



KPMG Taseer Hadi & Co.
Chartered Accountants

Alpha Insurance Company Limited

Condensed Interim Financial Statements (Unaudited)

**For the six months period ended
30 June 2018**



Alpha

Insurance Company Limited

A subsidiary of State Life Insurance Corporation of Pakistan

Directors' Review

We are presenting the unaudited financial statements of the Company for six months period ended 30th June 2018.

Reason for delay

As it was already informed that due to changes in treatment for investment and applicability of new accounting regulations 1st quarter's financials was delayed. Consequently it also caused the delay of 2nd quarter's financials.

Business Overview:

The summarized results for the second quarter are as follows:

	3-Months		6-Months	
	2018	2017	2018	2017
Premium Written	19,856,774	29,105,758	40,412,366	57,697,816
Net premium revenue	11,119,992	7,836,489	22,478,520	35,091,998
Management expenses	21,557,498	22,642,225	44,734,422	44,581,349
Underwriting loss	(18,141,367)	(71,972,411)	(36,563,670)	(88,038,140)
Net investment income	7,394,420	24,959,060	24,191,010	35,131,742
Loss before tax	(9,717,809)	(46,942,589)	(10,949,852)	(52,729,162)
Loss after tax	(10,810,386)	(46,725,168)	(12,270,204)	(49,732,015)
Basic loss per share after tax (EPS)	(0.22)	(1.16)	(0.25)	(1.23)

As depicted in above table that gross written premium has gone down by Rs 9.2 million and Rs 17 million for 3 months and 6 months of 2nd quarter, respectively, while the net premium written has increased by Rs 3.2 million for 3 months but decreased by Rs 12.6 million for 6 months because of the fact that the decrease in first quarter was Rs 15.9 million. The decrease in revenue is mainly attributed to the frequent changes in management. In June 2018 Mr. Nadeem Bessey was appointed as the Chief Executive Officer of the Company and we are confident that he will bring out the Company from the persistent history of loss since long, Insha'Allah.


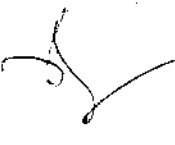
On this occasion your board of directors would like to thanks our valued clients/customers, shareholders, Securities and Exchange Commission of Pakistan, the Management and the staff for their continuous trust, supports and hard work.

For and on behalf of the Board

Karachi : Thursday, December 13, 2018


Ms. Nargis Ghaloo
Chairperson

Head Office:
Building No. 1-B, State Life Square,
off. I.I. Chundrigar Road. Karachi-74000.
Tel: 021-32416041-45, Fax: 021-32419968
info@alphainsurance.com.pk
www.alphainsurance.com.pk



ڈائریکٹرز کا جائزہ

30 جون 2018ء کے ختم شدہ ششماہی کیلئے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے آپ کے پیش نظر ہیں۔

تاخیر کی وجہ

جیسا کہ پہلے مطلع کیا جا چکا تھا کہ سرمایہ کاری کیلئے ٹریڈنٹ میں تبدیلی اور نئے اکاؤنٹنگ ریگولیشنز کے اطلاق میں تبدیلیوں کی وجہ سے پہلی سہ ماہی کے گوشوارے تاخیر کا شکار ہوئے تھے جس کے نتیجے میں دوسری سہ ماہی کے گوشوارے بھی تاخیر کا شکار ہوئے ہیں۔

برنس کا جائزہ

دوسری سہ ماہی کیلئے مختصراً نتائج مندرجہ ذیل ہیں:

6 ماہ		3 ماہ		
2017	2018	2017	2018	
57,697,816	40,412,366	29,105,758	19,856,774	تحریر کردہ پریمیم
35,091,998	22,478,520	7,836,489	11,119,992	خالص پریمیم آمدنی
44,581,349	44,734,422	22,642,225	21,557,498	بینجمنٹ اخراجات
(88,038,140)	(36,563,670)	(71,972,411)	(18,141,367)	انڈر رائٹنگ نقصان
35,131,742	24,191,010	24,959,060	7,394,420	خالص سرمایہ کاری کی آمدنی
(52,729,162)	(10,949,852)	(46,942,589)	(9,717,809)	نقصان قبل از ٹیکس
(49,732,015)	(12,270,204)	(46,725,168)	(10,810,386)	نقصان بعد از ٹیکس
(1.23)	(0.25)	(1.16)	(0.22)	ٹیکس کے بعد نقصان فی شیئر (EPS)

جیسا کہ مندرجہ بالا ٹیبل سے ظاہر ہوتا ہے کہ تحریری پریمیم 9.2 ملین روپے سے 3 ماہ میں اور 17 ملین روپے سے مجموعی طور پر 6 ماہ میں کم ہوا ہے جبکہ خالص پریمیم 3.2 ملین روپے سے 3 ماہ میں بڑھا ہے اور 12.6 ملین روپے سے 6 ماہ میں مجموعی طور پر کم ہوا ہے کیونکہ پہلی سہ ماہی میں خالص پریمیم 15.9 ملین روپے سے کم ہوا تھا۔ آمدنی میں کمی کی ایک بڑی وجہ انتظامیہ میں بار بار کی تبدیلی تھی۔ جون 2018 میں جناب ندیم ہنسی کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا گیا اور ہمیں امید ہے کہ وہ کمپنی کو نقصان سے نکال کر ایک منافع بخش ادارے میں تبدیل کریں گے۔ انشاء اللہ

اس موقع پر ہم اپنے معزز کلائنٹس، کسٹمرز، شیئرز، ہولڈرز، سیکورٹیز اینڈ ایگریگیشن آف پاکستان، کمپنی کی انتظامیہ اور اسٹاف کے مسلسل اعتماد، تعاون اور سخت محنت کے تہنودل سے شکر گزار ہیں۔

برائے اور منجانب بورڈ

کراچی: جمعرات 13 دسمبر 2018ء

محترم ممبران
چیئرمین



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alpha Insurance Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Alpha Insurance Company Limited ("the Company") as at 30 June 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements 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 statements 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 statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

Other Matter

The figures for the quarters ended 30 June 2018 and 30 June 2017 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Taufiq.

Date: 13 December 2018

Karachi

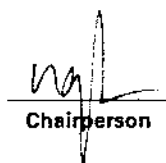
KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Alpha Insurance Company Limited
Condensed Interim Statement of Financial Position
As at June 30, 2018

	Notes	(Unaudited) June 30, 2018	(Audited) December 31, 2017 (Restated)
(Rupees)			
Assets			
Property and equipment	8	4,451,002	5,220,925
Investments			
Equity securities	9	241,054,625	221,176,939
Debt securities	10	310,860,350	557,836,005
Term deposits	11	300,000,000	-
Loans and other receivables	12	11,667,651	10,896,676
Insurance / Reinsurance receivables	13	63,493,645	79,208,130
Reinsurance recoveries against outstanding claims	23	313,589,703	325,792,200
Salvage recoveries accrued		5,540	20,604
Deferred Commission Expense / Acquisition cost	24	5,231,218	7,168,520
Staff retirement benefits		1,365,397	1,365,397
Deferred taxation	14	-	2,319,432
Taxation - payment less provisions	15	59,479,427	47,184,173
Prepayments	16	18,362,535	19,908,937
Cash and bank	17	55,719,543	133,047,960
Total assets		1,385,280,636	1,411,145,898
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital: [51,000,000 (December 31, 2017: 51,000,000) Ordinary shares of Rs. 10 each]		510,000,000	510,000,000
Issued, subscribed and paid-up capital [50,000,000 (2017: 50,000,000) Ordinary shares of Rs. 10 each]		500,000,000	500,000,000
Reserves		101,075,011	95,004,919
Unappropriated profit		133,777,509	146,047,713
Total equity		734,852,520	741,052,632
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	23	427,017,691	430,990,074
Unearned premium reserves	22	37,401,821	44,053,707
Premium deficiency reserves	18	18,179,307	24,043,486
Unearned reinsurance commission	24	843,026	3,650,089
Deferred taxation	14	1,013,668	-
Premium received in advance		5,390,544	4,357,031
Reinsurance / Co-Insurance payables	19	83,260,804	87,007,019
Other creditors and accruals	20	77,321,255	75,991,860
Total liabilities		650,428,116	670,093,266
Total equity and liabilities		1,385,280,636	1,411,145,898
Contingencies and commitments	21		

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.


Chief Executive


Chairperson


Director


Director

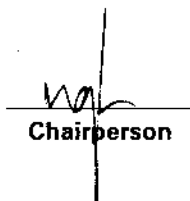
Alpha Insurance Company Limited
 Condensed Interim Profit and Loss Account (Unaudited)
 For the quarter and half year ended June 30, 2018

Notes	Quarter ended June 30,		Half year ended June 30,		
	2018	2017 (Restated)	2018	2017 (Restated)	
----- (Rupees) -----					
Net insurance premium	22	11,119,992	7,836,489	22,478,520	35,091,998
Net insurance claims	23	(7,438,257)	(46,312,742)	(14,694,652)	(70,534,175)
Premium Deficiency		2,542,565	(6,933,646)	5,864,179	8,565
Net commission	24	(3,089,102)	(3,920,288)	(5,477,295)	(8,023,179)
Total Insurance Claims and Acquisition Costs		(7,984,794)	(57,166,676)	(14,307,768)	(78,548,789)
Management expenses	25	(21,557,500)	(22,642,226)	(44,734,422)	(44,581,349)
Underwriting results		(18,422,302)	(71,972,413)	(36,563,670)	(88,038,140)
Investment income	26	7,394,420	24,959,060	24,191,010	35,131,742
Other income	27	2,682,416	847,067	3,822,678	1,599,537
Other expenses	28	(1,372,345)	(776,305)	(2,399,870)	(1,422,301)
		8,704,491	25,029,822	25,613,818	35,308,978
Profit before tax		(9,717,811)	(46,942,591)	(10,949,852)	(52,729,162)
Provision for taxation - current		(367,485)	(55,010)	(588,719)	(965,025)
- deferred		(725,092)	272,433	(731,633)	3,962,172
		(1,092,577)	217,423	(1,320,352)	2,997,147
Profit after tax		(10,810,388)	(46,725,168)	(12,270,204)	(49,732,015)
Earnings per share	29	(0.22)	(1.16)	(0.25)	(1.23)

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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 Chief Executive


 Chairperson


 Director


 Director

Alpha Insurance Company Limited
 Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the quarter and half year ended June 30, 2018

	Quarter ended June 30,		Half year ended June 30,	
	2018	2017 (Restated)	2018	2017 (Restated)
	(Rupees)			
Loss after taxation	(10,810,388)	(46,725,168)	(12,270,204)	(49,732,015)
Other comprehensive income for the period				
<i>Items that will be reclassified to profit and loss subsequently</i>				
Unrealised gain on available-for-sale investments - net	603,438	(3,157,083)	6,508,753	814,364
Reclassification adjustments relating to available for sale investments disposed off during the period - net	140,163	172,303	(438,661)	172,303
	743,601	(2,984,780)	6,070,092	986,667
Total comprehensive income for the period	(10,066,787)	(49,709,948)	(6,200,112)	(48,745,348)

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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 Chief Executive


 Chairperson


 Director


 Director

Alpha Insurance Company Limited
 Condensed Interim Statement of Changes in Equity (Unaudited)
 For the half year ended June 30, 2018

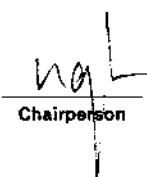
	Issued, subscribed and paid-up capital	Capital reserve Reserve for exceptional losses *	General reserve	Revenue reserve Revaluation Reserve	Unappropriated profit	Total Share holders' equity (Restated)
	(Rupees)					
Balance as at January 01, 2017 as previously reported	403,600,000	3,355,000	6,820,000	-	206,122,992	619,897,992
Restatement due to change in accounting policy (refer note 5) - net of deferred tax	-	-	-	82,669,233	10,993	82,680,226
Balance as at January 01, 2017 (restated)	403,600,000	3,355,000	6,820,000	82,669,233	206,133,985	702,578,218
<i>Total comprehensive income for the half year:</i>						
Loss for the half year ended June 30, 2017	-	-	-	-	(49,732,015)	(49,732,015)
Other comprehensive income	-	-	-	986,667	-	986,667
				986,667	(49,732,015)	(48,745,348)
Balance as at June 30, 2017 (restated)	403,600,000	3,355,000	6,820,000	83,655,900	156,401,970	653,832,870
Balance as at January 01, 2018 as previously reported	500,000,000	3,355,000	6,820,000	-	146,176,900	656,351,900
Restatement due to change in accounting policy (refer note 5) - net of deferred tax	-	-	-	84,829,919	(129,187)	84,700,732
Balance as at January 01, 2018 (restated)	500,000,000	3,355,000	6,820,000	84,829,919	146,047,713	741,052,632
<i>Total comprehensive income for the half year:</i>						
Profit for the half year ended June 30, 2018	-	-	-	-	(12,270,204)	(12,270,204)
Other comprehensive income	-	-	-	6,070,092	-	6,070,092
				6,070,092	(12,270,204)	(6,200,112)
Balance as at June 30, 2018	500,000,000	3,355,000	6,820,000	90,900,011	133,777,509	734,852,520

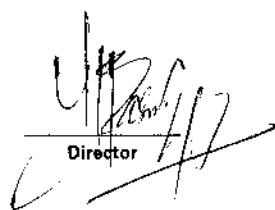
* The reserve for exceptional losses represents amounts set aside till December 31, 1978 to avail deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of the Repealed Income Tax Ordinance, 1979, which did not permit the said deduction, the Company discontinued the setting aside of amounts thereafter as reserve for exceptional losses.

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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 Chief Executive


 Chairperson


 Director


 Director

Alpha Insurance Company Limited
 Condensed Interim Cash Flow Statement (Unaudited)
 For the half year ended June 30, 2018

	June 30, 2018	June 30, 2017 (Restated)
----- (Rupees) -----		
OPERATING ACTIVITIES		
Underwriting activities		
Premiums received	34,367,749	69,433,377
Reinsurance premiums paid	(12,426,992)	(36,574,771)
Claims paid	(35,763,827)	(46,404,751)
Reinsurance and other recoveries received	29,299,289	25,343,255
Commission paid	(7,467,947)	(11,722,584)
Commission received	349,111	5,054,641
Other underwriting payments	(30,347,870)	(33,606,194)
Net cash (used in) underwriting activities	(21,990,487)	(28,477,027)
Other operating activities		
Income tax paid	(12,883,973)	(3,979,959)
Operating payments	(5,151,812)	(4,922,131)
Operating receipts	-	3,592,123
Loans advanced	(163,077)	(11,150)
Net cash used in other operating activities	(18,198,862)	(5,321,117)
Net cash used in all operating activities	(40,189,349)	(33,798,144)
INVESTMENT ACTIVITIES		
Profit / return received	22,599,428	29,914,793
Dividends received	4,496,749	6,907,497
Payments made against purchase of investment	(141,751,461)	(175,345,225)
Proceeds from disposal of investments	377,755,823	262,019,822
Fixed capital expenditure	(239,607)	(116,850)
Net cash generated from investing activities	262,860,932	123,380,037
FINANCING ACTIVITIES		
Net cash used in financing activities	-	-
Net cash from all activities	222,671,583	89,581,893
Cash and cash equivalents at the beginning of the period	133,047,960	22,320,393
Cash and cash equivalents at the end of the period	355,719,543	111,902,286

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Alpha Insurance Company Limited
 Condensed Interim Cash Flow Statement (Unaudited)
 For the half year ended June 30, 2018

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Reconciliation to Profit and Loss account		
Operating cash flows	(40,189,349)	(33,798,144)
Depreciation expense	(1,009,531)	(1,511,249)
Increase / (decrease) in assets other than cash	(20,818,401)	193,661,001
(Increase) / decrease in liabilities	20,678,820	(244,420,559)
Other investment income	18,549,699	26,008,680
Other Income	3,822,678	1,599,537
Dividend Income	4,151,477	6,642,174
Profit / (loss) on disposal of investment	1,186,112	6,294,864
Adjustment of unrealized gain / (loss) on sale of AFS investments	626,658	(246,147)
Deferred tax (expense) / asset recorded during the period	731,633	(3,962,172)
Loss after taxation	<u>(12,270,204)</u>	<u>(49,732,015)</u>

Definition of cash:

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


Cash for the purposes of the Statement of Cash Flows consists of:

Cash and other equivalents	245,935	392,315
Current and other accounts	55,473,608	31,509,971
Deposits having maturity within 3 months (encashable on demand)	300,000,000	80,000,000
Total	<u>355,719,543</u>	<u>111,902,286</u>

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

1/2018


 Chief Executive


 Chairperson


 Director


 Director

Alpha Insurance Company Limited

Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Alpha Insurance Company Limited ("the Company") was incorporated in Pakistan on December 24, 1951 under the Indian Companies Act VII of 1913 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The Company is engaged in providing non-life insurance business comprising fire, marine, motor, health, credit and suretyship and miscellaneous. The Company commenced its commercial operations on January 23, 1952.

The registered office of the Company is situated at 4th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi. The Company has 17 (December 31, 2017: 15) branches in Pakistan. The parent entity of the Company is State Life Insurance Corporation of Pakistan Limited holding 95.15% (December 31, 2017: 95.15%) shares of the Company.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards 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, Insurance Ordinance, 2000, Insurance Rules 2017, and Insurance Accounting Regulations, 2017. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2017.

The Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated February 9, 2017, had issued the Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 (the new Rules and Regulations). The application of these Regulations and Rules for the purpose of preparation and presentation of the published financial statements was effective from April 1, 2017. However, SECP vide letter ID/OSM/Alpha/2017/12427, dated October 24, 2017 granted exemption to the Company to prepare their half yearly accounts for the period ended June 30, 2017, third quarter accounts for the period ended September 30, 2017 and annual audited accounts for the year ending December 31, 2017 in accordance with the requirements of Previous Rules [SEC (Insurance) Rules 2002] and allowed the application of new Regulations effective from the accounting year commencing from January 1, 2018. Accordingly, the Company has applied the new Rules and Regulations for the preparation of the condensed interim financial statements with effect from January 1, 2018.

3 BASIS OF MEASUREMENT

This condensed interim financial statements has been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortised cost as applicable. In addition, obligation in respect of staff retirement benefits is carried at present value.

This condensed interim financial statements has been prepared using the accrual basis of accounting.

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. This condensed interim financial statements is presented in Pakistani rupees, which is the Company's functional and presentation currency.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted for the preparation of this condensed interim financial statements are consistent with those applied in the preparation of the published annual financial statements of the Company for the year ended December 31, 2017 except for available for sale investment and format for preparation of condensed interim financial statements as disclosed in note 5.1.1 and 5.1.2 respectively.

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5.1 Change in accounting policies

5.1.1 During the period, the Company has changed its accounting policy for the valuation of the available-for-sale investments to comply with the requirements of the 'Insurance Rules, 2017' issued by Securities and Exchange Commission of Pakistan vide its S.R.O. 89(1) / 2017 dated 09 February 2017. In line with the requirements provided in the Rules, the quoted available-for-sale investments are to be valued at market value and any unrealised gains or losses arising on revaluation of available-for-sale investments are taken to Other Comprehensive Income and transferred to revaluation reserves, whereas unquoted available-for-sale investments are valued at cost less impairment in value, if any. On derecognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss Account for the period. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated accordingly.

Previously, quoted available-for-sale investments were stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002.

Had the accounting policy not been changed, available-for-sale investments, reserves and deferred taxation would have been lower by Rs. 118.5 million, Rs.83 million and Rs.35.5 million (December 31, 2017: Rs.106.6 million, Rs.74.6 million and Rs.32 million) respectively.

5.1.2 During the period, the Company has changed format for preparation of its condensed interim financial statements to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O. 89(1) / 2017 dated February 9, 2017. In line with the requirements provided in the Rules, accordingly these are the first set of condensed interim financial statements of the Company for the six months period ended June 30, 2018.

5.1.3 As per note 5.1.1 and 5.1.2 retrospective adjustments have been made in these condensed interim financial statements and comparatives have been revised as follows:

	December 31, 2017			December 31, 2016		
	Balance previously reported	Adjustment	Balance restated	Balance previously reported	Adjustment	Balance restated
	(Rupees)					
Investment in equity securities	100,120,527	121,056,412	221,176,939	113,456,562	118,109,897	231,566,459
Deferred taxation - asset / (liability)	38,675,112	(36,355,680)	2,319,432	29,395,718	(35,429,671)	(6,033,953)
Reserves	10,175,000	84,829,919	95,004,919	10,175,000	82,669,233	92,844,233
Unappropriated profit	146,176,900	(129,187)	146,047,713	206,122,992	10,993	206,133,985
						Six months period ended June 30, 2017 (Unaudited) (Rupees)

Impact on profit and loss account

Loss after tax would have been Higher by	<u>257,138</u>
Earnings per share would have been lower by	<u>0.01</u>

5.1.4 During the period the Companies Act, 2017 has been implemented, however there is no impact on the condensed interim financial statements.

5.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:

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IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). 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. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

IFRS 15 'Revenue from contracts with customers'

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

IFRS 16 'Leases'

IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates and that such estimates and judgments are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2017.

7 INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2017.

8 PROPERTY AND EQUIPMENT

	(Un-audited) June 30, 2018	(Audited) December 31, 2017
	----- (Rupees) -----	
Opening book value	5,220,926	7,364,551
Add: Additions during the period / year	239,607	472,094
Less: Deletions during the period / year	-	-
	<u>5,460,533</u>	<u>7,836,645</u>
Less: Depreciation for the period / year	<u>(1,009,531)</u>	<u>(2,615,720)</u>
	<u>4,451,002</u>	<u>5,220,925</u>

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9 INVESTMENTS IN EQUITY SECURITIES - Available for sale

	June 30, 2018 (Unaudited)			December 31, 2017 (Audited) (Restated)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Listed equity securities	122,558,756	(11,858,761)	110,699,995	114,647,002	(14,526,480)	100,120,522
Surplus on revaluation	-	-	130,354,630	-	-	121,056,417
	<u>122,558,756</u>	<u>(11,858,761)</u>	<u>241,054,625</u>	<u>114,647,002</u>	<u>(14,526,480)</u>	<u>221,176,939</u>

10 INVESTMENTS IN DEBT SECURITIES - Held to maturity

	Note	30 June 2018 (Unaudited)			31 December 2017 (Audited) (Restated)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government securities	10.1	310,860,350	-	310,860,350	557,836,005	-	557,836,005
		<u>310,860,350</u>	<u>-</u>	<u>310,860,350</u>	<u>557,836,005</u>	<u>-</u>	<u>557,836,005</u>

10.1 This includes Pakistan Investment Bonds which carry profit at rates ranging from 7% to 9.25%.

	(Un-audited) June 30, 2018	(Audited) December 31, 2017
	(Rupees)	

11 INVESTMENTS IN TERM DEPOSITS - Held to maturity

Deposits maturing within 12 months - local currency	300,000,000	-
	<u>300,000,000</u>	<u>-</u>

12 LOANS AND OTHER RECEIVABLES - Considered good

Accrued Investment Income	7,425,773	6,775,099
Security Deposit	1,930,910	1,984,910
Advance against commission to agents	49,999	49,999
Loans To Employees	487,333	324,256
Receivable From Related Party (State life insurance corporation)	1,558,728	1,558,728
Other Receivables	214,908	203,684
	<u>11,667,651</u>	<u>10,896,676</u>

**13 INSURANCE / REINSURANCE RECEIVABLES
- Unsecured and considered good**

Due from insurance contract holders	112,607,646	105,529,516
Less: provision for impairment of receivables from insurance contract holders	(77,236,179)	(68,173,535)
Due from other insurers / reinsurers	70,439,069	82,939,550
Less: provision for impairment of due from other insurers / reinsurers	(42,316,891)	(41,087,401)
	<u>63,493,645</u>	<u>79,208,130</u>

14 DEFERRED TAXATION

Deferred Debits arising in respect of		
Accelerated tax depreciation on fixed assets	-	1,683,656
Provision against premium due but unpaid	23,170,854	20,452,060
Provision for diminution in value of investment	3,557,628	4,357,944
Provision against amount due from other insurers / reinsurers	12,695,067	12,326,220
Deferred Credits arising in respect of (To be specified)		
Accelerated tax depreciation on fixed assets	(1,335,301)	-
Provision for employees' benefits plan	(144,768)	(144,768)
Unrealized gain/(loss) on revaluation of AFS	(38,957,148)	(36,355,680)
	<u>(1,013,668)</u>	<u>2,319,432</u>

15 TAXATION - Payment less provision

Opening Balance	47,184,173	37,511,438
Tax paid including deducted at source	12,883,973	11,160,125
Provision for taxation	(588,719)	(1,487,390)
Closing Balance	<u>59,479,427</u>	<u>47,184,173</u>

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16	PREPAYMENTS	(Un-audited) June 30, 2018	(Audited) December 31, 2017
	Note	(Rupees)	
		17,563,280	19,424,029
		62,500	137,500
		736,755	347,408
		<u>18,362,535</u>	<u>19,908,937</u>
17	CASH AND BANK DEPOSITS		
	Cash and other equivalents		
	- cash in hand	236,187	-
	- stamps in hand	9,748	198,761
	Current and other accounts		
	- current accounts	1,641,954	4,108,368
	- saving accounts	53,831,654	128,740,831
		<u>55,719,543</u>	<u>133,047,960</u>
18	PREMIUM DEFICIENCY RESERVES		
	Opening balance	24,043,486	19,610,021
	Provision for the period appreciation/(reduction)	(5,864,179)	4,433,465
	Closing balance	<u>18,179,307</u>	<u>24,043,486</u>
19	REINSURANCE / CO-INSURANCE PAYABLES		
	Due to insurance contract holders	-	-
	Due to Other Insurers / Reinsurers	78,191,909	80,394,399
	Cash Margins Against performance bonds	5,068,895	6,612,620
		<u>83,260,804</u>	<u>87,007,019</u>
20	OTHER CREDITORS AND ACCRUALS		
	Agents Commission Payable	40,923,410	41,695,190
	Federal Excise Duty	16,952,667	18,191,626
	Federal Insurance Fee	52,446	55,879
	Workers' Welfare Fund	2,197,746	2,197,746
	Salaries & Wages Payable	3,982,826	1,149,932
	Accrued Expenses	2,473,644	2,023,986
	Compensated absences	2,749,104	2,749,104
	Income Tax Liabilities	81,849	139,367
	Other Tax Payables	1,849	-
	Unpaid and Unclaimed Dividend	3,011,260	3,011,260
	Accounts payable for goods & services	957,052	1,059,214
	Other creditors & accruals	3,937,402	3,718,556
		<u>77,321,255</u>	<u>75,991,860</u>

20.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court.

The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution.

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

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In view of the above, on prudent basis the management has decided not to reverse charge for WWF recorded for the years upto 2015 amounting to Rs. 2.198 million.

- 20.2** This includes outstanding claims in respect of which cheques have been issued by the Company for claim settlement but the same have not been encashed by the claimant. The following is the ageing as required by SECP circular No. 11 dated May 19, 2014:

	(Un-audited) June 30, 2018	(Audited) December 31, 2017
	----- (Rupees) -----	
- More than 6 months	<u>207,107</u>	<u>197,330</u>
- 1 to 6 months	<u>-</u>	<u>-</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

- 21.1.1** The income tax assessments of the Company have been finalised upto tax year 2017. Matters of disagreement exist between the Company and the tax authorities for the tax year 2009, 2011, 2012, 2013, 2014, 2015 and 2016. In prior years, the Commissioner has passed amended assessment orders for the these tax years under section 122(5A), wherein tax on dividend income has been charged at corporate tax rate by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, certain disallowances were made in respect of provision for IBNR claims, non-withholding of tax on commission expenses and payment of certain expenses in cash. The management is contesting these matters with the tax authorities and has filed appeals with the Appellate Tribunal Inland Revenue (ATIR), the Honorable High Court of Sindh (the Court) and with the Commissioner Inland Revenue Appeals (CIRA) and is confident that these matters will be decided in favour of the Company. Consequently, no provision has been made in these condensed interim financial statements in respect of the above matters.

For tax years 2009 and 2014, the ACIR has passed amended assessment order under section 122(5A) of the Income Tax Ordinance, 2001 wherein tax on dividend income has been charged at corporate tax rate by treating such income as business income of the Company under Fourth Schedule to the Ordinance. As a result of the amended assessment order for tax year 2009, demand of Rs. 4.627 million was created and for tax year 2014, demand of Rs. 18.583 million was created against which the Company has paid Rs. 9.292 million. The Company has filed appeals before CIRA and if the appeal is decided against the Company, a tax liability of Rs. 13.918 million would arise.

For tax years 2015 and 2016, the ACIR passed an amended assessment order under section 122(5A), wherein tax on dividend income has been charged at corporate tax rate by treating such income as business income of the Company under Fourth Schedule to the Ordinance. Further, certain disallowances were made in respect of non-withholding of tax on commission expenses and payment of certain expenses in cash. Consequently, tax demand of Rs. 2.298 million and Rs. 6.825 million was created respectively. Against the amended assessment order, an appeal was filed before the CIRA, who vide combined appellate order dated 21 November 2017 allowed relief in respect chargeability of dividend at corporate tax rates and levy of Worker's Welfare Fund whereas additions on account of non-withholding of tax commission expense and cash expenses made by the Company were confirmed. The company has filed a further appeal before the ATIR on the issues confirmed by the CIRA. Moreover, the department has also filed appeal before the ATIR challenging the relief granted by the CIRA. If the appeal is decided against the Company, a tax liability of Rs. 9.123 million would arise.

During the previous year, the ACIR issued notice dated 16 May 2017, under section 122(5A) for passing an amended order on certain issues for the tax year 2011. However, the Company has filed a writ petition before the Honorable High Court of Sindh challenging the validity of the notice being barred by limitation of time. The Court has granted an interim order and the said interim order is operating. Based on tax advisor opinion the management is confident of favourable outcome of the said appeal. accordingly, no tax provision has been recorded in these condensed interim financial statements.

21.2 Commitments

There are no commitments as at June 30, 2018 and December 31, 2017.

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22 NET INSURANCE PREMIUM	(Unaudited) Quarterly ended June 30,		(Unaudited) Half year ended June 30,	
	2018	2017	2018	2017
	(Rupees)		(Rupees)	
Written Gross Premium	19,856,774	29,105,758	40,412,366	57,697,816
Add: Unearned premium reserve opening	41,017,724	59,057,565	44,053,707	72,294,491
Less: Unearned premium reserve closing	(37,401,821)	(65,861,270)	(37,401,821)	(65,861,270)
Premium earned	23,472,677	22,302,053	47,064,252	64,131,037
Less: Reinsurance premium ceded	10,689,441	9,910,174	22,724,983	23,504,796
Add: Prepaid reinsurance premium opening	19,226,524	24,435,582	19,424,029	25,414,435
Less: Prepaid reinsurance premium closing	(17,563,280)	(19,880,192)	(17,563,280)	(19,880,192)
Reinsurance expense	12,352,685	14,465,564	24,585,732	29,039,039
	11,119,992	7,836,489	22,478,520	35,091,998
23 NET INSURANCE CLAIMS				
Claims paid	3,160,851	5,203,731	35,763,827	46,404,751
Add: Outstanding claims including IBNR closing	427,017,691	460,507,272	427,017,691	460,507,272
Less: Outstanding claims including IBNR opening	(410,146,588)	(420,584,289)	(430,990,074)	(198,988,834)
Claim expense	20,031,954	45,126,714	31,791,444	307,923,189
Less: Reinsurance and other recoveries received	447,851	1,245,338	29,299,289	25,343,255
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	313,589,703	349,449,412	313,589,703	349,449,412
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(301,443,857)	(351,880,777)	(325,792,200)	(137,403,653)
Reinsurance and other recoveries revenue	12,593,697	(1,186,027)	17,096,792	237,389,014
	7,438,257	46,312,741	14,694,652	70,534,175
24 NET COMMISSION				
Commission paid or payable	2,676,059	4,215,226	6,696,167	9,859,219
Add: Deferred commission expense opening	6,931,937	11,369,673	7,168,520	13,195,827
Less: Deferred commission expense closing	(5,231,218)	(8,361,854)	(5,231,218)	(8,361,854)
Net Commission	4,376,778	7,223,045	8,633,469	14,693,192
Less: Commission received or recoverable	106,268	2,018,205	349,111	5,054,641
Add: Unearned reinsurance commission opening	2,024,434	5,423,048	3,650,089	5,753,868
Less: Unearned reinsurance commission closing	(843,026)	(4,138,496)	(843,026)	(4,138,496)
Commission from reinsurance	1,287,676	3,302,757	3,156,174	6,670,013
	3,089,102	3,920,288	5,477,295	8,023,179

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25 MANAGEMENT EXPENSES	Note	(Unaudited)	
		June 30, 2018	June 30, 2017
		(Rupees)	
Employees benefit cost	25.1	20,122,343	20,834,440
Travel expense		667,669	790,598
Advertisement & sales promotion		147,370	170,300
Printing and stationery		333,515	540,812
Depreciation expense		1,009,531	1,511,249
Rent, rates and taxes		3,400,236	3,258,626
Legal and professional charges - business related		2,598,804	2,612,609
Electricity, gas and water		853,576	980,518
Entertainment		336,259	683,653
Vehicle running expenses		2,125,076	1,594,247
Office repair and maintenance		1,123,457	608,150
Bank charges		28,663	72,598
Postages, telegrams and telephone		739,940	698,510
Annual supervision fee SECP		139,348	173,704
Bad and doubtful debts		10,292,134	9,271,293
Co-insurance service charges		291,105	254,600
Insurance charges		354,139	360,695
Miscellaneous		171,257	164,747
		<u>44,734,422</u>	<u>44,581,349</u>

25.1 Employee benefit cost

Salaries, allowance and other benefits	19,651,118	20,522,551
Charges for post employment benefit	471,225	311,889
	<u>20,122,343</u>	<u>20,834,440</u>

26 INVESTMENT INCOME	(Unaudited)		(Unaudited)	
	Quarter ended June 30, 2018	2017 (Restated)	Half year ended June 30, 2018	2017 (Restated)
	(Rupees)			
Income from equity securities - available for sale				
Dividend income	3,791,196	6,026,200	4,151,477	6,642,174
Gain on sales of investment	496,774	6,294,864	1,186,112	6,294,864
Income from debt securities - held to maturity				
Return on government securities	8,023,532	12,539,966	18,449,425	24,856,783
Return on term finance certificates	-	629,808	-	1,367,610
Amortization of (discount) / premium on government securities / term finance certificates	(1,228,241)	830,407	(2,990,654)	912,532
	<u>11,083,261</u>	<u>26,321,245</u>	<u>20,796,360</u>	<u>40,073,963</u>
Income from term deposits				
Return on term deposits	100,274	122,740	100,274	438,972
Realised gains on investments				
- Equity securities	(200,234)	(246,147)	626,658	(246,147)
Total investment income	<u>10,983,301</u>	<u>26,197,838</u>	<u>21,523,292</u>	<u>40,266,788</u>
Less: (Impairment) / Reversal in value of available for sale securities- equity securities	(3,588,881)	(1,238,778)	2,667,718	(5,135,046)
Net investment income	<u>7,394,420</u>	<u>24,959,060</u>	<u>24,191,010</u>	<u>35,131,742</u>
27 OTHER INCOME				
Income from financial assets				
Return on bank balances	2,678,416	847,067	3,790,678	1,599,537
Income from non-financial assets				
Miscellaneous income / (loss)	4,000	-	32,000	-
	<u>2,682,416</u>	<u>847,067</u>	<u>3,822,678</u>	<u>1,599,537</u>

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FAIR VALUES OF FINANCIAL INSTRUMENTS

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 values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using 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: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	June 30, 2018 (Un-audited)								
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments	-	-	310,860,350	-	-	310,860,350	-	310,860,350	-
- Government securities	-	-	310,860,350	-	-	310,860,350	-	310,860,350	-
- Term finance certificates	-	241,054,625	-	-	-	241,054,625	241,054,625	-	-
- Quoted equity securities	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Cash and bank deposits*	-	-	-	55,719,543	-	55,719,543	-	-	-
Investment in Term deposits	-	-	-	300,000,000	-	300,000,000	-	-	-
Loans and other receivables*	-	-	-	11,667,651	-	11,667,651	-	-	-
Insurance / Reinsurance receivables*	-	-	-	63,493,645	-	63,493,645	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	313,589,703	-	313,589,703	-	-	-
Salvage recoveries accrued	-	-	-	5,540	-	5,540	-	-	-
Deferred Commission Expense / Acquisition cost	-	-	-	5,231,218	-	5,231,218	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(427,017,691)	(427,017,691)	-	-	-
Unearned premium reserves*	-	-	-	-	(37,401,821)	(37,401,821)	-	-	-
Premium deficiency reserves*	-	-	-	-	(18,179,307)	(18,179,307)	-	-	-
Unearned reinsurance commission*	-	-	-	-	(843,026)	(843,026)	-	-	-
Premium received in advance*	-	-	-	-	(5,390,544)	(5,390,544)	-	-	-
Reinsurance / Co-insurance payables*	-	-	-	-	(83,260,804)	(83,260,804)	-	-	-
Other creditors and accruals*	-	241,054,625	310,860,350	749,707,300	(649,414,448)	652,207,827	241,054,625	-	-

100%

December 31, 2017 (Audited) (Restated)

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments	-	-	557,836,005	-	-	557,836,005	-	557,836,005	-
- Government securities	-	-	-	-	-	-	-	-	-
- Term finance certificates	-	221,176,939	-	-	-	221,176,939	221,176,939	-	-
- Quoted equity securities	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Cash and bank deposits*	-	-	-	133,047,960	-	133,047,960	-	-	-
Investment in Term deposits	-	-	-	-	-	-	-	-	-
Loans and other receivables*	-	-	-	10,896,676	-	10,896,676	-	-	-
Insurance / Reinsurance receivables*	-	-	-	79,208,130	-	79,208,130	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	325,792,200	-	325,792,200	-	-	-
Salvage recoveries accrued	-	-	-	20,604	-	20,604	-	-	-
Deferred Commission Expense / Acquisition cost	-	-	-	7,168,520	-	7,168,520	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(430,990,074)	(430,990,074)	-	-	-
Unearned premium reserves*	-	-	-	-	(44,053,707)	(44,053,707)	-	-	-
Premium deficiency reserves*	-	-	-	-	(24,043,486)	(24,043,486)	-	-	-
Unearned reinsurance commission*	-	-	-	-	(3,650,089)	(3,650,089)	-	-	-
Premium received in advance*	-	-	-	-	(4,357,031)	(4,357,031)	-	-	-
Reinsurance / Co-insurance payables*	-	-	-	-	(87,007,019)	(87,007,019)	-	-	-
Other creditors and accruals*	-	-	-	-	(75,991,861)	(75,991,861)	-	-	-
	-	221,176,939	557,836,005	556,134,090	(670,093,267)	665,053,767			

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

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SEGMENT INFORMATION

Half year ended June 30, 2018 (Unaudited)

	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2018 Aggregate
Premium receivable (inclusive of Federal excise duty and Federal insurance fee and Administrative surcharge)	11,091,273	6,994,408	9,711,099	8,306,641	2,724,931	6,843,803	45,672,155
Less: Federal excise duty / Sales Tax	(1,385,164)	(648,802)	(1,207,986)	-	(328,131)	(904,836)	(4,474,919)
Less: Federal insurance fee	(95,897)	(59,655)	(83,733)	-	(23,583)	(58,954)	(321,822)
Less: Others	(26,639)	(321,046)	(73,127)	-	(14,930)	(27,306)	(463,048)
	<u>9,583,573</u>	<u>5,964,905</u>	<u>8,346,253</u>	<u>8,306,641</u>	<u>2,358,287</u>	<u>5,852,707</u>	<u>40,412,366</u>
Gross direct premium	<u>9,368,378</u>	<u>5,706,741</u>	<u>8,040,051</u>	<u>8,306,641</u>	<u>2,304,111</u>	<u>5,732,087</u>	<u>39,458,009</u>
Facultative inward premium	<u>215,195</u>	<u>258,164</u>	<u>306,202</u>	-	<u>54,176</u>	<u>120,620</u>	<u>954,357</u>
Administrative surcharge	-	-	-	-	-	-	-
Insurance premium earned	<u>15,743,293</u>	<u>7,053,986</u>	<u>8,321,596</u>	<u>8,171,127</u>	<u>2,508,672</u>	<u>5,265,578</u>	<u>47,064,252</u>
Reinsurance expense	<u>(14,307,731)</u>	<u>(5,048,787)</u>	<u>(2,073,483)</u>	-	<u>(1,187,740)</u>	<u>(1,967,991)</u>	<u>(24,585,732)</u>
Net insurance premium	<u>1,435,562</u>	<u>2,005,199</u>	<u>6,248,113</u>	<u>8,171,127</u>	<u>1,320,932</u>	<u>3,297,587</u>	<u>22,478,520</u>
Net commission	<u>2,435,865</u>	<u>143,796</u>	<u>13,775</u>	-	<u>347,369</u>	<u>215,369</u>	<u>3,156,174</u>
Net Underwriting income	<u>3,871,427</u>	<u>2,148,995</u>	<u>6,261,888</u>	<u>8,171,127</u>	<u>1,668,301</u>	<u>3,512,956</u>	<u>25,634,694</u>
Insurance claims	<u>(5,093,998)</u>	<u>(5,786,618)</u>	<u>(4,967,532)</u>	<u>(3,602,967)</u>	<u>(6,425,000)</u>	<u>(5,915,329)</u>	<u>(31,791,444)</u>
Insurance claims recovered from reinsurers	<u>3,685,989</u>	<u>348,953</u>	<u>2,554,401</u>	-	<u>3,855,000</u>	<u>6,652,449</u>	<u>17,096,792</u>
Net claims	<u>(1,408,009)</u>	<u>(5,437,665)</u>	<u>(2,413,131)</u>	<u>(3,602,967)</u>	<u>(2,570,000)</u>	<u>737,120</u>	<u>(14,694,552)</u>
Commission expense	<u>(4,392,036)</u>	<u>(1,503,587)</u>	<u>(1,203,474)</u>	<u>(408,507)</u>	<u>(359,976)</u>	<u>(765,889)</u>	<u>(8,633,469)</u>
Management expenses	<u>(10,608,525)</u>	<u>(6,602,845)</u>	<u>(9,238,875)</u>	<u>(9,195,027)</u>	<u>(2,610,503)</u>	<u>(6,478,647)</u>	<u>(44,734,422)</u>
Premium deficiency expense	<u>5,662,306</u>	<u>115,239</u>	-	<u>(58,550)</u>	<u>155,611</u>	<u>(10,427)</u>	<u>5,864,179</u>
Underwriting result	<u>(6,874,837)</u>	<u>(11,279,863)</u>	<u>(6,593,592)</u>	<u>(5,093,924)</u>	<u>(3,716,567)</u>	<u>(3,004,867)</u>	<u>(36,563,670)</u>
Investment income							<u>24,191,010</u>
Other income							<u>3,822,678</u>
Other expenses							<u>(2,399,870)</u>
Profit before tax							<u>25,613,818</u>
							<u>(10,949,852)</u>

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Half year ended June 30, 2017 (Unaudited) (Restated)

	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2017 Aggregate
Premium receivable (inclusive of Federal excise duty and Federal insurance fee and Administrative surcharge)	25,811,683	14,047,760	9,603,938	8,029,809	3,296,890	4,918,876	65,708,956
Less: Federal excise duty	(3,308,488)	(1,456,870)	(1,152,078)	-	(374,574)	(620,003)	(6,912,013)
Less: Federal excise duty	(222,543)	(120,294)	(82,991)	-	(28,717)	(42,356)	(496,901)
Less: Others	(39,361)	(446,772)	(70,338)	-	(22,113)	(23,642)	(602,226)
Gross written premium (inclusive of Administrative surcharge)	22,241,291	12,023,824	8,298,531	8,029,809	2,871,486	4,232,875	57,697,816
Gross direct premium	21,746,322	11,586,879	7,973,222	8,029,809	2,788,334	4,102,731	56,227,287
Facultative inward premium	494,969	436,945	325,309	-	83,152	130,144	1,470,519
Administrative surcharge	-	-	-	-	-	-	-
Insurance premium earned	24,724,988	11,088,765	13,273,200	7,841,743	3,053,785	4,148,556	64,131,037
Reinsurance expense	(17,334,976)	(4,877,345)	(2,322,258)	-	(1,762,700)	(2,741,760)	(29,039,039)
Net insurance premium	7,390,012	6,211,420	10,950,942	7,841,743	1,291,085	1,406,796	35,091,998
Net commission	4,203,302	1,309,944	-	-	493,691	663,076	6,670,013
Net Underwriting income	11,593,314	7,521,364	10,950,942	7,841,743	1,784,776	2,069,872	41,762,011
Insurance claims	(295,978,159)	(5,301,547)	(3,468,496)	(3,389,691)	-	214,704	(307,923,189)
Insurance claims recovered from reinsurers	235,924,549	1,710,142	625,000	-	-	(870,677)	237,389,014
Net claims	(60,053,610)	(3,591,405)	(2,843,496)	(3,389,691)	-	(655,973)	(70,534,175)
Commission expense	(7,782,423)	(3,032,315)	(1,348,196)	(391,992)	(470,547)	(1,667,719)	(14,693,192)
Management expenses	(17,185,170)	(9,280,443)	(6,412,023)	(6,204,389)	(2,218,710)	(3,270,614)	(44,581,349)
Premium deficiency expense	388,274	(155,021)	-	(130,835)	-	(84,853)	8,565
Underwriting result	(73,039,615)	(8,547,820)	347,227	(2,284,164)	(904,481)	(3,609,287)	(88,038,140)
Investment income							35,131,742
Other income							1,599,537
Other expenses							(1,422,301)
Profit before tax							35,308,978
							(52,729,162)

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The classwise assets and liabilities are as follows:

	June 30, 2018 (Unaudited)					2018 Aggregate
	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	
Segment Assets	322,881,736	21,302,694	18,263,436	11,771,098	8,381,313	399,883,366
Unallocated Assets						<u>985,397,250</u>
						<u>1,385,280,636</u>
Segment liabilities	420,272,951	36,030,469	48,918,594	22,606,071	13,967,018	572,093,196
Unallocated liabilities						<u>78,334,920</u>
						<u>650,428,116</u>

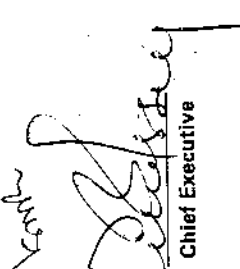
	December 31, 2017 (Audited) (Restated)					2018 Aggregate
	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	
Segment Assets	366,454,861	26,449,207	18,349,330	5,957,694	4,563,824	431,613,479
Unallocated Assets						<u>979,532,419</u>
						<u>1,411,145,898</u>
Segment liabilities	476,093,663	36,044,304	43,968,818	13,283,136	6,331,113	594,101,408
Unallocated liabilities						<u>75,991,858</u>
						<u>670,093,266</u>

33 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, to align them with the presentation requirements of the Insurance Accounting Regulations, 2017 and Insurance Rules, 2017.

34 DATE OF AUTHORIZATION

This condensed interim financial statements was authorized for issue on 13-12-19 by the Board of Directors of the Company.

Verma

 Chief Executive


 Director


 Director