



HALF YEARLY  
REPORT  
**JUNE 2017**



LEADING  
**innovation**

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# Company Information

## BOARD OF DIRECTORS

Jameel Yusuf (S.St.)  
Ali Jameel  
Saad Nissar  
Andrew Borda  
Bilal Bin Zafar  
Waqar Ahmed Malik  
Syed Nadir Shah

Chairman  
Director  
Director / CEO  
Director  
Director  
Director  
Director

## BOARD COMMITTEES

### Audit Committee

Syed Nadir Shah  
Ali Jameel  
Bilal Bin Zafar  
Naseer Khan

Chairman  
Member  
Member  
Secretary

### Ethics, Human Resources, Remuneration & Appointment Committee

Waqar Ahmed Malik  
Ali Jameel  
Andrew Borda  
Nader Nawaz

Chairman  
Member  
Member  
Secretary

### Finance & Investment Committee

Ali Jameel  
Bilal Bin Zafar  
Waqar Ahmed Malik  
Saad Nissar  
Ali Hassan Zaidi

Chairman  
Member  
Member  
Member  
Secretary

## OPERATIONS COMMITTEES

### Underwriting Committee

Bilal Bin Zafar  
Syed Kazim Hasan  
Kamran M. Hanif

Chairman  
Member  
Secretary

### Claims Committee

Bilal Bin Zafar  
Saad Nissar  
Syed Kazim Hasan  
Muhammad Owais Alam

Chairman  
Member  
Member  
Secretary

### Coinsurance & Reinsurance Committee

Bilal Bin Zafar  
Syed Kazim Hasan  
Kamran M. Hanif  
Muhammad Saleem Junejo

Chairman  
Member  
Member  
Secretary

## BANKERS

AlBaraka Bank Pakistan Ltd.  
Bank Al Habib Ltd.  
Dubai Islamic Bank Ltd.  
Faysal Bank Ltd.  
Habib Bank Ltd.  
Habib Metropolitan Bank Ltd.  
JS Bank Ltd.  
MCB Bank Ltd.  
Meezan Bank Ltd.  
Mobilink Micro Finance Bank Ltd.  
National Bank of Pakistan  
NIB Bank Ltd.  
Silk Bank Ltd.  
Summit Bank Ltd.  
Telenor Micro Finance Bank Ltd.  
United Bank Ltd.

## AUDITORS

Ernst & Young Ford Rhodes  
Chartered Accountants

## LEGAL ADVISOR

Lari & Co.  
Maritime & Insurance Advocates

## SHARE REGISTRAR

THK Associates (Pvt) Limited  
1<sup>st</sup> Floor, 40-C,  
Block-6, P.E.C.H.S,  
Karachi-75400, Pakistan.  
Tel: 021,34168270  
UAN: 021,111,000,322  
Fax: 021,34168271

## REGISTERED OFFICE

11<sup>th</sup> & 12<sup>th</sup> Floor, Centrepoint,  
Off Shaheed-e-Millat Expressway,  
Adjacent KPT Interchange Flyover,  
Karachi, Postal Code: 74900  
Fax: 021,35316032  
UAN: 021,111,000,301  
Tel: 021,37130223

## WEB PRESENCE

[www.tplinsurance.com](http://www.tplinsurance.com)

## Geographical Presence

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### KARACHI ►

#### Head Office

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

### LAHORE ►

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

### ISLAMABAD ►

Branch Office Islamabad 55-B,  
10th Floor (South) ISE Tower,  
Jinnah Avenue, Blue Area, Islamabad.  
UAN: 051.111.000.301  
Fax: 051.2895073

### FAISALABAD ►

Branch Office Faisalabad  
P-6161, West Canal Road,  
Adjacent to Toyota Faisalabad Motors and  
behind HBL Canal Road Branch, Faisalabad.  
Tel: 041.8501471-3  
Fax: 041.8501470

### MULTAN ►

Branch Office Multan  
Haider Street, Shalimar Colony  
Northern Bypass-Boson Road  
Multan.  
UAN: 061.111.000.301  
Fax: 061.44243451

### HYDERABAD ►

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

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 2017.

Fiscal year 2018 has started with a growth target of 5.2% promising great potential and growth in business and industrial sectors but with challenges ahead of the election year. Political uncertainty is putting pressure on the Stock Exchange which is expected to continue in near future. However, better corporate earnings, improving security situation and determination of China and Pakistan in implementation of China's one belt one road initiative that envisages multi-billion dollar investment in Pakistan's road, railway, power and energy sector coupled with economic reforms and growth in Large Scale Manufacturing is expected to bring stability. State Bank of Pakistan has kept the policy rate unchanged at 5.75% on the back of low inflation. The foreign exchange reserves are declining and Pakistani Rupee depreciation cannot be ruled out due to which foreign investors may be waiting before making investments in the Pakistan.

Our premium growth is continuing its trajectory and achieved a growth of 12% during the half year. Motor premium continues to be the prime constituent of overall insurance premium with 94% contribution to the total premium (June 2016: 95 %). Our 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. Commercial lines have underwritten premiums amounting to PKR 34.3 million in Property and Marine segments (June 2016: PKR 12.0 million).

During the period, the Company has invested aggressively in the human capital for development of Fire and Marine segments and significant growth is expected from these segments by the end of the financial year. This will strengthen the insurance product mix and improve profitability of the Company. The Window Takaful Operations of the Company is also gaining pace and successfully launched property takaful during the period. The Window Takaful Operations of the Company achieved a healthy growth of 29% during the period.

Our results for the half year ended 30th June 2017 closed on a positive note. Overall premium / contribution written for the period increased to PKR 1,108.80 million from PKR 993.12 million of the corresponding period [Insurance premium PKR 683.10 million (Jun 2016: PKR 663.31 million) and Takaful contributions PKR 425.70 million (June 2016: PKR 329.81 million)], achieving a healthy growth of approximately 12%. The claims ratio of the Company for the period remained at 45% (Insurance 42% and Takaful 49%) against 49% (Insurance 44% and Takaful 61%) of last year's corresponding period. The Company achieved a profit after tax of PKR 75.59 million against profit after tax of PKR 56.32 million of the corresponding period last year [EPS: June 2017 - 1.00 , June 2016 - 0.75].

Further, during the period, the credit rating of the Company was upgraded to A+ by PACRA which is a result of growth achieved and steps taken to diversify the product portfolio of the Company.

## Directors' Report

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The Participant Takaful Fund of the Window Takaful Operations of the Company registered a deficit of PKR 31.44 million (June 2016: deficit of PKR 54.53 million) during the period along with other comprehensive loss of PKR 0.17 million on investment.

During the period, the Securities and Exchange Commission of Pakistan (SECP) has issued Insurance Accounting Regulations 2017 and Insurance Rules 2017 respectively. Accordingly, the condensed interim financial statements of the Company for the period ended 30 June 2017 have been prepared considering the presentation requirements of new Insurance Rules. The same has also resulted in change in accounting policy in relation to the available-for-sale investments to comply with the requirements of IAS 39 "Financial Instruments - Recognition and Measurement". The details and impact of the change in accounting policy is disclosed in note 3.2.1 of the interim condensed financial statements of the Company for the half year ended 30 June 2017.

Further, the Company has filed a constitutional petition in the High Court of Sindh (HCS) challenging the tax on undistributed reserves in case the profits are not distributed to the shareholders within the prescribed time frame. The constitutional petition is pending in HCS and the Company has been granted stay order by HCS.

During the period, Greenoaks Global Holdings Ltd (GGHL), having a controlling interest of 69.12% in the Company, has entered into an agreement with TPL Trakker Limited (TTL), an associated company, for sale of GGHL's shareholding in the Company to TTL subject to regulatory approvals.

We are confident that given the sound economic progress of the country, stability in political situation 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, SECP and staff for their continued support.

For and on behalf of the Board of Directors,



**Saad Nissar**  
Chief Executive Officer

یورڈ آف ڈائریکٹرز کی جانب سے میں 30 جون 2017 کو ختم ہونے والی ششماہی کیلئے کمپنی کی غیر آڈٹ شدہ مجموعی عبوری مالیاتی تفصیلات بخوشی پیش کر رہا ہوں۔

5.2 فیصد کے بدنی اضافے کے ساتھ مالی سال 2018 کا آغاز ہو چکا ہے جو کاروباری اور صنعتی شعبہ جات میں ترقی و فروغ کے واضح امکانات کی نشاندہی کر رہا ہے لیکن اس کے ساتھ ساتھ آتے والے الیکشن کے سال میں چیلنجز کا بھی سامنا ہے۔ سیاسی عدم استحکام اسٹاک ایکسچینج پر کسی حد تک منفی اثرات مرتب کر رہا ہے جس کے مستقبل قریب میں جاری رہنے کے امکانات ہیں۔ تاہم تجارتی منافع، یکپارگی، ریٹنی پر بصورت حال اور وسیع پیمانے پر صنعت جاتی میں اضافے کے ساتھ پاکستان کے روڈ، ریلوے، بجلی اور توانائی کے شعبہ جات میں جانے کے دن بیلٹ ون روڈ سے متعلق کی جانے والی پیش قدمی کے حوالے سے چائنا اور پاکستان کے مضبوط مزم کے واضح امکانات دیکھے جا رہے ہیں جس میں ٹی بلین ڈالرز کی سرمایہ کاری متوقع ہے۔ اسٹیٹ بینک آف پاکستان نے افراط زر میں کمی کے باعث پالیسی کی شرح کو 5.75 فیصد تک برقرار رکھا ہے۔ غیر ملکی ذخائر میں کمی واقع ہو رہی ہے، پاکستان روپے کی قدر میں کمی کو نظر انداز نہیں کیا جا سکتا جس کی وجہ سے غیر ملکی سرمایہ کار پاکستان میں سرمایہ کاری کرنے سے پہلے تذبذب کا شکار ہیں۔

ہمارے پریٹیم میں بدستور اضافے کے ساتھ اس ششماہی کے دوران 12 فیصد اضافہ ہوا ہے۔ موثر پریٹیم کل پریٹیم (جون 2016 میں 95 فیصد) کے 94 فیصد کنٹری بیوشن کے ساتھ مجموعی طور پر انٹرنیشنل پریٹیم کا ایک اہم حصہ رہا ہے۔ اس اضافے کا سبب پاکستان بھر میں مضبوط سٹریٹیجیوں، نیٹ ورک اور نمایاں و متنازع بیٹوں کیساتھ گزریوں کی لیزنگ پورٹ فولیو (انٹرنیشنل اور ونڈ وکٹافل کے شعبہ جات میں) میں کئے جانے والے معاہدوں کو تصویب کیا جا رہا ہے۔ پراپرٹی اور میرین شعبہ جات (جون 2016 میں 12.0 ملین روپے) میں کمرشل لائزز کے زیر اثر بر پریٹیم 34.3 ملین روپے تک پہنچ گئے ہیں۔

زیر جائزہ مدت کے دوران کمپنی نے فائز اور میرین شعبہ جات کے حوالے سے انسانی سرمائے میں اضافہ کیلئے وسیع سرمایہ کاری کی ہے اور مالی سال کے اختتام تک ان شعبہ جات سے حاصل ہونے والے منافع میں خاطر خواہ اضافے کے امکانات ہیں۔ اس سے انٹرنیشنل پروڈکٹ میں بدستور استحکام پیدا ہوگا بلکہ کمپنی کے منافع میں اضافہ بھی ہوگا۔ اس مدت کے دوران کمپنی کے ونڈ وکٹافل آپریشنز میں بھی ترقی سے اضافہ جاری ہے جس کے ساتھ پراپرٹی کی کٹافل کا کامیاب افتتاح کیا گیا۔ دوران مدت کمپنی کے ونڈ وکٹافل آپریشنز میں 29 فیصد کا صحت مند اضافہ ہوا۔

30 جون 2017 کو ختم ہونے والے ششماہی سال میں ہمارے مالی نتائج مثبت ریکارڈ کئے گئے ہیں۔ اس مدت کا مجموعی پریٹیم/کنٹری بیوشن 99.12 ملین روپے سے بڑھ کر 1,108.80 ملین روپے تک ہو گیا اور گزشتہ اسی مدت میں یہ انٹرنیشنل پریٹیم 683.10 ملین روپے (جون 2016 میں 663.31 ملین روپے) اور کٹافل کنٹری بیوشن 425.70 ملین روپے (جون 2016 میں 329.81 ملین روپے) تھا، جو تقریباً 12 فیصد کے خاطر خواہ اضافے کو ظاہر کرتا ہے۔ اس مدت میں کمپنی کو کئے جانے والے دعوؤں کی شرح 45 فیصد رہی (انٹرنیشنل 42 فیصد اور کٹافل 49 فیصد) جبکہ گزشتہ سال اسی مدت میں یہ شرح 49 فیصد یعنی انٹرنیشنل 44 فیصد اور کٹافل 61 فیصد تھی۔ کمپنی نے 75.59 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جبکہ گزشتہ سال اسی مدت میں یہ منافع (بعد از ٹیکس) 56.32 ملین تھا یعنی جون 2017 میں منافع کی حصص 1.00 اور جون 2016 میں 0.75 تھا۔

مزید یہ کہ دوران مدت پاکرا (PACRA) کی جانب سے کمپنی کی کریڈٹ ریٹنگ کو اپ گریڈ کرتے ہوئے A+ (اے پلس) کر دیا گیا جس کی بنیادی وجہ کمپنی کے منافع میں اضافہ اور اس کی پروڈکٹ پورٹ فولیو میں متنوع اضافے کیلئے کئے جانے والے اقدامات ہیں۔

کمپنی کے ونڈ وکٹافل آپریشنز کے شریک کٹافل فنڈ میں اس مدت کے دوران سرمایہ کاری 0.17 ملین روپے کی دیگر بڑے نقصان کے ساتھ 31.44 ملین روپے کا خسارہ ریکارڈ ہوا جو جون 2016 میں 54.53 ملین روپے تھا۔

اس مدت کے دوران یکپارہ ریٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بائیں انٹرنیشنل ریگولیشنز 2017 اور انٹرنیشنل قوانین 2017 جاری کئے۔ جس کے تحت 30 جون 2017 کو ختم ہونے والی مدت کی کمپنی کی مجموعی عبوری مالیاتی تفصیلات تیار کر لی گئی ہیں، اس میں نئے انٹرنیشنل قوانین کو ملحوظ کار رکھا گیا ہے۔ "IAS39" "مفتاحیلت انٹرنیشنل" ریلیٹیشن اور میورنٹ" کی درکار ضروریات کی پیروی کرتے ہوئے فروخت کیلئے دستیاب سرمایہ کاری کے حوالے سے اکاؤنٹنگ پالیسی میں تبدیلی بھی عمل میں آئی ہے۔ اکاؤنٹنگ پالیسی میں تبدیلی کی تفصیلات اور اس کے اثرات 30 جون 2017 کو ختم ہونے والی ششماہی کیلئے کمپنی کی مجموعی عبوری مالیاتی تفصیلات کے نوٹ 3.2.1 میں انکشاف کیا گیا ہے۔

مزید یہ کہ کمپنی نے سندھ ہائی کورٹ میں ایک آئینی درخواست جمع کرائی ہے جس میں منافع کی مدتیں متعین وقت کے اندر حصص یافتگان کو تقسیم شدہ حصص پر عائد ہونے والے ٹیکس پینلنگ کیا گیا ہے۔ یہ آئینی درخواست سندھ ہائی کورٹ میں زیر التوا ہے اور کمپنی کو سندھ ہائی کورٹ کی جانب سے حکم التوا (stay order) موصول ہو چکا ہے۔

اس مدت کے دوران گزریں اوس گوبل ونڈ ٹریڈنگ لیٹڈ (GGHL) جس کا کمپنی میں کنٹرولنگ انٹرسٹ 69.12 فیصد ہے، نے TPL ٹریڈنگ لیٹڈ (TTL) جو کہ ریگولیریٹی منظور کی تحت TTL کمپنی کو GGHL کی شیئرز ہولڈنگ کی فروخت کے حوالے سے ایک متعلقہ کمپنی ہے، کے ساتھ معاہدہ طے کیا ہے۔

اسن دامان کی بہتر صورتحال کے ساتھ ساتھ ملک کی معاشی ترقی، سیاسی صورتحال میں استحکام کے حوالے سے ہم پر اعتماد ہیں اور یہی صورت حال مجموعی طور پر انٹرنیشنل انٹرنیشنل اور خاص طور پر ہماری کمپنی کیلئے مستقبل میں ترقی کے امکانات کو ظاہر کرتی ہے۔ کارپوریٹ حوالے سے کاروبار اور اپنی بہترین سکرمر و مز پر توجہ مرکوز کرتے ہوئے ہم نان لائف انٹرنیشنل کے تمام کروہس میں خاطر خواہ منافع کے فروغ کے خواہاں ہیں۔

ہم اپنے تمام اسٹیک ہولڈرز، کاروباری شرکاء، پاکستان اسٹاک ایکسچینج، یکپارہ ریٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹاک کی مسلسل معاونت کیلئے بے حد ممنون و مشکور ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے



سید ثناء  
چیف ایگزیکٹو آفیسر

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

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## Introduction

We have reviewed the accompanying condensed interim statement of financial position of TPL Direct Insurance Limited as at 30 June 2017 and the related condensed interim statement of comprehensive income, condensed interim statements of changes in equity, cash flows, 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 inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

Date: 15 August, 2017  
Karachi.



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**Chartered Accountants**  
**Audit Engagement Partner:**  
**Arslan Khalid**





# Condensed Interim Statement of Financial Position

As at 30 June 2017

Note	(Unaudited) 30 June 2017	(Audited) 31 December 2016
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------(Rupees)-----

## EQUITY AND LIABILITIES

### CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS

Authorised share capital	<u>1,500,000,000</u>	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	224,479,213	148,890,951
Unrealized (loss) / gain on revaluation of available-for-sale investments	(504,955)	2,266,815
<b>Total equity</b>	<u>1,117,809,582</u>	1,044,993,090

### LIABILITIES

#### Underwriting provisions

Provision for outstanding claims (including IBNR)	151,009,825	126,585,842
Unearned premium reserve	680,362,302	699,873,641
Unearned reinsurance commission	4,253,398	4,569,980
Deferred taxation	-	2,390,402
Premium received in advance	3,390,949	1,613,510
Amounts due to other insurers / reinsurers	76,296,067	56,960,305
Taxation - provision less payments	21,027,611	352,722
Other creditors and accruals	161,746,103	164,772,075
	<u>1,098,086,255</u>	1,057,118,477
Total liabilities of General Takaful Operations - Operator's Fund	210,913,328	178,125,992

<b>Total equity and liabilities</b>	<u>2,426,809,165</u>	<u>2,280,237,559</u>
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#### Contingency and commitment


11

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Director

  
Chairman

# Condensed Statement of Comprehensive Income (Unaudited)

For the ended 30 June 2017


Note	(Unaudited) Three months period ended 30 June		(Unaudited) Six months period ended 30 June	
	Aggregate 2017	Aggregate 2016	Aggregate 2017	Aggregate 2016
	(Rupees)		(Rupees)	
		(Restated)		(Restated note 3.2.1)
Net insurance premium	12 334,301,533	299,124,858	666,145,201	586,619,481
Net insurance claims	13 (139,879,504)	(143,723,140)	(279,808,431)	(257,142,280)
Net commission	14 (27,985,454)	(30,247,838)	(56,443,987)	(60,706,883)
Insurance claims and acquisition expenses	(167,864,958)	(173,970,978)	(336,252,418)	(317,849,163)
Management expenses	97 696 712	(88,334,481)	(197,360,008)	(194,316,930)
<b>Underwriting result</b>	<b>68,739,863</b>	<b>36,819,399</b>	<b>132,532,775</b>	<b>74,453,388</b>
Investment income	15 (1,659,698)	13,782,112	9,547,885	25,262,986
Other income	16 37,535,439	38,820,466	72,233,813	65,420,114
Other expenses	17 (63,995,201)	(37,268,220)	(137,945,559)	(95,182,673)
Results of operating activities	40,620,403	52,153,757	76,368,914	69,953,815
Financial charges	(122,389)	(19,616,267)	(183,675)	(6,517)
<b>Profit before tax from General Insurance Operations</b>	<b>40,498,014</b>	<b>32,537,490</b>	<b>76,185,239</b>	<b>69,947,298</b>
<b>Profit before tax from Window Takaful Operations</b>	<b>22,705,734</b>	<b>1,475,932</b>	<b>36,006,716</b>	<b>18,384,715</b>
<b>Profit before tax for the period</b>	<b>63,203,748</b>	<b>34,013,422</b>	<b>112,191,955</b>	<b>88,332,013</b>
Provision for taxation - Current	(23,731,340)	(11,670,332)	(41,371,369)	(30,773,598)
- Prior	202,063	(40,815)	202,063	(40,815)
- Deferred	4,112,446	(1,272,959)	4,565,613	(1,195,311)
<b>Profit after tax for the period</b>	<b>(19,416,831)</b>	<b>(12,984,106)</b>	<b>(36,603,693)</b>	<b>(32,009,724)</b>
	43,786,917	21,029,316	75,588,262	56,322,289
<b>Other comprehensive income</b>				
Unrealised loss on available-for-sale investments	(12,985,034)	(254,909)	(12,985,034)	(254,909)
Loss transferred to profit for the period				
- upon impairment of available-for-sale investments	-	24,085	-	24,085
- Realized upon sale / redemption of available-for-sale investments	10,213,264	-	10,213,264	-
Total other comprehensive income - net of tax	(2,771,770)	(230,824)	(2,771,770)	(230,824)
<b>Total comprehensive income for the period</b>	<b>41,015,147</b>	<b>20,798,492</b>	<b>72,816,492</b>	<b>56,091,465</b>
Earning (after tax) per share - Rupees	18 0.58	0.28	1.00	0.75

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Director

  
Chairman

# Condensed Interim Cash Flow Statement (Unaudited)

For the period ended 30 June 2017

	(Unaudited)	
	30 June 2017	30 June 2016
	----- (Rupees) -----	
		(Restated)
<b>Operating activities</b>		
(a) Underwriting activities		
Insurance premiums received	651,273,619	629,968,935
Reinsurance premiums paid	(10,716,160)	923,326
Claims paid	(357,169,569)	(361,106,528)
Reinsurance and other recoveries	90,959,289	74,043,697
Commission paid	(53,918,837)	(54,709,144)
Net cash inflow from underwriting activities	<u>320,428,342</u>	<u>289,120,286</u>
(b) Other operating activities		
Income tax paid	(9,894,465)	(5,174,596)
Other operating payments	(514,269,000)	(172,628,807)
Other operating receipts	17,494,328	1,639,015
Loans advanced	(455,028)	(593,000)
Loans repayments received	-	598,825
Net cash outflow from other operating activities	<u>(507,124,165)</u>	<u>(176,158,563)</u>
<b>Total cash generated from all operating activities</b>	<b>(186,695,823)</b>	<b>112,961,723</b>
<b>Investment activities</b>		
Profit / return received on Pakistan investment bond	4,812,500	1,135,907
Profit / return received on TDRs	21,525,197	-
Payments for purchase of investments	(775,000,000)	(592,000,000)
Encashment of TDRs	715,000,000	559,000,000
Proceeds from disposal of investments	1,708,050	-
Investment related expenses	(17,394)	-
Dividend received	20,000	80,000
Fixed capital expenditure	(3,829,846)	(48,831,377)
Proceeds from disposal of fixed assets	273,492,397	-
<b>Total cash (used in) / generated from investing activities</b>	<b>237,710,904</b>	<b>(80,615,470)</b>
<b>Financing activities</b>		
Financial charges paid	(183,675)	(64,780)
<b>Total cash (used in) / generated from financing activities</b>	<b>(183,675)</b>	<b>(64,780)</b>
<b>Net cash generated from all activities</b>	<b>50,831,406</b>	<b>32,281,473</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>176,417,583</b>	<b>16,646,599</b>
<b>Cash and cash equivalent at end of the period</b>	<b>227,248,989</b>	<b>48,928,072</b>

# Condensed Interim Cash Flow Statement (Unaudited)

For the period ended 30 June 2017

	(Unaudited)	
	30 June 2017	30 June 2016
	----- (Rupees) -----	
		(Restated)
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(186,695,823)	112,961,723
Depreciation / amortisation expense	(27,194,388)	(47,788,528)
Provision for taxation	(36,603,693)	(32,009,724)
Income tax paid	9,894,465	5,174,596
Financial charges	(183,675)	(64,780)
Return on Government Securities	3,639,161	6,090,136
Profit on term deposit	16,101,988	-
Dividends received	20,000	80,000
Gain on disposal of non-trading available for sale investments	(10,213,264)	(24,085)
Profit from Window Takaful Operations - Operator's Fund	36,006,716	18,384,715
Increase / (decrease) in assets other than cash	296,826,450	148,990,134
Increase in liabilities	(26,009,675)	(155,471,898)
<b>Profit after taxation for the period</b>	<u><u>75,588,262</u></u>	<u><u>56,322,289</u></u>
<b>Cash for the purposes of the statement of cash flows consists of :</b>		
Cash in hand	584,681	732,072
Current and other accounts	<u>226,664,308</u>	<u>48,196,000</u>
	<u><u>227,248,989</u></u>	<u><u>48,928,072</u></u>

The annexed notes from 1 to 22 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 period ended 30 June 2017


Share capital	Capital reserve			Revenue reserve		Total	
	Share Premium	Share issuance cost	Net share premium	Unappropriated profit	Unrealized gain / loss on revaluation of available-for-sale investments - net of tax		
----- (Rupees) -----							
Balance as at 1 January 2016	755,158,990	147,579,495	(8,903,161)	138,676,334	45,722,237	-	939,557,561
Effect of change in accounting policy (note 3.2.1.1)					-	1,628,397	1,628,397
<b>Balance as at 1 January 2016 as restated (note 3.2.1.1)</b>	<b>755,158,990</b>	<b>147,579,495</b>	<b>(8,903,161)</b>	<b>138,676,334</b>	<b>45,722,237</b>	<b>1,628,397</b>	<b>941,185,958</b>
<b>Total comprehensive income</b>							
Profit for the period ended 30 June 2016 (restated - note 3.2.1.1)	-	-	-	-	56,322,289	-	56,322,289
Other comprehensive income (restated - note 3.2.1.1)	-	-	-	-	-	(230,824)	(230,824)
	-	-	-	-	56,322,289	(230,824)	56,091,465
<b>Balance as at 30 June 2016</b>	<b>755,158,990</b>	<b>147,579,495</b>	<b>(8,903,161)</b>	<b>138,676,334</b>	<b>102,044,526</b>	<b>1,397,573</b>	<b>997,277,423</b>
<b>Balance as at 1 January 2017</b>	<b>755,158,990</b>	<b>147,579,495</b>	<b>(8,903,161)</b>	<b>138,676,334</b>	<b>148,890,951</b>	<b>-</b>	<b>1,042,726,275</b>
Effect of change in accounting policy (note 3.2.1.1)	-	-	-	-	-	2,266,815	2,266,815
<b>Balance as at 1 January 2017 as restated (note 3.2.1.1)</b>	<b>755,158,990</b>	<b>147,579,495</b>	<b>(8,903,161)</b>	<b>138,676,334</b>	<b>148,890,951</b>	<b>2,266,815</b>	<b>1,044,993,090</b>
<b>Total comprehensive income</b>							
Profit for the period ended 31 June 2017	-	-	-	-	75,588,262	-	75,588,262
Other comprehensive income - net of tax	-	-	-	-	-	(2,771,770)	(2,771,770)
	-	-	-	-	75,588,262	(2,771,770)	72,816,492
<b>Balance as at 30 June 2017</b>	<b>755,158,990</b>	<b>147,579,495</b>	<b>(8,903,161)</b>	<b>138,676,334</b>	<b>224,479,213</b>	<b>(504,955)</b>	<b>1,117,809,582</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Director

  
Chairman

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 1. LEGAL 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 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. The Company is listed at Pakistan Stock Exchange Limited. 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 Greenoaks Global Holdings Ltd (GGHL), a company incorporated in UK has a controlling interest of 69.12% in the Company and hence, GGHL is the holding company of the Company. During the period, GGHL has entered into an agreement with TPL Trakker Limited (an associated company) for sale of GGHL's shareholding in the Company to TPL Trakker Limited subject to regulatory approvals.

## 2. STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial information of the Company for the six months period ended 30 June 2017 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 (Repealed - note 2.1.1), the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 (Repealed - note 2.1.1), the Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012, shall prevail.
- 2.1.1 The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its press release dated 20 July 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.2 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O. 89(I)/2017 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 statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2016.
- 2.3 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 statement of financial position and profit and loss account of the Company respectively.

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

- 2.4 These condensed interim financial statements have been presented in Pak Rupees which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupees, unless otherwise stated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended 31 December 2016, except as follows;

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 3.2 Changes in accounting policies

### 3.2.1 Adoption of new Insurance Rules, 2017 and Insurance Accounting Regulation, 2017

During the period SECP, has issued the Insurance Rules, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of the financial statements. The new Insurance Rules are effective for the current period financial statements. The significant changes resulting from such new rules affecting these condensed interim financial statements are as follows:

- 3.2.1.1 - The Company has changed its accounting policy in relation to the available-for-sale investments to comply with the requirements of IAS 39 "Financial Instruments - Recognition and Measurement. These investments are now carried at fair value. Surplus / (deficit) on revaluation from one reporting date to another is taken to other comprehensive income in the statement of comprehensive income. On derecognition or impairment in available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for the period within statement of comprehensive income. Previously the investments were carried at lower of cost and market value. This change in the accounting policy has been applied retrospectively and comparative information has been restated in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The impact of change in accounting policy are summarized below:

Statement of financial position and statement of changes in equity	Rupees
- Increase in equity as at 01 January 2016	1,628,397
- Increase in equity as at 30 June 2016	1,397,573
- Increase in investment and equity as at 31 December 2016	2,266,815
Decrease in equity as at 30 June 2017	(504,955)
Decrease in investment as at 30 June 2017	(1,692,856)
Increase in deferred tax asset as at 30 June 2017	1,187,901
<b>Statement of comprehensive income</b>	
- Decrease in total comprehensive income for the period ended 30 June 2016	(230,824)
- Decrease in total comprehensive income for the period ended 30 June 2017	(2,771,770)

- 3.2.1.2 Certain changes have been made to the presentation of the financial statements which include the following:

- Changes in the sequence of assets/ liabilities in the statement of financial position;
- Discontinuation of separate statements of premiums, claims, commission and investment income, which are now presented (on aggregate basis) into the notes of the financial statements (notes 12,13,14 and 15);
- Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in a separate note (note 20).

### 3.2.2 Adoption of amendments to IFRSs

The Company has adopted the following standards and amendments to IFRSs which became effective for the current period:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)  
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these 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 for the year ended 31 December 2016.

## 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 for the year ended 31 December 2016.



# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

	(Unaudited) 30 June 2017	(Audited) 31 December 2016
	------(Rupees)-----	
<b>6. PROPERTY AND EQUIPMENT</b>		
Opening written down value	361,162,314	384,710,235
Additions and transfers during the period / year - at cost		
- Office equipments	-	1,004,634
- Motor vehicles	-	93,500
- Equipments	-	60,976,433
- Computer equipments	3,806,346	8,895,581
- Leasehold Improvements	-	1,488,743
- Furniture and fixtures	23,500	1,554,458
	3,829,846	74,013,349
Written down value of disposals during the period / year		
Office equipments	-	(63,267)
Motor vehicles	-	(210,333)
Tracking devices	(273,492,397)	-
	(273,492,397)	(273,600)
Depreciation / amortization for the period / year	(33,620,191)	(101,161,654)
Closing written down value	<u>57,879,572</u>	<u>357,288,330</u>

6.1 During the year, the Company has sold tracking devices to its associated company TPL Tracker Limited at book value. The Tracker devices are used in the insured vehicles under a rental arrangement between the Company and TPL Tracker Limited.

	(Unaudited) 30 June 2017	(Audited) 31 December 2016
	------(Rupees)-----	

## 7. INVESTMENTS

### 7.1 EQUITY SECURITIES

#### 7.1.1 Available-for-sale

##### 7.1.1.1 Ordinary Shares of quoted companies

(Unaudited) 30 June 2017 (Number of shares)	(Audited) 31 December 2016	Name of Investee Company	(Unaudited) 30 June 2017	(Audited) 31 December 2016
			------(Rupees)-----	
129,000	129,000	Business Industrial Insurance Company Limited	-	-
7,731	7,731	Bank of Punjab Limited	91,071	136,452
10,000	10,000	The Hub Power Company Limited	1,174,300	1,234,800
15,195	15,195	Bank of Khyber	239,321	251,477
16,000	16,000	Summit Bank Limited	65,920	70,400
-	88,500	Next Capital Limited	-	1,536,360
8,000,000	-	TPL Properties Limited - related party	98,000,000	-
			<u>99,570,612</u>	<u>3,229,489</u>

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 7.1.1.2 Mutual fund units

(Unaudited) 30 June 2017 (Number of shares)	(Audited) 31 December 2016	Name of Investee Company	(Unaudited) 30 June 2017 ------(Rupees)-----	(Audited) 31 December 2016
9,245	9,245	First Habib Stock Fund	973,058	1,149,154
996,410	-	AKD Opportunity Fund	95,450,899	-
1,959,120	-	AKD Aggressive Income Fund	101,267,300	-
896,230	-	United Growth and Income Fund	76,083,407	-
999,509	-	UBL Stock Advantage Fund	76,192,535	-
432,115	-	Alfalah GHP Stock Fund	67,791,238	-
1,425,018	-	Alfalah GHP Income Multiplier Fund	75,882,234	-
658,903	-	Faysal Asset Management Limited	45,286,376	-
			<u>538,927,047</u>	1,149,154
			<u>638,497,659</u>	<u>4,378,643</u>

7.1.1.3 The aggregate cost of the available for sale equity investment is Rs. 640 million (2016: Rs. 2.111million).

7.2 IN DEBT SECURITIES	(Unaudited) 30 June 2017	(Audited) 31 December 2016
	------(Rupees)-----	
<b>Held to maturity</b>		
Pakistan Investment Bonds (PIBs)	<u>99,235,680</u>	<u>100,391,625</u>

7.2.1 The market value of held-to-maturity debt investment is Rs. 103.588 million (2016: Rs. 109.56 million).

7.2.2 These carry mark-up ranging from 8.75% to 12% (31 December 2016: 8.75% to 12%) per annum and will mature between 3 September 2019 to 18 August 2021. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance 2000 and circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan.

## 7.3 TERM DEPOSITS

### Held to maturity

Deposits maturing within 12 months 7.3.1 127,000,000 717,000,000

7.3.1 These carry profit rate ranging from 4.50% to 6.0% per annum and have maturities upto 29 December 2017.

## 8. LOANS AND OTHER RECEIVABLES

This includes Rs. 74.77 million (31 December 2016:Rs. 5.89 million) receivable from Participant Takaful Fund of WTO in respect of tracker rental charges.

## 9. PREPAYMENTS

This includes prepaid rentals amounting to Rs. 245.109 million (31 December 2016:Rs 10.855 million) for tracking devices.

## 10. CASH AND BANK DEPOSITS

### Cash and other equivalents

Cash in hand 584,681 157,928

### Current and other accounts

Current Accounts	<u>91,772,158</u>	2,463,939
Profit and loss sharing (PLS) accounts	<u>134,892,150</u>	173,795,716
	<u>226,664,308</u>	176,259,655
	<u>227,248,989</u>	<u>176,417,583</u>

10.1 These accounts carry mark-up at a rate between 3.25% to 5.50% (31 December 2016: 3.25% to 5.45%) per annum.

## 11. CONTINGENCY AND COMMITMENT

11.1 There is no change in the status of the contingency as disclosed in the financial statements of the Company for the year ended 31 December 2016.

11.2 There were no commitments as at 30 June 2017.

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

	(Unaudited)		(Unaudited)	
	Three months period ended		Six months period ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	------(Rupees)-----		------(Rupees)-----	
<b>12. NET INSURANCE PREMIUM</b>				
Written Gross Premium	316,148,400	338,687,708	683,099,539	663,307,900
Add: Unearned premium reserve opening	717,809,591	600,176,699	699,873,641	565,318,441
Less: Unearned premium reserve closing	(680,362,302)	(636,607,333)	(680,362,302)	(636,607,333)
Premium earned	353,595,689	302,257,074	702,610,878	592,019,008
Less: Reinsurance premium ceded	8,777,879	10,150,399	32,308,894	19,643,000
Add: Prepaid reinsurance premium opening	36,240,464	7,225,290	29,880,970	-
Less: Prepaid reinsurance premium closing	(25,724,187)	(14,243,473)	(25,724,187)	(14,243,473)
Reinsurance expense	19,294,156	3,132,216	36,465,677	5,399,527
Net insurance Premium	334,301,533	299,124,858	666,145,201	586,619,481

	(Unaudited)		(Unaudited)	
	Three months period ended		Six months period ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	------(Rupees)-----		------(Rupees)-----	
<b>13. NET INSURANCE CLAIMS EXPENSE</b>				
Claims Paid	187,122,451	160,159,763	357,169,569	361,106,528
Add: Outstanding claims including IBNR closing	151,009,825	135,136,375	151,009,825	135,136,375
Less: Outstanding claims including IBNR opening	(137,943,927)	(96,094,121)	(126,585,842)	(121,203,926)
Claims expense	200,188,349	199,202,017	381,593,552	375,038,977
Less: Reinsurance and other recoveries received	47,903,998	29,188,877	90,959,289	74,043,697
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	50,768,726	68,171,400	50,768,726	68,171,400
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(38,363,879)	(41,881,400)	(39,942,894)	(24,318,400)
Reinsurance and other recoveries revenue	60,308,845	55,478,877	101,785,121	117,896,697
Net insurance claims expense	139,879,504	143,723,140	279,808,431	257,142,280

	(Unaudited)		(Unaudited)	
	Three months period ended		Six months period ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	------(Rupees)-----		------(Rupees)-----	
<b>14. NET COMMISSION EXPENSE</b>				
Commissions paid or payable	29,501,512	31,452,305	58,504,014	61,760,968
Add: Deferred Commission - opening	59,102,097	59,407,567	60,865,415	59,557,949
Less: Deferred Commission - closing	(57,832,575)	(60,381,099)	(57,832,575)	(60,381,099)
Commission expense	30,771,034	30,478,773	61,536,854	60,937,818
Less: commission from reinsurers				
Commission received or receivable	1,935,798	2,021,252	4,776,285	2,163,203
Add: Deferred Commission - opening	5,103,180	141,951	4,569,980	-
Less: Deferred Commission - closing	(4,253,398)	(1,932,268)	(4,253,398)	(1,932,268)
Commission from reinsurance	2,785,580	230,935	5,092,867	230,935
Net Commission expense	27,985,454	30,247,838	56,443,987	60,706,883

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 15. INVESTMENT INCOME

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	------(Rupees)-----		------(Rupees)-----	
<b>Income from equity securities</b>				
<b>Available for sale investment</b>				
Dividend income	20,000	80,000	20,000	80,000
Net loss on sale / redemption of available-for-sale investment	(11,036,314)	-	(10,213,264)	-
	<u>(11,016,314)</u>	<u>80,000</u>	<u>(10,193,264)</u>	<u>80,000</u>
<b>Income from equity securities</b>	<b>(11,016,314)</b>	<b>80,000</b>	<b>(10,193,264)</b>	<b>80,000</b>
<b>Income from debt securities</b>				
-Return on debt securities	1,031,555	3,465,136	3,656,555	6,090,136
<b>Income from term deposits</b>				
-Return on term deposits	8,325,061	10,236,976	16,101,988	19,105,819
	<u>(1,659,698)</u>	<u>13,782,112</u>	<u>9,565,279</u>	<u>25,275,955</u>
Investment related expenses	-	-	(17,394)	(12,969)
Investment income / (loss)	<u>(1,659,698)</u>	<u>13,782,112</u>	<u>9,547,885</u>	<u>25,262,986</u>

## 16. OTHER INCOME

This includes Tracker rentals charged to Window Takaful Operations of Rs. 58,290,833 (2016: Rs. 45,169,830)

## 17. OTHER EXPENSES

This includes advertisement expense of Rs. 38.695 million (2016: Rs. 17.511 million), donation of Rs. 10.757 million (2016: Rs. 1.585 million) and rentals including annual monitoring fee for tracking devices used by the Window Takaful Operations Rs. 58.291 million (2016: Rs. 45.170 million).

## 18. EARNINGS (AFTER TAX) PER SHARE

Profit after tax for the period	<u>43,786,917</u>	<u>21,029,316</u>	<u>75,588,262</u>	<u>56,346,374</u>
	(Number of shares)			
Weighted average number of ordinary shares of Rs.10 each	<u>75,515,899</u>	<u>75,515,899</u>	<u>75,515,899</u>	<u>75,515,899</u>
	(Rupees)			
Earnings per share - basic and diluted	<u>0.58</u>	<u>0.28</u>	<u>1.00</u>	<u>0.75</u>

## 19. TRANSACTIONS WITH RELATED PARTIES

19.1 The related parties comprise Holding Company, associated undertakings, common directorships, employees provident fund, directors and key management personnel. The balances with / due from and transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

	(Unaudited) 30 June 2017	30 June 2016
	----- (Rupees) -----	
<b>19.2 Balances and transactions with related parties</b>		
<b>TPL Trakker Limited - (associated company)</b>		
Opening balance - receivable	75,450,164	209,877,167
Tracking units purchased during the period	-	(48,648,195)
Cost of services provided to the Company	(63,492,498)	(95,118,054)
Interest charged during the period	3,583,723	9,428,409
Equipment removal / transfer charges	(7,631,870)	(9,750,811)
Net expenses charged to the Company / by the Company	(39,586,323)	(33,776,207)
Receivable in respect of sale of C-Track units installed in vehicles	320,479,898	-
Rent charged on tracking units	(316,010,917)	-
Net payment made by the Company	59,449,433	90,089,484
Closing balance - receivable	<u>32,241,610</u>	<u>122,101,793</u>
<b>TPL Properties Limited- common directorship</b>		
Opening balance - receivable	8,578,400	18,929,201
Advance rent paid during the period	45,014,501	40,921,135
Rent and maintenance expenses during the period	(21,483,909)	(19,530,543)
Expenses incurred on behalf of the company	1,979,108	-
Mark-up received during the period	-	(11,280,823)
Closing balance - receivable	<u>34,088,100</u>	<u>29,038,970</u>
Investment held at period end - at market value	98,000,000	-
<b>Virtual World (Private) Limited - common directorship</b>		
Opening accrued outsourcing expenses	736,000	1,344,000
Services received during the period	4,462,000	4,032,000
Payments made during the period	(3,726,000)	(3,360,000)
Closing accrued outsourcing expenses	<u>1,472,000</u>	<u>2,016,000</u>
<b>TRG Pakistan Limited</b>		
Opening balance	5,050,162	-
Sublet of office premises	1,139,165	4,926,153
Payment received during the period	(5,304,391)	-
Closing balance	<u>884,936</u>	<u>4,926,153</u>
<b>Centrepoint Management Services (Private) Limited - common directorship</b>		
Opening balance - payable	2,665,969	1,805,954
Prepaid maintenance charges during the period	8,492,357	5,511,264
Services received during the period	4,800,126	4,515,098
Payments made during the period	(14,279,994)	(8,455,828)
Closing balance - payable	<u>1,678,458</u>	<u>3,376,488</u>
<b>TPL Security Services (Private) Limited - common directorship</b>		
Opening balance	-	132,000
Expenses incurred on behalf of the company	659,702	-
Services received during the period	500,000	409,904
Payments made during the period	(500,000)	(541,904)
Closing balance - payable	<u>659,702</u>	<u>-</u>
<b>TPL Direct Insurance Limited Employees Provident Fund - Retirement benefit fund of the Company</b>		
Opening balance - payable	1,173,732	917,102
Charge for the period	15,485,942	7,043,682
Contribution made during the period	(15,373,662)	(7,091,510)
Closing balance - payable	<u>1,286,012</u>	<u>869,274</u>
<b>Window Takaful Operations - Participant Takaful Fund</b>		
Opening balance - receivable	5,897,661	5,032,164
Tracking rental charged during the period	70,630,000	52,840,000
Payments (received) / made by the Company on behalf of PTF - net	(1,753,206)	10,347,317
Payments received during the period	-	(60,096,823)
Closing balance - receivable	<u>74,774,455</u>	<u>8,122,658</u>

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 20. SEGMENT INFORMATION

	Six months period ended 30 June 2017					
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium (inclusive of Administrative Surcharge)	17,955,356	9,697,802	625,357,912	24,034,139	6,054,330	683,099,539
Insurance premium earned	30,472,844	9,970,864	620,169,412	37,953,665	4,044,093	702,610,878
Insurance premium ceded to reinsurers	(24,164,200)	(6,093,114)	(5,305,228)	(209,859)	(693,276)	(36,465,677)
Net insurance premium	6,308,644	3,877,750	614,864,184	37,743,806	3,350,817	666,145,201
Commission income	3,438,770	1,462,346	-	-	191,751	5,092,867
<b>Net underwriting income</b>	<b>9,747,414</b>	<b>5,340,096</b>	<b>614,864,184</b>	<b>37,743,806</b>	<b>3,542,568</b>	<b>671,238,068</b>
Insurance claims	(9,340,579)	(3,268,281)	(359,721,113)	(8,897,475)	(366,104)	(381,593,552)
Insurance claims recovered from reinsurers	9,689,701	2,571,507	89,542,668	-	18,755	101,785,121
Net Claims	349,122	(696,774)	(270,178,445)	(8,897,475)	(347,349)	(279,808,431)
Commission expense	(3,190,756)	(2,306,628)	(37,825,130)	(16,939,833)	(1,274,507)	(61,536,854)
Management expenses	(1,332,182)	(1,294,232)	(189,427,309)	(5,096,269)	(210,016)	(197,360,008)
<b>Net insurance claims and expenses</b>	<b>(4,173,816)</b>	<b>(4,297,634)</b>	<b>(497,430,884)</b>	<b>(30,933,577)</b>	<b>(1,831,872)</b>	<b>(538,705,293)</b>
<b>Underwriting result</b>	<b>5,573,598</b>	<b>1,042,462</b>	<b>117,433,300</b>	<b>6,810,229</b>	<b>1,710,696</b>	<b>132,532,775</b>
Investment income						9,547,885
Other income						72,233,813
Other expenses						(137,945,559)
Results of operating activities						76,368,914
Other charges						(183,675)
<b>Profit before tax from General Insurance Operations</b>						<b>76,185,239</b>
<b>Profit before tax from Window Takaful Operations - Operator's Fund</b>						<b>36,006,716</b>
<b>Profit before tax for the period</b>						<b>112,191,955</b>

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

	Six months period ended 30 June 2016					
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium (inclusive of Administrative Surcharge)	10,380,993	1,319,101	611,051,591	38,281,167	2,275,048	663,307,900
Insurance premium earned	716,236	436,148	550,345,873	38,348,091	2,172,660	592,019,008
Insurance premium ceded to reinsurers	(670,940)	(390,588)	(3,920,152)	(417,847)	-	(5,399,527)
<b>Net insurance premium</b>	<b>45,296</b>	<b>45,560</b>	<b>546,425,721</b>	<b>37,930,244</b>	<b>2,172,660</b>	<b>586,619,481</b>
Commission income	137,193	93,742	-	-	-	230,935
<b>Net underwriting income</b>	<b>182,489</b>	<b>139,302</b>	<b>546,425,721</b>	<b>37,930,244</b>	<b>2,172,660</b>	<b>586,850,416</b>
Insurance claims	201,182	-	361,644,509	13,089,950	103,336	375,038,977
Insurance claims recovered from reinsurers	191,123	-	117,705,574	-	-	117,896,697
<b>Net Claims</b>	<b>(10,059)</b>	<b>-</b>	<b>(243,938,935)</b>	<b>(13,089,950)</b>	<b>(103,336)</b>	<b>(257,142,280)</b>
Commission expense	(4,615)	(93,704)	(41,957,588)	(17,952,617)	(929,294)	(60,937,818)
Management expenses	(235,088)	(143,156)	(180,638,660)	(12,586,899)	(713,127)	(194,316,930)
<b>Net insurance claims and expenses</b>	<b>(249,762)</b>	<b>(236,860)</b>	<b>(466,535,183)</b>	<b>(43,629,466)</b>	<b>(1,745,757)</b>	<b>(512,397,028)</b>
<b>Underwriting result</b>	<b>(67,273)</b>	<b>(97,558)</b>	<b>79,890,538</b>	<b>(5,699,222)</b>	<b>426,903</b>	<b>74,453,388</b>
Investment income						25,262,986
Other income						65,420,114
Other expenses						(95,182,673)
<b>Results of operating activities</b>						<b>69,953,815</b>
Financial charges						(6,517)
<b>Profit before tax from General Insurance Operations</b>						<b>69,947,298</b>
<b>Profit before tax from Window Takaful Operations - Operator's Fund</b>						<b>18,384,715</b>
<b>Profit before tax for the period</b>						<b>88,332,013</b>

# Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 21. GENERAL

21.1 Figures in these condensed interim financial statements for the quarters ended 30 June 2017 and 30 June 2016 have not been subjected to limited scope review of the auditors.

21.2 As a result of adoption of Insurance Rules, 2017 and Insurance Regulations, 2017 (note 3.2.1), corresponding figures have been rearranged wherever necessary, for purposes of comparison. There were no material reclassification to report except as disclosed in note 3.2.1.1 to the condensed interim financial statements and as follows:

Nature	Transfer from	Transfer to	Rupees
Term deposit receipts	Cash and Bank Balances	Investments	717,000,000
Accrued investment income	Accrued investment income	Loans and other receivables	8,306,216
Sundry receivables	Sundry receivables	Loans and other receivables	14,904,838
Advances and deposits	Advances and deposits	Loans and other receivables	87,767,868
Accrued expenses	Accrued expenses	Other creditors and accruals	6,717,360
Other charges	Other charges/financial charges	Other expenses	38,452,618

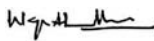
21.3 Figures have been rounded off to the nearest Rupee.

## 22. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 15 August 2017 by the Board of Directors of the Company.



Chief Executive



Director



Director



Chairman



ANNEXURE A  
**WINDOW TAKAFUL OPERATIONS**

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

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## Introduction

We have reviewed the accompanying condensed interim statement of financial position of TPL Direct Insurance Limited - Window Takaful Operations (the Operator) as at 30 June 2017 and the related condensed interim statement of comprehensive income, condensed interim statements of changes in fund, cash flows, 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 inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

Date: 15 August, 2017  
Karachi.



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**Chartered Accountants**  
**Audit Engagement Partner:**  
**Arslan Khalid**

# Window Takaful Operations

## Condensed Interim Statement of Financial Position

As at 30 June 2017

	(Unaudited)			(Audited)		
	2017			2016		
	(Rupees)			(Rupees)		
Note	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
<b>ASSETS</b>						
<b>Investments</b>						
Equity securities	-	147,831,996	147,831,996	-	-	-
Term deposits	100,000,000	5,000,000	105,000,000	100,000,000	135,000,000	235,000,000
	100,000,000	152,831,996	252,831,996	100,000,000	135,000,000	235,000,000
Sundry receivables	225,211,447	-	225,211,447	192,947,780	10,705,490	203,653,270
Accrued Investment Income	303,842	(113,631)	190,211	147,603	1,583,325	1,730,928
Contribution due but unpaid - PTF	-	180,674,979	180,674,979	-	96,419,263	96,419,263
Salvage recoveries accrued	-	29,873,536	29,873,536	-	31,752,306	31,752,306
Deferred Wakala expense	-	164,923,313	164,923,313	-	141,252,517	141,252,517
Deferred commission expense	23,642,554	-	23,642,554	13,089,882	-	13,089,882
Prepayments	448,685	66,835,537	67,284,222	448,685	56,729,671	57,178,356
	249,606,528	442,193,734	691,800,262	206,633,950	338,442,572	545,076,522
<b>Bank deposits</b>						
Current and other accounts	21,368,389	74,346,993	95,715,382	12,296,087	52,154,833	64,450,920
	21,368,389	74,346,993	95,715,382	12,296,087	52,154,833	64,450,920
<b>Total assets</b>	<b>370,974,917</b>	<b>669,372,723</b>	<b>1,040,347,640</b>	<b>318,930,037</b>	<b>525,597,405</b>	<b>844,527,442</b>

# Window Takaful Operations

## Condensed Interim Statement of Financial Position

As at 30 June 2017


Note	(Unaudited) 2017			(Audited) 2016		
	(Rupees)			(Rupees)		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
<b>EQUITY AND LIABILITIES</b>						
<b>RESERVES ATTRIBUTABLE TO:</b>						
<b>- OPERATORS' FUND (OF)</b>						
Statutory Fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Unappropriated profit	59,984,806	-	59,984,806	34,780,105	-	34,780,105
	<u>109,984,806</u>	<u>-</u>	<u>109,984,806</u>	<u>84,780,105</u>	<u>-</u>	<u>84,780,105</u>
<b>- WAQF / PARTICIPANT'S TAKAFUL FUND (PTF)</b>						
Ceded money	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Accumulated deficit	-	(155,325,336)	(155,325,336)	-	(123,881,544)	(123,881,544)
Unrealized gain on available-for-sale investments	-	165,077	165,077	-	-	-
	<u>-</u>	<u>(153,160,259)</u>	<u>(153,160,259)</u>	<u>-</u>	<u>(121,881,544)</u>	<u>(121,881,544)</u>
<b>LIABILITIES</b>						
<b>PTF Underwriting provisions</b>						
Outstanding claims (including IBNR)	-	82,694,660	82,694,660	-	63,703,488	63,703,488
Unearned contribution reserve	-	412,308,282	412,308,282	-	353,131,293	353,131,293
Unearned retakaful commission	-	407,167	407,167	-	35,684	35,684
Unearned Wakala Fee	164,923,313	-	164,923,313	141,252,517	-	141,252,517
Qard-e-Hasna	6	124,000,000	124,000,000	-	110,000,000	110,000,000
Contribution received in advance	-	1,576,613	1,576,613	-	20,311,908	20,311,908
Amounts due to other takaful / retakaful operators	-	24,737,847	24,737,847	-	94,398,914	119,252,180
Other creditors and accruals	24,000,158	102,033,958	126,034,116	24,853,266	5,897,662	61,921,602
Payable to TPL Direct Insurance Limited	7	50,076,783	74,774,455	56,023,940	-	12,020,209
Taxation - payments less provision	-	-	21,989,857	-	-	-
		<u>260,990,111</u>	<u>822,532,982</u>	<u>1,083,523,093</u>	<u>234,149,932</u>	<u>647,478,949</u>
<b>Total Liabilities</b>		<u>260,990,111</u>	<u>822,532,982</u>	<u>1,083,523,093</u>	<u>234,149,932</u>	<u>647,478,949</u>
<b>Total fund and liabilities</b>		<u>370,974,917</u>	<u>669,372,723</u>	<u>1,040,347,640</u>	<u>318,930,037</u>	<u>525,597,405</u>
<b>Contingency and commitment</b>		-	-	-	-	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Director

  
Chairman

# Window Takaful Operations Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period ended 30 June 2017

	(Unaudited) Three months period ended 30 June		(Unaudited) Six months period ended 30 June		
	2017	2016	2017	2016	
	------(Rupees)-----		------(Rupees)-----		
<b>Revenue Account</b>					
<b>Participants' Takaful Fund</b>					
Gross takaful contribution	10	186,476,255	128,538,440	360,794,087	243,855,785
Net takaful claims	11	(83,658,137)	(78,156,130)	(177,730,763)	(149,489,453)
Wakala expensed during the period	13	(80,397,758)	(55,713,690)	(155,896,458)	(106,241,784)
Direct expenses		(31,507,500)	(23,009,417)	(58,290,833)	(45,169,830)
<b>Underwriting result</b>		<b>(9,087,140)</b>	<b>(28,340,797)</b>	<b>(31,123,967)</b>	<b>(57,045,282)</b>
Investment income net of mudarib's fee of Rs. 2.21 (2016: Rs. 1.08) million		(3,290,162)	2,511,749	(319,825)	2,511,749
<b>Deficit for the period</b>		<b>(12,377,302)</b>	<b>(25,829,048)</b>	<b>(31,443,792)</b>	<b>(54,533,533)</b>

## Other comprehensive income :

Unrealised loss on available-for-sale investments

Loss transferred to profit for the period

- Realized upon sale / redemption of available-for-sale investments

Total other comprehensive income

(2,168,004)	-	(2,168,004)	-
2,333,081	-	2,333,081	-
165,077	-	165,077	-
<b>(12,212,225)</b>	<b>(25,829,048)</b>	<b>(31,278,715)</b>	<b>(54,533,533)</b>

**Total comprehensive income/ (loss) for the period**

## Revenue Account

### Operator's Fund


Wakala fee	13	80,397,758	55,713,690	155,896,458	106,241,784
Net commission and other acquisition costs	12	(9,817,805)	(9,371,796)	(16,364,747)	(20,788,434)
Management expenses		(27,617,984)	(32,839,836)	(59,916,592)	(49,659,633)
		42,961,969	13,502,058	79,615,119	35,793,717
Investment income including mudarib's fee of Rs. 2.21 (2016: Rs. 1.08) million		2,332,689	2,502,109	4,943,361	4,478,258
		45,294,658	16,004,167	84,558,480	40,271,975
Other expenses		(22,588,924)	(14,400,284)	(48,551,764)	(21,828,521)
Financial charges		-	(38,439)	-	(58,739)
<b>Profit before taxation</b>		<b>22,705,734</b>	<b>1,565,444</b>	<b>36,006,716</b>	<b>18,384,715</b>
Taxation - net		(6,678,711)	(288,451)	(10,802,015)	(5,699,262)
<b>Profit after tax for the period</b>		<b>16,027,023</b>	<b>1,276,993</b>	<b>25,204,701</b>	<b>12,685,453</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>16,027,023</b>	<b>1,276,993</b>	<b>25,204,701</b>	<b>12,685,453</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Director

  
Chairman

# Window Takaful Operations

## Condensed Interim Statement of Changes in Fund (Unaudited)

For the period ended 30 June 2017

	Operators' Fund		Total
	Statutory Fund	Accumulated profit	
	(Rupees)		
Balance as at 1 January 2016	50,000,000	10,263,569	60,263,569
Net profit for the period ended 30 June 2016	-	12,685,453	12,685,453
<b>Balance as at 30 June 2016</b>	<b>50,000,000</b>	<b>22,949,022</b>	<b>72,949,022</b>
Balance as at 1 January 2017	<b>50,000,000</b>	<b>34,780,105</b>	<b>84,780,105</b>
Net profit for the period ended 30 June 2017	-	25,204,701	25,204,701
<b>Balance as at 30 June 2017</b>	<b>50,000,000</b>	<b>59,984,806</b>	<b>109,984,806</b>


	Participants' Takaful Fund			Total
	Ceded Money	Accumulated deficit	Unrealized gain on revaluation of available-for-sale investments	
	(Rupees)			
Balance as at 1 January 2016	2,000,000	(57,107,080)	-	(55,107,080)
<b>Total comprehensive income</b>				
Deficit for the year	-	(54,533,533)	-	(54,533,533)
Other comprehensive income	-	-	-	-
	-	(54,533,533)	-	(54,533,533)
<b>Balance as at 30 June 2016</b>	<b>2,000,000</b>	<b>(111,640,613)</b>	<b>-</b>	<b>(109,640,613)</b>
Balance as at 1 January 2017	<b>2,000,000</b>	<b>(123,881,544)</b>	<b>-</b>	<b>(121,881,544)</b>
<b>Total comprehensive income</b>				
Deficit for the period ended 30 June 2017	-	(31,443,792)	-	(31,443,792)
Other comprehensive income	-	-	165,077	165,077
	-	(31,443,792)	165,077	(31,278,715)
<b>Balance as at 30 June 2017</b>	<b>2,000,000</b>	<b>(155,325,336)</b>	<b>165,077</b>	<b>(153,160,259)</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Director

  
Chairman

# Window Takaful Operations

## Condensed Interim Statement of Cash Flow (Unaudited)


For the period ended 30 June 2017

	(Unaudited) 30 June 2017		(Audited) 30 June 2016	
	Operator's Fund	Participants' Takaful Fund	Aggregate	
	(Rupees)			
<b>Operating activities</b>				
<b>(a) Takaful activities</b>				
Contributions received	-	347,108,021	347,108,021	278,005,176
Retakaful contribution paid	-	(4,361,938)	(4,361,938)	2,918,147
Claims paid	-	(190,777,704)	(190,777,704)	(183,620,315)
Retakaful and other recoveries received	-	33,916,883	33,916,883	38,860,135
Commission paid	(8,730,071)	-	(8,730,071)	(19,266,759)
Wakala fees received	223,430,429	-	223,430,429	110,738,663
Wakala fees paid	-	(223,430,429)	(223,430,429)	(110,738,663)
Net cash inflow from takaful activities	214,700,358	(37,545,167)	177,155,191	116,896,384
<b>(b) Other operating activities</b>				
Income tax paid	(834,527)	-	(834,527)	(22,767)
Direct expenses paid	-	(2,274,107)	(2,274,107)	(46,220,909)
Other operating payments	(193,717,214)	-	(193,717,214)	(73,738,089)
Other operating receipts	-	64,424,768	64,424,768	52,402,592
Net cash outflow from other operating activities	(194,551,741)	62,150,661	(132,401,080)	(67,579,173)
<b>Total cash generated from / (used in ) all operating activities</b>	<b>20,148,617</b>	<b>24,605,494</b>	<b>44,754,111</b>	<b>49,317,211</b>
<b>Investment activities</b>				
Profit / return received	2,923,685	3,586,666	6,510,351	6,613,606
Investment in Mutual funds	-	(150,000,000)	(150,000,000)	(320,000,000)
Encashment of Term Deposit Receipts	-	130,000,000	130,000,000	275,000,000
Qard-e-Hasna	(14,000,000)	14,000,000	-	-
<b>Total cash (used in) / generated from investing activities</b>	<b>(11,076,315)</b>	<b>(2,413,334)</b>	<b>(13,489,649)</b>	<b>(38,386,394)</b>
<b>Financing activities</b>				
Financial charges paid	-	-	-	(20,300)
<b>Total cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,300)</b>
<b>Net cash generated from all activities</b>	<b>9,072,302</b>	<b>22,192,160</b>	<b>31,264,462</b>	<b>10,910,517</b>
<b>Cash and cash equivalent at end of the period</b>	<b>21,368,389</b>	<b>74,346,993</b>	<b>95,715,382</b>	<b>24,665,971</b>

  
Chief Executive

  
Director

  
Director

  
Chairman

# Window Takaful Operations - Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 1. LEGAL 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 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 These condensed interim financial statements of the Operator for the six months period ended 30 June 2017 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 (Repealed note 2.1.1), the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012, shall prevail.
- 2.1.1 The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its press release dated 20 July 2017, these condensed interim financial information have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.2 These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' 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 these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O. 89(I)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Operator for the year ended 31 December 2016.
- 2.4 These condensed interim financial statements are presented in Pak Rupees which is also the Operator's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupees, unless otherwise stated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are consistent with those disclosed in the annual financial statements of the Operator as at and for the year ended 31 December 2016, except as follows:

### 3.1.1 Changes in accounting policies

#### 3.1.1.1 Adoption of new Insurance Rules, 2017 and Insurance Accounting Regulation, 2017

During the period SECP, has issued the Insurance Rules, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of the financial statements. The new Insurance Rules are effective for the current period financial statements. Under the new Insurance Rules, 2017, certain changes have been made to the presentation of the financial statements which include the following:

- Changes in the sequence of assets/ liabilities in the statement of financial position;
- Discontinuation of separate statements of premiums, claims, commission and investment income, which are now presented (on aggregate basis) into the notes of the financial statements (note 10, 11 and 12);
- Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in a separate note (note 15).

#### 3.1.1.2 Adoption of amendments to Accounting Standards

The Operator has adopted the following standards and amendment to IFRSs which became effective for the current period:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.



# Window Takaful Operations - Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these 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 Operator's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2016.

## 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 2016.

## 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 represents payable in respect of expenses incurred by TPL Direct Insurance Limited on behalf of WTO.

## 8. INVESTMENTS

### 8.1 IN EQUITY SECURITIES

#### 8.1.1 Available-for-sale

##### 8.1.1.1 Mutual fund units

	(Unaudited)	(Audited)		(Unaudited)	(Audited)
	30 June 2017	31 December 2016		30 June 2017	31 December 2016
	(Number of shares)			(Rupees)	
			Name of Investee Company		
	745,361	-	ALHAMRA Islamic Income Fund	75,337,782	-
	5,917,895	-	ALHAMRA Islamic Stock Fund	72,494,214	-
	<u>6,663,256</u>			<u>147,831,996</u>	

8.1.1.2 The aggregate cost of the available for sale equity investment is Rs. 147.596 million (2016: NIL).

### 8.2 IN TERM DEPOSITS

	Note	(Unaudited)		
		OF	PTF	Total
		(Rupees)		
<b>Held to maturity</b>				
Deposits maturing within 12 months	8.2.1	100,000,000	5,000,000	105,000,000
		(Audited)		
		31 December 2016		
		OF	PTF	Total
		(Rupees)		
<b>Held to maturity</b>				
Deposits maturing within 12 months		100,000,000	135,000,000	235,000,000

8.2.1 These carry profit rate ranging from 4.70% to 5.75% per annum and have maturities upto 30 November 2017.

# Window Takaful Operations - Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

9. BANK DEPOSITS	Note	(Unaudited)		
		30 June 2017		
		OF	PTF	Total
		(Rupees)		
<b>Current and other accounts</b>				
Current Accounts		-	1,219,104	1,219,104
Profit and loss sharing (PLS) accounts	9.1	21,368,389	73,127,889	94,496,278
		<u>21,368,389</u>	<u>74,346,993</u>	<u>95,715,382</u>
<b>(Audited)</b>				
<b>31 December 2016</b>				
		OF	PTF	Total
		(Rupees)		
<b>Current and other accounts</b>				
Current Accounts		-	1,219,104	1,219,104
Profit and loss sharing (PLS) accounts		12,296,087	50,935,729	63,231,816
		<u>12,296,087</u>	<u>52,154,833</u>	<u>64,450,920</u>

9.1 These accounts carry profit at a rate between 3.25% to 5.45% (2016: 3.25% to 5.45%) per annum.

10. NET TAKAFUL CONTRIBUTION	Three months period ended		Six months period ended	
	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
	(Rupees)		(Rupees)	
Written Gross contribution	205,237,587	159,217,130	425,704,858	329,814,728
Add: Unearned contribution reserve opening	396,564,077	275,744,432	353,131,293	221,979,679
Less: Unearned contribution reserve closing contribution earned	<u>(412,308,282)</u>	<u>(304,898,556)</u>	<u>(412,308,282)</u>	<u>(304,898,556)</u>
	189,493,382	130,063,006	366,527,869	246,895,851
Less: Retakaful contribution ceded	2,795,384	217,586	3,500,481	217,586
Add: Prepaid retakaful contribution opening	5,862,280	3,031,000	7,873,838	4,546,500
Less: Prepaid retakaful contribution closing	<u>(5,640,537)</u>	<u>(1,724,020)</u>	<u>(5,640,537)</u>	<u>(1,724,020)</u>
Retakaful expense	3,017,127	1,524,566	5,733,782	3,040,066
Net takaful contribution	<u>186,476,255</u>	<u>128,538,440</u>	<u>360,794,087</u>	<u>243,855,785</u>

11. NET TAKAFUL CLAIMS EXPENSE	Three months period ended		Six months period ended	
	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
Claims Paid	105,634,029	88,384,909	190,777,704	183,620,315
Add: Outstanding claims including IBNR closing	82,694,660	78,121,732	82,694,660	78,121,732
Less: Outstanding claims including IBNR opening	<u>(82,680,446)</u>	<u>(66,664,075)</u>	<u>(63,703,488)</u>	<u>54,157,459</u>
Claims expense	105,648,243	99,842,566	209,768,876	207,584,588
Less: Retakaful and other recoveries received	13,129,570	14,926,436	33,916,883	38,860,135
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	29,873,536	25,935,000	29,873,536	25,935,000
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	<u>(21,013,000)</u>	<u>(19,175,000)</u>	<u>(31,752,306)</u>	<u>6,700,000</u>
Retakaful and other recoveries revenue	21,990,106	21,686,436	32,038,113	71,495,135
Net takaful claims expense	<u>83,658,137</u>	<u>78,156,130</u>	<u>177,730,763</u>	<u>149,489,453</u>

# Window Takaful Operations - Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

	Three months period ended		Six months period ended	
	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
<b>12. NET COMMISSION</b>				
Commissions paid or payable	23,426,947	6,349,953	26,975,093	15,821,102
Add: Deferred Commission - opening	10,079,046	19,176,241	13,089,882	21,121,730
Less: Deferred Commission - closing	(23,642,554)	(16,154,398)	(23,642,554)	(16,154,398)
Commission expense	<u>9,863,439</u>	<u>9,371,796</u>	<u>16,422,421</u>	<u>20,788,434</u>
Less: commission from reinsurers				
Commission received or receivable	416,050	-	429,157	-
Add: Deferred Commission - opening	36,751	-	35,684	-
Less: Deferred Commission - closing	(407,167)	-	(407,167)	-
Commission from reinsurance	<u>45,634</u>	<u>-</u>	<u>57,674</u>	<u>-</u>
Net Commission expense	<u>9,817,805</u>	<u>9,371,796</u>	<u>16,364,747</u>	<u>20,788,434</u>

	Three months period ended		Six months period ended	
	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
<b>13. NET WAKALA FEE</b>				
Gross Wakala Fee	86,695,440	67,375,339	179,567,254	139,409,335
Add: Deferred wakala fee - opening	158,625,631	110,297,773	141,252,517	88,791,871
Less: Deferred wakala fee - closing	(164,923,313)	(121,959,422)	(164,923,313)	(121,959,422)
Net wakala fee	<u>80,397,758</u>	<u>55,713,690</u>	<u>155,896,458</u>	<u>106,241,784</u>

## 14. TRANSACTIONS WITH RELATED PARTIES - PTF

### TPL Direct Insurance Limited

Opening balance - payable		5,897,661	5,032,164
Services received during the period		70,630,000	52,840,000
Payments received by the Company on behalf of PTF - net		(1,753,206)	10,347,317
Payments made during the period		-	(60,096,823)
Closing balance - payable		<u>74,774,455</u>	<u>8,122,658</u>

### Operator's Fund

Opening balance - payable		182,242,290	63,560,087
Wakala fee during the period		176,842,315	197,601,005
Qard-e-Hasna		14,000,000	30,000,000
Modarib Fee		2,249,768	1,075,285
Payments made by OF on behalf of PTF		85,918,592	-
Net payments made during the period		(230,000,000)	(116,764,055)
Closing balance - payable		<u>231,252,965</u>	<u>175,472,322</u>

(Unaudited)  
30 June  
2017  
(Rupees)  
(Unaudited)  
30 June  
2016

# Window Takaful Operations - Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 15. SEGMENT INFORMATION

Six months period ended 30 June 2017 (Unaudited)  
(Rupees)

	Fire & property damage	Motor	Health	Aggregate
<b>15.1 Participants' Takaful Fund</b>				
Gross Written Premium (inclusive of Administrative Surcharge)	6,632,818	419,072,040	-	425,704,858
Insurance premium earned	2,199,226	363,474,708	853,935	366,527,869
Insurance premium ceded to reinsurers	1,440,782	4,293,000	-	5,733,782
Net insurance premium	758,444	359,181,708	853,935	360,794,087
<b>Net underwriting income</b>	758,444	359,181,708	853,935	360,794,087
Insurance claims	-	209,048,877	719,999	209,768,876
Insurance claims recovered from reinsurers	-	32,038,113	-	32,038,113
Net Claims	-	177,010,764	719,999	177,730,763
Wakala expensed during the period	(951,502)	(154,603,382)	(341,574)	(155,896,458)
Direct expenses	-	(58,290,833)	-	(58,290,833)
<b>Underwriting result</b>	<u>(193,058)</u>	<u>(30,723,271)</u>	<u>(207,638)</u>	<u>(31,123,967)</u>
Investment income				(319,825)
<b>Deficit for the period</b>				<u>(31,443,792)</u>
<b>15.2 Operator's Fund</b>				
Wakala fee	951,502	154,603,382	341,574	155,896,458
Commission income	57,674	-	-	57,674
Commission expense	(68,873)	(16,353,548)	-	(16,422,421)
Management expenses	(359,509)	(59,417,490)	(139,593)	(59,916,592)
<b>Underwriting result</b>	<u>580,794</u>	<u>78,832,344</u>	<u>201,981</u>	79,615,119
Investment income				4,943,361
Other expenses				(48,551,764)
Financial charges				-
<b>Profit before taxation</b>				<u>36,006,716</u>

# Window Takaful Operations - Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

	Six months period ended 30 June 2016 (Unaudited)			
	(Rupees)			
	Fire & property damage	Motor	Health	Aggregate
<b>Participants' Takaful Fund</b>				
Gross Written Premium (inclusive of Administrative Surcharge)	285,584	329,529,144	-	329,814,728
Insurance contribution earned	11,899	245,993,887	890,065	246,895,851
Insurance contribution ceded to retakaful operators	9,066	3,031,000	-	3,040,066
Net insurance contribution	<u>2,833</u>	<u>242,962,887</u>	<u>890,065</u>	<u>243,855,785</u>
<b>Net underwriting income</b>	<u>2,833</u>	<u>242,962,887</u>	<u>890,065</u>	<u>243,855,785</u>
Insurance claims	-	207,298,365	286,223	207,584,588
Insurance claims recovered from retakaful operators	-	58,095,135	-	58,095,135
Net Claims	-	(149,203,230)	(286,223)	(149,489,453)
Wakala expensed during the period	(12,921)	(105,872,837)	(356,026)	(106,241,784)
Direct expenses	-	(45,169,830)	-	(45,169,830)
<b>Underwriting result</b>	<u>(10,088)</u>	<u>(57,283,010)</u>	<u>247,816</u>	<u>(57,045,282)</u>
Investment income				2,511,749
<b>Deficit for the period</b>				<u>(54,533,533)</u>
<b>Operator's Fund</b>				
Wakala fee	12,921	105,872,837	356,026	106,241,784
Commission income	-	-	-	-
Commission expense	-	(20,788,434)	-	(20,788,434)
Management expenses	(2,393)	(49,478,216)	(179,024)	(49,659,633)
<b>Underwriting result</b>	<u>10,528</u>	<u>35,606,187</u>	<u>177,002</u>	<u>35,793,717</u>
Investment income				4,478,258
Other expenses				(21,828,521)
Financial charges				(58,739)
<b>Profit before taxation</b>				<u>18,384,715</u>

# Window Takaful Operations - Notes to and Forming Part of the Condensed Interim Financial Statement (Unaudited)

For the period ended 30 June 2017

## 16. GENERAL

- 16.1 Figures in these condensed interim financial statements for the quarters ended 30 June 2017 and 30 June 2016 have not been subjected to limited scope review of the auditors.
- 16.2 As a result of adoption of Insurance Rules, 2017 and Insurance Regulations, 2017 (3.2.1), corresponding figures have been rearranged wherever necessary, for purposes of comparison. There were no material reclassification to report except as follows:

Nature	Transfer from	Transfer to	Rupees Aggregate
Term deposit receipts	Cash and Bank Balances	Investments	235,000,000
Accrued expenses	Accrued expenses	Other creditors and accruals	275,000

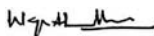
- 16.3 Figures have been rounded off to the nearest Rupee.

## 17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 15 August 2017 by the Board of Directors of the Operator.



Chief Executive



Director



Director



Chairman

## Category of Shareholding

As on 30 June 2017

Shareholders' Category	No. of Shareholders	Number of Shares Held	Percentage of Shareholding
<b>HOLDING COMPANY/ ASSOCIATED COMPANIES/UNDERTAKINGS AND RELATED PARTIES</b>			
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%
<b>DIRECTORS, THEIR SPOUSES AND MINOR CHILDREN</b>			
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%
<b>MUTUAL FUNDS</b>			
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%
<b>MORE THAN 5% VOTING RIGHTS</b>			
Greenoaks Global Holdings	1	52,196,397	69.1197%
TPL Trakker Limited	1	18,419,000	24.3909%

## Pattern of Shareholding

As on 30 June 2017

NO. OF SHAREHOLDERS	FROM	TO	SHARES HELD	PERCENTAGE %
236	1	100	2,053	0.0027
120	101	500	55,639	0.0737
58	501	1,000	57,233	0.0758
63	1,001	5,000	171,885	0.2276
17	5,001	10,000	151,432	0.2005
2	10,001	15,000	26,500	0.0351
11	15,001	20,000	204,640	0.2710
3	20,001	25,000	73,669	0.0976
1	25,001	30,000	27,004	0.0358
2	30,001	35,000	65,742	0.0871
1	35,001	40,000	40,000	0.0530
2	40,001	45,000	89,500	0.1185
3	45,001	50,000	146,644	0.1942
1	50,001	55,000	54,000	0.0715
1	60,001	65,000	64,976	0.0860
1	65,001	70,000	67,845	0.0898
1	70,001	75,000	75,000	0.0993
1	75,001	80,000	77,500	0.1026
2	95,001	100,000	200,000	0.2648
1	100,001	105,000	104,500	0.1384
1	125,001	130,000	129,813	0.1719
1	130,001	135,000	134,184	0.1777
1	150,001	155,000	153,708	0.2035
2	195,001	200,000	395,000	0.5231
1	215,001	220,000	220,000	0.2913
1	285,001	290,000	289,847	0.3838
1	295,001	300,000	300,000	0.3973
1	300,001	305,000	301,686	0.3995
1	320,001	325,000	321,388	0.4256
1	350,001	355,000	352,000	0.4661
1	545,001	550,000	547,114	0.7245
2	18,415,001	18,420,000	18,419,000	24.3909
1	52,195,001	52,200,000	52,196,397	69.1197
<b>542</b>	<b>Company Total</b>		<b>75,515,899</b>	<b>100</b>



**TPL Direct Insurance Ltd.**

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