Interim Financial Report
(Un-Audited)
First Quarter Ended
March 31, 2017

PICIC INSURANCE LIMITED

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Company Information

Board of Directors	Mr. Irshad Ali Shaban Ali Kassim (Chairman) * Mr. Abu Ahmed ** Mr. Munawar Ali Kassim* Mr. Muzaffar Ali Shah Bukhari* Mr. Moiz Ali** Mr. Muhammad Saleem** Ms. Nudrat Fatima** Mr. Hassan Ali** Sheikh Khurram Rehman**
Managing Director / CEO	Mr. Moiz Ali
Board Audit Committee	Mr. Muzaffar Ali Shah Bukhari (Chairman) Mr. Abu Ahmed Mr. Munawar Ali Kassim
Board Human Resources & Remuneration Committee	Mr. Munawar Ali Kassim (Chairman) Mr. Irshad Ali Shaban Ali Kassim
Acting CFO & Company Secretary	Syed Zaigham Raza
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	Jameel Khan & Associates
Bankers	Habib Metropolitan Bank Limited NIB Bank Limited Silk Bank Limited Bank Al Habib Limited
Shares Registrar	FAMCO Associates (Pvt.) Ltd. 8-F, Next to Hotel Faran, Nursery Block - 6, P.E.C.H.S. Shahra-e-Faisal Karachi
Registered & Head Office	3rd Floor, Nadir House, I.I. Chundrigar Road, Karachi Tel: 021-32410781 Fax: 021-32410782 www.picicinsurance.com

(*Continuing till new board takes charges after approval by SECP under sound & prudent management)

(** Appointed however not taken charge pending approval by SECP under sound & prudent management)

Directors' Review

We are pleased to present the condensed un-audited interim financial statements of the Company for the first quarter ended March 31, 2017.

Message from the Chairman

The management of the Company decided for a merger of PICIC Insurance Limited with and into Crescent Star Insurance Limited, subject to all necessary regulatory approvals, but due to change in strategic planning Now your Company is reviewing option for the merger of Crescent Star Foods (Private) Limited (a subsidiary of Crescent Star Insurance Limited) with and into PICIC Insurance Limited subject to the swap ratio to be worked out and agreed between both managements and members of the respective companies subject, to all legal, corporate, statutory and regulatory compliances and permission of the SECP.

We are confident that once the merger phase, is completed your company can enter into a new phase and a new look. The management is considering all options and working on strategy to turn around the company and recover losses to regain a financial position.

Business Review

The gross premium written for the first quarter period ended March 31, 2017,was Rs.0.7 million as comparedto Rs.11.46million for the corresponding quarter last year. This was due to decrease of gross premium written during the period in various classes of business. The net premium revenue for the quarter ended March 31, 2017 was Rs.39.65million compared to Rs.39.98 during the corresponding quarter last year.The underwriting results of the Company stood at a loss of Rs.4.9 million against a profit of Rs.11.9 million in the corresponding quarter last year. In all the classes except accident & health business the claims ratios have improved. The management expenses have increased by Rs.3.8 million from the corresponding quarter last year.

The Company's real strength is its management team. Keeping them engaged and motivated during the transitory phase is a challenge which has been well managed.

Financial Highlights

The comparative financial highlights of your Company for the quarter ended March 31, 2017 compared with March 31, 2016 are as follows:

	2017	2016
	------- Rupees in thousand -------	
Gross Premium Written	**689**	11,461
Net Premium Revenue	**39,649**	39,977
Net Claims including IBNR	**(43,110)**	(11,486)
(Loss) / Profit from underwriting business	**(4,912)**	11,921
Investment Income	**1,036**	103
Loss after Taxation	**(8,679)**	(841)
Loss per share (Rupees)	**(0.25)**	(0.02)

Acknowledgement

The Directors express their sincere appreciation to Company's valued clients, reinsurers, brokers, business partners and collaborators, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchangeand Central Depository Company for their professional approach and guidance. The Board commends the hard work of the management team and staff of the Company.

For and on behalf of the Board

Irshad Ali Shaban Ali Kassim
Chairman

Karachi : August 25, 2017

اہم مالیاتی امور

کمپنی کے اہم مسابقتی مالیاتی امور برائے اختتام سہ ماہی 31 مارچ 2017 کا 31 مارچ 2016 کے ساتھ موازنے درج ذیل ہے:

	2017	2016
	------000 روپے میں ------	
مجموعی تحریری پریمیم	**689**	11,461
نیٹ پریمیم	**39,649**	39,977
خالص کلیم (دعوے) بشمول IBNR	**(43,110)**	(11,486)
نقصان/منافع برائے کاروبار بیمہ	**(4,912)**	11,921
سرمایہ کاری کی مد میں آمدنی	**1,036**	103
نقصان بعد از ٹیکس	**(8,679)**	(841)
نقصان فی حصص (روپے)	**(0.25)**	(0.02

تسلیمات

ڈائریکٹرز کمپنی کے قابل قدر صارفین، دوہرے بیمہ کار، بروکرز، اور کاروباری شراکت دار، سیکورٹی ایکسچینج آف پاکستان، پاکستان اسٹاک ایکسچینج اور سینٹرل ڈپازیٹری کمپنی کی رہنمائی کے لئے مخلصانہ طور پر مشکور ہیں۔ بورڈ کمپنی کی انتظامی ٹیم اور اسٹاف کی بیش بہا خدمات کا بھی معترف ہے۔

برائے و منجانب بورڈ

ارشاد علی شعبان علی قاسم

چیئرمین

کراچی: 25 اگست 2017

ڈائریکٹرز کا جائزہ

ہم 31 مارچ 2017 کو مکمل ہونے والے پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

چیئرمین کی طرف سے پیغام

کمپنی کی انتظامیہ نے کمپنی PICIC انشورنس لمیٹڈ کا کریسنٹ اسٹار انشورنس لمیٹڈ میں ادغام (ضم) کرنے کا فیصلہ کیا تھا جس کا انحصار تمام تر ضروری انضباطی منظوری پر ہے لیکن اب منصوبے میں تبدیلی کے باعث کمپنی اس بات کا جائزہ لے رہی ہے کہ کریسٹ اسٹار فوڈز جو کہ کریسنٹ اسٹار انشورنس لمیٹڈ کا ایک ذیلی ادارہ ہے کو PICIC انشورنس کمپنی لمیٹڈ کے ساتھ ضم کر دیا جائے جس کا انحصار کام کے ادل بدل کے تناسب اور دونوں کمپنی کی انتظامیہ کی رضامندی پر ہے اور جو تمام قانونی، کارپوریٹ اور انضباطی امور کی تکمیل اور SECP کی اجازت سے مشروط ہے۔

ہمیں بھروسہ ہے کہ ایک دفعہ ادغام (انضمام) کا عمل مکمل ہونے کے بعد آپ کی کمپنی ایک نئے جہت اور ایک نئے دور میں داخل ہو جائے گی۔ کمپنی کی انتظامیہ تمام تر آپشنز پر غور کر رہی ہے اور ایک ایسی حکمت عملی پر عمل پیرا ہے جس سے نہ صرف نقصان کا ازالہ ہو جائے گا بلکہ ہم دوبارہ مالیاتی طور پر مستحکم ہو سکیں گے۔

کاروباری جائزہ

کمپنی کا خام بیمہ برائے اختتام پہلی سہ ماہی 31 مارچ 2017 گزشتہ سال کے آخری سہ ماہی کے 11.46 ملین روپے کی نسبت 0.7 ملین تھا۔ اس کمی کی وجہ مختلف کاروباری بیمہ کے درجوں میں بیمہ میں ہونے والی کمی ہے۔ سابقہ سال کی آخری سہ ماہی کا خالص بیمہ (منافع) 39.98 ملین روپے کی نسبت اس سال کی پہلی سہ ماہی 31 مارچ 2017 کو 39.65 ملین روپے رہا۔ مجموعی ذمہ نویسی کی مد میں کمپنی کو 4.9 ملین کا نقصان ہوا جبکہ پچھلے سال کی آخری سہ ماہی میں اس مد میں منافع 11.9 ملین روپے تھا۔ تمام درجوں میں ماسوائے حادثات اور صحت کے، کاروبار کے کلیمز (دعوں) کا تناسب بڑھ گیا۔ سابقہ سال کی نسبت انتظامی اخراجات میں 3.8 ملین روپے کا اضافہ ہوا۔

کمپنی کی اصل طاقت اس کی انتظامی ٹیم ہے۔ اس تبدیلی کے عمل کے دوران ان کو مصروف اور راغب رکھنے ایک چیلنج تھا جس کو انھوں نے بخوبی انجام دیا۔

Condensed Interim Balance Sheet

As at March 31, 2017

	Note	(Un-audited) March 31, 2017	(Audited) December 31, 2016
		------- Rupees in thousand -------	
Share capital and reserves			
Authorised share capital			
[125,000,000 (December 31, 2016: 125,000,000)			
Ordinary shares of Rs.10/- each]		**1,250,000**	1,250,000
Paid-up share capital			
[35,000,000 (December 31, 2016: 35,000,000)			
Ordinary shares of Rs.10/- each]		**350,000**	350,000
Accumulated loss		**(320,468)**	(311,789)
		29,532	38,211
Underwriting provisions			
Provision for outstanding claims (including IBNR)		**112,285**	112,928
Provision for unearned premium		**639**	16,625
Commission income unearned		**43**	4,838
		112,967	134,391
Creditors and accruals			
Amounts due to other insurers / reinsurers		**104,562**	118,851
Other creditors and accruals		**33,706**	33,464
Accrued expenses		**10,635**	10,790
Unclaimed dividend		**195**	195
		149,098	163,300
TOTAL LIABILITIES		**262,065**	297,691
TOTAL EQUITY AND LIABILITIES		**291,597**	335,902
Contingencies and Commitments	10		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

	Note	(Un-audited) March 31, 2017	(Audited) December 31, 2016
		------- Rupees in thousand -------	
Cash and bank deposits			
Cash and other equivalents		**117**	96
Current and other accounts		**544**	400
		661	496
Investments	8	**37,467**	36,387
Deferred Taxation		**2,619**	2,619
Current Assets - Others			
Premiums due but unpaid		**22,365**	22,812
Amounts due from other insurers / reinsurers		**176,179**	147,025
Reinsurance recoveries against outstanding claims		**13,566**	57,218
Taxation - payments less provision		**26,305**	26,300
Deferred commission expense		**64**	3,494
Prepayments		**(2,086)**	19,995
Sundry and other receivables		**2,284**	6,168
		238,677	283,012
Fixed assets	9		
Tangible			
Furniture and fixture		**7,151**	7,763
Office equipment		**1,994**	2,164
Computer equipment		**1,503**	1,820
Motor vehicles		**1,525**	1,641
		12,173	13,388
TOTAL ASSETS		**291,597**	335,902

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Condensed Interim Profit and Loss Account (Un-Audited)

For the Quarter ended March 31, 2017

	Note	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Quarter ended March 31, 2017 Aggregate	Quarter ended March 31, 2016 Aggregate
		Rupees in thousand						
Revenue account								
Net premium revenue		10,680	10,316	925	4	17,724	**39,649**	39,977
Net claims		(11,440)	(6,942)	1,159	3,831	(29,718)	**(43,110)**	(11,486)
Management expenses		(612)	(516)	(974)	-	(694)	**(2,796)**	(5,253)
Net commission		109	4	(126)	-	1,358	**1,345**	(11,317)
Underwriting results		(1,263)	2,862	984	3,835	(11,330)	**(4,912)**	11,921
Net investment income / (loss)							**1,032**	(208)
Return on bank balances							**4**	311
Gain on disposal of fixed assets							**-**	24
							(3,876)	12,048
General and administrative expenses							**(4,802)**	(12,873)
Other charges							**(1)**	(16)
Loss before taxation							**(8,679)**	(841)
Taxation								
- Current							**-**	-
Loss after taxation							**(8,679)**	(841)
Loss per share -								
basic and diluted (Rupees)	11						**(0.25)**	(0.02)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Quarter ended March 31, 2017

	Quarter ended March 31, 2017	Quarter ended March 31, 2016
	------- Rupees in thousand -------	
Net loss for the quarter	**(8,679)**	(841)
Other comprehensive income for the quarter	-	-
Total comprehensive loss for the quarter	**(8,679)**	(841)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Condensed Interim Statement of Changes In Equity (Un-Audited)

For the Quarter ended March 31, 2017

	Paid-up share capital	Accumulated loss	Total
	---------- Rupees in thousand ----------		
Balance as at January 01, 2016	350,000	(290,856)	59,144
Net loss for the quarter ended March 31, 2016	-	(841)	(841)
Balance as at March 31, 2016	350,000	(291,697)	58,303
Total comprehensive loss for the nine months 2016	-	(24,040)	(24,040)
Other comprehensive income for the year			
- Re-measurement of post employment benefit obligations	-	3,948	3,948
	-	(20,092)	(20,092)
Balance as at December 31, 2016	350,000	(311,789)	38,211
Net loss for the quarter ended March 31, 2017	-	(8,679)	(8,679)
Balance as at March 31, 2017	350,000	(320,468)	29,532

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Condensed Interim Statement of Cash Flows (Un-Audited)

For the Quarter ended March 31, 2017

	March 31, 2017	March 31, 2016
OPERATING ACTIVITIES	------- Rupees in thousand -------	
a) Underwriting activities		
Premiums received	**(45,410)**	18,422
Reinsurance premiums paid	**7,281**	(47,312)
Claims paid	**(101)**	(13,960)
Reinsurance and other recoveries received	**-**	988
Commissions paid	**4,839**	(5,654)
Commission received	**36,819**	38,190
Net cash inflow / (used in) from underwriting activities	**3,428**	(9,326)
b) Other operating activities		
Income tax paid	**(5)**	(40)
General management expenses paid	**(6,121)**	(14,952)
Operating payments	**2,905**	(2,408)
Other charges	**(1)**	(16)
Net cash used in other operating activities	**(3,222)**	(17,416)
Total cash inflow / (used in) from operating activities	**206**	(26,742)
INVESTMENT ACTIVITIES		
Profit / return received	**4**	306
Receipts / (payments) for investments	**(48)**	16,956
Proceeds from disposal of fixed assets	**-**	37
Fixed capital expenditure	**3**	-
Total cash inflow / (used in) from investing activities	**(41)**	17,299
Net cash (used in)/ inflow from all activities	**165**	(9,443)
Cash at the beginning of the year	**496**	30,412
Cash at the end of the year	**661**	20,969
Reconciliation to profit and loss account		
Operating cash flows	**206**	(26,742)
Depreciation / amortisation	**(1,212)**	(1,389)
Gain on disposal of fixed assets	**-**	24
Net investment loss	**1,032**	(208)
Return on bank balances	**4**	311
Decrease in assets other than cash	**(23,246)**	(1,216)
Increase in liabilities	**19,645**	(10,662)
Decrease / (increase) in unearned premium	**(5,108)**	39,041
Loss after taxation	**(8,679)**	(841)
Definition of cash		
Cash comprises of cash in hand and at banks, stamps in hand and short term placements with banks		
Cash for the purpose of statement of cash flows consists of:		
Cash and other equivalents		
- cash in hand	**-**	-
- stamps in hand	**117**	381
	117	381
Current and other accounts		
- current accounts	**115**	2,237
- saving accounts	**429**	8,351
	544	10,588
Deposits maturing within 12 months	**-**	10,000
	661	20,969

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim	Abu Ahmed	Munawar Ali Kassim	Moiz Ali
Chairman	Director	Director	Managing Director / CEO

Condensed Interim Statement of Premiums (Un-Audited)

For the Quarter ended March 31, 2017

Business underwritten inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue Quarter ended	
		Opening	Closing			Opening	Closing		**March 31, 2017**	March 31, 2016
	Rupees in thousand									
Direct and facultative										
1. Fire and property	151	(5,990)	151	(5,990)	(11,030)	(5,464)	176	(16,670)	**10,680**	26,143
2. Marine, aviation and transport	127	199	16	310	(10,207)	184	(17)	(10,006)	**10,316**	741
3. Motor	240	2,100	359	1,981	-	1,025	(31)	1,056	**925**	8,709
4. Accident and health	-	4	-	4	-	-	-	-	**4**	2,479
5. Miscellaneous	171	20,312	113	20,370	(22,831)	23,263	(2,214)	2,646	**17,724**	1,905
Total	689	16,625	639	16,675	(44,068)	19,008	(2,086)	-22,974	**39,649**	39,977

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Condensed Interim Statement of Claims (Un-Audited)

For the Quarter ended March 31, 2017

Business underwritten inside Pakistan

Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense Quarter ended	
		Opening	Closing			Opening	Closing		**March 31, 2017**	March 31, 2016
	Rupees in thousand									
Direct and facultative										
1. Fire and property	-	14,544	14,544	-	-	12,269	829	(11,440)	**11,440**	1,053
2. Marine, aviation and transport	48	14,695	14,647	-	-	11,083	4,141	(6,942)	**6,942**	1,527
3. Motor	11	25,626	25,073	(542)	-	376	993	617	**(1,159)**	3,500
4. Accident and health	-	21,524	17,693	(3,831)	-	-	-	-	**(3,831)**	3,328
5. Miscellaneous	42	36,539	40,328	3,831	-	33,490	7,603	(25,887)	**29,718**	2,078
Total	101	112,928	112,285	(542)	-	57,218	13,566	(43,652)	**43,110**	11,486

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Condensed Interim Statement of Expenses (Un-Audited)

For the Quarter ended March 31, 2017

Business underwritten inside Pakistan

Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers *	Net underwriting expense Quarter ended	
		Opening	Closing					**March 31, 2017**	March 31, 2016
	Rupees in thousand								
Direct and facultative									
1. Fire and property	4	(23)	4	(23)	612	589	86	**503**	12,071
2. Marine, aviation and transport	23	37	2	58	516	574	62	**512**	388
3. Motor	4	187	35	156	974	1,130	30	**1,100**	3,693
4. Accident and health	-	-	-	-	-	-	-	**-**	(161)
5. Miscellaneous	21	3,293	23	3,291	694	3,985	4,649	**(664)**	579
Total	52	3,494	64	3,482	2,797	6,278	4,827	**1,451**	16,570

* Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim
Chairman

Abu Ahmed
Director

Munawar Ali Kassim
Director

Moiz Ali
Managing Director / CEO

Condensed Interim Statement of Investment Income (Un-Audited)

For the Quarter ended March 31, 2017

	Quarter ended March 31, 2017	Quarter ended March 31, 2016
	------- Rupees in thousand -------	
Income from non trading investments		
Held to maturity		
Net unrealised gain on revaluation of investments	**1,079**	-
Loss on sale of investments	**-**	(547)
	1,079	(547)
At fair value through profit or loss		
Net unrealised gain on revaluation of investments	**-**	404
Dividend income	**-**	-
	-	404
	1,079	(143)
Investment related expenses	**(47)**	(65)
Net investment income / (loss)	**1,032**	(208)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Notes to and forming part of the Condensed Interim Financial Information (Un-Audited)

For the Quarter ended March 31, 2017

1 STATUS AND NATURE OF BUSINESS

1.1. PICIC Insurance Limited (the Company) was incorporated on April 23, 2004 under the Companies Ordinance, 1984 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 a subsidiary of KM Enterprises (Pvt) Ltd. It is engaged in providing all classes of non-life insurance business. The Company is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 3rd Floor, Nadir House, I. I. Chundrigar Road, Karachi. The Company operates with 2 (2016: 2) branches in Pakistan.

1.2. In accordance with the requirements of the Insurance Ordinance, 2000 and as mentioned in the Securities and Exchange Commission (Insurance) Rules, 2002 "Rules" (amended vide SRO 16(1)/2012 dated January 09, 2012), the minimum solvency requirement (i.e excess of admissible assets over liabilities) is Rs 150 million. The Company is not meeting the minimum solvency requirement.

1.3. Further, the Company has incurred a loss after tax of Rs. 7 million during the current period and its accumulated losses as at March 31, 2017 amounted to Rs 320 million resulting in net equity of Rs 30 million as at March 31, 2017. Further, the operating cash flows of the Company are also negative since 2011. These circumstances, together with the non-compliance of minimum solvency requirement as mentioned in note 1.2 above, indicate existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

On April 07, 2016 PICIC Board, in principle agreed to a merger of PICIC Insurance Limited with, and into, Crescent Star Insurance Limited, subject to all necessary regulatory approvals, including that of the Securities & Exchange Commission of Pakistan, Competition Commission of Pakistan and other relevent authorities.

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where the requirements differ, the provisions of the Companies Ordinance 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and the said directives prevail.

2.2 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, 2016

3 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for investments and certain staff retirement benefits which are carried at fair value and at present value respectively.

These condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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. These condensed interim financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless stated otherwise.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2016.

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, 2016.

	Note	March 31, 2017	December 31, 2016
		------- Rupees in thousand -------	
		(Un-audited)	(Audited)
8 INVESTMENTS			
Designated at fair value though profit and loss account			
Mutual funds	8.1	**37,467**	36,387
Listed shares		**-**	-
		37,467	36,387

8.1 Mutual Funds

The mutual fund investments includes Rs.37.5 million invested in Pakistan Income Fund and deposited with the State Bank of Pakistan in compliance with the requirement of section 29 of the insurance ordinance 2000.

9 FIXED ASSETS

The details of additions and disposals during the quarter ended March 31, 2017 compared with March 31, 2016 are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	---------- Rupees in thousand ----------			
Tangible				
Office equipment	-	-	-	13
Computer equipment	-	-	-	-
Motor vehicles	-	-	-	-
Furniture & Fixture	-	-	-	-
Capital work in progress	-	-	-	-
Intangible				
Computer software	-	-	-	-
	-	-	-	13

10 CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

The tax assessment of the Company has been finalised upto and including the tax year 2013. The tax returns filed are to be taken as deemed assessment in terms of Section 120 of the Income Tax Ordinance, 2001. However, while finalising the tax audit for the tax year 2007, the Taxation Officer had disallowed certain expenses claimed by the Company and increased the tax charge by Rs. 3.128 million. The Company has contested the amended order by filing an appeal before the Commissioner Inland Revenue (Appeals) which has been decided whereby substantial relief has been allowed. However, a second appeal has been filed before the Appellate Tribunal Inland Revenue for the remaining disallowed amount which is pending adjudication. Further, while finalising the tax audit for the tax year 2008, the Taxation Officer had charged minimum taxation on gross receipts of the Company and increased the tax charge by Rs. 1.51 million. The Company has contested the amended order by filing an appeal before the Commissioner Inland Revenue (Appeals) which is pending adjudication. The management, based on the advice of its tax advisor, is confident of a favourable outcome in both cases and, accordingly, no provision in this respect has been made in these financial statements.

During the year ended 2009, the Taxation Officer had passed an order along with notice of demand under section 161/205 of the Income Tax Ordinance, 2001, on alleged default of non-deduction of withholding tax on payments of insurance premium to non-resident reinsurer for the tax year 2009. The tax authorities had filed a writ petition against the Company along with other insurance companies in the High Court of Sindh. The petition has been dismissed by the Court and favorable outcome has been given in favor of the Company along with other insurance companies. The Company had also filed an appeal with the Commissioner Income Tax Appeals which is pending adjudication, to date. The tax impact of the above amounts to Rs 5.48 million against which no provision has been made in these financial statements, as the Company is confident of a favorable outcome.

10.2 COMMITMENTS

There were no commitment as at the balance sheet date.

11 LOSS PER SHARE

Basic loss per share are calculated by dividing the net loss for the quarter by the weighted average number of shares as at the quarter end as follows:

	Quarter ended	
	March 31, 2017	March 31, 2016
	------- Rupees in thousand -------	
Loss after tax for the quarter	**(8,679)**	(841)
	------ Number in thousand ------	
Weighted average number of shares of Rs. 10 each	**35,000**	35,000
	--------- (Rupees) ---------	
Basic loss per share of Rs. 10 each	**(0.25)**	(0.02)

11.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

12 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated entities having directors in common, major share holders, directors and key management personnel. The transactions with related parties are as follows:

	Quarter ended	
	March 31, 2017	March 31, 2016
	------- Rupees in thousand -------	
	(Un-audited)	(Un-audited)
Transactions for the quarter		
Premium written	-	290
Claims paid	-	24
Remuneration of key management personnel	**2,101**	6,209
Contribution for staff provident fund	-	487
Charge in respect of gratuity fund	-	518

	March 31, 2017	December 31, 2016
	------- Rupees in thousand -------	
Balances outstanding at period / year end	(Un-audited)	(Audited)
Payable to gratuity fund	-	-
Premiums due but unpaid	**2,483**	2,483

13 SEGMENT REPORTING

The following presents segment assets and liabilities as at March 31, 2017 and December 31, 2016.

	March 31, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Segment liabilities	Unallocated liabilities	Total liabilities	Segment liabilities	Unallocated liabilities	Total liabilities
	---------- Rupees in thousand ----------					
Fire and property damage	**39,880**	-	**39,880**	97,576	-	97,576
Marine, aviation and transport	**49,131**	-	**49,131**	46,830	-	46,830
Motor	**50,145**	-	**50,145**	73,945	-	73,945
Accident and health	**2,459**	-	**2,459**	5,266	-	5,266
Miscellaneous	**68,475**	-	**68,475**	118,144	-	118,144
Unallocated	**-**	**81,507**	**81,507**	-	86,345	86,345
Total	**210,090**	**81,507**	**291,597**	341,761	86,345	428,106

	March 31, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Segment liabilities	Unallocated liabilities	Total liabilities	Segment liabilities	Unallocated liabilities	Total liabilities
	---------- Rupees in thousand ----------					
Fire and property damage	**73,957**	-	**73,957**	130,496	-	130,496
Marine, aviation and transport	**18,252**	-	**18,252**	24,613	-	24,613
Motor	**34,813**	-	**34,813**	37,116	-	37,116
Accident and health	**18,558**	-	**18,558**	22,826	-	22,826
Miscellaneous	**84,575**	-	**84,575**	121,434	-	121,434
Unallocated	**-**	**31,910**	**31,910**	-	31,645	31,645
Total	**230,155**	**31,910**	**262,065**	336,485	31,645	368,130

14 GENERAL

Figures have been rounded off to the nearest thousand rupees.

15 AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on August 25, 2017.

Irshad Ali Shaban Ali Kassim	**Abu Ahmed**	**Munawar Ali Kassim**	**Moiz Ali**
Chairman	Director	Director	Managing Director / CEO

Branch Network

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