



**(Un-Audited)**

**Quarterly Report for the nine months period ended**

**September 30, 2018**

## **Our Vision**

To be a trusted, globally acknowledged, top rated Financial Solutions Providing Company of Pakistan.

## **Our Mission**

Uplift the financial well-being of Policy Holders, Customers, Advisors and Employees; thus, increasing shareholder profitability.

## **Our Values**

We believe in the development and profitability through exceptional and flexible product lines to meet the need of our respected clients, policyholders, agents and employees. By maintaining Integrity and Honesty in everything we do, we believe in creating value not only for our customers, employees and related personnel, but to the society in general.

**Quarterly Report for the nine months period ended  
September 30, 2018**

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## **BOARD OF DIRECTORS AND COMPANY INFORMATION**

### **Chairman**

Lt Gen Najibullah Khan (Retd)

### **Director**

Maj Gen Imtiaz Hussain Sherazi (Retd)  
 Maj Gen Akhtar Iqbal (Retd)  
 Malik Riffat Mahmood  
 Ayesha Rafique  
 Javed Yunus

### **Chief Executive Officer**

Jehanzeb Zafar

### **Company Secretary**

Sohail Nazeer

### **Chief Financial Officer**

Rehan Mobin

### **Appointed Actuary**

Shujat Siddiqui, MA, FIA, FPSA

### **Consulting Actuaries**

Akhtar & Hasan (Private) Limited

### **Legal Advisor**

Saiyed Younus Saeed

### **External Auditor**

Grant Thornton Anjum Rehman  
 (Chartered Accountants)

### **Share Registrar**

THK (Pvt) Limited  
 1<sup>st</sup> Floor, 40-C Block-6  
 P.E.C.H.S, Karachi-75400  
 UAN: +92 (021) 111-000-322  
 Dir: +92 (021) 34168266-68-70  
 Fax: +92 (021) 34168271  
 E-mail: secretariat@thk.com.pk  
 Web: www.thk.com.pk

### **Registered Office**

28 Regal Plaza, M.A. Jinnah  
 Road, Quetta.  
 Phone: +92 (081) 2822913, 2821397  
 Fax: +92 (081) 2821460

### **Head Office**

Room No. 802, 8<sup>th</sup> Floor,  
 Lakson Square Building No. 1  
 Opp. Karachi Press Club,  
 Pakistan.  
 Phone: +92 (021) 35630421  
 35630422 - 35630429

### **Website**

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

### **Email:**

[info@askarilife.com](mailto:info@askarilife.com)

## BOARD AND MANAGEMENT COMMITTEES

### **Board Committees:**

#### **1. Audit Committee:**

Ayesha Rafique	Chairperson
Maj Gen Imtiaz Hussain Sherazi (Retd),	Member
Malik Riffat Mehmood	Member

#### **2. Investment Committee:**

Malik Riffat Mehmood	Chairman
Maj Gen Akhtar Iqbal (Retd)	Member
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member

#### **3. Ethics, Human Resource Remuneration & Nomination Committee:**

Ayesha Rafique	Chairperson
Maj Gen Imtiaz Hussain Sherazi (Retd)	Member
Maj Gen Akhtar Iqbal (Retd)	Member
Jehanzeb Zafar	Member
Nusrat Ullah Khan	Member

### **Management Committees:**

#### **1. Risk Management & Compliance Committee:**

Maj Gen Akhtar Iqbal (Retd)	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Rehan Mobin	Member
Sandeep Kumar Rajpal	Member

#### **2. Underwriting & Reinsurance Committee:**

Maj Gen Akhtar Iqbal (Retd)	Chairman
Jehanzeb Zafar	Member
Noman Noor Muhammad	Member
Sumair Sarwar	Member

#### **3. Claim Settlement Committee:**

Maj Gen Imtiaz Hussain Sherazi (Retd)	Chairman
Jehanzeb Zafar	Member
Rehan Mobin	Member
Bushra Aftab	Member

## **MANAGEMENT**

Jehanzeb Zafar	Chief Executive Officer
Noman Noor Muhammad	Chief Operating Officer
Rehan Mobin	Chief Financial Officer
Sohail Nazeer	Company Secretary
Nusrat Ullah Khan	Head of HR & Admin
Syed Jawaid Raza	Head of IT
Hasan Askari	Head of Training & Services
Yusuf Ansari	Head of Corporate Sales
Wajih Nasim	Head of Marketing and Digital Alliances
Sandeep Kumar Rajpal	Head of Compliance
Bushra Aftab	Head of Claims

## **BANKERS**

Askari Bank Limited  
 Allied Bank Limited  
 Summit Bank Limited  
 MCB Bank Limited  
 The Bank of Punjab  
 Habib Bank Limited  
 JS Bank Limited  
 Apna Microfinance Bank Limited

## **Directors' Review**

We are pleased to present the unaudited financial statements for the nine months period ended September 30, 2018.

The Gross Premium Revenue for the Nine months period is Rs. 26.99 million against Rs. 26.97 million for corresponding period of last year. The overall net Claims Expense for the Nine months is Rs 22.31 million as compared to the corresponding period of last year of Rs 28.28 million.

The Investment income of the period increased by 22% is Rs. 20.21 million as compared to Rs. 16.51 million in corresponding period of last year. As required by Insurance Rules, 2017. Your Company has recorded Investment in equities and fixed income securities at fair value.

The change of policy holder liability for the period increased by 13% is Rs 7.34 million as compared to the corresponding period of last year of Rs.6.48 million.

The Marketing and administration expenses of the period is increase by 87% is Rs 53.42 million as compared to the corresponding period of the last year of Rs.28.58 million. This increase pertains to the appointment of new leadership and management personnel.

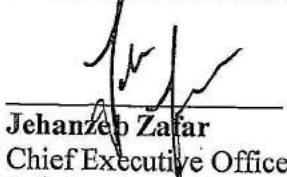
The Loss before tax for the nine months period under review is Rs.34.11 million compared to Rs 11.33 million in the corresponding period last year. The after-tax loss for the nine months period was Rs. 34.26 million compared to Rs. 11.44 million in the corresponding period of last year.

We are hopeful to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers and staff who have contributed to the growth of the Company. We are confident to deliver sustainable, profitable growth in challenging and competitive business environment in order to reach leading position in the industry.

Your Directors would also like to thank the Securities & Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance and support.

On behalf of the Board of Directors



Jehanzeb Zafar  
Chief Executive Officer  
24<sup>th</sup> October, 2018

## ڈائریکٹرز کی جائزہ رپورٹ

30 ستمبر، 2018 کو نومہ کی مدت کے لئے بہ خیر آڈٹ شدہ مالی حسابات پیش کرتے ہیں۔

نو مہینے کی مدت کے لئے مجموعی پریمیم آمدنی 26.99 ملین روپے ہے، جو کہ گزشتہ سال کی اسی مدت کے لئے 26.97 ملین روپا، مجموعی طور پر خالص دعوں کے حتیٰ اخراجات 22.31 ملین روپے ہیں جو پچھلے سال کی اسی مدت کے مقابلے میں 28.28 ملین روپے رہے۔

اسی مدت میں سرمایہ کاری آمدنی میں اضافہ 22 فیصد ہوا، جو کہ 20.21 ملین روپے رہا، جو کہ گزشتہ سال کی اسی مدت میں 16.51 ملین روپا۔ انسورنس کے قواعد، 2017 کے مطابق آپ کی کمپنی نے ایکویٹی سرمایہ کاری اور فکسڈ آمدنی کی سیکورٹیوں کو فیٹر ویلپر پر ریکارڈ کیا ہے۔

اسی مدت کے دوران پالیسی بولڈر ذمہ داری کی تبدیلی میں 13 فیصد اضافہ ہوا ہے جو 7.34 ملین روپے کی گزشتہ سال کی اسی مدت کے مقابلے میں 6.48 ملین روپے ہے۔

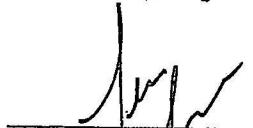
اس مدت کے مارکیٹنگ اور انتظامیہ کے اخراجات میں 87 فیصد اضافہ ہوا ہے جو 53.42 ملین روپے ہے جبکہ گزشتہ سال اسی عرصے سے 28.58 ملین روپا۔ یہ اضافہ نئی قیادت اور انتظامی اہلکاروں کی تقرری سے متعلق ہے۔ جائزہ کے تحت نومہ کے عرصے کے لئے ٹیکس سے پہلے نقصان پچھلے سال اسی عرصے میں 11.33 ملین روپے کے مقابلے میں 34.11 ملین روپے ہے۔ نو مہینے کی مدت کے بعد ٹیکس نقصان 34.26 ملین روپے کے مقابلے میں پچھلے سال کی اسی مدت میں 11.44 ملین روپے ہے۔

انڈسٹری میں قائدانہ مقام حاصل کرنے کے لیے ہم پر امید ہیں کہ مسابقتی ماحول کے باوجود ہم منافع بخش نتایج حاصل کرسکیں گے۔

آپکے ڈائریکٹرز کے لیے یہ بات انتہائی باعث اطمینان ہے کہ کمپنی کی انتظامیہ کے بہتری کے لیے اقدامات قابل ستائش ہیں، انڈسٹری میں قائدانہ مقام حاصل کرنے کے لیے ہم پر امید ہیں کہ مسابقتی ماحول کے باوجود ہم منافع بخش نتایج حاصل کرسکیں گے۔

اپ کے ڈائریکٹروں کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انسورنس کمپنی لمبٹ اور ہمارے تمام ری انسورنس کمپنیوں کی ان کے مسلسل رینمائی اور حمایت کے لئے شکریہ ادا کرتے ہیں۔

ازطرف بورڈ آف ڈائریکٹرز



چہازر بیبی طلفر  
چیف ایگزیکٹو افسر  
24 اکتوبر، 2018

	Notes	September 30, 2018 Un-Audited	December 31, 2017 Audited
		Rupees	
<b>Assets</b>			
Property and equipment	5	19,479,595	17,128,781
Investment			
Equity securities	6	7,958,567	280,518
Government securities	7	394,243,106	312,248,730
Term deposits	8	-	111,000,000
Mutual funds	9	9,884,810	-
Loans secured against life insurance policies		9,511,961	9,951,801
Insurance / reinsurance receivables		6,355,789	2,483,052
Other loans and receivables		10,095,283	8,314,781
Taxation - payments less provision		10,886,431	9,748,926
Prepayments		5,356,300	89,331
Other assets		278,539	257,976
Cash and bank	10	30,259,340	55,225,161
<b>Total assets</b>		<b>504,309,721</b>	<b>526,729,057</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to company's equity holders</b>			
Authorized share capital			
[125,000,000 ordinary shares (2017: 75,000,000) of Rs.10 each]		1,250,000,000	750,000,000
Issued, subscribed and paid-up share capital [60,172,014 ordinary shares (2017: 60,172,014) of Rs.10 each]		601,720,140	601,720,140
Ledger account D		(375,553,137)	(355,735,123)
Unrealised loss on available for sale investment		(1,717,622)	-
Accumulated loss		(101,812,595)	(87,364,724)
<b>Total equity</b>		<b>122,636,786</b>	<b>158,620,293</b>
Advance against equity		100,000,000	100,000,000
<b>Liabilities</b>			
Insurance liabilities	11	242,695,967	249,428,671
Retirement benefit obligations		86,250	86,250
Premium received in advance		13,525,296	8,884,791
Insurance / reinsurance payables		16,098,434	2,409,982
Other creditors and accruals		9,266,988	7,299,070
<b>Total liabilities</b>		<b>281,672,935</b>	<b>268,108,764</b>
<b>Total equity and liabilities</b>		<b>504,309,721</b>	<b>526,729,057</b>
Contingencies and commitments	12		

The annexed notes 1 to 26 form an integral part of the condensed interim financial information.

The image shows five handwritten signatures in black ink, each accompanied by a printed title below it:

- Chairman
- Chief Executive Officer
- Director
- Director
- Chief Financial Officer

**ASKARI LIFE ASSURANCE COMPANY LIMITED**

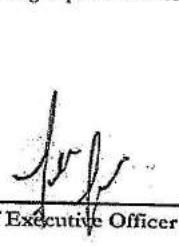
Condensed Interim Profit and Loss Account (Un-Audited)

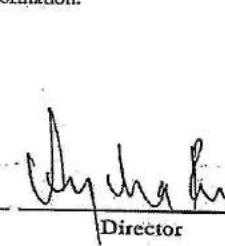
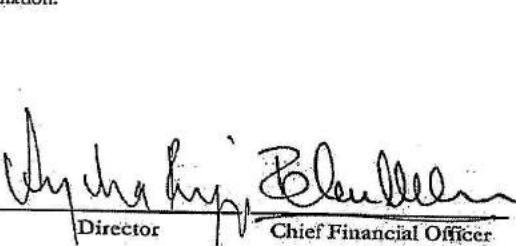
For the nine months period ended September 30, 2018

Notes	Nine months ended		Quarter Ended	
	September 30, 2018		September 30, 2017	
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	Rupees			
Premium revenue	26,992,565	26,979,113	19,456,131	3,845,147
less Premium ceded to reinsurers	(16,420,094)	(4,629,741)	(15,937,811)	(645,443)
<b>Net premium revenue</b>	<b>10,572,471</b>	<b>22,349,372</b>	<b>3,518,320</b>	<b>3,199,704</b>
Investment income	20,211,805	16,517,061	7,573,272	5,553,769
Net realized fair value gain on financial assets	(21,218)	460,251	-	-
Other income	6,504,809	2,467,978	661,979	606,368
<b>Net income</b>	<b>26,695,396</b>	<b>19,445,290</b>	<b>8,235,251</b>	<b>6,160,137</b>
	<b>37,267,867</b>	<b>41,794,662</b>	<b>11,753,571</b>	<b>9,359,841</b>
Insurance benefits	25,849,336	29,280,346	10,042,546	7,735,389
Recoveries from reinsurers	(3,534,296)	(995,568)	(2,726,296)	(52,280)
<b>Net Claim Expense</b>	<b>22,315,040</b>	<b>28,284,778</b>	<b>7,316,250</b>	<b>7,683,109</b>
Net change in insurance liabilities (other than outstanding claims)	(7,347,021)	(6,486,194)	2,153	1,673,911
Acquisition expenses	2,745,227	2,103,523	1,494,563	804,980
Marketing and administration expenses	53,427,676	28,582,164	29,830,170	10,190,064
Other expenses	245,164	649,241	29,460	49,561
<b>Total expenses</b>	<b>49,071,046</b>	<b>24,848,734</b>	<b>31,356,346</b>	<b>12,718,516</b>
Results of operating activities	(34,118,219)	(11,338,850)	(26,919,025)	(11,041,784)
(Loss)/profit before tax	(34,118,219)	(11,338,850)	(26,919,025)	(11,041,784)
Income tax expense	(147,666)	(106,930)	(48,432)	(50,096)
<b>(Loss)/profit for the period</b>	<b>(34,265,885)</b>	<b>(11,445,780)</b>	<b>(26,967,457)</b>	<b>(11,091,880)</b>
Earnings (after tax) per share - Rupees	(0.57)	(0.19)	(0.45)	(0.18)

The annexed notes 1 to 26 form an integral part of the condensed interim financial information.

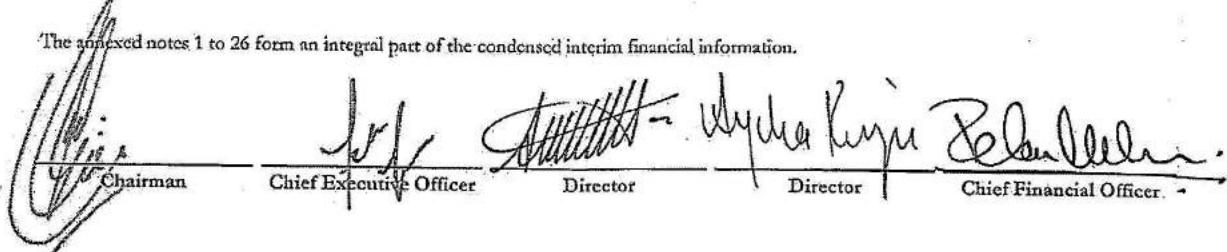

  
Chairman


  
Chief Executive Officer




  
Director      Director      Chief Financial Officer

Notes	Nine months ended		Quarter Ended	
	September 30, 2018 Un-Audited	September 30, 2017 Un-Audited	September 30, 2018 Un-Audited	September 30, 2017 Un-Audited
	Rupees			
(Loss)/profit for the period	(34,265,885)	(11,445,780)	(26,967,457)	(11,091,880)
Other comprehensive income				
Unrealized loss on available for sale of investment	6 & 9 (1,717,622)			(527,556)
Total comprehensive (loss)/ income for the period		(35,983,507)	(11,445,780)	(27,495,013)
				(11,091,880)

The annexed notes 1 to 26 form an integral part of the condensed interim financial information.



Chairman      Chief Executive Officer      Director      Director      Chief Financial Officer

	September 30, 2018 Un-Audited	September 30, 2017 Un-Audited
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Note

-----Rupees-----

#### Operating Cash Flows

##### (a) Underwriting activities

Insurance premium received	24,279,277	13,581,178
Claims paid	(23,319,283)	(32,172,702)
Reinsurance and other recoveries received	391,207	(1,279,537)
Commission paid	(1,318,918)	(1,931,490)
Marketing and administrative expensed paid	(59,241,636)	(31,429,820)
Net cash flow from underwriting activities	(59,209,353)	(53,232,371)

##### (b) Other operating activities

Income tax paid	(1,285,171)	(930,210)
Other operating receipts/payments	4,640,505	(864,348)
Loans advanced	(328,299)	(776,874)
Loans repayments received	768,139	143,974
Net cash flow from other operating activities	3,795,174	(2,427,458)
Total cash flow from all operating activities	(55,414,179)	(55,659,829)

#### Investment Activities

Profit / return received	10,663,405	9,198,829
Dividend received	122,750	-
Payment for investments	(1,059,298,314)	(224,532,101)
Proceeds from investments	971,271,130	230,396,252
Proceeds from disposal of property and equipment	825,000	-
Purchase of property and equipment	(4,135,613)	(43,200)
Total cash flow from investing activities	(80,551,642)	15,019,780

#### Financing Activities

Total cash flow from financing activities	-	-
Net cash flow from all activities	(135,965,821)	(40,640,049)
Cash and cash equivalents at beginning of period	166,225,161	165,960,124
Cash and cash equivalents at end of period	10 30,259,340	125,320,075

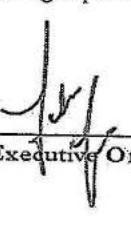
#### Reconciliation to profit and loss account

Operating cash flows	(55,414,179)	(55,659,829)
Depreciation expense	(1,675,464)	(1,653,715)
Profit/ (loss) on disposal of investments	(21,218)	460,251
Gain on disposal of property and equipment	715,665	-
Dividend income	122,750	-
Other investment income	23,210,752	18,351,289
Increase in assets other than cash	12,359,980	18,304,204
Increase/(Decrease) in liabilities other than borrowings	(13,564,171)	8,752,020
Loss after taxation	(34,265,885)	(11,445,780)

The annexed notes 1 to 26 form an integral part of the condensed interim financial information.



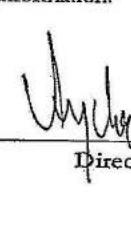
Chairman



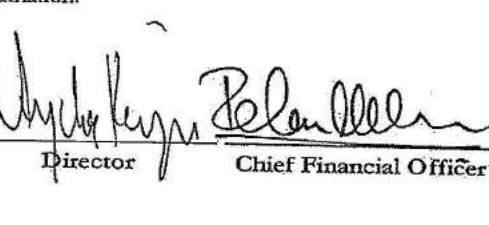
Chief Executive Officer



Director



Director



Chief Financial Officer

**ASKARI LIFE ASSURANCE COMPANY LIMITED**

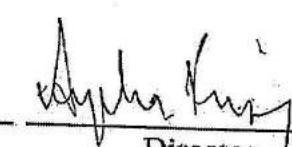
Condensed Interim Statement of Changes in Equity (Un-Audited)  
For the nine months period ended September 30, 2018

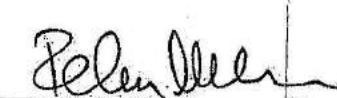
	Attributable to Equity Holders of the Company						
	Issued, subscribed and paid-up share capital	Capital reserves	Revenue reserves	Unappropriated loss	Unrealised loss on available for sale investment	Ledger Account D	Total
	Rupees						
Balance as at January 1, 2017	601,720,140	-	-	(86,673,659)	-	(320,764,127)	194,282,354
Total comprehensive income for nine months ended September 30, 2017	-	-	-	(11,445,780)	-	-	(11,445,780)
Deficit for the period in statutory funds	-	-	-	11,379,163	-	(11,379,163)	-
Balance as at September 30, 2017	<u>601,720,140</u>	-	-	<u>(86,740,276)</u>	-	<u>(332,143,290)</u>	<u>182,836,574</u>
Balance as at January 1, 2018	601,720,140	-	-	(87,364,724)	-	(355,735,123)	158,620,293
Total comprehensive income for nine months ended September 30, 2018	-	-	-	(34,265,885)	(1,717,622)	-	(35,983,507)
Deficit for the period in statutory funds	-	-	-	19,818,014	-	(19,818,014)	-
Balance as at September 30, 2018	<u>601,720,140</u>	-	-	<u>(101,812,595)</u>	<u>(1,717,622)</u>	<u>(375,553,137)</u>	<u>122,636,786</u>

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

## **ASKARI LIFE ASSURANCE COMPANY LIMITED**

Notes To The Condensed Interim Financial Information (Un-Audited)  
For the nine months period ended September 30, 2018

### **1 LEGAL STATUS AND NATURE OF BUSINESS**

Askari Life Assurance Company Limited (the Company) was incorporated in Pakistan on August 18, 1992 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange. The Company commenced life insurance operations on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The addresses of its registered and principal office are 57 Regal Plaza, M.A. Jinnah Road, Quetta and 802, 8th Floor, Lakson Square Building No.1, Karachi, respectively.

Army Welfare Trust as a parent company holds 51% shares of the Company.

- 1.1 The Company is engaged in life insurance business. In accordance with the requirements of Insurance Ordinance, 2000. The company has established shareholders' fund and following statutory funds in respect of its each class of life insurance business:  
Ordinary life;  
Universal life; and  
Accident and health.
- 1.2 The Company has a shortfall of Rs. 98.27 million as at September 30, 2018 in meeting the minimum capital requirement (MCR) of Rs. 700 million as required under SRO 89 (I)/2017 dated February 09, 2017 pursuant to section 28 of the Insurance Ordinance 2000. The Board of Directors of the Company in their meeting held on September 19, 2018 has announced to issue 83.09 right shares for every 100 shares held i.e. 83.09% at par of Rs.10 per share amounting Rs.500 million which will increase paid up capital of the Company from Rs.601.720 million to Rs.1,101.720 million.

Further, the Company has sufficient assets in excess of the solvency margin required to be maintained under the Insurance Ordinance, 2000 and will be able to discharge its liabilities in the normal course of business and consequently these condensed interim financial information has been prepared on going concern basis.

### **2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

These condensed interim financial information have been prepared in accordance with the requirements of International Accounting Standard 34 "IAS-34 , "Interim Financial Reporting" as applicable in Pakistan, provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulation, 2017. The Securities and Exchange Commission of Pakistan (SECP) vide SRO 88(1)/2017 and SRO 89(1)/2017 dated 9 February 2017, had issued the Insurance Accounting Regulation 2017 and Insurance Rules 2017 (the new Rules and Regulations). The application of these Rules and Regulations for the purpose of preparation and presentation of the published financial statements was effective from 1 April 2017. However, SECP vide letter ID/OSM/EWLA/2017/10867 dated August 28, 2017 and letter ID/OSM/EWLA/2-017/12321, dated October 12, 2017 granted exemptions to the Company to prepare half yearly accounts for the period ended June 30, 2017, third quarter accounts for the period ended September 30, 2017 and annual audited accounts for the year ended December 31, 2017 in accordance with the requirements of previous rules [SEC(Insurance) Rules 2002] and allowed the application of new regulations effective from the accounting year commencing from 1 January 2018. Accordingly, the Company has applied the new rules and regulations for the preparation of the condensed interim financial information for the nine months period ended September 30, 2018.

In case where the requirements differ in the provision of, or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulation, 2017 have been followed. These condensed interim financial information does not include all the information required in the annual financial statements. Accordingly, the condensed interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2017.

#### **2.1 BASIS OF MEASUREMENT**

The condensed interim financial information have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable.

#### **2.2 Standards, Amendments and Interpretations to Approved Accounting Standards**

The condensed interim financial statements have been prepared in accordance with Insurance Ordinance , 2000, the Insurance Rules, 2017 and Insurance Accounting Regulation, 2017 which result in additional disclosures and certain changes in financial statements presentation.

#### **2.3 Promulgation of Companies**

The Companies Act 2017 applicable for periods ending after December 31, 2017 which result in additional disclosures and certain changes in financial statements presentation.

**ASKARI LIFE ASSURANCE COMPANY LIMITED**  
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**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed interim financial information are in line with the audited annual accounts for the year ended December 31, 2017 except for the following:

**Change in accounting policy - adoption of insurance accounting regulations, 2017**

As referred to in note 2, the Insurance Accounting Regulations 2017 have become effective from January 1, 2018. These regulations have introduced a single balance sheet, profit and loss account, cash flow, done away with the separate presentation of revenue account of the statutory fund, incorporated ledger account D balances (retained earnings on other than participating business) in capital and reserves attributable to company equity holders, and require all investments to be valued in accordance with the requirements of the International Financial Reporting Framework and introduced the concept of other comprehensive income. As a consequence of the revised presentation the balance in the retained earning of the revenue account, principally maintained in accordance with the Insurance Rules, 2017 and the repealed SEC (Insurance) Rules 2002 principally to meet solvency margins including surplus retained in the current quarter, are reflected in the statement of shareholder equity.

This change in accounting policy has been applied retrospectively. There is no significant/ material effect of changes in accounting policies on the prior period financial statements.

**4 COMPARATIVE FIGURES**

As referred to in note 2, the Insurance Accounting Regulations 2017 have become effective from January 1, 2018. These regulations have introduced a single balance sheet, profit and loss account, cash flow, done away with the separate presentation of revenue account of the statutory fund, incorporated ledger account D balances (retained earnings on other than participating business) in capital and reserves attributable to company equity holders, which resulted in additional disclosures and certain changes in the presentation.

Comparative figures can be reconciled to the financial statements for the year ended December 31, 2017 as follows:

**Balance sheet**

Nature	Note	Reclassification from	Reclassification to	Amount
Assets		Premiums Due But Unpaid	Insurance / reinsurance receivables	1,044,984
Assets		Amount Due From Other Insurer and Reinsurer	Insurance / reinsurance receivables	1,438,068
				2,483,052
Assets		Sundry receivables	Other loans and receivables	4,599,997
Assets		Investment income accrued	Other loans and receivables	2,807,956
Assets		Unsecured Advances to Employees	Other loans and receivables	906,828
				8,314,781
Assets	8	Cash and Bank deposits	Investments	111,000,000
Equity		Accumulated deficit	Ledger Account D	(355,735,123)
Equity		Accumulated deficit	Accumulated loss	(87,364,724)
		Balance of statutory fund less policy holder liabilities	Insurance liabilities	(5,890,303)
				(448,990,150)
Liabilities	11	Outstanding claims	Insurance liabilities	65,874,229
Liabilities	11	Balance of statutory funds	Insurance liabilities	189,444,745
Liabilities	11	Balance of statutory fund less policy holder liabilities	Insurance liabilities	(5,890,303)
				249,428,671
Liabilities		Amount due to agents	Other creditors and accruals	2,027,414
Liabilities		Accrued expenses	Other creditors and accruals	5,165,977
Liabilities		Other creditors and accruals	Other creditors and accruals	105,679
				7,299,070

Comparative figures can be reconciled to the condensed interim financial information for the year period ended September 30, 2017 as follows:  
**Profit and loss account**

Nature	Note	Reclassification from	Reclassification to	Amount
Income	14	Statement of investment income - on government securities	Investment income	5,563,054
Income	14	Statement of investment income - Amortization of discount	Investment income	3,391
Income	14	Return on government securities	Investment income	8,114,152
Income	14	Amortization of discount/ premium relative to par	Investment income	47,750
Income	14	other fixed income interest income- term deposits	Investment income	2,788,714
				16,517,061
Income	15	Profit and loss account - Income from Mutual fund	Net realized fair value gain on financial assets	230,126
Income	15	Statement of investment income - gain sale of investment	Net realized fair value gain on financial assets	230,125
				460,251

**Profit and loss account**

Nature	Note	Reclassification from Profit and loss account - Return on other Fixed Income & Securities	Reclassification to	Amount
Income	16	Statement of investment income - Return on other Fixed Income & Securities	Other income	440,261
Income	16	Statement of investment income - Return on other Fixed Income & Securities	Other income	1,362,078
Income	16	Statement of investment income - Miscellaneous Income	Other income	665,639

**5 Property and equipment**

	September 30, 2018 (Un-Audited)	December 31, 2017 (Audited)
Rupees		

Property and equipment	19,479,595	17,128,781
------------------------	------------	------------

	September 30, 2018 (Un-Audited)		December 31, 2017 (Audited)	
	Addition	Deletion	Addition	Deletion
Rupees				

Office equipment	74,000	-	30,100	-
Computer and accessories	1,406,653	-	13,100	-
Vehicles	2,654,960	(976,570)	-	-

4,135,613 (976,570) 43,200 -

**6 Equity securities**

Available for sale	September 30, 2018 (Un-Audited)			December 31, 2017 (Audited)		
	Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
Rupees						
Related parties - Listed shares						
East west insurance company	280,518	-	519,730	280,518	-	280,518
	280,518	-	519,730	280,518	-	280,518
Others - Listed shares						
Kohat Cement	340,418	-	250,280	-	-	-
D.G.Khan Cement Company Limited	512,320	-	307,230	-	-	-
Habib Bank Limited	1,350,558	-	1,059,590	-	-	-
Ghanda Nissan	1,632,836	-	1,355,684	-	-	-
Milat Tractor Limited	743,964	-	567,924	-	-	-
Bilo Industries Limited	350,374	-	293,000	-	-	-
Descon Oxychem Limited	101,236	-	140,700	-	-	-
Packages Limited	2,220,597	-	1,788,879	-	-	-
Al Shafeer Corporation	77,500	-	68,750	-	-	-
Engro Foods	322,857	-	254,220	-	-	-
Ferozsons Laboratories Limited	1,958,054	-	1,266,300	-	-	-
AGP Limited	102,991	-	86,280	-	-	-
	9,713,701	-	7,439,837	-	-	-
Unrealised loss on available for sale	(2,035,652)	-	-	-	-	-
	7,958,567	-	7,958,567	280,518	-	280,518

**7 Government securities**

Held to maturity	September 30, 2018 (Un-Audited)				December 31, 2017 (Audited)
	Maturity year	Effective coupon/ yield (%)	Amortized cost	Principal repayment	
Rupees					
10 Years Pakistan Investment Bonds	2018	12.00%	-	2,000,000	1,996,746
10 Years Pakistan Investment Bonds	2020	12.00%	3,930,494	4,000,000	3,930,494
10 Years Pakistan Investment Bonds	2021	12.00%	15,853,428	16,000,000	15,853,428
10 Years Pakistan Investment Bonds	2020	12.00%	1,197,319	1,200,000	1,197,319
10 Years Pakistan Investment Bonds	2020	12.00%	10,296,858	10,500,000	10,296,858
10 Years Pakistan Investment Bonds	2022	12.00%	8,068,998	8,200,000	8,068,998
10 Years Pakistan Investment Bonds	2026	8.75%	23,370,125	22,500,000	23,370,125
10 Years Pakistan Investment Bonds	2026	8.75%	9,757,724	10,000,000	9,757,724
06 Months Treasury Bills	2018	5.95%	-	-	98,322,661
03 Months Treasury Bills	2018	5.85%	-	-	49,750,815
06 Months Treasury Bills	2018	5.85%	-	-	99,508,756
03 Months Treasury Bills	2018	7.73%	124,375,750	125,000,000	124,375,750
03 Months Treasury Bills	2018	7.75%	49,457,621	50,000,000	49,457,621
03 Months Treasury Bills	2018	7.75%	147,934,789	150,000,000	147,934,789
			394,243,106	399,400,000	394,243,106
					312,248,730

**ASKARI LIFE ASSURANCE COMPANY LIMITED**  
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**8 Term deposits**  
**Held to maturity**

Deposit maturing within 12 months

	September 30, 2018 (Un-Audited)	December 31, 2017 (Audited)
<b>Rupees</b>		
JS Bank Limited		-
Summit Bank Limited		25,000,000
The Bank of Punjab		11,000,000
Bank Alfalah Limited		25,000,000
Bank Al Habib Limited		25,000,000
Bank Islami Limited		25,000,000
		<b>111,000,000</b>

**9 Mutual fund**  
**Available for sale**

	September 30, 2018 (Un-Audited)			December 31, 2017 (Audited)		
	Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
<b>Rupees</b>						
Nafa income opportunity fund	9,566,780	-	9,884,810	-	-	-
Unrealised gain on available for sale investment	318,030	-	-	-	-	-
	<b>9,884,810</b>	-	<b>9,884,810</b>	-	-	-

**10 Cash and bank**

	September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
<b>Rupees</b>		
Cash and Cash Equivalent		
-Cash in hand	2,568	794
- Stamps	17,890	4,050
Cash at bank		
- Current account	2,703,908	8,617,384
- Saving account	27,534,974	46,602,933
	<b>30,259,340</b>	<b>55,225,161</b>
<b>Rupees</b>		
	September 30, 2018 (Un-audited)	September 30, 2017 (Un-audited)

Cash and cash equivalents include the following for the purposes of the cash flow statement

Cash and bank	30,259,340	55,320,075
Term deposit having maturity of within three months	-	70,000,000
	<b>30,259,340</b>	<b>125,320,075</b>

**11 Insurance Liabilities**

	September 30, 2018 (Un-Audited)	December 31, 2017 (Audited)
<b>Rupees</b>		
Reported outstanding claims (including claims in payment)	66,488,546	65,874,229
Incurred but not reported claims	505,705	740,678
Investment component of universal life and account value policies	171,260,707	178,891,387
Liabilities under individual conventional insurance contracts	3,422,690	3,831,859
Liabilities under group insurance contracts (other than investment linked)	1,018,319	90,518
	<b>242,695,967</b>	<b>249,428,671</b>

**12 Contingencies and Commitments**

**12.1 Contingencies**

There is a pending adjudication bearing No. 125/2012 before the Session Court South, Karachi in respect of a employee who was previously working on contract basis at the Company's Hyderabad Branch and committed fraud. As the Company is taken over by AWT (the buyer) it was agreed with the previous management (the seller) that if at any stage the Company or any of its director(s) become party and as such any liability is imposed by any court on the Company or its director(s) in this regard, the accrued liability would be paid by the Sellers to the Company for onward payment to the affectees at earliest. The Company will accordingly, ensure timely and fair payment of liability.

That to guarantee the covenants made by the Seller above and to fully indemnify the Buyer against any liability/loss the Sellers have furnished in favor of the Buyer an irrevocable and unconditional Insurance Guarantee from a AA+ rated insurance company East West Insurance Company Limited bearing number EWI/HO/PB-009/01/2017 to an amount of PKR 118,476 million. Further to this effect a duly executed and notarized undertaking dated 13-01-2017 has also been furnished by the Sellers to the Federal Insurance Ombudsman.

**12.2 Commitments**

There were no commitments as at balance sheet date (2017: Nil).

TO

**ASKARI LIFE ASSURANCE COMPANY LIMITED**  
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**13 NET PREMIUM REVENUE**

	Nine months ended		Quarter Ended	
	September 30 2018	September 30 2017	September 30 2018	September 30 2017
	Un-Audited		Rupees	
Gross premiums				
Regular premium individual policies				
First year	669,601	882,723	-	300,796
Second year renewal	413,167	994,285	119,191	326,268
Subsequent year renewal	8,395,818	9,239,245	2,076,488	2,411,132
Group policies	17,513,979	15,862,860	17,260,452	806,951
Total gross premiums	26,992,565	26,979,113	19,456,131	3,845,147
Less: Reinsurance premiums ceded				
On individual life first year business	(5,235)	(7,048)	-	(1,971)
On individual life second year business	(10,344)	(18,285)	(2,000)	(1,524)
On individual life renewal business	(500,985)	(1,210,886)	(235,102)	(516,823)
On group policies	(15,903,530)	(3,393,522)	(15,700,709)	(125,125)
	(16,420,094)	(4,629,741)	(15,937,811)	(645,443)
Net premiums	<u>10,572,471</u>	<u>22,349,372</u>	<u>3,518,320</u>	<u>3,199,704</u>

**14 INVESTMENT INCOME**

Income from equity securities				
Available for sale				
Dividend income	122,750	-	7,000	-
Income from Debt Securities				
Held to Maturity				
Return on Government Securities	18,557,243	13,677,206	7,545,242	4,549,138
Amortization of Premium/Discount	54,937	51,141	21,030	17,234
	18,612,180	13,728,347	7,566,272	4,566,372
Income from Term Deposits				
Return on Term Deposits	1,476,875	2,788,714	-	987,397
Total Investment Income	<u>20,211,805</u>	<u>16,517,061</u>	<u>7,573,272</u>	<u>5,553,769</u>

**15 NET REALIZED FAIR VALUE GAIN ON FINANCIAL ASSETS**

Available for sale financial assets				
Realized:				
Gain on Listed Shares	412,002	-	-	-
Gain/(Loss) on Mutual Funds	(433,220)	460,251	-	-
	(21,218)	460,251	-	-

**ASKARI LIFE ASSURANCE COMPANY LIMITED**  
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 For the nine months period ended September 30, 2018

**16 OTHER INCOME**

	Nine months ended		Quarter Ended	
	September 30 2018	September 30 2017	September 30 2018	September 30 2017
	(Un-Audited) Rupees			
Return on bank balances	2,843,184	1,802,339	586,797	606,368
Gain on sale of property and equipment	715,665	-	-	-
Liabilities written back	1,984,408	-	18,707	-
Profit commission from reinsurance	751,711	633,750	-	-
Miscellaneous	209,841	31,889	56,475	-
	<b>6,504,809</b>	<b>2,467,978</b>	<b>661,979</b>	<b>606,368</b>

**17 NET INSURANCE BENEFITS**

Gross claims				
Claims under individual policies				
By death	1,823,965	2,791,610	870,000	974,364
By insured event other than death	-	10,286	-	-
By maturity	9,819,182	16,841,888	3,401,937	4,395,641
By surrender	9,786,093	7,154,934	2,410,513	2,191,451
Total gross individual policy claims	<b>21,429,240</b>	<b>26,798,718</b>	<b>6,682,450</b>	<b>7,561,456</b>
Claims under group policies				
By death	4,370,096	1,277,423	3,360,096	19,706
By insured event other than death	50,000	1,204,205	-	154,227
Total gross group policy claims	<b>4,420,096</b>	<b>2,481,628</b>	<b>3,360,096</b>	<b>173,933</b>
Total gross claims	<b>25,849,336</b>	<b>29,280,346</b>	<b>10,042,546</b>	<b>7,735,389</b>
Less: reinsurance recoveries				
On group life claims	(3,534,296)	(995,568)	(2,726,296)	(52,280)
Net insurance benefit expense	<b>22,315,040</b>	<b>28,284,778</b>	<b>7,316,250</b>	<b>7,683,109</b>

**18 ACQUISITION EXPENSES**

Acquisition costs				
Remuneration to insurance intermediaries on Individual policies:				
Commission to agent on first year premiums	406,497	575,399	-	219,387
Commission to agent on second year premiums	44,975	98,278	12,816	34,665
Commission to agent on subsequent renewal premiums	375,159	390,232	103,992	128,237
Other benefits to insurance intermediaries	-	281,850	-	25,148
Remuneration to insurance intermediaries on Group policies:				
Commission	1,090,145	239,738	1,073,463	140,530
Other acquisition cost	1,916,776	1,585,497	1,190,271	547,967
Policy stamps	18,660	5,000	18,160	2,000
Branch overhead	850,325	807,844	296,080	281,606
Commission from reinsurers	2,785,761	2,398,341	1,504,511	831,573
Total acquisition cost	(40,534)	(294,818)	(9,948)	(26,593)
	<b>2,745,227</b>	<b>2,103,523</b>	<b>1,494,563</b>	<b>804,980</b>

**ASKARI LIFE ASSURANCE COMPANY LIMITED**  
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**19 MARKETING AND ADMINISTRATIVE EXPENSES**

	Nine months ended		Quarter Ended	
	September 30 2018	September 30 2017	September 30 2018	September 30 2017
	(Un-Audited) Rupees			
Salaries and other benefits	30,093,126	14,810,382	15,757,381	5,056,137
Travelling	1,876,075	1,072,304	711,167	416,095
Actuary's fee	900,000	950,000	300,000	200,000
Advertisement	1,271,604	48,600	1,185,884	-
Printing and stationary	462,507	308,938	137,721	48,865
Rental	1,939,674	763,848	1,123,852	254,616
Staff welfare	4,175,535	3,038,333	2,040,641	1,100,636
Postage, telegram and telephone	397,933	351,316	130,308	94,449
Electricity and gas	502,888	749,325	212,055	304,637
Entertainment	455,349	267,403	159,676	95,400
Legal and professional charges	5,483,151	1,523,304	5,048,151	1,076,792
Penalty	22,981	-	-	-
Vehicle maintenance	646,985	1,293,788	125,050	325,060
Insurance	578,538	-	578,538	-
Depreciation	1,675,464	1,653,715	695,685	551,761
Service charges	1,339,850	468,578	867,758	134,964
Miscellaneous	1,606,016	1,282,330	756,303	530,652
<b>Marketing and administrative expenses</b>	<b>53,427,676</b>	<b>28,582,164</b>	<b>29,830,170</b>	<b>10,190,064</b>

**20 OTHER EXPENSES**

Auditors remuneration	245,164	649,241	29,460	49,561
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**21 TAXATION**

Current tax				
- Minimum tax under section 113	147,666	106,930	48,432	50,096

**22 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprises Army Welfare Trust Group Companies and East West Insurance Limited, directors of the Company, key management personnel, associated undertakings, entities with common directors, statutory funds and employees' funds. Following are the balances and transactions with related parties:

Transactions	September 30, 2018		September 30, 2017	
	(Un-Audited)		Rupees	
	Rupees			
Provident fund				
Contribution during the period		669,037		556,577
Key management personnel				
Salaries and other benefits		13,473,324		5,836,628
Directors fee				
Gross premium written		440,000		140,000
Premium paid		1,352,312		-
Claim incurred		71,399		-
Services received		409,000		-
		437,693		-
Balances				
Associate	September 30, 2018	December 31, 2017	(Un-audited)	Audited
Investment				
Key management personnel		519,730		280,518
Advance to Executives			166,666	350,000
Premium Receivable			1,276,307	-
Payable for services			177,517	-
Outstanding claims			409,000	-

**ASKARI LIFE ASSURANCE COMPANY LIMITED**  
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**23 SEGMENTAL INFORMATION**

Revenue account by statutory fund

	2018			Statutory Funds		Aggregate		Quarter Ended	
	Ordinary Life	Universal Life	Accident & Health	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,
				2018	2017				
<b>Income</b>									
Premiums less reinsurances	1,610,449	8,962,022	-	10,572,471	22,349,372	3,518,320	3,199,704		
Net investment income	1,039,059	13,830,857	181,021	15,050,937	10,613,002	4,224,141	3,273,087		
<b>Total net income</b>	<b>2,649,508</b>	<b>22,792,879</b>	<b>181,021</b>	<b>25,623,408</b>	<b>32,962,374</b>	<b>7,742,461</b>	<b>6,472,791</b>		
<b>Insurance benefits and expenditure</b>									
Insurance benefits, including bonuses, net of reinsurance recoveries	1,643,733	20,621,307	50,000	22,315,040	28,284,778	7,316,250	7,683,109		
Management expenses less recoveries	10,968,297	17,162,738	2,342,368	30,473,403	22,542,953	11,683,431	7,632,122		
<b>Total insurance benefits and expenditure</b>	<b>12,612,030</b>	<b>37,784,045</b>	<b>2,392,368</b>	<b>52,788,443</b>	<b>50,827,731</b>	<b>18,999,681</b>	<b>15,315,231</b>		
<b>Deficit of income over insurance Benefit and expenditure</b>	<b>(9,962,522)</b>	<b>(14,991,160)</b>	<b>(2,211,347)</b>	<b>(27,165,035)</b>	<b>(17,805,357)</b>	<b>(11,257,220)</b>	<b>(8,842,110)</b>		
Net change in insurance liabilities(other than outstanding claims)	(697,764)	8,044,785	-	7,347,021	6,486,194	(2,153)	(1,673,911)		
<b>Deficit</b>	<b>(10,660,286)</b>	<b>(6,946,381)</b>	<b>(2,211,347)</b>	<b>(19,818,014)</b>	<b>(11,379,163)</b>	<b>(11,259,373)</b>	<b>(10,516,351)</b>		
<b>Movement in policyholder liabilities</b>	<b>697,764</b>	<b>(8,044,785)</b>	<b>-</b>	<b>(7,347,021)</b>	<b>(6,486,194)</b>	<b>2,153</b>	<b>1,673,911</b>		
<b>Transfer to or from shareholders' fund</b>									
-Capital contribution from shareholders' fund	10,808,000	6,207,500	2,118,000	19,133,500	24,420,000	9,650,000	22,319,000		
-Capital contribution to shareholders' fund	-	-	-	-	-	-	-		
-Transfer of surplus to shareholders' fund	-	-	-	-	-	-	-		
<b>Net transfer to or from shareholders' fund</b>	<b>10,808,000</b>	<b>6,207,500</b>	<b>2,118,000</b>	<b>19,133,500</b>	<b>24,420,000</b>	<b>9,650,000</b>	<b>22,319,000</b>		
<b>Balance of statutory fund at beginning of period</b>	<b>6,770,255</b>	<b>179,972,136</b>	<b>2,702,354</b>	<b>189,444,745</b>	<b>193,747,350</b>	<b>183,020,430</b>	<b>186,825,432</b>		
<b>Balance of statutory fund at end of period</b>	<b>7,615,733</b>	<b>171,188,470</b>	<b>2,609,007</b>	<b>181,413,210</b>	<b>200,301,993</b>	<b>181,413,210</b>	<b>200,301,992</b>		
	2017			Statutory Funds		Aggregate		Quarter Ended	
	Ordinary Life	Universal Life	Accident & Health	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,
				2017	2016				
<b>Income</b>									
Premiums less reinsurances	9,823,344	9,880,034	2,645,994	22,349,372	13,238,129	3,199,704	3,148,843		
Net investment income	751,139	9,690,174	171,689	10,613,002	13,079,021	3,273,088	3,834,908		
<b>Total net income</b>	<b>10,574,483</b>	<b>19,570,208</b>	<b>2,817,683</b>	<b>32,962,374</b>	<b>26,317,150</b>	<b>6,472,792</b>	<b>6,983,751</b>		
<b>Insurance benefits and expenditure</b>									
Insurance benefits, including bonuses, net of reinsurance recoveries	7,065,647	20,621,307	1,154,205	28,284,778	34,264,868	7,683,109	9,702,320		
Management expenses less recoveries	5,470,014	13,694,075	3,378,864	22,542,953	21,055,729	7,632,122	6,485,326		
<b>Total insurance benefits and expenditure</b>	<b>12,535,661</b>	<b>33,759,001</b>	<b>4,533,069</b>	<b>50,827,731</b>	<b>55,320,597</b>	<b>15,315,231</b>	<b>16,187,646</b>		
<b>Deficit of income over insurance Benefit and expenditure</b>	<b>(1,961,178)</b>	<b>(14,188,793)</b>	<b>(1,715,386)</b>	<b>(17,865,357)</b>	<b>(29,003,447)</b>	<b>(8,842,439)</b>	<b>(9,203,895)</b>		
Net change in insurance liabilities(other than outstanding claims)	(672,876)	7,156,731	2,339	6,486,194	16,126,040	(1,673,911)	10,376,281		
<b>Deficit</b>	<b>(2,634,054)</b>	<b>(7,032,062)</b>	<b>(1,713,047)</b>	<b>(11,379,163)</b>	<b>(12,877,407)</b>	<b>(10,516,350)</b>	<b>1,172,386</b>		
<b>Movement in policyholder liabilities</b>	<b>672,876</b>	<b>(7,156,731)</b>	<b>(2,339)</b>	<b>(6,486,194)</b>	<b>(16,126,040)</b>	<b>1,673,911</b>	<b>(10,376,281)</b>		
<b>Transfer to or from shareholders' fund</b>									
-Capital contribution from shareholders' fund	14,050,000	6,770,000	3,600,000	24,420,000	11,935,000	22,319,000	3,935,000		
-Capital contribution to shareholders' fund	-	-	-	-	-	-	-		
-Transfer of surplus to shareholders' fund	-	-	-	-	-	-	-		
<b>Net transfer to or from shareholders' fund</b>	<b>14,050,000</b>	<b>6,770,000</b>	<b>3,600,000</b>	<b>24,420,000</b>	<b>11,935,000</b>	<b>22,319,000</b>	<b>3,935,000</b>		
<b>Balance of statutory fund at beginning of period</b>	<b>6,922,100</b>	<b>184,526,070</b>	<b>2,299,180</b>	<b>193,747,350</b>	<b>215,406,297</b>	<b>186,825,432</b>	<b>203,606,745</b>		
<b>Balance of statutory fund at end of period</b>	<b>19,010,922</b>	<b>177,107,277</b>	<b>4,183,794</b>	<b>200,301,993</b>	<b>198,337,850</b>	<b>200,301,993</b>	<b>198,337,850</b>		

## 24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at September 30, 2018 and December 31, 2017:

September 30, 2018 (Un-audited)	Note	Level 1	Level 2	Level 3	Total
		Rupees			
<b>Financial assets</b>					
Listed securities	6	<u>7,958,567</u>	-	-	<u>7,958,567</u>
Mutual Funds	9	<u>9,884,810</u>	-	-	<u>9,884,810</u>
<b>December 31, 2017 (Audited)</b>					
<b>Financial assets</b>					
Listed securities	6	<u>280,518</u>	-	-	<u>280,518</u>

### 24.1 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
  - Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
  - Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 24.2 Fair value of financial assets

The fair value of all financial assets and financial liabilities is estimated to approximate their carrying value.

**25 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information are authorised for issue on October 24, 2018 by the Board of Directors of the Company.

26 GENERAL

The figures in the financial statements may be rounded off to nearest Rupees.

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### Chairman

Chief Executive Officer

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John Miller