Quarterly Report
March 2014

TPL Direct Insurance
A TPL Holdings Company

CONTENTS

COMPANY INFORMATION

Board of Directors

Jameel Yusuf	Chairman
Ali Jameel	Director
Saad Nissar	Director / CEO
Syed Kazim Hasan	Director / CFO
Adil Matcheswalla	Director
Syed Nadir Shah	Director
Mustafa Ali	Director

Chief Executive Officer
Saad Nissar

Chief Financial Officer
Syed Kazim Hasan

Company Secretary
Syed Ali Hassan

Audit Committee

Syed Nadir Shah	Chairman
Adil Matcheswalla	Member
Ali Jameel	Member
Yousuf Zohaib Ali	Secretary

Human Resources & Remuneration Committee

Adil Matcheswalla	Chairman
Syed Nadir Shah	Member
Ali Jameel	Member
Mustafa Ali	Member & Secretary

Finance & Investment Committee

Ali Jameel	Chairman
Mustafa Ali	Member
Syed Kazim Hasan	Member
Syed Ali Hassan	Secretary

Underwriting Committee

Saad Nissar	Chairman
Syed Kazim Hasan	Member
Kamran M. Hanif	Member & Secretary

Claims Committee

Saad Nissar	Chairman
Syed Kazim Hasan	Member
Naveed Ahsan	Member & Secretary

Coinsurance & Reinsurance Committee

Saad Nissar	Chairman
Syed Kazim Hasan	Member
Naveed Ahsan	Member
Kamran M. Hanif	Member & Secretary

Bankers
Habib Metropolitan Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Limited
National Bank of Pakistan
KASB Bank Limited
United Bank Limited
Faysal Bank Limited
Sindh Bank Limited
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
Burj Bank Limited
Tameer Microfinance Bank Limited

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor
Lari & Co.
Maritime & Insurance Advocates

Share Registrar
THK Associates (Pvt) Ltd
2nd Floor, State Life Building-3
Dr. Ziauddin Ahmed Road,
Karachi-75530, Pakistan
Tel: (021) 35689021, 35686658
UAN: 111-000-322
Fax: (021) 35655595

Registered Office
39-K, Block 6, P.E.C.H.S
Karachi, Pakistan
Tel: (021) 34390300-5
Fax: (021) 34529429

Web Presence
www.tplinsurance.com

Contact
UAN: 111-000-301
Tel: (021) 34322555 & 34315895
Fax: (021) 34322515

GEOGRAPHICAL PRESENCE

Head Office

Karachi
172-B, 2nd Floor, Najeeb Centre,
Block 2, P.E.C.H.S.,
Karachi-75400.
UAN: (021) 111-000-301
Fax: (021) 34322515

Centrepoint Office

Karachi
12th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Near KPT Interchange,
Karachi-74900.
UAN: (021) 111-000-301
Fax: (021) 34322515

Branch Offices

Lahore
51-M, Denim Road, Quaid-e-Azam,
Industrial Estate, Kot Lakhpat,
Lahore.
UAN: (042) 111-000-301
Fax: (042) 35157233

Islamabad
Plot # 211, Street # 07,
I-9/2, Industrial Area,
Islamabad.
UAN: (051) 111-000-301
Fax: (051) 4443793-5

Faisalabad
P-6161, West Canal Road,
Adjacent to Toyota Faisalabad Motors,
and behind HBL Canal Road Branch,
Faisalabad.
Tel: (041) 8501471-3
Fax: (041) 8501470

Multan
House # 5, Suraj Miani Road,
Chongi # 1, Opposite Ashraf Cardic Clinic,
Multan.
UAN: (061) 111-000-301
Fax: (061) 6212196

Gujranwala
Opp. Jail Town, Chand Da Qila
By Pass, G.T. Road,
Gujranwala.
Tel: (055) 3257333
Fax: (055) 3252022

Hyderabad
A-8/9, District Council
Complex Cantt,
Hyderabad.
Tel: (022) 2728676
Fax: (022) 2783154

DIRECTORS' REVIEW

On behalf of the Board of Directors, I am pleased to present the unaudited condensed interim financial statements for the quarter ended 31st March 2014.

Fiscal Year 2014 is demonstrating mixed trends with an expected GDP growth of 3.5% and inflation rate of 9%. PKR has appreciated by over 6 percent on the backing of foreign assistance amounting to USD 1.5 billion and foreign reserves have improved from USD 8.3 billion at the end of December 2013 to USD 9.8 billion. KSE index is continuing its upward trend since last year with 5.3% growth in the month of March 2014. In its latest monetary policy, SBP has kept the discount rate unchanged at 10% against market expectations of 50 bps reduction on account of currency stability. The government is optimistic to turn around the Economy of Pakistan by resolving energy crisis, controlling the menace of terrorism, privatization of loss making public sector entities, auction of 3G and 4G licenses and infusing good governance in the public sector.

Our results for the three months ended 31st March 2014 closed on a satisfactory note. Gross premium underwritten for the quarter increased to PKR 312.16 million from PKR 178.5 million of the corresponding period, achieving a healthy growth of 74%. Claims ratio for the quarter is recorded at 52%, which is higher than 37% claims ratio of the corresponding period of last year due to heavy accidental losses, increase in theft of vehicles and GST impact on auto parts as a result of change in tax regulations. However, cumulative expenses for the period remained under strict control and were maintained at 38% of the earned premium against 49% of last year's corresponding period. Consequently, our pre-tax and post-tax profit for the quarter remained at PKR 14.56 million and PKR 10.19 million respectively with an EPS of PKR 0.22 per share (PKR 0.36 per share for corresponding period of last year).

Company's motor premium continues to be prime constituent of overall insurance premium with 98.7% contribution to the total premium. Despite challenging environment in the motor industry and unavoidable delay in the licensing of Window Takaful Operations, the motor premium has shown unprecedented growth. This growth can be ascribed to our aggressive marketing campaign and strengthening of the distribution network across Pakistan. Branches now share over 35% of the total gross premium. Management is actively evaluating and directing its efforts towards other retail business products to strengthen the product mix of the Company.

The Company has successfully launched its health insurance product and has partnered with the largest microfinance bank in Pakistan to provide micro health insurance to all across the country. The Company is exploring various channels to broaden its outreach to micro-health customers and is actively working on developing its expertise in the micro insurance. The Company has already enrolled over 200 hospitals across Pakistan along with Toll-Free number for health customers to facilitate swift cash-less settlement of health claims.

We would like to thank all our stakeholders, business partners, Securities and Exchange Commission of Pakistan and staff for their continued support.

For and on behalf of the Board of Directors

Saad Nissar
Chief Executive Officer

Condensed Interim Balance Sheet
As at 31 March 2014

	Note	March 2014 (Unaudited)	December 2013 (Audited)
		(Rupees)	
Share capital and reserves			
Authorised share capital		500,000,000	500,000,000
Issued, subscribed and paid-up share capital		452,312,959	452,312,959
Accumulated losses		(3,293,279)	(13,485,882)
Total equity		449,019,680	438,827,077
Underwriting provisions			
Provision for outstanding claims (including IBNR)		107,483,069	126,091,093
Provision for unearned premium		511,696,724	441,908,398
		619,179,793	567,999,491
Deferred liability			
Deferred tax liability		7,283,892	7,283,892
Creditors and accruals			
Premium received in advance		4,086,078	2,499,778
Amounts due to other insurers / reinsurers		23,925,573	15,354,359
Accrued expenses		2,729,479	3,759,479
Taxation - provision less payments		13,576,502	9,689,449
Other creditors and accruals	6	46,671,245	30,131,061
		90,988,877	61,434,126
Total Liabilities		717,452,562	636,717,509
Total equity and liabilities		1,166,472,242	1,075,544,586
Contingencies & commitments	7		

Condensed Interim Balance Sheet
As at 31 March 2014

	Note	March 2014 (Unaudited)	December 2013 (Audited)
		(Rupees)	
Cash and bank deposits			
Cash and other equivalent		332,201	422,903
Current and other accounts		27,569,228	107,924,804
		27,901,429	108,347,707
Loans - (secured, considered good) to employees		366,946	352,582
Investments		153,238,416	153,238,416
Current assets - others			
Premiums due but unpaid-unsecured		130,582,570	88,217,781
Amounts due from other insurers / reinsurers - unsecured		22,133	22,133
Reinsurance recoveries against outstanding claims		863,000	863,000
Salvage recoveries accrued		9,950,000	4,277,000
Accrued investment income		4,893,509	2,132,643
Deferred commission expense		80,025,152	57,425,788
Advance, deposits and prepayments	8	364,249,846	356,553,842
Sundry receivables		35,754,868	15,975,002
		626,341,078	525,467,189
Loan to Associated Company		134,550,000	100,000,000
Fixed assets	9		
Tangible and intangible assets			
Furniture and fixtures		1,710,455	1,785,882
Office equipment		3,553,133	3,747,701
Motor vehicles		7,749,735	7,981,837
Equipments		173,134,804	152,954,342
Computer equipments		2,576,847	2,618,160
Capital work-in-progress		35,349,099	19,050,470
Intangible		300	300
		224,074,373	188,138,692
Total assets		1,166,472,242	1,075,544,586

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar Chief Executive	Ali Jameel Director	Syed Kazim Hasan Director	Jameel Yusuf Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the period ended 31 March 2014

	Note	Motor	Miscellaneous	March 2014	March 2013
		---------- (Rupees) ----------			
Revenue account					
Net premium revenue		**235,846,820**	**4,603,094**	**240,449,914**	167,920,674
Net claims		**(124,584,599)**	**(138,325)**	**(124,722,924)**	(61,355,063)
Expenses		**(60,887,474)**	**(1,251,995)**	**(62,139,469)**	(62,269,529)
Net commission		**(26,734,837)**	**(1,336,408)**	**(28,071,245)**	(18,357,024)
Underwriting result		**23,639,910**	**1,876,366**	**25,516,276**	25,939,058
Investment income				**1,492,488**	1,477,025
Other income				**17,378,720**	15,940,111
General and administrative expenses				**(29,674,525)**	(20,542,769)
Financial charges				**(152,098)**	(173,131)
				(10,955,415)	(3,298,764)
Profit before tax				**14,560,861**	22,640,294
Provision for taxation - net				**(4,368,258)**	(5,924,103)
Profit after tax				**10,192,603**	16,716,191
Other comprehensive income				**-**	-
Total comprehensive income for the year				**10,192,603**	16,716,191
Profit and loss appropriation account					
Balance at the commencement of the period				**(13,485,882)**	(65,008,628)
Profit after tax for the year				**10,192,603**	16,716,191
Balance of accumulated losses at the end of the period				**(3,293,279)**	(48,292,437)
Earnings per share - basic and diluted	10			**0.22**	0.36

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar	Ali Jameel	Syed Kazim Hasan	Jameel Yusuf
Chief Executive	Director	Director	Chairman

Condensed Interim Statement of Cash Flow (Unaudited)

For the period ended 31 March 2014

	March 2014	March 2013
	(Rupees)	
Operating activities		
(a) Underwriting activities		
Premiums received	271,380,126	178,877,526
Reinsurance premiums paid	6,650,839	2,400,291
Claims paid	(194,022,450)	(107,088,699)
Reinsurance and other recoveries	45,018,502	29,303,606
Commission paid	(42,037,815)	(17,566,743)
Net cash inflow from underwriting activities	86,989,202	85,925,981
(b) Other operating activities		
Income tax paid	(481,205)	(341,494)
General management expenses paid	(81,457,445)	(79,603,072)
Other operating (payments) / receipts	(4,725,912)	(647,795)
Loans advanced	(173,001)	(75,000)
Loans repayments received	158,637	366,935
Net cash outflow from other operating activities	(86,678,926)	(80,300,426)
Total cash generated from all operating activities	310,276	5,625,555
Investment activities		
Profit / return received on Pakistan Investment Bond	2,739,134	3,004,932
Loan advanced to associated company	(34,550,000)	-
Fixed capital expenditure	(34,599,811)	(15,498,909)
Advance given against CWIP	(16,298,629)	(4,942,755)
Proceeds from disposal of fixed assets	2,104,850	2,500,000
Total cash used in investing activities	(80,604,456)	(14,936,732)
Financing activities		
Financial charges paid	(152,098)	(173,131)
Total cash used in financing activities	(152,098)	(173,131)
Net cash used in from all activities	(80,446,278)	(9,484,308)
Cash and cash equivalent at beginning of the year	108,347,707	17,769,130
Cash and cash equivalent at end of the period	27,901,429	8,284,822

Condensed Interim Statement of Cash Flow (Unaudited)

For the period ended 31 March 2014

	March 2014	March 2013
	(Rupees)	
Reconciliation to profit and loss account		
Operating cash flows	310,276	5,625,555
Depreciation / amortisation expense	(14,032,552)	(11,777,479)
Gain on disposal of fixed assets	1,174,643	1,578,770
Increase in assets other than cash	102,127,387	25,864,943
Increase in liabilities	(76,848,000)	(296,883)
	12,731,754	20,994,906
Other adjustments		
Income tax paid	481,205	341,494
Financial charges	(152,098)	(173,131)
Return on Government Securities	1,500,000	1,477,025
Provision for taxation	(4,368,258)	(5,924,103)
	(2,539,151)	(4,278,715)
Profit after taxation	10,192,603	16,716,191

Definition of cash

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

Cash for the purposes of the Statement of Cash Flows consists of :

	March 2014	March 2013
Cash and other equivalents		
Cash in hand	332,201	251,776
Current and other accounts	27,569,228	8,033,046
	27,901,429	8,284,822

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar Chief Executive	Ali Jameel Director	Syed Kazim Hasan Director	Jameel Yusuf Chairman

Condensed Interim Statement of Changes in Equity (Unaudited)

For the period ended 31 March 2014

	Issued, subscribed and paid-up share capital	Accumulated losses	Total
	----------------------------	(Rupees)	----------------------------
Balance as at 01 January 2013	452,312,959	(65,008,628)	387,304,331
Total comprehensive income for the period ended 31 March 2013			
Net profit for the period	-	16,716,191	16,716,191
Balance as at 31 March 2013	**452,312,959**	**(48,292,437)**	**404,020,522**
Total comprehensive income for the nine months ended 31 December 2013			
Net profit for the period	-	34,806,555	34,806,555
Balance as at 31 December 2013	**452,312,959**	**(13,485,882)**	**438,827,077**
Total comprehensive income for the period ended 31 March 2014			
Net profit for the period	-	10,192,603	10,192,603
Balance as at 31 March 2014	**452,312,959**	**(3,293,279)**	**449,019,680**

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar Chief Executive	Ali Jameel Director	Syed Kazim Hasan Director	Jameel Yusuf Chairman

Condensed Interim Statement of Premium (Unaudited)

For the period ended 31 March 2014

Business underwritten inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		2014	2013
	(Rupees)									
Direct and Facultative										
Motor business	307,699,359	431,208,268	501,420,648	237,486,979	1,640,159	-	-	1,640,159	235,846,820	166,746,755
Miscellaneous	4,459,256	10,700,130	10,276,076	4,883,310	280,216	-	-	280,216	4,603,094	1,173,919
Total	312,158,615	441,908,398	511,696,724	242,370,289	1,920,375	-	-	1,920,375	240,449,914	167,920,674

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar Chief Executive	Ali Jameel Director	Syed Kazim Hasan Director	Jameel Yusuf Chairman

Condensed Interim Statement of Claims (Unaudited)

For the period ended 31 March 2014

Business underwritten inside Pakistan

Class	Total claims paid	Outstanding claims Opening	Outstanding claims Closing	Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims Opening	Reinsurance and other recoveries in respect of outstanding claims Closing	Reinsurance and other recoveries revenue	Net claims expense 2014	Net claims expense 2013
	(Rupees)									
Direct and Facultative										
Fire and property damage	-	1,194,000	1,194,000	-	-	119,400	119,400	-	-	-
Motor business	192,393,286	123,269,619	106,152,434	175,276,101	45,018,502	5,020,600	10,693,600	50,691,502	124,584,599	61,435,063
Miscellaneous	1,629,164	1,627,474	136,635	138,325	-	-	-	-	138,325	(80,000)
Total	194,022,450	126,091,093	107,483,069	175,414,426	45,018,502	5,140,000	10,813,000	50,691,502	124,722,924	61,355,063

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar Chief Executive	Ali Jameel Director	Syed Kazim Hasan Director	Jameel Yusuf Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the period ended 31 March 2014

Business underwritten inside Pakistan

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense	
		Opening	Closing					2014	2013
	(Rupees)								
Direct and Facultative									
Motor business	49,101,832	53,955,956	76,322,951	26,734,837	60,887,474	87,622,311	-	87,622,311	79,532,477
Miscellaneous	1,568,777	3,469,832	3,702,201	1,336,408	1,251,995	2,588,403	-	2,588,403	1,094,076
Total	50,670,609	57,425,788	80,025,152	28,071,245	62,139,469	90,210,714	-	90,210,714	80,626,553

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar Chief Executive	Ali Jameel Director	Syed Kazim Hasan Director	Jameel Yusuf Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For the period ended 31 March 2014

	2014	2013
	(Rupees)	
Income from non-trading investments		
Held-to-maturity		
Return on Government Securities	1,500,000	1,477,025
	1,500,000	1,477,025
Brokerage expense	(7,512)	-
Net investment income	1,492,488	1,477,025

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Saad Nissar	Ali Jameel	Syed Kazim Hasan	Jameel Yusuf
Chief Executive	Director	Director	Chairman

Notes to the Condensed Interim Financial Statements (Unaudited)

For the period ended 31 March 2014

1. STATUS AND NATURE OF BUSINESS

TPL Direct Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited Company under the Companies Ordinance, 1984 to carry on general insurance business. The Company is a subsidiary of TPL Trakker Limited (the holding Company) which holds 67.39% of its ordinary shares. The principal office of the Company is located at 172-B, 2nd Floor, Najeeb Centre, Block 2, P.E.C.H.S, Karachi, Pakistan.

The Company got listed at the Karachi Stock Exchange (Guarantee) Limited through issue of 15 million ordinary shares of Rs. 10 each on 22 September 2011.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the three months period ended 31 March 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002, have been followed.

The disclosures made in this condensed interim financial information has been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide Circular No. 7 of 2003 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the Annual Financial Statements. Accordingly, this condensed interim financial information should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2013.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Annual Financial Statements of the Company as at and for the year ended 31 December 2013.

4. ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Financial Statements as at and for the year ended 31 December 2013.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended 31 December 2013.

6. OTHER CREDITORS AND ACCRUALS

	2014	2013
	(Rupees)	
Creditors	9,945,171	6,650,789
Federal Insurance Fee	1,144,911	715,748
Federal Excise Duty (FED) - net	5,434,348	1,137,599
Commission payable	20,981,153	12,348,359
Security deposit from customers against equipments	1,363,772	1,715,772
Workers' Welfare Fund	3,155,860	3,155,860
Others	4,646,030	4,406,934
	46,671,245	30,131,061

7. CONTINGENCIES & COMMITMENTS

7.1 Minimum Tax

Section 113(2)(c) of the Income Tax Ordinance 2001, was interpreted by a Divisional Bench of the Sindh High Court (SHC) in the Income Tax Reference Application (ITRA) No. 132 of 2011, dated 7 May 2013, whereby it was held that the benefit of carry forward of Minimum Tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than Minimum Tax. Therefore, where there is no tax payable due to brought forward tax losses or otherwise minimum tax could not be carried forward for adjustment with future tax liability. As at 31 March 2014, minimum tax amounting to Rs. 11.39 million has not been recorded as tax expense.

The management in consultation with its tax advisor's considers that certain strong grounds are available whereby the aforesaid decision can be challenged in a Larger Bench of the SHC or the Supreme Court of Pakistan. A leave to appeal against the aforesaid decision has already been filed before the Supreme Court of Pakistan by the relevant company which is pending for hearing. In view of above, the Company is confident that the ultimate outcome in this regard would be favorable. Hence no provision in this respect has been made in these financial statements.

7.2 Input Tax

Assistant Commissioner - Sindh Revenue Board (SRB) has issued an order against the company on 7 October 2013, disallowing input tax claimed by the company during period from July 2011 to December 2011, amounting to Rs. 4,876,064 on the grounds that supplier / service provider has not declared the same in their sales tax returns.

The Company filed an appeal to the Commissioner (Appeals) – SRB and submitted its reply during the hearing on 5 December 2013 to which Commissioner (Appeals) concurred and directed the adjudicating officer to review the reply. The adjudicating officer has reviewed the reply of the Company and invoices amounting to Rs. 1,455,061 has been listed seeking further clarification through its letter dated 23 January 2014. The Company has provided necessary documentation of the subject invoices to the adjudicating officer.

The management in consultation with its tax advisor's considers that the ultimate outcome in this regard would be favorable. Hence no provision in this respect has been made in these financial statements.

8. ADVANCE, DEPOSITS AND PREPAYMENTS

Advance to holding company	*8.1*	**298,948,494**	293,980,004
Deposits			
- for medical and travel assistance	*8.2*	**1,942,392**	1,942,392
- for hospital enlistment		**3,825,000**	3,825,000
Prepaid			
- annual monitoring and other charges	*8.3*	**32,312,377**	35,607,737
- rent	*8.4*	**20,500,000**	20,500,000
- reinsurance prem paid in advance		**5,761,125**	-
Others		**960,458**	698,709
		364,249,846	356,553,842

8.1 This represents advance against purchase of Tracking units and annual monitoring fees. A Special Resolution of the shareholders authorizing the Company to extend advances upto Rs. 300 million was passed in Annual General Meeting of the Company held on 18 April 2013. The above balance carries interest at the rate of 14% per annum (2013: 14% per annum) and is secured against personal guarantees of two Directors of the Holding Company. Subsequent to the period end, the shareholders of the Company has passed a special resolution in Annual General Meeting held on 21 April 2014 to enhance the advance limit to Rs. 400 million.

8.2 This represents a refundable deposit of US$ 20,000 paid by the Company to International SOS (Pte) Limited against the foreign travel and medical assistance services for policy holders of the Company under a term of a service agreement signed between the Company and International SOS (Pte) Limited.

8.3 This represents the prepaid annual monitoring charges paid to the Holding Company against the tracking services provided by the Holding Company to the insurance policy holders of the Company.

8.4 This represent amount paid by the Company in respect of rent for the office space located at Center Point, Korangi, Karachi. The company signed an agreement with TPL Properties (Private) Limited (associated company) according to which the rent shall be charged from the commencement of possession by the Company. Subsequent to the period end, the Company has shifted its office to Centre Point.

9. FIXED ASSETS

	31 March 2014 (Unaudited)	31 December 2013 (Audited)
	(Rupees)	
Opening written down value	188,138,692	168,046,473
Additions during the period / year - at cost		
- Furniture and fixture	-	83,800
- Office equipment	175,200	628,400
- Motor vehicles	91,952	2,733,161
- Equipment	33,784,359	95,575,902
- Computer equipment	548,300	1,984,690
- Capital work-in-progress	16,298,629	17,046,874
	50,898,440	118,052,827
Written down value of disposals during the period / year	(930,207)	(1,774,311)
Depreciation / amortization for the period / year	(14,032,552)	(50,299,963)
	(14,962,759)	(52,074,274)
Transfer from capital work in progress during the period / year	-	(45,886,334)
Closing written down value	224,074,373	188,138,692

10. EARNINGS PER SHARE – BASIC AND DILUTED (Unaudited)

	31 March 2014 (Unaudited)	31 March 2013 (Unaudited)
	(Rupees)	
Profit after tax for the period	10,192,603	16,716,191
	(Number of shares)	
Weighted average number of ordinary shares of Rs.10 each	46,000,000	46,000,000
	(Rupees)	
Earnings per share - basic and diluted	0.22	0.36

11. TRANSACTIONS WITH RELATED PARTIES

11.1 The related parties and associated undertakings comprise TPL Trakker Limited being the Holding Company, TRG Pakistan Limited, Trakker Middle East, Digicore International (Private) Limited, TPL Energy (Private) Limited, Habib Asset Management Limited, TPL Security Services (Private) Limited, TPL Direct Finance (Private) Limited, Virtual World (Private) Limited, TPL Properties (Private) Limited, TPL Holdings (Pvt) Limited, Genco Holdings (Pvt) Limited, Port Investments (Pvt) Limited, Meskay & Famtee Trading (Pvt) Limited, Princely Jets Private Limited, Centerpoint Management Services (Pvt) Limited, Razzaque Razno Trading (Private) Limited, JS Bank Limited, Fauji Akber Portia Marine Terminals (Private) Limited, Speed (Private) Limited, Employee Provident Fund, directors and their related concerns and key management personnel. The balances with / due from and transactions with related parties and associated undertakings, other than remuneration and benefits to the key management personnel under the terms of their employment and those which have been specifically disclosed elsewhere in these financial statements are as follows:

Movement of transactions with related parties	**March 2014**	March 2013
	(Unaudited)	
	(Rupees)	
TPL Trakker Limited - (Holding Company)		
Opening balance - including sundry receivables	**298,381,002**	241,828,292
Reimbursement of expenses incurred on behalf of the Company	**(4,540,571)**	(4,927,191)
Expenses incurred by the Company on behalf of the Holding Company	**18,815,800**	425,944
Receivable from Holding Company in respect of sale of C-Track units installed in vehicles which were snatched	**958,200**	-
Equipment purchased	**(38,450,161)**	-
Advance paid for purchase of equipment	**-**	(23,200,000)
Cost of services provided to the Company	**(13,262,835)**	(20,014,918)
Advance given during the year	**53,800,000**	40,700,000
Payments received during the year	**(4,000,000)**	-
Interest charged to the Holding Company	**11,502,358**	9,003,658
Equipment removal / transfer charges	**(3,459,649)**	(2,292,010)
Closing balance - including sundry receivables	**319,744,144**	241,523,775
TPL Properties (Private) Limited- common directorship		
Opening balance	**120,765,798**	101,000,000
Mark-up charged during the period	**4,000,000**	4,000,000
Loan given during the period	**34,550,000**	-
Prepaid rent paid during the period	**-**	20,500,000
Closing balance	**159,315,798**	125,500,000
Virtual World (Private) Limited - common directorship		
Opening accrued outsourcing expenses	**924,000**	693,000
Reimbursement of expenses incurred on behalf of the Company	**675,413**	-
Services received during the period	**1,512,000**	1,155,000
Payments made during the period	**(2,607,413)**	(693,000)
Closing accrued outsourcing expenses	**504,000**	1,155,000
TPL Direct Insurance Limited Employees Provident Fund		
Opening balance	**471,534**	389,798
Charge for the period	**1,689,186**	1,409,038
Contribution made during the period	**(1,457,704)**	(1,260,780)
Closing balance	**703,016**	538,056

12. OPERATING SEGMENTS

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

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison.

14. AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the company on 25 April 2014.

Saad Nissar Chief Executive	Ali Jameel Director	Syed Kazim Hasan Director	Jameel Yusuf Chairman

Category of Shareholding

As on 31 March 2014

Shareholder's Category	No. of Shareholders	Number of Shares Held	Percentage of Shareholding
Associated Companies/Undertakings and Related Parties			
TPL Trakker Limited	1	30,999,000	67.39%
TPL Trakker Limited Staff Provident Fund	1	3,147,114	6.84%
TRG Limited Staff Provident Fund	1	56,982	0.12%
DIRECTORS, THEIR SPOUSES AND MINOR CHILDREN			
Mr. Saad Nissar	1	220,000	0.48%
Mr. Jameel Yusuf	1	500	0.00%
Mr. Ali Jameel	1	500	0.00%
BANKS, DFIS AND NBFIS, MODARABA ETC			
National Bank of Pakistan	1	4,141,360	9.00%
Faysal Bank Limited	1	1,514,311	3.29%
Sindh Bank Limited	1	900,000	1.96%
MUTUAL FUNDS			
Golden Arrow Selected Stocks Fund Limited	1	239,500	0.52%
CDC - Trustee PICIC Investment Fund	1	550,000	1.20%
CDC - Trustee PICIC Growth Fund	1	1,150,000	2.50%
CDC - Trustee NAFA Stock Fund	1	87,626	0.19%
CDC - Trustee PICIC Stock Fund	1	200,000	0.43%
MORE THAN 5% VOTING RIGHTS			
TPL Trakker Limited	1	30,999,000	67.39%
National Bank Of Pakistan	1	4,141,360	9.00%
TPL Trakker Limited - Staff Provident Fund	1	3,147,114	6.84%

Pattern of Shareholding

As on 31 March 2014

NO. OF SHAREHOLDERS	FROM	TO	SHARES HELD	PERCENTAGE
162	1	100	2804	0.0061
111	101	500	53588	0.1165
65	501	1000	65000	0.1413
68	1001	5000	189877	0.4128
17	5001	10000	158144	0.3438
3	10001	15000	40400	0.0878
6	15001	20000	116695	0.2537
1	20001	25000	24169	0.0525
2	45001	50000	96644	0.2101
2	55001	60000	116982	0.2543
1	60001	65000	61500	0.1337
1	75001	80000	77305	0.1681
1	85001	90000	87626	0.1905
1	90001	95000	93007	0.2022
2	95001	100000	196126	0.4264
1	105001	110000	110000	0.2391
1	125001	130000	125001	0.2717
1	145001	150000	150000	0.3261
1	195001	200000	200000	0.4348
1	215001	220000	220000	0.4783
1	225001	230000	227500	0.4946
1	235001	240000	239500	0.5207
1	240001	245000	245000	0.5326
1	285001	290000	289847	0.6301
1	410001	415000	411500	0.8946
1	545001	550000	550000	1.1957
1	895001	900000	900000	1.9565
1	1145001	1150000	1150000	2.5000
1	1510001	1515000	1514311	3.2920
1	3145001	3150000	3147114	6.84
1	4140001	4145000	4141360	9.0030
1	30995001	31000000	30999000	67.39
460	**Company Total**		**46000000**	**100.0000**

TPL Direct Insurance Ltd.
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