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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
Muhammad Aamir Kaleem	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
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
12th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Near KPT Interchange, Karachi-74900
Tel: (021) 34322555
Fax: (021) 34322515

Web Presence
www.tplinsurance.com

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

GEOGRAPHICAL PRESENCE

Head Office

Karachi
12th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Near KPT Interchange,
Karachi-74900.
UAN: (021) 111-000-301
Tel: (021) 34322555
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' REPORT

On behalf of the Board of Directors, I am pleased to present the unaudited condensed interim financial statements for the half year ended 30th June 2014.

Fiscal Year 2014 demonstrated mixed trends with a GDP growth estimated at 4% and inflation rate of 9%. PKR has appreciated against USD due to grants by Saudi government, proceeds from privatization and auction of 3G licenses. KSE index continued its upward trend till the end of fiscal year 2014 as foreign investors remained upbeat. However, current protest staged by political parties has triggered uncertainty that has slowed down the progress of equity market. The discount rate remains unchanged by State Bank of Pakistan and the inflation is expected to remain in single digit.

Our results for the half year ended 30th June 2014 closed on a good note. Gross premium underwritten for the period increased to PKR 606.38 million from PKR 405.4 million of the corresponding period, achieving a robust growth of approximately 49.6%. Claims ratio for the period is recorded at 49.4%, which is higher than 41.1% claims ratio of the corresponding period of last year. The surge in claims ratio is ascribed to increase in accidental losses, theft of vehicles and the impact of GST on auto parts as a result of change in tax regulations. However, cumulative expenses for the period remained under strict control and maintained at 37% of the earned premium against 44% of last year's corresponding period. Consequently, our pre-tax and post-tax profit for the half year remained at PKR 51.19 million and PKR 36.46 million respectively with an EPS of PKR 0.79 per share (PKR 0.72 per share for corresponding period of last year).

Company's motor premium continues to be prime constituent of overall insurance premium with 96.1% contribution to the total premium. Despite challenging environment in the motor industry, the motor premium has shown unprecedented growth. This growth can be ascribed to our aggressive marketing campaign which was launched in March 2014 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 launch of health insurance during the period resulted in 3.9% contribution in gross premium from miscellaneous class (0.7% in corresponding period of last year). 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 220 hospitals across Pakistan along with Toll-Free number for health customers to facilitate swift cash-less settlement of health claims and offering health insurance through a scratch card.

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
CEO

Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying:

i. condensed interim balance sheet;
ii. condensed interim profit and loss account;
iii. condensed interim statement of changes in equity;
iv. condensed interim statement of cash flows;
v. condensed interim statement of premiums;
vi. condensed interim statement of claims;
vii. condensed interim statement of expenses; and
viii. condensed interim statement of investment income

of TPL Direct Insurance Limited ("the Company") together with notes forming part thereof for the six months period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matters

The figures for the three months period ended 30 June 2014 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.

Date: 29th August, 2014

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Condensed Interim Balance Sheet
As at 30 June 2014

	Note	(Unaudited) 30 June 2014	(Audited) 31 December 2013
		(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 profits / (losses)		22,972,386	(13,485,882)
Total equity		475,285,345	438,827,077
Underwriting provisions			
Provision for outstanding claims (including IBNR)		140,519,886	126,091,093
Provision for unearned premium		550,055,724	441,908,398
Total underwriting provisions		690,575,610	567,999,491
Deferred liability			
Deferred tax liability	6	11,661,866	7,283,892
Creditors and accruals			
Premium received in advance		4,054,514	2,499,778
Amounts due to other insurers / reinsurers		16,005,336	15,354,359
Accrued expenses		3,668,820	3,759,479
Taxation - provision less payments		19,446,153	9,689,449
Other creditors and accruals	7	26,806,786	30,131,061
		69,981,609	61,434,126
Total Liabilities		772,219,085	636,717,509
Total equity and liabilities		1,247,504,430	1,075,544,586
Contingencies & commitments	8		

Condensed Interim Balance Sheet
As at 30 June 2014

	Note	(Unaudited) 30 June 2014	(Audited) 31 December 2013
		(Rupees)	
Cash and bank deposits	9		
Cash and other equivalent		763,451	422,903
Current and other accounts		56,201,642	107,924,804
		56,965,093	108,347,707
Loans - (secured, considered good) to employees		249,994	352,582
Investments	10	157,709,072	153,238,416
Current assets - others			
Premiums due but unpaid-unsecured		125,637,679	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		12,880,000	4,277,000
Accrued investment income		2,127,711	2,132,643
Deferred commission expense		84,337,023	57,425,788
Advance, deposits and prepayments	11	419,774,462	356,553,842
Sundry receivables	12	10,370,063	15,975,002
		656,012,071	525,467,189
Loan to Associated Company	13	126,679,551	100,000,000
Fixed assets	14		
Tangible and intangible assets			
Furniture and fixtures		2,018,528	1,785,882
Office equipment		5,225,609	3,747,701
Motor vehicles		5,749,836	7,981,837
Equipments		229,971,322	152,954,342
Computer equipments		3,880,574	2,618,160
Capital work-in-progress		3,042,480	19,050,470
Intangible		300	300
		249,888,649	188,138,692
Total assets		1,247,504,430	1,075,544,586

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Condensed Interim Profit and Loss Account (Unaudited)

For the three months period and six months period ended 30 June 2014

	Note	Three months period ended 30 June			
		Motor	Miscellaneous	Aggregate 2014	Aggregate 2013
		(Rupees)			
Revenue account					
Net premium revenue		250,389,058	3,551,111	253,940,169	178,673,523
Net claims		(117,778,046)	(1,652,559)	(119,430,605)	(81,298,917)
Expenses		(56,042,127)	(708,921)	(56,751,048)	(48,151,814)
Net commission		(35,340,920)	(2,370,278)	(37,711,198)	(15,628,317)
Underwriting result		41,227,965	(1,180,647)	40,047,318	33,594,475
Investment income				9,247,625	1,628,008
Other income				20,998,660	14,874,441
General and administrative expenses				(33,477,675)	(22,209,678)
Financial charges				(184,872)	(80,605)
				(3,416,262)	(5,787,834)
Profit before tax				36,631,056	27,806,641
Provision for taxation - current				(7,285,406)	(45,922)
- prior				-	-
- deferred				(3,079,985)	(11,297,105)
				(10,365,391)	(11,343,027)
Profit after tax				26,265,665	16,463,614

	Note	Six months period ended 30 June			
		Motor	Miscellaneous	Aggregate 2014	Aggregate 2013
		(Rupees)			
Revenue account					
Net premium revenue		486,235,878	8,154,205	494,390,083	346,594,197
Net claims		(242,362,645)	(1,790,884)	(244,153,529)	(142,653,980)
Expenses		(116,929,601)	(1,960,916)	(118,890,517)	(110,421,343)
Net commission		(62,075,757)	(3,706,686)	(65,782,443)	(33,985,341)
Underwriting result		64,867,875	695,719	65,563,594	59,533,533
Investment income				10,740,113	3,090,709
Other income	15			38,377,380	30,814,552
General and administrative expenses				(63,152,200)	(42,752,447)
Financial charges				(336,970)	(253,736)
				(14,371,677)	(9,100,922)
Profit before tax				51,191,917	50,432,611
Provision for taxation - current				(10,355,675)	(5,878,181)
- prior				-	-
- deferred				(4,377,974)	(11,297,105)
				(14,733,649)	(17,175,286)
Profit after tax				36,458,268	33,257,325
Profit and loss appropriation account					
Balance at the commencement of the year				(13,485,882)	(65,008,628)
Profit after tax for the period				36,458,268	33,257,325
Balance of unappropriated profit / (loss) at the end of the six months				22,972,386	(31,751,303)
Earnings per share	17			0.79	0.72

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2014

	30 June 2014	30 June 2013
	(Rupees)	
Operating activities		
(a) Underwriting activities		
Premiums received	570,512,997	399,890,058
Reinsurance premiums paid	(3,189,773)	(3,713,970)
Claims paid	(340,321,321)	(217,686,206)
Reinsurance and other recoveries	101,993,585	72,082,958
Commission paid	(98,236,381)	(44,829,838)
Net cash inflow from underwriting activities	230,759,107	205,743,002
(b) Other operating activities		
Income tax paid	(666,524)	(3,029,467)
General management expenses paid	(163,409,809)	(173,723,636)
Other operating (payments) / receipts	2,868,149	-
Loans advanced	(235,000)	(145,000)
Loans repayments received	337,588	795,063
Net cash outflow from other operating activities	(161,105,596)	(176,103,040)
Total cash generated from all operating activities	69,653,511	29,639,962
Investment activities		
Profit / return received on Pakistan investment bond	3,004,932	3,018,475
Loan advanced to associated company	(67,850,000)	-
Loans repayments received from associated company	50,000,000	-
Payments for purchase of investments	-	(36,632)
Proceeds from disposal of investments	3,251,969	-
Dividend received	25,000	-
Fixed capital expenditure	(112,953,396)	(1,085,884)
Proceeds from disposal of fixed assets	3,822,340	3,024,212
Total cash (used in) / generated from investing activities	(120,699,155)	4,920,171
Financing activities		
Financial charges paid	(336,970)	(253,736)
Total cash used in financing activities	(336,970)	(253,736)
Net cash (used in) / generated from all activities	(51,382,614)	34,306,397
Cash and cash equivalent at beginning of the period	108,347,707	17,769,130
Cash and cash equivalent at end of the period	56,965,093	52,075,527

Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2014

	30 June 2014	30 June 2013
	(Rupees)	
Reconciliation to profit and loss account		
Operating cash flows	69,653,511	29,639,962
Depreciation / amortisation expense	(32,969,453)	(23,867,389)
Profit on disposal of fixed assets	1,596,342	2,001,749
Profit on disposal of investments	251,969	-
Increase in assets other than cash	123,201,236	82,692,806
Increase in liabilities	(121,366,900)	(45,873,469)
	40,366,705	44,593,659
Other adjustments		
Income tax paid	666,524	3,029,467
Financial charges	(336,970)	(253,736)
Return on Government Securities	3,064,578	2,999,446
Dividends received	25,000	35,000
Share of profit from Associate	7,406,078	28,775
Provision for taxation	(14,733,647)	(17,175,286)
	(3,908,437)	(11,336,334)
Profit after taxation	36,458,268	33,257,325

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:

	30 June 2014	30 June 2013
Cash and other equivalents		
Cash in hand	763,451	270,041
Current and other accounts	56,201,642	51,805,486
	56,965,093	52,075,527

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 30 June 2014

	Share capital		
	Issued, subscribed and paid-up	Accumulated profits / (losses)	Total
	---------------------------- (Rupees) ----------------------------		
Balance as at 1 January 2013	452,312,959	(65,008,628)	387,304,331
Total comprehensive income			
Profit for the six months period ended 30 June 2013	-	33,257,325	33,257,325
Balance as at 30 June 2013	452,312,959	(31,751,303)	420,561,656
Balance as at 1 January 2014	452,312,959	(13,485,882)	438,827,077
Total comprehensive income			
Profit for the six months period ended 30 June 2014	-	36,458,268	36,458,268
Balance as at 30 June 2014	**452,312,959**	**22,972,386**	**475,285,345**

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Condensed Interim Statement of Premium (Unaudited)

For the three months period and six months period ended 30 June 2014

Business underwritten inside Pakistan

Three months period ended 30 June

		Class	Premiums written	Unearned premium reserve Opening	Unearned premium reserve Closing	Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded Opening	Prepaid reinsurance premium ceded Closing	Reinsurance expense	Net premium revenue 2014	Net premium revenue 2013
			(Rupees)									
Direct and facultative	1	Motor business	275,033,198	501,420,648	524,424,628	252,029,218	4,920,478	-	3,280,318	1,640,160	250,389,058	177,242,247
	2	Miscellaneous	19,186,346	10,276,076	25,631,096	3,831,326	840,647	-	560,432	280,215	3,551,111	1,431,276
		Total	294,219,544	511,696,724	550,055,724	255,860,544	5,761,125	-	3,840,750	1,920,375	253,940,169	178,673,523

Six months period ended 30 June

		Class	Premiums written	Unearned premium reserve Opening	Unearned premium reserve Closing	Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded Opening	Prepaid reinsurance premium ceded Closing	Reinsurance expense	Net premium revenue 2014	Net premium revenue 2013
			(Rupees)									
Direct and facultative	1	Motor business	582,732,557	431,208,268	524,424,628	489,516,197	6,560,637	-	3,280,318	3,280,319	486,235,878	343,989,002
	2	Miscellaneous	23,645,602	10,700,130	25,631,096	8,714,636	1,120,863	-	560,432	560,431	8,154,205	2,605,195
		Total	606,378,159	441,908,398	550,055,724	498,230,833	7,681,500	-	3,840,750	3,840,750	494,390,083	346,594,197

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Condensed Interim Statement of Claims (Unaudited)

For the three months period and six months period ended 30 June 2014

Business underwritten inside Pakistan

Three months period ended 30 June

	Class	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	1 Fire and property damage	-	1,194,000	1,194,000	-	-	119,400	119,400	-	-	-
	2 Motor business	145,111,860	106,152,434	138,723,703	177,683,129	56,975,083	10,693,600	13,623,600	59,905,083	117,778,046	81,353,836
	3 Miscellaneous	1,187,011	136,635	602,183	1,652,559	-	-	-	-	1,652,559	(54,919)
	Total	146,298,871	107,483,069	140,519,886	179,335,688	56,975,083	10,813,000	13,743,000	59,905,083	119,430,605	81,298,917

Six months period ended 30 June

	Class	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	1 Fire and property damage	-	1,194,000	1,194,000	-	-	119,400	119,400	-	-	-
	2 Motor business	337,505,146	123,269,619	138,723,703	352,959,230	101,993,585	5,020,600	13,623,600	110,596,585	242,362,645	142,788,899
	3 Miscellaneous	2,816,175	1,627,474	602,183	1,790,884	-	-	-	-	1,790,884	(134,919)
	Total	340,321,321	126,091,093	140,519,886	354,750,114	101,993,585	5,140,000	13,743,000	110,596,585	244,153,529	142,653,980

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Condensed Interim Statement of Expenses (Unaudited)

For the three months period and six months period ended 30 June 2014

Business underwritten inside Pakistan

Three months period ended 30 June

Class		Commissions paid or payable	Deferred commission Opening	Deferred commission Closing	Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense 2014	Net underwriting expense 2013
		-----	-----	-----	-----	(Rupees)	-----	-----	-----	-----
Direct and facultative	1 Motor business	36,485,870	76,322,951	77,467,901	35,340,920	56,042,127	91,383,047	-	91,383,047	62,785,765
	2 Miscellaneous	5,537,199	3,702,201	6,869,122	2,370,278	708,921	3,079,199	-	3,079,199	994,366
	Total	42,023,069	80,025,152	84,337,023	37,711,198	56,751,048	94,462,246	-	94,462,246	63,780,131

Six months period ended 30 June

Class		Commissions paid or payable	Deferred commission Opening	Deferred commission Closing	Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense 2014	Net underwriting expense 2013
		-----	-----	-----	-----	(Rupees)	-----	-----	-----	-----
Direct and facultative	1 Motor business	85,587,702	53,955,956	77,467,901	62,075,757	116,929,601	179,005,358	-	179,005,358	142,318,242
	2 Miscellaneous	7,105,976	3,469,832	6,869,122	3,706,686	1,960,916	5,667,602	-	5,667,602	2,088,442
	Total	92,693,678	57,425,788	84,337,023	65,782,443	118,890,517	184,672,960	-	184,672,960	144,406,684

The annexed notes from 1 to 20 form an integral part of these 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 three months period and six months period ended 30 June 2014

	Three months period ended 30 June		Six months period ended 30 June	
	2014	2013	2014	2013
	(Rupees)			
Income from non-trading investments				
Held-to-maturity				
Return on Government Securities	1,564,578	1,586,132	3,064,578	3,034,446
Available-for-sale				
Dividend income	25,000	35,000	25,000	35,000
	1,589,578	1,621,132	3,089,578	3,069,446
Gain on sale of non-trading available-for-sale investments	251,969	-	251,969	-
	1,841,547	1,621,132	3,341,547	3,069,446
Share of profit / (loss) on investment in associated company	7,406,078	14,388	7,406,078	28,775
Brokerage expense	-	(7,512)	(7,512)	(7,512)
Net investment income	9,247,625	1,628,008	10,740,113	3,090,709

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 30 June 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 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan.

The Company is required to maintain assets in excess of minimum solvency requirement under section 11 and Section 36 of the Insurance Ordinance, 2000. Based on opinion from its legal advisor, the Company considered its related party balances as admissible assets under Circular 15 of 2010 for the purpose of solvency requirement. Subsequent to period ended 30 June 2014, SECP has issued Circular 18 of 2014 dated 18 August 2014 which clarifies that Circular 15 of 2010 has ceased to effect, however, the effective date of compliance is extended by 31 December 2014.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the six months period ended 30 June 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. DEFERRED TAX LIABILITY

	(Unaudited) 30 June 2014	(Audited) 31 December 2013
	(Rupees)	
Deferred tax comprises of the following:		
Deductible temporary differences		
- Provision for bad debts	964,038	964,038
Taxable temporary differences		
- Accelerated depreciation	(12,625,904)	(8,247,930)
	(11,661,866)	(7,283,892)

7. OTHER CREDITORS AND ACCRUALS

Creditors	5,025,203	6,650,789
Federal Insurance Fee	2,941,643	715,748
Federal Excise Duty (FED) - net	1,779,853	1,137,599
Commission payable	6,805,656	12,348,359
Security deposit from customers against equipments	1,363,772	1,715,772
Workers' Welfare Fund	4,211,647	3,155,860
Others	4,679,012	4,406,934
	26,806,786	30,131,061

8. CONTINGENCIES & COMMITMENTS

There is no change in the status of the contigencies and commitments and is same as disclosed in the financial statements of the Company as at and for the year ended 31 December 2013.

9. CASH AND BANK DEPOSITS

	Note	(Unaudited) 30 June 2014	(Audited) 31 December 2013
		(Rupees)	
Cash and other equivalents			
Stamps in hand		66,500	-
Cash in hand		696,951	422,903
		763,451	422,903
Current and other accounts			
Current accounts		56,036,935	92,646,136
Profit and loss saving (PLS) accounts	*9.1*	164,707	15,278,668
		56,201,642	107,924,804
		56,965,093	108,347,707

9.1 These accounts carry mark-up at a rate between 6.5% to 9% (2013: 6% to 9%) per annum.

10. INVESTMENTS

Associated Company			
- TPL Properties (Private) Limited	*10.1*	**107,767,704**	100,361,626
Others			
- Available-for-sale	*10.2*	**1,470,379**	4,470,379
- Held-to-maturity	*10.3*	**48,470,989**	48,406,411
		157,709,072	153,238,416

10.1 TPL Properties (Private) Limited

Investment at the beginning of the year	**100,361,626**	99,557,194
Share of profit	**7,406,078**	804,432
Investment at the end of the year	**107,767,704**	100,361,626

10.2 Available-for-sale

10.2.1 Ordinary Shares of quoted companies

(Unaudited) 30 June 2014	(Audited) 31 December 2013	Name of Investee Company	(Unaudited) 30 June 2014	(Audited) 31 December 2013
(Number of Shares)			(Rupees)	
129,000	129,000	Business Industrial Insurance Company Limited	**251,260**	251,260
7,731	7,731	Bank of Punjab Limited	**357,727**	357,727
10,000	10,000	The Hub Power Company Limited	**357,000**	357,000
15,195	15,195	Bank of Khyber	**162,975**	162,975
16,000	16,000	Summit Bank Limited	**514,675**	514,675
100,000	100,000	Next Capital Limited	**1,000,000**	1,000,000
			2,643,637	2,643,637

10.2.2 Mutual Funds Units

(Unaudited) 30 June 2014	(Audited) 31 December 2013		(Unaudited) 30 June 2014	(Audited) 31 December 2013
(Number of Shares)			(Rupees)	
9,245	7,738	First Habib Stock Fund	**500,000**	500,000
-	30,293	Faysal Financial Sector Opportunity Fund	**-**	3,000,000
			500,000	3,500,000
		Provision for impairment in the value of investments	**(1,673,258)**	(1,673,258)
			1,470,379	4,470,379

The aggregate market value of the available for sale investment is Rs. 2.303 million (2013: Rs. 5.338 million).

10.3 Held-to-maturity - Pakistan Investment Bonds (PIBs)

This represents ten years Pakistan Investment Bonds having face value of Rs. 50 million (market value of Rs. 48.368 million) [31 December 2013: Rs. 50 million (market value of Rs. 48.65 million)]. These carry mark-up of 12% (31 December 2013: 12%) per annum and will mature between 3 September 2019 to 18 August 2021. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance 2000 and circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan.

11. ADVANCE, DEPOSITS AND PREPAYMENTS

		(Unaudited) 30 June 2014	(Audited) 31 December 2013
		(Rupees)	
Advance			
- to holding company	*11.1*	343,988,397	293,980,004
Deposits			
- for medical and travel assistance	*11.2*	1,942,392	1,942,392
- for hospital enlistment		3,940,000	3,825,000
Prepaid			
- annual monitoring and other charges	*11.3*	45,778,019	35,607,737
- rent and maintenance charges	*11.4*	16,808,020	20,500,000
- Re insurance premium paid in advance		3,840,752	-
Others		3,476,882	698,709
		419,774,462	356,553,842

11.1 This represents advance against purchase of Tracking units and annual monitoring fees. A Special Resolution of the shareholders authorizing the Company to enhance advance upto Rs. 400 million was passed in Annual General Meeting of the Company held on 21 April 2014. 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.

11.2 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.

11.3 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.

11.4 This represent amount paid by the Company to TPL Properties (Private) Limited in respect of rent and maintenance charges for the principal office space located at Center Point, Korangi, Karachi.

12. SUNDRY RECEIVABLES

Margin deposit placed against purchase of shares - unsecured	*12.1*	8,500,000	9,500,000
Receivable from the Holding Company		-	4,400,998
Accrued markup on loan to Associated Company		-	265,798
Others		1,870,063	1,808,206
		10,370,063	15,975,002

12.1 This represents a margin deposit with a brokerage house for trading of shares. The above balance is interest free and is repayable on demand. The same is also free of charge, encumbrance and lien. The management considers that this amount will either be adjusted against future trading of shares or will be recovered.

13. LOAN TO ASSOCIATED COMPANY

This represents loan amounting to Rs. 126.68 million advanced to TPL Properties (Private) Limited, an associated undertaking. A Special Resolution of the shareholders authorizing the Company to extend loan up to Rs. 250 million was passed in the Extra Ordinary General Meeting of the Company held on 30 September 2013. The loan carries interest at the rate of 16% per annum (2013: 16%) and is unsecured.

The loan agreement was renewed with effect from 31 May 2013, as per the term of agreement the entire loan is repayable on or before 31 August 2021.

14. FIXED ASSETS

		(Unaudited) 30 June 2014	(Audited) 31 December 2013
		(Rupees)	
Opening written down value		**188,138,692**	168,046,473
Additions and transfers during the period / year - at cost			
- Office equipments		**2,187,300**	628,400
- Motor vehicles		**408,480**	2,733,161
- Equipments	*14.1*	**107,092,482**	95,575,902
- Computer equipments		**2,265,134**	1,984,690
- Furniture and fixtures		**1,000,000**	83,800
- Capital work-in-progress		**16,298,631**	17,046,874
		129,252,027	118,052,827
Written down value of disposals during the period / year		**(2,225,998)**	(1,774,311)
Depreciation / amortization for the period / year		**(32,969,453)**	(50,299,963)
		(35,195,451)	(52,074,274)
Transfer from capital work in progress during the period / year		**-**	(45,886,334)
Capital work in progress transferred to the Holding Company	*14.2*	**(32,306,619)**	-
Closing written down value		**249,888,649**	188,138,692

14.1 The equipments are installed by the Company in the vehicles which are currently in the possession of the insured. These devices are also encumbered against short term running finance facility obtained from a bank amounting to Rs.34 million which has not been utilized during the period / year.

14.2 During the period, capital work in progress pertaining to civil works and CISCO system of the shared office by TPL Trakker Limited and TPL Direct Insurance Limited at Centrepoint amounting to Rs. 32 million has been transferred to the Holding Company. The Holding Company will charge the related depreciation expense to the Company on monthly basis.

		(Unaudited)	(Audited)
		30 June	31 December
15. OTHER INCOME		**2014**	2013
		(Rupees)	
Profit on profit and loss saving accounts		**308,850**	-
Interest charged			
- to holding company	*11.1*	**23,480,026**	18,218,725
- to associated company	*13*	**11,025,073**	8,000,000
Income from other services	*15.1*	**1,460,400**	-
Gain on disposal of tangible assets		**1,596,342**	2,001,749
Others		**506,689**	2,594,078
		38,377,380	30,814,552

15.1 This represents income earned against road side assistance and repair and maintenance facilities.

16. TRANSACTIONS WITH RELATED PARTIES

16.1 The related parties and associated undertakings comprise TPL Trakker Limited being the Holding Company, TRG Pakistan Limited, Trakker Middle East, Digicore International (Private) Limited, Trakker 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 (Private) Limited, Meskay & Famtee Trading (Private) Limited, Princely Jets Private Limited, Centerpoint Management Services (Private) Limited, JS Bank Limited, Fauji Akber Portia Terminals (Private) Limited, Speed (Private) Limited, TPL Direct Insurance 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:

16.2 Movement of transactions with related parties

	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	(Rupees)		(Rupees)	
TPL Trakker Limited - (Holding Company)				
Opening balance - including sundry receivables	319,744,144	241,523,775	298,381,002	241,828,292
Reimbursement of expenses incurred on behalf of the Company	(6,207,813)	(4,627,084)	(10,748,384)	(9,554,275)
Expenses incurred by the Company on behalf of the Holding Company	35,486,157	1,347,737	54,301,957	1,773,681
Receivable from the Holding Company in respect of sale of units installed in vehicles which were snatched C-Track	744,500	412,800	1,702,700	412,800
Equipment purchased	(86,875,502)	-	(125,325,663)	-
Capital work in progress transferred to the Holding Company	32,306,619	-	32,306,619	-
Advance paid for purchase of equipment	-	-	-	(23,200,000)
Cost of services provided to the Company	(24,049,859)	(14,538,428)	(37,312,694)	(34,553,346)
Advance given during the period	64,500,000	51,750,000	118,300,000	92,450,000
Payments received during the period	-	(2,750,000)	(4,000,000)	(2,750,000)
Interest charged to the Holding Company	11,977,668	9,215,067	23,480,026	18,218,725
Equipment removal / transfer charges	(3,637,517)	(3,288,641)	(7,097,166)	(5,580,651)
Closing balance - including sundry receivables	343,988,397	279,045,226	343,988,397	279,045,226
TPL Properties (Private) Limited- common directorship				
Opening balance	159,315,798	125,500,000	120,765,798	101,000,000
Prepaid maintenance charges paid during the period	2,461,320	-	2,461,320	-
Rent and maintenance expenses during the period	(6,153,300)	-	(6,153,300)	-
Loan repayment during the period	(41,170,449)	-	(41,170,449)	-
Loan given during the period	33,300,000	-	67,850,000	-
Mark-up charged during the period	7,025,073	4,000,000	11,025,073	8,000,000
Mark-up received during the period	(11,290,871)	(9,000,000)	(11,290,871)	(9,000,000)
Prepaid rent paid during the period	-	-	-	20,500,000
Closing balance - including markup on loan to Associate Company	143,487,571	120,500,000	143,487,571	120,500,000
Virtual World (Private) Limited - common directorship				
Opening accrued outsourcing expenses	504,000	1,155,000	924,000	693,000
Services received during the period	1,512,000	1,232,000	2,912,000	2,387,000
Payments made during the period	-	(1,963,500)	(1,820,000)	(2,656,500)
Closing accrued outsourcing expenses	2,016,000	423,500	2,016,000	423,500
TPL Direct Insurance Limited Employees Provident Fund				
Opening balance	703,016	538,056	471,534	389,798
Charge for the period	1,790,562	1,476,338	3,479,748	2,885,376
Contribution made during the period	(1,764,802)	(1,524,156)	(3,222,506)	(2,784,936)
Closing balance	728,776	490,238	728,776	490,238

16.2.1 Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

17. EARNING PER SHARE - basic and diluted

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	30 June 2014	30 June 2013	**30 June 2014**	30 June 2013
	(Rupees)		(Rupees)	
Profit after tax for the period	**26,265,665**	16,463,614	**36,458,268**	33,257,325
	(Number of shares)		(Number of shares)	
Weighted average number of shares of Rs. 10 each	**46,000,000**	46,000,000	**46,000,000**	46,000,000
	(Rupees)		(Rupees)	
Profit per share	**0.57**	0.36	**0.79**	0.72

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

18. 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 the 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 this condensed interim financial information.

19. GENERAL

Figures of the condensed interim profit and loss account, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the three months period ended 30 June 2014 and 30 June 2013 have not been subjected to limited scope review by the auditors.

20. AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on 29th August, 2014.

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

Category of Shareholding
As on 30 June 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%
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	410,811	0.89%
MUTUAL FUNDS			
Golden Arrow Selected Stocks Fund Limited	1	1,018,000	2.21%
CDC - Trustee PICIC Investment Fund	1	550,000	1.20%
CDC - Trustee PICIC Growth Fund	1	1,150,000	2.50%
CDC - Trustee AKD Opportunity Fund	1	225,000	0.49%
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 30 June 2014

NO. OF SHAREHOLDERS	FROM	TO	SHARES HELD	PERCENTAGE
169	1	100	2300	0.005
115	101	500	55055	0.1197
66	501	1000	66000	0.1435
64	1001	5000	180303	0.392
19	5001	10000	166644	0.3623
1	10001	15000	14500	0.0315
7	15001	20000	136195	0.2961
1	20001	25000	24169	0.0525
1	25001	30000	26500	0.0576
1	35001	40000	40000	0.087
4	45001	50000	192644	0.4188
1	65001	70000	70000	0.1522
1	75001	80000	77305	0.1681
1	85001	90000	87626	0.1905
1	95001	100000	96626	0.2101
1	105001	110000	110000	0.2391
2	125001	130000	255001	0.5544
1	145001	150000	150000	0.3261
1	195001	200000	200000	0.4348
1	215001	220000	220000	0.4783
1	220001	225000	225000	0.4891
1	240001	245000	245000	0.5326
1	285001	290000	289847	0.6301
1	305001	310000	309500	0.6728
1	395001	400000	400000	0.8696
1	410001	415000	410811	0.8931
1	545001	550000	550000	1.1957
1	940001	945000	943500	2.0511
1	1015001	1020000	1018000	2.213
1	1145001	1150000	1150000	2.5
2	3145001	3150000	3147114	6.8415
1	4140001	4145000	4141360	9.003
4	30995001	31000000	30999000	67.3891
475	**Company Total**		**46000000**	**100.0000**