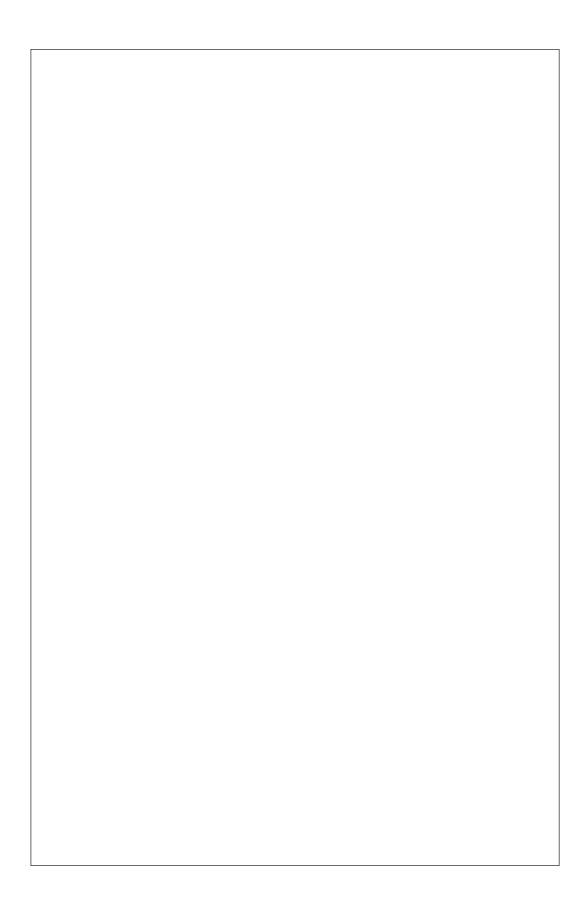




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Company Information

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

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

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



Directors' Review

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

Please note that the Company's external auditor's review of the financial statements was limited in scope.

Business Review

The gross premium written for the six-month period ended June 30, 2017 was PKR.0.47 million as compared to Rs.24.5 million for the corresponding period last year. The net premium revenue for the period ended June 30, 2017 was Rs.41 million compared to Rs.59 during the corresponding period last year. The underwriting results of the Company stood at a loss of Rs.10.5 million against Rs.3 million losses in the corresponding period last year. The management expenses have decreased by Rs.19.5 million from the corresponding period last year. The net commission expense in the six-months decreased to PKR.1.4 million, as compared to PKR 11.1 million in the same period in 2016.

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

Future Plan

The Company has filed application for surrendering of Insurance License as resolved in the Extra Ordinary Meeting dated July 6, 2017 as the management perceive this in the best interest of the Company, whereas the plan for merger of Crescent Star Foods (Private) Limited with and into PICIC Insurance Limited will be executed in future and that would bring expected results to the Company's stake holders.

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

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

Financial Highlights

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



2015

	Rupees in	n thousand		
Gross Premium Written	(466)	24,497		
Net Premium Revenue	41,069	58,801		
Net Claims including IBNR	(49,459)	(27,544)		
(Loss) / Profit from underwriting business	(10,547)	(3,083		
Investment Income	1,588	696		
(Loss) after Taxation	(37,705)	(28,999)		
(Loss) per share (Rupees)	(1.08)	(0.83)		

2016

Acknowledgement

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

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

For and on behalf of the Board.

Irshad Ali Shaban Ali Kassim

Chairman

Karachi: August 25, 2017



نقصان کاازالہ ہوجائے گا بلکہ ہم دوبارہ مالیاتی طور پرمنتی مہوسکیں گے۔

اہم مالیاتی امور

سمبتی کے اہم مسابقتی مالیاتی امور برائے اختتام ششماہی 30 جون 2017 کے اہم مالیاتی امور درج ذیل ہے:

2017	
000	
(466)	مجموعی تحریری پیم
41,069	نيك پريميم
(49,459)	خالص کلیم (دعوے) بشمول IBNR
(10,547)	نقصان برائے کاروبار بیمہ
1,588	سرماییکاری کی مدمین آمدنی
(37,705)	نقصان بعداز نبكس
(1.08)	نقصان فی حصص (روپے)
	(466) 41,069 (49,459) (10,547) 1,588 (37,705)

تسلیمات (اعتراف خدمات)

ڈائر کیٹرز کمپنی کے قابل قدرصارفین، دوہرے بیمہ کار، بروکرز، کاورباری شراکت دار، سکیورٹی ایکیچنج آف پاکستان، پاکستان اسٹاک ایکیچنج اور سینٹرل ڈپازیٹری کمپنی کی رہمنائی کے لئے مخلصانہ طور پر مشکور میں۔

یورڈ ، کمپنی کی انتظامی ٹیم اوراسٹاف کے اس سال کے ابتدائی جصے میں مشکل کاروباری حالات کا مقابلہ کرتے ہوئے بیش بہاخد مات کی انجام دبی کا اعتراف کرتا ہے اوراس کوسراہتا ہے۔

برائے ومنجانب بورڈ

ارشادعلی شعبان علی قاسم چیئر مین کراچی:25 اگست 2017



<u>ڈائر یکٹرز کا جائزہ</u>

ہم 30 جون2017 کو کمل ہونے والی ششماہی کے غیر آ ڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ رہے ہیں۔

برائے مہر بانی نوٹ فر مالیس کمپتی کے آڈیٹر کا مالیاتی گوشواروں کا جائزہ کی محدود وسعت ہے۔

كاروباري جائزه

کمپنی کا خام بیمہ برائے اختتام ششماہی 30 جون 2017 گزشتہ سال کے ششماہی کے 24.5 ملین روپے کی نبست اس سال 0.47 ملین روپے کی نبست اس سال 0.47 ملین روپے کی نبست اس سال کی ششماہی 30 جون 2017 کا خالص بیمہ منافع 59 ملین روپے کی نبست اس سال کی ششماہی 30 جون 2017 ملین کا نقصان ہوا جبکہ کی ششماہی میں 10.5 ملین روپے کا نقصان ہوا تھا۔ انظامی اخراجات میں پچھلے سال کی اس مدیس کی سال کی اس میں 20 ملین روپے کی گئی کی گئی نے اس کم بھوکر کی نسبت اس سال کی ششماہی میں 3.9 ملین روپے کی گئی گئی نے اس کم بھوکر کے بہتر پچھلے سال اس مدت میں بید 11.1 ملین روپے تھے۔

کمپنی کی طاقت کا سرچشمہ اس کی انتظامی ٹیم ہے جس نے تبدیلی کے اس عمل کے دوران ان کومصروف اور راغب رکھنے ایک چینج تھا جس کوانھوں نے بخو بی انجام دیا۔

مستنتيل كامنصوبه

سمپنی نے انشورش لائنس کی برخانتگی کی درخواست دائر کر دی ہے جس کا فیصلہ خصوصی اجلاس عام منعقد 6 جولا ئی 2017 میں کیا گیا گیونکہ انتظامیہ مجھتی ہے کہ یہ فیصلے کو کمپنی کے مفاد میں ہے جبکہ کر سنٹ اسٹار فوڈ (پرائیویٹ) کمیٹر کو کو تائج انشورنس کے ساتھ مم کرنے کے منصوبے پر مستقبل میں عمل کیا جائے گا اور اس عمل کمپنی کے اسٹیک ہولڈز کو متوقع نتائج حاصل ہول گے۔

اسی دوران، کمپنی نے SECP میں کم سے کم سولوینسی کی سطح تک کے اضافے کے لیئے درخواست دائر کی ہے جس کی منظوری کا انتظار ہے۔

ہمیں بھروسہ ہے کہ ایک دفعہ ادغام (انضام) کاعمل مکمل ہونے کے بعد آپ کی مکمپنی ایک نئے جہت اور ایک نئے دور میں داخل ہوجائے گی۔ ممپنی کی انتظامیہ تمام تر آپشنز پرغور کررہی ہے اور ایک ایسی حکمت عملی پڑمل بیراہے جس سے نہ صرف



Review Report

Introduction

We have reviewed the accompanying:

- Condensed interim balance sheet;
- 2. Condensed interim profit and loss account;
- 3. Condensed interim statement of comprehensive income;
- 4. Condensed interim statement of cash flows;
- 5. Condensed interim statement of changes in equity;
- 6. Condensed interim statement of premiums;
- 7. Condensed interim statement of claims;
- 8. Condensed interim statement of expenses; and
- 9. Condensed interim statement of investment income

of PICIC Insurance Limited ("the Company") as at June 30, 2017; together with notes forming part thereof for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2016 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2017.

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.

Basis of adverse conclusion

 as mentioned in note 1.2 to the financial statements that the liabilities of the Company as at June 30, 2017 are in excess of the Company's admissible assets by Rs. 5.924 million only. Hence, the Company is not meeting the solvency requirement by Rs. 155.924 million as at June 30, 2017.



II. the Company has incurred a loss after taxation amounting to Rs.37.705 million during the year and its accumulated losses amounted to Rs. 349.494 million as at June 30, 2017. Further, the operating cash flows of the Company are also negative since 2011.

These circumstances, along with the inability of the Company to meetthe minimum solvency requirement and sizeable decline in business activities, indicate the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Theses financial information have been prepared on a going concern basis however, in our opinion, management's use of the going concern assumption in the financial information is inappropriate.

Adverse Conclusion

Because of the significance of matters discussed in the preceding paragraph, the accompanying condensed interim financial information as at June 30, 2017; is not prepared in all material aspects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Karachi Dated: August 25, 2017 Horwath Hussain Chaudhury & Co. Najeeb Moochhala



Condensed Interim Balance Sheet

As at June 30, 2017

Contingencies and commitments

	Note	(Un-audited) June 30, 2017	(Audited) December 31, 2016 1 thousand
Share capital and reserves Authorised share capital [125,000,000 (December 31, 2016: 125,000,000) Ordinary shares of Rs.10/- each]		1,250,000	1,250,000
Paid-up share capital [35,000,000 (December 31, 2016: 35,000,000) Ordinary shares of Rs.10/- each] Accumulated loss		350,000 (349,494) 506	350,000 (311,789) 38,211
Underwriting provisions Provision for outstanding claims (including IBNR) Provision for unearned premium Provision for premium deficiency Commission income unearned		118,408 222 - - 118,630	112,928 16,625 - 4,838 134,391
Creditors and accruals Amounts due to other insurers / reinsurers Other creditors and accruals Accrued expenses Unclaimed dividend		104,562 33,696 9,304 195 147,757	118,851 33,464 10,790 195 163,300
TOTAL LIABILITIES TOTAL EQUITY AND LIABILITIES		266,387	297,691

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

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information.



Note Cash and bank deposits Cash and other equivalents Current and other accounts		December 31, 2016 es in thousand 3 96 400
Investments 8	37,41	36,387
Deferred Taxation	2,61	2,619
Current Assets - Others Premiums due but unpaid Amounts due from other insurers / reinsurers Accrued interest Reinsurance recoveries against outstanding claims Taxation - payments less provision Deferred commission expense Deferred acquisition costs Prepayments Sundry and other receivables Fixed assets 9 Tangible	1,17 176,08 13,56 26,88 7 1 5,53 223,33	147,025 57,218 26,300 1 3,494 19,995 6,168
Furniture and fixture Office equipment Computer equipment Motor vehicles Intangible Computer software	12 1,10 1,40	1,820 3 1,641
TOTAL ASSETS	266,89	

Irshad Ali Shaban Ali	Kassin
Chairman	



Condensed Interim Profit and Loss Account (Un-Audited)

For the quarter and Half Year ended June 30, 2017

							Quarter	ended
		Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	June 30, 2017	June 30, 2016
No	ote			Ru	pees in th	ousand		
Revenue account Net premium revenue Net claims		(115) - (115)	25 (6,500) (6,475)	(377) 151 (226)	· - -	1,887	1,420 (6,349) (4,929)	18,824 (16,058) 2,766
Management expenses Net commission		612 1 613	1,468 3 1,471	(1,913) 46 (1,867)	-	(974) 52 (922)	(807) 102 (705)	(17,898) 128 (17,770)
Underwriting results		498	(5,004)	(2,093)	-	965	(5,634)	(15,004)
Net investment income Return on bank balances Gain on disposal of fixed assets							534 18 (1,912)	401 (196) (367)
General and administrative expenother charges Loss before taxation	ses						(6,994) (22,020) (11) (29,025)	(15,166) 5,924 44 (9,198)
Taxation Loss after taxation							(29,025)	(9,170)

Half year ended June 30, June 30, Marine. Fire and aviation Accident 2016 property and transport Motor and health Miscellaneous Note ----- Rupees in thousand -----Revenue account Net premium revenue 10,565 10,341 548 19,611 41,069 58,801 (49,459) (8,390) (27,544) Net claims (11,440) (13,442) 1,310 (25,887) (875) 1,858 (3,604) 1,447 (2,157) (10,547) (23,151) (11,189) (34,340) (3,083) Management expenses 0 (2,888)(1,668)952 110 (80) (2,968) (1,110) 1,410 (258) (6,534) Net commission 959 **Underwriting results** (765) (2,142) Net investment income 1,566 193 22 (1,912) Return on bank balances 503 Gain on disposal of fixed assets 168 (2,219) (10,871) (26,822) General and administrative expenses Other charges

Loss before taxation (12) (28) Taxation 11 (37,705) (28,999) Loss after taxation Loss per share - basic and diluted (Rupees) 12 (1.08)(0.83)

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

Irshad Ali Shaban Ali KassimAbu AhmedMunawar Ali KassimMoiz AliChairmanDirectorDirectorManaging Director / CEO



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Quarter And Half Year Ended June 30, 2017

	June	50,	June	L 30,	
	2017	2016	2017	2016	
		Rupees in	thousand		
Net loss for the period	(29,025)	(9,170)	(37,705)	(28,999)	
Items that will not be classified to profit or loss					
Remeasurement of post retirement benefits obligations	-	-	-	-	
Total comprehensive loss for the period	(29,025)	(9,170)	(37,705)	(28,999)	

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



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

For the Half Year ended June 30, 2017

	Paid-up share capital	Accumulated loss upees in thousand	Total
Balance as at January 01, 2016	350,000	(290,856)	59,144
Total comprehensive income for the half year			
Net loss for the half year ended June 30, 2016	-	(25,051)	(25,051)
Balance as at June 30, 2016	350,000	(315,907)	34,093
Total comprehensive income for the half year			
Net profit for the half year ended December 31, 2016	-	170	170
Other comprehensive income for the year - Re-measurement of post emloyement benefit obligations	-	3,948	3,948
Balance as at December 31, 2016	350,000	(311,789)	38,211
Total comprehensive income for the half year			
Net loss for the half year ended June 30, 2017	-	(37,705)	(37,705)
Other comprehensive income for the half year			
- Re-measurement of post emloyement benefit obligations	-	-	-
Balance as at June 30, 2017	350,000	(349,494)	506

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

Irshad Ali Shaban Ali Kassim Chairman **Abu Ahmed** Director Munawar Ali Kassim Director



Condensed Interim Statement of Cash Flows (Un-Audited)

For the Half Year ended June 30, 2017 March 31, March 31, 2017 2016 OPERATING ACTIVITIES Rupees in thousand ----**a) Underwriting activities**Premiums received
Reinsurance premiums paid (4,372) 35,114 (327) (27,192) (45,536) 27,991 Reinsurance and other recoveries received (37,987) 12,410 (21,564) Commissions paid (24,338) Commission received Net cash inflow / (used in) from underwriting activities 9,043 b) Other operating activities (583) (577) Income tax paid General management expenses paid (22,269) 578 (39,064) Operating receipts - net Bank and other charges Net cash used in other operating activities 17,234 (12) (22,286) (28) (22,435) Total cash (used in) / inflow from operating activities (7,166) (43,999) INVESTMENT ACTIVITIES 22 2,347 330 2.056 Profit / return received Dividend received Receipts for investments (1,808) (1,912) 8,914 14,748 Proceeds from disposal of fixed assets Fixed capital expenditure 168 58 Total cash inflow from investing activities 7,563 17,360 Net cash inflow / (used in) all activities Cash at the beginning of the year Cash at the end of the year (26,639) 30,412 397 893 Reconciliation to profit and loss account Operating cash flows Depreciation / amortisation Gain on disposal of fixed assets (7,166) (1,842) (1,912) (43,999) (2,709) 168 Investment income Return on bank balances 1,566 193 22 (39,539) 15,456 (4,290) (37,705) 503 Decrease in assets other than cash Decrease in liabilities (52,415) 16,777 Increase / (decrease) in unearned premium 52,483 (28,999) Loss after taxation Definition of cash Cash comprises of cash in hand and at banks, stamps in hand and short term placements with banks Cash for the purpose of statement of cash flows consists of: Cash and other equivalents 38 - stamps in hand 88 133 Current and other accounts 128 3,453 current accounts 632 760 - saving accounts 16 3,469

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

Deposits maturing within 12 months

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

3,773

893



Condensed Interim Statement of Premiums (Un-Audited)

For The Quarter And Half Year Ended June 30, 2017

Business underwritten inside Pakistan

	Premiums	Unea		Premiums	Reinsurance	Prepaid reir		Reinsurance	Net premiu Quarter	
Class	written	Opening Opening	Closing	earned	ceded	Opening Premium	Closing	expense	June 30, 2017	June 30, 2016
		opening	Closing		Dunger in	thousand	Closing		2017	2010
Direct and facultative					Kupees III	l tilousallu				
1. Fire and property	(151)	151	11	(11)	(59)	176	13	104	(115)	159
Marine, aviation and transport	(4)	16	4	8	-	(17)	-	(17)	25	899
3. Motor	(613)	359	154	(408)	-	(31)	-	(31)	(377)	11,835
4. Accident and health	-	-	-	-	-	-	-			2,189
5. Miscellaneous	(387)	113	53	(327)	-	(2,214)	-	(2,214)	1,887	3,742
Total	(1,155)	639	222	(738)	(59)	(2,086)	13	(2,158)	1,420	18,824

Class	Premiums written	Unear premium Opening		Premiums earned	Reinsurance ceded	Prepaid rein premium Opening		Reinsurance expense	Net premiu Half yea June 30, 2017	
Direct and facultative					Rupees in	thousand				
1. Fire and property	-	(5,990)	11	(6,001)	(11,089)	(5,464)	13	(16,566)	10,565	26,302
Marine, aviation and transport	123	199	4	318	(10,207)	184	-	(10,023)	10,341	1,640
3. Motor	(373)	2,100	154	1,573	-	1,025	-	1,025	548	20,544
4. Accident and health	-	4	-	4	-	-	-	-	4	4,668
5. Miscellaneous	(216)	20,312	53	20,043	(22,831)	23,263	-	432	19,611	5,647
Total	(466)	16,625	222	15,937	(44,127)	19,008	13	(25,132)	41,069	58,801

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

Irshad Ali Shaban Ali Kassim Chairman **Abu Ahmed** Director Munawar Ali Kassim Director



Condensed Interim Statement of Claims (Un-Audited)

For The Quarter And Half Year Ended June 30, 2017

Business underwritten inside Pakistan

Claims paid		0	Claims expense	Reinsurance and other recoveries received	recoveries i	n respect	Reinsurance and other recoveries revenue	Net claim Quarter June 30, 2017	s expense r ended June 30, 2016
				Rupees	in thousand				
-	14,544	14,544	-	-	829	829	-		(188)
-	14,647	21,147	6,500	-	4,141	4,141	-	6,500	530
226	25,073	24,696	(151)	-	993	993		(151)	14,109
-	21,524	21,524	-	-	-	-	-		1,638
-	36,497	36,497	-	-	7,603	7,603	-		(31)
226	112,285	118,408	6,349	_	13,566	13,566	_	6,349	16,058
	paid	e da Opening - 14,544 - 14,647 226 25,073 - 21,524 - 36,497	- 14,544 14,544 - 14,647 21,147 226 25,073 24,696 - 21,524 21,524 - 36,497 36,497	paid claims Opening expense - 14,544 14,544 - - 14,647 21,147 6,500 226 25,073 24,696 (151) - 21,524 21,524 - - 36,497 36,497 -	Claims paid Outstanding claims Claims expense and other recoveries received	Claims	Claims paid Outstanding claims Claims expense and other recoveries in respect of outstanding claims. Opening Closing	Claims Outstanding Claims expense expense recoveries of outstanding Closing Cl	Claims Outstanding Claims Claims Opening Closing Clo

Class	Claims paid	Outsta clai Opening	anding ims Closing	Claims expense	Reinsurance and other recoveries received	Reinsurance recoveries i of outstand Opening	n respect	Reinsurance and other recoveries revenue	Net premiu Half yea June 30, 2017	
					···· Rupees	in thousand				
Direct and facultative										
1. Fire and property	-	14,544	14,544	-	-	12,269	829	(11,440)	11,440	865
Marine, aviation and transport	48	14,695	21,147	6,500	-	11,083	4,141	(6,942)	13,442	2,057
3. Motor	237	25,626	24,696	(693)	-	376	993	617	(1,310)	17,609
4. Accident and health	-	21,524	21,524	-	-	-	-	-		4,966
5. Miscellaneous	42	36,539	36,497	-	-	33,490	7,603	(25,887)	25,887	2,047
Total	327	112,928	118,408	5,807		57,218	13,566	(43,652)	49,459	27,544

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



Condensed Interim Statement of Expenses (Un-Audited)

For The Quarter And Half Year Ended June 30, 2017

Business underwritten inside Pakistan

Class	Commission paid or payable	Defer commi		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers *	Net underwr Quarte June 30, 2017		
					Rupees ir	thousand :				
Direct and facultative										
1. Fire and property	(4)	4	-	-	(612)	(612)	1	(613)	3,683	
Marine, aviation and transport	-	2	1	1	(1,468)	(1,467)	4	(1,471)	6,209	
3. Motor	(26)	35	55	(46)	1,913	1,867	-	1,867	7,788	
4. Accident and health	-	-	-	-	-	-	-		432	
5. Miscellaneous	(24)	23	15	(16)	974	958	36	922	(342)	
Total	(54)	64	71	(61)	807	746	41	705	17,770	

	Commission	Defer commi:		Net	Other	n 1 - 2	Commission	Half yea	m revenue or ended	
Class	paid or payable	Opening	Closing	commission expense	management expenses	Underwriting expense	from reinsurers *	June 30, 2017	June 30, 2016	
Direct and facultative					Rupees ir	thousand -				
1. Fire and property	-	(23)	-	(23)	(0)	(23)	87	(110)	15,754	
Marine, aviation and transport	23	37	1	59	(952)	(893)	66	(959)	6,597	
3. Motor	(22)	187	55	110	2,888	2,998	30	2,968	11,481	
4. Accident and health	-	-	-	-	-	-	-		271	
5. Miscellaneous	(3)	3,293	15	3,275	1,668	4,943	4,685	258	237	
Total	(2)	3,494	71	3,421	3,604	7,025	4,868	2,157	34,340	

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

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

Irshad Ali Shaban Ali Kassim Chairman Abu Ahmed Director Munawar Ali Kassim Director



Condensed Interim Statement of Investment Income (Un-Audited)

For The Quarter And Half Year Ended June 30, 2017

Income from investments classified as
investments at fair value through
profit or loss

Net unrealised loss on revaluation of investments

Dividend income

(Loss) on sale / redemption of investments

Income from investments classified as investments Held to maturity

Net unrealised loss on revaluation of investments

Return on government securities

Investment related expenses

Net investment income

Quartei June		Half yea June	r ended 9 30,
2017	2016	2017	2016
	Rupees in	thousand	
-	-	-	(120)
2,347	2,056	2,347	2,056
_			(547)
2,347	2,056	2,347	1,389
(1,811)	(1,653)	(732)	(1,129)
(1,811)	(1,653)	(732)	(1,129)
536	403	1,615	260
(2)	(2)	(49)	(67)
534	401	1,566	193

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

Irshad Ali Shaban Ali Kassim Chairman **Abu Ahmed** Director Munawar Ali Kassim Director



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

For The Half Year Ended June 30, 2017

1 STATUS AND NATURE OF BUSINESS

- 1.1. PICIC Insurance Limited (the Company) was incorporated on April 23, 2004 under the Companies Ordinance, 1984 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The company is a subsidiary of KM Enterprises (Pvt) Ltd. It is engaged in providing all classes of non-life insurance business. The Company is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 3rd Floor, Nadir House, I.I. Chundrigar Road, Karachi. The Company operates with 1 (2016: 2) branches in Pakistan.
- 1.2. In accordance with the requirements of the Insurance Ordinance, 2000 and as mentioned in the Securities and Exchange Commission (Insurance) Rules, 2002 "Rules" (amended vide SRO 16(1)/2012 dated January 09, 2012), the minimum solvency requirement (i.e excess of admissible assets over liabilities) is Rs 150 million. The Company is not meeting the minimum solvency requirement as at June 30, 2017.
- **1.3.** Further, the Company has incurred a loss after tax of Rs. 37.705 million during the current period and its accumulated losses as at June 30, 2017 amounted to Rs 349.494 million resulting in net equity of Rs 0.506 million as at June 30, 2017. Further, the operating cash flows of the Company are also negative since 2011. Consequently, the management of the company has decided to discontinue insurance operations. HOwever, the management has following plans for the revival of the company:

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

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

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

2 STATEMENT OF COMPLIANCE

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



2.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016.

3 BASIS OF MEASUREMENT

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

This condensed interim financial information has been prepared using the accrual basis of accounting except for cash flow information.

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2015.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2015.

7 INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2016.



8 INVESTMENTS

Designated at fair value through profit or loss 8.1 Mutual funds

8.1 Mutual Funds

The mutual fund investments includes Rs.37.4 million invested in Pakistan Income Fund and deposited with the State Bank of Pakistan in compliance with the requirement of section 29 of the insurance ordinance 2000.

Note

9 FIXED ASSETS

	Addit (at c		Disposals (at net book value)		
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
Tangible		Rupees in	thousand		
Furniture and fixture		-	6,975	-	
Office equipment	-	-	1,831	28	
Computer equipment	-	-	106	-	
Motor vehicles	-	-	-	28	
Capital work in progress	-	-	-	-	
Intangible					
Computer software					
			8,912	56	



10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

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

10.2 Commitments

There were no commitment as at the balance sheet date. (Dec 2016: Nil)

11 TAXATION

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



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

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

	Quarter	ended	Half year ended		
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
Loss after tax for		Rupees in	thousand		
the period	(29,025)	(9,170)	(37,705)	(28,999)	
		Number i	n thousand		
Weighted average number of shares of Rs. 10 each	35,000	35,000 ==================================	35,000 	35,000	
Basic loss per share of Rs. 10 each	(0.83)	(0.26)	(1.08)	(0.83)	

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

13 TRANSACTIONS WITH RELATED PARTIES

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

Half year ended					
June 30	luna 30				

	June 30, 2017	2016
Transactions for the period	Rupees in (Un-audited)	thousand (Un-audited)
Premium written	-	1,632
Claims paid	-	24
Remuneration of key management personnel	2,570	11,686
Contribution for staff provident fund	-	933
Charge in respect of gratuity fund	-	163



Balances outstanding at period / year end

Payable to gratuity fund Premiums due but unpaid

June 30,	December 31,		
2017	2016		
Rupees ii	n thousand		
(Un-audited)	(Audited)		
-	(4,723)		
2,481	2,902		

SEGMENT REPORTING 14

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

Fire and property damage Marine, aviation and transport Accident and health Miscellaneous

Motor

Unallocated Total

	June 30, 2017 (Un-audited)				
Segment liabilities	Unallocated liabilities	Total liabilities	Segment liabilities	Unallocated liabilities	Total liabilities
		Rupee	s in thousa	nd	
66,292	-	66,292	97,576	-	97,576
42,940	-	42,940	46,830	-	46,830
36,919		36,919	73,945	-	73,945
2,430		2,430	5,266	-	5,266
42,336		42,336	118,144	-	118,144
-	75,976	75,976	-	86,345	86,345
190,917	75,976	266,893	341,761	86,345	428,106

June 30, 2017 (Un-audited)

December 31, 2016 (Audited) Unallocated

Total liabilities

130,496

24,613

37,116

22,826

121,434

31,645

368,130

	liabilities	liabilities	liabilities	liabilities	liabilities
			···· Rupee	s in thousa	nd
erty damage	73,812	-	73,812	130,496	-
on and transport	24,736		24,736	24,613	-
	34,202		34,202	37,116	-
health	22,390		22,390	22,826	-
	80,618	-	80,618	121,434	
		30,629	30,629	-	31,645
	235,758	30,629	266,387	336,485	31,645

Fire and proper Marine, aviation Motor Accident and he Miscellaneous Unallocated Total



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

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

16 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on August 25, 2017.

17 CORRESPONDING FIGURES

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

Irshad Ali Shaban Ali Kassim Chairman **Abu Ahmed** Director Munawar Ali Kassim Director



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