

# **TAKAFUL PAKISTAN LIMITED**

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**QUARTERLY REPORT MARCH 31, 2018**

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## CORPORATION INFORMATION

Directors	Syed Abdul Razzaq (Chairman) Syed Tariq Husain Mr. Ahmad Shuja Kidwai Mr. Haseeb Ahmed Dr. Mumtaz A. Hashmi Mr. Saeed Khan Mr. Ashraf Ali Velji
Chief Executive Officer	Mr. Rizwan Hussain*
Chief Financial Officer and Company Secretary	Muhammad Irfan
Shariah Advisor	Mufti Sajjad Ashraf Usmani
Auditor	Riaz Ahmed and CO. Chartered Accountants
Head office	6th floor, Business Centre, Plot No 19-1-A, Block -6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400, Pakistan. UAN : (021) 111-875-111 Tel : (+92-21) 34373171-80 (10 Lines) Fax : (+92-21) 34373195-6 E-mail : info@takaful.com.pk Website : <a href="http://www.takaful.com.pk">www.takaful.com.pk</a>

\* Vacant office of the Chief Executive Officer has been filled in compliance with section 187 of the Companies Act, 2017. However, approval is in process with Securities and Exchange Commission of Pakistan under the Insurance Companies (Sound and Prudent Management) Regulations, 2012.

**Bankers**

Meezan Bank Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Limited  
Al Baraka Bank (Pakistan) Limited  
Habib Bank Limited (Islamic Banking Division)  
Faysal Bank Limited (Islamic Banking Division)  
Askari Bank Limited (Islamic Banking Division)  
Bank Alfalah Limited (Islamic Banking Division)  
Habib Metropolitan Bank (Islamic Banking Division)  
National Bank of Pakistan (Islamic Banking Division)  
Bank of Khyber (Islamic Banking Division)  
UBL (Islamic Banking Division)  
NRSP Micro Finance Bank Limited (Islamic Banking Division)

**BOARD COMMITTEES**

**Audit Committee**

Syed Abdul Razzaq (Chairman)  
Dr. Mumtaz A. Hashmi  
Mr. Ashraf Ali Velji

**Human Resource Committee**

Mr. Ashraf Ali Velji (Chairman)  
Ahmed Shuja Kidwai  
Dr. Mumtaz A. Hashmi

**Investment Committee**

Syed Tariq Husain (Chairman)  
Syed Abdul Razzaq  
Mr. Ashraf Ali Velji

## OUR VISION

To spread Takaful benefits beyond borders, beyond Time!

## OUR MISSION

- To deliver Takaful as a viable alternative to conventional insurance.
- To become the 'top-of-the-mind' Takaful brand for our Participants in terms of competitiveness, service standards and business ethics
- To give value for money to our shareholders and make Takaful Pakistan their prized asset.
- To become an ideal organization for our employees that encourages them to achieve self-actualization and growth.
- To contribute positively and proactively for the welfare of our society at large as well as for the preservation of our environment.

## OUR AMBITION

To be a role model for the contemporary insurance industry and eventually bring it in conformity with the Shariah compliant Takaful mode of insurance.

## MANAGEMENT TEAM

Syed Rizwan Hussain	Chief Executive Officer
Muhammad Irfan	Chief Financial Officer and Company Secretary
Moeen ud Din	Branch Head – Lahore
Raza Ali	Branch Head – Peshawar
Ghulam Mustafa	Branch Head – Faisalabad
Jawwad Bin Yousuf	Head of Motor & Accident Underwriting
Ikram Ullah Khan	Head of Marine Underwriting
Rana Muhammad Javed	Head of Claims
Tahera Fatima	Head of Retakaful & Risk Management
Varda Rehman	Head of Internal Audit

## BRANCHES / OFFICES

Branch	Branch Address
Karachi	6th floor, Business Centre, Plot No 19-1-A, Block -6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. UAN: (021) 111-875-111 Fax: (021) 34373195-6
Lahore	Al-Hafeez Heights Floor No. 12, Office No 1216, 65D/1, Ghalib Road, Lahore. UAN: (042) 111-875-111 Fax: (042) 35716790
Peshawar	6th Floor, State Life Building, 34-The Mall, Peshawar Cantt, Peshawar. UAN: (091) 111-875-111 Fax: (091) 5260107
Faisalabad	Office # 3, 2nd floor, Wahab Centre, Main Susan Road, Faisalabad. UAN: (041) 111-875-111 Fax: (041) 8720063

## Takaful Pakistan Limited Directors' Report to the members

The Board of Directors is pleased to present before you the un-audited financial statements of the Company for three months period ended 31<sup>st</sup> March 2018.

### Business overview:

The results for three months are summarized below:

	31 March 2018	31 March 2017
	<u>(Rupees in Thousands)</u>	
Gross Written Contribution	36,295	46,159
Net Contribution	16,368	38,685
Underwriting results	721	(1,659)
PTF's Investment Income - net of Mudarib Fee	785	1,236
Net Surplus / Deficit – Participant's Takaful Fund	1,485	(419)
SHF's Investment Income	2,575	3,853
Mudarib Share of PTF Investment Income	262	412
Net Profit / Loss - Share holders' Fund	(4,706)	5,208
Earnings Per Share – Share holders' Fund (Rs.)	(0.16)	0.17

### Paid up Capital

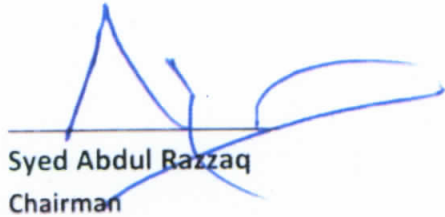
Since early 2017, the Board of Directors of the Company has been in touch with the various prospective investors seeking their involvement towards compliance of Paid-up Capital requirement, eventually; the Board in its 81<sup>st</sup> meeting held on 22<sup>nd</sup> January 2018, discussed and finalized the offer of one group of the short-listed investors. The selected investors comprised individuals namely, Mr. Salim Habib Godil, Mr. Rizwan Hussain, Mr. Shahzad Salim Godil and Mr. Salman Hussain, who were collectively desirous to inject amount of Rupees 200 million into the Company against issuance of new ordinary shares.

The selected Investors, offered to subscribe the ordinary shares of the Company at a price of Rupees 6.39 per share, and accordingly on 2<sup>nd</sup> February 2018, Share Subscription Agreement (SSA- Binding Agreement) has been signed between the Company and the said investors. To this affect, an advance of Rupees 10 million has been deposited with the Company by the said group of Investors on 15<sup>th</sup> January 2018. The Company in its 5<sup>th</sup> Extra Ordinary General Meeting held on 2<sup>nd</sup> March 2018, approved issuance of 31.299 million ordinary shares, having face value of Rupees 10 each, directly and other than by way of rights, collectively to the group at a price of Rupees 6.39 per share (i.e. at a discount of Rupees 3.61 per share) aggregating to approximately Rupees 200 million, subject to compliance with the applicable laws and the approval of the SECP pursuant to Section 82 and 83(1)(b) of the Companies Act, 2017. On 28<sup>th</sup> March 2018, the Company has applied to SECP seeking approval for direct issuance of shares other than right issue at a discounted price.

Your directors would like to place on record their highest appreciation to the field force, Officers and staff of the Company for the dedicated efforts in a difficult operating environment.

Your Directors would also like to thank the Securities and Exchange Commission of Pakistan and all our re takaful operators for their continued guidance and support.

On behalf of the Board of Directors



Syed Abdul Razzaq  
Chairman



# Takaful Pakistan Limited

## Condensed Interim Financial Information


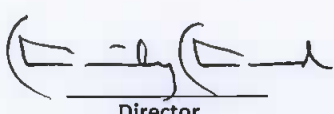
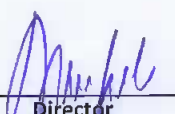

For the quarter ended  
31 March 2018

**TAKAFUL PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	31 March 2018			31 December 2017
		Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate
		----- (Rupees) -----			(Rupees)
		----- Un-audited -----			Audited (Restated)
<b>ASSETS</b>					
Property and equipment		4,425,658	-	4,425,658	4,978,928
Intangible assets		250,564	-	250,564	286,022
Investments					
Equity securities	6				-
Fair value through PNL		43,221,427	-	43,221,427	4,991,397
Fair value through OCI		16,802,362	83,513,998	100,316,360	140,228,123
Debt securities	7	70,332,208	-	70,332,208	25,358,435
Term deposits	8	44,400,000	57,100,000	101,500,000	131,500,000
Long term deposits		1,438,749	-	1,438,749	1,367,334
Loans and other receivables	9	3,409,338	4,033,662	7,443,000	22,104,299
Takaful / re-takaful receivables	10	-	16,935,972	16,935,972	15,077,979
Re-takaful recoveries against outstanding claims		-	20,660,247	20,660,247	24,495,182
Salvage recoveries accrued		-	750,000	750,000	750,000
Wakala fees receivable		5,303,694	-	5,303,694	5,785,557
Mudarib fees receivable		5,905,243	-	5,905,243	5,678,189
Deferred wakala fees		-	19,322,140	19,322,140	15,621,173
Deferred commission expense		3,383,639	-	3,383,639	2,252,361
Taxation-payment less provisions		7,325,774	-	7,325,774	6,681,990
Prepayments		3,719,628	7,770,270	11,489,898	9,491,255
Cash and Bank	11	14,252,473	18,438,439	32,690,912	26,891,146
<b>TOTAL ASSETS</b>		<b>224,170,758</b>	<b>228,524,728</b>	<b>452,695,486</b>	<b>443,539,370</b>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

\* Vacant office of the Chief Executive Officer has been filled in compliance with the Section 187 of the Companies Act, 2017. However, approval is in process with Securities & Exchange Commission of Pakistan under the Insurance Companies (Sound and Prudent Management) Regulations, 2012. Accordingly, these financial statements have been signed by three Directors and Chairman of the Board of Directors.

 Chairman  
 Director  
 Director  
 Director


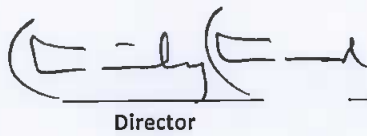


**TAKAFUL PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

Note	31 March 2018			31 December 2017
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate
	----- (Rupees) -----			(Rupees)
	----- Un-audited -----			Audited (Restated)
<b>SHARE CAPITAL AND RESERVES</b>				
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	300,000,000	-	300,000,000	300,000,000
Fair value reserve	(932,946)	-	(932,946)	(4,496,169)
Accumulated losses	(90,186,050)	-	(90,186,050)	(85,479,664)
Qarda-e-hasna to waqf	(31,994,138)	-	(31,994,138)	(40,479,565)
	176,886,865	-	176,886,865	169,544,602
<b>Advance against shares subscription</b> 5	10,000,000	-	10,000,000	-
<b>WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)</b>				
Ceded money	-	500,000	500,000	500,000
Accumulated deficit	-	(18,994,138)	(18,994,138)	(20,479,565)
Qard-e-hasna from Shareholders' Fund	-	31,994,138	31,994,138	40,479,565
	-	13,500,000	13,500,000	20,500,000
<b>LIABILITIES</b>				
Underwriting provisions				
Outstanding claims (including IBNR)	-	75,203,838	75,203,838	83,125,955
Unearned contribution reserves	-	48,305,356	48,305,356	39,052,938
Unearned re-takaful rebate	-	2,457,329	2,457,329	2,655,575
Contributions received in advance	-	2,795,531	2,795,531	2,071,035
Amounts due to takaful/re-takaful companies	-	64,706,231	64,706,231	66,460,114
Unearned wakala fees	19,322,140	-	19,322,140	15,621,173
Wakala fees payable	-	5,303,694	5,303,694	5,785,557
Mudarib fees payable	-	5,905,243	5,905,243	5,678,189
Other creditors and accruals	12	17,961,752	28,309,258	33,044,232
<b>Total Liabilities</b>		37,283,893	252,308,621	253,494,768
<b>TOTAL EQUITY AND LIABILITIES</b>				
	224,170,758	228,524,728	452,695,486	443,539,370

**CONTINGENCIES AND COMMITMENTS** 13

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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 Chairman
  Director
  Director
  Director

**TAKAFUL PAKISTAN LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

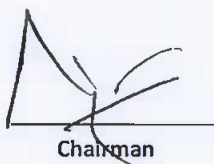
		Three months period ended 31 March	
		2018	2017
		------(Rupees)-----	
PARTICIPANTS' TAKAFUL FUND (PTF) - REVENUE ACCOUNT			
Net contribution revenue		16,368,355	38,684,869
Net claims		(6,795,011)	(17,733,614)
Wakala fee		(10,817,171)	(20,541,242)
Contribution deficiency reversal		-	(300,000)
Retakaful rebate earned		2,063,591	2,852,720
Direct expenses		(98,637)	(4,621,524)
Net underwriting results		721,127	(1,658,791)
Investment income	14	1,046,047	1,648,234
Less: Mudarib's share		(261,512)	(412,059)
Net investment income		784,535	1,236,175
Other income		-	4,812
Bank charges		(20,235)	(1,557)
Total surplus transferred to balance of Participants' Takaful Fund	16	1,485,427	(419,361)


**SHAREHOLDERS' FUND (SHF)-REVENUE ACCOUNT**

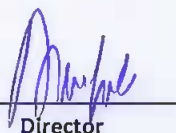
Wakala fee	10,817,171	20,541,242
Commission expense	(1,553,725)	(2,639,812)
Management expenses	(11,368,364)	(11,177,460)
	(2,104,918)	6,723,970
Mudarib's share of PTF investment income	261,512	412,059
Investment income	14 2,575,682	3,853,185
Gain on sale of fixed assets	-	964,568
Other income	289,675	332,750
General and administration expenses	(5,390,301)	(6,564,541)
Profit for the period before taxation	(4,368,350)	5,721,991
Provision for taxation - Current	(338,037)	(513,531)
Profit after tax	(4,706,386)	5,208,460
Earnings (after tax) per share - Rupees	15 (0.16)	0.17

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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Chairman

  
Director

  
Director

  
\*Director

**TAKAFUL PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**


Three months period ended	
31 March 2018	31 March 2017 (Restated)
------(Rupees)-----	

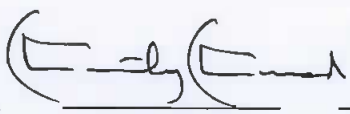
**SHAREHOLDERS' FUND (SHF)**


Profit / (loss) after tax	(4,706,386)	5,208,460
Other comprehensive (loss)/income:		
Items that will subsequently be classified to profit and loss account		
Fair value adjustment on remeasurement of investment through other comprehensive income	(932,946)	(391,877)
Fair value adjustment on disposal of investment through other comprehensive income	4,496,169	69,429
Other comprehensive loss for the period	3,563,223	(322,448)
Total comprehensive loss for the period	<u>(1,143,163)</u>	<u>4,886,012</u>


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 Chairman

  
 Director

  
 Director

  
 Director

**TAKAFUL PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY / FUND**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

	SHAREHOLDERS' FUND				
	Paid-up share capital	Capital reserve Fair value reserve	Revenue reserve Accumulated loss	Qard-e- Hasna	Total
	------(Rupees)-----				
Balance as at 31 December 2016	300,000,000	-	(85,630,516)	(34,835,319)	179,534,165
Effect of restatement on remeasurement of available-for-sale investment	-	(69,429)	-	-	(69,429)
<b>Balance as at 31 December 2016 - Restated</b>	<b>300,000,000</b>	<b>(69,429)</b>	<b>(85,630,516)</b>	<b>(34,835,319)</b>	<b>179,464,736</b>
Profit for the quarter ended 31 March 2017	-	-	5,208,460	-	5,208,460
Other comprehensive income	-	(322,448)	-	-	(322,448)
Total comprehensive income for the period	-	(322,448)	5,208,460	-	4,886,012
Transaction with owners - Qard-e-Hasna contributed to Waqf*	-	-	-	(419,361)	(419,361)
<b>Balance as at 31 March 2017 - Restated</b>	<b>300,000,000</b>	<b>(391,877)</b>	<b>(80,422,056)</b>	<b>(35,254,680)</b>	<b>183,931,387</b>
Profit for the nine months ended 31 December 2017	-	-	(4,225,889)	-	(4,225,889)
Other comprehensive income	-	(4,104,292)	(831,719)	-	(4,936,011)
Total comprehensive income for the period	-	(4,104,292)	(5,057,608)	-	(9,161,900)
Transaction with owners - Qard-e-Hasna contributed to Waqf*	-	-	-	(5,224,885)	(5,224,885)
<b>Balance as at 31 December 2017 - Restated</b>	<b>300,000,000</b>	<b>(4,496,169)</b>	<b>(85,479,664)</b>	<b>(40,479,565)</b>	<b>169,544,602</b>
Profit for the quarter ended 31 March 2018	-	-	(4,706,386)	-	(4,706,386)
Other comprehensive income	-	3,563,223	-	-	3,563,223
Total comprehensive income for the period	-	3,563,223	(4,706,386)	-	(1,143,163)
Transaction with owners - Qard-e-Hasna refunded from Waqf*	-	-	-	8,485,427	8,485,427
<b>Balance as at 31 March 2018</b>	<b>300,000,000</b>	<b>(932,946)</b>	<b>(90,186,050)</b>	<b>(31,994,138)</b>	<b>176,886,865</b>

	WAQF / PARTICIPANTS' TAKAFUL FUND			
	Cede Money	Revenue reserve Accumulated deficit	Qard-e-Hasna	Total
	(Rupees)			
Balance as at 31 December 2016	500,000	(34,835,319)	34,835,319	500,000
Deficit for the quarter ended 31 March 2017	-	(419,361)	-	(419,361)
Qard-e-Hasna contributed by Shareholders' fund*	-	-	419,361	419,361
Balance as at 31 March 2017	500,000	(35,254,680)	35,254,680	500,000
Surplus for the nine months period ended 31 December 2017	-	14,775,115	-	14,775,115
Qard-e-Hasna contributed by Shareholders' fund*	-	-	5,224,885	5,224,885
Balance as at 31 December 2016	500,000	(20,479,565)	40,479,565	20,500,000
Deficit for the quarter ended 31 March 2018	-	1,485,427	-	1,485,427
Qard-e-Hasna returned by Waqf*	-	-	(8,485,427)	(8,485,427)
Balance as at 31 March 2018	500,000	(18,994,138)	31,994,138	13,500,000


\* In compliance of Rule 20 of Takaful Rules, 2012

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Chairman

Director

  
Director

  
\*Director



**TAKAFUL PAKISTAN LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

	For the three months period ended	
	31 March 2018	31 March 2017
	----- Rupees -----	
<b>OPERATING ACTIVITIES</b>		
<b>a) Takaful activities</b>		
Contributions received	36,827,743	41,474,940
Net retakaful payment	(4,054,423)	(2,948,743)
Claims paid	(18,978,003)	(34,931,319)
Commissions paid	(1,252,009)	(3,081,633)
Other takaful receipt/(payments)	5,908,734	1,007,043
Net cash flows from takaful activities	18,452,042	1,520,288
<b>b) Other operating activities</b>		
Income tax paid	(981,821)	(339,504)
Payment of retirement benefits	-	(1,000,000)
General administrative and management expenses paid	(19,076,420)	(14,665,870)
Other operating receipts / (payments)	(3,469,438)	(627,874)
Advances to employees and agents	(44,855)	(178,378)
Net cash used in other operating activities	(23,572,534)	(16,811,626)
<b>Total cash used in all operating activities</b>	<b>(5,120,492)</b>	<b>(15,291,338)</b>
<b>INVESTING ACTIVITIES</b>		
Profit / return received	8,852,965	5,869,941
Investments made	(169,364,992)	(38,679,757)
Proceeds from disposal of investments	131,621,495	8,544,899
Net (payments) / proceeds from encashment of term deposits	30,000,000	50,029,000
Fixed capital expenditure	-	(744,674)
Proceeds from disposal of fixed assets	-	1,000,000
<b>Total cash flow from / (used in) all investing activities</b>	<b>1,109,468</b>	<b>26,019,409</b>
<b>FINANCING ACTIVITIES</b>		
Advance against shares subscription	10,000,000	-
Security deposits paid	(71,415)	-
Ijarah rentals paid	(117,795)	(315,000)
<b>Total cash used in all financing activities</b>	<b>9,810,790</b>	<b>(315,000)</b>
<b>Net cash flows from / (used in) all activities</b>	<b>5,799,766</b>	<b>10,413,071</b>
Cash and cash equivalents at the beginning of period	26,891,146	25,022,974
<b>Cash and cash equivalents at end of the period</b>	<b>32,690,912</b>	<b>35,436,045</b>

31 March 2018      31 March 2017  
 ----- Rupees -----

#### Reconciliation to profit and loss account

Operating cash flows	(5,120,492)	(15,291,338)
Depreciation and Amortization	(588,728)	(809,400)
Gain on disposal of fixed assets	-	964,568
Ijarah rentals	(117,795)	(315,000)
Provision for taxation	(338,037)	(513,531)
Provision for staff retirement benefits	(325,775)	(325,775)
Investment income	3,621,729	4,259,142
(Decrease)/increase in assets other than cash	(14,775,196)	19,356,416
Decrease/(increase) in liabilities other than running finance	13,313,866	(28,555,392)
Cash generated from investing activities	1,109,468	26,019,409
<b>Profit after taxation</b>	<b>(3,220,960)</b>	<b>4,789,099</b>

#### Breakup of profit / (loss) after tax

Participant's Takaful Fund	1,485,427	(419,361)
Shareholders' Fund	(4,706,386)	5,208,460
	<b>(3,220,960)</b>	<b>4,789,099</b>

#### Definition of cash and cash equivalents


Cash and cash equivalents for the purpose of Statement of Cash Flows consist of cash and stamps in hand, balances with banks and highly liquid short term investments that are convertible to known amount of cash are subject to insignificant risk of change in value.

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

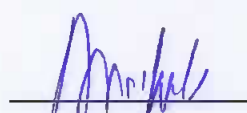
Cash and other equivalents	603,342	527,023
Current and other accounts	32,087,570	34,909,022
	<b>32,690,912</b>	<b>35,436,045</b>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

\* Vacant office of the Chief Executive Officer has been filled in compliance with the Section 187 of the Companies Act, 2017. However, approval is in process with Securities & Exchange Commission of Pakistan under the Insurance Companies (Sound and Prudent Management) Regulations, 2012. Accordingly, these financial statements have been signed by three Directors and Chairman of the Board of Directors.

  
 Chairman

  
 Director

  
 Director

  
 \*Director



**TAKAFUL PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

**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 Companies Ordinance, 1984. The Company is established with the objective to carry out General Takaful Business as specified under the Insurance Ordinance, 2000, Insurance Rules, 2017 and Takaful Rules, 2012. 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., Shahr-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. Waqf deed also governs the relationship of shareholders and participants for management of takaful operations, investment of participants' funds and investment of shareholders' funds approved by the Shariah Board established by the Company.

**2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

This condensed interim financial information of the Company for the three months period ended 30 March 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Takaful Rules, 2012 and the Insurance Accounting Regulations, 2017. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the Insurance Rules, 2017, Takaful Rules, 2012 and the Insurance Accounting Regulations, 2017 shall prevail.

The disclosures made in this condensed interim financial information have, however, been made on format prescribed in the Insurance Rules, 2017 with appropriate modifications. As required by the Takaful Rules, 2012 this condensed interim financial information reflects the financial position and results of operations of both Shareholder Fund (SHF) and PTF in a manner that the assets, liabilities, income and expenses of the company and the PTF remain separately identifiable. This condensed interim financial information does not include all the information and disclosures required in the full financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2017.

Previously, the Securities and Exchange Commission (Insurance) Rules, 2002 were being complied which has now been replaced by Insurance Rules, 2017. Accordingly, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income required under repealed Securities and Exchange Commission (Insurance) Rules, 2002, have not been presented in this condensed interim financial information..

This condensed interim financial information is being prepared and submitted to shareholders in accordance with the requirements of Code of Corporate Governance for Insurers, 2016.

### 3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2017, except as follows:

The accounting treatment of 'available for sale investments' prescribed in Securities and Exchange Commission (Insurance) Rules, 2002 stands repealed on promulgation of Insurance Rules, 2017 applicable during the period. Following the Insurance Rules, 2017, investments classified as 'available for sale' have been accounted for in this condensed interim financial information following the treatment prescribed in International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement".

Under the repealed Securities and Exchange Commission (Insurance) Rules, 2002, investments classified as 'available for sale' was previously being stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) subsequent to initial recognition at cost. The resultant impairment loss, if any, was being charged to profit and loss account.

Following the application of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement", the Company's policy for treatment of 'available for sale' investments stands amended as follows:

#### Quoted 'available for sale' investments

Subsequent to initial measurement, 'available for sale' investments in listed securities are re-measured to fair value on each reporting date. Net gains and losses arising on changes in fair values of these investments are taken to equity through other comprehensive income. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to profit and loss account. Fair values of listed securities are the quoted prices on the stock exchange at balance sheet date.

#### Unquoted 'available for sale' investments

Unquoted equity securities are stated at cost less impairment loss, if any.

The Company's condensed interim financial information is affected by the remeasurements of 'available for sale' investments relating to prior years. The effects have been summarized below:

	31 December 2017	31 December 2016
<b>Impact on Statement of Financial Position - Shareholders' Fund</b>		
<b>Assets:</b>		
Decrease in investments		
Equity securities	(4,426,740)	(69,429)
<b>Capital and reserves attributable to Company's equity holders:</b>		
Decrease in fair value reserve	(4,357,311)	(69,429)
<b>Impact on Statement of Comprehensive Income</b>		
<b>Other comprehensive income</b>		
Decrease in fair value on remeasurement of investments through other comprehensive income	(4,357,311)	(69,429)

Currently there is no impact on PTF cash flows and segment reporting as a result of the change in accounting policy.

#### 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 4.2 The financial and takaful risk management objectives and policies of the Company are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2017.
- 4.3 The insurance and financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company for the year ended 31 December 2017.
5. The Company has been striving to meet the minimum paid-up capital requirement of Rupees 500 million as stipulated in Securities & Exchange Commission of Pakistan (SECP) SRO No. 828(1)/2015 dated 18th August 2015. Since early 2017, the board of Directors of the Company (the Board) has been in touch with the various prospective investors seeking their involvement towards compliance. Eventually, the Board in its 81st Meeting held on 22 January 2018, discussed and finalized the offer of one group of short-listed investors. The selected investors comprised individuals namely, Mr. Salim Habib Godil, Mr. Rizwan Hussain, Mr. Shahzad Salim Godil and Mr. Salman Hussain, who were collectively desirous to inject amount of Rupees 200 million into the Company against issuance of new ordinary shares.

The selected Investors, offered to subscribe the ordinary shares of the Company at a price of Rupees 6.39 per share, and accordingly on 02 February, 2018, Share Subscription Agreement (SSA-Binding Agreement) has been signed between the Company and the said investors. To this affect, an advance of Rupees 10 million has been deposited with the Company by the said group of investors on 15 January 2018. The Company in its 5th Extra Ordinary General Meeting held on 02 March 2018, approved issuance of 31.299 million ordinary shares, having face value of Rupees 10 each, directly and other than by way of rights, collectively to the group at a price of Rupees 6.39 per share (i.e. at a discount of Rupees 3.61 per share) aggregating to approximately Rupees 200 million, subject to compliance with the applicable laws and the approval of the SECP pursuant to Section 82 and 83(1)(b) of the Companies Act, 2017. The Company has applied to SECP seeking approval for direct issuance of shares other than as right issue at a discounted price vide its letter dated 27th March 2018, the response to which is awaited.

Completion of the above development would make the Company fully compliant of the minimum capital requirement inter alia resulting in its financial strength. This would also result in improved rating, which would be the basic spin off factor for future business growth.

6. INVESTMENTS IN EQUITY SECURITIES

	31 March 2018			31 December 2017		
	Cost	Fair value adjustment	Carrying market value	Cost	Fair value adjustment	Carrying market value
	(Rupees)					
	Un-audited			Audited (Restated)		
<b>6.1 Investment at fair value through profit and loss</b>						
<b>6.1.1 Others</b>						
<b>6.1.1.1 Ordinary Shares of quoted companies</b>						
<b>Shareholders' Fund</b>						
Meezan Bank Ltd	770,642	25,758	796,400	-	-	-
Sui Northern Gas Pipelines Company Ltd	6,032,390	(374,348)	5,658,042	-	-	-
Sui Southern Gas Company Ltd	708,401	20,799	729,200	-	-	-
Engro Corporation Pakistan	3,127,149	155,141	3,282,290	-	-	-
Searle Pakistan Limited	1,090,618	(35,788)	1,054,830	-	-	-
ICI Pakistan Limited	540,973	54,986	595,959	-	-	-
Fauji Foods Ltd	501,898	85,652	587,550	-	-	-
Amreli Steels Ltd	490,332	(30,182)	460,150	-	-	-
International Industries Limited	2,968,407	(124,407)	2,844,000	-	-	-
International Steels Ltd	4,507,121	(218,451)	4,288,670	-	-	-
Mari Petroleum Company limited	4,136,767	(80,033)	4,056,734	1,813,732	(14,653)	1,799,079
Oil & Gas Development Co. Ltd	3,895,067	143,589	4,038,656	-	-	-
Pakistan Oil Fields Ltd	7,618,198	448,746	8,066,944	2,582,937	(27,619)	2,555,318
Pakistan Petroleum Limited	1,982,602	(3,190)	1,979,412	-	-	-
Cherat Cement Company Limited	1,400,290	11,010	1,411,300	-	-	-
D.G.Khan Cement Company Limited	280,254	45,966	326,220	-	-	-
Lucky Cement Limited	614,636	74,984	689,620	-	-	-
Hub Power Company Limited	518,845	33,905	552,750	664,157	(27,157)	637,000
Loads Ltd	1,845,427	(42,727)	1,802,700	-	-	-
	<b>43,030,016</b>	<b>191,411</b>	<b>43,221,427</b>	<b>5,060,826</b>	<b>(69,429)</b>	<b>4,991,397</b>
<b>6.2 Investment at fair value through Other Comprehensive Income</b>						
<b>6.2.1 Others</b>						
<b>6.2.1.1 Mutual Funds</b>						
<b>Shareholders' Fund</b>						
ABL Islamic Stock Fund	1,725,412	(250,161)	1,475,251	6,638,906	(1,421,645)	5,217,261
ABL Islamic Income Fund	857,429	1,582	859,011	-	-	-
Meezan Asset Allocation Fund	4,749,479	147,794	4,897,273	11,855,002	(1,718,691)	10,136,311
ABL Islamic Financial Planning Fund III	905,263	(4,231)	901,032	20,053,570	(613,222)	19,440,348
MCB Pakistan Islamic Stock Fund	-	-	-	5,178,720	(714,309)	4,464,411
ABL IFPF Conservative Fund	-	-	-	6,694,230	(14,722)	6,679,508
Faysal Islamic Savings Growth Fund	9,497,724	(827,931)	8,669,794	9,861,554	55,849	9,917,403
	<b>17,735,307</b>	<b>(932,946)</b>	<b>16,802,362</b>	<b>60,281,982</b>	<b>(4,426,740)</b>	<b>55,855,242</b>
<b>Participants' Takaful Fund</b>						
Meezan Asset Allocation Fund	2,356,045	-	2,356,045	7,093,060	-	7,093,060
Nafa Islamic Stock Fund	110,385	-	110,385	110,385	-	110,385
ABL Islamic Income Fund	26,229,793	-	26,229,793	-	-	-
Meezan Islamic Income Fund	10,913,353	-	10,913,353	-	-	-
MCB Pakistan Islamic Stock Fund	5,597,926	-	5,597,926	9,749,083	-	9,749,083
MCB Pakistan Islamic Income Fund	8,638,945	-	8,638,945	-	-	-
Faysal Islamic Asset Allocation Fund	4,000,000	-	4,000,000	4,000,000	-	4,000,000
Faysal Islamic Saving Growth Fund	7,522,206	-	7,522,206	10,579,087	-	10,579,087
Al-Ameen Islamic Asset Allocation Fund	262,647	-	262,647	262,647	-	262,647
NAFA Islamic Energy Fund	-	-	-	17,500,000	-	17,500,000
ABL IFPF Conservative Fund	-	-	-	7,202,885	-	7,202,885
NAFA Islamic Income Fund	-	-	-	17,861,874	-	17,861,874
Atlas Islamic Income Fund	10,307,682	-	10,307,682	4,013,860	-	4,013,860
Atlas Islamic Stock Fund	-	-	-	6,000,000	-	6,000,000
NAFA Riba Free Savings Fund	7,575,016	-	7,575,016	-	-	-
	<b>83,513,998</b>	<b>-</b>	<b>83,513,998</b>	<b>84,372,881</b>	<b>-</b>	<b>84,372,881</b>



## 7. INVESTMENTS IN DEBT SECURITIES

INVESTMENTS IN DEBT SECURITIES				31 March 2018		31 December 2017	
				Maturity Date	Cost	Impairment/ Provision	Carrying value
(Rupees)							
Held to Maturity							
Others-Sukuk Certificates							
Agritech Limited	7.1	6-Aug-19	15,000,000	15,000,000	-	-	
Quetta Textile Mills Limited	7.2	26-Mar-20	10,000,000	10,000,000	-	-	
TPL Trakkar Limited		13-Apr-21	10,233,330	-	10,233,330	10,252,776	
Byco Petroleum Pakistan Limited		18-Jan-22	15,098,878	-	15,098,878	15,105,659	
Pak Elektron Limited		19-Jul-19	45,000,000	-	45,000,000		
			95,332,208	25,000,000	70,332,208	25,358,435	
No. of certificates			Face value		Market Value of certificates		
31 March 2018			31 December 2017		31 December 2017		
(Rupees)							
Others-Sukuk Certificates							
					Un-audited	Audited	
Agritech Limited	3,000	3,000	15,000,000		-	-	
Quetta Textile Mills Limited	2,000	2,000	10,000,000		-	-	
TPL Trakkar Limited	10	10	10,000,000		10,380,000	10,450,000	
Byco Petroleum Pakistan Limited	150	150	15,000,000		15,400,000	15,300,000	
Pak Elektron Limited	45	-	45,000,000		45,000,000	-	
					70,780,000	25,750,000	

7.1 This includes investment aggregated to Rs. 15 million (31 December 2016: Rs. 15 million) in sukuks issued by Agritech Limited (the investee company) against which the investee company had not made payments at the contractual dates i.e. 06 August 2010 and 06 February 2011. 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 installment 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 outstanding principal amount and has fully provided for the outstanding principal, on prudence basis.

7.2 An agreement for 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 installments 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 installment on due dates under restructuring agreement. Therefore, the management has neither recorded TFCs issued in lieu of profit in the books of accounts nor accrued any profit on outstanding principal amount and has fully provided for the outstanding principal, on prudence basis.

## 8. INVESTMENTS IN TERM DEPOSITS

	Note	Shareholders' Fund	31 March 2018 Participants' Takaful Fund	Aggregate	31 December 2017 Aggregate
		-----Rupees-----			
			Un-audited		Audited
<i>Held to Maturity</i>					
Deposits maturing within 12 months	8.1	44,400,000	57,100,000	101,500,000	131,500,000
Deposits maturing after 12 months		-	-	-	-
		<u>44,400,000</u>	<u>57,100,000</u>	<u>101,500,000</u>	<u>131,500,000</u>

8.1 These represent term deposits maintained with Islamic commercial banks under profit and loss sharing basis having maturity upto 1 year and carry expected profit at rates ranging from 5.3% to 10.20% (31 December 2017: 5.3% to 10.6%) per annum. These include term deposits amounting to Rs. 30,000,000 maintained with Dubai Islamic Bank (Pakistan) Limited on which lien is marked in favour of State Bank of Pakistan in compliance of section 29 of Insurance Ordinance, 2000 and Takaful Rules, 2012.

9. LOANS AND OTHER RECEIVABLES

	31 March 2018			31 December 2017
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate
	----- (Rupees) -----			
Advances to employees and agents	1,247,377	-	1,247,377	1,202,522
Others	1,493,794	28,186	1,521,980	1,722,307
Accrued investment income	668,167	1,877,758	2,545,925	5,231,238
Sales tax receivable	-	-	-	417,290
Receivable from PTF	-	-	-	13,530,944
Receivable from SHF		2,127,718	2,127,718	-
	<u>3,409,338</u>	<u>4,033,662</u>	<u>7,443,000</u>	<u>22,104,299</u>

10. TAKAFUL / RE-TAKAFUL RECEIVABLES- Unsecured and considered good

	31 March 2018	31 December 2017
	----- Rupees -----	
	Un-audited	Audited
Due from policy holders	16,474,377	14,051,351
Less: Provision for impairment of receivables from policy holders	(1,353,734)	(1,353,734)
	15,120,643	12,697,617
Due from other takaful / re-takaful companies	2,766,104	3,331,137
Less: Provision for impairment of due from other takaful/retakaful companies	(950,775)	(950,775)
	1,815,329	2,380,362
	<u>16,935,972</u>	<u>15,077,979</u>

11. CASH AND BANK

	31 March 2018			31 December 2017
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate
	----- Rupees -----			
	Un-audited			Audited
Cash and other equivalents				
- Cash in hand	67,943	-	67,943	82,030
- Policy and revenue stamps, bond papers	-	535,399	535,399	414,446
	<u>67,943</u>	<u>535,399</u>	<u>603,342</u>	<u>496,476</u>
Cash and bank				
- Current account	24,615	1,864,834	1,889,449	6,279,430
- Savings accounts	14,159,915	16,038,206	30,198,121	20,115,240
	<u>14,252,473</u>	<u>18,438,439</u>	<u>32,690,912</u>	<u>26,891,146</u>

## 12. OTHER CREDITORS AND ACCRUALS

	31 March 2018			31 December
	Shareholders'	Participants'	Aggregate	2017
	Fund	Takaful Fund		Aggregate
	Rupees			
	Un-audited			Audited
Commission payable to agents	8,531,631	-	8,531,631	7,098,637
Federal excise duty	-	1,495,729	1,495,729	-
Federal insurance fee	-	170,966	170,966	802
Withholding tax	-	459,656	459,656	475,612
Contribution due to other co-takaful/insurance companies	-	177,327	177,327	-
Payable to staff gratuity fund	1,810,028	-	1,810,028	1,484,253
Provision for compensated absences	256,054	-	256,054	256,054
Security deposit	953,037	-	953,037	635,889
Tracker installation fee payable	-	4,096,531	4,096,531	259,815
Accrued expenses	3,175,249	-	3,175,249	3,312,259
Payable to SHF	-	-	-	13,530,944
Payable to PTF	2,127,718	-	2,127,718	-
Other payables	1,108,035	3,947,297	5,055,332	5,989,967
	<u>17,961,752</u>	<u>10,347,506</u>	<u>28,309,258</u>	<u>33,044,232</u>

## 13. CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

13.1.1 Travel Agents Association of Pakistan (TAAP) raised a demand for distribution of surplus in Amaan Travel Participation Takaful Fund (PTF) and the profit thereon aggregating to Rs. 120,000,000. TAAP filed a case on 10 October 2012 in the Insurance Tribunal of Sindh for recovery of Rs. 546,534,125 inclusive of compensation / damages for premature termination of the agreement of Rs. 386,534,125 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 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 this condensed interim financial information.

13.1.2 There are few cases filed by policy holders against the Company before Insurance Tribunals at Lahore for an amount aggregating Rs. 14,986,318 (31 December 2016: Rs. 23,083,378) and Karachi for an amount aggregating to Rs. 8,097,060 for the recovery of claims, contribution amounts and liquidated damages. These claims are not acknowledged by the Company as the management, based on the advice of its legal advisors, is confident that the Company has good defence in these cases and as such no loss is likely to arise from these litigations and accordingly, no provision has been made in this condensed interim financial information.

### 13.2 Commitments

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

	31 March	31 December
	2018	2017
	Rupees	
	Un-audited	Audited
Not later than one year	249,535	367,330
Later than one year but not later than five years	-	-
	<u>249,535</u>	<u>367,330</u>

#### 14. INVESTMENT INCOME

##### 14.1 PARTICIPANTS' TAKAFUL FUND (PTF)

###### Income from non-trading investments

Profit on bank deposits and placement

1,046,047 1,242,277

###### Available for sale

(Loss)/Gain on sale of Islamic mutual fund units

- 405,957

Less: Mudarib's fee

(261,512) (412,059)

###### Net investment income (PTF)

784,535 1,236,176

#### Three months period ended

31 March 31 March  
2018 2017

##### 14.2 SHAREHOLDERS' FUND (SHF)

###### Income from non-trading investments

Profit on bank deposits and placement

604,088 1,518,403

###### Available for sale

(Loss)/Gain on sale of Islamic mutual fund units

Dividend income

-	1,871,362
41,840	-
41,840	1,871,362

###### Held for trading

Gain on sale of equity shares

1,332,698 -

###### Held to maturity

Return on other securities

Amortization of premium on sukuk

623,312	535,365
(26,256)	(71,945)
597,056	463,420

###### Net investment income (SHF)

2,575,682 3,853,185

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

#### Three months period ended

31 March 31 March  
2018 2017

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

Net profit after tax for the period - Rupees

(4,706,386) 5,208,460

Weighted average number of ordinary shares

30,000,000 30,000,000

Basic earnings per share - Rupees

(0.16) 0.17

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



# 16. SEGMENT INFORMATION

There are segments under Participants' Takaful Fund only which are detailed below:

	Three months period ended 31 March 2018					
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
<b>PARTICIPANTS' TAKAFUL FUND</b>						
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 Insurance 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 expense	-	-	(5,518,866)	-	-	(5,518,866)
Gross written contribution	4,702,897	5,633,701	23,866,227	2,060,804	31,717	36,295,346
Gross direct contribution	4,702,897	5,633,701	23,866,227	2,060,804	31,717	36,295,346
Facultative inward contribution	-	-	-	-	-	-
Administrative surcharge	-	-	-	-	-	-
Contribution income earned	5,738,481	5,571,494	13,552,437	1,995,211	185,305	27,042,928
Retakaful expense	(3,981,130)	(3,683,657)	(2,899,200)	-	(110,587)	(10,674,574)
Net contribution revenue	1,757,351	1,887,837	10,653,237	1,995,211	74,719	16,368,355
Retakaful rebate earned	1,032,927	1,002,869	-	-	27,796	2,063,591
<b>Net underwriting income</b>	<b>2,790,278</b>	<b>2,890,706</b>	<b>10,653,237</b>	<b>1,995,211</b>	<b>102,514</b>	<b>18,431,946</b>
Insurance claims	(1,110,000)	22,558	(10,722,165)	653,904	99,817	(11,055,886)
Insurance claims recovered from retakaful operators	777,000	(15,791)	3,534,602	-	(34,936)	4,260,875
Net claims	(333,000)	6,767	(7,187,563)	653,904	64,881	(6,795,011)
Wakala fee expense	(2,295,392)	(2,228,598)	(5,420,975)	(798,084)	(74,122)	(10,817,171)
Other direct expenses	(479)	(135)	(98,023)	-	-	(98,637)
Contribution deficiency reversal	-	-	-	-	-	-
<b>Net claims and expenses</b>	<b>(2,628,871)</b>	<b>(2,221,965)</b>	<b>(12,706,561)</b>	<b>(144,180)</b>	<b>(9,241)</b>	<b>(17,710,819)</b>
<b>Underwriting results</b>	<b>161,407</b>	<b>668,740</b>	<b>(2,053,324)</b>	<b>1,851,031</b>	<b>93,273</b>	<b>721,127</b>
Investment income						1,046,047
Less: Mudarib's share						(261,512)
Net investment income						784,535
Other income						-
Bank charges						(20,235)
<b>Total surplus transferred to balance of Waqf / Participants' Takaful Fund</b>						<b>1,485,427</b>

Three months period ended 31 March 2017					
Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
------(Rupees)-----					

#### PARTICIPANTS' TAKAFUL FUND

Takaful / re-takaful receivables	6,189,263	6,628,107	38,950,271	6,968,879	48,570	58,785,090
Less: Federal Excise Duty	(731,827)	(628,204)	(4,053,048)	(62,026)	(5,527)	(5,480,632)
Federal Insurance Fee	(54,003)	(55,684)	(285,579)	(335,087)	(425)	(730,778)
Stamp duty	(3,190)	(356,924)	(32,000)	(870)	(100)	(393,084)
Tracker expense	-	-	(6,021,434)	-	-	(6,021,434)
Gross written contribution	5,400,243	5,587,295	28,558,210	6,570,896	42,518	46,159,162
Gross direct contribution	5,400,243	5,587,295	28,558,210	33,509,206	611,660	73,666,614
Facultative inward contribution	-	-	-	-	-	-
Administrative surcharge	-	-	-	-	-	-
Contribution income earned	7,449,248	6,270,833	28,747,382	8,696,041	189,600	51,353,104
Retakaful expense	(5,465,188)	(4,190,361)	(2,899,200)	-	(113,486)	(12,668,235)
Net contribution revenue	1,984,060	2,080,472	25,848,182	8,696,041	76,114	38,684,869
Retakaful rebate earned	1,528,707	1,292,995	-	-	31,018	2,852,720
<b>Net underwriting income</b>	<b>3,512,767</b>	<b>3,373,467</b>	<b>25,848,182</b>	<b>8,696,041</b>	<b>107,132</b>	<b>41,537,589</b>
Insurance claims	1,536,141	(150,000)	(17,530,289)	(5,736,378)	246,264	(21,634,262)
Insurance claims recovered from retakaful operators	(1,047,312)	65,758	5,005,333	-	(123,131)	3,900,648
Net claims	488,829	(84,242)	(12,524,956)	(5,736,378)	123,133	(17,733,614)
Wakala fee expense	(2,979,699)	(2,508,333)	(11,498,953)	(3,478,416)	(75,840)	(20,541,242)
Other direct expenses	(6,195)	(12,747)	(4,555,839)	-	(46,743)	(4,621,524)
Contribution deficiency reversal	-	-	-	(300,000)	-	(300,000)
<b>Net claims and expenses</b>	<b>(2,497,065)</b>	<b>(2,605,322)</b>	<b>(28,579,748)</b>	<b>(9,514,794)</b>	<b>550</b>	<b>(43,196,380)</b>
<b>Underwriting results</b>	<b>1,015,702</b>	<b>768,145</b>	<b>(2,731,566)</b>	<b>(818,753)</b>	<b>107,682</b>	<b>(1,658,791)</b>
Investment income						1,648,234
Less: Mudarib's share						(412,059)
Net investment income						1,236,176
Other income						4,811
Bank charges						(1,557)
Total deficit transferred to balance of Waqf / Participants' Takaful Fund						<b>(419,361)</b>


## 17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 23<sup>rd</sup> May '18 by the Board of Directors of the Company.

## 18. GENERAL

- Figures have been rounded to the nearest Rupees.
- Nomenclature of the certain statements and line items disclosed in the statements have been changed and corresponding figures have been re-arranged wherever considered necessary to ensure compliance with new promulgated format for reporting issued by SECP vide its order number S.R.O 89(I)/2017 dated 9 February 2017.

\* Vacant office of the Chief Executive Officer has been filled in compliance with the Section 187 of the Companies Act, 2017. However, approval is in process with Securities & Exchange Commission of Pakistan under the Insurance Companies (Sound and Prudent Management) Regulations, 2012. Accordingly, these financial statements have been signed by three Directors and Chairman of the Board of Directors.



Chairman



Director



Director



\*Director