



Going Beyond The Ordinary!

1st Quarter Report
31st March 2021 (Un-audited)



A dramatic space scene featuring the Earth's horizon and a bright sun or star on the left, with the text "GOING BEYOND THE ORDINARY!" centered in the upper half. The Earth's surface is visible in the lower half, showing continents and oceans. The background is a deep black space filled with numerous stars of varying brightness. The sun or star on the left creates a bright, glowing effect with rays of light extending across the scene.

**GOING BEYOND
THE ORDINARY!**

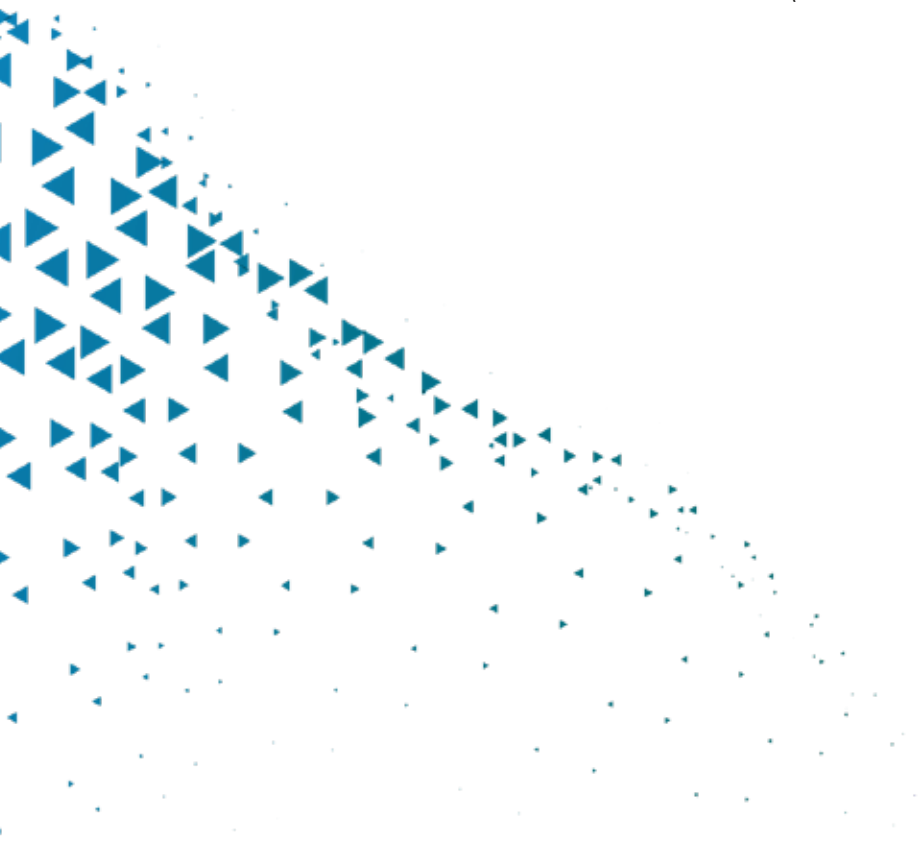


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COMPANY INFORMATION

DIRECTORS

Mr. Salim Habib Godil
(Chairman)
Syed Rizwan Hussain
(Managing Director & C.E.O)
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Syed Salman Hussain
Dr. Irum Saba
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MANAGING DIRECTOR & CEO

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* Represent change during the 2nd Quarter 2021.
Taha Siddiqui appointed as Head of Internal Audit on April 25, 2021

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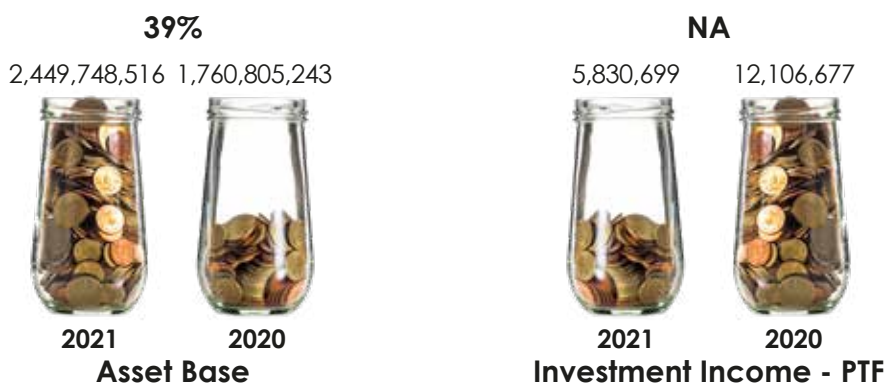
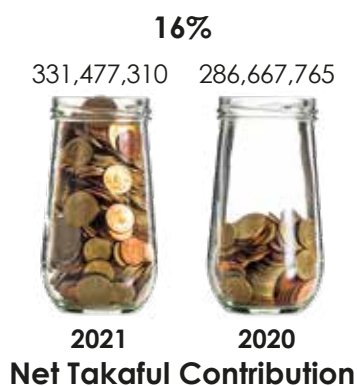
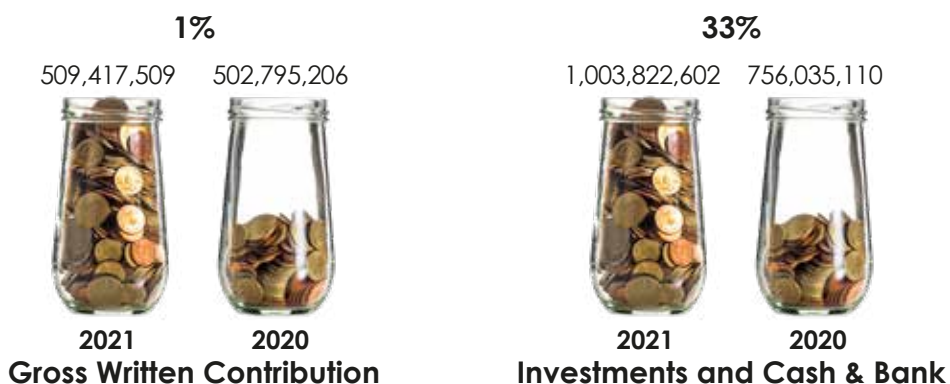
E-mail : info@salaamtakaful.com

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BANKING PARTNERS:

- Al Baraka Bank Pakistan Limited
- Meezan Bank Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Bank Limited
- UBL Ameen
- 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)
- NRSP Micro Finance Bank Limited
(Islamic Banking Division)

KEY FINANCIAL FIGURES (1st QUARTER)





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

The Directors of your Company are pleased to present before you the unaudited financial

statements of the Company for the three months ended March 31, 2021.

Financial Highlights

The summarized results of the Company's Takaful business for the three months period ended March 31, 2021 are as under:

	Unaudited		
	YTD 31st March 2021	YTD 31st March 2020	% Change
----- (Rupees) -----			
PARTICIPANT'S TAKAFUL FUND (PTF):			
Gross Written Contribution	509,417,509	502,795,206	1%
Net takaful contribution	331,477,310	286,667,765	16%
Underwriting Results	4,058,891	2,276,343	78%
Gross Investment Income (before impairment)	7,329,522	12,814,024	-43%
Surplus/(Deficit) for the period	9,509,706	11,995,028	-21%
SHAREHOLDERS' FUND (SHF)			
Wakala Fee	122,352,948	91,794,321	33%
Gross Investment Income (before impairment)	8,895,614	9,049,750	-2%
Profit & (Loss) before taxation for the period	4,851,051	4,227,705	15%
Profit & (Loss) after taxation for the period	3,015,756	2,600,733	16%

Performance Review

During the quarter ended March 31, 2021, Salaam Takaful Limited (Formerly Takaful Pakistan Limited (hereinafter referred to as "the Company")) has focused on building its business volume despite going through world worst hit pandemic Covid-19 situation including Pakistan. By the end of 1st Quarter of the year 2021, the Company showed growth of 1% in the Gross Written Contribution and 16 % in the Net Takaful Contribution.

Total investment income before impairment recorded at Rs. 16.2 million (2019: Rs. 21.8 million) depicts a decrease of 22% over the same period last year.

The Shareholders' Fund topline income is derived from the Wakala fees earned. During the March quarter of 2021, the Company managed to earn Wakala fees of Rs.122.3 million (2019: 91.79 million), a healthy increase of 33% over same period last year.

Outlook:

Pakistan's Economy

The GDP growth rate for fiscal year 2019–20 was -0.4 percent falling negative for the first time in seven decades. Per capita income fell from US\$1625 to US\$1325. Organizations and entities desperately tried to cope with the situation, with COVID-19 closures and lockdowns to limit the spread of the virus, contributing to growing unemployment and poverty.

GDP growth was only 1.9 per cent in fiscal year 2018–19, falling from a decade-high 5.8 per cent the previous year, when the current government came to power. While the Pangamic is playing a major role in slowing Pakistan's economy, a downward trend was evident as early as mid-2018.

The previous governments high fiscal and balance of payments deficits were always going to be a challenge for any successive government coming into power after the elections of July 2018. Ten months after its election, the new government was back with the IMF for Pakistan's 13th loan program since the 1980s. The 39-month US\$6 billion Extended Fund Facility was suspended when COVID-19 hit in March 2020.

With the IMF program halted, the government found the fiscal space to make support payments to mitigate the economic impact of the virus. Pakistan also received US\$1.4 billion from the IMF under its Rapid Financing Instrument scheme, as well as US\$2 billion in debt relief and assistance from the G20 and other multilateral institutions.

In the current year 2021 the 1.5pc growth projection by the IMF is in stark contrast with revised 3pc GDP growth forecast made by the State Bank of Pakistan. The IMF estimates are in line with those of World Bank, which has projected growth at 1.3pc for current year. Inflation rate would come down from 10.2pc last year to 8pc year on year and 10pc on average by FY2022. The Fund estimates current account deficit rising from 1.1pc of GDP in FY2020 to 1.5pc in FY2021 and then going up to 1.8pc of GDP in FY2022

Business Challenges and Opportunities

The coronavirus pandemic is tremendously dampening economy, consumer demand & behavior, exporters, businesses, and industries. Deteriorating economic condition would likely subdue the business activity that will impact Marine, Fire & Engineering and Miscellaneous line of businesses. Furthermore, with falling policy rates due to monetary

easing by the central bank to cushion the impact of pandemic shock on growth and employment, there could be a rise in Ijarah and consumer lending businesses being favorable for Motor segment but that too could be outweighed by pandemic battered businesses causing disruption in consumer spending and income levels. In-addition to it, owing to declining fixed income yields and globally volatile equity market, investment returns would also be affected negatively.

There's severe uncertainty about the duration and intensity of the economic shock, and stimulating economic activity is more challenging given the required social distancing and isolation policies. In such recessions, there is always unfortunately tremendous loss of income for people at the lower end of the income scale, causing poverty and inequality to rise. Financial security becomes crucial as deteriorating businesses and potential rise in unemployment will cause a higher probability of decline in premium payments going forward.

The government has introduced timely and large financial stimulus package to bolster economy and support the vulnerable. The topmost priority is to contain the virus spread, protect people, and limit economic damage.

The pandemic would cause people to reconsider their individual health insurance needs. Furthermore, it would propel organizations to embark on rapid technological development and become more agile, connected, and responsive.

The organizations are rapidly assessing their operations, business disruption plans are being assessed and updated. The pandemic has led to a dire need and significant importance of digital transformation, integrating systems, servers and workforce amid social distancing enabling workforce to access servers and communicate remotely.

These are extremely challenging times for individuals, families, businesses and indeed whole societies and economies. With dedicated workforce under prudent leadership working tirelessly to best serve the participants and society at large, we strive to be the top of the mind playing a vital role in supporting participants and societies through the crisis and the recovery.

The Company intends to enter in the large un-tapped retail market through digitalization and customized customer portals. Moreover, through efficient underwriting, robust Retakaful arrangements and

competent workforce, our Company also aims to take advantage from available opportunities and progress rapidly.

Acknowledgment

The Directors would like to express their deep appreciation to our shareholders who have shown continued confidence in the Company.

We would also like to pay our gratitude to the Securities and Exchange Commission of Pakistan, Retakaful operators and all our participants for their continued guidance and support.

Lastly, we would like to place on record our sincere appreciation for the commitment, dedication and innovative thinking put in by each member of our Takaful family and are confident that they will continue to do so in the future.

On behalf of the Board of Directors



Syed Rizwan Hussain
Managing Director & CEO



Ahmed Shuja Kidwai
Director

ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اپنے دوبارہ تکفل آپریٹرز اور اپنے تمام شرکاء کو ان کی مسلسل رہنمائی اور مدد کے لئے بھی شکریہ ادا کرنا چاہیں گے۔

آخر میں، ہم اپنے تکفل خاندان کے ہر فرد کی طرف سے رکھی گئی وابستگی، لگن اور جدید سوچ کے لئے اپنی مخلصانہ تعریف کو ریکارڈ کرنا چاہتے ہیں اور انہیں یقین ہے کہ آئندہ بھی وہ یہ کام جاری رکھیں گے۔

یہ افراد، کنبے، کاروبار اور واقعی پوری معاشروں اور معیشتوں کے لئے انتہائی مشکل وقت ہیں۔ سمجھدار قیادت میں سرشار افرادی قوت بڑے پیمانے پر شرکاء اور معاشرے کی بہترین خدمت کے لئے انتھک محنت کر رہی ہے، ہم جدوجہد اور بحالی کے ل participants شرکاء اور معاشروں کی مدد کرنے میں ایک اہم کردار ادا کرنے کی کوشش کرتے ہیں۔

کمپنی کا ارادہ ہے کہ ڈیجیٹلائزیشن اور کسٹمر انڈکسٹری پورٹلز کے ذریعہ بڑی بڑی غیر ٹیپ خوردہ مارکیٹ میں داخلے کا ارادہ ہے۔ مزید یہ کہ موثر انڈور ٹنگ، مضبوط رہنما اکلف انتظامات اور اہل افرادی قوت کے ذریعہ، ہماری کمپنی کا مقصد بھی دستیاب مواقع سے فائدہ اٹھانا اور تیزی سے ترقی کرنا ہے۔

عتراف

ڈائریکٹرز ان حصص یافتگان سے گہری تعریف کا اظہار کرنا چاہیں گے جنہوں نے کمپنی پر مسلسل اعتماد ظاہر کیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



سید ضوان حسین
نیشنل ڈائریکٹرز ایسوسی ایشن



احمد شجاع قدوائی
ڈائریکٹر

کورونا وائرس وبائی بیماری معیشت، صارفین کی طلب اور برتاؤ، برآمد کنندگان، کاروبار اور صنعتوں کو بے حد متاثر کر رہی ہے۔ معاشی حالت کو خراب کرنے سے ممکنہ طور پر اس کاروباری سرگرمی کو ختم کر دیا جائے گا جس سے سمندر، فائر اینڈ انجینئرنگ اور کاروبار کے متنوع خطوط پر اثر پڑے گا۔ مزید یہ کہ ترقی اور ملازمت پر وبائی صدمے کے اثرات کو کم کرنے کے لئے مرکزی بینک کی طرف سے مانیٹری میں نرمی کی وجہ سے پالیسیوں کے زخموں میں کمی کے ساتھ، اجارہ میں اضافہ ہو سکتا ہے اور صارفین کے قرض دینے والے کاروبار موٹر سیکیشن کے لئے سازگار ہیں لیکن اس سے بھی وبائی بیماری کا شکار ہو سکتے ہیں دھجیاں اڑانے والے کاروبار جن سے صارفین کے اخراجات اور آمدنی کی سطح میں خلل پڑتا ہے۔ اس کے علاوہ، مقررہ آمدنی میں کمی اور عالمی سطح پر اتار چڑھاؤ والے انٹیوٹیٹ مارکیٹ میں کمی کی وجہ سے، سرمایہ کاری کے منافع پر بھی منفی اثر پڑے گا۔

معاشی جھٹکے کی مدت اور اس کی شدت کے بارے میں سخت بے یقینی ہے، اور معاشرتی دوری اور الگ تھلگ پالیسیوں کی وجہ سے معاشی سرگرمی کی تحریک زیادہ مشکل ہے۔ اس طرح کی کساد بازاری میں، بد قسمتی سے آمدنی کے پیمانے کے نچلے سرے پر لوگوں کے لئے آمدنی کا زبردست نقصان ہوتا ہے، جس کی وجہ سے غربت اور عدم مساوات میں اضافہ ہوتا ہے۔ مالی سکیورٹی بہت اہم ہو گئی ہے کیونکہ بگڑتے ہوئے کاروبار اور بے روزگاری میں ممکنہ اضافے کے باعث پریمیم ادائیگیوں میں کمی کا امکان زیادہ ہو جائے گا حکومت نے معیشت کو مستحکم کرنے اور کمزوروں کی مدد کے لئے بروقت اور بڑے مالی محرک سیج متعارف کرایا ہے۔ اولین ترجیح یہ ہے کہ وائرس کو پھیلانا، لوگوں کی حفاظت کرنا، اور معاشی نقصان کو محدود کرنا۔

وبائی مرض سے لوگوں کو انفرادی صحت کی انشورنس کی ضروریات پر نظر ثانی کرنا ہوگی۔ مزید برآں، یہ تنظیموں کو تیز رفتار نمائندگی ترقی پر گامزن ہو جائے گا اور زیادہ فریٹیل، منسلک، اور ذمہ دار بننے کی تحریک کرے گا۔ تنظیمیں اپنے کاموں کا تیزی سے جائزہ لے رہی ہیں، کاروبار میں خلل ڈالنے کے منصوبوں کا اندازہ اور تازہ کاری کی جارہی ہے۔ وبائی مرض نے ڈیجیٹل ٹرانسفارمیشن، انٹیکریٹنگ سسٹمز، سرورز اور افرادی قوت کی اشدر ضرورت اور اہم اہمیت کا باعث بنا ہے جس کے نتیجے میں معاشرتی فاصلے سے افرادی قوت کو سرورسک رسائی حاصل کرنے اور دوسرے بات چیت کرنے میں مدد ملتی ہے۔

ای سال 2019-2020 کے لئے جی ڈی پی کی شرح نمو سات دہائیوں میں پہلی بار منفی گر رہی تھی۔ فی کس آمدنی 1625 امریکی ڈالر سے کم ہو کر 1325 امریکی ڈالر ہو گئی۔ تنظیموں اور اداروں نے COVID-19 کی بندش اور لاک ڈاؤن کے ذریعہ اس وائرس کے پھیلاؤ کو محدود کرنے کے لئے صورت حال سے نمٹنے کی شدت سے کوشش کی، جس سے بڑھتی ہوئی بے روزگاری اور غربت میں اضافہ ہوا۔

موجودہ حکومت کے اقتدار میں آنے کے بعد مالی سال 2018-19 میں جی ڈی پی کی نمو صرف 1.9 فیصد تھی جو پچھلے سال کی دہائی سے زیادہ 5.8 فیصد سے کم ہوئی تھی۔ اگرچہ بینک پاکستان کی معیشت کو سست کرنے میں ایک اہم کردار ادا کر رہا ہے، اس کے نیچے 2018 کے وسط کے اوائل تک ہی نیچے کی طرف رجحان دیکھنے میں آیا۔

پچھلی حکومتوں میں اعلیٰ مالی اور ادائیگی کے خسارے میں توازن جولائی July government of the کے انتخابات کے بعد آنے والی کسی بھی کامیابی والی حکومت کے لئے ہمیشہ ایک چیلنج رہا۔ اس کے انتخاب کے دس ماہ بعد، نئی حکومت پاکستان کے 13 ویں قرض پروگرام کے لئے آئی ایم ایف کے ساتھ واپس آئی 1980 کی دہائی سے مارچ 2020 میں COVID-19 کی زد میں آنے پر 39 ماہ میں 6 ارب امریکی ڈالر کی توسیعی فنڈ کی سہولت معطل کر دی گئی 39

آئی ایم ایف کا پروگرام رکھنے کے بعد، حکومت نے مالی خالی جگہ تلاش کی تاکہ وائرس کے معاشی اثرات کو کم کرنے کے لئے معاون ادائیگی کی جاسکے۔ پاکستان نے اپنی ریپڈ فنانشنگ انسٹرومنٹ اسکیم کے تحت آئی ایم ایف سے 1.4 بلین امریکی ڈالر کے ساتھ ساتھ 20 اور دیگر کثیر الجہتی اداروں کی طرف سے 2 ارب امریکی ڈالر کی قرض سے نجات اور امداد بھی حاصل کی موجودہ سال 2021 میں آئی ایم ایف کے ذریعہ 1.5 بی سی گرو تھ پروجیکشن اسٹیٹ بینک آف پاکستان کی نظر ثانی شدہ 3 بی سی جی ڈی پی شرح نمو کے بالکل برعکس ہے۔ آئی ایم ایف کے اندازے ورلڈ بینک کے تخمینے کے مطابق ہیں، جس نے رواں سال کے دوران 1.3pc کی شرح نمو کی پیش گوئی کی ہے۔ افراط زر کی شرح گزشتہ سال 10.2pc سے کم ہو کر سال کے 8pc سال اور مالی سال 2022 تک اوسط 10pc ہو جائے گی۔ فنڈ نے تخمینہ لگایا ہے کہ کرنٹ اکاؤنٹ خسارہ مالی سال 2020 میں جی ڈی پی کے 1.1pc سے بڑھ کر مالی سال 2021 میں 1.5pc اور مالی سال 2022 میں جی ڈی پی کے 1.8pc تک جائے گا

کنڈسٹ عبوری مالی معلومات سے متعلق ممبروں کو ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2021 کے اختتام پر کمپنی کے تین ماہ کے غیر آڈٹ شدہ مالیاتی گوشواروں کو پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

مالی جھلکیاں

31 مارچ 2021 کو ختم ہونے والے تین ماہ کی مدت کے لئے کمپنی کے مکافل کاروبار کے نتائج کا خلاصہ کچھ یوں ہے۔

% Change	Unaudited	
	YTD 31st March 2020	YTD 31st March 2021
	----- (Rupees) -----	
1%	502,795,206	509,417,509
16%	286,667,765	331,477,310
78%	2,276,343	4,058,891
(43%)	12,814,024	7,329,522
(21%)	11,995,028	9,509,706

شرکت دار کافنڈ (PTF)

مجموعی تحریری تعاون
خالص شرکت
تحریری نتائج
مداریب فیس سے پہلے مجموعی سرمایہ کاری کی آمدنی
مدت کے لئے زائد / (خسارہ)

شرکت دار کافنڈ (SHF)

واقالہ فیس
سرمایہ کاری کی آمدنی
ٹیکس لگانے سے پہلے منافع
ٹیکس لگانے کے بعد منافع

کارکردگی کا جائزہ

ملین روپے) میں پچھلے سال کی اسی مدت کے مقابلے میں 22% کی کمی دکھائی گئی ہے۔

شیئر ہولڈرز کی فنڈ ٹاپ لائن اکم واکیلہ فیس سے حاصل کی گئی ہے۔ 2021 مارچ کی سہ ماہی کے دوران، کمپنی 1,2.3.3 ملین (2019: 91.79 ملین) کی واکیلہ فیس وصول کرنے میں کامیاب ہو گئی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 33 فیصد کا صحت مند اضافہ ہے۔

مارچ 2021 کو ختم ہونے والی سہ ماہی کے دوران سلام تاکافل لمیٹڈ (سابقہ تاکافل پاکستان لمیٹڈ) جسے اس کے بعد "کمپنی" کہا جاتا ہے) نے پاکستان سمیت دنیا کی بدترین متاثرہ واکوویڈ 19 کی صورتحال سے گزرنے کے باوجود اپنے کاروباری حجم کی تعمیر پر توجہ مرکوز کی ہے۔ سال 2021 کی پہلی سہ ماہی کے اختتام تک کمپنی نے مجموعی تحریری شرکت میں 1 فیصد اور نیٹ مکافل کنٹریبیوشن میں 16 فیصد اضافہ ظاہر کیا۔

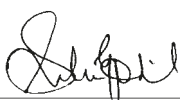
خرابی سے قبل مجموعی سرمایہ کاری کی آمدنی Rs. 16.2 ملین (2019: 21.8)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31 March 2021

		Shareholders' Fund		Participants' Takaful Fund	
		31 March 2021 (Un-audited)	31 Decemeber 2020 (Audited)	31 March 2021 (Un-audited)	31 Decemeber 2020 (Audited)
		(Rupees)			
ASSETS	Note				
Property and equipment	3	96,798,696	95,248,396	-	-
Intangible assets	4	-	-	-	-
Investments					
Debt securities	5	88,000,000	88,000,000	-	-
Term deposits	6	246,700,000	257,600,000	253,100,000	326,000,000
Long term deposits	8	18,658,126	10,691,613	-	-
Loans, advances and other receivables	9	45,198,793	13,268,441	17,660,077	11,540,607
Takaful / co-takaful receivables	10	-	-	580,605,844	480,278,414
Re-takaful recoveries against outstanding claims	19	-	-	101,792,755	94,690,909
Salvage recoveries accrued	19.1	-	-	15,000,000	10,692,786
Deferred wakala fees	24	-	-	277,753,984	226,315,276
Deferred commission expense	21	70,856,044	58,295,367	-	-
Taxation-payment less provisions		18,648,414	17,308,246	-	-
Accrued investment income		14,507,776	10,674,417	14,483,602	15,836,817
Receivable from Participants' Takaful Fund (PTF)	11	94,126,470	103,256,707	-	-
Prepayments	12	5,774,475	1,993,309	74,060,858	81,813,060
Cash and bank	13	319,536,392	219,024,947	96,486,210	67,419,876
TOTAL ASSETS		1,018,805,185	875,361,443	1,430,943,331	1,314,587,746

The annexed notes 1 to 29 form an integral part of these financial statements.



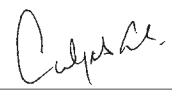
Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



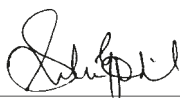
Shahzad Salim Godil
Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31 March 2021

		Shareholders' Fund		Participants' Takaful Fund	
		31 March 2021 (Un-audited)	31 December 2020 (Audited)	31 March 2021 (Un-audited)	31 December 2020 (Audited)
SHARE CAPITAL AND RESERVES		(Rupees)			
Authorised share capital					
150,000,000 (31 December 2020: 150,000,000 ordinary shares of Rs. 10 each)	1.6	1,500,000,000	700,000,000	-	-
Issued, subscribed and paid-up share capital	1.3 & 1.7	612,989,050	612,989,050	-	-
Discount on issuance of shares	1.3	(112,989,050)	(112,989,050)	-	-
Accumulated losses		(139,924,874)	(137,751,911)	-	-
		360,075,126	362,248,089	-	-
WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)					
Ceded money		-	-	500,000	500,000
Accumulated surplus		-	-	92,545,467	83,035,761
		-	-	93,045,467	83,535,761
Underwriting provisions					
Outstanding claims including IBNR	19	-	-	270,909,343	234,657,639
Unearned contribution reserves	17	-	-	921,276,848	774,926,588
Unearned re-takaful rebate	18	-	-	14,511,324	12,812,863
Contributions received in advance		-	-	6,950,087	4,888,381
Takaful / re-takaful payables	15	-	-	4,841,090	68,745,109
Unearned wakala fees		277,753,984	223,315,276	-	-
Accrued expenses		3,524,879	6,984,088	-	-
Payable to staff gratuity fund-defined benefit plan		17,437,594	15,202,763	-	-
Payable to Shareholder's Fund	11	-	-	94,126,471	19,183,236
Deferred tax liability		2,670,457	2,670,457	-	-
Other creditors and accruals	16	357,343,145	261,940,770	25,282,703	25,165,594
TOTAL LIABILITIES		658,730,059	513,113,354	1,337,897,864	1,231,051,985
TOTAL EQUITY AND LIABILITIES		1,018,805,185	875,361,443	1,430,943,331	1,314,587,746
Contingencies and Commitments	17				

The annexed notes 1 to 29 form an integral part of these financial statements.



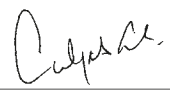
Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



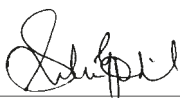
Shahzad Salim Godil
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

As at 31 March 2021

		Quarter ended 31 March	
		2021	2020
		----- (Rupees) -----	
Participants' Takaful Fund (PTF)			
Contribution earned		240,714,301	223,564,372
Less: Contribution ceded to retakaful operators		(31,589,940)	(28,690,928)
Net takaful contribution	17	209,124,362	194,873,444
Retakaful rebate earned	18	5,568,789	3,678,572
		214,693,151	198,552,016
Net takaful claims expense		(186,210,150)	(182,725,100)
Incurred But Not Reported (IBNR) claims expense		(15,720,627)	(8,166,546)
	19	(201,930,777)	(190,891,646)
Other direct expenses	20	(8,703,483)	(5,384,027)
Surplus before investment Income		4,058,892	2,276,343
Investment income	25	5,830,699	12,106,677
Other income		2,801	161,146
Profit on bank balances		1,498,823	707,347
Mudarib's share		(1,832,381)	(3,203,506)
Net investment income		5,499,943	9,771,664
Bank charges		(49,128)	(52,979)
Surplus after taxation		9,509,706	11,995,027
SHAREHOLDERS' FUND (SHF)			
Wakala fee	27	122,352,948	91,794,321
Commission expense	21	(25,811,179)	(27,112,974)
General, administrative and management expenses	22	(99,383,006)	(71,045,356)
		(125,194,185)	(98,158,330)
		(2,841,237)	(6,364,009)
Mudarib's share of PTF investment income		1,832,381	3,203,506
Investment income	25	4,278,639	8,974,559
Other direct expenses	23	(1,859,947)	(1,702,925)
Profit on bank balances		4,616,975	75,191
Other income		9,360	41,383
Finance cost		(1,185,120)	-
Profit before taxation		4,851,051	4,227,705
Provision for taxation		(1,835,294)	(1,626,972)
Profit after taxation		3,015,756	2,600,733
Earnings (after tax) per share		0.05	0.04

The annexed notes 1 to 29 form an integral part of these financial statements.



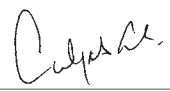
Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



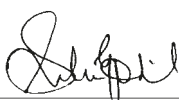
Shahzad Salim Godil
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

As at 31 March 2021

		Quarter ended 31 March	
		2021	2020
		(Rupees)	
Profit after taxation	Note	3,015,756	2,600,733
Other comprehensive income for the period			
Item to be reclassified to profit and loss account in subsequent period			
- Gain on sale of available-for-sale investments included in profit and loss account		-	-
Item that will not be reclassified to profit and loss account			
- Actuarial loss on defined benefit plan for the year		-	-
Total comprehensive income for the period		3,015,756	2,600,733
Participant Takaful Fund (PTF)			
Surplus for the year		9,509,706	11,995,027
Other comprehensive income for the period			
Item to be reclassified to profit and loss account in subsequent period			
- Gain on sale of available-for-sale investments included in profit and loss account		-	-
Total comprehensive income for the period		9,509,706	11,995,027

The annexed notes 1 to 29 form an integral part of these financial statements.



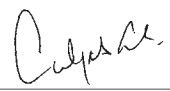
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Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



Shahzad Salim Godil
Director

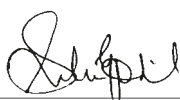
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY / FUND (UN-AUDITED)

As at 31 March 2021

SHAREHOLDERS' FUND (SHF)					
	Issued, subscribed & paid up share capital	Discount on issue of shares	Accumulated loss	Fair value reserve	Total
	(Rupees)				
Balance as at 1 January 2020	612,989,050	(112,989,050)	(145,541,363)	-	354,458,637
Total comprehensive income for the three months period ended 31 March 2020					
Profit after tax for the period ended 31 March 2020	-	-	2,600,733	-	2,600,733
Other comprehensive income					
Fair value loss realised on the sale of available for sale investment during the year	-	-	-	-	-
Transaction with owners - Qard-e-Hasna returned to SHF*	-	-	-	-	-
Actuarial loss on defined benefit plan for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	2,600,733	-	2,600,733
Balance as at 31 March 2020	612,989,050	(112,989,050)	(142,940,630)	-	357,059,370
Total comprehensive income for the nine months ended 31 December 2020					
Profit after tax for the nine months period 31 December 2020	-	-	2,555,039	-	2,555,039
Other comprehensive income					
Actuarial loss on defined benefit plan for the period	-	-	(1,884,513)	-	(1,884,513)
Total comprehensive income	-	-	670,526	-	670,526
Total comprehensive income for the year ended 31 December 2020	612,989,050	(112,989,050)	(142,270,104)	-	357,729,896
Profit after tax for the period ended 31 March 2021	-	-	3,015,756	-	3,015,756
Other comprehensive income	-	-	-	-	-
Actuarial loss on defined benefit plan for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	3,015,756	-	3,015,756
Balance as at 31 March 2020	612,989,050	(112,989,050)	(139,924,874)	-	360,075,126

Waqf / PARTICIPANTS' TAKAFUL FUND (PTF)					
	Ceded money	Discount on issue of shares	Accumulated Surplus / (deficit)	Fair value reserve	Total
	(Rupees)				
Balance as at 1 January 2020	500,000	-	27,066,104	-	27,566,104
Surplus for the three months period ended 31 March 2020	-	-	11,995,027	-	11,995,027
Balance as at 31 March 2020	500,000	-	39,061,131	-	39,561,131
Surplus for the nine months period 31 December 2020			43,974,630		43,974,630
Balance as at 31 December 2020	500,000	-	83,035,761	-	83,535,761
Surplus for the three months period ended 31 December 2020	-		9,509,706	-	9,509,706
Balance as at 31 March 2020	500,000	-	92,545,467	-	93,045,467


The annexed notes 1 to 29 form an integral part of these financial statements.



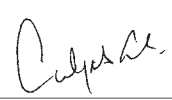
Salim Habib Godil
Chairman



Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



Shahzad Salim Godil
Director

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Salaam Takaful Limited (Formerly Takaful Pakistan Limited) ("the Company") is an unlisted public limited company incorporated in Pakistan on 02 June 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Subsequent to the year end on 22 February 2021, Company changed its name from Takaful Pakistan Limited to Salaam Takaful Limited. The Company has been established with the objective to carry out General Takaful Business as specified under the Insurance Ordinance, 2000, Takaful Rules, 2012, and Insurance Rules, 2017. The Company commenced commercial operations from 12 March 2007. The registered office of the Company is at 6th Floor, Business Centre, 19-1-A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, in the province of Sindh. The Company operates with 4 (31 December 2019: 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 financial statements have been prepared such that the financial position and results of operations of the Waqf and the Company are shown separately. Waqf deed also governs the relationship of shareholders and participants for the management of takaful operations, investment of participants' funds (PTF) and investment of shareholders' funds (SHF) approved by the Shariah Advisor of 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, i.e. it was short of the required amount by Rs. 200 million. 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 the 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 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 paid-up capital as of 31 March 2021 was as follows:

Issued, subscribed and paid up capital
Discount on issue of shares
Minimum paid up capital (as required)

31 December 2020 (Rupees)
612,989,050
(112,989,050)
500,000,000

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

- 1.4** During the period, the Company has received Rs. 100 million balance amount, as advance against ordinary shares, from its shareholders under a resolution passed by the Company, in its extra ordinary general meeting held on 21 December 2020, to issue shares (other than right shares) amounting to Rs. 300 million at a price of Rs. 5.78 per share to its existing share holders. (Refer Note 16.1)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1** These interim financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as are notified under Companies Act, 2017; and
- Provisions of and directive issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, General Takaful Regulations, 2019 and Takaful Rules, 2012.
- Islamic Financial Accounting Standards (IFAS) 2019 issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

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

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

2.3 Basis of measurement

These interim financial statements have been prepared under the historical cost model.

2.4 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

3. PROPERTY AND EQUIPMENT - Shareholder's Fund

Note

31 March 2021	31 December 2020
(Rupees)	
23,487,739	20,772,877
30,394,107	25,991,678
42,916,850	48,483,841
96,798,696	95,248,396

Tangible assets
Capital work in progress
Right of use assets

6.1
6.2
6.3

3.1 Tangible assets

	31 March 2021						Depreciation Rate %	
	Cost		Accumulated depreciation		Book value			
	As at 1 January 2021	Additions / (disposal) during the period	As at 31 March 2021	As at 1 January 2021	Charge for the period / (disposal)	As at 31 March 2021		
	(Rupees)							
Leasehold improvements	11,960,161	-	11,960,161	6,609,287	1,294,638	7,903,925	4,056,236	33.33
Furniture and fixtures	14,944,553	-	14,944,553	13,526,359	313,145	13,839,504	1,105,049	33.33
Office equipment	10,228,758	4,958,500	15,187,258	6,841,944	432,835	7,274,779	7,912,479	20.00
Computers	34,523,594	1,034,100	35,557,694	26,023,554	1,679,747	27,703,301	7,854,393	33.33
Vehicles	3,722,896	618,100	4,340,996	1,605,941	175,473	1,781,414	2,559,582	20.00
	75,379,962	6,610,700	81,990,662	54,607,085	3,895,838	58,502,923	23,487,739	

	31 December 2020						Depreciation Rate %	
	Cost		Accumulated depreciation		Book value			
	As at 1 January 2020	Additions / (disposal) during the period	As at 31 December 2020	As at 1 January 2020	Charge for the period / (disposal)	As at 31 December 2020		
	(Rupees)							
Leasehold improvements	11,691,801	268,360	11,960,161	5,397,729	1,211,558	6,609,287	5,350,874	33.33
Furniture and fixtures	15,235,573	47,000 (338,020)	14,944,553	12,723,769	1,140,610 (338,020)	13,526,359	1,418,194	33.33
Office equipment	9,996,168	232,590	10,228,758	5,988,046	853,898	6,841,944	3,386,814	20.00
Computers	32,113,726	2,575,503 (165,635)	34,523,594	21,230,499	4,865,185 (72,130)	26,023,554	8,500,040	33.33
Vehicles	704,606	10,160,158 (7,141,868)	3,722,896	290,068	1,543,410 (227,537)	1,605,941	2,116,955	20.00
	69,741,874	13,283,611 (7,645,523)	75,379,962	45,630,111	9,614,661 (637,687)	54,607,085	20,772,877	

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

3.2 Capital Work in Progress - Shareholders Fund

Note

Civil Works
Advance for software development

31 March 2021	31 December 2020
(Rupees)	
17,939,107	17,286,678
12,455,000	8,705,000
30,394,107	25,991,678

3.3. Right of use assets

Right of use assets

31 March 2021							Depreciation Rate %
Cost		Accumulated depreciation			Book value		
As at 1 January 2020	Additions during the period	As at 31 March 2021	As at 1 January 2020	Charge for the period	As at 31 March 2021	As at 31 March 2021	
(Rupees)							
78,446,480	-	78,446,480	29,962,639	5,566,991	35,529,630	42,916,850	33.33

Right of use assets

31 December 2020							Depreciation Rate %
Cost		Accumulated depreciation			Book value		
As at 1 January 2020	Additions during the period	As at 31 December 2020	As at 1 January 2020	Charge for the period	As at 31 December 2020	As at 31 December 2020	
(Rupees)							
30,122,885	48,323,595	78,446,480	10,040,962	19,921,677	29,962,639	48,483,841	33.33

4. INTANGIBLE ASSETS

Computer software

31 March 2021							Amortization Rate %
Cost		Accumulated amortization			Book value		
As at 1 January 2020	Additions during the period	As at 31 March 2021	As at 1 January 2020	Charge for the period	As at 31 March 2021	As at 31 March 2021	
(Rupees)							
14,263,181	-	14,263,181	14,263,181	-	14,263,181	-	33.33

Computer software

31 December 2020							Amortization Rate %
Cost		Accumulated amortization			Book value		
As at 1 January 2020	Additions during the period	As at 31 December 2020	As at 1 January 2020	Charge for the period	As at 31 December 2020	As at 31 December 2020	
(Rupees)							
14,263,181	-	14,263,181	14,258,514	4,667	14,263,181	-	33.33

4.1 Cost of above assets include cost of software amounting to Rs. 14.26 million having net book value equal to NIL at the reporting date that are still in use.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2020

5. INVESTMENT IN DEBT SECURITIES - held to maturity

5.1 Sukuk Certificates - Shareholders' Fund

Performing Assets	Note	Number of certificates	Maturity date	Effective yield	Profit Payment	Principal payment	Market value	Face value	31 March 2021	31 December 2020	Security
									(Rupees)		
Dubai Islamic Bank Pakistan Limited		6,000	Perpetual	3 months KBOR + 1.75%	Quarterly	Perpetual	30,900,000	30,000,000	30,000,000	30,000,000	Unsecured
Hub Power Company Limited (HUBCO) - listed		300	22-Aug-23	3 months KBOR + 1.90%	Quarterly	25% February 2022 25% on August 2022 25% on February 2023 25% on August 2023	30,440,000	30,000,000	30,000,000	30,000,000	Revolving Cross Corporate Guarantee ("RCCG") from Narowal Energy Limited ("NEL") for the Issue Amount (With 25% margin) and profit & principal payments. Subordinate hypothecation charge over NEL's receivables including but not limited to any amounts receivable under the Gap Guarantee. Subordinate charge over of present and future movable fixed assets of NEL for PKR 9,333.33 million (Issue Amount along with 25% margin). Subordinate charge over of present and future movable fixed assets of HUBCO for PKR 4,000 million. Pledge of 100% shares of NEL with a book value of PKR 3,900 million.
Bank Islami Pakistan Ltd	5.1.1	5,600	Perpetual	3 months KBOR + 2.75%	Monthly	Perpetual	-	28,000,000	28,000,000	28,000,000	Unsecured
Non - Performing Assets (fully provided)											
AgriTech Limited	5.1.2	3,000	06 August 2019	3 months KBOR + 2%	Semi-annually	Non performing	-	15,000,000	15,873,883	15,873,883	Secured against part passu charge over property, plant and equipment of the Company.
Quetta Textile Mills Limited	5.1.3	2,000	26 March 2020	3 months KBOR + 1.75%	Quarterly	Non performing	-	10,000,000	3,945,520 19,839,403	3,945,520 19,839,403	Secured against first part passu Rs. 1,846 billion on all fixed assets of the Company.
Less: Provision held (against the non-performing sukuk certificates)									107,839,403	107,839,403	
									(19,839,403)	(19,839,403)	
									88,000,000	88,000,000	

5.1.1 Market value of the security is not yet quoted on MUFAP, however the profit is being received. Market value of other instruments, except for those which have been provided, are based on the rates quoted by MUFAP (i.e. of HUBCO which is of level 1 for value).

5.1.2 This represents investments aggregating to Rs. 15 million (31 December 2020: 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 the outstanding balance of the principal amount and has fully provided the outstanding principal.

5.1.3 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 KBOR 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.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

6. INVESTMENT IN TERM DEPOSITS

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

	31 March 2021			31 December 2020		
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
Held to Maturity						
	(Rupees)					
Deposits maturing within 12 months	246,700,000	253,100,000	499,800,000	257,600,000	326,000,000	583,600,000

7. QARD-E-HASNA RECEIVABLE

This represented the amount receivable by the Shareholders Fund from Participants' Takaful Fund/ amount payable by the Participants' Takaful Fund to the Shareholders Fund.

	31 March 2021	31 December 2020
	(Rupees)	
Opening balance	-	91,479,565
Qard-e-hasna contributed to the Waqf (PTF) during the period/year	-	-
Qard-e-hasna returned by PTF during the period/year	-	(91,479,565)
Closing balance	-	-

8. LONG TERM DEPOSITS - Shareholders Fund

	31 March 2021	31 December 2020
	(Rupees)	
Ijarah	15,524,870	8,467,720
Rental	3,133,256	2,223,893
Others	-	-
	18,658,126	10,691,613

9. LOANS, ADVANCES AND OTHER RECEIVABLES - considered good

	Shareholders' Fund		Participants' Takaful Fund	
	31 March 2021 (Un-audited)	31 December 2020 (Audited)	31 March 2021 (Un-audited)	31 December 2020 (Audited)
	(Rupees)			
Loans to employees (unsecured and interest free)	7,344,610	8,951,176	-	-
Advance against expenses	31,705,396	-	-	-
Earnest money receivable	-	-	4,203,395	3,666,548
Service charges receivable from co-takaful entities	-	-	616,043	1,383,283
Security deposit with hospitals	4,018,887	3,885,270	-	-
Refundable input tax	-	-	12,801,596	6,336,979
Bank profit receivable	1,829,900	331,995	39,043	153,797
Others	300,000	100,000	-	-
	45,198,793	13,268,441	17,660,077	11,540,607

9.1 The eligible employees are entitled to loans against salaries repayable within one to two years.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

10. TAKAFUL / CO-TAKAFUL RECEIVABLES - unsecured - Participants' Takaful Fund

Note	31 March 2021	31 December 2020
	(Rupees)	
Due from takaful participant holders	543,428,242	450,256,160
Less: Provision for impairment against balances due from participants	(8,662,082)	(8,662,082)
	534,766,160	441,594,078
Due from other takaful companies	45,839,684	38,684,336
Less: Provision for impairment against balances due from other takaful companies	-	-
	45,839,684	38,684,336
	580,605,844	480,278,414

10.1 Movement in provision for impairment - balances due from takaful participant holders

Note	31 March 2021	31 December 2020
	(Rupees)	
Balance as on 1 January	8,662,082	3,876,948
Add: Provision made during the period	-	4,785,134
Balance on at 31 March	8,662,082	8,662,082

10.2 Movement in provision for impairment - balances due from other takaful companies

Balance as on 1 January	-	2,016,550
Reversal made during the period	-	(2,016,550)
Balance on at 31 March	-	-

11. RECEIVABLE / PAYABLE (Current account between SHF and PTF)

	Shareholders' Fund (SHF- receivable)		Participants' Takaful Fund (PTF- payable)	
Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Rupees)			
Wakala fee	79,141,410	89,654,027	79,141,410	89,654,027
Mudarib fee	12,851,065	11,018,684	12,851,065	11,018,684
Other receivable / payable	2,133,995	2,583,996	2,133,996	2,583,996
	94,126,470	103,256,707	94,126,471	103,256,707

11.1 This represents payments by SHF on behalf of PTF

12. PREPAYMENTS AND DEFERRED EXPENSES

	Shareholders' Fund		Participants' Takaful Fund	
Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Rupees)			
CDC, SECP, etc annual fee	5,774,475	1,993,309	-	-
Prepaid re-takaful ceded	-	-	67,668,872	67,651,940
Prepaid tracker installation expense	-	-	6,391,987	14,161,120
	5,774,475	1,993,309	74,060,858	81,813,060

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

13. CASH AND BANK

	Note	Shareholders' Fund		Participants' Takaful Fund	
		31 March 2021	31 Decemeber 2020	31 March 2021	31 Decemeber 2020
Cash and cash equivalents			(Rupees)		
- Cash in hand		365,383	80,321	-	-
- Policy and revenue stamps, bond papers		-	-	65,050	104,940
		365,383	80,321	65,050	104,940
Cash and bank					
- Current account		10,921	10,921	58,604	58,604
- Savings accounts	13.1	319,160,088	218,933,705	96,362,557	67,256,332
		319,536,392	219,024,947	96,486,210	67,419,876

- 13.1 These represent balances maintained with Islamic banks under profit and loss sharing basis carrying expected profit rates ranging between 2.0% to 9.038% (2019: 6.5% to 11.0%) per annum.

14. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

31 March 2021	31 December 2020
(Number of shares)	
61,298,905	61,298,905

31 March 2021	31 December 2020
(Rupees)	
612,989,050	612,989,050

Shareholding pattern

House Building Finance Company Limited
 Al Baraka Bank (Pakistan) Limited
 Sitara Chemical Industries Limited
 Mal Al Khaleej Investment LLC
 Salim Habib Godil
 Syed Rizwan Hussain
 Shahzad Salim Godil
 Syed Salman Hussain
 Others

Number of shares	Percentage
8,699,500	14.19%
5,099,000	8.32%
2,999,500	4.89%
2,550,000	4.16%
10,485,602	17.11%
10,485,601	17.11%
10,485,601	17.11%
10,485,601	17.11%
8,500	0.01%
61,298,905	100.00%

15. TAKAFUL / RE-TAKAFUL PAYABLES

	31 March 2021	31 December 2020
	(Rupees)	
Due to other takaful companies	723,435	595,689
Due to re-takaful operators	9,117,655	68,149,420
	9,841,090	68,745,109

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

16. OTHER CREDITORS AND ACCRUALS

		Shareholders' Fund (SHF)		Participants' Takaful Fund (PTF)	
		31 March 2021	31 Decemeber 2020	31 March 2021	31 Decemeber 2020
Note		(Rupees)			
Commission payable to agents		4,433,324	56,265	-	-
Sales Tax Payable		-	-	4,371,188	11,590,647
Federal Takaful fee		-	-	2,036,448	3,370,730
Sales tax deducted at source		758,886	217,534	978,196	874,414
16.1	Advance Against Share Subscription Money	300,000,000	200,000,000	-	-
	Security deposit (held in separate bank account)	-	-	-	-
16.2	Liabilities against the right of use asset	51,029,587	49,844,467	-	-
Tracker installation fee payable		-	-	10,295,967	8,235,559
Other payables		1,121,349	11,822,504	7,600,904	7,693,348
		357,343,145	261,940,770	25,282,703	31,764,698

- 16.1 As mentioned in note 1.4 to these interim financial statements also, this represents Rs. 300 million received upto the period ended 31 March 2021 against the future issuance of share capital. The Company intends to issue the ordinary shares of Rs. 10 each at Rs. 5.78 per share i.e a discount of Rs. 4.22 per share subject to the approval of the Securities and Exchange Commission of Pakistan (SECP).

17. NET CONTRIBUTION-Participants' Takaful Fund

	31 March 2021	31 March 2020
(Rupees)		
Written Gross Contribution	509,417,509	502,795,206
Less: Wakala Fee earned/expired	(122,352,948)	(91,794,321)
Contribution Net of Wakala Fee	387,064,561	411,000,885
Add: Unearned Contribution reserve opening	774,926,588	506,402,779
Less: Unearned Contribution reserve closing	(921,276,848)	(693,839,292)
Contribution earned	240,714,301	223,564,372
Retakaful Contribution ceded	31,606,871	28,086,512
Add: Prepaid retakaful contribution opening	67,651,940	46,956,918
Less: Prepaid retakaful contribution closing	(67,668,872)	(46,352,502)
Retakaful Expense	31,589,940	28,690,928
Net Contribution	209,124,362	194,873,444

18. RETAKAFUL REBATE

	31 March 2021	31 March 2020
(Rupees)		
Retakaful rebate/commission received	7,267,250	4,605,778
Add: Unearned retakaful rebate / commission opening	12,812,863	3,851,294
Less: Unearned retakaful rebate / commission closing	(14,511,324)	(4,778,500)
Retakaful rebate/commission Income	5,568,789	3,678,572

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

19. TAKAFUL BENEFITS / CLAIM EXPENSE

		31 March 2021	31 December 2020
		(Rupees)	(Rupees)
Benefits Claim Paid	19.1	226,381,364	160,823,430
Add: Outstanding benefits / claims including IBNR closing		270,909,342	227,468,933
Less: Outstanding benefits / claims including IBNR opening		(234,657,638)	(152,283,379)
Claim Expense		262,633,068	236,008,984
Retakaful and other recoveries received		49,293,231	20,815,100
Add: Retakaful and other recoveries in respect of outstanding claims closing	19.1	116,792,755	74,548,336
Less: Retakaful and other recoveries in respect of outstanding claims opening		(105,383,695)	(50,246,098)
Retakaful and other recoveries revenue		60,702,291	45,117,338
Net Claim Expense		201,930,777	190,891,646

- 19.1 The closing balance of Re-takaful and other recoveries in respect of outstanding claims also includes salvage recoveries accrued of Rs. 15 million (2020: Rs. 10.69 million) which has been subsequently received.

20. OTHER DIRECT EXPENSES - Participant's Takaful Fund

	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
Tracker installation charges	8,521,824	4,529,168
Disallowed input sales tax	-	-
Service charges on co-takaful acceptance	181,659	854,859
Others	-	-
	8,703,483	5,384,027

21. COMMISSION EXPENSE

	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
Commission Paid or payable	38,371,856	42,372,730
Add: Deferred commission expense opening	58,295,367	33,609,160
Less: Deferred commission expense closing	(70,856,044)	(48,868,916)
Commission Expense	25,811,179	27,112,974

22. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - Shareholders' Fund

	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
Employee benefit cost	71,244,153	50,929,897
Rent, rates and taxes	147,610	105,521
Electricity, Gas and Water	1,744,282	1,246,925
Communications	2,547,345	1,821,006
Printing and stationery	1,808,577	1,292,887
Travelling and entertainment	3,598,805	2,572,657
Office repairs and maintenance	1,468,521	1,049,793
Vehicles running expense	273,788	195,721
Advertisement and sales promotions	1,517,965	1,085,139
Ijarah rentals	1,763,369	1,260,569
Depreciation	9,462,829	6,764,638
Legal and professional charges - business related	1,366,499	976,861
Takaful contribution	2,030,998	1,451,888
Bank charges	733	524
Miscellaneous expenses	407,532	291,330
	99,383,006	71,045,356

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

23. OTHER DIRECT EXPENSES - Shareholders' Fund

	31 March 2021	31 December 2020
	(Rupees)	
Auditors' Remuneration	525,000	500,000
Shariah Audit Fee	50,000	40,000
Subscription	1,284,947	1,162,925
	1,859,947	1,702,925

24. WAKALA FEES

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

	1 Jan 2021 to 31 March 2021
Fire and property damage	10.0%
Marine, aviation and transport	10.0%
Motor	75.0%
Health	5.0%
Miscellaneous	45.0%

25. INVESTMENT INCOME

	Shareholders' Fund-(SHF)		Participants' Takaful Fund-(PTF)	
	31 March 2021	31 Decemeber 2020	31 March 2021	31 Decemeber 2020
	(Rupees)			
Income from Debt Securities				
Return on Sukuk	1,929,549	3,172,168	-	-
Amortization of contribution on sukuk	-	-	-	-
Gain on Disposal of Sukuk	-	-	-	-
	1,929,549	3,172,168	-	-
Income from Deposits				
Return on term deposit-held to maturity	2,384,090	5,802,371	5,830,699	12,106,677
Total Investment Income	4,313,639	8,974,539	5,830,699	12,106,677
Less: Investment related expenses	(35,000)	-	-	-
Less: Charity on dividend purification	-	-	-	-
	(35,000)	-	-	-
Net investment income	4,278,639	8,974,539	5,830,699	12,106,677

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

26. SEGMENT INFORMATION - PARTICIPANTS' TAKAFUL FUND (PTF)

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

		For the Quarter Ended March 31, 2021					
		Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
		(Rupees)					
Takaful / re-takaful receivables		17,623,178	14,613,250	231,092,901	274,983,264	7,032,765	545,345,358
Less: Sales Tax Payable		(1,872,792)	(1,504,260)	(26,061,362)	-	(801,911)	(30,240,325)
Federal Takaful Fee		(128,645)	(122,533)	(1,991,895)	(2,722,429)	(61,672)	(5,027,174)
Stamp duty		(17,450)	(600,610)	(27,600)	(12,540)	(2,150)	(660,350)
Gross written contribution		15,604,291	12,385,847	203,012,044	272,248,295	6,167,032	509,417,509
Wakala fee		(1,652,748)	(785,029)	(101,590,156)	(7,818,790)	(10,506,225)	(122,352,948)
Participants' Takaful Fund - revenue account							
Takaful contribution earned		14,927,245	8,747,311	178,408,969	139,425,088	21,558,636	363,067,249
Takaful contribution ceded expense		(5,524,304)	(6,824,707)	(5,612,363)	-	(13,628,566)	(31,589,940)
Net Takaful contribution	17	7,750,193	1,137,575	71,206,451	131,606,298	(2,576,155)	209,124,362
Retakaful rebate earned	18	1,479,133	2,250,039	-	-	1,839,617	5,568,789
Net Underwriting Income		9,229,326	3,387,614	71,206,451	131,606,298	(736,538)	214,693,151
Takaful claims		(6,466,533)	(2,990,238)	(102,468,568)	(128,003,706)	(6,983,396)	(246,912,441)
Takaful claims recovered from retakaful operators & salvage recoveries		5,189,579	562,260	44,840,994	-	10,109,458	60,702,291
Net Takaful claims expense		(1,276,954)	(2,427,978)	(57,627,574)	(128,003,706)	3,126,062	(186,210,150)
Incurred But Not Reported (IBNR) claims expense		(770,270)	(249,975)	(1,028,587)	(12,575,987)	(1,095,808)	(15,720,627)
Other direct expenses		(160,365)	(5,467)	(8,527,990)	-	(9,661)	(8,703,483)
Underwriting results		7,021,737	704,194	4,022,300	(8,973,395)	1,284,055	4,058,891
Investment income	25						5,830,699
Profit on bank balances							1,498,823
Less: Mudarib's share							(1,832,381)
Net investment income							5,497,142
Other income							2,801
Bank charges							(49,128)
Total surplus							9,509,705

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

For the Quarter Ended March 31, 2020						
	Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Takaful / re-takaful receivables	12,370,472	7,954,405	205,740,912	282,738,467	28,118,769	536,923,025
Less: Sales Tax Payable	(1,261,577)	(662,812)	(23,456,572)	-	(3,205,538)	(28,586,499)
Federal Takaful Fee	(109,966)	(67,590)	(1,804,489)	(2,799,356)	(246,551)	(5,027,952)
Stamp duty	(2,321)	(464,996)	(30,930)	(3,554)	(11,567)	(513,368)
Gross written contribution	10,996,608	6,759,007	180,448,921	279,935,557	24,655,113	502,795,206
Wakala fee	(3,312,920)	(3,673,809)	(68,800,359)	(7,268,434)	(8,738,800)	(91,794,321)
Participants' Takaful Fund - revenue account						
Takaful contribution earned	8,282,302	9,184,523	151,346,015	114,800,319	31,745,534	315,358,693
Takaful contribution ceded expense	(6,428,981)	(4,457,861)	(6,747,050)	-	(11,057,036)	(28,690,928)
Net Takaful contribution	17 (1,459,599)	1,052,853	75,798,606	107,531,886	11,949,698	194,873,444
Retakaful rebate earned	18 1,969,517	1,393,136	-	-	315,919	3,678,572
Net Underwriting Income	509,918	2,445,989	75,798,606	107,531,886	12,265,617	198,552,016
Takaful claims	1,908,348	(2,448,627)	(110,037,353)	(114,234,581)	(11,196,771)	(236,008,984)
Takaful claims recovered from retakaful operators & salvage recoveries	3,241,264	190,830	40,894,582	-	790,661	45,117,338
Net Takaful claims expense	5,149,612	(2,257,797)	(69,142,771)	(114,234,581)	(10,406,110)	(190,891,646)
Contribution Deficiency Expense	-	-	-	-	-	-
Provisions for doubtful contributions (net of Wakala fee)	-	-	-	-	-	-
Other direct expenses	(99,269)	(8,256)	(5,128,293)	-	(148,209)	(5,384,027)
Underwriting results	5,560,262	179,937	1,527,542	(6,702,696)	1,711,298	2,276,343
Investment income	25					12,106,677
Impairment Loss on Available for Sale Equity Securities						-
Profit on bank balances						707,347
Less: Mudarib's share						(3,203,506)
Net investment income						9,610,518
Other income						161,146
Bank charges						(52,979)
Total surplus						11,995,028

27. SEGMENT INFORMATION - SHAREHOLDERS' FUND (SHF)

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

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

	For the Quarter Ended March 31, 2021					
	Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Wakala fee	1,652,748	785,029	101,590,156	7,818,790	10,506,225	122,352,948
Less: Commission expense	(1,671,790)	(1,358,160)	(16,849,033)	(4,902,500)	(1,029,695)	(25,811,179)
Management expense	-	-	-	-	-	(99,383,006)
	(19,042)	(573,131)	84,741,123	2,916,290	9,476,530	(2,841,237)
Mudarib share of PTF investment income	-	-	-	-	-	1,832,381
Investment Income	-	-	-	-	-	4,278,639
Other charges / income	-	-	-	-	-	2,766,388
Profit before taxation	-	-	-	-	-	6,036,171
Finance Cost	-	-	-	-	-	(1,185,120)
Profit before taxation	-	-	-	-	-	4,851,051
Taxation	-	-	-	-	-	(1,835,294)
Profit after taxation	-	-	-	-	-	3,015,756

	For the Quarter Ended March 31, 2021					
	Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Wakala fees	3,312,920	3,673,809	68,800,359	7,268,434	8,738,800	91,794,321
Less: Commission expense	(1,068,713)	(1,017,174)	(18,984,303)	(4,615,843)	(1,426,941)	(27,112,974)
Management expenses						(72,748,281)
						<u>(8,066,934)</u>
Investment Income						8,974,559
Mudarib share of PTF investment income	-	-	-	-	-	3,203,506
Profit on Bank Balance						75,191
Other charges / income	-	-	-	-	-	<u>41,383</u>
	-	-	-	-	-	4,227,705
Finance Cost						-
Profit before taxation						<u>4,227,705</u>
Taxation	-	-	-	-	-	<u>(1,626,972)</u>
Profit after taxation	-	-	-	-	-	<u>2,600,733</u>

28. GENERAL

28.1 Figures have been rounded off to nearest Rupee unless otherwise mentioned.

29. DATE OF AUTHORIZATION

These financial statements were approved by the Board of Directors in their meeting held on 29 April, 2021.

BUREAU VERITAS
Certification



TAKAFUL PAKISTAN LIMITED
6TH FLOOR, BUSINESS CENTRE, 19-A/1 BLOCK 6 P.E.C.H.S.
SHAHRAH-E-FAISAL, KARACHI - PAKISTAN

Bureau Veritas Certification Holding SAS –UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015

GENERAL TAKAFUL BUSINESS (CLASSES: MOTOR, HEALTH, MARINE, FIRE, ENGINEERING AND MISCELLANEOUS)

Original cycle start date: **13th December 2019**
Expiry date of previous cycle: **N/A**
Certification /Recertification Audit date: **16th November 2019**
Certification/ Recertification cycle start date: **13th December 2019**
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **12th December 2022**

Certificate No. MER19.643/UQ

Version : 01

Revision date: 13-12-2019



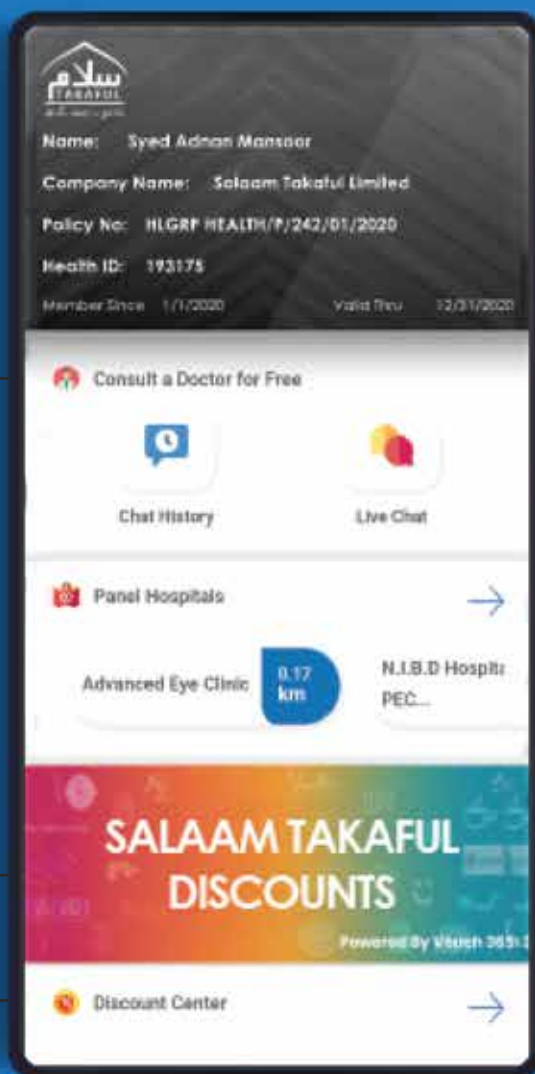
Certification body address: 5th Floor, 66 Prescott Street, London E1 8HG, United Kingdom
Local office: Office No. 09, Third Floor, Sardar Begum Plaza, Blue Area, Islamabad, Pakistan
Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.
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