

SINDH INSURANCE LIMITED

CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE NINE MONTH
PERIOD ENDED SEPTEMBER 30, 2017

CONTENTS

SINDH INSURANCE LIMITED INTERIM CONDENSED FINANCIAL STATEMENTS

Contents	
Directors' Review	
Balance Sheet	
Profit and Loss Account	
Statement of Comprehensive Income	
Statement of Changes in Equity	
Statement of Cash Flows	
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	
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@sindhinsuranceltd.com
Website : www.sindhinsuranceltd.com

Directors' Review

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

COMPANY PERFORMANCE REVIEW

During the nine months period ended September 30, 2017, the company underwrote risk assets which generated gross premium of Rs. 2,762.611 million. Company's underwriting resulted in profit of Rs. 49.097 million from a loss of Rs. 3.887 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. 128.446 million during the period under review as compared to the Rs. 49.956 million in corresponding period in last year. Profit before tax stood at Rs. 183.529 million as on September 30, 2017 as compared to Rs. 49.540 million of the corresponding period last year. The Company posted a profit after tax of Rs. 165.055 million for the nine months period ended September 30, 2017 as compared with profit of Rs. 33.927 million in corresponding period. Retained earnings increased from Rs. 156.050 million as at the year ended December 31, 2016 to Rs. 319.805 million for the nine months period ended September 30, 2017.

The total assets of the company increased to Rs. 6,071 million as compared with Rs. 2,989 million as at the year ending December 31, 2016. Total equity of the Company stands over Rs. 819.985 million.

INDUSTRY OVERVIEW

The insurance industry's assets base has increased due to the improving economic and political environment, aggressive marketing and sales, increasing consumer demand and wider use of technology. In addition, the Takaful segment has increased its market share due to greater consumer acceptability and the entrance of conventional insurers into the segment as Window Takaful Operators. Although there has been a slight increase in profitability, the accommodative monetary policy may diminish the industry's investment income which may contribute to financial risk. This coupled with the increasing claims may decrease future income.

FUTURE OUTLOOK

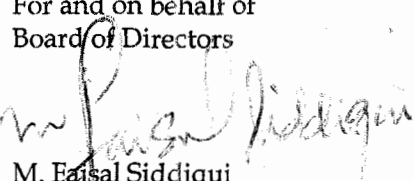
Company is planning to maximize its operations in whole province to procure untouched captive business of the Government of Sindh. The Company is expecting to reach every citizen of Sindh Province through electronic media campaign to enhance awareness about Universal Accident Insurance. Company working on enhance Window Takaful portfolio by capturing 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.

October 31, 2017

SINDH INSURANCE LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2017

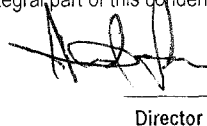
	Note	30 September 2017 Rupees (Unaudited)	31 December 2016 Rupees (Audited) Restated
Assets			
Property and equipment	6	22,327,648	23,707,208
Intangible assets		1,318,368	2,379,026
Investments			
Equity securities	7	-	461,579,966
Debt securities	8	386,461,215	435,415,172
Term deposits	9	2,101,301,848	1,580,816,263
Loans and other receivable		107,980,561	26,527,202
Insurance / reinsurance receivable		3,152,233,398	80,791,479
Re-insurance recoveries against outstanding claims		16,971,510	6,372,999
Deferred commission expense		1,539,851	1,896,084
Taxation - payment less provisions		496,641	3,222,839
Prepayments	10	177,299,500	244,848,894
Cash and bank		45,541,423	69,809,429
		<u>6,013,471,963</u>	<u>2,937,366,561</u>
Total assets of Window Takaful Operations - Operator's Fund		54,099,189	52,054,559
Total Assets		<u><u>6,067,571,152</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		1,005,065	2,526,628
Unappropriate profit		272,144,900	156,050,784
Total Equity		<u>773,149,964</u>	<u>658,577,412</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		2,302,696,583	492,762,702
Unearned premium reserves		2,349,558,781	1,717,299,804
Premium deficiency reserves		6,187,705	627,816
Unearned reinsurance commission		4,901,611	5,155,112
Deferred taxation		1,586,699	2,544,592
Premium received in advance		411,262	376,104
Insurance / reinsurance payables		72,715,278	40,430,817
Other creditors and accruals	11	553,813,408	69,896,057
Taxation - provision less payment		-	-
Total liabilities		<u>5,291,871,328</u>	<u>2,329,093,004</u>
Total liabilities of Window Takaful Operations - Operator's Fund		2,549,859	1,750,704
Total Equity and Liabilities		<u><u>6,067,571,152</u></u>	<u><u>2,989,421,120</u></u>

Contingencies and commitments

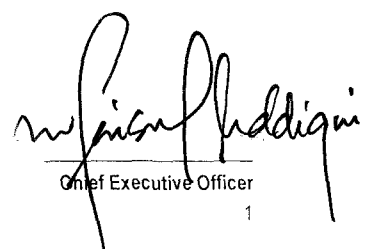
12

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)

	Note	Three months period ended 30 September		Nine months period ended 30 September	
		2017	2016	2017	2016
		Rupees	Rupees	Rupees	Rupees
Net insurance premium		683,441,707	26,479,149	2,028,591,783	67,993,555
Net insurance claims	13	(590,634,967)	(12,198,192)	(1,849,985,487)	(30,189,108)
Premium deficiency		-	-	(5,559,889)	-
Net commission and other acquisition cost		(63,112,873)	42,850	(102,580,696)	(337,441)
Insurance claims and acquisition expenses		(653,747,840)	(12,155,342)	(1,958,126,072)	(30,526,549)
Management expenses	15	(11,212,144)	(11,565,147)	(38,116,296)	(41,354,093)
Underwriting results		18,481,725	2,758,660	32,349,415	(3,887,087)
Investment income		42,409,807	9,346,711	128,446,648	49,956,884
Other income	16	1,353,347	518,384	4,678,020	4,171,808
Other expenses		(240,000)	(441,430)	(720,000)	(700,950)
Results of operating activities		62,004,878	12,182,325	164,754,083	49,540,656
Profit from Window Takaful Operations		189,313	-	2,027,042	-
Profit before tax		62,194,191	12,182,325	166,781,125	49,540,656
Income tax expense		(17,256,082)	(3,658,329)	(49,386,247)	(15,612,996)
Profit after tax		44,938,109	8,523,997	117,394,879	33,927,660
Earnings (after tax) per share - basic and dilute	14	0.90	0.17	2.35	0.68

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
	Rupees	Rupees Restated	Rupees	Rupees Restated
Profit after tax	44,938,109	8,523,997	117,394,879	33,927,660

Other comprehensive income


Items that will be reclassified subsequently to profit and loss account

Fair value adjustment on remeasurement of available for sale investments	535,436	(1,697,084)	(343,927)	(1,697,084)
Deferred tax on fair value adjustment	-	531,907	275,707	531,907
Fair value reserve reclassified to profit and loss account on disposal of available for sale investments	-	-	(946,163)	-
Deferred tax adjustment on disposal of available for sale investments	-	-	274,387	-
	-	-	(671,776)	-
Share of other comprehensive income from Window Takaful Operations	289,522	-	(781,567)	-
	824,958	(1,165,177)	(1,521,563)	(1,165,177)
Total comprehensive income for the period	45,763,067	7,358,820	115,873,316	32,762,483

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



Chairman



Director



Director




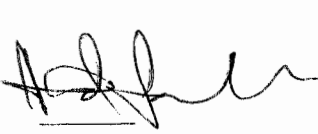
Chief Executive Officer

SINDH INSURANCE LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)

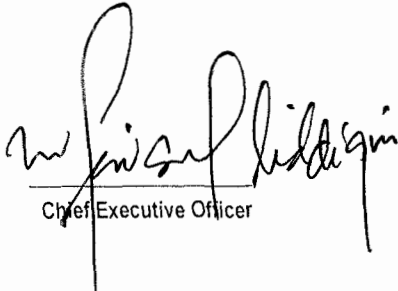
	Attributable to equity holders of the company			Total
	Share capital	Capital reserve	Revenue reserve	
		Fair value reserve	Unappropriated profit	
Rupees	Rupees	Rupees	Rupees	
Balance as at 31 December 2015 (Audited)	500,000,000	-	99,344,049	599,344,049
Effect of restatement on remeasurement of available 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 nine month period ended 30 September 2017	-	-	117,394,879	117,394,879
Other comprehensive income	-	(1,521,563)	(1,300,763)	(2,822,326)
Total comprehensive income	-	(1,521,563)	116,094,116	114,572,553
Balance as at 30 September 2017 (Unaudited)	500,000,000	1,005,065	272,144,900	773,149,964

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


 Chairman


 Director


 Director


 Chief Executive Officer

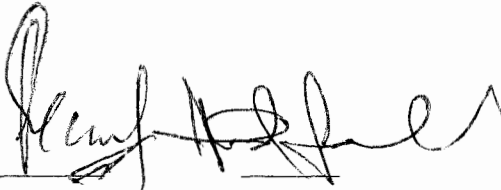
SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)

	30 September 2017 Rupees	30 September 2016 Rupees
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Insurance premiums received	(288,800,869)	385,814,566
Reinsurance premiums paid	(22,417,116)	(287,994,801)
Claims paid	(59,534,563)	(25,345,358)
Reinsurance and other recoveries received	8,884,449	3,174,991
Commissions paid	(110,650,556)	(4,343,827)
Commissions received	8,172,391	5,775,981
Other underwriting payments	(720,000)	(24,036,200)
Net cash flows from underwriting activities	(465,066,264)	53,045,351
<i>b) Other operating activities</i>		
Income tax paid	(47,096,992)	(9,107,982)
Management and administrative expenses paid	449,397,703	(21,058,058)
Other operating payments	(31,209,176)	1,455,241
Net cash used in other operating activities	371,091,535	(28,710,799)
Net cash (used in) / flows from operating activities	(93,974,729)	24,334,553
INVESTMENT ACTIVITIES		
Profit / return received on investment	76,040,606	35,249,659
Other income received	4,678,020	4,171,808
Investment related expenses paid	-	(14,950)
Payments for investments	(2,748,535,043)	(2,257,490,835)
Proceeds from disposal of investments	2,738,189,639	2,233,864,911
Fixed capital expenditure	(666,500)	(1,523,100)
Net cash flows from investing activities	69,706,722	14,257,494
FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net cash flows from all activities	(24,268,007)	38,592,045
Cash and cash equivalents at the beginning of year	69,809,429	53,336,642
Cash and cash equivalents at end of the period	45,541,422	91,928,688



	30 September 2017	30 September 2016
	Rupees	Rupees
Reconciliation to profit and loss account		
Operating cash flows	(93,974,729)	24,334,552
Depreciation on fixed assets	(2,039,950)	(2,083,976)
Amortization of intangibles	(1,060,658)	(945,241)
Investment related expenses	-	(14,950)
Income tax paid	47,096,992	9,107,982
Decrease / increase in assets other than cash	3,045,872,530	309,400,109
Decrease / increase in liabilities	(2,964,264,771)	(344,401,463)
Investment income	128,446,648	49,971,834
Profit from Window Takaful Operations	2,027,042	-
Other income	4,678,020	4,171,808
Profit before taxation	166,781,126	49,540,656

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 nine months period ended 30 September 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 and the Insurance Accounting Regulations, 2017. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 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.

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.



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.

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 Rupees	31 December 2015 Rupees
Impact on Balance Sheet		
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 nine months period are as follows:

	Unaudited			
	30 September 2017		30 September 2016	
	Additions	Disposals	Additions	Disposals
Tangibles	Rupees	Rupees	Rupees	Rupees
Furniture & fixtures	116,800	-	85,700	-
Office equipment	20,000	-	30,000	-
Computers	529,700	-	467,400	-
	666,500	-	583,100	-

7 INVESTMENTS IN EQUITY SECURITIES

	30 September 2017			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	-	-	-	53,419,375	599,799	54,019,174
	-	-	-	460,034,004	1,545,962	461,579,966

8 INVESTMENTS IN DEBT SECURITIES

	30 September 2017			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	51,441,437	270,375	51,711,812	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	76,441,437	270,375	76,711,812	120,887,712	-	120,887,712
	30 September 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	4,856,094	839,427	5,695,521	4,886,043	279,024	5,165,067
3 Year Pakistan Investment Bonds	303,586,456	467,426	304,053,882	309,118,108	244,285	309,362,393
B	308,442,550	1,306,853	309,749,403	314,004,151	523,309	314,527,460
Total	A+B	384,883,987	1,577,228	434,891,863	523,309	435,415,172

	30 September 2017	31 December 2016
	Rupees (Unaudited)	Rupees (Audited)
9 INVESTMENT IN TERM DEPOSITS		
Deposits maturing within 12 months	<u>2,101,301,848</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	176,051,077	243,104,632
Prepaid rent	855,109	1,524,334
Prepaid insurance expense	338,321	195,052
Prepaid miscellaneous expense	54,993	24,876
	<u>177,299,500</u>	<u>244,848,894</u>
11 OTHER CREDITORS AND ACCRUALS		
Agent commission payable	456,352	456,553
Federal excise duty / sales tax	346,121,738	361,893
Federal insurance fee	26,656,278	31,291
Payable to related party	175,430,263	63,997,103
Accrued expenses	2,308,574	2,626,298
Other tax payables	368,213	278,269
Provision for compensated leave absences	2,471,990	2,144,650
	<u>553,813,408</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 2,249,944,786 (2016: 470,341,541).

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2017	2016	2017	2016
14 EARNINGS (AFTER TAX) PER SHARE - BASIC AND DILUTED	Rupees	Rupees	Rupees	Rupees
There is no dilutive effect on the basic earnings per share which is based on:				
Net profit after tax for the period - Rupees	<u>44,938,109</u>	<u>8,523,997</u>	<u>117,394,879</u>	<u>33,927,660</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>0.17</u>	<u>2.35</u>	<u>0.68</u>

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
15 MANAGEMENT EXPENSES				
Employee benefit cost	6,414,393	6,989,632	21,624,184	23,069,239
Travelling expense	344,595	54,031	1,304,369	1,119,917
Advertisement and sales promotion	89,847	-	120,747	-
Printing and stationery	161,231	624,313	696,301	1,402,937
Depreciation	731,078	696,886	2,039,950	2,083,976
Amortization	351,992	360,061	1,060,658	945,241
Rent, rates and taxes	753,624	518,417	2,248,639	1,686,951
Legal and professional charges - business related	16,970	187,840	596,215	3,837,165
Electricity, gas and water	495,104	316,320	1,245,969	822,145
Entertainment	6,280	169,331	143,055	622,850
Vehicle running expense	1,110	-	24,816	-
Office repair and maintenance	150,649	584,925	917,030	1,360,013
Bank charges	11,768	292,374	24,061	350,792
Postage, telegrams and telephones	128,079	108,477	422,144	340,835
Insurance Ombudsman expense contribution	-	331,704	-	657,455
Annual supervision fee SECP	-	-	133,216	100,035
Service charges (Health Econnex)	1,139,762	90,228	3,142,045	1,895,968
Miscellaneous	415,661	240,606	2,372,896	1,058,574
	11,212,144	11,565,145	38,116,296	41,354,093

16 OTHER INCOME

Profit on bank deposit	1,187,317	416,799	4,019,228	3,843,214
Income on generator sharing	109,215	109,215	327,645	327,645
Other	56,815	(7,630)	331,147	949
	1,353,347	518,384	4,678,020	4,171,808

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

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
Companies having common directorship				
Sindh Bank Limited (SBL)				
Income on saving accounts	1,187,317	421,799	4,019,228	3,848,214
Premium written	66,787,480	56,719,796	68,050,806	65,545,225
Claim paid	7,727,910	6,186,204	29,529,591	22,091,161
Sindh Modarba Management Limited (SMML)				
Premium written	278,502	339,770	279,401	377,795
Claim paid	375,984	160,116	426,304	172,116
Income on sharing of generator	109,215	109,215	327,645	327,645

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
Sindh Leasing Company Limited (SLCL)				
Premium	250,279	189,082	1,660,653	1,514,947
Claim paid	129,777	11,640	200,671	679,210
Sindh Microfinance Bank Limited				
Premium written	527,518	35,718	1,343,830	181,895
Claim paid	90,000	-	90,000	-
Health Econnex (Private) Limited				
Health claims paid on behalf of Company	8,616,670	4,714,858	24,692,350	17,216,014
Service charges	1,139,732	111,427	3,142,045	1,797,540
Directors				
Meeting Fee	175,000	325,000	525,000	500,000
Key Management Personnel				
Remuneration & benefits paid	4,971,783	3,724,168	12,443,239	9,996,222
Retirement benefits	203,382	189,955	610,146	569,863
Employees' fund				
Contribution to provident fund	307,588	308,291	945,034	930,130
Government of Sindh				
Expenses incurred on behalf of Government of Sindh	2,131,213	-	29,324,753	-
Share of profit of Universal Accidental Policy	65,827,813	-	107,521,542	-
			Balance as	Balance as
Balances			on 30	on 31
			September	December
			2017	2016
Companies having common directorship				
Sindh Bank Limited (SBL)				
Bank accounts			44,510,007	68,940,225
Due from insurance contract holder			64,459,891	33,392,850
Claim payable			20,546,288	12,683,152
Payable to Sindh Bank Limited			11,124,397	7,212,799
Sindh Modarba Management Limited (SMML)				
Premium received in advance			23,943	24,842
Claim payable			5,000	35,879
Amount receivable for sharing of generator			109,215	218,430
Sindh Leasing Company Limited (SLCL)				
Due from insurance contract holder			674,211	313,576
Claim payable			345,000	15,000
Health Econnex (Private) Limited				
Advance for health claim expense			646,746	223,946
Receivable From Sindh Insurance Limited - Window Takaful Operations			1,652,124	1,013,518
Government of Sindh				
Receivable from Government of Sindh			37,059,486	7,734,733
Payable to Government of Sindh			164,305,866	56,784,324

18 OPERATING SEGMENTS

Segment results	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	2017	2016	2017	2016	2017	2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Premium receivable	11,787,279	25,736,902	3,689,617	75,358,949	39,926,040	41,062,467	2,688,427,138	43,200,182	22,794,336	253,792,641	-	-	-	-	2,766,624,410	439,151,141					
Less: Federal exercise duty	1,121,471	1,047,774	501,638	139,065	4,625,572	3,720,390	343,699,200	1,960,586	2,227,115	1,960,586	-	-	-	-	352,174,996	6,867,815					
Federal insurance fee	83,276	249,870	34,697	761,287	353,971	269,931	26,893,960	431,895	228,044	2,582,252	-	-	-	-	27,993,948	4,295,235					
Gross written premium	10,582,532	24,439,258	3,153,282	74,456,557	34,946,497	37,072,146	2,317,833,978	42,768,287	20,339,177	249,249,803	-	-	-	-	2,386,855,466	427,988,091					
Gross direct premium	15,403,411	12,887,185	20,219,997	11,488,620	26,917,020	18,571,972	1,988,058,453	28,723,306	74,745,240	47,262,425	-	-	-	-	2,125,344,121	118,913,508					
Facultative inward premium	2,230,078	745,772	-	-	2,013,624	11,379,627	-	9,178	(3,643)	9,178	-	-	-	-	4,240,059	12,134,577					
Administrative surcharge	81,875	81,900	124,148	29,335	399,910	196,776	8,125	7,542	(194,660)	74,861	-	-	-	768,718	390,414						
Insurance premium earned	17,715,364	13,714,857	20,344,145	11,497,955	29,290,554	30,148,375	1,988,066,578	28,730,848	74,936,257	47,346,454	-	-	-	2,130,352,898	131,438,499						
Insurance premium ceded to reinsurers	16,010,349	12,286,691	17,272,446	10,125,798	6,892,884	1,486,051	-	-	61,585,440	39,546,404	-	-	-	101,761,119	63,444,944						
Net insurance premium	1,705,015	1,428,166	3,071,699	1,372,157	22,397,670	28,662,324	1,988,066,578	28,730,848	13,350,817	7,800,060	-	-	-	2,028,591,783	67,993,555						
Commission income	3,074,174	2,526,059	487,120	143,956	2,790,999	275,873	-	-	2,073,599	1,024,730	-	-	-	8,425,892	3,970,616						
Net underwriting income	4,779,189	3,954,225	3,558,819	1,516,113	25,188,669	28,938,197	1,988,066,578	28,730,848	15,424,416	8,824,790	-	-	-	2,037,017,675	71,964,173						
Insurance claims	4,840,122	951,012	1,790,136	80,409	10,831,554	9,243,289	1,828,471,636	21,623,314	22,534,996	1,450,989	-	-	-	1,869,468,444	33,349,013						
Insurance claims recovered from reinsurers	4,188,952	745,480	313,223	-	3,137,083	339,649	557,914	1,863,698	11,863,698	1,516,802	-	-	-	19,482,957	3,159,905						
Net claims	671,170	205,532	1,476,913	80,409	7,694,471	8,903,640	1,828,471,636	21,065,340	10,671,297	(65,813)	-	-	-	1,849,985,487	30,189,108						
Commission expense	1,895,880	1,473,509	473,724	120,256	851,748	2,640,078	107,583,156	18,084	202,080	51,132	-	-	-	111,006,588	4,308,059						
Management expense	162,582	1,483,048	48,163	4,302,487	501,306	2,349,647	37,092,750	2,489,684	311,495	14,623,021	-	-	-	38,116,296	25,247,887						
Premium deficiency expense	1,776,509	-	(219,766)	-	2,611,206	-	1,391,940	-	-	-	-	-	-	5,559,889	-						
Net insurance claims and expenses	4,506,141	3,167,089	1,779,034	4,503,152	11,658,731	13,893,365	1,975,539,482	23,573,108	11,184,872	14,608,340	-	-	-	2,004,668,260	59,745,054						
Underwriting result	273,048	787,136	1,779,785	(2,987,039)	13,529,938	15,044,832	12,527,096	5,157,740	4,239,544	(5,783,550)	-	-	-	32,349,415	12,219,119						
Net investment income															128,446,648	49,956,884					
Other income															4,678,020	4,171,808					
Other expenses															(720,000)	(16,807,156)					
Profit from Window Takatful Operation															2,027,042	-					
Profit before tax															166,781,125	49,540,655					
Segment assets	14,586,981	4,932,631	4,315,237	11,005,805	44,915,967	7,943,803	3,323,430,957	290,796,284	27,909,299	37,650,999	-	-	-	3,415,138,441	352,328,522						
Un-allocated assets															2,652,432,711	2,637,091,598					
Segment liabilities	20,185,335	32,412,767	5,979,586	72,320,140	62,239,651	52,199,446	4,605,248,331	1,910,848,745	38,673,663	247,408,129	-	-	-	6,067,571,152	2,989,421,120						
Un-allocated liabilities															4,732,326,566	2,315,189,227					
															1,335,244,587	674,231,893					
															6,067,571,152	2,989,421,120					

19 DATE OF AUTHORIZATION FOR ISSUE


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.
- Corresponding figures have been re-arranged where ever 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
STATEMENTS FOR THE NINE MONTH
PERIOD ENDED SEPTEMBER 30, 2017

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
 CONDENSED INTERIM BALANCE SHEET
 AS AT 30 SEPTEMBER 2017

Note	30 September 2017			31 December 2016	
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate	
	Rupees	Rupees	Rupees	Rupees	
			(Unaudited)	(Audited) Restated	
ASSETS					
	Property and equipment	72,018	-	72,018	82,993
6	Intangible assets	34,944	-	34,944	-
	Investments				
7	Equity securities	51,309,489	-	51,309,489	51,575,949
	Loans and other receivable	548,796	69	548,865	5,700
	Amounts due from other takaful/ re-takaful operators	-	1,020,603	1,020,603	333,250
	Deferred commission expense	71,351	-	71,351	-
	Wakala and modarib fee receivable	884,132	-	884,132	98,974
	Deferred wakala fee expense	-	360,183	360,183	93,762
	Taxation - payment less provisions	-	2,883	2,883	3,784
	Prepayments	-	686,346	686,346	33,274
	Cash and bank	1,178,459	3,377,301	4,555,760	909,848
	TOTAL ASSETS	54,099,189	5,447,386	59,546,575	53,137,534


The annexed notes from 1 to 12 form an integral part of these financial statements.




Chairman



Director



Director



Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2017

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

OPERATOR'S FUND

Statutory fund	50,000,000	-	50,000,000	50,000,000
Fair value reserve	296,571	-	296,571	1,078,138
Accumulated profit / (loss)	1,252,759	-	1,252,759	(774,283)
	51,549,330	-	51,549,330	50,303,855

WAQF / PARTICIPANTS' TAKAFUL FUND

Ceded money	-	500,000	500,000	500,000
Accumulated deficit	-	(414,163)	(414,163)	(700,751)
	-	85,837	85,837	(200,751)

LIABILITIES

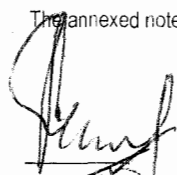
Underwriting provisions

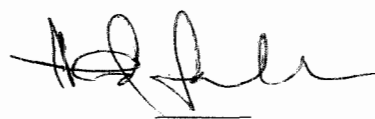
Provision for unearned contribution	-	1,773,467	1,773,467	286,511
Provision for unearned re-takaful rebate	-	159,708	159,708	6,056
Wakala and modarib fee payable	-	884,132	884,132	98,974
Deferred taxation	2,878	-	2,878	462,059
Contribution received in advance	-	62,056	62,056	62,056
Amounts due to other takaful / re-takaful operators	23,201	2,033,516	2,056,717	743,471
Provision for unearned wakala fee	360,183	-	360,183	93,762
Other creditors and accruals	1,385,499	448,670	1,834,169	1,281,541
Taxation - provision less payment	778,098	-	778,098	-
TOTAL LIABILITIES	2,549,859	5,361,549	7,911,408	3,034,430
TOTAL FUND AND LIABILITIES	54,099,189	5,447,386	59,546,575	53,137,534

CONTINGENCIES AND COMMITMENTS


9

The annexed notes from 1 to 12 form an integral part of these financial statements.


Chairman


Director


Director


Chief Executive Officer

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

	Three months period ended 30 September 2017	Nine months period ended 30 September 2017
	2017	2017
	Rupees	Rupees
Note		
<u>Participants' Takaful Fund - revenue account</u>		
Net contribution revenue	459,854	823,628
Wakala expense	(386,353)	(518,737)
Net claims	(90,600)	(90,600)
Rebate on retakaful	45,097	49,165
	(431,856)	(560,172)
Underwriting results	27,998	263,456
Other income	15,402	23,132
Surplus for the period	43,400	286,588
<u>Operator's Fund - revenue account</u>		
Wakala fee	386,353	518,737
Commission expense	(21,522)	(28,749)
Management expenses	(113,360)	(549,418)
	251,471	(59,430)
Modarib's share of PTF investment income	3,833	5,766
Net investment income	-	2,974,287
Other income	15,143	57,151
	270,447	2,977,774
Other expenses	-	(82,000)
Profit before tax	270,447	2,895,774
Taxation	(81,134)	(868,732)
Profit after tax	189,313	2,027,042

The annexed notes from 1 to 12 form an integral part of these financial statements.



Chairman



Director



Director



Chief Executive Officer


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

	Three months period ended 30 September 2017 Rupees	Nine months period ended 30 September Rupees
Profit after tax	189,313	2,027,042
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss account		
Fair value adjustment on remeasurement of 'available for sale' investments	289,522	(368,363)
Deferred tax on fair value adjustment	-	206,189
Fair value reserve reclassified to profit and loss account on disposal of available for sale investments	-	(872,384)
Deferred tax adjustment on disposal of available for sale investments	-	252,991
	-	(619,393)
	289,522	(781,567)
Total comprehensive income for the period	478,835	1,245,475

The annexed notes from 1 to 12 form an integral part of these financial statements.




Chairman



Director



Director



Chief Executive Officer



SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
 CONDENSED INTERIM STATEMENT OF CHANGES IN FUND
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 nine month period ended 30 September 2017	-	-	2,027,042	2,027,042
Other comprehensive income	-	(781,567)	-	(781,567)
	-	(781,567)	2,027,042	1,245,475
Balance as at 30 September 2017 (Unaudited)	50,000,000	296,571	1,252,759	51,549,330

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	-	-	286,588	286,588
Balance as at 30 September 2017 (Unaudited)	500,000	-	(414,163)	85,837

The annexed notes from 1 to 12 form an integral part of these financial statements.


 Chairman

 
 Director Director


 Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017**

	30 SEPTEMBER 2017		
	Operator's Fund	Participants' Takaful Fund	Aggregate
	Rupees	Rupees	Rupees
Operating cash flows			
a) Takaful activities			
Contribution received	-	2,241,662	2,241,662
Retakaful contribution paid	-	196,289	196,289
Wakala fee received / (paid)	-	-	-
Claims paid	-	(65,600)	(65,600)
Commissions paid	(76,899)	-	(76,899)
Commissions received	-	-	-
Other underwriting payments	(549,418)	-	(549,418)
Net cash (used in) / flow from takaful activities	(626,317)	2,372,351	1,746,034
b) Other operating activities			
Income tax paid	(86,850)	(2,883)	(89,732)
Other operating payments - net	(421,449)	362,080	(59,369)
Net cash flow from other operating activities	(508,298)	359,198	(149,101)
Total cash flow from operating activities	(1,134,615)	2,731,549	1,596,934
Investment activities			
Profit / return received on investment	57,151	28,829	85,980
Payment for investment	(77,329,589)	-	(77,329,589)
Proceeds from disposal of investments	79,329,589	-	79,329,589
Modarib fee received / (paid)	5,766	(5,766)	0
Fixed capital expenditure	(37,000)	-	(37,000)
Total cash used in investing activities	2,025,917	23,063	2,048,980
Financing activities	-	-	-
Total cash flow from financing activities	-	-	-
Net cash flow from all activities	891,300	2,754,612	3,645,912
Cash and cash equivalents at the beginning of year	287,159	622,689	909,848
Cash and cash equivalents at end of the period	1,178,459	3,377,301	4,555,760
Reconciliation to profit and loss account			
Operating cash flows	(1,134,615)	2,731,549	1,596,933
Depreciation	(10,975)	-	(10,975)
Amortization	(2,056)	-	(2,056)
Income tax paid	86,849	2,883	89,732
Other income	62,917	23,132	86,049
Increase in assets other than cash	1,399,607	1,606,848	3,006,455
Increase in liabilities	(480,239)	(4,077,823)	(4,558,062)
Investment income	2,974,286	-	2,974,286
Loss / deficit before taxation for the period	2,895,775	286,588	3,182,363

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
1,178,459	3,377,301	4,555,760

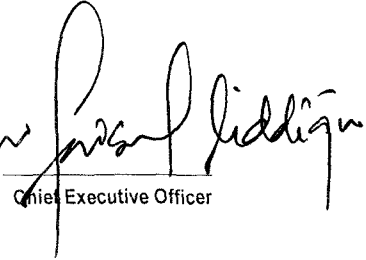
Current and other accounts

The annexed notes from 1 to 12 form an integral part of these financial statements.


Chairman


Director


Director


Chief Executive Officer

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 nine months period ended 30 September 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 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 Balance Sheet	
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 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 nine months period ending 30 September 2017, additions amounting to Rupees 37,000 were made.

7 INVESTMENTS IN EQUITY SECURITIES

	30 SEPTEMBER 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	299,450	51,309,489	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>299,450</u>	<u>51,309,489</u>	<u>50,035,752</u>	<u>1,540,197</u>	<u>51,575,949</u>

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

8 OTHER CREDITORS AND ACCRUALS

Provincial sales tax on services	6,430	325,345	331,775	41,865
Federal insurance fee	-	23,911	23,911	3,023
Tax deducted / collected at source	33,487	2,779	36,266	3,030
Payable to Sindh Insurance Limited	1,186,018	-	1,186,018	1,013,518
Sundry creditors	159,564	96,634	256,198	220,105
	<u>1,385,499</u>	<u>448,669</u>	<u>1,834,168</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 in relevant notes to these condensed financial information.

	Three months period ended 30 September	Nine months period ended 30 September
	2017	2017
<u>Transactions</u>	Rupees	Rupees
Sindh Insurance Limited	1,150	175,020
	30 September 2017	31 December 2016
<u>Balances</u>	2017	2017
	Rupees	Rupees
Payable to Sindh Insurance Limited	1,186,018	1,013,518
Sindh Bank Limited	4,555,760	909,848

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)

11 DATE OF AUTHORIZATION FOR ISSUE

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

12 GENERAL

- Figures have been rounded to the nearest Rupees.

- Corresponding figures have been re-arranged where ever 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