

Salaam Takaful Limited

Condensed Financial Information

For the period ended
30 September 2023

Salaam Takaful Limited

Unconsolidated Condensed Interim Statement of Financial Position

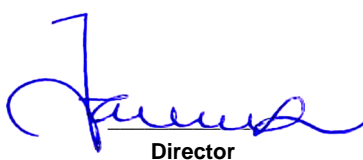
As at 30 September 2023

		Shareholders' Fund		Participants' Takaful Fund	
		30 September 2023	31 December 2022	30 September 2023	31 December 2022
	Note	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		(Rupees)			
ASSETS					
Property and equipment	6	179,552,051	93,328,909	-	-
Intangible assets	7	16,823,521	22,275,900	-	-
Investment property	10	329,522,798	272,000,000	-	-
Investment in subsidiaries	12	850,000,000	214,631,064	-	-
Investments					
Equity	11	30,647,760	34,767,063	20,537,425	22,617,137
Debt	8	105,000,000	75,000,000	-	-
Term deposits	9	61,500,000	151,500,000	-	154,000,000
Long term deposits	13	21,913,116	25,410,786	-	-
Loans and other receivables	14	398,005,570	45,102,062	18,294,885	18,040,434
Takaful / Retakaful receivables	15	-	-	1,439,742,745	1,678,591,627
Re-takaful recoveries against outstanding claims	25	-	-	360,622,991	371,239,651
Salvage recoveries accrued	25	-	-	36,880,000	22,895,000
Deferred wakala fees	30	-	-	788,843,916	367,010,265
Deferred commission expense	27	196,428,774	158,037,313	-	-
Accrued investment income		13,522,710	6,159,862	-	-
Receivable from Participants' Takaful Fund (PTF)	16	16,502,999	189,746,873	-	-
Prepayments	17	12,346,989	1,551,104	217,795,715	125,226,513
Cash and bank	18	11,379,390	124,819,646	24,431,814	74,813,274
TOTAL ASSETS		2,243,145,678	1,414,330,582	2,907,149,491	2,834,433,901

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.


Chairman


Director


Director


Chief Executive Officer

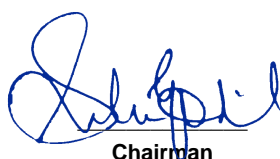
Salaam Takaful Limited

Unconsolidated Condensed Interim Statement of Financial Position

As at 30 September 2023

Note	Shareholders' Fund		Participants' Takaful Fund	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- (Rupees) -----				
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
ATTRIBUTABLE TO COMPANY'S SHAREHOLDERS				
Issued, subscribed and paid-up share capital	19	1,630,714,609	1,132,020,019	-
Discount on issuance of shares		(499,082,707)	(332,020,019)	-
Fair value reserve		581,552	(1,823,029)	-
Accumulated profit / (loss)		144,620,072	104,146,359	-
TOTAL SHAREHOLDERS' EQUITY		1,276,833,526	902,323,331	-
PARTICIPANTS' TAKAFUL FUND (PTF)				
Ceded money		-	500,000	500,000
Fair value reserve		-	450,123	(112,982)
Accumulated surplus		-	222,115,935	166,784,705
Balance of Participants' Takaful Fund		-	223,066,058	167,171,723
Liabilities				
PTF Underwriting provisions				
Outstanding claims including IBNR	25	-	595,871,319	740,780,247
Unearned contribution reserves	23	-	1,691,315,874	1,561,033,084
Unearned re-takaful rebate	24	-	45,877,925	28,524,963
Contribution deficiency reserve		-	1,105,878	1,105,878
Contribution received in advance		-	1,155,424	1,811,546
Takaful / Re-takaful payables	20	-	287,295,306	90,543,017
Unearned wakala fees		788,843,916	367,010,265	-
Accrued expenses		12,818,475	12,069,582	-
Deferred taxation		7,645,590	13,513,318	-
Taxation - payment less provisions		19,354,263	8,165,707	-
Payable to staff gratuity fund - defined benefit plan		29,510,909	28,953,036	-
Payable to Shareholder's Fund (OPF)	16	-	16,502,999	189,746,873
Other creditors and accruals	21	108,138,999	82,295,343	53,716,570
TOTAL LIABILITIES		966,312,152	512,007,251	2,684,083,433
TOTAL EQUITY AND LIABILITIES		2,243,145,678	1,414,330,582	2,907,149,491
Contingencies and Commitments				
	22			

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.



Chairman



Director



Director



Chief Executive Officer

Salaam Takaful Limited

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)


For the nine months ended 30 September 2023

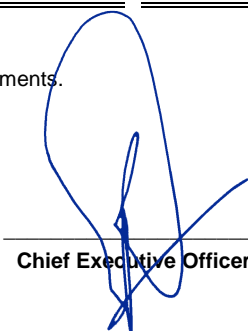
		Nine Months ended 30 September		Quarter ended 30 September	
	Note	2023	2022	2023	2022
PARTICIPANTS' TAKAFUL FUND (PTF)					
(Rupees)					
Contribution earned		1,722,431,521	1,040,355,735	582,191,020	392,730,494
Less: Contribution ceded to retakaful operators		(264,765,192)	(160,612,277)	(81,263,899)	(62,173,864)
Net contribution revenue	23	1,457,666,329	879,743,454	500,927,121	330,556,626
Retakaful rebate earned	24	69,451,782	38,920,461	22,639,755	15,467,035
Net underwriting income		1,527,118,111	918,663,915	523,566,876	346,023,661
Net takaful claims reported / settled		(1,432,525,536)	(792,099,114)	(499,030,367)	(346,488,124)
Incurred But Not Reported (IBNR) claims expense		3,624,441	(33,534,428)	-	37,635,639
Charge of contribution deficiency reserve		-	-	-	881,683
	25	(1,428,901,095)	(825,633,542)	(499,030,367)	(307,970,802)
Other direct expenses	26	(46,635,731)	(49,568,742)	(16,852,921)	(19,394,946)
Surplus before investment Income		51,581,285	43,461,632	7,683,588	18,657,913
Investment income	31	(507,493)	(3,667,518)	1,726,253	1,760,886
Other income	32	125,823	65,926	49,013	988
Profit on Bank balances		6,232,299	4,378,869	3,046,161	1,510,454
Less: Mudarib's share of Investment Income		(1,558,075)	(1,461,737)	(761,540)	(24,316)
		4,292,554	(684,459)	4,059,887	3,248,012
Provisions against doubtful contribution (net of wakala fee)		-	(3,532,662)	-	-
Bank charges		(542,609)	(430,755)	(253,210)	(91,160)
Surplus Transferred to Accumulated surplus		55,331,230	38,813,757	11,490,265	21,814,765
SHAREHOLDERS' FUND (SHF)					
Wakala fee		775,162,547	825,118,171	269,901,722	285,252,227
Commission expense	27	(282,136,486)	(187,371,041)	(96,264,825)	(69,773,911)
General, administrative and management expenses	28	(530,784,338)	(494,743,820)	(183,638,252)	(172,043,099)
		(812,920,824)	(682,114,861)	(279,903,077)	(241,817,010)
		(37,758,277)	143,003,310	(10,001,355)	43,435,217
Mudarib's share of PTF investment income		1,558,075	1,461,737	761,540	24,316
Investment income	31	14,139,198	5,433,331	7,341,445	7,311,909
Other direct expenses	29	(29,920,652)	(12,428,869)	(6,047,132)	(3,292,492)
Profit on bank balances		4,741,495	5,510,806	603,139	1,767,142
Other income	32	19,039,724	5,936	3,767,328	-
Change in fair value of investment property	10	89,014,981	-	12,726,743	-
Finance cost		(3,454,276)	(2,673,643)	-	(958,337)
Profit before taxation		57,360,268	140,312,608	9,151,708	48,287,755
Taxation	33	(16,886,555)	(18,505,929)	-	-
Profit / (loss) after taxation attributable to shareholders		40,473,713	121,806,679	9,151,708	48,287,755
			(Restated)		(Restated)
Earnings per share	35	0.30	1.08	0.062	0.43

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.


Chairman


Director


Director


Chief Executive Officer

Salaam Takaful Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended 30 September 2023

	Nine Months ended 30 September 30 September		Quarter ended 30 September 30 September	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
SHAREHOLDERS' FUND (SHF)				
Profit / (loss) after taxation	40,473,713	121,806,680	9,151,708	48,287,755
Other comprehensive income for period ended				
<i>Item that may be reclassified to profit and loss account in subsequent period</i>				
- Net unrealised gain arising during the period on revaluation of available for sale investments - Net of Tax	581,552	-	-	-
	581,552	-	-	-
Total comprehensive income / (Loss) for the period	41,055,265	121,806,680	9,151,708	48,287,755
PARTICIPANTS' TAKAFUL FUND (PTF)				
Surplus for the period	55,331,230	38,813,757	11,490,265	21,814,765
Other comprehensive income for the period ended				
<i>Item reclassified to profit and loss account in subsequent period</i>				
- Net unrealised gain arising during the period on revaluation of available for sale investments	450,123	121,475	-	-
	450,123	121,475	-	-
Total comprehensive income for the period	55,781,353	38,935,232	11,490,265	21,814,765

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.


Chairman


Director


Director


Chief Executive Officer

Salaam Takaful Limited

Unconsolidated Condensed Interim Statement of Changes in Equity / Fund (Un-audited)

For the nine months ended 30 September 2023

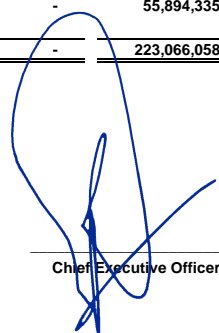
	SHAREHOLDERS' FUND (OPF)					Total
	Issued, subscribed and paid up share capital	Discount on issue of shares	Unappropriated profit / (accumulated loss)	Fair value reserve	Advance against further issue of share capital	
	(Rupees)					
Balance as at 1 January 2022 (Audited)	1,132,020,019	(332,020,019)	(37,727,479)	(9,404,357)	-	752,868,164
Total comprehensive income for the period ended 30 September 2022						
Profit after tax for the period ended 30 September 2022	-	-	121,806,679	-	-	121,806,679
Advance received during the period	-	-	-	-	33,198,070	33,198,070
Fair value loss realised on the sale of available for sale investment during the period	-	-	-	9,404,357	-	9,404,357
Total comprehensive income for the period ended 30 September 2022	-	-	121,806,679	9,404,357	33,198,070	164,409,106
Balance as at 30 September 2022 (Un-Audited)	<u>1,132,020,019</u>	<u>(332,020,019)</u>	<u>84,079,200</u>	<u>-</u>	<u>33,198,070</u>	<u>917,277,270</u>
Balance as at 1 January 2023 (Audited)	1,132,020,019	(332,020,019)	104,146,359	(1,823,029)	-	902,323,331
Total comprehensive income for period ended 30 September 2023						
Shares issued during the period	498,694,590	(167,062,688)	-	-	-	331,631,902
Profit after tax for the period ended 30 September 2023	-	-	40,473,713	-	-	40,473,713
Fair value loss realised on the sale of available for sale investment during the half year	-	-	-	2,404,581	-	2,404,581
Total comprehensive income for the period ended 30 September 2023	498,694,590	(167,062,688)	40,473,713	2,404,581	-	374,510,196
Balance as at 30 September 2023 (Un-Audited)	<u>1,630,714,609</u>	<u>(499,082,707)</u>	<u>144,620,072</u>	<u>581,552</u>	<u>-</u>	<u>1,276,833,527</u>
	PARTICIPANTS' TAKAFUL FUND (PTF)					Total
	Ceded money	Discount on issue of shares	Accumulated surplus / (deficit)	Fair value reserve		
	(Rupees)					
Balance as at 1 January 2022 (Audited)	500,000	-	142,980,518	(7,032,188)	-	136,448,330
Total comprehensive income for the period ended 30 September 2022						
Surplus for the period ended 30 September 2022	-	-	38,813,757	-	-	38,813,757
Other comprehensive income						
Net unrealized gain on available for sale investments during period ended 30 September 2022	-	-	-	7,153,663	-	7,153,663
Total comprehensive income for the period ended 30 September 2022	-	-	38,813,757	7,153,663	-	45,967,420
Balance as at 30 September 2022 (Un-Audited)	<u>500,000</u>	<u>-</u>	<u>181,794,275</u>	<u>121,475</u>	<u>-</u>	<u>182,415,750</u>
Balance as at 1 January 2023 (Audited)	500,000	-	166,784,705	(112,982)	-	167,171,723
Total comprehensive income for the period ended 30 September 2023						
Surplus for the period ended 30 September 2023	-	-	55,331,230	-	-	55,331,230
Other comprehensive income						
Net unrealized gain on available for sale investments during period ended 30 September 2023	-	-	-	563,105	-	563,105
Total comprehensive income for the period ended 30 September 2023	-	-	55,331,230	563,105	-	55,894,335
Balance as at 30 September 2023 (Un-audited)	<u>500,000</u>	<u>-</u>	<u>222,115,935</u>	<u>450,123</u>	<u>-</u>	<u>223,066,058</u>

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.


Chairman


Director


Director


Chief Executive Officer

Salaam Takaful Limited

Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the nine months ended 30 September 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Salaam Takaful Limited ("the Company") 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 has been established with the objective to carry out General Takaful Business as specified under the Insurance Ordinance, 2000, Takaful Rules, 2012, and Insurance Rules, 2017. The Company commenced commercial operations from 12 March 2007. The registered office of the Company is at 6th Floor, Business Centre, 19-1-A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, in the province of Sindh. The Company operates with 12 (31 December 2022: 10) 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 financial statements 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' Takaful Funds (PTF) and investment of Shareholders' Funds (SHF) approved by the Shariah Advisor of the Company.
- 1.3 The Company has invested in shares amounting to Rs. 100 million and Rs. 231 million to Salaam Properties (Pvt) Limited and Salaam Family Takaful Limited respectively. The share capital of Salaam Properties (Pvt) Limited has been issued amounting to Rs. 100 million whereas Salaam Family Takaful Limited is in the process for issuance of its share capital.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial statements. The accounting and reporting standards as applicable in Pakistan for interim financial statements 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 (the Act);
- Provisions of and directive issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, General Takaful Regulations, 2019 and Takaful Rules, 2012; and
- Islamic Financial Accounting Standards (IFAS) 2019 issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

In case requirements differ, the provisions or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, General Takaful Accounting Regulations, 2019 and Takaful Rules, 2012 shall prevail.

These unconsolidated condensed interim financial statements reflect the financial position and results of operations of both the Shareholders' Fund and Participants' Takaful Fund in a manner that the assets, liabilities, income and expenses of the Shareholders' Fund and Participants Takaful Fund remain separately identifiable.

2.2 BASIS OF MEASUREMENT

These unconsolidated condensed interim financial statements have been prepared under the historical cost model except for lease liability carried at present value of future cashflows and investment in equity classified as available for sale and Investment properties measured at fair value.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These unconsolidated condensed interim 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.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements are in conformity with accounting and reporting standards as applicable in Pakistan which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unconsolidated condensed interim financial statements, the significant judgments made by management in applying the Shareholder's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2022.

4 FINANCIAL RISK MANAGEMENT

In preparing these unconsolidated condensed interim financial statements, the financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2022.

5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2022.

6 PROPERTY AND EQUIPMENT - SHAREHOLDERS' FUND
Note

30 September 2023
(Un-audited)
(Rupees)

31 December 2022
(Audited)
(Rupees)

Tangible assets	6.1	65,314,078	66,121,207
Capital work in progress	6.2	40,658,904	10,731,843
Right of use assets	6.3	73,579,069	16,475,859
		179,552,051	93,328,909

6.1 Operating assets
30 September 2023 (Un-audited)

	Cost			Accumulated depreciation			Book value	Depreciation
	As at 1 January 2023	Additions / (disposal) during the period	As at 30 June 2023	As at 1 January 2023	Charge for the period / (disposal)	As at 30 June 2023	As at 30 June 2023	rate %
	(Rupees)							
Leasehold improvements	48,846,184	15,463,580	64,309,764	27,510,286	9,252,333	36,762,619	27,547,145	33.33
Furniture and fixtures	30,928,417	-	30,928,417	21,312,140	3,994,150	25,306,290	5,622,127	33.33
Office equipment	32,366,416	1,069,827 (51,500)	33,384,743	14,622,474	4,004,765 (9,609)	18,617,630	14,767,113	20.00
Computers	51,106,503	2,899,719	54,006,222	39,900,498	5,018,581	44,919,079	9,087,143	33.33
Vehicles	9,363,649	15,362,583 (12,103,277)	12,622,955	3,144,563	1,520,483 (332,641)	4,332,405	8,290,550	20.00
	172,611,169	34,795,709 (12,154,777)	195,252,101	106,489,961	23,790,312 (342,250)	129,938,023	65,314,078	

31 December 2022 (Audited)

	Cost			Accumulated depreciation			Book value	Depreciation
	As at 1 January 2022	Additions / (disposal) during the year	As at 31 December 2022	As at 1 January 2022	Charge for the year / (disposal)	As at 31 December 2022	As at 31 December 2022	rate %
	(Rupees)							
Leasehold improvements	48,846,184	-	48,846,184	13,385,181	14,125,105	27,510,286	21,335,898	33.33
Furniture and fixtures	30,911,417	17,000	30,928,417	15,746,158	5,565,984	21,312,142	9,616,275	33.33
Office equipment	30,141,366	2,225,050	32,366,416	9,492,718	5,129,756	14,622,474	17,743,942	20.00
Computers	44,151,983	6,954,520	51,106,503	32,505,114	7,395,384	39,900,498	11,206,005	33.33
Vehicles	6,658,265	21,984,508 (19,279,124)	9,363,649	1,781,414	1,588,178 (225,030)	3,144,562	6,219,087	20.00
	160,709,215	31,181,078 (19,279,124)	172,611,169	72,910,585	33,804,407 (225,030)	106,489,962	66,121,207	

6.2 Capital Work in Progress - Shareholders' Fund

30 September 2023
(Un-audited)
(Rupees)

31 December 2022
(Audited)
(Rupees)

Leasehold improvements	40,658,904	10,731,843
	40,658,904	10,731,843

6.3 Right of use assets
30 September 2023 (Un-audited)

	Cost			Accumulated depreciation			Book value	Depreciation
	As at 1 January 2023	Additions during the period	As at 30 June 2023	As at 1 January 2023	Charge for the period	As at 30 June 2023	As at 30 June 2023	rate %
	(Rupees)							
Building	100,416,652	73,775,109	174,191,761	83,940,794	16,671,898	100,612,692	73,579,069	33.33

31 December 2022 (Audited)

	Cost			Accumulated depreciation			Book value	Depreciation
	As at 1 January 2022	Additions during the year	As at 31 December 2022	As at 1 January 2022	Charge for the year	As at 31 December 2022	As at 31 December 2022	rate %
	(Rupees)							
Building	89,698,733	10,717,919	100,416,652	53,272,354	30,668,440	83,940,794	16,475,858	33.33

Intangible assets
Capital work in progress

30 September	31 December
2023	2022
(Un-audited)	(Audited)
(Rupees)	

16,823,521	-
-	22,275,900
<u>16,823,521</u>	<u>22,275,900</u>

Computer software

30 September 2023 (Un-audited)

31 December 2022 (Audited)							
Cost			Accumulated amortization			Book value	Amortization
As at 1 January 2022	Additions during the year	As at 31 December 2022	As at 1 January 2022	Charge for the year	As at 31 December 2022	As at 31 December 2022	rate %
----- (Rupees) -----							
14,263,181	-	14,263,181	14,263,181	-	14,263,181	-	33.33

Advance for software development

30 September	31 December
2023	2022
(Un-audited)	(Audited)
----- (Rupees) -----	

- 22.275.900

8.1 Sukuk Certificates - Shareholders' Fund

	Note	Number of certificates	Maturity date	Effective yield	Profit payment	Principal payment	Market value	Face value	30 September 2023 (Un-audited)	31 December 2022 (Audited)	Security
								(Rupees)			
Performing Assets											
Dubai Islamic Bank Pakistan Limited		6,000	Perpetual	3 months KIBOR + 1.75%	Quarterly	Perpetual	-	-	-	30,000,000	Unsecured
Hub Power Company Limited (HUBCO) - listed		300	22-Aug-23	3 months KIBOR + 1.90%	Quarterly	25% on February 2022 25% on August 2022 25% on February 2023 25% on August 2023	7,522,328	-	-	15,000,000	Revolving Cross Corporate Guarantee ("RCCG") from Narowal Energy Limited ("NEL") for the Issue Amount (with 25% margin) and profit & principal payments. Subordinate hypothecation charge over NEL's receivables including but not limited to any amounts receivable under the GoP Guarantee. Subordinate charge over all present and future movable fixed assets of NEL for PKR 9,333.33 million (Issue Amount along with 25% margin). Subordinate charge over all present and future movable fixed assets of HUBCO for PKR 4,000 million. Pledge of 100% shares of NEL with a book value of PKR 3,900 million.
GOP Ijarah Sukuk	8.1.3		26-Oct-27	21.65%	Semi-annually	30-Apr-25	74,799,975	75,000,000	75,000,000	-	Unsecured
GOP Ijarah Sukuk	8.1.3		30-Apr-25	7%	Semi-annually	30-Apr-25	28,925,010	30,000,000	30,000,000	30,000,000	Unsecured
Non - Performing Assets (fully provided)											
Agritech Limited	8.1.1	3,000	06 August 2019	3 months KIBOR + 2%	Semi-annually	Non performing	-	15,000,000	15,873,883	15,873,883	Secured against pari passu charge over property, plant and equipment of the Company.
Quetta Textile Mills Limited	8.1.2	2,000	26 March 2020	3 months KIBOR + 1.75%	Quarterly	Non performing	-	10,000,000	3,965,520	3,965,520	Secured against first pari passu Rs. 1.846 billion on all fixed assets of the Company.
									19,839,403	19,839,403	
									124,839,403	94,839,403	
Less: Provision held (against the non-performing sukuk certificates)									(19,839,403)	(19,839,403)	
									105,000,000	75,000,000	

- 8.1.1 This represents investments aggregating to Rs. 15 million (31 December 2022: 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. During the year in August 2022, Investee company provided the two options to the Company referring SOA (Scheme of Arrangement) sanctioned by the Honorable Lahore High Court (LHC). Following are the two option given by Investee Company:

Option-1: The Company shall apply CFADs (Cash Flow Available for Debt Servicing) upfront to settle outstanding/overdue mark-up of the lenders on pro-rated basis as final settlement for overdue/accrued markup till December 31, 2013

Option-2: Outstanding/overdue markup shall be converted into a zero coupon TFC payable at the end of FY 2026 as bullet payment. The Company shall apply unutilized CFADs from Option 1 to partially settle principal outstanding of lenders opting for option 2 on pro-rated basis.

Company opt for Option-2 as elaborated above and start receiving the payment of principal outstanding from September'22 quarter. In view of the above restructuring of the SOA, as at 30th June 2023, company has booked income of Rs. 0.4 million (2022: 0.4 million) against principal outstanding in order to restore the same investment provided earlier as default in the accounts.

- 8.1.2 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 3 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.

- 8.1.3 These include sukuk of Rs. 105 million (31 December 2022: Rs. 30 million) deposited with State Bank of Pakistan as statutory reserve in accordance with the requirement laid down in section 29 of the Insurance Ordinance, 2000.

9 INVESTMENT IN TERM DEPOSITS

	30 September 2023 (Un-audited)			31 December 2022 (Audited)		
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
	(Rupees)					
Held to Maturity						
Deposits maturing within 12 months	61,500,000	-	61,500,000	151,500,000	154,000,000	305,500,000

- 9.1 This represents term deposits of Rs. 61.5 million, maturing on 15 April 2024 and carries profit rate at 19%. The deposit is held with Dubai Islamic Pakistan Limited.

10 INVESTMENT PROPERTY- FAIR VALUE MODEL

	30 September 2023 (Un-audited)	31 December 2022 (Audited)
	(Rupees)	(Rupees)
Opening net book value	272,000,000	-
Additions and capital improvements	36,484,560	207,155,050
Unrealized Fair value gain	21,038,238	64,844,950
Closing net book value	329,522,798	272,000,000

- 10.1 The fair value of investment property was determined by external, independent property valuer, Tristar International Consultant (Pvt) Ltd., having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the company's investment property at every reporting date.

10.2 Valuation Techniques

The valuers have arranged inquiries and verification from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analyzed through detailed market surveys, the properties that have recently been sold or purchased or offered/quoted for sale into given vicinity to determine the better estimates of the fair value. The fair value of the investment properties has been categorized as a Level 3 fair value (based on the inputs to the valuation techniques used).

11 INVESTMENT IN EQUITY SECURITIES - AVAILABLE FOR SALE

	30 September 2023 (Un-audited)				31 December 2022 (Audited)			
	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying amount	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying amount
	(Rupees)							
Equity securities								
Shareholder fund	60,416,411	(29,616,712)	(151,939)	30,647,760	60,416,411	(24,915,857)	(733,491)	34,767,063
Participant fund	34,839,049	(14,638,765)	337,141	20,537,425	34,839,049	(12,108,930)	(112,982)	22,617,137
	95,255,460	(44,255,477)	185,202	51,185,185	95,255,460	(37,024,787)	(846,473)	57,384,200

12 INVESTMENT IN SUBSIDIARIES

	30 September 2023 (Un-audited)				31 December 2022 (Audited)			
	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying amount	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying amount
	(Rupees)							
Equity securities								
Unlisted Shares in cash	510,000,000	-	-	510,000,000	214,631,064	-	-	214,631,064
Unlisted Shares other than cash	272,023,257	-	67,976,743	340,000,000				
	782,023,257	-	67,976,743	850,000,000	214,631,064	-	-	214,631,064

13	LONG TERM DEPOSITS - SHAREHOLDERS' FUND			30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
	Ijarah			17,582,580	21,020,250
	Rental			4,330,536	4,390,536
				<u>21,913,116</u>	<u>25,410,786</u>
14	LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD		Shareholders' Fund (SHF)	Participant's Takaful Fund (PTF)	
			30 September 2023 (Un-audited)	31 December 2022 (Audited)	30 September 2023 (Un-audited)
		Note			31 December 2022 (Audited)
					(Rupees)
	Loans to employees (unsecured and interest free)	14.1	19,251,671	13,293,455	-
	Receivable from subsidiaries	14.2	327,694,909	7,736,126	-
	Advance against expenses		40,194,965	7,596,501	-
	Earnest money receivable		-	-	10,962,374
	Service charges receivable from co-takaful entities		-	-	173,576
	Security deposit with others		9,336,726	8,336,726	2,000,000
	Refundable input tax		-	-	7,311,168
	Bank profit receivable		1,027,198	1,231,014	376,958
	Others		500,101	6,908,240	-
			<u>398,005,570</u>	<u>45,102,062</u>	<u>18,294,885</u>
					<u>18,040,434</u>
14.1	The eligible employees are entitled to loans against salaries repayable within one to two years.				
14.2	It represents the preliminary and other expenses incurred on the behalf of Salaam Properties (Pvt) Limited (Subsidiary). The Company will receive shares of the subsidiary against these preliminary and other expenses.				
15	TAKAFUL / RETAKAFUL RECEIVABLES - UNSECURED - PARTICIPANTS' TAKAFUL FUND		Note	30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
	Due from takaful participant holders			1,003,720,802	1,304,677,427
	Less: Provision for impairment against balances due from participants	15.1		(6,734,115)	(6,734,115)
				<u>996,986,687</u>	<u>1,297,943,312</u>
	Due from other takaful companies			454,637,711	392,529,968
	Less: Provision for impairment against balances due from other takaful companies	15.2		(11,881,653)	(11,881,653)
				<u>442,756,058</u>	<u>380,648,315</u>
				<u>1,439,742,745</u>	<u>1,678,591,627</u>
15.1	Movement in provision for impairment - Balances due from takaful participant holders			30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
	Balance as at 1 January 2023			6,734,115	14,093,476
	Add: Provision made during the period			-	(7,359,361)
	Balance as at 30 June 2023			<u>6,734,115</u>	<u>6,734,115</u>
15.2	Movement in provision for impairment - Balances due from other takaful companies			11,881,653	989,630
				-	10,892,023
	Balance as at 30 June 2023			<u>11,881,653</u>	<u>11,881,653</u>
16	RECEIVABLE / PAYABLE (CURRENT ACCOUNT BETWEEN SHF AND PTF)				
		Note	Shareholders' Fund (SHF)	Participants' Takaful Fund - (PTF)	
			30 September 2023 (Un-audited)	31 December 2022 (Audited)	30 September 2023 (Un-audited)
					31 December 2022 (Audited)
					(Rupees)
	Wakala fee		55,124,752	188,208,380	55,124,752
	Mudarib fee		3,724,939	2,166,864	3,724,939
	Other payable / receivable	16.1	(42,346,692)	(628,371)	(42,346,692)
			<u>16,502,999</u>	<u>189,746,873</u>	<u>16,502,999</u>
					<u>189,746,873</u>
16.1	This represents payments by PTF on behalf of SHF.				
17	PREPAYMENTS		Shareholders' Fund (SHF)	Participants' Takaful Fund - (PTF)	
			30 September 2023	31 December 2022	30 September 2023
	Others		12,346,989	1,551,104	-
	Prepaid re-takaful ceded		-	-	194,972,000
	Prepaid tracker installation expense		-	-	22,823,715
			<u>12,346,989</u>	<u>1,551,104</u>	<u>217,795,715</u>
					<u>125,226,513</u>

18	CASH AND BANK	Note	Shareholders' Fund (SHF)		Participants' Takaful Fund	
			30 September 2023 (Un-audited)	31 December 2022 (Audited)	30 September 2023 (Un-audited)	31 December 2022 (Audited)
			(Rupees)			
	Cash and cash equivalents					
	- Cash in hand		1,036,312	110,328	-	-
	- Policy and revenue stamps, bond papers		499,345	-	594,373	1,078,078
			1,535,657	110,328	594,373	1,078,078
	Cash and bank					
	- Current account		197,472	10,921	1,343,249	325,319
	- Savings accounts	18.1	9,646,261	124,698,397	22,494,192	73,409,877
			11,379,390	124,819,646	24,431,814	74,813,274
18.1	These represent balances maintained with Islamic banks under profit and loss sharing basis carrying expected profit rates ranging between 6.0% to 19.5% (2022: 3.0% to 14.5%) per annum.					
19	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL					
19.1	Authorized Capital					
	30 September 2023 (Un-audited) (Number of shares)	31 December 2022 (Audited)	Ordinary Shares		30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
	200,000,000	200,000,000	Ordinary shares of Rs. 10 each paid in cash		2,000,000,000	1,500,000,000
19.2	Issued, Subscribed and Paid up capital					
19.2.1	The breakup of ordinary paid up share capital is as follows:					
	30 September 2023 (Un-audited) (Number of shares)	31 December 2022 (Audited)	Ordinary Shares		30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
	135,869,135	113,202,019	Ordinary shares of Rs. 10 each paid in cash		1,358,691,352	1,132,020,190
			Ordinary shares issued as fully paid for consideration other than cash (against property)		272,023,257	-
	27,202,326	-			1,630,714,609	1,132,020,190
	163,071,461	113,202,019				
19.2.2	Reconciliation of number of shares outstanding					
	Ordinary Shares				30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
	Number of Shares outstanding at the beginning of the year				113,202,019	113,202,019
	Issued for cash				22,667,116	-
	Issued for consideration other than cash (against property)				27,202,326	-
	Number of shares outstanding at the end of the year				163,071,461	113,202,019
20	TAKAFUL / RE-TAKAFUL PAYABLES					
					30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
	Due to other takaful operators				54,137,028	10,168,704
	Due to re-takaful operators				233,158,278	80,374,313
					287,295,306	90,543,017

21 OTHER CREDITORS AND ACCRUALS

	Shareholders' Fund (SHF)		Participants' Takaful Fund (PTF)	
	30 September 2023 (Un-audited)	31 December 2022 (Audited)	30 September 2023 (Un-audited)	31 December 2022 (Audited)
	(Rupees)			
Commission payable to agents	19,194,869	29,204,496	-	-
Sales Tax Payable	-	-	779,973	21,676,861
Federal Takaful fee	-	-	1,834,223	5,638,868
Sales tax deducted at source	-	1,040,838	-	1,349,326
Advance Against Share Subscription Money	120,458	33,198,070	-	-
Liabilities against the right of use asset	75,733,015	17,129,900	-	-
Tracker installation fee payable	-	-	16,612,651	11,005,032
Other payables	13,090,657	1,722,039	25,731,860	14,046,483
	108,138,999	82,295,343	44,958,707	53,716,570

22 CONTINGENCIES AND COMMITMENTS**22.1 Contingencies**

22.1.1 Travel Agents Association of Pakistan (TAAP) had filed a case against the Company on 10 October 2012 in the Takaful Tribunal of Sindh for the recovery of Rs. 546.534 million (31 December 2019 Rs. 546.534 million) inclusive of compensation / damages for premature termination and mark up accrued thereon in respect of Amaan Travel and Health Takaful Package. A commissioner has been appointed for recording evidences of the parties which is yet to issue its report to Tribunal along-with evidence based on which the case shall be disposed off by the Tribunal. The matter is at the stage of evidence of the parties before the Commissioner appointed by the Court. The management, based on the advice of its legal counsel, is confident that the Company has reasonable defence in the case and as such no loss is likely to arise from this litigation and accordingly, no provision has been made in these financial information. The legal advisor has opined that the company has a reasonable defence in this matter and there is less likelihood of any potential loss being suffered by the Company, however, final outcome would depend on the conclusion of the evidence led by the respective parties in support of their case.

22.1.2 Securities and Exchange Commission of Pakistan (SECP) on 13 October 2017 passed an order for alleged contravention of Section 11(1) and Section 28 of the Insurance Ordinance 2000, in respect of minimum paid up capital requirement and imposed a fine of Rs. 1,200,000, earning Rs. 500,000 imposed on the Company and Rs. 100,000 on each of the directors of Company. The Company had filed an appeal before the Appellate Bench of SECP for setting aside the order and the matter is at the stage of hearing. Company's legal advisor has opined that the Company has a good arguable case and there is no likelihood of an unfavorable outcome, however, if the appeal fails the Company would have an opportunity to file before the High Court. Nonetheless the Company's management is hoping that since now the Company has met the minimum paid up capital requirement, the Commission may take a lenient view.

22.1.3 With effect from 1 November 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on health takaful. policies written in the province of Punjab.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter with the Punjab Revenue Authority (PRA) for restoration of the exemptions that were withdrawn. The management of the Company sought a legal opinion from their legal advisor, who confirmed the Company's contention that health insurance is not a service, but in fact, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. Such contention of the Company and the insurance industry has also been upheld in the superior courts of foreign jurisdiction, where, in a majority of jurisdictions it has been widely held that insurance is not a service.

Based on the above contentions, certain insurance companies have challenged the levy of Punjab Sales Tax (PST) on health insurance in the Honourable Lahore High Court (LHC) in the month of September 2019. The Honourable LHC, in their order dated 3 October 2019, has granted a stay to the petitioners against any coercive measures for recovery by the PRA. The Company is not a party to the petition. However, management believes that the decision of the court shall be binding on all the litigants including the Company and the Government. The hearing of the petition is currently in progress. In view of the pending adjudication, the Company, has not charged PST to its clients, nor recognized the contingent amount of PST liability in the financial statements as the management is confident that the final outcome will be in favour of the Company. Furthermore, PRA vide its notification SO(Tax) 1-110/2020 (Covid-19) dated 2 April 2020 exempted PST on health insurance for the period from 2 April 2020 till 30 June 2020.

In view of the above, the Company is not charging sales tax on contribution written in the province of Punjab, nor has recognised the liability for PST in the financial statements. The amount involved as of 30 June 2023 is Rs. 54.1 million.

- 22.1.4** The Company was issued a show-cause notice (SCN) on 25 April 2016 by the Sindh Revenue Board (SRB) alleging that the Company had received re-insurance services liable to Sindh Sales Tax at 16% during the period from July 2011 to June 2014 and required the Company to show cause as to why tax of Rs. 31.561 million should not be levied and recovered from the Company (apart from the default surcharge and penalty). Based on the SCN, the Company had filed a stay application and obtained a stay order at the Honourable Sindh High Court to keep the proceedings in abeyance against the said SCN.

Thereafter, based on the judgement of Supreme Court where C.P. petition shall be valid based on the payment of 50% of the disputed amount, management of the Company has withdrawn the suit (earlier filed). The Company through the Insurance Association of Pakistan (IAP), as representatives decided to take the matter to the Chairman SRB and requested to keep the proceedings in abeyance till the matter is decided for the industry.

Furthermore SRB, vide its order dated 18 April 2019, passed an order to recover the sales tax on reinsurance services amounting to Rs. 31.561 million along with penalty of Rs. 9.86 million. Thereafter, SRB issued recovery notice under section 66(1)C of Sales tax on Services Act 2011 for the attachment and recovery of Sindh sales tax from the Company's bank account for Rs. 65.705 million which comprises of principal, penalty and default surcharge of Rs. 31.5 million, 9.8 million and 24.28 million respectively.

The company filed a constitutional petition D-2726 of 2019 under article 199 of the Constitution of Pakistan to keep the recovery proceedings in abeyance till next date of hearing. Furthermore, on 22 April 2019 the Company had filed an appeal before commissioner (appeals) under section 57 of Sindh Sales Tax on Services Act 2011 for the suspension of order in respect of sales tax on Re Takaful Services.

The Company's management is view that an insurance company on issuing policy and receiving contribution, charges sales tax on the ultimate user. The same risk is transferred / shared by an insurance company with a reinsurance entity and SRB is charging sales tax on service which was already taxed and paid by the end consumer. Furthermore, sales tax is always levied as value added tax. However, in reinsurance services there is no element of value addition.

The same matter has been raised for certain other insurance companies also. Therefore, there is a likely chance for the settlement of issue on a prospective basis. Nonetheless, the management is also of the view that the said input tax shall be admissible (against the output tax being collected by the Company on insurance policies), although the department may dispute such input tax mainly on the restriction placed by Rule 22 of the Sindh Sales Tax Rules, 2011 which bars claim of input tax over six month's time. However, the management also consider that normally the courts have considered such matters as procedural issues as right to claim cannot be denied. With respect to the default surcharge and penalty under the Sindh Sales Tax Act, 2011, management is of the view that since no willful intension to contravene the statutory provisions of the law has been made, chances of the recovery of the same appears to be remote.

Accordingly, for the reasons explained above, provision for the above balance has not been made in these financial statements.

- 22.1.5** Sindh Revenue Board (SRB) issued notice dated 16 October 2020 contending that the Company has claimed inadmissible input sales tax against services taxable at reduced rate amounting to Rs. 0.87 million and input tax claimed against services not exclusively received in rendering of insurance services amounting to Rs. 9.93 million. The notice required the Company to deposit Rs. 10.81 million along with the default surcharge, revise the sales tax returns for the periods July 2018 to June 2020 and submit the information requested. With respect to inadmissible input tax against services taxable at reduced rate amounting to Rs. 0.87 million, the Company contended that it has not claimed such inadmissible input tax mentioned in the notice and that the revision in the sales tax returns for the periods July 2018 to June 2020 is not required. With respect to input tax against services not exclusively received in rendering of insurance services amounting to Rs. 9.93 million, the Company claimed that the services highlighted in the notice are directly attributable to the taxable services provided by the Company and that the input tax claimed in respect of these services is in accordance with the provisions of Sindh Sales Tax on Services Act, 2011.

No further correspondence has been made in this regard.

- 22.1.6** Sindh Revenue Board (SRB) issued notice dated 27 November 2020 requiring complete copies of sales invoices issued to service recipients and computerized payment receipts (CPRs) during the periods January 2012 to December 2013. Full compliance with the notice is still pending as the Company is still in the process of submitting required information on a piecemeal basis.

22.2 Commitments

22.2.1 Commitments under Ijarah arrangements and the year in which these payments will become due are:

	30 September 2023 (Un-audited) (Rupees)	31 December 2022 (Audited)
Not later than one year	38,331,061	43,543,653
Later than one year but not later than five years	46,563,376	59,335,543
	<u>84,894,437</u>	<u>102,879,196</u>

The company has vehicle ijarah financing facility of Rs. 350 million from three Islamic banks (facilities amount being the cost of vehicles). The facilities are valid up to December 2023.

23	NET CONTRIBUTION REVENUE	Note	Nine months ended 30 September		Quarter ended 30 September	
			2023	2022	2023	2022
			----- (Rupees) -----			
	Written Gross Contribution	2,627,876,859	1,924,232,061	620,480,658	608,099,003	
	Less: Wakala Fee	(775,162,548)	(825,118,173)	(269,901,722)	(285,252,227)	
	Contribution Net of Wakala Fee	1,852,714,311	1,099,113,888	350,578,936	322,846,776	
	Add: Unearned Contribution reserve opening	1,561,033,084	1,205,566,566	1,523,638,697	1,334,208,437	
	Less: Unearned Contribution reserve closing	(1,691,315,874)	(1,264,324,724)	(1,691,315,874)	(1,264,324,724)	
	Contribution earned	1,722,431,521	1,040,355,730	182,901,759	392,730,489	
	Retakaful Contribution ceded	355,768,225	168,600,787	134,484,902	59,854,682	
	Add: Prepaid retakaful contribution opening	103,968,967	71,924,084	141,750,998	82,231,776	
	Less: Prepaid retakaful contribution closing	(194,972,000)	(79,912,595)	(194,972,000)	(79,912,595)	
	Retakaful Expense	264,765,192	160,612,276	81,263,900	62,173,863	
	Net contribution revenue	1,457,666,329	879,743,454	101,637,859	330,556,626	
24	RETAKAFUL REBATE					
		Retakaful rebate/commission received	86,804,744	41,617,049	37,075,828	15,976,296
		Add: Unearned retakaful rebate / commission opening	28,524,963	19,592,827	31,441,852	21,780,153
		Less: Unearned retakaful rebate / commission closing	(45,877,925)	(22,289,415)	(45,877,925)	(22,289,415)
		Retakaful rebate/commission Income	69,451,782	38,920,461	22,639,755	15,467,035
25	TAKAFUL BENEFITS / CLAIMS EXPENSE					
		Benefits Claim Paid	1,724,138,856	953,312,611	501,231,329	307,090,540
		Add: Outstanding benefits / claims including IBNR closing	595,871,319	656,363,398	595,871,319	656,363,398
		Less: Outstanding benefits / claims including IBNR opening	(741,886,125)	(341,383,225)	(598,847,548)	(501,461,888)
		Claim Expense	1,578,124,050	1,268,292,784	498,255,100	461,992,050
		Retakaful and other recoveries received	145,854,616	177,049,897	3,693,501	57,250,665
		Add: Retakaful and other recoveries in respect of outstanding claims closing	397,502,991	364,573,987	397,502,991	364,573,987
	Less: Retakaful and other recoveries in respect of outstanding claims opening	(394,134,651)	(98,964,644)	(401,971,759)	(268,685,087)	
	Retakaful and other recoveries revenue	149,222,956	442,659,240	(775,267)	153,139,565	
	Net Claim Expense	1,428,901,094	825,633,544	499,030,367	308,852,485	

26	OTHER DIRECT EXPENSES	Note	Nine months ended 30 September		Quarter ended 30 September	
			2023	2022	2023	2022
			(Rupees)			
	Tracker installation charges		26,692,168	25,725,046	8,906,449	8,624,880
	Disallowed input sales tax		396,355	21,243,296	127,695	9,375,923
	Service charges on co-takaful acceptance		4,487,532	1,710,462	1,776,352	988,925
	Others		15,059,676	889,938	6,042,425	405,218
			<u>46,635,731</u>	<u>49,568,742</u>	<u>16,852,921</u>	<u>19,394,946</u>

27 COMMISSION EXPENSE

Commission Paid or payable	320,527,947	196,250,576	81,211,800	67,210,715
Add: Deferred commission expense opening	158,037,313	112,754,453	211,481,799	124,197,184
Less: Deferred commission expense closing	(196,428,774)	(121,633,988)	(196,428,774)	(121,633,988)
Commission Expense	<u>282,136,486</u>	<u>187,371,041</u>	<u>96,264,825</u>	<u>69,773,911</u>

28 GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES

Employee benefit cost	346,500,734	288,988,666	93,351,310	87,345,572
Rent, rates and taxes	276,972	11,559,290	513,710	11,337,762
Electricity, Gas and Water	13,236,006	8,367,484	2,305,279	4,250,913
Communications	7,489,258	7,017,290	1,777,343	2,570,553
Printing and stationery	4,176,818	8,986,480	1,123,307	2,522,307
Travelling and entertainment	13,919,198	25,138,175	3,385,299	8,974,874
Office repairs and maintenance	7,664,466	5,999,831	1,707,885	2,103,453
Vehicles running expense	19,766,825	18,417,807	3,422,829	9,272,126
Advertisement and sales promotions	15,965,699	13,099,055	300,000	4,567,544
Ijarah rentals	28,518,508	32,256,593	8,208,071	11,616,244
Depreciation	39,276,260	36,581,204	13,998,231	6,589,548
Amortization of cost of intangible assets	5,574,061	-	3,682,135	-
Legal and professional charges - business related	12,067,210	27,606,587	5,362,964	13,256,136
Takaful contribution	12,862,306	7,971,847	4,818,447	7,024,245
Bank charges	92,142	975,530	35,817	53,086
Miscellaneous expenses	3,397,875	1,777,981	500,000	558,733
	<u>530,784,338</u>	<u>494,743,820</u>	<u>144,492,627</u>	<u>172,043,099</u>

29 OTHER DIRECT EXPENSES

Auditors' Remuneration	3,000,000	2,200,000	-	200,000
Shariah Advisory fee	2,306,500	1,530,000	916,500	510,000
Donation	-	475,000	-	475,000
Subscription	24,614,152	8,223,869	5,130,632	2,107,492
	<u>29,920,652</u>	<u>12,428,869</u>	<u>6,047,132</u>	<u>3,292,492</u>

30 WAKALA FEES

The wakala fees was charged at the gross contribution from the Participants ' Takaful Fund. The rate of wakala fees as approved by Shariah Advisor were as follows:

	1 January 2023 to 31 March 2023	1 April 2023 to 30 June 2023
Fire and property damage	30.0%	30.0%
Marine, aviation and transport	40.0%	40.0%
Motor	40.0%	70.0%
Health	5.0%	20.0%
Miscellaneous	40.0%	40.0%

31 INVESTMENT INCOME

	Shareholders' Fund (SHF)		Participants' Takaful Fund (PTF)	
	Nine months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
	(Rupees)			
Dividend Income	529,480	387,752	328,810	1,244,469
Income from Debt Securities				
Return on Sukuk	12,166,448	11,385,790	-	-
	12,166,448	11,385,790	-	-
Income from Deposits				
Return on term deposit-held to maturity	7,391,101	12,788,681	1,726,253	2,486,289
Less: Impairment Loss on Available for Sale Equity Securities	(4,700,855)	(19,689,492)	(2,529,835)	(8,309,674)
Less: Charity on dividend purification	(28,934)	(5,284)	(32,721)	(5,006)
Less: Investment related expenses	(1,218,042)	(22,338)	-	(34,771)
	(5,947,831)	(19,717,114)	(2,562,556)	(8,349,451)
Net realized gains on investments				
- Available for sale				
Realized Gain on equity securities	-	588,222	-	951,175
	-	588,222	-	951,175
Net investment income	14,139,198	5,433,331	(507,493)	(3,667,518)

32 OTHER INCOME

Gain / (loss) on sale of fixed asset	17,843,082	(34,856)	-	-
Service income	-	-	124,890	65,894
Others	1,196,642	40,792	933	32
	19,039,724	5,936	125,823	65,926

33 TAXATION

	2023	2022
	(Rupees)	
For Current Period		
Current	6,315,760	35,948,981
Deferred	10,570,795	16,031,924
	16,886,555	51,980,905

34 MUDARIB'S FEE

Mudarib fee is charged at the rate of 25% on investment income and return on bank balance during the period ended 30 September 2023.

35 EARNINGS (AFTER TAX) PER SHARE - BASIC

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

	Shareholders' Fund (SHF)			
	Nine months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
		Restated		Restated
	(Rupees)			
Net profit / (loss) after tax for the half year				
- attributable to the ordinary shareholders	40,473,713	73,518,919	9,151,708	21,246,832
Weighted average number of ordinary shares	135,783,717	126,123,009	147,060,475	126,123,009
Basic earnings per share	0.30	0.58	0.06	0.17

35.1 The Company has not issued any instrument which would dilute its basic earnings per share when exercised.

36 SEGMENT INFORMATION - PARTICIPANTS' TAKAFUL FUND (PTF)

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and General Takaful Accounting Regulations, 2019 for class of business wise revenues, results, assets and liabilities.

	Note	Period ended 30 September 2023 (Un-audited)					
		Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
		(Rupees)					
Contribution (inclusive of Sales tax, federal takaful fee, stamp duty)		501,987,426	61,031,656	1,130,815,371	979,199,063	167,174,557	2,840,208,073
Less: Sales Tax Payable		(29,149,538)	(5,456,781)	(132,600,685)	(97,987)	(19,380,565)	(186,685,556)
Federal Takaful Fee		(2,072,615)	(487,362)	(9,810,752)	(8,221,703)	(1,458,161)	(22,050,592)
Stamp duty		(105,850)	(2,942,905)	(382,900)	(33,870)	(129,540)	(3,595,065)
Gross written contribution		470,659,423	52,144,608	988,021,034	970,845,503	146,206,291	2,627,876,859
Wakala fee		(84,082,843)	(20,697,057)	(532,830,378)	(89,400,027)	(48,152,244)	(775,162,549)
Participants' Takaful Fund - revenue account		-30%	-40%	-55%	-8%	-40%	-31%
Takaful contribution earned		278,740,424	52,176,425	975,023,330	1,071,394,880	120,259,012	2,497,594,071
Takaful contribution ceded to retakaful		(190,505,128)	(12,029,718)	(4,600,506)	-	(57,629,840)	(264,765,192)
Net Takaful contribution	23	4,152,453	19,449,650	437,592,446	981,994,853	14,476,928	1,457,666,330
Retakaful rebate earned	24	57,367,921	-	-	-	12,083,861	69,451,782
Net Underwriting Income		61,520,374	19,449,650	437,592,446	981,994,853	26,560,789	1,527,118,112
Takaful claims		4,807,114	(20,195,192)	(687,440,618)	(823,684,530)	(55,235,266)	(1,581,748,492)
Takaful claims recovered from retakaful operators		(35,722,695)	(2,056,069)	142,560,940	-	44,440,780	149,222,956
Net claims		(30,915,581)	(22,251,261)	(544,879,678)	(823,684,530)	(10,794,486)	(1,432,525,536)
Incurred But Not Reported (IBNR) claims expense		1,609,418	324,996	(2,534,785)	1,886,296	2,338,516	3,624,441
Contribution deficiency expense		-	-	-	-	-	-
Provisions against doubtful contributions (net of wakala fee)		-	-	-	-	-	-
Other direct expenses		(3,335,098)	(323,107)	(42,150,978)	-	(826,548)	(46,635,731)
Surplus / Deficit before investment income		28,879,113	(2,799,722)	(151,972,995)	160,196,619	17,278,271	51,581,286
Investment income	31						(507,493)
Profit on bank balances							6,232,299
Other income							125,822
Bank charges							(542,609)
Net investment income							5,308,019
Mudarib's share of investment income							(1,558,075)
Surplus transferred to Balance of PTF							55,331,230
Corporate Segment Assets		787,350,157	1,054,939	915,029,990	941,087,173	163,510,243	2,808,032,502
Corporate Unallocated Assets							99,116,989
Total Assets							2,907,149,491
Corporate Segment Liabilities		644,079,176	53,345,602	816,427,614	655,890,835	258,282,518	2,428,025,745
Corporate Unallocated Liabilities							256,057,688
Total Liabilities							2,684,083,433

Nine months ended 30 September 2022

	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
<i>Note</i>	----- (Rupees) -----					
Contribution (inclusive of Sales tax, federal takaful fee, stamp duty)	129,425,778	45,948,333	988,920,300	807,418,950	112,874,180	2,084,587,542
Less: Sales Tax Payable	(10,564,141)	(4,176,279)	(114,555,394)	(320,150)	(13,083,123)	(142,699,087)
Federal Takaful Fee	(746,202)	(352,247)	(8,588,594)	(7,017,206)	(984,310)	(17,688,559)
Stamp duty	(91,910)	(2,020,228)	(240,510)	(21,750)	(245,990)	(2,620,388)
Gross written contribution	118,023,525	39,399,579	865,535,802	800,059,844	98,560,757	1,921,579,507
Wakala fee	(49,210,144)	(15,138,852)	(578,178,267)	(144,741,061)	(37,849,847)	(825,118,170)
Participants' Takaful Fund - revenue account	-48.29%	-39.94%	-68.06%	-18.53%	-39.91%	-44.23%
Takaful contribution earned	101,899,856	37,901,031	849,556,209	781,286,278	94,830,532	1,865,473,906
Takaful contribution ceded expense	(81,315,546)	(15,409,428)	(3,034,050)	-	(60,853,253)	(160,612,277)
Net Takaful contribution	23 (28,625,834)	7,352,751	268,343,891	636,545,217	(3,872,568)	879,743,459
Retakaful rebate earned	24 22,148,492	1,233,590	-	-	15,538,379	38,920,461
Net Underwriting Income	(6,477,342)	8,586,341	268,343,891	636,545,217	11,665,811	918,663,919
Takaful claims	(293,655,565)	(3,372,408)	(398,366,092)	(469,992,482)	(69,371,807)	(1,234,758,354)
Takaful claims recovered from retakaful operators	258,429,119	52,265	135,799,750	-	48,378,106	442,659,240
Net claims	(35,226,446)	(3,320,143)	(262,566,342)	(469,992,482)	(20,993,701)	(792,099,114)
Incurred But Not Reported (IBNR) claims expense	(1,693,650)	(250,059)	(1,775,285)	(28,274,312)	(1,541,122)	(33,534,428)
Contribution Deficiency Reversal	-	-	-	-	-	-
Provisions against doubtful contributions (net of wakala fee)	(12,215,403)	3,183,952	3,774,856	-	1,723,933	(3,532,662)
Other direct expenses	(3,133,466)	(1,036,742)	(43,116,066)	(37,295)	(2,245,173)	(49,568,742)
Surplus / Deficit before investment income	(58,746,307)	7,163,349	(35,338,946)	138,241,128	(11,390,252)	39,928,973
Investment income	31					(3,667,518)
Profit on bank balances						4,378,869
Other income						65,926
Bank charges						(430,755)
Net investment income						346,521
Mudarib's share of investment income						(1,461,737)
Surplus transferred to Balance of PTF						38,813,757
Corporate Segment Assets	337,159,991	31,961,859	845,758,423	862,506,043	138,248,286	2,215,634,602
Corporate Unallocated Assets						134,135,877
Total Assets						2,349,770,479
Corporate Segment Liabilities	342,475,544	47,514,925	718,482,100	799,026,235	170,905,417	2,078,404,221
Corporate Unallocated Liabilities						110,765,278
Total Liabilities						2,189,169,499

37 SEGMENT INFORMATION - SHAREHOLDERS' FUND (SHF)

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and General Takaful Accounting Regulations, 2019 for class of business wise revenues, results, assets and liabilities.

	For the period ended September 30, 2023 (Un-audited)					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	
	(Rupees)					
Wakala fee	84,082,842	20,697,057	532,830,377	89,400,027	48,152,244	775,162,547
Commission expense	(51,157,936)	(8,741,876)	(137,001,585)	(66,567,059)	(18,668,030)	(282,136,486)
Management expense	-	-	-	-	-	(530,784,338)
	<u>32,924,906</u>	<u>11,955,181</u>	<u>395,828,792</u>	<u>22,832,968</u>	<u>29,484,214</u>	<u>(37,758,277)</u>
Mudarib share of PTF investment income						1,558,075
Investment Income						14,139,198
Other charges / income						(6,139,433)
Change in fair value of investment property						89,038,237
Finance cost						(3,454,276)
Profit before taxation						<u>57,383,525</u>
Deferred tax						-
Taxation						(16,886,555)
Profit after taxation						<u>40,496,970</u>
Corporate segment assets						2,243,145,678
Corporate unallocated assets						-
Total assets						<u>2,243,145,678</u>
Corporate segment liabilities						966,312,152
Corporate unallocated liabilities						-
Total liabilities						<u>966,312,152</u>

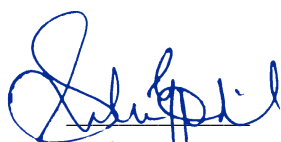
	Nine months ended 30 September 2022					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	
	(Rupees)					
Wakala fees	49,210,144	15,138,852	578,178,267	144,741,061	37,849,847	825,118,171
Commission expense	(15,180,904)	(6,016,935)	(122,620,995)	(32,862,667)	(10,689,541)	(187,371,042)
Management expense	-	-	-	-	-	(494,743,820)
	<u>34,029,240</u>	<u>9,121,917</u>	<u>455,557,272</u>	<u>111,878,394</u>	<u>27,160,306</u>	<u>143,003,309</u>
	-14.9%	-15.9%	-14.4%	-4.2%	-11.3%	
Investment Income						5,433,331
Mudarib share of PTF investment income						1,461,737
Other charges / income						(6,912,127)
Finance Cost						(2,673,643)
Profit before taxation						<u>140,312,607</u>
Deferred Tax						-
Taxation						(18,505,929)
Profit after taxation						<u>121,806,678</u>
Corporate segment assets						335,527,583
Corporate unallocated assets						1,135,800,905
Total assets						<u>1,471,328,488</u>
Corporate segment liabilities						538,780,473
Corporate unallocated liabilities						96,756,575
Total liabilities						<u>635,537,048</u>

38 CORRESPONDING FIGURES

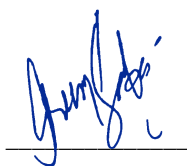
Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparison.

39 DATE OF AUTHORIZATION

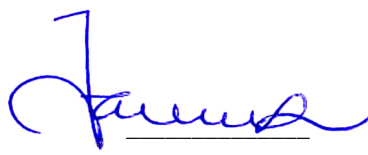
These condensed interim financial statements were approved by the Board of Directors in their meeting held on _____.



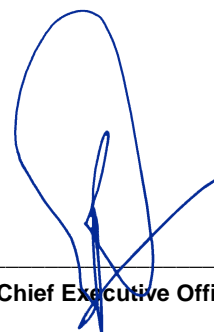
Chairman



Director



Director



Chief Executive Officer