



KPMG Taseer Hadi & Co.
Chartered Accountants

TPL Direct Insurance Limited

Unconsolidated Condensed
Interim Financial Information
(Unaudited)
For the six months period ended
30 June 2011



KPMG Taseer Hadi & Co.
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Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying:

- i. Unconsolidated condensed interim balance sheet;
- ii. Unconsolidated condensed interim profit and loss account;
- iii. Unconsolidated condensed interim statement of changes in equity;
- iv. Unconsolidated condensed interim statement of cash flows;
- v. Unconsolidated condensed interim statement of premiums;
- vi. Unconsolidated condensed interim statement of claims;
- vii. Unconsolidated condensed interim statement of expenses;
- viii. Unconsolidated condensed interim statement of investment income;

and the notes to the unconsolidated condensed interim financial information of TPL Direct Insurance Limited as at 30 June 2011 and for the six months period then ended (here-in-after referred to as the "interim financial information"). 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 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 as at and for the six months period ended 30 June 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

Other matters

The figures for the three months period ended 30 June 2011 and 30 June 2010 in the interim financial information have not been reviewed and we do not express a conclusion on them.

Date: 12 OCT 2011

Karachi

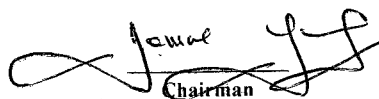
KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

TPL Direct Insurance Limited
 Unconsolidated Condensed Interim Balance Sheet (Unaudited)
 As at 30 June 2011

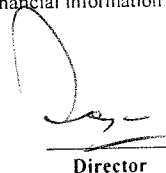
	Note	30 June 2011 (Unaudited) (Rupees)	31 December 2010 (Audited) (Rupees)		Note	30 June 2011 (Unaudited) (Rupees)	31 December 2010 (Audited) (Rupees)
Share capital and reserves				Cash and bank deposits			
Authorized share capital [50,000,000 (31 December 2010: 35,000,000) ordinary shares of Rs. 10 each]		<u>500,000,000</u>	<u>350,000,000</u>	Cash and other equivalent		157,102	38,849
Paid-up share capital [31,000,000 (31 December 2010: 31,000,000) ordinary shares of Rs. 10 each]		310,000,000	310,000,000	Current and other accounts		16,298,570	4,219,934
Advance against issue of shares		92,500,000	-	Deposits with State Bank of Pakistan		<u>400,000</u>	400,000
Accumulated Losses		<u>(108,769,951)</u>	<u>(114,493,402)</u>			16,855,672	4,658,783
Total equity		<u>293,730,049</u>	<u>195,506,598</u>	Loans to employees			
Underwriting provisions				Investments			
Provision for outstanding claims (including IBNR)		41,145,877	51,909,786	Secured and considered good		357,925	440,967
Provision for unearned premium		230,649,291	199,415,122		8	43,847,935	33,847,935
Commission income unearned		84,875	26,386	Deferred taxation			
Total underwriting provisions		<u>271,880,043</u>	<u>251,351,294</u>		9	33,425,980	33,398,571
Creditors and accruals				Current assets - others			
Premiums received in advance		1,945,870	2,867,950	Premiums due but unpaid - unsecured		26,356,064	13,597,470
Amounts due to other insurers / reinsurers		15,140,774	10,154,368	Amounts due from other insurers / reinsurers		2,754,393	2,754,393
Accrued expenses		2,379,169	2,086,084	Accrued investment income		800,000	789,041
Taxation - provision less payments		5,568,676	4,177,269	Reinsurance recoveries against outstanding claims		1,427,915	4,380,875
Other creditors and accruals	6	<u>90,506,527</u>	<u>53,452,060</u>	Deferred commission expense		22,447,066	21,401,063
		115,541,016	72,737,731	Advances, deposits and prepayments	10	239,191,745	128,244,158
Borrowings				Sundry receivables	11	<u>46,385,858</u>	47,503,534
Short term running finance		26,982,451	37,273,225			339,363,041	218,670,534
Other Liabilities				Fixed assets			
Obligation under finance lease		4,510,519	7,212,934	Tangible and intangible			
Total liabilities		<u>418,914,029</u>	<u>368,575,184</u>	Furniture and fixtures	12	486,544	542,662
COMMITMENT				Office equipment		2,391,819	2,732,125
				Motor vehicles		11,938,605	9,969,010
				Tracking devices		89,185,261	96,365,924
				Computer equipment		1,336,947	1,705,853
				Capital work-in-progress		172,898,386	160,998,386
				Intangible		<u>555,963</u>	751,032
						278,793,525	273,064,992
Total equity and liabilities				Total assets			
		<u>712,644,078</u>	<u>564,081,782</u>			<u>712,644,078</u>	<u>564,081,782</u>

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

KPMGTA


Chairman


Director


Director


Chief Executive

TPL Direct Insurance Limited

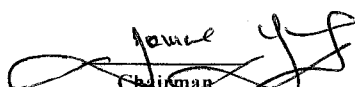
Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)

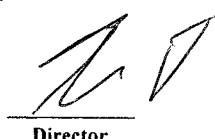
For the three month and six month ended 30 June 2011

Note	Three months period ended 30 June				
	Fire and property damage	Motor	Miscellaneous	Aggregate 2011	Aggregate 2010
	----- (Rupees) -----				
Revenue account					
Net premium revenue	-	115,123,085	869,592	115,992,677	70,136,331
Net claims	-	(36,104,149)	(1,395,000)	(37,499,149)	(29,711,151)
Expenses	-	(41,856,690)	-	(41,856,690)	(34,718,508)
Net commission	-	(10,968,968)	(477,208)	(11,446,176)	(8,946,749)
Underwriting result	-	26,193,278	(1,002,616)	25,190,662	(3,240,077)
Investment income				625,000	1,063,503
Other income				5,513,540	3,627,654
General and administration expenses 13				(25,180,993)	(18,624,041)
Financial charges				(1,705,048)	(2,165,401)
				(20,747,501)	(16,098,285)
Profit / (Loss) before tax				4,443,161	(19,338,362)
Provision for taxation - current				(2,366,491)	(1,024,370)
- prior				-	(1,499,772)
- deferred				27,409	(317,585)
				(2,339,082)	(2,841,727)
Profit / (Loss) after tax				2,104,079	(22,180,089)
	----- (Rupees) -----				
	Six months period ended 30 June				
	Fire and property damage	Motor	Others Classes	Aggregate 2011	Aggregate 2010
	----- (Rupees) -----				
Revenue account					
Net premium revenue	-	218,979,592	926,539	219,906,131	140,872,155
Net claims	-	(79,606,758)	(1,376,867)	(80,983,625)	(63,328,392)
Expenses	-	(78,499,365)	-	(78,499,365)	(66,454,983)
Net commission	-	(21,431,347)	(586,589)	(22,017,936)	(15,947,863)
Underwriting result	-	39,442,122	(1,036,917)	38,405,205	(4,859,083)
Investment income				1,226,096	1,458,024
Other income				10,670,741	5,357,024
General and administration expenses 13				(34,341,662)	(26,558,160)
Financial charges				(3,341,958)	(4,219,495)
				(25,786,783)	(23,962,607)
Profit / (Loss) before tax				12,618,422	(28,821,690)
Provision for taxation - current				(2,366,491)	(1,024,370)
- prior				-	(1,499,772)
- deferred				27,409	(317,585)
				(2,339,082)	(2,841,727)
Profit / (Loss) after tax				10,279,340	(31,663,417)
Profit and loss appropriation account					
Balance at commencement of the year				(114,493,402)	(96,481,986)
Profit / (loss) after tax for the period				10,279,340	(31,663,417)
Share issue cost				(4,555,889)	-
Balance of unappropriated loss at end of the six months				(108,769,951)	(128,145,403)
Earnings / (Loss) per share 15				0.33	(1.02)

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

KPMGTA


Chairman


Director


Director


Chief Executive

TPL Direct Insurance Limited

Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the six months period ended 30 June 2011

	30 June 2011	30 June 2010
	(Rupees)	
Operating activities		
(a) Underwriting activities		
Premiums received	236,910,940	205,859,952
Reinsurance premiums paid	4,796,435	(15,644,098)
Claims paid	(131,688,161)	(66,953,249)
Reinsurance and other recoveries	42,893,587	2,676,728
Commission paid	(20,504,589)	(19,867,224)
Commission received	134,720	61,220
Net cash inflow from underwriting activities	<u>132,542,932</u>	<u>106,133,329</u>
(b) Other operating activities		
Income tax	(975,084)	(181,390)
General management expenses paid	(152,806,361)	(119,492,617)
Loans advanced	(380,000)	(667,000)
Loans repayments received	463,042	206,448
Net cash inflow from other operating activities	<u>(153,698,403)</u>	<u>(120,134,559)</u>
Total cash used in all operating activities	<u>(21,155,471)</u>	<u>(14,001,230)</u>
Investment activities		
Profit / return received	1,215,137	1,219,086
Payments for investments	(110,000,000)	(60,193,954)
Proceeds from disposal of investments	100,000,000	60,439,467
Fixed capital expenditure	(30,144,031)	(2,606,406)
Proceeds from disposal of fixed assets	379,205	1,281,905
Total cash (used in) / inflow from investing activities	<u>(38,549,689)</u>	<u>140,098</u>
Financing activities		
Financial charges paid	(2,676,068)	(3,278,322)
Share Application money received	92,500,000	-
Share issue cost paid	(4,555,889)	-
Payments on finance leases	(3,075,220)	(2,285,798)
Total cash inflow / (used in) from financing activities	<u>82,192,823</u>	<u>(5,564,120)</u>
Net cash inflow / (used in) from all activities	<u>22,487,663</u>	<u>(19,425,252)</u>
Cash and cash equivalent at beginning of the period	(32,614,442)	(22,652,614)
Cash and cash equivalent at end of the period	<u>(10,126,779)</u>	<u>(42,077,866)</u>

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30 June
2011

30 June
2010

(Rupees)

Reconciliation to profit and loss account

Operating cash flows	(21,155,471)	(14,001,230)
Depreciation / amortization expense	(24,189,083)	(24,649,736)
Profit on disposal of fixed assets	152,790	844,840
Profit on disposal of investments	-	245,513
Increase in assets other than cash	120,598,506	72,870,883
Increase in liabilities other than short term running finance	<u>(61,647,542)</u>	<u>(61,124,976)</u>
	13,759,200	(25,814,706)
Other adjustments		
Financial charges	<u>(3,341,958)</u>	<u>(4,219,495)</u>
Income tax paid	975,084	-
Profit / return on investments	1,201,096	1,187,511
Dividends received	25,000	25,000
Provision for taxation	<u>(2,339,082)</u>	<u>(2,841,727)</u>
	(3,479,860)	(5,848,711)
Profit after taxation	<u><u>10,279,340</u></u>	<u><u>(31,663,417)</u></u>

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

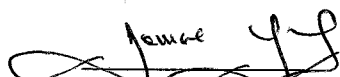
Cash in hand	157,102	97,752
Current and other accounts	16,298,570	3,736,637
Deposits with State Bank of Pakistan	400,000	400,000
	<u>16,855,672</u>	<u>4,234,389</u>

Short Term Running Finance

	<u>(26,982,451)</u>	<u>(46,312,255)</u>
	<u><u>(10,126,779)</u></u>	<u><u>(42,077,866)</u></u>

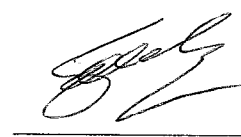
The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

KPMBTH


Chairman


Director


Director


Chief Executive

TPL Direct Insurance Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2011

	Three months period ended		Six months period ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	(Rupees)		(Rupees)	
Profit after tax	2,104,079	(22,180,089)	10,279,340	(31,663,417)
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	2,104,079	(22,180,089)	10,279,340	(31,663,417)

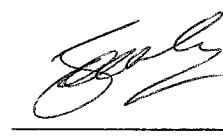
The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

KPMGTH


Chairman


Director


Director


Chief Executive

TPL Direct Insurance Limited

Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 30 June 2011

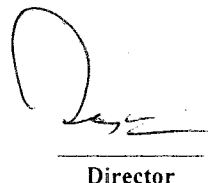
	<u>Share capital</u> Issued, subscribed and paid-up	Accumulated Losses	Advance against issue of shares	Total
	----- (Rupees) -----			
Balance as at 1 January 2010	310,000,000	(96,481,986)	-	213,518,014
Total comprehensive income / (loss) for the period				
Loss for the six months period ended 30 June 2010	-	(31,663,417)	-	(31,663,417)
Balance as at 30 June 2010	310,000,000	(128,145,403)	-	181,854,597
Total comprehensive income for the period				
Profit for the six months ended 31 December 2010	-	13,652,001	-	13,652,001
Balance as at 31 December 2010	310,000,000	(114,493,402)	-	195,506,598
Transaction with owners recorded directly in equity				
Advance against issue of shares	-	-	92,500,000	92,500,000
Share issue cost	-	(4,555,889)	-	(4,555,889)
Total comprehensive income				
Profit for the period	-	10,279,340	-	10,279,340
Balance as at 30 June 2011	<u>310,000,000</u>	<u>(108,769,951)</u>	<u>92,500,000</u>	<u>293,730,049</u>

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

KPMGTA


Chairman


Director


Director


Chief Executive

TPL Direct Insurance Limited
Unconsolidated Condensed Interim Statement of Premiums (Unaudited)
For the three months period and six months period ended 30 June 2011

Business underwritten inside Pakistan

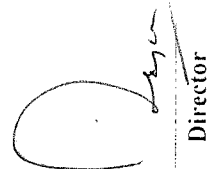
Class	Premiums written	Three months period ended 30 June				Net premium revenue 2010				
		Unearned premium reserve		Premiums earned	Re-insurance ceded		Prepaid Re-insurance premium ceded	Re-insurance expense	Net premium revenue 2011	
		Opening	Closing							
1 Motor business	125,488,419	217,944,004	230,278,144	113,154,279	(2,342,892)	1,200,489	826,403	(1,968,806)	115,123,085	70,262,016
2 Miscellaneous	1,219,319	204,913	371,147	1,053,085	271,653	-	88,160	183,493	869,592	(125,685)
Total	126,707,738	218,148,917	230,649,291	114,207,364	(2,071,239)	1,200,489	914,563	(1,785,313)	115,992,677	70,136,331

Class	Premiums written	Six months period ended 30 June				Net premium revenue 2010				
		Unearned premium reserve		Premiums earned	Re-insurance ceded		Prepaid Re-insurance premium ceded	Re-insurance expense	Net premium revenue 2011	
		Opening	Closing							
1 Motor business	249,372,295	198,984,572	230,278,144	218,078,723	(250,372)	175,906	826,403	(900,869)	218,979,592	141,123,525
2 Miscellaneous	1,219,319	430,550	371,147	1,278,722	440,343	-	88,160	352,183	926,539	(251,370)
Total	250,591,614	199,415,122	230,649,291	219,357,445	189,971	175,906	914,563	(548,686)	219,906,131	140,872,155

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

KAMRATH


 Chairman


 Director


 Chief Executive

TPL Direct Insurance Limited
Unconsolidated Condensed Interim Statement of Claims (Unaudited)
For the three months period and six months period ended 30 June 2011

Business underwritten inside Pakistan

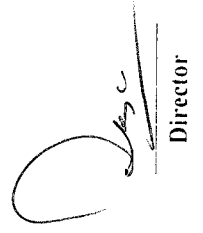
Class	Three months period ended 30 June										(Rupees)
	Claims paid	Outstanding claims		Claims expense	Re-insurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net claims expense 2011	Net claims expense 2010	
		Opening	Closing			Opening	Closing				
1 Fire and property damage	-	1,194,000	1,194,000	-	-	119,400	119,400	-	-	-	-
2 Motor Business	73,372,751	60,822,923	38,556,877	51,106,705	14,589,405	895,364	1,308,515	15,002,556	36,104,149	29,711,151	
3 Miscellaneous	-	-	1,395,000	1,395,000	-	-	-	-	1,395,000	-	
Total	73,372,751	62,016,923	41,145,877	52,501,705	14,589,405	1,014,764	1,427,915	15,002,556	37,499,149	29,711,151	

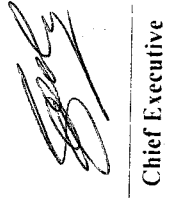
Class	Six months period ended 30 June										(Rupees)
	Claims paid	Outstanding claims		Claims expense	Re-insurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net claims expense 2011	Net claims expense 2010	
		Opening	Closing			Opening	Closing				
1 Fire and property damage	-	1,194,000	1,194,000	-	-	119,400	119,400	-	-	-	
2 Motor Business	131,456,294	50,465,786	38,556,877	119,547,385	42,893,587	4,261,475	1,308,515	39,940,627	79,606,758	63,328,392	
3 Miscellaneous	231,867	250,000	1,395,000	1,376,867	-	-	-	-	1,376,867	-	
Total	131,688,161	51,909,786	41,145,877	120,924,252	42,893,587	4,380,875	1,427,915	39,940,627	80,983,625	63,328,392	

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

APMGT


 Chairman


 Director


 Chief Executive

TPL Direct Insurance Limited
Unconsolidated Condensed Interim Statement of Expenses (Unaudited)
For the three months period and six months period ended 30 June 2011

Business underwritten inside Pakistan

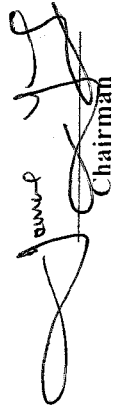
Class	Three months period ended 30 June							(Rupees)
	Commissions paid or payable	Deferred Commission Opening	Deferred Commission Closing	Net commission expense	Other management expenses	Underwriting expense	*Commissions from reinsurers	
1 Motor	10,140,398	23,216,406	22,351,908	11,004,896	41,856,690	52,861,586	35,928	52,825,658
2 Miscellaneous	479,831	93,859	95,158	478,532	-	478,532	1,324	477,208
Total	<u>10,620,229</u>	<u>23,310,265</u>	<u>22,447,066</u>	<u>11,483,428</u>	<u>41,856,690</u>	<u>53,340,118</u>	<u>37,252</u>	<u>53,302,866</u>
								<u>43,665,257</u>

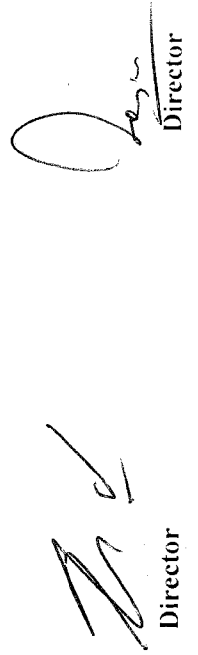
Class	Six months period ended 30 June							(Rupees)
	Commissions paid or payable	Deferred Commission Opening	Deferred Commission Closing	Net commission expense	Other management expenses	Underwriting expense	*Commissions from reinsurers	
1 Motor	22,660,339	21,197,823	22,351,908	21,506,254	78,499,365	100,005,619	74,907	99,930,712
2 Miscellaneous	479,831	203,240	95,158	587,913	-	587,913	1,324	586,589
Total	<u>23,140,170</u>	<u>21,401,063</u>	<u>22,447,066</u>	<u>22,094,167</u>	<u>78,499,365</u>	<u>100,593,532</u>	<u>76,231</u>	<u>100,517,301</u>
								<u>82,402,846</u>

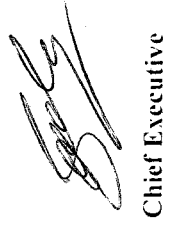
* Commission from reinsurers is arrived at after taking the impact of the opening and closing balances of unearned commission.

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

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Chairman


Director


Chief Executive

TPL Direct Insurance Limited

Unconsolidated Condensed Interim Statement of Investment Income (Unaudited)

For the three months period and six months period ended 30 June 2011

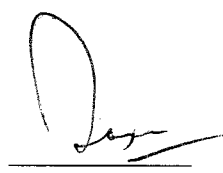
	Three months period ended 30 June		Six months period ended 30 June	
	2011	2010	2011	2010
	(Rupees)		(Rupees)	
Income from non-trading investments				
<i>Held-to-maturity</i>				
Return on Government Securities	625,000	792,990	1,201,096	1,187,511
<i>Available-for-sale</i>				
Dividend income	-	25,000	25,000	25,000
Gain on sale of non-trading investments (available-for-sale investments)	-	245,513	-	245,513
Net investment income	625,000	1,063,503	1,226,096	1,458,024

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

KPMG/TA


Chairman


Director


Director


Chief Executive

TPL Direct Insurance Limited

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 30 June 2011

1. STATUS AND NATURE OF BUSINESS

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 a subsidiary of TPL Trakker Limited (the holding Company) which holds 99.99% of its ordinary shares. The principal office of the Company is located at 172-B, 2nd Floor, Najeeb Centre, Block 2, P.E.C.H.S, Karachi, Pakistan.

The Company got listed at the Karachi Stock Exchange (Guarantee) Limited through issue of 15 million Ordinary Shares of Rs. 10 each on 20 September 2011. Consequent to the new issue of shares the share holding of the holding Company changed from 99.99% to 67.39%. Out of total issue of 15 million ordinary shares, 10 million ordinary shares were issued through the book building process to High Net Worth Individuals and Institutional Investors and 5 million ordinary shares were issued to the general public. As at 30 June 2011 the Company received Rs. 92.5 million out Rs. 100 million subscribed through book building process, bidding for which was held on 21 June 2011 to 22 June 2011.

2. BASIS OF PREPARATION

This unconsolidated condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting and in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003.

The unconsolidated condensed interim financial information does not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2010.

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

This is unconsolidated condensed interim financial information of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of the unconsolidated condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Company as at and for the year ended 31 December 2010.

4. ESTIMATES AND JUDGEMENTS

The preparation of the unconsolidated 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.

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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 2010.

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 2010.

6. OTHER CREDITORS AND ACCRUALS		30 June 2011 (Unaudited)	31 December 2010 (Audited)
		(Rupees)	
Creditors		9,613,504	2,292,966
Federal Insurance Fee		452,124	298,430
Federal Excise Duty (FED)	13	67,524,054	41,178,170
Commission payable		7,382,658	4,747,077
Security deposit from customers against equipments		1,594,272	1,535,246
Workers' Welfare Fund		410,403	410,403
Others		3,529,512	2,989,768
		<u>90,506,527</u>	<u>53,452,060</u>

7. COMMITMENT

Lease rental payable in respect of vehicles obtained on operating lease is Rs. Nil (31 December 2010: Rs. 0.013 million)

8. INVESTMENTS

Subsidiary Company			
- EVAC Pakistan (Private) Limited	8.1	4,000,000	4,000,000
Others			
- Available-for-sale	8.2	19,959,747	9,959,747
- Held-to-maturity	8.3	19,888,188	19,888,188
		<u>43,847,935</u>	<u>33,847,935</u>

8.1 Investment in Subsidiary Company

The Subsidiary Company provides road side assistance services to the Company's insured vehicles. The break-up value of each ordinary share of Rs. 10 is Rs. 1.73 (31 December 2010: Rs. 1.10) as per the un-audited financial statements of the subsidiary for the year ended 30 June 2011.

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	30 June	31 December
8.2 Available-for-sale	2011	2010
	(Unaudited)	(Audited)
	(Rupees)	

Ordinary shares of quoted companies

<u>Number of Shares</u>		<u>Name of Investee Company</u>		
30 June	31 December			
2011	2010			
129,000	129,000	Business Industrial Insurance Company Limited	251,260	251,260
3,875	3,875	Bank of Punjab Limited	321,095	321,095
10,000	10,000	The Hub Power Company Limited	357,000	357,000
12,500	12,500	Bank of Khyber	162,975	162,975
20,000	20,000	Summit Bank Limited (formerly Arif Habib Bank Limited)	514,675	514,675
			<u>1,607,005</u>	<u>1,607,005</u>

Units of open end mutual funds

<u>Number of Units</u>				
2011	2010			
251,739	251,739	Pakistan Income Fund	9,045,000	9,045,000
5,130	5,000	First Habib Stock Fund (related party)	500,000	500,000
195,945	-	AKD Income Fund	10,000,000	-
			<u>19,545,000</u>	<u>9,545,000</u>
		Provision for impairment in the value of investments	<u>(1,192,258)</u>	<u>(1,192,258)</u>
			<u><u>19,959,747</u></u>	<u><u>9,959,747</u></u>

The aggregate market value of the above investments is Rs. 24.376 million (31 December 2010: Rs. 14.154 million).

8.2.1 These securities have been deposited with State Bank of Pakistan, in accordance with the requirements of circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan and Section 29 of the Insurance Ordinance, 2000.

8.3 Held to Maturity - amortised cost

This represents ten years Pakistan Investment Bonds having face value of Rs. 20 million (market value of Rs. 18.390 million) [31 December 2010: 20 million (market value of Rs. 17.907 million)]. These carry mark-up of 12.1% (31 December 2010: 12.1%) per annum and will mature on 3 September 2019. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan and Section 29 of the Insurance Ordinance, 2000.

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9. DEFERRED TAX ASSET	30 June	31 December
	2011	2010
	(Unaudited)	(Audited)
	(Rupees)	
Deductible temporary differences		
Unused tax losses	33,051,476	41,072,700
Minimum Tax	6,797,280	4,430,789
	<u>39,848,756</u>	<u>45,503,489</u>
Taxable temporary differences		
Accelerated depreciation	(4,921,353)	(10,918,456)
Obligation under finance lease	(1,501,423)	(1,186,462)
	(6,422,776)	(12,104,918)
	<u>33,425,980</u>	<u>33,398,571</u>

10. ADVANCES, DEPOSITS AND PREPAYMENTS

Advance			
- to holding company	10.1	189,639,948	93,571,062
- against services to the subsidiary company	10.2	7,636,562	6,764,475
Deposits			
- with leasing company		1,816,200	1,816,200
- for medical and travel assistance		1,712,600	1,712,600
Prepaid			
- Annual monitoring and other charges		31,654,340	21,394,475
- Road side assistance fee		1,950,000	1,099,982
- Reinsurance premium ceded		914,563	175,906
- Fee for medical and travel assistance		1,647,995	1,265,822
- Insurance premiums		448,708	381,136
- Foreign Reinsurance premium		1,749,724	-
- Others		21,105	62,500
		<u>239,191,745</u>	<u>128,244,158</u>

10.1 This represents various payments made during the year to the holding Company. A Special Resolution of the shareholders authorizing the Company to enhance the limit of investments, advances or loan to the holding Company for the purchase of C-Track units and payment of its monitoring fees subject to maximum amount of Rs.250 million (2010: Rs. 200 million) under the requirements of Section 208 of the Companies Ordinance, 1984, was passed on 29 April 2011. As per the said resolution, the period of investment will expire on 31 May 2012. The above balance carries interest at the rate of 18.31% (31 December 2010 18.31%). The above receivable is secured against personal guarantees of two Directors of the holding Company.

10.2 This represents advance given to EVAC Pakistan (Private) Limited which carries interest at 18.31% for which Special Resolution amounting to a limit of Rs 50 million was approved by the shareholders. This limit is approved till 31 December 2012.

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11. SUNDRY RECEIVABLE	30 June 2011 (Unaudited)	31 December 2010 (Audited)
	(Rupees)	
Margin deposit placed against purchase of shares - unsecured	11.1 35,000,000	35,000,000
Receivable from TPL Trakker Limited (Holding Company)	10,685,363	12,008,864
Others	700,495	494,670
	<u>46,385,858</u>	<u>47,503,534</u>

11.1 The Company had placed a margin deposit of Rs. 45 million in April 2008 with AKD Securities Limited (a Brokerage house) for the purchase of shares on behalf of the Company. An amount of Rs. 10 million was received by the Company in November 2010. The above balance is interest free and is repayable on demand. The same is also free of charge, encumbrance and lien. The management considers that this amount will either be adjusted against future trading of shares or will be received in full by 31 December 2011. Therefore, no provision has been made against the same in this unconsolidated condensed interim financial information.

12. FIXED ASSETS	30 June 2011 (Unaudited)	31 December 2010 (Audited)
	(Rupees)	
Opening written down value	273,064,992	270,960,519
Additions during the period / year - at cost		
- Office equipment	104,750	168,750
- Motor vehicles	4,072,396	120,207
- Equipment	12.1 13,832,662	20,603,000
- Computer equipment	234,223	622,379
- Capital work-in-progress	11,900,000	51,753,596
	30,144,031	73,267,932
Written down value of disposals during the period / year	(226,415)	(2,001,145)
Depreciation / amortization for the period / year	(24,189,083)	(48,559,314)
	(24,415,498)	(50,560,459)
Transfer from Capital work in progress during the period / year	-	(20,603,000)
Closing written down value	<u>278,793,525</u>	<u>273,064,992</u>

12.1 The equipments are installed by the Company in the vehicles which are currently in the possession of the insured. These devices are also encumbered against short term running finance facility obtained from KASB bank amounting to Rs.34 million.

13. GENERAL AND ADMINISTRATION EXPENSES

These include penalties and default surcharge amounting to Rs. 3.609 million (31 December 2010: Rs. 0.160 million) in accordance with the requirement of Section 8 of the Federal Excise Act 2005, on account of non payment of Federal Excise duty at the rate of KIBOR + 3% of the duty due.

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14. TRANSACTIONS WITH RELATED PARTIES

14.1 The related parties and associated undertakings comprise TPL Holdings (Private) Limited being the ultimate holding company, TPL Trakker Limited being the immediate holding Company. TRG Pakistan Limited, Trakker Middle East, Digicore International, Trakker Energy (Private) Limited, Trakker Management Services (Private) Limited, Vital World (Private) Limited, TPL Properties Limited, Habib Asset Management Limited, directors and their related concerns and key management personnel. The balances with / due from and Transactions with related parties and associated undertakings, other than remuneration and benefits to the key management personnel under the terms of their employment are as follows:

	Three months period ended		Six months period ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	(Rupees)		(Rupees)	
Transactions with related parties				
<i>TPL Trakker Limited - (Holding Company)</i>				
Reimbursement of expenses incurred on behalf of the Company	6,757,451	7,276,817	25,428,250	11,437,186
Expenses incurred on behalf of the Holding Company	763,916	1,210,817	15,040,572	1,345,469
Tracking devices purchased	8,142,039	-	13,832,662	-
Annual monitoring charges paid	9,994,913	8,747,358	24,709,065	19,440,553
Advance given during the period	23,500,000	54,200,000	70,500,000	97,250,000
Payments received during the period	38,500,000	4,000,000	40,250,000	4,000,000
Interest charged to the holding Company	4,097,882	1,378,121	8,671,803	3,881,413
Equipment removal charges	112,520	35,000	281,763	91,600
Operating lease rentals paid	80,483	21,824	450,584	110,274
Sale of investment in TPL Properties (Private) Limited	100,000,000	-	100,000,000	-
<i>TPL Properties (Private) Limited - common directorship</i>				
Advance paid for purchase of office space	55,100,000	-	111,900,000	-
Shares purchased	100,000,000	-	100,000,000	50,000,000
<i>Virtual World (Private) Limited - common directorship</i>				
Outsourcing expense paid during the period	787,815	2,079,000	1,575,630	2,825,137
<i>EVAC Pakistan (Private) Limited - subsidiary Company</i>				
Road side assistance charges paid	1,200,000	600,000	2,400,000	1,200,000
Interest charged to the subsidiary Company	245,731	57,438	658,517	187,840
Advance given to the subsidiary Company	1,150,000	2,200,000	2,650,000	3,450,000

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14.2	Balances with related party	30 June	31 December
		2011	2010
		(Unaudited)	(Audited)
		(Rupees)	
<i>TPL Trakker Limited - Holding Company</i>			
	Advance to Holding Company	189,639,948	93,571,062
	Prepaid annual monitoring and other charges	31,654,340	21,394,475
<i>EVAC Pakistan (Private) Limited - Subsidiary Company</i>			
	Advance against services to subsidiary company	7,636,562	6,764,475
	Prepaid road side assistance fee	1,950,000	1,099,982
<i>TPL Properties (Private) Limited - Common Directorship</i>			
	Advance for the purchase of office space	170,894,790	158,994,790

Other balances with the related parties are disclosed in notes 8.2 and 11 to this unconsolidated condensed interim financial information.

- 14.2.1 Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

15. EARNING / (LOSS) PER SHARE - basic and diluted

	Three months period ended		Six months period ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	(Rupees)		(Rupees)	
Profit / (loss) after tax for the period	<u>2,104,079</u>	<u>(22,180,089)</u>	<u>10,279,340</u>	<u>(31,663,417)</u>
	(Number of shares)		(Number of shares)	
Weighted average number of shares of Rs. 10 each	<u>31,000,000</u>	<u>31,000,000</u>	<u>31,000,000</u>	<u>31,000,000</u>
	(Rupees)		(Rupees)	
Profit / (Loss) per share	<u>0.07</u>	<u>(0.72)</u>	<u>0.33</u>	<u>(1.02)</u>

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

16. OPERATING SEGMENTS

Class and business wise revenue and results have been disclosed in the unconsolidated condensed interim statement of premiums and unconsolidated condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 and IFRS 8 - "Operating Segments". As the Company mainly deals in the Motor business, therefore the information regarding the segment assets and liabilities have not been presented in these unconsolidated condensed interim financial information.

17. RECLASSIFICATIONS

Following corresponding figures have been reclassified for better presentation.

	From	To	(Rupees)
Amount due from other insurer / reinsurer	Amount due from other insurer / reinsurer	Amount due to other insurer / reinsurer	1,907,010

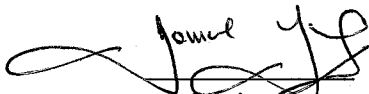
18. GENERAL

Figures of the unconsolidated condensed interim profit and loss account, statement of comprehensive income unconsolidated statement of premium, unconsolidated statement of claims, unconsolidated statement of expenses and unconsolidated statement of investment income for the three months period ended 30 June 2011 and 30 June 2010 have not been subjected to limited scope review by the auditors.

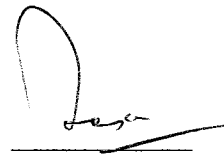
19. AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial information were authorized for issue by the Board of Directors of the Company on 12 OCT 2011.

KPANGTH


Chairman


Director


Director


Chief Executive