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# ***COMPANY INFORMATION***

## **BOARD OF DIRECTORS**

Air Vice Marshal ( R ) M.Ikramullah Bhatti  
Air Commodore ( R ) Zafar Iqbal Mir  
Air Commodore (R) Tanweer Muhammad Sheikh  
Shahid Hameed  
Imran Hafeez  
Hammad Ahmed Butt  
Syed Hamza Gillani

## **CHIEF EXECUTIVE OFFICER**

Asif Suleman

## **CHIEF FINANCIAL OFFICER**

Huzaif Hanif Tola

## **COMPANY SECRETARY**

Huzaif Hanif Tola

## **AUDITORS**

Anjum Asim Shahid Rehman  
Chartered Accountants

## **LEGAL ADVISOR**

Shaukat Law Associates

## **REGISTERED OFFICE**

10<sup>th</sup> Floor, Shaheen Complex, M.R.Kayani Road, Karachi.

## **HEAD OFFICE**

10<sup>th</sup> 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, 32213950-51, Fax # 32626674  
E-mail: [sihifc@cyber.net.pk](mailto:sihifc@cyber.net.pk)  
URI: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)

## **Lahore**

Zonal Head - Mr. Navced Butt

14 Askari Villas, Main Shami Road, Lahore Cantt.  
Tel. #(042)36667008,36675243,36681107,36689541  
UAN: 111-765-111 Fax # (042) 36669819  
E-mail: [lhr\\_zone@shaheeninsurance.com](mailto:lhr_zone@shaheeninsurance.com)

## **Islamabad**

Zonal Head - Mr. Khalid Sarwar

H. # 46, Khayban-e-Suhurwardy, G-6/4, Islamabad  
Tel. #(051)2829590, 2873204,2829552  
Fax # (051) 2829515  
E-mail: [lsb@shaheeninsurance.com](mailto:lsb@shaheeninsurance.com)

## **Karachi**

### **Progressive Plaza Branch**

Branch Manager - Mr. Sohail Najam Kidwai  
705, 7th Floor, Progressive Plaza,  
Beaumont Road, Near P.I.D.C  
Tel. # (021) 35653041-2, 35658251-2  
Fax # (021) 35653043  
E-mail: [ppb@shaheeninsurance.com](mailto:ppb@shaheeninsurance.com)

### **Plaza Branch**

Branch Managers-Mr. Mustufa Zafar Dada  
Room No. 112, 1st Floor, Plot No. G-7, Block-9,  
The Plaza Kehkashan Clifton Karachi.  
Tel#(021)35308351-52,35308359  
Fax# (02 I) 35308353

## **Lahore**

Branch Manager Mr. Shoaib Ansar

Office # 6, 6th floor, Shaheen Complex  
opp: PTV Station 38, Abboft Road,  
Lahore  
Tel# 042-36370384, 363710741, 36370742  
Fax# 042-36370385

## **Faisalabad**

Branch Manager - Mr. Akhtar Rao

2nd Floor, Sitara Towers, Bilal Chowk  
Civil Lines, Faisalabad  
Tel. # (041 )2614112, 2621370, 2630644-5  
Fax#(041)2631514  
E-mail: [fsd@shaheeninsurance.com](mailto:fsd@shaheeninsurance.com)

**Peshawar**

Branch Manager - Mr. Muhammad Shoaib Khan

6th Floor, State Life Building  
34 - The Mall, Peshawar Cantt.  
Tel. # (091) 5273122, Fax # (091) 5273106  
E-mail: psw@shaheeninsurance.com

**Rawalpindi Branch**

Branch Manager - Mr. Mujahid Raza

House No. 02-A/2, Block 'A', Near 6th Road,  
Satellite Town, Rawalpindi  
Tel#(051)4581354,4581355,4580096  
Fax # (051) 4581353  
E-mail: rwp@shaheeninsurance.com

**Mirpur Azad Kashmir**

Branch Manager - Mr. Sikandar

Shaheen House  
House No. 81, Sector F-2,  
Mirpur Azad Kashmir  
Tel# (05827) 434559  
E-mail: mpajk@shaheeninsurance.com

**Sargodha**

Branch Manager - Mr. Nadeem Awan

66-Civil Lines, First Floor, Khan Arcade  
Court Road, Sargodha  
Tel.# (048) 3741018  
Fax.# (048) 3741208

**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

**Hyderabad**

Branch Manager - Syed Shaukat Ali

Upper 2nd Floor  
H # 75, Soldier Bazar  
Tel. # (022) 2720487  
Fax # (022) 2720489  
E-mail: hyd@shaheeninsurance.com

**Sialkot**

Branch Manager - Mr. Muhammad Mujahid 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

## ***DIRECTORS' REPORT TO THE MEMBERS***

The Directors are pleased to announce the results of your Company for the six months ended on June 30, 2011.

The Results are summarized below:

	<b>June 2011</b>	<b>June 2010</b>	<b>% Age</b>	<b>December 2010</b>
	<b>All Figures Rs. in '000'</b>			
Gross Premium Written	395,499	348,409	13.52	553,084
Net Premium Revenue	232,021	205,718	12.79	417,389
Net Claims	124,114	149,990	(17.25)	263,040
Underwriting Profits	36,766	(12,010)	406.13	20,267
Investment Income	11,681	3,021	286.66	16,671
Profit Before Tax	16,660	(41,397)	140.24	(23,476)
Profit After Tax	13,735	(43,860)	131.32	(29,033)
Earning Per Share	0.60	(2.19)	127.40	(1.45)

The Gross Written Premiums of your Company has shown a substantial growth of 13.5% from Rs. 348 million in first six months of year 2010 to Rs. 395 million in the current period whilst the net premium revenue has also increased by 12.8% as compared to the corresponding period. Net claims of your Company have reduced by 17.2% as compared to the corresponding period due to efficient claims management. A net claim to net premium revenue ratio of 53% is in line with prevailing market averages.

Your Company's underwriting results has shown a substantial improvement of 4 times from a loss of Rs. 12 million for the first six months of the year 2010 to a healthy profit of Rs. 36 million for the period under review. The management of your Company is applying the policy of gradual and systematic decrease in motor portfolio and the same continued during the current period. Motor portfolio of your company has further decreased to 37.72% of the total portfolio as compared to 44.82% in the corresponding period last year. Accident and health business underwriting results has shown a loss of Rs. 13 million during the first period of opening this new line of business in profit and loss account of your company. This decrease is mainly due to the fact that a substantial increase in unearned premium reserve of this line of business of Rs. 42 million was set aside in accordance with the company's revenue recognition policy of 1/ 24th method. This unearned premium reserve will be recognized in income account for the next periods to come.

Investment Income of your Company has shown a remarkable increase of 2.86 times as compared to the corresponding period due to effective and professional management of the investment portfolio of the Company.

Profit before tax and after tax has shown an outstanding growth of 1.4 times and 1.3 times from corresponding period in the last year.

Our progress is the result of constructive contribution made by our dedicated officers and staff members, our field force and of the cooperation and understanding extended towards us by our Reinsurers, Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and above all, by our satisfied clients.

*M. Ikramullah*

**M. Ikramullah Bhatti**  
**Air Vice Marshal (Retd).**  
**Chairman**  
**Dated: August 29, 2011**

**AUDITOR'S REPORT TO THE MEMBERS OF SHAHEEN INSURANCE COMPANY LIMITED  
ON REVIEW OF CONDENSED INTERIM FINANCIAL REPORT**

*Introduction*

We have reviewed the accompanying condensed interim balance sheet of **Shaheen Insurance Company Limited** (the company) as at June 30, 2011, and the related condensed interim profit and loss account, condensed interim statement of cash flows, condensed interim statement of changes in equity, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expense, condensed interim statement of investment income and notes to the accounts (here-in-after referred to as the "interim financial information") for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards, as applicable in Pakistan, for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the quarters ended June 30, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2011.

*Scope of Review*

We conducted our review in accordance with the 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Date: 29 August 2011  
Karachi**

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**Anjum Asim Shahid Rahman  
Chartered Accountants  
Shahzada Saleem Chughtai**

## **CONDENSED INTERIM BALANCE SHEET**

	<b>Un-audited</b>	<b>Audited</b>
Note	<b>30-Jun-2011</b>	31-Dec-2010
	----- (Rupees) -----	
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised share capital 30,000,000 (December 31, 2010: 30,000,000) ordinary shares of Rs. 10 each	<b>300,000,000</b>	300,000,000
Issued, subscribed and paid-up share capital 25,000,000 (December 31, 2010: 20,000,000) ordinary shares of Rs. 10 each fully paid in cash	7 <b>250,000,000</b>	200,000,000
Retained earnings	<b>(10,044,939)</b>	(23,780,007)
General reserve	<b>20,000,000</b>	20,000,000
<b>Shareholders' equity</b>	<b>259,955,061</b>	196,219,993
<b>UNDERWRITING PROVISIONS</b>		
Provision for outstanding claims (including IBNR)	<b>172,941,719</b>	185,190,944
Provision for unearned premium	<b>343,026,124</b>	245,048,397
Commission income unearned	<b>15,111,692</b>	13,236,622
<b>Total underwriting provisions</b>	<b>531,079,535</b>	443,475,963
<b>CREDITORS AND ACCRUALS</b>		
Premium received in advance	<b>5,418,134</b>	8,425,048
Amount due to other insurers / reinsurers	<b>66,973,911</b>	29,395,613
Accrued expenses	<b>5,856,493</b>	9,866,168
Agents' balances	<b>31,010,358</b>	17,646,088
Deferred gain on disposal of assets under sale and lease back	-	183,048
Other creditors and accruals	8 <b>26,456,855</b>	11,022,354
	<b>135,715,751</b>	76,538,319
<b>BORROWINGS</b>		
Liabilities against assets subject to finance lease	<b>2,052,090</b>	1,072,822
<b>OTHER LIABILITIES</b>		
Dividend payable - unclaimed	<b>398,384</b>	398,934
<b>TOTAL LIABILITIES</b>	<b>669,245,760</b>	521,486,038
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>929,200,821</b>	717,706,031

### CONTINGENCIES AND COMMITMENTS

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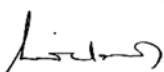
The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

## AS AT 30 JUNE 2011

	Un-audited	Audited
Note	30-Jun-2011	31-Dec-2010
	----- (Rupees) -----	
<b>CASH AND BANK DEPOSITS</b>		
Cash and other equivalents	131,390	46,984
Current and other accounts	<u>84,704,201</u>	<u>136,923,235</u>
	<b>84,835,591</b>	<b>136,970,219</b>
<b>LOANS - secured, considered good</b>		
To employees	2,085,684	2,136,673
<b>INVESTMENTS</b>	10 <b>102,844,531</b>	155,721,299
<b>INVESTMENT PROPERTIES</b>	11 <b>30,158,018</b>	4,551,912
<b>CURRENT ASSETS - others</b>		
Premiums due but unpaid	271,796,681	166,082,545
Amounts due from other insurers / reinsurers	54,085,838	28,463,767
Accrued investment income	29,717	89,921
Reinsurance recoveries against outstanding claims	49,396,760	59,012,056
Taxation - payments less provisions	1,325,178	1,137,729
Deferred commission expense	46,507,252	37,330,920
Advances, deposits and prepayments	112,506,616	65,717,735
	<b>535,648,042</b>	<b>357,834,673</b>
<b>FIXED ASSETS</b>		
<b>Tangible</b>		
Furniture, fixtures and office equipment	7,988,441	6,824,620
Motor vehicles	26,265,140	18,916,627
Capital work in progress - office premises	34,750,008	34,750,008
Capital work in progress - shops	101,039,922	-
	<b>170,043,511</b>	<b>60,491,255</b>
<b>Intangible</b>		
Computer software	985,445	-
Capital work in progress - Integrated General Insurance System	2,600,000	-
	<b>3,585,445</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>929,200,821</b>	<b>717,706,031</b>



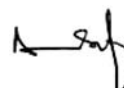
**Chairman**



**Director**



**Director**



**Chief Executive Officer**



Condensed Interim Profit and Loss Account (Unaudited)  
For the quarter and six month period ended June 30, 2011

	Quarter ended June 30,					(Rupees)	
	Fire and property	Marine, aviation and transport	Motor	Accident and Health	Others	2011	2010
<b>REVENUE ACCOUNT</b>						Aggregate	Aggregate
Net premium revenue	11,740,795	4,533,033	65,112,280	27,282,681	7,278,093	<b>115,946,882</b>	97,189,056
Net claims	(399,809)	(1,028,445)	(29,025,757)	(21,331,883)	(10,134,894)	<b>(61,920,788)</b>	(92,580,853)
Management expenses	(2,201,422)	(910,492)	(12,209,528)	(5,046,281)	(1,360,168)	<b>(21,727,890)</b>	(11,417,030)
Net commission	(2,182,791)	(1,484,622)	(8,860,527)	(2,328,922)	390,309	<b>(14,466,553)</b>	(18,815,711)
Net underwriting expenses	(4,384,213)	(2,395,114)	(21,070,055)	(7,375,203)	(969,859)	<b>(36,194,444)</b>	(30,232,741)
<b>Underwriting result</b>	<b>6,956,773</b>	<b>1,109,473</b>	<b>15,016,468</b>	<b>(1,424,404)</b>	<b>(3,826,660)</b>	<b>17,831,650</b>	<b>(25,624,538)</b>
Investment income						<b>5,865,532</b>	1,247,987
Rental income						<b>523,818</b>	518,802
Other income / (charges)						<b>1,163,459</b>	(46,255)
General and administrative expenses						<b>(17,226,284)</b>	(19,889,386)
<b>Profit / (Loss) before tax</b>						<b>8,158,175</b>	(43,793,390)
Provision for taxation - current						<b>(1,824,636)</b>	(1,962,960)
<b>Profit / (Loss) after tax</b>						<b>6,333,540</b>	<b>(45,756,350)</b>
<b>Earnings / (Loss) per share - basic and diluted</b>							Restated <b>0.25</b> (2.17)

	Six month period ended June30,					(Rupees)	
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Others	2011	2010
<b>REVENUE ACCOUNT</b>						Aggregate	Aggregate
Net premium revenue	23,620,529	15,207,478	131,080,314	47,922,017	14,190,918	<b>232,021,257</b>	205,718,371
Net claims	(897,485)	(1,374,363)	(72,172,681)	(48,934,308)	(735,311)	<b>(124,114,148)</b>	(149,989,824)
Management expenses	(4,191,222)	(2,698,412)	(23,258,863)	(8,503,273)	(2,518,034)	<b>(41,169,803)</b>	(28,187,958)
Net commission	(4,783,187)	(4,221,542)	(17,796,684)	(4,146,253)	976,547	<b>(29,971,119)</b>	(39,550,192)
Net underwriting expenses	(8,974,409)	(6,919,954)	(41,055,547)	(12,649,526)	(1,541,486)	<b>(71,140,922)</b>	(67,738,150)
<b>Underwriting result</b>	<b>13,748,635</b>	<b>6,913,161</b>	<b>17,852,086</b>	<b>(13,661,817)</b>	<b>11,914,121</b>	<b>36,766,186</b>	<b>(12,009,603)</b>
Investment income						<b>11,680,935</b>	3,021,353
Rental income						<b>1,047,636</b>	1,037,601
Other income						<b>1,469,085</b>	1,667,726
General and administrative expenses						<b>(34,404,139)</b>	(35,114,114)
<b>Profit / (Loss) before tax</b>						<b>16,559,703</b>	(41,397,037)
Provision for taxation - current						<b>(2,824,636)</b>	(2,462,960)
<b>Profit / (Loss) after tax</b>						<b>13,735,068</b>	<b>(43,859,997)</b>
<b>Profit and loss appropriation account:</b>							
Balance at commencement of the period						<b>(23,780,007)</b>	5,252,930
Profit / (Loss) after tax						<b>13,735,068</b>	(43,859,997)
Balance of accumulated (loss) at end of the period						<b>(10,044,939)</b>	(38,607,067)
<b>Earnings / (Loss) per share - basic and diluted</b>							Restated <b>0.60</b> (2.08)

M. Jansam - M. M. M.

Chairman

L. S. S.

Director

Amman Hageez

Director

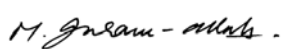
A. S. S.

Chief Executive Officer

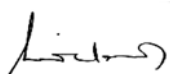
Condensed Interim Statement of Comprehensive Income (Unaudited)  
 For the quarter and six month period ended June 30, 2011

	<u>For the quarter ended</u>		<u>For the six month period ended</u>	
	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
	----- Rupees -----			
Net Profit / (Loss) for the period	<b>6,333,540</b>	(45,756,350)	<b>13,735,068</b>	(43,859,997)
Other comprehensive income		-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u><u><b>6,333,540</b></u></u>	<u><u><b>(45,756,350)</b></u></u>	<u><u><b>13,735,068</b></u></u>	<u><u><b>(43,859,997)</b></u></u>

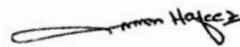
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Chairman



Director



Director



Chief Executive Officer

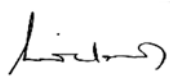
Condensed Interim Statement of Changes in Equity (Unaudited)  
For the six month period ended June 30, 2011

	Paid-up share capital	Revenue reserves		Total
		General reserve	Retained earnings	
----- Rupees -----				
Balance as at January 01, 2010	200,000,000	20,000,000	5,252,930	225,252,930
<i>Changes in equity for the six month period ended June 30, 2010</i>				
Total comprehensive loss for the period	-	-	(43,859,997)	(43,859,997)
Balance as at June 30, 2010	200,000,000	20,000,000	(38,607,067)	181,392,933
<i>Changes in equity for the six month period ended December 31, 2010</i>				
Total comprehensive income for the period	-	-	14,827,060	14,827,060
Balance as at January 01, 2011	200,000,000	20,000,000	(23,780,007)	<b>196,219,993</b>
<i>Changes in equity for the six month period ended June 30, 2011</i>				
Issue of right shares during the period	50,000,000	-	-	<b>50,000,000</b>
Total comprehensive income for the period	-	-	13,735,068	<b>13,735,068</b>
<b>Balance as at June 30, 2011</b>	<b>250,000,000</b>	<b>20,000,000</b>	<b>(10,044,939)</b>	<b>259,955,061</b>

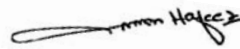
The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.



Chairman



Director



Director



Chief Executive Officer

Condensed Interim Statement of Cash Flow (Unaudited)  
For the six month period ended June 30, 2011

	June 30, 2011	June 30, 2010
	----- (Rupees) -----	
<b>OPERATING ACTIVITIES</b>		
<i>a) Underwriting activities</i>		
Premiums received	286,778,056	246,755,731
Reinsurance premium paid	(63,312,633)	(65,099,843)
Claims paid	(188,734,647)	(177,193,042)
Reinsurance and other recoveries received	61,986,570	48,449,053
Commissions paid	(40,400,496)	(42,002,177)
Commissions received	16,492,384	13,369,094
Net cash flows from underwriting activities	<u>72,809,234</u>	<u>24,278,816</u>
<i>b) Other operating activities</i>		
Income tax paid	(3,012,085)	(1,528,833)
General management expenses paid	(94,946,132)	(51,378,716)
Loans refunded / (advanced)	50,989	(1,014,128)
Net cash flows (used in) other operating activities	<u>(97,907,228)</u>	<u>(53,921,677)</u>
<b>Total cash flows (used in) operating activities</b>	<b>(25,097,994)</b>	<b>(29,642,860)</b>
<b>INVESTING ACTIVITIES</b>		
Profit / Return received	5,557,157	6,577,329
Rentals received	750,000	1,325,202
Payments for investments	(169,974,953)	(268,823,563)
Proceeds from disposal of investments	125,624,848	262,200,842
Purchase of investment properties	(25,321,435)	-
Fixed capital expenditure	(14,877,455)	(15,577,111)
Proceeds from disposal of fixed assets	2,030,000	3,440,000
<b>Total cash flows (used in) investing activities</b>	<b>(76,211,838)</b>	<b>(10,857,301)</b>
<b>FINANCING ACTIVITIES</b>		
Amount received against issue of right shares	50,000,000	-
Financial charges paid	(125,735)	(163,741)
Lease payments	(699,061)	(508,595)
<b>Total cash flows from / (used in) financing activities</b>	<b>49,175,204</b>	<b>(672,336)</b>
<b>Net cash flows (used in) all activities</b>	<b>(52,134,628)</b>	<b>(41,172,497)</b>
Cash and cash equivalents at beginning of the period	136,970,219	132,726,634
<b>Cash and cash equivalents at end of the period</b>	<b><u>84,835,591</u></b>	<b><u>91,554,137</u></b>

Condensed Interim Statement of Cash Flow (Unaudited)

For the six month period ended June 30, 2011

<b>Reconciliation to profit and loss account</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>
	----- (Rupees) -----	-----
Operating cash flows	(25,097,994)	(29,642,860)
Depreciation expense	(5,655,689)	(3,888,744)
Gain on disposal of fixed assets	975,837	1,205,167
Amortization of gains on assets under sale and lease back	183,048	183,018
Taxes paid	3,012,085	1,528,833
Financial charges	(125,735)	(163,741)
Increase in assets other than cash	176,830,219	80,996,627
(Increase) in liabilities	(147,759,722)	(95,953,829)
Investment and other income	14,197,656	4,338,492
Provision for tax	(2,824,636)	(2,462,960)
<b>Profit / (Loss) after taxation</b>	<b>13,735,068</b>	<b>(43,859,998)</b>

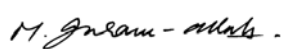
**Definition of cash**

Cash comprises 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.

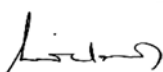
Cash for the purpose of the statement of cash flow consists of:

<b>Cash and other equivalents</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>
	----- (Rupees) -----	-----
- Cash in hand	131,390	171,980
- Policy stamps in hand	-	10,000
	<b>131,390</b>	<b>181,980</b>
<b>Current and saving accounts</b>		
- Current accounts	78,715,608	11,119,153
- Savings accounts	5,988,593	80,253,004
	<b>84,704,201</b>	<b>91,372,157</b>
	<b>84,835,591</b>	<b>91,554,137</b>

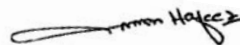
The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.



Chairman



Director



Director



Chief Executive Officer

Condensed Interim Statement of Premium (Unaudited)  
For the quarter and six month period ended June 30, 2011

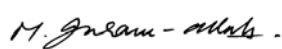
Business underwritten inside Pakistan

Class	Quarter ended June 30,									
	Premium written	Unearned premium reserve		*Premium earned d=a+b-c	Reinsurance ceded e	Prepaid reinsurance premium ceded		Reinsurance expense h=e+f-g	Net premium revenue	
		Opening b	Closing c			Opening f	Closing g		2011 i=d-h	2010
----- Rupees -----										
<b>Direct and Facultative</b>										
Fire and property damage	47,648,647	38,502,911	62,522,451	23,629,107	19,954,358	20,305,742	28,371,788	11,888,312	11,740,795	14,195,721
Marine, aviation and transport	11,037,841	4,052,405	5,362,131	9,728,115	5,593,201	1,912,314	2,310,432	5,195,083	4,533,033	2,976,632
Motor	82,493,094	122,319,697	138,323,944	66,488,847	1,467,000	2,840,525	2,930,958	1,376,567	65,112,280	60,509,086
Accident and health	46,053,652	66,277,365	84,445,863	27,885,154	34,619	2,210,881	1,643,027	602,473	27,282,681	16,223,293
Others	45,151,344	22,996,770	52,371,736	15,776,379	27,844,423	12,549,992	31,896,130	8,498,285	7,278,093	3,284,324
<b>Total</b>	<b>232,384,578</b>	<b>254,149,148</b>	<b>343,026,124</b>	<b>143,507,602</b>	<b>54,893,601</b>	<b>39,819,454</b>	<b>67,152,335</b>	<b>27,560,720</b>	<b>115,946,882</b>	<b>97,189,056</b>
<b>Treaty</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>232,384,578</b>	<b>254,149,148</b>	<b>343,026,124</b>	<b>143,507,602</b>	<b>54,893,601</b>	<b>39,819,454</b>	<b>67,152,335</b>	<b>27,560,720</b>	<b>115,946,882</b>	<b>97,189,056</b>

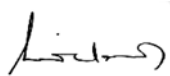
Class	Six month period ended June 30,									
	Premium written	Unearned premium reserve		*Premium earned d=a+b-c	Reinsurance ceded e	Prepaid reinsurance premium ceded		Reinsurance expense h=e+f-g	Net premium revenue	
		Opening b	Closing c			Opening f	Closing g		2011 i=d-h	2010
----- Rupees -----										
Fire and property damage	65,976,550	44,186,526	62,522,451	47,640,625	28,265,414	24,126,470	28,371,788	24,020,096	23,620,529	29,103,476
Marine, aviation and transport	19,309,112	21,951,389	5,362,131	35,898,370	9,953,868	13,047,456	2,310,432	20,690,892	15,207,478	5,635,782
Motor	149,933,922	122,165,587	138,323,944	133,775,565	2,934,000	2,692,209	2,930,958	2,695,251	131,080,314	130,003,610
Accident and health	105,084,230	28,077,594	84,445,863	48,715,962	2,328,131	108,841	1,643,027	793,944	47,922,017	29,214,564
Others	55,195,292	28,667,301	52,371,736	31,490,857	31,787,447	17,408,621	31,896,130	17,299,939	14,190,918	11,760,939
<b>Total</b>	<b>395,499,106</b>	<b>245,048,397</b>	<b>343,026,124</b>	<b>297,521,379</b>	<b>75,268,860</b>	<b>57,383,597</b>	<b>67,152,335</b>	<b>65,500,122</b>	<b>232,021,257</b>	<b>205,718,371</b>
<b>Treaty</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>395,499,106</b>	<b>245,048,397</b>	<b>343,026,124</b>	<b>297,521,379</b>	<b>75,268,860</b>	<b>57,383,597</b>	<b>67,152,335</b>	<b>65,500,122</b>	<b>232,021,257</b>	<b>205,718,371</b>

\* This includes administrative surcharge collected from customers along with premium but have not been deferred as this surcharge is levied to recover the administrative cost relating to policies issued during the period.

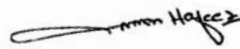
The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.



Chairman



Director



Director



Chief Executive Officer

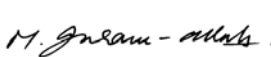
Condensed Interim Statement of Claims (Unaudited)  
For the quarter and six month period ended June 30, 2011

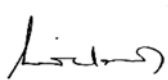
Business underwritten inside Pakistan

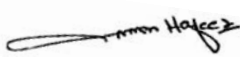
Class	Quarter ended June 30,									
	Claims paid a	Outstanding claims		Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries against outstanding claims		Reinsurance and other recoveries revenue (net) h=e+g-f	Net claims expense	
		Opening b	Closing c			Opening f	Closing g		2011	2010
----- Rupees -----										
<b>Direct and Facultative</b>										
Fire and property damage	6,065,251	16,264,315	18,154,937	7,955,873	3,300,651	9,903,726	14,159,139	7,556,064	399,809	4,607,805
Marine, aviation and transport	1,701,083	3,010,548	3,476,656	2,167,191	1,036,759	1,424,382	1,526,369	1,138,746	1,028,445	2,196,142
Motor	65,143,621	118,679,641	107,058,831	53,522,811	22,557,414	4,846,000	6,785,640	24,497,054	29,025,757	63,377,466
Accident and health	19,858,855	6,266,955	7,964,983	21,556,883	-	-	225,000	225,000	21,331,883	15,091,205
Others	16,009,771	35,726,625	36,286,312	16,569,458	11,049,071	31,315,119	26,700,612	6,434,564	10,134,894	7,308,235
Total	108,778,581	179,948,084	172,941,719	101,772,216	37,943,895	47,489,227	49,396,760	39,851,428	61,920,788	92,580,853
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	108,778,581	179,948,084	172,941,719	101,772,216	37,943,895	47,489,227	49,396,760	39,851,428	61,920,788	92,580,853


Class	Six month period ended June 30,									
	Claims paid a	Outstanding claims		Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries against outstanding claims		Reinsurance and other recoveries revenue (net) h=e+g-f	Net claims expense	
		Opening b	Closing c			Opening f	Closing g		2011	2010
----- Rupees -----										
<b>Direct and Facultative</b>										
Fire and property damage	17,857,683	23,190,231	18,154,937	12,822,389	13,964,926	16,199,161	14,159,139	11,924,904	897,485	4,189,676
Marine, aviation and transport	6,461,487	10,198,116	3,476,656	(259,973)	4,518,897	7,679,602	1,526,369	(1,634,336)	1,374,363	3,422,923
Motor	99,409,906	107,491,361	107,058,831	98,977,376	26,195,234	6,176,179	6,785,640	26,804,695	72,172,681	108,770,411
Accident and health	43,344,712	2,150,387	7,964,983	49,159,308	-	-	225,000	225,000	48,934,308	27,747,471
Others	21,660,859	42,160,849	36,286,312	15,786,322	17,307,513	28,957,114	26,700,612	15,051,011	735,311	5,859,343
Total	188,734,647	185,190,944	172,941,719	176,485,422	61,986,570	59,012,056	49,396,760	52,371,274	124,114,148	149,989,824
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	188,734,647	185,190,944	172,941,719	176,485,422	61,986,570	59,012,056	49,396,760	52,371,274	124,114,148	149,989,824

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

Condensed Interim Statement of Expenses (Unaudited)  
For the quarter and six month period ended June 30, 2011


Business underwritten inside Pakistan


Class	Quarter ended June 30,								
	Commission paid / payable	Deferred commission		Net commission expense	Management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expense	
	a	Opening	Closing	d=a+b-c	e	f=d+e	g	2011	2010
----- Rupees -----									
<b>Direct and Facultative</b>									
Fire and property damage	7,880,478	11,851,558	13,847,178	5,884,858	2,201,422	8,086,280	3,702,067	4,384,213	8,811,150
Marine, aviation and transport	2,857,105	1,151,535	1,413,674	2,594,966	910,492	3,505,458	1,110,343	2,395,114	1,265,916
Motor	11,728,307	17,125,902	19,993,682	8,860,527	12,209,528	21,070,055	-	21,070,055	16,111,139
Accident and health	4,144,829	5,964,963	7,600,128	2,509,664	5,046,281	7,555,945	180,742	7,375,203	2,659,808
Others	1,970,831	2,775,350	3,652,590	1,093,591	1,360,168	2,453,759	1,483,900	969,859	1,384,728
<b>Total</b>	<b>28,581,550</b>	<b>38,869,308</b>	<b>46,507,252</b>	<b>20,943,606</b>	<b>21,727,890</b>	<b>42,671,496</b>	<b>6,477,053</b>	<b>36,194,444</b>	<b>30,232,741</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>28,581,550</b>	<b>38,869,308</b>	<b>46,507,252</b>	<b>20,943,606</b>	<b>21,727,890</b>	<b>42,671,496</b>	<b>6,477,053</b>	<b>36,194,444</b>	<b>30,232,741</b>
Class	Six month period ended June 30,								
	Commission paid / payable	Deferred commission		Net commission expense	Management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expense	
	a	Opening	Closing	d=a+b-c	e	f=d+e	g	2011	2010
----- Rupees -----									
<b>Direct and Facultative</b>									
Fire and property damage	14,207,996	11,974,116	13,847,178	12,334,934	4,191,222	16,526,156	7,551,747	8,974,409	20,007,495
Marine, aviation and transport	5,069,323	4,257,750	1,413,674	7,913,399	2,698,412	10,611,811	3,691,856	6,919,954	2,661,150
Motor	21,152,489	16,638,444	19,993,682	17,797,251	23,258,863	41,056,114	567	41,055,547	35,678,015
Accident and health	9,457,581	2,526,984	7,600,128	4,384,437	8,503,273	12,887,709	238,183	12,649,526	8,371,348
Others	3,877,377	1,933,626	3,652,590	2,158,413	2,518,034	4,676,447	3,134,961	1,541,486	1,020,142
<b>Total</b>	<b>53,764,766</b>	<b>37,330,920</b>	<b>46,507,252</b>	<b>44,588,434</b>	<b>41,169,803</b>	<b>85,758,237</b>	<b>14,617,315</b>	<b>71,140,922</b>	<b>67,738,150</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>53,764,766</b>	<b>37,330,920</b>	<b>46,507,252</b>	<b>44,588,434</b>	<b>41,169,803</b>	<b>85,758,237</b>	<b>14,617,315</b>	<b>71,140,922</b>	<b>67,738,150</b>

\* Commission from reinsurers is arrived at after taking the impact of the opening and closing balances of unearned commission.  
The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

  
Chairman

  
Director

  
Director

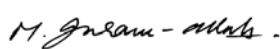
  
Chief Executive Officer



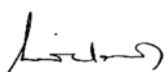
Condensed Interim Statement of Investment Income (Unaudited)  
For the quarter and six month period ended June 30, 2011

	For the quarter ended		For the six month period ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	----- Rupees -----			
<b>Income from trading investments - net</b>				
Capital (loss) / gain on sale of held for trading investments	(5,413,599)	76,751	(6,915,821)	891,636
Dividend income	149,522	498,625	463,415	1,186,375
<b>Income from non-trading investments</b>				
<i>Held to maturity</i>				
Return on other fixed income securities and bank deposits	603,696	1,388,050	1,150,361	3,117,186
<i>Available for sale</i>				
Dividend income	1,128,902	1,482,262	3,883,177	2,221,390
	1,732,598	2,870,312	5,033,538	5,338,576
<b>Gain on sale of non-trading investments (available-for-sale)</b>	437,076	33,794	276,110	316,540
<b>Unrealized gain / (loss) on revaluation of held for trading investments</b>	5,476,080	(5,921,222)	5,647,704	(10,172,396)
<b>Income from reverse repo transactions in listed equity securities</b>	4,290,209	3,847,707	8,179,651	7,665,225
<b>Investment related expenses</b>	(806,354)	(157,980)	(1,003,662)	(2,204,603)
<b>Net investment income</b>	<b>5,865,532</b>	<b>1,247,987</b>	<b>11,680,935</b>	<b>3,021,353</b>

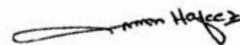
The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.



Chairman



Director



Director



Chief Executive Officer

## **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 certificate of 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 etc. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges.

It's registered office is located at 10th Floor, Shaheen Commercial Complex, Karachi.

## **2. STATEMENT OF COMPLIANCE**

This condensed interim financial report of the company for the six month period ended June 30, 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (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.

This condensed interim financial report is unaudited but has been reviewed by the external auditors of the company.

## **3. BASIS OF PRESENTATION**

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

This condensed interim financial report has been prepared and presented in Pakistan Rupees, which is the company's functional and presentation currency.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended December 31, 2010.

## **5. ESTIMATES AND JUDGMENTS**

The preparation of condensed interim financial report 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.

In preparing this condensed interim financial report, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2010.

## 6. 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 December 31, 2010.

## 7. SHARE CAPITAL AND RESERVES

During the period, Board of Directors of the company in its meeting held on January 24, 2011 resolved to issue right shares in the ratio of 1 right share for every 4 right share at Rs. 10 per share which has been fully subscribed by the shareholders & underwriters and the company has issued the shares accordingly.

8. OTHER CREDITORS AND ACCRUALS	June 30 2011	December 31 2010
	----- Rupees -----	
Amount payable to policy holders in respect of cancelled policies	-	886,474
Federal excise duty payable	19,892,466	5,883,025
Withholding tax payable	3,256,878	451,917
Workers welfare fund payable	815,074	815,074
Unearned rental income	33,520	331,158
Provident fund payable	753,703	874,631
Payable in respect of dealing in securities	-	697,617
Others	1,705,214	1,082,458
	<u>26,456,855</u>	<u>11,022,354</u>

## 9. CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

The status of contingencies is same as disclosed in the financial statements for the year ended December 31, 2010.

### COMMITMENTS

There are no commitments as at June 30, 2011 (December 31, 2010: Nil)

## 10. INVESTMENTS

10.1 Type of investments	June 30 2011	December 31 2010
	----- Rupees -----	
<b>Held-to-maturity</b>		
Certificate of Investments	612,130	582,721
Term Finance Certificates {Market value: Rs. 0.454 million (as per the rates quoted by the Mutual Fund Association of Pakistan) (December 31, 2010: Rs. 1.671 million)}	545,000	1,795,000
	<u>1,157,130</u>	<u>2,377,721</u>

**At fair value through profit or loss - Held for trading** 17,043,857 22,818,839

**Available-for-sale**

Investments in ordinary shares of listed companies 762,000 762,000

Mutual Funds

Open-end funds	<b>83,710,544</b>	125,405,795
Closed-end funds	<b>171,000</b>	4,356,944
	<b>83,881,544</b>	129,762,739
	<b>102,844,531</b>	155,721,299

**10.2** Market value of quoted available for sale securities is Rs. 85.183 million (December 31, 2010: Rs. 130.946 million).

**10.3** Had the company adopted 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 higher by Rs. 1.301 million (2010: Rs. 0.42 million) and the net equity would have increased by the same amount.

**11. INVESTMENT PROPERTIES - at cost less accumulated depreciation**

**11.1** Shop and Office Premises (leasehold properties) have been valued under the market value basis by Ali Murtuza & Company (Private) Limited and MJ Surveyors (Private) Limited. Market value of shop and office premises based on the valuations as of February 21, 2011 and February 14, 2011 amounted to Rs. 55 million and Rs. 12.53 million (2010: February 08, 2010 and January 28, 2010 amounted to Rs. 53.34 million and Rs. 11.73 million) respectively.

**11.2** During the period the company purchased shops amounting to Rs. 25,874,814 which are carried at cost and will be depreciated at the rate of 5%.

<b>June 30</b>	December 31
<b>2011</b>	2010
----- Rupees -----	

**12. PREMIUMS DUE BUT UNPAID - unsecured**

Considered good	271,796,681	166,082,545
Considered doubtful	13,742,644	13,742,644
	<b>285,539,325</b>	179,825,189
Provision against doubtful debts	(13,742,644)	(13,742,644)
	<b>271,796,681</b>	166,082,545

**13. ADDITIONS AND DELETIONS IN FIXED ASSETS**

Details of the cost of operating assets that have been acquired and disposed off during the six month period ended June 30, 2011 are as follows:

	June 30, 2011		June 30, 2010	
	Additions	Disposals	Additions	Disposals
	----- Rupees -----		----- Rupees -----	
Furniture, fixtures and office equipment	2,511,062	-	3,010,611	-
Motor vehicles	12,366,393	2,568,130	12,566,500	4,296,000
	<b>14,877,455</b>	<b>2,568,130</b>	15,577,111	4,296,000



<b><i>Other balances with associated companies</i></b>	<b>June 30, 2011</b>	<b>December 31, 2010</b>
	----- Rupees -----	
Receivable / (Payable) against purchase of shares	<u><b>4,857,698</b></u>	<u><b>(697,617)</b></u>
Premium received in advance	<u><b>-</b></u>	<u><b>266,160</b></u>
Advisory fee payable	<u><b>558,907</b></u>	<u><b>1,858,907</b></u>
Prepaid rent	<u><b>23,763,872</b></u>	<u><b>2,529,963</b></u>
Advance for the purchase of office premises	<u><b>34,750,008</b></u>	<u><b>34,750,008</b></u>
Purchase of shops in Lahore	<u><b>25,874,814</b></u>	<u><b>-</b></u>
Adjustment of receivable against shops - net	<u><b>99,334,708</b></u>	<u><b>-</b></u>
	<b>Six month period ended</b>	<b>Quarter ended</b>
	<b>June 30,</b>	<b>June 30,</b>
	<b>2011</b>	<b>2011</b>
	<b>June 30,</b>	<b>June 30,</b>
	<b>2010</b>	<b>2010</b>
	----- Rupees -----	
<b><i>Transactions for the period with other related parties</i></b>		
Contribution to the provident fund	<u><b>1,553,287</b></u>	<u><b>1,207,857</b></u>
Remuneration of key management personnel	<u><b>8,227,284</b></u>	<u><b>6,051,840</b></u>
	<u><b>861,985</b></u>	<u><b>557,304</b></u>
	<u><b>4,113,642</b></u>	<u><b>3,025,920</b></u>
	<b>June 30,</b>	<b>December 31,</b>
	<b>2011</b>	<b>2010</b>
	----- Rupees -----	
<b><i>Balances with other related parties</i></b>		
Payable to provident fund	<u><b>753,703</b></u>	<u><b>874,631</b></u>

- 14.1** Insurance and claim related transactions with related parties are carried in normal course of business.
- 14.2** Remuneration to the key management personnel are in accordance with the terms of their employment.
- 14.3** Contribution to the provident fund is in accordance with the company's staff services rules.
- 14.4** Other transactions are at agreed terms.

15. SEGMENT REPORTING

	Fire & Property Damage		Marine, Aviation & Transport		Motor		Accident and Health		Miscellaneous		Total	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Rupees												
<b>SEGMENT ASSETS</b>												
Segment assets	<u>120,699,132</u>	<u>105,881,617</u>	<u>46,661,938</u>	<u>37,705,973</u>	<u>386,654,892</u>	<u>275,662,910</u>	<u>139,964,531</u>	<u>64,885,134</u>	<u>100,892,601</u>	<u>72,159,457</u>	<u>794,873,094</u>	<u>556,295,091</u>
Unallocated corporate assets											<u>134,327,727</u>	<u>161,410,940</u>
Total assets											<u>929,200,821</u>	<u>717,706,031</u>
<b>SEGMENT LIABILITIES</b>												
Segment liabilities	<u>102,399,717</u>	<u>84,775,419</u>	<u>17,887,859</u>	<u>36,520,338</u>	<u>318,346,784</u>	<u>274,461,957</u>	<u>119,085,961</u>	<u>41,202,187</u>	<u>102,510,576</u>	<u>78,618,478</u>	<u>660,230,897</u>	<u>515,578,379</u>
Unallocated corporate liabilities											<u>9,014,863</u>	<u>5,907,659</u>
Total liabilities											<u>669,245,760</u>	<u>521,486,038</u>
Capital expenditure	<u>1,514,574</u>	<u>2,642,896</u>	<u>975,120</u>	<u>627,464</u>	<u>8,405,012</u>	<u>12,338,810</u>	<u>3,072,812</u>	<u>3,091,652</u>	<u>909,937</u>	<u>1,155,647</u>	<u>14,877,455</u>	<u>19,856,470</u>
Depreciation / Amortisation	<u>548,410</u>	<u>1,109,689</u>	<u>353,080</u>	<u>263,457</u>	<u>3,043,359</u>	<u>5,180,771</u>	<u>1,112,630</u>	<u>1,298,111</u>	<u>329,478</u>	<u>485,228</u>	<u>5,386,957</u>	<u>8,337,257</u>

16. EARNINGS PER SHARE - basic and diluted

	Six month period ended		Quarter ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	----- Rupees -----		----- Rupees -----	
Profit / (Loss) for the period	<u>13,735,068</u>	<u>(43,859,997)</u>	<u>6,333,540</u>	<u>(45,756,350)</u>
	Number of Shares		Number of Shares	
	Restated		Restated	
Weighted average number of shares of Rs. 10 each	<u>23,041,980</u>	<u>21,083,960</u>	<u>25,000,000</u>	<u>21,083,960</u>
	----- Rupees -----		----- Rupees -----	
Earnings / (Loss) per share	<u>0.60</u>	<u>(2.08)</u>	<u>0.25</u>	<u>(2.17)</u>

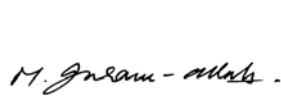
16.1 The company has not issued any instrument which would dilute its basic earnings per share when exercised.

16.2 Last year's loss per share has been restated to incorporate the effects of rights issue. Earnings per share for the six-month period also include effects of rights issue.


17. GENERAL


17.1 This condensed interim financial report was authorised for issue in the board of directors meeting held on 29 August 2011.

17.2 The figures for the quarter and six month period ended June 30, 2011 have been rounded off to the nearest rupee.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer