TPL Direct Insurance

HALF YEARLY REPORT
**JUNE 2016**








# INNOVATING VALUE

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# Company Information

## Board of Directors

| | |
|---|---|
| Jameel Yusuf | Chairman |
| Ali Jameel | Director |
| Saad Nissar | Director / CEO |
| Andrew Borda | Director |
| Bilal Bin Zafar | Director |
| Waqar Ahmed Malik | Director |
| Syed Nadir Shah | Director |

## Company Secretary

Mehar Ameer

## BOARD COMMITTEE

### Audit Committee

| | |
|---|---|
| Syed Nadir Shah | Chairman |
| Ali Jameel | Member |
| Andrew Borda | Member |
| Naseer Khan | Secretary |

### Human Resource, Remuneration & Nomination Committee

| | |
|---|---|
| Waqar Ahmed Malik | Chairman |
| Ali Jameel | Member |
| Andrew Borda | Member |
| Nader Nawaz | Secretary |

### Finance & Investment Committee

| | |
|---|---|
| Ali Jameel | Chairman |
| Andrew Borda | Member |
| Waqar Ahmed Malik | Member |
| Saad Nissar | Member |
| Syed Ali Hassan Zaidi | Secretary |

### Risk Committee

| | |
|---|---|
| Waqar Ahmed Malik | Chairman |
| Bilal Bin Zafar | Member |
| Saad Nissar | Member |
| Syed Ali Hassan Zaidi | Secretary |

### Compliance & Ethics Committee

| | |
|---|---|
| Syed Nadir Shah | Chairman |
| Andrew Borda | Member |
| Syed Ali Hassan Zaidi | Member |
| Nader Nawaz | Secretary |

## Bankers

Bank Al Habib Limited
Burj Bank Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Tameer Microfinance Bank Limited
United Bank Limited
Waseela Microfinance Bank Limited

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road,
P.O. Box: 15541, Karachi.

## Legal Advisor

Lari & Co.
Maritime & Insurance Advocates

## Share Registrar

THK Associates (Pvt) Ltd
2nd Floor, State Life Building-3
Dr. Ziauddin Ahmed Road,
Karachi-75530, Pakistan
Tel: 021.35689021, 35686658
UAN: 021.111.000.322
Fax: 021.35655595

## Registered Office

11th & 12th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange Flyover,
Karachi, Postal Code: 74900
Fax: 021.35316031-2
UAN: 021.111.000.301
Office Tel: 021.37130227

## Web Presence

www.tplinsurance.com

# Geographical Presence

## Head Office

### Karachi
11th & 12th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Adjacent K.P.T. Interchange,
Karachi - 74900
UAN: 021.111.000.301
Fax: 021.35316031-2
Tel: 021.37130223

## Branch Offices

### Lahore
51-M, Denim Road,
Quaid-e-Azam Industrial Estate,
Kot Lakhpat, Lahore.
UAN: 042.111.000.301
Fax: 042.35157233

### Islamabad
Plot # 211, Street # 07,
Sector I-9/2, Industrial Area,
Islamabad.
UAN: 051.111.000.301
Fax: 051.4443793-5

### Faisalabad
P-6161, West Canal Road,
Faisalabad.
Tel: 041.8501471-3
Fax: 041.8501470

### Multan
House # 5, Suraj Miani Road,
Chungi # 1, Multan.
UAN: 061.111.000.301
Fax: 061.4519391

### Hyderabad
A-8, District Council Complex,
Hyderabad.
Tel: 022.2728676
Fax: 022.2783154

# Directors' Report

On behalf of the Board of Directors, I am pleased to present the unaudited condensed interim financial statements for the half year ended 30th June 2016.

Pakistan's economy is continuing its march towards stability and grew at 4.71% during fiscal year 2016 despite setbacks in agriculture sector. The average inflation rate remained low at 2.85% against 4.53% in the corresponding period of last year mainly on account of stable international oil prices. KSE index registered encouraging trends throughout the fiscal year and reclassification of Pakistan Stock Exchange in Emerging Market Index of MSCI (Morgan Stanley Capital International) at the end of quarter resulted in an overall gain of 9.8% during FY2016. Sighting longevity of the positive indicators, the State Bank of Pakistan has reduced the discount rate to 5.75% from 6.50% during FY2016 whereas foreign reserves improved from USD 18.1 billion to over USD 23.1 billion during the same period.

Our premium growth continued its trajectory and achieved a healthy growth of 23% during the period. Motor premium continues to be the prime constituent of overall insurance premium with 92% contribution to the total premium (June 2015: 97%). This growth can be ascribed to the strengthening of the distribution network across Pakistan and agreements with leading banks for insurance of their auto leasing portfolios in both insurance and window takaful segments. Company has launched its much awaited corporate lines of business and has underwritten risks in property and marine segments.

We are actively directing efforts to strengthen the product mix of the Company for which we are focusing on Fire and Marine business. The Company has renewed its reinsurance arrangement with Swiss Re for its Fire and Marine segment and is well placed to develop the Fire and Marine segment in to a mainstream business. Further, nationwide branches and business partner relationships are being strengthened to penetrate in other lines business. The Window Takaful Operations of the Company is gaining pace and after successful launch of motor takaful products, the Company has launched all non-life products with its Window Takaful Operations.

Our results for the half year ended 30 June 2016 closed on a positive note. Overall premium / contribution written for the period increased to PKR 993.11 million from PKR 810.24 million of the corresponding period [Insurance premium PKR 663.30 million (June 2015: PKR 576.07 million) and Takaful contributions PKR 329.81 million (June 2015: PKR 234.17 million)], achieving a healthy growth of approximately 23%. The overall claims ratio for the period remained at 49.0% (Insurance 43.8% and Takaful 61.3%) against 52.2% (Insurance 50.2% and Takaful 63.4%) of last

year's corresponding period. The overall profitability of the Company improved and resulted in a profit after tax of PKR 56.35 million against profit after tax of PKR 10.73 million of the corresponding period last year [EPS: June 2016 0.69 , June 2015: 0.17].

The Operator Fund of the Window Takaful Operations registered a profit after tax of PKR 12.68 million (June 2015: loss of PKR 3.10 million) whereas Participant Takaful Fund of the Window Takaful Operations of the Company registered a deficit of PKR 54.53 million (June 2015: deficit of PKR 27.76 million) during the period.

We are confident that given the sound economic progress of the country coupled with improved law and order situation, the outlook is promising for the overall insurance industry and our company in particular. With focus on corporate lines of business and leveraging on our strength of unrivaled customer services, we will deliver significant profitable growth across all classes of non-life insurance.

We would like to thank all our stakeholders, business partners, Pakistan Stock Exchange, Securities and Exchange Commission of Pakistan and staff for their continued support.

For and on behalf of the Board of Directors,



**Saad Nissar**
Chief Executive Officer

# ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 جون 2016 کو اختتام پذیر ہونے والی ششماہی مدت کی مختصر غیر آڈٹ شدہ عبوری مالیاتی رپورٹ پیش کرنے پر مسرت محسوس کر رہا ہوں۔

پاکستان کی معیشت مسلسل استحکام کی طرف رواں ہے، سال 2016 میں زراعت کے شعبے میں ناکامیوں کے باوجود اس کی شرح نمو 4.71 فیصد اضافہ ہوا ہے۔ سال 2016 کے دوران بنیادی طور پر مستحکم تیل کی بین الاقوامی قیمتوں کے سبب اوسط افراط زر کی شرح سال گذشتہ کی اس مدت کی شرح 4.53 فیصد کے مقابلے میں 2.85 فیصد کی کم تر سطح پر رہی۔ پورے مالی سال کے دوران، کے ایس ای انڈیکس میں حوصلہ افزاء رجحانات محسوس کیے گئے۔ ایم ایس سی آئی کے ایمرجنگ مارکیٹنگ انڈیکس میں (مارگن سٹینلی کیپٹل انٹرنیشنل) میں پاکستان اسٹاک ایکسچینج کی ازسرنو شمولیت سے سہ ماہی کے اختتام پر مجموعی طور پر 9.8 فیصد کا منافع حاصل ہوا۔ دوررس مثبت اشارے دیکھتے ہوئے، اسٹیٹ بینک آف پاکستان نے 2016 کے دوران ڈسکاونٹ ریٹ میں 6.50 فیصد سے 5.75 فیصد کی کمی کر دی۔ جبکہ زرمبادلہ کے ذخائر زیر جائزہ مدت کے دوران 18.1 ارب ڈالر سے بڑھ کر 23.1 ارب ڈالر تک پہنچ گئے۔ اسی مدت کے دوران حکومت نے ٹیکس کے گوشوارے داخل نہ کرنے والوں پر انشورنس پریمیم پر 4 فیصد کا ایک ایڈوانس ٹیکس متعارف کرایا۔ جبکہ کارپوریٹ ٹیکس کی شرح میں 2017 کے لئے 1 فیصد کی کمی کر دی۔

اس عرصے کے دوران خط پرواز سے ہمارے پریمیم میں اضافہ جاری رہا اور ایک صحت مند ترقی کی رفتار سے اس میں 23 فیصد کا اضافہ ہوا۔ موٹر انشورنس ہمارے مجموعی پریمیم میں ایک بڑا حصہ رہا ہے، اور جون 2015 کے 97 فیصد کے مقابلے میں اس دوران یہ 92 فیصد رہا۔ یہ اضافہ پورے پاکستان میں ہمارے استحکام کا اظہار اور معروف بینکوں کے ساتھ آٹو لیزنگ پورٹ فولیو کی انشورنس اور ونڈو تکافل معاہدوں، اور تقسیم کے نیٹ ورک کی مضبوطی سے منسوب کیا جا سکتا ہے۔ کمپنی نے اپنے کاروبار کے لئے ایک اہم ترین سنگ میل کی بنیاد رکھی اور میرین اور پراپرٹی کے شعبے میں متوقع رسک انڈر رائٹنگ کا آغاز کیا۔

موٹر انشورنس پر بھرپور توجہ مرکوز کرتے ہوئے، ہم فعال طور پر کمپنی کی پروڈکٹ مکس کو مضبوط بنانے کی کوشش کی ہے، جس کے لئے ہم بزنس کارپوریٹ لائن تیار کر رہے ہیں۔ کمپنی نے فائر اور میرین کے شعبے میں ری انشورنس کے لئے سوئس ری کی خدمات حاصل کی ہیں۔ اس طرح ہم نے کاروبار کے مرکزی دھارے میں فائر اور میرین کے شعبے میں آگے بڑھنے کی تیاری کی ہے۔ اس کے علاوہ، دوسرے کاروبار میں اپنی جگہ بنانے کے لئے ملک بھر میں شاخیں اور بزنس پارٹنر کے تعلقات کو مستحکم کیا جا رہا ہے۔ موٹر تکافل پروڈکٹ کے کامیاب اجراء کے بعد کمپنی کے ونڈو تکافل آپریشنز کی رفتار تیز ہوئی ہے۔ کمپنی نے اپنی تمام نان لائف پروڈکٹ کو ونڈو تکافل سے منسلک کیا ہے، جس سے کاروبار میں 40.8 فی صد کا اضافہ ہوا ہے۔

جون 2016 میں ختم ہونے والی ششماہی پر ہمارے نتائج ایک مثبت نوٹ پر اختتام پذیر ہوئے۔ اور اس مدت کے دوران مجموعی پریمیم، اور کاروبار سے ہونے والی آمدنی گذشتہ اس مدت کی 810.24 ملین روپے سے بڑھ کر 993.11 ملین روپے ہوگئی۔ [انشورنس پریمیم 663.30 ملین روپے، (جون 2015: 576.07 ملین) اور تکافل کنٹری بیوشن 329.81 (جون 2015: 234.17 ملین)] میں 23 فیصد کا ایک صحتمندانہ اضافہ دیکھنے میں آیا۔ اس عرصے میں کلیمز کا مجموعی تناسب 49 فیصد رہا (انشورنس 43.8 فیصد اور تکافل 61.3 فیصد) بمقابلہ 52.2 فیصد (انشورنس 50.2 فیصد اور تکافل 63.4 فیصد) کمپنی کی مجموعی آمدنی میں اضافہ ہوا جس کے نتیجے میں بعد از ٹیکس کمپنی کی آمدنی 56.35 ملین روپے ہوئی، جو کہ سال گذشتہ کے اس عرصے کی آمدنی 10.73 سے کہیں زیادہ ہے۔ [EPS جون 2016 0.69، جون 2015: 0.17] ونڈو تکافل آپریشنز کے آپریٹر فنڈ سے 12.68 ملین روپے کی بعد از ٹیکس آمدنی ہوئی، (جون 2015 میں اس مد میں 3.10 ملین روپے کا نقصان ہوا تھا) جبکہ کمپنی کے ونڈو تکافل آپریشنز کے شراکتی تکافل فنڈ میں 54.53 ملین روپے کا خسارہ ریکارڈ کیا گیا تھا۔ (جون 2015ء میں اس مدت کا خسارہ 27.76 ملین روپے تھا۔

ہمیں یقین ہے امن و امان کی بہتر صورت حال اور ملک کی اقتصادی ترقی میں استحکام مجموعی طور پر انشورنس کی صنعت اور خاص طور پر ہماری کمپنی کے لئے امید افزا ہے۔ کسٹمر کی بہترین خدمات اور کارپوریٹ لائین بزنس پر توجہ مرکوز کر کے ہم نان لائف انشورنس کے تمام طبقات زیادہ منافع بخش ترقی فراہم کریں گے۔ مسلسل اعتماد برقرار رکھنے پر، میں اپنے تمام اسٹیک ہولڈرز، کاروباری شراکت داروں، پاکستان اسٹاک ایکسچینج، سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان اور عملے کا شکریہ ادا کرنا چاہوں گا۔

بورڈ آف ڈائریکٹرز کی جانب سے

سعد نثار
چیف ایگزیکٹیو آفیسر

# Auditors' Report to Members on Review of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim balance sheet of TPL Direct Insurance Limited as at 30 June 2016 and the related condensed interim profit and loss account, condensed interim statements of changes in equity, cash flows, premiums, claims, expenses and investment income and notes forming part thereof (here-in-after referred to as the "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquires, 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 the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Ernst & Young Ford Rhodes**
**Sidat Hyder**
Chartered Accountants

**Engagement Partner:** Arslan Khalid

**Date:** 23 August 2016

Karachi.

# Condensed Interim Balance Sheet (Unaudited)

As at 30 June 2016

| | Note | (Unaudited) 30 June 2016 | (Audited) 31 December 2015 |
|---|---|---|---|
| | | (Rupees) | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorised share capital | | 1,500,000,000 | 1,500,000,000 |
| Issued, subscribed and paid-up share capital | | 755,158,990 | 755,158,990 |
| Share premium - net of share issuance cost | | 138,676,334 | 138,676,334 |
| Unappropriated profits | | 102,068,610 | 45,722,237 |
| **Total equity** | | 995,903,934 | 939,557,561 |
| **LIABILITIES** | | | |
| **Underwriting provisions** | | | |
| Provision for outstanding claims (including IBNR) | | 135,136,375 | 121,203,926 |
| Provision for unearned premium | | 636,607,333 | 565,318,441 |
| Deferred commission income | | 1,932,268 | - |
| Premium deficiency reserve | | 7,330,383 | 7,330,383 |
| | | 781,006,359 | 693,852,750 |
| **Creditors and accruals** | | | |
| Premium received in advance | | 2,639,436 | 1,792,425 |
| Amounts due to other insurers / reinsurers | | 38,748,464 | 18,480,195 |
| Accrued expenses | | 4,289,003 | 5,962,335 |
| Taxation - provision less payments | | 28,107,253 | 8,207,513 |
| Other creditors and accruals | | 108,417,018 | 95,413,990 |
| | | 182,201,174 | 129,856,458 |
| **Total Liabilities** | | 963,207,533 | 823,709,208 |
| Total liabilities of General Takaful Operations - Operator's Fund | | 141,564,767 | 105,691,454 |
| **Total equity and liabilities** | | 2,100,676,235 | 1,868,958,223 |
| **Contingencies and commitments** | 6 | | |

# Condensed Interim Balance Sheet (Unaudited)

As at 30 June 2016

| | Note | (Unaudited) 30 June 2016 | (Audited) 31 December 2015 |
|---|---|---|---|
| | | (Rupees) | |
| **ASSETS** | | | |
| **Cash and bank deposits** | | | |
| Cash and other equivalent | | 732,072 | 556,953 |
| Current and other accounts | 7 | 48,196,000 | 16,089,646 |
| Deposits maturing within twelve months | | 657,000,000 | 624,000,000 |
| | | 705,928,072 | 640,646,599 |
| **Loans** - (secured, considered good) to employees | | 779,504 | 785,328 |
| **Investments** | 8 | 102,190,848 | 101,350,712 |
| **Deferred tax asset** | | 69,943 | 1,306,069 |
| **Current assets - others** | | | |
| Premiums due but unpaid - unsecured | | 179,086,263 | 144,900,287 |
| Amounts due from other insurers / reinsurers - unsecured | | 2,864,674 | 3,162,731 |
| Reinsurance recoveries against outstanding claims | | 119,400 | 119,400 |
| Salvage recoveries accrued | | 68,052,000 | 24,199,000 |
| Accrued investment income | | 12,597,108 | 7,575,848 |
| Deferred commission expense | | 60,381,099 | 59,557,949 |
| Advance, deposits and prepayments | | 271,043,789 | 290,847,475 |
| Sundry receivables | | 18,059,120 | 19,112,685 |
| | | 612,203,453 | 549,475,375 |
| **Fixed assets** | 9 | | |
| **Tangible assets** | | | |
| Leasehold Improvements | | 22,268,212 | 23,591,076 |
| Furniture and fixtures | | 11,554,719 | 12,262,960 |
| Office equipment | | 11,827,369 | 13,413,158 |
| Motor vehicles | | 10,233,404 | 12,307,401 |
| Tracking devices | | 316,147,967 | 314,398,587 |
| Computer equipments | | 9,139,529 | 3,894,573 |
| **Intangible assets** | | | |
| Intangible | | 4,358,232 | 4,842,480 |
| | | 385,529,432 | 384,710,235 |
| Total assets of General Takaful Operations - Operator's Fund | | 293,974,983 | 190,683,905 |
| **Total assets** | | 2,100,676,235 | 1,868,958,223 |

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

# Condensed Interim Profit and Loss Account (Unaudited)

For the three months period and six months period ended 30 June 2016

**Three months period ended 30 June**

| | Note | Fire & property damage | Marine, aviation & transport | Motor | Health | Miscellaneous | Aggregate 2016 | Aggregate 2015 |
|---|---|---|---|---|---|---|---|---|
| | | (Rupees) | | | | | | |
| **Revenue account** | | | | | | | | |
| Net premium revenue | | 38,688 | 36,366 | 277,752,362 | 20,373,755 | 923,687 | 299,124,858 | 282,704,946 |
| Net claims | | (10,059) | - | (136,536,755) | (7,134,570) | (41,756) | (143,723,140) | (129,526,110) |
| Reversal of premium deficiency reserve | | - | - | - | - | - | - | 2,500,000 |
| Management expenses | | (220,512) | (114,139) | (81,654,327) | (6,089,189) | (256,314) | (88,334,481) | (99,873,627) |
| Net commission | | 139,839 | 13,683 | (20,176,809) | (9,815,721) | (408,830) | (30,247,838) | (33,238,004) |
| **Underwriting result** | | (52,044) | (64,090) | 39,384,471 | (2,665,725) | 216,787 | 36,819,399 | 22,567,205 |
| Investment income | | | | | | | 3,545,136 | 1,500,000 |
| Profit on term deposits | | | | | | | 10,261,061 | 10,202,786 |
| Other income | | | | | | | 38,820,466 | 23,243,234 |
| General and administrative expenses | | | | | | | (37,268,220) | (17,359,844) |
| Other charges | | | | | | | (19,616,267) | (9,628,216) |
| | | | | | | | (4,257,824) | 7,957,960 |
| **Profit before tax from General Insurance Operations** | | | | | | | 32,561,575 | 30,525,165 |
| **Loss before tax from Window Takaful Operations** | | | | | | | 1,475,932 | (7,890,513) |
| **Profit before tax for the period** | | | | | | | 34,037,507 | 22,634,652 |
| Provision for taxation - net | | | | | | | (12,984,106) | (998,351) |
| **Profit after tax for the period** | | | | | | | 21,053,401 | 21,636,301 |
| Other comprehensive income | | | | | | | - | - |
| Total comprehensive income for the period | | | | | | | 21,053,401 | 21,636,301 |

**Six months period ended 30 June**

| | Note | Fire & property damage | Marine, aviation & transport | Motor | Health | Miscellaneous | Aggregate 2016 | Aggregate 2015 |
|---|---|---|---|---|---|---|---|---|
| | | (Rupees) | | | | | | |
| **Revenue account** | | | | | | | | |
| Net premium revenue | | 45,296 | 45,560 | 546,425,721 | 37,930,244 | 2,172,660 | 586,619,481 | 565,188,960 |
| Net claims | | (10,059) | - | (243,938,935) | (13,089,950) | (103,336) | (257,142,280) | (283,933,024) |
| Reversal of premium deficiency reserve | | - | - | - | - | - | - | 2,500,000 |
| Management expenses | | (235,088) | (143,156) | (180,638,660) | (12,586,899) | (713,127) | (194,316,930) | (185,059,929) |
| Net commission | | 132,578 | 38 | (41,957,588) | (17,952,617) | (929,294) | (60,706,883) | (74,482,143) |
| **Underwriting result** | | (67,273) | (97,558) | 79,890,538 | (5,699,222) | 426,903 | 74,453,388 | 24,213,864 |
| Investment income | | | | | | | 6,157,167 | 2,992,488 |
| Profit on term deposits and bank accounts | 7.1.1 | | | | | | 19,129,904 | 12,497,065 |
| Other income | 11 | | | | | | 65,420,114 | 42,524,507 |
| General and administrative expenses | | | | | | | (56,730,055) | (52,534,949) |
| Other charges | 12 | | | | | | (38,459,135) | (14,859,394) |
| | | | | | | | (4,482,005) | (9,380,283) |
| **Profit before tax from General Insurance Operations** | | | | | | | 69,971,383 | 14,833,581 |
| **Profit / (loss) before tax from Window Takaful Operations** | | | | | | | 18,384,715 | (3,100,425) |
| **Profit before tax for the period** | | | | | | | 88,356,098 | 11,733,156 |
| Provision for taxation - net | | | | | | | (32,009,724) | (998,351) |
| **Profit after tax for the period** | | | | | | | 56,346,374 | 10,734,805 |
| Other comprehensive income | | | | | | | - | - |
| Total comprehensive income for the period | | | | | | | 56,346,374 | 10,734,805 |
| **Profit and loss appropriation account** | | | | | | | | |
| Balance at the commencement of the period | | | | | | | 45,722,237 | 12,444,644 |
| Profit after tax for the period | | | | | | | 56,346,374 | 10,734,805 |
| **Balance of Unappropriated profits at the end of the period** | | | | | | | 102,068,611 | 23,179,449 |
| Earning per share - basic and diluted | 13 | | | | | | 0.75 | 0.17 |

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

# Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 30 June 2016

| | Shareholder's Fund | | | | | |
|---|---|---|---|---|---|---|
| | Issued, subscribed and paid-up share capital | | | | Reserves | |
| | Ordinary shares | Share Premium | Share issuance cost | Sub total | Unappropriated profit | Total |
| | (Rupees) | | | | | |
| **Balance as at 1 January 2015** | 460,000,000 | - | (7,687,041) | 452,312,959 | 12,444,644 | 464,757,603 |
| **Total comprehensive income** | | | | | | |
| Profit for the period ended 30 June 2015 | - | - | - | - | 10,734,805 | 10,734,805 |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| Issuance of ordinary shares | 295,158,990 | 147,579,495 | (1,216,120) | 441,522,365 | - | 441,522,365 |
| Balance as at 30 June 2015 | 755,158,990 | 147,579,495 | (8,903,161) | 893,835,324 | 23,179,449 | 917,014,773 |
| **Balance as at 1 January 2016** | 755,158,990 | 147,579,495 | (8,903,161) | 893,835,324 | 45,722,237 | 939,557,561 |
| **Total comprehensive income** | | | | | | |
| Profit for the period ended 30 June 2016 | - | - | - | - | 56,346,374 | 56,346,374 |
| **Balance as at 30 June 2016** | 755,158,990 | 147,579,495 | (8,903,161) | 893,835,324 | 102,068,611 | 995,903,935 |

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

# Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2016

| | 30 June 2016 | 30 June 2015 |
|---|---|---|
| | ----------(Rupees)---------- | |
| **Operating activities** | | |
| (a) Underwriting activities | | |
| Premiums received | 629,968,935 | 554,555,840 |
| Reinsurance premiums received / (paid) | 923,326 | (1,810,373) |
| Claims paid | (361,106,528) | (383,512,394) |
| Reinsurance and other recoveries | 74,043,697 | 58,817,545 |
| Commission paid | (54,709,144) | (68,409,430) |
| Net cash inflow from underwriting activities | 289,120,286 | 159,641,188 |
| (b) Other operating activities | | |
| Income tax paid | (5,174,596) | (6,833,832) |
| General management expenses paid | (172,628,807) | (132,932,092) |
| Other operating receipts | 1,639,015 | 12,761,657 |
| Loans advanced | (593,000) | (359,200) |
| Loans repayments received | 598,825 | 429,080 |
| Net cash outflow from other operating activities | (176,158,563) | (126,934,387) |
| **Total cash generated from all operating activities** | 112,961,723 | 32,706,801 |
| **Investment activities** | | |
| Profit / return received on Pakistan investment bond | 1,135,907 | 1,866,233 |
| Payments for purchase of investments | - | (51,080,500) |
| Proceeds from disposal of investments | - | 107,767,704 |
| Loans repayment received from associated company | - | 126,679,551 |
| Dividend received | 80,000 | - |
| Fixed capital expenditure | (48,831,377) | (117,969,990) |
| Proceeds from disposal of fixed assets | - | 685,600 |
| **Total cash (used in) / generated from investing activities** | (47,615,470) | 67,948,598 |
| **Financing activities** | | |
| Financial charges paid | (64,780) | (373,973) |
| Proceeds against issuance of shares | - | 442,738,485 |
| Share issue cost paid | - | (1,216,120) |
| **Total cash (used in) / generated from financing activities** | (64,780) | 441,148,392 |
| **Net cash generated from all activities** | 65,281,473 | 541,803,791 |
| **Cash and cash equivalent at beginning of the year** | 640,646,599 | 8,948,863 |
| **Cash and cash equivalent at end of the period** | 705,928,072 | 550,752,654 |

# Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2016

| | 30 June 2016 | 30 June 2015 |
|---|---|---|
| | (Rupees) | |
| **Reconciliation to profit and loss account** | | |
| Operating cash flows | 112,961,723 | 32,706,801 |
| Depreciation / amortisation expense | (47,788,528) | (47,604,334) |
| Gain on disposal of fixed assets | - | 766,934 |
| Provision for taxation | (32,009,724) | - |
| Income tax paid | 5,174,596 | - |
| Financial charges | (64,780) | (373,973) |
| Return on Government Securities | 6,090,136 | 3,000,000 |
| Dividends received | 80,000 | - |
| Increase in assets other than cash | 148,990,134 | 31,987,342 |
| Increase in liabilities | (155,471,898) | (6,647,540) |
| **Profit after taxation from general insurance business** | 37,961,659 | 13,835,230 |
| Share of profit / (loss) from Window Takaful Operations | 18,384,715 | (3,100,425) |
| **Profit after taxation for the period** | 56,346,374 | 10,734,805 |

**Definition of cash**

Cash comprises of cash in hand, policy, stamps, bank balances 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** | | |
| Cash in hand | 732,072 | 524,204 |
| Current and other accounts | 48,196,000 | 65,228,450 |
| Deposits maturing within twelve months | 657,000,000 | 485,000,000 |
| | 705,928,072 | 550,752,654 |

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

# Condensed Interim Statement of Premium (Unaudited)

For the three months period and six months period ended 30 June 2016

**Business underwritten inside Pakistan**

**Three months period ended 30 June**

| Class | Premiums written | Premiums: Unearned premium reserve Opening | Premiums: Unearned premium reserve Closing | Premiums earned | Reinsurance ceded | Reinsurance: Prepaid reinsurance premium ceded Opening | Reinsurance: Prepaid reinsurance premium ceded Closing | Reinsurance expense | Net premium revenue 2016 | Net premium revenue 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | |
| Fire & property damage | 9,542,581 | 798,561 | 9,664,757 | 676,385 | 9,069,983 | 670,171 | 9,102,457 | 637,697 | 38,688 | - |
| Marine, aviation & transport | 1,189,921 | 54,918 | 882,953 | 361,886 | 1,080,416 | 48,119 | 803,015 | 325,520 | 36,366 | - |
| Motor business | 302,296,480 | 563,763,486 | 586,347,528 | 279,712,438 | - | 5,880,229 | 3,920,153 | 1,960,076 | 277,752,362 | 263,435,341 |
| Health | 24,132,679 | 34,022,969 | 37,572,970 | 20,582,678 | - | 626,771 | 417,848 | 208,923 | 20,373,755 | 18,900,473 |
| Miscellaneous | 1,526,047 | 1,536,765 | 2,139,125 | 923,687 | - | - | - | - | 923,687 | 369,132 |
| **Total** | 338,687,708 | 600,176,699 | 636,607,333 | 302,257,074 | 10,150,399 | 7,225,290 | 14,243,473 | 3,132,216 | 299,124,858 | 282,704,946 |

**Six months period ended 30 June**

| Class | Premiums written | Premiums: Unearned premium reserve Opening | Premiums: Unearned premium reserve Closing | Premiums earned | Reinsurance ceded | Reinsurance: Prepaid reinsurance premium ceded Opening | Reinsurance: Prepaid reinsurance premium ceded Closing | Reinsurance expense | Net premium revenue 2016 | Net premium revenue 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | |
| Fire & property damage | 10,380,993 | - | 9,664,757 | 716,236 | 9,773,397 | - | 9,102,457 | 670,940 | 45,296 | - |
| Marine, aviation & transport | 1,319,101 | - | 882,953 | 436,148 | 1,193,603 | - | 803,015 | 390,588 | 45,560 | - |
| Motor business | 611,051,591 | 525,641,810 | 586,347,528 | 550,345,873 | 7,840,305 | - | 3,920,153 | 3,920,152 | 546,425,721 | 527,108,547 |
| Health | 38,281,167 | 37,639,894 | 37,572,970 | 38,348,091 | 835,695 | - | 417,848 | 417,847 | 37,930,244 | 34,950,903 |
| Miscellaneous | 2,275,048 | 2,036,737 | 2,139,125 | 2,172,660 | - | - | - | - | 2,172,660 | 3,129,510 |
| **Total** | 663,307,900 | 565,318,441 | 636,607,333 | 592,019,008 | 19,643,000 | - | 14,243,473 | 5,399,527 | 586,619,481 | 565,188,960 |

Note: Premium written includes administrative surcharge of Rs. 23.67 million (2015: Rs. 20.90 million).

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

# Condensed Interim Statement of Claim (Unaudited)

For the three months period and six months period ended 30 June 2016

**Business underwritten inside Pakistan**

**Three months period ended 30 June**

| Class | Claims: Claims paid | Claims: Outstanding claims: Opening | Claims: Outstanding claims: Closing | Claims: Claims expense | Reinsurance: Reinsurance and other recoveries received | Reinsurance: Reinsurance and other recoveries in respect of outstanding claims: Opening | Reinsurance: Reinsurance and other recoveries in respect of outstanding claims: Closing | Reinsurance: Reinsurance and other recoveries revenue | Net claims expense: 2016 | Net claims expense: 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | |
| Fire and property damage | 201,182 | 1,194,000 | 1,194,000 | 201,182 | 191,123 | 119,400 | 119,400 | 191,123 | 10,059 | - |
| Marine, aviation & transport | - | - | - | - | - | - | - | - | - | - |
| Motor business | 153,482,255 | 91,100,121 | 129,442,375 | 191,824,509 | 28,997,754 | 41,762,000 | 68,052,000 | 55,287,754 | 136,536,755 | 114,846,788 |
| Health | 6,434,570 | 3,800,000 | 4,500,000 | 7,134,570 | - | - | - | - | 7,134,570 | 14,679,322 |
| Miscellaneous | 41,756 | - | - | 41,756 | - | - | - | - | 41,756 | - |
| **Total** | 160,159,763 | 96,094,121 | 135,136,375 | 199,202,017 | 29,188,877 | 41,881,400 | 68,171,400 | 55,478,877 | 143,723,140 | 129,526,110 |

**Six months period ended 30 June**

| Class | Claims: Claims paid | Claims: Outstanding claims: Opening | Claims: Outstanding claims: Closing | Claims: Claims expense | Reinsurance: Reinsurance and other recoveries received | Reinsurance: Reinsurance and other recoveries in respect of outstanding claims: Opening | Reinsurance: Reinsurance and other recoveries in respect of outstanding claims: Closing | Reinsurance: Reinsurance and other recoveries revenue | Net claims expense: 2016 | Net claims expense: 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | |
| Fire and property damage | 201,182 | 1,194,000 | 1,194,000 | 201,182 | 191,123 | 119,400 | 119,400 | 191,123 | 10,059 | - |
| Marine, aviation & transport | - | - | - | - | - | - | - | - | - | - |
| Motor business | 346,837,440 | 114,635,306 | 129,442,375 | 361,644,509 | 73,852,574 | 24,199,000 | 68,052,000 | 117,705,574 | 243,938,935 | 254,705,024 |
| Health | 13,964,570 | 5,374,620 | 4,500,000 | 13,089,950 | - | - | - | - | 13,089,950 | 29,228,000 |
| Miscellaneous | 103,336 | - | - | 103,336 | - | - | - | - | 103,336 | - |
| **Total** | 361,106,528 | 121,203,926 | 135,136,375 | 375,038,977 | 74,043,697 | 24,318,400 | 68,171,400 | 117,896,697 | 257,142,280 | 283,933,024 |

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

# Condensed Interim Statement of Expenses (Unaudited)

For the three months period and six months period ended 30 June 2016

**Business underwritten inside Pakistan**

**Three months period ended 30 June**

| Class | Commissions paid or payable | Commissions Deferred commission Opening | Commissions Deferred commission Closing | Net commission expense | Other management expenses | Underwriting expense | Commissions from reinsurers | Net underwriting expense 2016 | Net underwriting expense 2015 |
|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | |
| Fire & property damage | 1,619,901 | 149,030 | 1,771,577 | (2,646) | 220,512 | 217,866 | 130,797 | 87,069 | - |
| Marine, aviation & transport | 249,565 | 23,027 | 192,533 | 80,059 | 114,139 | 194,198 | 88,338 | 105,860 | - |
| Motor business | 16,568,904 | 40,855,667 | 37,247,762 | 20,176,809 | 81,654,327 | 101,831,136 | - | 101,831,136 | 124,144,540 |
| Health | 12,266,775 | 17,730,262 | 20,181,316 | 9,815,721 | 6,089,189 | 15,904,910 | - | 15,904,910 | 8,194,007 |
| Miscellaneous | 747,160 | 649,581 | 987,911 | 408,830 | 256,314 | 665,144 | - | 665,144 | 773,084 |
| Total | 31,452,305 | 59,407,567 | 60,381,099 | 30,478,773 | 88,334,481 | 118,813,254 | 219,135 | 118,594,119 | 133,111,631 |

**Six months period ended 30 June**

| Class | Commissions paid or payable | Commissions Deferred commission Opening | Commissions Deferred commission Closing | Net commission expense | Other management expenses | Underwriting expense | Commissions from reinsurers | Net underwriting expense 2016 | Net underwriting expense 2015 |
|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | |
| Fire & property damage | 1,776,192 | - | 1,771,577 | 4,615 | 235,088 | 239,703 | 137,193 | 102,510 | - |
| Marine, aviation & transport | 286,237 | - | 192,533 | 93,704 | 143,156 | 236,860 | 93,742 | 143,118 | - |
| Motor business | 38,065,525 | 41,139,825 | 37,247,762 | 41,957,588 | 180,638,660 | 222,596,248 | - | 222,596,248 | 239,961,170 |
| Health | 20,553,495 | 17,580,438 | 20,181,316 | 17,952,617 | 12,586,899 | 30,539,516 | - | 30,539,516 | 17,278,109 |
| Miscellaneous | 1,079,519 | 837,686 | 987,911 | 929,294 | 713,127 | 1,642,421 | - | 1,642,421 | 2,302,793 |
| Total | 61,760,968 | 59,557,949 | 60,381,099 | 60,937,818 | 194,316,930 | 255,254,748 | 230,935 | 255,023,813 | 259,542,072 |

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

# Condensed Interim Statement of Investment Income (Unauditd)

For the three months period and six months period ended 30 June 2016

| | Note | Three months period ended 30 June | | Six months period ended 30 June | |
|---|---|---|---|---|---|
| | | 2016 | 2015 | 2016 | 2015 |
| | | (Rupees) | | | |
| **Income from non-trading investments** | | | | | |
| **Held-to-maturity** | | | | | |
| Return on Government Securities | | 3,465,136 | 1,500,000 | 6,090,136 | 3,000,000 |
| **Available-for-sale** | | | | | |
| Dividend income | 10 | 80,000 | - | 80,000 | - |
| | | 3,545,136 | 1,500,000 | 6,170,136 | 3,000,000 |
| Brokerage expense | | - | - | (12,969) | (7,512) |
| **Net investment income** | | 3,545,136 | 1,500,000 | 6,157,167 | 2,992,488 |

The annexed notes from 1 to 16 and annexure 'A' form an integral part of these condensed interim financial statements.

Chief Executive | Director | Director | Chairman

## 1. STATUS AND NATURE OF BUSINESS

**1.1** TPL Direct Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 to carry on general insurance business. The Company is listed at the Pakistan Stock Exchange Limited. The Company is a Subsidiary of Greenoaks Global Holdings Ltd (GGHL), a company incorporated in UK. The principal office of the Company is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan.

**1.2** The Company was allowed to operate as Window Takaful Operator on 04 September 2014 by SECP under SECP Takaful Rules, 2012.

## 2. STATEMENT OF COMPLIANCE

**2.1** This condensed interim financial information of the Company for the six months period ended 30 June 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002 and and SECP Takaful Rules, 2012, have been followed.

**2.2** The disclosures made in this condensed interim financial information has been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide Circular No. 7 of 2003 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2015.

**2.3** SECP has allowed the insurance companies to defer the application of International Accounting Standards (IAS) - 39 "Financial Instruments: Recognition and Measurement" in respect of valuation of "available for sale investments". Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of this condensed interim financial information.

**2.4** In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets / liabilities and profit and loss of the operator's fund of the General Takaful Operations of the Company have been presented as a single line item in the condensed interim balance sheet and condensed interim profit and loss account of the Company respectively.

Further, a separate set of interim financial statements of the General Takaful operations has been annexed to the condensed interim financial information as per the requirements of the Takaful Rules 2012.

**2.5** This condensed interim financial information has been presented in Pakistani Rupees, which is also the functional currency of the Company.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

**New / Revised Standards, Interpretations and Amendments**

The Company has adopted the following amendment to IFRSs which became effective for the current period:

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

**Improvements to Accounting Standards Issued by the IASB**

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7 Financial Instruments: Disclosures - Servicing contracts
IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue
IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

## 4. ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information 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.

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 31 December 2015, except as follow:

Effective 1 January 2016, the Company has changed its estimate of the useful lives of these tracking devices from 5 years to 6 years to better reflect the pattern in which economic benefit are expected to be consumed by the Company. Had the estimate not been revised the depreciation charge for the period would have been higher by Rs. 13.67 million and and net profit before tax for the period and basic and diluted earnings per share would have been lower by Rs. 9.43 million and Rs. 0.125 respectively.

## 5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended 31 December 2015.

## 6. CONTINGENCIES AND COMMITMENTS

There is no change in the status of the contingencies and commitments and is same as disclosed in the financial statements of the Company as at and for the year ended 31 December 2015.

## 7. CASH AND BANK DEPOSITS

### 7.1 Current and other accounts

These include Rs. 8.17 million (31 December 2015: Rs. 1.77 million) placed under Shariah permissible mode. These accounts carry mark-up at a rate range from 4% to 6% (2015: 4% to 6%) per annum.

**7.1.1** The mark-up against placements under Shariah permissible mode for the period ended 30 June 2016 amounts to Rs. 0.05 million (30 June 2015: Rs. 0.05 million).

## 8. INVESTMENTS

| | | (Unaudited) 30 June 2016 | (Audited) 31 December 2015 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| Available-for-sale - Ordinary Shares & Mutual fund | 8.1 & 8.2 | 1,799,223 | 1,799,223 |
| Held-to-maturity - Pakistan Investment Bonds | | 100,391,625 | 99,551,489 |
| | | 102,190,848 | 101,350,712 |

**8.1** The aggregate market value of the available for sale investment is Rs. 3.17 million (2015: Rs. 2.88 million).

**8.2** As per the Company's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Had the Company adopted International Accounting Standard (IAS) - 39 "Financial Instruments: Recognition and Measurement" in respect of recognition of gain or loss for remeasurement of available-for-sale investments directly into other comprehensive income, the investments of the Company would have been higher by Rs.1.373 million (2015: 1.081 million) and the net equity would have been higher by the same amount.

| | Note | (Unaudited) 30 June 2016 | (Audited) 31 December 2015 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **9. FIXED ASSETS** | | | |
| Opening written down value | | 384,710,235 | 313,543,018 |
| Additions and transfers during the period / year - at cost | | | |
| - Office equipments | | 470,909 | 1,231,125 |
| - Motor vehicles | | - | 11,796,383 |
| - Tracking Devices | | 41,579,654 | 161,875,040 |
| - Computer equipments | | 6,780,814 | 2,240,504 |
| - Leasehold Improvements | | - | - |
| - Furniture and fixtures | | - | 37,950 |
| - Intangible Assets | | - | 4,842,480 |
| | | 48,831,377 | 182,023,482 |
| Written down value of disposals during the period / year | | (223,652) | (122,222) |
| Depreciation / amortization for the period / year | | (47,788,528) | (105,891,563) |
| | | 48,012,180 | (106,013,785) |
| Transfer from capital work in progress during the period / year | | - | (4,842,480) |
| Closing written down value | | 385,529,432 | 384,710,235 |

**10. DIVIDEND INCOME**

Dividend income of Rs. 80,000 has been received from The Hub Power Company Limited.

| | (Unaudited) Six months ended | |
|---|---|---|
| | 30 June 2016 | 30 June 2015 |
| **11. OTHER INCOME** | ----------(Rupees)---------- | |
| Interest on advances to associated company | 9,425,409 | 21,503,579 |
| Tracker Rentals from Window Takaful Operations | 45,169,830 | 18,745,839 |
| Income from other services | 1,105,500 | 1,019,570 |
| Income from value added features | 5,212,633 | - |
| Income from sublet of office premises | 4,388,553 | - |
| Others | 118,189 | 1,255,519 |
| | 65,420,114 | 42,524,507 |

**12. OTHER CHARGES**

This includes annual monitoring charges and depreciation of tracking devices rented to TPL Direct Insurance Limited - Window Takaful Operations amounting to Rs. 20.33 million (2015: Rs. 7.67 million) and Rs. 18.07 million (2015: Rs. 6.82 million) respectively.

**13. EARNINGS PER SHARE – BASIC AND DILUTED**

| | | |
|---|---|---|
| Profit after tax for the period | 56,346,373 | 10,734,805 |
| | (Number of shares) | |
| Weighted average number of ordinary shares of Rs.10 each | 75,515,899 | 64,872,547 |
| | (Rupees) | |
| Earnings per share - basic and diluted | 0.75 | 0.17 |

## 14. TRANSACTIONS WITH RELATED PARTIES

| | | (Unaudited) Six months ended June 2016 | (Unaudited) Six months ended June 2015 |
|---|---|---|---|
| | | (Rupees) | |
| 14.1 | **Balances and transactions with related parties** | | |
| | **Greenoaks Global Holdings Limited - (Holding Company)** | | |
| | Shares issued during the period | - | 442,738,485 |
| | **TPL Trakker Limited - (associated company)** | | |
| | Opening balance - receivable | 209,877,167 | 395,446,813 |
| | Tracking units purchased during the period | (48,648,195) | (121,497,550) |
| | Services in respect of tracking devices provided to the Company | (95,118,054) | (53,538,359) |
| | Interest charged during the period | 9,428,409 | 20,504,025 |
| | Equipment removal / transfer charges | (9,750,811) | (7,097,476) |
| | Net expenses charged to the Company / by the Company | (33,776,207) | (14,732,802) |
| | Receivable in respect of C-Track units installed in vehicles which were snatched | - | 677,100 |
| | Payments received during the period | - | (107,767,704) |
| | Net payment made by the Company | 90,089,484 | 137,700,000 |
| | Closing balance - receivable | 122,101,793 | 249,694,047 |
| | **TPL Properties (Private) Limited- common directorship** | | |
| | Opening balance - receivable | 18,929,201 | 140,846,910 |
| | Advance rent paid during the period | 40,921,135 | 37,201,032 |
| | Rent and maintenance expenses during the period | (19,530,543) | (14,838,228) |
| | Loan repayment during the period | - | (126,679,551) |
| | Loan given during the period | - | - |
| | Mark-up charged during the period | - | 999,554 |
| | Mark-up received during the period | (11,280,823) | - |
| | Closing balance - receivable | 29,038,970 | 37,529,717 |
| | **Virtual World (Private) Limited - common directorship** | | |
| | Opening accrued outsourcing expenses | 1,344,000 | 588,000 |
| | Services received during the period | 4,032,000 | 3,360,000 |
| | Payments made during the period | (3,360,000) | (3,276,000) |
| | Closing accrued outsourcing expenses | 2,016,000 | 672,000 |
| | **TRG Pakistan Limited** | | |
| | Opening balance | - | - |
| | Sublet of office premises | 4,926,153 | - |
| | Closing balance | 4,926,153 | - |
| | **Centrepoint Management Services (Private) Limited - common directorship** | | |
| | Opening balance - payable | 1,805,954 | 1,655,025 |
| | Prepaid maintenance charges during the period | 5,511,264 | 5,010,240 |
| | Services received during the period | 4,515,098 | 869,707 |
| | Payments made during the period | (8,455,828) | (6,293,301) |
| | Closing balance - payable | 3,376,488 | 1,241,671 |
| | **TPL Security Services (Private) Limited - common directorship** | | |
| | Opening balance | 132,000 | - |
| | Services received during the period | 409,904 | 73,200 |
| | Payments made during the period | (541,904) | (73,200) |
| | Closing balance - payable | - | - |
| | **TPL Direct Insurance Limited Employees Provident Fund** | | |
| | Opening balance - payable | 917,102 | 741,654 |
| | Charge for the period | 7,043,682 | 4,673,836 |
| | Contribution made during the period | (7,091,510) | (4,531,064) |
| | Closing balance - payable | 869,274 | 884,426 |
| | **Window Takaful Operations - Participant Takaful Fund** | | |
| | Opening balance - receivable | 5,032,164 | 4,742,000 |
| | Tracking rental charged during the period | 52,840,000 | 43,780,000 |
| | Payments made by the Company on behalf of PTF - net | 10,347,317 | 1,214,021 |
| | Payments received during the period | (60,096,823) | (46,110,478) |
| | Closing balance - receivable | 8,122,658 | 3,625,543 |

## 15. GENERAL

**15.1** Figures in these condensed interim financial statements for the quarters ended 30 June 2016 and 30 June 2015 have not been subjected to limited scope review of the auditors.

**15.2** Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

**15.3** Figures have been rounded off to the nearest Rupee.

## 16. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 23 August 2016 by the Board of Directors of the Company.

| Chief Executive | Director | Director | Chairman |
|---|---|---|---|

ANNEXURE A

# WINDOW TAKAFUL OPERATIONS

# Auditors' Report to Members on Review of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim balance sheet of TPL Direct Insurance Limited - Window Takaful Operations (the Operator) as at 30 June 2016 and the related condensed interim profit and loss account, condensed interim statements of changes in fund, cash flows, contributions, claims, expenses of operators' fund, expenses of participants' takaful fund and investment income and notes forming part thereof (here-in-after referred to as the "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquires, 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 the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Ernst & Young Ford Rhodes**
**Sidat Hyder**
Chartered Accountants

**Engagement Partner:** Arslan Khalid

**Date:** 23 August 2016

Karachi.

# Window Takaful Operations
# Condensed Interim Balance Sheet (Unaudited)

As at 30 June 2016

| | Note | (Unaudited) 30 June 2016 (Rupees) OF | PTF | Aggregate | (Audited) 31 December 2015 (Rupees) OF | PTF | Aggregate |
|---|---|---|---|---|---|---|---|
| **OPERATORS' FUND (OF)** | | | | | | | |
| Statutory Fund | | 50,000,000 | - | 50,000,000 | 50,000,000 | - | 50,000,000 |
| Unappropriated profit | | 22,949,022 | - | 22,949,022 | 10,263,569 | - | 10,263,569 |
| | | 72,949,022 | - | 72,949,022 | 60,263,569 | - | 60,263,569 |
| **WAQF / PARTICIPANT'S TAKAFUL FUND (PTF)** | | | | | | | |
| Ceded money | | - | 2,000,000 | 2,000,000 | - | 2,000,000 | 2,000,000 |
| Accumulated deficit | | - | (111,640,613) | (111,640,613) | - | (57,107,080) | (57,107,080) |
| **Balance of WAQF / PTF** | | - | (109,640,613) | (109,640,613) | - | (55,107,080) | (55,107,080) |
| **LIABILITIES** | | | | | | | |
| **PTF Underwriting provisions** | | | | | | | |
| Provision for outstanding claims (including IBNR) | | - | 78,121,732 | 78,121,732 | - | 54,157,459 | 54,157,459 |
| Provision for unearned contribution | | - | 304,898,556 | 304,898,556 | - | 221,979,679 | 221,979,679 |
| | | - | 383,020,288 | 383,020,288 | - | 276,137,138 | 276,137,138 |
| Qard-e-Hasna | | - | 60,000,000 | 60,000,000 | - | 30,000,000 | 30,000,000 |
| **Creditors and accruals** | | | | | | | |
| Amounts due to other takaful / retakaful operators | | - | 9,197,733 | 9,197,733 | - | 6,062,000 | 6,062,000 |
| Unearned Wakala Fee | | 121,959,422 | - | 121,959,422 | 88,791,871 | - | 88,791,871 |
| Accrued Expenses | | 175,000 | - | 175,000 | 175,000 | - | 175,000 |
| Taxation - payments less provision | | 7,618,535 | - | 7,618,535 | 2,254,841 | - | 2,254,841 |
| Other creditors and accruals | | 11,811,810 | 121,659,236 | 133,471,046 | 14,469,742 | 38,844,010 | 53,313,752 |
| Payable to TPL Direct Insurance Limited | 7 | 79,461,194 | 8,122,658 | 87,583,852 | 24,728,882 | 5,032,164 | 29,761,046 |
| | | 221,025,961 | 138,979,627 | 360,005,588 | 130,420,336 | 49,938,174 | 180,358,510 |
| **Total Liabilities** | | 221,025,961 | 581,999,915 | 803,025,876 | 130,420,336 | 356,075,312 | 486,495,648 |
| **Total fund and liabilities** | | 293,974,983 | 472,359,302 | 766,334,285 | 190,683,905 | 300,968,232 | 491,652,137 |

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

# Window Takaful Operations
# Condensed Interim Balance Sheet (Unaudited)

As at 30 June 2016

| | Note | (Unaudited) 30 June 2016 (Rupees) | | | (Audited) 31 December 2015 (Rupees) | | |
|---|---|---|---|---|---|---|---|
| | | OF | PTF | Aggregate | OF | PTF | Aggregate |
| **ASSETS** | | | | | | | |
| **Cash and bank deposits** | 8 | | | | | | |
| Current and other accounts | | 7,223,331 | 17,442,640 | 24,665,971 | 10,865,444 | 2,890,010 | 13,755,454 |
| Deposits maturing within twelve month | | 95,000,000 | 155,000,000 | 250,000,000 | 95,000,000 | 110,000,000 | 205,000,000 |
| | | 102,223,331 | 172,442,640 | 274,665,971 | 105,865,444 | 112,890,010 | 218,755,454 |
| **Current assets - others** | | | | | | | |
| Contribution due but unpaid - PTF | | - | 102,257,099 | 102,257,099 | - | 50,447,547 | 50,447,547 |
| Salvage recoveries accrued | | - | 25,935,000 | 25,935,000 | - | 6,700,000 | 6,700,000 |
| Taxation - payments less provision | | - | 312,801 | 312,801 | - | - | - |
| Accrued Investment Income | | 124,932 | 550,171 | 675,103 | 136,644 | 162,058 | 298,702 |
| Deferred Wakala expense | | - | 121,959,422 | 121,959,422 | - | 88,791,871 | 88,791,871 |
| Deferred commission expense | | 16,154,398 | - | 16,154,398 | 21,121,730 | - | 21,121,730 |
| Prepayments | | - | 46,824,438 | 46,824,438 | - | 41,976,746 | 41,976,746 |
| Sundry receivables | | 175,472,322 | 2,077,731 | 177,550,053 | 63,560,087 | - | 63,560,087 |
| | | 191,751,652 | 299,916,662 | 491,668,314 | 84,818,461 | 188,078,222 | 272,896,683 |
| **Total assets** | | 293,974,983 | 472,359,302 | 766,334,285 | 190,683,905 | 300,968,232 | 491,652,137 |

Chief Executive | Director | Director | Chairman

# Window Takaful Operations
# Condensed Interim Profit and Loss Account (Unaudited)

For the three months period and six months period ended 30 June 2016

| | Six months period ended 30 June | | | | | Three months period ended 30 June | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Fire & property damage | Motor | Health | 2016 | 2015 | Fire & property damage | Motor | Health | 2016 | 2015 |
| | | (Rupees) | | | | | (Rupees) | | | |
| **PTF Revenue Account** | | | | | | | | | | |
| Gross contribution | 2,833 | 242,962,887 | 890,065 | 243,855,785 | 97,211,792 | 2,833 | 128,090,575 | 445,032 | 128,538,440 | 61,379,477 |
| Wakala expensed during the period | (12,921) | (105,872,837) | (356,026) | (106,241,784) | (45,024,785) | (12,921) | (55,522,756) | (178,013) | (55,713,690) | (27,896,140) |
| Net claims | - | (149,203,230) | (286,223) | (149,489,453) | (61,589,690) | - | (78,032,970) | (123,160) | (78,156,130) | (46,210,048) |
| Direct expenses | - | (45,169,830) | - | (45,169,830) | (18,745,839) | - | (23,009,417) | - | (23,009,417) | (12,165,086) |
| **Underwriting result** | (10,088) | (57,283,010) | 247,816 | (57,045,282) | (28,148,522) | (10,088) | (26,474,568) | 143,859 | (28,340,797) | (24,891,797) |
| Net investment income | | | | 2,511,749 | 381,533 | | | | 2,511,749 | 346,971 |
| **Deficit for the period** | | | | (54,533,533) | (27,766,989) | | | | (25,829,048) | (24,544,826) |
| Other comprehensive income | | | | - | - | | | | - | - |
| Total comprehensive income for the period | | | | (54,533,533) | (27,766,989) | | | | (25,829,048) | (24,544,826) |
| **Accumulated deficit** | | | | | | | | | | |
| Balance at the beginning for the period | | | | (57,107,080) | (1,879,949) | | | | | |
| Deficit for the period | | | | (54,533,533) | (27,766,989) | | | | | |
| Balance at the end of the period | | | | (111,640,613) | (29,646,938) | | | | | |
| **OF Revenue Account** | | | | | | | | | | |
| Wakala fee | 12,921 | 105,872,837 | 356,026 | 106,241,784 | 45,024,785 | 12,921 | 55,522,756 | 178,013 | 55,713,690 | 27,896,140 |
| Management expenses | (2,393) | (49,478,216) | (179,024) | (49,659,633) | (25,291,805) | (2,393) | (32,747,931) | (89,512) | (32,839,836) | (9,790,902) |
| Net commission | - | (20,788,434) | - | (20,788,434) | (11,213,494) | - | (9,371,796) | - | (9,371,796) | (6,820,005) |
| | 10,528 | 35,606,187 | 177,002 | 35,793,717 | 8,519,486 | 10,528 | 13,403,029 | 88,501 | 13,502,058 | 11,285,233 |
| Profit on bank deposits - net of mudarib's fee | | | | 4,478,258 | 3,473,239 | | | | 2,502,109 | 2,001,639 |
| | | | | 40,271,975 | 11,992,725 | | | | 16,004,167 | 13,286,872 |
| General and administrative expenses | | | | (21,828,521) | (15,079,360) | | | | (14,400,284) | (21,177,385) |
| Financial charges | | | | (58,739) | (13,790) | | | | (38,439) | - |
| **Profit / (loss) before taxation** | | | | 18,384,715 | (3,100,425) | | | | 1,565,444 | (7,890,513) |
| Taxation - net | | | | (5,699,262) | - | | | | (288,451) | - |
| **Profit / (loss) after tax for the period** | | | | 12,685,453 | (3,100,425) | | | | 1,276,993 | (7,890,513) |
| Other comprehensive income | | | | - | - | | | | - | - |
| Total comprehensive income for the period | | | | 12,685,453 | (3,100,425) | | | | 1,276,993 | (7,890,513) |
| **Profit and loss appropriation account** | | | | | | | | | | |
| Balance at the beginning for the period | | | | 10,263,569 | 3,207,199 | | | | | |
| Profit / (loss) for the period | | | | 12,685,453 | (3,100,425) | | | | | |
| Balance at the end of the period | | | | 22,949,022 | 106,774 | | | | | |

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive | Director | Director | Chairman

# Window Takaful Operations
# Condensed Interim Statement of Changes in Fund (Unaudited)

For the six months period ended 30 June 2016

| | Operators' Fund | | |
|---|---|---|---|
| | Statutory Fund | Accumulated profit | Total |
| | (Rupees) | | |
| Balance as at 1 January 2015 | 50,000,000 | 3,207,199 | 53,207,199 |
| Net loss for the six months period ended 30 June 2015 | - | (3,100,425) | (3,100,425) |
| **Balance as at 30 June 2015** | **50,000,000** | **106,774** | **50,106,774** |
| Balance as at 1 January 2016 | 50,000,000 | 10,263,569 | 60,263,569 |
| Net profit for the six months period ended 30 June 2016 | - | 12,685,453 | 12,685,453 |
| **Balance as at 30 June 2016** | **50,000,000** | **22,949,022** | **72,949,022** |

| | Participants' Takaful Fund | | |
|---|---|---|---|
| | Ceded Money | Accumulated deficit | Total |
| | (Rupees) | | |
| Balance as at 1 January 2015 | 2,000,000 | (3,879,949) | (1,879,949) |
| Deficit for the six months period ended 30 June 2015 | - | (27,766,989) | (27,766,989) |
| **Balance as at 30 June 2015** | **2,000,000** | **(31,646,938)** | **(29,646,938)** |
| Balance as at 1 January 2016 | 2,000,000 | (57,107,080) | (55,107,080) |
| Deficit for the six months period ended 30 June 2016 | - | (54,533,533) | (54,533,533) |
| **Balance as at 30 June 2016** | **2,000,000** | **(111,640,613)** | **(109,640,613)** |

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive | Director | Director | Chairman

# Window Takaful Operations
# Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2016

| | 30 June 2016 | | | 30 June 2015 |
|---|---|---|---|---|
| | Operators' Fund | Participants' Takaful Fund | Aggregate | Aggregate |
| | ----------(Rupees)---------- | | | |
| **Operating activities** | | | | |
| (a) Takaful activities | | | | |
| Contributions received | - | 278,005,176 | 278,005,176 | 204,442,143 |
| Payments to retakaful operators | - | 2,918,147 | 2,918,147 | (4,234,000) |
| Claims paid | - | (183,620,315) | (183,620,315) | (43,115,605) |
| Retakaful and other recoveries | - | 38,860,135 | 38,860,135 | 3,732,000 |
| Commissions Paid | (19,266,759) | - | (19,266,759) | (20,592,855) |
| Wakala fees received / (paid) | 110,738,663 | (110,738,663) | - | - |
| Net cash inflow from underwriting activities | 91,471,904 | 25,424,480 | 116,896,384 | 140,231,683 |
| (b) Other operating activities | | | | |
| Income Tax paid | (335,568) | 312,801 | (22,767) | 385,467 |
| Direct expenses | - | (46,220,909) | (46,220,909) | - |
| General management expenses paid | (73,738,089) | - | (73,738,089) | (57,741,984) |
| Other operating receipts | 4,489,970 | 2,912,622 | 7,402,592 | 1,651,821 |
| Net cash outflow from other operating activities | (69,583,687) | (42,995,486) | (112,579,173) | (55,704,696) |
| **Investment activities** | | | | |
| Profit / return received | 4,489,970 | 2,123,636 | 6,613,606 | - |
| Investment in TDR | - | 45,000,000 | 45,000,000 | - |
| **Total cash used in investing activities** | 4,489,970 | 47,123,636 | 51,613,606 | - |
| **Financing activities** | | | | |
| Financial charges paid | (20,300) | - | (20,300) | (13,790) |
| Qard-e-Hasna | 30,000,000 | 30,000,000 | - | - |
| **Total cash used in financing activities** | (30,020,300) | 30,000,000 | (20,300) | (13,790) |
| **Net cash generated from all activities** | (3,642,113) | 59,552,630 | 55,910,517 | 84,513,197 |
| **Cash and cash equivalent at beginning of the period** | 105,865,444 | 112,890,010 | 218,755,454 | 80,888,772 |
| **Cash and cash equivalent at end of the period** | 102,223,331 | 172,442,640 | 274,665,971 | 165,401,969 |
| **Reconciliation to profit and loss account** | | | | |
| Operating cash flows | 21,888,217 | (17,571,006) | 4,317,211 | 84,526,987 |
| Depreciation / amortisation expense | (1,961,245) | - | (1,961,245) | - |
| Income tax paid | 335,568 | (312,801) | 22,767 | (385,467) |
| Financial charges | (58,739) | - | (58,739) | (13,790) |
| Provision for taxation | - | (5,699,262) | (5,699,262) | - |
| Increase in assets other than cash | 77,723,583 | 82,494,216 | 160,217,799 | 71,339,593 |
| Increase in liabilities | (85,241,931) | (113,444,680) | (198,686,611) | (186,334,737) |
| **Profit / (Loss) after taxation** | 12,685,453 | (54,533,533) | (41,848,080) | (30,867,414) |

**Definition of cash**

Cash comprises of cash in hand, policy stamps, bank balances 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** | | | | |
| Cash in hand | 7,223,331 | 17,442,640 | 24,665,971 | 115,401,969 |
| Current and other accounts | 95,000,000 | 155,000,000 | 250,000,000 | 50,000,000 |
| | 102,223,331 | 172,442,640 | 274,665,971 | 165,401,969 |

The annexed notes from 1 to 11 form an integral part of these financial statements.

Chief Executive | Director | Director | Chairman

# Window Takaful Operations
# Condensed Interim Statement of Contributions (Unaudited)

For the three months period and six months period ended 30 June 2016

**Business underwritten inside Pakistan**

| | Three months period ended 30 June | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross contribution* | Wakala fee* | Unearned contribution reserve Opening | Unearned contribution reserve Closing | Contribution earned | Re-takaful ceded | Prepaid re-takaful contribution Opening | Prepaid re-takaful contribution Closing | Re-takaful expense | Net contribution written 2016 | Net contribution written 2015 |
| | (Rupees) | | | | | | | | | | |
| **Class** | | | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | | |
| Fire & property damage | 285,584 | 122,395 | - | 273,685 | 11,899 | 217,586 | - | 208,520 | 9,066 | 2,833 | - |
| Motor | 158,931,546 | 67,252,944 | 275,076,884 | 304,402,355 | 129,606,075 | - | 3,031,000 | 1,515,500 | 1,515,500 | 128,090,575 | 61,379,477 |
| Health | - | - | 667,548 | 222,516 | 445,032 | - | - | - | - | 445,032 | - |
| **Total** | 159,217,130 | 67,375,339 | 275,744,432 | 304,898,556 | 130,063,006 | 217,586 | 3,031,000 | 1,724,020 | 1,524,566 | 128,538,440 | 61,379,477 |

| | Six months period ended 30 June | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross contribution* | Wakala fee* | Unearned contribution reserve Opening | Unearned contribution reserve Closing | Contribution earned | Re-takaful ceded | Prepaid re-takaful contribution Opening | Prepaid re-takaful contribution Closing | Re-takaful expense | Net contribution written 2016 | Net contribution written 2015 |
| | (Rupees) | | | | | | | | | | |
| **Class** | | | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | | |
| Fire & property damage | 285,584 | 122,395 | - | 273,685 | 11,899 | 217,586 | - | 208,520 | 9,066 | 2,833 | - |
| Motor | 329,529,144 | 139,286,940 | 220,867,098 | 304,402,355 | 245,993,887 | - | 4,546,500 | 1,515,500 | 3,031,000 | 242,962,887 | 97,211,792 |
| Health | - | - | 1,112,581 | 222,516 | 890,065 | - | - | - | - | 890,065 | - |
| **Total** | 329,814,728 | 139,409,335 | 221,979,679 | 304,898,556 | 246,895,851 | 217,586 | 4,546,500 | 1,724,020 | 3,040,066 | 243,855,785 | 97,211,792 |

* These include administrative surcharge of Rs. 12.47 million in aggregate.

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive | Director | Director | Chairman

# Window Takaful Operations
# Condensed Interim Statement of Claim (Unaudited)

For the three months period and six months period ended 30 June 2016

**Business underwritten inside Pakistan**

**Three months period ended 30 June**

| Class | Claims paid | Outstanding claims: Opening | Outstanding claims: Closing | Claims expense | Re-takaful and other recoveries received | Re-takaful and other recoveries in respect of outstanding claims: Opening | Re-takaful and other recoveries in respect of outstanding claims: Closing | Re-takaful and other recoveries revenue | Net claims expense 2016 | Net claims expense 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | |
| Fire & property damage | - | - | - | - | - | - | - | - | - | - |
| Motor business | 88,261,749 | 66,664,075 | 78,121,732 | 99,719,406 | 14,926,436 | 19,175,000 | 25,935,000 | 21,686,436 | 78,032,970 | 46,210,048 |
| Health | 123,160 | - | - | 123,160 | - | - | - | - | 123,160 | - |
| **Total** | **88,384,909** | **66,664,075** | **78,121,732** | **99,842,566** | **14,926,436** | **19,175,000** | **25,935,000** | **21,686,436** | 78,156,130 | 46,210,048 |

**Six months period ended 30 June**

| Class | Claims paid | Outstanding claims: Opening | Outstanding claims: Closing | Claims expense | Re-takaful and other recoveries received | Re-takaful and other recoveries in respect of outstanding claims: Opening | Re-takaful and other recoveries in respect of outstanding claims: Closing | Re-takaful and other recoveries revenue | Net claims expense 2016 | Net claims expense 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | | |
| Fire & property damage | - | - | - | - | - | - | - | - | - | - |
| Motor business | 183,334,092 | 54,157,459 | 78,121,732 | 207,298,365 | 38,860,135 | 6,700,000 | 25,935,000 | 58,095,135 | 149,203,230 | 61,589,690 |
| Health | 286,223 | - | - | 286,223 | - | - | - | - | 286,223 | - |
| **Total** | **183,620,315** | **54,157,459** | **78,121,732** | **207,584,588** | **38,860,135** | **6,700,000** | **25,935,000** | **58,095,135** | 149,489,453 | 61,589,690 |

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive | Director | Director | Chairman

# Window Takaful Operations
# Condensed Interim Statement of Expenses - Operators' Fund (Unaudited)

For the three months period and six months period ended 30 June 2016

**Business underwritten inside Pakistan**

**Three months period ended 30 June**

| Class | Commissions paid or payable | Deferred commission Opening | Deferred commission Closing | Net commission expense | Other management expenses | Underwriting expense | Rebate from re-takaful operators* | Net underwriting expense 2016 | Net underwriting expense 2015 |
|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | |
| Fire & property damage | - | - | - | - | 2,393 | 2,393 | - | 2,393 | - |
| Motor business | 6,349,953 | 19,176,241 | 16,154,398 | 9,371,796 | 32,747,931 | 42,119,727 | - | 42,119,727 | 16,610,907 |
| Health | - | - | - | - | 89,512 | 89,512 | - | 89,512 | - |
| Total | **6,349,953** | **19,176,241** | **16,154,398** | **9,371,796** | **32,839,836** | **42,211,632** | **-** | 42,211,632 | 16,610,907 |

**Six months period ended 30 June**

| Class | Commissions paid or payable | Deferred commission Opening | Deferred commission Closing | Net commission expense | Other management expenses | Underwriting expense | Rebate from re-takaful operators* | Net underwriting expense 2016 | Net underwriting expense 2015 |
|---|---|---|---|---|---|---|---|---|---|
| | (Rupees) | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | |
| Fire & property damage | - | - | - | - | 2,393 | 2,393 | - | 2,393 | - |
| Motor business | 15,821,102 | 21,121,730 | 16,154,398 | 20,788,434 | 49,478,216 | 70,266,650 | - | 70,266,650 | 26,404,030 |
| Health | - | - | - | - | 179,024 | 179,024 | - | 179,024 | - |
| Total | **15,821,102** | **21,121,730** | **16,154,398** | **20,788,434** | **49,659,633** | **70,448,067** | **-** | 70,448,067 | 26,404,030 |

* Rebate from retakaful operators is arrived at after taking the impact of opening and closing unearned retakaful commission.

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive | Director | Director | Chairman

# Window Takaful Operations
# Condensed Interim Statement of Expenses - Participants' Fund (Unaudited)

For the three months period and six months period ended 30 June 2016

**Business underwritten inside Pakistan**

| Class | Gross Wakala fee | Deferred wakala fee Opening | Deferred wakala fee Closing | Net expense | Direct expenses | PTF expense | Rebate from re-takaful operators* | Net PTF expense 2016 | Net PTF expense 2015 |
|---|---|---|---|---|---|---|---|---|---|
| | Three months period ended 30 June | | | | | | | | |
| | (Rupees) | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | |
| Fire & property damage | 122,395 | - | 109,474 | 12,921 | - | 12,921 | - | 12,921 | - |
| Motor business | 67,252,944 | 110,030,754 | 121,760,942 | 55,522,756 | 23,009,417 | 78,532,173 | - | 78,532,173 | 40,061,226 |
| Health | - | 267,019 | 89,006 | 178,013 | - | 178,013 | - | 178,013 | - |
| Total | **67,375,339** | **110,297,773** | **121,959,422** | **55,713,690** | **23,009,417** | **78,723,107** | **-** | 78,723,107 | 40,061,226 |

| Class | Gross Wakala fee | Deferred wakala fee Opening | Deferred wakala fee Closing | Net expense | Direct expenses | PTF expense | Rebate from re-takaful operators* | Net PTF expense 2016 | Net PTF expense 2015 |
|---|---|---|---|---|---|---|---|---|---|
| | Six months period ended 30 June | | | | | | | | |
| | (Rupees) | | | | | | | | |
| **Direct and Facultative** | | | | | | | | | |
| Fire & property damage | 122,395 | - | 109,474 | 12,921 | - | 12,921 | - | 12,921 | - |
| Motor business | 139,286,940 | 88,346,839 | 121,760,942 | 105,872,837 | 45,169,830 | 151,042,667 | - | 151,042,667 | 63,770,624 |
| Health | - | 445,032 | 89,006 | 356,026 | - | 356,026 | - | 356,026 | - |
| Total | **139,409,335** | **88,791,871** | **121,959,422** | **106,241,783** | **45,169,830** | **151,411,614** | **-** | 151,411,614 | 63,770,624 |

* Rebate from retakaful operators is arrived at after taking the impact of opening and closing unearned retakaful commission.

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Chief Executive | Director | Director | Chairman

## 1. STATUS AND NATURE OF BUSINESS

**1.1** TPL Direct Insurance Limited (the Operator) was allowed to work as Window Takaful Operator on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

**1.2** For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participant Takaful Fund (PTF) on 20 August 2014 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

## 2. STATEMENT OF COMPLIANCE

**2.1** This condensed interim financial information of the Operator for the six months period ended 30 June 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012, have been followed.

**2.2** This condensed interim financial information reflects the financial position and results of operations of both the Operator Fund (OPF) and Participant Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

**2.3** The disclosures made in this condensed interim financial information has been limited based on International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Operator for the year ended 31 December 2015.

**2.4** This condensed interim financial information has been presented in Pakistani Rupees, which is also the functional currency of the Company.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

**New / Revised Standards, Interpretations and Amendments**

The Company has adopted the following amendment to IFRSs which became effective for the current period:

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

**Improvements to Accounting Standards Issued by the IASB**

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

## 4. ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information 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.

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 31 December 2015.

## 5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended 31 December 2015.

## 6. QARD-E-HASNA

In accordance with the Takaful Rules, 2012, if at any point in time, assets in participant takaful fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator Fund. In the event of future surplus in the Participant Takaful Fund to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to participants.

The Operator has prepared financial projections of Participant Fund and based on such financial projections believes that the Participant Takaful Fund would be able to repay Qard-e-Hasna to Operator's Fund.

## 7. PAYABLE TO TPL DIRECT INSURANCE LIMITED

This includes Rs. 71.24 million (2015: Rs. 24.79 million) payable in respect of expenses incurred by TPL Direct Insurance Limited on behalf of WTO.

## 8. CASH AND BANK DEPOSITS

| | Note | 30 June 2016 | | |
|---|---|---|---|---|
| | | OF | PTF | Total |
| | | (Rupees) | | |
| **Current and other accounts** | | | | |
| Current Accounts | | - | 191,444 | 191,444 |
| Profit and loss sharing (PLS) accounts | 8.1 | 7,223,331 | 17,251,196 | 24,474,527 |
| **Deposits maturing within twelve months** | | | | |
| Term Deposit Receipts | 8.2 | 95,000,000 | 155,000,000 | 250,000,000 |
| | | 102,223,331 | 172,442,640 | 274,665,971 |

| | 31 December 2015 | | |
|---|---|---|---|
| | OF | PTF | Total |
| | (Rupees) | | |
| **Current and other accounts** | | | |
| Current Accounts | - | 1,196,415 | 1,196,415 |
| Profit and loss sharing (PLS) accounts | 10,865,444 | 1,693,595 | 12,559,039 |
| **Deposits maturing within twelve months** | | | |
| Term Deposit Receipts | 95,000,000 | 110,000,000 | 205,000,000 |
| | 105,865,444 | 112,890,010 | 218,755,454 |

**8.1** These accounts carry mark-up at a rate between 4% to 6% (2015: 4% to 6%) per annum.

**8.2** These carry profit rate ranging from 5.0% to 6.0% per annum and have maturites upto 29 December 2016.

| | (Unaudited) June 2016 | (Unaudited) June 2015 |
|---|---|---|
| | Six months ended | |
| | (Rupees) | |

## 9. TRANSACTIONS WITH RELATED PARTIES - PTF

**TPL Direct Insurance Limited**

| | | |
|---|---|---|
| Opening balance - payable | 5,032,164 | 4,742,000 |
| Services received during the period | 52,840,000 | 43,780,000 |
| Payments made by the Company on behalf of PTF - net | 10,347,317 | 1,214,021 |
| Payments made during the period | (60,096,823) | (46,110,478) |
| Closing balance - payable | 8,122,658 | 3,625,543 |

**Operator's Fund**

| | | |
|---|---|---|
| Opening balance - payable | 63,560,087 | 12,547,863 |
| Wakala fee during the period | 197,601,005 | 98,960,920 |
| Qard-e-Hasna | 30,000,000 | - |
| Modarib Fee | 1,075,285 | 163,514 |
| Payments during the period - net | (116,764,055) | (34,948,984) |
| Closing balance - payable | 175,472,322 | 76,723,313 |

## 10. GENERAL

**10.1** Figures in these condensed interim financial statements for the quarter ended 30 June 2016 have not been subjected to limited scope review of the auditors.

**10.2** Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

**10.3** Statement of Investment Income is not included in these condensed interim financial statements as there were no investments and related income earned by Window Takaful Operations.

**10.4** Figures have been rounded off to the nearest Rupee.

## 11. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 23 August 2016 by the Board of Directors of the Company.

Chief Executive | Director | Director | Chairman

# Category of Shareholding

As on 30 June 2016

| Shareholder's Category | No. of Shareholders | Number of Shares Held | Percentage of Shareholding |
|---|---|---|---|
| **HOLDING COMPANY/ ASSOCIATED COMPANIES/UNDERTAKINGS AND RELATED PARTIES** | | | |
| Greenoaks Global Holdings | 1 | 52,196,397 | 69.1197% |
| TPL Trakker Limited | 1 | 18,419,000 | 24.3909% |
| TPL Holdings (Pvt.) Limited | 1 | 547,114 | 0.7245% |
| **DIRECTORS, THEIR SPOUSES AND MINOR CHILDREN** | | | |
| Mr. Saad Nissar | 1 | 220,000 | 0.2913% |
| Mr. Jameel Yusuf | 1 | 500 | 0.0007% |
| Mr. Ali Jameel | 1 | 500 | 0.0007% |
| Mr. Andrew Borda | 1 | 1 | 0.0000% |
| Mr. Syed Nadir Shah | 1 | 500 | 0.0007% |
| Mr. Bilal Bin Zafar | 1 | 500 | 0.0007% |
| Mr. Waqar Ahmed Malik | 1 | 500 | 0.0007% |
| **BANKS, DFIS AND NBFIS, MODARABA ETC** | | | |
| National Bank of Pakistan | 1 | 1,157,378 | 1.5326% |
| **MUTUAL FUNDS** | | | |
| Golden Arrow Selected Stocks Fund Limited | 1 | 301,686 | 0.3995% |
| CDC - Trustee PICIC Investment Fund | 1 | 153,708 | 0.2035% |
| CDC - Trustee PICIC Growth Fund | 1 | 321,388 | 0.4256% |
| CDC - Trustee AKD Opportunity Fund | 1 | 64,976 | 0.0860% |
| CDC - Trustee PICIC Stock Fund | 1 | 55,894 | 0.0740% |
| **MORE THAN 5% VOTING RIGHTS** | | | |
| Greenoaks Global Holdings | 1 | 52,196,397 | 69.1197% |
| TPL Trakker Limited | 1 | 18,419,000 | 24.3909% |

# Pattern of Sharholding

As on 30 June 2016

| NO. OF SHAREHOLDERS | FROM | TO | SHARES HELD | PERCENTAGE % |
|---|---|---|---|---|
| 201 | 1 | 100 | 1,659 | 0.0022 |
| 114 | 101 | 500 | 53,280 | 0.0706 |
| 66 | 501 | 1,000 | 65,080 | 0.0862 |
| 61 | 1,001 | 5,000 | 168,295 | 0.2229 |
| 16 | 5,001 | 10,000 | 137,432 | 0.1820 |
| 5 | 15,001 | 20,000 | 90,887 | 0.1204 |
| 5 | 20,001 | 25,000 | 115,784 | 0.1533 |
| 3 | 25,001 | 30,000 | 83,504 | 0.1106 |
| 1 | 30,001 | 35,000 | 30,742 | 0.0407 |
| 1 | 35,001 | 40,000 | 40,000 | 0.0530 |
| 2 | 45,001 | 50,000 | 96,644 | 0.1280 |
| 1 | 50,001 | 55,000 | 54,000 | 0.0715 |
| 2 | 55,001 | 60,000 | 112,486 | 0.1490 |
| 1 | 60,001 | 65,000 | 64,976 | 0.0860 |
| 1 | 75,001 | 80,000 | 77,500 | 0.1026 |
| 1 | 95,001 | 100,000 | 100,000 | 0.1324 |
| 1 | 125,001 | 130,000 | 129,813 | 0.1719 |
| 1 | 135,001 | 140,000 | 137,684 | 0.1823 |
| 1 | 150,001 | 155,000 | 153,708 | 0.2035 |
| 1 | 215,001 | 220,000 | 220,000 | 0.2913 |
| 1 | 285,001 | 290,000 | 289,847 | 0.3838 |
| 1 | 300,001 | 305,000 | 301,686 | 0.3995 |
| 1 | 320,001 | 325,000 | 321,388 | 0.4256 |
| 1 | 345,001 | 350,000 | 349,615 | 0.4630 |
| 1 | 545,001 | 550,000 | 547,114 | 0.7245 |
| 1 | 1,155,001 | 1,160,000 | 1,157,378 | 1.5326 |
| 2 | 18,415,001 | 18,420,000 | 18,419,000 | 24.3909 |
| 1 | 52,195,001 | 52,200,000 | 52,196,397 | 69.1197 |
| **494** | **Company Total** | | **75,515,899** | **100** |

**TPL Direct Insurance Ltd.**
11th & 12th Floor, Centrepoint, off Shaheed-e-Millat Expressway,
Adjacent K.P.T. Interchange, Karachi - 74900
Tel: 021.37130223 Fax: 021.35316031, 35316032 UAN: 021.111.000.301

E-mail: info@tplinsurance.com Web: www.tplinsurance.com

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