

GROWING HAVEN

1ST QUARTER REPORT
31ST MARCH 2019 (UNAUDITED)



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COMPANY INFORMATION

Directors

Salim Habib Godil (Chairman)
Syed Rizwan Hussain
Shahzad Salim Godil
Syed Salman Hussain
Ahmad Shuja Kidwai
Ashraf Ali Velji
Syed Tariq Husain

Managing Director & CEO

Syed Rizwan Hussain

Chief Financial Officer

Muhammad Irfan

Company Secretary

Naheed Shiraz Merchant

Shariah Advisor

Mufti Sajjad Ashraf Usmani

Shariah Supervisor & Consultant

Usmani & Co.

Statutory Auditor

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditor

E.Y Ford Rhodes
Chartered Accountants

Business Process Consultant

Deloitte Yousuf Adil
Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.

Corporate Advisor

RS Corporate Advisory

Head Office

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BOARD COMMITTEES

Audit Committee

1. **Chairman** – Ashraf Ali Velji (Non-Executive Director)
2. **Member** – Salim Habib Godil (Non-Executive Director)
3. **Member** – Shahzad Salim Godil (Non-Executive Director)
4. **Member** – Syed Salman Hussain (Non-Executive Director)
5. **Member** – Ahmed Shuja Kidwai (Non-Executive Director)

Investment Committee

1. **Chairman** – Syed Salman Hussain (Non-Executive Director)
2. **Member** – Salim Habib Godil (Non-Executive Director)
3. **Member** – Syed Rizwan Hussain (Managing Director & CEO)
4. **Member** – Shahzad Salim Godil (Non-Executive Director)
5. **Member** – Ashraf Ali Velji (Non-Executive Director)
6. **Member** – Muhammad Irfan (Chief Financial Officer)

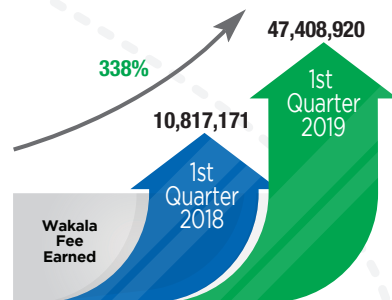
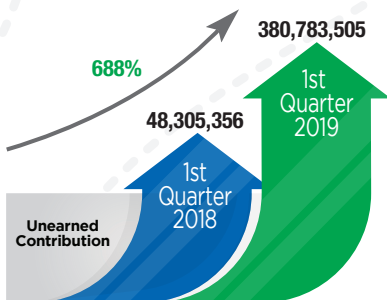
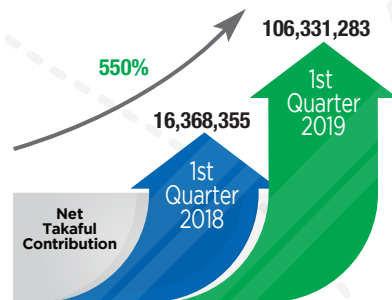
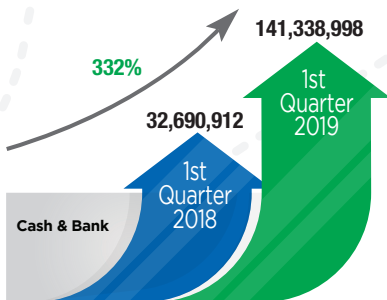
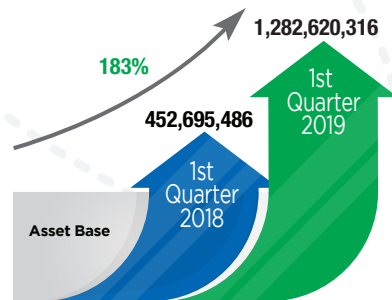
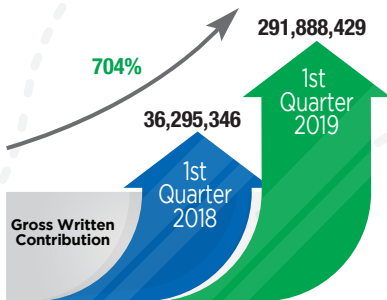
Ethics, Human Resource & Remuneration Committee

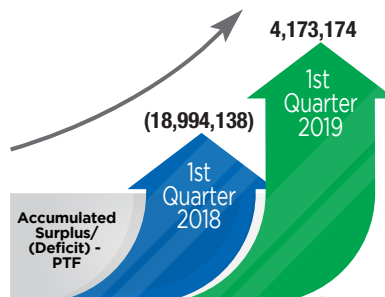
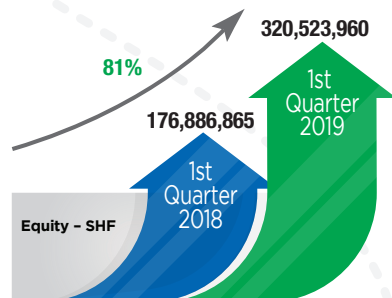
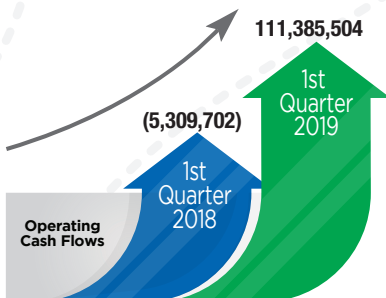
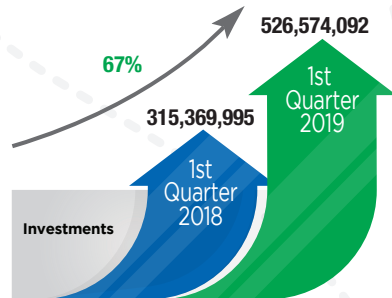
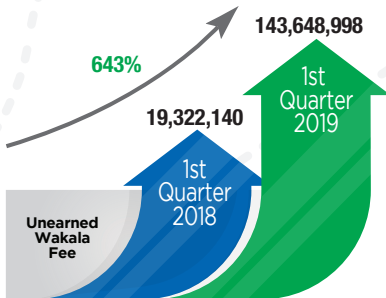
1. **Chairman** – Salim Habib Godil (Non-Executive Director)
2. **Member** – Syed Rizwan Hussain (Managing Director & CEO)
3. **Member** – Shahzad Salim Godil (Non-Executive Director)
4. **Member** – Syed Salman Hussain (Non-Executive Director)

MANAGEMENT TEAM

Name of the Person	Designation
Syed Rizwan Hussain	Managing Director & CEO
Mufti Sajjad Ashraf Usmani	Shariah Advisor
Muhammad Irfan	Chief Financial Officer & Head of Investors' Grievances
Kamran M. Hanif	Head of Operations - Motor
Umair Ismail	Head of Operations Non-Motor, Retakaful & Risk Management
Naheed Shiraz Merchant	Head of Legal, Compliance & Company Secretary
Noman Zaidi	Head of Human Resources & Administration
Varda Rehman	Head of Internal Audit
Syed Muhammad Haider Hussain	Chief Investment Officer
Faheem Darss	Head of Benefits (Claims) - Motor (South Region) & Head of Policyholders' (Participants') Grievances

KEY FINANCIAL FIGURES





THE DIRECTORS' REVIEW TO THE MEMBERS ON CONDENSED INTERIM FINANCIAL INFORMATION

The Board of Directors of Takaful Pakistan Limited (herein after referred to as "the Company", is pleased to present before you the unaudited financial statements for the first quarter ended 31st March 2019.

Financial Highlights

PARTICIPANTS' TAKAFUL FUND (PTF):

Gross Written Contribution
Net Takaful Contribution
Underwriting Results
Gross Investment Income
Surplus for the period before taxation
Surplus after taxation for the period

Unaudited
Quarter ended
31st March
2019

(Rupees)

Quarter ended
31st March
2018

SHAREHOLDERS' FUND (SHF):

Wakala fee
Gross Investment Income
Loss before taxation
Loss after taxation
Loss after tax per share

10,817,171
2,575,682
(4,368,350)
(4,706,386)
(0.157)

Performance Review

Subsequent to changes in shareholding and management, the Company has aggressively focused on building its business volume. By the end of 1st Quarter March 2019, the Company showed significant growth in gross written contribution by 704% registering it to Rs. 291.8m (1Q 2018: Rs. 36.2 million), while net contribution recorded at Rs. 106 million (1Q 2018: Rs. 16 million) depicting an impressive increase of 550%.

Total gross investment income recorded at Rs. 11.3 million (1Q 2018: Rs. 3.6 million) depicting an increase of 213% as compared to 1st Quarter March 2018. The increase is mainly attributable to increase in return on bank balances that rose by 400% as compared to corresponding period of last year. This reflects company's strategy to allocate majority of the funds into risk-free investments considering volatile equity market.

The Shareholders' fund income is derived from the wakala fee earned. During the period 2019, the Company managed to earn wakala fee of Rs. 47.4 million (1Q 2018: 10.8 million) reflecting an increase of 338% as compared to corresponding period of last year. Though this quarter, Shareholders' fund registered a net loss after tax of Rs. 9.8 million, it is pertinent to note that an un-earned wakala fee stands at Rs. 143.6 million which will be earned in following quarters which would significantly improve Shareholders' fund profitability going forward.

Outlook

Despite challenges at the macroeconomic and geopolitical level, the year 2019 looks promising for Pakistan. It is anticipated that Foreign Direct Investments will aid energy, transport, construction, warehousing and service industries significantly.

The current government's special interest in promoting Islamic Finance, Agri and SME financing as well as housing initiatives also bodes well for Takaful industry. Strong growth in consumer financing is resulting in good opportunity for car financing Ijarah & Home financing segments.

Company intends to enter in the large un-tapped retail market through digitalization and customized customer portals.

Acknowledgment

The Board of Directors would like to place on record their highest appreciation to the participants, officers and staff of the Company for the dedicated efforts in a difficult operating environment.

We would also like to pay our gratitude to the Securities and Exchange Commission of Pakistan and all our stakeholders, including Re-Takaful operators for their continued guidance and support.

On behalf of the Board of Directors



Syed Rizwan Hussain
Managing Director & CEO

مستقبل کی پیش بینی

قومی اور جغرافیائی سیاسی سطح پر نامساعد حالات کے باوجود، 2019 میں سی بیک سے متعلق پروجیکٹس کے کام شروع کرنے اور ملکی اور بین الاقوامی سرمائے کے پاکستان آنے کی امید کی بناء پر حالات میں بہتری کی توقع کی جارہی ہے۔ امید ہے کہ یہ سرمایہ کاری ازبجی، ٹرانسپورٹ، کنسٹرکشن، ویئر ہاؤسنگ اور سروس انڈسٹری کیلئے خاص طور پر مددگار ہوگی۔

موجودہ حکومت کی اسلامی معاشیات کی پذیرائی، زراعت، لیس ایم ای فنانس اور ساتھ ہی ساتھ گھروں کی تعمیر میں خصوصی دلچسپی تکافل انڈسٹری پر بہتر طور پر اثر انداز ہوگی۔ کنزیومر فنانس میں مضبوط اضافہ کاراجارہ اور ہوم فنانسنگ کے میدان میں بہتر مواقع پیدا کرنے کا باعث بن رہا ہے۔

یہاں بڑی رٹیل مارکیٹ بھی ہیں جن پر اب تک کام نہیں کیا گیا ہے۔ ڈیجیٹلائزیشن اور کسٹمر پورٹل کے ذریعے کمپنی اس مارکیٹ میں نفوذ کرے گی۔

اعتراف

ڈائریکٹر باوجود آپریشنز کے لئے نامساعد حالات کے، پارٹنرس، کمپنی کے آفیسرز و اسٹاف کی انتھک کوششوں اور محنت کو سراہتے ہیں۔

کمپنی کے ڈائریکٹر سیکورٹی اینڈ ایگزیکیوٹو کمیشن آف پاکستان اور اپنے تمام اسٹیک ہولڈرز بشمول ری تکافل آپریٹرز کے ان کی متواتر اہمائی اور تعاون کیلئے بھی شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی نیابت میں



سید رضوان حسین
منیجنگ ڈائریکٹر و سی ای او

ڈائریکٹرز کا جائزہ

کمپنی ڈائریکٹرز غیر آڈٹ شدہ رپورٹ بابت پہلی سہ ماہی 2019 کے اجراء پر مسرت کا اظہار کرتے ہیں۔

مالیاتی جھلکیاں

Unaudited

Quarter ended
31st March
2019

Quarter ended
31st March
2018

(Rupees)

PARTICIPANTS' TAKAFUL FUND (PTF):

Gross Written Contribution	291,888,429	36,295,346
Net Takaful Contribution	106,331,283	16,368,355
Underwriting Results	6,543,192	721,127
Gross Investment Income	4,590,857	1,046,047
Surplus for the period before taxation	7,718,346	1,485,427
Surplus after taxation for the period	5,369,445	1,485,427

SHAREHOLDERS' FUND (SHF):

Wakala fee	47,408,920	10,817,171
Gross Investment Income	6,729,124	2,575,682
Loss before taxation	(8,537,717)	(4,368,350)
Loss after taxation	(9,837,422)	(4,706,386)
Loss after tax per share	(0.160)	(0.157)

کارکردگی کا جائزہ

شیر ہولڈرز اور منیجمنٹ کی تبدیلی کے بعد کاروباری حجم بڑھانے کیلئے کمپنی نے کچھ اہم وچار حاند اقدامات کئے ہیں۔ 2019 کی پہلی سہ ماہی کے اختتام پر کمپنی کے مجموعی رٹن کنٹریبیوٹن میں 704% قابل ذکر اضافہ ہوا ہے جو کہ اس سال 291.8 ملین روپے ہے (2018 میں یہ 36.2 ملین روپے تھا)، جبکہ خالص رٹن کنٹریبیوٹن 106 ملین روپے ہے (2018 میں یہ 16 ملین روپے تھا) جو گزشتہ سال کے مقابلے میں متاثر کن طور پر 550% زائد ہے۔

مجموعی سرمایہ کاری کا نفع 11.3 ملین روپے ریکارڈ کیا گیا (2018 میں 3.6 ملین روپے تھا) جو کہ مجموعی نفع میں سال گزشتہ کی پہلی سہ ماہی کے مقابلے میں 213% اضافے کو ظاہر کرتا ہے۔ اس اضافے کا تعلق مجموعی طور پر بینک بیلنس پر حاصل ہونے والا نفع ہے جو کہ گزشتہ سال کی اسی مدت میں حاصل ہونے والے نفع سے 400% زائد ہے۔ یہ اعداد و شمار اس بات کے غماز بھی ہیں کہ کمپنی ایکویٹی مارکیٹ کے عدم استحکام کی بناء پر اپنی انوسٹمنٹ پالیسی کے تحت رسک فری انوسٹمنٹ میں ہی اپنے فنڈز کو استعمال کر رہی ہے۔

شیر ہولڈرز فنڈ کا نفع وکالہ فیس کی مدد سے حاصل ہوتا ہے۔ 2019 کی پہلی سہ ماہی میں کمپنی نے 47.4 ملین روپے وکالہ فیس کی مدد میں کمائے (2018 میں یہ 10.8 ملین روپے تھا) جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 338% اضافے کو ظاہر کرتے ہیں۔ اس سہ ماہی کے دوران، شیر ہولڈرز فنڈ میں بعد از ٹیکس 9.8 ملین روپے کے نقصان کا اندراج ہوا ہے۔ یہ بات قابل لحاظ ہے کہ قابل وصول وکالہ فیس 143.6 ملین روپے ہے جو کہ آمد سہ ماہیوں میں وصول ہوگی اور نتیجتاً شیر ہولڈرز فنڈ کے نفع میں انتہائی بہتر اضافے کا باعث بنے گی۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		31 March 2019			31 December 2018
	Note	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate Audited
			(Unaudited)		
ASSETS					
Property and equipment	12	17,243,487	-	17,243,487	13,703,879
Intangible assets	13	110,638	-	110,638	145,344
Investments					
Equity securities and mutual funds	14	38,723,007	141,734,504	180,457,511	177,953,472
Debt securities	15	106,000,000	5,000,000	111,000,000	126,078,419
Term deposits	16	120,864,986	114,251,595	235,116,581	195,500,000
Qard-e-hasna - receivable		109,479,565	-	109,479,565	109,479,565
Long term deposits		4,151,960	-	4,151,960	3,236,144
Loans and other receivables	17	9,647,721	4,338,600	13,986,321	18,733,409
Takaful / co-takaful receivables	18	-	136,996,877	136,996,877	42,216,463
Re-takaful recoveries against outstanding claims		-	27,402,584	27,402,584	19,501,263
Salvage recoveries accrued		-	4,000,000	4,000,000	2,250,000
Wakala fee receivable		22,428,214	-	22,428,214	-
Mudarib fee receivable		6,445,291	-	6,445,291	6,247,671
Deferred wakala fee		-	143,648,998	143,648,998	87,081,507
Deferred comission expense		44,060,337	-	44,060,337	34,652,031
Taxation-payment less provisions		2,936,707	-	2,936,707	5,206,957
Prepayments	19	8,941,851	72,874,397	81,816,248	22,462,879
Cash and Bank	20	6,670,700	134,668,298	141,338,998	88,305,476
TOTAL ASSETS	Rupees	497,704,463	784,915,853	1,282,620,316	952,754,479

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Ashraf Ali Velji
Director



Ahmed Shuja Kidwai
Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		31 March 2019			31 December 2018
	Note	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate Audited
(Unaudited)					
SHARE CAPITAL AND RESERVES					
Authorised share capital 70,000,000 (31 December 2017: 70,000,000 ordinary shares of Rs. 10 each		700,000,000	-	700,000,000	700,000,000
Issued, subscribed and paid-up share capital	21	612,989,050	-	612,989,050	612,989,050
Discount on issuance of shares		(112,989,050)	-	(112,989,050)	(112,989,050)
Fair value reserve		(8,587,487)	-	(8,587,487)	(6,638,666)
Accumulated losses		(170,888,553)	-	(170,888,553)	(161,051,131)
		320,523,960	-	320,523,960	332,310,203
WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)					
Ceded money		-	500,000	500,000	500,000
Fair value reserve		-	(21,927,654)	(21,927,654)	(20,788,553)
Accumulated surplus/(deficit)		-	4,173,174	4,173,174	(1,196,271)
		-	(17,254,480)	(17,254,480)	(21,484,824)
Qard-e-hasna - payable		-	109,479,565	109,479,565	109,479,565
Underwriting provisions					
Outstanding claims including IBNR		-	124,777,667	124,777,667	79,393,141
Unearned contribution reserves		-	380,783,505	380,783,505	216,589,851
Unearned re-takaful rebate		-	4,878,518	4,878,518	4,237,040
Contribution deficiency reserve		-	937,986	937,986	937,986
Contributions received in advance		-	6,528,366	6,528,366	2,445,918
Takaful / Re-takaful payables		-	111,140,605	111,140,605	64,795,959
Unearned wakala fee		143,648,998	-	143,648,998	87,081,507
Wakala fee payable		-	22,428,214	22,428,214	-
Mudarib fee payable		-	6,445,291	6,445,291	6,247,671
Other creditors and accruals	22	33,531,505	34,770,618	68,302,123	70,720,462
Total Liabilities		177,180,503	692,690,768	869,871,272	532,449,535
TOTAL EQUITY AND LIABILITIES	Rupees	497,704,463	784,915,853	1,282,620,316	952,754,479

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Ashraf Ali Velji
Director



Ahmed Shuja Kidwai
Director

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

		Quarter ended 31st March 2019	Quarter ended 31st March 2018
PARTICIPANTS' TAKAFUL FUND (PTF)			
Net takaful contribution	Note 24	106,331,283	16,368,355
Net takaful claims expense	25	(52,146,293)	(6,795,011)
Wakala fee	27	(47,408,920)	(10,817,171)
Retakaful rebate earned	26	3,532,827	2,063,591
Direct expenses		(3,765,704)	(98,637)
		(99,788,091)	(15,647,228)
Underwriting results		6,543,192	721,127
Investment income	23.1	2,669,249	935,097
Impairment Loss on Available for Sale Equity Securities		(3,800,379)	-
Profit on bank balances		1,921,608	110,950
Mudarib's share		(197,620)	(261,512)
Net investment income		592,859	784,535
Other income		635,274	-
Bank charges		(52,979)	(20,235)
Surplus before taxation		7,718,346	1,485,427
Provision for taxation - current		(2,348,900)	-
Surplus after taxation	Rupees	5,369,445	1,485,427
		Quarter ended 31st March 2019	Quarter ended 31st March 2018
SHAREHOLDERS' FUND (SHF)			
Wakala fee income	27	47,408,920	10,817,171
Commission expense / acquisition cost	26	(13,179,382)	(1,553,725)
Management expenses		(49,197,015)	(16,758,665)
		(62,376,397)	(18,312,390)
		(14,967,477)	(7,495,219)
Mudarib's share of PTF investment income		197,620	261,512
Investment income	23.2	6,197,282	2,195,742
Impairment Loss on Available for Sale Equity Securities		(949,869)	-
Profit on bank balances		531,842	379,940
Other income		452,886	289,675
Loss before taxation		(8,537,717)	(4,368,350)
Provision for taxation - Current		(1,299,705)	(338,037)
Loss after taxation	Rupees	(9,837,422)	(4,706,386)
Loss (after tax) per share	29 Rupees	(0.160)	(0.157)

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Ashraf Ali Velji
Director




Ahmed Shuja Kidwai
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

		Quarter ended 31st March 2019	Quarter ended 31st March 2018
A Shareholders' Fund (SHF)			
Loss after taxation for the period		(9,837,422)	(4,706,386)
Other comprehensive income for the period			
<i>Item to be reclassified to profit and loss account in subsequent period</i>			
- Net unrealised loss arising during the period on revaluation of available-for-sale investments		(1,948,821)	3,563,223
Total comprehensive income for the period	Rupees	(11,786,243)	(1,143,163)
B Participant Takaful Fund (PTF)			
Surplus after taxation for the period		5,369,445	1,485,427
Other comprehensive income for the period			
<i>Item to be reclassified to profit and loss account in subsequent period</i>			
- Net unrealised loss arising during the period on revaluation of available-for-sale investments		(1,139,101)	-
Total comprehensive income for the period	Rupees	4,230,344	1,485,427

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Ashraf Ali Velji
Director




Ahmed Shuja Kidwai
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY / FUND (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

SHAREHOLDERS' FUND					
	Issued, subscribed and paid up share capital	Discount on issue of shares	Accumulated loss	Fair value reserve	Total
Balance as at 1 January 2018 - restated	300,000,000	-	(83,329,984)	(4,496,169)	212,173,847
Loss for the three months period ended 31 March 2018	-	-	(4,706,386)	-	(4,706,386)
Other comprehensive income Fair value/net unrealized loss on available for sale investments during the three months period ended 31 March 2018	-	-	-	3,563,223	3,563,223
Balance as at 31 March 2018	300,000,000	-	(88,036,370)	(932,946)	211,030,684
Total comprehensive income for the nine months ended 31 December 2018	-	-	(72,492,817)	-	(72,492,817)
Loss after tax for the nine months period 31 December 2018	-	-	-	-	-
Other comprehensive income Fair value/net unrealized loss on available for sale investments during the nine months period ended 31 December 2018	-	-	-	(5,705,720)	(5,705,720)
Actuarial loss on defined benefit plan for the period	-	-	(521,944)	-	(521,944)
Total comprehensive income	-	-	(73,014,761)	(5,705,720)	(78,720,481)
Transaction with owners	-	-	-	-	-
Further issue of shares at discount	312,989,050	(112,989,050)	-	-	200,000,000
Balance as at 31 December 2018	612,989,050	(112,989,050)	(161,051,131)	(6,638,666)	332,310,203
Total comprehensive income for the three months ended 31 March 2019	-	-	(9,837,422)	-	(9,837,422)
Loss after tax for the three months period ended 31 March 2019	-	-	-	-	-
Other comprehensive income Fair value/net unrealized loss on available for sale investments during the three months period ended 31 March 2019	-	-	-	(1,948,821)	(1,948,821)
Total comprehensive income	-	-	(9,837,422)	(1,948,821)	(11,786,243)
Balance as at 31 March 2019	Rupees 612,989,050	(112,989,050)	(170,888,553)	(8,587,487)	320,523,960



Salim Habib Godil
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Director



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Director


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY / FUND (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

WAQF/PARTICIPANTS' TAKAFUL FUND

	Cede money	Discount on issue of shares	Accumulated Surplus/ (deficit)	Fair value reserve	Total
Balance as at 1 January 2018 - restated	500,000	-	(3,165,509)	(3,874,718)	(6,540,227)
Surplus for the three months period ended 31 March 2018	-	-	1,485,427	-	1,485,427
Balance as at 31 March 2018	500,000	-	(1,680,082)	(3,874,718)	(5,054,800)
Surplus for the nine months period ended 31 December 2018	-	-	483,811	-	483,811
Fair value gain / (loss) on available for sale investments during the nine months period ended 31 December 2018	-	-	-	(16,913,835)	(16,913,835)
Balance as at 31 December 2018	500,000	-	(1,196,271)	(20,788,553)	(21,484,824)
Surplus for the three months period ended 31 March 2019	-	-	5,369,445	-	5,369,445
Fair value/net unrealized loss on available for sale investments during the three months period ended 31 March 2019	-	-	-	(1,139,101)	(1,139,101)
Balance as at 31 March 2019 Rupees	500,000	-	4,173,174	(21,927,654)	(17,254,479)

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



Salim Habib Godil
Chairman



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Managing Director & CEO



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Director




Ahmed Shuja Kidwai
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

	31 March 2019			31 March 2018
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate
OPERATING ACTIVITIES	(Unaudited)			
a) Takaful activities				
Contributions received	-	212,147,349	212,147,349	36,827,743
Net re-takaful payments	-	(8,509,672)	(8,509,672)	(14,015,578)
Claims paid	-	(36,977,155)	(36,977,155)	(18,978,003)
Retakaful & other Recoveries received	-	20,564,067	20,564,067	8,095,810
Commissions paid	(21,495,773)	-	(21,495,773)	(1,252,009)
Retakaful rebate received	-	4,174,305	4,174,305	1,865,345
Wakala fee paid	-	(81,548,197)	(81,548,197)	(15,000,000)
Wakala fee received	81,548,197	-	81,548,197	15,000,000
Other takaful receipt/(payments)	-	2,007,504	2,007,504	5,908,734
Net cash flows from takaful activities	60,052,424	111,858,201	171,910,625	18,452,042
b) Other operating activities				
Income tax paid	(1,171,948)	(1,599,570)	(2,771,518)	(981,821)
Security deposits return/(paid)	(915,816)	-	(915,816)	(71,415)
General administrative and management expenses paid	(54,836,361)	-	(54,836,361)	(19,076,420)
Other operating receipt/(payments)	(6,287,598)	5,794,240	(493,358)	(3,469,438)
Ijarah rentals paid	(1,199,629)	-	(1,199,629)	(117,795)
Advances to employees	(308,439)	-	(308,439)	(44,855)
Net cash used in other operating activities	(64,719,791)	4,194,670	(60,525,121)	(23,761,744)
Total cash (used in) / flows from all operating activities	(4,667,367)	116,052,871	111,385,504	(5,309,702)
INVESTING ACTIVITIES				
Profit / return received	7,324,694	2,134,342	9,459,035	8,852,965
Investments made	(1,101,873)	-	(1,101,873)	(169,364,992)
Proceeds from disposal of investments	15,078,419	-	15,078,419	131,621,495
Investment in term deposits	(221,704,886)	(205,649,353)	(427,354,239)	(50,000,000)
Proceeds from encashment of term deposits	210,868,000	139,049,090	349,917,090	80,000,000
Fixed capital expenditure	(4,372,715)	-	(4,372,715)	-
Proceeds from disposal of property and equipment	22,300	-	22,300	-
Total cash used in all investing activities	6,113,939	(64,465,921)	(58,351,983)	1,109,468
FINANCING ACTIVITIES				
Advance against shares subscription	-	-	-	10,000,000
Total cash used in all financing activities	-	-	-	10,000,000
Net cash (used in) / flows from all activities	1,446,572	51,586,950	53,033,522	5,799,766
Cash and cash equivalents at the beginning of the period	5,224,128	83,081,348	88,305,476	26,891,146
Cash and cash equivalents at end of the period	6,670,700	134,668,298	141,338,998	32,690,912



Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Ashraf Ali Velji
Director



Ahmed Shuja Kidwai
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

	31 March 2019			31 March 2018
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate
	(Unaudited)			
Reconciliation to profit and loss account				
Operating cash flows	(4,667,367)	116,052,871	111,385,504	(5,120,492)
Depreciation and amortization	(823,128)	-	(823,128)	(588,728)
Gain/(loss) on disposal of fixed assets	(22,367)	-	(22,367)	-
Provision for taxation	(1,299,705)	(2,348,900)	(3,648,605)	(338,037)
Provision for staff retirement benefits	(487,000)	-	(487,000)	(325,775)
Increase/(decrease) in assets other than cash	39,202,554	187,346,801	226,549,355	(10,161,793)
(Increase)/decrease in liabilities other than borrowings	(41,740,409)	(295,681,327)	(337,421,736)	13,313,866
Profit / (loss) / surplus after taxation for the period	(9,837,422)	5,369,445	(4,467,977)	(3,220,959)


Definition of cash

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

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

Cash and other equivalents	70,678	344,764	415,442	603,342
Current and other accounts	6,600,022	134,323,534	140,923,556	32,087,570
	6,670,700	134,668,298	141,338,998	32,690,912

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Ashraf Ali Velji
Director



Ahmed Shuja Kidwai
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Takaful Pakistan Limited ("the Company / Takaful operator") is an unlisted public limited company incorporated in Pakistan on 02 June 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is established with the objective to carry out General Takaful Business as specified under the Insurance Ordinance, 2000, Takaful Rules, 2012 (repealed) and Takaful Rules, 2017. The Company commenced commercial operations from March 12, 2007. The registered office of the Company is at 6th Floor, Business Centre, 19-1-A, Block-6, P.E.C.H.S., Shahrāh-e-Faisal, Karachi, in the province of Sindh. The Company operates with 4 (31 December 2017: 4) branches in Pakistan.

1.2 For the purpose of carrying on the takaful business, the Company has formed a Waqf for Participants' equity. The Waqf, namely Takaful Pakistan Waqf (hereinafter referred to as the Participants' Takaful Fund or PTF) was formed on 22 January 2007 under the Trust deed executed by the Company with a ceded money of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and profit thereon is utilized to pay benefits to participants or defray PTF expenses. As required by Takaful Rules 2012 the accounts of the Waqf are maintained by the Company in a manner that the assets and liabilities of the Waqf remain separately identifiable. These condensed interim financial information have been prepared such that the financial position and results of operations of the Waqf and the Company are shown separately. Waqf deed also governs the relationship of shareholders and participants for the management of takaful operations, investment of participants' funds (PTF) and investment of shareholders' funds (SHF) approved by the Shariah Board established by the Company.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012.

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012, have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2018.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for the available for sale investments which are stated at their fair values.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of 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 expense. Actual results may differ from these estimates. In preparing these condensed interim financial information, 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 financial statements as at and for the year ended 31 December 2018.

6. TAKAFUL AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2018.

7. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business at period end is adequate to meet the expected future liability after re-takaful from claims and other expenses expected to be increased after the reporting date in respect of policies in force at the reporting date.

8. WAKALA FEE

The Company manages the general takaful operations for the participants and charges wakala fee to PTF on gross contribution recognized for each class of business to meet the general and administrative expenses of the Company including commission to agents.

Wakala fee is recognised as income in Shareholders' Fund on the same basis on which the related contribution revenue is recognized. Unearned portion of wakala fee is recognized as a liability of Company's Fund and an assets of the Participants' Takaful Fund (PTF).

9. MUDARIB'S FEE

The Company also manages the participants' investment as Mudarib and charges 25% of the investment income earned by the PTF as Mudarib's fee as per the approval of the Shariah advisor. It is reconized on the same basis on which related revenue is recognized.

10. QARDA-E-HASNA

Qard-e-Hasna is provided by the shareholders fund to the Participants' Takaful Fund in case of deficit or to fulfil the cash flow requirements. Under the Takaful Rules, 2012 in the event of surplus in Participants' Takaful Fund, Qarda-e-Hasna shall be paid to Shareholders' Fund prior to the distribution of surplus to the Participants.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for cash flow purposes include cash in hand, policy stamps, bank balances and the term deposit receipts having a maturity of not more that three months and are subject to insignificant risk of change in value.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

12. PROPERTY AND EQUIPMENT - Shareholder's Fund

Note
12.1

31 March 2019
17,243,487

12.1 TANGIBLE ASSETS

	31 March 2019 (Unaudited)						Depreciation Rate %
	As at 1 January 2019	Cost	As at 30 March 2019	As at 1 January 2019	Accumulated depreciation	As at 31 March 2019	
		Additions / (disposal) during the period			Charge for the period/(disposal)		
Leasehold improvements	4,582,141	3,225,218	7,807,359	3,894,944	104,596	3,999,540	10
Furniture and fixtures	12,713,001	2,644,130 (719,360)	14,637,771	12,361,943	73,821 (682,297)	11,753,467	10
Office equipment	6,794,416	712,300 (237,764)	7,268,952	5,261,289	116,864 (230,160)	5,147,993	10
Computers	20,615,939	6,025,684	26,641,623	18,198,167	474,409	18,672,576	33.33
Vehicles	647,737	198,500	846,237	366,129	18,750	384,879	20
	45,353,234	12,805,832 (957,124)	57,201,942	40,082,472	788,440 (912,457)	39,958,455	
						17,243,487	

Rupees

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

Note	31 December 2018
12.2	5,270,762
12.3	8,433,117
	13,703,879

12.2 TANGIBLE ASSETS

	31 December 2018 (Audited)							
	Cost	Accumulated depreciation			Book value		Depreciation Rate %	
	As at 1 January 2018	Additions / (disposal) during the year	As at 31 December 2018	As at 1 January 2018	Charge for the year/(disposal)	As at 31 December 2018		As at 31 December 2017
Leasehold improvements	4,582,141	-	4,582,141	3,495,296	399,648	3,894,944	687,197	10
Furniture and fixtures	12,771,651	-	12,713,001	12,002,427	379,843 (20,327)	12,361,943	351,058	10
Office equipment	6,406,066	514,000 (125,650)	6,794,416	4,755,511	530,835 (25,057)	5,261,289	1,533,127	10
Computers	18,385,865	2,360,074 (130,000)	20,615,939	17,836,451	417,034 (55,318)	18,198,167	2,417,772	33.33
Vehicles	2,416,737	45,000 (1,814,000)	647,737	1,493,845	204,466 (1,332,182)	366,129	281,608	20
	44,562,460	2,919,074 (2,128,300)	45,353,234	39,583,530	1,931,826 (1,432,884)	40,082,472	5,270,762	

Rupees

12.3 Capital work in progress

This represents advance to the suppliers for civil works, office equipments, etc

13. INTANGIBLE ASSETS

31 March 2019 - (Unaudited)							
Cost		Accumulated amortization			Book value		
As at 1 January 2019	Additions / (disposal) during the period	As at 30 March 2019	As at 1 January 2019	Charge for the period	As at 31 March 2019	Amortization Rate %	
14,263,182	-	14,263,182	14,117,856	34,688	14,152,544	110,638	33.33
Computer software	Rupees						
31 December 2018 - (Audited)							
Cost		Accumulated amortization			Book value		
As at 1 January 2018	Additions during the year	As at 31 December 2018	As at 1 January 2018	Charge for the year	As at 31 December 2018	Amortization Rate %	
14,263,181	-	14,263,181	13,977,160	140,677	14,117,837	145,344	33.33
Computer software	Rupees						

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

14. INVESTMENTS IN EQUITY SECURITIES AND MUTUAL FUNDS - available for sale

		31 March 2019			31 December 2018 Aggregate (Audited)
	Note	Shareholders Fund	Participants Takaful Fund	Aggregate	
Investment in Listed shares	14.1	29,745,120	60,178,400	89,923,520	89,919,034
Investment in Mutual funds	14.2	8,977,887	81,556,104	90,533,991	88,034,438
	Rupees	38,723,007	141,734,504	180,457,511	177,953,472

14.1 Investment in listed shares

		31 March 2019			31 December 2018 (Audited)		
		Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
Shareholders' Fund							
Investment in Quoted equity securities - cost	14.1.1	37,819,295	-	37,819,295	36,717,421	-	36,717,421
Fair value loss on available for sale investments - net (recognized in other comprehensive income)		-	-	(7,124,306)	-	-	(4,945,485)
Fair value loss on available for sale investments - net (charged to profit and loss account)		-	(949,869)	(949,869)	-	(2,760,316)	(2,760,316)
	Rupees	37,819,295		29,745,120	36,717,421		29,011,620
Participants' Takaful Fund							
Investment in Quoted equity securities - cost	14.1.1	77,903,981	-	77,903,981	77,903,981	-	77,903,981
Fair value gain on available for sale investments - net (recognized in other comprehensive income)		-	-	(13,925,202)	-	-	(10,516,548)
Fair value gain on available for sale investments - net (Charged to profit and loss account)		-	(3,800,379)	(3,800,379)	-	(6,480,019)	(6,480,019)
	Rupees	77,903,981		60,178,400	77,903,981		60,907,414

14.1.1 This represents investment in the listed ordinary shares of par value of Rs. 10 each of different listed Companies.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

14.2	Investment in mutual funds - available for sale	31 March 2019			31 December 2018 (Audited)		
		Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
	Shareholders' Fund						
	Investment in Units of Shariah Compliant Mutual Fund	10,441,068	-	10,441,068	10,441,068	-	10,441,068
	Fair value loss on available for sale investments - net (recognized in other comprehensive income)	-	-	(1,463,181)	-	-	(1,693,181)
	Rupees	10,441,068		8,977,887	10,441,068	-	8,747,887
	Participants' Takaful Fund						
	Investment in Units of Shariah Compliant Mutual Fund	89,558,556	-	89,558,556	89,558,556	-	89,558,556
	Fair value loss on available for sale investments - net (charged to other comprehensive income)	-	-	(8,002,452)	-	-	(10,272,005)
	Rupees	89,558,556		81,556,104	89,558,556		79,286,551

15 INVESTMENT IN DEBT
SECURITIES - held to maturity

15.1 Sukuk Certificates - Shareholders' Fund

Performing Assets

[illegible]

15.2 Sukuk Certificates-Participants' Takaful Fund

Pak Elektron Limited

Less: Provision held (against the non-performing sukuk certificates)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

15.1.1 Market value of the security is not yet quoted on MUFAP, however the profit is being received. Market value of other instruments, except for those which have been provided, are based on the rates quoted by MUFAP.

15.1.2 This represents investments aggregating to Rs. 15 million (31 December 2018: Rs. 15 million) in sukuks issued by Agritech Limited (the investee company) against which the investee company had not made payments on the contractual dates. In 2011, a restructuring agreement was signed between the investee company and the Investment Agent of the sukuk certificates, whereby, certain terms included in the original trust deed dated 22 July 2008 were amended, including the repayment period which was extended from 06 August 2015 to 06 August 2019. Further, in lieu of accrued overdue profit, zero coupon Term Finance Certificates (TFCs) were issued by Agritech Limited on 17 October 2011 which were to be repaid by the investee company within three and a half years from the date of issuance of such TFCs. However, the investee company defaulted on the instalment due based on the restructuring agreement as well as in making payments in respect of zero coupon term finance certificates. Therefore, the management has neither recorded TFCs issued in lieu of profit in the books of accounts nor accrued any profit on the outstanding balance of the principal amount and has fully provided the outstanding principal.

15.1.3 An agreement for the restructuring of these sukuks was executed between the Investment Agent of these sukuks and Quetta Textile Mills Limited on 24 June 2013. According to the restructuring terms, repayment of principal of Rs. 8 million will be made to the Company over a period of 7 years till 26 March 2020 in twenty nine quarterly instalments whereas the profit shall be received by the Company at the rate of 6 monthly KIBOR and a spread of 1.75% with effect from 26 March 2013.

However, the investee company defaulted on the instalment on due dates under restructuring agreement. Therefore, the management has not accrued any profit on outstanding principal amount and has fully provided for the outstanding principal.

16. INVESTMENT IN TERM DEPOSITS	31 March 2019			31 December 2018
	Shareholders Fund	Participants Takaful Fund (Unaudited)	Aggregate	Aggregate (Audited)
note 16.1 & 16.2				
Held to Maturity				
Deposits maturing within 12 months Rupees	120,864,986	114,251,595	235,116,581	195,500,000

16.1 This represents term deposits of Rs. 31.5 million, Rs. 20 million and Rs. 10 million maturing on 04 July 2019, 05 December 2019 and 11 March 2020 respectively and carries profit rate at 10.25% per annum. The deposit is held with Dubai Islamic Pakistan Limited.

16.2 These term deposits are deposited with State Bank of Pakistan as statutory reserve in accordance with the requirement laid down in section 29 of the Insurance Ordinance, 2000.

17. LOANS AND OTHER RECEIVABLES	31 March 2019			31 December 2018
	Shareholders Fund	Participants' Takaful Fund	Aggregate	Aggregate
Advances to employees (unsecured and interest free)	1,556,038	-	1,556,038	1,247,599
Accrued investment income	2,979,866	2,507,965	5,487,831	6,080,336
Others	835,749	563,424	1,399,173	257,331
Receivable from Participants' Takaful Fund	4,276,068	-	4,276,068	4,276,068
Receivable from the Shareholder's Fund		1,267,211	1,267,211	6,872,075
Rupees	9,647,721	4,338,600	13,986,321	18,733,409

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

18. TAKAFUL / CO-TAKAFUL RECEIVABLES- Unsecured

	Note	31 March 2019 (Unaudited)	31 December 2018 (Audited)
Due from policy holders		117,397,889	40,197,470
Less: Provision for impairment against the balance due from the policy holders	18.1	(2,689,398)	(2,689,398)
		114,708,491	37,508,072
Due from other takaful companies		24,304,936	6,724,941
Less: Provision for impairment against the due from other takaful companies	18.2	(2,016,550)	(2,016,550)
		22,288,386	4,708,391
		136,996,877	42,216,463

18.1 Movement in provision for impairment - due from policy holders

Balance as on 1 January 2019 & 1 January 2018		2,689,398	1,353,734
Add: Provision made during the period / year		-	1,335,664
Balance as on 31 March 2019 / 31 December 2018	Rupees	2,689,398	2,689,398

18.2 Movement in provision for impairment - due from other takaful companies

Balance as on 1 January 2019 & 1 January 2018		2,016,550	950,775
Add: Provision made during the period / year		-	1,065,775
Balance as on 31 March 2019 / 31 December 2018	Rupees	2,016,550	2,016,550

19. PREPAYMENTS

	Note	31 March 2019			31 December 2018 Aggregate (Audited)
		Shareholders Fund	Participants' Takaful Fund	Aggregate	
Prepaid rent		4,435,887	-	4,435,887	1,011,750
Prepaid re-takaful ceded		-	60,076,979	60,076,979	14,445,719
Prepaid tracker installation expense		-	12,797,418	12,797,418	6,218,279
Others		4,505,964	-	4,505,964	787,131
	Rupees	8,941,851	72,874,397	81,816,248	22,462,879

20. CASH AND BANK

Cash and cash equivalents		70,678	-	70,678	49,098
- Cash in hand		-	-	-	-
- Policy and revenue stamps, bond papers		-	344,764	344,764	389,475
		70,678	344,764	415,442	438,573
Cash and bank		20,920	759,521	780,441	1,765,321
- Current account		6,579,102	133,564,013	140,143,115	86,101,582
- Savings accounts	20.1	6,670,700	134,668,298	141,338,998	88,305,476
	Rupees	6,670,700	134,668,298	141,338,998	88,305,476

20.1 These represent balances maintained with Islamic commercial banks under profit and loss sharing basis carrying expected profit rates ranging from 3.5% to 8.5% (2018: 1.25% to 9.50%) per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

21. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

31 March 2019	31 December 2018		31 March 2019	31 December 2018
(Number of shares)				
61,298,905	61,298,905			
		Rupees	612,989,050	612,989,050

Shares in the Company are held by the following:

	Number of shares	Percentage
House Building Finance Company Limited	8,699,500	14.19%
Al Baraka Bank (Pakistan) Limited	5,099,000	8.32%
Sitara Chemical Industries Limited	2,999,500	4.89%
Mal Al Khaleej Investment LLC	2,550,000	4.16%
Mr. Salim Habib Godil	10,485,602	17.11%
Syed Rizwan Hussain	10,485,601	17.11%
Mr. Shahzad Salim Godil	10,485,601	17.11%
Syed Salman Hussain	10,485,601	17.11%
Others	8,500	0.01%
	61,298,905	100.00%

22. OTHER CREDITORS AND ACCRUALS

	31 March 2019			31 December 2018
Note	Shareholders Fund	Participants' Takaful Fund	Aggregate	Aggregate
		(Unaudited)		(Audited)
Commission payable to agents	17,163,227	-	17,163,227	25,479,618
Federal excise duty	-	16,227,509	16,227,509	6,414,501
Federal Takaful fee	-	1,784,148	1,784,148	640,270
Tax deducted at source	-	1,151,789	1,151,789	886,436
Payable to staff gratuity fund	-	-	-	-
- defined benefit plan	2,529,523	-	2,529,523	2,529,521
Provision for staff compensated absences	337,010	-	337,010	337,013
Security deposit (held in separate bank account)	918,728	-	918,728	1,292,294
Tracker installation fee payable	-	7,165,733	7,165,733	5,071,397
Accrued expenses	9,867,310	-	9,867,310	10,559,605
Payable to Shareholder's Fund	-	4,276,068	4,276,068	4,276,068
Payable to Participant's Takaful Fund	1,267,211	-	1,267,211	6,872,075
Other payables	22.1 1,448,496	4,165,371	5,613,867	6,361,664
Rupees	33,531,505	34,770,618	68,302,123	70,720,462

22.1 The Participants' Takaful Fund liability of Rs. 4.0 million (31 December 2018: 3.8 million) represents the stale cheques in respect of the claim liability of the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

23. INVESTMENT INCOME

23.1 Participants' Takaful Fund (PTF)

Income from equity securities-Available for sale

Dividend Income

643,750

-

-

-

Income from debt securities-Held to maturity

Return on Sukuk

136,182

-

Income from Deposits

Return on term deposit-held to maturity

1,897,457

935,097

Total Investment Income

2,677,389

935,097

Less: Investment related expenses

-

-

Less: Charity on dividend purification

(8,140)

-

Net investment income (PTF)

2,669,249

935,097

Rupees

23.2 Shareholders' Fund (SHF)

Income from equity securities-Available for sale

Dividend Income

296,906

41,840

Net Realized Gains / (Losses) on Investments-Available for sale

Realized Gain on equity securities

-

1,332,698

Realized loss on equity securities

-

-

Realized loss on equity securities

-

1,332,698

Income from debt securities-Held to maturity

Return on sukuk

3,163,759

623,312

Amortization of contribution on sukuk

(112,500)

(26,256)

3,051,259

597,056

Income from Deposits

Return on term deposit-held to maturity

2,864,345

224,148

Total Investment Income

6,212,510

2,195,742

Less: Investment related expenses

(11,040)

-

Less: Charity on dividend purification

(4,188)

-

Net investment income (SHF)

6,197,282

2,195,742

Rupees

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

24. NET TAKAFUL CONTRIBUTION

	For the quarter ended 31 March 2019					Aggregate March 2018
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	
Written Gross Contribution	6,463,069	4,835,938	143,024,050	63,680,691	73,884,681	291,888,429
Add: Unearned Contribution reserve opening	11,264,474	2,113,735	192,339,756	5,131,520	5,740,366	39,052,938
Less: Unearned Contribution reserve closing	11,353,376	1,618,439	246,335,405	56,376,097	65,100,188	48,305,356
Contribution earned	6,374,167	5,331,234	89,028,401	12,436,114	14,524,859	127,694,775
Retakaful Contribution ceded	5,391,533	3,603,820	6,696,000	-	51,301,399	66,994,752
Add: Prepaid Retakaful Contribution opening	12,854,162	1,210,763	-	-	380,794	14,445,719
Less: Prepaid Retakaful Contribution closing	12,368,444	649,154	-	-	47,059,381	60,076,979
Retakaful expense	5,877,251	4,165,429	6,696,000	-	4,622,812	21,363,492
Net Takaful Contribution	496,916	1,165,805	82,330,401	12,436,114	9,902,047	106,331,283
	Rupees					16,368,355

25. NET TAKAFUL CLAIMS EXPENSE

	For the quarter ended 31 March 2019					Aggregate March 2018
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	
Claims Paid	4,724,056	747,866	28,660,401	2,457,574	387,258	36,977,155
Less: Outstanding claims including IBNR - opening-restated	12,381,274	3,745,065	42,003,470	3,460,352	17,802,980	79,393,141
Add: Outstanding claims including IBNR - closing	22,535,191	2,997,199	67,573,823	10,503,215	21,168,239	124,777,667
Claims expense	14,877,973	-	54,230,754	9,500,437	3,752,517	82,361,681
Retakaful and other recoveries received	5,424,144	436,604	14,694,319	-	9,000	20,564,067
Less: Retakaful and other recoveries in respect of outstanding claims - opening	11,051,515	2,080,731	7,674,227	-	944,790	21,751,263
Add: Retakaful and other recoveries in respect of outstanding claims - closing	19,910,534	1,644,127	8,606,227	-	1,241,696	31,402,564
Retakaful and other recoveries revenue	14,283,163	-	15,626,319	-	305,906	30,215,388
Net Takaful Claims Expense	594,810	-	38,604,435	9,500,437	3,446,611	52,146,293
	Rupees					6,795,011

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

26. NET COMMISSION EXPENSE / (REVENUE)

	For the quarter ended 31 March 2019					Aggregate March 2018
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
Commission paid or payable	281,782	568,456	20,231,634	581,009	924,807	22,587,688
Add: Deferred commission expense - opening	1,215,911	269,784	32,786,389	90,335	289,613	34,652,031
Less: Deferred commission expense - closing	902,934	304,632	41,249,657	562,636	1,040,479	44,060,337
Net Commission	594,759	533,608	11,768,366	108,708	173,941	13,179,382
Commission received or recoverable	1,383,939	1,092,794	-	-	1,697,572	4,174,305
Add: Unearned Retakaful Rebate - opening	3,766,886	393,263	-	-	76,891	4,237,040
Less: Unearned Retakaful Rebate - closing	3,317,472	206,850	-	-	1,354,196	4,878,518
Retakaful Rebate/commission	1,833,353	1,279,207	-	-	420,267	3,532,827
Net Commission Revenue / Expense	(1,238,594)	(745,599)	11,768,366	108,708	(246,326)	9,646,555
	Rupees					(509,866)

27. WAKALA FEE EXPENSE/INCOME

	For the quarter ended 31 March 2019					Aggregate March 2018
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
Gross Wakala Fee	3,037,642	2,272,891	60,070,101	12,736,138	25,859,638	103,976,411
Add: Deferred/unearned Wakala Fee expense/income - opening	4,326,554	956,478	78,332,244	1,269,690	2,196,541	87,081,507
Less: Deferred/unearned Wakala Fee expense/income - closing	4,910,212	749,511	103,638,667	11,417,598	22,933,010	143,648,988
Net Wakala Expense / Income	2,453,984	2,479,858	34,763,678	2,588,231	5,123,169	47,408,920
	Rupees					10,817,171

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

28. SEGMENT INFORMATION

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and Insurance Rules, 2017 for class of business wise revenues, results, assets and liabilities.

Quarter ended 31 March 2019

Note	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
PARTICIPANTS' TAKAFUL FUND						
Takaful / re-takaful receivables	7,303,383	5,836,037	163,103,384	64,317,854	84,230,045	324,790,703
Less: Federal Excise Duty	(780,985)	(598,880)	(18,650,911)	-	(9,605,706)	(29,636,482)
Federal Takaful Fee	(57,309)	(47,140)	(1,413,503)	(636,803)	(738,848)	(2,893,603)
Stamp duty	(2,020)	(354,079)	(14,920)	(360)	(810)	(372,189)
Tracker charges recovered	-	-	-	-	-	-
Gross written contribution	Rupees 6,463,069	4,835,938	143,024,050	63,680,691	73,884,681	291,888,429
Participants' Takaful Fund - revenue account						
Takaful contribution earned	6,374,167	5,331,234	89,028,401	12,436,114	14,524,859	127,694,775
Takaful contribution ceded expense	(5,877,251)	(4,165,429)	(6,698,000)	-	(4,622,812)	(21,363,492)
Net Takaful contribution	24 496,916	1,165,805	82,330,401	12,436,114	9,902,047	106,331,283
Retakaful rebate earned	26 1,833,353	1,279,207	-	-	420,267	3,532,827
Net Revenue	2,330,269	2,445,012	82,330,401	12,436,114	10,322,314	109,864,110
Takaful claims	(14,877,973)	-	(54,230,754)	(9,500,437)	(3,752,517)	(82,361,681)
Takaful claims recovered from retakaful operators & salvage recovery	14,283,163	-	15,626,319	-	305,906	30,215,388
Net Takaful claims expense	25 (594,810)	-	(38,604,435)	(9,500,437)	(3,446,611)	(52,146,293)
Wakala fee	27 (2,453,984)	(2,479,858)	(34,763,678)	(2,588,231)	(5,123,169)	(47,408,920)
Other direct expenses	(58,049)	(3,674)	(3,218,318)	(29,100)	(456,563)	(3,765,704)
Underwriting results	(776,574)	(38,520)	5,743,970	318,346	1,295,971	6,543,192
Investment income						2,669,249
Impairment Loss on Available for Sale Equity Securities						(3,800,379)
Profit on bank balances						1,921,608
Less: Mudarib's share						(197,620)
Net investment income						592,859
Other income						635,274
Bank charges						(52,979)
Total surplus - before tax						7,718,346
Provision for taxation - current						(2,348,900)
Total surplus - after tax	Rupees					5,369,445

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

Quarter ended 31 March 2018

Note	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
PARTICIPANTS' TAKAFUL FUND						
Takaful / re-takaful receivables	5,375,275	6,760,590	32,849,513	2,242,848	36,257	47,264,483
Less: Federal Excise Duty	(622,793)	(748,249)	(3,224,306)	(161,347)	(4,123)	(4,760,818)
Federal Takaful Fee	(47,165)	(56,253)	(231,064)	(20,607)	(317)	(355,406)
Stamp duty	(2,420)	(322,387)	(9,050)	(90)	(100)	(334,047)
Tracker charges recovered	-	-	(5,518,866)	-	-	(5,518,866)
Gross written contribution	Rupees 4,702,897	5,633,701	23,866,227	2,060,804	31,717	36,295,346
Participants' Takaful Fund - revenue account						
Takaful contribution earned	5,738,481	5,571,494	13,552,437	1,995,211	185,305	27,042,928
Takaful contribution ceded expense	(3,981,130)	(3,683,657)	(2,899,200)	-	(110,587)	(10,674,574)
Net Takaful contribution	24 1,757,351	1,887,837	10,653,237	1,995,211	74,719	16,368,355
Retakaful rebate earned	26 1,032,927	1,002,869	-	-	27,796	2,063,591
Net Revenue	2,790,278	2,890,706	10,653,237	1,995,211	102,514	18,431,946
Takaful claims	(1,110,000)	22,558	(10,722,165)	653,904	99,817	(11,055,886)
Takaful claims recovered from retakaful operators & salvage recovery	777,000	(15,791)	3,534,602	-	(34,936)	4,260,875
Net Takaful claims expense	25 (333,000)	6,767	(7,187,563)	653,904	64,881	(6,795,011)
Wakala fee	27 (2,295,392)	(2,228,598)	(5,420,975)	(798,084)	(74,122)	(10,817,171)
Direct expenses	(479)	(135)	(98,023)	-	-	(98,637)
Underwriting results	161,407	668,740	(2,053,324)	1,851,031	93,273	721,127
Investment income						935,097
Impairment Loss on Available for Sale Equity Securities						-
Profit on bank balances						110,950
Less: Mudarib's share						(261,512)
Net investment income						784,535
Other income						-
Bank charges						(20,235)
Total surplus - before tax						1,485,427
Provision for taxation - current						-
Total surplus - after tax	Rupees					1,485,427

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019


29. EARNINGS (AFTER TAX) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		31 March 2019 (Unaudited)	31 March 2018 (Unaudited)
Net profit after tax for the period	Rupees	(9,837,422)	(4,706,386)
Weighted average number of ordinary shares	Number	61,298,905	30,000,000
Basic earnings per share	Rupees	(0.160)	(0.157)

30. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the board of directors in the meeting held on May 03rd, 2019 and authorized for issue.



Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Ashraf Ali Velji
Director

















Ahmed Shuja Kidwai
Director



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