

CONTENTS

Company Information	02
Offices	05
Directors' Report to the Members	06
Balance Sheet	08
Profit & Loss Account	10
Statement of Comprehensive Income	11
Statement of Cash Flows	12
Statement of Changes in Equity	14
Statement of Premiums	15
Statement of Claims.....	16
Statement of Expenses	17
Statement of Investment Income	18
Notes to the Financial Statements	19

COMPANY INFORMATION

BOARD OF DIRECTORS

Air Marshal (R) Muhammad Arif Pervaiz
Air Commodore (R) Mehmood Ahmad
Air Commodore (R.) Zafar Yasin
Air Commodore (R) Muhammad Masud Akhtar
Air Commodore (R) Shahid Jamil Hashmi
Group Captain (R) Ehsan-ur-Rauf Sheikh
Mr. Aamir Shahzad Mughal - ACA

CHIEF EXECUTIVE OFFICER

Mr. Sohel N. Kidwai

CFO & COMPANY SECRETARY

Mr. Nisar Ahmned Almani

AUDIT COMMITTEE

Mr. Aamir Shahzad Mughal - ACA - Chairman
Air Commodore (R.) Mahmood Ahmad - Member
Air Commodore (R.) Muhammad Masud Akhtar - Member

Human Resource & Remuneration Committe

Air Commodore (R.) Mahmood Ahmad - Chairman
Air Commodore (R.) Muhammad Masud Akhtar - Member
Air Commodore (R.) Shahid Jamil Hashmi - Member
Mr. Sohel N. Kidwai (CEO) - Member

INVESTMENT COMMITTEE

Air Marshal (R) Muhammad Arif Pervaiz (MDSF) - Chairman
Mr. Aamir Shahzad Mughal (Director Fin. SF) - Member
Air Commodore Mahmood Ahmed (Dir. Admin. SF) - Member
Mr. Sohel N. Kidwai - CEO - In attendance
Mr. Nisar Ahmed Almani

COMPANY INFORMATION

HEAD OF OPERATION

Mr. Aijaz Ali Khan

COUNTRY HEAD BUSINESS

Mr. Naveed Y. Butt

LEGAL ADVISOR

Surridge & Beecheno

AUDITORS

Riaz Ahmed & Company
Chartered Accountants

COORDINATOR INTERNAL CONTROL

Hussain Bux Uner

ADMIN & HR

Khalid Bin Wasi

REGISTERED OFFICE

10th Floor, Shaheen Complex, M.R. Kayani Road, Karachi.

HEAD OFFICE

10th Floor, Shaheen Complex, M.R. Kayani Road, Karachi.

SHARE REGISTRAR

M/s. Corplink (Pvt) Ltd.
Wings Arcade, 1-K, Commercial Model Town, Lahore.

OFFICES

Head Office

10th Floor, Shaheen Complex
M. R. Kayani Road, Karachi - 74200
Tel. # 32630370-75, 322139850-51 Fax # 32626674
E-mail: sihife@cyber.net.pk
URL: www.shaheeninsurance.com
UAN: (021) 111-765-111

Karachi

Branch Manager-Mr. M. Iftikhar Alam
10th Floor, Shaheen Complex
M.R. Kayani Road, Karachi - 74200
Tel. # 32630370-75, 32213950-51, Fax # 32626674
E-mail: iftikhar.alam@shaheeninsurance.com
Direct # 32272595
UAN: (021-111-765-111)

Lahore Zonal Office

Branch Head / GM Mr. Muhammad Saleem
Office # 4, 6th Floor, Shaheen Complex
Opp. PTV Station 38, Abbott Road,
Lahore.
Tel # 042-36376270, 36376274, 36376278, 36376279
Fax # 042-36376276
E-mail: lhr_zone@shaheeninsurance.com

Islamabad

Branch Manager - Syed Kashif Raza
House No. 351, Street No. 15,
Sector G-10/2 Islamabad
Tel: 051-2105009, 2105010, 2105011
Fax: 051-2105012
Email: isb@shaheeninsurance.com

Multan

Branch Manager - Mr. Arshad Mehmood Khan
Shalimar Colony Near Madrasa Khair-ul-Muarif
Bosan Road Multan.
Tel # (061) 6750001-3
Fax # (061) 6750004
E-mail: mul@shaheeninsurance.com

Sialkot

Branch Manager - Mr. Zulfiqar Ali
104, First Floor, Kareem Plaza, Defence
Road, Near Allama Iqbal Town, Sialkot
Tel. # (052) 3250982, 3550131
Fax # (052) 3257412
E-mail: sil@shaheeninsurance.com

Hyderabad

Branch Manager - Syed Kashif Ali
Upper 2nd Floor
House # 75, Soldier Bazar
Tel. # (021) 2720487
Fax # (022) 2720489
E-mail: hyd@shaheeninsurance.com

Lahore Corporate

Branch Manager / GM Mr. Sohaib Ansar Khan
Office # 6, 6th Floor, Shaheen Complex
Opp. PTV Station 38, Abbott Road,
Lahore
Tel # 042-36370384, 36370741, 36370742
Fax # 042-36370385
E-mail: lhr_corporate@shaheeninsurance.com

Faisalabad

Branch Manager / Mr. Gulshan Ali Ansari
2nd Floor, Sitara Towers, Bilal Chowk
Civil Lines, Faisalabad,
Tel. # (041) 2614112, 2621370, 2630644-5
Fax # (041) 2631514
E-mail: fsd@shaheeninsurance.com

Peshawar

Branch Manager - Mr. Aamir Shahzad
Upper Basement, State Life Building
34 - The Mall, Peshawar Cantt.
Tel # (091) 5273122 Fax # (091) 5273106
E-mail: psw@shaheeninsurance.com

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to announce the results of your Company for the nine months ended on September 30, 2014.

The Results are summarized below;

	All Figures Rs. in '000'			
	September	September	% Age	December
	2014	2013		2013
Gross Premium Written	239,778	286,710	(16.37)	343.57
Net Premium Revenue	173,656	256,030	(32.17)	331.13
Net Claims	62,139	185,122	(66.43)	235.00
Underwriting Results	16,204	(37,362)	143.37	(44.70)
Investment Income	9,989	4,795	108.32	9.31
Profit/(Loss) Before Tax	11,396	(85,215)	113.37	(102.79)
Profit/(Loss) After Tax	13,891	(86,496)	116.06	(106.25)
Earnings Per Share	0.31	(2.88)	110.76	(3.54)

During the nine months ended September 30, 2014, performance of the company has turned around as profit after tax of the company rose to Rs 13.89 million as of September 30, 2014 from loss of Rs 86.50 million as of September 30, 2013. This was due to systematic guidelines by the Board to streamline the operations of the company. It's been a long time that the company has shown a profit of more than Rest 13.00 million. This is also due to sincere and concerted efforts of your board, management, producers and employees of the company. During the period, Rs 150.00 million has been injected through right shares issue, to improve liquidity and solvency of the company.

Political instability, continuing severe shortage of electricity and gas and deteriorating law and order situation in the country is putting pressure on already thin margins of the general insurance sector and your company was no exception to it, due to which gross premium was down by 16.37%.

Net claims of the company decreased to Rs 62.13 million during nine months period ending September 30, 2014 from Rs 185.122 million during the corresponding period. Positive improvements in all the areas enable the company to post underwriting profit of Rs 16.20 million during the period under review, against underwriting loss of Rs 37.362 million during the corresponding period of 2013.

Company also has started placing its surplus funds with large commercial banks at

competitive rates of return; thereby resulting in increase in investment income and more liquidity for the company. In addition, the company has also placed Rs 15.00 million in the long term government bonds, which in addition to increased investment income will strengthen the profile of its investment portfolio.

Election of Board of Directors:

Company successfully completed the process of election of directors during the period under review and the following has been elected unopposed.

1. Air Marshal (Retd.) Muhammad Arif Pervaiz
2. Air Commodore (Retd.) Mahmood Ahmad
3. Air Commodore (Retd.) Zafar Yasin
4. Air Commodore (Retd.) Shahid Jamil Hashmi
5. Air Commodore (Retd.) M. Masud Akhtar
6. Group Captain (Retd.) Ehsan -ur- Rauf Sheikh; and
7. Mr. Aamir Shahzad Mughal

Securities and Exchange of Pakistan has accorded its approval for the directorship of abovementioned individuals on the board of the company vide its letter dated September 16, 2014.

Further, Mr. Nisar Ahmed Almani has joined the company as Chief Financial Officer and Company Secretary during August 2014.

Prudent steps taken by the board and implementation of management tools to improve controls has started to yield results in the form of profits, and settlement of past losses. Despite, tough and challenging environment, our company is ready to take on the future challenges and is focused to continue improving its performance, in times to come.

Your Directors would like to place on record their appreciation to the field force, officer and staff of the Company for their dedicated contributions.

Your Directors would also like to thank the Securities and Exchange Commission of Pakistan, Pakistan Re-insurance Company Limited and all our re-insurers for their continued guidance and support.



Muhammad Arif Pervaiz
Air Marshal (Retd.)
Chairman

October 29, 2014

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014**

	Note	Unaudited September 30, 2014	Audited December 31, 2013
SHARE CAPITAL AND RESERVES			
Authorized share capital		<u>600,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up capital	6	450,000,000	300,000,000
General reserve		20,000,000	20,000,000
Accumulated loss		(128,988,157)	(142,879,328)
Shareholders' equity		<u>341,011,843</u>	<u>177,120,672</u>
LIABILITIES			
Underwriting provisions			
Provision for outstanding claims (including IBNR)		276,505,612	347,857,817
Provision for unearned premium		151,897,579	143,404,901
Premium deficiency reserve		3,764,066	3,764,066
Commission income unearned		226,932	4,133,598
Total underwriting provisions		<u>432,394,189</u>	<u>499,160,382</u>
Creditors and Accruals			
Premium received in advance		3,755,478	10,100,690
Amounts due to other insurers / reinsurers		44,844,688	76,120,706
Accrued expenses		6,605,606	11,269,789
Agent balances		10,491,286	36,737,482
Taxation - provisions less payments		433,515	4,359,565
Current portion of liabilities against assets subject to finance lease		322,537	603,672
Other creditors and accruals	7	50,448,453	48,010,400
		<u>116,901,563</u>	<u>187,202,304</u>
Borrowings			
Liabilities against assets subject to finance lease		-	510,438
Other liabilities			
Dividend payable-unclaimed		398,934	398,934
Total liabilities		<u>549,694,686</u>	<u>687,272,058</u>
TOTAL EQUITY AND LIABILITIES		<u>890,706,529</u>	<u>864,392,730</u>
CONTINGENCIES AND COMMITMENTS			
	8		

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

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014**

	Unaudited September 30, 2014	Audited December 31, 2013
ASSETS		
Cash and bank deposits		
Cash and other equivalent	2,138,302	2,173,746
Current and other accounts	39,980,037	37,563,938
Deposits maturing within 12 months	195,000,000	31,793,955
	<u>237,118,339</u>	<u>71,531,639</u>
Loans - Secured and considered good		
To Employees	56,814	771,068
Investments	9 238,543,020	229,970,516
Investment properties	10 58,993,622	60,373,499
Current Assets-Others		
Premiums due but unpaid - Net	11 140,118,506	219,085,622
Amounts due from other insurers/ reinsures	45,208,343	66,606,611
Accrued investment income	1,469,076	15,408
Reinsurance recoveries against outstanding claims	75,739,600	94,607,453
Deferred commission expense	18,492,817	23,298,473
Taxation - provisions for the period	2,608,813	-
Advances, deposits and prepayments	49,930,882	63,313,951
Other receivables	8,558,650	9,523,218
	<u>342,126,688</u>	<u>476,450,736</u>
Fixed assets Tangible		
Owned		
Furniture, fixture and office equipment	7,878,559	10,204,547
Motor vehicles	4,733,723	10,357,338
Capital work in progress	-	-
	<u>12,612,282</u>	<u>20,561,885</u>
Intangible		
Computer software	677,661	2,687,684
Leased		
Motor vehicles	578,104	2,045,703
TOTAL ASSETS	<u>890,706,529</u>	<u>864,392,730</u>

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




Chairman



Director



Director



Chief Executive Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the nine months period ended September 30, 2014

Three months period ended September 30, 2014

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscell.	2014 Aggregate	2013 Aggregate
----- Rupees -----							
Revenue Account							
Net Premium Revenue	5,205,507	1,526,517	39,264,267	(2,918,976)	13,097,053	56,174,368	65,887,290
Net Claims	(12,237,863)	1,293,511	(10,118,278)	(1,961,007)	(3,258,045)	(26,281,682)	(37,414,199)
Management Expenses	(2,096,071)	(653,387)	(6,881,298)	(1,060,936)	(1,405,642)	(12,097,334)	(22,180,897)
Net Commission	(2,001,002)	(690,860)	(6,173,316)	(232,293)	(1,188,926)	(10,286,397)	(14,393,095)
Net Underwriting expenses	(4,097,073)	(1,344,247)	(13,054,614)	(1,293,229)	(2,594,568)	(22,383,731)	(36,573,992)
Underwriting results	(11,129,429)	1,475,781	16,091,375	(6,173,212)	7,244,440	7,508,955	(8,100,902)
Investment Income						5,559,427	1,615,368
Rental Income						375,000	200,982
Other Income						1,843,148	135,448
General and Administrative Expenses						(15,097,484)	(16,472,447)
Profit for the period before Taxation						189,046	(22,621,551)
Provision for Taxation						(280,872)	(329,436)
Profit / (Loss) after Tax						(91,826)	(22,950,987)
Profit (Loss) for the three months period						(91,826)	(22,950,987)
Balance at end of the year						(91,826)	(22,950,987)
Earnings per share-basic and diluted						(0.002)	(0.77)

Nine months period ended September 30, 2014

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscell.	2014 Aggregate	2013 Aggregate
----- Rupees -----							
Revenue Account							
Net Premium Revenue	11,688,405	4,222,789	129,752,801	17,154,771	10,837,769	173,656,535	256,029,972
Net Claims	(18,637,860)	168,686	(32,624,556)	(2,309,121)	(8,736,321)	(62,139,172)	(184,396,892)
Management Expenses	(10,657,126)	(3,208,068)	(38,299,216)	(4,732,542)	(6,908,515)	(63,805,467)	(66,256,596)
Net Commission	(6,666,969)	(2,311,719)	(18,082,848)	(1,528,221)	(2,917,567)	(31,507,324)	(42,738,759)
Net Underwriting expenses	(17,324,095)	(5,519,787)	(56,382,064)	(6,260,763)	(9,826,082)	(95,312,791)	(108,995,355)
Underwriting results	(24,273,550)	(1,128,312)	40,746,181	8,584,887	(7,724,634)	16,204,572	(37,362,275)
Investment Income						9,989,215	4,795,255
Rental Income						1,473,036	1,278,384
Other Income						38,645,596	1,257,107
General and Administrative Expenses						(54,916,098)	(55,183,955)
Profit for the period before Taxation						11,396,321	(85,215,484)
Provision for Taxation							
Current						(971,160)	(1,280,150)
Prior						3,466,010	
Profit / (Loss) after Tax						13,891,171	(86,495,634)
Balance at commencement of the year						(142,879,328)	(36,626,704)
Profit (Loss) for the three months period						13,891,171	(86,495,634)
Balance at end of the year						(128,988,157)	(123,122,338)
Earnings per share-basic and diluted						0.31	(2.88)

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



Chairman



Director



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months period ended September 30, 2014

	For the quarter ended		For the nine month period ended	
	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
	----- Rupees -----			
Net (Loss) / Profit for the period	(91,826)	(22,950,987)	13,891,171	(86,495,634)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income				
for the period	<u>(91,826)</u>	<u>(22,950,987)</u>	<u>13,891,171</u>	<u>(86,495,634)</u>

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



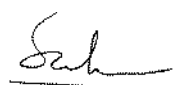
Chairman



Director



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)

For the nine months period ended September 30, 2014

	September 30,2014	September 30, 2013
	----- Rupees -----	
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Premiums received	307,955,418	264,693,036
Reinsurance premiums paid	(58,308,811)	(54,864,095)
Claims paid	(184,267,265)	(164,849,067)
Reinsurance and other recoveries received	87,042,009	43,398,152
Commissions paid	(56,446,571)	(41,104,219)
Commissions received	84,514	7,513,693
Other Insurance recover	-	12,429,102
Net cash flows from underwriting activities	96,059,294	67,216,602
<i>b) Other operating activities</i>		
Income tax paid	(1,431,200)	(521,171)
Management and administrative expenses paid	(88,575,390)	(85,226,579)
Loans advanced - net	714,254	2,142,217
Net cash flows used in other operating activities	(89,292,336)	(83,605,533)
Total cash flows / (used in) all operating activities	6,766,958	(16,388,931)
INVESTING ACTIVITIES		
Profit / Return received	8,254,589	3,961,034
Rentals received	1,473,036	950,982
Payments for investments	(15,021,561)	-
Proceeds from disposal of investments	6,216,350	-
Fixed capital expenditure	(73,000)	(2,877,282)
Proceeds from disposal of fixed assets	8,761,900	271,198
Total cash flows from all investing activities	9,611,314	2,305,932
FINANCING ACTIVITIES		
Financial charges paid	-	-
Payments of finance lease liability	(791,572)	(919,709)
Issue of right shares	150,000,000	
Total cash flows / (used in) from all financing activities	149,208,428	(919,709)
Net cash flows from all activities	165,586,700	(15,002,708)
Exchange gain on cash and cash equivalents		
Cash and cash equivalents at the beginning of period	71,531,639	48,490,177
Cash and cash equivalents at end of the period	237,118,339	33,487,469

CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)

For the nine months period ended September 30, 2014

	2014	2013
	----- Rupees -----	
Reconciliation to profit and loss account		
Operating cash flows	6,766,958	(16,388,931)
Exchange gain on cash and cash equivalents	-	-
Depreciation on fixed assets	(8,444,385)	(9,514,012)
Depreciation on investment property	(1,379,827)	(1,379,878)
Gain on disposal of fixed assets	5,948,549	436,166
Taxes paid	(1,431,200)	521,171
Financial charges	(324,821)	-
Increase (decrease) in assets other than cash	(139,272,901)	108,809,606
(Increase) decrease in liabilities	137,577,372	(174,191,187)
Investment and other income	15,422,586	3,931,281
Provision for tax	(971,160)	1,280,150
Loss after taxation	13,891,171	(86,495,634)

Definition of cash

Cash comprises of cash in hand, policy stamps, cheques in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

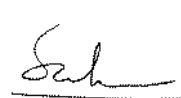
Cash for the purpose of the statement of cash flows consists of:

	2014	2013
	----- Rupees -----	
Cash and other equivalents		
- Cash in hand	2,138,302	(6,192,186)
- Policy stamps in hand	-	-
	<u>2,138,302</u>	<u>(6,192,186)</u>
Current and saving accounts		
-Current accounts	1,185,781	49,441,146
-Saving accounts	38,794,256	(9,761,492)
Deposits maturing within 12 months		
-Term Deposit-local currency	195,000,000	-
	<u>237,118,339</u>	<u>33,487,468</u>

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


Chairman

Director

Director

Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months period ended September 30, 2014

	Paid-up share capital	Revenue reserves		Total
		General reserve	Accumulated loss	
----- Rupees -----				
Balance as at 31 December 2012	300,000,000	20,000,000	(36,626,704)	283,373,296
Changes in equity for the nine month period ended 30 September 2013				
Loss for the nine month period ended 30 September 2013	-	-	(86,495,634)	(86,495,634)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(86,495,634)	(86,495,634)
Balance as at 30 September 2013	300,000,000	20,000,000	(123,122,338)	196,877,662
Changes in equity for the three month period ended 31 December 2013				
Loss for the three month period ended 31 December 2013	-	-	(19,756,990)	(19,756,990)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(19,756,990)	(19,756,990)
Balance as at 31 December 2013	300,000,000	20,000,000	(142,879,328)	177,120,672
Changes in equity for the nine month period ended 30 Sep 2014				
Issue of right shares during the period	150,000,000	-	-	150,000,000
Profit for the nine month period ended 30 September 2014	-	-	13,891,171	13,891,171
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	-	-	13,891,171	13,891,171
Balance as at 30, September 2014	450,000,000	20,000,000	(128,988,157)	341,011,843

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



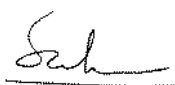
Chairman



Director



Director



Chief Executive Officer

For the period ended September 30, 2014
Business underwritten inside Pakistan

For the Quarter ended September 30th 2014


Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2014 Net premium revenue i=d-h	2013 Net premium revenue
		Opening	Closing			Opening	Closing			
	a	b	c	d=a+b-c	e	f	g	h=e+fg		
----- Rupees -----										
Direct and facultative										
Fire and property damage	18,326,046	22,565,345	27,974,294	12,917,097	4,452,353	12,759,532	9,500,295	7,711,590	5,205,507	5,159,426
Marine, aviation and transport	3,964,127	1,521,930	1,459,541	4,026,517	2,500,000	1,250,000	1,250,000	2,500,000	1,526,517	1,463,742
Motor	48,006,592	80,964,513	86,564,921	42,406,184	2,405,000	4,796,251	4,806,563	3,141,917	39,264,267	52,292,311
Accident and health	(1,157,106)	19,224,031	11,528,878	6,538,047	-	9,457,023	-	9,457,023	(2,918,976)	9,310,779
Others	22,134,204	10,898,047	24,369,946	8,662,305	10,707,503	-	15,142,251	(4,434,748)	13,097,053	(2,338,968)
Total	91,273,863	135,173,866	151,897,580	74,550,149	20,064,856	28,262,805	30,699,109	18,375,781	56,174,368	65,887,290

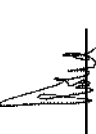
Business underwritten inside Pakistan

Nine month period ended September 30, 2014

Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2014 Net premium revenue i=d-h	2013 Net premium revenue
		Opening	Closing			Opening	Closing			
	a	b	c	d=a+b-c	e	f	g	h=e+fg		
----- Rupees -----										
Direct and facultative										
Fire and property damage	37,939,118	28,665,697	27,974,294	38,630,521	13,825,568	22,616,843	9,500,295	26,942,116	11,688,405	25,884,017
Marine, aviation and transport	10,845,194	2,243,122	1,459,541	11,628,776	7,500,000	1,155,987	1,250,000	7,405,987	4,222,789	987,123
Motor	136,181,946	89,212,029	86,564,921	138,829,053	7,215,000	4,755,000	4,806,563	9,076,251	129,752,802	160,495,686
Accident and health	21,748,793	6,934,856	11,528,878	17,154,771	-	-	-	-	17,154,771	61,243,325
Others	33,063,106	16,349,197	24,369,946	25,042,357	17,977,678	11,369,162	15,142,251	14,204,589	10,837,769	7,419,821
Total	239,778,157	143,404,901	151,897,580	231,285,477	46,518,246	39,896,992	30,699,109	57,628,943	173,656,535	256,029,972

Note: The Company does not underwrite business outside Pakistan.
The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


Chairman


Director


Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CLAIM (UNAUDITED)

For the period ended September 30, 2014

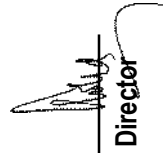
Business underwritten inside Pakistan

Class	Quarter ended September 30, 2014									
	Claims paid a	Outstanding claims Opening b	Outstanding claims Closing c	Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries in respect of outstanding claims Opening f	Reinsurance and other recoveries in respect of outstanding claims Closing g	Reinsurance and other recoveries revenue h=e+g-f	2014 Net claims expense i=d-h	2013 Net claims expense
Direct and facultative										
Fire and property damage	6,062,143	115,224,656	120,551,032	11,388,519	1,085,340	70,342,012	68,407,328	(849,344)	12,237,863	6,750,236
Marine, aviation and transport	173,732	9,563,853	9,390,121	0	7,500	2,647,706	3,933,717	1,293,511	(1,293,511)	(965,547)
Motor	33,561,851	116,793,337	97,729,114	14,497,628	6,019,350	1,640,000	-	4,379,350	10,118,278	10,432,237
Accident and health	2,278,158	42,562,541	42,245,390	1,961,007	-	-	-	-	1,961,007	10,875,973
Others	8,181,692	16,450,775	6,589,955	(1,679,128)	4,114,533	12,450,261	3,398,555	(4,937,173)	3,258,045	11,046,066
Total	50,257,576	300,596,162	276,505,612	26,168,026	11,226,723	87,079,979	75,739,600	(113,656)	26,281,682	38,138,965

Business underwritten inside Pakistan

Class	Nine month period ended September 30, 2014									
	Claims paid a	Outstanding claims Opening b	Outstanding claims Closing c	Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries in respect of outstanding claims Opening f	Reinsurance and other recoveries in respect of outstanding claims Closing g	Reinsurance and other recoveries revenue h=e+g-f	2014 Net claims expense i=d-h	2013 Net claims expense
Direct and facultative										
Fire and property damage	29,143,241	127,419,045	120,551,032	22,275,228	5,572,052	70,342,012	68,407,328	3,637,368	18,637,860	22,402,132
Marine, aviation and transport	2,780,454	11,892,559	9,390,121	278,016	(839,309)	2,647,706	3,933,717	446,702	(168,686)	4,182,412
Motor	91,683,547	131,469,840	97,729,114	57,942,821	26,998,265	1,640,000	-	25,318,265	32,624,556	82,667,515
Accident and health	11,251,353	51,187,622	42,245,390	2,309,121	-	-	-	-	2,309,121	59,559,020
Others	49,408,670	25,888,751	6,589,955	30,109,874	30,425,259	12,450,261	3,398,555	21,373,553	8,736,321	16,310,579
Total	184,267,265	347,857,817	276,505,612	112,915,060	62,116,267	87,079,979	75,739,600	50,775,888	62,139,172	185,121,658

Note: The Company does not underwrite business outside Pakistan.
The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


Chairman

Director

Chief Executive Officer

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)
For the period ended September 30, 2014
Business underwritten inside Pakistan

Class	Quarter ended September 30, 2014										
	Commissions paid or payable	Deferred Opening	Commission Closing	Net Commission expense	Other Management expenses (Note 21)	Underwriting expense	Commission from reinsurers	Net underwriting expenses	2014 Net underwriting expenses	2013 Net underwriting expenses	
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g			
Direct and facultative					Rupees						
Fire and property damage	2,766,903	3,771,856	4,071,542	2,467,218	2,096,071	4,563,289	466,216	4,097,073	6,014,263		
Marine, aviation and transport	606,554	365,818	281,511	690,860	653,387	1,344,247	-	1,344,247	2,010,531		
Motor	4,676,771	11,638,601	10,142,056	6,173,316	6,881,298	13,054,613	-	13,054,613	21,212,864		
Accident and health	-	381,643	149,350	232,293	1,060,936	1,293,229	-	1,293,229	4,066,058		
Miscellaneous	2,728,373	2,508,343	3,848,358	1,388,358	1,405,642	2,794,000	199,432	2,594,568	3,270,276		
Total	10,778,601	18,666,260	18,492,816	10,952,045	12,097,334	23,049,379	665,648	22,383,731	36,573,992		
Treaty	-	-	-	-	-	-	-	-	-		
Grand total	10,778,601	18,666,260	18,492,816	10,952,045	12,097,334	23,049,379	665,648	22,383,731	36,573,992		

Class	Nine month period ended September 30, 2014										
	Commissions paid or payable	Deferred Opening	Commission Closing	Net Commission expense	Other Management expenses (Note 21)	Underwriting expense	Commission from reinsurers	Net underwriting expenses	2014 Net underwriting expenses	2013 Net underwriting expenses	
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g			
Direct and facultative					Rupees						
Fire and property damage	5,689,266	7,662,505	4,071,542	9,280,229	10,657,126	19,937,355	2,613,260	17,324,095	19,351,066		
Marine, aviation and transport	2,274,454	502,856	281,511	2,495,799	3,208,068	5,703,866	184,080	5,519,786	4,627,750		
Motor	16,201,932	12,022,972	10,142,056	18,082,848	38,299,216	56,382,064	-	56,382,064	56,627,799		
Accident and health	631,130	1,046,441	149,350	1,525,221	4,732,542	6,260,763	-	6,260,763	19,144,916		
Miscellaneous	5,403,592	2,063,699	3,848,358	3,618,934	6,908,515	10,527,449	701,367	9,826,082	9,243,825		
Total	30,200,374	23,298,473	18,492,816	35,006,031	63,805,467	98,811,498	3,498,707	95,312,791	108,995,356		
Treaty	-	-	-	-	-	-	-	-	-		
Grand total	30,200,374	23,298,473	18,492,816	35,006,031	63,805,467	98,811,498	3,498,707	95,312,791	108,995,356		

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

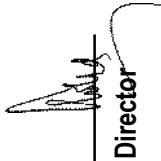
Note: The Company does not underwrite business outside Pakistan.
The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Chairman



Director



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)

For the quarter and nine months period ended Sep 30, 2014

	For the quarter ended		For the nine month period ended	
	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
	----- Rupees -----			
Income from trading investments - net	1,052,893	-	2,161,510	
Dividend income	298,752	1,114,614	298,752	1,646,015
	1,351,645	1,114,614	2,460,262	1,646,015
Income from non-trading investments				
<i>Held to maturity</i>				
Return on other fixed income securities and bank deposits	4,780,831	228,349	8,715,994	1,028,159
Return on PIBs	456,258		765,615	
<i>Available for sale</i>				
Dividend income	-	-	-	-
	5,237,089	228,349	9,481,609	1,028,159
(Loss)/Gain sale of non-trading investments (available-for-sale)	-	-	-	-
Unrealized (loss) / gain on revaluation of held for trading investments	(1,025,057)	1,407,482	(1,939,671)	3,500,959
Investment related expenses	(4,250)	(459,960)	(12,985)	(1,379,878)
Net investment income	5,559,427	2,290,485	9,989,215	4,795,255

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



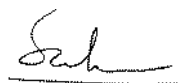
Chairman



Director



Director



Chief Executive Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014**

1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited ("the Company") was incorporated in March 1995 under the Companies Ordinance, 1984, as a Public Company and obtained the certificate for commencement of business in July 1995. It was registered with the Controller of Insurance in November 1995 to carry out non-life insurance business comprising fire, marine, motor, aviation, engineering, transportation, health, etc. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges.

Its registered office is located at 10th floor, Shaheen Commercial Complex, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial report (condensed interim financial information) of the Company for the nine months period ended 30 September 2014 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 have been followed.

The Securities and Exchange Commission of Pakistan ("SECP") has allowed insurance companies to defer the application of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" in respect of "Investment available -for- sale" until suitable amendments have been made in the law. Accordingly the requirements of IAS -39, to the extent allowed by the SECP, have not been considered in the preparation in this condensed interim financial information.

This condensed interim financial information does not include all the information and disclosures required for annual financial statements, and this condensed interim financial should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2013

2.2 Basis of Presentation

This condensed interim financial information has been prepared under the historical cost convention, except that 'held to maturity' investments are stated at amortised cost and investment 'at fair value through profit or loss- held for trading investments' are stated at fair value.

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

This condensed interim financial information has been prepared and presented in Pakistani rupees, which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and the methods of computation applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended 31 December 2013.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2013.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The insurance risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2013.

6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

6.1 Authorized share capital

30 September 2014	31 December 2013		30 September 2014	31 December 2013
Number of shares			----- Rupees -----	
<u>60,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs. 10 each	<u>600,000,000</u>	<u>300,000,000</u>

6.2 Issued, subscribed and paid-up share capital

30 September 2014	31 December 2013		30 September 2014	31 December 2013
Number of shares			----- Rupees -----	
8,000,000	8,000,000	Ordinary shares of Rs. 10 each fully paid in cash	80,000,000	80,000,000
12,000,000	12,000,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	120,000,000	120,000,000
10,000,000	10,000,000	Ordinary shares of Rs. 10 each issued as right shares	100,000,000	100,000,000
15,000,000	-	Ordinary shares of Rs. 10 each issued as right shares during the period 2014 (Refer note 6.2.1)	150,000,000	-
<u>45,000,000</u>	<u>30,000,000</u>		<u>450,000,000</u>	<u>300,000,000</u>

- 6.2.1 During the year 2013, the Board of Directors in its meeting held on 10 December 2013 resolved to issue 15,000,000 right shares at Rs. 10 per share which has been fully subscribed by the shareholders and underwriters and the Company has issued the shares during the period accordingly.

	30 September 2014	31 December 2013
	----- Rupees -----	
7. OTHER CREDITORS AND ACCRUALS		
Federal excise duty payable	38,444,263	33,015,941
Withholding tax payable	2,142,814	2,634,856
Workers welfare fund payable	215,074	215,074
Unearned rental income	32,588	380,624
Payable to provident fund	5,128,467	5,433,745
Others	4,485,247	6,330,160
	50,448,453	48,010,400

8. CONTINGENCIES AND COMMITMENTS

8.1 CONTINGENCIES

- 8.1.1** The Company has filed an appeal before the Appellate Bench of Securities and Exchange Commission of Pakistan in relation to order dated 17 December 2012 by the SECP with regards to non compliance of the minimum solvency requirements as at 31 December 2011.

The SECP order explains that the Company was in default of the minimum solvency requirements by Rs. 49.328 million as on 31 December 2011. On request of legal counsel of the Company, the SECP instructed the Company to provide revised solvency statement as at 30 September 2012. However, the new solvency statement showed a shortfall of Rs. 82.6 million as at 31 December 2013.

Taking into consideration the new solvency statement, SECP imposed a fine of Rs. 0.3 million on the Company and Rs. 0.1 million each on the directors of the Company. The Company has filed an appeal before the Appellate Bench of the SECP against the order. SECP dismissed the appeal and withheld the Impunged Order dated 17 December 2012.

During the period the Company paid off penalty amounting to Rupees. 0.3 million to the Commission.

- 8.1.2** On April 05, 2012 LTU sent a recovery notice under section 122 for Rs. 4,435,078/-. Finally hearing was held by Additional Commissioner- LTU who issued order u/s 124/122 (5A) of ITO, 2001 dated Sep 30, 2014. He adjusted the prior amount of Rs. 3.398 million and revised the additional income at Rs. 6,591,031/- and assessed balance payable at Rs. 1.545 million only. However, the management and tax advisor of the Company are confident for adjusting the tax demand with the Tax Year 2011 refund.

For the Tax Year 2011 Commissioner Inland Revenue (Appeals) vide letter dated 18-11-2013 issued directions to the concerned assessing officer to examine the issues and allow relief. Additional Commissioner- Audit revised the computation of income and gave Order vide D.C. No. 12/54 dated 30-06-2014 under section 124/122(5A) of ITO, 2001 for balance refundable of Rs. 2,108,754/- against the taxable demand of Rs. 38,810,177/-. The management is hopeful to adjust the above refund towards other year payables/ Demand.

SICL received Notice under sub-section (5A) read with (9) of Section 122 of the ITO, 2001 for the tax year 2008 vide letter no. ACIL-B/ZONE-III/Audit/2014 dated 16-05-2014 for re-assessment. After hearing Additional Commissioner issued Order under section 122(5A) of the ITO, 2001 vide D.C. # 42/55 dated 28-06-2014 for tax payable of Rs. 2,066,786/-. The Company has filed appeal against this Order with Commissioner Appeals. No provision has been made in the tax year as management is hopeful for favourable outcome.

- 8.1.3 A claim was raised by General Trading Establishment in 2011 amounting to Rs. 60.65 million, which was rejected by the surveyor. The aggrieved party filed a suit against the Company in the High court of Sindh. The legal advisor of the Company is of the view that the Company is likely to be successful in respect of this suit. Therefore, no provision has been made in the condensed interim financial information.

8.2 COMMITMENTS

There were no commitments as at 30 September 2014 (31 December 2013 : Nil)

9. INVESTMENTS

9.1 Type of investments	30 June 2014	31 December 2013
	----- Rupees -----	
Held-to-maturity		
Government Securities 9.1.1	14,582,040	-
Certificate of Investments	-	-
	<u>14,582,040</u>	<u>-</u>
At fair value through profit or loss - Held for trading	3,898,254	9,907,790
Available-for-sale investments		
First Capital Equities Limited	188,000,000	188,000,000
Mutual Funds		
Open-end funds	<u>32,062,726</u>	<u>32,062,726</u>
	<u>238,543,020</u>	<u>229,970,516</u>
9.1.1 Government Securities		
Pakistan Investment Bonds (PIBs)	<u>14,582,040</u>	-
	<u>14,582,040</u>	<u>-</u>

The Company purchased 5 years' Pakistan Investment Bonds on 21 April 2014 at a purchase price of Rs. 14,582,040 maturing on 18 July 2018.

- 9.2 Market value of quoted available-for-sale securities is Rs. 206.756 million (31 December 2013: Rs. 293.994 million).

9.3 Had the Company followed International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" in respect of recognition of gain / (loss) on measurement of available for sale securities directly into equity, the investments of the Company would have been lower by Rs. 13,461 million (2013: higher by Rs. 41.84 million) and the net equity would have decreased by the same amount.

9.4 On 29 November 2012, the Company through an agreement settled balance of 'reverse repo' and 'premium due but unpaid' amounting to Rs. 99.89 million (reverse repo and associated mark-up) and Rs. 88.859 million of FCSG Group and Pace (Pakistan) Limited respectively against 4.7 million shares of First Capital Equities Limited (a related party) at Rs. 40 per share against the market value of Rs. 69 per share as at that date. The agreement was subsequently amended on 07 March 2013 to make the clause of "restriction on holding period" and "SWAP against property" null and void.

The Company has been served a show cause notice dated 02 May 2013 by the SECP stating that investment with FCEL is creating difficulty for the Company with respect to the liquidity and solvency. Further, it appears that the Company has not followed the requirements of section 208 of the Companies Ordinance, 1984 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012. The next date of hearing is scheduled on 18, November 2014

10. INVESTMENT PROPERTIES - at cost less depreciation

	30 Sep 2014						Depreciation rate %
	As at 1 January 2014	Cost Addition (Deletion)	As at 30 Sep 2014	As at 1 January 2014	Depreciation For the nine months 2014	As at 30 Sep 2014	
Shop premises	33,948,414	-	33,948,414	8,894,587	1,273,066	10,167,653	5
Office premises	2,848,320	-	2,848,320	2,278,656	106,811	2,385,467	5
Advance against purchase of investment property	34,750,008	-	34,750,008	-	-	-	-
	<u>71,546,742</u>	<u>-</u>	<u>71,546,742</u>	<u>11,173,243</u>	<u>1,379,877</u>	<u>12,553,120</u>	<u>56,993,622</u>
	31 December 2013						Depreciation rate %
	As at 1 January 2013	Cost Addition (Deletion)	As at 31 December 2013	As at 1 January 2013	Depreciation For the year 2013	As at 31 December 2013	
Shop premises	33,948,414	-	33,948,414	7,197,166	1,697,421	8,894,587	5
Office premises	2,848,320	-	2,848,320	2,136,240	142,416	2,278,656	5
Advance against purchase of investment property	-	34,750,008	34,750,008	-	-	-	-
	<u>36,796,734</u>	<u>34,750,008</u>	<u>71,546,742</u>	<u>9,333,406</u>	<u>1,839,837</u>	<u>11,173,243</u>	<u>60,373,499</u>

- 10.1** Shops and office premises (leasehold properties) have been valued under the market value basis by Maqsood Ahmed (Private) Limited and GIP Surveyors (Private) Limited. Market value of shop and office premises based on the valuations done by aforesaid valuers as of 30 January 2014 and 31 January 2014 amounted to Rs. 100.6 million and 13.4 million respectively (2013: 28 March 2013 and 25 March 2013 amounted to Rs. 99.726 million and 13 million respectively).
- 10.2** Advance is given against the purchase of property from Pace Pakistan Limited (previously a related party), situated at First Floor of Pace Tower Project, 27-H, Gulberg II, Lahore measuring 3,475 square feet. The property was valued by Maqsood Ahmed (Private) Limited as of 03 April 2014 amounting to Rupees 37.53 million (2013: 10 April 2013 amounted to Rupees 36.83 million by Masud Associates (Private) Limited). Pace Pakistan Limited (Builder) has confirmed in writing that the said property stands in the name of the Company. The management is hopeful that the property's construction will be completed by the next year and its title along with possession will be transferred accordingly to the Company.

	30 September 2014	31 December 2013
	----- Rupees -----	
11. PREMIUMS DUE BUT UNPAID - unsecured		
Considered good	140,118,506	219,085,622
Considered doubtful	13,742,644	13,742,644
	153,861,150	232,828,266
Provision against doubtful debts	(13,742,644)	(13,742,644)
	140,118,506	219,085,622
11.1 Premium due but unpaid from related parties		
Shaheen Air Port Services (SAPS)	8,610,115	2,597,427
Shaheen Foundation, PAF	(347,454)	916,035
Shaheen Knitwear	134,207	17,098
Shaheen Complex	18,900	97,541
Hawk Advertising	1,863	52,483
	8,417,631	3,680,584

12. ADDITIONS AND DELETIONS IN FIXED ASSETS

Details of the cost of operating assets that have been acquired and disposed of during the nine month period are as follows:

	30 September 2014		30 September 2013	
	Additions	Disposals	Additions	Disposals
	----- Rupees -----		----- Rupees -----	
Furniture, fixtures and office equipment	73,000	2,213,680	2,743,782	108,898
Motor vehicles	-	12,593,000	133,500	162,300
	73,000	14,806,680	2,877,282	271,198

13. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets, liabilities as at September 30, 2014 and December 31, 2013, unallocated capital expenditures and non-cash expenses during the current and last Period::

	Fire & Property Damage		Marine, Aviation & Transport		Motor		Accident and Health		Miscellaneous		Total
	31	30	31	30	31	30	31	30	31		
	December 2013	September 2014	December 2013	September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	
Segment assets	46,662,640	29,694,187	4,607,718	292,770,312	358,196,231	138,125,487	117,120,467	55,110,300	37,938,442	584,611,237	564,525,498
Unallocated corporate assets										306,095,292	299,867,232
Total assets										<u>890,706,529</u>	<u>864,392,730</u>
SEGMENT LIABILITIES											
Segment liabilities	54,152,272	25,315,955	5,347,284	249,603,070	415,688,859	117,759,705	135,918,999	46,984,614	44,027,788	498,413,785	655,135,202
Unallocated corporate liabilities										51,280,902	32,136,856
Total liabilities										<u>549,694,687</u>	<u>687,272,058</u>
Capital expenditure	8,605	3,708	25,506	36,558	1,982,786	17,248	648,317	6,882	210,008	73,000	3,124,917
Depreciation/ Amortisation	1,158,027	499,002	127,346	4,919,915	9,899,632	2,321,156	3,236,911	926,112	1,048,521	9,824,212	15,602,047

14. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is, to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to the shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares. The Company has issued right shares of Rs.150 million at Par value of Rs 10/- each during the period to strengthen its capital base. Minimum capital requirement for non-life insurers is Rupees 300 million, which the Company duly complied.

The Company was not compliant of the minimum solvency requirements as at 31 December 2011, 2012 & 2013 under section 36 of the Insurance ordinance, 2000. The management is taking all necessary steps to ensure compliance with the solvency requirements. The management and directors are confident that the right issue of Rs. 150 million and the profitability coupled with positive future outlook and change of management will drive the Company out of liquidity and solvency issues going forward.

15. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its employees' provident fund, key management personnel, entities with substantial holdings in the Company and Companies with common directors.

Transactions with related parties during the period and balances with them as at the period end are as follows:

Transactions and balances with associated companies	Quarter ended		Nine month period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	----- Rupees -----		----- Rupees -----	
Insurance premium				
Balance at beginning of the period	133,328	8,245,547	3,680,584	5,485,121
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	46,407,392	13,981,590	56,962,109	29,478,422
Received / Adjusted during the period	(38,123,089)	(9,394,532)	(52,225,062)	(22,130,938)
Balance at end of the period	8,417,631	12,832,605	8,417,631	12,832,605
	Quarter ended		Six month period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	----- Rupees -----		----- Rupees -----	
Insurance claim expense				
Outstanding claims at beginning of the period	2,182,505	929,331	1,880,081	581,023
Gross claim expense for the period	(993,288)	529,392	(144,770)	(117,239)
Claim paid during the period	(430,847)	(2,000)	(976,941)	992,939
Outstanding claims at end of the period	758,370	1,456,723	758,370	1,456,723
Other transactions for the period with associated companies				
Rental expense	2,303,676	9,475,225	6,790,603	11,664,941

Other balances with associated companies

	30 September 2014	31 December 2013
	----- Rupees -----	
Prepaid rent	<u>8,293,624</u>	12,393,952
Security deposits	<u>4,147,200</u>	4,147,200

Transactions for the period with other related parties

	Quarter ended		Nine month period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	----- Rupees -----		----- Rupees -----	
Contribution to the provident fund	<u>161,295</u>	1,639,719.0	<u>434,497</u>	1,639,719
Remuneration of key management personnel	<u>4,362,930</u>	11,094,135	<u>12,599,677</u>	21,629,625

	30 June 2014	31 December 2013
	----- Rupees -----	
Payable to Provident Fund	<u>5,128,467</u>	5,433,745

15.1 Insurance and claim related transactions with related parties are carried in normal course of business.

15.2 Remuneration to the key management personnel are in accordance with the terms of their employment.

15.3 Contribution to the provident fund is in accordance with the Company's staff services rules.

15.4 Other transactions are at agreed terms.

16. EARNINGS /(LOSS) PER SHARE - BASIC AND DILUTED

	Quarter ended		Nine month period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	----- Rupees -----		----- Rupees -----	
Profit / (loss) for the period	<u>(91,826)</u>	<u>(22,950,987)</u>	<u>13,891,171</u>	<u>(86,495,634)</u>
	Number of Shares		Number of Shares	
Weighted average number of ordinary shares of Rs. 10 each	<u>45,000,000</u>	<u>30,000,000</u>	<u>45,000,000</u>	<u>30,000,000</u>
	----- Rupees -----		----- Rupees -----	
Earnings /(loss) per share	<u>(0.0020)</u>	<u>(0.77)</u>	<u>0.31</u>	<u>(2.88)</u>

16.1 The company has not issued any instrument which would dilute its basic earnings per share when exercised.

17. GENERAL

17.1 This condensed interim financial information was approved and authorised for issue in the board of directors meeting held on October 29, 2014

17.2 The figures have been rounded off to the nearest rupee.



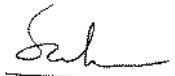
Chairman



Director



Director



Chief Executive Officer