

SINDH INSURANCE LIMITED

INTERIM CONDENSED FINANCIAL
STATEMENTS FOR THE HALF YEAR ENDED
JUNE 30, 2017

CONTENTS

SINDH INSURANCE LIMITED INTERIM CONDENSED FINANCIAL STATEMENTS

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
Pattern of Shareholding

SINDH INSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS INTERIM CONDENSED FINANCIAL STATEMENTS

Balance Sheet
Profit and Loss Account
Statement of Comprehensive Income
Statement of Changes in Funds
Statement of Cash Flows
Statement of Contributions
Statement of Claims
Statement of Expenses
Statement of Investment Income
Notes to the Financial Statements

Company Information

Board of Directors

Muhammad Bilal Shaikh (Chairman)
Syed Hassan Naqvi
Ahmed Salahuddin
Syed Akhtar Ul Islam
Muhammad Aley Abid
Zahid Hussain
Maudood Ahmed Lodhi

Chief Executive Officer

Muhammad Faisal Siddiqui

Chief Financial Officer & Company Secretary

Nadeem Akhter

Audit Committee

Syed Akhtar Ul Islam
Syed Hassan Naqvi
Zahid Hussain

Risk Management & Compliance Committee

Syed Hassan Naqvi
Muhammad Aley Abid
Zahid Hussain

Human Resources Committee

Muhammad Bilal Shaikh
Syed Hassan Naqvi
Muhammad Aley Abid

Procurement & Information Technology Committee

Muhammad Bilal Shaikh
Muhammad Aley Abid
Syed Akhtar Ul Islam

Nomination Committee

Syed Hassan Naqvi
Muhammad Bilal
Muhammad Aley Abid

Investment Committee

Muhammad Bilal Shaikh
Zahid Hussain
Muhammad Faisal Siddiqui
Nadeem Akhter

Underwriting Committee

Ahmed Salahuddin
Muhammad Faisal Siddiqui
Mohammad Raza
Nadeem Akhter

Claim Committee

Syed Akhtar Ul Islam
Muhammad Faisal Siddiqui
Nadeem Akhter

Reinsurance Committee

Ahmed Salahuddin
Muhammad Faisal Siddiqui
Mohammad Raza

Key Management Personnel

Nadeem Akhter
Muhammad Raza
Nadeem Haider Shaikh
Faiza Khalid

Auditors

M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Advisor

Muhammad Nadeem Khan

Bankers

Sindh Bank Limited

IFS Credit Rating

A+(A Plus) 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) 35640715-17
Fax : (92-21) 35640714
Email : info@sindhinsurancelttd.com
Website : www.sindhinsurancelttd.com

Directors' Review

On behalf of the Board of Directors, I am pleased to present the results of your Company for the six months period ended June 30, 2017.

COMPANY PERFORMANCE REVIEW

During the half year ended June 30, 2017, the company underwrote risk assets which generated gross premium of Rs. 17.229 million. Company's underwriting resulted in profit of Rs. 13.867 million from a loss of Rs. 6.645 million in the corresponding period last year. Profitability in underwriting activities derived by the management's consistent policies and serious professional efforts.

The investment income generated was Rs. 86.036 million during the period under review as compared to the Rs. 40.610 million in corresponding period in last year. Profit before tax stood at Rs. 104.586 million as on June 30, 2017 as compared to Rs. 37.358 million of the corresponding period last year. The Company posted a profit after tax of Rs. 72.456 million for the half year ended June 30, 2017 as compared with profit of Rs. 25.403 million in corresponding period. Retained earnings increased from Rs. 156.050 million as at the year ended December 31, 2016 to Rs. 228.507 million for the half year June 30, 2017.

The total assets of the company increased to Rs. 3,000 million as compared with Rs. 2,989 million as at the year ending December 31, 2016. Total equity of the Company stands over Rs. 728.687 million.

INDUSTRY OVERVIEW

The improving economic environment has helped facilitate the continued growth in the insurance industry. Both Life and Non-Life Insurance sectors have shown considerable growth (due to numerous factors like increase in bancassurance, aggressive marketing, greater consumer awareness, etc). However, the most significant growth has been reported by the Takaful segment, due to the influx of conventional insurers in the Takaful market in the form of Window Takaful Operators (WTOs).

FUTURE OUTLOOK

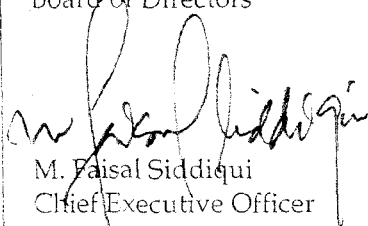
The Company is working for stability of its infrastructure to face the upcoming challenges with respect of existing projects. The Company is planning to drive electronic and print media campaign to enhance awareness among masses of Sindh Province about Universal Accident Insurance. Company's Window Takaful Operations started to grow in this year to capture sharia compliant business.

ACKNOWLEDGEMENT

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

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

For and on behalf of
Board of Directors



M. Faisal Siddiqui
Chief Executive Officer

Karachi, June 30, 2017

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement of SINDH INSURANCE LIMITED ("the Company") together with notes forming part thereof or the six-month period then ended 30 June 2017 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 30 June 2017 and 30 June 2016 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six-month period ended 30 June 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material

Riaz Ahmad & Company

Chartered Accountants

respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY

Chartered Accountants

Name of engagement partner:

Muhammad Waqas

Date: 25 August 2017

KARACHI

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement of SINDH INSURANCE LIMITED – WINDOW TAKAFUL OPERATIONS ("the Company") together with notes to the accounts for the six-month period then ended 30 June 2017 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 30 June 2017 have not been reviewed and we do not express a conclusion on this as we are required to review only the cumulative figures for the six-month period ended 30 June 2017.

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Riaz Ahmad & Company

Chartered Accountants

respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY

Chartered Accountants

Name of engagement partner:

Muhammad Waqas

Date: 25 August 2017

KARACHI

**SINDH INSURANCE
LIMITED**

**CONDENSED INTERIM
FINANCIAL INFORMATION**

**FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2017**

SINDH INSURANCE LIMITED
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2017

	Note	30 June 2017 Rupees (Unaudited)	31 December 2016 Rupees (Audited) Restated
Assets			
Property and equipment	6	23,004,658	23,707,208
Intangible assets		1,670,360	2,379,026
Investments			
Equity securities	7	56,663,197	461,579,966
Debt securities	8	387,708,906	435,415,172
Term deposits	9	2,030,746,400	1,580,816,263
Loans and other receivable		90,829,246	26,527,202
Insurance / reinsurance receivable		61,847,135	80,794,479
Re-insurance recoveries against outstanding claims		14,407,017	6,372,999
Deferred commission expense		1,618,989	1,896,084
Taxation - payment less provisions		-	3,222,839
Prepayments	10	195,043,788	244,848,894
Cash and bank		83,075,909	69,809,429
		<u>2,946,615,605</u>	<u>2,937,366,561</u>
Total assets of Window Takaful Operations - Operator's Fund		53,551,698	52,054,559
Total Assets		<u><u>3,000,167,303</u></u>	<u><u>2,989,421,120</u></u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital (50,000,000 shares of Rupees 10 each)		500,000,000	500,000,000
Fair value reserve		180,107	2,526,628
Unappropriate profit		228,507,554	156,050,784
Total Equity		<u>728,687,661</u>	<u>658,577,412</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		1,731,031,651	492,762,702
Unearned premium reserves		344,007,373	1,717,299,804
Premium deficiency reserves		6,187,705	627,816
Unearned reinsurance commission		3,893,459	5,155,112
Deferred taxation		1,896,782	2,544,592
Premium received in advance		509,097	376,104
Insurance / reinsurance payables		53,821,349	40,430,817
Other creditors and accruals	11	125,129,959	69,896,057
Taxation - provision less payment		2,521,064	
Total liabilities		<u>2,268,998,439</u>	<u>2,329,093,004</u>
Total liabilities of Window Takaful Operations - Operator's Fund		2,481,203	1,750,704
Total Equity and Liabilities		<u><u>3,000,167,303</u></u>	<u><u>2,989,421,120</u></u>
Contingencies and commitments	12		

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

Chairman

Director


Director

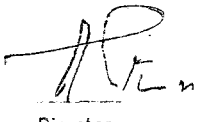
Chief Executive Officer

SINDH INSURANCE LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

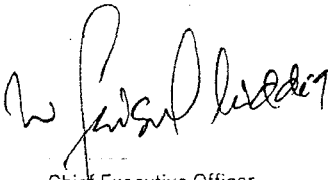
	Note	Three months period ended 30 June		Six months period ended 30 June	
		2017	2016	2017	2016
		Rupees	Rupees	Rupees	Rupees
Net insurance premium	13	673,448,262	27,015,760	1,345,150,076	41,514,406
Net insurance claims		(630,984,612)	(9,319,267)	(1,259,350,520)	(17,990,916)
Premium deficiency		-	-	(5,559,889)	-
Net commission and other acquisition cost		(18,449,048)	(649,376)	(39,467,823)	(380,291)
Insurance claims and acquisition expenses		(649,433,660)	(9,968,643)	(1,304,378,232)	(18,371,207)
Management expenses	15	(14,099,811)	(18,134,586)	(26,904,152)	(29,788,946)
Underwriting results		9,914,791	(1,087,469)	13,867,692	(6,645,747)
Investment income		49,579,084	33,393,839	86,036,841	40,610,173
Other income	16	1,578,320	1,408,494	3,324,673	3,653,424
Other expenses		(175,000)	(237,500)	(480,000)	(259,520)
Results of operating activities		60,897,195	33,477,364	102,749,206	37,358,330
Profit from Window Takaful Operations		1,928,019	-	1,837,729	-
Profit before tax		62,825,214	33,477,364	104,586,935	37,358,330
Income tax expense		(17,868,624)	(10,877,754)	(32,130,165)	(11,954,667)
Profit after tax		44,956,590	22,599,610	72,456,770	25,403,663
Earnings (after tax) per share - basic and diluted	14	0.90	0.45	1.45	0.51

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


 Chairman


 Director


 Director


 Chief Executive Officer

SINDH INSURANCE LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
	Rupees	Rupees Restated	Rupees	Rupees Restated
Profit after tax	44,956,590	22,599,610	72,456,770	25,403,663

Other comprehensive income

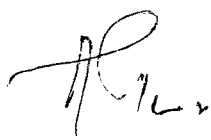
Items that will be reclassified subsequently to profit and loss account

Fair value adjustment on remeasurement of available for sale investments	(879,363)	(1,697,084)	(879,363)	(1,697,084)
Deferred tax on fair value adjustment	275,707	531,907	275,707	531,907
Fair value reserve reclassified to profit and loss account on disposal of available for sale investments	(946,163)	-	(946,163)	-
Deferred tax adjustment on disposal of available for sale investments	274,387	-	274,387	-
	(671,776)	-	(671,776)	-
Share of other comprehensive income from Window Takaful Operations	(1,071,089)	-	(1,071,089)	-
	(2,346,521)	(1,165,177)	(2,346,521)	(1,165,177)
Total comprehensive income for the period	42,610,069	21,434,433	70,110,249	24,238,486

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.



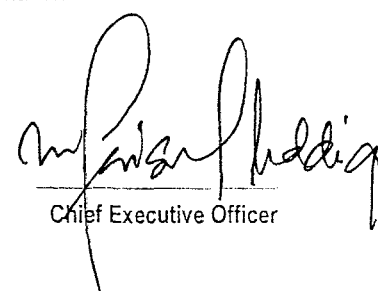
Chairman



Director



Director



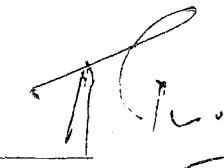
Chief Executive Officer

SINDH INSURANCE LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

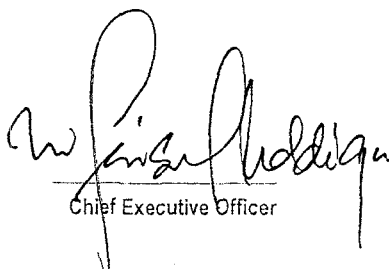
	Attributable to equity holders of the company			Total
	Share capital	Capital reserve	Revenue reserve	
		Fair value reserve	Unappropriated profit	
Rupees	Rupees	Rupees	Rupees	
Balance as at 31 December 2015 (Audited)	500,000,000	-	99,344,049	599,344,049
Effect of restatement on remeasurement of available for sale investment	-	1,571,970	-	1,571,970
Balance as at 31 December 2015-restated	500,000,000	1,571,970	99,344,049	600,916,019
Profit for the six month period ended 30 June 2016	-	-	25,403,663	25,403,663
Other comprehensive income	-	(1,165,177)	-	(1,165,177)
Total comprehensive income	-	(1,165,177)	25,403,663	24,238,486
Balance as at 30 June 2016 (Unaudited)-restated	500,000,000	406,793	124,747,712	625,154,505
Profit for the six month period ended 31 December 2016	-	-	31,303,072	31,303,072
Other comprehensive income	-	2,119,835	-	2,119,835
Total comprehensive income	-	2,119,835	31,303,072	33,422,907
Balance as at 31 December 2016 (Audited)-restated	500,000,000	2,526,628	156,050,784	658,577,412
Profit for the six month period ended 30 June 2017	-	-	72,456,770	72,456,770
Other comprehensive income	-	(2,346,521)	-	(2,346,521)
Total comprehensive income	-	(2,346,521)	72,456,770	70,110,249
Balance as at 30 June 2017 (Unaudited)	500,000,000	180,107	228,507,554	728,687,661

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


 Chairman


 Director


 Director



 Chief Executive Officer

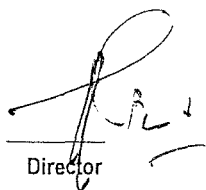
SINDH INSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	30 June 2017	30 June 2016
	Rupees	Rupees
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Insurance premiums received	68,194,056	363,375,490
Reinsurance premiums paid	(13,532,683)	(279,847,905)
Claims paid	(37,446,322)	(17,889,208)
Reinsurance and other recoveries received	8,330,736	1,129,904
Commissions paid	(43,744,209)	(3,818,999)
Commissions received	3,318,901	2,544,002
Other underwriting payments	(480,000)	(17,235,502)
Net cash (used in) / flows from underwriting activities	(15,359,521)	48,257,782
<i>b) Other operating activities</i>		
Income tax paid	(26,513,122)	(3,041,210)
Management and administrative expenses paid	29,789,462	(15,084,386)
Other operating payments	(29,163,428)	(1,000,986)
Net cash used in other operating activities	(25,887,088)	(19,126,582)
Net cash (used in) / flows from operating activities	(41,246,609)	29,131,200
INVESTMENT ACTIVITIES		
Profit / return received on investment	48,675,063	17,698,444
Other income received	3,324,674	3,653,424
Investment related expenses paid	-	(7,475)
Payments for investments	(1,216,538,323)	(2,191,040,211)
Proceeds from disposal of investments	1,219,658,675	2,182,185,853
Fixed capital expenditure	(607,000)	(1,115,388)
Net cash flows from investing activities	54,513,089	11,374,647
FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net cash flows from all activities	13,266,480	40,505,847
Cash and cash equivalents at the beginning of year	69,809,429	53,336,642
Cash and cash equivalents at end of the period	83,075,909	93,842,489

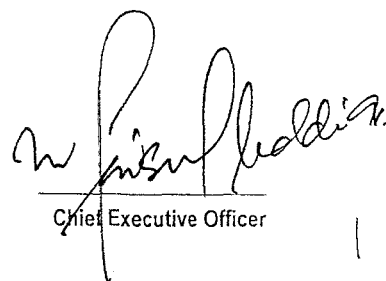
	30 June 2017	30 June 2016
	Rupees	Rupees
Reconciliation to profit and loss account		
Operating cash flows	(41,246,609)	29,131,200
Depreciation on fixed assets	(1,308,872)	(1,387,090)
Amortization of intangibles	(708,666)	(585,180)
Investment related expenses	-	(7,475)
Income tax paid	26,513,122	3,041,210
(Decrease) / increase in assets other than cash	(31,098,602)	290,103,550
Decrease / (increase) in liabilities	61,237,318	(327,208,957)
Investment income	86,036,841	40,617,648
Profit from Window Takaful Operations	1,837,729	-
Other income	3,324,674	3,653,424
Profit before taxation	104,586,935	37,358,330

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

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 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 Operation.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the six months period ended 30 June 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

The disclosures made in this condensed interim financial information have, however, been made on format prescribed in the Insurance Rules, 2017.

Previously, the Securities and Exchange Commission (Insurance) Rules, 2002 were being complied which has now been replaced by Insurance Rules, 2017. Accordingly, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income required under repealed Securities and Exchange Commission (Insurance) Rules, 2002, have not been presented in this condensed interim financial information. Furthermore, the Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

Total assets, total liabilities, profit / (loss) of Window Takaful Operations 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.

This condensed interim financial information does not include all the information and disclosures required in the full financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2016.

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 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended 31 December 2016, except as follows:

The accounting treatment of 'available for sale investments' prescribed in Securities and Exchange Commission (Insurance) Rules, 2002 stands repealed on promulgation of Insurance Rules, 2017 applicable during the period. Following the Insurance Rules, 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 the repealed Securities and Exchange Commission (Insurance) Rules, 2002, 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. The resultant impairment loss, if any, was being charged to profit and loss account.

Following the application of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement", the Company's policy for treatment of 'available for sale' investments stands amended as follows:

Quoted 'available for sale' investments

Subsequent to initial measurement, 'available for sale' investments in listed securities are re-measured to fair value on each reporting date. Net gains and losses arising on changes in fair values of these investments are taken to equity through other comprehensive income. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to profit and loss account. Fair values of listed securities are the quoted prices on the stock exchange at balance sheet date.

Unquoted 'available for sale' investments

Unquoted equity securities are stated at cost less impairment loss, if any.

The Company's condensed interim financial information is affected by the remeasurements of 'available for sale' investments relating to prior years. The effects have been summarized below:

	31 December 2016	31 December 2015
	Rupees	Rupees
Impact on Statement of Financial Position		
Assets:		
Increase in investments:		
Equity securities	1,545,961	640,177
Debt securities	523,310	1,638,040
	<u>2,069,271</u>	<u>2,278,217</u>

	31 December 2016 Rupees	31 December 2015 Rupees
Liabilities:		
Increase in deferred tax liability	<u>620,781</u>	<u>706,247</u>
Capital and reserves attributable to Company's equity holders:		
Increase in fair value reserve	<u>1,448,490</u>	<u>1,571,970</u>
 Impact on Statement of Comprehensive Income		
Other comprehensive income		
Decrease in fair value on remeasurement of 'available for sale' investments (gross of deferred tax)	(208,946)	(815,736)
Decrease in deferred tax	<u>85,466</u>	<u>283,818</u>
	<u>(123,480)</u>	<u>(531,918)</u>

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

4 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 2016.

5 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 2016.

6 PROPERTY AND EQUIPMENT

Details of the cost of operating assets that have been acquired and disposed of during the six months period are as follows:

	Unaudited			
	30 June 2017		30 June 2016	
	Additions	Disposals	Additions	Disposals
	Rupees	Rupees	Rupees	Rupees
Tangibles				
Furniture & fixtures	81,800	-	22,000	-
Office equipment	20,000	-	17,000	-
Computers	505,200	-	227,200	-
	<u>607,000</u>	<u>-</u>	<u>266,200</u>	<u>-</u>

7 INVESTMENTS IN EQUITY SECURITIES

	30 June 2017 (Unaudited)			31 December 2016 (Audited)		
	Amortized cost	Fair value adjustment	Carrying market value	Amortized cost	Fair value adjustment	Carrying market value
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Available for sale				Restated	Restated	Restated
Others:						
Mutual funds						
NAFA Income Opportunity Fund	-	-	-	261,614,629	618,527	262,233,156
NAFA Income Fund	-	-	-	145,000,000	327,636	145,327,636
ABL Income Fund	57,190,873	(527,676)	56,663,197	53,419,375	599,799	54,019,174
	<u>57,190,873</u>	<u>(527,676)</u>	<u>56,663,197</u>	<u>460,034,004</u>	<u>1,545,962</u>	<u>461,579,966</u>

8 INVESTMENTS IN DEBT SECURITIES

	30 June 2017 (Unaudited)			31 December 2016 (Audited)		
	Amortized cost	Impairment / provision	Carrying value	Amortized cost	Impairment / provision	Carrying value
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Held To Maturity						
Others:						
5 Year Pakistan Investment Bonds	51,620,697	-	51,620,697	51,441,437	-	51,441,437
Treasury Bills	-	-	-	44,446,275	-	44,446,275
Sukuk	25,000,000	-	25,000,000	25,000,000	-	25,000,000
A	<u>76,620,697</u>	<u>-</u>	<u>76,620,697</u>	<u>120,887,712</u>	<u>-</u>	<u>120,887,712</u>

	30 June 2017 (Unaudited)			31 December 2016 (Audited)		
	Amortized cost	Fair value adjustment	Carrying market value	Amortized cost	Fair value adjustment	Carrying market value
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Available for sale				Restated	Restated	Restated
Others						
20 Year Pakistan Investment Bonds	4,866,186	434,791	5,300,977	4,886,043	279,024	5,165,067
3 Year Pakistan Investment Bonds	305,450,603	336,629	305,787,232	309,118,108	244,285	309,362,393
B	<u>310,316,789</u>	<u>771,420</u>	<u>311,088,209</u>	<u>314,004,151</u>	<u>523,309</u>	<u>314,527,460</u>
Total	A+B					
	<u>386,937,486</u>	<u>771,420</u>	<u>387,708,906</u>	<u>434,891,863</u>	<u>523,309</u>	<u>435,415,172</u>

	30 June 2017 Rupees (Unaudited)	31 December 2016 Rupees (Audited)
9 INVESTMENT IN TERM DEPOSITS		
Deposits maturing within 12 months	<u>2,030,746,400</u>	<u>1,580,816,263</u>

These carry markup ranging from 5.95% to 10.25% (2016: 5.95% to 10.25%).

10 PREPAYMENTS

Prepaid reinsurance premium ceded	192,768,773	243,104,632
Prepaid rent	1,608,733	1,524,334
Prepaid insurance expense	563,817	195,052
Prepaid miscellaneous expense	102,465	24,876
	<u>195,043,788</u>	<u>244,848,894</u>

11 OTHER CREDITORS AND ACCRUALS

Agent commission payable	483,626	456,553
Federal excise duty / sales tax	247,688	361,893
Federal insurance fee	99,650	31,291
Payable to related party	117,891,675	63,997,103
Accrued expenses	2,984,281	2,626,298
Other tax payables	680,447	278,269
Provision for compensated leave absences	2,742,592	2,144,650
	<u>125,129,959</u>	<u>69,896,057</u>

12 CONTINGENCIES AND COMMITMENTS

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

13 This includes Provision for incurred but not reported (IBNR) amounting to Rupees 1,685,349,433 (2016: 470,341,541).

	Three months period ended 30 June		Six months period ended 30 June	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
14 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	<u>44,956,590</u>	<u>22,599,610</u>	<u>72,456,770</u>	<u>25,403,663</u>
Weighted average number of ordinary shares - Number	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Basic earnings per share - Rupees	<u>0.90</u>	<u>0.45</u>	<u>1.45</u>	<u>0.51</u>

	Three months period ended		Six months period ended	
	30 June		30 June	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
15 MANAGEMENT EXPENSES				
Employee benefit cost	7,420,311	9,091,648	15,209,791	16,079,607
Travelling expense	818,657	921,430	959,774	1,065,886
Advertisement and sales promotion	-	-	30,900	20,000
Printing and stationery	309,220	483,580	535,070	778,624
Depreciation	670,826	709,421	1,308,872	1,387,090
Amortization	353,900	302,748	708,666	585,180
Rent, rates and taxes	740,143	577,873	1,495,015	1,168,534
Legal and professional charges - business related	341,775	3,158,875	579,245	3,539,740
Electricity, gas and water	502,098	327,978	750,865	505,825
Entertainment	53,673	62,777	136,775	298,937
Vehicle running expense	11,380	3,020	23,706	10,095
Office repair and maintenance	525,425	528,617	766,381	764,993
Bank charges	10,965	415,862	12,293	424,458
Postage, telegrams and telephones	102,384	96,190	294,065	259,105
Insurance Ombudsman expense contribution	-	-	-	-
Annual supervision fee SECP	133,216	100,035	133,216	100,035
Bad and doubtful debts	-	-	-	-
Service charges (Health Econnex)	981,932	1,200,072	2,002,283	1,686,113
Miscellaneous	1,123,906	154,460	1,957,235	1,114,724
	<u>14,099,811</u>	<u>18,134,586</u>	<u>26,904,152</u>	<u>29,788,946</u>

16 OTHER INCOME

Profit on bank deposit	1,599,809	1,294,695	2,831,911	3,426,415
Income on generator sharing	109,215	109,215	218,430	218,430
Other	236,492	4,584	274,332	8,579
	<u>1,945,516</u>	<u>1,408,494</u>	<u>3,324,673</u>	<u>3,653,424</u>

17 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:

Transactions	Three months period ended		Six months period ended	
	30 June		30 June	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
Companies having common directorship				
Sindh Bank Limited (SBL)				
Income on saving accounts	1,232,102	2,103,430	2,831,911	3,426,415
Premium written	458,375	8,111,700	1,263,326	8,825,429
Claim paid	13,116,628	8,584,264	21,801,681	15,904,957
Sindh Modarba Management Limited (SMML)				
Premium written	-	5,248	899	38,025
Claim paid	-	3,000	50,320	12,000
Income on sharing of generator	109,215	109,215	218,430	218,430

	Three months period ended 30 June		Six months period ended 30 June	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Sindh Leasing Company Limited (SLCL)				
Premium	-	-	1,410,374	1,325,865
Claim paid	4,000	216,011	70,894	667,570
Sindh Microfinance Bank Limited				
Premium written	304,953	107,160	816,312	146,177
Claim paid	90,000	-	90,000	-
Health Econnex (Private) Limited				
Health claims paid on behalf of Company	7,490,809	7,643,730	16,075,680	12,501,156
Service charges	981,932	1,200,072	2,002,283	1,686,113
Directors				
Meeting Fee	150,000	75,000	325,000	175,000
Key Management Personnel				
Remuneration & benefits paid	4,076,206	3,134,249	7,471,456	6,268,498
Retirement benefits	504,704	189,254	1,013,139	379,908
Employees' fund				
Contribution to provident fund	317,862	306,921	637,446	621,839
Government of Sindh				
Expenses incurred on behalf of Government of Sindh	7,687,654	-	27,044,794	-
Share of profit of Universal Accidental Policy	43,541,058	-	43,541,058	-
Balances			Balance as on 30 June 2017	Balance as on 31 December 2016
Companies having common directorship				
Sindh Bank Limited (SBL)				
Bank accounts			81,988,592	68,940,225
Due from insurance contract holder			2,921,403	33,392,850
Claim payable			20,594,252	12,683,152
Payable to Sindh Bank Limited			19,413,623	7,212,799
Sindh Modarba Management Limited (SMML)				
Premium received in advance			26,927	24,842
Claim payable			5,000	35,879
Amount receivable for sharing of generator			218,430	218,430
Sindh Leasing Company Limited (SLCL)				
Due from insurance contract holder			475,558	313,576
Claim payable			50,000	15,000
Health Econnex (Private) Limited				
Advance for health claim expense			915,112	223,946
Receivable From Sindh Insurance Limited - Window Takaful Operations			1,186,018	1,013,518
Government of Sindh				
Receivable from Government of Sindh			34,779,527	7,734,733
Payable to Government of Sindh			100,325,382	56,784,324

18 OPERATING SEGMENTS

	Fire and Property Damage		Marine, Aviation & Transport		Motor		Accident and health		Miscellaneous		Treaty		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment results														
Premium receivable	5,027,198	21,186,948	2,978,703	76,687,982	24,385,285	36,848,748	6,241,183	5,190,499	4,558,056	246,977,277	-	-	43,190,425	386,791,454
Less: Federal exercise duty	526,332	434,576	375,522	92,758	2,274,726	2,825,334	-	178,291	178,291	303,914	-	-	3,354,871	3,656,592
Federal insurance fee	38,548	202,358	25,776	757,382	212,143	202,023	61,822	51,336	47,265	2,442,331	-	-	385,554	3,665,430
Gross written premium	4,462,318	20,550,014	2,577,405	75,737,842	21,898,416	33,821,391	6,179,361	5,139,163	4,332,500	244,231,032	-	-	39,450,000	379,479,442
Gross direct premium	10,308,924	8,311,466	13,793,300	5,393,686	17,140,263	11,289,238	1,295,999,993	18,455,795	71,132,788	23,847,279	-	-	1,408,375,268	67,297,464
Facultative inward premium	1,319,144	463,505	(282,327)	-	2,001,567	7,886,192	-	825,770	825,770	-	-	-	3,864,154	8,349,697
Administrative surcharge	54,636	50,559	83,278	14,768	228,093	117,957	-	3,875	137,002	28,193	-	-	503,009	215,352
Insurance premium earned	11,662,704	8,825,530	13,594,251	5,408,454	19,369,923	19,293,367	1,295,999,993	18,459,670	72,095,560	23,875,472	-	-	1,412,742,431	75,862,513
Insurance premium ceded to reinsurers	10,499,148	7,883,662	11,542,837	4,700,554	3,893,442	1,036,017	-	-	41,656,928	20,727,874	-	-	67,592,355	34,348,107
Net insurance premium	1,183,556	941,868	2,051,414	707,900	15,476,481	18,257,370	1,295,999,993	18,459,670	30,438,632	3,147,598	-	-	1,345,150,076	41,514,406
Commission income	2,005,602	1,733,085	313,955	63,081	1,283,587	98,099	-	-	977,420	653,127	-	-	4,580,554	2,547,372
Net underwriting income	3,189,158	2,674,933	2,365,379	770,981	16,760,048	18,355,469	1,295,999,993	18,459,670	31,416,052	3,800,725	-	-	1,349,730,630	44,061,778
Insurance claims	2,292,177	846,756	894,062	80,409	7,328,118	3,656,021	1,249,650,515	13,411,030	15,550,399	603,043	-	-	1,275,715,271	18,497,259
Insurance claims recovered from reinsurers	1,720,953	658,075	313,224	-	2,181,516	(998,000)	-	-	12,149,058	846,268	-	-	16,364,751	506,343
Net claims	571,224	188,681	580,838	80,409	5,146,602	4,554,021	1,249,650,515	13,411,030	3,401,341	(243,225)	-	-	1,259,350,520	17,990,916
Commission expense	1,212,106	1,020,875	326,776	46,189	647,201	1,827,311	41,652,568	964	209,726	32,324	-	-	44,048,377	2,927,663
Management expense	3,043,216	976,079	1,757,742	3,597,375	14,934,304	1,606,439	1,629,918	244,999	5,538,971	11,600,418	-	-	26,904,152	18,024,410
Premium deficiency expense	1,776,509	-	(219,766)	-	2,611,206	-	1,391,940	-	-	-	-	-	5,559,889	-
Net insurance claims and expenses	6,603,055	2,185,635	2,445,590	3,723,973	23,339,313	7,987,771	1,294,324,941	13,656,993	9,150,038	11,389,517	-	-	1,335,862,938	38,942,989
Underwriting result	(3,413,897)	489,298	(80,211)	(2,952,992)	(6,579,266)	10,367,698	1,675,052	4,603,577	22,266,013	(7,588,792)	-	-	13,867,692	5,118,789
Net investment income													86,036,841	40,610,173
Other income													3,324,673	3,653,424
Other expenses													(480,000)	(12,024,056)
Profit from Window Takaful Operation													1,837,729	-
Profit before tax													104,586,935	37,358,330
Segment assets	36,547,057	4,932,631	21,109,335	11,005,805	179,351,326	7,943,803	19,574,264	290,796,284	66,519,461	37,650,999	-	-	323,101,443	352,329,522
Un-allocated assets													2,677,065,860	2,637,091,598
Segment liabilities	241,854,741	32,412,767	139,693,679	72,320,140	1,186,879,941	52,199,446	129,535,149	1,910,848,745	440,200,892	247,408,129	-	-	2,138,164,401	2,315,189,227
Un-allocated liabilities													862,002,903	674,231,893
													3,000,167,303	2,989,421,120
													3,000,167,303	2,989,421,120


19 DATE OF AUTHORIZATION FOR ISSUE

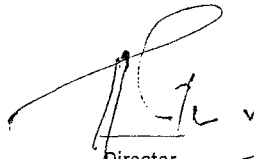
25 AUG 2017

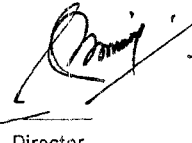
These financial statements were approved and authorized for issue on _____ by the Board of Directors of the Company.

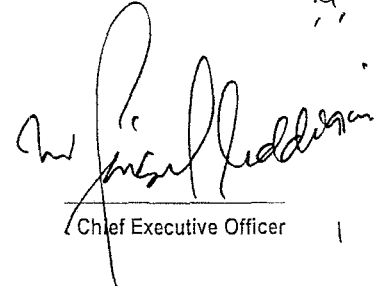
20 GENERAL

- Figures have been rounded to the nearest Rupees.
- Nomenclature of the certain statements and line items disclosed in the statements have been changed and corresponding figures have been re-arranged wherever considered necessary to ensure compliance with new promulgated format for reporting issued by SECP vide its order number S.R.O 89(1)/2017 dated 9 February 2017.


Chairman


Director


Director


Chief Executive Officer

12 DATE OF AUTHORIZATION FOR ISSUE

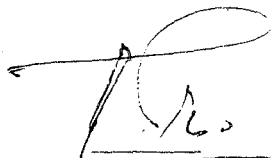
These financial statements were approved and authorized for issue on 25 AUG 2017 by the Board of Directors of the Company.

13 GENERAL

- Figures have been rounded to the nearest Rupees.
- Nomenclature of the certain statements and line items disclosed in the statements have been changed and corresponding figures have been re-arranged wherever considered necessary to ensure compliance with new promulgated format for reporting issued by SECP vide its order number S.R.O 89(I)/2017 dated 9 February 2017.



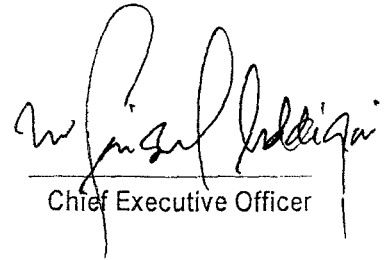
Chairman



Director



Director



Chief Executive Officer

**SINDH INSURANCE
LIMITED**

—

**WINDOW TAKAFUL
OPERATIONS**


**CONDENSED INTERIM
FINANCIAL INFORMATION**

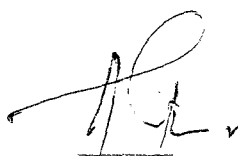
**FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2017**

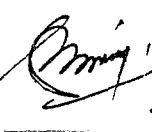
SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2017

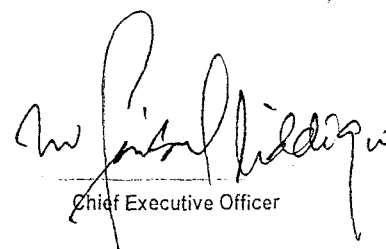
Note	30 June 2017			31 December 2016	
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate	
	Rupees	Rupees	Rupees	Rupees	
	------(Unaudited)-----			(Audited) Restated	
ASSETS					
	Property and equipment	75,677	-	75,677	82,993
6	Intangible assets	34,944	-	34,944	-
	Investments				
7	Equity securities	51,019,967	-	51,019,967	51,575,949
	Loans and other receivable	272,298	-	272,298	5,700
	Amounts due from other takaful/ re-takaful operators	-	219,459	219,459	333,250
	Deferred commission expense	13,316	-	13,316	-
	Wakala and modarib fee receivable	536,798	-	536,798	98,974
	Deferred wakala fee expense	-	399,202	399,202	93,762
	Taxation - payment less provisions	-	966	966	3,784
	Prepayments	-	104,710	104,710	33,274
	Cash and bank	1,598,698	2,341,737	3,940,435	909,848
	TOTAL ASSETS	53,551,698	3,066,074	56,617,772	53,137,534

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


 Chairman


 Director


 Director


 Chief Executive Officer

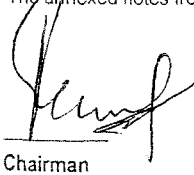
SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2017

Note	30 June 2017			31 December 2016
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees	Rupees	Rupees	Rupees
	------(Unaudited)-----			(Audited) Restated
OPERATOR'S FUND				
Statutory fund	50,000,000	-	50,000,000	50,000,000
Fair value reserve	7,049	-	7,049	1,078,138
Accumulated profit / (loss)	1,063,446	-	1,063,446	(774,283)
	51,070,495	-	51,070,495	50,303,855
WAQF / PARTICIPANTS' TAKAFUL FUND				
Ceded money	-	500,000	500,000	500,000
Accumulated deficit	-	(457,563)	(457,563)	(700,751)
	-	42,437	42,437	(200,751)
LIABILITIES				
Underwriting provisions				
Provision for unearned contribution	-	1,205,344	1,205,344	286,511
Provision for unearned re-takaful rebate	-	33,313	33,313	6,056
Wakala and modarib fee payable	-	536,798	536,798	98,974
Deferred taxation	2,879	-	2,879	462,059
Contribution received in advance	-	62,053	62,053	62,056
Amounts due to other takaful / re-takaful operators	8,225	934,893	943,118	743,471
Provision for unearned wakala fee	399,202	-	399,202	93,762
Other creditors and accruals	1,291,285	251,235	1,542,520	1,281,541
Taxation - provision less payment	779,613	-	779,613	-
TOTAL LIABILITIES	2,481,204	3,023,636	5,504,840	3,034,430
TOTAL FUND AND LIABILITIES	53,551,698	3,066,074	56,617,772	53,137,534

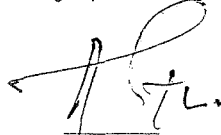
CONTINGENCIES AND COMMITMENTS

9

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



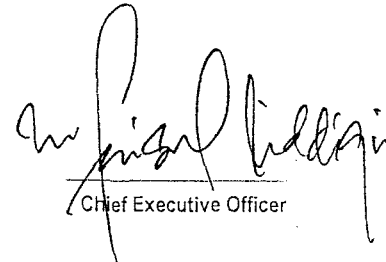
Chairman



Director



Director




Chief Executive Officer


SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	Three months period ended 30 June 2017	Six months period ended 30 June 2017
	2017	2017
	Rupees	Rupees
Participants' Takaful Fund - revenue account		
Net contribution revenue	217,282	363,774
Wakala expense	(27,402)	(132,384)
Net claims	-	-
Rebate on retakaful	5,919	4,068
	(21,483)	(128,316)
Underwriting results	195,799	235,458
Other income	5,120	7,730
Surplus for the period	200,919	243,188
Operator's Fund - revenue account		
Wakala fee	27,402	132,384
Commission expense	(4,744)	(7,227)
Management expenses	(183,108)	(436,058)
	(160,450)	(310,901)
Modarib's share of PTF investment income	1,281	1,933
Net investment income	2,914,666	2,974,287
Other income	3,816	42,008
	2,759,313	2,707,327
Other expenses	(5,000)	(82,000)
Profit before tax	2,754,313	2,625,327
Taxation	(826,294)	(787,598)
Profit after tax	1,928,019	1,837,729

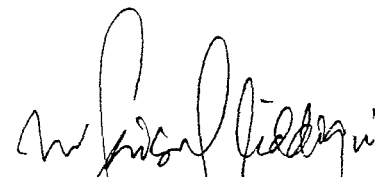
Note

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


Chairman


Director

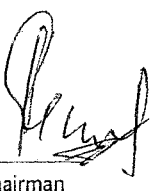

Director

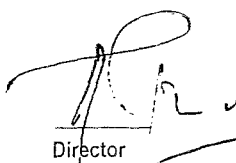

Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

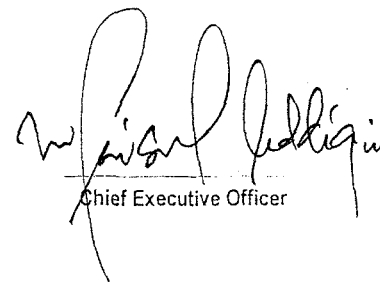
	Three months period ended 30 June 2017 Rupees	Six months period ended 30 June 2017 Rupees
Profit after tax	1,928,019	1,837,729
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss account		
Fair value adjustment on remeasurement of 'available for sale' investments	(657,885)	(657,885)
Deferred tax on fair value adjustment	206,189	206,189
Fair value reserve reclassified to profit and loss account on disposal of available for sale investments	(872,384)	(872,384)
Deferred tax adjustment on disposal of available for sale investments	252,991	252,991
	(619,393)	(619,393)
	(1,071,089)	(1,071,089)
Total comprehensive loss for the period	856,930	766,640

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


 Chairman


 Director


 Director


 Chief Executive Officer

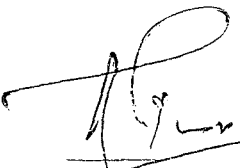
SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
 CONDENSED INTERIM STATEMENT OF CHANGES IN FUND
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017


Operator's Funds				
Statutory fund	Capital reserve	Revenue reserve	Total	
	Fair value reserve	Accumulated profit		
Rupees		Rupees	Rupees	
Balance as at 31 December 2016 (Audited)	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 six month period ended 30 June 2017	-	-	1,837,729	1,837,729
Other comprehensive income	-	(1,071,089)	-	(1,071,089)
	-	(1,071,089)	1,837,729	766,640
Balance as at 30 June 2017 (Unaudited)	50,000,000	7,049	1,063,446	51,070,495

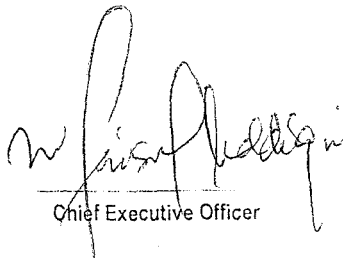
Participants' Takaful Fund				
Ceded Money	Capital reserve	Revenue reserve	Total	
	Fair value reserve	Accumulated profit		
Rupees		Rupees	Rupees	
Balance as at 31 December 2016 (Audited)	500,000	-	(700,751)	(200,751)
Surplus for the period	-	-	243,188	243,188
Balance as at 30 June 2017 (Unaudited)	500,000	-	(457,563)	42,437

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

	30 JUNE 2017		
	Operator's Fund	Participants' Takaful Fund	Aggregate
	Rupees	Rupees	Rupees
Operating cash flows			
<i>a) Takaful activities</i>			
Contribution received	-	1,466,809	1,466,809
Retakaful contribution paid	-	74,992	74,992
Commissions paid	(12,318)	-	(12,318)
Commissions received	-	5,905	5,905
Other underwriting payments	(436,059)	-	(436,059)
Net cash (used in) / flow from takaful activities	(448,377)	1,547,706	1,099,329
<i>b) Other operating activities</i>			
Income tax paid	(4,201)	(966)	(5,167)
Other operating receipts - net	(242,824)	164,578	(78,246)
Net cash flow from other operating activities	(247,025)	163,612	(83,413)
Total cash (used in) / flow from operating activities	(695,402)	1,711,318	1,015,916
Investment activities			
Profit / return received on investment	42,008	9,663	51,671
Payment for investment	(77,329,589)	-	(77,329,589)
Proceeds from disposal of investments	79,329,589	-	79,329,589
Modarib fee received / (paid)	1,933	(1,933)	-
Fixed capital expenditure	(37,000)	-	(37,000)
Total cash flow from investing activities	2,006,941	7,730	2,014,671
Financing activities	-	-	-
Total cash flow from financing activities	-	-	-
Net cash flow from all activities	1,311,539	1,719,048	3,030,587
Cash and cash equivalents at the beginning of year	287,159	622,689	909,848
Cash and cash equivalents at end of the period	1,598,698	2,341,737	3,940,435
Reconciliation to profit and loss account			
Operating cash flows	(695,402)	1,711,318	1,015,916
Depreciation	(7,316)	-	(7,316)
Amortization	(2,056)	-	(2,056)
Income tax paid	4,201	966	5,167
Other income	43,941	7,730	51,671
Increase in assets other than cash	717,740	263,084	980,824
Increase in liabilities	(410,068)	(1,739,910)	(2,149,978)
Investment income	2,974,287	-	2,974,287
Loss / deficit before taxation for the period	2,625,327	243,188	2,868,515

Definition of cash

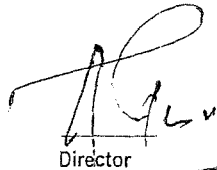
Cash comprises of cash in hand, policy stamps, cheques in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

30 JUNE 2017		
Operator's Fund	Participants' Takaful Fund	Aggregate
Rupees	Rupees	Rupees
<u>1,598,698</u>	<u>2,341,737</u>	<u>3,940,435</u>

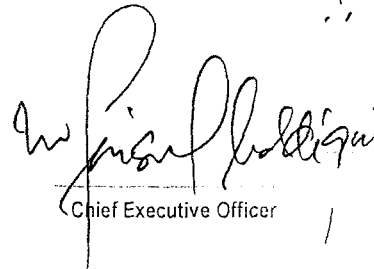
Current and other accounts

The annexed notes from 1 to 13 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 SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**

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 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, accidental and health, 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. The Company operates only in Pakistan.

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

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim financial information for the six months period ended 30 June 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000; the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 shall prevail.

The disclosures made in this condensed interim financial information have, however, been made on format prescribed in the Insurance Rules, 2017 and circular 25 of 2015 dated 9 July 2015.

Previously, the Securities and Exchange Commission (Insurance) Rules, 2002 were being complied which has now been replaced by Insurance Rules, 2017. Accordingly, condensed interim statement of contribution, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income required under repealed Securities and Exchange Commission (Insurance) Rules, 2002, have not been presented in this condensed interim financial information. Furthermore, the Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

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, and should be read in conjunction with the Operator's financial statements for the period from 22 September 2016 to 31 December 2016. This is the first set of condensed interim financial information of Sindh Insurance Limited - Window Takaful Operations.

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 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Operator as at and for the period from 22 September 2016 to 31 December 2016, except as follows:

The accounting treatment of 'available for sale investments' prescribed in Securities and Exchange Commission (Insurance) Rules, 2002 stands repealed on promulgation of Insurance Rules, 2017 applicable during the period. Following the Insurance Rules, 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 the repealed Securities and Exchange Commission (Insurance) Rules, 2002, 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. The resultant impairment loss, if any, was being charged to profit and loss account.

Following the application of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement", the Company's policy for treatment of 'available for sale' investments stands amended as follows:

Quoted 'available for sale' investments

Subsequent to initial measurement, 'available for sale' investments in listed securities are re-measured to fair value on each reporting date. Net gains and losses arising on changes in fair values of these investments are taken to equity through other comprehensive income. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to profit and loss account. Fair values of listed securities are the quoted prices on the stock exchange at balance sheet date.

Unquoted 'available for sale' investments

Unquoted equity securities are stated at cost less impairment loss, if any.

The Operator's condensed interim financial information is affected by the remeasurements of 'available for sale' investments relating to prior years. The effects have been summarized below:

	31 December 2016 Rupees
Impact on Statement of Financial Position - Operator's Fund	
Assets:	
Increase in investments:	
Equity securities	<u>1,540,197</u>
Liabilities:	
Increase in deferred tax liability:	<u>462,059</u>
Operator's Fund	
Increase in fair value reserve	<u>1,078,138</u>
Impact on Statement of Comprehensive Income	
Other comprehensive income	
Increase in fair value on remeasurement of 'available for sale' investments (gross of deferred tax)	1,540,197
Increase in deferred tax	<u>(462,059)</u>
	<u>1,078,138</u>

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

4 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 period from 22 September 2016 to 31 December 2016.

5 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 as at and for the period from 22 September 2016 to 31 December 2016.

6 INTANGIBLE ASSETS

During the six months period ending 30 June 2017, additions amounting to Rupees 37,000 were made.

7 INVESTMENTS IN EQUITY SECURITIES

	30 June 2017 (Unaudited)			31 December 2016 (Audited)		
	Amortized cost	Fair value adjustment	Carrying market value	Amortized cost	Fair value adjustment	Carrying market value
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Available for sale				Restated	Restated	Restated
Others						
Meezan Islamic Income Fund	51,010,039	9,928	51,019,967	25,546,333	667,813	26,214,146
Meezan Sovereign Fund	-	-	-	24,489,419	872,384	25,361,803
	<u>51,010,039</u>	<u>9,928</u>	<u>51,019,967</u>	<u>50,035,752</u>	<u>1,540,197</u>	<u>51,575,949</u>

30 June 2017 (Unaudited)			31 December 2016 (Audited)
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Rupees	Rupees	Rupees	Rupees

8 OTHER CREDITORS AND ACCRUALS

Provincial sales tax on services	6,430	152,823	159,253	41,865
Federal insurance fee	-	11,639	11,639	3,023
Tax deducted / collected at source	20,668	2,120	22,788	3,030
Payable to Sindh Insurance Limited	1,186,018	-	1,186,018	1,013,518
Sundry creditors	78,169	84,653	162,822	220,105
	<u>1,291,285</u>	<u>251,235</u>	<u>1,542,520</u>	<u>1,281,541</u>

9 CONTINGENCIES AND COMMITMENTS

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

10 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 as follows:

	Three months period ended 30 June	Six months period ended 30 June
Transactions	2017	2017
Sindh Insurance Limited	(32,500)	172,500
	30 June 2017	31 December 2016
Balances	Rupees	Rupees
Payable to Sindh Insurance Limited	1,186,018	1,013,518
Sindh Bank Limited (SBL)	3,940,435	909,848

11 OPERATING SEGMENTS

The following table presents information regarding the segments of Participants' Takaful Fund:

	Fire and Property Damage	Marine, Aviation & Transport	Motor	Accident and health	Miscellaneous	Treaty	Total
	2017	2017	2017	2017	2017	2017	2017
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment results							
Contribution receivable	132,494	3,340	1,360,831	-	14,950	-	1,511,615
Less: Fedral exercise duty	16,262	381	158,358	-	1,705	-	176,706
Federal insurance fee	1,150	28	11,904	-	131	-	13,213
Gross written contribution	115,082	2,931	1,190,569	-	13,114	-	1,321,696
Gross direct contribution	24,598	1,139	351,759	-	12,680	-	390,176
Facultative inward contribution	-	-	-	-	-	-	-
Admisitrative surcharge	1,230	57	10,766	-	634	-	12,687
Contribution earned	25,828	1,196	362,525	-	13,314	-	402,863
Re-takaful expense	22,143	1,028	6,411	-	9,507	-	39,089
Net contribution earned	3,685	168	356,114	-	3,807	-	363,774
Rebate from re-takaful operators	564	236	5,905	-	(2,637)	-	4,068
Net underwriting income	4,249	404	362,019	-	1,170	-	367,842
Insurance claims	-	-	-	-	-	-	-
Re-takaful and other recoveries	-	-	-	-	-	-	-
Net claims	-	-	-	-	-	-	-
Net claims and expenses	-	-	-	-	-	-	-
Underwriting result	4,249	404	362,019	-	1,170	-	367,842
Other income							7,730
Wakala expense							(132,384)
Profit before tax							<u>243,188</u>
Segment assets	63,069	1,606	652,475	-	7,187		724,337
Un-allocated assets							2,341,737
- Participant Takaful fund							53,551,698
- Operator's Fund							<u>56,617,772</u>
Segment liabilities	263,272	6,705	2,723,658	-	30,001		3,023,636
Un-allocated liabilities							2,481,204
- Operator's Fund							<u>5,504,840</u>

12 DATE OF AUTHORIZATION FOR ISSUE

25 AUG 2017

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

13 GENERAL

- Figures have been rounded to the nearest Rupees
- Nomenclature of the certain statements and line items disclosed in the statements have been changed and corresponding figures have been re-arranged wherever considered necessary to ensure compliance with new promulgated format for reporting issued by SECP vide its order number S.R.O 89(I)/2017 dated 9 February 2017.



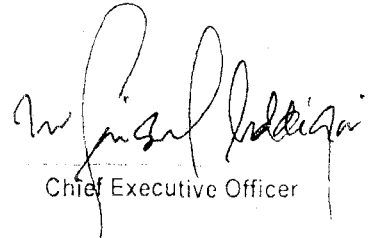
Chairman



Director



Director



Chief Executive Officer

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO


SINDH INSURANCE
 POWER TO THE PEOPLE

PATTERN OF SHAREHOLDINGS
 HELD BY THE SHAREHOLDERS OF
 SINDH INSURANCE LIMITED
 AS AT JUNE 30, 2017

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
1	From 1	To 49,999,993	49,999,993	99.999986
7	From 49,999,994	To 50,000,000	7	0.000014
8			50,000,000	100.0000

Categories of Shareholders	Shareholders	Shares Held	Percentage
<u>Associated Company</u>	-	-	-
<u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas</u>	-	-	-
<u>Mutual Funds</u>	-	-	-
<u>Other Companies</u>	-	-	-
<u>Shareholding Above 5%</u>			
Governamet of Sindh	1	49,999,993	99.999986
<u>Directors, CEO, Executives and their Spouses and Minor Childrens</u>			
Muhammad Bilal Sheikh	1	1	0.000002
Syed Hassan Naqvi	1	1	0.000002
Ahmed Salahuddin	1	1	0.000002
Syed Akhtar Ul Islam	1	1	0.000002
Muhammad Aley Abid	1	1	0.000002
Zahid Hussain	1	1	0.000002
Maudood Ahmad Lodhi	1	1	0.000002
<u>Individuals</u>	-	-	-
Total	8	50,000,000	100.000000

Sindh Insurance Limited


 Nadeem Akhtar
 Company Secretary

Sindh Insurance Co. Ltd.
 Head Office: 1st Floor, Imperial Court
 Dr. Ghaffar Ahmed Road,
 Karachi - Pakistan

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