

SINDH INSURANCE LIMITED

UN-AUDITED CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
HALF YEAR ENDED JUNE 30, 2023

Company Information

Board of Directors

Muhammad Bilal Sheikh (Chairman)
Sajid Jamal Abro
Mushtaq Malik
Raja Muhammad Abbas
Khawaja Tajammul Hussain
Saleem Zamindar
Hina Marvi
Farhan Ashraf Khan

Chief Executive Officer

Muhammad Faisal Siddiqui

Chief Financial Officer & Company Secretary

Nadeem Akhter

BOARD COMMITTEES

Audit Committee

Saleem Zamindar
Sajid Jamal Abro
Mushtaq Malik
Raja Muhammad Abbas

Risk Management Committee

Mushtaq Malik
Raja Muhammad Abbas
Hina Marvi

Human Resources Committee

Muhammad Bilal Sheikh
Khawaja Tajammul Hussain
Saleem Zamindar

Procurement & Information Technology Committee

Hina Marvi
Khawaja Tajammul Hussain
Farhan Ashraf Khan

Nomination Committee

Muhammad Bilal Sheikh
Sajid Jamal Abro
Mushtaq Malik

Investment Committee

Muhammad Bilal Sheikh
Saleem Zamindar
Muhammad Faisal Siddiqui
Nadeem Akhter

Underwriting Committee

Farhan Ashraf Khan
Muhammad Faisal Siddiqui
Nadeem Akhter

Claim Committee

Raja Muhammad Abbas
Muhammad Faisal Siddiqui
Muhammad Sarfraz Awan

Reinsurance Committee

Saleem Zamindar
Muhammad Faisal Siddiqui
Nadeem Akhter

Risk Management & Compliance Committee

Muhammad Bilal Sheikh
Muhammad Faisal Siddiqui
Nadeem Akhter

Auditors

M/s. BDO Ebrahim & Company
Chartered Accountants

Legal Advisor

Muhammad Nadeem Khan

Bankers

Sindh Bank Limited
NRSP Microfinance Bank Limited
Telenor Microfinance Bank Limited
Khushali Microfinance Bank Limited

IFS Credit Rating

A++(Double A Plus) by Rating
Agency (PACRA)

Company Incorporate Number

0086229

National Tax Number

4231500-0

Membership

The Insurance Association of Pakistan (IAP)

Registered Office/Head Office

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

Contact

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

Directors' Review

On behalf of the Board of Directors, I am pleased to present the results of your Company for the half year ended June 30, 2023.

COMPANY PERFORMANCE REVIEW

During the Half year ended June 30, 2023, the company net insurance premium of Rs. 152.092 million as compared to the corresponding period of Rs. 109.285 million. Increase in net insurance premium is because of additional underwriting business during the period. The investment income generated was Rs. 403.352 million during the half year under review as compared to the Rs. 210.272 million in corresponding period in last year. The increase in investment income was because of higher return rate in current period as compared to corresponding period. Profit before tax stood at Rs. 484.632 million as on June 30, 2023 as compared to Rs. 255.019 million of the corresponding period last year. The Company posted a profit after tax of Rs. 342.789 million for the half year ended June 30, 2023 as compared with profit of Rs. 179.755 million in corresponding period. Retained earnings increased from Rs. 1,778.288 million as at the year ended December 31, 2022 to Rs. 2,121.077 million for the half year ended June 30, 2023.

The total assets of the company stood at Rs. 5,447.237 million. Total equity of the Company stands over Rs. 3,120.576 million.

INDUSTRY OVERVIEW

The economy of Pakistan has achieved high GDP growth of 5.97% during the fiscal year 2022, however, is unsustainable and has resulted in financial and macroeconomic imbalances. Pakistan's economy had shown periodic 'boom-bust' growth cycles. The reasons for such volatile growth cycles include the wide-ranging economic challenges like shrinking fiscal space, exchange rate pressure, mounting current account deficit, inflation. Political instability in the country also led to a huge increase in economic uncertainty.

The government is determined to make growth sustainable by implementing coordinated monetary-fiscal policy. Revival of IMF program will also help improve the foreign exchange inflows while maintaining fiscal discipline. The monetary policy measures taken by the government are aimed at sustained growth and countering inflationary pressure. Significant uncertainty around the outlook for international commodity prices and global financial conditions, which had been exacerbated by recent devastating flood in Pakistan. In light of increase in inflationary pressure both in energy and non-energy prices and eternal sector SBP has increase Policy Rate over to 22%

Despite challenging global conditions and devastating flood, the outlook for external sector is improving. The current account deficit shrunk in outgoing year which will help the rupee position in global forex market.

FUTURE OUTLOOK

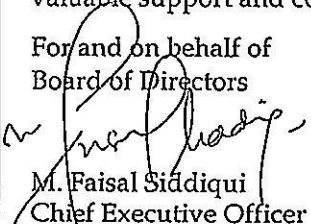
Our strategy for future is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain a growing position in the industry. We continue to invest in our people and making Sindh Insurance Limited a great place to build their career. The Company achieved to spread its network in the Sindh by appointing coordinators in each district of Sindh. Our business module is to focus to increase captive business of government to make the company's footing stronger. Your Company, due to a strong balance sheet, liquidity and above all a competent and proactive management will be able to explore and write any business that meets its criteria for safe and sustainable growth without compromising our high standards in future.

ACKNOWLEDGEMENT

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

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

For and on behalf of
Board of Directors


M. Faisal Siddiqui
Chief Executive Officer

Karachi.
July 31, 2023



CONDENSED INTERIM
FINANCIAL INFORMATION
OF
SINDH INSURANCE LIMITED
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2023

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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, 2023 and the related condensed interim statement of profit or loss account, 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 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, 2023 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, 2023 and June 30, 2022 in the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 31 JUL 2023

UDIN: RR202310067XHLkyprmz



CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		June 30 2023 (Unaudited)	December 31 2022 (Audited)
	Note	Rupees	
ASSETS			
Property and equipment	6	25,265,226	23,254,990
Intangible assets	7	1,334,001	1,720,303
Investments			
Debt securities	8	3,889,576,583	3,980,289,076
Term deposit receipts	9	200,000,000	200,000,000
Loans and other receivables	10	216,200,849	44,502,210
Insurance / reinsurance receivables	11	466,607,486	492,189,944
Reinsurance recoveries against outstanding claims		241,706,242	47,406,441
Deferred commission expense		5,158,799	1,034,587
Deferred taxation		2,833,049	1,616,873
Prepayments	12	107,525,161	451,943,425
Cash and bank	13	205,994,325	156,457,127
		<u>5,362,201,722</u>	<u>5,400,414,977</u>
Total assets of Window takaful operations - Operator's Fund		85,035,773	77,508,280
TOTAL ASSETS		<u>5,447,237,495</u>	<u>5,477,923,257</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 available for sale of investments		(500,850)	206,168
Unappropriated profit		2,121,076,654	1,778,288,138
TOTAL EQUITY		<u>3,120,575,804</u>	<u>2,778,494,306</u>
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	19	1,601,879,547	1,499,364,156
Unearned premium reserves	18	233,680,674	581,605,412
Premium deficiency reserves		9,718,470	25,583,309
Unearned reinsurance commission	20	16,483,715	21,542,710
		<u>1,861,762,406</u>	<u>2,128,095,587</u>
Premium received in advance		49,262,712	87,978,586
Insurance / reinsurance payables	14	287,205,575	431,136,428
Other creditors and accruals	15	37,132,642	34,101,746
Lease liabilities	16	1,872,553	1,407,248
Taxation - net		78,741,310	10,496,498
TOTAL LIABILITIES		<u>2,316,021,198</u>	<u>2,693,216,092</u>
Total liabilities of Window takaful operations - Operator's Fund		10,634,494	6,212,859
TOTAL EQUITY AND LIABILITIES		<u>5,447,237,495</u>	<u>5,477,923,257</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

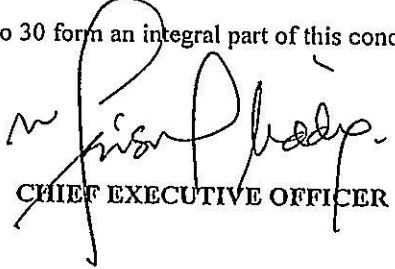
DIRECTOR

SINDH INSURANCE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023


	Note	Six months period ended		Three months period ended	
		June 30 2023	June 30 2022	June 30 2023	June 30 2022
		Rupees-----		Rupees-----	
Net insurance premium	18	152,091,951	109,285,403	64,085,332	57,753,123
Net insurance claims	19	(30,907,251)	(36,744,899)	19,998,730	(14,866,536)
Premium deficiency		15,864,839	16,113,237	19,585,995	10,767,825
Net commission	20	(8,315,275)	11,736,168	(19,842,203)	6,312,848
Insurance claims and acquisition expenses		(23,357,687)	(8,895,494)	19,742,522	2,214,138
Management expenses	21	(68,885,728)	(56,029,421)	(35,899,111)	(30,695,016)
Underwriting results		59,848,536	44,360,488	47,928,742	29,272,245
Investment income	22	403,351,593	210,272,145	216,165,973	115,814,451
Other income	23	21,458,821	5,727,921	13,238,889	3,567,022
Other expenses		(6,065,567)	(8,356,809)	(2,508,002)	(4,142,883)
General insurance operations		478,593,383	252,003,745	274,825,602	144,510,835
Profit before tax from					
Window Takaful Operations		6,039,094	3,015,089	3,854,416	1,983,537
Profit before tax		484,632,477	255,018,834	278,680,018	146,494,372
Income tax expense		(141,843,961)	(75,263,439)	(80,525,086)	(43,222,489)
Profit after taxation		342,788,516	179,755,395	198,154,932	103,271,883
Earnings per share - basic and diluted	24	3.43	1.80	1.98	1.03

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 SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Six months period ended		Three months period ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	Rupees		Rupees	
Profit after taxation	342,788,516	179,755,395	198,154,932	103,271,883
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss account				
Unrealised (loss)/gain on available for sale investments	-	-	-	-
Deferred tax available for sale of investments	-	-	-	-
Items that will not be reclassified subsequently to profit				
Gain / (loss) on remeasurement of defined benefit liability	-	-	-	-
Tax impact	-	-	-	(144,767)
Net unrealised loss from Window Takaful Operations - Operators Fund net of deferred tax	(707,018)	(398,741)	(821,253)	(553,313)
Total comprehensive income for the period	<u>342,081,498</u>	<u>179,356,654</u>	<u>197,333,679</u>	<u>102,573,803</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 CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

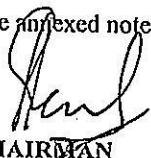
	June 30 2023	June 30 2022
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(a) Underwriting activities		
Insurance premium received	282,374,239	177,807,002
Reinsurance premium paid	(327,732,390)	(90,403,843)
Claims paid	(198,982,183)	(81,277,984)
Reinsurance and other recoveries received	76,290,522	5,963,596
Commission paid	(1,431,849)	(1,006,658)
Commission received	23,866,658	11,292,712
Underwriting payments	(6,065,567)	(8,356,809)
Net cash (used in)/ flows from underwriting activities	(151,680,570)	14,018,016
(b) Other operating activities		
Income tax paid	(74,815,325)	(59,039,680)
Management and administrative expenses paid	(62,812,547)	(52,952,353)
Other operating payments	(12,065,122)	(7,195,761)
Net cash used in other operating activities	(149,692,994)	(119,187,794)
Total cash used in all operating activities	(301,373,564)	(105,169,778)
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit / return received	236,288,689	194,927,826
Other income received	21,458,821	5,727,921
Purchase of investments	(476,348,698)	(6,107,478,488)
Proceeds from sale / realization of investment	576,716,799	6,071,518,710
Fixed capital expenditure	(7,670,152)	(2,535,641)
Net cash flows from investing activities	350,445,459	162,160,328
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment of lease liability	465,303	(1,127,685)
Net cash generated / (used in) from financing activities	465,303	(1,127,685)
Net cash generated from all activities	49,537,198	55,862,865
Cash and cash equivalents at beginning of the period	356,457,127	258,880,331
Cash and cash equivalents at end of the period	405,994,325	314,743,196
CASH AND CASH EQUIVALENTS		
Cash and bank	13 205,994,325	156,457,127
Term deposit receipts	9 200,000,000	200,000,000
	405,994,325	356,457,127

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

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

	June 30 2023	June 30 2022
	----- Rupees-----	
Reconciliation to profit and loss account		
Operating cash flows	(301,373,564)	(105,169,778)
Depreciation expense	(5,659,916)	(6,009,913)
Amortization of intangible	(386,302)	(417,855)
Increase in current assets other than cash	(156,520,993)	(243,974,105)
Increase in operating liabilities	442,908,419	332,535,650
Investment income	403,351,593	210,272,145
Other income	21,458,821	5,727,921
Income tax paid	74,815,325	59,039,680
Profit before taxation	478,593,383	252,003,745
Provision for taxation	(141,843,961)	(75,263,439)
Profit after taxation from conventional insurance operations	336,749,422	176,740,306
Profit from Window Takaful Operations	6,039,094	3,015,089
Profit after tax	342,788,516	179,755,395

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


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR

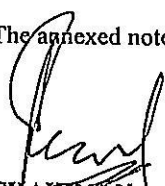

DIRECTOR

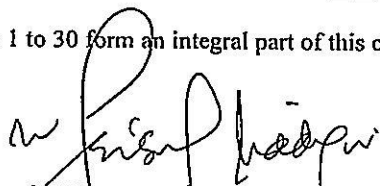
SINDH INSURANCE LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

	Share capital Issued, subscribed and paid-up capital	Revaluation reserve on available for sale investments	Unappropriate d profit	Total
	Rupees			
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
Takaful Operations-Operator fund-net of tax	-	(398,741)	-	(398,741)
Total comprehensive income for the year	-	(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
Balance as at January 01, 2023 (Un-audited)	1,000,000,000	206,168	1,778,288,138	2,778,494,306
Total comprehensive income for the period				
Profit after tax	-	-	342,788,516	342,788,516
Takaful Operations-Operator fund-net of tax	-	(707,018)	-	(707,018)
Total comprehensive income for the period	-	(707,018)	342,788,516	342,081,498
Balance as at June 30, 2023 (Un-audited)	1,000,000,000	(500,850)	2,121,076,654	3,120,575,804

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, 2023

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, 2022 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, 2022, 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, 2022.

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 and loss account of the Company respectively.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost basis 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 flows information.

3.3 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan ('Rupees' or 'Rs'.) 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, 2022.

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, 2022 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, 2023. 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 and 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, 2023			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain	Fair value	Change in unrealised gain
-----Rupees-----			

Financial assets

Investments

Debt securities	3,771,837,718	-	117,738,865	-
Term deposit receipts	-	-	200,000,000	-
Loans and other receivable	-	-	216,200,849	-
Re-insurance recoveries against outstanding claims	-	-	241,706,242	-
Insurance / reinsurance receivables	-	-	466,607,486	-
Cash at bank	-	-	205,994,325	-
Window takaful operations- Operator's fund	15,961,675	-	69,074,098	-
	<u>3,787,799,393</u>	-	<u>1,517,321,864</u>	-

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

		June 30 2023 (Unaudited)	December 31 2022 (Audited)
	Note	Rupees	
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	22,426,757	21,241,005
Right-of-use assets - Office premises	6.2	2,838,469	2,013,985
		<u>25,265,226</u>	<u>23,254,990</u>
6.1 Operating fixed assets			
Opening balance as at January 01		21,241,005	25,485,305
Additions during the period / year			
Leasehold improvements		-	-
Furniture and fixtures		133,000	85,650
Office equipment		-	565,739
Computers		1,089,797	2,472,344
Vehicles		3,600,250	81,000
		<u>4,823,047</u>	<u>3,204,733</u>
Less:			
Written down value of assets disposed off during the period / year			(109,706)
Deprecation charge for the period / year		(3,637,295)	(7,339,327)
		<u>22,426,757</u>	<u>21,241,005</u>
6.2 Right-of-use assets			
Office Premises		<u>2,838,469</u>	<u>2,013,985</u>
Opening balance as at January 01		2,013,985	5,110,189
Additions during the period / year		2,847,105	-
Less: Depreciation charge during the period / year		(2,022,621)	(3,096,204)
		<u>2,838,469</u>	<u>2,013,985</u>
7 INTANGIBLE ASSETS			
Computer Softwares		<u>1,334,001</u>	<u>1,720,303</u>
Opening balance as at January 01		1,720,303	535,724
Additions during the period / year		-	2,267,812
Less: Amortization charge for the period / year		(386,302)	(1,083,232)
		<u>1,334,001</u>	<u>1,720,303</u>

		June 30 2023 (Unaudited)	December 31 2022 (Audited)
	Note	Rupees	
8 INVESTMENTS IN DEBT SECURITIES			
Corporate sukuk			
TPL Trakker Limited	8.1 & 8.4	-	-
Available for sale			
Government Securities			
Pakistan Investment Bonds	8.1	2,911,280,618	2,902,996,557
Treasury bills	8.1 & 8.2	285,557,100	385,925,200
Others			
Term Finance Certificates	8.1 & 8.4	575,000,000	575,000,000
		3,889,576,583	3,980,289,076

8.1 Detail of investments in debt securities is as follows

	June 30, 2023 (Unaudited)				December 31, 2022 (Audited)			
	Cost	Impairment / provision	Surplus on revaluation	Carrying value	Cost	Impairment / Provision	Surplus on revaluation	Carrying value
Held to maturity								
Government securities								
Pakistan Investment Bonds	117,738,865	-	-	117,738,865	116,367,319	-	-	116,367,319
Others	117,738,865	-	-	117,738,865	116,367,319	-	-	116,367,319
Corporate Sukuk								
TPL Trakker Limited	-	-	-	-	-	-	-	-
	117,738,865	-	-	117,738,865	116,367,319	-	-	116,367,319
Available for sale								
Government securities								
Pakistan Investment Bonds	2,911,280,618	-	-	2,911,280,618	2,902,996,557	-	-	2,902,996,557
Treasury Bills	285,557,100	-	-	285,557,100	385,925,200	-	-	385,925,200
Others								
Term Finance Certificate - Unquoted								
Meerzan 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
Sonnet 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
	3,771,837,718	-	-	3,771,837,718	3,863,921,757	-	-	3,863,921,757
	<u>3,889,576,583</u>	-	-	<u>3,889,576,583</u>	<u>3,980,289,076</u>	-	-	<u>3,980,289,076</u>

8.2 These represent Market Treasury Bills (MTBs) having a face value of Rs. 300 million (December 31, 2022: Rs.400 million) and carrying purchase yield of 20.97% to 21.97% per annum

8.3 This represents Pakistan Investment Bonds having carrying value amounting to Rs. 117.739 million (December 31, 2022: Rs.116.367 million) which are pledged with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.

- 8.4 These represent Term Finance Certificates issued by various banks having face value of Rs. 575 million (December 31, 2022: Rs. 575 million) and carry interest yield of 17.41 % to 24.14% per annum (December 31, 2022: 9.89% to 18.97%) per annum. These term finance certificates have maturities upto January 29, 2038 and perpetuity.

	Note	June 30 2023 (Unaudited)	December 31 2022 (Audited)
		(Rupees)	
9 INVESTMENTS IN TERM DEPOSIT RECEIPTS			
Deposits maturing within 12 months-local currency		200,000,000	200,000,000
9.1 These represent term deposit receipts (TDRs) in local currency with Sindh Bank (Related Party) carrying markup ranging from 16.00% to 19.75% (December 31, 2022: 9.75% to 13.25%) per annum.			
10 LOANS AND OTHER RECEIVABLES			
(Unsecured - considered good)			
Accrued investment income		184,225,354	21,485,980
Loan to employees		1,303,385	-
Other receivables		30,672,110	22,633,467
Gratuity receivables		-	382,764
		216,200,849	44,502,210
11 INSURANCE / REINSURANCE RECEIVABLES			
(Unsecured - considered good)			
Due from insurance contract holders	11.1	298,379,635	353,965,124
		466,607,486	492,189,944
11.1 This includes gross amount of Rs. 279.597 million (December 31, 2022: Rs. 338.776 million)			
11.1 due from related parties.			
12 PREPAYMENTS			
Prepaid reinsurance premium ceded		104,185,181	446,781,223
Prepaid insurance expense		2,775,623	4,813,942
Others		564,357	348,260
		107,525,161	451,943,425

		June 30 2023 (Unaudited)	December 31 2022 (Audited)
	Note	(Rupees)	
13 CASH AND BANK			
Cash in hand		93,100	20,672
Policy stamps		488,233	907,640
Cash at bank			
Savings accounts	13.1	205,412,992	155,528,815
		<u>205,994,325</u>	<u>156,457,127</u>
These accounts carry interest rates ranging from 14.5% to 19.5% (December 31, 2022: 8.4% to 14.5%) per annum.			
14 INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers			
Local		33,221,557	177,027,926
Foreign		253,984,018	254,108,502
		<u>287,205,575</u>	<u>431,136,428</u>
15 OTHER CREDITORS AND ACCRUALS			
Agent commission payable		5,029,062	152,908
Federal excise duty / sales tax		8,955,928	13,720,782
Federal insurance fee		1,044,827	1,645,639
Accrued expenses		8,615,136	8,644,164
Other tax payables		1,132,549	1,261,493
Provision for compensated leave absences		6,216,078	4,785,036
Auditors' remuneration		854,067	736,368
Provision for gratuity		1,593,831	-
		<u>37,182,642</u>	<u>34,101,746</u>
16 LEASE LIABILITY			
Lease liabilities recongnized as at January 1		1,407,248	6,039,999
Add: Additions during the period / year		1,263,640	-
Interest accrued		117,473	536,452
Less: Repayment of lease liabilities		(915,808)	(5,169,203)
		<u>1,872,553</u>	<u>1,407,248</u>

	June 30 2023 (Unaudited)	December 31 2022 (Audited)
	(Rupees)	
16.1 Break up of lease liabilities		
Lease liabilities	1,872,553	1,407,248
Less: Current portion	-	(1,407,248)
	<u>1,872,553</u>	<u>-</u>
Maturity analysis - contractual undiscounted cash flows:		
Less than one year	1,872,553	1,407,248
One to five year	-	-
Total undiscounted lease liability	<u>1,872,553</u>	<u>1,407,248</u>

16.2 When measuring lease liabilities, the Company discounted lease payments using incremental borrowing rate of 10.51% to 25.31% (December 31, 2022: 10.51% to 16.49%).

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There were no contingencies as at June 30, 2023 (December 31, 2022: Nil).

17.2 Commitments

There were no commitments as at June 30, 2023 (December 31, 2022: Nil).

	Six months period ended		Three months period ended	
	June 30 2023 (Unaudited)	June 30 2022 (Unaudited)	June 30 2023 (Unaudited)	June 30 2022 (Unaudited)
	(Rupees)		(Rupees)	
18 NET INSURANCE PREMIUM				
Written gross premium	300,561,762	87,334,874	215,967,112	59,463,206
Add: Unearned premium reserve - opening	581,605,412	403,196,349	351,199,779	251,806,905
Less: Unearned premium reserve - closing	(233,680,674)	(122,596,597)	(233,680,674)	(122,596,597)
Premium earned	<u>648,486,500</u>	<u>367,934,626</u>	<u>333,486,217</u>	<u>188,673,514</u>
Less: Reinsurance premium ceded	(153,798,507)	(51,861,639)	(121,854,768)	(38,657,902)
Prepaid reinsurance premium- opening	(446,781,223)	(270,205,389)	-	(155,680,294)
Prepaid reinsurance premium- closing	104,185,181	63,417,805	(147,546,118)	63,417,805
Reinsurance expense	<u>(496,394,549)</u>	<u>(258,649,223)</u>	<u>(269,400,886)</u>	<u>(130,920,391)</u>
	<u>152,091,951</u>	<u>109,285,403</u>	<u>64,085,332</u>	<u>57,753,123</u>

19 NET INSURANCE CLAIMS EXPENSE

	Six months period ended		Three months period ended	
	June 30 2023 (Unaudited)	June 30 2022 (Unaudited)	June 30 2023 (Unaudited)	June 30 2022 (Unaudited)
	(Rupees)		(Rupees)	
Claims paid	198,982,183	81,277,984	135,857,643	50,708,792
Add: Outstanding claims including IBNR - closing	1,601,879,547	1,613,928,923	1,601,879,547	1,613,928,923
Less: Outstanding claims including IBNR - opening	(1,499,364,156)	(1,614,078,247)	(1,700,897,201)	(1,608,965,797)
Claims expense	301,497,574	81,128,659	36,839,989	55,671,918
Less:				
Reinsurance and other recoveries received	(76,290,522)	(5,963,596)	(60,875,779)	(3,621,820)
Reinsurance and other recoveries in respect of outstanding claims - opening	47,406,440	31,498,162	245,743,302	32,734,765
Reinsurance and other recoveries in respect of outstanding claims - closing	(241,706,242)	(69,918,327)	(241,706,242)	(69,918,327)
Reinsurance and other recoveries revenue	(270,590,324)	(44,383,761)	(56,838,719)	(40,805,382)
	30,907,251	36,744,898	(19,998,730)	14,866,536

19.1 This includes Provision for incurred but not reported claims (IBNR) amounting to 1,113.241 million (2022: Rs 1,323.972 million).

20 NET COMMISSION

Commission paid or payable	41,365,140	1,007,176	39,965,679	793,639
Deferred commission expense - opening	1,034,587	684,676	1,240,449	550,000
Deferred commission expense - closing	(5,158,799)	(571,726)	(5,158,799)	(571,726)
Net commission	37,240,928	1,120,126	36,047,329	771,913
Less:				
Commission received or recoverable from reinsurers	(23,866,658)	(11,292,712)	(18,836,274)	(7,569,555)
Unearned reinsurance commission - closing	16,483,715	9,197,466	38,026,425	9,197,466
Unearned reinsurance Commission - opening	(21,542,710)	(10,761,048)	(35,395,277)	(8,712,672)
Commission from reinsurers	(28,925,653)	(12,856,294)	(16,205,126)	(7,084,761)
	8,315,275	(11,736,168)	19,842,203	(6,312,848)

21 MANAGEMENT EXPENSES

	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
	(Rupees)		(Rupees)	
Salaries, allowance and other benefits	36,559,701	28,235,919	19,494,160	15,939,675
Travelling expense	4,657,954	2,256,844	2,541,847	1,789,967
Advertisement and sales promotion	237,971	461,356	15,145	17,141
Printing and stationery	2,083,687	930,074	923,289	456,804
Depreciation	5,659,916	6,009,913	2,977,171	2,986,445
Amortization	386,302	417,855	193,151	370,085
Rent, rates and taxes	27,850	7,200	27,850	7,200
Interest expense	117,473	338,487	79,726	156,304
Legal and professional charges	1,974,334	706,165	1,107,812	111,644
Electricity, gas and water	1,576,256	1,062,339	1,066,292	580,507
Entertainment	1,217,295	1,069,400	587,652	321,360
Vehicle running expense	75,995	-	21,046	-
Office repairs and maintenance	1,644,250	3,982,245	883,754	3,327,840
Insurance expense	3,341,415	2,575,013	1,795,950	158,880
Office expense	328,928	215,007	210,536	9,263
Bank charges	28,059	32,960	15,161	367,573
Postage, telegrams and telephones	792,587	866,110	389,426	-
Annual supervision fee SECP	831,558	587,520	415,779	306,653
Service charges (Health Econnex)	4,598,877	2,850,725	1,168,061	1,524,092
Gratuity expense	1,976,595	2,567,592	1,654,696	1,969,305
Miscellaneous	768,725	856,697	330,608	294,279
	68,885,728	56,029,421	35,899,111	30,695,016
22 INVESTMENT INCOME				
Return on investments:				
classified at held to maturity				
Return on sukuk	-	206,939	-	22,994
Return on term deposits receipt	17,871,233	10,214,794	9,610,959	5,415,890
Return on debt securities (PIBs)	7,337,726	7,178,673	3,734,299	3,653,023
classified as available for sale				
Return on Treasury bills	24,838,707	151,185,034	10,980,365	82,771,777
Return on term finance certificates	56,865,901	38,384,019	30,284,972	20,848,081
	403,351,593	210,272,145	216,165,973	115,814,451
23 OTHER INCOME				
Interest on savings accounts	19,975,016	4,997,340	12,599,608	3,174,887
Income on generator sharing	720,000	334,768	270,000	154,768
Other	763,805	395,813	369,281	237,367
	21,458,821	5,727,921	13,238,889	3,567,022

	Six months period ended		Three months period ended	
	June 30 2023 (Unaudited)	June 30 2022 (Unaudited)	June 30 2023 (Unaudited)	June 30 2022 (Unaudited)
	(Rupees)		(Rupees)	
24 EARNINGS PER SHARE - basic and diluted				
Profit for the period (Rupees)	233,759,725	179,755,395	89,126,142	103,271,883
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)	2.34	1.80	0.89	1.03

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

25 TRANSACTIONS AND BALANCES 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:

25.1 Transactions during the reporting period

Name of related party	Nature of relationship	Nature of transaction	Six months period ended		Three months period ended	
			June 30 2023 (Unaudited)	June 30 2022 (Unaudited)	June 30 2023 (Unaudited)	June 30 2022 (Unaudited)
			Rupees		Rupees	
Sindh Bank Limited	Companies having common directorship	Income on saving accounts	19,940,289	4,997,340	12,567,132	3,174,887
		Income on term deposits	17,871,233	10,214,794	9,610,959	5,415,890
		Premium written	13,973,022	2,006,248	5,860,154	1,024,002
		Claim paid	40,925,720	30,146,570	20,327,433	16,448,749
Sindh Modarba Management Limited	Companies having common directorship	Premium written	-	-	-	-
		Claim paid	-	-	-	-
		Income on sharing of generator	720,000	334,768	270,000	-
Sindh Leasing Company	Companies having common directorship	Premium written	-	-	-	-
		Claim paid	-	-	-	-
Sindh Microfinance Bank Limited	Companies having common directorship	Premium written	3,266,469	2,413,114	2,550,318	2,420,310
		Claim paid	310,683	1,467,565	113,631	281,979
Directors	Directors	Premium written	330,874	60,395	330,874	60,395
		Claim paid	11,800	37,000	11,800	37,000
		Meeting Fee	5,505,000	8,030,000	2,210,000	3,980,000
Provident fund	Employees' fund	Contribution to provident fund	1,257,313	1,023,351	704,017	564,757
Shareholder	Government of Sindh	Claim paid	63,016,240	41,373,680	48,100,000	27,872,500
		Commission	35,057,137	-	35,057,137	-

Balances outstanding at the reporting date

			June 30 2023	December 31 2022
			(Unaudited)	(Audited)
			Rupees	
Sindh Bank Limited	Companies having common directorship	Bank accounts	204,647,692	154,793,033
		Term Deposits	200,000,000	200,000,000
		Due from insurance contract holder	4,352,468	28,317,417
		Claim payable	14,773,972	13,908,228
		Lease Liability		432,552
Sindh Modarba Management Limited	Companies having common directorship	Amount receivable for sharing of generator		832,245
Sindh Microfinance Bank Limited	Companies having common directorship	Due from insurance contract holder		173,475
Directors	Directors	Claim (receivable) / payable	567,250	15,000
		Due from insurance		12,220
		Claim payable		
Receivable From Sindh Insurance Limited - Window Takaful Operations			12,675,038	5,307,926

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, 2023								
Rupees								
Premium receivable	76,968,205	33,432,465	58,540,106	75,816,750	49,989,817	16,487,083	-	311,234,426
Less: Federal exercise duty	1,194,744	104,553	2,628,538	-	4,837,173	1,077,278	-	9,842,286
Federal insurance fee	91,894	8,042	202,196	73,272	372,095	82,879	-	830,378
Gross written premium	75,681,567	33,319,870	55,709,372	75,743,478	44,780,549	15,326,926	-	300,561,762
Direct premium earned	51,544,956	14,644,421	67,176,181	38,550,677	439,410,255	32,330,043	-	643,656,533
Facultative inward premium earned	782,165	104,314	1,988,337	-	705,168	-	-	3,579,984
Administrative surcharge earned	99,035	83,336	835,742	21,889	39,824	209,980	-	1,249,982
Insurance premium earned	52,426,156	14,832,071	70,000,260	38,572,566	440,155,247	32,540,023	-	648,486,499
Insurance premium ceded to reinsurers	47,759,583	4,595,998	32,271,300	-	385,807,036	25,960,632	-	496,394,549
Net insurance premium	4,666,573	10,236,073	37,728,961	38,572,566	54,348,211	6,579,391	-	152,091,951
Commission income	7,095,535	559,557	10,856,242	-	602,195	9,812,124	-	28,925,653
Net underwriting income	11,762,108	10,795,630	48,585,203	38,572,566	54,950,406	16,391,515	-	181,017,604
Insurance claims	1,803,349	4,060,631	36,111,445	(17,417,410)	266,847,600	10,091,958	-	301,497,574
Insurance claims recovered from reinsurers	1,152,312	4,229,422	16,027,624	-	256,997,788	(7,816,822)	-	270,590,324
Net claims	651,037	(168,791)	20,083,821	(17,417,410)	9,849,812	17,908,781	-	30,907,251
Commission expense	1,038,044	21,081	772,420	35,245,434	123,518	40,431	-	37,240,928
Management expense	12,934,059	5,694,401	9,520,790	30,464,048	7,653,043	2,619,388	-	68,885,728
Premium deficiency expense	534,631	(1,533,416)	(6,597,907)	6,547,621	-	(14,815,768)	-	(15,864,839)
Net insurance claims and expenses	15,157,771	4,013,275	23,779,124	54,839,693	17,626,373	5,752,832	-	121,169,068
Underwriting result	(3,395,663)	6,782,355	24,806,078	(16,267,127)	37,324,033	10,638,683	-	59,848,536
Net investment income								403,351,593
Other income								21,458,821
Other expenses								(6,065,567)
Profit from Window Takaful Operation								6,039,094
Profit before tax								484,632,476
As at June 30, 2023 (Unaudited)								
Segment assets	252,602,732	111,211,891	185,941,440	252,809,373	149,464,255	51,156,755	-	1,003,186,447
Un-allocated assets	-	-	-	-	-	-	-	4,444,051,048
								5,447,237,495
Segment liabilities	574,608,744	252,979,548	422,970,791	575,078,800	339,994,216	116,368,966	-	2,282,001,065
Un-allocated liabilities	-	-	-	-	-	-	-	153,689,418
								2,435,690,483

Segment Prior 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	(189,335)	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	(373,352)	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	4,027,314	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	-	1,948,137,430
Un-allocated liabilities	-	-	-	-	-	-	-	33,756,265
								1,981,893,695

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 at the reporting date:-

	As at June 30, 2023 (Unaudited)		As at December 31, 2022 (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rupees		Rupees	
Financial Assets				
Investments				
Debt securities	3,889,576,583	3,889,576,583	3,980,289,076	3,980,289,076
Term deposit receipts	200,000,000	200,000,000	200,000,000	200,000,000
Insurance / reinsurance receivables	466,607,486	466,607,486	492,189,944	492,189,944
Reinsurance recoveries against outstanding claims	241,706,242	241,706,242	47,406,441	47,406,441
Cash at bank	205,412,992	205,412,992	155,528,815	155,528,815
Financial Liabilities				
Outstanding claims including IBNR	1,710,908,338	1,710,908,338	1,499,364,156	1,499,364,156
Insurance / reinsurance payables	287,205,575	287,205,575	431,136,428	431,136,428
Other creditors and accruals	37,182,642	37,182,642	34,101,746	34,101,746

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 June 30, 2023 (Unaudited)									
Carrying amount						Fair Value			
Held-to-maturity	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)						(Rupees)			
Financial Assets Measured At Fair Value									
Investments									
Pakistan Investment Bonds	2,911,280,618	-	-	-	2,911,280,618	-	-	-	-
Treasury Bills	285,557,100	-	-	-	285,557,100	-	-	-	-
Term Finance Certificate	575,000,000	-	-	-	575,000,000	-	-	-	-
	3,771,837,718				3,771,837,718				
Financial assets not measured at fair value									
Investments									
Pakistan Investment Bonds	117,738,865	-	-	-	117,738,865				
Term deposits	-	-	200,000,000	-	200,000,000				
Loans and other receivable*	-	216,200,849	-	-	216,200,849				
Insurance / reinsurance receivable*	-	466,607,486	-	-	466,607,486				
Re-insurance recoveries - outstanding claims*	-	241,706,242	-	-	241,706,242				
Deferred commission expense*	-	5,158,799	-	-	5,158,799				
Prepayments*	-	107,525,161	-	-	107,525,161				
Cash and bank*	-	-	205,994,325	-	205,994,325				
Window Takaful Operations - Operator's Fund*	-	85,035,773	-	-	85,035,773				
	117,738,865	7,943,675,436	1,122,234,310	405,994,325	1,645,967,500				
Financial Liabilities Not Measured At Fair Value									
Outstanding claims including IBNR*	-	-	-	(1,710,908,338)	(1,710,908,338)				
Insurance / reinsurance payables*	-	-	-	(287,205,575)	(287,205,575)				
Other creditors and accruals*	-	-	-	(20,714,343)	(20,714,343)				
	-	-	-	(2,018,828,256)	(2,018,828,256)				

As at December 31, 2022 (Audited)									
Carrying amount						Fair Value			
Held-to-maturity	Available for sale	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)						(Rupees)			
Financial Assets Measured At Fair Value									
Investments									
Pakistan Investment Bonds	2,902,996,557	-	-	-	2,902,996,557	-	-	-	-
Treasury Bills	385,925,200	-	-	-	385,925,200	-	-	-	-
Term Finance Certificate	575,000,000	-	-	-	575,000,000	-	-	-	-
	3,863,921,757				3,863,921,757				
Financial assets not measured at fair value									
Investments									
Pakistan Investment Bonds	116,367,319	-	-	-	116,367,319				
Term deposits	-	-	200,000,000	-	200,000,000				
Loans and other receivable*	-	44,502,210	-	-	44,502,210				
Insurance / reinsurance receivable*	-	492,189,944	-	-	492,189,944				
Re-insurance recoveries - outstanding claims*	-	47,406,441	-	-	47,406,441				
Cash and bank*	-	-	156,457,127	-	156,457,127				
	116,367,319	584,098,595	356,457,127	-	1,056,923,041				
Financial Liabilities Not Measured At Fair Value									
Outstanding claims including IBNR*	-	-	-	(1,499,364,156)	(1,499,364,156)				
Insurance / reinsurance payables*	-	-	-	(431,136,428)	(431,136,428)				
Other creditors and accruals*	-	-	-	(13,951,671)	(13,951,671)				
Lease Liability	-	-	-	(1,407,248)	(1,407,248)				
	-	-	-	(1,945,859,303)	(1,945,859,303)				

* 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.


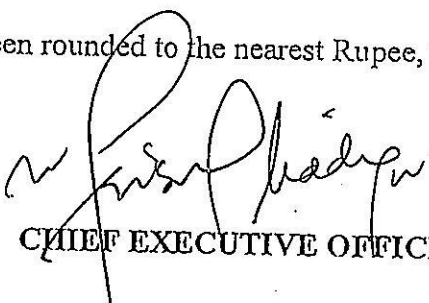


29 DATE OF AUTHORIZATION FOR ISSUE

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

31 JUL 2023

30 GENERAL

Figures have been rounded to the nearest Rupee, where, stated otherwise.

			
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

SINDH INSURANCE LIMITED

—

WINDOW TAKAFUL OPERATIONS

UN-AUDITED CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE HALF
YEAR ENDED JUNE 30, 2023



CONDENSED INTERIM
FINANCIAL INFORMATION
OF
SINDH INSURANCE LIMITED
(WINDOW TAKAFUL OPERATIONS)
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2023

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.



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Pakistan

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, 2023 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, 2023 and June 30, 2022 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: 31 JUL 2023

UDIN: RR202310067izsTmDRdx

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

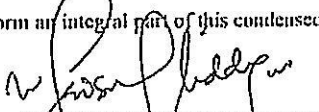
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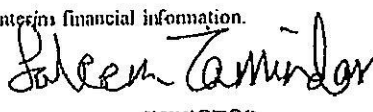
SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	Operator's Fund		Participant's Takaful Fund	
		June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees		Rupees	
ASSETS					
Property and equipment		3,447,508	21,082	-	-
Intangible assets	7	-	-	-	-
Investments					
Equity securities	8	15,961,675	15,174,692	2,261,863	2,127,011
Term deposits	9	29,800,000	29,000,000	61,000,000	54,766,000
		45,761,675	44,174,692	63,261,863	56,893,011
Loan and other receivables	10	2,052,692	275,713	3,181,440	1,402,486
Takaful / retakaful receivables	11	-	-	5,874,300	5,864,496
Qard-e-Hasna to Participants' Takaful Fund (PTF)	12	13,500,000	18,500,000	-	-
Receivable from PTF	13	14,110,856	10,601,721	-	-
Deferred wakala fee expense		-	-	1,198,042	1,967,998
Deferred commission expense	21	18,428	247,358	-	-
Prepayments	14	115,326	91,499	248,050	1,504,606
Deferred taxation		-	-	-	-
Taxation - payment less provision		-	-	3,636,474	2,998,425
Cash and bank	15	6,029,288	3,099,113	4,908,275	9,474,235
TOTAL ASSETS		85,035,773	77,011,178	82,508,444	80,105,257
EQUITY AND LIABILITIES					
Operator's fund					
Statutory fund		50,000,000	50,000,000	-	-
Revaluation reserve on available for sale investment		(126,851)	373,999	-	-
Accumulated profit		21,825,998	18,489,036	-	-
Total Operators Fund		71,699,147	68,863,035	-	-
Participants' takaful fund					
Ceded money		-	-	500,000	500,000
Revaluation reserve on available for sale investment		-	-	27,685	136,174
Accumulated surplus		-	-	21,774,257	18,094,139
Balance of Participant Takaful Fund		-	-	22,301,942	18,730,313
Qard-e-Hasna from Operator's Fund	12	-	-	13,500,000	18,500,000
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR	20	-	-	10,350,747	8,741,085
Unearned contribution reserve	19	-	-	3,755,061	7,291,817
Unearned retakaful rebate	21	-	-	51,269	346,060
		-	-	14,157,077	16,378,962
Unearned wakala fee		1,198,042	1,967,998	-	-
Contribution received in advance		-	-	156,084	198,579
Takaful / re-takaful payables	16	-	-	8,633,024	9,606,049
Payable to OPF	13	-	-	14,110,856	10,601,721
Other creditors and accruals	17	4,387,740	475,282	9,149,461	6,089,633
Deferred taxation		857,346	123,736	-	-
Taxation - payment less provision		6,893,498	5,581,127	-	-
TOTAL LIABILITIES		13,336,626	8,148,143	46,306,502	42,874,944
TOTAL EQUITY AND LIABILITIES		85,035,773	77,011,178	82,508,444	80,105,257
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

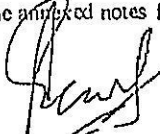

DIRECTOR

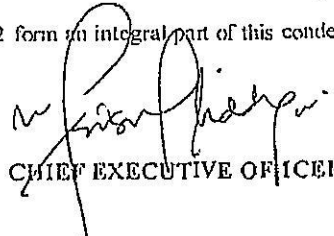

DIRECTOR

SINDII INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

		Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2023	2022	2023	2022
	Note	Rupees		Rupees	
Participants' Takaful Fund					
Contributions earned	19	7,722,759	7,534,315	3,488,238	4,401,312
Less: Contributions ceded to retakaful	19	(2,977,983)	(4,140,042)	(1,480,433)	(1,330,883)
Net contributions revenue		4,744,776	3,394,273	2,007,805	3,070,429
Retakaful rebate	21	338,664	273,035	167,586	136,309
Net underwriting income		5,083,440	3,667,308	2,175,391	3,206,738
Net claims - reported / settled - IBNR	20	(5,453,202)	(1,444,985)	(2,657,203)	875,353
Other direct expenses		(573)	(74,814)	(261)	(1)
(deficit) / surplus before investment income		(370,335)	2,147,509	(482,073)	4,082,090
Investment income	23	3,540,310	2,254,179	2,119,704	1,765,724
Other income	24	510,143	371,208	266,129	138,944
Surplus transferred to accumulated surplus		3,680,118	4,772,896	1,903,760	5,986,758
Operator's Fund					
Wakala fee		3,306,371	1,509,801	1,459,805	145,716
Commission expense	21	(235,151)	(220,052)	(117,591)	(110,352)
Management expenses	22	(2,074,881)	(1,610,955)	(1,071,231)	(890,843)
		996,339	(321,206)	270,983	(855,479)
Modarib's share of PTF investment income		985,493	631,227	591,341	472,819
Investment income	23	4,067,830	2,749,046	3,037,375	2,397,293
Other expenses	25	(228,449)	(129,168)	(142,573)	(67,628)
Other income		217,881	85,190	97,290	36,532
Profit before taxation		6,039,094	3,015,089	3,854,416	1,983,537
Taxation		(2,702,132)	(890,216)	(2,087,663)	(706,472)
Profit after taxation		3,336,962	2,124,873	1,766,753	1,277,065

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


CHAIRMAN


CHIEF EXECUTIVE OFFICER

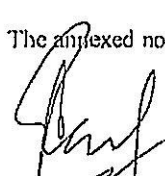

DIRECTOR

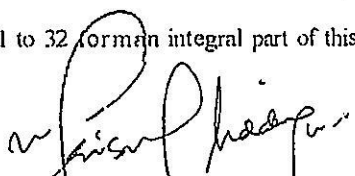

DIRECTOR

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2023	2022	2023	2022
	-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund				
Surplus for the period	3,680,118	4,772,896	1,903,760	5,986,758
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss account				
Unrealised loss on 'available for sale' investments	(108,489)	(71,441)	(186,028)	(95,120)
Deferred tax on available for sale investment	-	-	-	-
	(108,489)	(71,441)	(186,028)	(95,120)
Total comprehensive income for the period	3,571,629	4,701,455	1,717,732	5,891,638
Operator's Fund				
Profit after taxation	3,336,962	2,124,873	1,766,753	1,277,065
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss account				
Unrealised loss on 'available for sale' investments	(705,422)	(451,266)	(1,156,693)	(751,734)
Deferred tax on available for sale investment	204,572	130,867	335,440	355,105
	(500,850)	(320,399)	(821,253)	(396,629)
Total comprehensive income for the period	2,836,112	1,804,474	945,500	880,436

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


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

SINDHI INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Operator's Funds			
	Statutory fund	Unrealised profit / (loss) on revaluation of available for sale investments - net	Accumulated profit	Total
	-----Rupees-----			
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
Balance as at January 01, 2023 (Unaudited)	50,000,000	373,999	18,489,036	68,863,035
Total comprehensive income for the period				
Profit for the period	-	-	3,336,962	3,336,962
Other comprehensive loss	-	(500,850)	-	(500,850)
	-	(500,850)	3,336,962	2,836,112
Balance as at June 30, 2023 (Unaudited)	50,000,000	(126,851)	21,825,998	71,699,147

	Participants' Takaful Fund			
	Ceded Money	Unrealised profit / (loss) on revaluation of available for sale investments - net	Accumulated (deficit)/ surplus	Total
	-----Rupees-----			
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
Balance as at January 01, 2023 (Unaudited)	500,000	136,174	18,094,139	18,730,313
Total comprehensive income for the period				
Surplus for the period	-	-	3,680,118	3,680,118
Other comprehensive loss	-	(108,489)	-	(108,489)
	-	(108,489)	3,680,118	3,571,629
Balance as at June 30, 2023 (Unaudited)	500,000	27,685	21,774,257	22,301,942

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

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR


DIRECTOR

SINDHI INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Operator's Fund		Participant Takaful Fund	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rupees			
CASHFLOW FROM OPERATING ACTIVITIES				
a) Takaful activities				
Contribution received	-	-	7,258,331	746,937
Retakaful contribution paid	-	-	(2,412,708)	(2193,953)
Wakala fee received / (paid)	-	-	(0)	-
Claims paid	-	-	(3,881,338)	(2,156,800)
Re-takaful and other recoveries received	-	-	-	-
Commission paid	(12,774)	-	-	-
Rebate received	-	-	43,873	2,553
Other underwriting payments	-	-	-	-
Net cash flows (used in)/generated from takaful activities	(12,774)	-	1,008,158	(1,801,263)
b) Other operating activities				
Income tax paid	(656,151)	(309,798)	(638,049)	(1,779,551)
General and other expenses paid	1,928,787	(1,493,051)	-	-
Other operating payment	(512,823)	(616,125)	(108,439)	(873,308)
Other operating receipts	-	-	3,247,055	2,734,399
Net cash generated from other operating activities	759,813	(2,419,174)	2,500,567	81,540
Total cash flow generated from / (used in) operating activities	747,039	(2,419,174)	3,508,725	(1,719,723)
CASH FLOW FROM INVESTMENT ACTIVITIES				
Profit / return received on investment	1,036,849	3,505,376	2,855,288	3,480,429
Other income receipt	217,881	85,190	510,143	371,208
Payment for investment	(33,071,593)	(28,426,266)	(61,206,115)	(38,764,655)
Proceeds from disposal of investments	29,000,000	25,810,000	54,766,000	36,782,532
Total cash flow generated from / (used in) investing activities	(2,816,864)	974,300	(3,074,684)	1,869,514
CASH FLOW FINANCING ACTIVITIES				
Inter fund Qard-e-Hasna Transfer	5,000,000	-	(5,000,000)	-
Total cash used in financing activities	5,000,000	-	(5,000,000)	-
Net cash (used in) / generated from all activities	2,930,175	(1,444,874)	(4,565,960)	149,791
Cash and cash equivalents at the beginning of period	3,099,113	4,267,125	9,474,235	11,180,863
Cash and cash equivalents at end of the period	6,029,288	2,822,251	4,908,275	11,330,654
Reconciliation to profit or loss account				
Operating cash flows	747,039	(2,419,174)	3,508,725	(1,719,723)
Depreciation	(173,824)	(2,812)	-	-
Amortization	-	-	-	-
Income tax paid	656,151	309,798	638,049	1,779,551
Other income	1,203,374	716,417	510,143	371,208
Increase / (decrease) in assets other than cash	2,681,026	1,138,670	400,295	28,320
Increase in liabilities	(3,142,502)	523,144	(4,917,405)	2,059,362
Investment income	4,067,830	2,749,046	3,540,310	2254,179
Profit before taxation for the period	6,039,094	3,015,089	3,680,116	4,772,897

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 MONTHS PERIOD ENDED JUNE 30, 2023

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:
- 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, 2022 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, 2022, whereas the comparative condensed interim statement of profit and 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, 2022.

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, 2022.

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, 2022.

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, 2023. 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 addresses issues 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 and 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 of 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, 2023			
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	-	-	13,500,000	-
Investments				
Equity securities *	15,961,675	(705,422)	-	-
Term deposit receipts*	-	-	23,800,000	-
Loans and other receivable *	-	-	2,052,692	-
Receivable from PTF *	-	-	14,110,856	-
Cash at bank *	-	-	6,029,288	-
	15,961,675	(705,422)	66,492,836	-

Financial assets - Participant's Takaful Fund

Investments				
Equity securities*	2,261,863	(108,489)	-	-
Term deposit receipts*	-	-	61,000,000	-
Loan and other receivable *	-	-	3,181,440	-
Takaful / retakaful receivables *	-	-	5,874,300	-
Cash at bank *	-	-	4,308,275	-
	2,261,863	(108,489)	74,964,015	-

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

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, 2022.

6 PROPERTY AND EQUIPMENT - OPERATOR'S FUND

There is an addition to vehicle amounting to Rupees 3,600,250 during the six month period ended June 30, 2023 (December 31, 2022: Nil).

7 INTANGIBLE ASSETS- OPERATOR'S FUND

There are no additions or disposal during the six month period ended June 30, 2023 (2022: Nil).

8 INVESTMENTS IN EQUITY SECURITIES

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Cost	Impairment / provision	(Deficit)/ sur plus on revaluation	Cost	Impairment/ provision	Surplus on revaluation
	Rupees			Rupees		
Operator's Fund						
Available for sale						
Others - Mutual fund						
ABL Islamic Income Fund	16,140,335	-	(178,660)	15,961,675	16,140,335	526,762
Participants' Takaful Fund						
Available for sale						
Others - Mutual fund						
Meezan Sovereign Fund	1,792,002	-	469,861	2,261,863	1,792,002	335,309

9 INVESTMENTS IN TERM DEPOSITS

	Operator's Fund		Participants Takaful Fund	
	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	Rupees			
Held to maturity; Term deposits (note 9.1)	29,800,000	29,000,000	61,000,000	54,766,000

- 9.1 These represented term deposit receipts (TDRs) in local currency, issued by local banks, that carried profit ranging from 9.25% to 17.5% (December 31, 2022: 9.25% to 14.50%) per annum.

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	-----Rupees-----		-----Rupees-----	
10 LOANS AND OTHER RECEIVABLES				
(Unsecured - considered good)				
Advance Salary	320,804	19,638	-	-
Advance against bonus	127,362	-	-	-
Accrued investment income	1,309,772	34,562	2,369,075	698,560
Sales tax on services refund	230,985	215,531	497,464	403,520
Receivable from Sindh Insurance Limited	63,769	5,982	16,513	2,018
Other receivables	-	-	298,388	298,388
	<u>2,052,692</u>	<u>275,713</u>	<u>3,181,440</u>	<u>1,402,486</u>

11 TAKAFUL/ RE-TAKAFUL RECEIVABLES

Participants' Takaful Fund		
Due from takaful participant holders	364,288	72,740
Less: provision for impairment of receivables from takaful participant holders	-	-
	<u>364,288</u>	<u>72,740</u>
Due from other takaful / re-takaful operators	5,510,012	5,791,756
	<u>5,874,300</u>	<u>5,864,496</u>

11.1 Due from takaful contract holders includes Rs 0.282 million due from related parties (December 31, 2022: Rs 0.007 million).

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

Opening balance	18,500,000	18,500,000
Qard-e-hasna transferred from OPF during the period/ year	-	-
Qard-e-hasna returned by PTF during the period / year	(5,000,000)	-
Closing balance	<u>13,500,000</u>	<u>18,500,000</u>

13 RECEIVABLE FROM PITF / PAYABLE TO OPF

	Operator's Fund		Participants Takaful Fund	
	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	-----Rupees-----			
Wakala fee receivable / payable	12,635,133	10,098,718	(12,635,133)	(10,098,718)
Modaribshare receivable / payable	1,985,599	1,000,106	(1,985,599)	(1,000,106)
Other receivable / payable	(509,876)	(497,103)	509,876	497,103
	<u>14,110,856</u>	<u>10,601,721</u>	<u>(14,110,856)</u>	<u>(10,601,721)</u>

14 PREPAYMENTS

Prepaid retakaful contribution ceded	-	-	248,050	1,504,606
Prepaid expenses	115,326	91,499	-	-
	<u>115,326</u>	<u>91,499</u>	<u>248,050</u>	<u>1,504,606</u>

15 CASH AND BANK

Cash and cash equivalent				
Policy and revenue stamps	-	-	-	1,270
Cash at bank				
Saving accounts	6,029,288	3,099,113	4,908,275	9,472,965
	<u>6,029,288</u>	<u>3,099,113</u>	<u>4,908,275</u>	<u>9,474,235</u>

15.1 These saving accounts carry profit ranging from 3.4% to 4.75% per annum (December 31, 2022: 3.4% to 5.25%) per annum.

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	-----Rupees-----	

16 TAKAFUL / RETAKAFUL PAYABLE

Participants' Takaful Fund		
Due to other takaful / re-takaful		
Local	3,101,798	2,694,452
Foreign	5,531,226	6,911,597
	<u>8,633,024</u>	<u>9,606,049</u>

	Operator's Fund		Participants Takaful Fund	
	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	-----Rupees-----			
17 OTHER CREDITORS AND ACCRUALS				
Provincial sales tax on services	-	-	6,920	6,891
Federal insurance fee	-	-	5,106	24,337
Tax deducted / collected at source	9,002	7,630	13,523	315
Commission payable	1,046	7,599	-	-
Payable to Sindh Insurance Limited	4,004,305	98,738	9,099,212	5,458,390
Sundry creditors	8,427	8,427	224,700	599,700
Accrued expenses	128,058	255,268	-	-
Provision for compensated leave absences	168,504	97,620	-	-
Gratuity payable	68,398	-	-	-
	<u>4,387,740</u>	<u>475,282</u>	<u>9,349,461</u>	<u>6,089,633</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

18.1 Contingencies

There are no contingencies as at June 30, 2023 (December 31, 2022: Nil).

18.2 Commitments

There are no commitments as at June 30, 2023 (December 31, 2022: Nil).

	Six months period ended		Three months period ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	-----Rupees-----			
19 NET TAKAFUL CONTRIBUTION				
Written gross contribution	7,492,374	901,683	360,609	514,506
Less: wakala fee	(3,306,371)	(1,509,801)	(1,459,805)	(145,716)
Contribution net of wakala fee	4,186,003	(608,118)	(1,099,196)	368,790
Add: unearned contribution reserve - opening	7,291,817	11,224,443	8,342,495	-
Less: unearned contribution reserve - closing	(3,755,061)	(3,082,010)	(3,755,061)	4,032,522
Contribution earned	7,722,759	7,534,315	3,488,238	4,401,312
Less: Re-takaful contribution ceded	(1,721,427)	(2,964,028)	(787,695)	(738,234)
Less: Prepaid re-takaful contribution ceded - opening	(1,504,606)	(1,277,921)	(940,788)	-
Add: Prepaid re-takaful contribution ceded - closing	248,050	101,907	248,049	(592,649)
Re-takaful contribution expense	(2,977,983)	(4,140,042)	(1,480,434)	(1,330,883)
	<u>4,744,776</u>	<u>3,394,273</u>	<u>2,007,804</u>	<u>3,070,429</u>

		Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2023	2022	2023	2022
		-----Rupees-----		-----Rupees-----	
		-----Unaudited-----			
20	NET TAKAFUL CLAIMS EXPENSE				
	Claim paid	3,881,338	2,156,800	2,890,599	430,116
	Outstanding claims including IBNR - opening	(8,741,085)	(10,895,048)	(10,508,843)	-
	Outstanding claims including IBNR - closing	10,350,747	10,574,632	10,350,747	(1,205,471)
	Claim expense	5,491,000	1,836,384	2,732,503	(875,355)
	Add:				
	Re-takaful and other recoveries received	75,302	-	75,302	-
	Re-takaful and other recoveries in respect of outstanding claims - opening	(4,372,127)	(3,875,734)	(4,334,625)	-
	Re-takaful and other recoveries in respect of outstanding claims - closing	4,334,623	4,267,133	4,334,623	(2)
	Re-takaful and other recoveries revenue	37,798	391,399	75,300	(2)
		5,453,202	1,444,985	2,657,203	(875,353)
20.1	This includes provision for incurred but not reported (IBNR) amounting to Rs. 2.684 million (December 31, 2022: Rs. 4.321 million).				
21	NET COMMISSION EXPENSE				
	Commission paid or payable	6,221	12,099	6,221	5,546
	Deferred commission expense - opening	247,358	227,172	129,798	-
	Deferred commission expense - closing	(18,428)	(19,219)	(18,428)	104,806
	Net commission	235,151	220,052	117,591	110,352
	Add:				
	Retakaful rebate received or recoverable	43,873	543,517	11,377	540,964
	Unearned retakaful rebate - opening	(346,060)	(293,922)	207,478	(587,844)
	Unearned retakaful rebate - closing	51,269	23,440	(51,269)	219,189
	Rebate from takaful operator	338,664	273,035	167,586	172,309
		(103,513)	(52,983)	(49,995)	(61,957)
22	MANAGEMENT EXPENSES				
	Employee benefit cost	761,535	699,497	367,111	384,073
	Printing and stationary expenses	-	135,000	-	135,000
	Depreciation	173,824	2,812	172,418	1,406
	Amortisation	-	-	-	-
	Legal and professional charges	631,182	457,380	343,033	207,903
	Employee health insurance	-	-	-	-
	Miscellaneous	508,340	316,266	188,669	162,461
		2,074,881	1,610,955	1,071,231	890,843
22.1	Employee benefit cost				
	Salaries, allowance and other benefits	749,630	666,273	367,111	364,928
	Charges for post employment benefit	11,905	33,224	-	19,145
		761,535	699,497	367,111	384,073

		Six months period ended		Three months period ended	
		June 30	June 30	June 30	June 30
		2023	2022	2023	2022
		Rupees		Rupees	
		United a			
23	INVESTMENT INCOME				
23.1	Operator's Fund				
	Income from equity securities				
	Available for sale				
	Dividend income	1,755,771	1,114,876	1,755,771	1,114,876
	Capital gain on sale of investment	-	-	-	-
	Income from term deposits				
	Return on term deposits	2,312,059	1,634,170	1,281,604	1,282,417
		4,067,830	2,749,046	3,037,375	2,397,293
23.2	Participants' Takaful fund				
	Income from equity securities				
	Available for sale	-	-	-	-
	Dividend income	286,283	151,331	286,283	151,331
	Income from term deposits	4,239,520	2,734,075	2,424,762	2,087,212
	Return on term deposits	4,525,803	2,885,406	2,711,045	2,238,543
	Investment related expenses - modarib fee	(985,493)	(631,227)	(591,341)	(472,819)
		3,540,310	2,254,179	2,119,704	1,765,724
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	217,881	77,993	97,290	36,532
	Others	-	7,197	-	-
		217,881	85,190	97,290	36,532
24.2	Participants' Takaful Fund				
	Profit on bank deposits	401,663	270,729	245,659	125,550
	Others	108,480	100,479	20,470	13,394
		510,143	371,208	266,129	138,944
25	OTHER EXPENSES				
	Auditors' remuneration	228,449	129,168	142,573	67,628
		228,449	129,168	142,573	67,628

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

Transactions during the period			Participants Takaful Fund			
			Six months period ended		Three months period ended	
			June 30	June 30	June 30	June 30
			2023	2022	2023	2022
Name of related party	Nature of relationship	Nature of transaction	Rupees		Rupees	
			Unaudited			
Sindh Bank Limited	Common directorship	Income on saving accounts	400,146	268,326	244,764	123,147
		Net contribution	394,468	375,957	58,725	330,224
		Gross contribution	373,168	333,744	58,144	288,464
		Claims paid	1,902,895	1,255,832	1,361,810	-
Sindh Modarba Management Limited	Common directorship	Net contribution	84,781	143,793	82,904	59,406
		Gross contribution	72,726	123,236	71,090	40,463
		Claims paid	296,657	55,000	240,971	-

Transactions during the period

Transactions during the period			Operator's Fund			
			Six months period ended		Three months period ended	
			June 30	June 30	June 30	June 30
			2023	2022	2023	2022
Name of related party	Nature of relationship	Nature of transaction	Rupees		Rupees	
			Unaudited			
Sindh Bank Limited	Common directorship	Income on saving accounts	214,905	77,993	94,314	36,532

			Operator's Fund		Participant Takaful Fund	
			June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
Balances outstanding as at			Rupees	Rupees	Rupees	Rupees
			Unaudited			
Sindh Bank Limited	Common directorship	Bank accounts	5,880,444	2,775,058	4,546,685	11,316,075
		Due from takaful contract holder			-	257,217
		Claims payable			888,246	734,482
Sindh Modarba Management Limited	Common directorship	Due from takaful contract holder	-	-	282,821	2,406
		Claims payable	-	-	114,555	55,000

27 SEGMENT REPORTING

27.1 Operator's Fund

Six months period ended June 30, 2023 (Unaudited)							
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	Total	
Rupees							
Wakala fee	65,314	3,368	2,122,799	718,446	396,444	-	3,306,371
Management expenses	(22,985)	-	(1,911,457)	(80,697)	(59,742)	-	(2,074,881)
Commission expenses	(2,605)	-	(216,630)	(9,146)	(6,771)	-	(235,151)
Net commission and expenses	(25,590)	-	(2,128,086)	(89,843)	(66,512)	-	(2,310,032)
	39,724	3,368	(5,287)	628,603	329,932	-	996,339
Modarib's share of PTF investment income							985,493
Net investment income							4,067,830
Other income							217,881
Other expenses							(228,449)
Profit before tax							6,039,094
							As at June 30, 2023 (Unaudited)
Corporate segment assets	368,284	-	30,626,340	1,292,973	957,214	-	33,244,810
Corporate un-allocated assets							51,790,963
Total assets							85,035,773
Corporate segment liabilities	103,930	-	8,642,751	364,877	270,126	-	9,381,683
Corporate un-allocated liabilities							3,954,943
Total liabilities							13,336,626

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)	-	(1,831,007)
	26,368	5,345	17,246	(40,289)	(329,876)	-	(321,206)
Modarib's share of PTF investment income							631,227
Net investment income							2,749,046
Other income							85,190
Other expenses							(129,168)
Profit before tax							3,015,089

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							44,819,881
Total assets							74,400,498
Corporate segment liabilities	69,285	-	3,620,650	1,255,567	2,009,086	-	6,954,588
Corporate un-allocated liabilities							1,248,183
Total liabilities							8,202,771

27.2 Participants' Takaful Fund

	Six months period ended June 30, 2023 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Treaty	Total
	Rupees						
Segment results							
Contribution receivable	87,633	-	7,848,221	293,617	232,507	-	8,461,978
Less: Federal exercise duty	(4,302)	-	(878,408)	-	(15,582)	-	(898,292)
Federal insurance fee	(331)	-	(67,563)	(2,220)	(1,198)	-	(71,312)
Gross written contribution	83,000	-	6,902,250	291,397	215,727	-	7,492,374
Direct contribution	79,047	-	6,863,635	291,397	126,151	-	7,360,230
Facultative inward contribution	-	-	(24,058)	-	86,237	-	62,199
Administrative surcharge	3,953	-	62,673	-	3,319	-	69,945
	83,000	-	6,902,250	291,397	215,727	-	7,492,374
Wakala expense	(65,314)	(3,368)	(2,122,799)	(718,446)	(396,444)	-	(3,306,371)
Takaful contribution earned	199,889	10,101	4,005,019	2,155,333	1,352,417	-	7,722,759
Re-takaful expense	(201,094)	(12,122)	(1,524,818)	-	(1,239,950)	-	(2,977,984)
Net takaful contribution	(1,205)	(2,021)	2,480,201	2,155,333	112,467	-	4,744,775
Rebate from re-takaful operators	46,250	2,788	4,834	-	284,792	-	338,664
Net underwriting income	45,045	767	2,485,035	2,155,333	397,259	-	5,083,439
Takaful claims	391	1,151	(2,614,408)	(2,824,454)	(53,680)	-	(5,491,000)
Re-takaful and other recoveries	(4)	-	-	-	37,802	-	37,798
Net claims	387	1,151	(2,614,408)	(2,824,454)	(15,878)	-	(5,453,202)
Direct expenses							(573)
Surplus before investment income	45,432	1,918	(129,373)	(669,121)	381,381	-	(370,336)
Investment Income							3,540,310
Other Income							510,143
Surplus for the period							3,680,117
							As at June 30, 2023 (Unaudited)
Corporate segment assets	156,623	-	13,024,727	549,873	407,082	-	14,138,305
Corporate un-allocated assets							68,170,139
Total assets							82,308,444
Corporate segment liabilities	561,175	-	46,667,127	1,970,178	1,458,562	-	50,657,042
Corporate un-allocated liabilities							9,349,460
Total liabilities							60,006,502

Six months period ended June 30, 2022 (Unaudited)						
Fire and property damage	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Treaty	Total
Rupees						
Segment results						
Contribution receivable	10,196	-	495,413	164,010	261,190	930,809
Less: Federal exercise duty	(1,128)	-	(24,130)	-	(656)	(25,914)
Federal insurance fee	(85)	-	(1,855)	(1,222)	(50)	(3,212)
Gross written contribution	8,983	-	469,428	162,788	260,484	901,683
Direct contribution	8,553	-	385,702	162,788	254,814	811,857
Facultative inward contribution	-	-	65,534	-	-	65,534
Administrative surcharge	430	-	18,192	-	5,670	24,292
	8,983	-	469,428	162,788	260,484	901,683
Wakala expense	(44,609)	(5,345)	(970,492)	(290,278)	(199,077)	(1,509,801)
Takaful contribution earned	311,459	19,592	3,939,767	2,009,116	1,254,381	7,534,315
Re-takaful expense	(291,545)	-	(2,952,936)	-	(895,561)	(4,140,042)
Net takaful contribution	19,914	19,592	986,831	2,009,116	358,820	3,394,273
Rebate from re-takaful operators	67,054	-	-	-	205,981	273,035
Net underwriting income	86,968	19,592	986,831	2,009,116	564,801	3,667,308
Takaful claims	(1,183)	6,306	(154,695)	(1,027,217)	(659,595)	(1,836,384)
Re-takaful and other recoveries	(4)	-	-	-	391,403	391,399
Net claims	(1,187)	6,306	(154,695)	(1,027,217)	(268,192)	(1,444,983)
Direct expenses						(74,814)
Commission expense						-
Management expense						-
contribution deficiency expense						-
Surplus before investment income	85,781	25,898	832,136	981,899	296,609	2,147,509
Net investment income						
Investment Income						2,254,179
Other Income						371,208
Surplus for the period						4,772,896
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						73,124,476
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						60,032,342

28 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Total
	Rupees		
Operator's Fund			
As at January 01, 2022	-	139,36,670	139,36,670
Additions	-	947,644	947,644
Fair Value net gain	-	290,378	290,378
	-	1,238,022	1,238,022
As at December 31, 2022	-	15,174,692	15,174,692
Additions	-	1,492,405	1,492,405
Deletions	-	-	-
Fair value net loss (excluding net realised gains)	-	(705,422)	(705,422)
	-	786,983	786,983
As at June 30, 2023	-	15,961,675	15,961,675
Participants' Takaful fund			
As at January 01, 2022	-	1,940,851	1,940,851
Additions	-	128,631	128,631
Fair Value net gain	-	57,529	57,529
	-	186,160	186,160
As at December 31, 2022	-	2,127,011	2,127,011
Additions	-	243,341	243,341
Deletions	-	-	-
Fair value net gains (excluding net realised gains)	-	(108,489)	(108,489)
	-	134,852	134,852
As at June 30, 2023	-	2,261,863	2,261,863

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, 2023 (Unaudited)						Fair value			
	Carrying amount									
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)						(Rupees)			
Financial assets measured at fair value										
Investments										
Equity securities	-	15,961,675	-	-	-	15,961,675	15,961,675	-	-	15,961,675
Financial assets not measured at fair value										
Investments										
Debt securities	-	-	-	-	-	-	-	-	-	-
Term deposits	29,800,000	-	-	-	-	29,800,000	-	-	-	-
Loans and other receivable*	-	-	1,821,707	-	-	1,821,707	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	13,500,000	-	13,500,000	-	-	-	-
Takaful / re-takaful receivable*	-	-	-	-	-	-	-	-	-	-
Receivable from PTF	-	-	14,110,856	-	-	14,110,856	-	-	-	-
Cash and bank balance*	-	-	-	6,029,288	-	6,029,288	-	-	-	-
	29,800,000	15,961,675	15,932,563	19,529,288	-	81,223,526	15,961,675	-	-	15,961,675
Financial liabilities not measured at fair value										
Other creditors and accruals*	-	-	-	-	4,022,780	4,022,780	-	-	-	-
	29,800,000	15,961,675	15,932,563	19,529,288	4,022,780	85,246,306	15,961,675	-	-	15,961,675

Operator's Fund	As at December 31, 2022 (Audited)						Fair value			
	Carrying amount									
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)						(Rupees)			
Financial assets measured at fair value										
Investments										
Equity securities	-	15,174,692	-	-	-	15,174,692	15,174,692	-	-	15,174,692
Financial assets not measured at fair value										
Investments										
Debt securities	29,000,000	-	-	-	-	29,000,000	-	-	-	-
Loans and other receivable*	-	-	60,182	-	-	60,182	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	18,500,000	-	18,500,000	-	-	-	-
Takaful / re-takaful receivable*	-	-	-	-	-	-	-	-	-	-
Receivable from PTF	-	-	10,601,721	-	-	10,601,721	-	-	-	-
Cash and bank balance*	-	-	-	3,099,113	-	3,099,113	-	-	-	-
	29,000,000	15,174,692	10,661,903	21,599,113	-	76,435,708	15,174,692	-	-	15,174,692
Financial liabilities not measured at fair value										
Other creditors and accruals*	-	-	-	-	370,032	370,032	-	-	-	-
	29,000,000	15,174,692	10,661,903	21,599,113	370,032	76,805,740	15,174,692	-	-	15,174,692

Participants' Takaful Fund	As at June 30, 2023 (Unaudited)						Fair value			
	Carrying amount									
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)						(Rupees)			
Financial assets measured at fair value										
Investments										
Equity securities	-	2,261,863	-	-	-	2,261,863	2,261,863			2,261,863
Financial assets not measured at fair value										
Investments										
Term deposits	61,000,000	-	-	-	-	61,000,000	-	-	-	-
Loans and other receivable*	-	-	2,683,976	-	-	2,683,976	-	-	-	-
Takaful / re-takaful receivable*	-	-	5,874,300	-	-	5,874,300	-	-	-	-
Cash and bank balance*	-	-	-	4,908,275	-	4,908,275	-	-	-	-
	61,000,000	2,261,863	8,558,276	4,908,275	-	76,728,414	2,261,863	-	-	2,261,863
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	-	-	-	-	(10,350,747)	(10,350,747)	-	-	-	-
Unearned contribution reserve	-	-	-	-	(3,755,061)	(3,755,061)	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	-	(13,500,000)	(13,500,000)	-	-	-	-
Payable to OPF	-	-	-	-	(14,110,856)	(14,110,856)	-	-	-	-
Takaful / re-takaful payable	-	-	-	-	(8,633,024)	(8,633,024)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(9,349,461)	(9,349,461)	-	-	-	-
	61,000,000	2,261,863	8,558,276	4,908,275	(59,699,129)	17,029,265	2,261,863	-	-	2,261,863

Participants' Takaful Fund	As at December 31, 2022 (Audited)						Fair value			
	Carrying amount									
	Held-to-maturity	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)						(Rupees)			
Financial assets measured at fair value										
Investments										
Equity securities	-	2,127,011	-	-	-	2,127,011	2,127,011	-	-	2,127,011
Financial assets not measured at fair value										
Investments										
Term deposits	54,766,000	-	-	-	-	54,766,000	-	-	-	-
Loans and other receivable*	-	-	998,966	-	-	998,966	-	-	-	-
Takaful / re-takaful receivable*	-	-	5,864,495	-	-	5,864,495	-	-	-	-
Cash and bank balance*	-	-	-	9,474,235	-	9,474,235	-	-	-	-
	54,766,000	2,127,011	6,863,462	9,474,235	-	73,230,708	2,127,011	-	-	2,127,011
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	-	-	-	-	(8,741,085)	(8,741,085)	-	-	-	-
Unearned contribution reserve	-	-	-	-	(7,291,817)	(7,291,817)	-	-	-	-
Qard-e-Hasna to Participants' Takaful Fund (PTF)	-	-	-	-	-	-	-	-	-	-
Payable to OPF	-	-	-	-	(18,500,000)	(18,500,000)	-	-	-	-
Takaful / re-takaful payable	-	-	-	-	(11,098,824)	(11,098,824)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(9,606,049)	(9,606,049)	-	-	-	-
	54,766,000	2,127,011	6,863,462	9,474,235	(61,327,697)	11,903,301	2,127,011	-	-	2,127,011

* 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


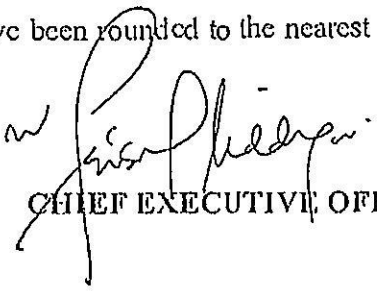


Corresponding figures might be rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

31 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 31 JUL 2023 by the Board of Directors of the Company.

32 GENERAL

Figures have been rounded to the nearest Rupees, where, stated otherwise.

			
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR



SINDH INSURANCE

POWER TO THE PEOPLE
PATTERN OF SHAREHOLDINGS
HELD BY THE SHAREHOLDERS OF
SINDH INSURANCE LIMITED

AS AT JUNE 30, 2023

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
1	From 1	To 49,999,991	49,999,991	49.999991
9	From 49,999,991	To 50,000,000	9	0.000009
1	From 50,000,001	To 100,000,000	50,000,000	50.000000
10			100,000,000	100.0000

Categories of Shareholders	Shareholders	Shares Held	Percentage
<u>Associated Company</u>	-	-	-
<u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas</u>	-	-	-
<u>Mutual Funds</u>	-	-	-
<u>Other Companies</u>	-	-	-
<u>Shareholding Above 5%</u>			
Governamet of Sindh	1	99,999,992	99.999992
<u>Directors, CEO, Executives and their Spouses and Minor Childrens</u>			
Muhammad Bilal Sheikh	1	1	0.000001
Sajid Jamal Abro	1	1	0.000001
Mushtaq Malik	1	1	0.000001
Saleem Zamindar	1	1	0.000001
Raja Muhammad Abbas	1	1	0.000001
Khawaja Tajammul Hussain	1	1	0.000001
Hina Marvi	1	1	0.000001
Farhan Ashraf Khan	1	1	0.000001
<u>Individuals</u>	-	-	-
Total	9	100,000,000	100.000000