Interim Financial Report
(Un-Audited)
Quarter Ended
September 30, 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. Hafiz Muhammad Hassan Saeed** 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	F.D. Registrar Services (SMC- Pvt) Ltd. 1705, 17th Floor, Saima Trade Tower -A, I.I. Chundrigar Road, 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

The Directors would like to present the condensed, un-audited financial statements of the Company for the nine-month period ended September 30, 2017.

Business Review

The gross premium written for the nine-month period ended September 30, 2017 was Rs.0.47 million in negative as compared to Rs.17.7 million in negative for the corresponding period last year. The net premium revenue for the period ended September 30, 2017 was Rs.41 million compared to Rs.70 million during the corresponding period last year. The underwriting results of the Company stood at a loss of Rs.10.7 million against Rs.23 million in the corresponding period last year. The management expenses have decreased by Rs.24 million from the corresponding period last year. The net commission expense in the nine-months decreased to Rs.1.4 million, as compared to Rs.4 million in the same period in 2016.

Future Plan

The Company has filed application for surrendering of Insurance License as resolved in the Extra Ordinary Meeting dated July 6, 2017 as the management perceive this in the best interest of the Company, whereas the plan for merger of Crescent Star Foods (Private) Limited with and into PICIC Insurance Limited is in process and necessary applications to competent authorities as per existing law are being made after special audit of June 30, 2017 is completed. The Company name is expected to change to Crescent Star Food (Pvt) Limited after due process in completed and subject to all regulatory and legal approvals. The Company is expected to gain due to change of sector and area of business from Insurance to Foods.

Further to earlier announcement related to the plan for merger of Crescent Star Foods (Private) Limited (CSF) with and into PICIC Insurance Limited (PIL) and in continuation of PIL having applied for the surrender of insurance license, PIL have signed agreement with Crescent Star Insurance Limited (CSIL) according to which the insurance related assets & liabilities of PIL will transfer to CSIL subject to all regulatory / corporate and legal approvals and process completion.

In consideration of PKR 69,740,000/- variance as per auditors certificate it has been agreed between both companies that PIL will issue 23,246,667 additional shares at Rs. 3/share to CSIL, subject to all regulatory and corporate / legal approvals & completion of process.

In the meanwhile, Company had applied to SECP for extension of meeting the minimum solvency level. Its approval is awaited.
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.

Financial Highlights

The comparative financial highlights of your Company for the nine month period ended September 30 are as follows:

	2017	2016
	------- Rupees in thousand -------	
Gross Premium Written	**(466)**	(17,727)
Net Premium Revenue	**41,251**	69,863
Net Claims including IBNR	**(49,024)**	(22,581)
(Loss) / Profit from underwriting business	**(10,713)**	23,238
Investment Income	**2,089**	930
(Loss) after Taxation	**(39,799)**	(14,542)
(Loss) per share (Rupees)	**(1.14)**	(0.42)

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 Exchange and Central Depository Company for their professional approach and guidance.

The Board acknowledges and appreciates the hard work of the management team and staff of the Company during the adverse business phase which emerged during the early part of this year.

For and on behalf of the Board.

Irshad Ali Shaban Ali Kassim
Chairman

Karachi: October 27, 2017

پر مرکوز ہے اور ایسی حکمت عملی پر کام کر رہی ہے جس سے مالی نقصانات بازیافت ہو کر کمپنی کی مالی پوزیشن بحال ہو سکے گی۔

مالیاتی جھلکیاں

نو ماہی مدت مختتمہ 30 ستمبر 2017 پر کمپنی کی متناسب مالیاتی جھلکیاں درج ذیل ہیں:

	2017	2016
	------000 روپے میں-----	
مجموعی تحریر کردہ پریمیم	**(466)**	(17,727)
نیٹ پریمیم	**41,251**	69,863
خالص کلیم (دعوے) بشمول IBNR	**(49,024)**	(22,581)
(خسارہ)/منافع برائے کاروبار بیمہ	**(10,713)**	23,238
سرمایہ کاری کی مد میں آمدنی	**2,089**	930
(خسارہ) بعد از ٹیکس	**(39,799)**	(14,542)
فی حصص (خسارہ) روپے	**(1.14)**	(0.42)

اعتراف

اس موقع پر ڈائریکٹرز کمپنی کے قابل قدر کلائنٹس، ری انشورزز، بروکرز، کاروباری شراکت دار اور معاونین، سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور سینٹرل ڈپازٹری کی پیشہ ورانہ رسائی اور رہنمائی پر ان کو اپنی مخلصانہ ستائش پیش کرتے ہیں۔

اس سال کے آغاز میں پیدا ہونے والے ناموافق کاروباری فیز کے دوران کمپنی کی انتظامی ٹیم اور ملازمین کی انتھک محنت قابل ستائش ہے جس کا بورڈ معترف ہے۔

بورڈ کی جانب سے

ارشاد علی شعبان علی قاسم
چیئرمین
کراچی 27 اکتوبر 2017

ڈائریکٹرز کا جائزہ

ڈائریکٹرز نو ماہ کے غیر آڈٹ شدہ مجموعی مالیاتی گوشوارے مختتمہ 30 ستمبر 2017ء پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کاروباری جائزہ

نو ماہ کی مدت مختتمہ 30 ستمبر 2017 کا خام پریمیم 0.47 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے اختتام پر 17.7 ملین روپے تھا۔ مختتمہ مدت 30 ستمبر 2017ء کے خالص پریمیم کے ماحاصلات 41 ملین روپے تھے جو کہ گزشتہ سال اسی مدت کے اختتام پر 70 ملین روپے تھے۔ کمپنی کے ذمہ نویسی (Underwriting) کے کاروبار میں 10.7 ملین روپے کا خسارہ ہوا جو کہ پچھلی مدت میں 23 ملین روپے تھا۔ انتظامیہ کے اخراجات کم ہو کر 24 ملین روپے ہو گئے جو کہ گزشتہ سال 2016 میں اسی مدت کے دوران 4 ملین روپے تھے۔

مستقبل کا منصوبہ

کمپنی نے انشورنس لائسنس کی منسوخی کے لئے اپنے غیر معمولی اجلاس منعقدہ 6 جولائی 2017 میں قرارداد منظور کی کیونکہ انتظامیہ اسے کمپنی کے بہترین مفاد میں سمجھتی ہے، جبکہ کریسنٹ اسٹار فوڈز (پرائیویٹ) لمیٹڈ کا ادغام PICIC انشورنس میں جاری و ساری ہے اور جیسے ہی مختتمہ سال 30 جون 2017ء کا خصوصی آڈٹ مکمل ہو جائے گا تو متعلقہ اداروں کو موجودہ قوانین کے تحت ضروری درخواستیں بھیجی جائیں گی۔ تمام اہم مراحل طے کرنے کے بعد توقع ہے کہ PICIC انشورنس لمیٹڈ کا نام تبدیل ہو کے کریسنٹ اسٹار فوڈ (پرائیویٹ) لمیٹڈ ہو جائے گا اور تمام انضباطی اور قانونی منظوریوں کے ماتحت ہوگا۔ امید ہے کہ کاروبار کی ساخت اور نوعیت انشورنس سے فوڈ میں تبدیل ہونے سے مثبت اثرات سامنے آئیں گے۔

مزید برآں کریسنٹ اسٹار فوڈ (پرائیویٹ) لمیٹڈ (CSF) کے PICIC انشورنس لمیٹڈ (PIL) میں انضمام کے سابقہ اعلان اور اسی تسلسل کے ساتھ PIL نے بھی انشورنس کا لائسنس منسوخ کروانے کے سلسلے میں درخواست دے رکھی ہے، اسی بات کو مدنظر رکھتے ہوئے PIL نے کریسٹٹ اسٹار انشورنس لمیٹڈ (CSIL) کے ساتھ معاہدہ کیا جس کے تحت PIL کے انشورنس اثاثے اور واجبات CSIL کو منتقل ہو جائیں گے جسے تمام انضباطی/کارپوریٹ اور قانونی منظوریوں اور طریقہ کار کے تحت مکمل کیا جائے گا۔

آڈیٹر کے سرٹیفکیٹ کے مطابق پاکستان روپے -/69,740,000 کے معاملے میں اختلاف رائے پیدا ہو گیا ہے جسے حل کرنے کے لئے دونوں کمپنیاں کے درمیان یہ طے پایا ہے کہ CSIL 3 روپے کے حساب سے 23,246,667 روپے کے شیر PIL کو جاری کرے گی جسے تمام انضباطی/کارپوریٹ اور قانونی منظوریوں اور طریقہ کار کے تحت مکمل کیا جائے گا۔

اسی دوران کمپنی نے SECP سے کم از کم دیوالیہ کی سطح میں وسعت کی درخواست دی ہے جسکی منظوری کا انتظار ہے۔
ہم پر اعتماد ہیں کہ انضمامی فیز کے مکمل ہوتے ہی کمپنی ایک نئے دور میں اور نئی جہت میں داخل ہو جائے گی۔ انتظامیہ کی توجہ تمام آپشنز

Condensed Interim Balance Sheet

As At September 30, 2017

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		------- Rupees in thousand -------	
Share capital and reserves			
Authorised share capital			
[50,000,000 (December 31, 2016: 75,000,000)			
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		**(351,588)**	(311,789)
		(1,588)	38,211
Underwriting provisions			
Provision for outstanding claims (including IBNR)		**116,822**	112,928
Provision for unearned premium		**142**	16,625
Commission income unearned		**22**	4,838
		116,986	134,391
Creditors and accruals			
Amounts due to other insurers / reinsurers		**104,562**	118,851
Other creditors and accruals		**33,802**	33,464
Accrued expenses		**10,521**	10,790
Unclaimed dividend		**195**	195
		149,080	163,300
TOTAL LIABILITIES		**266,066**	297,691
TOTAL EQUITY AND LIABILITIES		**264,478**	335,902
Contingencies and commitments	10		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		------- Rupees in thousand -------	
Cash and bank deposits			
Cash and other equivalents		**114**	96
Current and other accounts		**463**	400
		577	496
Investments	8	**37,910**	36,387
Deferred Taxation		**2,619**	2,619
Current Assets - Others			
Premiums due but unpaid		**2,220**	22,812
Amounts due from other insurers / reinsurers		**176,088**	147,025
Reinsurance recoveries against outstanding claims		**13,566**	57,218
Taxation - payments less provision		**26,883**	26,300
Deferred commission expense		**21**	3,494
Prepayments		**115**	19,995
Sundry and other receivables		**2,277**	6,168
		221,170	283,012
Fixed assets	9		
Tangible			
Furniture and fixture		**-**	7,763
Office equipment		**59**	2,164
Computer equipment		**853**	1,820
Motor vehicles		**1,290**	1,641
		2,202	13,388
TOTAL ASSETS		**264,478**	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 And Period Ended September 30, 2017

	Note	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Quarter ended September 30, 2017	Quarter ended September 30, 2016
		Rupees in thousand						
Revenue account								
Net premium revenue		(3)	(1)	130	-	56	**182**	11,062
Net claims		-	(1)	436	-	-	**435**	4,963
		(3)	(2)	566	-	56	**617**	16,025
Management expenses		-	189	(570)	-	(329)	**(710)**	(4,920)
Net commission		-	(5)	(51)	-	(16)	**(72)**	15,216
		-	184	(621)	-	(345)	**(782)**	10,296
Underwriting results		(3)	182	(55)	-	(289)	**(165)**	26,321
Net investment income							**488**	213
Return on bank balances							**12**	23
(Loss) / profit on disposal of fixed assets							**(23)**	130
							312	26,687
General and administrative expenses							**(2,406)**	(12,215)
Other charges							**-**	(12)
(Loss) / profit before taxation							**(2,094)**	14,460
Taxation							**-**	-
(Loss) / profit after taxation							**(2,094)**	14,460

	Note	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Period ended September 30, 2017	Period ended September 30, 2016
		Rupees in thousand						
Revenue account								
Net premium revenue		10,562	10,340	678	4	19,667	**41,251**	69,863
Net claims		(11,440)	(13,443)	1,746	-	(25,887)	**(49,024)**	(22,581)
		(878)	(3,103)	2,424	4	(6,220)	**(7,773)**	47,282
Management expenses		-	1,141	(3,458)	-	(1,998)	**(4,315)**	(28,071)
Net commission		110	2	(131)	-	1,394	**1,375**	4,027
		110	1,143	(3,589)	-	(604)	**(2,940)**	(24,044)
Underwriting results		(768)	(1,960)	(1,165)	4	(6,824)	**(10,713)**	23,238
Net investment income							**2,055**	405
Return on bank balances							**34**	525
(Loss) / profit on disposal of fixed assets							**(1,935)**	298
							(10,559)	24,466
General and administrative expenses							**(29,228)**	(38,967)
Other charges							**(12)**	(40)
Loss before taxation							**(39,799)**	(14,541)
Taxation	11						**-**	-
Loss after taxation							**(39,799)**	(14,541)
Loss per share - basic and diluted (Rupees)	12						**(1.14)**	(0.42)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 And Period Ended September 30, 2017

	Quarter ended September 30,		Period ended September 30,	
	2017	2016	**2017**	2016
	Rupees in thousand			
Net loss for the period	**(2,094)**	14,460	**(39,799)**	(14,541)
Items that will not be classified to profit or loss				
Remeasurement of post retirement benefits obligations	**-**	-	**-**	-
Total comprehensive loss for the period	**(2,094)**	14,460	**(39,799)**	(14,541)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 Period Ended September 30, 2017

	Paid-up share capital	Accumulated loss	Total
	---------- Rupees in thousand ----------		
Balance as at January 01, 2016	350,000	(290,856)	59,144
Total comprehensive income for the period			
Net loss for the period ended September 30, 2016	-	(10,594)	(10,594)
Balance as at September 30, 2016	350,000	(301,450)	48,550
Total comprehensive income for the period			
Net loss for the 4thd quarter ended December 31, 2016	-	(14,287)	(14,287)
Other comprehensive income for the year			
- Re-measurement of post emloyement benefit obligations	-	3,948	3,948
Balance as at December 31, 2016	350,000	(311,789)	38,211
Total comprehensive income for the period			
Net loss for the period ended September 30, 2017	-	(39,799)	(39,799)
Other comprehensive income for the period			
- Re-measurement of post emloyement benefit obligations	-	-	-
Balance as at September 30, 2017	350,000	(351,588)	(1,588)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 Period Ended September 30, 2017

	September 30, 2017	September 30, 2016
OPERATING ACTIVITIES	------- Rupees in thousand -------	
a) Underwriting activities		
Premiums received	**(5,413)**	17,836
Reinsurance premiums paid	**35,114**	11,266
Claims paid	**(1,478)**	(46,608)
Reinsurance and other recoveries received	**-**	26,376
Commissions paid	**(25,581)**	(101,048)
Commission received	**9,043**	12,645
Net cash inflow / (used in) from underwriting activities	**11,685**	(79,533)
b) Other operating activities		
Income tax paid	**(583)**	(581)
General management expenses paid	**(23,727)**	(17,207)
Operating receipts - net	**5,119**	48,575
Bank and other charges	**(12)**	(40)
Net cash (used in) / inflow other operating activities	**(19,203)**	30,747
Total cash used in from operating activities	**(7,518)**	(48,786)
INVESTMENT ACTIVITIES		
Profit / return received	**34**	525
Dividend received	**2,347**	2,056
Receipts for investments	**(1,815)**	16,107
Proceeds from disposal of fixed assets	**(1,935)**	298
Fixed capital expenditure	**8,968**	240
Total cash inflow from investing activities	**7,599**	19,226
Net cash inflow / (used in) all activities	**81**	(29,560)
Cash at the beginning of the year	**496**	30,412
Cash at the end of the year	**577**	852
Reconciliation to profit and loss account		
Operating cash flows	**(7,518)**	(48,786)
Depreciation / amortisation	**(2,218)**	(4,039)
(Loss) / gain on disposal of fixed assets	**(1,935)**	298
Investment income	**2,055**	405
Return on bank balances	**34**	525
Increase in assets other than cash	**(43,532)**	(114,801)
Increase in liabilities	**15,725**	84,545
(Decrease) / increase in unearned premium	**(2,410)**	67,311
Loss after taxation	**(39,799)**	(14,542)
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	**46**	50
- stamps in hand	**68**	178
	114	228
Current and other accounts		
- current accounts	**12**	619
- saving accounts	**451**	5
	463	624
Deposits maturing within 12 months	**-**	-
	577	852

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 And Period Ended September 30, 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		September 30, 2017	September 30, 2016
	Rupees in thousand									
Direct and facultative										
1. Fire and property	-	11	5	6	-	13	4	9	**(3)**	4,942
2. Marine, aviation and transport	-	4	68	(64)	-	-	63	(63)	**(1)**	225
3. Motor	-	154	46	108	-	-	22	(22)	**130**	3,688
4. Accident and health	-	-	-	-	-	-	-	-	**-**	724
5. Miscellaneous	-	53	23	30	-	-	26	(26)	**56**	1,483
Total	-	222	142	80	-	13	115	(102)	**182**	11,062

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue Period ended	
		Opening	Closing			Opening	Closing		September 30, 2017	September 30, 2016
	Rupees in thousand									
Direct and facultative										
1. Fire and property	-	(5,990)	5	(5,995)	(11,089)	(5,464)	4	(16,557)	**10,562**	31,244
2. Marine, aviation and transport	123	199	68	254	(10,207)	184	63	(10,086)	**10,340**	1,865
3. Motor	(373)	2,100	46	1,681	-	1,025	22	1,003	**678**	24,232
4. Accident and health	-	4	-	4	-	-	-	-	**4**	5,392
5. Miscellaneous	(216)	20,312	23	20,073	(22,831)	23,263	26	406	**19,667**	7,130
Total	(466)	16,625	142	16,017	(44,127)	19,008	115	(25,234)	**41,251**	69,863

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 And Period Ended September 30, 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		September 30, 2017	September 30, 2016
	Rupees in thousand									
Direct and facultative										
1. Fire and property	-	14,544	14,544	-	-	829	829	-	**-**	(14)
2. Marine, aviation and transport	1	21,147	21,147	1	-	4,141	4,141	-	**1**	120
3. Motor	1,150	24,696	23,110	(436)	-	993	993	-	**(436)**	(1,087)
4. Accident and health	-	21,524	21,524	-	-	-	-	-	**-**	126
5. Miscellaneous	-	36,497	36,497	-	-	7,603	7,603	-	**-**	(4,108)
Total	1,151	118,408	116,822	(435)	-	13,566	13,566	-	**(435)**	(4,963)

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 premium revenue Period ended	
		Opening	Closing			Opening	Closing		September 30, 2017	September 30, 2016
	Rupees in thousand									
Direct and facultative										
1. Fire and property	-	14,544	14,544	-	-	12,269	829	(11,440)	**11,440**	851
2. Marine, aviation and transport	49	14,695	21,147	6,501	-	11,083	4,141	(6,942)	**13,443**	2,177
3. Motor	1,387	25,626	23,110	(1,129)	-	376	993	617	**(1,746)**	16,522
4. Accident and health	-	21,524	21,524	-	-	-	-	-	**-**	5,093
5. Miscellaneous	42	36,539	36,497	-	-	33,490	7,603	(25,887)	**25,887**	(2,061)
Total	1,478	112,928	116,822	5,372	-	57,218	13,566	(43,652)	**49,024**	22,582

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 And Period Ended September 30, 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					**September 30, 2017**	September 30, 2016
	Rupees in thousand								
Direct and facultative									
1. Fire and property	-	-	-	-	-	-	-	**-**	56,165
2. Marine, aviation and transport	-	1	13	(12)	(189)	(201)	(17)	**(184)**	(22,335)
3. Motor	-	55	4	51	570	621	-	**621**	(24,966)
4. Accident and health	-	-	-	-	-	-	-	**-**	(128)
5. Miscellaneous	-	15	4	11	329	340	(5)	**345**	(19,032)
Total	-	71	21	50	710	760	(22)	**782**	(10,296)

Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers *	Net underwriting expense Period ended	
		Opening	Closing					**September 30, 2017**	September 30, 2016
	Rupees in thousand								
Direct and facultative									
1. Fire and property	-	(23)	-	(23)	-	(23)	87	**(110)**	71,920
2. Marine, aviation and transport	23	37	13	47	(1,141)	(1,094)	49	**(1,143)**	(15,738)
3. Motor	(22)	187	4	161	3,458	3,619	30	**3,589**	(13,485)
4. Accident and health	-	-	-	-	-	-	-	**-**	143
5. Miscellaneous	(3)	3,293	4	3,286	1,998	5,284	4,680	**604**	(18,796)
Total	(2)	3,494	21	3,471	4,314	7,785	4,846	**2,939**	24,044

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

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Condensed Interim Statement of Investment Income (Un-Audited)

For The Quarter And Period Ended September 30, 2017

	Quarter ended		Period ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	Rupees in thousand			
Income from investments classified as investments at fair value through profit or loss				
Net unrealised loss on revaluation of investments	**-**	-	**-**	(121)
Dividend income	**-**	-	**2,347**	2,056
(Loss) on sale / redemption of investments	**-**	-	**-**	(547)
	-	-	**2,347**	1,388
Income from investments classified as investments Held to maturity				
Net unrealised gain on revaluation of investments	**495**	400	**(236)**	(729)
Return on government securities	**-**	-	**-**	-
	495	400	**(236)**	(729)
	495	400	**2,111**	659
Investment related expenses	**(7)**	(187)	**(56)**	(254)
Net investment income	**488**	213	**2,055**	405

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 Period Ended September 30, 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.

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 as at September 30, 2017.

1.3. Further, the Company has incurred a loss after tax of Rs. 39.801 million during the current period and its accumulated losses as at September 30, 2017 amounted to Rs 351.590 million resulting in net equity in nagative of Rs 1.590 million as at September 30, 2017. Further, the operating cash flows of the Company are also negative since 2011. Consequently, the management of the company has decided to discontinue insurance operations. HOwever, the management has following plans for the revival of the company:

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.

Merger of Crescent Star Foods (Private) Limited into PICIC Insurance Limited

Subsequent to year end, the management of the company has approved in EOGM dated 6th July 2017, surrender of insurance license of PICIC Insurance Limited (subject to regulatory approvals) and have decided to put on hold the merger of PICIC Insurance Limited with and into Crescent Star Insurance Limited. Instead of this, now the PICIC Insurance Limited will acquire all the equity shares of Crescent Star Foods (Private) Limited and it will be merged 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.

The management is confident that considering the above discussed matter, the company will continue as a going concern. Accordingly, these financial information do not include any adjustment relating to the realization of assets and liquidation of any liabilities that might be necessary should the company be unable to continue as a going concern.

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial information 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 This condensed interim financial information does 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

This condensed interim financial information have been prepared under the historical cost convention except for investments which are carried at fair value.

This condensed interim financial information has 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 information are measured using the currency of the primary economic environment in which the Company operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Company's functional and presentation currency.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2016.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information 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	September 30, 2017	December 31, 2016
		------- Rupees in thousand -------	
		(Un-audited)	(Audited)
8 INVESTMENTS			
Designated at fair value through profit or loss			
Mutual funds	8.1	**37,910**	36,387
		37,910	36,387

8.1 Mutual Funds

The mutual fund investments includes Rs.37.9 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 period ended September 30, 2017 are as follows:

	Additions (at cost)		Disposals (at net book value)	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	---------- Rupees in thousand ----------			
Tangible				
Furniture and fixture	**-**	-	**6,975**	-
Office equipment	**-**	-	**1,884**	113
Computer equipment	**-**	-	**106**	31
Motor vehicles	**-**	-	**-**	96
	-	-	**8,965**	240

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. (Dec 2016 : Nil)

11 TAXATION

The Company has an aggregate amount of Rs 289.617 million (2015: Rs 270.747 million) in respect of tax losses as at December 31, 2016 and deferred tax assets amounting to Rs 83.864 million is available to the Company. The management carries out periodic assessment to assess the benefit of these losses whether the Company would be able to set off the profits earned in future years against these losses. Although the Company is expected to acquire new business which will result in increase in taxable profits in future years, but the determination of future taxable profit is most sensitive to certain key assumptions such as gross premium written, reinsurance ceded, net claim expenses, investment returns, net commission expense and related expenses. Any significant change in the key assumptions may have a significant effect on the realisibility of the deferred tax asset. Considering these factors along with the uncertainty regarding the timing and extent of future taxable profits against which such benefits can be utilized, the management has adopted a prudent approach and has not recognized further deferred tax asset during the current year. The amount of deferred tax asset recognised as at December 31, 2016 amounted to Rs. 2.619 million (2015: Rs 2.619 million).

12 EARNING / (LOSS) PER SHARE - basic and diluted

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period by the weighted average number of shares as at the period end as follows:

	Quarter ended		Period ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	---------- Rupees in thousand ----------			
(Loss) / Profit after tax for the period	**(2,094)**	14,460	**(39,799)**	(14,541)
	---------- Number in thousand ----------			
Weighted average number of shares of Rs. 10 each	**35,000**	35,000	**35,000**	35,000
	---------- Rupees ----------			
Basic (loss) / earnings per share of Rs. 10 each	**(0.06)**	0.41	**(1.14)**	(0.42)

12.1 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.

13 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:

	Period ended	
	September 30, 2017	September 30, 2016
Transactions for the period	------- Rupees in thousand ------- (Un-audited)	(Un-audited)
Premium written	**-**	1,912
Claims paid	**-**	69
Remuneration of key management personnel	**3,035**	15,508

	September 30, 2017	December 31, 2016
Balances outstanding at period / year end	------- Rupees in thousand ------- (Un-audited)	(Un-audited)
Premiums due but unpaid	**2,481**	2,483

14 SEGMENT REPORTING

The following presents segment assets and liabilities as at September 30, 2017 and December 31, 2016.

	September 30, 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	**95,132**	**95,132**	**42,623**	42,623		
Marine, aviation and transport	**16,998**	**16,998**	**46,357**	46,357		
Motor	**39,916**	**39,916**	**49,288**	49,288		
Accident and health	**2,430**	**2,430**	**2,459**	2,459		
Miscellaneous	**37,534**	**37,534**	**108,830**	108,830		
Unallocated	**-**	**72,468**	**72,468**	-	86,345	86,345
Total	**192,010**	**72,468**	**264,478**	249,557	86,345	335,902

	September 30, 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	**74,256**		**74,256**	65,098		65,098
Marine, aviation and transport	**24,688**		**24,688**	28,051		28,051
Motor	**32,539**		**32,539**	39,503		39,503
Accident and health	**22,390**		**22,390**	22,395		22,395
Miscellaneous	**80,279**		**80,279**	110,999		110,999
Unallocated	**-**	**31,914**	**31,914**		31,645	31,645
Total	**234,152**	**31,914**	**266,066**	266,046	31,645	297,691

14.1 Segment wise financial performance for the period ended September 30, 2017 has been given in the condensed interim profit and loss account.

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

16 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on October 27, 2017

17 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the current period.

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

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INSURANCE

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