



CONDENSED INTERIM
FINANCIAL INFORMATION
OF
SINDH INSURANCE LIMITED
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2022

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **SINDH INSURANCE LIMITED** ("the Company") as at June 30, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

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 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 interim financial information as at and for the six month period ended June 30, 2022 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarter ended June 30, 2022 and June 30, 2021 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 27 JUL 2022

UDIN: RR202210067sfpdAoQT3

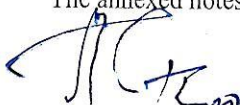



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer


SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		June 30 2022 (Unaudited)	December 31 2021 (Audited)
	Note	----- Rupees-----	
ASSETS			
Property and equipment	6	27,097,282	30,595,494
Intangible assets	7	2,385,680	535,724
Investments			
Debt securities	8	3,523,750,981	3,486,434,708
Term deposit receipts	9	200,000,000	200,000,000
Loans and other receivables	10	78,264,782	56,269,320
Insurance / reinsurance receivables	11	417,570,859	499,185,261
Reinsurance recoveries against outstanding claims		69,918,327	31,498,162
Deferred commission expense		571,726	684,676
Deferred taxation		2,271,277	1,223,413
Prepayments	12	65,774,150	275,628,174
Taxation - net		-	6,630,122
Cash and bank	13	114,743,196	58,880,331
		<u>4,502,348,260</u>	<u>4,647,565,385</u>
Total assets of Window takaful operations - Operator's Fund		74,400,497	72,458,554
TOTAL ASSETS		<u><u>4,576,748,757</u></u>	<u><u>4,720,023,939</u></u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		1,000,000,000	1,000,000,000
Revaluation reserve on available for sale investments		(320,399)	78,342
Unappropriated profit		1,593,891,503	1,414,136,108
TOTAL EQUITY		<u>2,593,571,104</u>	<u>2,414,214,450</u>
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	19	1,613,928,923	1,614,078,247
Unearned premium reserves	18	122,596,597	403,196,349
Premium deficiency reserves		12,918,763	29,032,000
Unearned reinsurance commission	20	9,197,466	10,761,048
		1,758,641,749	2,057,067,644
Premium received in advance		2,986,690	2,451,894
Insurance / reinsurance payables	14	176,910,412	207,129,686
Other creditors and accruals	15	20,882,216	25,054,964
Lease liabilities	16	4,912,314	6,039,999
Taxation - net		10,641,501	-
TOTAL LIABILITIES		<u>1,974,974,882</u>	<u>2,297,744,187</u>
Total liabilities of Window takaful operations - Operator's Fund		8,202,771	8,065,302
TOTAL EQUITY AND LIABILITIES		<u><u>4,576,748,757</u></u>	<u><u>4,720,023,939</u></u>
CONTINGENCIES AND COMMITMENTS			
	17		

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


CHAIRMAN


CHIEF EXECUTIVE OFFICER

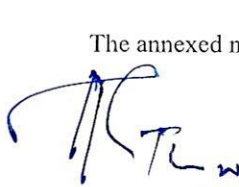

DIRECTOR

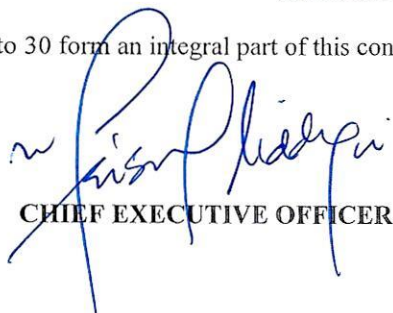

DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Note	Six months period ended		Three months period ended	
		June 30 2022	June 30 2021	June 30 2022	June 30 2021
		----- Rupees-----		----- Rupees-----	
Net insurance premium	18	109,285,403	59,022,946	57,753,123	30,844,354
Net insurance claims	19	(36,744,899)	(3,209,755)	(14,866,536)	8,458,384
Premium deficiency		16,113,237	9,160,858	10,767,825	2,739,471
Net commission	20	11,736,168	(8,880,463)	6,312,848	(12,986,806)
Insurance claims and acquisition expenses		(8,895,494)	(2,929,360)	2,214,138	(1,788,951)
Management expenses	21	(56,029,421)	(44,542,506)	(30,695,016)	(23,300,751)
Underwriting results		44,360,488	11,551,080	29,272,245	5,754,651
Investment income	22	210,272,145	224,307,913	115,814,451	69,403,992
Other income	23	5,727,921	3,936,619	3,567,022	1,653,445
Other expenses		(8,356,809)	(6,400,770)	(4,142,883)	(2,891,204)
General Insurance Operations		252,003,745	233,394,842	144,510,835	73,920,884
Profit before tax from Window Takaful Operations		3,015,089	1,405,198	1,983,537	688,309
Profit before tax		255,018,834	234,800,041	146,494,372	74,609,194
Income tax expense		(75,263,439)	(67,144,280)	(43,222,489)	(20,896,832)
Profit after taxation		179,755,395	167,655,761	103,271,883	53,712,362
Earnings per share - basic and diluted	24	1.80	1.68	1.03	0.54

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


CHAIRMAN


CHIEF EXECUTIVE OFFICER


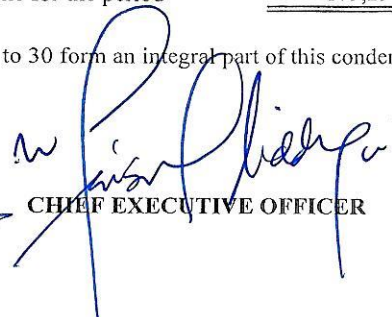



DIRECTOR


DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2022

	Six months period ended		Three months period ended	
	June 30 2022	June 30 2021	June 30 2022	June 30 2021
	----- Rupees-----		----- Rupees-----	
Profit after taxation	179,755,395	167,655,761	103,271,883	53,712,362
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss account				
Unrealised (loss)/gain on available for sale investments	(93,656)	(108,073,939)	(93,656)	-
Deferred tax on available for sale investments	27,160	31,341,442	27,160	-
	(66,496)	(76,732,497)	(66,496)	-
Items that will not be reclassified subsequently				
Gain / (loss) on remeasurement of defined	-	-	(144,767)	-
Tax impact	-	-	-	-
Net unrealised loss from Window Takaful Operations - Operators Fund net of deferred tax	(398,741)	(315,953)	(553,313)	(315,953)
Total comprehensive income for the period	<u>179,290,158</u>	<u>90,607,311</u>	<u>102,507,307</u>	<u>53,396,409</u>

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

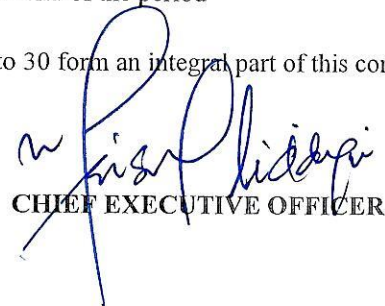
 CHAIRMAN	 CHIEF EXECUTIVE OFFICER	 DIRECTOR	 DIRECTOR
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SINDH INSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	June 30 2022	June 30 2021
	----- Rupees-----	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Insurance premium received	177,807,002	76,937,677
Reinsurance premium paid	(90,403,843)	(22,836,130)
Claims paid	(81,277,984)	(61,685,934)
Reinsurance and other recoveries received	5,963,596	7,868,272
Commission paid	(1,006,658)	(836,737)
Commission received	11,292,712	7,087,946
Underwriting payments	(8,356,809)	(6,400,770)
Net cash flow from underwriting activities	<u>14,018,016</u>	<u>134,324</u>
(b) Other operating activities		
Income tax paid	(59,039,680)	(54,639,696)
Management and administrative expenses paid	(52,952,353)	(32,967,619)
Other operating payments	(7,195,761)	(11,676,342)
Net cash used in other operating activities	<u>(119,187,794)</u>	<u>(99,283,656)</u>
Total cash flow used in all operating activities	<u>(105,169,778)</u>	<u>(99,149,332)</u>
INVESTMENT ACTIVITIES		
Profit / return received	194,927,826	252,756,092
Other income	5,727,921	3,936,619
Payment against investments	(6,107,478,488)	(5,152,221,200)
Proceeds from investment	6,071,518,710	4,962,747,400
Proceeds from sale of property and equipment	-	18,300
Fixed capital expenditure	(2,535,641)	(1,663,256)
Total cash flow generated from investing activities	<u>162,160,328</u>	<u>65,573,955</u>
FINANCING ACTIVITIES		
Principal repayment of lease liability	(1,127,685)	574,771
Net cash (used in) / generated from financing activities	<u>(1,127,685)</u>	<u>574,771</u>
Net cash generated from / (used in) all activities	55,862,865	(33,000,606)
Cash and cash equivalents at beginning of the period	258,880,331	310,727,509
Cash and cash equivalents at end of the period	<u>314,743,196</u>	<u>277,726,903</u>

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


CHAIRMAN


CHIEF EXECUTIVE OFFICER

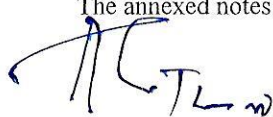

DIRECTOR


DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	June 30 2022	June 30 2021
	----- Rupees-----	
Reconciliation to profit and loss account		
Operating cash flows	(105,169,778)	(99,149,332)
Depreciation expense	(6,009,913)	(3,987,191)
Amortization of intangible	(417,855)	(491,722)
Increase in current assets other than cash	(243,974,105)	(207,223,799)
Increase in operating liabilities	332,535,650	261,362,659
Investment income	210,272,145	224,307,913
Profit from Window Takaful Operations	3,015,089	1,405,198
Other income	5,727,921	3,936,619
Profit for the period	<u>195,979,154</u>	<u>180,160,345</u>
Other adjustments:		
Income tax paid	59,039,680	54,639,696
Profit before taxation	255,018,834	234,800,041
Provision for taxation	(75,263,439)	(67,144,280)
Profit after taxation from conventional insurance operations	179,755,395	167,655,761
Profit from Window Takaful Operations	3,015,089	1,405,198
Profit after tax	<u>182,770,484</u>	<u>169,060,959</u>

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


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR

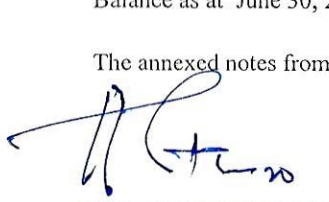

DIRECTOR

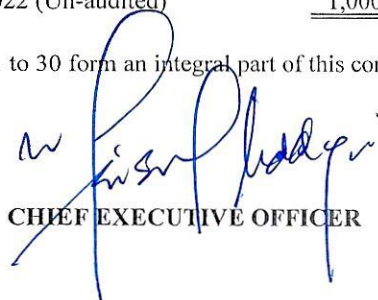
SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

Share capital Issued, subscribed and paid-up capital	Revaluation reserve on available for sale investments	Unappropriated profit	Total
-----Rupees-----			

Balance as at January 01, 2021 (Audited)	1,000,000,000	76,732,497	1,125,577,693	2,202,310,190
Total comprehensive income for the year				
Profit after tax	-	-	288,703,182	288,703,182
Loss on remeasurement of defined benefit obligation	-	-	(144,767)	(144,767)
Takaful Operations-Operator fund-net of tax	-	78,342	-	78,342
Other comprehensive income	-	(76,732,497)	-	(76,732,497)
Total comprehensive income for the year	-	(76,654,155)	288,558,415	211,904,260
Balance as at December 31, 2021 (Un-audited)	1,000,000,000	78,342	1,414,136,108	2,414,214,450
Balance as at January 01, 2022 (Audited)	1,000,000,000	78,342	1,414,136,108	2,414,214,450
Total comprehensive income for the period				
Profit after tax	-	-	179,755,395	179,755,395
Other comprehensive income	-	(398,741)	-	(398,741)
Total comprehensive income for the period	-	(398,741)	179,755,395	179,356,654
Balance as at June 30, 2022 (Un-audited)	1,000,000,000	(320,399)	1,593,891,503	2,593,571,104

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


 CHAIRMAN


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 DIRECTOR

SINDH INSURANCE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 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.
- 1.2 The Company was granted authorisation on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3 SECP carried out an onsite inspection of the Company under Section 59A of the Insurance Ordinance, 2000. Based on the inspection, SECP highlighted various non-compliances with the insurance Ordinance, 2000 and various SROs of SECP in its letter of findings of the Company dated January 4, 2019. These non-compliances (among other compliance, risk management and internal control issues) mainly pertain to accounting treatment of Universal Accident Insurance and Social Benefit Scheme (the Scheme) of the Government of Sindh (GoS). Whereby, the recognition and measurement of premium, claims and commission relating to the Scheme under the Insurance Contract has been challenged on account of the immunity given by GoS to the Company where the Company will not suffer any loss under the Scheme if claims and other related expenditures exceed the revenue of the Company from the Scheme. The management of the Company vide its letter to SECP dated February 4, 2019 conveyed that the said accounting treatment was adopted based on a legal opinion and strongly believes that the adopted treatment is in line with the Insurance Ordinance, 2000. Further, the management assured in its response that most of the issues highlighted by SECP have been complied whereas the management is fully committed to ensure compliance with rest of the non-compliances in due course. No further correspondence has been made by SECP in this regard, during the reporting period.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors as required under Code of Corporate Governance for Insurers, 2016. This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2021 which have been prepared in accordance with accounting and reporting standards as applicable to insurance companies in Pakistan.

This condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017: and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Regulation, 2019.

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Regulation, 2019 differ with the requirements of IAS 34, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019, have been followed.

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated February 9, 2017 has prescribed the format of the presentation of annual financial statements for the general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2021, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the six months period ended June 30, 2021.

In terms of the requirement of the Takaful Rules 2012, read with SECP circular 25 of 2015 dated July 9, 2015, the assets, liabilities and profit and loss of the Operator's fund of the General Takaful Operations of the Company have been presented as single line item in the condensed interim statement of financial position and condensed interim statement of profit or loss account of the Company respectively.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments available-for-sale that have been measured at their fair values.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3.3 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency.

4 USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information in conformity with the requirements of accounting and reporting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimate about carrying amount of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 estimating uncertainty were the same as those applied to the preceding annual audited financial statements of the Company for the year ended December 31, 2021.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual audited financials statements for the year ended December 31, 2021 except as disclosed below.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after January 01, 2022. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 5.1 below.

5.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

Temporary Exemption from Application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for the financial assets with contractual cash flows that meet the 'Solely for Payment of Principal and Interest' (SPPI) criteria excluding those held for trading and for the financial assets that do not meet the SPPI criteria for being eligible to apply the temporary exemption from the application of IFRS 9.

As at reporting date, the fair value of the financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

		June 30 2022 (Unaudited)	December 31 2021 (Audited)
	Note	----- Rupees -----	
6	PROPERTY AND EQUIPMENT		
Operating fixed assets	6.1	23,535,195	25,485,305
Right-of-use assets - Office premises	6.2	3,562,087	5,110,189
		27,097,282	30,595,494

	June 30 2022 (Unaudited)	December 31 2021 (Audited)
Note	----- Rupees -----	
6.1 Operating fixed assets		
Opening balance as at January 01	25,485,305	21,128,431
Additions during the period / year		
Leasehold improvements	-	-
Furniture and fixtures	85,650	196,500
Office equipment	502,739	1,136,670
Computers	-	3,453,486
Vehicles	1,947,252	6,488,530
	2,535,641	11,275,186
Less:		
Written down value of assets disposed off during the period / year	(23,940)	(3,826,809)
Depreciation charge for the period / year	(4,461,811)	(3,091,503)
	<u>23,535,195</u>	<u>25,485,305</u>
6.2 Right-of-use assets - Office premises		
Office premises	<u>3,562,087</u>	<u>12,494,791</u>
Balance as at January 01	5,110,189	8,206,393
Additions during the period / year	-	-
Depreciation charge during the period / year	(1,548,102)	(3,096,204)
	<u>3,562,087</u>	<u>5,110,189</u>
7 INTANGIBLE ASSETS		
Intangible assets	<u>2,385,680</u>	<u>535,724</u>
Opening balance as at January 1	535,724	7,805,322
Additions during the period / year	2,387,199	50,000
Adjustment	(119,388)	(150,000)
Less: Amortization charge for the period / year	(417,855)	(7,169,598)
	<u>2,385,680</u>	<u>535,724</u>
8 INVESTMENTS IN DEBT SECURITIES		
Held To Maturity		
Government Securities		
Pakistan Investment Bonds	8.1 & 8.3	115,074,610
		-

	Note	June 30 2022 (Unaudited)	December 31 2021 (Audited)
		Rupees	
Others			
Corporate sukuk			
TPL Trakker Limited	8.1 & 8.4	-	9,375,000
Available for sale			
Government Securities			
Pakistan Investment Bonds	8.1	946,864,256	113,862,118
Treasury bills	8.1 & 8.2	1,886,812,115	2,788,197,590
Others			
Term Finance Certificates	8.1 & 8.5	575,000,000	575,000,000
		<u>3,523,750,981</u>	<u>3,486,434,708</u>

8.1 Detail of investments in debt securities is as follows

	June 30, 2022 (Unaudited)				December 31, 2021 (Audited)			
	Cost	Impairment / provision	Surplus on revaluation	Carrying value	Cost	Impairment / Provision	Surplus on revaluation	Carrying value
Rupees								
Held to maturity								
Government securities								
Pakistan Investment Bonds	115,074,610	-	-	115,074,610	-	-	-	-
	115,074,610	-	-	115,074,610	-	-	-	-
Others								
Corporate Sukuk								
TPL Trakker Limited	-	-	-	-	9,375,000	-	-	9,375,000
	115,074,610	-	-	115,074,610	9,375,000	-	-	9,375,000
Available for sale								
Government securities								
Pakistan Investment Bonds	946,864,256	-	-	946,864,256	113,862,118	-	-	113,862,118
Treasury Bills	1,886,812,115	-	-	1,886,812,115	2,788,197,590	-	-	2,788,197,590
Others								
Term Finance Certificate - Unquoted								
Meezan Bank Limited	143,000,000	-	-	143,000,000	143,000,000	-	-	143,000,000
Bank Al Habib Limited	132,000,000	-	-	132,000,000	132,000,000	-	-	132,000,000
Soneri Bank Limited	150,000,000	-	-	150,000,000	150,000,000	-	-	150,000,000
United Bank Limited	150,000,000	-	-	150,000,000	150,000,000	-	-	150,000,000
	575,000,000	-	-	575,000,000	575,000,000	-	-	575,000,000
	3,408,676,371	-	-	3,408,676,371	3,477,059,708	-	-	3,477,059,708
	3,523,750,981	-	-	3,523,750,981	3,486,434,708	-	-	3,486,434,708

8.2 These represent Market Treasury Bills (MTBs) having a face value of Rs. 1,945 million (December 31, 2021:Rs.2,845 million) and carrying purchase yield of 12.75% to 14.50% per annum (December 31, 2021: 8.17% to 10.66% per annum).

8.3 This represents Pakistan Investment Bonds having carrying value amounting to Rs. 115.074 million (December 31, 2021: Rs.113.86 million) which are pledged with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.

8.4 These represented Sukuk of TPL Tracker Limited having face value of Rs. Nil (December 31, 2021: Rs. 9.375 million) and carry interest yield of 12.71% per annum (December 31, 2021: 14.70% per annum).

- 8.5 These represent Term Finance Certificates issued by various banks having face value of Rs. 575 million (December 31, 2021: Rs. 575 million) and carry interest yield of 9.89 % to 17.24% per annum (December 31, 2021: 7.68% to 13.56%) per annum. These term finance certificates have maturities upto January 29, 2038 and perpetuity.

	Note	June 30 2022 (Unaudited)	December 31 2021 (Audited)
----- (Rupees) -----			
9 INVESTMENTS IN TERM DEPOSIT RECEIPTS			
Deposits maturing within 12 months-local currency		<u>200,000,000</u>	<u>200,000,000</u>
9.1 These represent term deposit receipts (TDRs) in local currency with commercial bank carrying markup ranging from 9.75% to 13.25% (December 31, 2021: 7.20% to 9.75%) per annum.			
10 LOANS AND OTHER RECEIVABLES			
(Unsecured - considered good)			
Accrued investment income		58,802,800	42,198,625
Loan to employees		(12,546)	953,732
Other receivables		19,474,528	13,116,963
		<u>78,264,782</u>	<u>56,269,320</u>
11 INSURANCE / REINSURANCE RECEIVABLES			
(Unsecured - considered good)			
Due from insurance contract holders	11.1	340,484,690	430,422,022
Provision for impairment of receivables from insurance contract holders		-	-
		<u>340,484,690</u>	<u>430,422,022</u>
Due from other insurers / reinsurers		77,086,169	68,763,239
		<u>417,570,859</u>	<u>499,185,261</u>
11.1 This includes gross amount of Rs. 16.598 million (December 31, 2021: Rs. 28.771 million) due from related parties.			
12 PREPAYMENTS			
Prepaid reinsurance premium ceded		63,417,805	270,205,389
Prepaid insurance expense		2,196,798	4,363,145
Others		159,547	1,059,640
		<u>65,774,150</u>	<u>275,628,174</u>

		June 30 2022 (Unaudited)	December 31 2021 (Audited)
	Note	----- (Rupees) -----	
13 CASH AND BANK			
Cash and cash equivalents			
Cash in hand		84,631	113,345
Policy stamps		1,238,283	1,313,833
Cash at bank			
Savings accounts	13.1	113,420,282	57,453,153
		<u>114,743,196</u>	<u>58,880,331</u>
13.1	These accounts carry interest rates ranging from 6.65% to 11.30% (December 31, 2021: 5.65% to 7.4%) per annum.		
14 INSURANCE / REINSURANCE PAYABLE			
Due to other insurers / reinsurers			
Local		137,458,674	96,828,400
Foreign		39,451,738	110,301,286
		<u>176,910,412</u>	<u>207,129,686</u>
15 OTHER CREDITORS AND ACCRUALS			
Agent commission payable		155,078	154,560
Federal excise duty / sales tax		5,194,168	8,776,536
Federal insurance fee		434,363	697,173
Accrued expenses		5,587,992	7,503,735
Other tax payables		971,018	639,504
Provision for compensated leave absences		4,344,943	3,757,215
Auditors' remuneration		861,852	843,968
Rent payable		1,363,497	1,498,497
Provision for gratuity		1,969,305	1,183,776
		<u>20,882,216</u>	<u>25,054,964</u>
16 LEASE LIABILITY			
Lease liabilities recongnized as at January 1		6,039,999	8,258,540
Add: Additions during the period / year		-	-
Interest accrued		338,487	1,036,589
Less: Repayment of lease liabilities		(1,466,172)	(3,255,130)
		<u>4,912,314</u>	<u>6,039,999</u>

	June 30 2022 (Unaudited)	December 31 2021 (Audited)
Note	----- (Rupees) -----	
16.1 Break up of lease liabilities		
Lease liabilities	4,912,314	6,039,999
Less: Current portion	(4,070,500)	(3,786,296)
	<u>841,814</u>	<u>2,253,703</u>
Maturity analysis - contractual undiscounted cash flows:		
Less than one year	4,128,160	5,323,018
One to five year	681,101	1,490,625
Total undiscounted lease liability	<u>4,809,261</u>	<u>6,813,643</u>

16.2 When measuring lease liabilities, the Company discounted lease payments using incremental borrowing rate of 10.51% to 16.49% (December 31, 2021: 10.51% to 16.49%)

17 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 (December 31, 2021: Nil).

	Six months period ended		Three months period ended	
	June 30 2022 (Unaudited)	June 30 2021 (Unaudited)	June 30 2022 (Unaudited)	June 30 2021 (Unaudited)
	----- (Rupees) -----		----- (Rupees) -----	
18 NET INSURANCE PREMIUM				
Written gross premium	87,334,874	54,554,755	59,463,206	32,525,460
Add: Unearned premium reserve - opening	403,196,349	329,005,265	251,806,905	213,350,260
Less: Unearned premium reserve - closing	(122,596,597)	(101,226,055)	(122,596,597)	(101,226,055)
Premium earned	367,934,626	282,333,965	188,673,514	144,649,665
Less: Reinsurance premium ceded	(51,861,639)	(34,868,891)	(38,657,902)	(20,071,598)
Prepaid reinsurance premium- opening	(270,205,389)	(259,020,820)	(155,680,294)	(164,312,405)
Prepaid reinsurance premium- closing	63,417,805	70,578,692	63,417,805	70,578,692
Reinsurance expense	(258,649,223)	(223,311,019)	(130,920,391)	(113,805,311)
	<u>109,285,403</u>	<u>59,022,946</u>	<u>57,753,123</u>	<u>30,844,354</u>

19 NET INSURANCE CLAIMS EXPENSE

Claims paid	81,277,984	61,685,934	50,708,792	34,039,504
Add: Outstanding claims including IBNR - closing	1,613,928,923	1,921,354,003	1,613,928,923	1,921,354,003

	Six months period ended		Three months period ended	
	June 30 2022 (Unaudited)	June 30 2021 (Unaudited)	June 30 2022 (Unaudited)	June 30 2021 (Unaudited)
	(Rupees)		(Rupees)	
Less: Outstanding claims including IBNR - opening	(1,614,078,247)	(1,968,966,259)	(1,608,965,797)	(1,955,567,354)
Claims expense	81,128,660	14,073,678	55,671,918	(173,847)
Less: Reinsurance and other recoveries	(5,963,596)	(7,868,272)	(3,621,820)	(4,542,770)
Less: received				
Reinsurance and other recoveries in respect of outstanding claims - opening	31,498,162	18,671,953	32,734,765	17,925,838
Reinsurance and other recoveries in respect in of outstanding claims - closing	(69,918,327)	(21,667,604)	(69,918,327)	(21,667,604)
Reinsurance and other recoveries revenue	(44,383,761)	(10,863,923)	(40,805,382)	(8,284,537)
	36,744,899	3,209,755	14,866,536	(8,458,384)

19.1 This includes Provision for incurred but not reported claims (IBNR) amounting to 1,393.01 million (2021: Rs 1,820.40 million).

20 NET COMMISSION

Commission paid or payable	1,007,176	18,374,795	793,639	18,307,599
Add: Deferred commission expense - opening	684,676	31,991	550,000	50,428
Less: Deferred commission expense - closing	(571,726)	(327,581)	(571,726)	(327,581)
Net commission	1,120,126	18,079,205	771,913	18,030,446
Less: Commission received or recoverable	(11,292,712)	(7,087,946)	(7,569,555)	(3,682,942)
Add: Unearned reinsurance commission - closing	9,197,466	5,613,307	9,197,466	5,613,307
Less: Unearned reinsurance Commission - opening	(10,761,048)	(7,724,103)	(8,712,672)	(6,974,005)
Commission from reinsurers	(12,856,294)	(9,198,742)	(7,084,761)	(5,043,640)
	(11,736,168)	8,880,463	(6,312,848)	12,986,806

21 MANAGEMENT EXPENSES

Salaries, allowance and other benefits	28,235,919	22,968,980	15,939,675	11,803,346
Travelling expense	2,256,844	908,964	1,789,967	561,427
Advertisement and sales promotion	461,356	519,591	17,141	219,920
Printing and stationery	930,074	634,820	456,804	460,188
Depreciation	6,009,913	3,987,191	2,986,445	2,021,347
Amortization	417,855	491,722	370,085	223,899
Rent, rates and taxes	7,200	92,300	7,200	-

	Six months period ended		Three months period ended	
	June 30 2022 (Unaudited)	June 30 2021 (Unaudited)	June 30 2022 (Unaudited)	June 30 2021 (Unaudited)
	----- (Rupees) -----		----- (Rupees) -----	
Interest expense	338,487	574,771	156,304	276,885
Legal and professional charges	706,165	605,899	111,644	127,077
Electricity, gas and water	1,062,339	655,047	580,507	395,247
Entertainment	1,069,400	632,528	321,360	257,394
Vehicle running expense	-	14,620	-	11,260
Office repairs and maintenance	3,982,245	1,615,392	3,327,840	657,618
Insurance expense	2,575,013	2,331,742	158,880	1,182,311
Office expense	215,007	115,760	9,263	66,708
Bank charges	32,960	32,200	367,573	12,445
Postage, telegrams and telephones	866,110	542,903	-	257,113
Annual supervision fee SECP	587,520	832,582	306,653	638,181
Service charges (Health Econnex)	2,850,725	4,671,477	1,524,092	2,313,097
Gratuity expense	2,567,592	941,042	1,969,305	617,760
Miscellaneous	856,697	1,372,975	294,279	1,197,528
	<u>56,029,421</u>	<u>44,542,506</u>	<u>30,695,016</u>	<u>23,300,751</u>

22 INVESTMENT INCOME

Return on investments:

classified at held to maturity

Return on Treasury bills	-	5,302,863	-	432,886
Return on sukuk	206,939	1,001,856	22,994	470,822
Return on term deposits receipt	10,214,794	7,117,687	5,415,890	2,580,701
Return on debt securities (PIBs)	7,178,673	7,038,068	3,653,023	3,581,173

Classified as available for sale

Return on Treasury bills	151,185,034	75,620,347	82,771,777	49,229,122
Return on debt securities (PIBs)	3,102,686	102,282,299	3,102,686	-
Return on term finance certificates	38,384,019	25,944,793	20,848,081	13,109,288
	<u>210,272,145</u>	<u>224,307,913</u>	<u>115,814,451</u>	<u>69,403,992</u>

23 OTHER INCOME

Interest on savings accounts	4,997,340	3,357,421	3,174,887	1,391,673
Income on generator sharing	334,768	218,430	154,768	109,215
Other	395,813	360,768	237,367	152,557
	<u>5,727,921</u>	<u>3,936,619</u>	<u>3,567,022</u>	<u>1,653,445</u>

Six months period ended		Three months period ended	
June 30	June 30	June 30	June 30
2022	2021	2022	2021
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
----- (Rupees) -----		----- (Rupees) -----	

24 EARNINGS PER SHARE - basic and diluted

Profit for the period (Rupees)	179,755,395	167,655,761	103,271,883	53,712,362
Weighted average number of ordinary shares of Rs. 10 each (Number)	100,000,000	100,000,000	100,000,000	100,000,000
Earnings per share - (Rupees)	1.80	1.68	1.03	0.54

24.1 There is no dilutive effect on basic earnings per share of the Company.

25 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, shareholder and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices except for compensation to key management personnel which is carried out on basis of employment terms and conditions. The transactions with related parties are as follows:

Transactions during the

Name of related party	Nature of relationship	Nature of transaction	Six months period ended		Three months period ended	
			June 30 2022	June 30 2021	June 30 2022	June 30 2021
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
			-----Rupees-----		-----Rupees-----	
Sindh Bank Limited	Companies having common directorship	Income on saving accounts	4,997,340	3,332,134	3,174,887	1,366,386
		Income on term deposits	10,214,794	7,117,687	5,415,890	2,580,701
		Premium written	2,006,248	2,232,531	1,024,002	873,990
		Claim paid	30,146,570	16,869,421	16,448,749	-
Sindh Modarba Management Limited	Companies having common directorship	Premium written	-	40,677	-	40,677
		Claim paid	-	677,500	-	42,500
Sindh Leasing Company	Companies having common directorship	Income on sharing of generator	334,768	218,430	-	109,215
		Premium written	-	551,395	-	-
		Claim paid	-	542,388	-	224,408
Sindh Microfinance Bank Limited	Companies having common directorship	Premium written	2,413,114	415,825	2,420,310	1,837,499
		Claim paid	1,467,565	544,646	281,979	359,913
Directors	Directors	Premium written	60,395	156,668	60,395	6,336
		Claim paid	37,000	110,480	37,000	110,480
		Meeting Fee	8,030,000	5,925,000	3,980,000	2,550,000
Provident fund	Employees' fund	Contribution to provident fund	1,023,351	751,679	564,757	386,878
Shareholder	Government of Sindh	Claim paid	41,373,680	32,939,500	27,872,500	20,028,500

Balances outstanding			June 30	December 31
			2022	2021
			(Unaudited)	(Audited)
			-----Rupees-----	
Sindh Bank Limited	Companies having common directorship	Bank accounts	112,725,276	56,758,146
		Term Deposits	200,000,000	200,000,000
		Due from insurance contract holder	16,598,904	28,771,506
		Claim payable	25,773,028	20,618,108
		Lease Liability payable to Sindh Bank Limited	-	1,232,475
Sindh Modarba Management Limited	Companies having common directorship	Premium received in advance	-	-
		Claim payable	-	-
		Due from insurance contract holder	-	(21,064)
		Amount receivable for sharing of generator	27,425	385,232
Sindh Leasing Company Limited	Companies having common directorship	Due from insurance contract holder	-	-
Sindh Microfinance Bank Limited	Companies having common directorship	Due from insurance contract holder	-	14,174
		Claims payable	-	98,091
Directors	Directors	Due from insurance	7,278	-
		Claim payable	20,000	-
Receivable From Sindh Insurance Limited - Window Takaful Operations			6,851,736	4,817,450

26 SEGMENT REPORTING

Following are the segment assets, liabilities, revenue and expenses of the Company:

Segment Current Period	Fire and property damage	Marine, Aviation & Transport	Motor	Accident and health	Engineering	Miscellaneous	Treaty	Total
Six months period ended June 30, 2022								
-Rupees-								
Premium receivable	7,282,307	19,835,470	50,549,902	6,039,947	62,780,019	6,212,754	-	152,700,399
Less: Federal exercise duty	66,829	461,102	2,042,209	-	57,584,930	514,332	-	60,669,402
Federal insurance fee	5,141	35,462	157,005	29,337	4,429,611	39,567	-	4,696,123
Gross written premium	7,210,337	19,338,906	48,350,688	6,010,610	765,478	5,658,855	-	87,334,874
Direct premium earned	22,143,338	29,609,986	24,114,604	31,440,869	225,843,636	250,307,915	-	357,616,712
Facultative inward premium earned	1,439,202	333,755	5,527,976	-	1,416,216	1,884,253	-	9,185,186
Administrative surcharge earned	82,395	61,522	754,377	25,292	36,038	209,142	-	1,132,728
Insurance premium earned	23,664,935	30,005,263	30,396,957	31,466,161	227,295,890	252,401,310	-	367,934,626
Insurance premium ceded to reinsurers	21,555,592	12,608,887	14,205,531	-	98,836,452	111,442,761	-	258,649,223
Net insurance premium	2,109,343	17,396,376	16,191,426	31,466,161	128,459,438	140,958,549	-	109,285,403
Commission income	3,840,944	683,683	4,683,199	-	253,442	3,395,026	-	12,856,294
Net underwriting income	5,950,287	18,080,059	20,874,625	31,466,161	128,712,880	144,353,575	-	122,141,697
Insurance claims	(189,336)	2,598,697	8,023,930	24,737,324	41,685,154	4,272,892	-	81,128,661
Insurance claims recovered from reinsurers	184,017	2,431,989	3,984,261	1,164,444	39,373,263	(2,754,213)	-	44,383,761
Net claims	(373,353)	166,708	4,039,669	23,572,880	2,311,891	7,027,105	-	36,744,899
Commission expense	728,121	32,529	227,789	-	31,648	100,039	-	1,120,126
Management expense	4,027,315	10,801,694	27,006,147	10,483,202	550,336	3,160,729	-	56,029,422
Premium deficiency expense	(1,888,503)	-	-	(1,352,194)	-	(12,872,540)	-	(16,113,237)
Net insurance claims and expenses	2,493,580	11,000,931	31,273,605	32,703,888	2,893,875	(2,584,667)	-	77,781,210
Underwriting result	3,456,707	7,079,128	(10,398,979)	(1,237,727)	125,819,005	146,938,242	-	44,360,487
Net investment income								210,272,145
Other income								5,727,921
Other expenses								(8,356,809)
Profit from Window Takaful Operation								3,015,089
Profit before tax								255,018,834
								As at June 30, 2022 (Unaudited)
Segment assets	50,383,595	135,134,267	337,859,587	42,000,275	5,348,922	39,542,321	-	610,268,968
Un-allocated assets								3,966,479,789
								4,576,748,757
Segment liabilities	160,936,459	431,359,892	1,078,476,081	134,068,395	17,074,208	126,222,398	-	1,949,335,430
Un-allocated liabilities								33,756,265
								1,983,091,695

Segment Prior Period	Fire and property damage	Marine, Aviation & Transport	Motor	Accident and health	Engineering	Miscellaneous	Treaty	Total
	-----June 30, 2021----- -----Rupees-----							
Premium receivable	5,010,115	12,443,039	34,054,669	3,076,337	1,184,752	5,907,986	-	61,676,898
Less: Federal exercise duty	576,449	1,414,942	3,850,345	-	103,515	621,138	-	6,566,389
Federal insurance fee	43,912	108,841	296,199	46,346	7,964	52,492	-	555,754
Gross written premium	4,389,754	10,919,256	29,908,125	3,029,991	1,073,273	5,234,356	-	54,554,755
Direct premium earned	25,128,209	12,556,188	26,128,458	26,577,923	172,019,284	18,884,270	-	281,294,332
Facultative inward premium earned	-	(30,712)	(145,597)	-	-	-	-	(176,309)
Administrative surcharge earned	82,467	74,687	825,395	28,208	26,963	178,220	-	1,215,940
Insurance premium earned	25,210,676	12,600,163	26,808,256	26,606,131	172,046,247	19,062,490	-	282,333,963
Insurance premium ceded to reinsurers	22,547,906	11,996,666	13,919,022	-	81,008,640	-	-	223,311,019
Net insurance premium	2,662,770	603,497	12,889,234	26,606,131	91,037,607	19,062,490	-	59,022,944
Commission income	2,938,331	421,963	4,140,902	-	203,302	93,838,785	-	9,198,742
Net underwriting income	5,601,101	1,025,460	17,030,136	26,606,131	91,240,909	(74,776,295)	-	68,221,686
Insurance claims	(329,202)	(340,115)	4,806,981	(2,662,122)	4,459,973	8,138,164	-	14,073,678
Insurance claims recovered from reinsurers	(467,928)	(14)	2,125,166	797,099	3,567,978	4,841,625	-	10,863,926
Net claims	138,726	(340,101)	2,681,815	(3,459,221)	891,995	8,138,164	-	3,209,752
Commission expense	451,491	671	29,982	17,528,569	47,696	20,796	-	18,079,204
Management expense	3,413,326	8,490,450	23,255,556	4,478,572	834,541	4,070,061	-	44,542,506
Premium deficiency expense	-	162,033	-	(1,156,497)	-	(8,166,394)	-	(9,160,858)
Net insurance claims and expenses	4,003,543	8,313,053	25,967,353	17,391,422	1,774,232	4,062,627	-	56,670,604
Underwriting result	1,597,558	(7,287,593)	(8,937,217)	9,214,709	89,466,677	(78,838,922)	-	11,551,083
Net investment income								224,307,913
Other income								3,936,619
Other expenses								(6,400,770)
Profit from Window Takaful Operation								1,405,198
Profit before tax								<u>234,800,043</u>
								As at June 30, 2021 (Unaudited)
Segment assets	56,726,574	141,104,031	386,487,956	39,155,044	13,869,365	67,640,939	-	704,983,909
Un-allocated assets	-	-	-	-	-	-	-	<u>3,846,336,019</u>
								<u>4,551,319,928</u>
Segment liabilities	178,634,712	444,343,385	1,217,068,040	123,301,177	43,675,298	213,004,573	-	2,220,027,185
Un-allocated liabilities	-	-	-	-	-	-	-	<u>38,374,940</u>
								<u>2,258,402,125</u>

27 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of all financial assets and liabilities reflected in this condensed interim financial information approximate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each reporting date.

27.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at June 30, 2022.

	As at June 30, 2022 (Unaudited)		As at December 31, 2021 (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
	-----Rupees-----		-----Rupees-----	
Financial Assets				
Investments				
Debt securities	3,363,197,590	3,523,750,981	3,363,197,590	3,486,434,708
Term deposit receipts	200,000,000	200,000,000	200,000,000	200,000,000
Insurance / reinsurance receivables	417,570,859	417,570,859	499,185,261	499,185,261
Reinsurance recoveries against outstanding claims	69,918,327	69,918,327	31,498,162	31,498,162
Cash and bank	114,743,196	114,743,196	58,880,331	58,880,331
Financial Liabilities				
Outstanding claims including IBNR	1,613,928,923	1,613,928,923	1,614,078,247	1,614,078,247
Insurance / reinsurance payables	176,910,412	176,910,412	207,129,686	207,129,686
Other creditors and accruals	20,882,216	20,882,216	25,054,964	25,054,964

27.2 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. There were no such transfers during the reporting period.

27.3 Fair value of financial instruments

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	As at 30 June 2022 (Unaudited)						Fair Value			
	Carrying amount						Level 1	Level 2	Level 3	Total
	Held-to-maturity	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total				
	(Rupees)						(Rupees)			
Financial Assets Not Measured At Fair Value										
Investments										
- Debt securities	115,074,610	3,408,676,371	-	-	-	3,523,750,981	-	-	-	-
- Term deposits	-	-	200,000,000	-	-	200,000,000	-	-	-	-
Financial assets not measured at fair value										
Loans and other receivable*	-	-	78,264,782	-	-	78,264,782	-	-	-	-
Insurance / reinsurance receivable*	-	-	417,570,859	-	-	417,570,859	-	-	-	-
Re-insurance recoveries- outstanding claims*	-	-	69,918,327	-	-	69,918,327	-	-	-	-
Deferred commission expense*	-	-	571,726	-	-	571,726	-	-	-	-
Prepayments*	-	-	65,774,150	-	-	65,774,150	-	-	-	-
Cash and bank*	-	-	-	114,743,196	-	114,743,196	-	-	-	-
Window Takaful Operations - Operator's Fund*	-	-	74,400,497	-	-	74,400,497	-	-	-	-
	115,074,610	3,408,676,371	906,500,341	114,743,196	-	4,544,994,518	-	-	-	-
Financial Liabilities Not Measured At Fair Value										
Outstanding claims including IBNR*	-	-	-	-	(1,613,928,923)	(1,613,928,923)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	(176,910,412)	(176,910,412)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(10,949,865)	(10,949,865)	-	-	-	-
	115,074,610	3,408,676,371	906,500,341	114,743,196	(1,801,789,200)	2,743,205,318	-	-	-	-

	As at 31 December 2021 (Audited)						Fair Value			
	Carrying amount						Level 1	Level 2	Level 3	Total
	Held-to-maturity	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total				
	(Rupees)						(Rupees)			
Financial Assets Measured At Fair Value										
Investments										
Debt securities	-	3,363,197,590	-	-	-	3,363,197,590	-	-	-	-
Financial assets not measured at fair value										
Investments										
Debt securities	123,237,118	-	-	-	-	123,237,118	-	-	-	-
Term deposits	-	-	-	200,000,000	-	200,000,000	-	-	-	-
Loans and other receivable*	-	-	56,269,320	-	-	56,269,320	-	-	-	-
Insurance / reinsurance receivable*	-	-	499,185,261	-	-	499,185,261	-	-	-	-
Re-insurance recoveries - outstanding claims*	-	-	31,498,162	-	-	31,498,162	-	-	-	-
Cash and bank*	-	-	-	58,880,331	-	58,880,331	-	-	-	-
	123,237,118	3,363,197,590	586,952,743	258,880,331	-	4,332,267,782	-	-	-	-
Financial Liabilities Not Measured At Fair Value										
Outstanding claims including IBNR*	-	-	-	-	(1,614,078,247)	(1,614,078,247)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	(207,129,686)	(207,129,686)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(12,259,478)	(12,259,478)	-	-	-	-
Lease Liability	-	-	-	-	(6,039,999)	(6,039,999)	-	-	-	-
	123,237,118	3,363,197,590	586,952,743	258,880,331	(1,833,467,411)	2,498,800,371	-	-	-	-

* The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences may arise between the carrying values and the fair value estimates.

28 CORRESPONDING FIGURES


Corresponding figures may be rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no such reclassifications have been made during the reporting period.

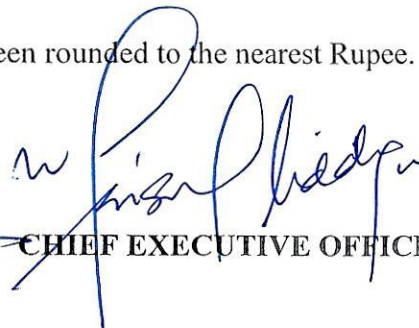
29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors meeting of the Company held on 27 JUL 2022

30 GENERAL

Figures have been rounded to the nearest Rupee.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR



CONDENSED INTERIM
FINANCIAL INFORMATION
OF
SINDH INSURANCE LIMITED
(WINDOW TAKAFUL OPERATIONS)
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2022

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SINDH INSURANCE LIMITED (WINDOW TAKAFUL OPERATIONS)**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **SINDH INSURANCE LIMITED (WINDOW TAKAFUL OPERATION)** ("the Operator") as at June 30, 2022 and condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

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

Other matter

The figures for the quarter ended June 30, 2022 and June 30, 2021 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 27 JUL 2022

UDIN: RR202210067Dm4hqesyp

**CHARTERED ACCOUNTANTS**
Engagement Partner: Zulfikar Ali Causer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	Operator's Fund		Participant's Takaful Fund	
		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees		Rupees	
ASSETS					
Property and equipment		23,894	26,706	-	-
Intangible assets	7	-	-	-	-
Investments					
Equity securities	8	14,433,048	13,936,670	1,998,041	1,940,851
Term deposits	9	27,478,623	25,810,000	47,244,623	44,918,000
		41,911,671	39,746,670	49,242,664	46,858,851
Loan and other receivables	10	306,327	987,918	1,835,272	2,229,818
Takaful / retakaful receivables	11	-	-	5,335,373	4,861,643
Qard-e-Hasna to Participants' Takaful Fund (PTF)	12	18,500,000	18,500,000	-	-
Receivable from PTF	13	10,693,172	8,476,952	591,099	-
Deferred wakala fee expense		-	-	2,191,314	3,436,813
Deferred commission expense	21	19,219	227,172	-	-
Prepayments	14	38,005	226,011	101,907	1,277,921
Deferred taxation		85,958	-	-	-
Taxation - payment less provision		-	-	2,496,193	716,642
Cash and bank	15	2,822,251	4,267,125	11,330,653	11,180,863
TOTAL ASSETS		74,400,497	72,458,554	73,124,475	70,562,551
EQUITY AND LIABILITIES					
Operator's fund					
Statutory fund		50,000,000	50,000,000	-	-
Revaluation reserve on available for sale investment		(152,568)	167,831	-	-
Accumulated profit		16,350,294	14,225,421	-	-
Total Operators Fund		66,197,726	64,393,252	-	-
Participants' takaful fund					
Ceded money		-	-	500,000	500,000
Revaluation reserve on available for sale investment		-	-	7,204	78,645
Accumulated surplus		-	-	12,584,929	7,812,033
Balance of Participant Takaful Fund		-	-	13,092,133	8,390,678
Qard-e-Hasna from Operator's Fund	12	-	-	18,500,000	18,500,000
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR	20	-	-	10,574,632	10,895,048
Unearned contribution reserve	19	-	-	3,082,010	11,224,443
Unearned retakaful rebate	21	-	-	23,440	293,922
		-	-	13,680,082	22,413,413
Unearned wakala fee		2,191,314	3,436,813	-	-
Contribution received in advance		-	-	1,481,161	1,481,317
Takaful / re-takaful payables	16	-	-	8,618,279	5,654,251
Payable to OPF	13	591,099	-	10,693,172	8,476,952
Other creditors and accruals	17	1,162,225	1,036,732	7,059,648	5,645,940
Deferred taxation		-	51,220	-	-
Taxation - payment less provision		4,258,133	3,540,537	-	-
TOTAL LIABILITIES		8,202,771	8,065,302	41,532,342	43,671,873
TOTAL EQUITY AND LIABILITIES		74,400,497	72,458,554	73,124,475	70,562,551
CONTINGENCIES AND COMMITMENTS					
	18				

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

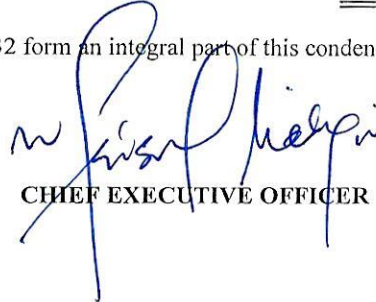
DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022

	Note	Six months period ended		Three months period ended	
		June 30 2022	June 30 2021	June 30 2022	June 30 2021
		-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund					
Contributions earned	19	7,534,315	4,288,133	4,401,312	2,125,452
Less: Contributions ceded to retakaful	19	(4,140,042)	(1,696,655)	(1,330,883)	(838,903)
Net contributions revenue		3,394,273	2,591,478	3,070,429	1,286,549
Retakaful rebate	21	273,035	61,705	136,309	31,234
Net underwriting income		3,667,308	2,653,183	3,206,738	1,317,783
Net claims - reported / settled - IBNR	20	(1,444,985)	(2,819,628)	875,353	(3,083,148)
Other direct expenses		(74,814)	(209,850)	(1)	(1)
Surplus / (deficit) before investment income		2,147,509	(376,295)	4,082,090	(1,765,366)
Investment income	23	2,254,179	463,717	1,765,724	97,287
Other income	24	371,208	221,051	138,944	40,245
Surplus / (deficit) transferred to accumulated surplus		4,772,896	308,473	5,986,758	(1,627,834)
Operator's Fund					
Wakala fee		1,509,801	2,097,516	145,716	1,032,792
Commission expense	21	(220,052)	(18,203)	(110,352)	(14,086)
Management expenses	22	(1,610,955)	(1,777,685)	(890,843)	(838,901)
		(321,206)	301,628	(855,479)	179,805
Modarib's share of PTF investment income		631,227	134,179	472,819	29,519
Investment income	23	2,749,046	980,864	2,397,293	644,371
Other expenses	25	(129,168)	(160,465)	(67,628)	(103,469)
Other income		85,190	148,992	36,532	57,301
Profit before taxation		3,015,089	1,405,198	1,983,537	807,527
Taxation		(890,216)	(500,257)	(706,472)	(232,277)
Profit after taxation		2,124,873	904,941	1,277,065	575,250

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR

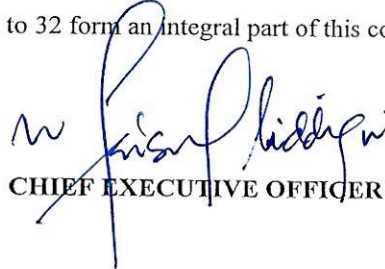

DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022

	Six months period ended		Three months period ended	
	June 30 2022	June 30 2021	June 30 2022	June 30 2021
	-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund				
Surplus / (deficit) for the period	4,772,896	308,473	5,986,758	(1,627,834)
Other comprehensive loss				
Items that may be reclassified subsequently to profit and loss account				
Unrealised loss on 'available for sale' investments	(71,441)	(75,285)	(95,120)	(103,818)
Deferred tax on available for sale investment	-	-	-	-
	(71,441)	(75,285)	(95,120)	(103,818)
Total comprehensive income / (loss) for the period	<u>4,701,455</u>	<u>233,188</u>	<u>5,891,638</u>	<u>(1,731,652)</u>
Operator's Fund				
Profit after taxation	2,124,873	904,941	1,277,065	575,250
Other comprehensive loss				
Items that may be reclassified subsequently to profit and loss account				
Unrealised loss on 'available for sale' investments	(451,266)	(385,306)	(751,734)	(553,219)
Deferred tax on available for sale investment	130,867	69,353	355,105	118,048
	(320,399)	(315,953)	(396,629)	(435,171)
Total comprehensive income for the period	<u>1,804,474</u>	<u>588,988</u>	<u>880,436</u>	<u>140,079</u>

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022

Operator's Funds			
Statutory fund	Unrealised loss on revaluation of available for sale investments - net	Accumulated profit	Total

Rupees

Balance as at January 01, 2021 (Audited)	50,000,000	89,489	11,636,990	61,726,479
Total comprehensive income for the period				
Profit for the period	-	-	904,941	904,941
Other comprehensive loss	-	(315,953)	-	(315,953)
	-	(315,953)	904,941	588,988
Balance as at June 30, 2021 (Unaudited)	50,000,000	(226,464)	12,541,931	62,315,467
Balance as at January 01, 2022 (Audited)	50,000,000	167,831	14,225,421	64,393,252
Total comprehensive income for the period				
Profit for the period	-	-	2,124,873	2,124,873
Other comprehensive loss	-	(320,399)	-	(320,399)
	-	(320,399)	2,124,873	1,804,474
Balance as at June 30, 2022 (Unaudited)	50,000,000	(152,568)	16,350,294	66,197,726

Participants' Takaful Fund			
Ceded Money	Unrealised loss on revaluation of available for sale investments - net	Accumulated (deficit) / surplus	Total

Rupees

Balance as at January 01, 2021 (Audited)	500,000	79,643	5,335,169	5,914,812
Total comprehensive income for the period				
Surplus for the period	-	-	308,473	308,473
Other comprehensive loss	-	(75,285)	-	(75,285)
	-	(75,285)	308,473	233,188
Balance as at June 30, 2021 (Unaudited)	500,000	4,358	5,643,642	6,148,000
Balance as at January 01, 2022 (Audited)	500,000	78,645	7,812,033	8,390,678
Total comprehensive income for the period				
Surplus for the period	-	-	4,772,896	4,772,896
Other comprehensive loss	-	(71,441)	-	(71,441)
	-	(71,441)	4,772,896	4,701,455
Balance as at June 30, 2022 (Unaudited)	500,000	7,204	12,584,929	13,092,133

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022

	Operator's Fund		Participant Takaful Fund	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
	-----Rupees-----			
OPERATING CASH FLOWS				
a) Takaful activities				
Contribution received	-	-	746,937	1,530,405
Retakaful contribution paid	-	-	(393,953)	276,844
Wakala fee received / (paid)	-	-	-	-
Claims paid	-	-	(2,156,800)	(2,017,047)
Re-takaful and other recoveries received	-	-	-	342,130
Commission paid	-	-	-	-
Rebate received	-	-	2,553	113,416
Other underwriting payments	-	-	-	-
Net cash flows (used in) / generated from takaful activities	-	-	(1,801,263)	245,748
b) Other operating activities				
Income tax paid	(309,798)	(275,518)	(1,779,551)	(192,918)
General and other expenses paid	(1,493,051)	(1,883,187)	-	-
Other operating payment	(616,325)	(164,812)	(873,308)	(482,728)
Other operating receipts	-	-	2,734,399	98,364
Net cash used in other operating activities	(2,419,174)	(2,323,517)	81,540	(577,282)
Total cash flow used in operating activities	(2,419,174)	(2,323,517)	(1,719,723)	(331,534)
INVESTMENT ACTIVITIES				
Profit / return received on investment	3,505,376	1,687,875	3,480,429	635,288
Other income receipt	85,190	148,992	371,208	221,051
Payment for investment	(28,426,266)	(1,328,568)	(38,764,655)	(1,030,563)
Proceeds from disposal of investments	25,810,000	-	36,782,532	-
Total cash flow generated from / (used in) investing activities	974,300	508,299	1,869,514	(174,224)
FINANCING ACTIVITIES				
Inter fund Qard-e-Hasna Transfer	-	(500,000)	-	500,000
Total cash flow from financing activities	-	(500,000)	-	500,000
Net cash flow (used in) / generated from all activities	(1,444,874)	(2,315,218)	149,791	(5,758)
Cash and cash equivalents at the beginning of period	4,267,125	7,863,620	11,180,863	1,924,087
Cash and cash equivalents at end of the period	2,822,251	5,548,402	11,330,654	1,918,329
Reconciliation to profit and loss account				
Operating cash flows	(2,419,174)	(2,323,517)	(1,719,723)	(331,534)
Depreciation	(2,812)	(2,812)	-	-
Amortization	-	(152,500)	-	-
Income tax paid	309,798	275,518	1,779,551	192,918
Other income	716,417	283,171	371,208	221,051
Increase / (decrease) in assets other than cash	1,138,670	237,978	28,320	(2,054,149)
Increase in liabilities	523,144	2,106,496	2,059,362	1,682,291
Investment income	2,749,046	980,864	2,254,179	597,896
Profit before taxation for the period	3,015,089	1,405,198	4,772,897	308,473

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 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.
- 1.2 The Company was granted authorization on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.
- 1.3 For the purpose of carrying on the takaful business, the Operator has formed a Participants' Takaful Fund (PTF) under the Waqf deed with the ceded money of Rs. 500,000. The Waqf deed and PTF policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund are approved by the Shari'ah Advisor of the Operator.
- 1.4 The registered office and principal place of business of the Operator is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provision of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting regulation, 2019 shall prevail.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Operator as at and for the year ended December 31, 2021 which have been prepared in accordance with accounting and reporting standards as applicable to insurance companies in Pakistan.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Operator for the year ended December 31, 2021, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2021.

2.1 Basis of measurement

This condensed interim financial information has been prepared under the historical cost basis except that certain investments are stated at their fair values. This condensed interim financial information has been prepared following the accrual basis of accounting except for the cash flow information.

2.2 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Operator's functional and presentation currency.

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of this condensed interim financial information in conformity with accounting and reporting 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 Operators' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Operator as at and for the year ended December 31, 2021.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same and are consistent with those followed in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2021.

There are certain standards, interpretations and amendments to the accounting and reporting standards which have been published and are mandatory for the Company's accounting period beginning on or after January 01, 2021. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial information.

4.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Operator has determined that it is eligible for the temporary exemption option since the Operator has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Operator doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Operator can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms 'principal' as being the fair value of the financial asset at initial recognition, and the 'interest' as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets

June 30, 2022			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
-----Rupees-----			

Financial assets - Operator's Fund

Qard-e-Hasna to Participants' Takaful Fund Investments	-	-	18,500,000	-
Equity securities *	14,433,048	(451,266)	-	-
Term deposit receipts*	-	-	27,478,623	-
Loans and other receivable *	-	-	306,327	-
Receivable from PTF *	-	-	10,693,172	-
Cash at bank *	-	-	2,822,251	-
	<u>14,433,048</u>	<u>(451,266)</u>	<u>59,800,374</u>	<u>-</u>

Financial assets - Participant's Takaful Fund

Investments				
Equity securities*	1,998,041	57,190	-	-
Term deposit receipts*	-	-	-	-
Loan and other receivable *	-	-	1,835,272	-
Takaful / retakaful receivables *	-	-	5,335,373	-
Cash at bank *	-	-	11,330,653	-
	<u>1,998,041</u>	<u>57,190</u>	<u>18,501,298</u>	<u>-</u>

* The carrying amounts of these financial assets measured applying IAS 39 are a reasonable approximation of their fair value.

June 30, 2022				
Gross carrying amount of financial assets that pass SPPI test				
AAA	A+	A	Not rated	
-----Rupees-----				
Operator's fund				
Qard-e-Hasna to Participants' Takaful Fund	-	-	-	18,500,000
Loans and other receivable	-	-	-	306,327
Receivable from PTF	-	-	-	10,693,172
Cash at bank	-	2,775,058	47,194	-
Term deposit receipts within maturing 12 months	-	-	-	-
	27,478,623	-	-	-
	<u>27,478,623</u>	<u>2,775,058</u>	<u>47,194</u>	<u>29,499,499</u>
Participant's Takaful Fund				
Loan and other receivable	-	-	-	1,835,272
Takaful / retakaful receivables	-	-	-	5,335,373
Cash at bank	11,000	11,316,075	209	3,370
Term deposit receipts within maturing 12 months	-	-	-	-
	47,244,623	-	-	-
	<u>47,255,623</u>	<u>11,316,075</u>	<u>209</u>	<u>7,174,015</u>

5 INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in annual audited financial statements of the Operator for the year ended December 31, 2021.

6 PROPERTY AND EQUIPMENT - OPERATOR'S FUND

There are no additions or disposal during the six month period ended June 30, 2022 (2021: Nil).

7 INTANGIBLE ASSETS - OPERATOR'S FUND

There are no additions or disposal during the six month period ended June 30, 2022 (2021: Nil).

8 INVESTMENTS IN EQUITY SECURITIES

	June 30, 2022 (Unaudited)				December 31, 2021 (Audited)			
	Cost	Impairment / provision	(Deficit) / surplus on revaluation	Carrying value	Cost	Impairment / provision	Surplus on revaluation	Carrying value
-----Rupees-----								
Operator's Fund								
Available for sale								
Others - Mutual fund								
ABL Islamic Income Fund	14,647,930	-	(214,882)	14,433,048	13,700,286	-	236,384	13,936,670
Participants' Takaful Fund								
Available for sale								
Others - Mutual fund								
Meezan Sovereign Fund	1,792,002	-	206,039	1,998,041	1,792,002	-	148,849	1,940,851

9 INVESTMENTS IN TERM DEPOSITS

	Operator's Fund		Participants Takaful Fund	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	-----Rupees-----			
Held to maturity: Term deposits (note 9.1)	27,478,623	25,810,000	47,244,623	44,918,000

9.1 These represented term deposit receipts (TDRs) in local currency, issued by local banks, that carried profit ranging from 8.48% to 12.90% (December 31, 2021: 3.81% to 7%) per annum.

10 LOANS AND OTHER RECEIVABLES

(Unsecured - considered good)

Advance Salary	3,891	8,565	-	-
Advance against bonus	55,375	-	-	-
Accrued investment income	9,709	766,039	575,597	1,170,620
Sales tax on services refund	180,919	163,156	374,560	369,892
Receivable from Sindh Insurance Limited	56,433	50,158	521,577	425,766
Other receivables	-	-	363,538	263,540
	<u>306,327</u>	<u>987,918</u>	<u>1,835,272</u>	<u>2,229,818</u>

June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
----- Rupees -----	

11 TAKAFUL / RE-TAKAFUL RECEIVABLES

Participants' Takaful Fund

Due from takaful participant holders	484,722	330,132
Less: provision for impairment of receivables from takaful participant holders	(159,565)	(84,752)
	<u>325,157</u>	<u>245,380</u>
Due from other takaful / re-takaful operators	5,010,216	4,616,263
	<u>5,335,373</u>	<u>4,861,643</u>

11.1 Due from takaful contract holders includes Rs 0.216 million due from related parties (December 31, 2021: Rs 0.171 million).

12 QARD-E-HASNA TO PARTICIPANTS' TAKAFUL FUND (PTF)

Opening balance	18,500,000	18,000,000
Qard-e-hasna transferred from OPF during the period / year	-	500,000
Qard-e-hasna returned by PTF during the period / year	-	-
Closing balance	<u>18,500,000</u>	<u>18,500,000</u>

13 RECEIVABLE FROM PTF / PAYABLE TO OPF

	Operator's Fund		Participants Takaful Fund	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	-----Rupees-----			
Wakala fee receivable / payable	8,854,896	8,590,594	(8,854,896)	(8,590,594)
Modarib share receivable / payable	1,084,326	453,099	(1,084,326)	(453,099)
Other receivable / payable	753,950	(566,741)	(753,950)	566,741
	<u>10,693,172</u>	<u>8,476,952</u>	<u>(10,693,172)</u>	<u>(8,476,952)</u>

14 PREPAYMENTS

Prepaid retakaful contribution ceded	-	-	101,907	1,277,921
Prepaid expenses	38,005	226,011	-	-
	<u>38,005</u>	<u>226,011</u>	<u>101,907</u>	<u>1,277,921</u>

	Note	Operator's Fund		Participants Takaful Fund	
		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
15 CASH AND BANK					
Cash and cash equivalent					
Policy and revenue stamps		-	-	3,370	4,220
Cash at bank					
Saving accounts	15.1	2,822,251	4,267,125	11,327,283	11,176,643
		<u>2,822,251</u>	<u>4,267,125</u>	<u>11,330,653</u>	<u>11,180,863</u>

15.1 These saving accounts carry profit ranging from 4.4% to 6.55% per anum (December 31, 2021: 4% to 4.5%) per annum.

	Note	Operator's Fund		Participants Takaful Fund	
		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
16 TAKAFUL / RETAKAFUL PAYABLE					
Participants' Takaful Fund					
Due to other takaful / re-takaful					
Local				4,664,615	673,731
Foreign				3,953,664	4,980,520
				<u>8,618,279</u>	<u>5,654,251</u>

	Note	Operator's Fund		Participants Takaful Fund	
		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
17 OTHER CREDITORS AND ACCRUALS					
Provincial sales tax on services		-	7,659	65,340	212,019
Federal insurance fee		-	-	4,518	16,166
Tax deducted / collected at source		4,557	35,953	13,967	61,913
Commission payable		20,626	8,527	-	-
Payable to Sindh Insurance Limited	17.1	819,570	680,884	6,901,123	4,879,642
Sundry creditors		8,427	8,427	74,700	476,200
Accrued expenses		229,599	237,207	-	-
Provision for compensated leave absences		65,641	34,418	-	-
Gratuity payable		13,805	23,657	-	-
		<u>1,162,225</u>	<u>1,036,732</u>	<u>7,059,648</u>	<u>5,645,940</u>

17.1 This amount includes expenses paid by Sindh Insurance Limited on behalf of Window Takaful Operations related to regular expenses of electricity, telephone, water, fuel charges and taxes including FED, FIF.

18 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2022 (December 31, 2021: Nil).

	Six months period ended		Three months period ended		
	June 30	June 30	June 30	June 30	
	2022	2021	2022	2021	
Note	-----Rupees-----		-----Rupees-----		
	-----Unaudited-----				
19 NET TAKAFUL CONTRIBUTION					
Written gross contribution	901,683	1,909,675	514,506	407,821	
Less: wakala fee	(1,509,801)	(2,097,516)	(145,716)	(1,032,792)	
Contribution net of wakala fee	(608,118)	(187,841)	368,790	(624,971)	
Add: unearned contribution reserve - opening	11,224,443	7,818,904	-	-	
Less: unearned contribution reserve - closing	(3,082,010)	(3,342,930)	4,032,522	2,750,423	
Contribution earned	7,534,315	4,288,133	4,401,312	2,125,452	
Less: Re-takaful contribution ceded	(2,964,028)	(1,449,640)	(738,234)	(704,186)	
Prepaid re-takaful contribution ceded - opening	(1,277,921)	(286,180)	-	-	
Prepaid re-takaful contribution ceded - closing	101,907	39,165	(592,649)	(134,717)	
Re-takaful contribution expense	(4,140,042)	(1,696,655)	(1,330,883)	(838,903)	
	3,394,273	2,591,478	3,070,429	1,286,549	
20 NET TAKAFUL CLAIMS EXPENSE					
Claim paid	2,156,800	2,017,047	430,116	462,737	
Outstanding claims including IBNR - opening	(10,895,048)	(5,729,876)	-	2,607,236	
Outstanding claims including IBNR - closing	10,574,632	6,190,327	(1,305,471)	-	
Claim expense	1,836,384	2,477,498	(875,355)	3,069,973	
Less: Re-takaful and other recoveries received	-	520,377	-	9,325	
Re-takaful and other recoveries in respect of outstanding claims - opening	(3,875,734)	(937,496)	-	-	
Re-takaful and other recoveries in respect of outstanding claims - closing	4,267,133	74,989	(2)	(22,500)	
Re-takaful and other recoveries revenue	391,399	(342,130)	(2)	(13,175)	
	1,444,985	2,819,628	(875,353)	3,056,798	
20.1 This includes provision for incurred but not reported (IBNR) amounting to Rs. Rs. 4.321 million (December 31, 2021: Rs. 4.457 million).					
21 NET COMMISSION EXPENSE					
Commission paid or payable	12,099	41,127	5,546	33,646	
Deferred commission expense - opening	227,172	1,312	-	-	
Deferred commission expense - closing	(19,219)	(24,236)	104,806	(19,560)	
Net commission	220,052	18,203	110,352	14,086	
Less: Retakaful rebate received or recoverable	543,517	113,416	540,964	62,219	
Unearned retakaful rebate - opening	(293,922)	(60,719)	(587,844)	-	
Unearned retakaful rebate - closing	23,440	9,008	219,189	(30,985)	
Rebate from takaful operator	273,035	61,705	172,309	31,234	
	(52,983)	(43,502)	(61,957)	(17,148)	
22 MANAGEMENT EXPENSES					
Employee benefit cost	22.1	699,497	630,603	384,073	329,313
Printing and stationary expenses		135,000	125,000	135,000	125,000
Depreciation		2,812	2,812	1,406	1,406
Amortisation		-	152,500	-	-
Legal and professional charges		457,380	523,714	207,903	294,937
Employee health insurance		-	4,654	-	2,326
Miscellaneous		316,266	338,402	162,461	85,919
		1,610,955	1,777,685	890,843	838,901

	Six months period ended		Three months period ended	
	June 30 2022	June 30 2021	June 30 2022	June 30 2021
	-----Rupees-----		-----Rupees-----	
	-----Unaudited-----			
22.1 Employee benefit cost				
Salaries, allowance and other benefits	666,273	602,443	364,928	313,951
Charges for post employment benefit	33,224	28,160	19,145	15,362
	<u>699,497</u>	<u>630,603</u>	<u>384,073</u>	<u>329,313</u>
23 INVESTMENT INCOME				
23.1 Operator's Fund				
Income from equity securities				
Available for sale				
Dividend income	1,114,876	734,651	1,114,876	734,651
Capital gain on sale of investment	-	-	-	-
Income from debt securities				
Held to maturity				
Return on debt securities	-	-	-	-
Income from term deposits				
Return on term deposits	1,634,170	246,213	1,282,417	86,213
	<u>2,749,046</u>	<u>980,864</u>	<u>2,397,293</u>	<u>820,864</u>
23.2 Participants' Takaful fund				
Income from equity securities				
Available for sale	151,331	132,427	151,331	132,427
Dividend income				
Income from term deposits	2,734,075	465,469	2,087,212	105,469
Return on term deposits	2,885,406	597,896	2,238,543	237,896
Investment related expenses - modarib fee	(631,227)	(134,179)	(472,819)	(29,519)
	<u>2,254,179</u>	<u>463,717</u>	<u>1,765,724</u>	<u>208,377</u>
23.3 The operator manages the participants' investments as a Modarib and charge 20% Modarib's share of the investment income and profit on bank deposits earned by PTF.				
24 OTHER INCOME				
24.1 Operator's Fund				
Profit on bank deposits	77,993	148,992	36,532	57,301
Others	7,197	-	-	-
	<u>85,190</u>	<u>148,992</u>	<u>36,532</u>	<u>57,301</u>
24.2 Participants' Takaful Fund				
Profit on bank deposits	270,729	72,999	125,550	20,789
Others	100,479	148,052	13,394	19,456
	<u>371,208</u>	<u>221,051</u>	<u>138,944</u>	<u>40,245</u>
25 OTHER EXPENSES				
Auditors' remuneration	129,168	160,465	67,628	103,469
	<u>129,168</u>	<u>160,465</u>	<u>67,628</u>	<u>103,469</u>

26 TRANSACTIONS WITH RELATED PARTIES

Related parties comprises, associated companies, companies under common control, companies with common directors, shareholder, 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 the financial statements.

Transactions during the period

Name of related party	Nature of relationship	Nature of transaction	Participants Takaful Fund			
			Six months period ended		Three months period ended	
			June 30	June 30	June 30	June 30
			2022	2021	2022	2021
		Rupees		Rupees		
-----Unaudited-----						
Sindh Bank Limited	Common directorship	Income on saving accounts	268,326	72,999	123,147	20,789
		Net contribution	375,957	(8,444)	330,224	(23,228)
		Gross contribution	333,744	(7,013)	288,464	(21,945)
		Claims paid	1,255,832	10,362	-	10,362
Sindh Modarba Management Limited	Common directorship	Net contribution	143,793	51,074	59,406	51,074
		Gross contribution	123,236	33,508	40,463	33,508
		Claims paid	55,000	105,716	-	26,890

Transactions during the period

Name of related party	Nature of relationship	Nature of transaction	Operator's Fund			
			Six months period ended		Three months period ended	
			June 30	June 30	June 30	June 30
			2022	2021	2022	2021
		Rupees		Rupees		
-----Unaudited-----						
Sindh Bank Limited	Common directorship	Income on saving accounts	77,993	-	36,532	-

Balances outstanding as at		Nature of transaction	Operator's Fund		Participant Takaful Fund	
			June 30,	December 31,	June 30,	December 31,
			2022	2021	2022	2021
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
		Rupees		Rupees		
-----Unaudited-----						
Sindh Bank Limited	Common directorship	Bank accounts	2,775,058	4,219,931	11,316,075	11,175,589
		Due from takaful contract holder			257,217	170,568
		Claims payable			734,482	788,540
Sindh Modarba Management Limited	Common directorship	Due from takaful contract holder			2,406	-
		Claims payable			55,000	155,000

27 SEGMENT REPORTING

27.1 Operator's Fund

Six months period ended June 30, 2022 (Unaudited)							
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	Total	
-----Rupees-----							
Wakala fee	44,609	5,345	970,492	290,278	199,077	-	1,509,801
Management expenses	(16,049)	-	(838,684)	(290,839)	(465,383)	-	(1,610,955)
Commission expenses	(2,192)	-	(114,562)	(39,728)	(63,570)	-	(220,052)
Net commission and expenses	(18,241)	-	(953,246)	(330,567)	(528,953)	-	(1,831,008)
	<u>26,368</u>	<u>5,345</u>	<u>17,246</u>	<u>(40,289)</u>	<u>(329,876)</u>	<u>-</u>	<u>631,227</u>
Modarib's share of PTF investment income							2,749,046
Net investment income							85,190
Other income							(129,168)
Other expenses							<u>3,015,089</u>
Profit before tax							
							As at June 30
							2022
							(Unaudited)
Corporate segment assets	294,696	-	15,400,057	5,340,424	8,545,439	-	29,580,617
Corporate un-allocated assets							<u>44,819,881</u>
Total assets							<u>74,400,497</u>
Corporate segment liabilities	69,285	-	3,620,650	1,255,567	2,009,086	-	6,954,588
Corporate un-allocated liabilities							<u>1,248,183</u>
Total liabilities							<u>8,202,771</u>

Six months period ended June 30, 2021 (Unaudited)							
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	Total	
-----Rupees-----							
Wakala fee	39,943	4,453	1,788,229	194,239	70,652	-	2,097,516
Management expenses	(39,339)	(79,591)	(1,435,704)	(28,022)	(195,029)	-	(1,777,685)
Commission expenses	-	(2,672)	(4,676)	-	(10,855)	-	(18,203)
Net commission and expenses	(39,339)	(82,263)	(1,440,380)	(28,022)	(205,884)	-	(1,795,888)
	604	(77,810)	347,849	166,217	(135,232)	-	301,628
Modarib's share of PTF investment income							134,179
Net investment income							980,864
Other income							148,992
Other expenses							(160,465)
Profit before tax							<u>1,405,198</u>
							As at June 30, 2021 (Audited)
Corporate segment assets	498,560	1,008,682	18,195,229	355,139	2,471,683	-	22,529,293
Corporate un-allocated assets							<u>44,799,425</u>
Total assets							<u>67,328,718</u>
Corporate segment liabilities	93,298	188,760	3,404,963	66,459	462,538	-	4,216,018
Corporate un-allocated liabilities							<u>797,233</u>
Total liabilities							<u>5,013,251</u>

27.2 Participants' Takaful Fund

Segment results

Contribution receivable
Less: Federal exercise duty
 Federal insurance fee
Gross written contribution

Direct contribution
Facultative inward contribution
Administrative surcharge

Wakala expense
Takaful contribution earned
Re-takaful expense
Net takaful contribution
Rebate from re-takaful operators
Net underwriting income
Takaful claims
Re-takaful and other recoveries
Net claims
Direct expenses
Surplus before investment income
Investment Income
Other Income
Surplus for the period

Six months period ended June 30, 2022 (Unaudited)							
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	Total	
-----Rupees-----							
10,196	-	495,413	164,010	261,190	-	930,809	
(1,128)	-	(24,130)	-	(656)	-	(25,914)	
(85)	-	(1,855)	(1,222)	(50)	-	(3,212)	
<u>8,983</u>	<u>-</u>	<u>469,428</u>	<u>162,788</u>	<u>260,484</u>	<u>-</u>	<u>901,683</u>	
8,553	-	385,702	162,788	254,814	-	811,857	
-	-	65,534	-	-	-	65,534	
430	-	18,192	-	5,670	-	24,292	
<u>8,983</u>	<u>-</u>	<u>469,428</u>	<u>162,788</u>	<u>260,484</u>	<u>-</u>	<u>901,683</u>	
(44,609)	(5,345)	(970,492)	(290,278)	(199,077)	-	(1,509,801)	
311,459	19,592	3,939,767	2,009,116	1,254,381	-	7,534,315	
(291,545)	-	(2,952,936)	-	(895,361)	-	(4,140,042)	
19,914	19,592	986,831	2,009,116	358,820	-	3,394,273	
67,054	-	-	-	205,981	-	273,035	
<u>86,968</u>	<u>19,592</u>	<u>986,831</u>	<u>2,009,116</u>	<u>564,801</u>	<u>-</u>	<u>3,667,308</u>	
(1,183)	6,306	(154,695)	(1,027,217)	(659,595)	-	(1,836,384)	
(4)	-	-	-	391,403	-	391,399	
(1,187)	6,306	(154,695)	(1,027,217)	(268,192)	-	(1,444,985)	
<u>85,781</u>	<u>25,898</u>	<u>832,136</u>	<u>981,899</u>	<u>296,609</u>	<u>-</u>	<u>2,147,509</u>	
						2,254,179	
						371,208	
						<u>4,772,896</u>	
						As at June 30, 2022 (unaudited)	
Corporate segment assets	125,041	-	6,534,298	2,265,959	3,625,859	-	12,551,157
Corporate un-allocated assets							60,573,319
Total assets							<u>73,124,476</u>
Corporate segment liabilities	527,739	-	27,578,280	9,563,582	15,303,093	-	52,972,694
Corporate un-allocated liabilities							7,059,648
Total liabilities							<u>60,032,342</u>

Six months period ended June 30, 2021 (Unaudited)							
Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Treaty	Total	
-----Rupees-----							
Segment results							
Contribution receivable	49,180	85,500	1,733,097	30,251	209,510	-	2,107,538
Less: Federal exercise duty	(6,427)	-	(177,167)	-	-	-	(183,594)
Federal insurance fee	(493)	-	(13,628)	(148)	-	-	(14,269)
Gross written contribution	42,260	-	1,542,302	30,103	209,510	-	1,909,675
Direct contribution	40,257	-	1,444,505	30,103	1,303	-	1,516,168
Facultative inward contribution	-	85,500	74,813	-	208,207	-	368,520
Administrative surcharge	2,003	-	22,984	-	-	-	24,987
	42,260	85,500	1,542,302	30,103	209,510	-	1,909,675
Wakala expense	(39,943)	(4,453)	(1,788,229)	(194,239)	(70,652)	-	(2,097,516)
Takaful contribution earned	121,826	13,360	3,343,966	582,715	226,266	-	4,288,133
Re-takaful expense	(112,162)	-	(1,436,491)	-	(148,002)	-	(1,696,655)
Net takaful contribution	9,664	13,360	1,907,475	582,715	78,264	-	2,591,478
Rebate from re-takaful operators	25,792	-	1,874	-	34,039	-	61,705
Net underwriting income	35,456	13,360	1,909,349	582,715	112,303	-	2,653,183
Takaful claims	(45,390)	(5,954)	(1,870,916)	(532,664)	(22,574)	-	(2,477,498)
Re-takaful and other recoveries	9,319	-	(351,449)	-	-	-	(342,130)
Net claims	(36,071)	(5,954)	(2,222,365)	(532,664)	(22,574)	-	(2,819,628)
Direct expenses							(209,849)
Commission expense							-
Management expense							-
contribution deficiency expense							-
Surplus before investment income	(615)	7,406	(313,016)	50,051	89,729	-	(376,294)
Net investment income							
Investment Income							597,896
Other Income							221,051
Surplus for the period							308,474
As at June 30, 2021 (Audited)							
Corporate segment assets	94,605	191,403	3,452,645	67,389	469,016	-	4,275,058
Corporate un-allocated assets							39,611,009
Total assets							43,886,067
Corporate segment liabilities	790,933	1,600,208	28,865,545	563,404	3,921,165	-	35,741,255
Corporate un-allocated liabilities							2,088,696
Total liabilities							37,829,951

28 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Total
-----Rupees-----			
Operator's Fund			
As at January 01, 2021	-	13,201,876	13,201,876
Additions	-	624,453	624,453
Fair Value net gain	-	110,341	110,341
	-	734,794	734,794
As at December 31, 2021	-	13,936,670	13,936,670
Additions	-	947,644	947,644
Deletions	-	-	-
Fair value net gains (excluding net realised gains)	-	(451,266)	(451,266)
	-	496,378	496,378
As at June 30, 2022	-	14,433,048	14,433,048
Participants' Takaful fund			
As at January 01, 2021	-	1,829,286	1,829,286
Additions	-	112,563	112,563
Fair Value net loss	-	(998)	(998)
	-	111,565	111,565
As at December 31, 2021	-	1,940,851	1,940,851
Deletions	-	-	-
Additions	-	-	-
Fair value net gains (excluding net realised gains)	-	57,190	57,190
	-	57,190	57,190
As at June 30, 2022	-	1,998,041	1,998,041

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. Consequently, differences can arise between carrying amounts and the fair value estimates.

Underlying the definition of fair value is the presumption that the Operator is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Operator is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Operator to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

29.1 Fair value of financial instruments

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Operator's Fund	As at June 30, 2022 (Unaudited)						Fair value			
	Carrying amount						Level 1	Level 2	Level 3	Total
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total				
(Rupees)						(Rupees)				
Financial assets measured at fair value										
Investments										
Equity securities	-	14,433,048	-	-	-	14,433,048	14,433,048	-	-	14,433,048
Financial assets not measured at fair value										
Investments										
Debt securities	-	-	-	-	-	-	-	-	-	-
Term deposits	27,478,623	-	-	-	-	27,478,623	-	-	-	-
Loans and other receivable*	-	-	125,408	-	-	125,408	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	18,500,000	-	18,500,000	-	-	-	-
Takaful / re-takaful receivable*	-	-	-	-	-	-	-	-	-	-
Receivable from PTF	-	-	10,693,172	-	-	10,693,172	-	-	-	-
Cash and bank balance*	-	-	-	2,822,251	-	2,822,251	-	-	-	-
	27,478,623	14,433,048	10,818,580	21,322,251	-	74,052,502	14,433,048	-	-	14,433,048
Financial liabilities not measured at fair value										
Other creditors and accruals*	-	-	-	-	853,180	853,180	-	-	-	-
	27,478,623	14,433,048	10,818,580	21,322,251	853,180	74,905,682	14,433,048	-	-	14,433,048

Operator's Fund	As at December 31, 2021 (Audited)						Fair value			
	Carrying amount						Level 1	Level 2	Level 3	Total
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total				
(Rupees)						(Rupees)				
Financial assets measured at fair value										
Investments										
Equity securities	-	13,936,670	-	-	-	13,936,670	13,936,670	-	-	13,936,670
Financial assets not measured at fair value										
Investments										
Debt securities	25,810,000	-	-	-	-	25,810,000	-	-	-	-
Loans and other receivable*	-	-	824,762	-	-	824,762	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	18,500,000	-	18,500,000	-	-	-	-
Takaful / re-takaful receivable*	-	-	-	-	-	-	-	-	-	-
Receivable from PTF	-	-	8,476,952	-	-	8,476,952	-	-	-	-
Cash and bank balance*	-	-	-	4,267,125	-	4,267,125	-	-	-	-
	25,810,000	13,936,670	9,301,714	22,767,125	-	71,815,509	13,936,670	-	-	13,936,670
Financial liabilities not measured at fair value										
Other creditors and accruals*	-	-	-	-	741,450	741,450	-	-	-	-
	25,810,000	13,936,670	9,301,714	22,767,125	741,450	72,556,959	13,936,670	-	-	13,936,670

Participants' Takaful Fund	As at June 30, 2022 (Unaudited)						Fair value			
	Carrying amount					Total	Level 1	Level 2	Level 3	Total
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities					
(Rupees)						(Rupees)				
Financial assets measured at fair value										
Investments	-	1,998,041	-	-	-	1,998,041	1,998,041	-	-	1,998,041
Equity securities	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
Investments	-	-	-	-	-	-	-	-	-	-
Term deposits	47,244,623	-	-	-	-	47,244,623	-	-	-	-
Loans and other receivable*	-	-	1,460,712	-	-	1,460,712	-	-	-	-
Takaful / re-takaful receivable*	-	-	5,335,373	-	-	5,335,373	-	-	-	-
Deferred wakala fee expense*	-	-	2,191,314	-	-	2,191,314	-	-	-	-
Prepayments*	-	-	101,907	-	-	101,907	-	-	-	-
Cash and bank balance*	-	-	-	11,330,653	-	11,330,653	-	-	-	-
	47,244,623	1,998,041	9,089,306	11,330,653	-	69,662,623	1,998,041	-	-	1,998,041
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	-	-	-	-	(10,574,632)	(10,574,632)	-	-	-	-
Unearned contribution reserve	-	-	-	-	(3,082,010)	(3,082,010)	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	-	(18,500,000)	(18,500,000)	-	-	-	-
Payable to OPF	-	-	-	-	(10,693,172)	(10,693,172)	-	-	-	-
Takaful / retakaful payable	-	-	-	-	(8,618,279)	(8,618,279)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(7,059,648)	(7,059,648)	-	-	-	-
	47,244,623	1,998,041	9,089,306	11,330,653	(58,527,741)	11,134,882	1,998,041	-	-	1,998,041

Participants' Takaful Fund	As at December 31, 2021 (Audited)						Fair value			
	Carrying amount					Total	Level 1	Level 2	Level 3	Total
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities					
(Rupees)						(Rupees)				
Financial assets measured at fair value										
Investments	-	1,940,851	-	-	-	1,940,851	1,940,851	-	-	1,940,851
Equity securities	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
Investments	-	-	-	-	-	-	-	-	-	-
Term deposits	44,918,000	-	-	-	-	44,918,000	-	-	-	-
Loans and other receivable*	-	-	1,859,926	-	-	1,859,926	-	-	-	-
Takaful / re-takaful receivable*	-	-	4,861,643	-	-	4,861,643	-	-	-	-
Deferred wakala fee expense*	-	-	3,436,813	-	-	3,436,813	-	-	-	-
Prepayments*	-	-	1,277,921	-	-	1,277,921	-	-	-	-
Cash and bank balance*	-	-	-	11,180,862	-	11,180,862	-	-	-	-
	44,918,000	1,940,851	11,436,303	11,180,862	-	69,476,016	1,940,851	-	-	1,940,851
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	-	-	-	-	(10,895,048)	(10,895,048)	-	-	-	-
Unearned contribution reserve	-	-	-	-	(11,224,443)	(11,224,443)	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	-	-	-	-	-	-	-
Payable to OPF	-	-	-	-	(8,476,953)	(8,476,953)	-	-	-	-
Takaful / retakaful payable	-	-	-	-	(5,654,251)	(5,654,251)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(5,645,940)	(5,645,940)	-	-	-	-
	44,918,000	1,940,851	11,436,303	11,180,862	(60,396,635)	9,079,381	1,940,851	-	-	1,940,851

* The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences may arise between the carrying values and the fair value estimates.

30 **CORRESPONDING FIGURES**


Corresponding figures might be rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

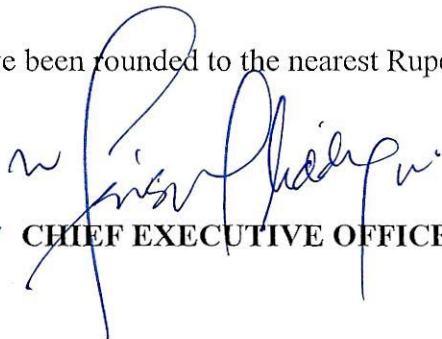
31 **DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on 27 JUL 2022 by the Board of Directors of the Company.

32 **GENERAL**

Figures have been rounded to the nearest Rupees.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR