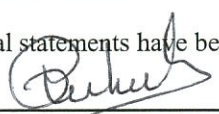


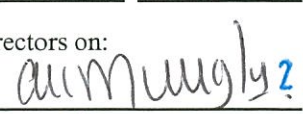
STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2016

	Notes	THE GROUP		THE COMPANY	
		2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	5	47,377,671	37,932,675	47,180,265	37,726,744
Investment property	6	74,250,000	74,250,000	18,250,000	18,250,000
Intangible assets	7	817,020	-	817,020	-
Investment in subsidiary company	8	-	-	25,000,000	25,000,000
Statutory deposits	9	2,000,000	8,000,000	2,000,000	8,000,000
Investment in financial assets	10	29,708,064	32,953,393	29,708,064	32,953,393
Fixed deposits	11	327,300,000	261,050,000	326,500,000	260,250,000
Deferred tax assets	12	1,612,411	1,450,241	-	-
Loans to related parties	13	-	241,386	-	241,386
		<u>483,065,166</u>	<u>415,877,695</u>	<u>449,455,349</u>	<u>382,421,523</u>
Current assets					
Statutory deposits	9	6,000,000	-	6,000,000	-
Trade and other receivables	14	46,437,717	27,432,576	45,629,117	27,027,614
Investment in financial assets	10	-	5,000,000	-	5,000,000
Loans to related parties	13	219,713	255,274	219,713	255,274
Short-term deposits	11	48,500,000	71,615,000	48,500,000	71,615,000
Cash and cash equivalents	29(b)	16,758,075	34,631,968	15,680,774	34,309,760
		<u>117,915,505</u>	<u>138,934,818</u>	<u>116,029,604</u>	<u>138,207,648</u>
Total assets		Rs. <u>600,980,671</u>	<u>554,812,513</u>	<u>565,484,953</u>	<u>520,629,171</u>
EQUITY AND LIABILITIES					
Capital and Reserves (attributable to owners of the parent company)					
Share capital	15	25,000,000	25,000,000	25,000,000	25,000,000
Other reserves	16	2,339,521	1,918,799	2,339,521	1,918,799
Retained earnings		255,400,394	241,063,539	226,940,405	213,618,342
		<u>282,739,915</u>	<u>267,982,338</u>	<u>254,279,926</u>	<u>240,537,141</u>
Technical provisions					
Gross outstanding claims and IBNR	18(a)	186,677,565	163,686,410	186,677,565	163,686,410
Gross unearned premiums	18(b)	99,065,338	90,868,088	99,065,338	90,868,088
		<u>285,742,903</u>	<u>254,554,498</u>	<u>285,742,903</u>	<u>254,554,498</u>
Non-current liabilities					
Borrowings	19	-	114,071	-	114,071
Retirement benefit obligations	20	8,662,000	7,674,896	8,662,000	7,674,896
Deferred tax liabilities	12	7,597,301	7,163,852	958,753	866,557
		<u>16,259,301</u>	<u>14,952,819</u>	<u>9,620,753</u>	<u>8,655,524</u>
Current liabilities					
Trade and other payables	21	15,303,737	14,381,727	14,906,556	13,940,877
Current tax liabilities	22(a)	782,749	1,701,675	782,749	1,701,675
Borrowings	19	152,066	1,239,456	152,066	1,239,456
		<u>16,238,552</u>	<u>17,322,858</u>	<u>15,841,371</u>	<u>16,882,008</u>
Total equity and liabilities		Rs. <u>600,980,671</u>	<u>554,812,513</u>	<u>565,484,953</u>	<u>520,629,171</u>

These financial statements have been approved for issue by the Board of Directors on:


Signature

Mohammad Aboud Ruhomutally
Name of Director


Signature

Abdool Kader Mungly
Name of Director

The notes on pages 12 to 59 form an integral part of these financial statements.
Auditor's report on pages 5 to 5(b).

STATEMENTS OF PROFIT OR LOSS - YEAR ENDED DECEMBER 31, 2016

	Notes	THE GROUP		THE COMPANY	
		2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
Gross premiums		183,769,832	171,992,019	183,769,832	171,992,019
Premium ceded to reinsurers		(8,885,622)	(10,469,347)	(8,885,622)	(10,469,347)
		174,884,210	161,522,672	174,884,210	161,522,672
Change in unearned premiums	18(b)	(8,197,250)	(8,693,241)	(8,197,250)	(8,693,241)
Net earned premiums		166,686,960	152,829,431	166,686,960	152,829,431
Gross claims paid	18(a)	113,285,330	101,456,064	113,285,330	101,456,064
Claims recovered		(35,372,996)	(24,288,417)	(35,372,996)	(24,288,417)
Movement in claims outstanding and IBNR	18(a)	22,991,155	9,981,658	22,991,155	9,981,658
Net claims incurred		100,903,489	87,149,305	100,903,489	87,149,305
Underwriting results		65,783,471	65,680,126	65,783,471	65,680,126
Commission receivable from reinsurers		1,801,501	3,304,532	1,801,501	3,304,532
Commission payable to agents		(8,748,031)	(8,289,127)	(8,748,031)	(8,289,127)
Net commissions payable		(6,946,530)	(4,984,595)	(6,946,530)	(4,984,595)
Underwriting surplus		58,836,941	60,695,531	58,836,941	60,695,531
Investment and interest income	23	21,732,262	22,162,387	20,547,398	21,077,268
Operating profit		80,569,203	82,857,918	79,384,339	81,772,799
Other income	24	6,447,191	6,019,844	6,416,391	5,981,044
		87,016,394	88,877,762	85,800,730	87,753,843
Administrative and other expenses	25(i)	(50,554,059)	(46,239,438)	(50,565,795)	(46,158,451)
Depreciation and amortisation charge	25(ii)	(4,610,103)	(3,244,800)	(4,576,578)	(3,193,808)
Profit from operations		31,852,232	39,393,524	30,658,357	38,401,584
Finance costs	26	(69,605)	(149,301)	(69,605)	(149,301)
		31,782,627	39,244,223	30,588,752	38,252,283
Exceptional items	27	(9,548,374)	(28,645,122)	(9,548,374)	(28,645,122)
Profit before taxation	25	22,234,253	10,599,101	21,040,378	9,607,161
Taxation	22(b)	(4,647,398)	(4,289,887)	(4,468,315)	(4,141,096)
Profit for the year	Rs.	17,586,855	6,309,214	16,572,063	5,466,065

The notes on pages 12 to 59 form an integral part of these financial statements.

Auditor's report on pages 5 to 5(b).

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED
DECEMBER 31, 2016**

	Notes	THE GROUP		THE COMPANY	
		2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
Profit for the year		17,586,855	6,309,214	16,572,063	5,466,065
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Change in fair value of available-for-sale financial assets	16	439,934	(2,645,236)	439,934	(2,645,236)
Reclassification adjustments on disposal of financial assets	16	-	(149,644)	-	(149,644)
Reclassification adjustments on impairment of financial assets	16	(19,212)	(57,634)	(19,212)	(57,634)
Other comprehensive income, net of income tax		420,722	(2,852,514)	420,722	(2,852,514)
Total comprehensive income for the year	Rs.	18,007,577	3,456,700	16,992,785	2,613,551

The notes on pages 12 to 59 form an integral part of these financial statements.

Auditor's report on pages 5 to 5(b).

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2016

THE GROUP	Note	Share capital	Revaluation surplus	Available-for-sale fair value reserve		Retained earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at January 1, 2016		25,000,000	4,260,120	(2,341,321)	241,063,539	267,982,338	
Profit for the year		-	-	-	17,586,855	17,586,855	
Other comprehensive income for the year		-	-	420,722	-	420,722	
Total comprehensive income for the year		-	-	420,722	17,586,855	18,007,577	
Dividends - 2016	28	-	-	-	(3,250,000)	(3,250,000)	
Balance at December 31, 2016		Rs. 25,000,000	4,260,120	(1,920,599)	255,400,394	282,739,915	
Balance at January 1, 2015		25,000,000	4,260,120	511,193	238,254,325	268,025,638	
Profit for the year		-	-	-	6,309,214	6,309,214	
Other comprehensive income for the year		-	-	(2,852,514)	-	(2,852,514)	
Total comprehensive income for the year		-	-	(2,852,514)	6,309,214	3,456,700	
Dividends - 2015	28	-	-	-	(3,500,000)	(3,500,000)	
Balance at December 31, 2015		Rs. 25,000,000	4,260,120	(2,341,321)	241,063,539	267,982,338	

The notes on pages 12 to 59 form an integral part of these financial statements.
Auditor's report on pages 5 to 5(b).

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2016

THE COMPANY	Note	Share capital	Revaluation surplus	Available-for-sale fair value reserve	Retained earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance at January 1, 2016		25,000,000	4,260,120	(2,341,321)	213,618,342	240,537,141
Profit for the year		-	-	-	16,572,063	16,572,063
Other comprehensive income for the year		-	-	420,722	-	420,722
Total comprehensive income for the year		-	-	420,722	16,572,063	16,992,785
Dividends - 2016	28	-	-	-	(3,250,000)	(3,250,000)
Balance at December 31, 2016		Rs. 25,000,000	4,260,120	(1,920,599)	226,940,405	254,279,926
Balance at January 1, 2015		25,000,000	4,260,120	511,193	211,652,277	241,423,590
Profit for the year		-	-	-	5,466,065	5,466,065
Other comprehensive income for the year		-	-	(2,852,514)	-	(2,852,514)
Total comprehensive income for the year		-	-	(2,852,514)	5,466,065	2,613,551
Dividends - 2015	28	-	-	-	(3,500,000)	(3,500,000)
Balance at December 31, 2015		Rs. 25,000,000	4,260,120	(2,341,321)	213,618,342	240,537,141

The notes on pages 12 to 59 form an integral part of these financial statements.
Auditor's report on pages 5 to 5(b).

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2016

		THE GROUP		THE COMPANY	
	Notes	2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities					
Cash generated from operations	29(a)	29,371,404	24,313,732	28,650,089	23,410,880
Interest paid		(69,605)	(149,301)	(69,605)	(149,301)
Tax paid	22(a)	(5,295,045)	(6,932,083)	(5,295,045)	(6,932,083)
Net cash generated from operating activities		24,006,754	17,232,348	23,285,439	16,329,496
Cash flows from investing activities					
Purchase of property, plant and equipment		(14,072,392)	(3,597,243)	(14,047,392)	(3,477,243)
Proceeds from sale of property, plant and equipment		800,000	-	800,000	-
Purchase of intangible assets		(845,194)	-	(845,194)	-
Purchase of investment in financial assets	10	(1,632,323)	(8,539,166)	(1,632,323)	(8,539,166)
Proceeds from disposal of financial assets		7,000,000	3,297,642	7,000,000	3,297,642
Dividends received		1,007,769	770,478	1,007,769	770,478
Proceeds from maturity of deposits		53,115,000	49,000,000	53,115,000	49,000,000
Additions to deposits		(102,500,000)	(72,800,000)	(102,500,000)	(72,000,000)
Interest received		19,421,007	19,901,104	19,362,229	19,877,724
Repayment of loans to subsidiary company		-	-	-	381,999
Repayment of loans to related parties	13	276,947	246,432	276,947	246,432
Net cash used in investing activities		(37,429,186)	(11,720,753)	(37,462,964)	(10,442,134)
Cash flows from financing activities					
Finance lease principal payments		(1,138,340)	(1,013,088)	(1,138,340)	(1,013,088)
Dividends paid	28	(3,250,000)	(3,500,000)	(3,250,000)	(3,500,000)
Net cash used in financing activities		(4,388,340)	(4,513,088)	(4,388,340)	(4,513,088)
(Decrease)/increase in cash and cash equivalents	Rs.	(17,810,772)	998,507	(18,565,865)	1,374,274
Movement in cash and cash equivalents					
At January 1,		34,530,852	33,532,345	34,208,644	32,834,370
(Decrease)/increase		(17,810,772)	998,507	(18,565,865)	1,374,274
At December 31,	29(b)	16,720,080	34,530,852	15,642,779	34,208,644

The notes on pages 12 to 59 form an integral part of these financial statements.

Auditor's report on pages 5 to 5(b).