

IN MEMORY OF SHAHEEN MOHTARMA BENAZIR BHUTTO



**SINDH INSURANCE**

POWER TO THE PEOPLE

**Accounts for the Half Year ended  
30 June 2015 (Unaudited)**

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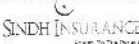
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## COMPANY INFORMATION

Insurance Services Pakistan Limited

SINDH INSURANCE  
SHAKH TO THE PEOPLE

### Board of Directors

Muhammad Bilal Sheikh (Chairman)  
Mohammed Sohail Khan Rajput  
Syed Shah Nawaz Nadir Shah  
Muhammad Naimuddin Farooqui  
Shamsuddin Khan  
Ahmed Salahuddin  
Akhil Ali Khan

### Chief Executive Officer

Muhammad Faisal Siddiqui

### Chief financial Officer & Company Secretary

Nadeem Akhter

### Audit Committee

Muhammad Naimuddin Farooqui  
Mohammed Sohail Khan Rajput  
Syed Shah Nawaz Nadir Shah

### Risk Management/Operations Committee

Mohammed 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  
Muhammad Raza  
Nadeem Akhter

### Claim Committee

Muhammad Faisal Siddiqui  
Muhammad Raza  
Nadeem Akhter

### Reinsurance Committee

Muhammad Faisal Siddiqui  
Muhammad Raza  
Nadeem Akhter  
Nadeem Haider Sheikh

### Key Management Personnel

Nadeem Akhter  
Muhammad Raza  
Nadeem Haider Sheikh  
Faisal Khalid

### Auditors

M/s. Rizaz Ahmad, Chartered Accountants

### Legal Advisor

Muhammad Nadeem Khan

### Bankers

Sindh Bank Limited

### IFS Credit Rating

A by Pakistan Credit Rating Agency (PACRA)

### Company Incorporate Number

0096229

### 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) 39640715-17  
Fax : (92-21) 39640714  
Email : info@sindhinsuranceld.com  
Website : www.sindhinsuranceld.com

## Directors' Review

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On behalf of the Board of Directors, I am pleased to present the half year ended June, 30, 2015 of your Company.

### ECONOMIC OVERVIEW

The Government of China and Pakistan entered into an agreement to construct China Pakistan Economic Corridor between the two countries. The corridor will serve to connect the two countries boosting trade and commerce in the region. Pakistan will gain economically from the corridor. Manpower and raw material for construction, which will be provided by Pakistan and will give boost to the country's construction industry as well.

### COMPANY PERFORMANCE REVIEW

In the half year ended June, 30, 2015, the company underwrote risk assets which generated gross premium of Rs. 6.01 million. The gross claim ratio stood merely at 1.09% of gross premium.

Profit before tax is reported at Rs. 62.64 million as on June 30, 2015 as compared to Rs. 22.52 million in the half year ended June 30, 2014. The profit after tax is Rs. 41.97 million for half year ended June, 30, 2015 as compared to the corresponding half year which posted a profit after tax of Rs. 14.86 million. A major portion of the income was derived from investments income of Rs. 80.19 million.

The total assets of the company for the half year ended June, 30, 2015 stood at Rs. 590 million as compared with an amount of Rs. 543 million for the year ended December 31, 2014, registering an increase of almost 9.0%.

### BANK ENLISTMENT

The Company is making rigorous efforts to enlist itself with all major commercial banks operating in Pakistan and with other financial institutions. For this purpose, Company has deputed a dedicated team of staff members for enlistment and the Company is now enlisted with nine commercial banks.

### RATING REVISION

Subsequent to passing of Provincial Bill of Sindh Insurance of Public Property Act, 2015, on May 27, 2015 the Company rating was improved by PACRA to "A". This rating denotes strong capacity to meet policyholders and contract obligations

### FUTURE OUTLOOK

The company has following plans to expand its business:

- To introduce various products including insurance for personal accident and livestock in collaboration with Government of Sindh.



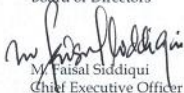
- Subsequent to passing of Sindh Insurance Property Act, 2015, to underwrite public property insurance business.
- After obtaining enlistment with more banks penetration to private business will increase.
- To underwrite health insurance business and development of health insurance team.

#### ACKNOWLEDGEMENT

The Directors would like to thank the shareholder of the company for the confidence reposed in the company. Thanks are also due to our strategic partners, vendors, suppliers and customers who have contributed to our growth. The commitment and dedication of our staff is also appreciated. We are thankful for the support and guidance provided by the Securities & Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all other reinsurers.

Further, we also wish to record our appreciation for the Insurance Association of Pakistan (IAP) for their valuable support and contribution to the insurance industry.

For and on behalf of  
Board of Directors



M. Faisal Siddiqui  
Chief Executive Officer

July 30, 2015

**SINDH INSURANCE LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT 30 JUNE 2015 - (UNAUDITED)**

|   | 30 June 2015       | 31 December 2014   |
|---|--------------------|--------------------|
| Note  | Rupees             | Rupees             |
| <b>Share capital and reserve</b>                  |                    |                    |
| Authorised share capital                          | 600,000,000        | 600,000,000        |
| Issued, subscribed and paid-up share capital      | 500,000,000        | 500,000,000        |
| Retained earnings                                 | 73,996,887         | 32,025,062         |
| <b>TOTAL EQUITY</b>                               | <b>673,996,887</b> | <b>632,025,062</b> |
| <b>Underwriting provisions</b>                    |                    |                    |
| Provision for outstanding claims (including IBNR) | 300,608            | 115,661            |
| Provision for unearned premium                    | 5,364,651          | 2,089,632          |
| Commission income unearned                        | 365,709            | 439,600            |
|   | 6,030,968          | 2,644,893          |
| <b>Deferred liabilities</b>                       |                    |                    |
| Deferred tax                                      | 1,794,552          | 1,493,632          |
| <b>Creditors and accruals</b>                     |                    |                    |
| Premium received in advance                       | 3,657              | -                  |
| Amount due to other insurers/reinsurers           | 2,579,415          | 2,959,662          |
| Others creditors and accruals                     | 2,950,664          | 5,373,641          |
| Provision for taxation less payments              | 2,895,399          | 1,350,356          |
|   | 8,429,345          | 7,693,659          |
| <b>TOTAL LIABILITIES</b>                          | <b>16,254,865</b>  | <b>11,764,883</b>  |
| <b>CONTINGENCIES AND COMMITMENTS</b>              |                    |                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>               | <b>590,250,752</b> | <b>543,769,885</b> |

|  | 30 June 2015         | 31 December 2014   |
|--|----------------------|--------------------|
| Note   | Rupees               | Rupees             |
| <b>Cash and bank deposits</b>                        |                      |                    |
| Cash and other equivalents                           | 71,833               | 49,372             |
| Current and other accounts                           | 3,697,758            | 25,288,517         |
| Deposits maturing within 12 months                   | 25,000,000           | 130,000,000        |
|  | 28,769,591           | 155,337,876        |
| <b>Investments</b>                                   | <b>7 565,834,699</b> | <b>355,227,303</b> |
| <b>Current assets</b>                                |                      |                    |
| Premium due but unpaid - considered good             | 3,069,444            | 2,102,755          |
| Due from other insurers/reinsurers - considered good | 298,302              | 447,495            |
| Accrued investment income                            | 20,433,290           | 18,634,001         |
| Deferred commission expense                          | 324,864              | 443,811            |
| Prepaid reinsurance premium ceded                    | 1,597,824            | 2,748,581          |
| Prepayments  | 1,885,390            | 1,910,573          |
| Sundry receivables                                   | 2,289,045            | 1,860,538          |
|  | 29,878,159           | 27,647,725         |
| <b>Fixed assets - tangible &amp; intangible</b>      |                      |                    |
| <b>Owned</b>   |                      |                    |
| Leasehold improvements                               | 11,334,191           | 11,674,333         |
| Furniture & fixtures                                 | 2,220,073            | 1,602,549          |
| Office equipment                                     | 5,710,298            | 5,597,718          |
| Computers  | 645,352              | 649,713            |
| Vehicles   | 5,509,915            | 5,105,217          |
| Intangible asset - computer software                 | 347,474              | 47,925             |
|  | 25,766,303           | 25,377,359         |
| <b>TOTAL ASSETS</b>                                  | <b>590,250,752</b>   | <b>543,769,885</b> |

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINDH INSURANCE LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 - (UNAUDITED)**

|      |   | Three months period ended 30 June |                                      |                    |                  |           | April 2015 to<br>June 2015 | April 2014 to<br>June 2014 |
|------|---|-----------------------------------|--------------------------------------|--------------------|------------------|-----------|----------------------------|----------------------------|
|      |   | Fire and<br>property<br>damage    | Marine,<br>aviation and<br>transport | Motor              | Miscellaneous    | Treaty    |                            |                            |
| Note |   | Rupees                            |                                      |                    |                  |           |                            |                            |
|      | Net premium revenue                           | 15,327                            | 7,298                                | 242,596            | 23,152           | -         | 288,373                    | -                          |
|      | Net claims                                    | 84,479                            | 9,446                                | (84,500)           | (11,516)         | -         | (2,092)                    | -                          |
|      | Management expenses                           | (188,175)                         | (137,067)                            | (5,007,808)        | (285,973)        | -         | (5,729,724)                | -                          |
|      | Net commission                                | (2,239)                           | (7,657)                              | (43,132)           | 8,735            | -         | (43,323)                   | -                          |
|      | <b>Underwriting results</b>                   | <b>(90,611)</b>                   | <b>(127,881)</b>                     | <b>(4,892,842)</b> | <b>(375,332)</b> | <b>-</b>  | <b>(5,486,789)</b>         | <b>-</b>                   |
|      | Investment income                             |                                   |                                      |                    |                  |           | 17,491,022                 | 12,783,754                 |
|      | Other income                                  |                                   |                                      |                    |                  |           | 118,198                    | -                          |
|      |   |                                   |                                      |                    |                  |           | <b>12,122,454</b>          | <b>12,783,754</b>          |
|      | General and administration expenses           |                                   |                                      |                    |                  | 11        | (3,980,883)                | (2,422,512)                |
|      | <b>Profit before tax</b>                      |                                   |                                      |                    |                  |           | <b>8,161,571</b>           | <b>10,361,242</b>          |
|      | Taxation                                      |                                   |                                      |                    |                  |           | (2,693,318)                | (3,822,823)                |
|      | <b>Profit for the period</b>                  |                                   |                                      |                    |                  |           | <b>5,468,253</b>           | <b>6,538,419</b>           |
|      | <b>Earnings per share - basic and diluted</b> |                                   |                                      |                    |                  | <b>12</b> | <b>0.11</b>                | <b>0.14</b>                |

|      |  | Six months period ended 30 June |                                      |                    |                  |           | January 2015<br>to June 2015 | December 2013<br>to June 2014 |
|------|--|---------------------------------|--------------------------------------|--------------------|------------------|-----------|------------------------------|-------------------------------|
|      |  | Fire and<br>property<br>damage  | Marine,<br>aviation and<br>transport | Motor              | Miscellaneous    | Treaty    |                              |                               |
| Note |  | Rupees                          |                                      |                    |                  |           |                              |                               |
|      | Net premium revenue                                    | 51,126                          | 8,316                                | (3,284)            | 57,524           | -         | 120,682                      | -                             |
|      | Net claims   | 21,945                          | 9,446                                | (274,361)          | (19,334)         | -         | (262,867)                    | -                             |
|      | Management expenses                                    | (2,284,140)                     | (137,067)                            | (7,182,909)        | (657,883)        | -         | (10,241,799)                 | -                             |
|      | Net commission   | 111,478                         | (14,546)                             | (517)              | 46,242           | -         | 144,754                      | -                             |
|      | <b>Underwriting results</b>                            | <b>(2,089,560)</b>              | <b>(133,655)</b>                     | <b>(7,464,081)</b> | <b>(571,421)</b> | <b>-</b>  | <b>(10,239,230)</b>          | <b>-</b>                      |
|      | Investment income                                      |                                 |                                      |                    |                  |           | 80,192,737                   | 25,266,239                    |
|      | Other income   |                                 |                                      |                    |                  |           | 257,413                      | -                             |
|      |  |                                 |                                      |                    |                  |           | <b>70,210,920</b>            | <b>25,266,239</b>             |
|      | General and administration expenses                    |                                 |                                      |                    |                  | 11        | (7,567,928)                  | (2,734,491)                   |
|      | <b>Profit before tax</b>                               |                                 |                                      |                    |                  |           | <b>62,642,962</b>            | <b>22,531,777</b>             |
|      | Taxation   |                                 |                                      |                    |                  |           | (29,672,187)                 | (7,668,725)                   |
|      | <b>Profit for the period</b>                           |                                 |                                      |                    |                  |           | <b>41,970,805</b>            | <b>14,863,053</b>             |
|      | <b>Profit and loss appropriation:</b>                  |                                 |                                      |                    |                  |           |                              |                               |
|      | Balance at beginning of the period                     |                                 |                                      |                    |                  |           | 32,025,682                   | -                             |
|      | Profit for the period                                  |                                 |                                      |                    |                  |           | 41,970,805                   | 14,863,053                    |
|      | Balance unappropriated profit at the end of the period |                                 |                                      |                    |                  |           | <b>73,996,487</b>            | <b>14,863,053</b>             |
|      | <b>Earnings per share - basic and diluted</b>          |                                 |                                      |                    |                  | <b>12</b> | <b>0.84</b>                  | <b>0.30</b>                   |

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINDH INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 - UNAUDITED**

|   | Three months period ended<br>30 June |                  | Six months period ended 30<br>June |                   |
|---|--------------------------------------|------------------|------------------------------------|-------------------|
|   | 2015                                 | 2014             | 2015                               | 2014              |
|   | ----- Rupees -----                   |                  |                                    |                   |
| Profit for the period   | 5,468,253                            | 8,858,418        | 41,970,805                         | 14,853,063        |
| <b>OTHER COMPREHENSIVE INCOME</b>   |                                      |                  |                                    |                   |
| Items that will not be reclassified subsequently to profit and loss account | -                                    | -                | -                                  | -                 |
| Items that may be reclassified subsequently to profit and loss account      | -                                    | -                | -                                  | -                 |
| <b>Total comprehensive income for the period</b>                            | <b>5,468,253</b>                     | <b>8,858,418</b> | <b>41,970,805</b>                  | <b>14,853,063</b> |

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

  
 Chairman

  
 Director

  
 Director

  
 Chief Executive Officer



**SINDH INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 - UNAUDITED**

|   | Issued, subscribed<br>and paid up<br>share capital | Retained<br>earnings | Total<br>shareholders'<br>equity |
|---|--|----------------------|----------------------------------|
| Balance as at December 20, 2013                     | -  | -                    | -                                |
| Profit after tax for the period ended June 30, 2014 | -  | 6,838,419            | 6,838,419                        |
| Other Comprehensive income                          | -  | -                    | -                                |
| Total comprehensive income                          | -  | 6,838,419            | 6,838,419                        |
| <b>Transactions with owners</b>                     |  |                      |                                  |
| Issuance of ordinary shares during the period       | 500,000,000  | -                    | 500,000,000                      |
| Balance as at June 30, 2014                         | <u>500,000,000</u>                                 | <u>6,838,419</u>     | <u>506,838,419</u>               |
| Balance as at January 1, 2015                       | 500,000,000  | 32,025,082           | 532,025,082                      |
| Profit after tax for the period ended June 30, 2015 | -  | 41,970,805           | 41,970,805                       |
| Other Comprehensive income                          | -  | -                    | -                                |
| Total comprehensive income                          | -  | 41,970,805           | 41,970,805                       |
| Balance as at June 30, 2015                         | <u>500,000,000</u>                                 | <u>73,995,887</u>    | <u>573,995,887</u>               |

  
 Chairman

  
 Director

  
 Director

  
 Chief Executive Officer

**SINDH INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 - (UNAUDITED)**

|  | June 30, 2015        | June 30, 2014        |
|--|----------------------|----------------------|
|  | Rupees               | Rupees               |
| <b>OPERATING ACTIVITIES</b>                              |                      |                      |
| <i>a) Underwriting activities</i>                        |                      |                      |
| Premiums received  | 5,049,120            | -                    |
| Reinsurance premiums paid                                | (1,686,528)          | -                    |
| Claims paid  | (65,500)             | -                    |
| Reinsurance and other recoveries received                | -                    | -                    |
| Commissions paid   | (608,449)            | -                    |
| Commissions received                                     | 444,075              | -                    |
| Other underwriting payments                              | (10,241,799)         | -                    |
| <b>Net cash used in underwriting activities</b>          | <b>(7,109,081)</b>   | <b>-</b>             |
| <i>b) Other operating activities</i>                     |                      |                      |
| Income tax paid  | (18,795,594)         | (5,471,463)          |
| Management and administrative expenses paid              | (7,566,076)          | (7,998,135)          |
| Others   | (593,353)            | -                    |
| <b>Net cash flows used in other operating activities</b> | <b>(26,955,023)</b>  | <b>(13,467,599)</b>  |
| <b>Net cash used in operating activities</b>             | <b>(34,064,104)</b>  | <b>(13,467,599)</b>  |
| <b>INVESTING ACTIVITIES</b>                              |                      |                      |
| Profit / return received on investment                   | 29,373,042           | 25,255,239           |
| Other income received                                    | 257,413              | -                    |
| Investment related expenses paid                         | (7,536)              | -                    |
| Payments for investments                                 | (1,174,610,403)      | (500,524,674)        |
| Proceeds from disposal of investments                    | 1,074,536,574        | -                    |
| Fixed capital expenditure                                | (2,053,274)          | (7,142,415)          |
| <b>Net cash used in investing activities</b>             | <b>(72,504,184)</b>  | <b>(482,411,851)</b> |
| <b>FINANCING ACTIVITIES</b>                              |                      |                      |
| Issue of shares  | -                    | 500,000,000          |
| <b>Net cash flow from financing activities</b>           | <b>-</b>             | <b>500,000,000</b>   |
| <b>Net cash flows from all activities</b>                | <b>(106,568,288)</b> | <b>4,120,550</b>     |
| Cash and cash equivalents at the beginning of year       | 135,337,879          | -                    |
| <b>Cash and cash equivalents at end of the year</b>      | <b>28,769,591</b>    | <b>4,120,550</b>     |


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|  | Rupees            | Rupees            |
|--|-------------------|-------------------|
| <b>Reconciliation to profit and loss account</b> |                   |                   |
| Operating cash flows                             | (34,064,104)      | (13,467,599)      |
| Depreciation on fixed assets                     | (1,628,089)       | (241,963)         |
| Amortization of intangibles                      | (34,240)          | -                 |
| Investment related expenses                      | (7,536)           | -                 |
| Income tax paid                                  | 18,795,594        | (5,471,463)       |
| Increase in assets other than cash               | 183,341           | 1,236,115         |
| (Increase) in liabilities                        | (802,247)         | 15,209,449        |
| Investment income                                | 80,200,273        | 25,255,239        |
| <b>Profit before taxation</b>                    | <u>62,642,992</u> | <u>22,519,778</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

|   | June 30, 2015     | June 30, 2014      |
|---|-------------------|--------------------|
|   | Rupees            | Rupees             |
| <b>Cash and other equivalents</b>         |                   |                    |
| - Cash in hand                            | 62,593            | -                  |
| - Policy stamps in hand                   | 9,240             | -                  |
|   | <u>71,833</u>     | <u>-</u>           |
| <b>Current and saving accounts</b>        |                   |                    |
| - Current accounts                        | -                 | -                  |
| - Savings accounts                        | <u>3,697,758</u>  | <u>4,120,550</u>   |
|   | 3,697,758         | 4,120,550          |
| <b>Deposits maturing within 12 months</b> |                   |                    |
| - Term deposit - local currency           | <u>25,000,000</u> | <u>460,000,000</u> |
|   | <u>28,769,591</u> | <u>464,120,550</u> |

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINH INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PREMIUMS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2015 (UN-AUDITED)**

**Business underwritten inside Pakistan**

| Class                          | Premium written  | Three months period ended 30 June |                  |                  |                   |                                   |                  |                     |                          |                          |
|--------------------------------|------------------|-----------------------------------|------------------|------------------|-------------------|-----------------------------------|------------------|---------------------|--------------------------|--------------------------|
|                                |                  | Unearned premium reserve          |                  | Premium earned   | Reinsurance ceded | Prepaid reinsurance premium ceded |                  | Reinsurance expense | 2015 Nat premium revenue | 2014 Nat premium revenue |
|                                |                  | Opening                           | Closing          |                  |                   | Opening                           | Closing          |                     |                          |                          |
| Rupees                         |                  |                                   |                  |                  |                   |                                   |                  |                     |                          |                          |
| <b>Direct and facultative</b>  |                  |                                   |                  |                  |                   |                                   |                  |                     |                          |                          |
| Fire and property damage       | 83,425           | 2,069,085                         | 1,422,069        | 787,119          | 37,448            | 2,048,132                         | 1,340,498        | 371,822             | 15,327                   | -                        |
| Marine, aviation and transport | 83,461           | 140,315                           | 124,474          | 72,302           | 452               | 140,022                           | 70,370           | 85,804              | 7,398                    | -                        |
| Motor                          | 2,918,771        | 1,263,917                         | 3,419,754        | 765,794          | 52,426            | 3,403,614                         | 96,511           | 529,118             | 242,595                  | -                        |
| Motor Tractors                 | 233,323          | 54,545                            | 318,314          | 3,564            | 9,679             | 28,073                            | 90,242           | 118,450             | 23,182                   | -                        |
| <b>Sub total</b>               | <b>3,319,678</b> | <b>3,677,472</b>                  | <b>5,384,611</b> | <b>1,632,499</b> | <b>169,069</b>    | <b>2,725,881</b>                  | <b>1,597,624</b> | <b>1,344,126</b>    | <b>288,373</b>           | <b>-</b>                 |
| <b>Treaty</b>                  |                  |                                   |                  |                  |                   |                                   |                  |                     |                          |                          |
| Proportional                   | -                | -                                 | -                | -                | -                 | -                                 | -                | -                   | -                        | -                        |
| <b>Sub total</b>               | <b>-</b>         | <b>-</b>                          | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>                          | <b>-</b>         | <b>-</b>            | <b>-</b>                 | <b>-</b>                 |
| <b>Grand total</b>             | <b>3,319,678</b> | <b>3,677,472</b>                  | <b>5,384,611</b> | <b>1,632,499</b> | <b>169,069</b>    | <b>2,725,881</b>                  | <b>1,597,624</b> | <b>1,344,126</b>    | <b>288,373</b>           | <b>-</b>                 |

| Class                          | Premium written  | Six months period ended 30 June |                  |                  |                   |                                   |                  |                     |                          |                          |
|--------------------------------|------------------|---------------------------------|------------------|------------------|-------------------|-----------------------------------|------------------|---------------------|--------------------------|--------------------------|
|                                |                  | Unearned premium reserve        |                  | Premium earned   | Reinsurance ceded | Prepaid reinsurance premium ceded |                  | Reinsurance expense | 2015 Nat premium revenue | 2014 Nat premium revenue |
|                                |                  | Opening                         | Closing          |                  |                   | Opening                           | Closing          |                     |                          |                          |
| Rupees                         |                  |                                 |                  |                  |                   |                                   |                  |                     |                          |                          |
| <b>Direct and facultative</b>  |                  |                                 |                  |                  |                   |                                   |                  |                     |                          |                          |
|                                |                  |                                 |                  | Direct           |                   | Share                             |                  |                     |                          |                          |
| Fire and property damage       | 1,340,836        | 1,639,427                       | 1,472,069        | 1,201,165        | 1,264,507         | 1,501,761                         | 1,310,758        | 444,262             | 61,126                   | -                        |
| Marine, aviation and transport | 83,461           | 213,487                         | 184,474          | 126,489          | 452               | 207,371                           | 78,810           | 121,162             | 8,316                    | -                        |
| Motor                          | 4,704,272        | 226,025                         | 3,419,794        | 1,024,637        | 123,435           | 1,302,382                         | 36,911           | 637,381             | 35,244                   | -                        |
| Miscellaneous                  | 389,073          | 54,545                          | 318,314          | 67,769           | 30,480            | 30,216                            | 50,216           | 112,335             | 37,634                   | -                        |
| <b>Sub total</b>               | <b>6,017,142</b> | <b>2,089,532</b>                | <b>5,384,611</b> | <b>2,737,023</b> | <b>1,455,674</b>  | <b>2,735,991</b>                  | <b>1,597,624</b> | <b>2,816,341</b>    | <b>122,662</b>           | <b>-</b>                 |
| <b>Treaty</b>                  |                  |                                 |                  |                  |                   |                                   |                  |                     |                          |                          |
| Proportional                   | -                | -                               | -                | -                | -                 | -                                 | -                | -                   | -                        | -                        |
| <b>Sub total</b>               | <b>-</b>         | <b>-</b>                        | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>                          | <b>-</b>         | <b>-</b>            | <b>-</b>                 | <b>-</b>                 |
| <b>Grand total</b>             | <b>6,017,142</b> | <b>2,089,532</b>                | <b>5,384,611</b> | <b>2,737,023</b> | <b>1,455,674</b>  | <b>2,735,991</b>                  | <b>1,597,624</b> | <b>2,816,341</b>    | <b>122,662</b>           | <b>-</b>                 |

Note: The Company does not underwrite business outside Pakistan.

The attached notes form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

SINCH INSURANCE LIMITED  
CONDENSED INTERIM STATEMENT OF CLAIMS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2015 (UNAUDITED)

Business undertaken in the Pakistan

| Class                          | Total claims paid | Three months period ended 30 June |         |                 |                                  |  |         | 2015 Net claims expense | 2014 Net claims expense |   |
|--------------------------------|-------------------|-----------------------------------|---------|-----------------|----------------------------------|--|---------|-------------------------|-------------------------|---|
|                                |                   | Outstanding claims                |         | Claims expenses | Reinsurance and other recoveries | Reinsurance and other recoveries in respect of |         |                         |                         | Reinsurance and other recoveries received |
|                                |                   | Opening                           | Closing |                 |                                  | Opening  | Closing |                         |                         |   |
| Risks                          |                   |                                   |         |                 |                                  |  |         |                         |                         |   |
| <b>Direct and facultative</b>  |                   |                                   |         |                 |                                  |  |         |                         |                         |   |
| Fire and property damage       | -                 | 151,521                           | 67,142  | (84,479)        | -                                | -  | -       | -                       | (84,479)                | -   |
| Marine, aviation and transport | -                 | 11,483                            | 4,022   | (8,461)         | -                                | -  | -       | -                       | (8,461)                 | -   |
| Motor                          | 63,500            | 17,533                            | 102,838 | (80,531)        | -                                | -  | 6,000   | 6,000                   | 64,500                  | -   |
| Motor liability                | -                 | 7,728                             | 19,204  | (11,576)        | -                                | -  | -       | -                       | 11,016                  | -   |
| Sub total                      | 63,500            | 298,265                           | 199,207 | (83,937)        | -                                | -  | 6,000   | 6,000                   | 71,051                  | -   |
| Treaty                         | -                 | -                                 | -       | -               | -                                | -  | -       | -                       | -                       | -   |
| Facultative                    | -                 | -                                 | -       | -               | -                                | -  | -       | -                       | -                       | -   |
| Sub total                      | -                 | -                                 | -       | -               | -                                | -  | -       | -                       | -                       | -   |
| Grand total                    | 63,500            | 298,265                           | 199,207 | (83,937)        | -                                | -  | 6,000   | 6,000                   | 71,051                  | -   |

| Class                          | Total claims paid | Six months period ended 30 June |         |                 |   |  |         | 2015 Net claims expense | 2014 Net claims expense |   |
|--------------------------------|-------------------|---------------------------------|---------|-----------------|---|--|---------|-------------------------|-------------------------|---|
|                                |                   | Outstanding claims              |         | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of |         |                         |                         | Reinsurance and other recoveries received |
|                                |                   | Opening                         | Closing |                 |   | Opening  | Closing |                         |                         |   |
| Risks                          |                   |                                 |         |                 |   |  |         |                         |                         |   |
| <b>Direct and facultative</b>  |                   |                                 |         |                 |   |  |         |                         |                         |   |
| Fire and property damage       | -                 | 22,903                          | 67,243  | (21,943)        | -   | -  | -       | -                       | (21,943)                | -   |
| Marine, aviation and transport | -                 | 12,463                          | 4,273   | (2,442)         | -   | -  | -       | -                       | (8,612)                 | -   |
| Motor                          | 66,822            | 12,333                          | 206,274 | (86,281)        | -   | -  | 12,181  | 12,241                  | 274,251                 | -   |
| Motor liability                | -                 | -                               | 10,324  | (1,306)         | -   | -  | -       | -                       | 19,214                  | -   |
| Sub total                      | 66,822            | 118,999                         | 288,814 | (271,117)       | -   | -  | 12,181  | 12,241                  | 282,857                 | -   |
| Treaty                         | -                 | -                               | -       | -               | -   | -  | -       | -                       | -                       | -   |
| Facultative                    | -                 | -                               | -       | -               | -   | -  | -       | -                       | -                       | -   |
| Sub total                      | -                 | -                               | -       | -               | -   | -  | -       | -                       | -                       | -   |
| Grand total                    | 66,822            | 118,999                         | 288,814 | (271,117)       | -   | -  | 12,181  | 12,241                  | 282,857                 | -   |

Note: The Company does not undertake business in the Pakistan.

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINOH INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF EXPENSES**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2015 (UN-AUDITED)**

**Business underwritten in the PRC:**

| Class                          | Commission paid or payable | Deferred commission |         | Three months period ended 30 June |                          |                      | Commission from reinsurance | 2015 Net underwriting expense | 2014 Net underwriting expense |
|--------------------------------|----------------------------|---------------------|---------|-----------------------------------|--------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|                                |                            | Opening             | Closing | Net commission expense            | Other management expense | Underwriting expense |                             |                               |                               |
| RMB                            |                            |                     |         |                                   |                          |                      |                             |                               |                               |
| Direct and facultative         |                            |                     |         |                                   |                          |                      |                             |                               |                               |
| Fire and property damage       | 8,962                      | 334,320             | 207,991 | 126,329                           | 188,128                  | 322,857              | 132,410                     | 193,617                       | -                             |
| Marine, aviation and transport | 134-1                      | 23,397              | 22,237  | 12,175                            | 137,037                  | 149,212              | 6,810                       | 144,728                       | -                             |
| Water                          | 68,322                     | 41,043              | 87,967  | 43,122                            | 5,027,210                | 5,115,332            | -                           | 5,032,938                     | -                             |
| Miscellaneous                  | 27,635                     | 12,438              | 12,363  | 15,232                            | 250,073                  | 318,305              | 4,123                       | 383,963                       | -                             |
| Sub-total                      | 107,694                    | 411,218             | 324,864 | 164,812                           | 5,722,724                | 6,214,556            | 141,469                     | 5,773,047                     | -                             |
| Treaty                         |                            |                     |         |                                   |                          |                      |                             |                               |                               |
| Proportional                   | -                          | -                   | -       | -                                 | -                        | -                    | -                           | -                             | -                             |
| Sub-total                      | -                          | -                   | -       | -                                 | -                        | -                    | -                           | -                             | -                             |
| Grand total                    | 107,694                    | 411,218             | 324,864 | 164,812                           | 5,722,724                | 6,214,556            | 141,469                     | 5,773,047                     | -                             |

| Class                          | Commission paid or payable | Deferred commission |         | Six months period ended 30 June |                          |                      | Commission from reinsurance | 2015 Net underwriting expense | 2014 Net underwriting expense |
|--------------------------------|----------------------------|---------------------|---------|---------------------------------|--------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|                                |                            | Opening             | Closing | Net commission expense          | Other management expense | Underwriting expense |                             |                               |                               |
| RMB                            |                            |                     |         |                                 |                          |                      |                             |                               |                               |
| Direct and facultative         |                            |                     |         |                                 |                          |                      |                             |                               |                               |
| Fire and property damage       | 84,106                     | 357,327             | 207,691 | 150,110                         | 2,594,140                | 2,947,982            | 374,920                     | 2,472,882                     | -                             |
| Marine, aviation and transport | 13,209                     | 33,246              | 24,237  | 24,984                          | 137,067                  | 161,161              | 9,840                       | 151,316                       | -                             |
| Water                          | 111,541                    | 18,156              | 88,787  | 51,012                          | 7,162,969                | 7,273,921            | 87,493                      | 7,163,426                     | -                             |
| Miscellaneous                  | 15,238                     | 10,389              | 4,991   | 637,603                         | 922,922                  | 922,922              | 31,971                      | 889,541                       | -                             |
| Sub-total                      | 224,134                    | 443,811             | 324,864 | 344,421                         | 10,244,799               | 10,995,222           | 489,174                     | 10,097,645                    | -                             |
| Treaty                         |                            |                     |         |                                 |                          |                      |                             |                               |                               |
| Proportional                   | -                          | -                   | -       | -                               | -                        | -                    | -                           | -                             | -                             |
| Sub-total                      | -                          | -                   | -       | -                               | -                        | -                    | -                           | -                             | -                             |
| Grand total                    | 224,134                    | 443,811             | 324,864 | 344,421                         | 10,244,799               | 10,995,222           | 489,174                     | 10,097,645                    | -                             |

Note: The Company conducts its deniable business outside PRC.

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**SINDH INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2015 (UN-AUDITED)**

|  | Three months period ended 30 June |            | Six months period ended 30 June |            |
|--|-----------------------------------|------------|---------------------------------|------------|
|  | 2015                              | 2014       | 2015                            | 2014       |
| <b>Income from non-trading investments</b>           |                                   |            |                                 |            |
| <b>Held-to-maturity</b>                              |                                   |            |                                 |            |
| Return on Government Securities                      | 609,440                           | 950,751    | 949,404                         | 950,751    |
| Return on other fixed income securities and deposits | 2,744,797                         | 11,839,003 | 7,868,687                       | 24,304,468 |
|  | 3,354,237                         | 12,793,754 | 8,818,091                       | 25,255,239 |
| <b>Available-for-sale</b>                            |                                   |            |                                 |            |
| Return on Government Securities                      | 10,114,836                        |            | 17,025,016                      |            |
| Dividend income on available for sale investments    | 3,793,297                         |            | 3,793,297                       |            |
| Gain on sale of available-for-sale investments       | 228,653                           |            | 50,533,869                      |            |
|  | 14,136,785                        | -          | 71,352,182                      | -          |
|  | 17,491,022                        | 12,793,754 | 80,200,273                      | 25,255,239 |
| Investment related expenses                          | -                                 | -          | (7,536)                         | -          |
| <b>Net investment income</b>                         | 17,491,022                        | 12,793,754 | 80,192,737                      | 25,255,239 |

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 CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 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 27 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 Ahmad Road, Karachi.

**2. BASIS OF PREPARATION**

These unaudited 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 administrative expense equivalent to an amount of forty percent were charged to underwriting activities for proper distribution of expenses effective from January 1st, 2015. We have realized that some underwriting figures has been reported wrong by mistake are being corrected while preparing these financial statements.

**5. OTHER CREDITORS AND ACCRUALS**

|                                      | 30 June 2015     | 31 December 2014 |
|--------------------------------------|------------------|------------------|
| Commission payable                   | 31,307           | 418,282          |
| Federal excise duty payable          | 98,952           | 26,382           |
| Federal insurance fee payable        | 4,616            | 17,665           |
| Withholding tax payable              | 138,873          | 95,162           |
| Provident fund contributions payable | 130,160          | 457,558          |
| Sundry creditors                     | 276,757          | 1,322,318        |
| Provision for Audit fee              | 57,750           | 100,000          |
| Provision for Workers Welfare Fund   | 2,212,550        | 977,600          |
|                                      | <b>2,990,864</b> | <b>3,375,841</b> |

**6. CONTINGENCIES AND COMMITMENTS**

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



|  | 30 June<br>2015    | 31 December<br>2014<br>Rupees |
|--|--------------------|-------------------------------|
| <b>7. INVESTMENTS</b>                        |                    |                               |
| <b>Held-to-maturity</b>                      |                    |                               |
| Government securities                        | 50,886,833         | 50,717,455                    |
| <b>Available-for-sale</b>                    |                    |                               |
| Government securities                        | 377,967,080        | 304,509,547                   |
| Mutual Funds                                 | 76,970,776         | -                             |
|  | <u>605,834,689</u> | <u>355,227,003</u>            |
| <b>7.1 Held-to-maturity</b>                  |                    |                               |
| Pakistan Investment Bonds - cost             | 50,717,455         | 50,481,320                    |
| Acc. Amortization of discount for the period | 179,377            | 236,135                       |
|  | <u>50,886,833</u>  | <u>50,717,455</u>             |
| <b>7.2 Available-for-sale</b>                |                    |                               |
| Pakistan Investment Bonds - cost             | 378,842,550        | 304,757,602                   |
| Less: Amortization of premium for the period | (875,469)          | (268,355)                     |
|  | <u>377,967,080</u> | <u>304,509,547</u>            |
| Mutual Funds                                 | 76,970,776         | -                             |
|  | <u>76,970,776</u>  | <u>-</u>                      |
| <b>8. SUNDRY RECEIVABLES</b>                 |                    |                               |
| <b>Considered good</b>                       |                    |                               |
| Advances for purchase of vehicle             | -                  | 1,627,500                     |
| Advances for purchase of software            | 1,000,000          | -                             |
| Other receivables                            | 1,289,045          | 23,039                        |
|  | <u>2,289,045</u>   | <u>1,650,539</u>              |
| <b>9. FIXED ASSETS - Owned</b>               |                    |                               |
| Tangible                                     | 25,420,829         | 25,326,633                    |
| Intangible                                   | 347,474            | 47,626                        |
|  | <u>25,768,303</u>  | <u>25,374,259</u>             |

*Parvez*

*Mina*

|   | 2015      | 2014 | 2015       | 2014 |
|---|-----------|------|------------|------|
| Interest, dividend and income                       | -         | -    | -          | -    |
| Rent, rates and taxes                               | 133,200   | -    | 266,400    | -    |
| Travelling and conveyance                           | 673,261   | -    | 676,261    | -    |
| Printing and stationery expenses                    | 2,542     | -    | 92,074     | -    |
| Repair and maintenance                              | 6,842     | -    | 16,842     | -    |
| Survey fee  | 31,000    | -    | 113,360    | -    |
| Security charges                                    | 13,996    | -    | 13,996     | -    |
| Miscellaneous expenses                              | 56,142    | -    | 85,442     | -    |
| Share of general and administration expense charged | 2,597,593 | -    | 5,045,265  | -    |
|   | 5,729,726 | -    | 10,241,758 | -    |

#### 11. GENERAL AND ADMINISTRATIVE EXPENSES

|  |             |           |             |           |
|--|-------------|-----------|-------------|-----------|
| Salaries, wages, allowances and benefits     | 2,478,912   | 1,370,345 | 5,224,393   | 1,370,046 |
| Directors meeting fee                        | 30,000      | -         | 80,000      | 30,000    |
| Rent, rates and taxes                        | 376,015     | 477,833   | 654,090     | 813,900   |
| Legal and professional charges               | 168,675     | 64,295    | 289,370     | 57,245    |
| Auditors remuneration                        | 70,825      | -         | 95,700      | -         |
| Depreciation                                 | 936,408     | 241,583   | 1,628,089   | 247,353   |
| Amortization of Intangibles                  | 28,465      | -         | 34,240      | -         |
| Printing and stationery                      | 242,472     | 10,583    | 327,674     | 10,853    |
| Repair and maintenance                       | 146,286     | -         | 283,170     | -         |
| Travelling and conveyance                    | 955,176     | 2,100     | 1,953,027   | 2,650     |
| Advertising                                  | 21,468      | 29,526    | 25,468      | 62,155    |
| Utilities                                    | 265,373     | 13,713    | 514,916     | 13,713    |
| Communication                                | 125,556     | 3,750     | 240,435     | 15,280    |
| Office expenses                              | 265,257     | 83,445    | 925,848     | 201,337   |
| Other charges                                | 111,717     | 114,500   | 117,267     | 114,600   |
| Insurance expenses                           | 160,191     | 7,315     | 300,395     | 7,618     |
| Provision for Workers Welfare Fund           | 144,550     | -         | 1,234,700   | -         |
| Expense share charged to management expenses | (2,597,593) | -         | (5,045,285) | -         |
|  | 3,960,883   | 2,422,672 | 7,567,928   | 2,739,491 |

#### 12. EARNINGS PER SHARE - BASIC AND DILUTED

|  | Three months period ended 30 |      | Six months period ended 30 |      |
|--|------------------------------|------|----------------------------|------|
|  | June                         | June | June                       | June |
|  | 2015                         | 2014 | 2015                       | 2014 |

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

|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Net profit after tax for the period - Rupees        | 5,468,253  | 6,829,413  | 41,970,805 | 14,833,063 |
| Weighted average number of ordinary shares - Number | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 |
| Basic earnings per share - Rupees                   | 0.11       | 0.14       | 0.84       | 3.30       |

*Prakash* ✓ *M. V. S.*

### 13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associate companies, entities under common control, entities with common Directors, major shareholders and key managerial personnel of the Company. Transactions with related parties are carried out at arms 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<br>June 30, 2015 | Transactions<br>from April 1, to<br>June 30, 2015 |
|--|--------------------------------|---|
| ----- Rupees -----   |                                |   |
| <b>Companies having common directorship</b>                                      |                                |   |
| <b>Sindh Bank Limited (SBL)</b>  |                                |   |
| Investment in Pakistan Investment Bond   | 377,967,090                    |   |
| Investment in Term Deposit   | 25,300,000                     |   |
| Bank Accounts  | 3,397,758                      |   |
| Purchase of Pakistan Investment Bond (PIB) to SBL                                |                                | 263,408,127                                       |
| Income of Pakistan Investment Bond   |                                | 10,629,216  |
| Income on term deposit   |                                | 587,307   |
| Income on bank account   |                                | 2,178,990   |
| <b>Other Associated Companies</b>  |                                |   |
| Amount received for sharing of generator with<br>Sindh Meebaa Management Limited |                                | 218,430   |
| <b>Key Management Personnel</b>  |                                |   |
| Remuneration & benefits paid to key Management Personnel                         |                                | 2,860,854   |
| Retirement Benefits  |                                | 161,815   |
| <b>Directors</b>   |                                |   |
| 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 Company.

### 15. GENERAL

Figures have been rounded to the nearest Rupee.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer