

# **TAKAFUL PAKISTAN LIMITED**

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QUARTERLY REPORT SEPT 30, 2018

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## CONTENTS

Corporation Information	03 - 05
Vision, Mission and Ambition	06
Management Team	07
Branches	08
Director's Report	Document Wise
Financial Statements	Document Wise

## CORPORATION INFORMATION

Directors	Mr. Salim Habib Godil (Chairman) Mr. Rizwan Hussain Mr. Ahmad Shuja Kidwai Mr. Ashraf Ali Velji Syed Salman Hussain Mr. Shahzad Salim Godil Syed Tariq Husain
Managing Director & CEO	Mr. Rizwan Hussain
Chief Financial Officer	Mr. Muhammad Irfan
Company Secretary	Ms. Naheed Shiraz Merchant
Shariah Advisor	Mufti Sajjad Ashraf Usmani
Statutory Auditor	KPMG Taseer Hadi & Co. Chartered Accountants
Internal Auditor	E.Y Ford Rhodes Chartered Accountants
Legal Advisor	Mohsin Tayebaly & Co (MTC)
Corporate Advisor	RS Corporate Advisory
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 : <a href="mailto:info@takaful.com.pk">info@takaful.com.pk</a> Website : <a href="http://www.takaful.com.pk">www.takaful.com.pk</a>

## 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

### Board Audit Committee

1. **CHAIRMAN** – Mr. Ashraf Ali Velji (Non-Executive Director)
2. **SECRETARY** – Ms. Varda Rehman (Head Of Internal Audit)
3. **MEMBER** – Mr. Shahzad Salim Godil (Non-Executive Director)
4. **MEMBER** – Syed Salman Hussain (Non-Executive Director)
5. **MEMBER** – Mr. Salim Habib Godil (Non-Executive Director)
6. **MEMBER** – Mr. Ahmed Shuja Kidwai (Non-Executive Director)

### Ethics, Human Resource & Remuneration Committee

1. **Chairman** – Mr. Salim Habib Godil (Non-Executive Director)
2. **Secretary** – Mr. Noman Zaidi (Head of Human Resources)
3. **Member** – Mr. Rizwan Hussain (MD & CEO-Executive Director)
4. **Member** – Mr. Shahzad Salim Godil (Non-Executive Director)
5. **Member** – Mr. Salman Hussain (Non-Executive Director)

### Investment Committee

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

## MANAGEMENT COMMITTEES

### Underwriting and Retakaful & Co-takaful Committee:

1. **Chairman** – Syed Rizwan Hussain [MD & CEO]
2. **Member & Secretary** – Mr. Umair Ismail [Head of Operations, Underwriting (Non-Motor) & Risk Management]
3. **Member** – Kamran Hanif [Vice President, Head of Motor Underwriting]
4. **Member** – Muhammad Irfan [Chief Financial Officer]

### Benefit (Claim) Settlement Committee:

1. **Chairman** – Syed Rizwan Hussain [MD & CEO]
2. **Member & Secretary** – Faheem Darss [Head of Claims-South Region]
3. **Member** – Dr. Afshan Masood [DM Health Benefits]
4. **Member** – Jibran Khan [DM Non-Motor Benefits]

### Risk Management & Compliance Committee:

1. **Chairman** – Syed Rizwan Hussain [MD & CEO]
2. **Member & Secretary** - Naheed Shiraz Merchant [Head of Legal, Compliance & Company Secretary]
3. **Member** – Umair Ismail [Head of Operations, Underwriting (Non-Motor) & Risk Management]
4. **Member** – Muhammad Irfan [ Chief Financial Officer ]
5. **Member** – Kamran Hanif [Vice President, Head of Motor Underwriting]

## 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

**Mr. Rizwan Hussain**

MBA & Certified Director (PICG)  
Managing Director & CEO

**Mr. Muhammad Irfan**

FCMA  
Chief Financial Officer

**Ms. Naheed Shiraz Merchant**

LLM from University of London  
Head of Legal, Compliance & Company Secretary

**Mr. Kamran M. Hanif**

ACII – Chartered Insurer  
Senior Vice President Operations (Motor)

**Mr. Umair Ismail**

BBA (Hons.)  
Senior Vice President, Head of Operations (Non Motor)

**Mr. Noman Zaidi**

MA HR (UK), MCIPD (UK)  
Head of HR and Administration

**Mufti Sajjad Ashraf Usmani**

Takhassus Fil Ifta, MPHIL  
Shariah Advisor

**Ms. Varda Rehman**

ACCA  
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 nine months period ended 30<sup>th</sup> September 2018.

### Business overview:

The results for nine months are summarized below:

	30 Sept 2018	30 Sept 2017
	<u>(Amount in Rupees)</u>	
Gross Written Contribution (GWC)	230,419,994	122,803,389
Net Contribution	83,616,106	103,410,285
Underwriting results	(8,799,072)	5,738,678
PTF's Investment Income - net of Mudarib Fee	5,666,582	4,957,723
Net Surplus / Deficit – Participant's Takaful Fund	(2,994,240)	12,834,705
SHF's Investment Income	5,211,556	8,625,615
Mudarib Share of PTF Investment Income	1,888,861	1,652,574
Net Profit / Loss - Share holders' Fund	(37,471,874)	1,149,902
(Loss)/Earnings Per Share – Share holders' Fund (Rs.)	(0.92)	0.04

### Business Outlook

During the period under review, Company's Gross Written Contribution ('GWC') stands at Rs. 230.4 million which has been increased by 87% as compared to Rs.122.8 million of the corresponding periods of September 2017.

### Paid up Capital

Besides such massive increase in 'GWC', during nine-month period ended Sept 2018, SECP has granted approval to the Company under section 82 and 83 of the Companies Act, 2017 to issue shares by way other than right shares. The Company has now successfully met the Minimum Capital Requirement of Rs. 500 million by issuing 31,298,905 shares at par value of Rs. 10 each at a price of Rs. 6.39 per share i.e. at a discount of Rs. 3.61 per share.

The Company has complied with all the conditions required by SECP and has filed return of allotment for the issue of additional shares in June 2018.

**Future Outlook**

The Company is enthusiastically pacing towards its set target to achieve Rs. 450 million till December 2018. October 2018 is the reflection for it, that in only single month company has underwritten Contribution of Rs. 52 million.

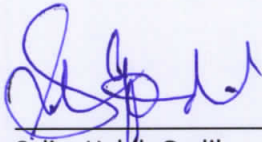
The Company has now captured the path to success with the strong initiatives of new management consists of qualified individuals possessing knowledge, experience and skills in Insurance/Takaful profession with the leadership and vision to provide oversight to the Company.

We are committed and optimistic to improve better financial results in view of imminent initiatives and new opportunities.

The 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.

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

On behalf of the Board of Directors,



Salim Habib Godil  
Chairman

# Takaful Pakistan Limited

## Condensed Interim Financial Information

For the nine months period ended  
30 September 2018



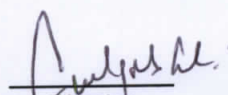
**Takaful Pakistan Limited**  
**Condensed Interim Statement of Financial Position**  
*As at 30 September 2018*

		30 September 2018			31 December 2017
	Note	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate Audited (Restated)
		----- (Un-audited) -----			
<b>ASSETS</b>					
Property and equipment	9	9,615,418	-	9,615,418	4,978,928
Intangible assets	10	180,803	-	180,803	286,022
<b>Investments</b>					
Equity securities and mutual funds	11	27,467,280	155,274,837	182,742,117	140,093,718
Debt securities	12	61,085,229	5,000,000	66,085,229	25,358,435
Term deposits	13	61,500,000	10,000,000	71,500,000	131,500,000
Qard-e-hasna - receivable		39,104,918	-	39,104,918	40,479,565
Long term deposits		2,035,654	-	2,035,654	1,367,334
Loans and other receivables	14	7,369,422	1,853,429	9,222,851	22,104,299
Takaful / co-takaful receivables	15	-	65,495,138	65,495,138	15,077,979
Re-takaful recoveries against outstanding claims		-	19,358,884	19,358,884	24,495,182
Salvage recoveries accrued (subsequently received)		-	2,060,000	2,060,000	750,000
Wakala fees receivable		44,226,439	-	44,226,439	5,785,557
Mudarib fees receivable		7,567,050	-	7,567,050	5,678,189
Deferred wakala fees		-	60,447,284	60,447,284	15,621,173
Deferred comission expense		23,525,034	-	23,525,034	2,252,361
Taxation-payment less provisions		6,461,817	-	6,461,817	6,681,990
Prepayments	16	8,790,206	13,658,134	22,448,340	9,491,255
Cash and Bank	17	154,732,036	72,949,182	227,681,218	26,891,146
<b>TOTAL ASSETS</b>	<i>Rupees</i>	<b>453,661,306</b>	<b>406,096,888</b>	<b>859,758,194</b>	<b>478,893,133</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

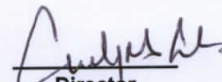
**Takaful Pakistan Limited**  
**Condensed Interim Statement of Financial Position**  
*As at 30 September 2018*

Note	30 September 2018			31 December 2017
	Shareholders' Fund	Participants' Takaful Fund (Un-audited)	Aggregate	Aggregate 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	18 612,989,050	-	612,989,050	300,000,000
Discount on issuance of shares	18 (112,989,050)	-	(112,989,050)	-
Fair value reserve	(9,780,416)	-	(9,780,416)	(6,048,929)
Accumulated losses	(122,951,537)	-	(122,951,537)	(85,479,663)
	367,268,047	-	367,268,047	208,471,408
<b>WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)</b>				
Ceded money	-	500,000	500,000	500,000
Fair value reserve	-	(13,775,149)	(13,775,149)	(3,573,042)
Accumulated surplus	-	(2,827,562)	(2,827,562)	166,678
	-	(16,102,711)	(16,102,711)	(2,906,364)
Qard-e-hasna - payable	-	39,104,918	39,104,918	40,479,565
<b>Underwriting provisions</b>				
Outstanding claims including IBNR	-	81,620,771	81,620,771	62,479,712
Unearned contribution reserves	-	151,036,172	151,036,172	39,052,938
Unearned re-takaful rebate	-	2,397,820	2,397,820	2,655,575
Contributions received in advance	-	2,988,514	2,988,514	2,071,035
Amounts due to takaful/re-takaful companies	-	81,036,198	81,036,198	66,460,114
Unearned wakala fees	60,447,284	-	60,447,284	15,621,173
Wakala fees payable	-	44,226,439	44,226,439	5,785,557
Mudarib fees payable	-	7,567,050	7,567,050	5,678,189
Other creditors and accruals	19 25,945,975	12,221,718	38,167,693	33,044,231
<b>Total Liabilities</b>	86,393,259	383,094,681	469,487,941	232,848,524
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>Rupees 453,661,306</b>	<b>406,096,888</b>	<b>859,758,194</b>	<b>478,893,133</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer



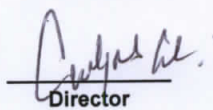
**Takaful Pakistan Limited**  
**Condensed Interim Profit And Loss Account (Un-audited)**  
For the nine months period ended 30 September 2018

		Nine months period ended 30 September		Three months period ended 30 September	
	Note	2018	2017 (Restated)	2018	2017 (Restated)
<b>PARTICIPANTS' TAKAFUL FUND (PTF) - REVENUE ACCOUNT</b>					
Net takaful contribution	22	83,616,106	103,410,285	38,649,704	31,369,907
Net claims	22	(52,029,714)	(44,073,615)	(24,208,525)	(16,118,461)
Wakala fee		(47,374,724)	(55,620,066)	(24,815,254)	(16,722,186)
Contribution deficiency reversal		-	860,711	-	-
Retakaful rebate earned		7,758,276	7,904,330	2,465,081	2,308,635
Direct expenses		(769,015)	(6,742,967)	456,803	(438,158)
		(92,415,178)	(97,671,607)	(46,101,895)	(30,970,170)
Net underwriting results		(8,799,072)	5,738,678	(7,452,191)	399,737
Investment income	20.1	6,266,715	5,640,493	3,786,729	982,044
Return on bank balances		1,288,727	969,804	869,706	283,112
Mudarib's share		(1,888,861)	(1,652,574)	(1,164,109)	(316,289)
Net investment income		5,666,582	4,957,723	3,492,327	948,867
Other income		196,491	2,182,078	173,376	3,904
Bank charges		(58,240)	(43,774)	48,870	(13,496)
Total surplus/(deficit) transferred to balance of Participants' Takaful Fund	Rupees	(2,994,240)	12,834,705	(3,737,619)	1,339,012
<b>SHAREHOLDERS' FUND (SHF) - REVENUE ACCOUNT</b>					
Wakala fee		47,374,724	55,620,066	24,815,254	16,722,186
Commission expense		(13,888,613)	(7,028,454)	(7,613,756)	(4,388,642)
Management expenses		(45,105,913)	(35,953,762)	(14,010,514)	(24,776,302)
		(58,994,526)	(42,982,216)	(21,624,270)	(29,164,944)
		(11,619,802)	12,637,850	3,190,985	(12,442,758)
Mudarib's share of PTF investment income		1,888,861	1,652,574	1,164,109	316,289
Investment income	20.2	5,211,556	8,625,615	2,712,054	1,741,738
Return on bank balances		4,419,175	117,219	3,846,907	33,773
Loss on sale of fixed assets		(18,257)	1,333,133	(18,257)	368,565
Other income		1,031,891	705,105	113,458	372,355
General and administration expenses		(36,904,838)	(22,183,467)	(14,402,938)	(15,618,926)
(Loss)/profit before taxation		(35,991,414)	2,888,029	(3,393,683)	(25,228,964)
Provision for taxation - Current		(1,480,460)	(1,738,127)	124,054	(1,224,596)
(Loss)/profit after taxation	Rupees	(37,471,874)	1,149,902	(3,269,629)	(26,453,560)
(Loss)/earning (after tax) per share	21 Rupees	(0.92)	0.04	0.22	(0.78)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

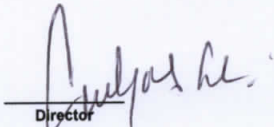
Takaful Pakistan Limited  
 Condensed Interim Statement of Changes in Equity / Fund (Un-audited)  
 For the nine months period ended 30 September 2018

Note	SHAREHOLDERS' FUND				
	Issued, subscribed and paid up share capital	Discount on issue of shares	Accumulated loss	Fair value reserve	Total
Balance as at 1 January 2017 - previously reported	300,000,000	-	(85,630,515)	-	214,369,485
Adjustment due to change in accounting policy	-	-	-	1,663,278	1,663,278
Balance as at 1 January 2017 - restated	300,000,000	-	(85,630,515)	1,663,278	216,032,763
Profit for the nine months period ended 30 September 2017	-	-	1,149,903	-	1,149,903
Other comprehensive income					
Fair value loss on available for sale investments during the period	-	-	-	(3,216,038)	(3,216,038)
Balance as at 30 September 2017 - restated	300,000,000	-	(84,480,612)	(1,552,760)	213,966,628
Total comprehensive income for the three months ended 31 December 2017	-	-	(167,332)	-	(167,332)
Loss after tax for the period	-	-	-	-	-
Other comprehensive income					
Fair value loss on available for sale investments during the period	-	-	-	(4,496,169)	(4,496,169)
Actuarial loss on defined benefit plan for the period	-	-	(831,719)	-	(831,719)
Total comprehensive income	-	-	(999,051)	(4,496,169)	(5,495,220)
Balance as at 31 December 2017 - restated	300,000,000	-	(85,479,663)	(6,048,929)	208,471,408
Total comprehensive income for the nine months ended 30 September 2018	-	-	(37,471,874)	-	(37,471,874)
Loss after tax for the nine months period ended 30 September 2018	-	-	-	-	-
Other comprehensive income					
Net unrealized loss arising during the period on available for sale investment	-	-	-	(3,731,487)	(3,731,487)
Total comprehensive income	-	-	(37,471,874)	(3,731,487)	(41,203,361)
Transaction with owners					
Further issue of shares at discount	312,989,050	(112,989,050)	-	-	200,000,000
Balance as at 30 September 2018	612,989,050	(112,989,050)	(122,951,537)	(9,780,416)	367,268,047
	WAQF / PARTICIPANTS' TAKAFUL FUND				
	Cede money	Discount on issue of shares	Accumulated Surplus / (deficit)	Fair value reserve	Total
Balance as at 01 January 2017 - previously reported	500,000	-	(34,835,319)	-	(34,335,319)
Restatement due to the reversal of claims liability	-	-	16,704,548	-	16,704,548
Adjustment due to change in accounting policy on revaluating available for sale investment	-	-	-	1,953,219	1,953,219
Balance as at 1 January 2017 - restated	500,000	-	(18,130,771)	1,953,219	(15,677,552)
Fair value loss on available for sale investments during the period - restated	-	-	-	(1,651,543)	(1,651,543)
Surplus for the nine months period ended 30 September 2017 - as restated	-	-	12,834,705	-	12,834,705
Balance as at 30 September 2017 - restated	500,000	-	(5,296,066)	301,676	(4,494,390)
Surplus for the three months period ended 31 December 2017 - restated	-	-	5,462,744	-	5,462,744
Fair value gain / (loss) on available for sale investments during the period - restated	-	-	-	(3,874,718)	(3,874,718)
Balance as at 31 December 2017 - restated	500,000	-	166,678	(3,573,042)	(2,906,364)
Deficit for the nine months period ended 30 September 2018	-	-	(2,994,240)	-	(2,994,240)
Fair value loss on available for sale investments during the period	-	-	-	(10,202,107)	(10,202,107)
Balance as at 30 September 2018	500,000	-	(2,827,562)	(13,775,149)	(16,102,710)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

  
 Chairman

  
 Director

  
 Director

  
 Chief Executive Officer



**Takaful Pakistan Limited**  
**Notes To The Condensed Interim Financial Information (Un-audited)**  
*For the nine months period ended 30 September 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 repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is established with the objective to carry out General Takaful Business as specified under the Insurance Ordinance, 2000, Takaful Rules, 2012 (repealed) and Takaful Rules, 2017. The Company commenced commercial operations from March 12, 2007. The registered office of the Company is at 6th Floor, Business Centre, 19-1-A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, in the province of Sindh. The Company operates with 4 (31 December 2017: 4) branches in Pakistan.
- 1.2** For the purpose of carrying on the takaful business, the Company has formed a Waqf for Participants' equity. The Waqf, namely Takaful Pakistan Waqf (hereinafter referred to as the Participants' Takaful Fund or PTF) was formed on 22 January 2007 under the Trust deed executed by the Company with a ceded money of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and profit thereon is utilized to pay benefits to participants or defray PTF expenses. As required by Takaful Rules 2012 the accounts of the Waqf are maintained by the Company in a manner that the assets and liabilities of the Waqf remain separately identifiable. These condensed interim financial information have been prepared such that the financial position and results of operations of the Waqf and the Company are shown separately. Waqf deed also governs the relationship of shareholders and participants for the management of takaful operations, investment of participants' funds (PTF) and investment of shareholders' funds (SHF) approved by the Shariah Board established by the Company.
- 1.3.** As per the SRO notification no 825 (1) 2015 dated 18 August 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), minimum paid up capital (net of discount on the issue of shares) of a non-life Insurance / Takaful Company shall be Rs. 500 million by 31 December 2017. At 31 December 2017, the Company's issued, subscribed and paid up capital was Rs. 300 million. During the period, the Company issued 31,298,905 shares of the face value of Rs. 10 each at a price of Rs. 6.39 per share i.e. at a discount of Rs. 3.61 per share without the issue of right shares under section 82 and 83 of the Companies Act, 2017 (the "Act"). SECP on the basis of a special resolution passed by the members of the Company in their general meeting held on 02 March 2018 allowed the Company under section 82 and 83 of the Act to issue 31,298,905 shares at Rs. 6.39 per share i.e. at a discount of Rs. 3.61 per share, without the issue of right share. The approval, however, was subject to the following conditions:

- i) 31.299 million shares shall be issued within sixty days of the letter.
- ii) The issuance of the shares shall be in cash and a copy of bank account statement maintained for the receipt of the subscription money, evidencing the receipt of all subscription money, shall be submitted to Commission within thirty days of the receipt of subscription money.
- iii) On the receipt of subscription money, the Company will first meet the statutory deposit requirement maintaining minimum statutory deposits with the state Bank of Pakistan and submit the documentary evidence to the commission within thirty days of receipt of subscription money (the additional deposit requirement was met subsequent to the period end).

During the reporting period Company has complied with all aforesaid conditions and return of allotment for the issue of additional shares was filed with SECP in June 2018 and a certified true copy of SECP has also been received. Accordingly the Company's capital has increased as follows:

Issued, subscribed and paid up capital	612,989,050
Discount on issue of shares	(112,989,050)
Minimum paid up capital	<u><u>Rupees 500,000,000</u></u>

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

- 2.1** These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012.

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

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2017.



### 3. BASIS OF MEASUREMENT

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

### 4. FUNCTIONAL AND PRESENTATION CURRENCY

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

### 5. CHANGES IN ACCOUNTING POLICIES AND RECLASSIFICATIONS / RESTATEMENT OF PRIOR YEARS' FIGURES

The accounting policies and method of computation adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended 31 December, 2017 except as stated below.

#### 5.1 Change in accounting policies

##### 5.1.1 Application of Insurance Rules, 2017 and Insurance Accounting regulation, 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated 9 February 2017 has issued the Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations, 2017). The application of these Rules and Accounting Regulations, 2017 for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017. However, SECP granted exemption from the application of Insurance Accounting Regulations, 2017 to the Company till 31 December 2017. Therefore, the application of Insurance Accounting Regulations, 2017 became effective from the accounting year commencing from 1 January 2018.

The Rules and Accounting Regulations, 2017 require significant disclosures / requirements, which are relevant to the Company includes but not limited to: Presentation and disclosure of financial statements prescribed in Annexure II of the Insurance Rules, 2017 and recognition of available-for-sale investments at fair value as per IAS 39 "Financial Instruments: Recognition and Measurement".

The Company has adopted these Rules and Accounting Regulations, 2017 and accordingly has changed its accounting policy as follows:

##### 5.1.1.1 Available for sale investments

Up to 31 December 2017, the available for sale investments subsequent to initial recognition was stated at the lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) as the application of International Accounting Standard-39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of available for sale investments was deferred in accordance with the repealed SEC (Insurance) Rules, 2002.

According to the Rules and Accounting Regulations, 2017, the Company has changed its accounting policy for subsequent measurement of investments classified as available for sale from lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) to fair value as per the requirements of IAS 39 and any unrealised gains or losses arising on re-measurement of available-for-sale investments are taken to Other Comprehensive Income. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss account for the period.

##### 5.1.1.2 Presentation of Financial Statements

The Company has adopted the format for the preparation and presentation of its condensed interim financial information in line with the requirements of the Rules and Accounting Regulations, 2017. Significant changes in presentation are Rearrangements in the sequence of assets / liabilities in the statement of financial position; presentation of single profit or loss account instead of segment wise (classes of business) presentation and discontinuation of separate statements of Contribution, Claims, Expense and investment Income. The segment wise and contributions, claims and direct expenses are now included in the notes to the Condensed Interim Financial Information (refer notes 22).

#### 5.2 Other restatements and reclassifications

##### 5.2.1 Reversal of claims liability

During the period, the management carried out an exercise to determine the validity of motors takaful claims liability as recorded in the Company's books and records. Based on such an exercise the management has identified certain such claims which do not warrant their recognition as a claims liability primarily for two fold reasons viz., although the claims had been lodged, however the

survey was never carried out and although the a survey was carried out at the client's premises, the motor vehicles were never taken to a workshop for survey and repairs, despite follow up by the surveyors. Besides no payments on these accounts have been made till date, since the date of their recognition. The amount of such individual claims liability ranged between Rs. 3,000 to Rs. 197,500. Management is of the view that the veracity of claims as mentioned above cannot be substantiated or the claimants may not be interested in pursuing the claims.

Management on its part also consulted a legal advisor, who has opined that there is no prohibition for the reversal of the claims as mentioned above under the Insurance Ordinance, 2000 and the Insurance Rules, 2017.

Age wise details of these claims are as follows:

Loss year	Amount	Amount of adjustment in the relevant financial year in these condensed interim financial information
2014	477,300	-
2015	6,544,071	-
2016	9,683,177	Cumulative amount of Rs. 16,704,548 relating to the loss years from 2014 to 2016 adjusted in Accumulated deficit of PTF as of 01 January 2017.
2017	3,941,695	Rs. 2,120,505 adjusted in the loss of PTF for the nine months period ended 30 September 2017 and Rs. 1,821,190 adjusted in the loss of PTF for the three months period ended 31 December 2017.
	<b>Rupees</b>	<b><u>20,646,243</u></b>

The reversal (restatement) of the claims liability has been applied retrospectively in accordance with the requirements of IAS 8, Accounting Policies, Change in Accounting Estimates and Errors and the comparatives have been restated (and the earliest period presented has been changed). Accordingly, the retrospective adjustments have been made in these condensed interim financial information and the comparatives have been revised as follows:

	Amount
Accumulated deficit of PTF as of 01 January 2017 – as earlier reported	(34,835,319)
Reversal of claim liability (as mentioned above)	16,704,548
Accumulated deficit as of 01 January 2017 – as restated	<b>Rupees <u>(18,130,771)</u></b>
Surplus for the nine months period ended 30 September 2017 – as earlier reported	10,714,200
Reversal of claim liability (as mentioned above)	2,120,505
Surplus for the nine months period ended 30 September 2017 – as restated	<b>Rupees <u>12,834,705</u></b>
Surplus for the three months period ended 31 December 2017 – as earlier reported	3,641,554
Reversal of claim liability (as mentioned above)	1,821,190
Surplus for the six months period ended 31 December 2017 – as restated	<b>Rupees <u>5,462,744</u></b>

Due to the above change, the claims liability of Rs. 83,125,955 as of 31 December 2017 has been changed by Rs. 20,646,243 and the restated liability as of that date is Rs. 62,479,712.

## 6 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2017.

## 7 TAKAFUL AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2017.

## 8 CONTRIBUTION DEFICIENCY RESERVE

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



		30 September 2018 - (Unaudited)						
Note	Cost		Accumulated depreciation			Book value		Depreciation Rate %
	As at 1 January 2018	Additions / (disposal) during the period	As at 30 September 2018	As at 1 January 2018	Charge for the period / (disposal)	As at 30 September 2018	As at 30 September 2018	
Leasehold improvements	4,582,140	-	4,582,140	3,495,296	299,302	3,794,598	787,542	10
Furniture and fixtures	12,771,651	-	12,713,001	12,002,427	306,265	12,288,365	424,636	10
Office equipment	6,406,066	(58,650)	6,716,416	4,755,511	(20,327)	5,128,562	1,587,854	10
Computers	18,385,865	(125,650)	18,785,630	17,836,451	(25,057)	18,012,281	773,349	33.33
Vehicles	2,416,737	529,765	2,416,737	1,493,845	(130,000)	1,820,720	596,017	20
Capital work in progress	9.1	-	5,446,020	5,446,020	-	-	5,446,020	
	Rupees	44,562,459	6,411,785	50,659,944	39,583,530	1,561,698	41,044,526	9,615,418
			(314,300)		(100,702)			

	31 December 2017 - (Audited)							Depreciation Rate %
	Cost		Accumulated depreciation				Book value	
	As at 1 January 2017	Additions / (disposal) during the year	As at 31 December 2017	As at 1 January 2017	Charge for the year / (disposal)	As at 31 December 2017	As at 31 December 2017	
Leasehold improvements	4,582,141	-	4,582,141	3,041,764	453,531	3,495,295	1,086,846	10
Furniture and fixtures	12,771,650	-	12,771,650	10,725,262	1,277,165	12,002,427	769,223	10
Office equipment	6,218,469	223,540 (35,943)	6,406,066	4,179,684	610,926 (35,097)	4,755,513	1,650,553	10
Computers	17,910,403	475,462	18,385,865	17,143,289	693,161	17,836,450	549,415	33.33
Vehicles	4,134,278	1,440,328 (3,157,869)	2,416,737	3,105,378	395,963 (2,007,495)	1,493,846	922,891	20
<i>Rupees</i>	45,616,941	2,139,330 (3,193,812)	44,562,459	38,195,377	3,430,746 (2,042,592)	39,583,531	4,978,928	

9.1 Capital work in progress represents renovation work being carried out at the Company's office premise.

## 10 INTANGIBLE ASSETS

		30 September 2018 - (Unaudited)							
		Cost		Accumulated amortization				Book Value	Amortization Rate %
		As at 1 January 2018	Additions during the period	As at 30 September 2018	As at 1 January 2018	Charge for the period	As at 30 September 2018	As at 30 September 2018	
Computer software	<i>Rupees</i>	14,263,182	-	14,263,182	13,977,160	105,219	14,082,379	180,803	33.33
<hr/>									
		31 December 2017 - (Audited)							
		Cost		Accumulated amortization				Book Value	Amortization Rate %
		As at 1 January 2017	Additions during the year	As at 31 December 2017	As at 1 January 2017	Charge for the year	As at 31 December 2017	As at 31 December 2017	
Computer software	<i>Rupees</i>	13,841,107	422,074	14,263,181	13,841,107	136,052	13,977,159	286,022	33.33

**11 INVESTMENTS IN EQUITY SECURITIES AND MUTUAL FUNDS - available for sale**

		30 September 2018			31 December 2017
	Note	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate (Restated)
Investment in Listed shares	11.1	23,594,186	66,122,302	89,716,488	4,991,397
Investment in Mutual funds	11.2	3,873,094	89,152,535	93,025,629	135,102,321
	Rupees	<u>27,467,280</u>	<u>155,274,837</u>	<u>182,742,117</u>	<u>140,093,718</u>

**11.1 Investment in listed shares**

	Note	30 September 2018 (Un-audited)			31 December 2017 (Audited)		
		Cost	Impairment / (provision)	Carrying Value	Cost	Impairment / (provision)	Carrying Value (Restated)
<b>Shareholders' Fund</b>							
Investment in Quoted equity securities	11.1.1	26,314,619	-	26,314,619	5,060,826	-	5,060,826
Fair value loss on available for sale investments - net (charged to other comprehensive income)		-	-	(2,720,432)	-	-	(69,429)
	Rupees	<u>26,314,619</u>	<u>-</u>	<u>23,594,186</u>	<u>5,060,826</u>	<u>-</u>	<u>4,991,397</u>
<b>Participants' Takaful Fund</b>							
Investment in Quoted equity securities	11.1.1	73,359,834	(74,993)	73,284,841	-	-	-
Fair value gain on available for sale investments - net (charged to other comprehensive income)		-	-	(7,162,539)	-	-	-
	Rupees	<u>73,359,834</u>	<u>(74,993)</u>	<u>66,122,302</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**11.2 Investment in mutual funds - available for sale**

<b>Shareholders' Fund</b>							
Investment in Units of Shariah Compliant Mutual Fund		10,933,078	-	10,933,078	60,281,982	-	60,281,982
Fair value loss on available for sale investments - net (charged to other comprehensive income)		-	-	(7,059,984)	-	-	(5,979,500)
	Rupees	<u>10,933,078</u>	<u>-</u>	<u>3,873,094</u>	<u>60,281,982</u>	<u>-</u>	<u>54,302,482</u>
<b>Participants' Takaful Fund</b>							
Investment in Units of Shariah Compliant Mutual Fund		95,765,144	-	95,765,144	84,372,881	-	84,372,881
Fair value loss on available for sale investments - net (charged to other comprehensive income)		-	-	(6,612,609)	(3,874,718)	-	(3,573,042)
	Rupees	<u>95,765,144</u>	<u>-</u>	<u>89,152,535</u>	<u>80,498,163</u>	<u>-</u>	<u>80,799,839</u>

12 INVESTMENT IN DEBT SECURITIES - held to maturity

12.1 Sukuk Certificates - Shareholders' Fund

Performing Assets

	Note	Number of certificates	Maturity date	Effective yield	Profit Payment	Principal payment	Market value	Face value	30 September 2018	31 December 2017	Security
TPL Trakker Limited		10	13 April 2021	12 months KIBOR + 3%	Quarterly	4 equal quarterly instalments starting from October 2019 to April 2021	-	-	-	10,252,776	Secured against pledge of 55 million ordinary shares of TPL Properties Limited owned by Company.
Byco Petroleum Pakistan Limited		150	18 January 2022	3 months KIBOR + 1.05%	Quarterly	On maturity	15,300,000	15,000,000	15,085,229	15,105,659	Secured against fixed assets (excluding land and building) of the Company
Pak Elektron Limited	12.1.1	25	19 May 2019	3 months KIBOR + 1.05%	Quarterly	On maturity	-	25,000,000	25,000,000	-	Secured against first pari passu hypothecation charge over current assets with 25% margin.
Meezan Bank Limited	12.1.1	21	Perpetual	3 months KIBOR + 1.75%	Quarterly	Perpetual	-	21,000,000	21,000,000	-	Unsecured

Non - Performing Assets

Agritech Limited	12.1.2	3,000	06 August 2019	3 months KIBOR + 2%	Semi-annually	Non performing	Non performing	15,000,000	15,873,883	15,873,883	Secured against pari passu charger over property, plant and equipment of the Company
Quetta Textile Mills Limited	12.1.3	2,000	26 March 2020	3 months KIBOR + 1.75%	Quarterly	Non performing	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.

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

Rupees 80,924,632 45,197,838

12.2 Sukuk Certificates-Participants' Takaful Fund

Pak Elektron Limited	12.1.1	20	19 May 2019	3 months KIBOR + 1.05%	Quarterly	On maturity	-	5,000,000	5,000,000	-	Secured against first pari passu hypothecation charge over current assets with 25% margin.
								Rupees 5,000,000	5,000,000	-	

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

12.1.2 This includes investment aggregating to Rs. 15 million (31 December 2017: Rs. 15 million) in sukuk issued by Agritech Limited (the investee company) against which the investee company had not made payments on the contractual dates. In 2011, a restructuring agreement was signed between the investee company and the Investment Agent of the sukuk certificates, whereby, certain terms included in the original trust deed dated 22 July 2008 were amended, including the repayment period which was extended from 06 August 2015 to 06 August 2019. Further, in lieu of accrued overdue profit, zero coupon Term Finance Certificates (TFCs) were issued by Agritech Limited on 17 October 2011 which were to be repaid by the investee company within three and a half years from the date of issuance of such TFCs. However, the investee company defaulted on the instalment due based on the restructuring agreement as well as in making payments in respect of zero coupon term finance certificates. Therefore, the management has neither recorded TFCs issued in lieu of profit in the books of accounts nor accrued any profit on outstanding principal amount and has fully provided the outstanding principal.

12.1.3 An agreement for the restructuring of these sukuk was executed between the Investment Agent of these sukuk and Quetta Textile Mills Limited on 24 June 2013. According to the restructuring terms, repayment of principal of Rs. 8 million will be made to the Company over a period of 7 years till 26 March 2020 in twenty nine quarterly instalments whereas the profit shall be received by the Company at the rate of 6 monthly KIBOR and a spread of 1.75% with effect from 26 March 2013. However, the investee company defaulted on the instalment on due dates under restructuring agreement. Therefore, the management has not accrued any profit on outstanding principal amount and has fully provided for the outstanding principal.



13 INVESTMENT IN TERM DEPOSITS	30 September 2018			31 December
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	2017
	(Un-audited)			Aggregate (Audited)
<i>Held to Maturity</i>	note 13.1 & 13.2	note 13.3		
Deposits maturing within 12 months	Rupees 61,500,000	10,000,000	71,500,000	131,500,000

13.1 This represents term deposits of Rs. 31.5 million, Rs. 20 million and Rs. 10 million maturing on 04 January 2019, 05 December 2018 and 11 March 2019 respectively and carries profit rate at 6% per annum. The deposit is held with Dubai Islamic Pakistan Limited.

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

13.3 This represents a term deposit maturing on 14 February 2019 and carries profit rate at 6% per annum. The deposit is held with Bank Islami Pakistan Limited.

#### 14. LOANS AND OTHER RECEIVABLES

	Note	30 September 2018			31 December
		Shareholders' Fund	Participants' Takaful Fund	Aggregate	2017
					Aggregate
Advances to employees		1,145,728	-	1,145,728	1,202,522
Accrued investment income		4,509,873	1,746,044	6,255,917	5,231,236
Others		1,713,821	107,385	1,821,206	1,722,307
Receivable from Participants' Takaful Fund		-	-	-	13,530,944
Sales tax receivable		-	-	-	417,290
	Rupees	7,369,422	1,853,429	9,222,851	22,104,299

15 TAKAFUL / CO-TAKAFUL RECEIVABLES- Unsecured	Note	30 September 2018	31 December 2017
		(Un-audited)	(Audited)
Due from policy holders		55,325,194	14,051,351
Less: Provision for impairment against the balance due from the policy holders	15.1	(1,353,734)	(1,353,734)
		53,971,460	12,697,617
Due from other takaful companies		12,474,453	3,331,137
Less: Provision for impairment against the due from other takaful companies		(950,775)	(950,775)
		11,523,678	2,380,362
		65,495,138	15,077,979

15.1 Movement in provision for impairment		30 September 2018	31 December 2017
		(Un-audited)	(Audited)
Balance as on 1 January		1,353,734	2,664,580
Add: Provision made during the period / year		-	1,257,493
Less: Balance written off		-	(2,568,339)
Balance as on 30 September 2018 / 31 December 2017	Rupees	1,353,734	1,353,734

16 PREPAYMENTS	Note	30 September 2018			31 December
		Shareholders' Fund	Participants' Takaful Fund	Aggregate	2017
					Aggregate (Audited)
Prepaid rent		1,984,041	-	1,984,041	957,769
Prepaid re-takaful ceded		-	10,279,004	10,279,004	8,431,090
Prepaid tracker installation expense		-	3,379,130	3,379,130	
Others		6,806,165	-	6,806,165	102,396
	Rupees	8,790,206	13,658,134	22,448,340	9,491,255

## 17 CASH AND BANK

Cash and cash equivalents				
- Cash in hand	58,855	-	58,855	82,030
- Policy and revenue stamps, bond papers	-	156,784	156,784	414,446
	<u>58,855</u>	<u>156,784</u>	<u>215,639</u>	<u>496,476</u>
Cash and bank				
- Current account	6,979	461,720	468,699	6,279,430
- Savings accounts	17.1	154,666,202	72,330,678	226,996,880
	Rupees	<u>154,732,036</u>	<u>72,949,182</u>	<u>227,681,218</u>
				<u>26,891,146</u>

17.1 These represent balances maintained with Islamic commercial banks under profit and loss sharing basis carrying expected profit rates ranging from 1.22% to 7.25% (2017: 1.76% to 6%) per annum.

## 18 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

30 September 2018	31 December 2017		30 September 2018	31 December 2017
(Number of shares)				
<u>61,298,905</u>	<u>30,000,000</u>	Issued, subscribed and paid-up share capital	Rupees <u>612,989,050</u>	<u>300,000,000</u>

18.1 For details please refer note 1.3.

## 19 OTHER CREDITORS AND ACCRUALS

	Note	30 September 2018			31 December 2017
		Shareholders' Fund	Participants' Takaful Fund (Un-audited)	Aggregate	Aggregate (Audited)
Commission payable to agents		16,474,202	-	16,474,202	7,098,637
Federal excise duty		-	2,886,539	2,886,539	-
Federal Takaful fee		-	274,453	274,453	802
Withholding tax		-	462,101	462,101	475,612
Payable to staff gratuity fund				-	
- defined benefit plan		2,984,253	-	2,984,253	1,484,253
Provision for compensated absences		337,010	-	337,010	256,054
Security deposit		1,720,723	-	1,720,723	635,889
Tracker installation fee payable		-	4,195,287	4,195,287	259,815
Accrued expenses		3,819,020	-	3,819,020	3,312,259
Payable to Shareholders' Fund		-	-	-	13,530,944
Other payables	19.1	610,767	4,403,338	5,014,105	5,989,966
	Rupees	<u>25,945,975</u>	<u>12,221,718</u>	<u>38,167,693</u>	<u>33,044,231</u>

19.1 The Participants' Takaful Fund liability of Rs. 3.8 million (31 December 2017: 3.5 million) represents the stale cheques in respect of the claim liability of the Company.

20. INVESTMENT INCOME

Nine months period ended		Three months period ended	
30 September 2018	30 September 2017 (Restated)	30 September 2018	30 September 2017 (Restated)

20.1 Participants' Takaful Fund (PTF)

Income from equity securities-Available for sale

Dividend Income	1,526,075	-	1,120,175	-
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Net Realized Gains / (Losses) on Investments-Available for sale

Realized Gain on equity securities	2,393,596	2,945,657	2,237,391	226,815
Realized Loss on equity securities	(110,694)	-	(28,291)	-
	2,282,902	2,945,657	2,209,100	226,815

Income from debt securities-Held to maturity

Return on Sukuk	856,443	-	318,585	-
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Income from Deposits

Return on term deposit-held to maturity	1,696,216	2,694,836	150,000	755,229
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Total Investment Income	6,361,636	5,640,493	3,797,860	982,044
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Less: Investment related expenses	(19,928)	-	(11,131)	-
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Less: Impairment Loss on Available for Sale Equity Securities	(74,993)	-	-	-
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Net investment income (PTF)	Rupees 6,266,715	5,640,493	3,786,729	982,044
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20.2 Shareholders' Fund (SHF)

Income from equity securities-Available for sale

Dividend Income	351,990	162,180	262,050	-
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Net Realized Gains / (Losses) on Investments-Available for sale

Realized Gain on equity securities	1,248,189	2,978,543	73,255	-
Realized loss on equity securities	(1,326,303)	-	-	-
Realized Loss on equity securities	(78,114)	2,978,543	73,255	-

Income from debt securities-Held to maturity

Return on other securities	3,107,004	1,528,420	1,475,862	456,274
Amortization of contribution on sukuk	(64,451)	(215,835)	(11,945)	(71,945)
	3,042,553	1,312,585	1,463,917	384,329

Income from Deposits

Return on term deposit-held to maturity	1,923,929	4,182,307	922,500	1,357,409
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Total Investment Income	5,240,358	8,635,615	2,721,722	1,741,738
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Less: Investment related expenses	(28,802)	(10,000)	(9,668)	-
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Net investment income (SHF)	Rupees 5,211,556	8,625,615	2,712,054	1,741,738
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21 EARNINGS (AFTER TAX) PER SHARE - BASIC AND DILUTED

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

Net profit after tax for the period	Rupees (37,471,874)	1,149,902	(3,269,629)	(26,453,560)
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Weighted average number of ordinary shares	Number 40,896,656	30,000,000	40,896,656	30,000,000
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Basic earnings per share	Rupees (0.92)	0.04	(0.08)	(0.88)
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21.1 The Company has not issued any instrument which would dilute its basic earnings per share when exercised.



22. SEGMENT INFORMATION

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

	Nine months period ended 30 September 2018					
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
<b>PARTICIPANTS' TAKAFUL FUND</b>						
Takaful / re-takaful receivables	20,685,118	22,135,344	212,665,839	5,294,199	13,361,314	274,141,814
Less: Federal Excise Duty	(2,445,125)	(2,368,154)	(23,253,398)	(224,493)	(1,527,184)	(29,818,354)
Federal Takaful Fee	(180,489)	(184,047)	(1,772,116)	(50,193)	(117,165)	(2,304,010)
Stamp duty	(10,645)	(1,154,122)	(25,556)	(220)	(1,020)	(1,191,563)
Tracker charges	-	-	(10,407,893)	-	-	(10,407,893)
Gross written contribution	18,048,859	18,429,021	177,206,876	5,019,293	11,715,945	230,419,994
<b>Participants' Takaful Fund - revenue account</b>						
Contribution income earned	18,209,518	18,804,242	69,949,929	6,411,034	5,062,086	118,436,809
Retakaful expense	(10,633,180)	(13,123,707)	(10,697,600)	-	(366,216)	(34,820,703)
Net contribution revenue	7,576,338	5,680,535	59,252,329	6,411,034	4,695,870	83,616,106
Retakaful rebate earned	3,316,044	4,306,511	-	-	135,721	7,758,276
<b>Net revenue</b>	<b>10,892,382</b>	<b>9,987,046</b>	<b>59,252,329</b>	<b>6,411,034</b>	<b>4,831,591</b>	<b>91,374,382</b>
Takaful claims	(2,471,999)	195,420	(45,426,479)	(2,113,208)	(15,591,283)	(65,407,549)
Takaful claims recovered from retakaful operators & salvage recovery	2,288,116	(8,627)	11,050,391	-	47,955	13,377,835
Net claims	(183,883)	186,793	(34,376,088)	(2,113,208)	(15,543,328)	(52,029,714)
Wakala fee expense	(7,283,807)	(7,521,697)	(27,979,972)	(2,564,414)	(2,024,834)	(47,374,724)
Other direct expenses	(49,890)	(7,654)	(456,497)	(83,047)	(171,927)	(769,015)
<b>Underwriting results</b>	<b>3,374,802</b>	<b>2,644,488</b>	<b>(3,560,228)</b>	<b>1,650,365</b>	<b>(12,908,498)</b>	<b>(8,799,072)</b>
Investment income						6,266,715
Return on bank balances						1,288,727
Less: Mudarib's share						(1,888,861)
Net investment income						5,666,582
Other income						196,491
Bank charges						(58,240)
Total surplus transferred to balance of Waqf / Participants' Takaful Fund					<i>Rupees</i>	(2,994,240)

	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
<b>PARTICIPANTS' TAKAFUL FUND</b>						
Takaful / re-takaful receivables	22,901,022	20,863,012	80,524,143	25,385,508	698,344	150,372,029
Less: Federal Excise Duty	(2,749,009)	(1,982,943)	(8,534,912)	(1,792)	(85,246)	(13,353,902)
Federal Takaful Fee	(199,441)	(175,433)	(595,388)	(251,328)	(6,068)	(1,227,658)
Stamp duty	(9,220)	(1,119,168)	(66,330)	(180)	(950)	(1,195,848)
Tracker expense	-	-	(11,791,232)	-	-	(11,791,232)
Gross written contribution	19,943,352	17,585,468	59,536,281	25,132,208	606,080	122,803,389
Gross direct contribution	19,943,352	17,585,468	59,536,281	25,132,208	606,080	122,803,389
<b>Participants' Takaful Fund - revenue account</b>						
Contribution income earned	22,599,729	18,637,447	74,300,838	22,942,276	569,876	139,050,166
Retakaful expense	(14,687,639)	(11,313,377)	(9,297,600)	-	(341,265)	(35,639,881)
Net contribution revenue	6,800,013	4,415,065	46,486,070	14,184,021	155,209	103,410,285
Retakaful rebate earned	4,084,681	3,726,223	-	-	93,426	7,904,330
<b>Net revenue</b>	9,871,681	6,877,060	46,486,070	14,184,021	217,241	111,314,615
Takaful claims	(47,987)	(2,717,235)	(39,731,962)	(18,587,021)	167,204	(60,917,001)
Takaful claims recovered from retakaful operators	699,833	1,595,642	14,630,303	-	(82,392)	16,843,386
Net claims	684,634	(374,804)	(15,949,648)	(12,400,148)	84,812	(44,073,615)
Wakala fee expense	(9,039,892)	(7,454,979)	(29,720,335)	(9,176,910)	(227,950)	(55,620,066)
Other direct expenses	(73,591)	(31,095)	(6,256,500)	-	(381,781)	(6,742,967)
Contribution deficiency reversal	-	-	-	860,711	-	860,711
<b>Underwriting results</b>	<b>1,442,832</b>	<b>(983,818)</b>	<b>(5,440,413)</b>	<b>(6,532,326)</b>	<b>(307,678)</b>	<b>5,738,678</b>
Investment income						5,640,493
Return on bank balances						969,804
Less: Mudarib's share						(1,652,574)
Net investment income						4,957,723
Other income-restated						2,182,078
Bank charges						(43,774)
Total surplus transferred to balance of Waqf / Participants' Takaful Fund					<i>Rupees</i>	12,834,705

23. DATE OF AUTHORIZATION FOR ISSUE

08 NOV 2018

These financial statements were approved by the board of directors in the meeting held on \_\_\_\_\_ and authorized for issue.

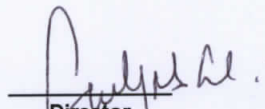
24. GENERAL

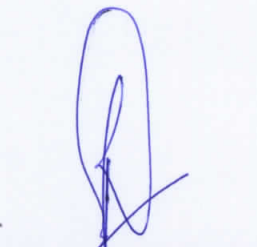
24.1 Figures have been rounded off to the nearest thousands.

24.2 Corresponding figures have been rearranged and reclassified wherever necessary in line with the requirements of the Rules and Accounting Regulations 2017.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer