rounded to the nearest Rupee.


Chairman


Director


Director


Chief Executive Officer